



Resourcing Strategy

2022 - 2032

Eurobodalla
Shire Council

Acknowledgment of Country

Eurobodalla recognises Aboriginal people as the original inhabitants and custodians of all land and water in the Eurobodalla and respects their enduring cultural and spiritual connection to it.

How to contact us

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About this document

This document comprises of the **Long-Term Financial Plan (LTFP) 2022-32**, **Asset Management Strategy** and **Asset Management Plan (AM Plan) 2022-32** and the **Workforce Management Strategy (WMS) 2022-26**.

Resourcing Strategy 2022-32

The Resourcing Strategy is an essential element of the Integrated Planning and Reporting (IPR) framework. The Resourcing Strategy articulates how the council will allocate resources to deliver the objectives under its responsibility.

The Resourcing Strategy contains information on the time, money, assets and people required by Council to progress the activities within the Delivery Program and towards achieving our community's vision as articulated in the Community Strategic Plan. It is made up of the following components:

- Long-Term Financial Plan 2022-32
- Asset Management Strategy and Plan 2022-32
- Workforce Management Strategy 2022-26

Long-Term Financial Plan 2022-32

Long-Term Financial Plan 2022-32

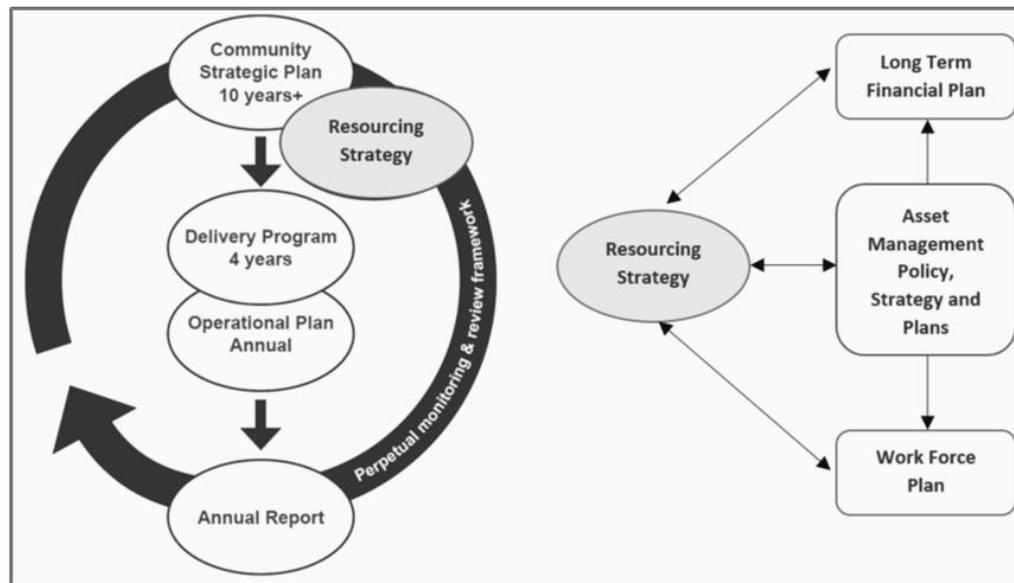
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Integrated Planning and Reporting Framework

The Integrated Planning and Reporting Framework consists of a Community Strategic Plan (CSP), a four-year Delivery Program (DP) and one-year Operational Plan (OP). These are accompanied by a Resourcing Strategy for the provision of resources required to implement the strategies established by the CSP (*Local Government Act, NSW, 1993, s403*).

Our Resourcing Strategy consists of three documents, the Long-Term Financial Plan (LTFP), Asset Management Strategy and Workforce Management Strategy. The LTFP serves as an important function in Council's strategic planning process and focuses on matters identified in the CSP that are the responsibility of Council.



To ensure Council has reflected the community aspirations, extensive community engagement has been undertaken to develop Council's CSP, DP and OP. The Council's adoption timing for these plans is as follows:

1. Community Strategic Plan was endorsed by Council at the 12 April 2022 Council meeting.
2. 2022-26 Delivery Program, 2022-23 Operational Plan and 2022-32 Long-Term Financial Plan was placed on public exhibition for a period of 28 days.
3. 2022-26 Delivery Program, 2022-23 Operational Plan and Resourcing Strategy are scheduled to be adopted by Council prior to 30 June 2022.

Purpose

The purpose of the Long-Term Financial Plan (LTFP) is to provide a guide for future action. It is not to provide details of an individual program of works or services. It is a tool to assess the community's aspirations and goals against financial realities and will inform decision making during the development, and revision of the Delivery Program and Operational Plan.

The LTFP is an evolving document that is reviewed annually, responding to changes to community's expectations, as more information comes to hand and as decisions are made.

This plan covers a 10-year time span, from 2022-23 to 2031-32.

The LTFP includes:

- ◆ Overview
- ◆ Key underlying assumptions
- ◆ Projected financial statements
- ◆ Performance monitoring
- ◆ Sensitivity analysis

Overview

Council's overall operations are presented as the consolidated entity, however its services can be separated into three funds for financial purposes. The three funds are the General Fund (which includes waste and environment activities), the Sewer Fund and the Water Fund. Separate rates are raised to fund general, environmental, waste, sewer and water services.

Council's General Fund includes its general, environment and waste functions. The General Rate (residential, business and farmland) is subject to rate pegging, where the NSW Independent Pricing and Regulatory Tribunal (IPART) determines the maximum percentage amount by which a council may increase its general income for the year. Under the *Local Government Act 1993*, councils are able to seek additional increases in general income beyond the annual rate peg, by applying to IPART for a special rate variation (SRV). There is no SRV request considered in this plan.

Balancing the community's needs and expectations for service delivery and mix, while maintaining its infrastructure, is a key challenge for the general operations of Council. Often the costs of maintaining and renewing infrastructure and providing services increases more than a council's income will each year. Further, Council has undertaken major new capital projects including Bay Pavilions which will be completed in the current 2021-22 financial year, and the Mogo Bike Trails and Coastal Headland Walk which will be completed in future years. Whilst significant grant funding was received for the construction of these assets, Council needs to fund the ongoing maintenance and renewal.

The General Fund is projected to run an operating deficit before capital grants and contributions which steadily reduces over the duration of the LTFP. This is based on a consistent service mix and level as described in the current DPOP. Any future request for additional services, or increase to the service levels allowed for, will need to be fully funded, or funded by a change in services required.

While Council's General Fund is in an operating deficit before capital, Council's financial reserves are adequate to meet our upcoming obligations. It must be remembered that an operating deficit before capital in the General Fund does not consider funds already held in reserves, is impacted by the timing of operating grants, and includes depreciation which is a significant non-cash expense.

In assessing Council's financial reserves, we need to ensure we manage our money, including cash and investments, and the income (including grants) we expect to collect in the short term, to then be able to meet our upcoming obligations. This is referred to as council liquidity. Council's liquidity position is measured by the unrestricted current ratio and remains both positive and above benchmark set by the Office of Local Government for the duration of the LTFP (see page 22).

It is important to consider the level of General Fund unrestricted cash, which is the cash and investments held by Council which are not bound by legislation or council resolution to be used for a specific purpose. As shown in the Consolidated Cash Flow Statement (page 11), Council's General Fund Unrestricted cash is at an adequate level and increasing over the duration of the LTFP.

Council's Water and Sewer operations have the financial flexibility to maintain a sound financial position as they have separate charges and user fees to recover the cost of their capital base and recurrent operating costs of service provision. Key considerations for these operations focus on ensuring a stable pricing path for ratepayers and meeting the Best Practice requirements as determined by the NSW Department of Primary Industries which is the governing body for water utility providers such as Council. Council's 30-year Integrated Water Cycle Management Strategy (IWCMS), originally adopted in 2003 and reviewed and adopted on 13 December 2016, has informed the development of the Water and Sewer Fund budgets.

The Water and Sewer Funds are in a satisfactory financial position. There are large capital works planned during this LTFP cycle including the Southern Water Storage Facility, Southern Water Treatment Plant and the renewal of several existing Sewerage Treatment Plants, which impact the forecast period results. The fund balances remain adequate throughout the LTFP period.

From a Consolidated Fund perspective, a small operating deficit before capital is forecasted over the first five years, moving into a surplus position in year six. Cash balances remain positive and adequate throughout.

Assumptions

In preparing the Long-Term Financial Plan a conservative approach was taken incorporating known factors, examining prior year performance and trends, and making conservative assumptions for forecasting.



Service Level

The service mix and level of service is assumed to be maintained over the planning period consistent with the current CSP. Whilst the next CSP period fits within the modelling period it is assumed that the level of service will remain the same. Level of service means that each service assists in achieving the CSP outcomes with measures to track and report on progress in achieving each activity allocated to that service.

Rates and Annual Charges

The indexation factor applied is based on guidance provided by IPART which is based on the Local Government Price Index and informs the rate peg. The guidance is a 2.5% increase for future years beyond the 2022-23 rate peg of 0.7% (plus 1% growth allowance), which is what has been used in the LTFP.

The General Fund assumes 1.7% (including 1% growth) for 2022-23, and 2.5% thereafter over the LTFP period. Historically the IPART Rate Peg has been 2.7% in 2019-20, 2.6% in 2020-21 and 2.0% in 2021-22.

Indexation for the Water and Sewer Funds is based on the adopted Integrated Water Cycle Management Strategy (IWCMS), currently around 2% annually, however a new updated IWCMS will be adopted later in 2022, which will be incorporated into the 2023 iteration of the LTFP.

User Fees and Other

Assumes 1.7% for 2022-23 and 2.5% thereafter.

Investment Revenue

Investment revenue is based on the estimate of the returns expected on Council's investment portfolio mainly being term deposits in accordance with the Minister's Investment Order and Council's Investment Policy. A gradual increase is anticipated over the current historically low interest rates on deposits.

Operating Grants and Contributions

A conservative approach is taken, as only specifically known grant funds are included.

Capital Grants and Contributions

A conservative approach is taken, including known or reasonably anticipated funding in the 10-year period.

Net Gain on Disposal of Assets

Disposal of plant and investments are assumed to be for nil gain as they are assets that meet operational needs and are not of a commercial nature.

The modelling assumes no write-off of the remaining book value of renewed infrastructure assets. Typically, the timing of land sales can be difficult to predict, and as such a conservative approach has been used to only include agreements already signed, in this modelling.

Interest Expense

Borrowings are utilised to finance Council's infrastructure programs and enables the benefits and costs of long-life assets to be shared equitably between current and future generations of ratepayers. This is commonly termed 'intergenerational equity'. Borrowings are also used to maintain liquidity. Borrowings are assumed to attract an interest rate of 4.4% average interest rate over the 10 years.

Depreciation

Depreciation is estimated based on current infrastructure and the projected asset expenditure in the future and is calculated using the straight-line basis over the estimated useful life of the asset. Modelling assumes like for like replacement of assets when they have reached the end of their useful lives.

Employee Costs

Salary and wages costs are estimated based on Council's approved organisational chart and applicable rates of pay. Increase is set at 2% for 2022-23 and we have assumed 2.5% indexation for the remaining duration of the plan.

Materials, Contracts and Other Costs

Assumes 2% indexation. Maintenance programs are adjusted for growth in the relevant asset class.

Projected Financial Statements

Income Statement

The income statement, also known as the profit and loss statement, primarily focuses on Council's revenues and expenses.

Balance Sheet

The balance sheet, also known as statement of financial position, reports Council's assets, liabilities, and equity. It provides a snapshot of what Council owns and owes as at the date of the report.

Cash Flow Statement

The cash flow statement, also known as statement of cash flows, shows the source of cash and helps monitor incoming and outgoing money.



Income Statement – Consolidated Fund

Eurobodalla Shire Council
10 Year Financial Plan for the Years ending 30 June 2032
INCOME STATEMENT - CONSOLIDATED FUND

Scenario : Starting Position	Actuals	Current Year	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	67,913	68,825	70,707	72,809	74,966	77,182	79,459	81,800	84,205	86,677	89,218	91,829
User Charges, Fees & Other	40,925	36,283	40,930	41,964	43,197	44,243	45,269	46,320	47,394	48,494	49,618	52,819
Interest & Investment Revenue	846	2,579	2,267	2,340	2,499	2,658	3,080	3,241	3,403	3,499	3,530	3,562
Other Revenues	2,052	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	-
Grants & Contributions provided for Operating Purposes	16,808	21,943	20,874	14,193	14,300	14,320	14,340	14,454	14,570	14,687	14,805	14,925
Grants & Contributions provided for Capital Purposes	59,115	60,456	42,852	41,070	21,846	3,573	8,653	8,834	9,020	9,209	9,403	9,601
Total Income from Continuing Operations	187,719	192,137	179,680	174,426	158,858	144,025	152,852	156,699	160,642	164,617	168,625	172,736
Expenses from Continuing Operations												
Employee Benefits & On-Costs	42,834	45,089	45,474	45,590	46,666	47,836	48,945	50,172	51,429	52,717	54,037	55,391
Borrowing Costs	2,200	2,095	2,260	2,663	2,922	3,552	3,318	3,165	3,086	2,859	2,657	2,429
Materials & Contracts	49,313	49,875	50,665	45,032	46,386	47,212	48,678	50,080	51,828	53,059	54,563	55,838
Depreciation & Amortisation	36,063	37,950	38,901	40,452	41,686	42,466	42,549	42,856	43,069	43,195	43,003	43,119
Dividends	-	1,034	1,072	1,088	1,104	1,121	1,137	1,154	1,172	1,189	1,207	1,225
Net Losses from the Disposal of Assets	7,133	-	(309)	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	137,543	136,044	138,061	134,825	138,765	142,185	144,629	147,428	150,583	153,019	155,468	158,002
Net Operating Result for the Year	50,176	56,093	41,619	39,602	20,093	1,840	8,223	9,271	10,059	11,597	13,158	14,734
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,939)	(4,363)	(1,233)	(1,468)	(1,753)	(1,733)	(430)	437	1,039	2,388	3,754	5,133

Balance Sheet – Consolidated Fund

Eurobodalla Shire Council
10 Year Financial Plan for the Years ending 30 June 2032
BALANCE SHEET - CONSOLIDATED FUND
Scenario : Starting Position

	Actuals	Current Year	Projected Years					Projected Years				
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	16,529	(8,728)	(9,571)	(25,044)	(27,481)	(26,397)	(23,646)	(27,578)	(19,792)	(270)	19,445	32,041
Investments	130,000	138,400	138,400	138,400	138,400	138,400	138,400	138,400	138,400	138,400	138,400	138,400
Receivables	22,410	22,410	22,410	22,410	22,410	22,410	22,410	22,410	22,410	22,410	22,410	22,410
Inventories	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611
Contract Assets	10,430	10,430	10,430	10,430	10,430	10,430	10,430	10,430	10,430	10,430	10,430	10,430
Other	819	819	819	819	819	819	819	819	819	819	819	819
Non-current assets classified as "held for sale"	183	183	183	183	183	183	183	183	183	183	183	183
Total Current Assets	182,988	166,190	165,353	149,881	147,444	148,528	151,279	147,347	155,132	174,655	194,370	206,960
Non-Current Assets												
Receivables	5	(11)	(27)	(43)	(59)	(75)	(91)	(107)	(123)	(139)	(155)	(171)
Infrastructure, Property, Plant & Equipment	1,550,457	1,632,399	1,687,989	1,747,068	1,782,560	1,776,310	1,776,710	1,780,580	1,782,188	1,768,397	1,755,527	1,753,735
Right of Use Assets	495	495	495	495	495	495	495	495	495	495	495	495
Total Non-Current Assets	1,550,957	1,632,883	1,688,457	1,747,520	1,782,990	1,776,730	1,777,114	1,780,968	1,782,560	1,768,753	1,755,867	1,754,059
TOTAL ASSETS	1,733,945	1,799,079	1,853,810	1,897,401	1,930,440	1,925,258	1,928,393	1,934,314	1,937,692	1,943,408	1,950,237	1,961,025
LIABILITIES												
Current Liabilities												
Bank Overdraft	84	84	84	84	84	84	84	84	84	84	84	84
Payables	11,429	11,429	11,429	11,429	11,429	11,430	11,429	11,429	11,429	11,430	11,429	11,429
/ Income Received in Advance	531	531	531	531	531	531	531	531	531	531	531	531
Contract Liabilities	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587
Borrowings	9,636	7,552	8,138	9,396	8,657	8,626	8,766	8,626	7,441	7,017	6,942	-
Employee Benefit Provisions	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342
Provisions	7	7	8	8	7	7	8	7	8	7	7	7
Total Current Liabilities	43,616	41,532	42,119	43,377	42,637	42,607	42,747	42,606	41,422	40,998	40,922	33,980
Non-Current Liabilities												
Payables	532	532	531	531	532	532	531	532	531	532	532	532
Borrowings	50,327	61,452	73,978	76,709	90,394	83,403	78,175	74,965	69,469	64,011	57,758	60,752
Employee Benefit Provisions	528	528	528	528	528	528	528	528	528	528	528	528
Provisions	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875
Total Non-Current Liabilities	54,262	65,387	77,912	80,043	94,329	87,338	82,109	78,900	73,403	67,940	61,093	64,087
TOTAL LIABILITIES	97,878	106,920	120,031	124,020	136,967	129,945	124,856	121,506	114,825	108,944	102,615	98,667
Net Assets	1,636,067	1,692,160	1,733,779	1,773,381	1,793,474	1,795,313	1,803,537	1,812,808	1,822,867	1,834,464	1,847,622	1,862,358
EQUITY												
Retained Earnings	914,810	970,903	1,012,522	1,052,124	1,072,217	1,074,057	1,082,280	1,091,551	1,101,610	1,113,208	1,126,365	1,141,100
Revaluation Reserves	721,257	721,257	721,257	721,257	721,257	721,257	721,257	721,257	721,257	721,257	721,257	721,257
Total Equity	1,636,067	1,692,160	1,733,779	1,773,381	1,793,474	1,795,314	1,803,537	1,812,808	1,822,867	1,834,465	1,847,622	1,862,357

Cash Flow Statement – Consolidated Fund

Eurobodalla Shire Council
10 Year Financial Plan for the Years ending 30 June 2032
CASH FLOW STATEMENT - CONSOLIDATED FUND
Scenario : Starting Position

	Actuals	Current Year	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	67,913	68,825	70,707	72,809	74,966	77,182	79,459	81,800	84,205	86,677	89,218	91,829
User Charges & Fees	40,925	36,283	40,930	41,964	43,197	44,243	45,269	46,320	47,394	48,494	49,618	52,819
Interest & Investment Revenue Received	846	2,579	2,267	2,340	2,499	2,658	3,080	3,241	3,403	3,499	3,530	3,562
Grants & Contributions	75,983	82,399	63,727	55,263	36,146	17,893	22,993	23,289	23,590	23,896	24,209	24,527
Other	2,052	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	-
Payments:												
Employee Benefits & On-Costs	(42,834)	(45,089)	(45,474)	(45,590)	(46,666)	(47,836)	(48,945)	(50,172)	(51,429)	(52,717)	(54,037)	(55,391)
Materials & Contracts	(50,704)	(49,875)	(50,665)	(45,032)	(46,386)	(47,212)	(48,678)	(50,080)	(51,828)	(53,059)	(54,563)	(55,838)
Borrowing Costs	(2,200)	(2,095)	(2,200)	(2,663)	(2,922)	(3,552)	(3,318)	(3,165)	(3,086)	(2,859)	(2,657)	(2,429)
Other	-	(1,034)	(1,072)	(1,088)	(1,104)	(1,121)	(1,137)	(1,154)	(1,172)	(1,189)	(1,207)	(1,225)
Net Cash provided (or used in) Operating Activities	91,981	94,043	80,211	80,054	61,779	44,306	50,772	52,127	53,128	54,792	56,161	57,854
Cash Flows from Investing Activities												
Receipts:												
Sale of Infrastructure, Property, Plant & Equipment	4,003	787	2,318	456	528	629	536	843	540	597	293	671
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	(89,647)	(120,680)	(96,500)	(99,987)	(77,707)	(36,844)	(43,485)	(53,569)	(39,217)	(30,002)	(30,426)	(41,997)
Deferred Debtors & Advances Made	22	16	16	16	16	16	16	16	16	16	16	16
Net Cash provided (or used in) Investing Activities	(85,622)	(119,876)	(94,165)	(99,515)	(77,163)	(36,199)	(42,934)	(52,710)	(38,661)	(29,388)	(30,117)	(41,310)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	7,188	18,678	20,664	12,127	22,342	1,634	3,538	5,416	1,945	1,559	689	2,994
Payments:												
Repayment of Borrowings & Advances	(5,611)	(9,636)	(7,552)	(8,138)	(9,396)	(8,657)	(8,626)	(8,766)	(8,626)	(7,441)	(7,017)	(6,942)
Net Cash Flow provided (used in) Financing Activities	1,577	9,042	13,111	3,989	12,947	(7,023)	(5,088)	(3,350)	(6,681)	(5,882)	(6,329)	(3,948)
Net Increase/(Decrease) in Cash & Cash Equivalents	7,936	(16,792)	(843)	(15,472)	(2,437)	1,084	2,751	(3,932)	7,786	19,522	19,715	12,596
plus: Cash, Cash Equivalents & Investments - beginning of year	148,384	146,529	129,737	128,894	113,422	110,985	112,069	114,820	110,888	118,673	138,196	157,911
less: Payables cleared post year end	(9,791)	-	-	-	-	-	-	-	-	-	-	-
Cash & Cash Equivalents - end of the year	146,529	129,737	128,894	113,422	110,985	112,069	114,820	110,888	118,673	138,196	157,911	170,507
Cash & Cash Equivalents - end of the year	16,529	(8,728)	(9,571)	(25,044)	(27,481)	(26,397)	(23,646)	(27,578)	(19,792)	(270)	19,445	32,041
Investments - end of the year	130,000	138,466	138,466	138,466	138,466	138,466	138,466	138,466	138,466	138,466	138,466	138,466
Cash, Cash Equivalents & Investments - end of the year	146,529	129,737	128,894	113,422	110,985	112,069	114,820	110,888	118,673	138,196	157,911	170,507
Representing:												
- External Restrictions	102,663	100,002	97,607	78,343	75,347	76,016	78,133	73,909	81,517	100,531	119,575	131,282
- Internal Restrictions	32,555	20,009	22,213	26,873	27,857	27,674	27,486	27,287	27,090	26,887	26,743	26,602
- General Fund Unrestricted	11,311	9,726	9,074	8,206	7,781	8,379	9,201	9,691	10,066	10,778	11,593	12,623
	146,529	129,737	128,894	113,422	110,985	112,069	114,820	110,888	118,673	138,196	157,911	170,507

Income Statement – General Fund

Eurobodalla Shire Council
10 Year Financial Plan for the Years ending 30 June 2032
INCOME STATEMENT - GENERAL FUND
Scenario : Starting Position

	Actuals	Current Year	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	39,427	39,471	40,328	41,512	42,722	43,963	45,236	46,542	47,882	49,256	50,666	52,112
User Charges, Fees & Other	28,709	23,417	28,319	29,039	29,949	30,665	31,353	32,050	32,775	33,509	34,260	37,078
Interest & Investment Revenue	374	1,757	2,116	2,168	2,246	2,334	2,591	2,670	2,760	2,815	2,825	2,855
Other Revenues	2,052	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	-
Grants & Contributions provided for Operating Purposes	16,478	21,547	20,488	13,798	13,898	13,909	13,922	14,028	14,135	14,243	14,352	14,463
Grants & Contributions provided for Capital Purposes	53,397	52,233	20,352	960	974	989	6,004	6,119	6,237	6,357	6,479	6,604
Total Income from Continuing Operations	140,437	140,474	113,853	89,527	91,840	93,910	101,156	103,465	105,838	108,230	110,632	113,112
Expenses from Continuing Operations												
Employee Benefits & On-Costs	34,900	37,044	37,763	37,692	38,571	39,538	40,440	41,454	42,493	43,558	44,649	45,768
Borrowing Costs	1,466	1,432	1,374	1,286	1,161	1,028	912	789	702	607	539	450
Materials & Contracts	34,123	34,111	35,235	29,799	30,822	31,304	32,379	33,492	34,920	35,819	36,945	37,862
Depreciation & Amortisation	21,639	22,850	23,717	24,265	24,671	24,831	24,827	24,991	25,055	25,107	24,920	24,993
Net (Profit)/Losses from the Disposal of Assets	6,558	-	(309)	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	98,686	96,037	97,780	93,043	95,224	96,702	98,559	100,726	103,169	105,090	107,054	109,072
Net Operating Result for the Year	41,751	44,437	16,073	(3,515)	(3,385)	(2,792)	2,597	2,739	2,669	3,140	3,579	4,040
Net Operating Result before Grants and Contributions provided for Capital Purposes	(11,646)	(7,796)	(4,479)	(4,475)	(4,359)	(3,781)	(3,407)	(3,380)	(3,568)	(3,216)	(2,900)	(2,564)

Balance Sheet – General Fund

Eurobodalla Shire Council

10 Year Financial Plan for the Years ending 30 June 2032

BALANCE SHEET - GENERAL FUND

Scenario : Starting Position

	Actuals 2020-21	Current Year 2021-22	2022-23	2023-24	2024-25	2025-26	Projected Years					2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	16,529	(2,918)	(5,042)	(4,783)	(1,179)	2,625	6,848	11,075	15,517	21,171	27,400	33,573
Investments	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296
Receivables	17,854	17,854	17,854	17,854	17,854	17,854	17,854	17,854	17,854	17,854	17,854	17,854
Inventories	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611	2,611
Contract Assets	9,628	9,628	9,628	9,628	9,628	9,628	9,628	9,628	9,628	9,628	9,628	9,628
Other	819	819	819	819	819	819	819	819	819	819	819	819
Non-current assets classified as "held for sale"	183	183	183	183	183	183	183	183	183	183	183	183
Total Current Assets	111,920	92,473	90,349	90,608	94,212	98,016	102,239	106,466	110,908	116,562	122,791	128,964
Non-Current Assets												
Receivables	5	(11)	(27)	(43)	(59)	(75)	(91)	(107)	(123)	(139)	(155)	(171)
Infrastructure, Property, Plant & Equipment	1,076,280	1,140,405	1,157,069	1,149,087	1,138,418	1,127,853	1,122,302	1,117,718	1,112,733	1,107,832	1,102,482	1,100,170
Right of Use Assets	495	495	495	495	495	495	495	495	495	495	495	495
Total Non-Current Assets	1,076,780	1,140,889	1,157,537	1,149,539	1,138,854	1,128,273	1,122,706	1,118,106	1,113,105	1,108,188	1,102,822	1,100,494
TOTAL ASSETS	1,188,700	1,233,363	1,247,887	1,240,147	1,233,066	1,226,290	1,224,945	1,224,572	1,224,012	1,224,750	1,225,614	1,229,458
LIABILITIES												
Current Liabilities												
Lease Liabilities	84	84	84	84	84	84	84	84	84	84	84	84
Payables	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058
Income Received in Advance	531	531	531	531	531	531	531	531	531	531	531	531
Contract Liabilities	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587	9,587
Borrowings	5,569	5,503	6,101	7,038	5,619	5,480	5,528	5,173	3,962	3,404	3,190	-
Employee Benefit Provisions	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342	12,342
Provisions	7	7	8	8	7	7	8	7	8	7	7	7
Total Current Liabilities	39,178	39,112	39,711	40,648	39,228	39,089	39,138	38,782	37,572	37,013	36,799	33,609
Non-Current Liabilities												
Lease Liabilities	532	532	531	531	532	532	531	532	531	532	532	532
Borrowings	37,619	37,912	35,764	30,602	28,325	24,480	20,490	17,733	15,716	13,872	11,370	14,364
Employee Benefit Provisions	528	528	528	528	528	528	528	528	528	528	528	528
Provisions	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875
Total Non-Current Liabilities	41,554	41,847	39,698	34,536	32,260	28,415	24,424	21,668	19,650	17,807	15,305	18,299
TOTAL LIABILITIES	80,732	80,958	79,409	75,184	71,489	67,504	63,562	60,450	57,222	54,820	52,104	51,908
Net Assets	1,107,968	1,152,405	1,168,478	1,164,963	1,161,578	1,158,786	1,161,383	1,164,122	1,166,790	1,169,931	1,173,509	1,177,549
EQUITY												
Retained Earnings	599,254	643,691	659,764	656,249	652,864	650,072	652,669	655,408	658,077	661,217	664,796	668,836
Revaluation Reserves	508,714	508,714	508,714	508,714	508,714	508,714	508,714	508,714	508,714	508,714	508,714	508,714
Total Equity	1,107,968	1,152,405	1,168,478	1,164,963	1,161,578	1,158,786	1,161,383	1,164,122	1,166,791	1,169,931	1,173,510	1,177,550

Cash Flow Statement – General Fund

Eurobodalla Shire Council
10 Year Financial Plan for the Years ending 30 June 2032
CASH FLOW STATEMENT - GENERAL FUND
Scenario : Starting Position

	Actuals	Current Year	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	39,427	39,471	40,328	41,512	42,722	43,963	45,236	46,542	47,882	49,256	50,666	52,112
User Charges & Fees	28,709	23,417	28,319	29,039	29,949	30,665	31,353	32,056	32,775	33,509	34,260	37,078
Interest & Investment Revenue Received	374	1,757	2,116	2,168	2,246	2,334	2,591	2,670	2,760	2,815	2,825	2,855
Grants & Contributions	69,875	73,780	41,040	14,758	14,872	14,898	19,926	20,147	20,371	20,599	20,832	21,067
Payments:												
Employee Benefits & On-Costs	(34,900)	(37,644)	(37,763)	(37,692)	(38,571)	(39,538)	(40,440)	(41,454)	(42,493)	(43,558)	(44,649)	(45,768)
Materials & Contracts	(33,620)	(34,111)	(35,235)	(29,799)	(30,822)	(31,304)	(32,379)	(33,492)	(34,920)	(35,819)	(36,945)	(37,862)
Borrowing Costs	(1,466)	(1,432)	(1,374)	(1,286)	(1,161)	(1,028)	(912)	(789)	(702)	(607)	(539)	(450)
Net Cash provided (or used in) Operating Activities	70,451	67,287	39,481	20,749	21,287	22,039	27,424	27,730	27,724	28,247	28,499	29,033
Cash Flows from Investing Activities												
Receipts:												
Sale of Infrastructure, Property, Plant & Equipment	4,003	787	2,318	379	446	505	472	609	474	430	180	555
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	(66,517)	(87,763)	(42,390)	(16,661)	(14,448)	(14,771)	(19,748)	(21,017)	(20,544)	(20,636)	(19,751)	(23,236)
Deferred Debtors & Advances Made	22	16	16	16	16	16	16	16	16	16	16	16
Net Cash provided (or used in) Investing Activities	(62,493)	(86,960)	(40,055)	(16,266)	(13,987)	(14,251)	(19,260)	(20,392)	(20,054)	(20,190)	(19,554)	(22,665)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	7,188	5,796	3,953	1,877	3,342	1,634	1,538	2,416	1,945	1,559	689	2,994
Payments:												
Repayment of Borrowings & Advances	(3,907)	(5,570)	(5,503)	(6,101)	(7,038)	(5,619)	(5,480)	(5,528)	(5,173)	(3,962)	(3,404)	(3,190)
Net Cash Flow provided (used in) Financing Activities	3,281	226	(1,549)	(4,224)	(3,696)	(3,985)	(3,942)	(3,112)	(3,228)	(2,402)	(2,716)	(196)
Net Increase/(Decrease) in Cash & Cash Equivalents	11,239	(19,446)	(2,124)	259	3,604	3,804	4,222	4,227	4,442	5,655	6,229	6,172
plus: Cash, Cash Equivalents & Investments - beginning of year	79,377	80,825	61,378	59,254	59,513	63,117	66,921	71,144	75,371	79,813	85,467	91,696
less: Payables cleared post year end	(9,791)	-										
Cash & Cash Equivalents - end of the year	80,825	61,378	59,254	59,513	63,117	66,921	71,144	75,371	79,813	85,467	91,696	97,869
Cash & Cash Equivalents - end of the year												
Cash & Cash Equivalents - end of the year	16,529	(2,918)	(5,042)	(4,783)	(1,179)	2,625	6,848	11,075	15,517	21,171	27,400	33,573
Investments - end of the year	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296	64,296
Cash, Cash Equivalents & Investments - end of the year	80,825	61,378	59,254	59,513	63,117	66,921	71,144	75,371	79,813	85,467	91,696	97,869
Representing:												
- External Restrictions	40,756	35,425	31,749	28,216	31,261	34,050	38,239	42,174	46,438	51,584	57,142	62,425
- Internal Restrictions	28,738	16,228	18,432	23,091	24,075	23,893	23,704	23,505	23,308	23,106	22,961	22,820
- Unrestricted	11,311	9,726	9,074	8,206	7,781	8,379	9,201	9,691	10,066	10,778	11,593	12,623
	80,825	61,379	59,255	59,514	63,118	66,922	71,144	75,371	79,813	85,467	91,696	97,869

Income Statement – Water Fund

Eurobodalla Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
INCOME STATEMENT - WATER FUND
 Scenario : Starting Position

	Actuals	Current Year	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	7,433	7,711	7,994	8,234	8,482	8,738	9,001	9,272	9,551	9,838	10,134	10,439
User Charges & Other	11,317	11,982	11,721	12,013	12,313	12,620	12,935	13,258	13,589	13,928	14,270	14,632
Investment Revenues	328	572	176	185	240	294	405	460	515	538	550	552
Operating Grants & contributions	199	204	198	202	206	211	215	219	223	228	233	237
Capital Grants & Contributions	2,600	6,725	20,100	37,830	19,261	1,292	1,325	1,358	1,392	1,426	1,462	1,499
Total Income from Continuing Operations	21,877	27,194	40,189	58,465	40,502	23,155	23,880	24,566	25,270	25,959	26,655	27,359
Expenses from Continuing Operations												
Employee Benefits & On-Costs	3,469	6,160	6,442	6,603	6,768	6,938	7,111	7,289	7,471	7,658	7,849	8,045
Borrowing Costs	48	43	26	19	17	15	13	11	9	7	5	2
Materials & Contracts	7,298	3,921	3,809	3,372	3,458	3,551	3,686	3,715	3,768	3,829	3,928	4,003
Depreciation & Amortisation	6,461	6,555	6,756	7,556	8,152	8,386	8,374	8,487	8,610	8,684	8,678	8,699
Dividends Paid	-	393	336	344	352	360	369	377	386	393	404	413
Net Losses from the Disposal of Assets	179	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	17,455	17,273	17,569	18,094	18,947	19,450	19,753	20,079	20,444	20,773	21,064	21,362
Net Operating Result for the Year	4,422	9,921	22,620	40,371	21,555	3,705	4,127	4,487	4,825	5,186	5,590	5,997
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,822	3,196	2,520	2,541	2,294	2,413	2,802	3,129	3,434	3,760	4,128	4,498

Balance Sheet – Water Fund

Eurobodalla Shire Council

10 Year Financial Plan for the Years ending 30 June 2032

BALANCE SHEET - WATER FUND

Scenario : Starting Position

	Actuals	Current Year	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	-	-	(1,077)	(15,981)	(14,873)	(11,592)	(15,667)	(27,750)	(28,599)	(19,540)	(9,881)	(1,038)
Investments	44,180	52,646	52,646	52,646	52,646	52,646	52,646	52,646	52,646	52,646	52,646	52,646
Receivables	3,631	3,631	3,631	3,631	3,631	3,631	3,631	3,631	3,631	3,631	3,631	3,631
Contract Assets	725	725	725	725	725	725	725	725	725	725	725	725
Total Current Assets	48,536	57,002	55,925	41,021	42,129	45,409	41,335	29,251	28,402	37,462	47,121	55,963
Non-Current Assets												
Infrastructure, Property, Plant & Equipment	198,741	200,128	223,761	278,974	299,357	299,716	307,849	324,350	329,952	326,005	321,860	318,936
Total Non-Current Assets	198,741	200,128	223,761	278,974	299,357	299,716	307,849	324,350	329,952	326,005	321,860	318,936
TOTAL ASSETS	247,277	257,130	279,686	319,995	341,486	345,125	349,185	353,601	358,355	363,467	368,981	374,899
LIABILITIES												
Current Liabilities												
Payables	215	215	215	215	215	216	215	215	215	216	215	215
Borrowings	565	264	62	64	66	68	70	72	74	76	79	-
Total Current Liabilities	780	479	277	279	281	284	285	287	289	292	294	215
Non-Current Liabilities												
Borrowings	221	453	592	528	462	394	324	252	178	102	23	23
Total Non-Current Liabilities	221	453	592	528	462	394	324	252	178	102	23	23
TOTAL LIABILITIES	1,001	932	869	807	743	678	609	539	467	394	317	238
Net Assets	246,276	256,197	278,817	319,188	340,743	344,447	348,575	353,062	357,887	363,072	368,664	374,661
EQUITY												
Retained Earnings	172,424	182,345	204,965	245,336	266,891	270,596	274,723	279,210	284,035	289,221	294,812	300,809
Revaluation Reserves	73,852	73,852	73,852	73,852	73,852	73,852	73,852	73,852	73,852	73,852	73,852	73,852
Total Equity	246,276	256,197	278,817	319,188	340,743	344,448	348,575	353,062	357,887	363,073	368,664	374,661

Cash Flow Statement – Water Fund

Eurobodalla Shire Council
10 Year Financial Plan for the Years ending 30 June 2032
CASH FLOW STATEMENT - WATER FUND
Scenario : Starting Position

	Actuals		Current Year					Projected Years				
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	7,433	7,711	7,994	8,234	8,482	8,738	9,001	9,272	9,551	9,838	10,134	10,439
User Charges & Fees	11,317	11,982	11,721	12,013	12,313	12,620	12,935	13,258	13,589	13,928	14,276	14,632
Interest & Investment Revenue Received	328	572	176	185	240	294	405	460	515	538	550	552
Grants & Contributions	2,799	6,928	20,298	38,032	19,467	1,503	1,539	1,577	1,615	1,654	1,695	1,736
Payments:												
Employee Benefits & On-Costs	(3,469)	(6,100)	(6,442)	(6,003)	(6,768)	(6,938)	(7,111)	(7,289)	(7,471)	(7,658)	(7,849)	(8,045)
Materials & Contracts	(7,906)	(3,921)	(3,809)	(3,372)	(3,458)	(3,551)	(3,680)	(3,715)	(3,768)	(3,829)	(3,928)	(4,003)
Borrowing Costs	(48)	(43)	(20)	(19)	(17)	(15)	(13)	(11)	(9)	(7)	(5)	(2)
Net Cash provided (or used in) Operating Activities	10,394	16,476	29,376	47,927	29,706	12,091	12,501	12,973	13,435	13,871	14,269	14,696
Cash Flows from Investing Activities												
Receipts:												
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	77	82	125	63	233	66	167	113	116
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	(7,636)	(7,942)	(30,390)	(62,846)	(28,617)	(8,869)	(16,570)	(25,221)	(14,278)	(4,904)	(4,646)	(5,890)
Net Cash provided (or used in) Investing Activities	(7,636)	(7,942)	(30,390)	(62,769)	(28,535)	(8,745)	(16,507)	(24,987)	(14,212)	(4,737)	(4,534)	(5,774)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	490	201	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(70)	(565)	(264)	(62)	(64)	(66)	(68)	(70)	(72)	(74)	(76)	(79)
Net Cash Flow provided (used in) Financing Activities	(70)	(69)	(63)	(62)	(64)	(66)	(68)	(70)	(72)	(74)	(76)	(79)
Net Increase/(Decrease) in Cash & Cash Equivalents	2,688	8,466	(1,077)	(14,904)	1,108	3,280	(4,074)	(12,084)	(849)	9,060	9,658	8,843
plus: Cash, Cash Equivalents & Investments - beginning of year	41,492	44,180	52,646	51,569	36,665	37,773	41,053	36,979	24,895	24,046	33,106	42,765
Cash & Cash Equivalents - end of the year	44,180	52,646	51,569	36,665	37,773	41,053	36,979	24,895	24,046	33,106	42,765	51,607
Cash & Cash Equivalents - end of the year	-	-	(1,077)	(15,981)	(14,873)	(11,592)	(15,667)	(27,750)	(28,599)	(19,540)	(9,881)	(1,038)
Investments - end of the year	44,180	52,646	52,646	52,646	52,646	52,646	52,646	52,646	52,646	52,646	52,646	52,646
Cash, Cash Equivalents & Investments - end of the year	44,180	52,646	51,569	36,665	37,773	41,053	36,979	24,895	24,046	33,106	42,765	51,607

Income Statement – Sewer Fund

Eurobodalla Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
INCOME STATEMENT - SEWER FUND
 Scenario : Starting Position

	Actuals	Current Year	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	21,053	21,643	22,385	23,063	23,761	24,481	25,222	25,986	26,772	27,583	28,418	29,278
User Charges & Other	899	884	890	912	935	958	982	1,006	1,031	1,056	1,082	1,109
Investment Revenues	144	250	(25)	(13)	13	30	84	111	128	147	156	155
Operating Grants & contributions	191	193	188	192	196	200	204	208	212	216	220	225
Capital Grants & Contributions	3,118	1,498	2,200	2,280	1,611	1,292	1,325	1,358	1,392	1,426	1,462	1,499
Total Income from Continuing Operations	25,405	24,468	25,638	26,434	26,516	26,961	27,816	28,668	29,535	30,428	31,338	32,265
Expenses from Continuing Operations												
Employee Benefits & On-Costs	4,465	1,285	1,269	1,295	1,327	1,360	1,394	1,429	1,465	1,501	1,539	1,577
Borrowing Costs	686	621	859	1,357	1,745	2,508	2,393	2,365	2,375	2,245	2,113	1,977
Materials & Contracts	7,892	11,842	11,620	11,861	12,106	12,357	12,612	12,873	13,140	13,412	13,690	13,973
Depreciation & Amortisation	7,963	8,545	8,428	8,631	8,863	9,248	9,349	9,378	9,404	9,404	9,404	9,427
Dividends Paid		440	536	544	552	560	569	577	586	595	604	613
Net Losses from the Disposal of Assets	396	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	21,402	22,734	22,712	23,688	24,993	26,034	26,317	26,623	26,969	27,157	27,350	27,568
Net Operating Result for the Year	4,003	1,735	2,926	2,746	1,923	927	1,499	2,045	2,565	3,271	3,988	4,697
Net Operating Result before Grants and Contributions provided for Capital Purposes	885	236	726	466	312	(365)	174	688	1,174	1,845	2,526	3,199

Balance Sheet – Sewer Fund

Eurobodalla Shire Council

10 Year Financial Plan for the Years ending 30 June 2032

BALANCE SHEET - SEWER FUND

Scenario : Starting Position

	Actuals	Current Year	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Cash Equivalents	-	(5,811)	(3,453)	(4,280)	(11,429)	(17,430)	(14,827)	(10,902)	(6,710)	(1,901)	1,926	(493)
Investments	21,524	21,524	21,524	21,524	21,524	21,524	21,524	21,524	21,524	21,524	21,524	21,524
Receivables	931	931	931	931	931	931	931	931	931	931	931	931
Contract Assets	77	77	77	77	77	77	77	77	77	77	77	77
Total Current Assets	22,532	16,721	19,079	18,252	11,103	5,102	7,705	11,630	15,822	20,631	24,458	22,039
Non-Current Assets												
Infrastructure, Property, Plant & Equipment	275,436	291,866	307,158	319,007	344,785	348,740	346,559	344,511	339,503	334,561	331,185	334,629
Total Non-Current Assets	275,436	291,866	307,158	319,007	344,785	348,740	346,559	344,511	339,503	334,561	331,185	334,629
TOTAL ASSETS	297,968	308,587	326,237	337,259	355,888	353,843	354,264	356,141	355,325	355,191	355,643	356,668
LIABILITIES												
Current Liabilities												
Payables	156	156	156	156	156	156	156	156	156	156	156	156
Borrowings	3,502	1,785	1,975	2,293	2,972	3,078	3,168	3,381	3,405	3,537	3,673	-
Total Current Liabilities	3,658	1,941	2,131	2,449	3,128	3,234	3,324	3,537	3,561	3,693	3,829	156
Non-Current Liabilities												
Borrowings	12,487	23,088	37,622	45,579	61,607	58,529	57,360	56,979	53,574	50,038	46,364	46,364
Total Non-Current Liabilities	12,487	23,088	37,622	45,579	61,607	58,529	57,360	56,979	53,574	50,038	46,364	46,364
TOTAL LIABILITIES	16,145	25,029	39,753	48,028	64,735	61,763	60,685	60,516	57,135	53,730	50,194	46,520
Net Assets	281,823	283,558	286,484	289,230	291,153	292,080	293,579	295,624	298,190	301,461	305,449	310,148
EQUITY												
Retained Earnings	143,132	144,867	147,793	150,539	152,462	153,389	154,888	156,933	159,499	162,770	166,758	171,456
Revaluation Reserves	138,691	138,691	138,691	138,691	138,691	138,691	138,691	138,691	138,691	138,691	138,691	138,691
Total Equity	281,823	283,558	286,484	289,230	291,153	292,080	293,579	295,624	298,190	301,461	305,449	310,147

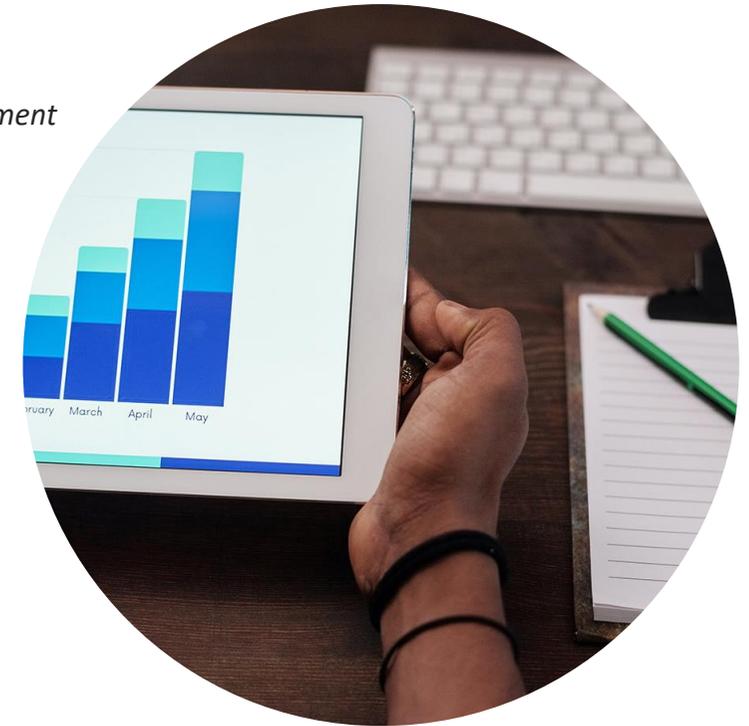
Cash Flow Statement – Sewer Fund

Eurobodalla Shire Council
 10 Year Financial Plan for the Years ending 30 June 2032
CASH FLOW STATEMENT - SEWER FUND
 Scenario : Starting Position

	Actuals	Current Year	Projected Years									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	21,053	21,043	22,385	23,003	23,761	24,481	25,222	25,986	26,772	27,583	28,418	29,278
User Charges & Fees	899	884	890	912	935	958	982	1,006	1,031	1,056	1,082	1,109
Interest & Investment Revenue Received	144	250	(25)	(13)	13	30	84	111	128	147	150	155
Grants & Contributions	3,309	1,691	2,388	2,472	1,807	1,492	1,528	1,565	1,604	1,643	1,683	1,724
Payments:												
Employee Benefits & On-Costs	(4,465)	(1,285)	(1,269)	(1,295)	(1,327)	(1,360)	(1,394)	(1,429)	(1,465)	(1,501)	(1,539)	(1,577)
Materials & Contracts	(9,118)	(11,842)	(11,620)	(11,861)	(12,106)	(12,357)	(12,612)	(12,873)	(13,140)	(13,412)	(13,690)	(13,973)
Borrowing Costs	(686)	(621)	(859)	(1,357)	(1,745)	(2,508)	(2,393)	(2,365)	(2,375)	(2,245)	(2,113)	(1,977)
Net Cash provided (or used in) Operating Activities	11,136	10,280	11,354	11,378	10,786	10,175	10,847	11,424	11,909	12,075	13,393	14,126
Cash Flows from Investing Activities												
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	(15,493)	(24,975)	(23,720)	(20,480)	(34,642)	(13,204)	(7,167)	(7,331)	(4,396)	(4,462)	(6,029)	(12,871)
Net Cash provided (or used in) Investing Activities	(15,493)	(24,975)	(23,720)	(20,480)	(34,642)	(13,204)	(7,167)	(7,331)	(4,396)	(4,462)	(6,029)	(12,871)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	12,386	16,510	10,250	19,000	-	2,000	3,000	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(1,634)	(3,302)	(1,785)	(1,975)	(2,293)	(2,972)	(3,078)	(3,168)	(3,381)	(3,405)	(3,537)	(3,673)
Net Cash Flow provided (used in) Financing Activities	(1,634)	8,884	14,724	8,275	16,707	(2,972)	(1,078)	(168)	(3,381)	(3,405)	(3,537)	(3,673)
Net Increase/(Decrease) in Cash & Cash Equivalents	(5,991)	(5,811)	2,358	(828)	(7,149)	(6,000)	2,603	3,925	4,192	4,808	3,827	(2,419)
plus: Cash, Cash Equivalents & Investments - beginning of year	27,515	21,524	15,713	18,071	17,244	10,095	4,094	6,097	10,622	14,814	19,623	23,450
Cash & Cash Equivalents - end of the year	21,524	15,713	18,071	17,244	10,095	4,094	6,697	10,622	14,814	19,623	23,450	21,031
Cash & Cash Equivalents - end of the year	-	(5,811)	(3,453)	(4,280)	(11,429)	(17,430)	(14,827)	(10,902)	(6,710)	(1,901)	1,920	(493)
Investments - end of the year	21,524	21,524	21,524	21,524	21,524							
Cash, Cash Equivalents & Investments - end of the year	21,524	15,713	18,071	17,244	10,095	4,094	6,697	10,622	14,814	19,623	23,450	21,031

Performance Management

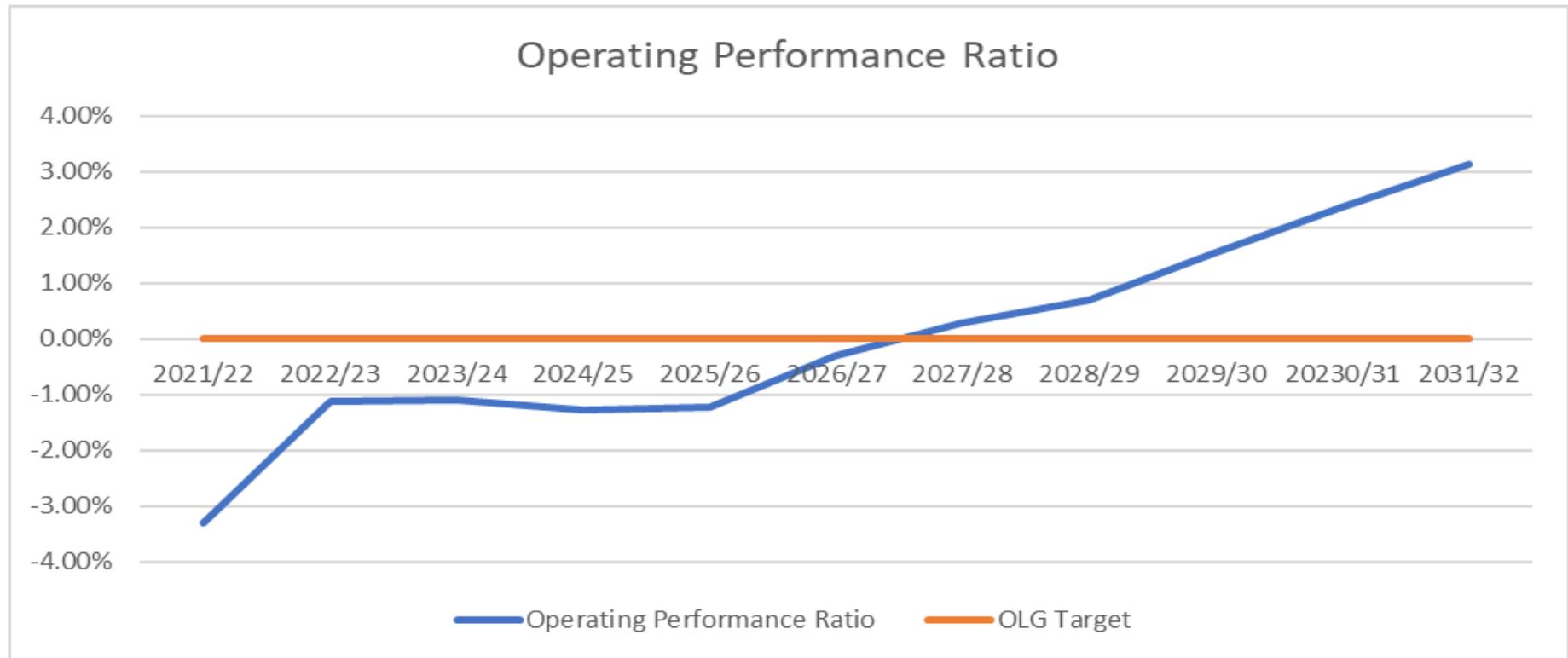
Performance will be monitored in accordance with the requirements of the *Local Government Code of Accounting Practice and Financial Reporting Guideline Note 13 – Statement of Performance Measure*, as prescribed by the Office of Local Government. These metrics apply to Council’s Consolidated Fund.



Operating Performance Ratio

$$\frac{\text{Total continuing operating revenue excluding capital grants and contributions less operating expenses}}{\text{Total continuing operating revenue excluding capital grants and contributions}}$$

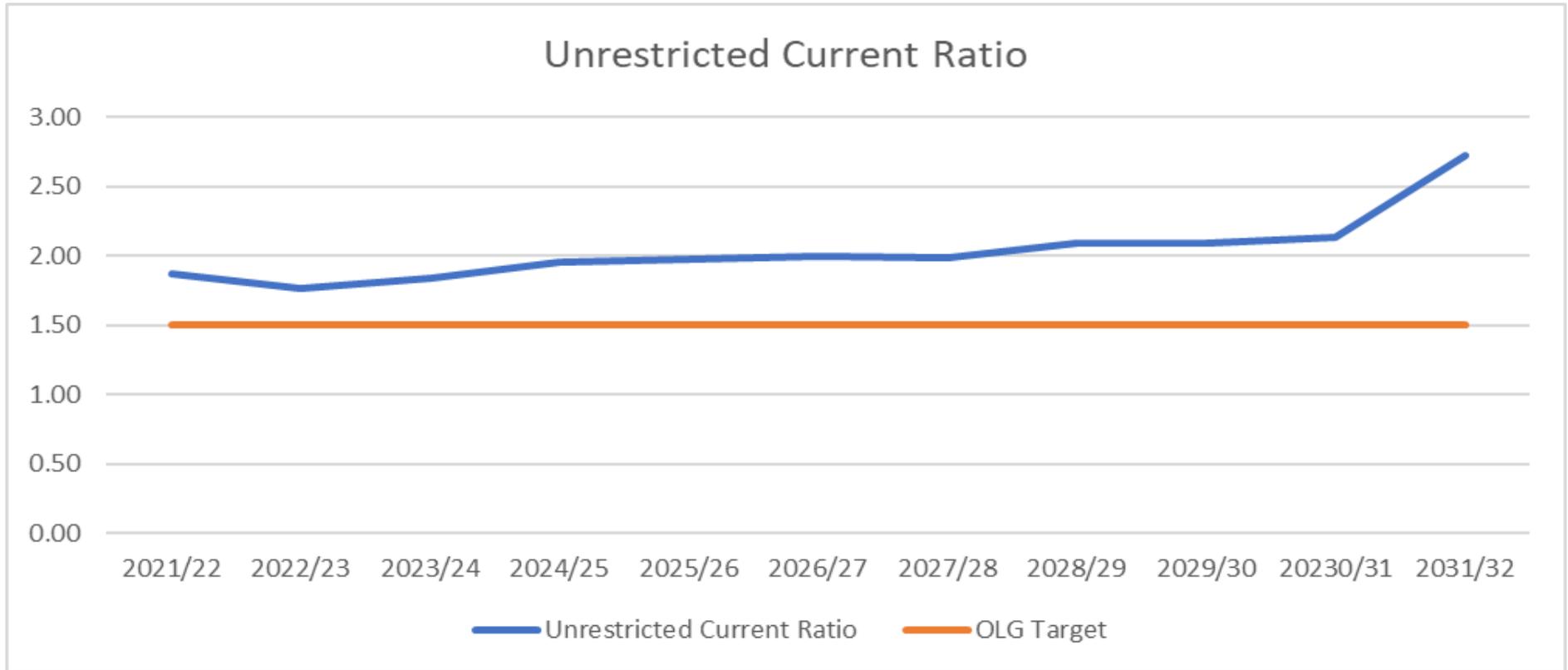
- Indicates Council's achievement of containing operating expenditure within operating revenue and indicates Council's capacity to meet ongoing operating expenditure requirements.
- Benchmark: greater than or equal to 0 (zero).



Unrestricted Current Ratio

$$\frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$$

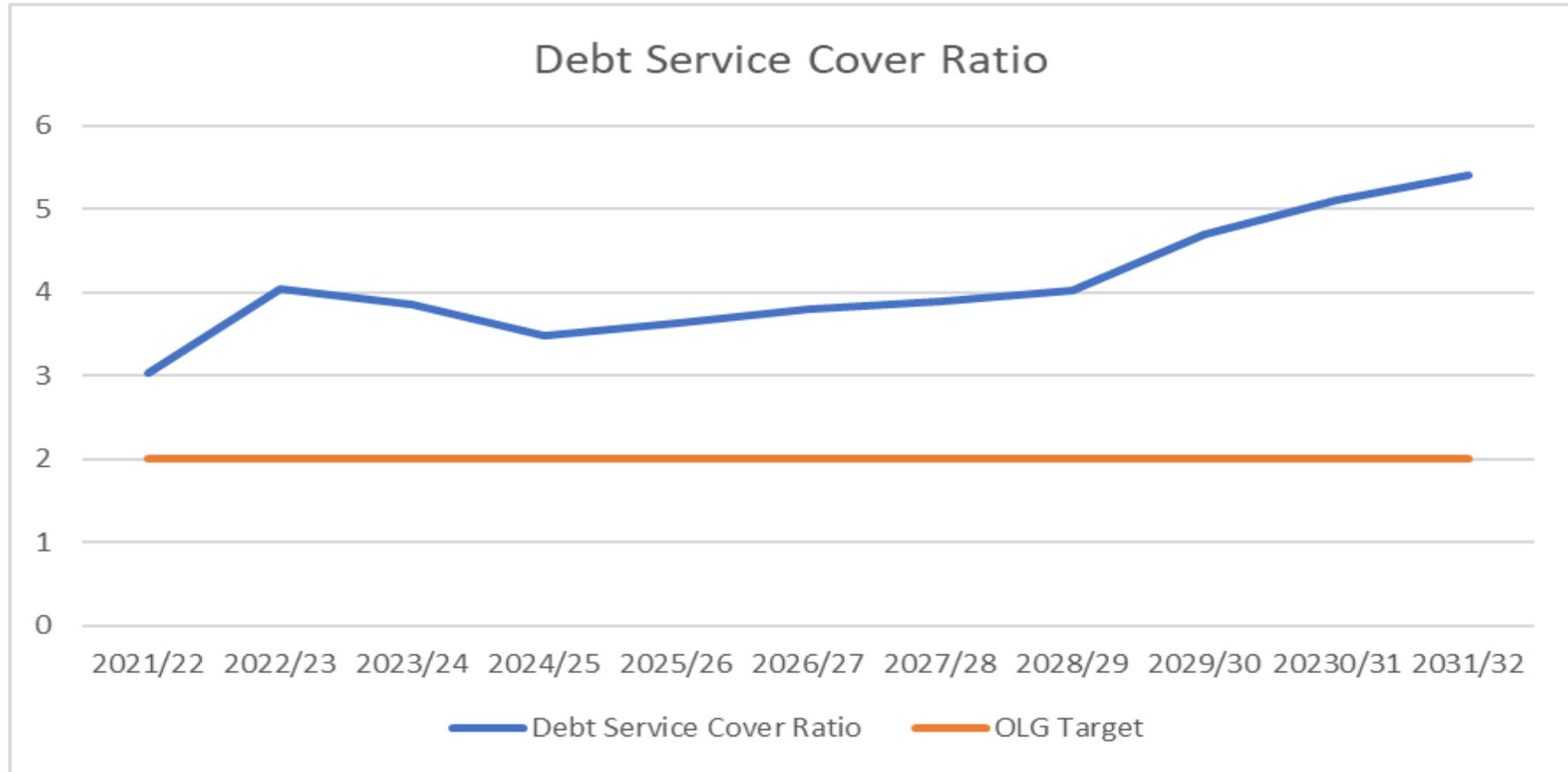
- Provides an indication of Council’s ability to meet its short-term financial commitments and measures Council’s liquidity.
- Benchmark: greater than or equal to 1.5x.



Debt Service Cover Ratio

$$\frac{\text{Operating result before capital excluding interest and depreciation/impairment/amortisation}}{\text{Principal repayments plus borrowing costs}}$$

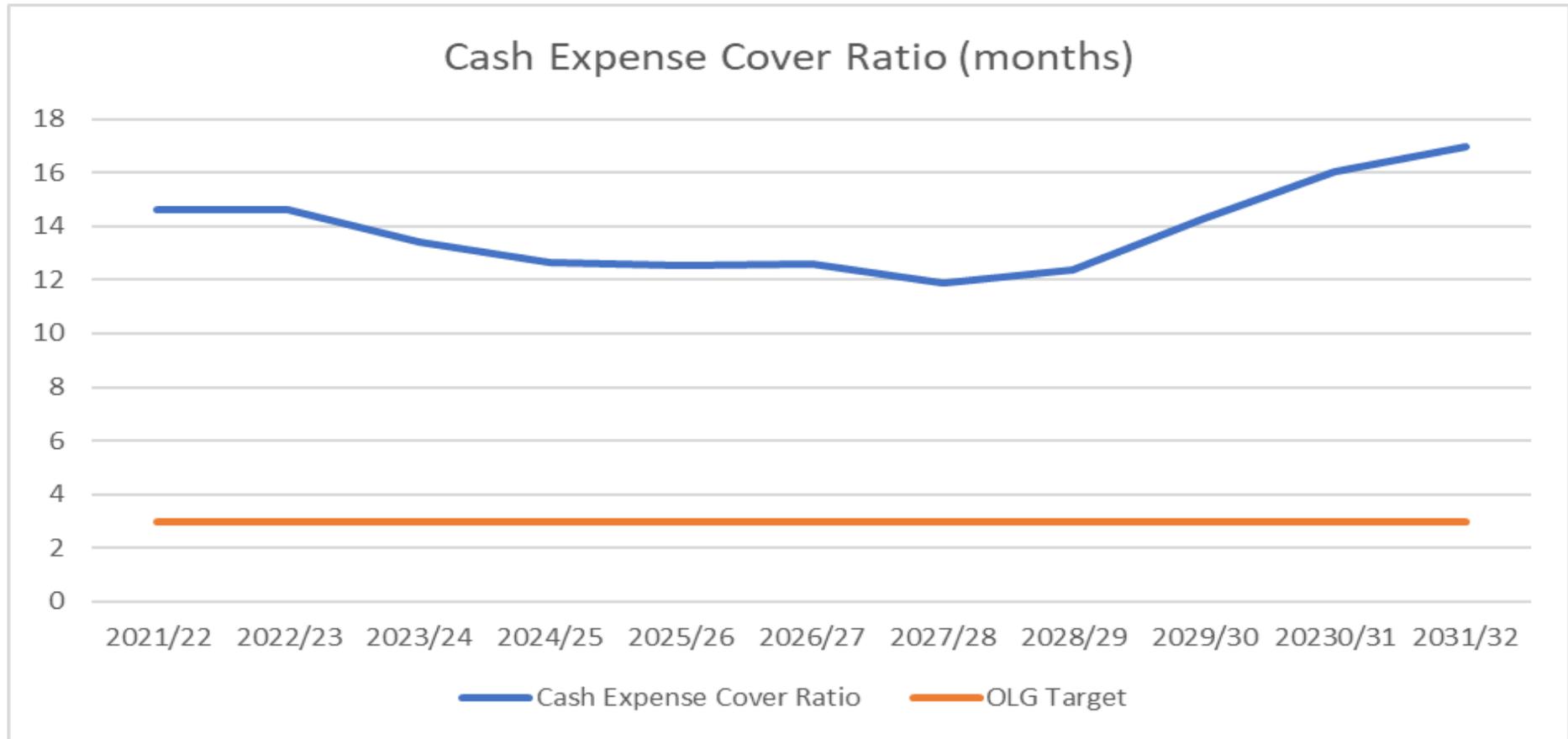
- Indicates the available cash to service Council's debts, including interest, principal and lease repayments.
- Benchmark: greater than or equal to 2x.



Cash Expense Cover Ratio

Current years cash and cash equivalents plus term deposits
Payments from cash flow of operating and financing activities

- Indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow.
- Benchmark: greater than or equal to 3 months.



Scenario and Sensitivity Analysis

The Long-Term Financial Plan includes the ability to monitor different outcomes by modelling a different scenario and implementing sensitivity analysis which includes the ability to assess and consider various financial outcomes if an underlying assumption changes.

A scenario analysis predicts the financial impact of a deliberate policy decision made by Council. A sensitivity analysis predicts the financial impact of movements in external factors outside of Council's control.



Scenario – One-year freeze in the general rate

For the purposes of this LTFP, the scenario considered was a one-year freeze in the general rates for Year 2 (2023-24). The base LTFP has a 2.5% rate peg assumption for Year 2, so this scenario changes this to 0% for that year only. No future year catch-up is assumed.

The impacts to Council's operating result and unrestricted cash position are significant particularly when considered on a cumulative basis, as it has a compounding effect.

- The impact to operating result and cash in the year of the freeze is **(\$806,000)**.
- The cumulative impact to operating result and cash by Year 5 of the LTFP is **(\$3,348,000)**.
- The cumulative impact to operating result and cash by Year 10 of the LTFP is **(\$8,025,000)**.

Sensitivity – Interest Rate Movements

Interest rates are currently at historically low levels. The LTFP assumption is relatively conservative and assumes for a steady increase over the 10 Year horizon.

Interest rates can be volatile and are outside of Council's control. Movements in interest rates impact both Council's revenue and expenses.

Council's cash reserves are invested mostly in low-risk term deposits, following the adopted Investment Policy. An increase to interest rates will increase Council's investment income with almost immediate impact because the portfolio consists of multiple short-term deposits which mature and are re-invested on an ongoing rolling basis.

Council's loans are fixed interest, which means only new loans will be impacted by an increase to interest rates. Higher interest rates mean a higher expense for the new loans.

The sensitivity analysis used for this LTFP models the impacts of a 25% increase to interest rates above the base assumptions, and a 50% increase above the base assumptions.

Under the 25% assumption the impacts would be as follows:

	Borrowing Rates		Investment Rates	
	Base	25% Inc	Base	25% Inc
1 yr average	3.50%	4.38%	0.74%	0.93%
5 yr average	4.30%	5.38%	0.94%	1.17%
10 yr average	4.40%	5.50%	1.23%	1.54%

<u>Interest Rate Sensitivity (25% Inc) (\$'000)</u>	1 Yr	5 Yr	10 Yr
Increased borrowing costs (Cumulative)	-	(1,509)	(3,902)
Increased investment income (Cumulative)	245	1,550	4,055
Net Impact to Operating Result and Cash	245	41	153

Under the 50% assumption the impacts would be as follows:

	Borrowing Rates		Investment Rates	
	Base	50% Inc	Base	50% Inc
1 yr average	3.50%	5.25%	0.74%	1.12%
5 yr average	4.30%	6.45%	0.94%	1.41%
10 yr average	4.40%	6.60%	1.23%	1.84%

Interest Rate Sensitivity (50% Inc) (\$'000)	1 Yr	5 Yr	10 Yr
Increased borrowing costs (Cumulative)	-	(3,035)	(7,917)
Increased investment income (Cumulative)	491	3,100	8,109
Net Impact to Operating Result and Cash	491	65	192

Asset Management Strategy

2022-32

Document Control		NAMS+ Asset Management www.ipwea.org/namsplus			
Document ID: nams+ core am strategy template v1					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	May 2022	Rework of original strategy into new template	Rob Burke	Carl Ginger	ELT

Asset Management Strategy 2022-32

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- 3. What assets do we have 5
- 4. Our infrastructure assets and their management..... 6
- 5. Where do we want to be? 13
- 6. How will we get there? 16

Executive Summary

Eurobodalla Shire Council owns and manages a large and diverse asset portfolio, valued at \$1.2 billion. Our assets provide services to the community, businesses and visitors for current and future generations, and they contribute to our residents' quality of life and the local economy.

Council is required to balance the community's expectations for services with the ability to pay for infrastructure assets used to provide the services.

The Asset Management Strategy establishes a robust framework and methodology for systematically managing the asset portfolio to guide the planning, construction, maintenance, and operation of infrastructure to provide services to the community. Its primary goal is to meet the community's needs in the most cost-effective way to provide for present and future generations.

This Strategy sets the direction for managing Council's major asset groups of transport and stormwater, recreation, buildings, marine, waste, airport and the Batemans Bay Beach Resort. It enables Council's asset management policies to be achieved and ensures the integration of asset management practices with its long-term strategic plan.

The Strategy recognises and addresses significant challenges.

Like local governments around the country, Council continues to face infrastructure funding shortfalls with insufficient funds to sustain current service levels or provide the new services required. This infrastructure funding gap is not new. In councils, it comes from decades of rate pegging during periods where the cost of materials and labour increased, and the stormwater levy remained at the 2006 rate. Community expectations have also changed and increased, and the population of permanent residents and visitors has grown.

The impact of climate change on assets is challenging and complex to manage. Eurobodalla Shire Council continues to explore ways to manage assets during periods of more frequent and intense rainfall events, less overall rainfall, increased frequency and intensity of bushfires, increased temperatures, more frequent and intense heatwaves and increased risk of coastal erosion and flooding as sea levels rise.

Eurobodalla Shire Council has been proactive and successful in advocating for adequate infrastructure and renewal funding for many years and has secured more than \$12M per annum for the past five years (excluding \$51M for the Bay Pavilions and \$76.8M for the Southern Water Storage), Maintaining this momentum continues to be a strategic direction and crucial for our community.

Despite this and even allowing for historically high levels of external grant funding, and the rigorous management of existing assets detailed in the Asset Management Plan, Eurobodalla Shire Council continues to potentially face a \$41 million infrastructure funding shortfall over the next decade.

Without additional funding from the NSW and Federal governments, over and above historical levels, it will be challenging for Council to maintain the current condition of assets, achieve some proposed actions of strategies and plans, address the resilience of assets to natural disasters and climate change, facilitate the growth of or address liveability challenges, and maintain the current levels of community satisfaction.

The Asset Management Strategy sets out how Council will manage the maintenance and renewal of assets in a way that best meets community needs without increasing the infrastructure funding shortfall. It was prepared from a review of Council's service delivery practices, and asset management plans, and the Eurobodalla Community Strategic Plan.

The Strategy supports Council in meeting the requirements of national sustainability frameworks and NSW Integrated Planning and Reporting Guidelines by demonstrating what level of service can be delivered in a financially sustainable manner.

Water and Sewer assets are not considered in this Strategy as they are managed through the 'Integrated Water Cycle Management Strategy and Strategic Business Plan' adopted by Council at its Ordinary meeting on 13 December 2016.

1. Policy framework

The Integrated Planning and Reporting (IPR) Guidelines were first issued by the Office of Local Government (OLG) in 2010. The Guidelines were updated in September 2021 to reflect legislative changes enacted through the Local Government Amendment (Governance and Planning) Act 2016. All councils in NSW use the IPR framework to guide their planning and reporting activities. The main components of the framework are outlined in these Guidelines, and are summarised below:

Community Strategic Plan

The highest level of strategic planning undertaken by a council, with a ten-year plus timeframe. All other plans must support achievement of the Community Strategic Plan objectives.

Resourcing Strategy

Shows how council will resource its strategic priorities, identified through IPR. The Resourcing Strategy includes three inter-related elements:

1. Long-Term Financial Planning
2. Asset Management Planning
3. Workforce Management Planning

Delivery Program

The council's commitment to the community about what it will deliver during its term in office to achieve the Community Strategic Plan objectives.

Operational Plan

Shows the individual projects and activities a council will undertake in a specific year. It includes the council's annual budget and Statement of Revenue Policy.

Annual Report

Reports back to the community on the work undertaken by a council each year to deliver on the commitments of the Delivery Program via that year's Operational Plan. Councils also report on their financial and asset performance against the annual budget and longer-term plans.

2. What is asset management

Asset management includes day-to-day operation, monitoring and maintenance tasks and the medium to long term work required in planning, creation, renewal and disposal.

- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life and activities could include road patching, unsealed road grading, and building and structure repairs. Maintenance also includes the regular activities to provide services such as opening hours, cleaning, mowing grass, energy, and inspections, etc.
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided, such as road resurfacing and pavement reconstruction, pipeline replacement and building component replacement.
- **Acquisition** – the activities to provide a higher level of service such as; widening a road, sealing an unsealed road, and replacing a pipeline with a larger size, or a new service that did not exist previously like a new library.

Infrastructure assets such as roads, drains, bridges, parks, playgrounds, and public buildings present unique challenges. Their performance and longevity can be difficult to determine. Financing needs can be large, requiring planning for large peaks and troughs in expenditure for renewing and

The Asset management planning process

Asset management planning is a comprehensive process that ensures assets are managed and maintained in a way that enables affordable services to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with different proposed service levels.

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation's strategic plan, developing an asset management policy, strategy, asset management plan and operational plans, linked to a long-term financial strategy and funding plan.

Council has developed asset management plans for transport and stormwater, recreation, buildings, marine, airport, waste and the Beach Resort.

3. What assets do we have

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in Table 1.

Table 1: Assets used to provide services

Asset Class	Description	Services Provided
Transport and Stormwater	Transport infrastructure - sealed and unsealed urban and rural roads, bridges, causeways, culverts, pathways, footpaths, car parks, bus shelters and traffic management facilities such as roundabouts, traffic lights and signs. Stormwater infrastructure - pits, pipes, culverts, detention basins, sediment ponds and tide flaps.	Transport infrastructure enables the safe and efficient movement of people and goods into and throughout Eurobodalla, providing for all modes of transport from pedestrians, wheelchairs and bicycles to family cars, buses, and transport operators. Stormwater infrastructure collects, controls, and manages stormwater. It addresses safety, risk and amenity issues, protects property, and maintains the quality of waterways by managing discharge.
Recreation and Open Space	Recreation infrastructure - sports grounds, parks and reserves, playgrounds, tennis, netball, aquatic centres, skate parks, cemeteries, park furniture and viewing platforms.	Enables community and visitors to actively enjoy Eurobodalla’s natural areas and outdoor activities and events. Facilities are used for group sports, events, markets, play and exercise.
Buildings and Facilities	Building infrastructure - community, operational, emergency services, public toilets, and commercial buildings.	Enables residents and visitors to participate in activities and events and provides spaces for commercial and Council operations.
Marine Facilities	Marine infrastructure - boat ramps, wharves, jetties, pontoons, rock walls, fish cleaning tables and shark net.	Provides access to waterways for recreation, tourism, and commercial users. Contributes to managing and protecting sensitive riverbank and foreshore environments.
Regional Airport	Airport infrastructure - runways, taxiways, aprons, lighting and navigation systems, buildings, fences, windsocks.	Provides facilities to support passenger, freight, aeromedical and general aviation flights, and services.
Waste Facilities	Waste infrastructure – two waste management facilities and one waste transfer station.	Enable the efficient and sustainable management of waste. Provides handling and management of waste to maintain amenity and meet environmental compliance and legislative requirements.
Batemans Bay Beach Resort	Infrastructure includes buildings, roads, paths, pool, tennis court, mini golf, jumping pillow, amphitheatre, BBQs, picnic sets, shelters, and site services.	Provision of an award winning, accommodation resort with deluxe spa beachfront cabins, large and luxurious two storey cabins, lodgings for large groups, ensuite sites, an easy access cabin and beachfront powered and camping sites.

4. Our infrastructure assets and their management

4.1 State of the Assets

This section shows the state of Council's assets as of 30 June 2021. The financial status of the organisation's assets is shown in Table 2.

Table 2: Financial Status of the Assets

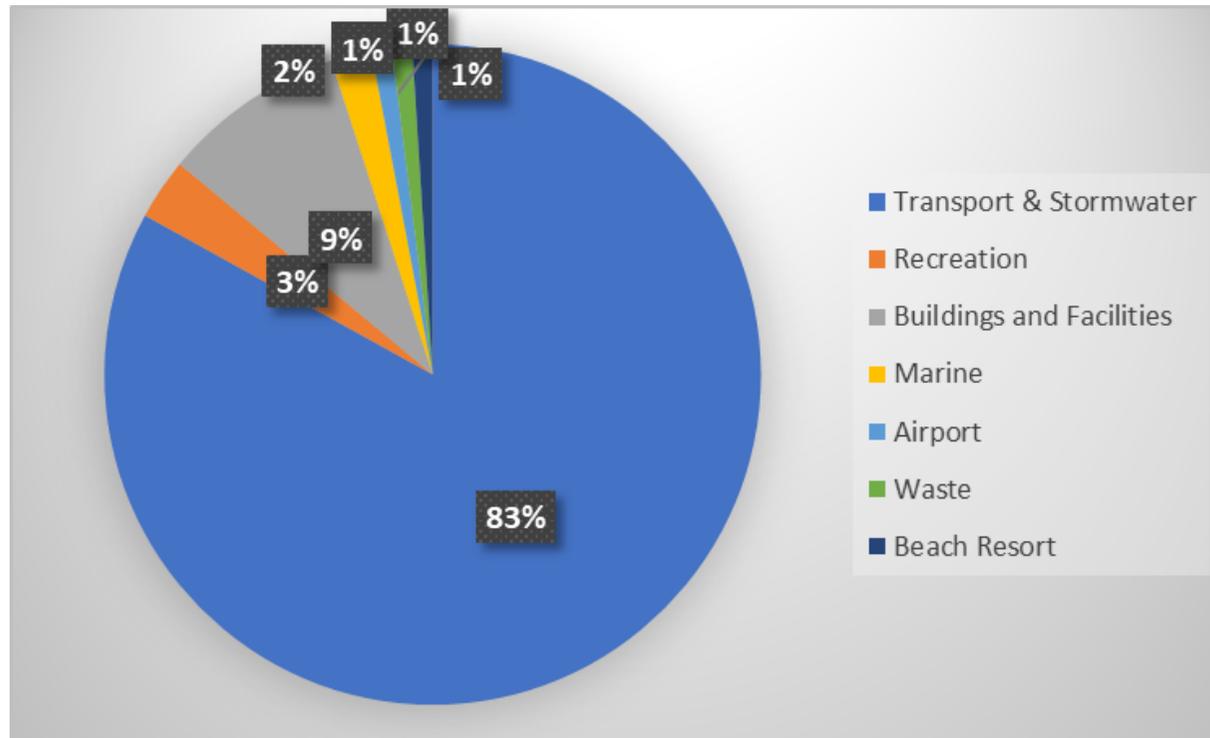
Asset Class	Replacement Cost (\$000)	Depreciable Amount * (\$000)	Depreciated Replacement Cost ** (\$000)	Annual Depreciation Amount (\$000)
Transport and Stormwater	991,327	725,659	692,008	14,054
Recreation and Open Space	39,114	33,418	21,290	1,302
Buildings and Facilities	104,765	104,765	72,088	1,216
Marine Facilities	19,605	19,605	6,860	183
Moruya Regional Airport	8,380	6,728	5,914	152
Waste Facilities	14,882	9,376	10,442	719
Batemans Bay Beach Resort	11,119	11,119	8,034	368
Total	1,189,192	910,669	816,636	17,992

* Depreciable Amount excludes items that are not depreciable such as earthworks, sediment basins and retention ponds.

** Depreciated Replacement Cost is also known as the written down value of asset or net book value of the asset.

Figure 1 shows the distribution of asset classes by replacement costs.

Figure 1: Asset Replacement Values Distribution

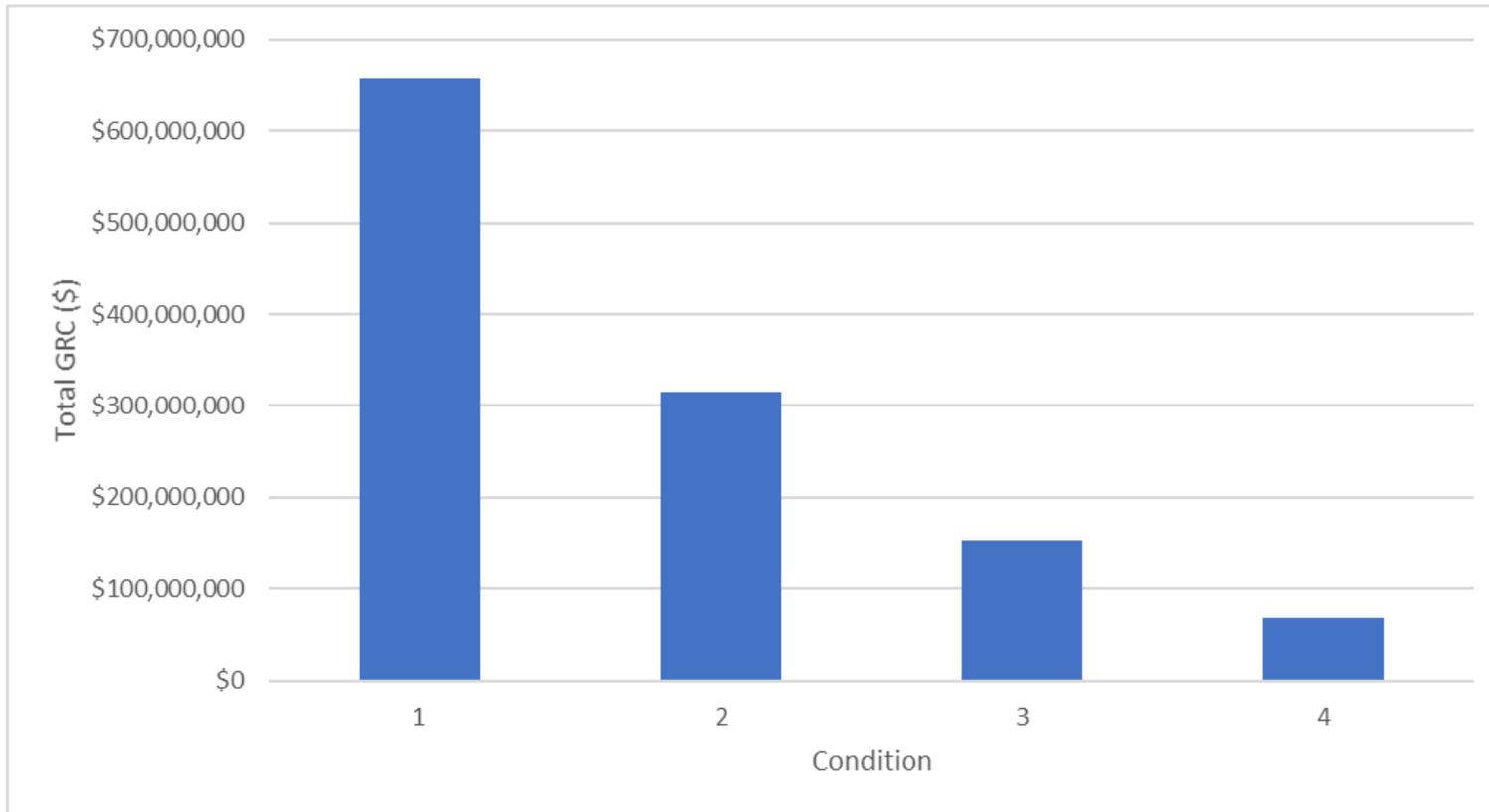


Condition is measured using a 1 – 4 grading system as detailed in the table below:

Condition Grading	Description of Condition
1	Very Good: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Fair: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely

The condition profile of our assets is shown in Figure 2.

Figure 2: Asset Condition Profile



Earthworks and other non-depreciable assets shown as condition 1 which inflates the condition 1 value to some degree.

The figure shows that Council has a high proportion of its assets in in very good or good condition.

The value of condition 4 assets is \$68.0M.

4.2 Lifecycle Costs

What does it Cost?

The forecast required lifecycle costs necessary to provide the services covered by this strategy includes maintenance, renewal, acquisition (new or capital upgrade), and disposal of assets over the 10-year planning period is \$601.7M or \$60.2M on average per year.

Consistent with the Long-Term Financial Plan, a key assumption of a 2% per annum increase in construction costs has been made for this plan. There is significant risk this cost will be exceeded given the current and future expected increase in construction and material costs.

Historically construction cost increases have outstripped rate pegging, inevitably requiring catch-up special rate variations for Eurobodalla ratepayers in 2003-04, 2005-06, 2006-07 and 2015-16, 2016-17, 2017-18 largely based on infrastructure renewal demands.

Based on current year projections, the trend of actual cost increases exceeding rate pegging will reoccur in the first financial year of the Asset Management Plan. This could potentially result in an incremental drop in level of service across all asset categories.

If that trend continues, then the required lifecycle costs would increase further over that predicted in this asset management plan and the gap between the required cost and actual funding available would widen.

Lifecycle Summary

Estimated available funding for this period is \$490.5M or \$49.1M on average per year as per the Long-Term Financial Plan or budget forecast.

This includes the following assumptions:

1. Current funding levels from Council's own sources are maintained and increased in line with growth.
2. Annualised external funding from the Australian Government including the Federal Assistance Grant Scheme – Roads Component and the Recovery Program are fully allocated to infrastructure.
3. Annualised external funding from the NSW Government including the Regional Roads Block Grant Program and Regional Roads Repair Program is fully allocated to works.
4. An average external grant funding is achieved from 2022-23 onwards through individual grant applications and leveraged developer contributions for of at least \$4M per annum for transport, \$0.5M for buildings and \$0.5M for recreation (indexed outer years).

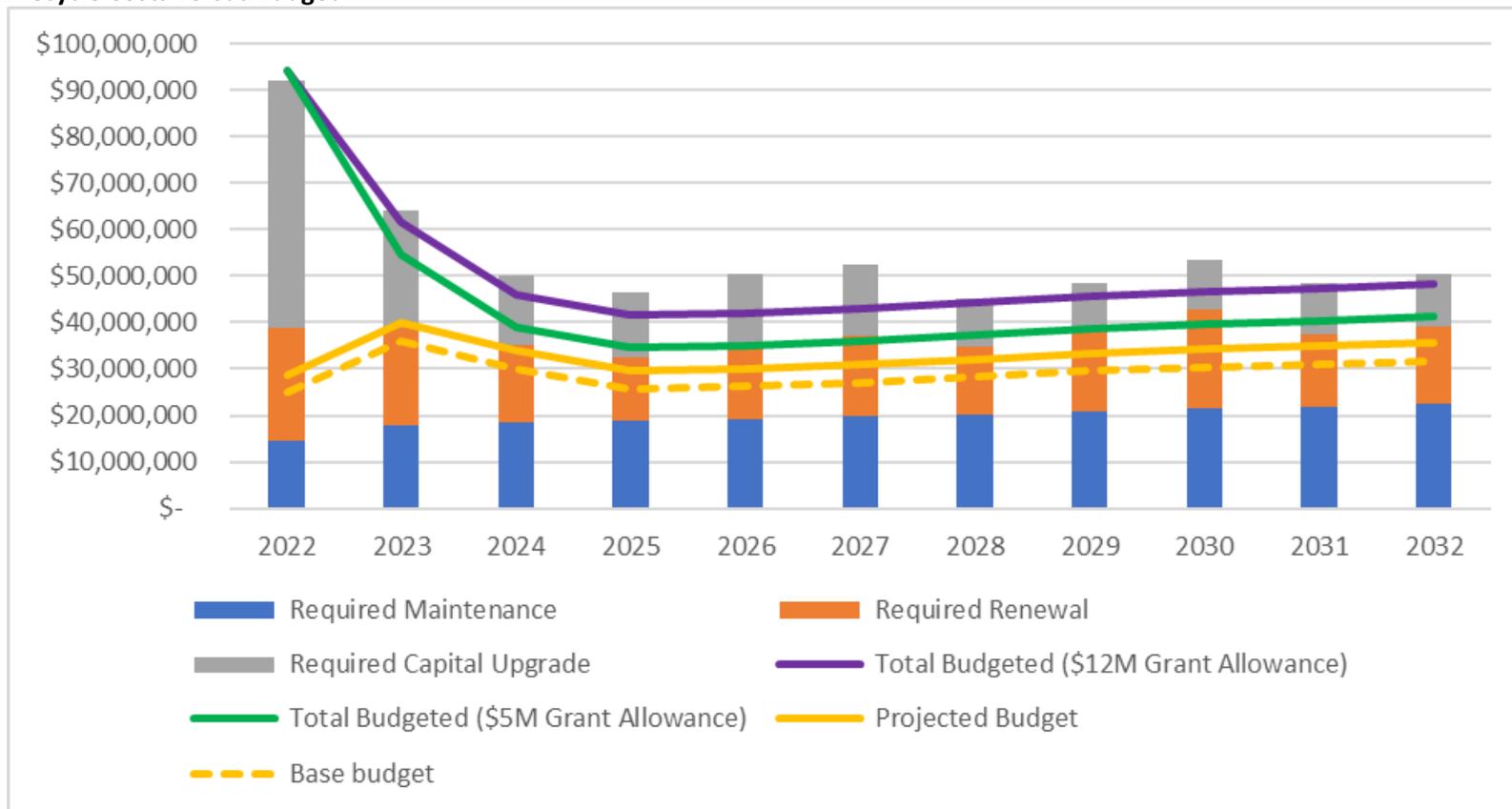
Based on these assumptions, and in the absence of other strategies or additional grants, the projected expenditure represents 82% of the cost required to sustain the current level of service at the lowest lifecycle cost.

It should be noted that over the past five years, Council has been successful in securing more than \$12M per annum for infrastructure projects (excluding \$51M for the Bay Pavilions and \$76.8M for the Southern Water Storage). If this can be sustained into the future this will lessen the challenges of asset management. This additional forecast is noted on the graph by the purple line.

From a strictly financial perspective, and assuming Council receives \$5M per annum on average in grant funding, an additional \$111M in external or other funding would be required over the 10-year planning period of this asset management plan to maintain the current level of service.

The financial projections from this asset plan are shown in Figure 3 below.

Figure 3 - Lifecycle Costs versus Budget



All values are shown in future year dollars.

These projections include forecast required costs for maintenance, renewal, acquisition, and asset disposal required to sustain the current level of service taking account of growth. The forecast required costs are shown relative to:

5. the base budget (Council cash and internal restrictions) (yellow dotted line),
6. a projected budget (base budget plus annualised grants) (solid yellow line),
7. an assumed projected budget (inclusive of an annual allowance of \$5M per annum from additional successful grant applications and leveraged developer contributions) (solid green line), and
8. an assumed projected budget (inclusive of an annual allowance of \$12M per annum from additional successful grant applications and leveraged developer contributions based on the last five-year trend) (solid purple line).

The majority of the additional grant funding sources are tailored towards capital upgrade or new capital works identified in strategic documents and plans. These works often incorporate a renewal component and Council will need to continue to pursue these grants to meet the average renewal need.

The figures above exclude the capital value of new assets gifted to Council through development but include the required additional ongoing costs. The projected acquisition costs consider new assets identified in current adopted strategic documents such as the Recreation and Open Space Strategy, the Developer Contributions and Transport Network Plans.

The rise in base and projected budgeted budgets in 2023 and 2024 is due to additional funding allocations in the Batemans Bay Beach Resort and Waste asset classes for larger capital projects including waste cells.

4.3 Asset Management Structure

Council's Asset Management team sits within the Infrastructure Services directorate of Council. It consists of the following roles and responsibilities:

Asset Engineer - Overall responsibility for coordinating Council's asset management functions.

Asset Information Support Coordinator - Responsible for management of Council's asset data.

Asset Information Support Officers - Responsible for asset data collection.

The team work closely with the Finance team in particular the Asset Accountant as well as the relevant asset owners within Council.

4.4 Financial and Asset Management Maturity

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting includes 13 practice areas developed to assess maturity under the National Frameworks. These are:

1. Financial Planning and Reporting
2. Strategic Longer-Term Plan
3. Annual Budget
4. Annual Report
5. Asset Planning and Management
6. Asset Management Policy
7. Asset Management Strategy
8. Asset Management Plan
9. Governance and Management
10. Levels of Service
11. Data and Systems
12. Skills and Processes
13. Evaluation

Council has previously undertaken maturity assessments. A key task of the reformed Asset Matrix Group will be to complete a new assessment and develop an asset maturity improvement plan.

5. Where do we want to be?

5.1 Council’s Vision, Goals and Strategies

Council has adopted a vision for the future in the Eurobodalla Community Strategic Plan.

From our beaches to our bushlands, rivers and mountains... Our Eurobodalla is a place of inclusive communities embracing sustainable lifestyles. Our future balances our natural assets and thriving economy. Our community is resilient and collaborative, and this underpins all that we do.

The Community Strategic Plan outlines goals and strategies in the planning period. The goals show what our vision will look like. The strategies are the steps needed to get there. The goals and strategies are shown in Table 3.

Table 3: Goals and Strategies

Goals	Strategies
1. Our sustainable shire, that celebrates our natural environment and outdoor lifestyles	Move together for a sustainable future Value, protect, and enhance our natural environment Respond to our changing climate and natural hazards Work together in the management and use of our valuable resources
2. Our community that welcomes, celebrates, and supports everyone	Acknowledge our beginnings, embrace our diversity Encourage community spirit and enable healthy lifestyles Provide rich learning opportunities and experiences Foster a safe community
3. Our region of vibrant places and spaces	Balance development between the needs of people, place and productivity Support diversified industry and thriving businesses Embrace and value our creative arts Celebrate our unique region through inclusive places and spaces
4. Our connected community through reliable and safe infrastructure networks	Provide integrated and active transport networks to enable a connected and accessible Eurobodalla Strengthen linkages through air, road, and marine transport options Enhance connectivity through improved telecommunications and power supply
5. Our engaged community with progressive leadership	Acknowledge our shared responsibility through an informed community Proactive, responsive and strategic leadership Work together to achieve our collective vision

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with legislative requirements, community needs and affordability.

5.2 Asset Management Policy

Council's Asset Management Policy defines Council's vision and service delivery objectives for asset management in accordance with the Strategic Plan and applicable legislation.

The Asset Management Strategy supports the Asset Management Policy by:

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

A copy of the Asset Management Policy can be found on Council's website: [Asset Management Policy \(nsw.gov.au\)](https://www.nsw.gov.au/asset-management-policy)

5.3 Asset Management Vision

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with the ability to pay for the infrastructure assets used to provide the services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset lifecycle.

To assist in achieving this balance, Council aims to:

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

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

- ensure Councils' infrastructure assets are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability
- safeguard Council's assets including physical assets by implementing appropriate asset management strategies and appropriate financial resources for those assets

- meet legislative requirements for all Council's operations
- provide high level oversight of financial and asset management responsibilities through reporting to Council on development and implementation of the Asset Management Strategy, Asset Management Plan and Long-Term Financial Plan.

6. How will we get there?

The Asset Management Strategy presents nine strategies to enable the objectives of the Asset Management Plan, Asset Management Policy, Asset Management Improvement Plan, and Asset Management Vision to be achieved.

Table 4: Asset Management Strategies

No	Strategy	Desired Outcome
1	Establish an Asset Matrix Group.	Develop a whole of organisation approach to asset management.
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes.	Identification of services needed by the community and required funding to optimise 'whole of life' costs.
3	Adopt a Long-Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
4	Incorporate Year 1 of Long-Term Financial Plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations.
5	Review and update asset management plans and long-term financial plans after adoption of annual budgets. Develop and implement strategies to minimise risks and improve funding levels. Engage the community regarding any consequences of funding decisions on service levels and risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions. Risks are minimised and increased funding is achieved to improve levels of service.
6	Develop separate asset management plans for the Eurobodalla Regional Botanic Garden and Bay Pavilions.	Identification of services needed by the community and required funding to optimise 'whole of life' costs.
7	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability, and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
8	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
9	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.

The Asset Management Plan

The Asset Management Plan shows how Council will effectively implement the Strategy.

The Asset Management Plan details information about infrastructure assets including actions required to provide general fund services in a cost-effective manner taking account of the legacy and future challenges and opportunities facing the Eurobodalla community over a 10-year planning period.

Key actions from the Asset Management Plan are:

Advocate for adequate funding and pursue grants

1. Pursue grant and external funding for capital upgrades prioritising safety, resilience, liveability, growth and longer-term climate change adaptation (including floods and response to sea-level rise).
2. Pursue grant funding to replace timber bridges and corrugated iron culverts with longer lived more resilient structures.
3. Pursue grant funding to implement the Pathways Strategy on a priority basis.
4. Advocate for NSW Government boating and marine infrastructure and ongoing dredging of navigation channels.
5. Pursue grant funding to service increased density of development commencing with Beach Road, Golf Links Drive, Bavarde Avenue, Herarde Street and Heradale Parade and Batemans Bay CBD south (integrated with the water and sewer services upgrade).
6. Advocate to NSW and Australian governments that grants are program not project based (i.e., use the Roads to Recovery model).

Maintain and Renew Assets

7. Prioritise renewal work over capital new or upgrades, and/or integrate renewals into capital upgrades.
8. Maintain and upgrade assets to maximise their use before constructing new facilities.
9. Undertake preventative and routine maintenance to cover the real cost increases of the work plus the growth of the asset.
10. Use the hierarchy of assets to effectively manage risk and timing of treatments.
11. Prioritise works that provide for road worker safety.
12. Undertake condition assessments of long-lived assets such as road pavements, stormwater systems, sports fields and skate parks to optimise replacement timing.
13. Reconstruct urban roads to address poor quality assets, including integrating stormwater upgrades funded from the Stormwater Fund.
14. Reconstruct and seal rural roads under the Section 7.11/7.12 Plan until the program is complete and Council's legal commitments are met.
15. Limit the reconstruction and sealing of additional rural unsealed roads (over and above S94 rural roads) to where it is essential to:
 - a) reduce overall maintenance effort (e.g., short lengths requiring significant site establishment for regular maintenance)
 - b) where traffic volumes and/or site conditions make sustaining an unsealed road problematic

- c) where sealing the road manages the risk to maintenance workers and/or the public
 - d) where sealing the road is achieved without significant effort and cost, and delivers environment, social or economic benefit
 - e) where external funding is available, and the benefits justify the expenditure.
16. Prioritise stormwater upgrades to address urban flooding utilising the Stormwater Fund, and capital stormwater upgrades.
 17. Fund the average annual lifecycle costs of short-lived assets (assets with a useful life of less than 20 years) such as reseals, gravel resheeting, playgrounds, park furniture to protect the community.
 18. Use loan funding for long lived assets to provide intergenerational equity.
 19. Fund future waste renewals through the Waste Fund.

Be innovative and sustainable

20. Integrate works and recycled materials from jobs to multiply the benefits achieved over the short and longer term.
21. Use technology (e.g., stormwater relining, digital access to buildings, LED sports field lighting and new building and asset materials) to reduce renewal costs.
22. Develop the skills and capacity of staff resources through cadetships and apprenticeship
23. Re-instate Council's Asset matrix Group
24. Undertake an asset management maturity assessment and develop a plan to improve asset maturity.
25. Review under performing or un-used assets with a view of potential disposal.

Report and Manage Risk

26. Update asset management data and condition of assets on a cycle program to track performance and meet mandatory reporting and revaluation requirements of the Office of Local Government.
27. Review key strategies periodically and report on outcomes to the community via the Delivery Program and Operational Plan.
28. Manage the risk across the portfolio of assets to safety, the community, Council's financial sustainability, the environment, and our organisational reputation.

Summary

As with all councils across NSW and further afield, Eurobodalla Shire Council and the community face significant asset management challenges in the next decade.

The Asset Management Strategy and its supporting Asset Management Plan and Policy provide a robust framework and methodology for Council to continue to advocate for adequate funding, and to manage assets on behalf of the community for current and future generations.

The framework allows for regular review and responsiveness.

Asset Management Plan

2022-32

General Fund Assets



Document Control		Asset Management Plan			
Document ID :					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1.0	2022	New Asset Management Plan – General Fund	Rob Burke	Carl Ginger	ELT

This Asset Management Plan is one of a suite of plans for Council’s infrastructure that help inform the Resourcing Strategy including the Asset Management Strategy and Long-Term Financial Plan.

Asset Management Plan 2022-32

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1. EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

Asset management planning is a comprehensive process to ensure that infrastructure services are provided in a financially sustainable manner taking account of the current and future social, economic, and environmental context, and the need to ensure intergenerational equity so we do not pass on a debt to our children and grandchildren.

This Asset Management Plan (AM Plan) details information about infrastructure assets including actions required to provide general fund services in a cost-effective manner taking account of future challenges and opportunities facing the Eurobodalla community over a 10-year planning period.

The plan also seeks to effectively manage risks in accord with the *Civil Liabilities Act 2002*, Council's available budget and associated policy framework.

This AM Plan covers the infrastructure assets that support the general fund services provided to the community. It draws on information from Council's relevant and more detailed asset management plans. This plan should be read in conjunction with the various general fund strategies and plans outlined in this document.

The AM Plan identifies a funding shortfall over the next decade, and outlines the priorities, and actions around how Council can address this. It highlights the need for Council to continue to pursue external grant funding noting that without additional funding from the NSW and Australian governments, over and above historical levels, it will be challenging to achieve sections of this Plan. Over the past five years, Eurobodalla Shire Council successfully secured external infrastructure grant funding of more than \$12M per annum (excluding \$51M for the Bay Pavilions and \$76.8M for the Southern Water Storage). Achieving successful grant outcomes will be a key factor in achieving this Plan.

Actual costs outstripping rate pegging continues to be a significant challenge for councils across NSW councils and is particularly relevant for 2022-23 when IPART determine the base rate peg amount to be 0.7% despite many infrastructure costs rising by 5-20% and staff award increases rising by 2.0%. The outcome is an incrementally lower level of service is delivered to the community.

For clarity;

- The plan does not include water and sewer assets which are managed through the 'Integrated Water Cycle Management Strategy and Strategic Business Plan' adopted by Council at its Ordinary meeting on 13 December 2016. This strategy is currently under review.

- The NSW State Government, through the Transport for NSW, has responsibility for funding the maintenance and improvement of the Kings Highway and Princes Highway. These highways are the primary means of transport to/from our community. They are vitally important to the wellbeing of our community, to support growth and to the economic development and employment opportunities within Eurobodalla. This asset management plan does not address the ongoing management of these state-owned assets. Council will need to continue to show leadership in advocating on behalf of our community for upgrades to these highways, working with the South East Australian Transport Strategy Inc (SEATS) and Institute of Public Works Engineering (IPWEA) to promote regionally important projects.
- For the Kings Highway, Council undertakes maintenance and other works under contract to the Transport for NSW on the section from the Princes Highway to the top of the Clyde Mountain (36.7km)
- The NSW Government is responsible for:
 - artificial reefs
 - entrance and navigation rock walls
 - moorings
 - navigation aids
 - ongoing dredging of navigation channels
 - marinas and deep-water marinas
 - the T-wharf and pontoon east of Batemans Bay Bridge
 - wharves of jetties for commercial operations under Crown lease or permissive occupancy

1.2 Policy Framework and Context

The AM Plan is to be read in conjunction with the Asset Management Policy and Asset Management Strategy, along with other key strategies and plans including but not limited to:

- Eurobodalla Community Strategic Plan
- Delivery Program 2022-26 and Operations Plan 2022-23
- Long-Term Financial Plan 2022-32
- Special Rate Variation Proposal to NSW Government 2015
- Fit for Future Improvement Plan 2015
- Local Strategic Planning Statement
- Eurobodalla Local Environmental Plan 2012
- Northern Area of Eurobodalla Shire Traffic Study 2011
- Northern Area Transport Network Plan 2021
- Eurobodalla Road Safety Plan 2019-2022
- Batemans Bay Traffic and Transport Study 2010
- Batemans Bay Parking Study 2011
- Moruya and Narooma Parking Study 2011
- Eurobodalla Pathway Strategy 2017

- Recreation and Open Space Strategy 2018
- Batemans Bay Waterfront Masterplan and Activation Strategy 2020
- Mogo Adventure Trails Hub Masterplan 2020
- Eurobodalla Nature Based Tourism Feasibility Study Summary Report 2020
- Relevant adopted Plans of Management, Landscape Masterplans and Coastal Management plans

- NSW Maritime Infrastructure Plan 2019-2024
- Eurobodalla Coastal Management Plans
- Moruya Airport Masterplan 2015 (currently under revision)
- Moruya Airport Aerodrome Manual 2021
- Eurobodalla Waste Strategy
- Batemans Bay Beach Resort Management Contract
- Beach Resort Long Term Financial Plan

1.3 Asset Description

In providing general fund infrastructure, Council aims to:

- Provide a local and regional transport network to enable the safe, efficient, and sustainable movement of people and goods through the Shire as well as to provide access to and from people’s homes. The transport network provided is vital to the social, economic, and environmental wellbeing of our community, impacting the daily lives of all who choose to live, work in and visit our beautiful Shire.
- Provide safe, accessible, and appropriate recreation and open space facilities to support the community’s lifestyle, health, and wellbeing.
- Provide safe, accessible, and affordable buildings and facilities which supports the community activities and events.
- Provide safe, accessible, and appropriate marine facilities which supports the community lifestyle, health, wellbeing, and economic growth.
- Enhance the connectivity into and out of Eurobodalla through improved transport links including via air.
- Council aims to provide waste management services including rubbish collection and recycling. There is a strong focus on a targeted reduction of waste with an emphasis on resource recovery and undertaking regular waste monitoring the ensure we maintain a clean and healthy environment.
- Council aims to ensure financial sustainability and support the organisation in achieving efficient ongoing operation. Achieving a return to the community at the Batemans Bay Beach Resort assists in achieving this aim.

Council’s infrastructure assets have significant value estimated at \$1,189,192,000 at 30 June 2021. These assets a revalued on a five yearly cycle. A further breakdown per asset class is provided in table 1.1.

Table 1.1: Replacement costs

Asset Category	Replacement Value (\$)
Transport and Stormwater	991,327,000
Buildings and Facilities	104,765,000
Recreation and Open Space	39,114,000
Marine Facilities	19,605,000
Moruya Regional Airport	8,380,000
Waste Facilities	14,882,000
Batemans Bay Beach Resort	11,119,000
Total	1,189,192,000

1.4 Lifecycle Management Plan

1.4.1 What does it Cost?

The forecast required lifecycle costs necessary to provide the services covered by this Asset Management Plan (AM Plan) includes maintenance, renewal, acquisition (new or capital upgrade), and disposal of assets over the 10-year planning period is \$601.7M or \$60.2M on average per year.

Consistent with the Long-Term Financial Plan (LTFP), a key assumption of a 2% per annum increase in construction costs has been made for this plan. There is a significant risk this cost increase will be exceeded given the current and future demands in the infrastructure space.

Historically construction cost increases have outstripped rate pegging, inevitably requiring catch-up special rate variations in 2003-04, 2005-06, 2006-07 and 2015-16, 2016-17, and 2017-18 largely based on infrastructure renewal.

Based on current year projections the trend of actual cost increases exceeding rate pegging will occur again in the first financial year of this AM Plan resulting in an incremental drop in level of service across all asset categories.

If that trend continues, then the required lifecycle costs would increase further over that predicted in this asset management plan and the gap between the required cost and actual funding available would widen unless strategies outlined in this Plan are successfully implemented.

1.4.2 Lifecycle Summary

Estimated available funding for this period is \$490.5M or \$45.6M on average per year as per the long term financial plan or budget forecast. These figures include the following assumptions:

- Current funding levels from Council's own sources are maintained and increased in line with growth.
- Annualised external funding from the Australian Government including the Federal Assistance Grant Scheme – Roads Component and the Recovery Program are fully allocated to infrastructure.
- Annualised external funding from the NSW Government including the Regional Roads Block Grant Program and Regional Roads Repair Program are fully allocated to works.
- An average external grant funding is achieved from 2022-23 onwards through individual grant applications and leveraged developer contributions for of at least \$4M per annum for transport, \$0.5M for buildings and \$0.5M for recreation (indexed outer years).

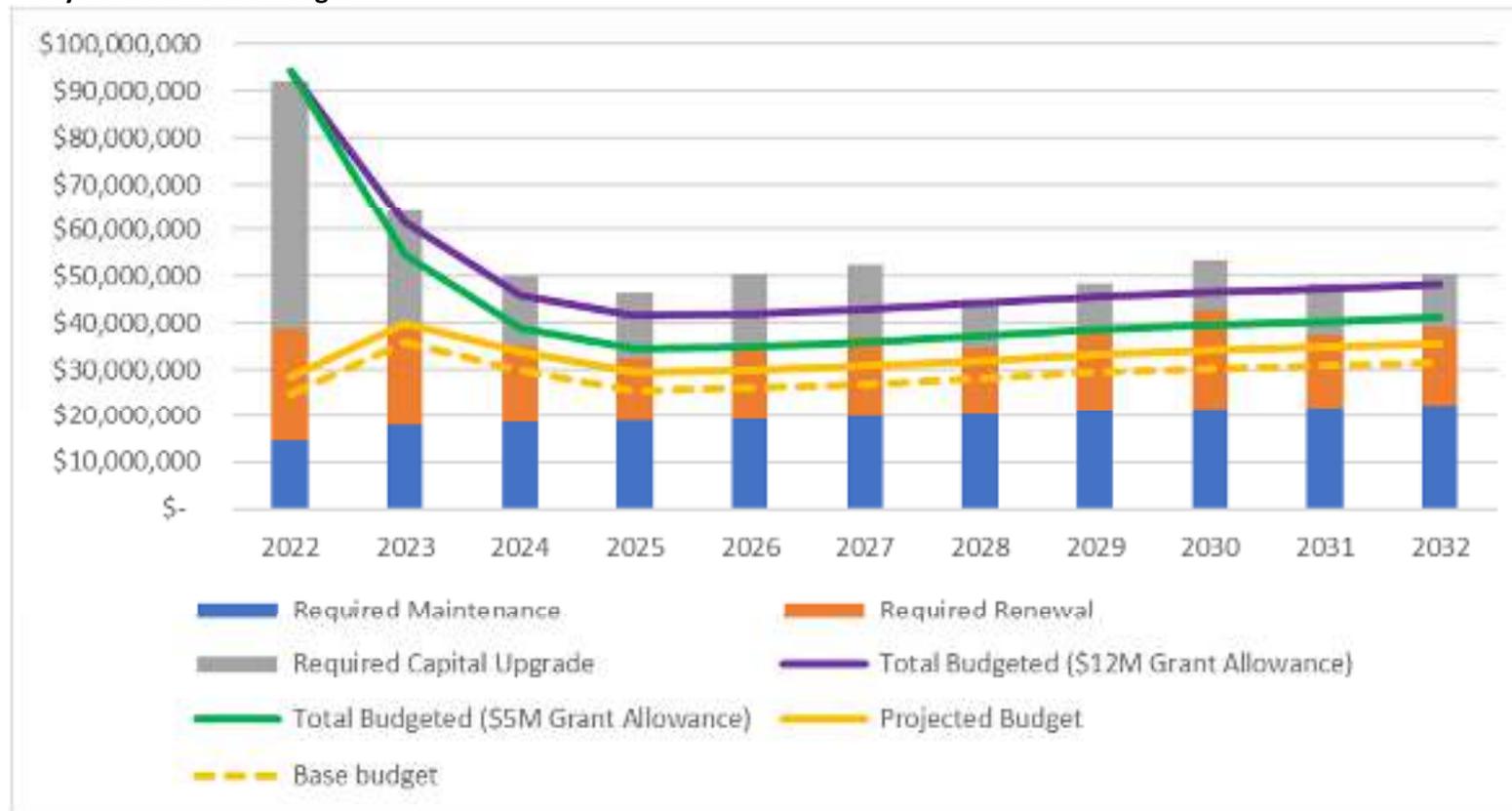
Based on these assumptions, and in the absence of other strategies or additional grants, the projected expenditure represents 82% of the cost required to sustain the current level of service at the lowest lifecycle cost.

It should be noted that over the past five years, Council has been successful in securing more than \$12M per annum for infrastructure projects (excluding \$51M for the Bay Pavilions and \$76.8M for the Southern Water Storage). If this can be sustained into the future this will lessen the challenges of asset management. This additional forecast is noted on the graph by the purple line.

From a strictly financial perspective, and assuming Council receives \$5M per annum on average in grant funding, an additional \$111M in external or other funding would be required over the 10-year planning period of this asset management plan to maintain the current level of service.

The financial projections from this AM Plan are shown in Figure 1.1 below.

Figure 1.1 - Lifecycle Costs versus Budget



All values are shown in future year dollars.

These projections include forecast required costs for maintenance, renewal, acquisition, and asset disposal required to sustain the current level of service taking account of growth. The forecast required costs are shown relative to:

1. the base budget (Council cash and internal restrictions) (yellow dotted line),
2. a projected budget (base budget plus annualised grants) (solid yellow line),
3. an assumed projected budget (inclusive of an annual allowance of \$5M per annum from additional successful grant applications and leveraged developer contributions) (solid green line), and
4. an assumed projected budget (inclusive of an annual allowance of \$12M per annum from additional successful grant applications and leveraged developer contributions based on the last five-year trend) (solid purple line).

The majority of the additional grant funding sources are tailored towards capital upgrade or new capital works identified in strategic documents and plans. These works often incorporate a renewal component and Council will need to continue to pursue these grants to meet the average renewal need.

The figures above exclude the capital value of new assets gifted to Council through development but include the required additional ongoing costs. The projected acquisition costs consider new assets identified in current adopted strategic documents such as the Recreation and Open Space Strategy, the Developer Contributions and Transport Network Plans.

The rise in base and projected budgeted budgets in 2023 and 2024 is due to additional funding allocations in the Batemans Bay Beach Resort and Waste asset classes for larger capital projects including waste cells.

1.5 Challenges

Without additional funding from the NSW and Australian governments or the implementation of strategies outline in this AM Plan, Council does not have the budget to sustain the current service levels or provide all new services required. Even allowing for historical levels of external grant funding, Council may not meet the demands identified in this plan, including to maintain the current condition of assets, achieve the actions of Council's strategies and plans, address the resilience of assets to natural disasters and climate change, facilitate growth and liveability challenges and maintain the current levels of community satisfaction.

1.6 What we will do - Strategic Management of General Fund Assets

The lifecycle cost summary highlights the overall shortfall in the available budget to sustain current levels of service based on the current and predicted growth across Eurobodalla.

To address this, the following actions are prioritised.

Advocate for adequate funding and pursue grants

1. Pursue grant and external funding for capital upgrades prioritising safety, resilience, liveability, growth and longer-term climate change adaptation (including floods and response to sea-level rise).
2. Pursue grant funding to replace timber bridges and corrugated iron culverts with longer lived more resilient structures.
3. Pursue grant funding to implement the Pathways Strategy on a priority basis.
4. Advocate for NSW Government boating and marine infrastructure and ongoing dredging of navigation channels.
5. Pursue grant funding to service increased density of development commencing with Beach Road, Golf Links Drive, Bavarde Avenue, Herarde Street and Heradale Parade and Batemans Bay CBD south (integrated with the water and sewer services upgrade).
6. Advocate to NSW and Australian governments that grants are program not project based (i.e., use the Roads to Recovery model).

Maintain and Renew Assets

7. Prioritise renewal work over capital new or upgrades, and/or integrate renewals into capital upgrades.
8. Maintain and upgrade assets to maximise their use before constructing new facilities.
9. Undertake preventative and routine maintenance to cover the real cost increases of the work plus the growth of the asset.
10. Use the hierarchy of assets to effectively manage risk and timing of treatments.
11. Prioritise works that provide for road worker safety.
12. Undertake condition assessments of long-lived assets such as road pavements, stormwater systems, sports fields and skate parks to optimise replacement timing.
13. Reconstruct urban roads to address poor quality assets, including integrating stormwater upgrades funded from the Stormwater Fund.
14. Reconstruct and seal rural roads under the Section 7.11/7.12 Plan until the program is complete and Council's legal commitments are met.
15. Limit the reconstruction and sealing of additional rural unsealed roads (over and above S94 rural roads) to where it is essential to:
 - a) reduce overall maintenance effort (e.g., short lengths requiring significant site establishment for regular maintenance)
 - b) where traffic volumes and/or site conditions make sustaining an unsealed road problematic
 - c) where sealing the road manages the risk to maintenance workers and/or the public
 - d) where sealing the road is achieved without significant effort and cost, and delivers environment, social or economic benefit

- e) where external funding is available, and the benefits justify the expenditure.
- 16. Prioritise stormwater upgrades to address urban flooding utilising the Stormwater Fund, and capital stormwater upgrades.
- 17. Fund the average annual life cycle costs of short-lived assets (assets with a useful life of less than 20 years) such as reseals, gravel resheeting, playgrounds, park furniture to protect the community.
- 18. Use loan funding for long lived assets to provide intergenerational equity.
- 19. Fund future waste renewals through the Waste Fund.

Be innovative and sustainable

- 20. Integrate works and recycled materials from jobs to multiply the benefits achieved over the short and longer term.
- 21. Use technology (e.g., stormwater relining, digital access to buildings, LED sports field lighting and new building and asset materials) to reduce renewal costs.
- 22. Develop the skills and capacity of staff resources through cadetships and apprenticeships, and existing worker programs.
- 23. Establish Council's Asset Matrix Group.
- 24. Undertake an asset management maturity assessment and develop a plan to improve asset maturity.
- 25. Review under performing or un-used assets with a view of potential disposal.

Report and Manage Risk

- 26. Update asset management data and condition of assets on a cycle program to track performance and meet mandatory reporting and revaluation requirements of the Office of Local Government.
- 27. Review key strategies periodically and report on outcomes to the community via the Delivery Program and Operational Plan.
- 28. Manage the risk across the portfolio of assets to safety, the community, Council's financial sustainability, the environment and our organisational reputation.

1.6.1 Service Trade Off

The plan identifies that some of the maintenance, renewal and capital upgrade works (acquisition) identified in this plan will not be achieved without additional external funding.

The plan identifies the way infrastructure works should be prioritised with a strong focus on maintenance and renewal of existing assets first.

Potential issues that may occur over time without additional funding, include:

■ **Assets progressively deteriorating**

The current level of funding is insufficient to maintain current service levels in the transport and stormwater assets.

The cost to bring to satisfactory (CTBS) (condition rating of 4 – poor) of general fund assets as of 30 June 2021 was \$68.0M with the CTBS estimated to increase to \$92.4M by 2032 (refer to page 55 for details).

Base levels of maintenance funding do not fully cater for growth. Recent natural disasters following the worst drought on record has seen a sharp decrease in asset condition which is increasing the risk to users and placing increasing pressure on maintenance and renewal budgets.

■ **Road safety outcomes**

The level of funding needed to address road safety issues across the transport network is insufficient.

The Eurobodalla Road Safety Plan 2019-2022 recognises the need for a safe systems approach to reducing the unacceptable level of road related trauma. The plan identifies priority actions needed to lower the road toll taking a whole of route and network approach, including adequate maintenance and renewal funding, and funding to better cater for growth and prevent crashes rather than respond to crash sites after the fact.

Focussed priorities are based on evidence and align key actions to integrate with the challenges of delivering resilience, improved liveability and facilitating growth.

The Road Safety Plan has led to more detailed integrated transport plans including the Northern Area Transport Network Plan (adopted by Council in October 2021) and the Southern Area Transport Network Plan (under development) which are supported by the Eurobodalla Pathways Strategy.

Increased funding is required to deliver on the priority actions flowing from the adopted road safety plan to reduce road related trauma and death.

The road safety plan also recognises that Council has a role to advocate for the Eurobodalla community to the NSW Government to improve the safety of our highways.

■ **Capacity and functionality issues**

- Inability to provide required capacity and functionality upgrades identified in strategies and plans in the short to medium term.
- Increased traffic congestion.
- Urban roads without kerb and guttering, built to poor standards, without adequate stormwater and ageing pavements including some of the oldest road pavements (currently 16km).
- Additional urban road areas outside of above with inadequate system capacity and lack of formal overland flow paths. This includes higher urban density zones and commercial business districts (particularly south Batemans Bay CBD).

- Currently there is 5.9km of unsealed rural road still to be reconstructed and sealed under the Section 94 Rural Roads Contributions Plan. Additional deficiencies exist on identified sealed sections. Council has a legal obligation to complete these works using developer contributions and Council funds.
- Deficiencies in the pathway network as identified in the Eurobodalla Pathway Strategy. Currently only about one in three urban roads has a pathway on at least one side of the road which is challenging with the high number of people walking, using scooters and cycling, our ageing demographic and road safety objectives.
- Network deficiencies limiting our ability to provide for diversified modes of transport e.g., higher mass limit and oversized transport vehicles
- Eurobodalla is a growing region with increased visitation, subdivision and development placing increasing pressure on the current network. This is requiring the regular renewal of assets and development of new assets.
- Community expectations that recreation and open space assets and community and public facilities are diverse in experience and recreation opportunities, highly accessible, well shaded, and maintained at a high standard, which further increases the cost to deliver and maintain assets to meet community expectations
- Potential safety risks due to asset degradation and increased use, for example in skate parks, playing field surface and beach access. This is compounded by a number of major assets (e.g., skateparks) all coming due for renewal at a similar time
- Increased congestion at facilities particularly during peak periods.
- Inability to improve accessibility at key facilities such as the Narooma and Moruya swimming pools.

■ **Infrastructure resilience**

The 2019/2020 summer bushfires and multiple natural disaster floods and storms that followed caused damage on an unprecedented scale and significantly affected the community. Along with personal, property and environmental impacts, residents have also had to deal with access issues caused by damage to the Council maintained road network.

Bridges have been destroyed, the road surface has suffered, fire-affected roadside trees present a danger and multiple roadside slopes have collapsed.

Council has dedicated significant resources to restoring safe access and improving resilience of the transport network and has successfully advocated for funding through the NSW and Australian governments' Natural Disaster Relief and Recovery Arrangements and the NSW Government Fixing Country Bridges program.

The impacts of a changing climate are also being felt and are raising increasing considerations for management and maintenance assets. Excess heat and storms are affecting the lifespan of assets and causing damage (e.g., through rapid deterioration, tree fall, flooding, etc), or reducing the useability of available assets.

To respond to these environmental conditions, increasing consideration is required for recreation assets into the future, such as increased built and natural shade options, possible indoor sporting facilities, and higher levels of maintenance to allow competition play on secondary/alternative fields that respond better to flooding.

Further funding is required to improve resilience to keep communities connected and active, improve the safety of first responders and address the impacts of changing climate e.g., sea level rise. This will require a shift to a higher infrastructure resilience focus in existing and future funding streams.

1.6.2 Risk trade-off

The main risk consequences are:

- A gradual decline in asset condition leading to reduced public safety, increased maintenance costs and a higher risk of structural failures.
- Declining community and user satisfaction.
- Potential for increased public liability claims against Council.
- Challenges in complying with the *Civil Liabilities Act 2002*.

1.7 Asset management practices

Our systems to manage assets include:

- Financials – TechnologyOne
- Assets – TechnologyOne and Oracle Spatial Database

Assets requiring renewal/replacement are identified using a combination of the following methods. These methods are part of the Lifecycle Model.

- Asset Register data using the acquisition year and remaining useful life. Remaining useful life calculated using condition data sourced from external modelling systems or internal condition assessments.
- External modelling supplemented with, or based on, expert knowledge.

The Asset Register was used to forecast the renewal life cycle costs for this asset management plan.

1.8 Monitoring and Improvement Program

The next steps resulting from this asset management plan to improve asset management practices are:

- Regularly review and update current replacement costs used in the asset register
- Regularly review and revise customer level of service measures and forecast trends
- Review and revise risk management policies and codes of practise
- Determine costs associated with the network deficiencies identified in the rural road safety review for inclusion in the next asset management plan
- Periodically review and update this AM plan (minor update annually and major update with each new delivery plan cycle)
- Complete the Southern Area Transport Network Plan (internally resourced)
- Update the Eurobodalla Road Safety Plan (internally resourced)
- Update the Eurobodalla Pathways Strategy (internally resourced)
- Engage a suitably qualified consultant to develop a new dynamic traffic and movement model and study, and parking plan for Batemans Bay CBD to take account of the changes arising as a result of the new Batemans Bay bridge and the options proposed increase in density in the Batemans Bay CBD.
- Update the Moruya and Narooma Parking Plans by undertaking new parking surveys (internally resourced)
- Regularly review and update condition data and update useful lives used in the asset register including undertaking a new road condition survey in 2022-23
- Update the Recreation and Open Space Strategy
- Continue to develop and review plans of management and landscape plans
- Develop separate asset management plans for the Eurobodalla Regional Botanic Garden and Bay Pavilions
- Continue to develop and review plans of management and landscape plans
- Complete the Marine Infrastructure Strategy for adoption by Council and update Marine AM Plan
- Review and update the Moruya Regional Airport Masterplan
- Determine the additional maintenance and renewal costs associated with outstanding projects identified in the current and future revisions of the Airport Masterplan.
- Review and update the Waste Strategy
- Review the Batemans Bay Beach Resort AM Plan in context of new management contract.

2. INTRODUCTION

2.1 Profile

Eurobodalla is a vibrant community with strong rural and coastal heritage and Indigenous culture. Our local economy is diverse; built around construction, tourism, retail and health industries. Located close to Canberra and Sydney, Eurobodalla offers an alternative to city living.

The Walbanga people of the Yuin Nation are recognised as the first people of our region. The Dhurga speaking Walbanga people have lived in this area for thousands of years and have an enduring custodianship and connection over the land and waterways of Eurobodalla.

Moruya Shire was formed in 1906 after the first elections on 8 December 1906, with E M Mort elected as the first Shire President. In 1954, Eurobodalla Shire was formed and in 2008, Eurobodalla chose its first popularly elected Mayor, Fergus Thomson OAM.

With 143km of coastline, 83 beaches and four major river systems, Eurobodalla is known as the land of many waters. Over three-quarters of our land area is open space, consisting of 10 national parks and 15 state forests.

In 2020, Eurobodalla's estimated resident population was 38,952. Based on current projections, it is expected to reach more than 45,000 by 2036. The estimated population during peak holiday periods is 120,000 creating significant challenges from an infrastructure management perspective, particularly for roads, parking, water, sewer and high-profile public reserves. Our population is spread along the coastline, in the regional centre of Batemans Bay, the main towns of Moruya and Narooma and smaller villages and rural areas.

Eurobodalla is in the NSW state electorate of Bega. It straddles Australian Government electorate boundaries; Gilmore to the north and Eden-Monaro to the south. Eurobodalla also sits in the Southern NSW Local Heath District.

Tourism brings major benefits to our community. It also brings significant challenges in meeting the peak demands of a population that can more than triple during peak periods.

Recent years has seen significant NSW and Australian government funding (allocated and committed) to the state transport network within the Eurobodalla. Major projects include the Batemans Bay and Nelligen Bridge replacements, Batemans Bay link Road and the Moruya Bypass. Further projects and upgrades to the Princes Highway have been identified in Transport for NSW's Princes Highway Upgrade Program. Other key infrastructure projects include the new regional hospital in Moruya and the Mackay Park redevelopment.

The 2019-2020 black summer fires had a significant impact on the Eurobodalla Shire resulting in the loss of three lives, the loss of more than two thousand buildings, adverse health impacts, loss of stock and native fauna, impacts on business and tourism and impact on public infrastructure including roads and

bridges and extended road closures. Multiple natural disaster declared flood events caused further damage to the transport network and road closures. The impacts of these events and the Covid-19 pandemic continue to be felt in the Eurobodalla.

2.2 Stakeholders

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Councillors	Represent needs of community. Allocate resources to meet the organisation’s objectives in providing services while managing risks. Ensure organisation is financial sustainable.
Executive Leadership Team	Endorse the development of asset management plans and provide the resources required to complete this task. Set high level priorities for asset management development and raise the awareness of this function among staff and contractors. Support the implementation of actions resulting from this plan and make changes to a better way of managing assets and delivering services. Support for an asset management driven budget and LTFP.
Recreation, Waste and Property and Commercial Services divisions	Asset owners. Provide information regarding the assets to inform the AM Plans and review plans.
Finance Division	Develop supporting policies such as capitalisation and depreciation. Prepare asset sustainability and financial reports incorporating asset depreciation in compliance with current accounting standards.
Asset Management Team	Consolidate the asset register and ensure the asset valuations are accurate. AM support.
Infrastructure Teams	Provide local knowledge level detail on all the general fund assets. Verify the size, location, and condition of assets. Describe the maintenance standards deployed and the ability to meet technical and customer levels of service.
External Parties	Community residents and businesses. NSW and Australian government authorities and agencies. Tourist and visitors (as occasional users).

2.3 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided
- Risk Management
- Future demand – how this will impact on future service delivery and how this is to be met
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service
- Financial summary – what funds are required to provide the defined services
- Asset management practices – how we manage provision of the services
- Monitoring – how the plan will be monitored to ensure objectives are met
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 ¹
- ISO 55000²

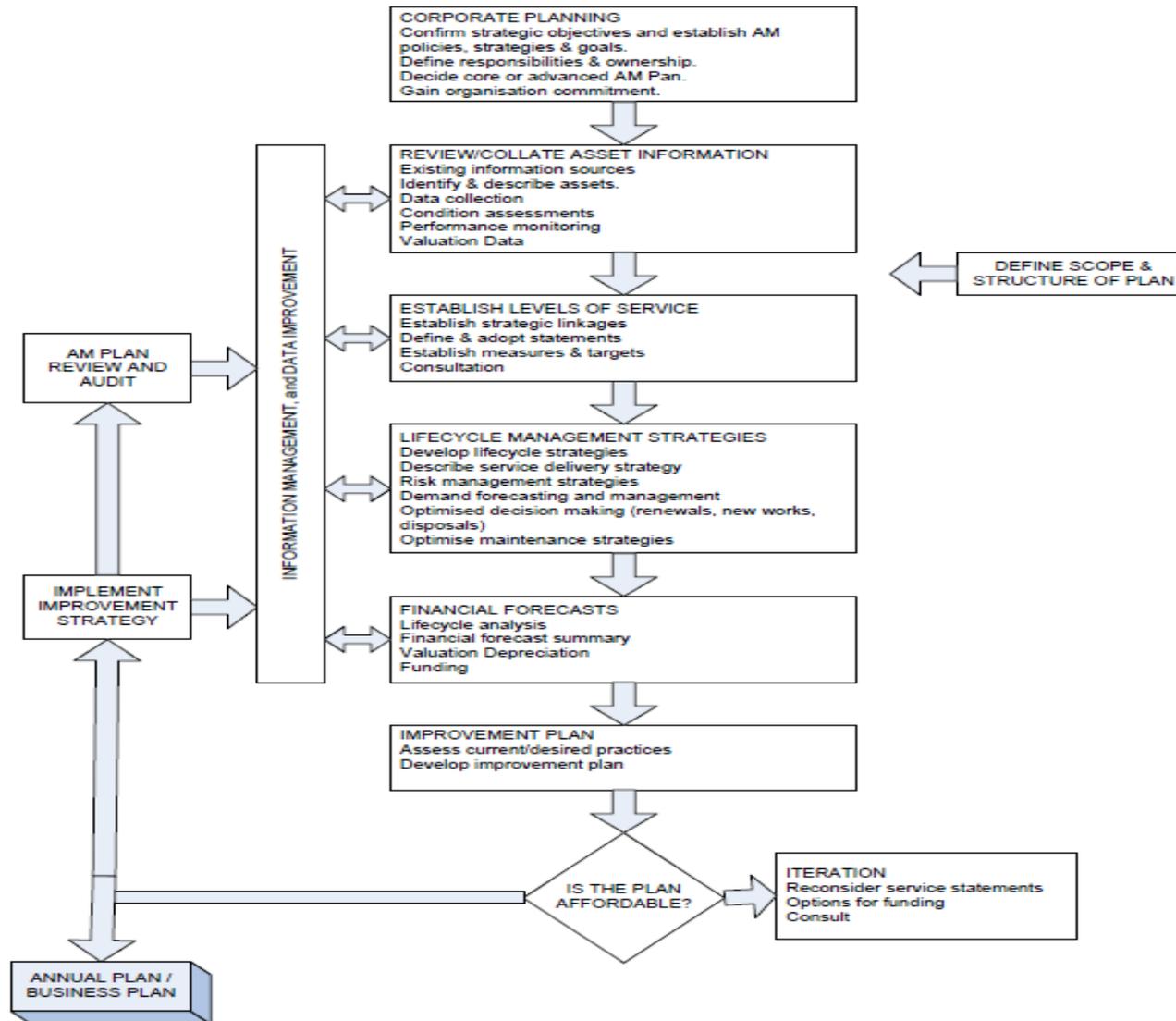
A road map for preparing an AM Plan is shown on the next page.

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council conducts comprehensive community satisfaction surveys periodically in order to identify the major issues facing the community. Recent surveys were undertaken by independent researchers (Micromex Research) in 2019 and 2021. These provided feedback about the importance and current level of satisfaction with a score out of 5 (5 being very important or very satisfied). The performance gap is the difference between the importance and satisfaction scores. The lower the performance gap ranking, the more dissatisfied with the service or facility. A summary of the results is shown in Table 3.1.

Table 3.1: Customer Satisfaction Survey Levels

Service Facility	Importance		Satisfaction		Performance Gap		Performance Gap Ranking Not satisfied	
	2019	2021	2019	2021	2019	2021	2019 (of 49)	2021 (of 55)
Capacity of infrastructure	4.31	4.30	2.86	2.80	1.45	1.50	1	3
Provision and maintenance of public toilets	4.49	4.48	3.45	3.02	1.04	1.46	12	5
Provision and maintenance of sealed roads	4.53	4.46	3.38	3.13	1.15	1.33	8	7
Appearance of public spaces	4.15	4.37	3.57	3.21	0.58	1.16	36	8
Provision and maintenance of pools and aquatic centres	4.08	4.04	3.29	2.87	0.79	1.17	15	13
Provision and maintenance of parks, playgrounds and open spaces	4.21	4.44	3.96	3.53	0.25	0.91	34	20
Waste management facilities	-	4.47	-	3.48	-	0.99	-	22
Provision and maintenance of community centres and halls	4.05	4.13	3.66	3.14	0.39	0.99	40	24
Accessibility of public facilities and places	4.34	4.46	3.69	3.33	0.65	1.13	31	26
Provision and maintenance of stormwater and flood mitigation	4.38	4.33	3.46	3.36	0.92	0.97	20	27

Service Facility	Importance		Satisfaction		Performance Gap		Performance Gap Ranking Not satisfied	
	2019	2021	2019	2021	2019	2021	2019 (of 49)	2021 (of 55)
Provision and maintenance of footpaths and shared paths	4.26	4.31	3.57	3.38	0.69	0.93	25	30
Kerbside collection service	4.53	4.57	4.18	4.10	0.35	0.47	23	31
Provision and maintenance of unsealed roads	4.21	3.74	3.00	2.89	1.21	0.85	10	36
Provision and maintenance of cemeteries	-	4.04	-	3.67	-	0.37	-	45
Provision and maintenance of street lighting	4.12	3.99	3.81	3.69	0.31	0.30	43	46
Provision and maintenance of sportsgrounds and sporting amenities	4.11	3.98	3.82	3.60	0.29	0.38	38	48
Provision and maintenance of Moruya Airport	-	3.95	-	3.59	-	0.36	-	50
Provision and maintenance of boating facilities	3.63	3.74	3.62	3.48	0.01	0.26	48	51
Provision of library services including buildings and lending collections	4.11	4.09	4.34	4.13	-0.23	-0.04	46	53
Provision of arts and cultural programs and services	3.80	3.72	3.68	3.51	0.12	0.21	45	54
Provision and maintenance of bus shelters	3.81	3.18	3.75	3.56	0.06	-0.38	47	55

It should be noted that generally scores in 2021 were lower than 2019. The impact of the Black Summer Bushfires, declared floods and the Covid-19 pandemic is likely to have had some resultant impact on customer satisfaction in those areas.

3.2 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the general fund services covered in this Plan are outlined in Table 3.2.

Table 3.2: Legislative Requirements

Legislation	Requirement
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments including the use and management of public land, standards, and preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Local Government Amendment (Planning and Reporting) Act	Local Government Amendment (Planning and Reporting) Act includes the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Work Health and Safety Act	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Organisations are to provide a safe working environment and supply equipment to ensure safety.
NSW Environmental legislation: <ul style="list-style-type: none"> ▪ Environmental Planning and Assessment Act 1979 ▪ Protection of the Environment Operations Act 1997 ▪ Threatened Species Conservation Act 1995 ▪ Native Vegetation Act 2003 ▪ Noxious Weeds Act 1993 ▪ Fisheries Management Act 1994 ▪ Marine Estate Management Act 2014 ▪ NSW Coastal Management Act 2016 ▪ Heritage Act 1977 	These Acts require the Council to be mindful of a range of environmental impacts when undertaking all infrastructure related works. This includes prior assessment of activities for a range of potential impacts such as noise, air pollution, contamination of waterways, detrimental effects on threatened species and ecosystem and heritage.
Civil Liability Act 2002 (NSW)	Sets out rules to public or other authorities in relation to public safety and duty of care responsibility.
Disability Discrimination Act 1992	The Disability Discrimination Act is an act passed by the Parliament of Australia in which prohibits discrimination against people with disabilities in employment,

Legislation	Requirement
	education, publicly available premises, provision of goods and services, accommodation, clubs and associations, and other contexts.
Roads Act 1993	In general, this Act sets out rules, responsibilities and powers to road authorities to create, improve, maintain and dispose roads. Also to regulate the work practice on public roads across the state.
Building Code	The goal of the Building Code is to enable the achievement of nationally consistent, minimum necessary standards of relevant, health, safety (including structural safety and safety from fire), amenity and sustainability objectives efficiently.
Public Pools Act	This act sets out requirements in respect to public swimming pools and facilities.
Civil Aviation Act 1988	The main object of this Act is to establish a regulatory framework for maintaining, enhancing and promoting the safety of civil aviation, with particular emphasis on preventing aviation accidents and incidents.
Manual of Standards Part 139 - Aerodromes	Sets certain standards for certified aerodromes, registered aerodromes, and other aircraft landing areas where aircraft arrive, depart or move that are not certified or registered (ALAs).
Aviation Transport Security Act 2004	The main purpose of this act is to establish a regulatory framework to safeguard against unlawful interference with aviation.
Crown Lands Act 1989	An Act to provide for the administration and management of Crown Land.
Residential (Land Lease) Communities Act 2013	To set out particular rights and obligations of operators and home owners in residential communities.
Holiday Parks (Long-Term Casual Occupation) Act 2002	An Act to set out the rights and obligations of long-term casual occupants of holiday parks and the park owners.
Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005	To provide opportunities for affordable alternatives in short-term and long-term accommodation through the standards for the design of manufactured home estates, caravan parks and camping grounds.

3.3 Levels of Service

The Levels of Service are considered in terms of:

- Condition** How good is the service?
 What is the condition or quality of the service?

- Function** Is it suitable for its intended purpose?
 Is it the right service?

- Capacity/Use** Is the service over or under used?
 Do we need more or less of these assets?

In Tables 3.3-3.9 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are quantifiable measures related to the service delivery outcome (e.g., number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.3: Level of Service Measures – Transport and Stormwater

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Condition of transport and stormwater assets	Value of assets in unsatisfactory condition (condition 4)	Cost to bring to satisfactory (CTBS) \$54.8M	The shortfall in required budget will result in CTBS \$61.2M by 2032
Function	Measure of whether the asset is appropriate for the intended use	Delivery of priority actions from Eurobodalla Road Safety Plan, integrated transport plans and other relevant strategies	Steady roll out of priority actions.	Continued roll out of projects pending achieving assumed allowance of \$4M per annum from additional successful grant applications and leveraged developer contributions
		Length of urban roads without kerb & gutter, built to poor standards, without adequate stormwater and ageing pavements	16km of urban roads identified as in need of kerb & gutter, stormwater and pavement renewal	Steady reduction in outstanding works
		Fraction of urban roads without a pathway on at least one side of the road	Only about one in three urban roads have a pathway on at least one side of the road	Steady reduction in outstanding works
		Length of section 94 rural roads still requiring construction as per legal obligations	5.9km of unsealed rural road to be constructed under section 94 rural roads plan. Additional deficiencies identified in relevant sealed sections.	Steady reduction in outstanding works
		Levels of infrastructure resilience	Significant improvements made using NDRRA and Fixing Country Bridges program however resilience remains at unacceptable levels	To continue at unacceptable levels without increased funding or external grants

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Capacity	Whether the capacity of the transport and stormwater assets are sufficient.	Network deficiencies limiting our ability to provide for diversified modes of transport e.g., higher mass limit and oversize transport vehicles	Further work required to determine full extent of deficiencies	TBD
		Levels of traffic congestion	Minor traffic congestion issues outside of peak periods	Expected to increase due to future demand drivers exceeding budgeted network improvements
		Urban areas with inadequate stormwater system capacity and overflow paths including higher urban density zones and commercial business districts (particularly south Batemans Bay CBD)	Many urban areas with inadequate stormwater system capacity and overflow paths including higher urban density zones and commercial business districts (particularly south Batemans Bay CBD)	Minimal reduction in outstanding works

Table 3.4: Level of Service Measures – Buildings and Facilities

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Condition of buildings and facilities assets	Value of assets in unsatisfactory condition (condition 4)	Cost to bring to satisfactory (CTBS) \$0.7M	The shortfall in required budget will result in CTBS \$4.5M by 2032
Function	Measure of whether the asset is appropriate for the intended use	Delivery of priority actions from Recreation and Open Space Strategy and other relevant plans	Steady roll out of priority actions.	Continued roll out of projects pending achieving assumed allowance of \$0.5M per annum from additional successful grant applications and leveraged developer contributions
Capacity	Whether the capacity of the buildings and facilities assets are sufficient.	Facility usage/ bookings Alignment of facilities with ROSS	Formal facilities have been under-utilised due to COVID closures Some communities report insufficient community facilities for their needs	Anticipate some increased usage and new/upgraded facilities are planned

Table 3.5: Level of Service Measures – Recreation and Open Space

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Condition of recreation and open space assets	Value of assets in unsatisfactory condition (condition 4)	Cost to bring to satisfactory (CTBS) \$2.8M	The shortfall in required budget will result in CTBS \$15.6M by 2032
Function	Measure of whether the asset is appropriate for the intended use	<p>Delivery of priority actions from Recreation and Open Space Strategy and other relevant plans</p> <p>Number of days sportsground/facilities have to be closed</p>	<p>Steady roll out of priority actions.</p> <p>High numbers of sportsground closures due to wet weather impacts</p>	<p>Continued roll out of projects pending achieving assumed allowance of \$0.5M per annum from additional successful grant applications and leveraged developer contributions</p> <p>Need to invest additional funds in improving drainage or possibly maintain alternative fields to playing standard</p>
Capacity	Whether the capacity of the recreation and open space assets are sufficient.	<p>Facility usage/ bookings</p> <p>Alignment of facilities with ROSS opens space classification hierarchy</p>	<p>Formal facilities have been under-utilised due to COVID closures and weather impacts.</p> <p>Informal sites experiencing increased use as a result of increased visitation/COVID recreation options</p>	Capacity concerns in peak periods and likely increase in costs to maintain service levels (e.g., frequency of inspections/defects)

Table 3.6: Level of Service Measures – Marine Facilities

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Condition of marine assets	Value of assets in unsatisfactory condition (condition 4)	Cost to bring to satisfactory (CTBS) \$9.2M. Casey’s rock wall \$7.4M.	The shortfall in required budget will result in CTBS \$7.1M by 2032
Function	Measure of whether the asset is appropriate for the intended use	Delivery of priority projects to provide required capacity and functionality upgrades identified through the consultation process for the Marine Infrastructure Strategy	Currently unfunded in future years. \$3.9M shortfall over the life of the plan. Grant funding applied for.	As per current performance unless significant grant funding can be achieved
Capacity	Whether the capacity of the marine assets are sufficient.	As above	As above	As above

Table 3.7: Level of Service Measures – Moruya Regional Airport

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Condition of buildings and facilities assets	Value of assets in unsatisfactory condition (condition 4)	Cost to bring to satisfactory (CTBS) \$0.3M	The shortfall in required budget will result in CTBS \$1.9M by 2032
Function and Capacity	Measure of whether the asset is appropriate for the intended use with sufficient capacity	Airport’s ability to cater for user needs	Terminal, runways and other assets able to cater for current aircraft types and users	Airport to continue to cater for current aircraft types and users. Changes in aircraft type and/or security requirements may require capital upgrades to meet this demand. Council is seeking funding to address the outstanding priority actions in the Airport Masterplan (\$20M)

Table 3.8: Level of Service Measures – Waste Operations

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Provision	Kerbside collection	Frequency	General waste red 80l bin Recyclables yellow 240l bin Green waste 240l bin	Weekly Fortnightly Fortnightly
Condition	Condition of waste assets	Collections missed Value of assets in unsatisfactory condition (condition 4)	Nil Cost to bring to satisfactory (CTBS) \$0.2M	Nil The shortfall in required budget will result in CTBS \$1.3M by 2032
Function	Availability of service	Opening hours landfill sites Opening hours transfer station	66 hours per week 40 hours per week	66 hours per week 40 hours per week
Capacity	Ongoing capacity of landfill sites	Volume meets future demands	Additional cells planned to meet demand	Additional cells planned to meet demand

Table 3.9: Level of Service Measures – Batemans Bay Beach Resort

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Condition of buildings and facilities assets	Value of assets in unsatisfactory condition (condition 4)	Cost to bring to satisfactory (CTBS) \$11,000	The shortfall in required budget will result in CTBS \$753,000 by 2032
Function and Capacity	Measure of whether the asset is appropriate for the intended use with sufficient capacity	Resort’s ability to cater for user needs	Addition of 2 new cabins will meet users’ needs	Resort to continue to cater for users. Review after implementation of new maintenance contract

3.4 Technical Levels of Service

Technical Levels of Service – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition (capital upgrade)** – the activities to provide a higher level of service such as; widening a road, sealing an unsealed road, and replacing a pipeline with a larger size, or a new service that did not exist previously like a new library.
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life and activities could include road patching, unsealed road grading, and building and structure repairs. Maintenance also includes the regular activities to provide services such as opening hours, cleaning, mowing grass, energy, and inspections, etc.
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided, such as road resurfacing and pavement reconstruction, pipeline replacement and building component replacement.

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.

Tables 3.10-3.16 shows the activities expected to be provided under the current 10-year planned budget allocation, and the forecast activity requirements being recommended in this AM Plan.

Table 3.10: Technical Levels of Service – Transport and Stormwater

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition (capital upgrade)	Delivery of priority capital upgrade actions from Eurobodalla Road Safety Plan, integrated transport plans and other relevant strategies	Budget allocation	Limited by existing budget	Increase using grants and developer contributions
	Reconstruct urban roads without kerb & gutter, built to poor standards, without adequate stormwater and ageing pavements	Budget allocation	Limited by existing budget	As per existing budget with small increases from kerb and gutter contributions. Advocacy for external funding.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	Reconstruct section 94 rural roads still requiring construction as per legal obligations	Budget allocation	Limited by existing budget	Increase using developer contributions
	Extend pathway network	Budget allocation	Limited by existing budget	Increase using grants and developer contributions
	Increase in car parking	Budget allocation	Only small annual budget allocations	As per existing budget and review impact of increase from projects identified in Marine and Recreation AM plans
	Address urban areas with inadequate stormwater system capacity and overflow paths including higher urban density zones and commercial business districts (particularly south Batemans Bay CBD)	Budget allocation	Limited by existing budget	Increase using developer contributions as well as grants for larger scale works e.g., south Batemans Bay
	Bus shelters	Budget allocation	Limited by existing budget	Increase using grants
	Guard rail	Budget allocation	As per existing budget	As per existing budget
Maintenance	Maintain sealed roads (includes road, road furniture, road drainage)	Inspection frequency	Regional roads four times per year. Collector and distributor roads twice per year. Local roads once per year. Includes annual night inspection of regional, distributor and collector roads.	As per current frequency
		Defects repaired in accordance Local &	Outstanding defects expected to increase as a	Outstanding defects to remain at current service levels.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
		Regional Road Risk Management Policy.	result of network growth and likelihood of future natural disasters	
	Maintain unsealed Roads (includes road, road furniture)	Inspection frequency	As per maintenance grading schedule	As per maintenance grading schedule
		Maintenance grading Schedule	>95% of schedule achieved (subject to suitable weather)	>95% of schedule achieved (subject to suitable weather)
	Maintain bridges and Major Culverts	Inspection frequency	Level 1 inspections Annually Level 2 inspections every 3 years	As per current frequency
		Defects repaired on a risk priority basis	Outstanding defects to remain at current service levels.	Outstanding defects to remain at current service levels. Advocacy for external funding.
	Maintain carparks	Inspection frequency	CBD carparks twice per year. Non CBD carparks once per year	As per current frequency
		Defects repaired in accordance Local & Regional Road Risk Management Policy.	Outstanding defects expected to increase as a result of network growth and likelihood of future natural disasters	Outstanding defects to remain at current service levels.
	Maintain pathways	Inspection frequency	CBD pathways twice per year. Non CBD paths once per year	As per current frequency
		Defects repaired in accordance Pathways and Shared Pathways	Outstanding defects expected to increase as a result of network growth.	Outstanding defects to remain at current service levels. Advocacy for external funding.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
		Risk Management Code of Practice		
	Maintain bus Shelters	Inspection frequency	3 times per year	As per current frequency
		Defects repaired on a risk priority basis	Outstanding defects expected to increase as a result of network growth.	Outstanding defects to remain at current service levels. Advocacy for external funding.
	Maintain stormwater	Inspection frequency	GPT's twice per year. Tide flaps twice per year during king tide periods. Stormwater lines CCTV limited by existing budget	As per current frequency. Advocacy for external funding.
		Defects repaired on a risk priority basis	Outstanding defects expected to increase as a result of network growth.	Outstanding defects to remain at current service levels.
	Maintain causeways	Inspection frequency	Once per year	As per current frequency
	Maintain Surf Beach Detention Basin	Inspection frequency	Inspect prior to major rain events and as per Dam Safety guidelines	As per current frequency
		Defects repaired on a risk priority basis	Defects repaired on a risk priority basis	Defects repaired on a risk priority basis
Renewal	Renewal of sealed roads (includes road, road furniture, road drainage)	Budget allocation	Limited by existing budget	Increase using grants to maintain current service levels (CTBS)
	Renewal of unsealed Roads (includes road, road furniture)	Budget allocation	Funding annual depreciation of gravel road bases	Maintain current funding levels to slowly reduce CTBS
	Renewal of bridges and Major Culverts	Budget allocation	Funding annual depreciation.	Maintain current funding levels. Shift in renewal focus to major culverts, older concrete/saltwater

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
				environment bridges and replacement of corrugated iron culverts with ongoing reduction in timber bridge asset stock.
	Renewal of carparks	Budget allocation	Funding short lived surfaces. Budget short fall in long lived assets e.g., pavements	Increase using grants to maintain current service levels (CTBS)
	Renewal of pathways	Budget allocation	Pathways – sufficient funding years 1-5, budget shortfall outer years with timber and asphalt paths coming up for renewal. Footbridges - Budget shortfall with several coming up for renewal in outer years	Increase using bridges and major culverts budgets and/or other income sources to maintain current service levels (CTBS)
	Renewal of bus Shelters	Budget allocation	Budget shortfall	Increase using grants to maintain current service levels (CTBS)
	Renewal of stormwater	Budget allocation	Funding sufficient to maintain current service levels in short to medium term	Maintain current service levels (CTBS)
Disposal	Disposal of assets no longer in use	As identified	No disposals planned	No disposals planned

Table 3.11: Technical Levels of Service- Buildings and Facilities

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Provide for facilities as per strategies and plans	Budget allocation	Limited by existing budget	Accelerate with additional funding e.g., grants
Maintenance	Maintain buildings and facilities assets	Asset Inspection frequency public facilities	Per pre-determined intervals in line with asset management system	As per current frequency
		General usage review	Brief review of care of building pre/post event	Quarterly or as required
		<u>Services management</u> Gas, Electrical, Water	24/7	24/7
		<u>Essential Services</u> Electrical Testing, Fire Service Testing, Thermostatic Mixing Valve Testing, Automatic Doors	To legislative requirements	To legislative requirements
		Security Monitoring	If installed 24/7	24/7
		Air Conditioning Servicing	6 monthly	As per current frequency
		<u>Cleaning Services</u> Toilet cleaning, Facility cleaning, Garbage/Litter, Waste services	As per agreed contract	As per agreed contract
		Pest Inspections	Annually	Annually and regular 6monthly servicing

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
		Garden /Landscape Maintenance	Seasonal	As required
		Gutter Cleaning	6 monthly	6 monthly or as required
		Pest inspections	Annual	Annual
		Defects repaired in accordance with current Australia Standards	Outstanding defects expected to increase as a result of network growth	Outstanding defects to remain at current service levels. Advocacy for external funding.
Renewal	Renewal of building and facilities assets	Budget allocation	Limited by existing budget	Increase using grants to maintain current service levels (CTBS)
Disposal	Disposal of assets no longer in use	As identified	No disposals planned	No disposals planned

Table 3.12: Technical Levels of Service – Recreation and Open Space

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Provide for facilities as per the Recreation and Open Space Strategy, plans of management and landscape masterplans	Budget allocation	Enhanced by increased grant opportunities over recent years	Maintain with additional funding e.g., grants
Maintenance	Maintain recreation and open space assets	Inspection general	Adhoc as part of routine maintenance works and CSR's	As per current frequency
		Inspection frequency playgrounds	Routine weekly Comprehensive yearly aligned to industry standards and specifications	As per current frequency
		Inspection frequency trees	Reactively	As per current frequency
		Inspection frequency beach signs	Formal inspection yearly	As per current frequency
		Defects repaired on a risk priority basis.	Resources only support rectification of higher-level risks and overall asset condition is falling.	Seek to increase service levels to prolong asset life and functionality
		Trees assessed in line with Tree Risk Management on Council Controlled Land Code of Practice	Outstanding defects expected to increase as a result of network growth and likelihood of future natural disasters	
		Mowing schedule	Challenge in achieving current schedule due to high rainfall over last 2 years	Achieve schedule (subject to weather)

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
		CBD schedule	Undertake maintenance run in main CBD areas three mornings per week	As per current schedule
		Sport fields schedule	Undertake maintenance run every week	As per current schedule
		Cemeteries	Undertake maintenance run every three weeks	As per current schedule
		Bushfire mitigation	Limited by existing budgets based on priorities identified in Bush Fire Risk Management Plan	Increase using RFS grants
Renewal	Renewal of recreation and open space assets	Budget allocation	Limited by existing budget and staff resources	Increase using grants to maintain current service levels (CTBS)
Disposal	Disposal of assets no longer in use	As identified	No disposals planned	No disposals planned

Table 3.13: Technical Levels of Service – Marine Facilities

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Provide for projects to provide required capacity and functionality upgrades identified through the consultation process for the Marine Infrastructure Strategy	Budget allocation	No existing budget. Annual renewal budget able to be used to leverage grants	Accelerate with additional funding e.g., grants, developer contributions
Maintenance	Maintain marine assets	Inspection frequency marine facilities	Formal inspection annually supplemented by more regular informal inspections and CSR requests	As per current frequency
		Marine timber assets	Yearly visual inspection. Three yearly condition inspection	As per current frequency
		Rock walls	Annual	As per current frequency
		Shark net	Twice yearly	As per current frequency
		Defects repaired on a priority basis based on risk and budget availability	Outstanding defects expected to increase as a result of asset growth	Outstanding defects to remain at current service levels. Advocacy for external funding.
		Boat ramp cleaning schedule	Priority 1 ramps once every 2 months. Priority 2 ramps prior to Easter, October long weekend and Christmas. Additional cleans scheduled after flood events as required.	As per current frequency
Renewal	Renewal of marine assets	Budget allocation	Limited by existing budget	Fund Casey’s Beach Rock wall renewal with Council and grant funding.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
Disposal	Disposal of assets no longer in use	As identified	No disposals planned	Increase renewal expenditure by seeking grant funding with a renewal component. No disposals planned

Table 3.14: Technical Levels of Service – Moruya Regional Airport

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Provide for facilities as per Moruya Airport Masterplan	Budget allocation	No budget allocation	Accelerate with additional funding e.g., grants
Maintenance	Maintain buildings and facilities assets	Inspections general	As per Aerodrome Manual and other associated documents	As per current/required legislative frequency
		Defects repaired on a risk priority basis	Defects and risk managed effectively	Defects and risk managed effectively pending additional funding being provided for new assets or cost increases over and above current amounts
Renewal	Renewal of Airport assets	Mowing/Weed spraying	As required	As required
		Budget allocation	Limited by existing budget	Increase using Council funds and grants to maintain current service levels (CTBS)
Disposal	Disposal of assets no longer in use	As identified	No disposals planned	No disposals planned

Table 3.15: Technical Levels of Service – Waste Facilities

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Provide for facilities to meet demand	Budget allocation	Budgets allocated for required upgrade works	As per current budgets
Maintenance	Maintain waste assets	Inspections general	What is your type and frequency of inspections	As per current frequency
		Defects repaired on a risk priority basis	Defects and risk managed effectively	Defects and risk managed effectively
		Any routine maintenance or testing carried out – type and frequency e.g., quality monitoring.	As required	As required
Renewal	Renewal of Waste assets	Budget allocation	Limited by existing budget	Fund renewals as required using Waste Fund
Disposal	Disposal of assets no longer in use	As identified	No disposals planned	No disposals planned

Table 3.16: Technical Levels of Service – Beach Resort

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Provide for new facilities to grow the business	Budget allocation	2 new cabins budgeted for	Small amount of additional funding required to achieve
Maintenance	Maintain Beach Resort assets	Inspections general	As per management contract	As per current/required legislative frequency
		Defects repaired on a risk priority basis	Defects and risk managed effectively	Defects and risk managed effectively pending additional funding being provided for new assets or cost increases over and above current amounts
		Cleaning	As required	As required
		Mowing, landscaping	As required	As required
Renewal	Renewal of Beach Resort assets	Budget allocation	Limited by existing budget	Increase using additional funding from business model
Disposal	Disposal of assets no longer in use	As identified	No disposals planned	No disposals planned

Notes: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices and environmental awareness.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Management Plan

To meet the service requirement, new and upgraded infrastructure will be required to address legacy challenges, to service growth and meet the changing needs and expectations of the community. Most of the infrastructure required to service these needs will be provided by Council, external grants or by developers.

For public infrastructure, Council must provide for the ongoing maintenance and renewal costs of any new or upgraded infrastructure to ensure the assets remain fit for purpose and the risks to the community are effectively managed.

Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Eurobodalla Shire to ongoing maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

4.4 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.³

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.1.

Table 4.1 Managing the Impact of Climate Change on Assets and Services

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Sea level rise	23cm by 2050, 72cm by 2100	Increased impacts on low level transport facilities	Decisions need to give consideration to future longer-term impacts of sea level rise
Bushfire	Increase in events and severity	Increased damage to assets and loss of services and network access	<p>Ensure all new assets constructed by Council and by developers of new subdivisions are built to high standards meeting the current and predicted demands including resilience considerations.</p> <p>Continue to lobby NSW and Australian Government for funding programs that better address network resilience issues including allowing for betterment under the existing and future natural disaster funding arrangements.</p> <p>Compliance with development codes, national construction codes and Australian standards. Ensure preventative maintenance programs are carried out.</p>
Storm, flood and coastal inundation	Increase in events and severity	Increased damage to assets and loss of services and network access	<p>Ensure all new assets constructed by Council and by developers of new subdivisions are built to high standards meeting the current and predicted demands including resilience considerations.</p> <p>Continue to lobby NSW and Australian Government for funding programs that better address network resilience issues including allowing for betterment under the existing and future natural disaster funding arrangements.</p> <p>Compliance with development codes, national construction codes and Australian standards. Ensure preventative maintenance programs are carried out.</p>

³ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Increased extreme weather conditions	Increase in temperature extremes, number of events and severity	Damage to and more rapid deterioration of assets. Increased requirements for open space shade and undercover/indoor recreation options	Identify in plans and seek grant funding.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Eurobodalla Shire Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this AM Plan are shown in Tables 5.1-5.7 and the figures used are as at 30 June 2021.

Table 5.1: Assets covered by this Plan - Transport

Asset Category	Quantity
Local sealed roads	556.9km
Regional sealed roads	57.5km
Unsealed roads	404.4km
Carparks	149
Bridges	110
Pathways	134.2km
Stormwater	195.0km
Road drainage	26.0km
Kerb and gutter	546km
Bus shelters	67

Road quantities are Council owned and maintained roads.

Table 5.2: Assets covered by this Plan – Buildings and Facilities

Asset Category	Quantity
Libraries	3
Community centres	2
After-school care	2
Surf clubs	4
Public halls	7
Sporting facilities	34
Swimming centres	2
Public toilets	49
Emergency services buildings	24
Botanic gardens	1
Administration	1
Depots	3
Saleyards	1
Pound	1
Telecommunications	4

Table 5.3: Assets covered by this Plan – Recreation and Open Space

Asset Category	Quantity
Sport fields	24
Parks	103
Aquatic centres	3
Cemeteries	11
Playgrounds	35
Skate parks	5
Tennis courts	31
Netball facilities	4
Bench seats	478
Picnic sets	246
Barbeques	36
Shelters	121
Viewing platforms	6
Cricket pitches	14

Table 5.4: Assets covered by this Plan - Marine Facilities

Asset Category	Quantity
Boat ramps	22
Pontoons	8
Wharves and jetties	12
Fishing platforms	3
Fish cleaning tables	25
Rock walls	6.9km
Shark net	1
Solar light	1

Table 5.5: Assets covered by this Plan – Moruya Regional Airport

Asset Category	Quantity
Primary runway	1,523m
Secondary runway	827m
Apron	3
Taxiways	1,360m
Terminal	1
Other buildings	3
Fencing	6,365m
Flood lights	4
Windsocks	2
PAPI and runway lighting	1

Table 5.6: Assets covered by this Plan – Waste Facilities

Asset Category	Quantity
Surf Beach Waste Management Facility	1
Brou Waste Management Facility	1
Moruya Waste Transfer Station	1
Bins	variable

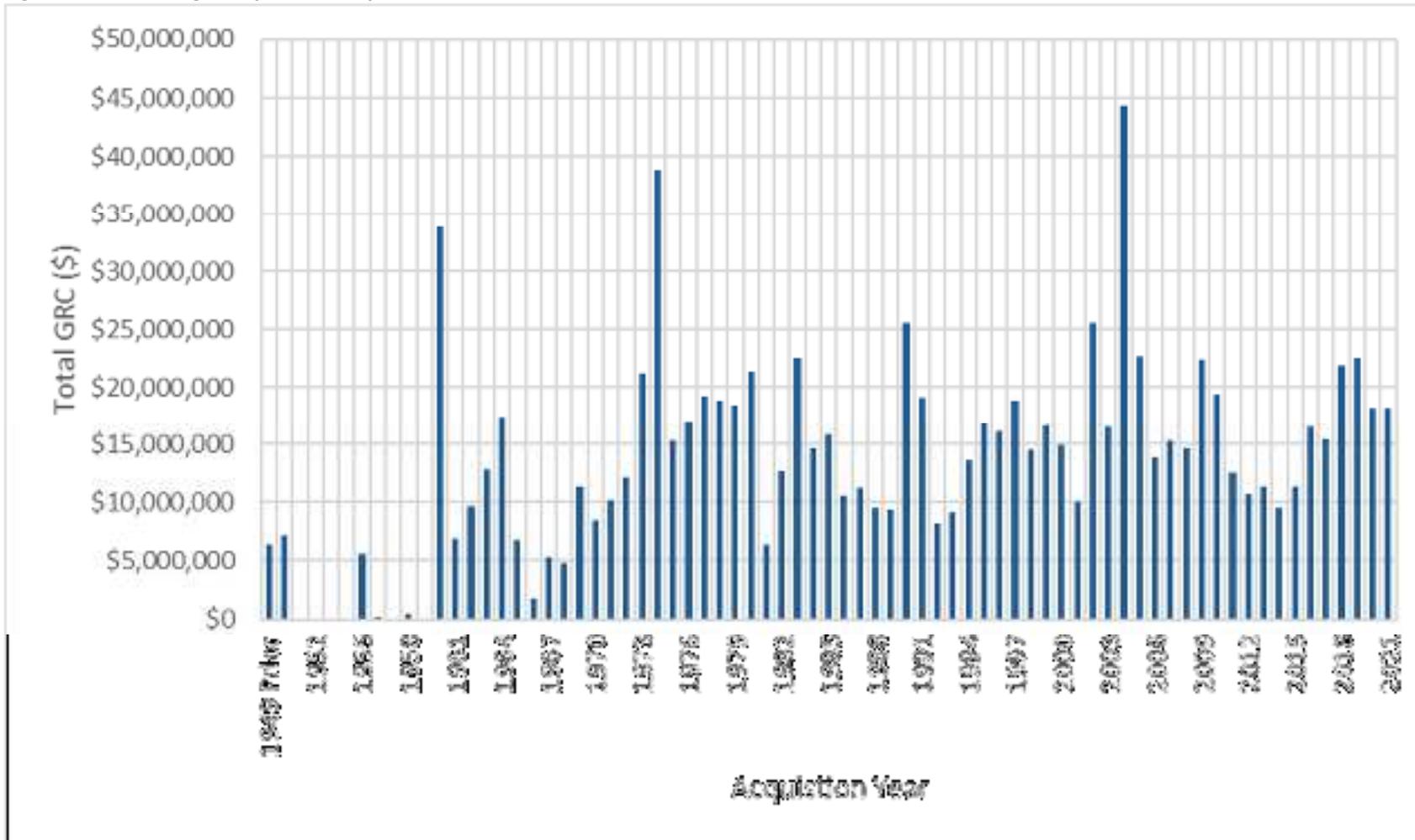
Table 5.7: Assets covered by this Plan – Batemans Bay Beach Resort

Asset Category	Quantity
Buildings	52
Roads	9,473m ²
Paths	429m
Fencing	560m
Pool	1
Amphitheatre	1
Tennis court	1
Jumping pillow	1
Mini golf	1
Boom gate	1
BBQ's	3
Picnic sets	13
Shelters	3
Site services	various

5.1.2 Age Profile

The age profile of the assets included in this AM Plan are shown in Figures 5.1-5.7. All figure values are shown in current day dollars.

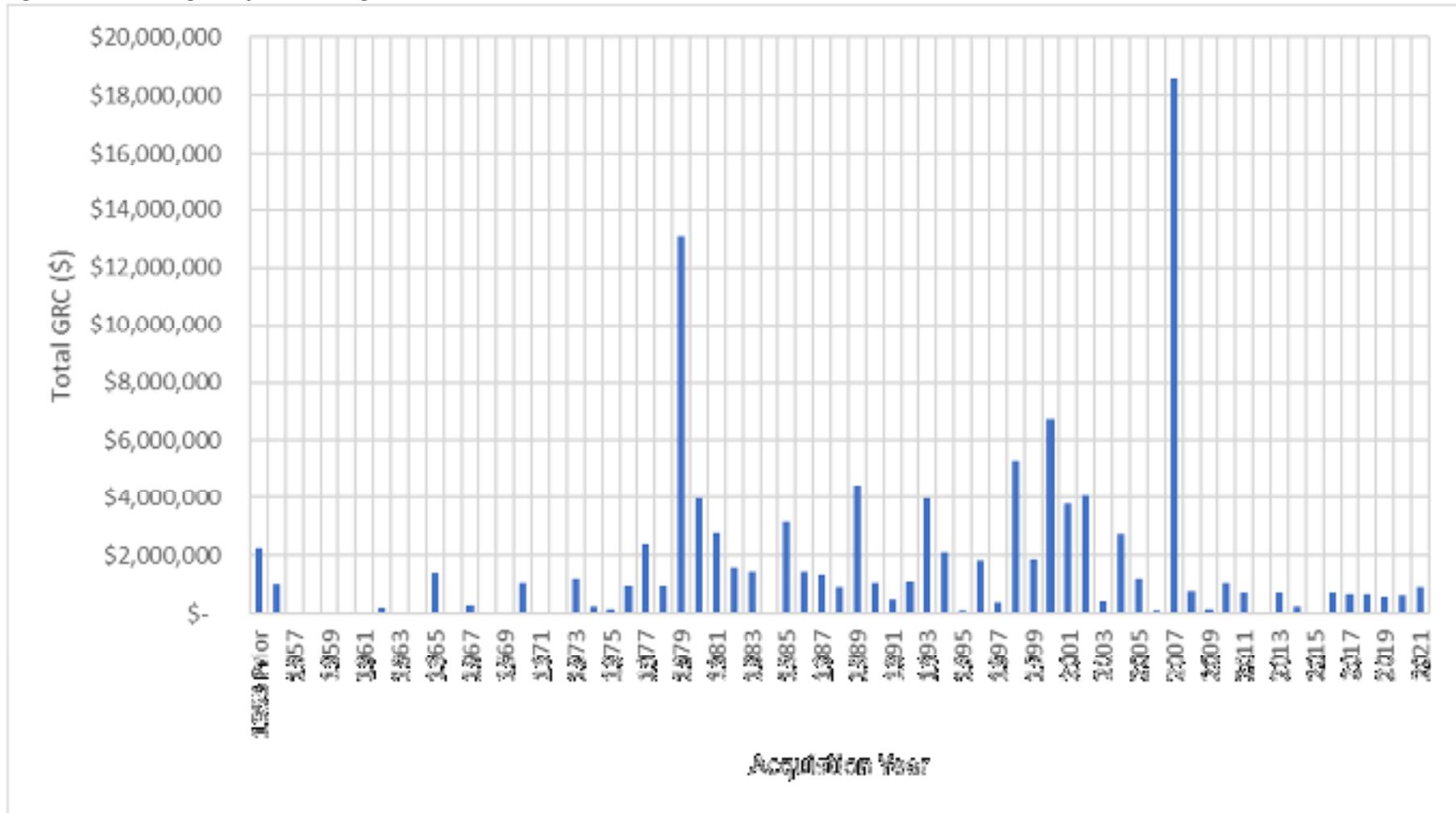
Figure 5.1: Asset Age Profile – Transport



Eurobodalla has been through multiple high growth periods including in the 1960's and 1970's when a large portion of our network was developed due to significant expansion of the shire. The larger peaks in this period are mainly due to inaccuracy of construction dates and assignment of estimated construction dates during data cleansing phases. Many of these roads have since been rebuilt through reconstruction and renewal programs.

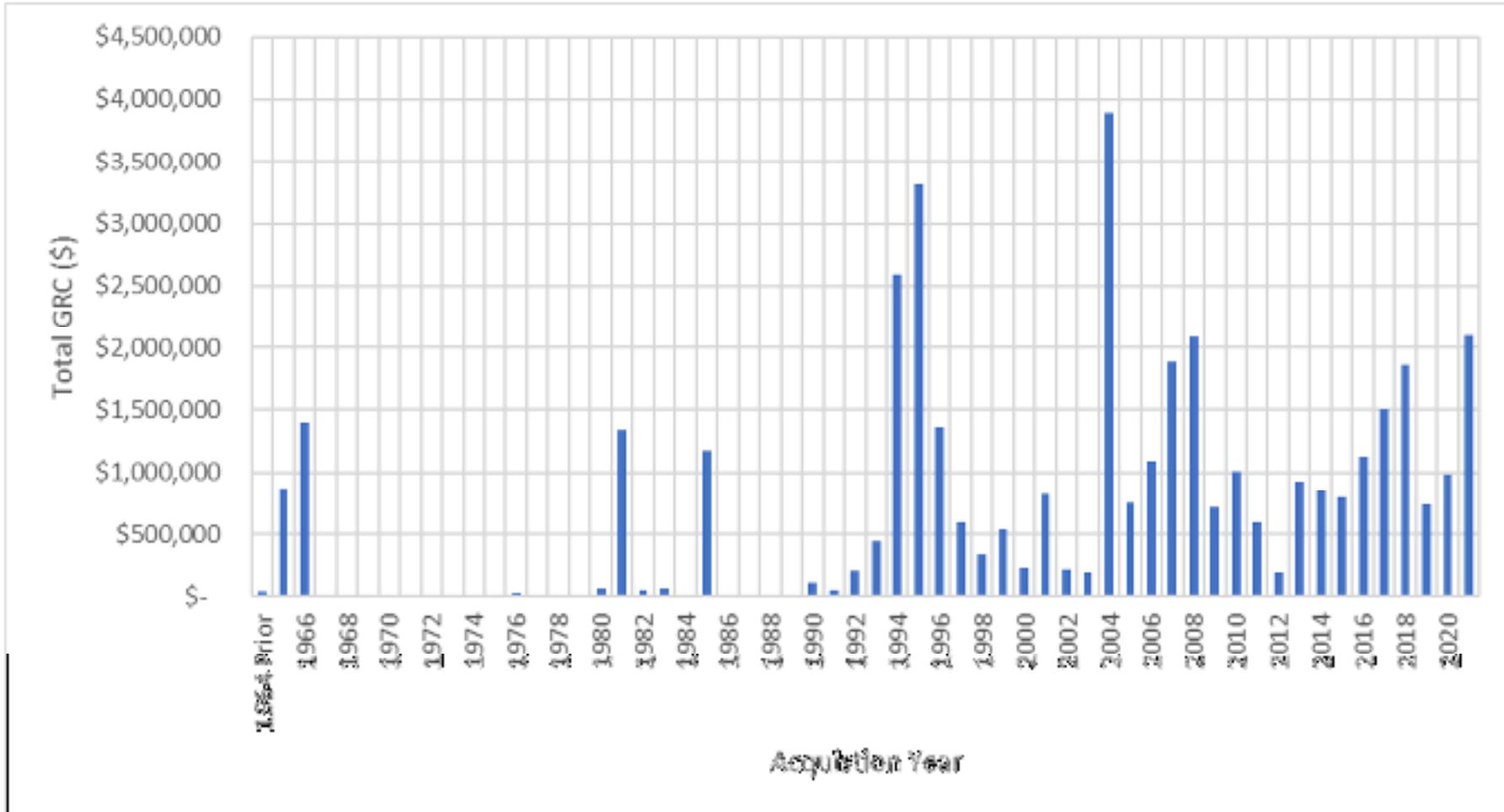
Future peaks in acquisition align with increased subdivision activity periods and to a minor extent increased grant funding. The 2004 peak was due to increased subdivision activity and some larger Council constructed assets.

Figure 5.2: Asset Age Profile- Buildings and Facilities



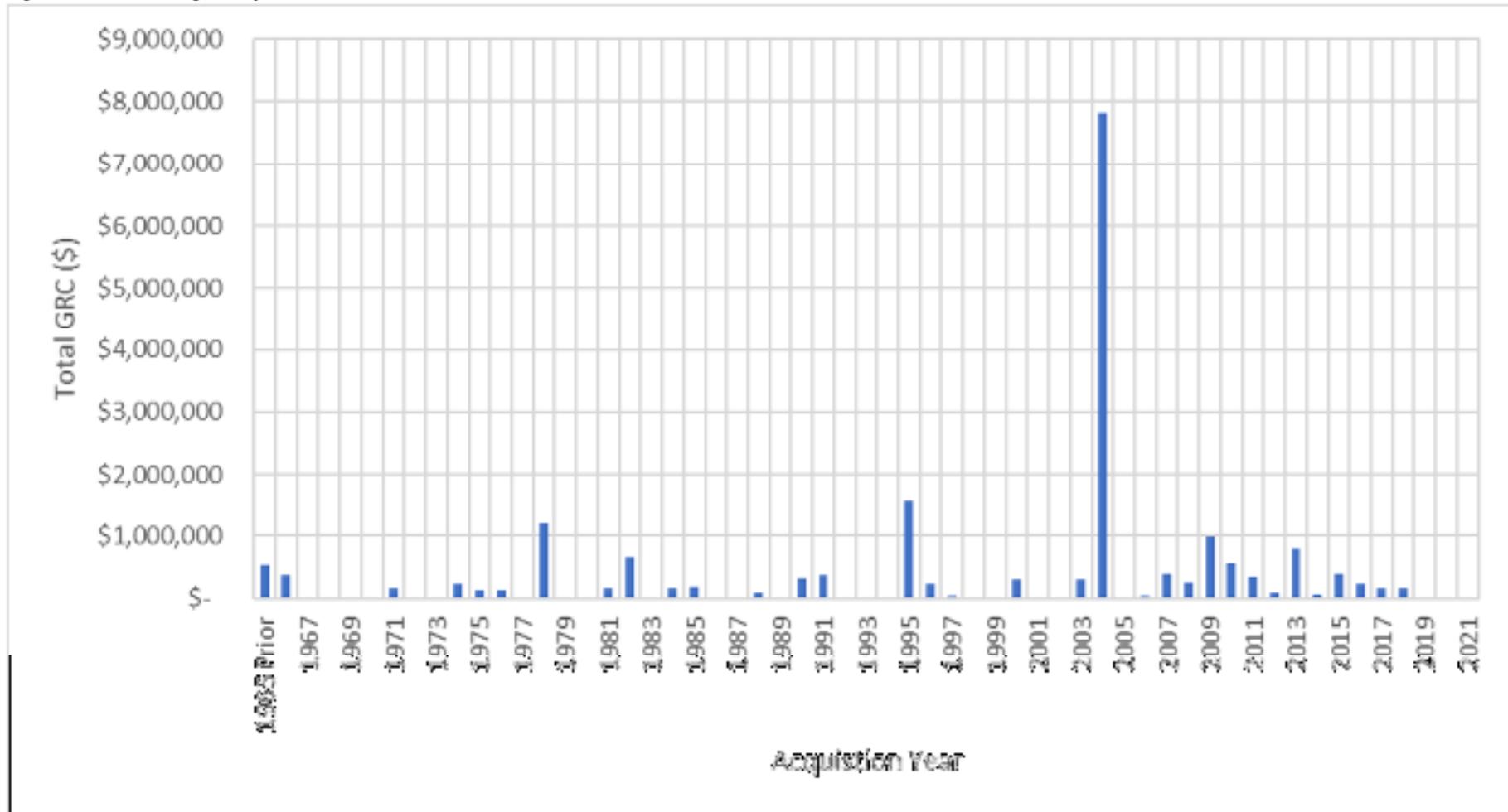
Peak in 1979 due to construction of Moruya Administration Building. Peak in 2007 due to Stockland’s carpark building (Council owned component) being constructed.

Figure 5.3: Asset Age Profile – Recreation and Open Space



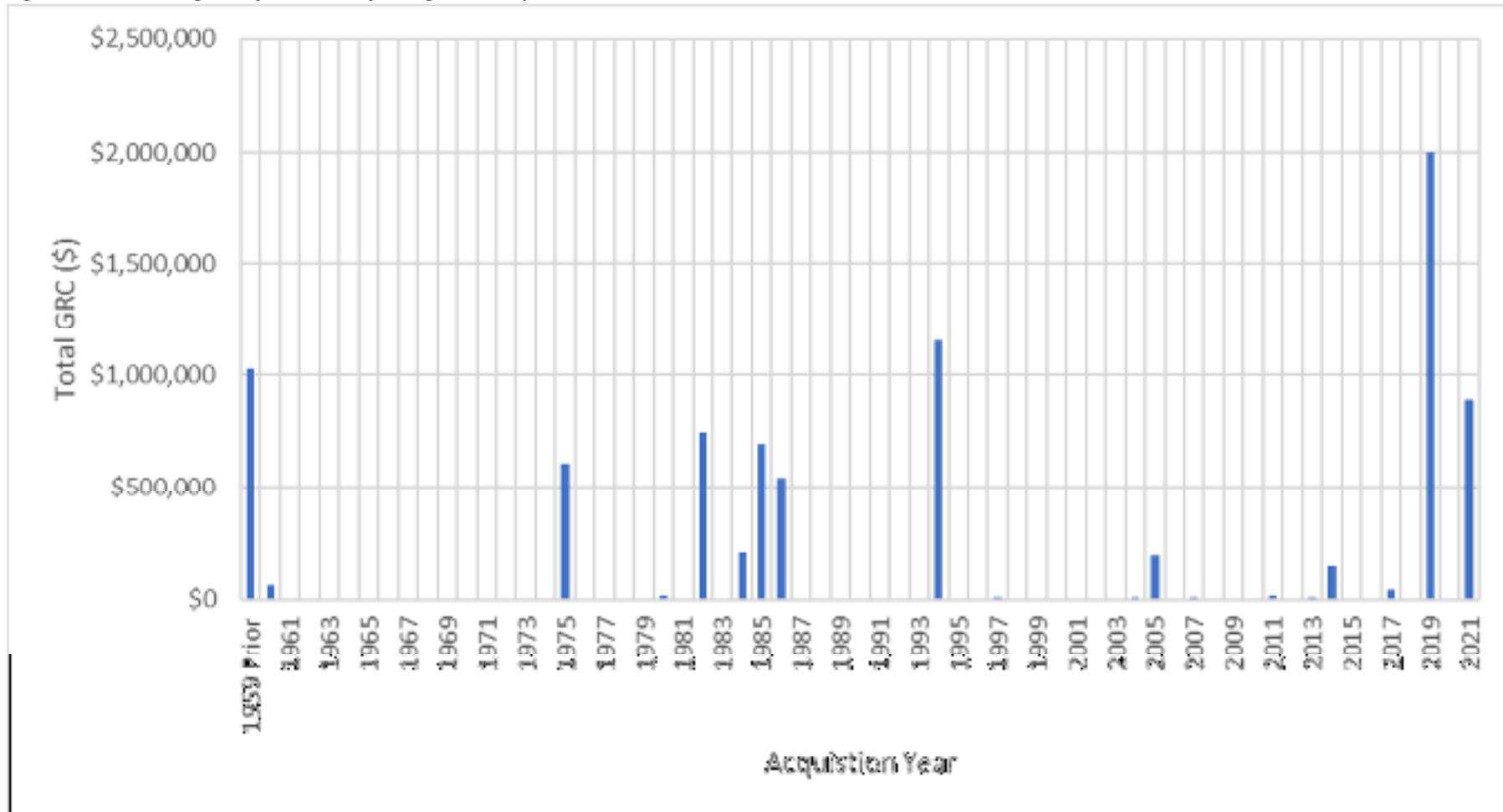
Peak in 1994-1995 result of field earthworks being recognised as assets. Peak in 2004 due to in part to several field lighting upgrades, construction of criterion track and earthworks at Gundry oval.

Figure 5.4: Asset Age Profile – Marine Facilities



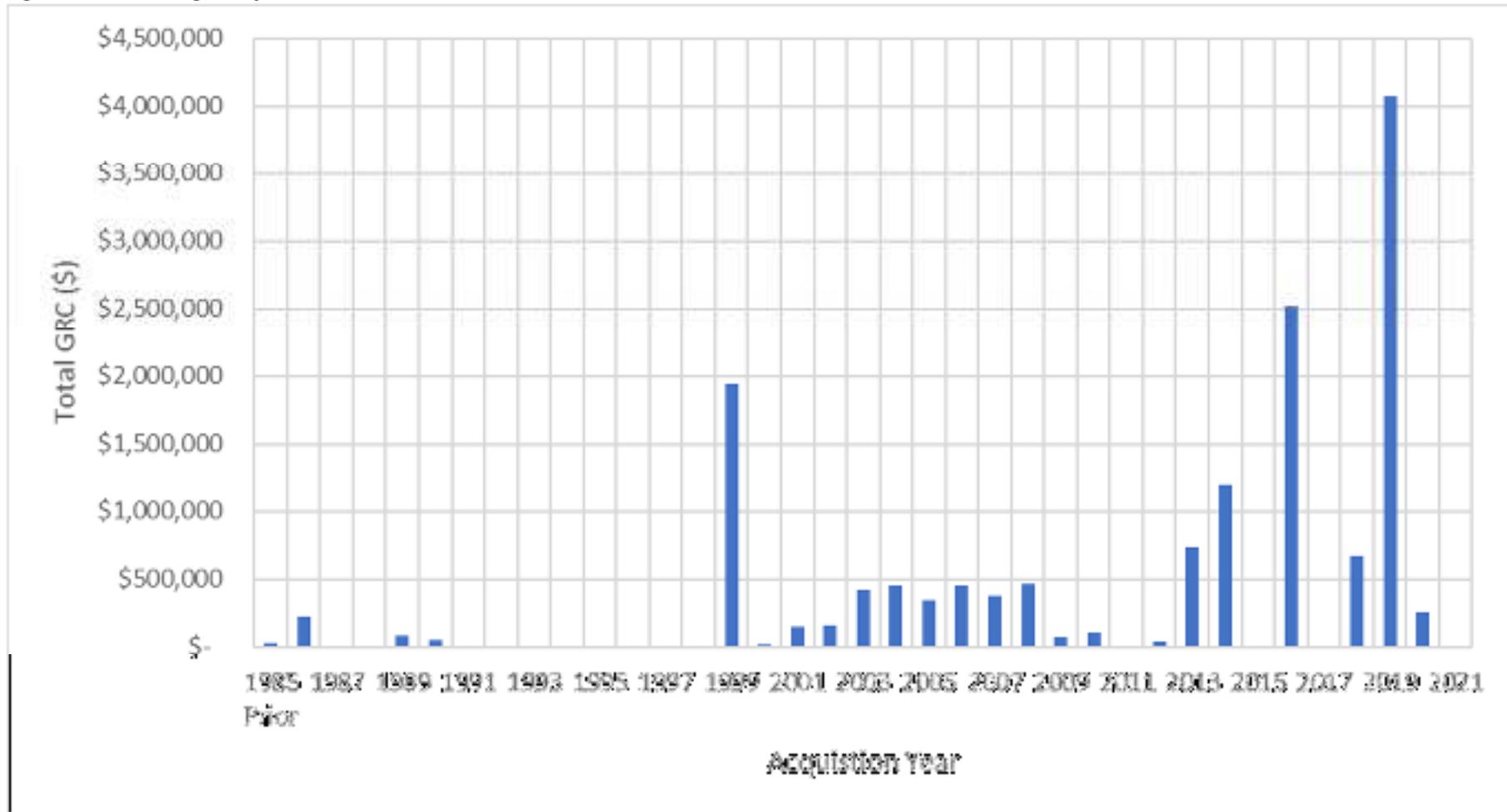
Peak in 2004 is construction of Casey’s Beach rock wall. Steady progress after this period is the result of Council being successful in receiving grant funding from NSW Government under funding programs such as Better Boating Now.

Figure 5.5: Asset Age Profile – Moruya Regional Airport



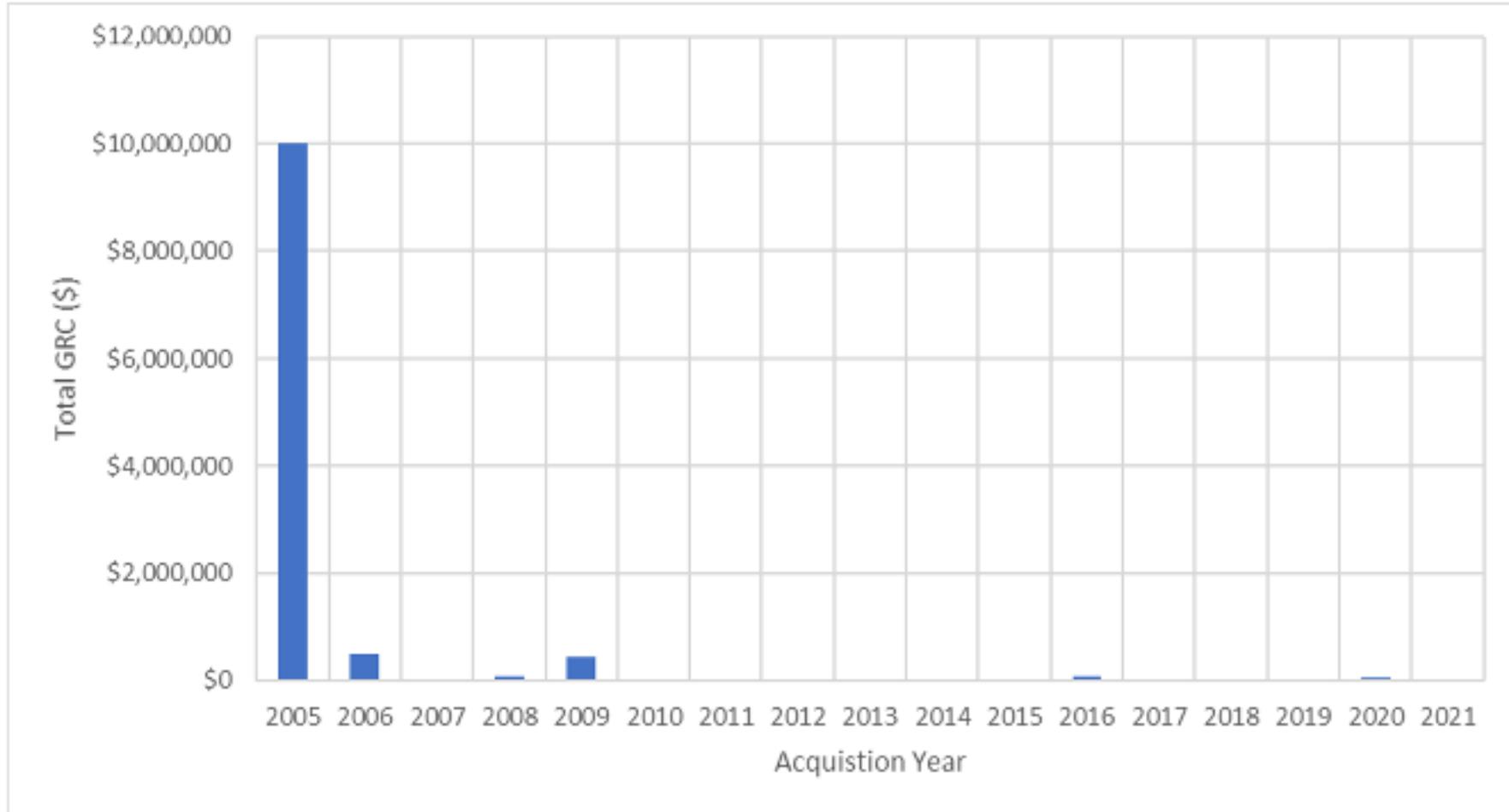
The original airport was constructed in 1939 with further runway and taxiway upgrades and renewals undertaken in 1960, 1975, 1980's, 1994. 2019-2021 shows the recent expenditure from the airport redevelopment project.

Figure 5.6: Asset Age Profile – Waste Facilities



Pre 1999 reflects assets brought on at Surf Beach Waste Facility. 1999 was the leachate pond at Surf Beach. During the 2000’s Surf Beach cell and assets at Brou and Moruya Transfer were constructed. 2016 and 2019 were upgrade works at Surf Beach and Brou including new cells.

Figure 5.7: Asset Age Profile – Batemans Bay Beach Resort



Council purchased the Beach Resort in 2005 and moved all assets to the Council registers. Since a significant capital investment in the first few years, only minor capital upgrades have occurred since that time.

5.1.3 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.2.

Table 5.2: Known Service Performance Deficiencies

Location	Service Deficiency
All general fund assets	Cost to bring to satisfactory as of 30 June 2021 was \$68.0M Remaining priority actions in related plans and strategies.
Urban roads	Currently 16km without kerb and guttering, built to poor standards, without adequate stormwater and ageing pavements.
Urban areas	Areas with inadequate system capacity and lack of formal overland flow paths. Includes higher urban density zones and commercial and business districts (particularly south Batemans Bay).
Section 94 rural roads	Currently 5.9km of unsealed rural road still to be reconstructed and sealed plus additional deficiencies in identified sealed sections.
Urban areas	Only about one in three urban roads has a pathway on at least one side.
Higher trafficked roads	Network deficiencies limiting Council's ability to provide for diversified modes of transport e.g., higher mass limit and oversized transport vehicles.
Roads and bridges	Infrastructure resilience issues including fire affected roadside trees, timber bridges, corrugated culverts, roadside slope stability issues and low level under capacity water crossings.

5.1.4 Asset condition

Condition is currently monitored in an informal way by work teams and asset inspectors. Formal condition inspections are undertaken on a five yearly basis in line with Council’s revaluation cycle. The last formal condition inspections were undertaken in 2020. Sealed road condition surveys are generally carried out on a higher frequency. Level 2 bridge condition inspections are undertaken on a three yearly cycle. There is a modest amount of annual budget for ongoing CCTV of Council’s stormwater network.

Condition is measured using a 1 – 4 grading system⁴ as detailed in Table 5.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 4 grading scale for ease of communication.

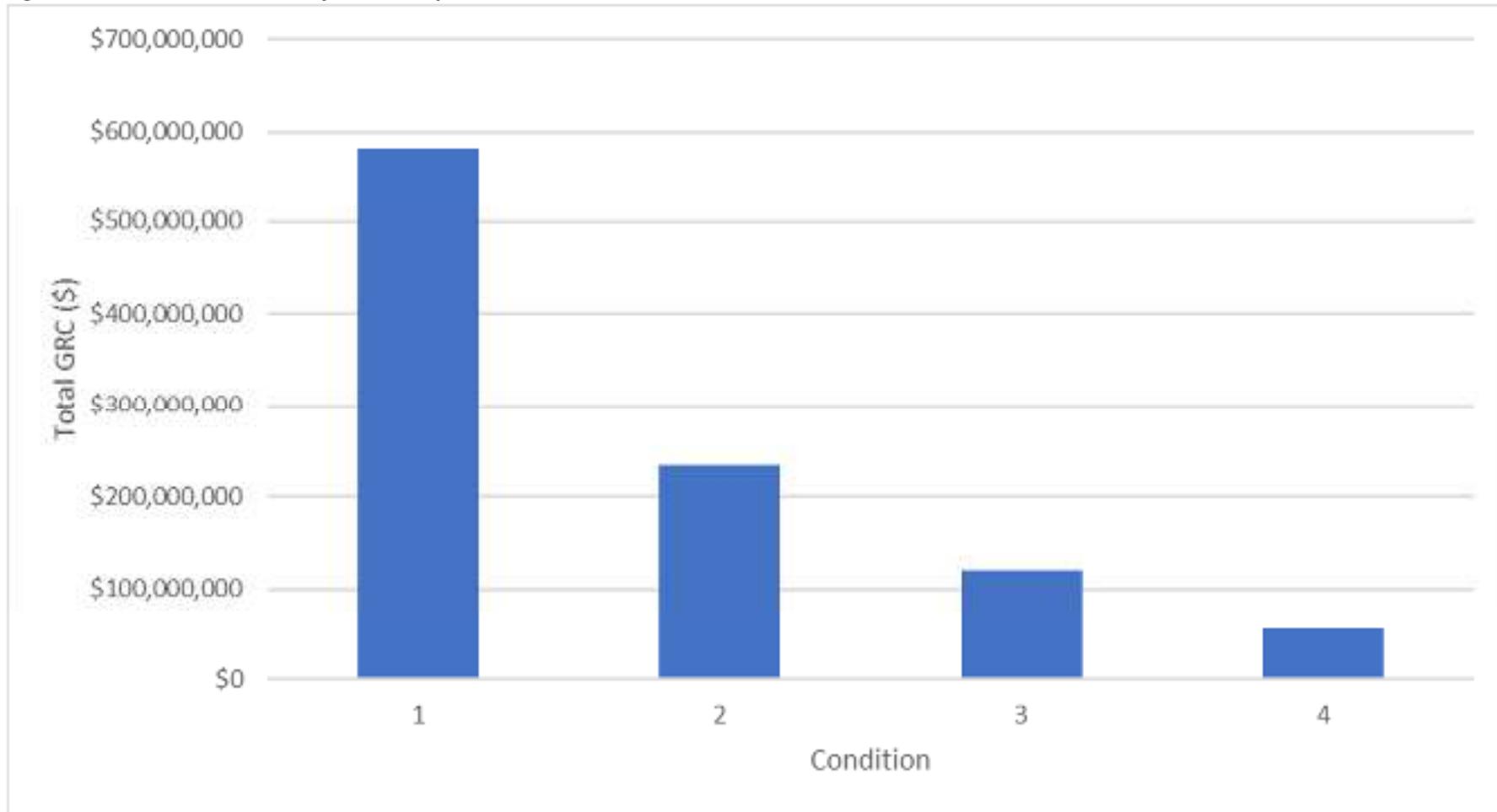
Table 5.3: Condition Grading System

Condition Grading	Description of Condition
1	Very Good: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Fair: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely

The condition profile of our assets is shown in Figures 5.8-5.14. All figure values are shown in future day dollars.

⁴ IPWEA, 2015, IIMM, Sec 2.5.4, p 2 | 80.

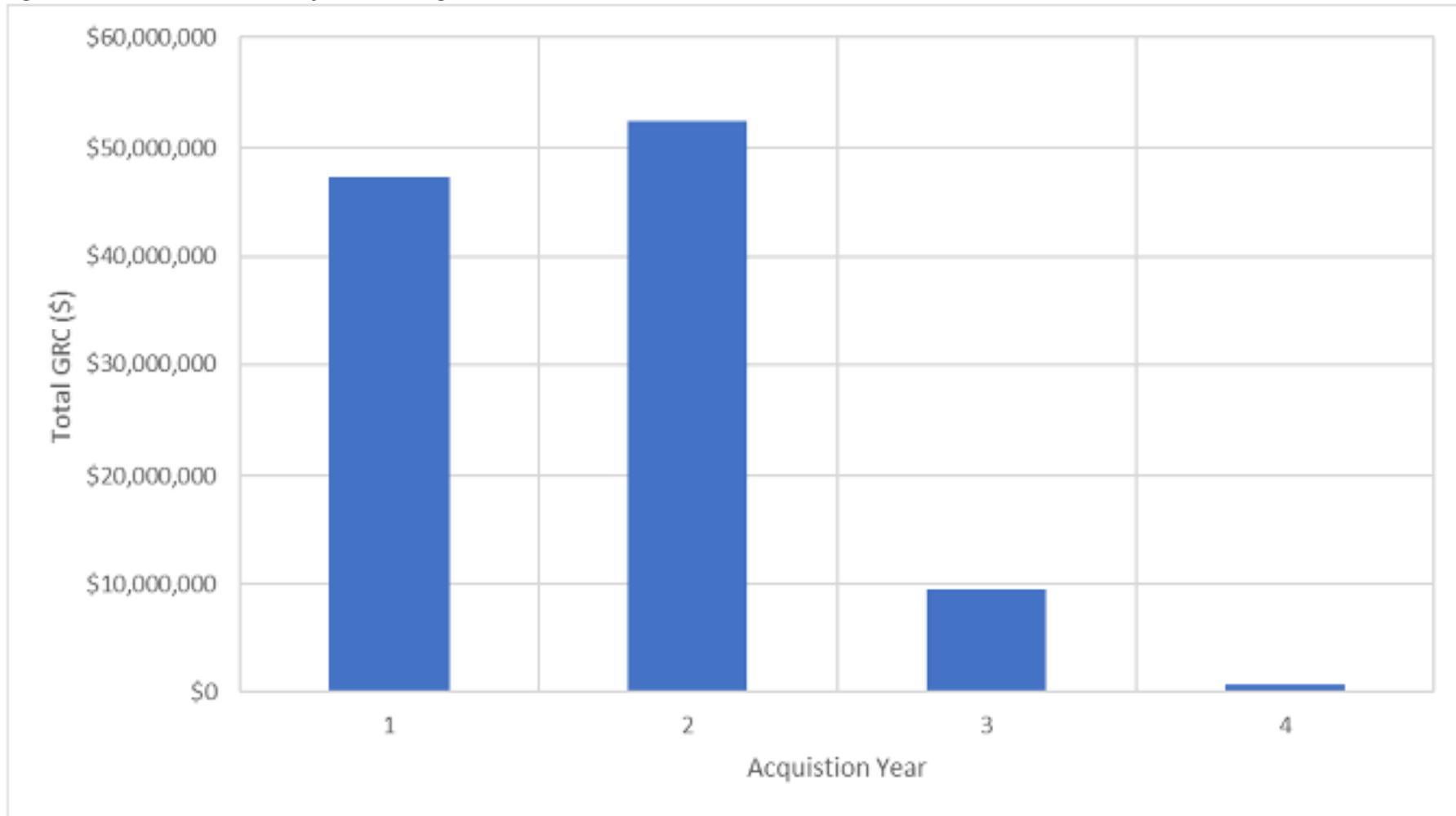
Figure 5.8: Asset Condition Profile – Transport and Stormwater



Earthworks and other non-depreciable assets shown as condition 1.

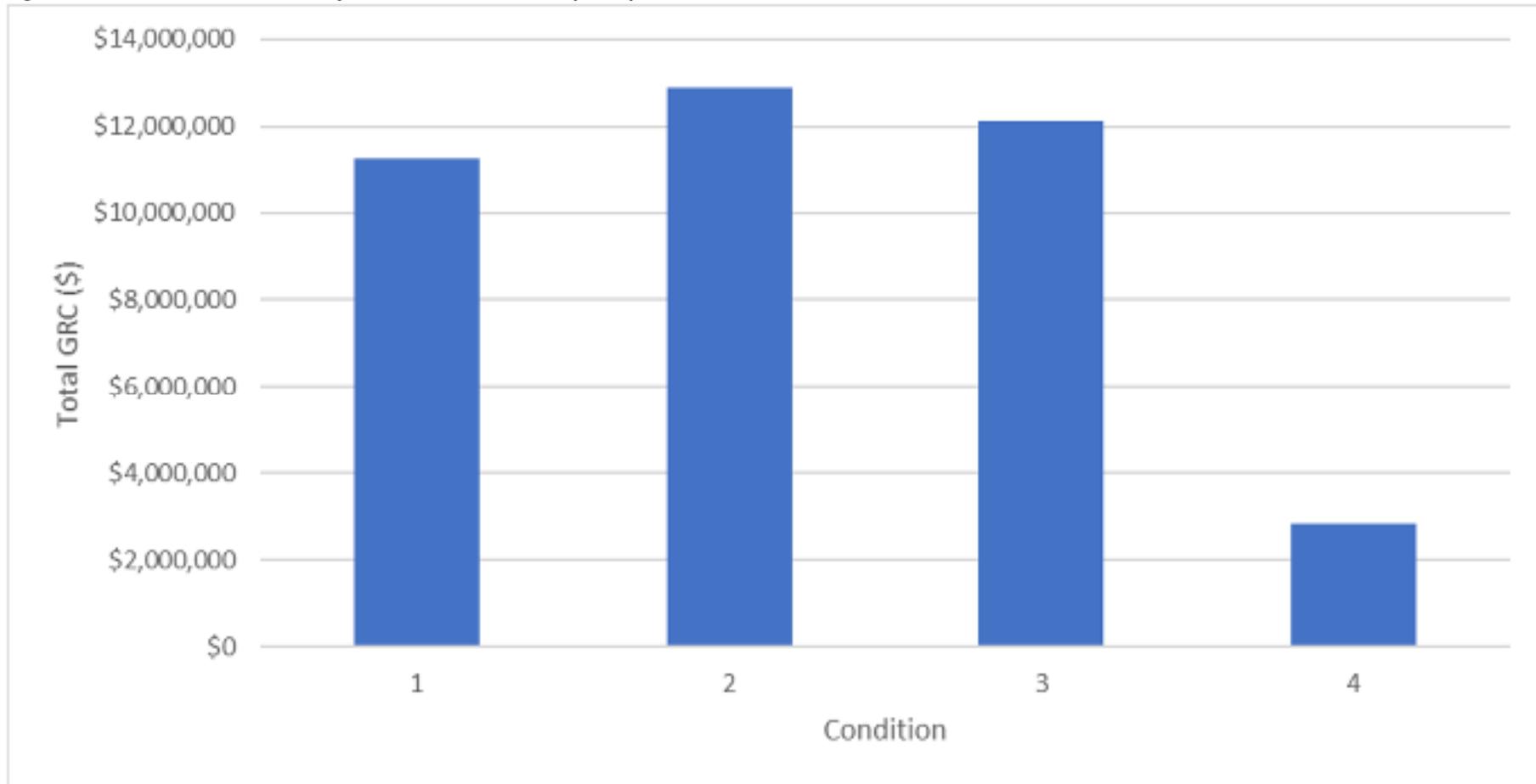
It should be noted if non depreciable assets are excluded from the condition one value, then there is a decrease in values down to condition 4. This is mainly due to the long lives of many of the transport assets.

Figure 5.9: Asset Condition Profile – Buildings and Facilities



The low amounts in condition 3 and 4 is slightly mis-leading. This is due to low levels of componentisation in buildings and the use of weighted average useful lives.

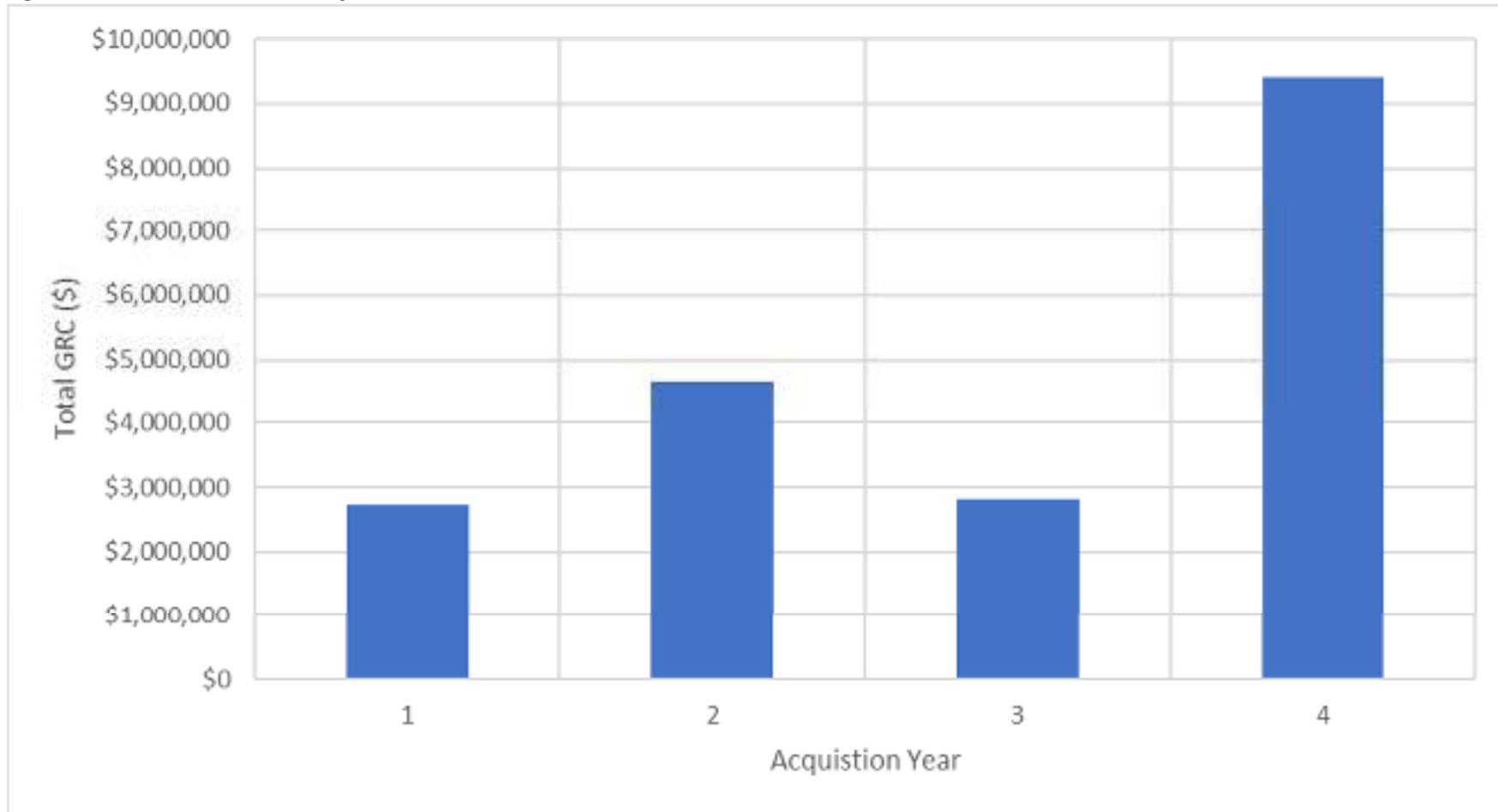
Figure 5.10: Asset Condition Profile – Recreation and Open Space



It should be noted that earthworks and other non-depreciable assets shown as condition 1.

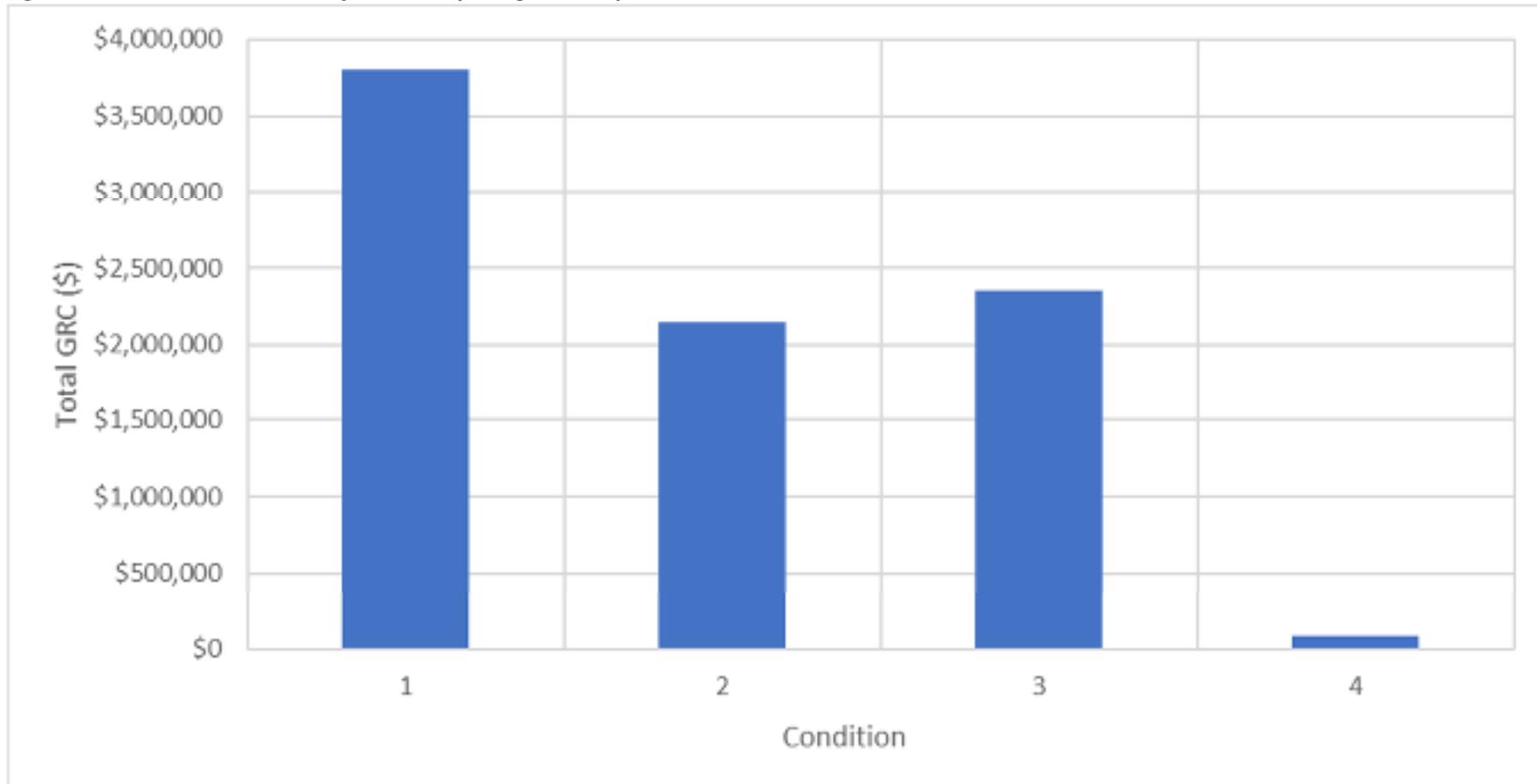
There is a reasonably even distribution in asset condition outside of condition 4. This is mainly due to the short lives of a lot of the asset stock.

Figure 5.11: Asset Condition Profile – Marine Facilities



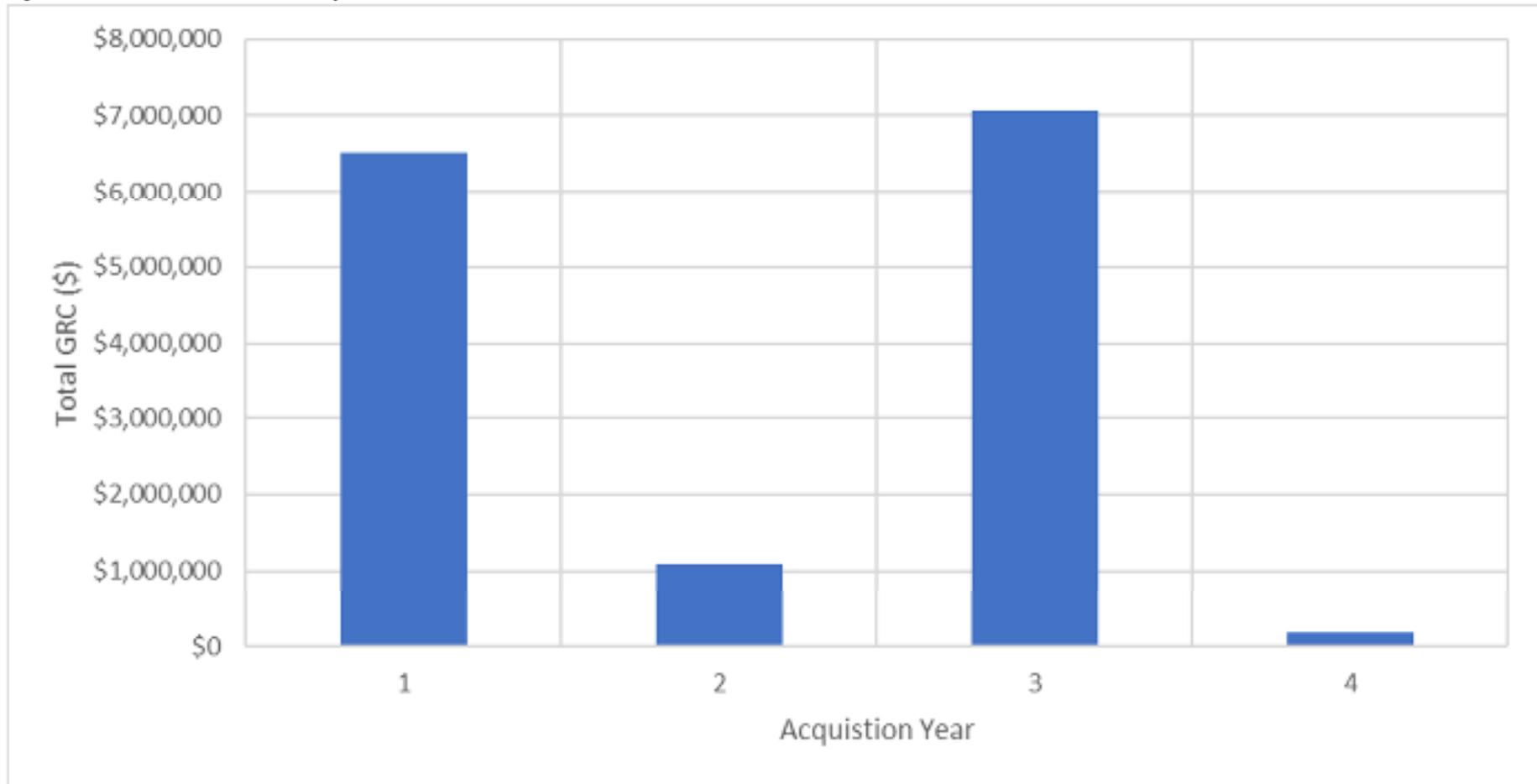
It should be noted that Casey's Beach rock wall makes up \$7.4M of the condition 4 assets.

Figure 5.12: Asset Condition Profile – Moruya Regional Airport



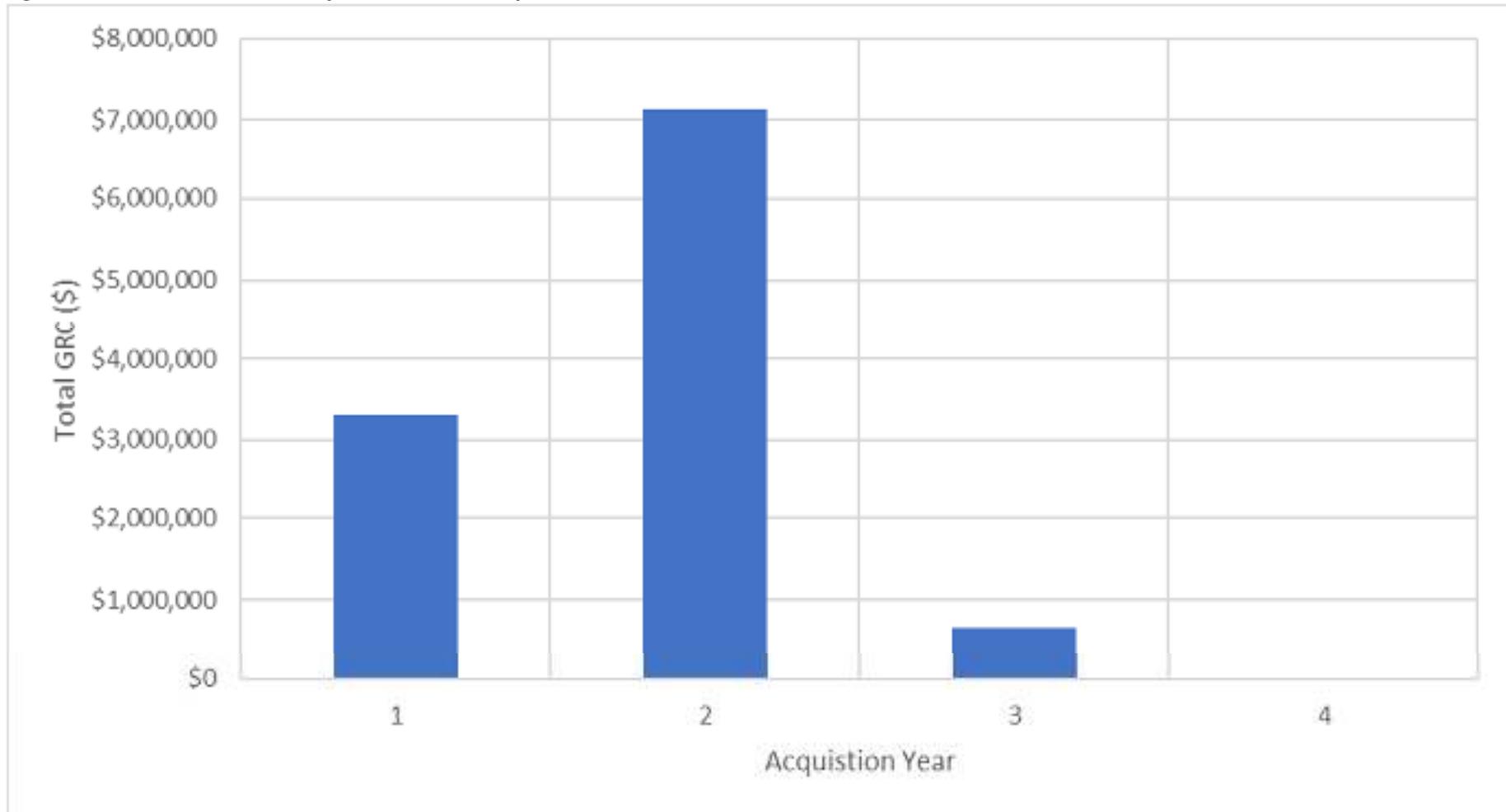
Earthworks which are non-depreciable are shown as condition 1 as well as recent upgrade works undertaken in 2019 to 2021. Some of the Airport fences, pavements, surfaces and light poles are situated in condition 3.

Figure 5.13: Asset Condition Profile – Waste Facilities



Earthworks, leachate and sediment ponds which are non-depreciable are shown as condition 1. Large amount in condition 3 largely due to cells which have been scheduled for replacement.

Figure 5.14: Asset Condition Profile – Batemans Bay Beach Resort



The graph above shows that the majority of the Batemans Bay Beach Resort assets are in good condition.

5.2 Maintenance Plan

Maintenance costs in this plan include 'operations' and 'maintenance' costs.

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, pothole repairs and maintenance grading.

The trend in planned maintenance budgets are shown in Table 5.4.

Table 5.4: Planned Maintenance Budget Trends in LTFP

Year	Maintenance Budget
2022	\$13,358,124
2023	\$16,970,969
2024	\$17,279,189
2025	\$17,596,320
2026	\$17,979,380
2027	\$18,691,407
2028	\$19,639,874
2029	\$20,834,208
2030	\$21,449,205
2031	\$21,967,224
2032	\$22,498,914

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

Assessment and priority of reactive maintenance is undertaken by staff in accordance with Council’s Local and Regional Road Risk Management Policy, Pathways and Shared Pathways Risk Management Code of Practice, Council’s Risk Management Code of Tree Risk Management on Council Controlled Land Code of Practice and BRIDGE guide 2009 or in accordance with relevant Australian standards, Work Health and Safety Act, Work Health and Safety Regulations, National Construction Codes and the Building Code of Australia.

Staff experience and judgement is used for other assets.

5.2.1 Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in tables 5.5-5.8 for asset classes that have a formal hierarchy.

Table 5.5: Asset Service Hierarchy – Transport and Stormwater

Classification	Hierarchy
Sealed Roads	Regional, state, distributor, collector, local
Unsealed Roads	Local, local minor, minor
Carparks	CBD and non-CBD
Pathways	CBD and non-CBD

Table 5.6: Asset Service Hierarchy – Buildings and Facilities

Classification	Hierarchy
All buildings and facilities	Regional, shire, district and local

Table 5.7: Asset Service Hierarchy – Recreation and Open Space

Classification	Hierarchy
Recreation Park	Regional, district, local, linear, beach access, formal
Sports Park	Regional, district, local
Specialised Sports Parks	Indoor sports, aquatic facilities, tennis
Other Open Space	Undeveloped, utility
Bushland Reserves	Natural Areas – bushland, wetland, escarpment, watercourse, foreshore

Refer Eurobodalla Recreation and Open Space Strategy 2018 and *Local Government Act 1993* Part 2, Div. 2 Sect 36 for further detail.

Table 5.8: Asset Service Hierarchy – Marine Facilities

Classification	Hierarchy
Marine Facilities	Regional, district and local

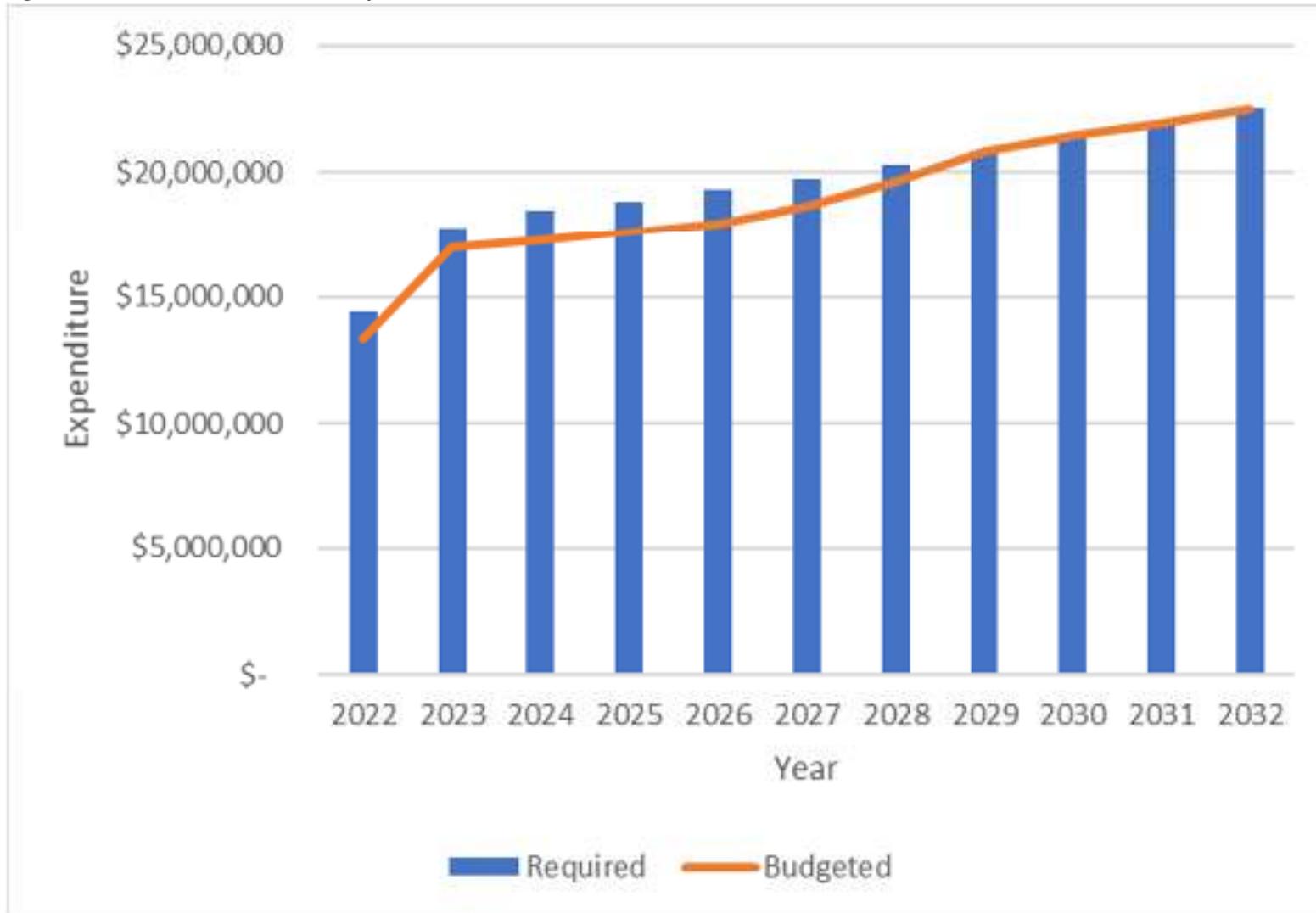
5.2.2 Summary of forecast maintenance costs

Forecast required maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the required maintenance costs are forecast to increase. If assets are disposed of the forecast required maintenance costs are expected to decrease. There is expected to be growth in the total value of asset stock due from Council constructed assets and gifted assets e.g., new parks and reserves. This has been used in determining the forecast required maintenance costs.

Required maintenance costs also need to account for increases in construction costs over the period of the plan. An assumption of 2% per annum increase in costs has been used. This matches the current proposed budget increases. Any changes to actual or predicted cost increases will need to be considered in future iterations of this plan.

Figure 5.15 shows the forecast required maintenance costs relative to the proposed maintenance budget.

Figure 5.15: Maintenance Summary



All values are shown in future year dollars.

The forecast required maintenance costs over the 10-year planning period is \$19.6M on average per year. This includes an allowance for growth in the network.

The proposed budgeted maintenance funding is \$18.9M on average per year giving a total 10-year funding shortfall of \$7.7M or \$0.7M per year. This indicates that 97% of the forecast required maintenance costs needed to provide the services documented in this AM Plan are accommodated in the proposed maintenance budget. The remaining 3% will need to be found through external grants or other strategies outlined in the Plan.

Council has allocated additional budgeted funding allowances to fully cater for growth from 2029 onwards. Smaller allowances have been allocated in earlier years to respond to the impacts of network growth on levels of service.

Deferred maintenance (i.e. works that are identified for maintenance activities but unable to be completed due to available resources) should be included in the risk management process.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e., condition modelling system, staff judgement, average network renewals, or other).

Council has used a combination of these two methods to determine required renewals.

The typical indicative useful lives of general fund assets are shown in Tables 5.9-5.15. Each asset class is reviewed formally every 5 years on a rolling cycle.

Table 5.9: Typical Useful Lives of Assets – Transport and Stormwater Assets

Asset (Sub)Category	Useful life (years)
Sealed road/carpark pavements	50-90
Sealed road/carpark surfaces	10-18
Unsealed road pavements	10-15
Concrete bridges	75-120
Timber bridges	30
Pathways - concrete	100
Pathways – paved, timber, asphalt	30
Stormwater	100
Road drainage - concrete	100
Road drainage – corrugated iron	30
Kerb and gutter	75
Bus shelters	40
Protective fence	15-30
Traffic islands	40
Signs and guideposts	15
Gross pollutant traps	50

Table 5.10 Typical Useful Lives of Assets – Buildings and Facilities

Asset (Sub)Category	Useful life (years)
Structure	60
Roof	40
Internal	20
Fire	20
Electrical	20
Hydraulics	20
Security	20

Table 5.11: Typical Useful Lives of Assets – Recreation and Open Space

Asset (Sub)Category	Useful life (years)
Pool Shells	60
Pool Reticulation and Filtration	40
Monuments	60
Fences	25-40
Field Surface	30
Field Irrigation	20
Hard Court Surface	50
Bollard	15-50
Viewing Platform	35
Seats	25
Playground Modules	15
BBQ's	20
Picnic Tables	20
Signs	15
Skate Park	25
Field Goals	25

Only key asset categories shown (over 180 subcategories exist in Recreation).

Table 5.12: Typical Useful Lives of Assets – Marine Assets

Asset (Sub)Category	Useful life (years)
Boat ramps	100
Pontoons	30
Wharves and jetties	40-50
Fishing platforms	40-50
Fish cleaning tables	20
Rock walls	100
Shark net	8
Solar light	15

Table 5.13: Typical Useful Lives of Assets – Moruya Regional Airport

Asset (Sub)Category	Useful life (years)
Pavements	50
Pavement surfaces	15
Buildings	50
Fences	40
Flood light	30
Windssocks	25
PAPI and runway lighting	25

Table 5.14: Typical Useful Lives of Assets -Waste Facilities

Asset (Sub)Category	Useful life (years)
Landfill cells	12-15
Earthworks, ponds, dams	Non-depreciable
Leachate pumps and retic	20
Gas flares	12-15
Road pavements	50
Fences	25-40
Sheds	40
Shelters	20

Table 5.15: Typical Useful Lives of Assets – Batemans Bay Beach Resort

Asset (Sub)Category	Useful life (years)
Buildings	50
Road pavements	60
Road surfaces	25-60
Paths	100
Fencing	20-40
Pool	50
Amphitheatre	50
Tennis court	25
Jumping pillow	10
Mini golf	20
Boom gate	10
BBQ's	20
Picnic sets	20
Shelters	20
Site services	50-70

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g., replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., condition of a bus shelter).⁵

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁶

Assets requiring renewal are identified based on the data held in Council's Asset and Maintenance Management Systems and using estimates of remaining life. Candidate proposals are inspected by experienced engineering personnel to verify the need for renewal, develop preliminary renewal estimates and schedules for future programs. Verified proposals are then submitted to Council for approval within the available budgets as part of the Operational Plan.

Council has historically undertaken replacement or renewal works in association with upgrades to the existing network such as the urban roads reconstruction program. This program is partially funded from the stormwater program and resident contributions. Urban roads priorities are determined based on a point score system which ranks projects taking account of pavement condition, age of subdivision, traffic, road hierarchy, safety, routes, development, drainage, flooding, maintenance, environment and economic benefit safety. Recommendations to Council also take account of integration with other works such as pathways, recreation projects and development contributions to works.

Council has historically undertaken replacement or renewal works in association with upgrades to the existing recreation network such as ROSS recommended upgrades for parks from local to district level. These projects may be funded by a combination of resident contributions, dedicated ROSS funding, renewal funds, and/or generic or specific grants (such as the NSW Government's Everyone Can Play fund). Recommendations to Council also take account of integration with other works such as pathways, transport projects and development contributions to works.

⁵ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁶ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

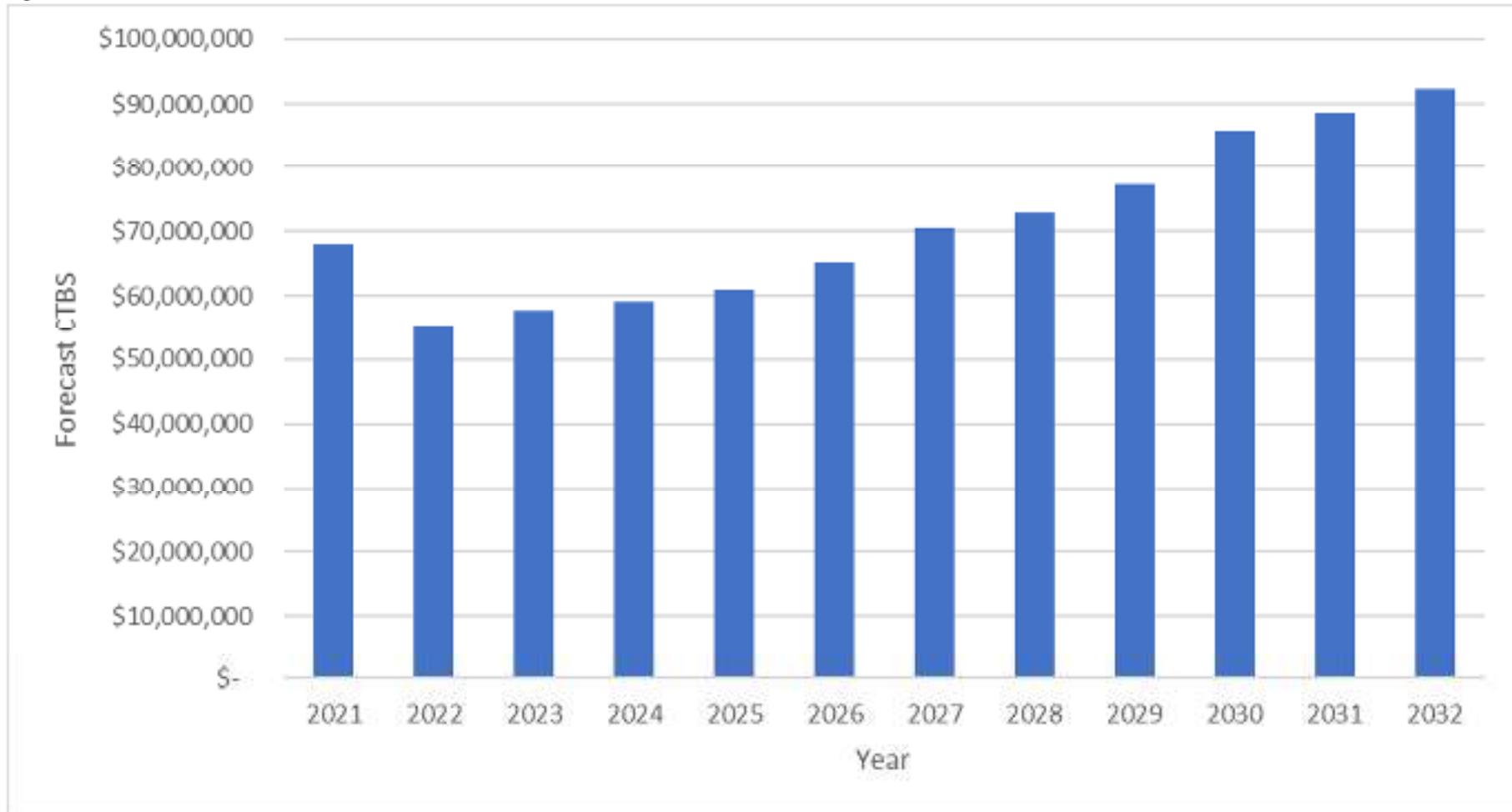
5.3.2 Summary of future renewal costs

Forecast required renewal costs are projected to increase over time if the asset stock increases. On 30 June 2021, the estimated cost to bring to satisfactory for assets (CTBS) covered in this plan was \$68.0M. The required renewal costs to maintain this level of service have been used in this plan.

Required renewal costs also need to account for increases in construction costs over the period of the plan. An assumption of 2% per annum increase in costs has been used. This matches the current proposed budget increases. Any changes to actual or predicted cost increases will need to be considered in future iterations of this plan.

Figure 5.16 shows the cumulative forecast CTBS. A detailed summary of the forecast required renewal costs is shown in Appendix C.

Figure 5.16: Forecast Renewal Costs



All figure values are shown in future day dollars.

The forecast required renewal costs to maintain this level of service over the 10-year planning period is \$17.7M on average per year.

The proposed (assumed) renewal funding is \$14.6M on average per year giving a total 10-year funding shortfall of \$33.6M or \$3.1M per year. This indicates that 83% of the forecast required renewal costs needed to maintain the current levels of services documented in this AM Plan are accommodated in the proposed renewal budget. The remaining 17% will need to be sourced from other strategies in the Plan including external grants.

Deferred renewal (assets identified for renewal and not scheduled in capital works programs) should be included in the risk analysis process in the risk management plan.

5.4 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Eurobodalla Shire Council.

5.4.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to Council's needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal/maintenance estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and then submitted to Council for approval within the available budgets as part of the Operational Plan.

Council has a number of point score systems in the transport and stormwater asset class that rank projects in order of priority including the urban road point score and pathways strategy.

Council have set priorities for upgrading, replacement and constructing new buildings facilities based on asset management systems with a focus on the physical condition of the building.

There are limitations in basing expenditure on 'condition' only, as it fails to address whether the building is fit for the purpose for which it is being used. It is essential that public facilities are 'Fit for purpose' whereby they meet the basic needs of the community. Some elements which are looked at when determining if a facility is fit for purpose, are:

- Does it meet user requirements and provide for disability access; or
- Is it located in a suitable location with an appropriate aspect on the site
- Is it designed to inhibit criminal or anti-social activity, and do users feel safe when using the facility.
- Are the fittings and fixtures up to standard and designed for functional use.

Recreation and open space planning documents such as the ROSS, plans of management and landscape masterplans typically guide upgrades and new works and funding availability and community factors (e.g. usage, need, population growth) influence prioritisation.

Council has historically developed marine capital upgrade programs based on user requests, network knowledge and available grant funding requirements. The development of the Marine Infrastructure Strategy following extensive community consultation will better inform the capital upgrade program going forward.

The primary source of proposed new airport assets is the Airport Masterplan.

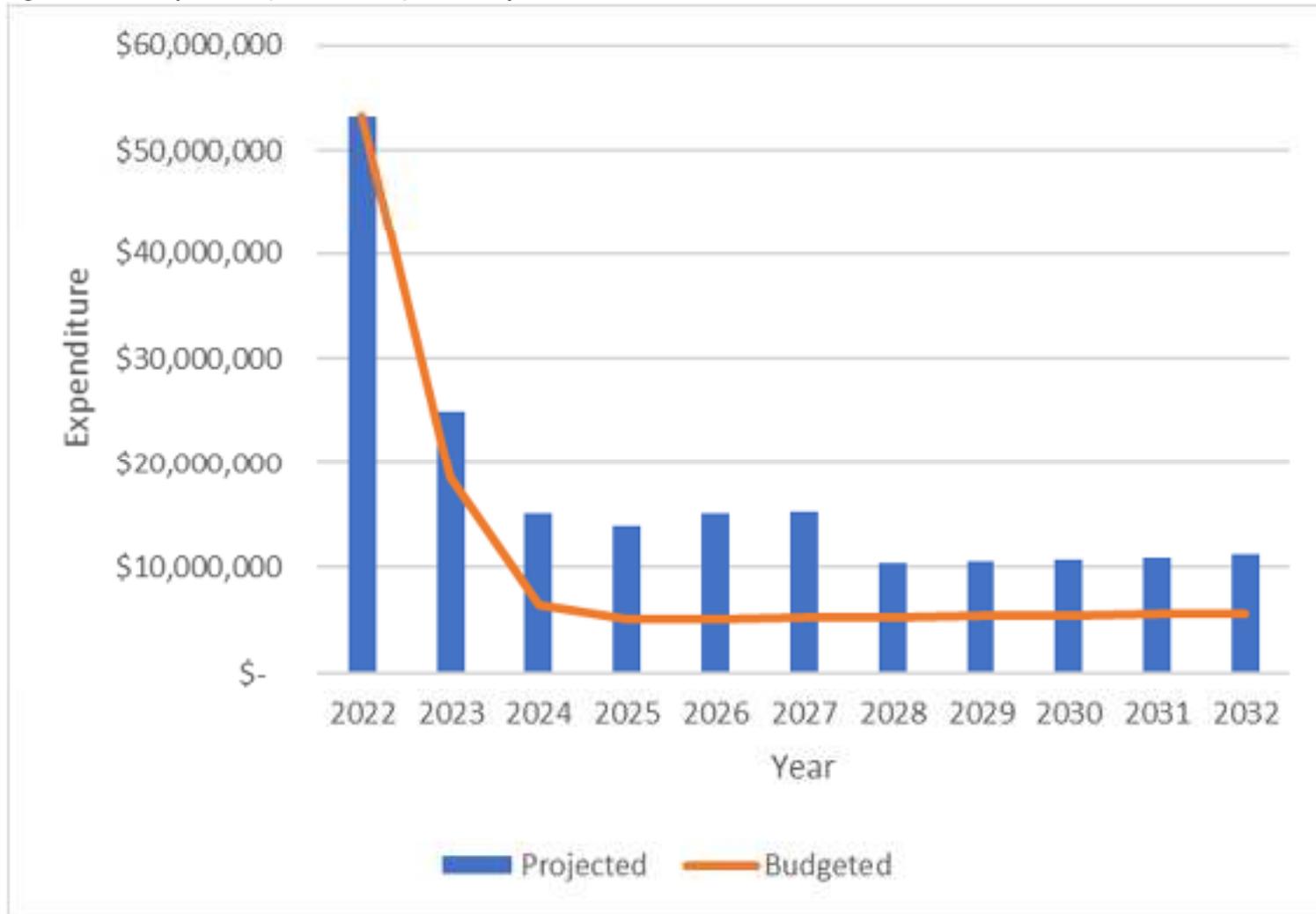
The primary source of proposed new waste assets are the budgeted upgrades at Surf beach and Brou facilities, and new introduced mandated services (e.g., FOGO).

Expenditure on new Batemans Bay Beach Resort assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

5.4.2 Summary of future asset acquisition costs

Forecast required acquisition asset costs are summarised in Figure 5.17 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

Figure 5.17: Acquisition (Constructed) Summary



All figure values are shown in future day dollars. Excludes new (gifted) assets.

The forecast required acquisition costs over the 10-year planning period is \$17.4M on average per year.

The proposed (assumed) acquisition funding is \$11.M on average per year giving a total 10-year funding shortfall of \$-70.0M or \$-6.4M per year. This indicates that 63% of the forecast required acquisition costs needed to provide the services documented in this AM Plan are accommodated in the proposed acquisition budget.

When Council commits to new assets, they must be prepared to fund future maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Council (both constructed by and gifted to Council).

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding either through grants or other strategies outlined in this Plan.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.16.

Table 5.16: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
Nil				

This may need to be reviewed in terms of current budgeting demands on assets across all areas.

5.6 Summary of Asset Forecast Costs

Estimated available funding for this period is \$490.5M or \$49.1M on average per year as per the long term financial plan or budget forecast. These figures include the following assumptions:

- Current funding levels from Council’s own sources are maintained and increased in line with growth
- Annualised external funding from the Australian Government including the Federal Assistance Grant Scheme – Roads Component and the Recovery Program are fully allocated to works
- Annualised external funding from the NSW Government including the Regional Roads Block Grant Program and Regional Roads Repair Program are fully allocated to works

- An average external grant funding is achieved from 2022-23 onwards through individual grant applications and leveraged developer contributions of at least \$5m per annum (indexed outer years).

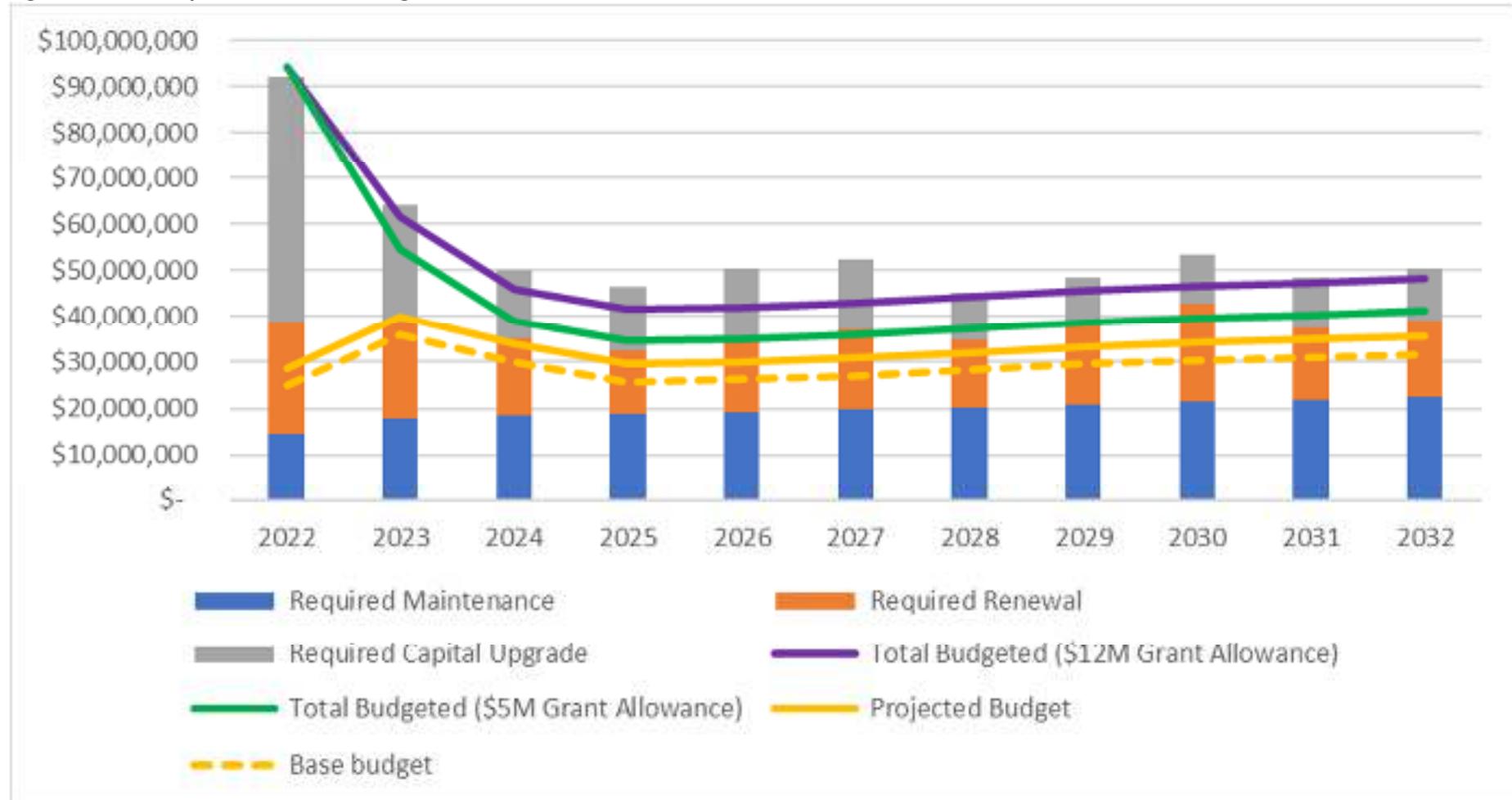
With these inclusions, the projected expenditure represents 82% of the cost required to sustain the current level of service at the lowest lifecycle cost.

It should be noted that over the past five years, Council has been successful in securing more than \$12M per annum (excluding \$51M for the Bay Pavilions and \$76.8M for the Southern Water Storage). If this can be sustained into the future this will lessen the challenges of asset management. This additional forecast is noted on the graph in the purple line in figure 5.18.

An additional \$111M in external or other funding would be required over the 10-year planning period of this asset management plan to maintain the current level of service.

The financial projections from this AM Plan are shown in Figure 5.18 below.

Figure 5.18 - Lifecycle Costs versus Budget



All values are shown in future year dollars.

These projections include forecast required costs for maintenance, renewal, acquisition, and asset disposal required to sustain the current level of service taking account of growth. The forecast required costs are shown relative to:

- i. the base budget (Council cash and internal restrictions) (yellow dotted line),
- ii. a projected budget (base budget plus annualised grants) (solid yellow line) and
- iii. an assumed projected budget (inclusive of an annual allowance of \$5M per annum from additional successful grant applications and leveraged developer contributions) (solid green line).
- iv. an assumed projected budget (inclusive of an annual allowance of \$12M per annum from additional successful grant applications and leveraged developer contributions based on the last five-year trend) (solid purple line).

The majority of the additional grant funding sources are tailored towards capital upgrade or new capital work identified in strategic documents and plans. These works often incorporate a renewal component and Council will need to continue to pursue these grants to meet the average renewal need.

The figures above exclude the capital value of new assets gifted to Council through development but include the required additional ongoing costs. The required capital upgrade costs consider new assets identified in current adopted strategic documents such as the Recreation and Open Space Strategy, the Developer Contributions and Transport Network Plans.

6. RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’⁷.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Surf Beach Detention Basin	Physical failure or overtopping	Flooding and risk to public downstream of structure
Bridges	Physical failure or overtopping	Risk to public and loss of network access
Heritage assets	Physical failure	Loss of local history
Council’s administration building	Physical failure Fire damage	Loss of reputation
Council’s offsite records facility	Physical failure Fire damage Flooding	Loss of Council’s physical files

⁷ ISO 31000:2009, p 2

Critical Asset(s)	Failure Mode	Impact
Aquatic centres (pools)	System or function failure	Substantial gap in the recreation network for that community
Sports fields	Physical failure due to flooding	Substantial gap in the recreation network for that community/sport
Casey's Beach rock wall	Physical failure and/or overtopping	Further damage to wall and Beach Road. Risk to public.
Airport runways/taxiway/aprons	Pavement failure	Airport becomes inoperable or levels of service severely impacted, reducing the number, and type, of planes that can use the airport
Airport movement and Guidance systems	Lighting/PAPI failure	Airport becomes inoperable, impacting the type, and number of flights
Landfill cells	Reduced capacity due to increased volumes of waste	The diversion or inability to accept large volumes of waste disrupting community services
Weighbridges	Mechanical Failure and or damage from vehicles	Council's weighbridge will be temporarily closed, impacting patrons and business using the weighbridge
Leachate Systems	Damage to system infrastructure	Release of leachate into the environment, causing an environmental and safety hazard. Temporary closure of landfill site whilst leachate system is repaired, impacting levels of service
Main switchboard	Electrical	Batemans Bay Beach resort becomes inoperable, requiring immediate repair and temporary closure, severely impacting user experience and existing patrons of the resort
Site services – water, sewer, gas, electrical and telephone	Essential service disruption	Batemans Bay Beach resort becomes inoperable, requiring immediate repair and temporary closure, severely impacting user experience and existing patrons of the resort

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

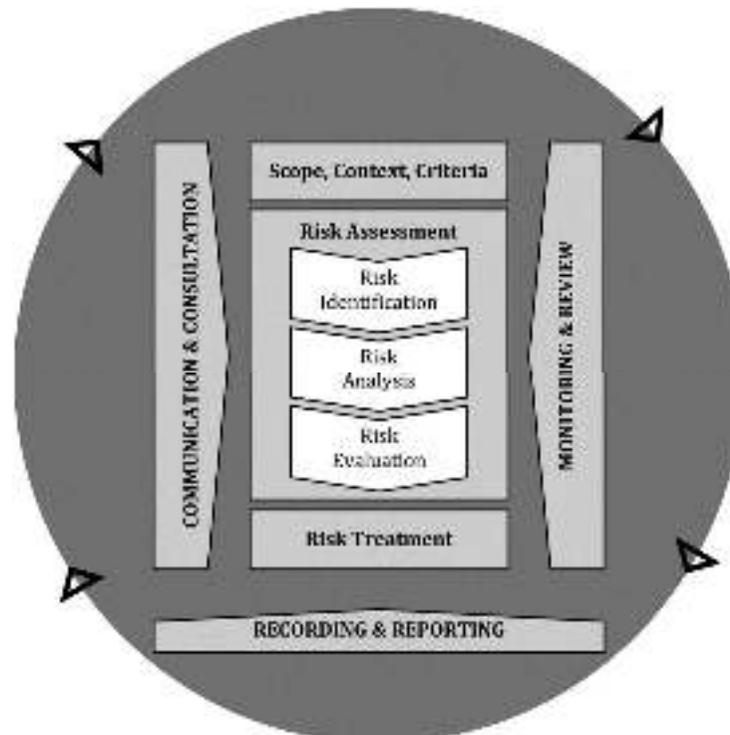
6.2 Risk Assessment

The risk management process used is shown in Figure 6.1 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

Fig 6.1 Risk Management Process – Abridged



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2-6.8. It is essential that these critical risks and costs are reported to management and the Council.

Table 6.2: Risks and Treatment Plans – Transport and Stormwater

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All transport and stormwater assets	Assets progressively deteriorating over time leading to reduced safety, increased maintenance costs and higher risk of structural failures	H	Continue to improve data knowledge. Fund shortfall in maintenance and renewal funding	L	\$10.3M budget shortfall unless strategies outlined in this Plan are achieved
	Network deficiencies such as poor road alignment, intersection treatments and run off areas, lack of off road pathways, stormwater overflow paths leading to reduced public safety	H	Implement actions in Road Safety Plan, Pathways Strategy and other Transport related strategies within current budget limitations. Fund shortfall in funding and improve data knowledge	M-H	Within current budget
Sealed Roads and carparks	Pavement defects such as potholes, shoves causing increased risk to users	H	Implement Local & Regional Road Risk Management Policy	M	Within current budget
			Fund shortfall in funding for growth	L	Included in \$10.3M above
Unsealed Roads	Pavement defects such as potholes, shoves causing increased risk to users	H	Undertake grading schedule	M	Within current budget

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Bridges and Major Culverts	Failure of bridge or bridge components	H-VH	Continue to undertake level 1 and 2 inspections and defect repair on a priority basis	M	Within current budget
Pathways	Pathway defects such as trip hazards, edge drop off, slipperiness, unevenness causing increased risk to users	H	Implement Pathways and Shared Pathways Risk Management Code of Practice	M	Within current budget
			Fund shortfall in funding for growth	L	Included in \$10.3M above
Bus Shelters	Defects such as trip hazards, structure defects causing increased risk to users	M	Continue to undertake inspections and defect repair on a priority basis	L	Within current budget
Stormwater	Defects such as blocked pipes, joint displacement causing increased risk to public	M	Continue to undertake inspections and CCTV and defect repair on a priority basis	M-L	Within current budget
			Fund shortfall in funding for growth	L	Included in \$10.3M above
Surf Beach Detention Basin	Structural failure or overtopping during storm events causing risk to properties and public down stream	VH	Continue to undertake inspections and defect repair on a priority basis	M	Within current budget

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

Table 6.3: Risks and Treatment Plans – Buildings and Facilities

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All buildings and assets	Assets progressively deteriorating over time leading to reduced safety, increased maintenance costs and higher risk of structural failures	H	Continue to improve data knowledge. Fund shortfall in maintenance and renewal funding	L	\$5.2M budget shortfall unless strategies outlined in this Plan are achieved

Table 6.4: Risks and Treatment Plans – Recreation and Open Space

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All recreation and open space assets	Assets progressively deteriorating over time leading to reduced safety, increased maintenance costs and higher risk of structural failures	H	Continue to improve data knowledge. Fund shortfall in maintenance and renewal funding	L	\$14.6M budget shortfall unless strategies outlined in this Plan are achieved
	Vandalism or accidental breakage/damage to equipment	VH	Immediate inspection and rectification or closure until repairs can be completed	L	Within current budget May lead to shortfalls in other asset maintenance
Sports fields	Weather impacts causing fields to be unsafe or too damaging to use	VH	Regular inspection during wet weather Immediate closure of fields upon waterlogging	L (note: L risk to asset but M-H risk to community satisfaction)	Within current budget

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Aquatic centres (pools)	System or function failure	H	Undertake regular maintenance inspections. Fund identified work prior to failure.	L	Within current budget Included in \$14.6M budget shortfall above
Skateparks	Personal injury due to skatepark condition Reputation loss due to condition of skate facilities	H	Seek additional funding to implement recommendations of 2022 Condition Assessment	M	Included in \$14.6M budget shortfall above

Table 6.5: Risks and Treatment Plans – Marine Facilities

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All marine assets	Assets progressively deteriorating over time leading to reduced safety, increased maintenance costs and higher risk of structural failures	H	Continue to improve data knowledge. Fund shortfall in maintenance and renewal funding	L	\$7.4M budget shortfall unless strategies outlined in this Plan are achieved
	Capacity and functionality issues	H	Delivery of priority projects to provide required capacity and functionality upgrades identified through the consultation process for the Marine Infrastructure Strategy	L	Currently unfunded in future years. \$3.9M shortfall over the life of the plan unless strategies outlined in this Plan are achieved

Table 6.6: Risks and Treatment Plans – Moruya Regional Airport

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All airport assets	Assets progressively deteriorating over time leading to reduced safety, increased maintenance costs and higher risk of structural failures or security risks	H	Continue to improve data knowledge. Fund shortfall in renewal funding. Maintain current inspection regimes.	L	\$1.6M budget shortfall unless strategies outlined in this Plan are achieved
	Airport could become financially unviable and/or unable to adapt to future demands	M	Review and update Airport Masterplan considering future demands	L	Within current budget
			Fund shortfall in capital upgrade funding and improve data knowledge	M	\$20M budget shortfall unless strategies outlined in this Plan are achieved

Table 6.7: Risks and Treatment Plans – Waste Facilities

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All waste assets	Assets progressively deteriorating over time leading to reduced safety, increased maintenance costs and higher risk of structural failures or security risks	H	Continue to improve data knowledge. Fund shortfall in renewal funding through waste fund. Maintain current inspection regimes.	L	\$1.3M budget shortfall unless strategies outlined in this Plan are achieved
	Sudden increases in waste from natural disasters	H	Working with government to improve strategic planning for disaster resilience and recovery and secure funding for implementation	M	\$4.8M impact to Waste Services (Financial impact of 2019/20 bushfire disaster)

Table 6.8: Risks and Treatment Plans – Batemans Bay Beach Resort

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All Beach Resort assets	Assets progressively deteriorating over time leading to reduced safety, increased maintenance costs and higher risk of structural failures or security risks	H	Continue to improve data knowledge. Continue to fund short life renewals and allocated funding when longer life renewals become due for replacement. Maintain current inspection regimes.	L	\$0.74M budget shortfall unless strategies outlined in this Plan are achieved
	Resort could become financially unviable and/or unable to adapt to future demands	M	Continue to review future demand drivers and provide capital upgrades to meet demand	L	TBD

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to ‘withstand a given level of stress or demand’, and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

The 2019/2020 summer bushfires and multiple natural disaster floods and storms that followed caused damage on an unprecedented scale and significantly affected the community. Along with personal, property and environmental impacts, residents have also had to deal with access issues caused by damage to the Council-maintained road network.

Bridges have been destroyed, the road surface has suffered, fire-affected roadside trees present a danger and multiple roadside slopes have collapsed.

Council has dedicated significant resources to restoring safe access and improving resilience of the transport network and has successfully advocated for funding through the NSW and Australian governments' Natural Disaster Relief and Recovery Arrangements and the NSW Government Fixing Country Bridges program.

Further funding is required to improve resilience to natural disasters to keep communities connected, improve the safety of first responders and address the impacts of changing climate e.g., sea level rise. This will require a shift to a higher infrastructure resilience focus in existing and future funding streams.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio⁸ 83%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 83% of the funds required for the optimal renewal of assets, unless other external funding is achieved.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$37.3M on average per year.

The proposed (budget) operations, maintenance and renewal funding is \$33.5M on average per year giving a 10 year funding shortfall of \$3.4M per year. This indicates that 90% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note,

⁸ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

these calculations exclude acquired assets and are based on the assumed projected budget which includes annualised external grant funding and an assumed annual amount of \$5M for individual grants and developer contributions.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 0.90 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan. Other strategies as outlined in this Plan also need to be actively implemented.

Council will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in future year dollar values.

Table 7.1: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Maintenance	Renewal	Disposal
2022	\$53,317,072	\$13,358,124	\$27,565,773	\$0
2023	\$18,622,185	\$16,970,969	\$18,934,405	\$0
2024	\$6,518,768	\$17,279,189	\$15,197,764	\$0
2025	\$5,149,487	\$17,596,320	\$11,782,972	\$0
2026	\$5,184,732	\$17,979,380	\$11,924,282	\$0
2027	\$5,220,504	\$18,691,407	\$12,067,719	\$0
2028	\$5,312,810	\$19,639,874	\$12,257,318	\$0
2029	\$5,406,783	\$20,834,208	\$12,449,998	\$0
2030	\$5,502,451	\$21,449,205	\$12,645,785	\$0
2031	\$5,599,844	\$21,967,224	\$12,844,761	\$0
2032	\$5,698,996	\$22,498,914	\$13,046,964	\$0

7.2 Funding Strategy

The proposed funding for assets is outlined in the Council’s budget and Long-Term Financial Plan.

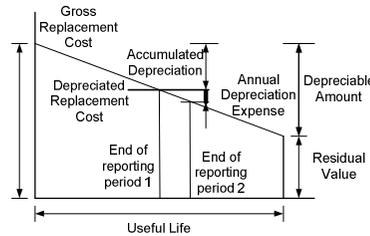
The financial strategy of the Council determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below.

Replacement Cost (Current/Gross)	\$1,189,192,000
Depreciable Amount	\$910,669,000
Depreciated Replacement Cost	\$816,636,000
Depreciation	\$17,994,000



Depreciable Amount excludes items that are not depreciable such as earthworks, sediment basins and retention ponds.

Depreciated Replacement Cost is also known as the written down value of asset or net book value of the asset.

7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Financial data used in the development of this plan is from 30 June 2021. 2022 figures have been included in analysis to project these figures to the current LTFP (2023-2032).
- 2022 figures are based on December 2021 quarterly review.

- The forecast required costs have been increased by 1.5% annually for renewal and 2.0% annually for maintenance to match proposed budgeted increases. Additional costs required over and above because of acquisitions has been applied to required maintenance budgets. No analysis has been performed on the forecast costs of required works exceeding the budgeted increases i.e., construction costs outstripping budgeted increases.
- Professional judgement has been applied to determine to asset category/subcategory assignment of proposed budgets.
- All budget figures in future dollars.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A - E level scale⁹ in accordance with Table 7.2.

Table 7.2: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

⁹ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.3.

Table 7.3: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	B-C	From subject matter experts and existing works programs
Growth projections	A-B	From Forecast.id data
Acquisition forecast	B	From existing strategies and contributions plans
Maintenance forecast	B	Based on current budgets and forecasted
Renewal forecast		
- Asset values	A-B	From asset database based on recent audited revaluation
- Asset useful lives	A	From asset database
- Condition modelling	B	From asset database and subject matter experts
Disposal forecast	B	Zero identified in plans and strategies

The estimated confidence level for and reliability of data used in this AM Plan is considered to be reliable Confidence Level.

8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁰

8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is Council’s financial management system TechnologyOne.

8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data is Council’s financial management system TechnologyOne .

8.2 Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.1.

Table 8.1: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Complete the Southern Area Transport Network Plan	Transport and Stormwater Engineer	In house	31 December 2022
2	Update the Eurobodalla Road Safety Plan	Director Infrastructure Services	In house	30 June 2023
3	Update the Eurobodalla Pathways Strategy	Asset Engineer	In house	31 December 2022
4	Engage a suitably qualified consultant to develop a new dynamic traffic and movement model and study, and parking plan for Batemans Bay CBD to take account of the changes arising as a result of the new Batemans Bay bridge and the options proposed increase in density in the Batemans Bay CBD	Divisional Manager Technical Services	External consultant (in conjunction with Transport for NSW)	31 December 2023

¹⁰ ISO 55000 Refers to this as the Asset Management System

Task	Task	Responsibility	Resources Required	Timeline
5	Update the Moruya and Narooma Parking Plans by undertaking new parking surveys	Divisional Manager Technical Services	External consultant	31 December 2023
6	Update the Recreation and Open Space Strategy	Divisional Manager Recreation Services	External consultant and internal resources	2023-24
7	Continue to develop and review plans of management and landscape masterplan plans	Divisional Manager Recreation Services	External consultant and internal resources	Ongoing
8	Develop separate asset management plans for Bay Pavilions and Eurobodalla Regional Botanic Garden	Asset Engineer	In house	30 June 2023
	Complete the Marine Infrastructure Strategy for adoption by Council and update AM Plan	Asset Engineer	In house	2022-2023
9	Review and update the Airport Masterplan	Divisional Manager Property and Commercial Services	External consultant and internal resources	30 Dec 2022
10	Determine the additional maintenance and renewal costs associated with outstanding projects identified in the current and future revisions of the Airport Masterplan.	Divisional Manager Property and Commercial Services	In house	30 June 2023
11	Undertake a more detailed review of asset renewal timings at the airport and costs and develop a 10-year replacement program	Divisional Manager Property and Commercial Services	In house	30 June 2023
12	Review and update the Eurobodalla Waste Plan	Divisional Manager Waste	External consultant and internal resources	30 June 2023
13	Review asset management plan in context of new management contract	Divisional Manager Property and Commercial Services	In house	30 December 2022

Task	Task	Responsibility	Resources Required	Timeline
14	Regularly review and update condition data and update useful lives used in the asset register including undertaking a new road condition survey in 2022-23	Asset Engineer	External consultant	30 June 2023
15	Regularly review and update current replacement costs used in the asset register	Asset Engineer	In house	As per revaluation schedule
16	Regularly review and revise customer level of service measures and forecast trends	Asset Engineer	External consultant	After next customer survey
17	Review and revise risk management policies and codes of practice	Divisional Manager Works	In house	30 June 2023
18	Determine costs associated with the network deficiencies identified in the rural road safety review for inclusion in the next asset management plan	Asset Engineer	In house	30 June 2023
19	Periodically review and update this AM plan	Asset Engineer	In house	Minor update annually. Major update in line with revaluation schedule

8.3 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually (resources permitting) to ensure it represents the current service level, asset values, forecast required maintenance, renewals, acquisition and asset disposal costs and proposed budgets. The forecast required costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan is due for complete revision within six months of the next transport and stormwater assets revaluation.

8.4 Performance Measures

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

9. REFERENCES

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- IPWEA, 2018, Practice Note 12.1, 'Climate Change Impacts on the Useful Life of Assets', Institute of Public Works Engineering Australasia, Sydney
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- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Eurobodalla Shire Council, Community Strategic Plan
- Eurobodalla Shire Council, Delivery Program and Operational Plan

10. APPENDICES

Appendix A Forecast Projected Acquisition (Constructed)

A.1 – Acquisition Forecast Assumptions and Source

The forecast amounts have been derived from the asset management plans.

A.2 – Projected Acquisition Forecast Summary

Table A1 – Projected Acquisition (Constructed) Forecast Summary

Year	Constructed (\$)
2022	\$53,317,072
2023	\$25,037,459
2024	\$15,096,479
2025	\$13,867,279
2026	\$15,045,405
2027	\$15,226,916
2028	\$10,411,876
2029	\$10,600,353
2030	\$10,792,416
2031	\$10,988,132
2032	\$11,187,572

Appendix B Forecast Maintenance

B.1 – Maintenance Forecast Assumptions and Source

The forecast amounts have been derived from the asset management plans.

B.2 – Maintenance Forecast Summary

Table B1 – Maintenance Forecast Summary

Year	Budgeted Maintenance Forecast	Additional Maintenance Forecast	Total (Required) Maintenance Forecast
2022	\$13,358,124	\$1,069,022	\$14,427,146
2023	\$16,970,969	\$839,995	\$17,810,964
2024	\$17,279,189	\$1,197,194	\$18,476,383
2025	\$17,596,320	\$1,260,945	\$18,857,265
2026	\$17,979,380	\$1,327,645	\$19,307,025
2027	\$18,691,407	\$1,077,025	\$19,768,432
2028	\$19,639,874	\$660,401	\$20,300,275
2029	\$20,834,208	\$36,488	\$20,870,696
2030	\$21,449,205	\$35,525	\$21,484,730
2031	\$21,967,224	\$34,612	\$22,001,836
2032	\$22,498,914	\$37,556	\$22,536,470

Appendix C Forecast Required Renewal

C.1 – Renewal Forecast Assumptions and Source

The required renewal forecast figures were calculated using a combination of asset expiry dates and replacement costs from the asset system and using staff judgement/average renewal amounts.

The budgeted renewal forecast figures includes an allowance for annualised external grant funding and an assumed \$4M per annum (\$2M renewal component) individual grant allowance and developer contributions.

C.2 – Renewal Forecast Summary

Table C1 - Renewal Forecast Summary

Year	Budgeted (assumed) Renewal Forecast	Required Renewal Forecast
2022	\$27,565,773	\$24,341,461
2023	\$18,934,405	\$21,148,951
2024	\$15,197,764	\$16,605,716
2025	\$11,782,972	\$13,763,920
2026	\$11,924,282	\$16,062,018
2027	\$12,067,719	\$17,352,419
2028	\$12,257,318	\$14,481,061
2029	\$12,449,998	\$17,001,551
2030	\$12,645,785	\$21,186,734
2031	\$12,844,761	\$15,621,638
2032	\$13,046,964	\$16,757,091

Appendix D Forecast Required Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

Nil disposals identified.

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
NA	NA	NA

Appendix E Proposed Budget (assumed) Summary by Lifecycle Activity

Estimated available funding for this period is \$490.5M or \$45.6M on average per year as per the long term financial plan or budget forecast. These figures include the following assumptions:

- Current funding levels from Council’s own sources are maintained and increased in line with growth
- Annualised external funding from the Australian Government including the Federal Assistance Grant Scheme – Roads Component and the Recovery Program are fully allocated to works
- Annualised external funding from the NSW Government including the Regional Roads Block Grant Program and Regional Roads Repair Program are fully allocated to works
- An average external grant funding is achieved through individual grant applications and leveraged developer contributions of at least \$5M per annum

Table E1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Maintenance	Renewal	Total
2022	\$53,317,072	\$13,358,124	\$27,565,773	\$94,240,969
2023	\$18,622,185	\$16,970,969	\$18,934,405	\$54,527,559
2024	\$6,518,768	\$17,279,189	\$15,197,764	\$38,995,721
2025	\$5,149,487	\$17,596,320	\$11,782,972	\$34,528,779
2026	\$5,184,732	\$17,979,380	\$11,924,282	\$35,088,394
2027	\$5,220,504	\$18,691,407	\$12,067,719	\$35,979,629
2028	\$5,312,810	\$19,639,874	\$12,257,318	\$37,210,003
2029	\$5,406,783	\$20,834,208	\$12,449,998	\$38,690,989
2030	\$5,502,451	\$21,449,205	\$12,645,785	\$39,597,440
2031	\$5,599,844	\$21,967,224	\$12,844,761	\$40,411,829
2032	\$5,698,996	\$22,498,914	\$13,046,964	\$41,244,874

Workforce Management Strategy 2022-26

Workforce Management Strategy 2022-26

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A message from the General Manager

Eurobodalla is a vibrant community with strong rural and coastal heritage and Indigenous culture. Our local economy is diverse; built around the construction, tourism, retail and health industries. Located close to Canberra and Sydney, Eurobodalla offers an alternative to city living. In 2021 we were home to 40,129 people and a holiday destination for over one million visitors.

This Strategy is our commitment to continuing to build a robust, resilient and capable workforce that is equipped to deliver the 2022-2026 Delivery Program and Operational Plan in response to the Community Strategic Plan.

This Strategy builds on the achievement of our previous Workforce Management Plan 2017-2021 and the importance of continuous improvement. Our staff and community have been directly impacted by unprecedented events and challenges over the past few years including bushfires, floods and the pandemic.

Our investment in people including our trainee, apprentice and cadet programs, along with a focus on a safety culture and learning and development has proved successful and will be ongoing. High skill levels and increased use of technology has assisted in delivering quality, timely services to the community.

The priority for this Strategy is to highlight the link between organisational culture and wellbeing, and our ability as a workforce to perform at our best. This includes continuing to embed Council Values to create a healthy and safe environment for our people.

Four key themes have been identified for the period 2022-2026:

- ◆ An inclusive and engaged culture
- ◆ A capable workforce
- ◆ A responsive and agile workforce
- ◆ A safety and wellbeing focus

Progress of the initiatives in the four key themes is crucial to the success of Council services. The wellbeing of staff and their ability to remain engaged, productive, and safe when at work is our highest priority.

Existential factors including the housing market boom and rental shortage mean attracting and retaining staff is an even greater challenge, requiring us to be innovative and flexible.

I am pleased to introduce this strategy which plays a crucial part in creating our sustainable future.

Dr Catherine Dale

General Manager

Purpose

This Strategy supports our workforce to achieve outcomes for our community aligned with the Community Strategic Plan.

It details the initiatives and actions we will take over the next four years to ensure our staff are supported, engaged and connected and continue to deliver outcomes for the community.

We recognise our workforce as highly skilled, adaptable and resilient. We put Council Values and safety at the centre of everything we do.

This Strategy identifies key themes and actions that will support the workforce to deliver Council services over the next four years.



Our values

Council staff have embedded the following important values into their everyday tasks and contact with each other and the community.

We are **collaborative**

We ask for and share ideas, insights and knowledge.

We find strength and reward in working together.

We are **respectful**

We show respect and compassion to each other and our community.

When there are issues, we go to the source.

We show **team spirit**

We nurture and value our relationships, bringing out the best in each other.

We are **professional**

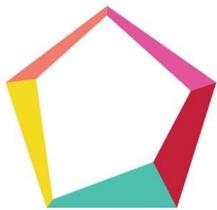
We act with integrity, take pride in our work and always think first of our community.

We aim for excellence in all that we do.

We are **open and trusting**

We are upfront and sincere and trust our colleagues to respect our honesty and vulnerability.

We look for the best in people and expect that in return.



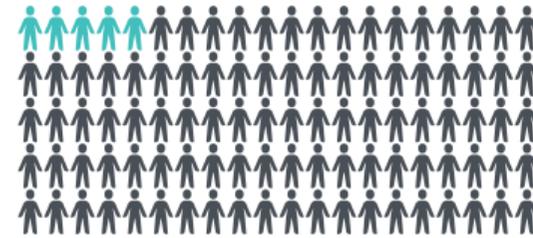
Our people



482.3
full-time equivalents



40% female 60% male



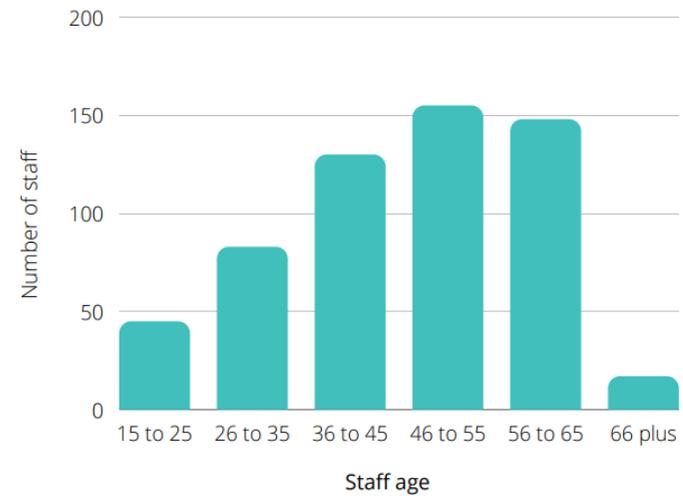
4.8% Aboriginal or Torres Strait Islander
peoples in our workforce

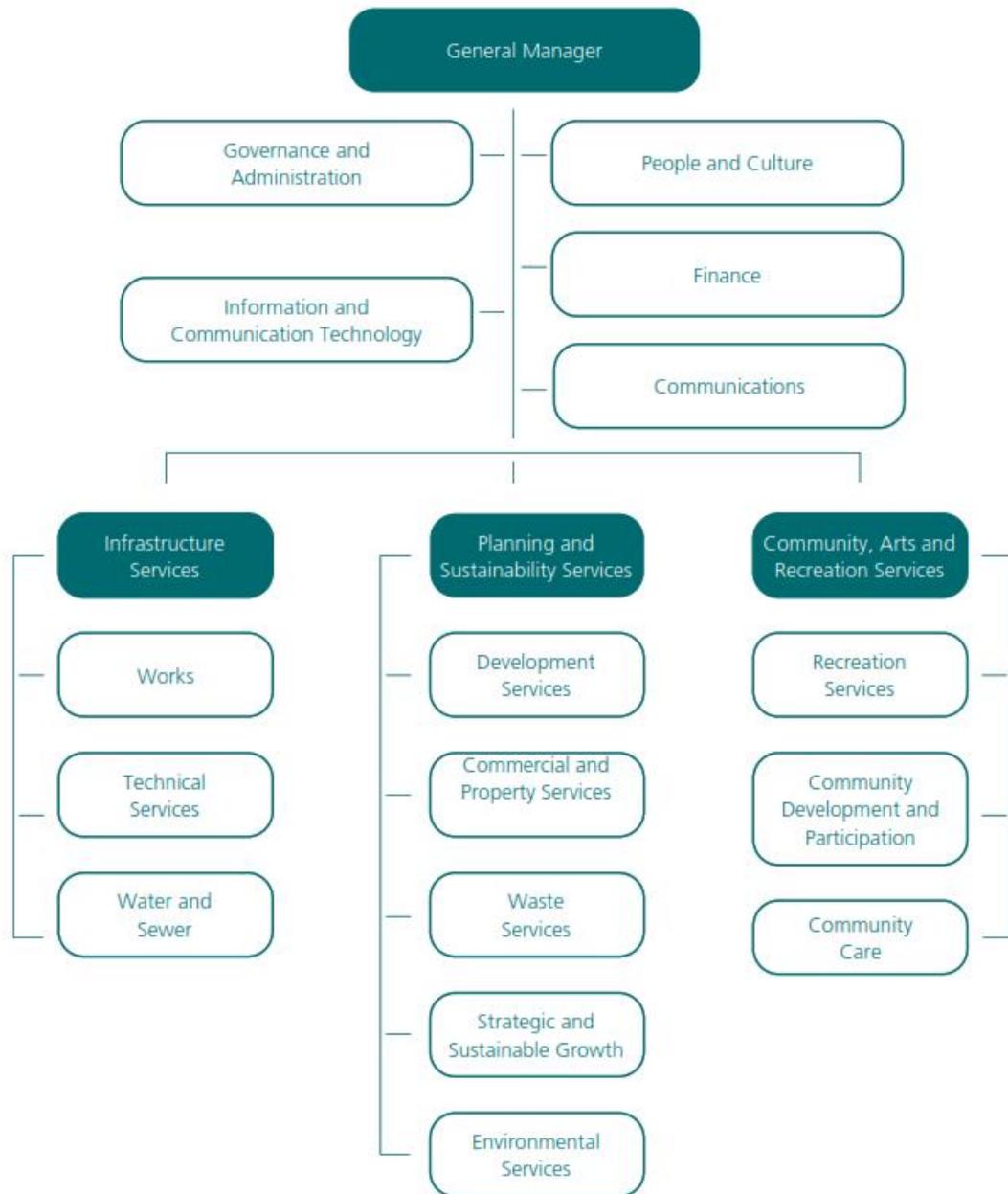


Less than 1% of our workforce identifies as a person with a
disability or as a person from a non-English speaking background



8.72% permanent staff turnover





Our organisation structure

The staff of Eurobodalla Shire Council are led by our Executive Leadership Team, comprising the General Manager and three directors.

Our workforce is diverse and includes a range of professional and skilled staff who deliver a broad range of services for our community.

Our challenges

Council's ability to have a workforce required to achieve the Delivery Program and the Community Strategic Plan is affected by various internal and external challenges. These challenges have the potential to impact the organisation's capacity to supply the right workforce at the right time.

The ageing workforce and the shortage of available and skilled staff within the Eurobodalla Shire combine to create a challenge to source, attract and retain staff.

The median age of our workforce is just over 46 years of age. For Council, an ageing workforce is a key issue for the management and planning of the workforce. These challenges involve managing the needs of an ageing workforce including knowledge management, skill transfer, flexible work options and transition to retirement.

Another challenge for Council is to attract potential applicants to apply for jobs. The diminished labour market means that Council must be able to attract quality staff and be competitive. The increase in property prices within the region and current lack of residential rental properties also add to the challenge in attracting and hiring out of area staff. Providing an attractive point of difference and enhancing Council's workplace benefits will be important strategy to attract prospective employees and retain our current workforce.

To attract local applicants, we will be required to continue to partner with local educational institutions and schools to ensure that all potential talent is realised. Combined with restrained resources and expectations of the community this raises many challenges in maintaining and developing a skilled workforce.

Considering these challenges and our current workforce profile, the following activities will form the basis of Council's Workforce Management Strategy:

- ◆ Workforce planning
- ◆ Succession planning to support workforce development
- ◆ Ongoing staff training and development
- ◆ Promoting and supporting flexible work practices
- ◆ Knowledge sharing through mentoring and coaching

- ◆ Renewed focus on traineeships, apprenticeships, and cadetships
- ◆ Continued Investment in wellbeing programs
- ◆ Continued focus on workplace culture and leadership
- ◆ Diversity and inclusion

The implementation of this strategy over the next four years will support the organisation in meeting the expectations of the community and our commitments outlined in the Delivery Program 2022-26.



Key attributes of a successful workplace

Our people consider the key values and attributes of a successful workforce include a culture that is:

- Fair and consistent
- Trusted
- Showing recognition
- Team-based
- Demonstrating strong and inspiring leadership
- Collaborative
- Open and values-driven
- A safe workplace
- Focusing on wellbeing
- Inclusive
- Respectful



Our vision for the future

Consultation, including workshops with management and staff, identified four key themes that will enable high levels of workforce performance and service delivery for our community.

💧 Inclusive and engaged culture

We have a workforce culture that fosters collaboration, teamwork and respect. In enhancing our culture, everyone plays a role in modelling and supporting an inclusive and supportive workplace.

💧 Capable workforce

We attract and retain great people to support the delivery of Council services. We provide a supportive and nurturing learning environment for our people to grow. Our leadership team is capable, collaborative and professional.

💧 Responsive and agile

We encourage innovation and harness technology, data and contemporary practices to be at the forefront of service delivery to our community. We empower our workforce to adapt to a dynamic environment.

💧 Safety and wellbeing

We continue to build a safety culture within our workforce that enables the health and wellbeing of our people. We work together to keep each other safe, on the job site, in the office or in any place of work. We provide flexibility and supports that enable our people to build resilience and thrive at work.

Realising our vision

How are we going to achieve change?

- 💧 Annual action plans - developing annual action plans for our People and Culture team to deliver change and track progress.
- 💧 Creating accountability – quarterly updates reported to our Executive Leadership Team and the organisation through the Staff Consultative Committee. Engaging with Managers at the Division and Corporate Managers meeting.



💧 Theme 1 – Inclusive and Engaged Culture

1. Inclusive and Engaged Culture

No.	Commitment	Action	Responsibility	Year
1.1	Ensure Council Values are embedded and communicated	Continue to provide regular communications with our people to educate and embed our Council Values. Communication via email, Toolbox meetings, Lunch and Learn, People and Culture pop ups.	People and Culture	Ongoing
		Supervisors and managers to continue leading by example through demonstrating Council Values and instigating regular reflection on these within teams.	Managers and supervisors	Ongoing
1.2	Improve employee satisfaction, engagement, and wellbeing	Continue to measure workplace culture and workplace engagement, performance and satisfaction through employee surveys to gather understanding of current state and areas for improvement.	People and Culture	Every two years
		Identify and act on areas for improvement following engagement/satisfaction survey results.	Directors Supported by People and Culture	Ongoing
1.3	Enhance opportunities to connect, learn and collaborate as one Council	Develop a quarterly communication to all staff (eg. newsletter, text or video) focusing on creating connection, sharing information and celebrating our workforce.	Communications People and Culture	Quarterly from 2023

No.	Commitment	Action	Responsibility	Year
		Introduce People and Culture pop ups, where a member from People and Culture will attend team meetings across Council to provide updates on key corporate priorities.	People and Culture	2022 and ongoing
		Establish a Culture and Vision hub on the intranet. Include information on mentoring, self-learning, celebrating diversity, team collaboration and accomplishments.	Communications People and Culture	2023
		Explore how we could utilise cross-Council working groups to help create more opportunities to connect through showcasing innovation and sharing learnings.	Division and Corporate Managers People and Culture	2024
1.4	Continue to celebrate achievements and completion of key projects to recognise the great work being done	Continue celebrate long service and educational achievements in a twice-yearly staff awards ceremony.	People and Culture	Bi-annually
		Develop team and individual awards for exemplifying our Council Values to be included in the twice yearly all staff awards ceremony.	People and Culture	Bi-annually
		Promote and encourage use of the rewards and recognition program throughout the year with targeted all staff emails and toolbox messaging.	People and Culture	Ongoing

No.	Commitment	Action	Responsibility	Year
1.5	Strengthen diversity and inclusion	Implement actions led by People and Culture within Disability Inclusion Action Plan, including joining the Australian Network on Disability.	People and Culture	2023 onwards
		Undertake a review of all People and Culture policies and procedures to ensure they are inclusive, contemporary and streamline processes.	People and Culture	Ongoing
		Continue to aspire to having a diverse workforce that is representative of the community we serve, in particular our representation of Aboriginal and Torres Strait Islander people.	People and Culture Executive Leadership Team	Ongoing
		Continue to develop and deliver training on workplace behaviours including cultural awareness, disability awareness and bullying and harassment.	People and Culture	Ongoing
		Streamline processes and communicate benefits of effective performance planning and appraisal.	People and Culture	2023-24

No.	Commitment	Action	Responsibility	Year
1.6	Manage the impact of an ageing workforce	Identify appropriate strategies to further support our ageing workforce such as flexible work, re-training, knowledge capture and coaching.	People and Culture	Ongoing
	PERFORMANCE MEASURES Engagement Survey results Performance planning and appraisal completions Number of staff completing training and feedback from training evaluations Number of People and Culture actions achieved in the Diversity Inclusion Action Plan Staff turnover			



💧 Theme 2 – Capable

2. Capable

No.	Commitment	Action	Responsibility	Year
2.1	Continue to build a culture of performance	Continue to improve our performance planning and appraisal system through undertaking a review of the process.	People and Culture	2023-24
		Develop a mentoring and coaching program to create opportunities for managers and staff to become involved in formal mentoring programs.	People and Culture	2023-24
		Continue to assess the skills and training needs of our workforce through developing a <i>verification of competency program</i> for Infrastructure Services, Waste Services, Airport and Botanic Gardens.	People and Culture Relevant Managers and staff	2022-26
		Further build conflict resolution capability in supervisors and managers to manage staff performance and/or behaviour.	People and Culture	Ongoing
		Review and improve Council's induction program.	People and Culture	2023-24
2.2	Continue to build capability of our people	Develop and implement a new supervisor essentials training program to develop people management skills.	People and Culture	2024

No.	Commitment	Action	Responsibility	Year
		Continue to review our annual training program offerings outside of mandatory training.	People and Culture	Ongoing
		Continue to deliver our trainee, cadet and apprentice programs to ensure they provide career pathways, are contemporary and fit for purpose.	People and Culture	Ongoing
		Develop a leadership capability and development framework consistent with Council Values.	People and Culture Executive Leadership Team	2024
2.3	Build our talent pipeline	Continue to develop succession planning and a talent management program that increases engagement and career development opportunities for staff.	Executive Leadership Team Division and Corporate Managers	2025
2.4	Ensure our recruitment processes and policy is contemporary	Review Council's recruitment procedures and policy.	People and Culture	2022-23
		Continue to deliver recruitment training for panel members and include behavioural interview techniques.	People and Culture	Ongoing

No.	Commitment	Action	Responsibility	Year
2.5	Identify and address skill gaps to ensure we can access the right people with the right skills at the right time	Investigate attraction strategies for critical jobs and areas with skill shortages and develop options to attract and retain our people.	People and Culture Division and Corporate Managers	Ongoing
2.6	Develop strategic approach to workforce planning across Council	Engage with all Managers to enhance workforce planning consistency across Council.	People and Culture Division and Corporate Managers	Ongoing
2.7	Review Council's Salary System	Provide initial scope and review of Council's Salary System.	People and Culture Executive Leadership Team	2023-26
	<p>PERFORMANCE MEASURES</p> <p>Engagement Survey results</p> <p>Performance planning and appraisal completions</p> <p>Number of staff completing training and feedback from training evaluations</p> <p>Number of traineeships, apprentices, and cadets that complete their term</p> <p>% Of staff completing appraisal process</p> <p>Number of People and Culture policies reviewed</p> <p>% Of staff who rate supervisory training as useful</p>			



💧 Theme 3 – Responsive and Agile

3. Responsive and Agile

No.	Commitment	Action	Responsibility	Year
3.1	Continue to develop a contemporary capable workforce	Identify specific local government roles and develop strategies to address potential skill shortages.	People and Culture Executive Leadership Team	Ongoing
		Continue to review our flexible work arrangements policy and procedures to ensure that it remains contemporary and supportive of women and carers in the workforce.	People and Culture	Ongoing
3.2	Continue to ensure our workforce has access to the equipment and software required to meet job requirements	Work together with Integrated Technology Services to ensure we have appropriate technological solutions to support all staff. e.g., iPads for operational staff, continue working with business analysts to develop on-line forms with workflow and dashboards where required, and ensure appropriate resources for staff who identify as having a disability.	Integrated Technology Services People and Culture	Ongoing

No.	Commitment	Action	Responsibility	Year
3.3	Ensure we have a workplace culture that empowers our people to be innovative and creative in finding solutions and improving ways of working	Continue to build a culture that values and embraces continuous improvement.	People and Culture Division and Corporate Managers	Ongoing
		Continue to develop our people and culture reporting including use of <i>Ci Anywhere</i> reporting functionality to inform workforce planning.	People and Culture Integrated Technology Services	Ongoing
3.4	Prepare and mitigate the impacts of our ageing workforce	Identify and develop succession plans for identified critical roles and expected vacancies.	People and Culture Division and Corporate Managers	Ongoing
	PERFORMANCE MEASURES Engagement Survey results Number of Staff utilising flexible work arrangements Quarterly WHS reporting Quarterly People and Culture Reporting			



💧 Theme 4 – Safety and Wellbeing

4. Safety and Wellbeing

No.	Commitment	Action	Responsibility	Year
4.1	Continue to build our safety and wellbeing culture across Council	Develop key result areas for workforce wellbeing that include reporting on high leave balances, unscheduled leave, workers compensation leave, annual leave balances, EAP, staff turnover and results from employee engagement surveys.	People and Culture	Ongoing
		Implement Council's Workplace Health and Safety (WHS) and Wellbeing Strategy 2022-2025.	People and Culture Executive Leadership Team Division and Corporate Managers	2022-25
		Continue to develop, implement and embed Council's Work Health and Safety Management System.	People and Culture Division and Corporate Managers	2023-2025
4.2	Continue to monitor our safety culture and workplace wellbeing	Ensure that any proposed engagement survey and/or pulse checks include information on safety and wellbeing.	People and Culture	Ongoing
		Continue to attend quarterly team meetings/toolbox sessions to inform and update staff.	People and Culture Executive Leadership Team	Ongoing

No.	Commitment	Action	Responsibility	Year
			Division and Corporate Managers	
		Continue to undertake worksite audits.	People and Culture	Ongoing
		Continue to provide a quarterly report to the Executive Management Team detailing Council's safety performance.	People and Culture	Quarterly
		Investigate on-line wellbeing and employee assistance program to support current arrangements.	People and Culture	2022
		Investigate the introduction of purchased leave options where staff can opt in to reduce their salary over an annual period to access up to 2 weeks additional annual leave in any 12-month period.	People and Culture Executive Leadership Team	2023-4
4.3	Continue to ensure that support for mental health and wellbeing is a priority for Council.	Continue to communicate online wellbeing and employee assistance programs and resources to staff to support mental health and wellness.	People and Culture Executive Leadership Team	Ongoing
		Continue to deliver an annual mental health program, including developing resources to raise	People and Culture	Ongoing

No.	Commitment	Action	Responsibility	Year
		awareness, provide support and reduce stigma around mental health.		
	PERFORMANCE MEASURES Report on staff wellbeing (dependant on introduction on on-line Employee Assistance and Wellbeing Program) Quarterly People and Culture metrics Quarterly Workplace Health and Safety metrics Staff engagement survey results			

