

Figure 8 shows the projected asset renewal and replacement expenditure over the 20 years of the AM Plan. The projected asset renewal and replacement expenditure is compared to renewal and replacement expenditure in the capital works program, which is accommodated in the long term financial plan

Figure 8: Projected and LTFP Budgeted Renewal Expenditure (no rate rise) –minimal renewal

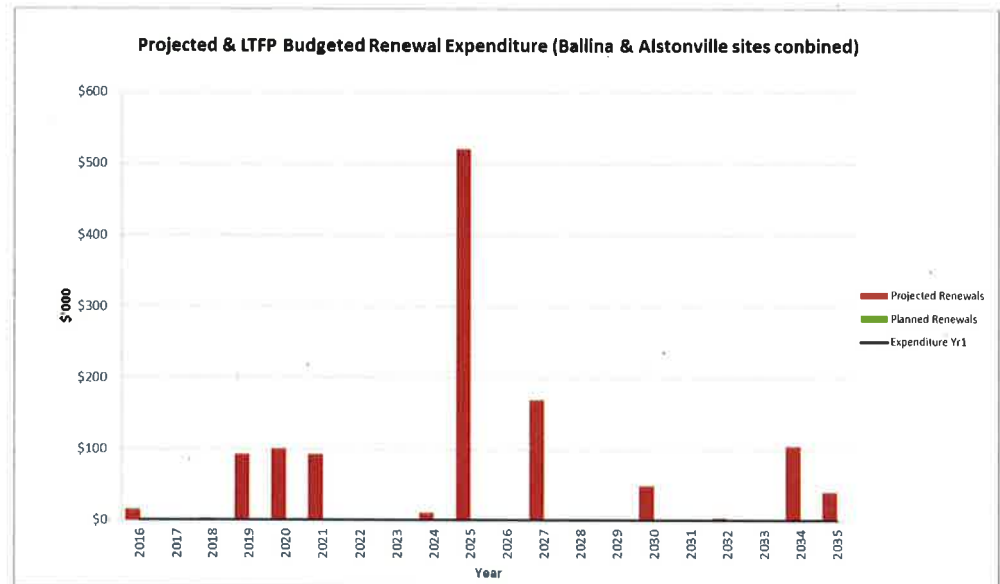


Figure 8: Projected and LTFP Budgeted Renewal Expenditure (no rate rise) –desired renewal

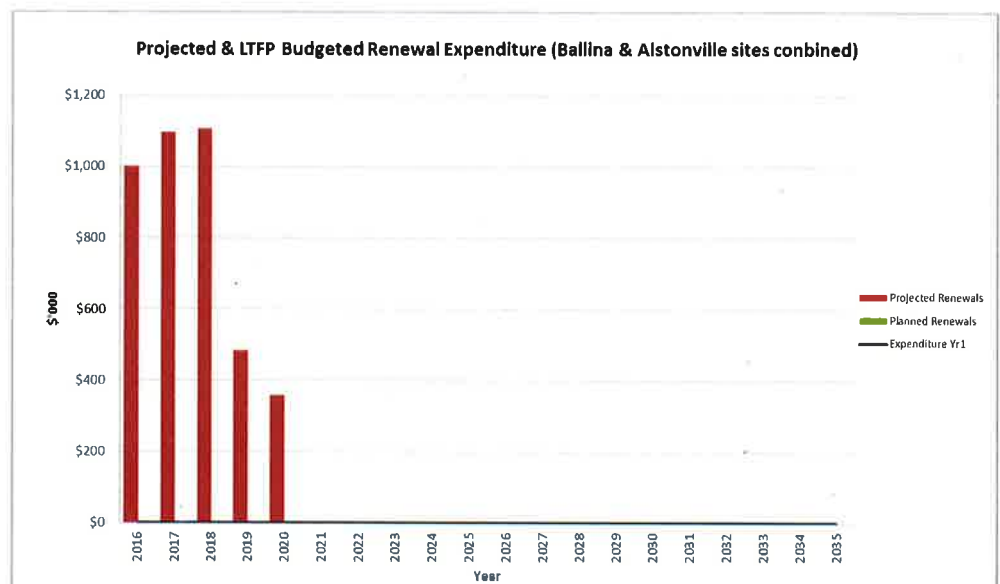


Figure 8: Projected and LTFP Budgeted Renewal Expenditure (2.5% rate rise)

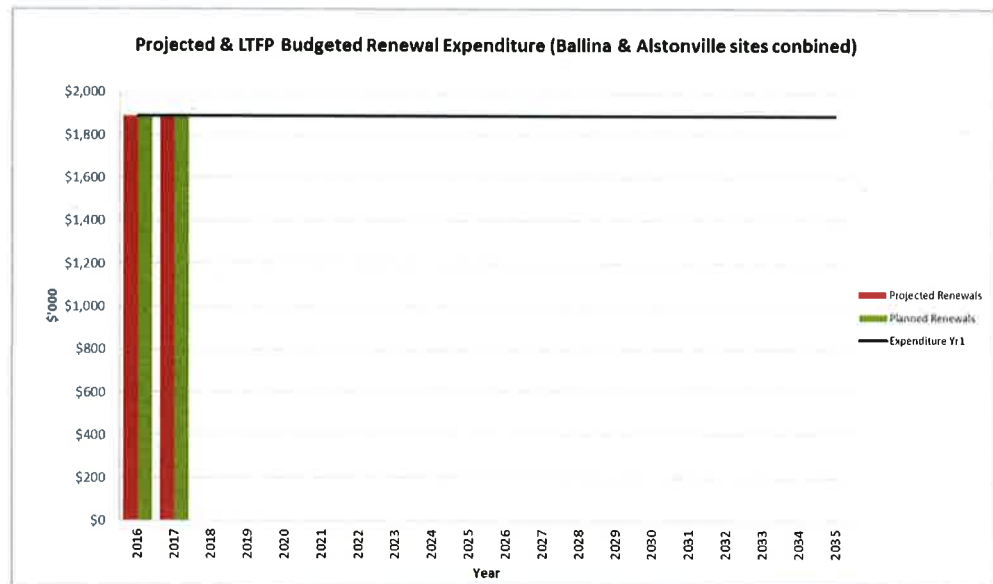


Table 6.1.1 shows the shortfall between projected renewal and replacement expenditures and expenditure accommodated in long term financial plan. Budget expenditures accommodated in the long term financial plan or extrapolated from current budgets are shown in Appendix D.

Table 6.1.1: Projected and LTFP Budgeted Renewals and Financing Shortfall –no rate rise & minimal (unfunded) renewal

Year	Projected Renewals (\$'000)	LTFP Renewal Budget (\$'000)	Renewal Financing Shortfall (\$'000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$'000) (-ve Gap, +ve Surplus)
2016	\$16	\$0	\$-16	\$-16
2017	\$0	\$0	\$-0	\$-16
2018	\$3	\$0	\$-3	\$-19
2019	\$93	\$0	\$-93	\$-112
2020	\$101	\$0	\$-101	\$-213
2021	\$93	\$0	\$-93	\$-306
2022	\$0	\$0	\$-0	\$-306
2023	\$0	\$0	\$0	\$-306
2024	\$11	\$0	\$-11	\$-317
2025	\$521	\$0	\$-521	\$-838
2026	\$0	\$0	\$0	\$-838
2027	\$170	\$0	\$-170	\$-1,007
2028	\$0	\$0	\$0	\$-1,007
2029	\$0	\$0	\$0	\$-1,007
2030	\$49	\$0	\$-49	\$-1,056
2031	\$0	\$0	\$0	\$-1,056
2032	\$4	\$0	\$-4	\$-1,060
2033	\$0	\$0	\$0	\$-1,060
2034	\$105	\$0	\$-105	\$-1,165
2035	\$40	\$0	\$-40	\$-1,205

Note: A negative shortfall indicates a financing gap, a positive shortfall indicates a surplus for that year.

Table 6.1.1: Projected and LTFP Budgeted Renewals and Financing Shortfall –no rate rise & desired (unfunded) renewal

Year	Projected Renewals (\$000)	LTFP Renewal Budget (\$000)	Renewal Financing Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2016	\$1,000	\$0	\$-1,000	\$-1,000
2017	\$1,097	\$0	\$-1,097	\$-2,097
2018	\$1,106	\$0	\$-1,106	\$-3,203
2019	\$485	\$0	\$-485	\$-3,688
2020	\$358	\$0	\$-358	\$-4,046
2021	\$0	\$0	\$0	\$-4,046
2022	\$0	\$0	\$0	\$-4,046
2023	\$0	\$0	\$0	\$-4,046
2024	\$0	\$0	\$0	\$-4,046
2025	\$0	\$0	\$0	\$-4,046
2026	\$0	\$0	\$0	\$-4,046
2027	\$0	\$0	\$0	\$-4,046
2028	\$0	\$0	\$0	\$-4,046
2029	\$0	\$0	\$0	\$-4,046
2030	\$0	\$0	\$0	\$-4,046
2031	\$0	\$0	\$0	\$-4,046
2032	\$0	\$0	\$0	\$-4,046
2033	\$0	\$0	\$0	\$-4,046
2034	\$0	\$0	\$0	\$-4,046
2035	\$0	\$0	\$0	\$-4,046

Note: A negative shortfall indicates a financing gap, a positive shortfall indicates a surplus for that year.

Table 6.1.1: Projected and LTFP Budgeted Renewals and Financing Shortfall –2.5% rate rise & (funded) renewals

Year	Projected Renewals (\$000)	LTFP Renewal Budget (\$000)	Renewal Financing Shortfall (\$000) (-ve Gap, +ve Surplus)	Cumulative Shortfall (\$000) (-ve Gap, +ve Surplus)
2016	\$1,890	\$1,890	\$0	\$0
2017	\$1,890	\$1,890	\$0	\$0
2018	\$0	\$0	\$0	\$0
2019	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0
2035	\$0	\$0	\$0	\$0

Note: A negative shortfall indicates a financing gap, a positive shortfall indicates a surplus for that year.

Providing services in a sustainable manner will require matching of projected asset renewal and replacement expenditure to meet agreed service levels with **the corresponding** capital works program accommodated in the long term financial plan.

A gap between **projected asset renewal/replacement expenditure and amounts accommodated in the LTFP** indicates that **further work is required on reviewing service levels in the AM Plan (including possibly revising the LTFP)** before finalising the asset management plan to manage required service levels and funding **to eliminate any funding gap**.

We will manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.

6.1.2 Projected expenditures for long term financial plan

Table 6.1.2 shows the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in 2015/16 real values.

Table 6.1.2: Projected Expenditures for Long Term Financial Plan (\$000) –no rate rise & minimal (unfunded) capital

Year	Operations (\$000)	Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2016	\$914	\$183	\$16	\$0	\$0
2017	\$1,190	\$183	\$0	\$0	\$0
2018	\$1,167	\$183	\$3	\$0	\$0
2019	\$1,141	\$183	\$93	\$0	\$0
2020	\$1,115	\$183	\$101	\$0	\$0
2021	\$1,086	\$183	\$93	\$0	\$0
2022	\$1,055	\$183	\$0	\$0	\$0
2023	\$1,023	\$183	\$0	\$0	\$0
2024	\$988	\$183	\$11	\$0	\$0
2025	\$988	\$183	\$521	\$0	\$0
2026	\$988	\$183	\$0	\$0	\$0
2027	\$988	\$183	\$170	\$0	\$0
2028	\$988	\$183	\$0	\$0	\$0
2029	\$988	\$183	\$0	\$0	\$0
2030	\$988	\$183	\$49	\$0	\$0
2031	\$988	\$183	\$0	\$0	\$0
2032	\$988	\$183	\$4	\$0	\$0
2033	\$988	\$183	\$0	\$0	\$0
2034	\$988	\$183	\$105	\$0	\$0
2035	\$988	\$183	\$40	\$0	\$0

Table 6.1.2: Projected Expenditures for Long Term Financial Plan (\$000) –no rate rise & desired (unfunded) capital

Year	Operations (\$000)	Maintenance (\$000)	Projected Capital Renewal (\$000)	Capital Upgrade/ New (\$000)	Disposals (\$000)
2016	\$914	\$183	\$1,000	\$0	\$0
2017	\$1,190	\$183	\$1,097	\$0	\$0
2018	\$1,167	\$183	\$1,106	\$0	\$0
2019	\$1,141	\$183	\$485	\$0	\$0