

Attachment 3 - Long Term Financial Plan

Long Term Financial Plan 2015/2016 to 2024/2025



Bellingen Shire
COUNCIL



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1.0 Introduction

1.1 Overview

Bellingen Shire has a rich and diverse community with a focus on quality of lifestyle. To ensure that our community's ideals and values of a healthy, safe and sustainable shire continue into the future, Bellingen Shire Council (BSC) developed its Bellingen 2030 Community Vision. To support the Community Vision, Council has developed a Long Term Financial Plan that plots how the vision will be translated into reality.

Local Government has faced many challenges over recent years, both from within the Shire and from the wider environment. Rate peg increases set by the NSW Government have often fallen short of inflation over the years, meaning that costs are increasing at a higher rate than revenues. This has meant that Council's across the State have been significantly disadvantaged by rate pegging, with the effect that councils have for an extended period spent less than is required on asset maintenance and renewals. Many services that were handled by the State or Commonwealth Government have been moved to Local Government without an appropriate funding adjustment, a process known as "cost shifting". Increased government reporting requirements, such as asset reporting, have also impacted on costs. From within the Shire, the demand for improved service levels and new services has again increased costs.

All of these impacts have left councils with fewer funds to put towards essential services such as infrastructure maintenance and renewal.

As a result of this, in 2011 the NSW Government began an unprecedented era of change to local government, starting with a collaboration of councils from across NSW, from which came the:

- Destination 2036 review;
- Independent Local Government Review;
- NSW Treasury Corp sustainability review;
- Local Government Infrastructure Audit;
- Local Government Acts Taskforce;
- introduction of the Integrated Planning and Reporting (IP&R) Framework; and
- Fit for the Future program.

The aim of the changes is to build stronger, more viable local governments that are financially sustainable, innovative and strategic.

1.2 Fit for the Future

Fit for the Future is a NSW Government initiative aimed at Local Government reform. The Fit for the Future process will help Councils demonstrate to their communities that they are financially sound, operating efficiently and in a strong position to guide growth and deliver quality services into the future.

The Fit for the Future program provides a roadmap

A Fit for the Future council is one that is:

- Sustainable;
- Efficient;
- Effectively manages infrastructure and delivers services for communities;
- Has the scale and capacity to engage effectively across community, industry; and government.

to outline how councils will become “Fit for the Future”. Councils will be assessed on their ability to be sustainable and efficient, effectively manage infrastructure, deliver services for their communities, and have the scale and capacity to engage effectively across community, industry and government.

What does this mean for BSC?

The NSW Government set up the Independent Local Government Review Panel in April 2012 to carry out the reforms proposed under the Destination 2036 report. Some of the reforms proposed were:

- Some Councils to consider amalgamating to achieve increased scale and capacity;
- Councils to form Joint Organisational Structures to help Councils to tackle wider regional issues;
- NSW Treasury Corporation to conduct a financial review and provide a financial sustainability assessment of each Council.

Regional Joint Organisational Structures were proposed to act as a forum for Councils and the State to work together to deliver regional priorities, such as jobs, education, housing, roads and transport. The three core functions of the Joint Organisations are:

- Regional strategic planning;
- Working with the State Government;
- Regional leadership and advocacy.

They may also decide to undertake such optional functions as regional service delivery and skill sharing.

The Local Government Review Panel has recommended that Bellingen Shire Council retain its independence as a stand-alone council, and become a member of the North Coast Joint Organisation in partnership with three of our neighbouring local councils:

- Nambucca Shire Council;
- Coffs Harbour City Council; and
- Clarence Valley Council.

BSC now needs to demonstrate how it will become sustainable, provide efficient and effective services and continue to meet the needs of our local community. Council will do this by developing an improvement strategy and action plan (roadmap) demonstrating how we can better meet the benchmarks provided by the NSW government. This strategy and action plan will then feed into the Fit for the Future submission to be submitted to the Office of Local Government by 30 June 2015.

The self-assessment submission focuses on a number of key benchmarks to determine if Council is fit for the future. At present, only two of the seven key performance indicators meet the Fit for the Future benchmarks. In order to become a Fit for the Future council and receive the benefits offered by the NSW Government, BSC must show that it is effectively addressing asset management and infrastructure backlog issues with a focus on long term sustainability.

BSC's result as at the **30 June 2014** is as follows:

	BENCHMARK	RESULT	MEETS FFTF BENCHMARK
 SUSTAINABILITY	<i>Operating Performance Ratio (greater or equal to break-even average over 3 years)</i>	-0.333	NO
	<i>Own Source Revenue Ratio (greater than 60% average over 3 years)</i>	58.59%	NO
	<i>Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i>	57.58%	NO
 EFFECTIVE INFRASTRUCTURE AND SERVICE MANAGEMENT	<i>Infrastructure Backlog Ratio (less than 2%)</i>	6.31%	NO
	<i>Asset Maintenance Ratio (greater than 100% average over 3 years)</i>	125.69%	YES
	<i>Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)</i>	2.90%	YES
 EFFICIENCY	<i>A decrease in Real Operating Expenditure per capita over time</i>	Increasing	NO
OVERALL RESULT			

The Fit for the Future Key Performance Indicators (KPIs) / benchmarks are discussed further under Section 6.0 Performance Measures.

It is recognised that there are many factors that will influence the above ratios that are outside the control of Council. Some of the major contributing factors that may heavily influence Bellingen's performance into the future include:

- High rainfall with frequent flooding events;
- Large portions of Non-Rateable land (State Forests, Crown Reserves and National Parks);
- Socio Economic factors.

The benefits of becoming a Fit for the Future council are:

- Access to a streamlined IPART process for rate increases above the rate pegging limit;
- Access to a NSW Treasury Corporation (TCorp) borrowing facility that will save on the cost of borrowing;
- Priority access to other State funding and grants; and
- Eligibility for additional devolved planning powers in relation to the making of local environmental plans and development decisions, and opportunities for further devolving planning powers.

1.3 NSW Treasury Corp Sustainability Assessment

In 2013, the NSW Government engaged NSW Treasury Corp (TCorp) to undertake a financial capacity and sustainability review of all NSW councils. The review considered the Councils' financial performance against a range of benchmarks, looking at Councils' borrowing capacity and their financial sustainability.

To be considered financially sustainable, Councils had to show that they had sufficient revenue to deliver the level of services that the communities expect. The outcome was that each Council was provided with a Financial Sustainability Rating (FSR) and financial outlook.

Bellingen Shire Council received a **FSR rating** of **moderate** and an **outlook** of **negative**. This means that Council has adequate capacity to meet its financial commitments in the short to medium term, and acceptable capacity in the longer term. However, the negative rating means that Council's financial position could deteriorate in the future unless it takes steps to improve its sustainability.

In its review, TCorp made the following observations of BSC:

- Council's Unrestricted Current Ratio had been well above benchmark for the previous four years, indicating sufficient liquidity;
- BSC had operating deficits for the previous four years, and forecasted operating deficits into the future;
- High reliance on grants, not sustainable without grants;
- Forecast capital expenditure was insufficient to cover the cost of forecast asset renewals;
- No additional borrowing capacity in the short to medium term;
- A high number of flood events had negatively affected BSC's operating expenses and ability to renew its assets;
- High infrastructure backlog with an increasing trend.

For Councils assigned with a negative outlook, TCorp provided some recommendations and areas of investigations to assist in improving the sustainability position. The recommendations include:

- The need to source additional revenue, such as by a Special Rate Variation (SRV);
- For Councils with sufficient borrowing capacity, to consider using debt funding to reduce infrastructure backlogs;
- Devising programs and strategies to contain costs and improve efficiencies;
- Further improvements in Asset Management Plans and integration into the Long Term Financial Plan;
- Increasing spending on maintenance and infrastructure renewal while balancing this with the need for capital expenditure on new assets.

In answer to the TCorp Review, Council has already undertaken a broad range of initiatives to address the issues, including:

- successfully secured a Special Rate Variation
- reviewed user fees and charges
- conducting a review of assets and depreciation
- conducting a review of services
- forming the Financial Sustainability Program Board (FSPB)

Each of the above measures has been factored into the LTFP and is discussed in greater detail in the revenue and expenditure forecasts (sections 4.0 and 5.0).

1.4 Why Do We Need a Long Term Financial Plan?

One of the key changes introduced by the NSW Office of Local Government was the introduction of the Integrated Planning and Reporting (IP&R) Framework. The IP&R Framework recognises that council's plans and policies need to connect together to achieve the community's needs and aspirations.

As part of the framework, Council is required to prepare a Resourcing Plan which forms part of the Community Strategic Plan and Bellingen Shire Community Vision, and includes a Long Term Financial Plan (LTFP).

Council's Long Term Financial Plan provides a framework to assess its revenue building capacity to meet the activities and level of services outlined in its Community Vision.

The LTFP is required to be produced annually with a detailed review every four years, and cover a minimum period of 10 years.

In preparing the LTFP, BSC seeks to:

- Establish greater transparency and accountability of Council to the Community;
- Provide an opportunity for early identification of financial issues and any likely impacts in the longer term;
- Provide a mechanism to:
 - Solve financial problems as a whole
 - See how various plans fit together
 - Understand the impact of some decisions on other plans or strategies;
- Provide a means of measuring Council's success in implementing strategies; and
- Confirm that Council can remain financially sustainable in the longer term.

Long Term Financial Plan (LTFP)

As one of a suite of long term plans required under the Integrated Planning and Reporting framework (IP&R), the LTFP forecasts BSC's financial capacity to meet the objectives adopted in the Community Vision.

The LTFP includes:

- planning assumptions
- projected income and expenditure
- projected balance sheet and cashflow
- performance monitoring methods
- sensitivity analysis
- scenario modelling

1.5 Objectives

For Council to be financially sustainable, it must be able to live within its means. Council must move towards a position where its operating revenue is covering its operating expenditure, including the cost of maintenance and renewal of its assets.

The LTFP has been prepared with the following objectives in mind:

- Maintaining a fair and equitable rating, fees and charges structure;
- Creating pricing structures that effectively address the economic cost of providing the service whilst not precluding community members access to essential services because of individual economic circumstances (refer section 4.2 User Fees and Charges);
- Allocating resources that achieves maximum result in meeting Community Vision goals and objectives;
- Achieving a strong asset management position;
- Long term financial sustainability;
- Moving towards achieving a minimum break even operating result by 2027.

2.0 Planning Assumptions

A long term financial plan is dependent on a number of planning assumptions. In preparing the LTFP Council considered a range of matters and made appropriate assumptions. These assumptions were used to model and formulate the plan, test a range of scenarios and have ultimately formed the basis of the agreed plan.

Some of the key variables reviewed as part of the setup of the LTFP include:

- Consumer Price Index (CPI) (refer to table 2.1)
- Salaries and Employee Costs (refer to table 2.1)
- Investment Income (refer to table 2.1)
- Rate Pegging (refer to table 2.1)
- Sewer Rates (refer to table 2.1)
- Waste Charges (refer to table 2.1)
- Fees and Charges (refer to table 2.1)
- Service Levels - Refer to Bellingen Shire Council Community Strategic Plan (CSP).
- Population Growth - Given the uncertainty in population growth in regional NSW it was concluded that growth in rate revenue or in additional revenue from fees and charges given the projected size of the market was negligible. Also, any increase in revenue maybe offset against any increase in costs servicing a greater population base. As a result the LTFP has been prepared on the assumption of a constant population base.
- Economic Growth - As per above, due to uncertainties in economic growth rates in regional NSW the LTFP has been prepared on the assumption of a constant economic growth rate (status quo).

As part of the planning process Council modelled three different scenarios in the LTFP. The scenarios tested as part of the modelling process are:

- Financial Services Model 1 – Service Levels Maintained
- Financial Services Model 2 – Service Levels Reduced
- Financial Services Model 3 – Meet ‘Fit For the Future’ requirements by 2020

2.1 Financial Services Model 1 – Service Levels Maintained

The ‘Financial Services Model 1’ is the base model used throughout this document and assumes a permanent 6% per year special rate variation across all categories in years 2016/17 – 2024/25. The scenario also models a \$250K (2015/16) and \$300K (2016/17) operational cost reductions/savings continued throughout the LTFP in order to improve Councils infrastructure.

All assumptions detailed in Section 4 and 5 are based on the ‘Financial Services Model 1’. Please refer to the table in 2.1 for the model assumptions and key indices.

2.2 Financial Services Model 2 – Service Levels Reduced

The purpose of the 'Financial Services Model 2' is to model the impact on Councils financial position if Council was not to include any new special variation over the life of LTFP i.e. increase rates by the annual rate peg limit only. This model incorporates a permanent special variation that commenced in the 2014/15 financial year to fund road improvements and maintenance, as well as infrastructure programs. This scenario also models a \$1.5M operational cost reductions/savings in 2015/16 continued throughout the LTFP in order to improve Councils infrastructure.

2.3 Financial Services Model 3 – Meeting 'Fit For the Future' Requirements by 2020

The purpose of the 'Financial Services Model 3' is to model the impact on Councils financial position if Council were to meet all required FFF ratios by year 5 (2019/20) of the plan. Model includes a \$250K (2015/16) and \$300K (2016/17) operational cost reductions/savings continued throughout the LTFP in order to improve Councils infrastructure and assumes a permanent 16% per year special rate variation across all categories in years 2016/17 – 2019/20.

Table 2.1: Summary of Key Planning Assumptions

Assumption/Variable	Calculation Basis	LTFP %
Consumer Price Index (CPI)	NSW Treasury Corporation Forecasts	2.50%
Salaries and Employee Oncosts	Award increases and performance based increases	3.50% - 15/16 3.00% (years 2-10)
Interest Rate Income	Market estimate	3.00% - 5.00%
Rate Pegging (General Rates Income)	Independent Pricing and Regulatory Tribunal (IPART) and Dept. Local Government figures	2.40% - 15/16 3.00% (years 2-10)
Sewer Rates Income	Hydro Science draft 30 year business plan	5.00% - 15/16 3.00% (years 2-10)
Water Rates Income	Hydro Science draft 30 year business plan	5.00% - 15/16 3.00% (years 2-10)
Waste Charges Income	Based on reasonable cost estimates	3.50% - 15/16 3.00% (years 2-10)
Fees and Charges Income	As per wages above + TCorp Recommendation	3.50%

3.0 Current Financial Position

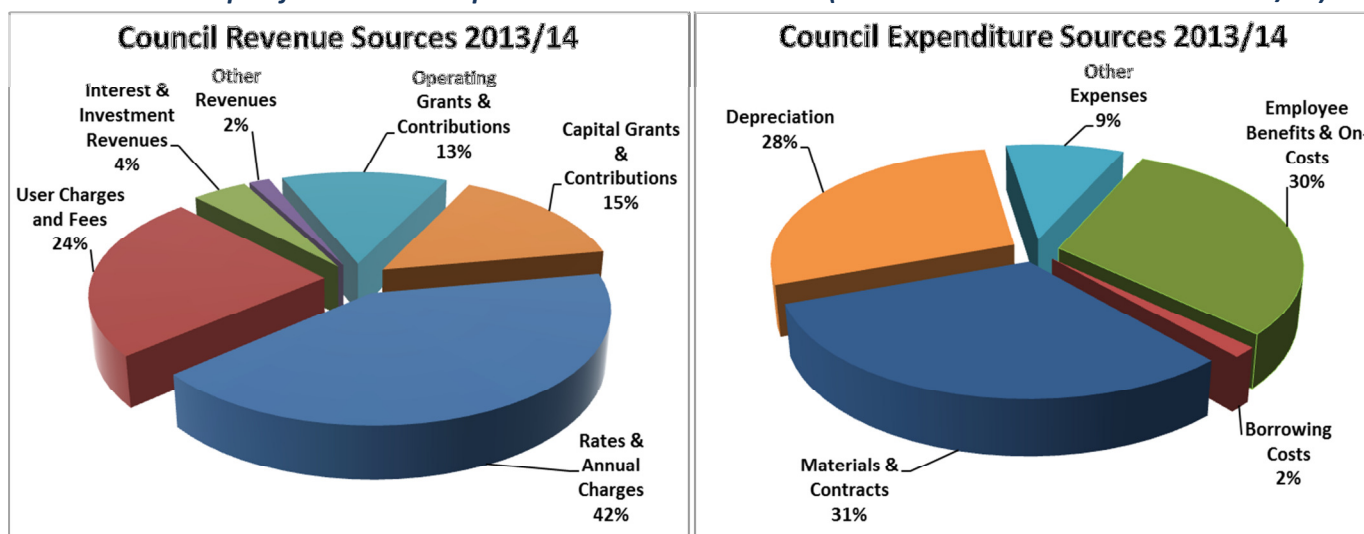
As highlighted above through both TCorp's financial assessment and the Fit for the Future analysis, BSC does not have the required level of revenue to meet expenditure requirements into the future. Without strong corrective measures the financial sustainability of Council will deteriorate significantly into the future. The current financial position of BSC is represented in the table below:

Table 3.1 Financial summary as at 30 June 2014 (Source: BSC Financial Statements 13/14)

	\$'000
INCOME STATEMENT	
Total Income from Continuing Operations (including capital)	\$27,276
Total Expenditure from Continuing Operations	\$32,142
Net Operating Result for the year (including capital)	-\$4,876
Net Operating Result Excluding Capital Revenue	-\$8,976
BALANCE SHEET	
Total Current Assets	\$35,151
Total Non-Current Assets	\$524,004
Total Current Liabilities	\$5,728
Total Non-Current Liabilities	\$5,465
Total Equity	\$547,962
CASH FLOW STATEMENT	
Net Cash Provided - Operating Activities	\$3,863
Net Cash Used - Investing Activities	-\$12,805
Net Cash Provided - Financing Activities	-\$136
Net Decrease in Cash	-\$9,078
Cash - Beginning of Year	\$15,143
Cash End of Year	\$6,065
Investments on Hand - End of Year	\$23,100
Total Cash, Cash Equivalents & Investments	\$29,165

The following pie graph shows the breakup of Council's Income and Expenditure sources for the 2013/14 year:

Table 2.2 Graph of Income and Expenditure as at 30 June 2014 (Source: BSC Financial Statements 13/14)



4.0 Revenue Forecasts

The LTFP revenue projections over the 10 years of the plan have been based on current knowledge of revenue indices, Australian and NSW Government funding indications, historical trend analysis and consultation with key stakeholders.

In order to be financially sustainable into the future, Council has attempted to balance its need to maximise its revenue with the Community Vision's principles of fairness and equity. In light of this, BSC reviewed its Fees and Charges Policy in April 2015. Fees and Charges were re-assessed having regard to best practice principles of fairness and equity and taking into consideration:

- Economic cost;
- Community service;
- Regulated charges;
- User pays principal;
- Market forces.

User Fees and Charges are outlined in section 4.2.

4.1 Rates and Annual Charges

Rate Peg

In NSW, increases in general rates are limited by the Independent Pricing and Regulatory Tribunal (IPART) in a practice known as rate pegging. IPART sets the maximum percentage that Councils may increase general rates by each year. It is important to note that this limit does not apply to an individual's rate levy but rather the total rate levies raised from ordinary and special rates. The rate peg does not apply to stormwater, waste collection or water and sewerage charges. To seek an increase in rates higher than the rate peg, Councils are required to apply to IPART for a Special Rate Variation (SRV).

Rates and Charges Income

Income from Rates and Charges forms the majority of Council's revenue. The budget attachments assume a rate peg 2.40% for 2015/16. Income generation from rating is then increased to 6.00% for 2016/2017 onwards. This increase is within the expected allowable increase for those Councils that have proven to be a 'Fit for the Future' Council without the need to go through the current IPART Special Variation process.

One of the benefits of becoming a Fit for the Future Council that both IPART and the Independent Local Government Review Panel (the Panel) have suggested is support for a level of "earned autonomy" from rate pegging. Fit for the Future Councils would have increased flexibility to set rates within a margin above the rate pegging limit. IPART has suggested a 3% threshold, whereas the Panel suggested up to 5% would be more realistic. The reasoning behind this is to allow Councils to make significant short-term inroads into infrastructure backlogs and correcting operating deficits.

***'Flexibility to set rates of up to 5%
above rate peg...'***

Final Report of the NSW Independent Local
Government Review Panel, October 2013

Table 4.1: Forecast Rate Increases

2015/16	2016/17	2017/18	2018/19 Onwards
2.40%	6.0%	6.0%	6.0%

Special Rate Variation

In 2014, Council successfully applied for a Special Rate Variation (SRV) of 9.5% in addition to the rate pegging limit of 2.3%. The SRV was implemented to address the priority works in Council's infrastructure i.e. major renewal works of Council's roads infrastructure. The SRV was accompanied by a successful application for a Local Infrastructure Renewal Scheme (LIRS) grant which provides a 3% loan interest rate subsidy from the Office of Local Government. Accordingly, a bank loan for \$4.85 million was taken out in May 2015 at a rate of 3.75%, the repayments for which are funded by the SRV and LIRS subsidy. These funds are now being utilised for a major upgrade of road infrastructure in Bellingen Shire.

Water and Sewerage Charges

The NSW Best-Practice Management of Water Supply and Sewerage Framework requires Council to prepare and implement a sound 30 year strategic business plan and financial plan in accordance with the NSW Water and Sewerage Strategic Business Planning Guidelines.

Best Practice requires the plans to be reviewed every five years, and provides guidance for the future management of Council's water and sewerage business.

For Residential Properties

For water a two-part tariff, being a connection charge and a usage charge, will be applied. Usage charges are based on quarterly meter readings and applied at a per kilolitre rate (refer to Revenue Policy for further information).

For Sewerage a uniform charge will be applied to all residential customers in accordance with the Department of Environment, Climate Change and Water and Sewer Best Practice pricing guidelines.

For Non-Residential Properties

A two-part tariff, being a connection charge and a usage charge, will be applied. Non-residential properties include multiple occupancies, such as non-strata flats and units, and those properties which are categorised as "business" for rating purposes.

For Sewerage the connection charge is determined by multiplying the access charge applicable to the water service connection size, by the sewerage discharge factor (SDF). The usage charge is determined by multiplying the number of kilolitres of water consumed, by the SDF, and then by \$0.96.

Council issues usage charges every three months in arrears, which is included on the quarterly instalment notice.

The SDF is a customer's estimated volume discharged into the sewerage system to the customers total water consumption. For non-residential properties, the SDF varies based on the usage requirements of a customer's enterprise.

Waste Management Charges

The Local Government Act 1993 requires that Domestic Waste Management Charges must reflect the actual cost of providing those services. The service is provided to the residents of Bellingen, Dorrigo, Urunga, Mylestom and specific rural areas. The service includes a fortnightly general waste collection service, a fortnightly recycling collection service and a weekly organics waste service.

The Domestic Waste Strategy is supported by a ten year financial strategy, as part of the LTFP, which determines the annual charge. The forecast increase in the charges has been set in accordance with the strategy requiring a 3.5% increase to the kerb side domestic waste service and an average of 3% increase throughout the remainder of the plan.

4.2 User Fees and Charges

Council annually establishes and regulates its fees and charges in accordance with the provisions of the NSW Local Government Act 1993. Statutory fees are fixed by regulation, legislation or a State/Federal Authority. As such, Council has no influence on how the statutory fee amount is determined nor do such statutory fees tend to increase by CPI or reflect the true cost of providing the service.

A review of the remaining Council fees and charges was undertaken in April 2015 using best value principles of value for money, a consideration for community expectations and values, and a balance between affordability and accessibility of services. As part of the process, BSC undertook training and workshops for Managers and Responsible Officers in effective pricing, provided workshops and information packs for its 355 Committees, benchmarked its fees and charges with other Councils and service providers, and improved the format of the Fees and Charges Policy to better align with the Community Vision.

4.3 Interest Revenue and Investments

It is estimated that the average cash and investments held throughout the 10 year plan will be \$27.5 million. Balancing the need to preserve funds and ensure liquidity with the requirement to maximise returns is an important aspect of managing Council's investments. In light of this, the Investment Policy was reviewed in April 2015 to provide a stronger framework and guidance on which to base investment decisions. The Policy reflects current legislative requirements including the Minister for Local Government Investment Order and the Basel III banking liquidity reforms instituted by the Australian Prudential Regulation Authority.

The budgeted interest rate is determined by a weighted average interest rate based on the 90 day bank bill plus a margin based on the type of investment and duration invested for. The estimated rates used for forecast purposes are as follows:

Table 4.3: Interest rate forecast

2015/16	2016/17	2017/18	2018/19 Onwards
3.00%	3.00%	3.00%	4.00%

4.4 Other Revenues

The majority of other revenues are generated by:

- rental income on Council properties;
- cost reimbursements and other recoveries, such as workers compensation, legal fees, property rebates and saleyards reimbursements;
- Scrap metal sales;
- Long service leave transfers from other councils.

Rental income will vary according to supply and demand, however forecast fluctuations in supply and demand over a ten year period, if available, are not considered reliable. Therefore assuming rents will increase in line with CPI over the long term is considered a reasonable approach. Council's property portfolio is currently being reviewed as identified in the 2014/15 operational plan, which will consider the long term viability of owning these properties, along with the creation of a sinking fund to facilitate the divestment and investment in the improvement of various building assets.

All other income sources have been increased in line with CPI.

4.5 Grants and Contributions – Operating and Capital

Given the uncertain nature of grant funding, the LTFP has been prepared with the following grant funding sources included (all assumed to continue over the duration of the LTFP):

- Roads to Recovery;
- Roads and Maritime Services (RMS);
- Financial Assistance Grant (FAGs);
- Library Per Capita Grant;
- Noxious Weeds Action Plan;
- Rural Fire Service – Operating and Capital; and,
- Heritage Assistance Schemes

In reviewing grants and contributions it is considered prudent not to forecast an increase, other than 3%, over the period of the plan. It is unlikely that there will be any increase in grants, or provision of new grants, for current services. Any reduction or discontinuance of grants will be offset by a corresponding reduction in expenditure.

The Financial Assistance Grant issued by the NSW Government is currently frozen with no further increases until 2017/2018. An increase above 3% in 2018/2019 has been forecast to reflect the redistribution from the wealthier City Councils to the Rural Councils based on needs rather than population numbers.

'...money should go to the areas that need it most (Financial Assistance Grant)...'

Local Government Minister and Nationals MP
Paul Toole, May 2014

The Section 94 Developer Contribution Plan aims to generate contributions that will support the maintenance of levels of service for new community infrastructure to the present standard of facilities per head of existing population. Council's current S.94 plans for roads and open spaces were reviewed during the 2014/15 financial year to better reflect the current and future needs of our Shire.

5.0 Expenditure Forecasts

In developing the expenditure forecasts, Council has considered its ongoing commitments in alignment with the objectives of BSC's Community Vision.

5.1 Employee Costs

Council's long term forecast relating to staffing is contained in detail within the Workforce Management Strategy. The Workforce Management Strategy also identifies the human resources Bellingen Shire Council requires to continue its strategic direction and deliver services in an efficient and effective manner.

Employee costs cover wages, all leave types, training, superannuation and associated costs. Wage increases can be in two parts – increases under the NSW Local Government (State) Award 2014 and grade/step progression under Council's Salary Structure. The budget factors in a 3.5% increase to overall employee costs in 2015/16 and 3% for the remainder of the LTFP. This assumes that wages will continue to increase in line with the NSW Local Government (State) Award 2010 until such time a new Award is negotiated.

All associated employee costs have also been increased by 3.5%, with the exception of superannuation. The increase in employer contributions for Superannuation Guarantee Contributions (SGC) has been delayed until 2018/2019. Contributions will stay at 9.5% until 2018/19 after which they will increase by 0.5% until they reach 12% in 2021/22.

Table 5.1: Employee Cost Assumptions

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020 Onwards
Wages	3.50%	3.00%	3.00%	3.00%	3.00%
All Leave	3.50%	3.00%	3.00%	3.00%	3.00%
Training	3.50%	3.00%	3.00%	3.00%	3.00%
Superannuation	9.50%	9.50%	9.50%	10.00%	10.50-12.00%
Workers Compensation	3.50%	3.00%	3.00%	3.00%	3.00%

Council is also a party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the 'Local Government Superannuation Scheme – Pool B'. Council's additional contribution for 2015/16 – 2017/2018 is \$123,522 per year as a result of the scheme being under funded post Global Financial Crisis.

5.2 Borrowings

Council had a total loan balance outstanding of \$4.95 million as at 30 June 2014. In addition to this, a further \$4.85 million was borrowed in May 2015 for infrastructure renewals. The new loan is funded by a 9.5% Special Rate Variation approved in 2014 with the interest subsidised by the NSW Government under the Local Infrastructure Renewal Scheme.

Council's estimated required borrowings over the next 10 years are summarised in the following table. The table provided below is based on expected discounted borrowings under the proposed TCorp borrowings facility.

Table 5.2: Summary of new borrowings

Loan Purpose	Loan Amount	Loan Term	Annual Repayment (Estimate)
Infrastructure Renewal Program 2015/2016	\$1,000,000	10 Years	\$116,121
Infrastructure Renewal Program 2016/2017	\$1,500,000	10 Years	\$174,181
Infrastructure Renewal Program 2017/2018	\$2,000,000	10 Years	\$232,241
Infrastructure Renewal Program 2018/2019	\$1,500,000	10 Years	\$174,181
Infrastructure Renewal Program 2019/2020	\$1,000,000	10 Years	\$116,121
Infrastructure Renewal Program 2020/2021	\$2,000,000	10 Years	\$232,241
Infrastructure Renewal Program 2022/2023	\$1,000,000	10 Years	\$116,121

5.3 Materials and Contracts

Expenditure on materials, contracts and other operating cost has been generally based on CPI. The exceptions to this are expenditures that are either i) not recurrent every year, ii) have been identified as increasing by an amount different to CPI or iii) a result of increased services or service levels, for example increased waste contractor fees in excess of CPI each year reflecting known increases in the Office of Environment and Heritage NSW waste levy on waste disposed as landfill.

5.4 Depreciation

Depreciation expense has been projected based on useful life estimates in accordance with Council's Accounting Policies and Plans. Budgeted capital works expenditure has been included in the depreciation calculation. A reduction in depreciation has also been forecast due to infrastructure revaluations conducted during the 2015 financial year.

It is considered reasonable to assume that future asset revaluations will have an impact on infrastructure values. The LTFP does include the potential impact of future asset revaluations.

5.5 Other Expenses

Generally, other expense budget items have been increased by CPI forecasts or by reviewing historical expenditure trends. Some expenses are sporadic in nature (for example, conduct of council election every four years) or tied to grant funding which has not moved by CPI (for example, the Heritage Assistance Scheme Grant).

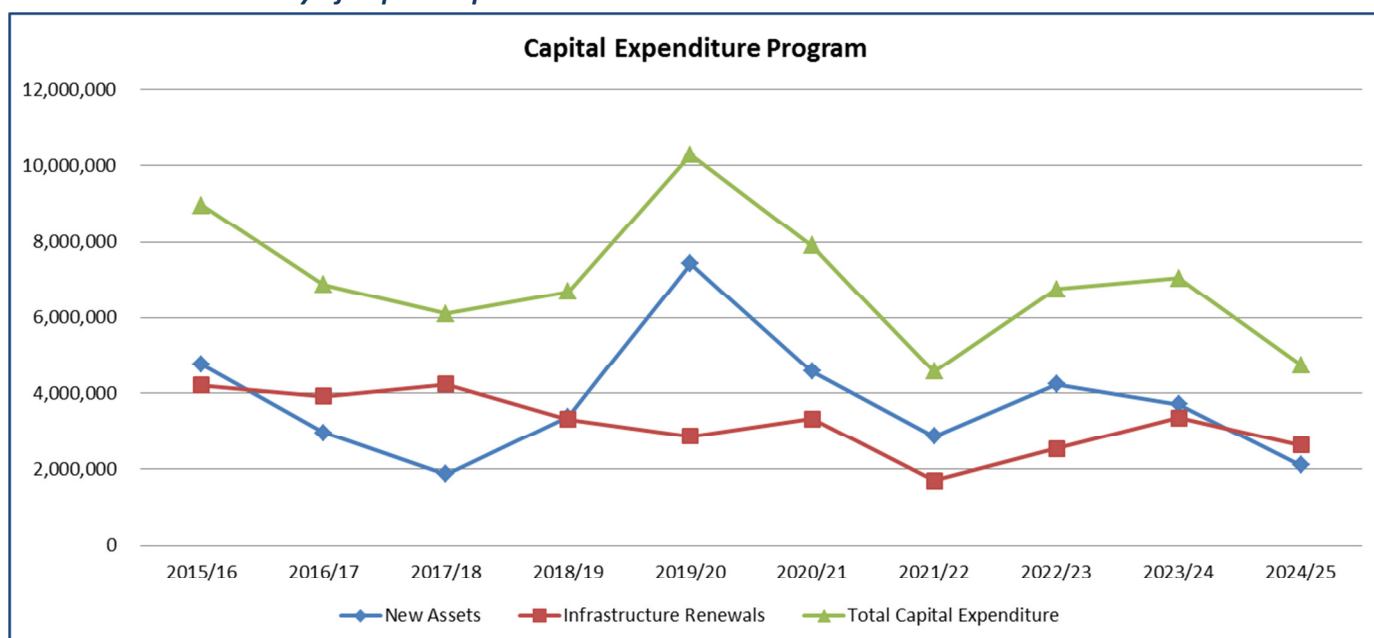
5.6 Asset Management

Infrastructure (assets) expenditure will progressively be mapped against maintenance and renewal programs recommended by respective asset management plans. In accordance with Council's asset management review, asset maintenance has been increased by CPI with a strong focus on asset renewals as opposed to construction of new assets.

Subject to successful special rate variations and subsequent loan borrowings, assets should be maintained and renewed in accordance with the respective asset management plans and agreed condition intervention levels.

The 10 Year Asset Management Capital Works Program focuses on the renewal of Council's infrastructure and effective management of Council's plant and vehicles. The capital works listing in the annexures are based on a consolidated position (as per Attachment 25). Council is currently integrating the full 10 year capital program into Council's relevant Asset Management Plans.

Table 5.6: Summary of Capital Expenditure



Please note: The forecast capital works program does not include any works related to the 2015 flood event nor does it make any allowance for possible future flood events.

6.0 Performance Measures

A number of key indicators have been used to monitor performance against the LTFP to assess Council's infrastructure management effectiveness and long term sustainability. The key performance indicators have been developed as part of the Fit for the Future (FFF) reforms to assess Council's performance. The criteria that characterises a FFF council have been developed based on the work of Destination 2036, the assessments of the sector by the Independent Local Government Review Panel (ILGRP) and the NSW Treasury Corporation (TCorp), as well as input from the local government sector and IPART. These criteria are:

- scale and capacity to engage effectively across community, industry and government;
- sustainability;
- effectively managing infrastructure and delivering services for communities, and
- Efficiency.

Please note: The ratios below can be heavily influenced by natural disaster events that can have both positive and negative effects on each of the below ratios. Ratio forecasts do not include any works related to the 2015 flood event nor does it make any allowance for possible future flood events.

6.1 Sustainability Measures

Sustainability means that councils will generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for communities as identified through the Integrated Planning and Reporting process. It is paramount that Council have a solid long term financial plan that effectively addresses the following long term financial sustainability ratios:

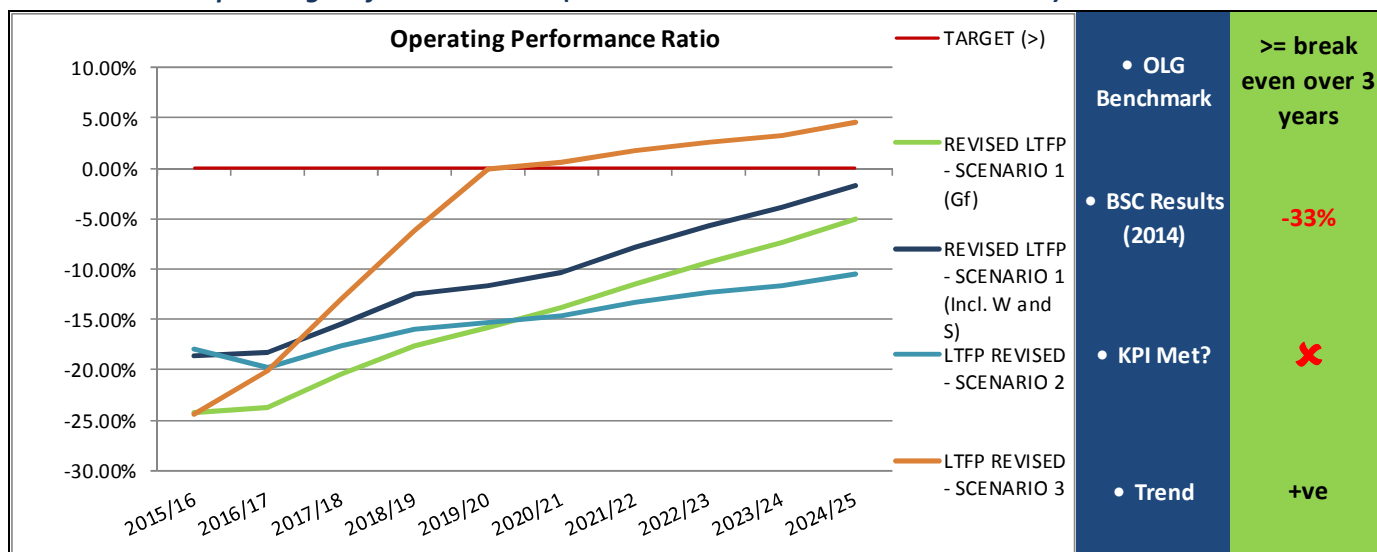
6.1.1 Operating Performance Ratio

The Operating Performance Ratio is an important criterion in measuring Council's core performance. The issue for Council is whether the operating results can be maintained and in particular if those operating results can sustain the current level of services into the future. Council's LTFP shows a significant decrease in losses primarily due to forecast rate increases and operational savings. It is expected with the forecast trends that this ratio will be achieved in 2027.

Table 6.1: 2019/2020 Operating Performance Ratio Forecast

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or -ve or neutral
Operating Performance Ratio	>= break even over 3 years	-15.73	✗	+ve
Based on Formula:				
Estimated cost to bring assets to a satisfactory condition				
Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets				

Table 6.2: Operating Performance Ratio (Includes ratio results as at 30 June 2014)



6.1.2 Own Source Operating Revenue Ratio

This ratio assesses Council's ability to generate its own revenue, measuring BSC's dependence on grant revenue. The ratio is above the benchmark with throughout the LTFP. It is being driven by an increase in rating revenue. The graph above includes the IPART approved special variations for 2014/15 of 9.5% plus rate peg.

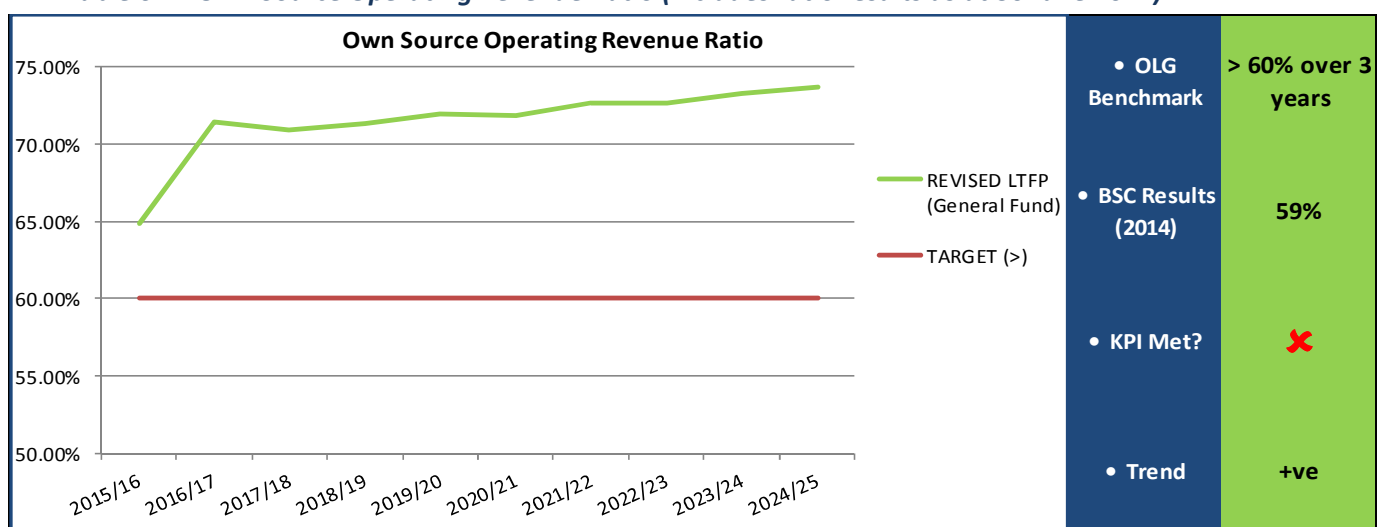
Table 6.3: 2019/2020 Own Source Operating Revenue Ratio Forecast

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or -ve or neutral
Own Source Revenue Ratio	> 60% over 3 years	71.90%	✓	+ve

Based on Formula:

Total continuing operating revenue less all grants and contributions
Total continuing operating revenue inclusive of capital grants and contributions

Table 6.4: Own Source Operating Revenue Ratio (Includes ratio results as at 30 June 2014)



6.2 Effective Infrastructure and Service Management

The following KPIs assess how well BSC is managing its infrastructure assets, including maintenance and asset renewals.

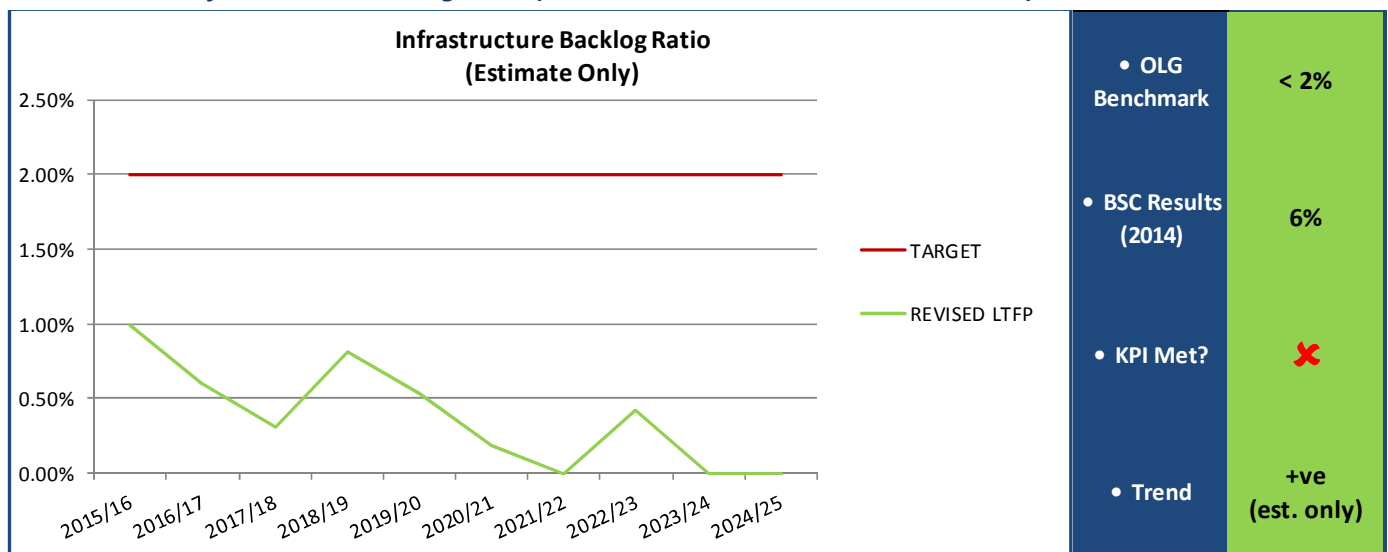
6.2.1 Infrastructure Backlog Ratio

The infrastructure backlog ratio indicates the proportion of backlog against the total value of the Council's infrastructure assets. It is a measure of the extent to which asset renewal is required to maintain or improve service delivery in a sustainable way.

Table 6.7: 2019/2020 Infrastructure Backlog Ratio Forecast

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or –ve or neutral
Infrastructure Backlog Ratio	< 2%	0.54%	✓	+ve (est. only)
Based on Formula:				
		Estimated cost to bring assets to a satisfactory condition		
		Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets		

Table 6.8: Infrastructure Backlog Ratio (Includes ratio results as at 30 June 2014)



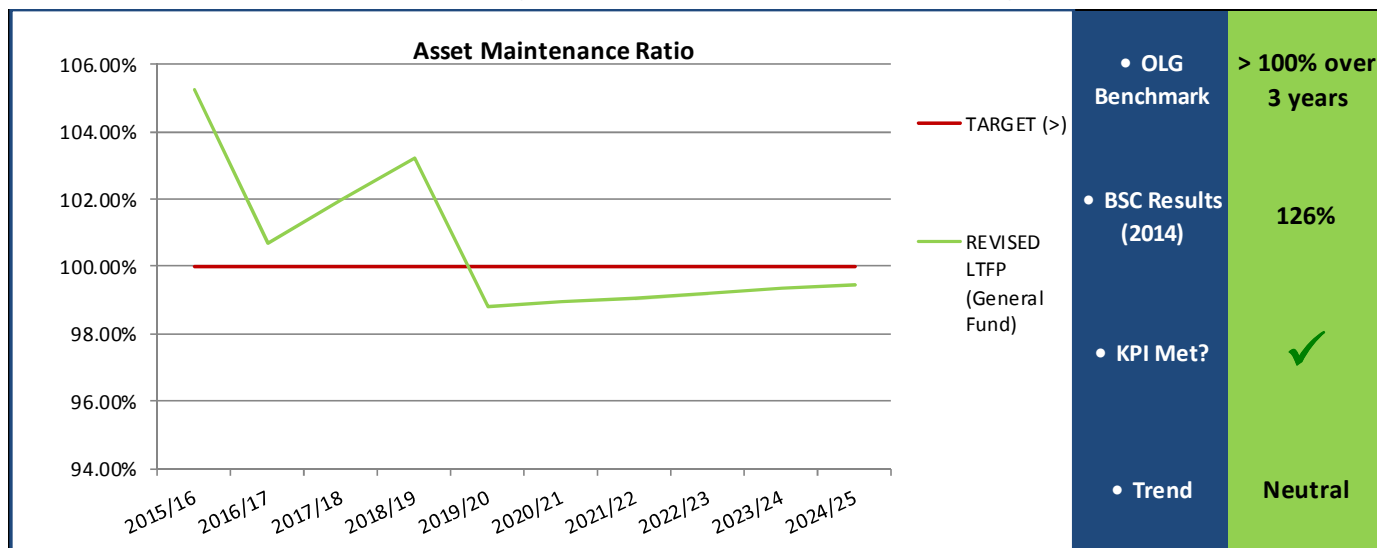
6.2.2 Asset Maintenance Ratio

The asset maintenance ratio reflects the actual asset maintenance expenditure relative to the required asset maintenance as measured by an individual Council. Council will continue to meet this ratio up until 2020.

Table 6.9: 2019/2020 Asset Maintenance Ratio Forecast

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or –ve or neutral
Asset Maintenance Ratio	> 100% over 3 years	101.35%	✓	+ve (est. only)
Based on Formula:				
Actual asset maintenance				
Required asset maintenance				

Table 6.10: Asset Maintenance Ratio (Includes ratio results as at 30 June 2014)



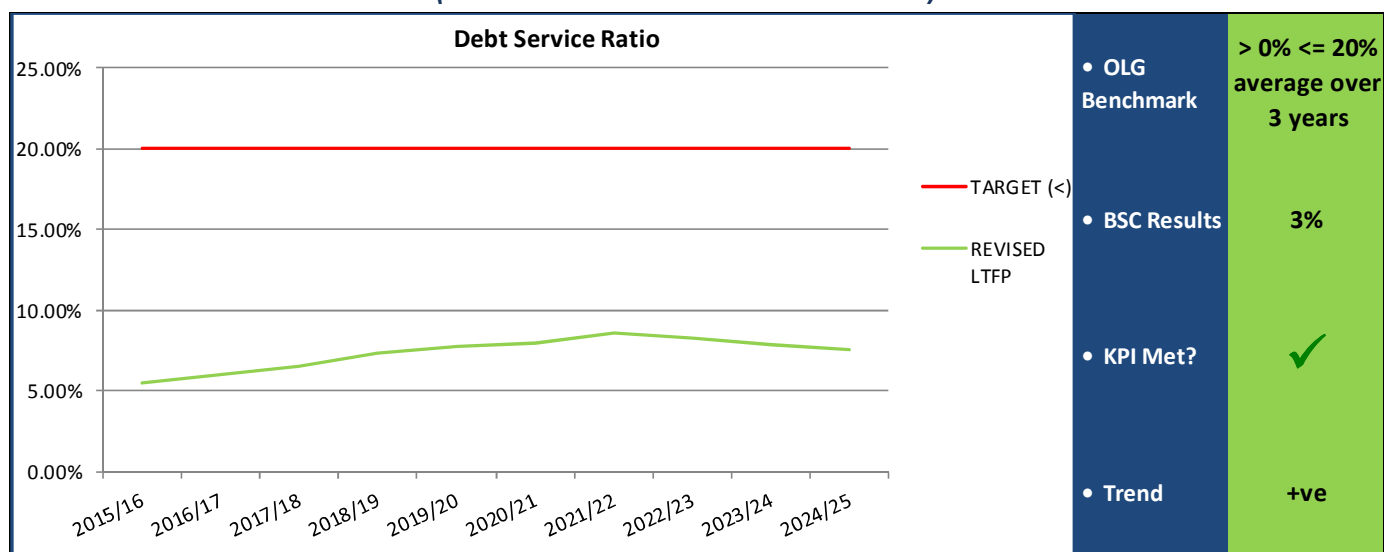
6.2.3 Debt Service Ratio

The Debt Service Ratio is used to show the percentage of annual revenue necessary to service annual debt obligations e.g. loan repayments. It also shows the commitment of future revenue necessary to fund long term obligations. Council's LTFP averages 7.32% over the 10 years, well below the maximum benchmark percentage of 20%. The graph below includes current borrowing repayments and proposed future borrowings repayments for loans totalling \$10 million, for the purpose of addressing the infrastructure renewal requirements.

Table 6.11: 2019/2020 Debt Service Ratio Forecast

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or –ve or neutral
Debt Service Ratio	> 0% <= 20% average over 3 years	7.76%	✓	+ve
Based on Formula:				
Cost of debt service (interest expense & principal repayments)				
Total continuing operating revenue (exc. capital grants and contributions)				

Table 6.12: Debt Service Ratio (Includes ratio results as at 30 June 2014)



6.3 Efficiency Measures

The following measure is aimed at assessing how efficiently Council is managing its resources.

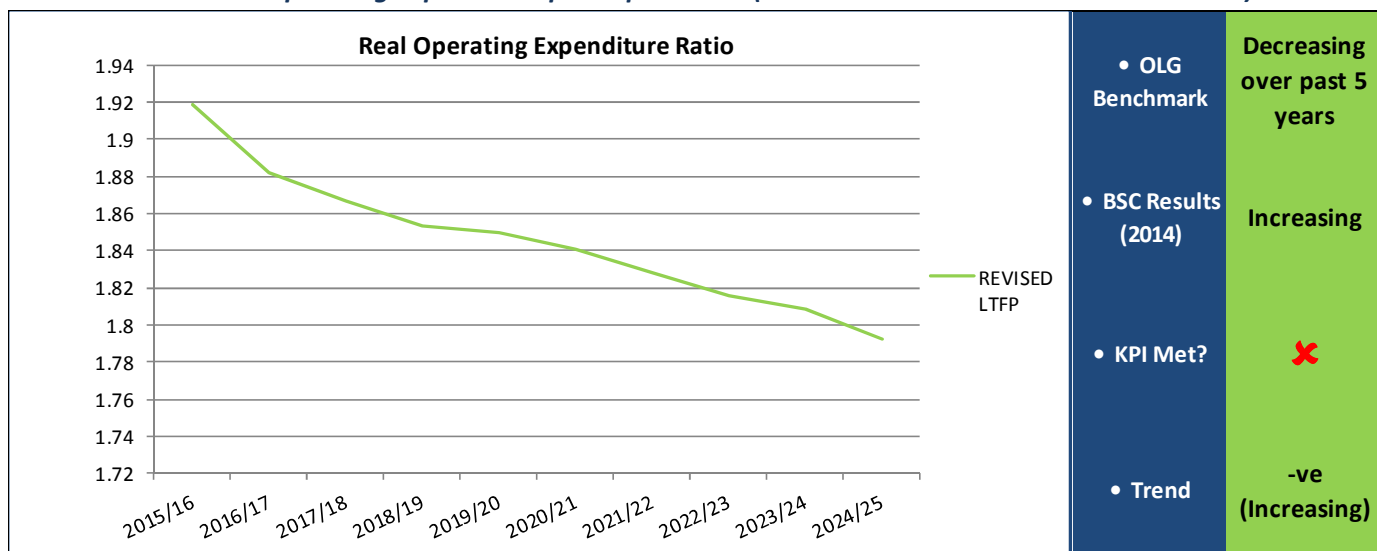
6.3.1 Real Operating Expenditure per capita

This measure reflects how the operational costs per capita have grown over time. In the calculation, the expenditure is deflated by the estimated Consumer Price Index. Councils will be assessed on a joint consideration of the direction and magnitude of their improvement or deterioration in real expenditure per capita. The OLG acknowledges that efficiency and service levels are impacted by a broad range of factors, and that it is unreasonable to establish an absolute benchmark across Councils. Council's LTFP shows a downward trend when compared to a conservative population growth rate of 0.2% per annum (Source ABS 3218.0, NSW Dept. of Planning, Lawrence Consulting).

Table 6.13: 2019/2020 Real Operating Expenditure per Capita Ratio Forecast

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or -ve or neutral
A Decrease in Real Operating Expenditure per capita over time	Decreasing over past 5 years	Decreasing	✓	Decreasing
Based on Formulas:				
Year 1				
Total expenditure from continuing operations less revaluation decrements, net loss from disposal of assets and net loss of interests in joint ventures less (1 - CPI Yr 1)				
Population (year 1)				
Year 2				
Total expenditure from continuing operations less revaluation decrements, net loss from disposal of assets and net loss of interests in joint ventures less (1 - CPI Yr 1) less (1 - CPI Yr 2)				
Population (year 2)				
Year 3				
Total expenditure from continuing operations less revaluation decrements, net loss from disposal of assets and net loss of interests in joint ventures less (1 - CPI Yr 1) less (1 - CPI Yr 2) less (1 - CPI Yr 3)				
Population (year 3)				
Year 4				
Total expenditure from continuing operations less revaluation decrements, net loss from disposal of assets and net loss of interests in joint ventures less (1 - CPI Yr 1) less (1 - CPI Yr 2) less (1 - CPI Yr 3) less (1 - CPI Yr 4)				
Population (year 4)				
Year 5				
Total expenditure from continuing operations less revaluation decrements, net loss from disposal of assets and net loss of interests in joint ventures less (1 - CPI Yr 1) less (1 - CPI Yr 2) less (1 - CPI Yr 3) less (1 - CPI Yr 4) less (1 - CPI Yr 5)				
Population (year 5)				

Table 6.14: Real Operating Expenditure per Capita Ratio (Includes ratio results as at 30 June 2014)



7.0 Sensitivity Analysis and Financial Modelling

The LTFP is based on a number of underlying assumptions. Sensitivity analysis identifies the impact on Council's financial position of changes in these assumptions and highlights the factors most likely to affect the outcomes of the plan.

Sensitivity analysis looks at "what if" scenarios. For example, what happens to Council's financial position if salary and wages increases are 1% higher than forecast, growth is half that forecast, or investment returns are 1% less than forecast in plan.

All sensitivity analysis was undertaken utilising 'Financial Services Model 1' above and the impacts were assessed by reference to the changes in the cash and investment balance in year 10 (2024/25) of the LTFP. The major underlying assumptions underpinning the LTFP have been subject to sensitivity analysis which has identified the following impacts.

7.1 Employee Costs

Employee costs make up 34% of projected 2015/2016 operating expenditure. This is reflective of the service based nature of a significant proportion of council activities as well as the construction and maintenance of the considerable infrastructure owned by Council. As it makes up such a large proportion of the operating expenditure budget, and movements in rates of pay are determined through industry wide Award negotiations and market forces, the Council is sensitive to unplanned changes in employee costs. The LTFP assumes annual increases of 3.5% (2015/16) and 3% (Years 2 – 10) to employee costs.

Due to the above factors an impact of a 1% increase in employee costs each year was modelled. The analysis indicated that the cash and investment balance would be reduced by an estimated \$6,456,000 in year 2024/2025 of the LTFP.

7.2 Rates and Annual Charges Revenue

Rates and Annual Charges revenue makes up over 45% of the projected 2015/2016 operating revenue. Council cannot set the rate of increase in General Rates but can only accept the rate pegging imposed on it without a Special Variation application. The LTFP includes a rate peg increase of 2.4% in 2015/16 permanent 6% SRV for the remainder of the LTFP. If these increases are not achieved, Council will need to adjust expenditure or revenue appropriately.

The LTFP modelling has been devised with scenarios that include the Special Rate Variation, however progress in addressing the Council asset renewal and maintenance challenges is contingent on the success of any applications to increase rates through a special variation or on the assumption that Council will have flexibility to set rates of up to 5% above rate peg without formal approval. The LTFP has been projected on the premise that current rating income collection patterns are maintained. Any financial shocks or changed economic conditions have the ability to impact rate payer capacity to pay

and in so doing will affect the Council cash flow from rating.

Annual Charges, particularly domestic waste charges, are susceptible to significant cost increases as a result of legislative change in this area of operation (due to Federal and State climate change policies and other regulations).

Due to Council's reliance on rate revenue, an impact of a 1% reduction in rates revenue each year was modelled assuming that any special variation would also be reduced by 1%. The analysis indicated that the cash and investment balance would be reduced by an estimated \$6,283,000 in year 2024/2025 of the LTFP.

7.3 Inflation

Given the considerable number of assets held, constructed and maintained by Council, variations in underlying inflation have the potential to have a significant impact on the LTFP. Council has considerable pressure from rising raw material costs including fuel and other construction materials. Any major unplanned hikes in these costs will impact the LTFP.

7.4 Investment Returns

Council's current approach is that interest earnings from investments are used to fund the operational budget. This source of revenue however, is impacted by the various fluctuations of the investment market and is not necessarily a reliable source of revenue. The potential use of interest income as a source of revenue to balance the operational budget may in turn be impacted.

The impact of a reduction in investment interest rates of 1% was modelled. It was concluded that any impact on Council's operating result was deemed to be immaterial.

7.5 Grants and Contributions

Council relies heavily on income from the Federal Government Financial Assistance and the Roads to Recovery grant programs. These Grants respectively make up 11% and 1% of Council's total revenue.

The Financial Assistance Grant is calculated using a formula that takes into account the population of the Local Government areas, road lengths and a number of other demographics. Given the complexity of the formula it is difficult to calculate any potential impacts to Council if any of the inputs were to change. As mentioned in the revenue forecast assumptions above an increase of a normal 3% in the Financial Assistance Grant has been forecast in 2017/18. If this was not to eventuate a deduction of \$168,000 would need to be made to Council's annual operating/capital expenditure forecasts.

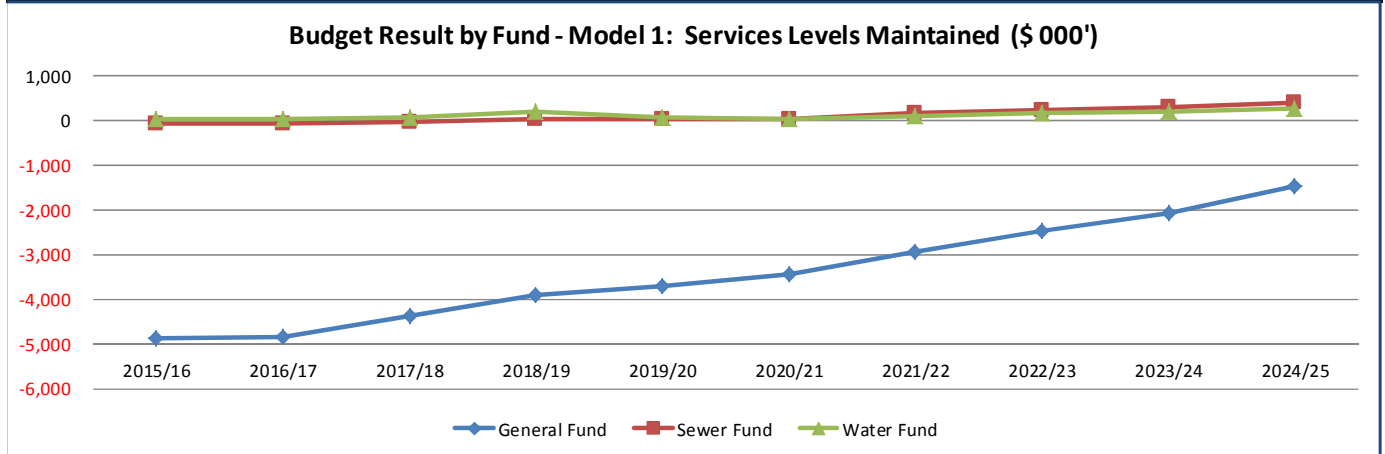
Money provided under the Roads to Recovery Program is not intended to replace council spending on roads but to assist councils in their local road construction or maintenance. The Roads to Recovery Program is scheduled to conclude in 2019. However due to the heavy reliance of this program throughout NSW there has been much lobbying for the continuation of this program. The LTFP has been prepared with the assumption that the Roads to Recovery Program will continue indefinitely.

7.6 Financial Services Model 1: Service Levels Maintained

The consolidated budget result under the 'Service Levels Maintained Model' is provided in the table below.

Table 7.6: Financial Services Model 1: Service Levels Maintained

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
General Fund	-4,873	-4,839	-4,361	-3,920	-3,707	-3,427	-2,941	-2,476	-2,075	-1,453
Sewer Fund	-57	-79	-33	36	18	39	156	229	305	392
Water Fund	34	38	56	194	55	26	102	158	202	258
Consolidated Funds	-4,896	-4,880	-4,338	-3,689	-3,635	-3,363	-2,683	-2,090	-1,569	-803

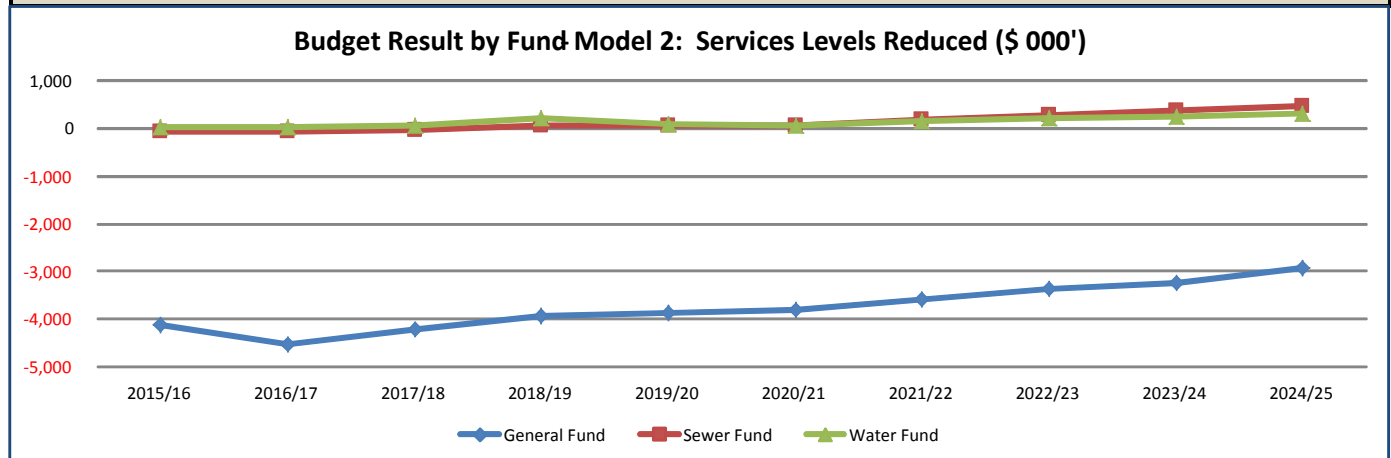


7.7 Financial Services Model 2: Service Levels Reduced

The consolidated budget result under the Reduced Services Model is provided in the table below.

Table 7.7: Financial Services Model 2: Service Levels Reduced

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
General Fund	-4,123	-4,525	-4,206	-3,942	-3,882	-3,820	-3,573	-3,371	-3,227	-2,919
Sewer Fund	-57	-73	-20	57	45	74	200	281	367	464
Water Fund	34	43	67	212	79	58	142	205	257	322
Consolidated Funds	-4,146	-4,554	-4,159	-3,673	-3,757	-3,688	-3,232	-2,885	-2,603	-2,133

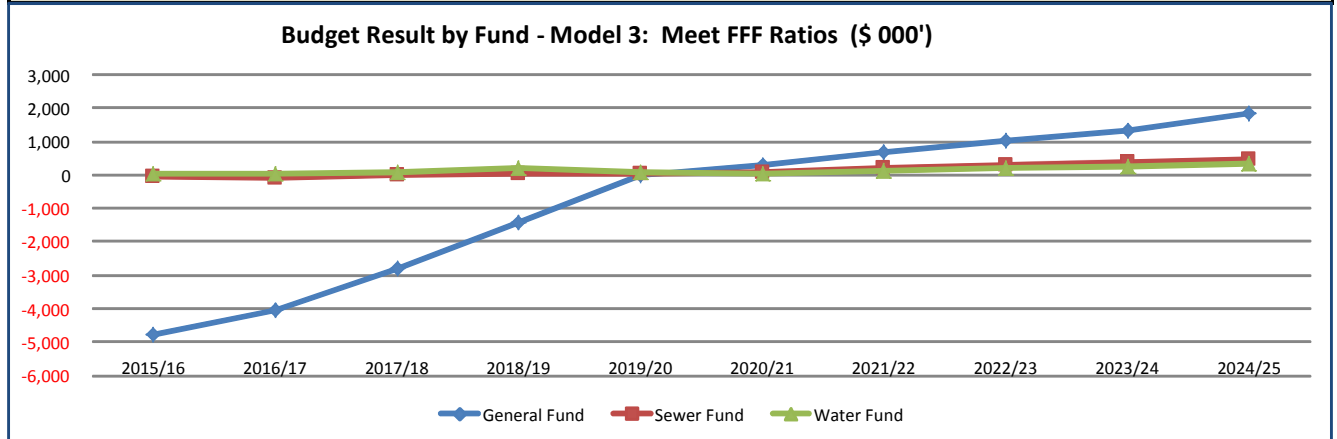


7.8 Financial Services Model 3: Meeting 'Fit For the Future' Requirements by 2020

The consolidated budget result under the Increased Services Model is provided in the table below.

Table 7.8: Financial Services Model 3: Meeting 'Fit For the Future' Requirements by 2020

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
General Fund	-4,762	-4,059	-2,813	-1,419	14	284	678	1,025	1,339	1,827
Sewer Fund	-57	-73	-20	57	45	74	200	281	367	464
Water Fund	34	43	67	212	79	58	142	205	257	322
Consolidated Funds	-4,785	-4,088	-2,765	-1,150	139	416	1,020	1,511	1,963	2,613



8.0 Appendices

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Attachment 1 – ‘Model 1’ Projected Income Statement

Bellingen Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
INCOME STATEMENT - CONSOLIDATED
Scenario: Model 1

	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	11,299	12,413	12,856	13,477	14,130	14,816	15,538	16,297	17,095	17,936	18,820	19,750
User Charges & Fees	6,559	5,174	6,085	6,276	6,473	6,676	6,886	7,103	7,326	7,556	7,793	8,038
Interest & Investment Revenue	1,201	950	1,110	1,027	1,041	1,312	1,139	1,055	1,181	1,277	1,336	1,467
Other Revenues	450	490	492	506	522	537	553	570	587	605	623	641
Grants & Contributions provided for Operating Purposes	3,619	5,444	5,816	5,446	5,764	5,924	6,128	6,297	6,471	6,651	6,836	7,026
Grants & Contributions provided for Capital Purposes	4,087	985	2,284	806	935	960	868	1,006	911	1,055	958	982
Other Income:												
Net gains from the disposal of assets	73	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	27,288	25,456	28,643	27,538	28,864	30,226	31,111	32,327	33,572	35,078	36,365	37,904
Expenses from Continuing Operations												
Employee Benefits & On-Costs	9,762	10,066	10,665	10,607	10,924	11,180	11,513	11,856	12,208	12,574	12,951	13,339
Borrowing Costs	468	427	448	457	473	501	509	494	503	446	416	361
Materials & Contracts	9,961	7,853	8,055	8,203	8,412	8,627	8,847	9,074	9,306	9,544	9,789	10,041
Depreciation & Amortisation	9,032	9,589	8,783	8,908	9,034	9,162	9,356	9,500	9,549	9,683	9,816	9,952
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,929	3,147	3,303	3,437	3,423	3,485	3,653	3,761	3,777	3,867	4,004	4,032
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	12	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	32,164	31,082	31,255	31,612	32,267	32,955	33,879	34,684	35,343	36,113	36,976	37,725
Operating Result from Continuing Operations	(4,876)	(5,626)	(2,612)	(4,074)	(3,403)	(2,729)	(2,768)	(2,357)	(1,771)	(1,035)	(611)	179
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(4,876)	(5,626)	(2,612)	(4,074)	(3,403)	(2,729)	(2,768)	(2,357)	(1,771)	(1,035)	(611)	179
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,963)	(6,611)	(4,896)	(4,880)	(4,338)	(3,689)	(3,635)	(3,363)	(2,683)	(2,090)	(1,569)	(803)

Attachment 2 – ‘Model 1’ Projected Balance Sheet

Bellingh Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BALANCE SHEET - CONSOLIDATED
Scenario: Model 1

	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	6,065	6,363	6,750	5,865	6,775	7,291	3,899	4,023	6,075	8,244	9,500	13,226
Investments	23,100	21,100	18,500	18,342	18,342	18,342	18,155	17,741	17,741	17,741	17,741	17,741
Receivables	5,709	5,219	5,252	5,358	5,485	5,640	5,767	5,921	6,107	6,297	6,466	6,714
Inventories	265	301	294	300	308	315	323	331	339	348	357	366
Other	12	37	39	40	40	41	43	44	45	46	47	48
Total Current Assets	35,151	33,019	30,835	29,904	30,950	31,629	28,187	28,060	30,308	32,676	34,112	38,095
Non-Current Assets												
Investments	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Receivables	12	619	622	609	641	674	656	691	667	640	674	710
Infrastructure, Property, Plant & Equipment	522,068	521,015	521,014	518,403	515,075	512,078	512,558	510,958	505,351	501,339	497,600	492,033
Investment Property	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924
Total Non-Current Assets	524,004	525,558	525,560	522,935	519,640	516,676	517,138	515,572	509,942	505,902	502,198	496,666
TOTAL ASSETS	559,155	558,577	556,395	552,839	550,589	548,306	545,325	543,633	540,251	538,578	536,309	534,761
LIABILITIES												
Current Liabilities												
Payables	2,770	3,170	3,258	3,044	3,121	3,195	3,277	3,368	3,407	3,476	3,535	3,581
Borrowings	174	660	766	924	1,129	1,295	1,427	1,650	1,707	1,717	1,772	1,325
Provisions	2,784	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	5,728	6,609	6,804	6,747	7,029	7,270	7,483	7,797	7,893	7,972	8,087	7,685
Non-Current Liabilities												
Borrowings	4,776	8,939	9,173	9,748	10,620	10,825	10,398	10,748	9,041	8,324	6,552	5,227
Provisions	689	694	694	694	694	694	694	694	694	694	694	694
Total Non-Current Liabilities	5,465	9,633	9,866	10,442	11,313	11,518	11,092	11,442	9,735	9,018	7,246	5,921
TOTAL LIABILITIES	11,193	16,241	16,670	17,189	18,342	18,788	18,575	19,239	17,628	16,990	15,333	13,606
Net Assets	547,962	542,336	539,724	535,650	532,247	529,518	526,750	524,394	522,623	521,588	520,977	521,155
EQUITY												
Retained Earnings	262,699	257,073	254,461	250,387	246,984	244,255	241,487	239,131	237,360	236,325	235,714	235,892
Revaluation Reserves	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263
Council Equity Interest	547,962	542,336	539,724	535,650	532,247	529,518	526,750	524,394	522,623	521,588	520,977	521,155
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	547,962	542,336	539,724	535,650	532,247	529,518	526,750	524,394	522,623	521,588	520,977	521,155

Attachment 3 – ‘Model 1’ Projected Cash Flow Statement

Bellingh Shire Council												
10 Year Financial Plan for the Years ending 30 June 2025												
CASH FLOW STATEMENT - CONSOLIDATED												
Scenario: Model 1												
	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	11,345	12,288	12,856	13,482	14,104	14,770	15,567	16,250	17,110	17,955	18,772	19,700
User Charges & Fees	6,536	5,401	6,032	6,261	6,467	6,661	6,880	7,086	7,309	7,538	7,775	8,020
Interest & Investment Revenue Received	1,182	738	1,142	1,049	1,034	1,306	1,131	1,059	1,151	1,251	1,337	1,396
Grants & Contributions	6,732	6,429	8,100	6,252	6,699	6,884	6,995	7,303	7,383	7,706	7,793	8,008
Other	2,466	459	489	411	411	426	440	451	468	479	497	510
Payments:												
Employee Benefits & On-Costs	(9,502)	(10,009)	(10,649)	(10,890)	(10,924)	(11,180)	(11,513)	(11,856)	(12,208)	(12,574)	(12,951)	(13,339)
Materials & Contracts	(9,219)	(7,634)	(8,000)	(8,164)	(8,373)	(8,578)	(8,780)	(9,013)	(9,257)	(9,484)	(9,721)	(9,986)
Borrowing Costs	(442)	(343)	(442)	(444)	(454)	(495)	(515)	(483)	(533)	(459)	(447)	(393)
Bonds & Deposits Refunded	(28)	-	-	-	-	-	-	-	-	-	-	-
Other	(5,207)	(3,147)	(3,303)	(3,437)	(3,423)	(3,485)	(3,653)	(3,761)	(3,777)	(3,867)	(4,004)	(4,032)
Net Cash provided (or used in) Operating Activities	3,863	4,182	6,225	4,520	5,541	6,310	6,552	7,036	7,645	8,545	9,051	9,883
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	13,750	-	2,601	158	-	-	187	414	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	330	724	185	583	396	528	458	1	629	1,095	975	363
Deferred Debtors Receipts	9	4	4	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(23,100)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(3,794)	(9,261)	(8,967)	(6,880)	(6,103)	(6,693)	(10,294)	(7,901)	(4,572)	(6,765)	(7,053)	(4,748)
Net Cash provided (or used in) Investing Activities	(12,805)	(8,533)	(6,177)	(6,139)	(5,707)	(6,165)	(9,650)	(7,486)	(3,943)	(5,670)	(6,078)	(4,385)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	4,850	1,000	1,500	2,000	1,500	1,000	2,000	-	1,000	-	-
Payments:												
Repayment of Borrowings & Advances	(136)	(202)	(660)	(766)	(924)	(1,129)	(1,295)	(1,427)	(1,650)	(1,707)	(1,717)	(1,772)
Net Cash Flow provided (used in) Financing Activities	(136)	4,648	340	734	1,076	371	(295)	573	(1,650)	(707)	(1,717)	(1,772)
Net Increase/(Decrease) in Cash & Cash Equivalents	(9,078)	298	388	(886)	910	516	(3,392)	124	2,053	2,168	1,257	3,726
plus: Cash, Cash Equivalents & Investments - beginning of year	15,143	6,065	6,363	6,750	5,865	6,775	7,291	3,899	4,023	6,075	8,244	9,500
Cash & Cash Equivalents - end of the year	6,065	6,363	6,750	5,865	6,775	7,291	3,899	4,023	6,075	8,244	9,500	13,226
Cash & Cash Equivalents - end of the year	6,065	6,363	6,750	5,865	6,775	7,291	3,899	4,023	6,075	8,244	9,500	13,226
Investments - end of the year	23,100	23,100	20,499	20,342	20,342	20,342	20,155	19,741	19,741	19,741	19,741	19,741
Cash, Cash Equivalents & Investments - end of the year	29,165	29,463	27,250	26,206	27,117	27,633	24,054	23,764	25,816	27,984	29,241	32,967

Attachment 4 – ‘Model 2’ Projected Income Statement

Bellinghen Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
INCOME STATEMENT - CONSOLIDATED
Scenario: Model 2

	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	11,299	12,413	12,856	13,274	13,706	14,151	14,611	15,087	15,578	16,084	16,608	17,148
User Charges & Fees	6,559	5,174	6,085	6,276	6,473	6,676	6,886	7,103	7,326	7,556	7,793	8,038
Interest & Investment Revenue	1,201	950	1,110	1,027	1,041	1,312	1,139	1,055	1,181	1,277	1,336	1,467
Other Revenues	450	490	492	506	522	537	553	570	587	605	623	641
Grants & Contributions provided for Operating Purposes	3,619	5,444	5,816	5,446	5,764	5,924	6,128	6,297	6,471	6,651	6,836	7,026
Grants & Contributions provided for Capital Purposes	4,087	985	2,284	806	935	960	868	1,006	911	1,055	958	982
Other Income:												
Net gains from the disposal of assets	73	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	27,288	25,456	28,643	27,335	28,440	29,561	30,185	31,117	32,054	33,227	34,153	35,303
Expenses from Continuing Operations												
Employee Benefits & On-Costs	9,762	10,066	9,415	9,572	9,811	9,984	10,232	10,485	10,745	11,013	11,288	11,571
Borrowing Costs	468	427	448	457	473	501	466	454	467	414	360	312
Materials & Contracts	9,961	7,853	8,055	8,203	8,412	8,627	8,847	9,074	9,306	9,544	9,789	10,041
Depreciation & Amortisation	9,032	9,589	9,283	9,413	9,544	9,677	9,877	10,026	10,080	10,219	10,357	10,499
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,929	3,147	3,303	3,437	3,423	3,485	3,653	3,761	3,777	3,867	4,004	4,032
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	12	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	32,164	31,082	30,505	31,083	31,664	32,275	33,075	33,799	34,374	35,057	35,799	36,454
Operating Result from Continuing Operations	(4,876)	(5,626)	(1,862)	(3,748)	(3,224)	(2,713)	(2,889)	(2,682)	(2,321)	(1,830)	(1,645)	(1,152)
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(4,876)	(5,626)	(1,862)	(3,748)	(3,224)	(2,713)	(2,889)	(2,682)	(2,321)	(1,830)	(1,645)	(1,152)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,963)	(6,611)	(4,146)	(4,554)	(4,159)	(3,673)	(3,757)	(3,688)	(3,232)	(2,885)	(2,603)	(2,133)

Attachment 5 – ‘Model 2’ Projected Balance Sheet

Bellinghen Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BALANCE SHEET - CONSOLIDATED
Scenario: Model 2

	Actuals 2013/14 \$'000	Current Year 2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	Projected Years					
							2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	6,065	6,363	7,867	7,844	9,434	9,008	6,081	6,518	8,703	9,795	10,828	14,061
Investments	23,100	21,100	18,500	18,348	18,348	18,348	18,222	17,840	17,840	17,840	17,840	17,840
Receivables	5,709	5,219	5,294	5,424	5,568	5,677	5,816	5,971	6,150	6,286	6,433	6,645
Inventories	265	301	294	300	308	315	323	331	339	348	357	366
Other	12	37	39	40	40	41	43	44	45	46	47	48
Total Current Assets	35,151	33,019	31,994	31,956	33,698	33,390	30,485	30,704	33,077	34,314	35,504	38,960
Non-Current Assets												
Investments	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Receivables	12	619	622	597	615	634	604	623	590	554	571	589
Infrastructure, Property, Plant & Equipment	522,068	521,015	520,514	517,398	513,560	510,048	510,008	507,882	501,745	497,196	492,916	486,802
Investment Property	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924
Total Non-Current Assets	524,004	525,558	525,060	521,918	518,099	514,606	514,536	512,429	506,258	501,673	497,411	491,314
TOTAL ASSETS	559,155	558,577	557,053	553,874	551,797	547,996	545,020	543,133	539,335	535,987	532,915	530,274
LIABILITIES												
Current Liabilities												
Payables	2,770	3,170	3,167	3,002	3,074	3,115	3,192	3,279	3,313	3,359	3,415	3,456
Borrowings	174	660	766	924	1,129	1,164	1,292	1,511	1,564	1,483	1,531	1,076
Provisions	2,784	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779
Total Current Liabilities	5,728	6,609	6,713	6,705	6,981	7,058	7,264	7,569	7,657	7,621	7,725	7,312
Non-Current Liabilities												
Borrowings	4,776	8,939	9,173	9,748	10,620	9,455	9,163	9,652	8,088	6,605	5,075	3,999
Provisions	689	694	694	694	694	694	694	694	694	694	694	694
Total Non-Current Liabilities	5,465	9,633	9,866	10,442	11,313	10,149	9,857	10,346	8,782	7,299	5,769	4,692
TOTAL LIABILITIES	11,193	16,241	16,579	17,147	18,295	17,207	17,121	17,915	16,438	14,920	13,493	12,004
Net Assets	547,962	542,336	540,474	536,726	533,502	530,789	527,900	525,217	522,897	521,067	519,422	518,270
EQUITY												
Retained Earnings	262,699	257,073	255,211	251,463	248,239	245,526	242,637	239,954	237,634	235,804	234,159	233,007
Revaluation Reserves	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263
Council Equity Interest	547,962	542,336	540,474	536,726	533,502	530,789	527,900	525,217	522,897	521,067	519,422	518,270
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	547,962	542,336	540,474	536,726	533,502	530,789	527,900	525,217	522,897	521,067	519,422	518,270

Attachment 6 – ‘Model 2’ Projected Cash Flow Statement

Bellingh Shire Council												
10 Year Financial Plan for the Years ending 30 June 2025												
CASH FLOW STATEMENT - CONSOLIDATED												
Scenario: Model 2												
	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	11,345	12,288	12,856	13,292	13,694	14,121	14,653	15,057	15,603	16,113	16,579	17,118
User Charges & Fees	6,536	5,401	6,032	6,261	6,467	6,661	6,880	7,086	7,309	7,538	7,775	8,020
Interest & Investment Revenue Received	1,182	738	1,100	1,024	1,016	1,351	1,119	1,057	1,158	1,304	1,358	1,430
Grants & Contributions	6,732	6,429	8,100	6,252	6,699	6,884	6,995	7,303	7,383	7,706	7,793	8,008
Other	2,466	459	489	409	408	423	437	448	464	475	492	505
Payments:												
Employee Benefits & On-Costs	(9,502)	(10,009)	(9,442)	(9,813)	(9,811)	(9,984)	(10,232)	(10,485)	(10,745)	(11,013)	(11,288)	(11,571)
Materials & Contracts	(9,219)	(7,634)	(8,048)	(8,155)	(8,375)	(8,581)	(8,783)	(9,016)	(9,260)	(9,487)	(9,724)	(9,990)
Borrowing Costs	(442)	(343)	(442)	(444)	(454)	(522)	(469)	(441)	(495)	(443)	(387)	(340)
Bonds & Deposits Refunded	(28)	-	-	-	-	-	-	-	-	-	-	-
Other	(5,207)	(3,147)	(3,303)	(3,437)	(3,423)	(3,485)	(3,653)	(3,761)	(3,777)	(3,867)	(4,004)	(4,032)
Net Cash provided (or used in) Operating Activities	3,863	4,182	7,341	5,389	6,221	6,867	6,947	7,247	7,639	8,326	8,593	9,148
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	13,750	-	2,601	152	-	-	126	383	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	330	724	185	583	396	528	458	1	629	1,095	975	363
Deferred Debtors Receipts	9	4	4	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(23,100)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(3,794)	(9,261)	(8,967)	(6,880)	(6,103)	(6,693)	(10,294)	(7,901)	(4,572)	(6,765)	(7,053)	(4,748)
Net Cash provided (or used in) Investing Activities	(12,805)	(8,533)	(6,177)	(6,146)	(5,707)	(6,165)	(9,710)	(7,517)	(3,943)	(5,670)	(6,078)	(4,385)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	4,850	1,000	1,500	2,000	-	1,000	2,000	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(136)	(202)	(660)	(766)	(924)	(1,129)	(1,164)	(1,292)	(1,511)	(1,564)	(1,483)	(1,531)
Net Cash Flow provided (used in) Financing Activities	(136)	4,648	340	734	1,076	(1,129)	(164)	708	(1,511)	(1,564)	(1,483)	(1,531)
Net Increase/(Decrease) in Cash & Cash Equivalents	(9,078)	298	1,504	(23)	1,590	(426)	(2,927)	437	2,185	1,092	1,033	3,233
plus: Cash, Cash Equivalents & Investments - beginning of year	15,143	6,065	6,363	7,867	7,844	9,434	9,008	6,081	6,518	8,703	9,795	10,828
Cash & Cash Equivalents - end of the year	6,065	6,363	7,867	7,844	9,434	9,008	6,081	6,518	8,703	9,795	10,828	14,061
Cash & Cash Equivalents - end of the year	6,065	6,363	7,867	7,844	9,434	9,008	6,081	6,518	8,703	9,795	10,828	14,061
Investments - end of the year	23,100	23,100	20,499	20,348	20,348	20,348	20,222	19,839	19,839	19,839	19,839	19,839
Cash, Cash Equivalents & Investments - end of the year	29,165	29,463	28,366	28,192	29,782	29,356	26,302	26,357	28,542	29,634	30,667	33,900

Attachment 7 – ‘Model 3’ Projected Income Statement

Bellinghen Shire Council 10 Year Financial Plan for the Years ending 30 June 2025 INCOME STATEMENT - CONSOLIDATED Scenario: Model 3												
	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	11,299	12,413	12,856	14,086	15,475	17,046	18,828	19,429	20,050	20,691	21,353	22,036
User Charges & Fees	6,559	5,174	6,085	6,276	6,473	6,676	6,886	7,103	7,326	7,556	7,793	8,038
Interest & Investment Revenue	1,201	950	771	1,018	1,036	1,299	1,181	1,154	1,246	1,364	1,467	1,649
Other Revenues	450	490	492	506	522	537	553	570	587	605	623	641
Grants & Contributions provided for Operating Purposes	3,619	5,444	5,816	5,446	5,764	5,924	6,128	6,297	6,471	6,651	6,836	7,026
Grants & Contributions provided for Capital Purposes	4,087	985	2,284	806	935	960	868	1,006	911	1,055	958	982
Other Income:												
Net gains from the disposal of assets	73	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	27,288	25,456	28,304	28,138	30,204	32,443	34,443	35,559	36,592	37,921	39,029	40,372
Expenses from Continuing Operations												
Employee Benefits & On-Costs	9,762	10,066	9,715	9,880	10,126	10,307	10,563	10,825	11,092	11,370	11,654	11,945
Borrowing Costs	468	427	448	486	529	537	497	452	405	356	305	261
Materials & Contracts	9,961	7,853	8,055	8,203	8,412	8,627	8,847	9,074	9,306	9,544	9,789	10,041
Depreciation & Amortisation	9,032	9,589	9,283	9,413	9,544	9,677	9,877	10,026	10,080	10,219	10,357	10,499
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,929	3,147	3,303	3,437	3,423	3,485	3,653	3,761	3,777	3,867	4,004	4,032
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	12	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	32,164	31,082	30,805	31,420	32,035	32,633	33,437	34,137	34,660	35,355	36,109	36,778
Operating Result from Continuing Operations	(4,876)	(5,626)	(2,501)	(3,282)	(1,831)	(190)	1,006	1,422	1,931	2,566	2,920	3,595
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(4,876)	(5,626)	(2,501)	(3,282)	(1,831)	(190)	1,006	1,422	1,931	2,566	2,920	3,595
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,963)	(6,611)	(4,785)	(4,088)	(2,765)	(1,150)	139	416	1,020	1,511	1,963	2,613

Attachment 8 – ‘Model 3’ Projected Balance Sheet

Bellingh Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BALANCE SHEET - CONSOLIDATED
Scenario: Model 3

	Actuals 2013/14 \$'000	Current Year 2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	Projected Years					
							2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	6,065	6,363	6,327	5,646	5,915	5,770	3,470	3,909	7,424	9,990	13,605	19,600
Investments	23,100	21,100	18,500	18,348	18,348	18,348	18,222	17,840	17,840	17,840	17,840	17,840
Receivables	5,709	5,219	5,236	5,371	5,495	5,653	5,854	6,009	6,240	6,432	6,680	6,997
Inventories	265	301	294	300	308	315	323	331	339	348	357	366
Other	12	37	39	40	40	41	43	44	45	46	47	48
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	35,151	33,019	30,395	29,704	30,106	30,128	27,912	28,133	31,888	34,656	38,528	44,851
Non-Current Assets												
Investments	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Receivables	12	619	622	646	722	809	840	866	819	768	792	816
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	522,068	521,015	522,514	521,398	519,560	518,048	520,008	519,882	516,745	515,196	512,916	508,802
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	524,004	525,558	527,060	525,967	524,206	522,781	524,771	524,671	521,487	519,887	517,631	513,541
TOTAL ASSETS	559,155	558,577	557,455	555,671	554,312	552,909	552,683	552,804	553,375	554,543	556,160	558,392
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	2,770	3,170	3,207	3,059	3,132	3,186	3,261	3,312	3,351	3,401	3,461	3,506
Borrowings	174	660	853	1,101	1,267	1,307	1,352	1,399	1,448	1,364	1,408	950
Provisions	2,784	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	5,728	6,609	6,840	6,940	7,179	7,272	7,392	7,490	7,578	7,543	7,648	7,235
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	4,776	8,939	10,085	11,484	11,717	10,410	9,058	7,659	6,211	4,847	3,439	2,489
Provisions	689	694	694	694	694	694	694	694	694	694	694	694
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	5,465	9,633	10,779	12,178	12,411	11,104	9,751	8,352	6,904	5,541	4,133	3,183
TOTAL LIABILITIES	11,193	16,241	17,619	19,118	19,589	18,376	17,144	15,843	14,482	13,084	11,781	10,418
Net Assets	547,962	542,336	539,836	536,553	534,723	534,533	535,539	536,961	538,893	541,459	544,379	547,974
EQUITY												
Retained Earnings	262,699	257,073	254,573	251,290	249,460	249,270	250,276	251,698	253,630	256,196	259,116	262,711
Revaluation Reserves	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263	285,263
Council Equity Interest	547,962	542,336	539,836	536,553	534,723	534,533	535,539	536,961	538,893	541,459	544,379	547,974
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	547,962	542,336	539,836	536,553	534,723	534,533	535,539	536,961	538,893	541,459	544,379	547,974

Attachment 9 – ‘Model 3’ Projected Cash Flow Statement

Bellingh Shire Council												
10 Year Financial Plan for the Years ending 30 June 2025												
CASH FLOW STATEMENT - CONSOLIDATED												
Scenario: Model 3	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	11,345	12,288	12,856	14,051	15,401	16,943	18,805	19,392	20,091	20,735	21,317	21,999
User Charges & Fees	6,536	5,401	6,032	6,261	6,467	6,661	6,880	7,086	7,309	7,538	7,775	8,020
Interest & Investment Revenue Received	1,182	738	819	1,014	1,035	1,295	1,102	1,157	1,169	1,334	1,389	1,507
Grants & Contributions	6,732	6,429	8,100	6,252	6,699	6,884	6,995	7,303	7,383	7,706	7,793	8,008
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	2,466	459	489	420	421	438	454	449	465	477	494	507
Payments:												
Employee Benefits & On-Costs	(9,502)	(10,009)	(9,731)	(10,131)	(10,126)	(10,307)	(10,563)	(10,825)	(11,092)	(11,370)	(11,654)	(11,945)
Materials & Contracts	(9,219)	(7,634)	(8,037)	(8,155)	(8,375)	(8,581)	(8,782)	(9,016)	(9,260)	(9,487)	(9,724)	(9,989)
Borrowing Costs	(442)	(343)	(423)	(456)	(522)	(560)	(521)	(477)	(431)	(382)	(330)	(286)
Bonds & Deposits Refunded	(28)	-	-	-	-	-	-	-	-	-	-	-
Other	(5,207)	(3,147)	(3,303)	(3,437)	(3,423)	(3,485)	(3,653)	(3,761)	(3,777)	(3,867)	(4,004)	(4,032)
Net Cash provided (or used in) Operating Activities	3,863	4,182	6,801	5,818	7,577	9,288	10,717	11,309	11,857	12,684	13,056	13,787
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	13,750	-	2,601	152	-	-	126	383	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	330	724	185	583	396	528	458	1	629	1,095	975	363
Deferred Debtors Receipts	9	4	4	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(23,100)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(3,794)	(9,261)	(10,967)	(8,880)	(8,103)	(8,693)	(12,294)	(9,901)	(7,572)	(9,765)	(9,053)	(6,748)
Net Cash provided (or used in) Investing Activities	(12,805)	(8,533)	(8,177)	(8,146)	(7,707)	(8,165)	(11,710)	(9,517)	(6,943)	(8,670)	(8,078)	(6,385)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	4,850	2,000	2,500	1,500	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(136)	(202)	(660)	(853)	(1,101)	(1,267)	(1,307)	(1,352)	(1,399)	(1,448)	(1,364)	(1,408)
Net Cash Flow provided (used in) Financing Activities	(136)	4,648	1,340	1,647	399	(1,267)	(1,307)	(1,352)	(1,399)	(1,448)	(1,364)	(1,408)
Net Increase/(Decrease) in Cash & Cash Equivalents	(9,078)	298	(36)	(681)	269	(144)	(2,300)	439	3,515	2,566	3,615	5,995
plus: Cash, Cash Equivalents & Investments - beginning of year	15,143	6,065	6,363	6,327	5,646	5,915	5,770	3,470	3,909	7,424	9,990	13,605
Cash & Cash Equivalents - end of the year	6,065	6,363	6,327	5,646	5,915	5,770	3,470	3,909	7,424	9,990	13,605	19,600
Cash & Cash Equivalents - end of the year	6,065	6,363	6,327	5,646	5,915	5,770	3,470	3,909	7,424	9,990	13,605	19,600
Investments - end of the year	23,100	23,100	20,499	20,348	20,348	20,348	20,222	19,839	19,839	19,839	19,839	19,839
Cash, Cash Equivalents & Investments - end of the year	29,165	29,463	26,826	25,993	26,263	26,118	23,692	23,748	27,263	29,829	33,444	39,439

Attachment 10 - ‘Model 1’ Projected Income Statement (General Fund)

Belling Shire Council												
10 Year Financial Plan for the Years ending 30 June 2025												
INCOME STATEMENT - GENERAL FUND												
Scenario: Model 1												
	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	8,375	9,142	9,422	9,922	10,450	11,008	11,596	12,218	12,873	13,566	14,297	15,069
User Charges & Fees	4,669	3,221	4,163	4,287	4,416	4,549	4,685	4,826	4,970	5,119	5,273	5,431
Interest & Investment Revenue	599	443	339	314	292	387	341	289	345	357	346	386
Other Revenues	415	473	478	493	507	523	538	554	571	588	606	624
Grants & Contributions provided for Operating Purposes	3,525	5,355	5,724	5,352	5,667	5,824	6,025	6,191	6,362	6,538	6,720	6,907
Grants & Contributions provided for Capital Purposes	3,150	900	1,069	644	769	790	693	827	728	867	765	784
Other Income:												
Net gains from the disposal of assets	73	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	20,806	19,535	21,195	21,012	22,102	23,080	23,879	24,905	25,850	27,036	28,007	29,201
Expenses from Continuing Operations												
Employee Benefits & On-Costs	7,531	7,756	8,239	8,108	8,350	8,529	8,782	9,043	9,311	9,591	9,878	10,174
Borrowing Costs	468	427	448	457	473	501	509	494	503	446	416	361
Materials & Contracts	9,247	6,564	6,986	7,134	7,327	7,525	7,728	7,937	8,152	8,372	8,599	8,831
Depreciation & Amortisation	7,300	7,931	6,762	6,830	6,898	6,967	7,037	7,107	7,178	7,250	7,322	7,395
Other Expenses	2,396	2,467	2,563	2,678	2,646	2,688	2,836	2,924	2,919	2,987	3,102	3,108
Total Expenses from Continuing Operations	26,942	25,146	24,999	25,207	25,694	26,210	26,893	27,504	28,063	28,645	29,317	29,870
Operating Result from Continuing Operations	(6,136)	(5,611)	(3,804)	(4,195)	(3,592)	(3,130)	(3,014)	(2,599)	(2,212)	(1,609)	(1,310)	(669)
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(6,136)	(5,611)	(3,804)	(4,195)	(3,592)	(3,130)	(3,014)	(2,599)	(2,212)	(1,609)	(1,310)	(669)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(9,286)	(6,511)	(4,873)	(4,839)	(4,361)	(3,920)	(3,707)	(3,427)	(2,941)	(2,476)	(2,075)	(1,453)

Attachment 11 - 'Model 1' Projected Balance Sheet (General Fund)

Bellingh Shire Council														
10 Year Financial Plan for the Years ending 30 June 2025														
BALANCE SHEET - GENERAL FUND														
Scenario: Model 1														
	Actuals		Current Year					Projected Years						
	2013/14		2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000		\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS														
Current Assets														
Cash & Cash Equivalents	2,020		4,810		4,166	3,210	2,909	2,662	2,503	1,889	2,255	2,471	1,869	3,167
Investments	6,100		4,100		4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
Receivables	4,748		4,664		4,747	4,836	4,973	5,111	5,249	5,386	5,554	5,725	5,875	6,102
Inventories	252		248		260	266	273	280	288	295	303	311	319	328
Other	12		37		39	40	40	41	43	44	45	46	47	48
Total Current Assets	13,132		13,859		13,312	12,452	12,296	12,194	12,183	11,715	12,257	12,653	12,210	13,746
Non-Current Assets														
Investments	-		2,000		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Receivables	12		619		622	609	641	674	656	691	667	640	674	710
Infrastructure, Property, Plant & Equipment	438,808		434,694		431,902	429,091	426,766	424,138	420,929	419,415	415,060	412,433	409,861	405,882
Investment Property	1,924		1,924		1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924
Total Non-Current Assets	440,744		439,237		436,448	433,623	431,330	428,736	425,508	424,029	419,651	416,996	414,458	410,515
TOTAL ASSETS	453,876		453,096		449,760	446,075	443,626	440,930	437,691	435,744	431,909	429,649	426,669	424,260
LIABILITIES														
Current Liabilities														
Payables	2,440		2,623		2,750	2,527	2,593	2,656	2,726	2,805	2,832	2,888	2,935	2,967
Borrowings	174		660		766	924	1,129	1,295	1,427	1,650	1,707	1,717	1,772	1,325
Provisions	2,784		2,779		2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779
Total Current Liabilities	5,398		6,061		6,296	6,230	6,501	6,730	6,932	7,234	7,318	7,384	7,486	7,072
Non-Current Liabilities														
Borrowings	4,776		8,939		9,173	9,748	10,620	10,825	10,398	10,748	9,041	8,324	6,552	5,227
Provisions	689		694		694	694	694	694	694	694	694	694	694	694
Total Non-Current Liabilities	5,465		9,633		9,866	10,442	11,313	11,518	11,092	11,442	9,735	9,018	7,246	5,921
TOTAL LIABILITIES	10,863		15,694		16,162	16,672	17,814	18,248	18,023	18,676	17,053	16,402	14,732	12,992
Net Assets	443,013		437,402		433,598	429,403	425,811	422,682	419,668	417,068	414,856	413,247	411,937	411,268
EQUITY														
Retained Earnings	235,648		230,037		226,233	222,038	218,446	215,317	212,303	209,703	207,491	205,882	204,572	203,903
Revaluation Reserves	207,365		207,365		207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365
Council Equity Interest	443,013		437,402		433,598	429,403	425,811	422,682	419,668	417,068	414,856	413,247	411,937	411,268
Total Equity	443,013		437,402		433,598	429,403	425,811	422,682	419,668	417,068	414,856	413,247	411,937	411,268

Attachment 12 - 'Model 1' Projected Cash Flow Statement (General Fund)

Bellingham Shire Council												
10 Year Financial Plan for the Years ending 30 June 2025												
CASH FLOW STATEMENT - GENERAL FUND												
Scenario: Model 1												
	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	8,954	9,418	9,937	10,416	10,972	11,616	12,181	12,898	13,596	14,261	15,030
User Charges & Fees	-	3,151	4,101	4,279	4,408	4,540	4,676	4,816	4,961	5,110	5,263	5,421
Interest & Investment Revenue Received	-	232	371	336	286	381	333	293	315	331	347	315
Grants & Contributions	-	6,255	6,793	5,996	6,436	6,614	6,718	7,018	7,090	7,405	7,485	7,691
Other	-	396	437	398	397	412	426	436	452	464	480	494
Payments:												
Employee Benefits & On-Costs	-	(7,699)	(8,223)	(8,391)	(8,350)	(8,529)	(8,782)	(9,043)	(9,311)	(9,591)	(9,878)	(10,174)
Materials & Contracts	-	(6,523)	(6,911)	(7,103)	(7,297)	(7,487)	(7,672)	(7,888)	(8,115)	(8,324)	(8,543)	(8,790)
Borrowing Costs	-	(343)	(442)	(444)	(454)	(495)	(515)	(483)	(533)	(459)	(447)	(393)
Other	-	(2,467)	(2,563)	(2,678)	(2,646)	(2,688)	(2,836)	(2,924)	(2,919)	(2,987)	(3,102)	(3,108)
Net Cash provided (or used in) Operating Activities	-	1,955	2,981	2,329	3,196	3,721	3,963	4,406	4,839	5,545	5,865	6,486
Cash Flows from Investing Activities												
Receipts:												
Sale of Infrastructure, Property, Plant & Equipment	-	724	185	583	396	528	458	1	629	1,095	975	363
Deferred Debtors Receipts	-	4	4	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	-	(4,541)	(4,155)	(4,601)	(4,969)	(4,867)	(4,285)	(5,594)	(3,452)	(5,717)	(5,725)	(3,779)
Net Cash provided (or used in) Investing Activities	-	(3,813)	(3,966)	(4,018)	(4,573)	(4,339)	(3,827)	(5,593)	(2,823)	(4,622)	(4,750)	(3,416)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	4,850	1,000	1,500	2,000	1,500	1,000	2,000	-	1,000	-	-
Payments:												
Repayment of Borrowings & Advances	-	(202)	(660)	(766)	(924)	(1,129)	(1,295)	(1,427)	(1,650)	(1,707)	(1,717)	(1,772)
Net Cash Flow provided (used in) Financing Activities	-	4,648	340	734	1,076	371	(295)	573	(1,650)	(707)	(1,717)	(1,772)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	2,790	(645)	(955)	(302)	(247)	(159)	(614)	366	216	(602)	1,298
plus: Cash, Cash Equivalents & Investments - beginning of year	-	2,020	4,810	4,166	3,210	2,909	2,662	2,503	1,889	2,255	2,471	1,869
Cash & Cash Equivalents - end of the year	-	4,810	4,166	3,210	2,909	2,662	2,503	1,889	2,255	2,471	1,869	3,167
Cash & Cash Equivalents - end of the year	2,020	4,810	4,166	3,210	2,909	2,662	2,503	1,889	2,255	2,471	1,869	3,167
Investments - end of the year	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100
Cash, Cash Equivalents & Investments - end of the year	8,120	10,910	10,266	9,310	9,009	8,762	8,603	7,989	8,355	8,571	7,969	9,267

Attachment 13 - 'Model 1' Projected Income Statement (Water Fund)

Bellingh Shire Council												
10 Year Financial Plan for the Years ending 30 June 2025												
INCOME STATEMENT - WATER FUND												
Scenario: Model 1	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	532	462	485	502	520	538	557	576	596	617	639	661
User Charges & Fees	1,740	1,761	1,722	1,782	1,845	1,909	1,976	2,045	2,116	2,190	2,267	2,346
Interest & Investment Revenue	397	408	552	554	569	705	595	571	604	648	677	718
Other Revenues	31	12	13	13	14	14	14	15	15	16	16	17
Grants & Contributions provided for Operating Purposes	53	48	49	51	52	54	55	57	59	60	62	64
Grants & Contributions provided for Capital Purposes	506	30	153	157	160	164	169	173	177	182	186	191
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	3,259	2,721	2,974	3,059	3,159	3,384	3,365	3,437	3,568	3,713	3,847	3,997
Expenses from Continuing Operations												
Employee Benefits & On-Costs	1,032	1,068	1,142	1,176	1,211	1,247	1,285	1,323	1,363	1,404	1,446	1,489
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	118	566	363	367	372	376	381	385	389	394	398	402
Depreciation & Amortisation	780	739	863	891	919	950	1,013	1,054	1,049	1,076	1,104	1,132
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	333	410	420	431	441	452	464	475	487	499	512	525
Net Losses from the Disposal of Assets	11	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	2,274	2,784	2,787	2,865	2,943	3,026	3,142	3,238	3,289	3,373	3,459	3,548
Operating Result from Continuing Operations	985	(64)	187	194	216	359	223	199	280	340	388	449
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	985	(64)	187	194	216	359	223	199	280	340	388	449
Net Operating Result before Grants and Contributions provided for Capital Purposes	479	(94)	34	38	56	194	55	26	102	158	202	258

Attachment 14 - ‘Model 1’ Projected Balance Sheet (Water Fund)

Bellingen Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BALANCE SHEET - WATER FUND
Scenario: Model 1

BALANCE SHEET - WATER FUND		Actuals	Current Year	Projected Years									
Scenario: Model 1		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS													
Current Assets													
Cash & Cash Equivalents		2,484	1,454	2,085	2,154	2,540	2,484	500	500	1,238	2,204	2,879	3,799
Investments		12,000	12,000	12,000	12,000	12,000	12,000	11,813	11,399	11,399	11,399	11,399	11,399
Receivables		641	200	188	195	190	196	190	197	204	211	218	226
Inventories		13	53	34	34	35	35	36	36	36	37	37	38
Other		-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"		-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets		15,138	13,707	14,307	14,383	14,764	14,715	12,539	12,132	12,877	13,851	14,533	15,461
Non-Current Assets													
Infrastructure, Property, Plant & Equipment		44,064	45,661	45,206	45,332	45,176	45,593	48,001	48,617	48,161	47,537	47,252	46,783
Total Non-Current Assets		44,064	45,661	45,206	45,332	45,176	45,593	48,001	48,617	48,161	47,537	47,252	46,783
TOTAL ASSETS		59,202	59,368	59,512	59,715	59,940	60,308	60,541	60,749	61,038	61,387	61,786	62,244
LIABILITIES													
Current Liabilities													
Payables		205	435	392	401	410	419	428	437	447	457	467	477
Total Current Liabilities		205	435	392	401	410	419	428	437	447	457	467	477
Non-Current Liabilities													
Borrowings		-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		205	435	392	401	410	419	428	437	447	457	467	477
Net Assets		58,997	58,933	59,120	59,315	59,531	59,890	60,113	60,311	60,591	60,931	61,319	61,767
EQUITY													
Retained Earnings		18,557	18,493	18,680	18,875	19,091	19,450	19,673	19,871	20,151	20,491	20,879	21,327
Revaluation Reserves		40,440	40,440	40,440	40,440	40,440	40,440	40,440	40,440	40,440	40,440	40,440	40,440
Council Equity Interest		58,997	58,933	59,120	59,315	59,531	59,890	60,113	60,311	60,591	60,931	61,319	61,767
Minority Equity Interest		-	-	-	-	-	-	-	-	-	-	-	-
Total Equity		58,997	58,933	59,120	59,315	59,531	59,890	60,113	60,311	60,591	60,931	61,319	61,767

Attachment 15 - 'Model 1' Projected Cash Flow Statement (Water Fund)

Belling Shire Council												
10 Year Financial Plan for the Years ending 30 June 2025												
CASH FLOW STATEMENT - WATER FUND												
Scenario: Model 1	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	528	486	501	521	536	558	575	595	616	637	660
User Charges & Fees	-	2,090	1,734	1,778	1,849	1,904	1,981	2,040	2,111	2,185	2,261	2,340
Interest & Investment Revenue Received	-	408	552	554	569	705	595	571	604	648	677	718
Grants & Contributions	-	78	202	207	213	218	224	230	236	242	248	255
Other	-	58	13	13	13	14	14	15	15	15	16	16
Payments:												
Employee Benefits & On-Costs	-	(1,068)	(1,142)	(1,176)	(1,211)	(1,247)	(1,285)	(1,323)	(1,363)	(1,404)	(1,446)	(1,489)
Materials & Contracts	-	(376)	(387)	(359)	(363)	(368)	(372)	(376)	(380)	(384)	(388)	(392)
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(410)	(420)	(431)	(441)	(452)	(464)	(475)	(487)	(499)	(512)	(525)
Net Cash provided (or used in) Operating Activities	-	1,307	1,038	1,087	1,149	1,310	1,251	1,255	1,331	1,419	1,494	1,583
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	-	-	-	-	187	414	-	-	-	-
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	-	(2,337)	(407)	(1,018)	(763)	(1,366)	(3,421)	(1,670)	(593)	(453)	(819)	(663)
Net Cash provided (or used in) Investing Activities	-	(2,337)	(407)	(1,018)	(763)	(1,366)	(3,235)	(1,255)	(593)	(453)	(819)	(663)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	-	(1,030)	631	70	386	(56)	(1,984)	(0)	738	966	675	920
plus: Cash, Cash Equivalents & Investments - beginning of year	-	2,484	1,454	2,085	2,154	2,540	2,484	500	500	1,238	2,204	2,879
Cash & Cash Equivalents - end of the year	-	1,454	2,085	2,154	2,540	2,484	500	500	1,238	2,204	2,879	3,799
Cash & Cash Equivalents - end of the year	2,484	1,454	2,085	2,154	2,540	2,484	500	500	1,238	2,204	2,879	3,799
Investments - end of the year	12,000	12,000	12,000	12,000	12,000	12,000	11,813	11,399	11,399	11,399	11,399	11,399
Cash, Cash Equivalents & Investments - end of the year	14,484	13,454	14,085	14,154	14,540	14,484	12,313	11,899	12,637	13,603	14,278	15,198

Attachment 16 - 'Model 1' Projected Income Statement (Sewer Fund)

Bellingen Shire Council												
10 Year Financial Plan for the Years ending 30 June 2025												
INCOME STATEMENT - SEWER FUND												
Scenario: Model 1												
	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	2,392	2,809	2,949	3,053	3,160	3,270	3,385	3,503	3,626	3,753	3,884	4,020
User Charges & Fees	150	192	200	206	212	219	225	232	239	246	254	261
Interest & Investment Revenue	205	99	219	158	180	220	204	195	231	272	312	363
Other Revenues	4	5	1	1	1	1	1	1	1	1	1	1
Grants & Contributions provided for Operating Purposes	41	41	42	44	45	46	48	49	51	52	54	55
Grants & Contributions provided for Capital Purposes	431	55	1,062	5	5	6	6	6	6	6	6	6
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	3,223	3,200	4,474	3,467	3,603	3,761	3,867	3,986	4,153	4,330	4,510	4,706
Expenses from Continuing Operations												
Employee Benefits & On-Costs	1,199	1,241	1,284	1,323	1,363	1,404	1,446	1,489	1,534	1,580	1,627	1,676
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials & Contracts	596	722	706	702	714	726	739	752	765	779	793	807
Depreciation & Amortisation	952	920	1,159	1,187	1,217	1,245	1,307	1,339	1,322	1,356	1,390	1,425
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	200	269	320	328	336	344	353	362	371	380	390	399
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	1	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	2,948	3,152	3,469	3,540	3,630	3,720	3,844	3,941	3,992	4,095	4,200	4,308
Operating Result from Continuing Operations	275	49	1,005	(74)	(27)	42	23	44	162	235	311	399
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	275	49	1,005	(74)	(27)	42	23	44	162	235	311	399
Net Operating Result before Grants and Contributions provided for Capital Purposes	(156)	(6)	(57)	(79)	(33)	36	18	39	156	229	305	392

Attachment 17 - ‘Model 1’ Projected Balance Sheet (Sewer Fund)

Bellingh Shire Council														
10 Year Financial Plan for the Years ending 30 June 2025														
BALANCE SHEET - SEWER FUND														
Scenario: Model 1														
	Actuals		Current Year					Projected Years						
	2013/14		2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000		\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS														
Current Assets														
Cash & Cash Equivalents	1,561		98		500	500	1,326	2,146	896	1,634	2,582	3,569	4,753	6,261
Investments	5,000		5,000		2,399	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242
Receivables	320		355		316	327	322	333	327	338	350	361	374	386
Total Current Assets	6,881		5,453		3,216	3,068	3,890	4,720	3,465	4,214	5,174	6,172	7,368	8,889
Non-Current Assets														
Infrastructure, Property, Plant & Equipment	39,196		40,659		43,906	43,980	43,134	42,347	43,628	42,926	42,131	41,369	40,487	39,368
Total Non-Current Assets	39,196		40,659		43,906	43,980	43,134	42,347	43,628	42,926	42,131	41,369	40,487	39,368
TOTAL ASSETS	46,077		46,113		47,122	47,049	47,023	47,068	47,093	47,140	47,304	47,541	47,855	48,257
LIABILITIES														
Current Liabilities														
Payables	125		112		116	116	119	121	123	126	128	131	134	136
Total Current Liabilities	125		112		116	116	119	121	123	126	128	131	134	136
Non-Current Liabilities														
Borrowings	-		-		-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-		-		-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	125		112		116	116	119	121	123	126	128	131	134	136
Net Assets	45,952		46,001		47,006	46,932	46,905	46,947	46,970	47,014	47,176	47,410	47,721	48,120
EQUITY														
Retained Earnings	8,494		8,543		9,548	9,474	9,447	9,489	9,512	9,556	9,718	9,952	10,263	10,662
Revaluation Reserves	37,458		37,458		37,458	37,458	37,458	37,458	37,458	37,458	37,458	37,458	37,458	37,458
Council Equity Interest	45,952		46,001		47,006	46,932	46,905	46,947	46,970	47,014	47,176	47,410	47,721	48,120
Minority Equity Interest	-		-		-	-	-	-	-	-	-	-	-	-
Total Equity	45,952		46,001		47,006	46,932	46,905	46,947	46,970	47,014	47,176	47,410	47,721	48,120

Attachment 18 - 'Model 1' Projected Cash Flow Statement (Sewer Fund)

Belling Shire Council 10 Year Financial Plan for the Years ending 30 June 2025 CASH FLOW STATEMENT - SEWER FUND Scenario: Model 1												
	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	2,806	2,952	3,044	3,167	3,262	3,393	3,495	3,617	3,744	3,875	4,010
User Charges & Fees	-	160	197	204	210	216	223	230	237	244	251	258
Interest & Investment Revenue Received	-	99	219	158	180	220	204	195	231	272	312	363
Grants & Contributions	-	96	1,104	49	50	52	53	55	57	58	60	62
Other	-	4	40	0	0	0	0	0	0	0	0	0
Payments:												
Employee Benefits & On-Costs	-	(1,241)	(1,284)	(1,323)	(1,363)	(1,404)	(1,446)	(1,489)	(1,534)	(1,580)	(1,627)	(1,676)
Materials & Contracts	-	(735)	(702)	(702)	(712)	(724)	(736)	(749)	(762)	(776)	(790)	(805)
Borrowing Costs	-	-	-	-	-	-	-	-	-	-	-	-
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(269)	(320)	(328)	(336)	(344)	(353)	(362)	(371)	(380)	(390)	(399)
Net Cash provided (or used in) Operating Activities	-	920	2,206	1,103	1,197	1,279	1,338	1,375	1,475	1,582	1,692	1,814
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	2,601	158	-	-	-	-	-	-	-	-
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	-	(2,383)	(4,405)	(1,261)	(371)	(459)	(2,588)	(637)	(526)	(595)	(508)	(306)
Net Cash provided (or used in) Investing Activities	-	(2,383)	(1,805)	(1,103)	(371)	(459)	(2,588)	(637)	(526)	(595)	(508)	(306)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	-	(1,463)	402	-	826	820	(1,249)	737	949	987	1,184	1,508
plus: Cash, Cash Equivalents & Investments - beginning of year	-	1,561	98	500	500	1,326	2,146	896	1,634	2,582	3,569	4,753
Cash & Cash Equivalents - end of the year	-	98	500	500	1,326	2,146	896	1,634	2,582	3,569	4,753	6,261
Cash & Cash Equivalents - end of the year	1,561	98	500	500	1,326	2,146	896	1,634	2,582	3,569	4,753	6,261
Investments - end of the year	5,000	5,000	2,399	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242
Cash, Cash Equivalents & Investments - end of the year	6,561	5,098	2,899	2,742	3,568	4,387	3,138	3,875	4,824	5,811	6,994	8,503

Attachment 19 - 'Model 2' Projected Income Statement (General Fund)

Bellingen Shire Council 10 Year Financial Plan for the Years ending 30 June 2025 INCOME STATEMENT - GENERAL FUND Scenario: Model 2														
	Actuals		Current Year					Projected Years						
	2013/14		2014/15		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000		\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations														
Revenue:														
Rates & Annual Charges	8,375		9,142		9,422	9,719	10,026	10,343	10,670	11,008	11,356	11,715	12,085	12,468
User Charges & Fees	4,669		3,221		4,163	4,287	4,416	4,549	4,685	4,826	4,970	5,119	5,273	5,431
Interest & Investment Revenue	599		443		339	314	292	387	341	289	345	357	346	386
Other Revenues	415		473		478	493	507	523	538	554	571	588	606	624
Grants & Contributions provided for Operating Purposes	3,525		5,355		5,724	5,352	5,667	5,824	6,025	6,191	6,362	6,538	6,720	6,907
Grants & Contributions provided for Capital Purposes	3,150		900		1,069	644	769	790	693	827	728	867	765	784
Other Income:														
Net gains from the disposal of assets	73		-		-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	20,806		19,535		21,195	20,809	21,678	22,415	22,952	23,695	24,332	25,185	25,795	26,600
Expenses from Continuing Operations														
Employee Benefits & On-Costs	7,531		7,756		6,989	7,086	7,262	7,372	7,554	7,740	7,931	8,129	8,333	8,541
Borrowing Costs	468		427		448	457	473	501	466	454	467	414	360	312
Materials & Contracts	9,247		6,564		6,986	7,134	7,327	7,525	7,728	7,937	8,152	8,372	8,599	8,831
Depreciation & Amortisation	7,300		7,931		7,262	7,335	7,408	7,482	7,557	7,632	7,709	7,786	7,864	7,942
Other Expenses	2,396		2,467		2,563	2,678	2,646	2,688	2,836	2,924	2,919	2,987	3,102	3,108
Total Expenses from Continuing Operations	26,942		25,146		24,249	24,690	25,116	25,568	26,141	26,687	27,177	27,689	28,257	28,735
Operating Result from Continuing Operations	(6,136)		(5,611)		(3,054)	(3,881)	(3,438)	(3,152)	(3,188)	(2,993)	(2,845)	(2,504)	(2,462)	(2,135)
Discontinued Operations - Profit/(Loss)	-		-		-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-		-		-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(6,136)		(5,611)		(3,054)	(3,881)	(3,438)	(3,152)	(3,188)	(2,993)	(2,845)	(2,504)	(2,462)	(2,135)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(9,286)		(6,511)		(4,123)	(4,525)	(4,206)	(3,942)	(3,882)	(3,820)	(3,573)	(3,371)	(3,227)	(2,919)

Attachment 20 - 'Model 2' Projected Balance Sheet (General Fund)

Bellingham Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BALANCE SHEET - GENERAL FUND
Scenario: Model 2

	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	2,020	4,810	5,282	5,184	5,537	4,309	4,623	4,287	4,702	3,741	2,799	3,468
Investments	6,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
Receivables	4,748	4,664	4,790	4,902	5,056	5,148	5,298	5,436	5,597	5,714	5,841	6,033
Inventories	252	248	260	266	273	280	288	295	303	311	319	328
Other	12	37	39	40	40	41	43	44	45	46	47	48
Total Current Assets	13,132	13,859	14,471	14,492	15,007	13,879	14,352	14,163	14,747	13,912	13,107	13,978
Non-Current Assets												
Investments	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Receivables	12	619	622	597	615	634	604	623	590	554	571	589
Infrastructure, Property, Plant & Equipment	438,808	434,694	431,402	428,086	425,251	422,108	418,378	416,339	411,453	408,290	405,177	400,650
Investment Property	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924
Total Non-Current Assets	440,744	439,237	435,948	432,606	429,789	426,666	422,906	420,886	415,967	412,767	409,671	405,163
TOTAL ASSETS	453,876	453,096	450,419	447,097	444,796	440,545	437,258	435,048	430,714	426,680	422,778	419,141
LIABILITIES												
Current Liabilities												
Payables	2,440	2,623	2,659	2,485	2,545	2,575	2,641	2,716	2,738	2,771	2,814	2,842
Borrowings	174	660	766	924	1,129	1,164	1,292	1,511	1,564	1,483	1,531	1,076
Provisions	2,784	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779
Total Current Liabilities	5,398	6,061	6,205	6,188	6,453	6,518	6,712	7,006	7,081	7,033	7,124	6,698
Non-Current Liabilities												
Borrowings	4,776	8,939	9,173	9,748	10,620	9,455	9,163	9,652	8,088	6,605	5,075	3,999
Provisions	689	694	694	694	694	694	694	694	694	694	694	694
Total Non-Current Liabilities	5,465	9,633	9,866	10,442	11,313	10,149	9,857	10,346	8,782	7,299	5,769	4,692
TOTAL LIABILITIES	10,863	15,694	16,071	16,630	17,767	16,668	16,569	17,352	15,863	14,333	12,893	11,390
Net Assets	443,013	437,402	434,348	430,467	427,030	423,877	420,689	417,696	414,851	412,347	409,885	407,750
EQUITY												
Retained Earnings	235,648	230,037	226,983	223,102	219,665	216,512	213,324	210,331	207,486	204,982	202,520	200,385
Revaluation Reserves	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365
Council Equity Interest	443,013	437,402	434,348	430,467	427,030	423,877	420,689	417,696	414,851	412,347	409,885	407,750
Total Equity	443,013	437,402	434,348	430,467	427,030	423,877	420,689	417,696	414,851	412,347	409,885	407,750

Attachment 21 - 'Model 2' Projected Cash Flow Statement (General Fund)

Bellingham Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
CASH FLOW STATEMENT - GENERAL FUND
Scenario: Model 2

	Actuals 2013/14 \$'000	Current Year 2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	Projected Years					
							2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	8,954	9,418	9,747	10,007	10,323	10,702	10,987	11,391	11,753	12,067	12,449
User Charges & Fees	-	3,151	4,101	4,279	4,408	4,540	4,676	4,816	4,961	5,110	5,263	5,421
Interest & Investment Revenue Received	-	232	329	311	268	426	321	291	322	384	368	349
Grants & Contributions	-	6,255	6,793	5,996	6,436	6,614	6,718	7,018	7,090	7,405	7,485	7,691
Other	-	396	437	395	394	409	422	433	448	459	475	488
Payments:												
Employee Benefits & On-Costs	-	(7,699)	(7,016)	(7,326)	(7,262)	(7,372)	(7,554)	(7,740)	(7,931)	(8,129)	(8,333)	(8,541)
Materials & Contracts	-	(6,523)	(6,960)	(7,094)	(7,300)	(7,489)	(7,675)	(7,891)	(8,118)	(8,327)	(8,546)	(8,793)
Borrowing Costs	-	(343)	(442)	(444)	(454)	(522)	(469)	(441)	(495)	(443)	(387)	(340)
Other	-	(2,467)	(2,563)	(2,678)	(2,646)	(2,688)	(2,836)	(2,924)	(2,919)	(2,987)	(3,102)	(3,108)
Net Cash provided (or used in) Operating Activities	-	1,955	4,097	3,186	3,851	4,240	4,305	4,549	4,750	5,225	5,290	5,616
Cash Flows from Investing Activities												
Receipts:												
Sale of Infrastructure, Property, Plant & Equipment	-	724	185	583	396	528	458	1	629	1,095	975	363
Deferred Debtors Receipts	-	4	4	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	-	(4,541)	(4,155)	(4,601)	(4,969)	(4,867)	(4,285)	(5,594)	(3,452)	(5,717)	(5,725)	(3,779)
Net Cash provided (or used in) Investing Activities	-	(3,813)	(3,966)	(4,018)	(4,573)	(4,339)	(3,827)	(5,593)	(2,823)	(4,622)	(4,750)	(3,416)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	4,850	1,000	1,500	2,000	-	1,000	2,000	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(202)	(660)	(766)	(924)	(1,129)	(1,164)	(1,292)	(1,511)	(1,564)	(1,483)	(1,531)
Net Cash Flow provided (used in) Financing Activities	-	4,648	340	734	1,076	(1,129)	(164)	708	(1,511)	(1,564)	(1,483)	(1,531)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	2,790	472	(99)	354	(1,228)	313	(336)	415	(961)	(943)	669
plus: Cash, Cash Equivalents & Investments - beginning of year	-	2,020	4,810	5,282	5,184	5,537	4,309	4,623	4,287	4,702	3,741	2,799
Cash & Cash Equivalents - end of the year	-	4,810	5,282	5,184	5,537	4,309	4,623	4,287	4,702	3,741	2,799	3,468
Cash & Cash Equivalents - end of the year	2,020	4,810	5,282	5,184	5,537	4,309	4,623	4,287	4,702	3,741	2,799	3,468
Investments - end of the year	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100
Cash, Cash Equivalents & Investments - end of the year	8,120	10,910	11,382	11,284	11,637	10,409	10,723	10,387	10,802	9,841	8,899	9,568

Attachment 22 - ‘Model 3’ Projected Income Statement (General Fund)

Bellingham Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
INCOME STATEMENT - GENERAL FUND
Scenario: Model 3

	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	8,375	9,142	9,422	10,531	11,795	13,238	14,886	15,350	15,828	16,322	16,830	17,355
User Charges & Fees	4,669	3,221	4,163	4,287	4,416	4,549	4,685	4,826	4,970	5,119	5,273	5,431
Interest & Investment Revenue	599	443	0	305	287	374	383	388	410	444	477	568
Other Revenues	415	473	478	493	507	523	538	554	571	588	606	624
Grants & Contributions provided for Operating Purposes	3,525	5,355	5,724	5,352	5,667	5,824	6,025	6,191	6,362	6,538	6,720	6,907
Grants & Contributions provided for Capital Purposes	3,150	900	1,069	644	769	790	693	827	728	867	765	784
Other Income:												
Net gains from the disposal of assets	73	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	20,806	19,535	20,856	21,612	23,442	25,298	27,211	28,136	28,870	29,879	30,671	31,669
Expenses from Continuing Operations												
Employee Benefits & On-Costs	7,531	7,756	7,289	7,393	7,577	7,695	7,885	8,080	8,279	8,486	8,698	8,916
Borrowing Costs	468	427	448	486	529	537	497	452	405	356	305	261
Materials & Contracts	9,247	6,564	6,986	7,134	7,327	7,525	7,728	7,937	8,152	8,372	8,599	8,831
Depreciation & Amortisation	7,300	7,931	7,262	7,335	7,408	7,482	7,557	7,632	7,709	7,786	7,864	7,942
Other Expenses	2,396	2,467	2,563	2,678	2,646	2,688	2,836	2,924	2,919	2,987	3,102	3,108
Total Expenses from Continuing Operations	26,942	25,146	24,549	25,027	25,486	25,926	26,503	27,025	27,463	27,987	28,568	29,058
Operating Result from Continuing Operations	(6,136)	(5,611)	(3,693)	(3,415)	(2,044)	(629)	707	1,112	1,407	1,892	2,104	2,611
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(6,136)	(5,611)	(3,693)	(3,415)	(2,044)	(629)	707	1,112	1,407	1,892	2,104	2,611
Net Operating Result before Grants and Contributions provided for Capital Purposes	(9,286)	(6,511)	(4,762)	(4,059)	(2,813)	(1,419)	14	284	678	1,025	1,339	1,827

Attachment 23 - 'Model 3' Projected Balance Sheet (General Fund)

Bellinghen Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
BALANCE SHEET - GENERAL FUND
Scenario: Model 3

	Actuals 2013/14 \$'000	Current Year 2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	Projected Years					
							2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	2,020	4,810	3,742	2,985	2,018	1,072	2,012	1,678	3,423	3,936	5,576	9,007
Investments	6,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
Receivables	4,748	4,664	4,731	4,849	4,984	5,124	5,337	5,474	5,687	5,860	6,088	6,386
Inventories	252	248	260	266	273	280	288	295	303	311	319	328
Other	12	37	39	40	40	41	43	44	45	46	47	48
Total Current Assets	13,132	13,859	12,873	12,240	11,415	10,617	11,780	11,592	13,558	14,254	16,131	19,869
Non-Current Assets												
Investments	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Receivables	12	619	622	646	722	809	840	866	819	768	792	816
Infrastructure, Property, Plant & Equipment	438,808	434,694	433,402	432,086	431,251	430,108	428,378	428,339	426,453	426,290	425,177	422,650
Investment Property	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924	1,924
Total Non-Current Assets	440,744	439,237	437,948	436,655	435,896	434,841	433,142	433,128	431,196	430,981	429,892	427,390
TOTAL ASSETS	453,876	453,096	450,821	448,895	447,311	445,458	444,921	444,720	444,754	445,235	446,023	447,259
LIABILITIES												
Current Liabilities												
Payables	2,440	2,623	2,699	2,542	2,604	2,646	2,710	2,749	2,775	2,813	2,860	2,893
Borrowings	174	660	853	1,101	1,267	1,307	1,352	1,399	1,448	1,364	1,408	950
Provisions	2,784	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779
Total Current Liabilities	5,398	6,061	6,332	6,423	6,650	6,733	6,841	6,927	7,003	6,956	7,047	6,622
Non-Current Liabilities												
Borrowings	4,776	8,939	10,085	11,484	11,717	10,410	9,058	7,659	6,211	4,847	3,439	2,489
Provisions	689	694	694	694	694	694	694	694	694	694	694	694
Total Non-Current Liabilities	5,465	9,633	10,779	12,178	12,411	11,104	9,751	8,352	6,904	5,541	4,133	3,183
TOTAL LIABILITIES	10,863	15,694	17,111	18,601	19,061	17,836	16,592	15,279	13,907	12,496	11,180	9,805
Net Assets	443,013	437,402	433,709	430,294	428,250	427,621	428,329	429,440	430,847	432,739	434,843	437,454
EQUITY												
Retained Earnings	235,648	230,037	226,344	222,929	220,885	220,256	220,964	222,075	223,482	225,374	227,478	230,089
Revaluation Reserves	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365	207,365
Council Equity Interest	443,013	437,402	433,709	430,294	428,250	427,621	428,329	429,440	430,847	432,739	434,843	437,454
Total Equity	443,013	437,402	433,709	430,294	428,250	427,621	428,329	429,440	430,847	432,739	434,843	437,454

Attachment 24 - ‘Model 3’ Projected Cash Flow Statement (General Fund)

Bellingham Shire Council												
10 Year Financial Plan for the Years ending 30 June 2025												
CASH FLOW STATEMENT - GENERAL FUND												
Scenario: Model 3												
	Actuals	Current Year						Projected Years				
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	8,954	9,418	10,506	11,713	13,145	14,854	15,322	15,879	16,376	16,805	17,329
User Charges & Fees	-	3,151	4,101	4,279	4,408	4,540	4,676	4,816	4,961	5,110	5,263	5,421
Interest & Investment Revenue Received	-	232	48	301	286	370	304	391	334	414	399	426
Grants & Contributions	-	6,255	6,793	5,996	6,436	6,614	6,718	7,018	7,090	7,405	7,485	7,691
Other	-	396	437	406	407	424	440	434	450	461	477	490
Payments:												
Employee Benefits & On-Costs	-	(7,699)	(7,306)	(7,644)	(7,577)	(7,695)	(7,885)	(8,080)	(8,279)	(8,486)	(8,698)	(8,916)
Materials & Contracts	-	(6,523)	(6,948)	(7,094)	(7,300)	(7,489)	(7,674)	(7,891)	(8,117)	(8,327)	(8,546)	(8,793)
Borrowing Costs	-	(343)	(423)	(456)	(522)	(560)	(521)	(477)	(431)	(382)	(330)	(286)
Other	-	(2,467)	(2,563)	(2,678)	(2,646)	(2,688)	(2,836)	(2,924)	(2,919)	(2,987)	(3,102)	(3,108)
Net Cash provided (or used in) Operating Activities	-	1,955	3,557	3,615	5,206	6,660	8,075	8,611	8,967	9,584	9,753	10,255
Cash Flows from Investing Activities												
Receipts:												
Sale of Infrastructure, Property, Plant & Equipment	-	724	185	583	396	528	458	1	629	1,095	975	363
Deferred Debtors Receipts	-	4	4	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	-	(4,541)	(6,155)	(6,601)	(6,969)	(6,867)	(6,285)	(7,594)	(6,452)	(8,717)	(7,725)	(5,779)
Net Cash provided (or used in) Investing Activities	-	(3,813)	(5,966)	(6,018)	(6,573)	(6,339)	(5,827)	(7,593)	(5,823)	(7,622)	(6,750)	(5,416)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	4,850	2,000	2,500	1,500	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(202)	(660)	(853)	(1,101)	(1,267)	(1,307)	(1,352)	(1,399)	(1,448)	(1,364)	(1,408)
Net Cash Flow provided (used in) Financing Activities	-	4,648	1,340	1,647	399	(1,267)	(1,307)	(1,352)	(1,399)	(1,448)	(1,364)	(1,408)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	2,790	(1,068)	(757)	(968)	(946)	941	(334)	1,745	513	1,639	3,431
plus: Cash, Cash Equivalents & Investments - beginning of year	-	2,020	4,810	3,742	2,985	2,018	1,072	2,012	1,678	3,423	3,936	5,576
Cash & Cash Equivalents - end of the year	-	4,810	3,742	2,985	2,018	1,072	2,012	1,678	3,423	3,936	5,576	9,007
Cash & Cash Equivalents - end of the year	2,020	4,810	3,742	2,985	2,018	1,072	2,012	1,678	3,423	3,936	5,576	9,007
Investments - end of the year	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100	6,100
Cash, Cash Equivalents & Investments - end of the year	8,120	10,910	9,842	9,085	8,118	7,172	8,112	7,778	9,523	10,036	11,676	15,107

Attachment 25 – ‘Model 1’ Capital Expenditure Projections

Bellingen Shire Council
10 Year Financial Plan for the Years ending 30 June 2025
CAPITAL EXPENDITURE - CONSOLIDATED FUND
Scenario: Model 1

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<u>BUILDINGS</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
BUILDING CAPITAL RENEWALS PROGRAM	200	200	200	200	200	200	200	200	200	200
<u>INFRASTRUCTURE</u>										
ROADS, BRIDGES AND FOOTPATHS	2810*	2,585	3,220	2,760	2,476	2,650	1,130	1,960	2,310	2,260
<u>PLANT & EQUIPMENT</u>										
LIGHT VEHICLE REPLACEMENT										
FURNITURE AND FITTINGS	14	14	15	15	16	16	17	17	18	18
PLANT REPLACEMENT - LIGHT/MAJOR/MINOR	858	1,643	1,395	1,765	1,445	2,593	1,960	3,392	3,048	1,180
I.T. EXPENSES	120	102	83	71	94	80	91	94	96	67
OTHER CAPITAL PURCHASES	153	65	65	65	65	65	65	65	65	65
TOTAL PLANT & EQUIPMENT	1,131	1,810	1,543	1,901	1,604	2,738	2,116	3,551	3,209	1,312
<u>WATER AND SEWER</u>										
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	4,826	2,285	1,140	1,832	6,014	2,313	1,126	1,054	1,334	976
TOTAL CAPITAL EXPENDITURE	8,967	6,880	6,103	6,693	10,294	7,901	4,572	6,765	7,053	4,748

***BELLINGEN SHIRE COUNCIL - ROADS, BRIDGES AND FOOTPATHS CAPITAL WORKS PROGRAM**

	2015/2016
ROAD RESEALING PROGRAM	
HYDES CREEK ROAD, DOME ROAD, KALANG ROAD	
TYRINGHAM ROAD MR 119, CORAMBA ROAD MR 469	1,860,000
OTHER RESEALS AND HEAVY PATCHING	
ROAD REHABILITATION	
NORTH BANK ROAD RECONSTRUCTION (500 METRES)	200,000
VERNON PLACE, URUNGA RECONSTRUCTION, KERB AND GUTTER	220,000
FORD ST, BELLINGEN RETAINING WALL REPAIR	200,000
HILLSIDE DRIVE, URUNGA RETAINING WALL REPAIR	150,000
CHURCH ST, BELLINGEN CARPARK UPGRADE	100,000
PROMISED LAND ROAD, GLENIFFER RIVER BANK EROSION	60,000
DARKWOOD ROAD, THORA BELLINGER RIVER WORK ADJACENT TO HOBARTS BRIDGE	20,000
TOTAL	2,810,000

Attachment 4 - Bellingen Shire Council reports (Fit for the Future and SRVIPP)

7.3 FIT FOR THE FUTURE PROGRESS REPORT NUMBER 1

File/Index: Fit For the Future/Sustainability/Governance

Authors: Liz Jeremy, General Manager and Michelle McFadyen, Deputy General Manager, Corporate and Community,

REPORT SUMMARY:

A modern local government sector with strong Councils providing the services and infrastructure communities need is a shared objective of Bellingen Shire Council (BSC), its community and the NSW Government.

The steps in the journey have been established and Bellingen Shire Council is in the initial stages of developing its approach to the *Fit for the Future* (FFF) initiative.

By way of background, in 2012 the NSW Government established the New South Wales Independent Local Government Review Panel (the Panel) to develop options to improve the strength and effectiveness of local government in NSW.

The review drove key strategic directions identified in the Destination 2036 initiative and supported the broader objectives of the State as outlined in NSW 2021: A Plan to Make NSW Number One (the State Plan).

The panel investigated and identified options for governance models, structural arrangements and boundary changes for local government in NSW, taking into consideration:

1. Ability to support the current and future needs of local communities;
2. Ability to deliver services and infrastructure efficiently, effectively and in a timely manner;
3. The financial sustainability of each local government area;
4. Ability for local representation and decision making; and
5. Barriers and incentives to encourage voluntary boundary changes.

In conducting the review the panel aimed to:

1. Ensure recommendations meet the different nature and needs of regional, rural and metropolitan communities.
2. Consult widely with the broader community and key stakeholders.
3. Take into account the work completed, and future work to be completed, under the Destination 2036 initiative.
4. Take into account the broader interests of the State including as outlined in the State Plan.
5. Consider the experiences of other jurisdictions in both the nature and implementation of local government reform.
6. Take into account the Liberal-National's 2011 election policy of no forced amalgamations.

Over a two year period the Panel produced a range of reports and research papers and handed down its final report entitled "Revitalising Local Government" in October 2013.

"The NSW Independent Local Government Review Panel's final report has made it clear that the system of local government in NSW is not working as well as it should be. More than one third of the State's Councils are facing financial problems, infrastructure backlogs are overwhelming." (*Fit for the Future, A roadmap for stronger, smarter councils, NSW Office of Local Government, September 2014*)

In response to this report, the NSW Government has embarked on a *Fit for the Future* reform program which includes asking Councils to assess their current performance against a set of performance measures and benchmarks (sustainability, infrastructure and service management, and efficiency) and developing an improvement plan.

This assessment process is designed to identify those Councils assessed as being “Fit for the Future” and/or those willing and able to transition to being *Fit for the Future*. The NSW Government envisages that such Councils will be smarter, sustainable and strategic and have community assets that are well planned and maintained, services to meet community needs, be efficient, focussed and community leaders.

In so saying the NSW government has made clear through their documentation and briefings to local government :

1. that the initial step in the process for councils is an assessment around scale and capacity with the starting point being the work of the Panel
2. that for Bellingen Shire Council (and the other Councils on the mid north coast) the Panel recommended that the boundaries remain the same and that Council participates in the proposed North Coast Joint Organization
3. their understanding that Councils may not be *Fit for the Future* at the commencement of the process
4. that councils need to outline why they do or do not meet the assessment criteria
5. their plan for addressing the criteria and heading in the right direction.

In summary Bellingen Shire Council has been asked to:

1. Review its current situation against a set of criteria and benchmarks;
2. Prepare a submission including an improvement plan to meet the benchmarks; and
3. Make the transition to be *Fit for the Future*.

While the benefits available to the *Fit for the Future* Councils are outlined at a strategic level, for example, streamlined reporting arrangements, streamlined Special Rate Variation process, priority access to grants etc, there is limited detail available as to what this actually means.

Bellingen Shire Council meets two of the seven performance measure ratios that have been established to determine if a Council can be classed as *Fit for the Future*. Bellingen Shire Council is currently developing its approach. Between now and June 30 (the deadline for submission by Council to government) work will be undertaken in collaboration with the elected Council and our community to assess what ideas and opportunities exist to improve performance against this criteria (and benchmarks), assessing the appetite for change and developing an improvement proposal against the NSW Government template.

Whilst there are a range of variables that can impact on the assessment criteria, concerns remain that the current funding model applicable to local government places unnecessary challenges in dealing with infrastructure and service management.

Furthermore the current reviews of Rating and Financial Assistance Grants make it difficult given the assumptions implicit in any forecasting of future performance benchmarks to develop a robust improvement plan.

The Panel also recommended that BSC be part of the North Coast Joint Organisation (NCJO) along with the Councils of Clarence Valley, Coffs Harbour and Nambucca. The member councils have met on three occasions and submitted an application to be a pilot. This application however was unsuccessful. Notwithstanding this the member councils have arranged future meetings to progress discussions regarding the structure and form of a NCJO.

This report provides an initial analysis of the *Fit for the Future* (FFF) sustainability indicators and asks Council to consider if the recommendation of the NSW Independent Local Government Review Panel (the Panel) in relation to Bellingen Shire Council should be supported.

The Panel recommended that Bellingen Shire's current boundaries remain unchanged and that council be a member of the proposed NCJO, providing council with the appropriate scale and capacity to undertake reforms to meet the benchmarks required under the *Fit for the Future* program.

This report also outlines, for Council's consideration, an approach and timeframe for the preparation of Council's *Fit for the Future* submission which is due 30 June 2015.

REPORT DETAIL:

1 Background

In 2011, local NSW Councils met with the NSW State Government at the Destination 2036 summit to plan how local government would move forward to meet the challenges of the future.

One of the actions agreed was that the State Government would appoint an independent expert panel to review local government.

An independent expert panel, the NSW Independent Local Government Review Panel (the Panel), was appointed in April 2012 to review the governance models and other structural arrangements of local government. Its terms of reference also included the need to formulate options to improve and strengthen the effectiveness of local government to help drive the strategic directions set out in Destination 2036 Action Plan. The Panel engaged in an extensive process to gather evidence and views from the broader community on local government reform.

In October 2013, the Panel provided its final report "Revitalising Local Government" which included a series of recommendations. A copy of their report is attached.

Following the release of the Panel's final report, the NSW Government in September 2014, released the *Fit for the Future* Reform program with guidelines released on 31 October.

Copies of these documents are also attached to this report.

The objective of the reform program is to ensure the long term financial viability and strategic outcomes of local government while meeting the community's needs.

The NSW Government has directed all Councils to look at their current situation and consider the future needs of its community in the context of the Panel's recommendations. Such an assessment is to assist Councils in getting a clear picture of how they are performing financially, in infrastructure management and in service delivery with a view to determining how each Council will be *Fit for the Future*.

Following this assessment, each Council, no later than 30 June 2015, is required to provide a proposal on how it will achieve a *Fit for the Future* status in accordance with the pre-determined FFF ratios over the coming four years. This assessment is to use the specified ratios, self-assessment tools, template and guidelines as provided by the NSW Government. It is also to consider the Panel's recommendations in relation to the Council's future, for example, merger and/or Joint Organisation options.

An assessment will then be undertaken by a different independent panel (Assessment Panel) with recommendations to the Minister to begin implementation from March 2016.

It is expected that this process will determine what future assistance/support will be provided by the NSW Government and/or what actions are required by individual Councils.

The *Fit For the Future* Reform Program suggests that when the *Fit for the Future* transition is “finalised” there will be opportunities for cheaper finance, simplified reporting arrangements and state funding along with priority access to grants.

This approach essentially suggests two groups of local government, those who are Fit for the Future and those who are not. Differing treatment options are expected dependent on what group a Council is in.

In general terms the NSW Government is seeking to work in partnership with local government to implement reform arrangements and ensure that Councils are sustainable into the future.

2 NSW Government Statements regarding Fit for the Future Councils:

The NSW Government has advised that Councils assessed as being *Fit for the Future* will have access to a range of funding and support mechanisms to make the structural changes necessary to achieve this reform including:

1. Access to state borrowing facility
2. Access to a streamlined IPART process for setting rates
3. Priority access to state funding and other grants
4. More flexibility with procurement
5. Simplified reporting and
6. Eligibility for additional planning powers.

Currently, there is a lack of detail about the extent of the benefits conveyed by the funding and support mechanisms mentioned above. It is understood that a rate review process is currently underway but limited information is available at this time.

Furthermore, it is not clear as to what arrangements will apply to those Councils deemed to be not *Fit for the Future*.

Against this background, there are a number of challenges in preparing a *Fit for the Future* submission as there are many unknowns surrounding matters such as the rate review, the current Federal Government review of the Financial Assistance Grants (FAG) program and other aspects of the reform agenda. This level of ambiguity requires many assumptions to be made in developing forecasts and financial modeling associated with the development of an improvement proposal.

3 Fit for the Future Criteria:

The State Government has focused on four FFF criteria, namely;

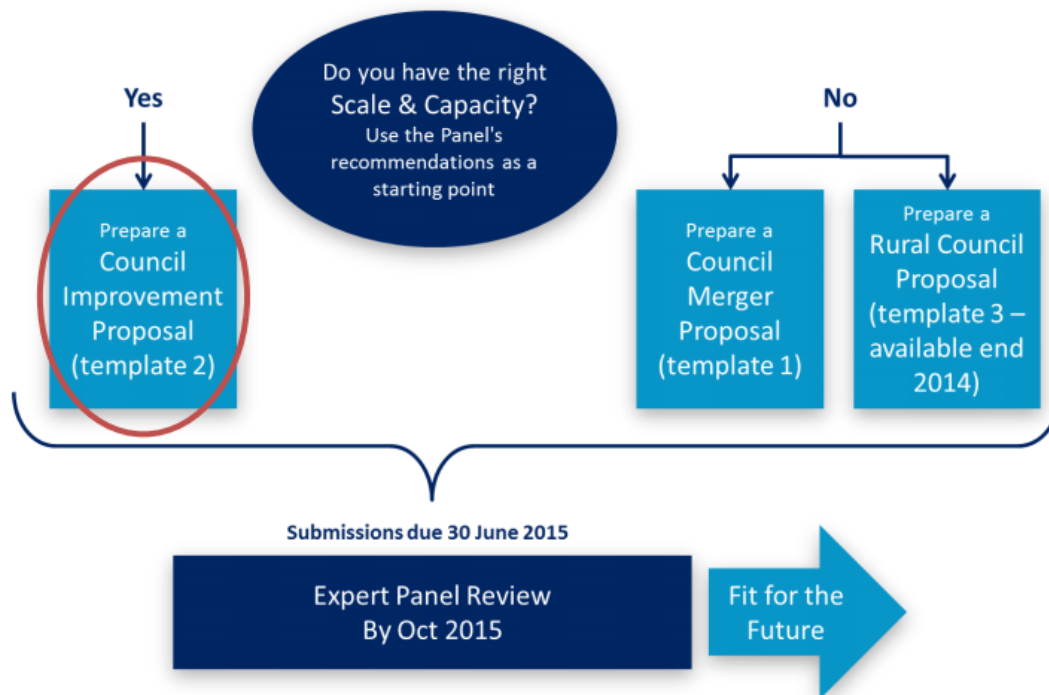
1. Scale and Capacity
2. Sustainability
3. Infrastructure and Service Management
4. Efficiency.

Prior to advising of these criteria, the Premier invited the Independent Pricing and Regulatory Tribunal (IPART) to review the assessment criteria of Sustainability, Infrastructure and Service Management and Efficiency. The results are included in the *IPART (2014) Review of the criteria for fit for the future - Local Government, Final Report - September 2014*.

In general terms IPART were satisfied with the categories and suggested some amendments to the benchmarks plus the inclusion of the Debt Service Ratio. It was also commented that scale and capacity are important issues for Councils, given economies of scale and scope.

The steps in the Fit for the Future process for Councils are shown below:

Becoming Fit for the Future . . .



4 Scale and Capacity

The terms 'scale and capacity' refers to the recommendations of the Independent Local Government Review Panel in relation to potential boundary changes and regional collaboration.

The panel made recommendations regarding merging some Councils and the Office of Local Government (OLG) has since made it clear that the New South Wales Government intends that all Council's outside the Sydney metropolitan area will participate in Joint Organisations.

The Panel assessed Bellingen Shire Council as having sufficient scale and capacity to remain in its current structure, that is, not to merge with another Council (page 116 of Panel's Final Report "Revitalising Local Government" October 2013 Table - Options for Non-metropolitan Councils).

The Panel also recommended that Council participate in the North Coast Joint Organisation. Membership of the proposed North Coast Joint Organisation includes Bellingen Shire Council, Nambucca Shire Council, Coffs Harbour City Council and Clarence Valley Council.

By inference the Panel does not believe Bellingen Shire Council's sustainability would be improved by merging with any neighbouring councils, but would benefit from increased regional co-operation.

The first question Council must answer in preparing the improvement submission is whether Council is willing to accept the Panel's recommendation.

1.2 Scale and capacity

Does your council have the scale and capacity broadly consistent with the recommendations of the Independent Local Government Review Panel?

Yes/No



(ie, the Panel did not recommend your council needed to merge or become a Rural Council).

The question of proposed boundary changes needs to be resolved as any boundary changes would necessitate talks with neighbours and canvassing public opinion. This issue is dealt with further in the section 6.2 of this report as well as in the Engagement section of this report.

Ultimately it is a matter for council deliberation and in terms of process, one that will be best resolved by way of a resolution of Council.

At a workshop held on 11 February 2015 Council contemplated the scale and capacity question along with the benchmark analysis (see section 5 of this report) relative to the detailed work and recommendations of the Panel, the position of the councils on the north coast, (which is similar to Bellingen's) and the unique challenges that face north coast councils and in particular Bellingen including quantum of non rateable land, the impacts of natural disaster and environmental conditions.

On the basis of Councillor feedback at the February workshop it is understood that Council is willing to accept the recommendations of the review panel and not seek any boundary changes.

The issue of Joint Organisations is dealt with further in Section 6 of this report.

5 Initial Self-Assessment

Part of the *Fit for Future* package is a self-assessment tool to help Council determine whether their past performance indicates that they are "Fit for the Future".

The outcome of this assessment has been attached for the information of Council shown as Attachment A. A summary of the self-assessment results are as follows, however the attachment outlines the *Fit for the Future* benchmarks and detailed information.

BENCHMARK	RESULT	MEETS FFTF BENCHMARK
<i>Operating Performance Ratio (greater or equal to break-even average over 3 years)</i>	-0.333	NO
<i>Own Source Revenue Ratio (greater than 60% average over 3 years)</i>	58.59%	NO
<i>Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i>	57.58%	NO
<i>Infrastructure Backlog Ratio (less than 2%)</i>	6.31%	NO
<i>Asset Maintenance Ratio (greater than 100% average over 3 years)</i>	125.69%	YES
<i>Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)</i>	2.90%	YES
<i>A decrease in Real Operating Expenditure per capita over time</i>	Increasing	NO

The following interpretive detail is provided in terms of the ratios outlined above:

1 Sustainability

Sustainability is about financial health of the Council, which is the ability of the Council to provide services and infrastructure into the future that meets the community's needs. The Panel based its assessment of financial health on the work of the NSW Treasury Corporation (TCorp).

TCorp's assessment (April 2013) of Bellingen Shire Council indicates that its Financial Sustainability Rating (FSR) was moderate with a negative outlook.

1.1 Operating Performance Ratio: -0.333%

What does this ratio measure?

- Is council making a profit or a loss?

How do we compare?

- State average -5.0%
- 98 out of 152 NSW councils in 2013 recorded deficits
- 48 NSW councils reported deficits of more than \$2.5 million

What are the key drivers and influences?

- Rates, annual charges, grant revenue, depreciation

1.2 Own source Revenue Ratio: 58.59%

What does this ratio measure?

- How reliant is Council on external funding sources?

How do we compare?

- Range between 22.5% to 80% across NSW (2013)
- 79 (52%) out of 152 NSW Councils in 2013 reported less than 60%

What are the key drivers and influences?

- Rates/annual charges, grants/contribution revenue

1.3 Building and Infrastructure Asset Renewal Ratio: 57.58%

What does this ratio measure?

- How much is council spending on renewing existing infrastructure against the annual depreciation?

How do we compare?

- NSW state Average 81.5% (2013)
- Only 35 Councils reported a ratio greater than 100% in 2013

What are the key drivers and influences?

- Depreciation, asset renewal expenditure, asset revaluations

2 Effective Infrastructure and Service Management

2.1 Infrastructure Backlog ratio: 6.31%

What does this ratio measure?

- What is the estimated cost to bring assets up to satisfactory condition as compared to their written down value(s)

How do we compare?

- 87% of NSW Councils reported a backlog of >2% (2013)
- 10% average backlog for NSW Councils (2013)
- 13% average backlog for group 11 councils (2013)

What are the key drivers and influences?

- Written down value of infrastructure, agreed service level expectations, raw materials and labour costs

2.2 Asset Maintenance Ratio: 125.69%

What does this ratio measure?

- How much council is spending on maintaining its infrastructure against the estimated required expenditure

How do we compare?

- 91.1% average across NSW Councils (2013)
- NSW shortfalls in maintenance expenditure ranged from \$21,000 - \$24 million
- 20% of councils reported shortfalls of greater than \$5m

What are the key drivers and influences?

- Written down value of infrastructure, agreed service level expectations, raw material and labour costs

2.3 Debt Service Ratio: 2.9%

What does this ratio measure?

- What % of annual revenue is needed to repay council borrowings (principal and interest)?

How do we compare?

- NSW councils have low levels of debt (compared with other industries)
- 12 Councils across the state have no debt.

What are the key drivers and influences?

- Cash flow requirements, past/present/future borrowings, current and future interest rates

3 Efficiency

3.1 A decrease in real operating expenditure per capita over time: Increasing

What does this ratio measure?

- Total annual operating expenditure divided by the shire population adjusted for consumer price index (CPI) each year?

What are the key drivers and influences?

- Annual operating costs, asset maintenance, raw materials/labour costs

These ratios represent the first step in the process of assessment for being Fit for the Future. In terms of performance against councils in the Mid North Coast area, Council's results indicate that we are in a similar position to most of our neighbours.

Water and Sewerage Management:

It should be noted that Councils who have direct responsibility for the supply of water and sewerage services are also required to provide information in the Fit for the Future submission. This information is to include an assessment of whether the requirements of the NSW Government Best Practice Management of Water and Sewerage Framework are met. There is also a requirement to outline what infrastructure backlog exists in relation to water and sewerage in terms of dollars as well as what capital works are planned for the four years from 2016/17 - 2019/20 (including funding source). A financial analysis of break-even levels and what improvement strategies are planned for the period 2016/17 - 2019/20 is also to be provided. This information is currently being developed and will be presented to Council as part of the workshop and reporting process associated with the *Fit for the Future* submission.

6 Regional Collaboration

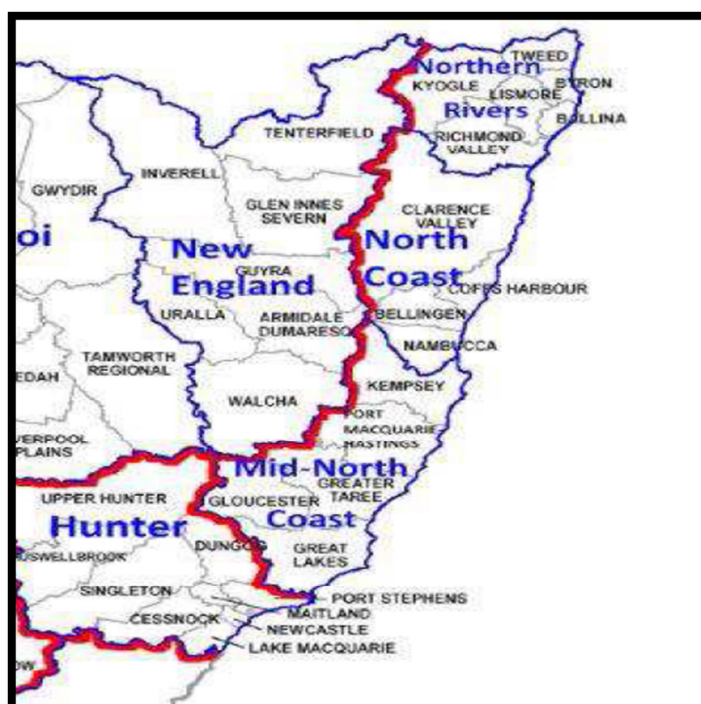
6.1 Joint Organisations

It is the intent of the NSW Government that all Councils outside of Greater Sydney will be a member of a Joint Organisation (JO) from September 2016, so when considering membership of a Joint Organisation it is also a question of with whom.

The "Regional Joint Organisation" concept developed by the Panel (p 71) entails:

"Statutory groupings of local Councils established under the Local Government Act that undertake a range of "high level" functions on behalf of their members (the precise mix of functions can vary from region to region).

It is open to Council to suggest alternate Joint Organisation membership within the state regional boundaries (outlined in red/bold in the below map). For Bellingen Shire Council this comprises the North Coast, Northern Rivers and Mid North Coast areas.



Council at its March 2014 meeting resolved to *'provide a submission to the Office of Local Government that it is broadly supportive of the recommendations of the Final Report of the NSW Independent Local Government Review Panel as outlined in this report with the following addition at Item 26: In all councils where the Councillors elect the Mayor, it should be mandated that voters should be given a choice between popularly elected Mayors and Mayors elected by the Council'*.

Council was part of a submission to the State Government expressing an interest in becoming a pilot Joint Organisation.

The submission for the pilot listed the potential roles of the proposed Joint Organisation as:

- 1 Regional alliance of local government water utilities at a high level focusing on service and infrastructure planning as opposed to service delivery.
- 2 Strategic regional and sub-regional planning framework.
- 3 Strategic waste management.
- 4 Regional voice - intergovernmental relations and regional advocacy.
- 5 Develop a framework to ensure a consistent basis to evaluate the potential for shared service provision. Review activities for the delivery of 'back office' services.

The Office of Local Government provides some guidance as to the form and purpose of Joint Organisations in the publication "Fit for the Future – Joint Organisations". This document is not particularly prescriptive and offers suggestions rather than a framework. It is appended to this report at Attachment link 7.3E

Whilst the initial work of the Panel was quite prescriptive in terms of the role of a JO, the *Fit for the Future* approach essentially mandates a regional approach in terms of state/local collaboration and alignment with state boundaries for issues such as planning, health and education. Anything more is for the consideration of the member councils as members of the Joint Organisation.

Figure 1: Intergovernmental collaboration on regional priorities



There are risks and rewards associated with establishing a Joint Organisation. Preliminary consideration has identified the potential negative risks below that need to be considered when evaluating proposals:

1. The ongoing costs to member Councils, particularly if the Joint Organisation has significant staff.
2. Duplication of existing arrangements such as MIDROC. MIDROC has a different membership and there is currently discussion around MIDROC in the context of the establishment of Joint Organisations.
3. If some functions are transferred from Council to a Joint Organisation it may deprive Council of the critical mass to effectively and efficiently deliver the services of a local council. The fixed costs such as governance and accommodation would be allocated

across the remaining functions pushing up the cost of those services. The transfer of some of Council's services to a Joint Organisation may not be accompanied by a corresponding drop in operating expenses.

If Council considers that there are superior regional alliances to be had outside the proposed North Coast Joint Organisation it would need to identify this in the Council Improvement Proposal. The proposal itself does not have to be submitted until 30 June 2015, however a proposal that differs from the Independent Local Government Review Panel recommendations will take significantly more time to develop. It is recommend that for the purposes of developing a proposal, to proceed on the basis that Council will participate in a North Coast Joint Organisation and keep a watching brief on the proposed role of the Joint Organisations as well as the role of MIDROC.

6.2 Approach from Nambucca Shire Council

Council is in receipt of correspondence from Nambucca Shire Council to enter into dialog regarding a possible amalgamation or other joint activities. Specifically the correspondence requests a meeting between the Mayors, Deputy Mayors and General Managers of both councils.

Bellingen Shire Council and Nambucca Shire Council already undertake a range of joint activities including most particularly alliance partners in Coffs Coast Waste Services, participation in MIDROC and MIDROC subgroups, proposed joint liaison with NSW Roads and Maritime Services regarding the Pacific Highway handover, the option to engage in joint tourism promotion at the new Highway service centre, etc.

Similarly Bellingen Shire Council has alliances with Coffs Harbour City Council around waste services and Clarence Valley Council around the provision of library services.

Following Councils discussion of this matter at the workshop held on 11 February 2015 a meeting has been arranged with Nambucca Shire Council, in keeping with the request embodied in their resolution.

It is envisaged that discussion will focus on further opportunities for shared services and alliancing. The outcome of the meeting will be reported to Council in future reports regarding *Fit for the Future* for consideration as part of the *Fit for the Future* Submission, as outlined in Section 7 of this report.

6.3 Regional alliancing

The opportunities presented by regional alliancing across a range of issues and services are not insubstantial.

In 2014 MIDROC commissioned KPMG to undertake a high level review of the opportunities and benefits of working regionally.

Whilst the project encountered some challenges, at a high level, and with some qualifications, it indicated a range of savings across the region of around \$15 to \$40 million.

This high level analysis supports the proposition that a key way of unlocking efficiency savings for the community is to address service delivery as a scale issue. This could occur either at a JO level or with councils who come together as 'coalitions of the willing'.

In addition Council has to date carried out some preliminary work around the unique challenges faced by the region particularly around land that is not rateable. This initial assessment has indicated that it would be opportune to explore alliances with other councils faced by similar

circumstances that is those councils who share the impact of large parcels of land owned by other levels of government where rates are not paid ie State Forests, National Parks and Crown Lands.

A range of issues and opportunities will be explored as part of the *Fit for the Future* submission process in keeping with the high level assessment provided here.

7 Fit for the future Submission process

Council is required to make the Fit for the Future submission by 30 June 2015. The form the submission takes is reliant upon whether Council broadly accepts the recommendations of the Independent Local Government Review Panel regarding scale and capacity (local government boundaries and regional co-operation).

Council can decide not to accept the Panel's recommendations regarding scale and capacity; this would mean Council would seek a change to the current Shire boundaries and/or not participate in the proposed North Coast Joint Organisation of Councils. The submission would be based on a different template and would need to present a case for the changed arrangements.


This report recommends, based on the engagement process undertaken to date with council, that Council resolve that Bellingen Shire has the scale and capacity broadly consistent with the recommendations of the Independent Local Government Review Panel and will prepare Council's Fit for the Future submission on the basis of the existing Shire boundaries and membership of the proposed North Coast Joint Organisation of Councils.

If this recommendation is adopted, this will dictate that Council will prepare an Improvement Plan based on the *Fit for the Future* Template Two.

A copy of the template and the guide to the template can be found at <http://www.fitfortheFuture.nsw.gov.au/content/just-released---council-self-assessment-tool-templates-and-guidance>.

The proposal will be submitted via a web portal and is due 30 June 2015. The template is divided into five sections as described below.

Template 2



Only complete if your council has sufficient scale and capacity and you do not intend to merge or become a Rural Council

Fit for the Future

Section 1 – About your proposal

- Summarise your proposal
- Explain how you meet the scale and capacity criteria

Section 2 – Current position

- Provide an overview of your council and community – key features, challenges, opportunities
- Identify your current and forecast performance against the benchmarks and explain why

Section 3 – Becoming Fit for the Future

- Identify strategies and outcomes (including ones not implemented), and explain assumptions
- Prepare an action plan

Section 4 – Expected outcomes

- Identify if the strategies and actions will help you meet the benchmarks by 2019/20

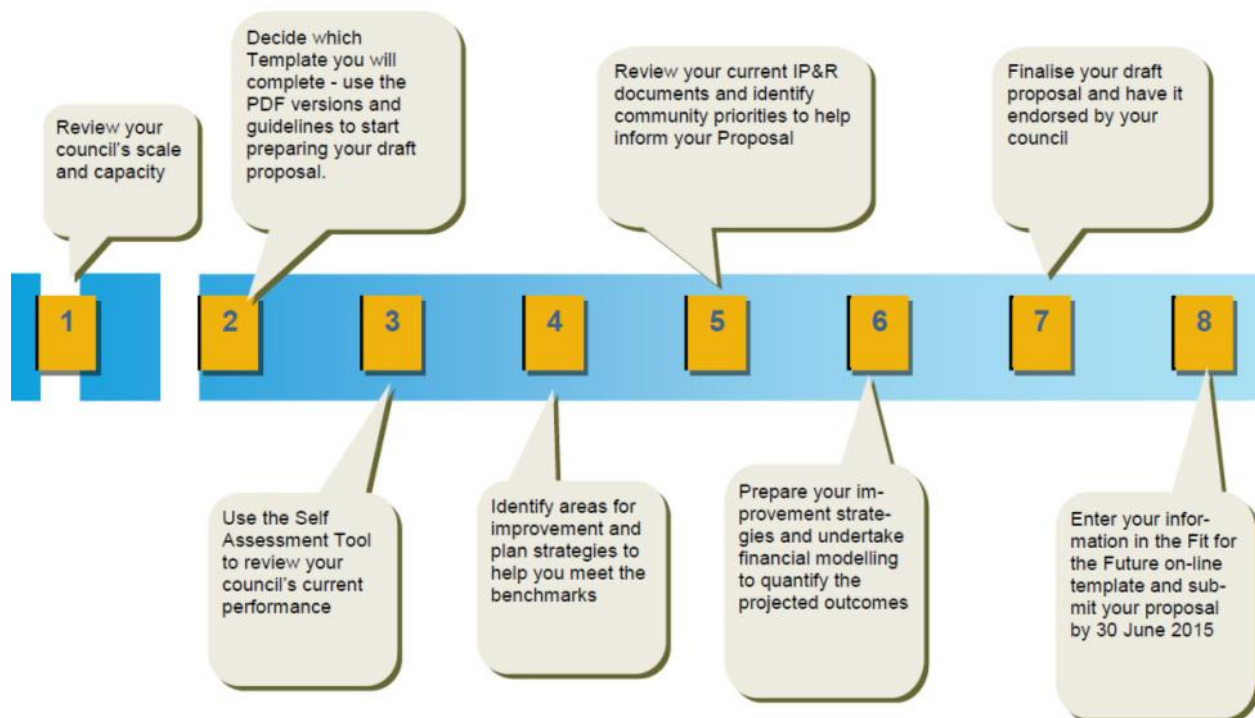
Section 5 – Implementation

- Explain how you will put your plan into action

Further reports to Council will be provided which will deal with each section of the Template as these are completed in draft forms.

Approach to preparing the submission and time frames

The timeline below has been taken from the NSW Government guide and has been used in developing the proposed process to complete the Bellingen Shire Council submission.



It should be noted that there is an existing program of Asset Management reforms being completed in conjunction with the revaluation of the transport infrastructure. The MIDROC “apples with apples” project is pivotal in the process. The results should assist in providing strategies to improve Council’s Fit for the Future performance indicators. Further Council is currently reviewing both its Asset Management Plans, Section 94 Plans and Long Term Financial Plan.

In terms of reporting to Council, it is expected that there will likely be a report regarding FFF to each meeting for the first half of this year provided to Council. Council was briefed by way of workshops in relation to *Fit for the Future* on 17 December 2014 and 11 February 2015.

This report provides information to Council and seeks direction in relation to the initial *Fit for the Future* Self-Assessment Tool, Scale and Capacity and approach to preparing the Council Proposal.

An implementation plan for the development of the submission has been developed in relation to the work to be undertaken to have the submission ready to provide to the State Government by 30 June 2015. This implementation plan, will be flexible and outlines the key milestones and dates to achieve this task. It should be noted that these activities and timeframes will be undertaken in parallel with the annual budgeting timeframes.

Conclusion

In considering the initial *Fit for the Future* benchmarking result Council must contemplate that the *Fit for the Future* process is a journey and a consequence of a range of influences, not the

least of which is 30 years of rate pegging, cost shifting from other levels of government, as well as the current economic circumstances of all levels of government.

Council must also contemplate the advice of government regarding *Fit for the Future* both in terms of the initial assessment and the process moving forward and specifically, the recognition that Councils may not meet the benchmarks initially, that Councils need to understand why that is, and how these issues can be addressed so that Councils can head in the right direction, and frame a response around progressing toward achievement of the benchmarks.

Since 2011 Council has been focussed on its longer terms sustainability issues as follows:

- organisational reform
- conducting a series of service reviews
- establishing an Internal Audit function
- implementing organisational efficiencies which are now formalised in their reporting processes through the Financial Sustainability Program Board and Transport Infrastructure Program Board, both of which formally report to Council through the Special Rate Variation Implementation Planning and Productivity Committee
- the T-Corp assessment of Councils and the NSW Infrastructure assessment, which is guiding and driving Councils review of its Long Term Financial Plan and Asset Plan, both at a local level and regionally through the MIDROC 'Apples with Apples' project
- heeding the advice of T-Corp in terms of revenue raising which resulted in Council's successful application for a Special Rate Variation in 2014 along with its successful application for financial assistance against borrowings through the Local Government Infrastructure Renewal Scheme
- working to address the infrastructure backlog through the 2014 Special Rate Variation
- identifying additional revenue or growth revenue opportunities which will be further explored through the *Fit for the Future* Assessment process.

Regionally Bellingen Shire Council has strong working relationships both at a MIDROC and Joint Organisation level which will assist in the transition process.

The Action Plans that will be developed as part of the *Fit for the Future* submission will look at modeling changes to services, income streams, revaluing infrastructure and the notion of asset condition, better borrowing rates, as well as the opportunities offered by regional alliancing and shared services.

It is important to emphasise that no one strategy can close Council's financial sustainability 'gap' on its own. These strategies, building on the solid process of reform undertaken to date by Bellingen Shire Council will represent a package of measures that together can assist council to work toward a position of financial sustainability including conversations with our community around the type and level of servicing that is important and affordable.

There is no doubt that the current process of reform and the *Fit for the Future* journey will require custodial and adaptive leadership to place Council in a solid position in the context of the NSW State Government reform of Local Government.

BUDGETARY IMPLICATIONS:

In accordance with the *Fit for the Future* guidelines, Council is undertaking a range of work that will require some oversight and input by a range of external parties across the areas of service reviews, asset management, financial modelling, water and waste water operations and community engagement, all of which will contribute to the overall *Fit for the Future* submission.

It is anticipated that once analysis is undertaken of the strategies and associated actions to move towards a *Fit for the Future* status, there will be a series of financial implications for future Council budgets.

This process will unfold once the Assessment Panel, which is being established by the NSW Government, finalises its assessment of all the Council's submissions and proposals. This work is not anticipated until October 2015.

Subsequent reports to council will detail further budgetary and financial implications related to the preparation of the submission and Council's long term sustainability.

Council has resolved to allocate \$50,000 initially to fund a project manager for the FFF program and other initial costs. Senior and other staff will be required to devote significant resources to the FFF project over the coming six months. This will require by implication an assessment of other priorities in Councils Operational Plan and will be subject to separate reporting to council.

At a more holistic level it is important to contemplate the challenges of the funding arrangements in local government. For an extended period of time local government has been seeking reform of the current local government funding arrangements. In essence, Councils have limited opportunities to increase either their funding sources or the amount of revenue generated from their funding sources given the framework of "rate pegging", limits applied to changing fees and charges and developer contributions and rules relating to reserves etc. This is particularly the case in rural NSW.

However there is increasing pressure and expectations from the community to at least maintain, if not increase service levels, against a background of rising input costs.

It is further exacerbated by the trend of cost shifting from other levels of Government to local government. That is functions are being transferred to local government with either no additional funding or with funding that does not represent the true cost of providing the service.

One of the key observations from the Panel about the challenges facing local government surrounded the limitations of the available funding options as well as the cost shifting dilemma. A couple of key aspects that emerge in its report is its commentary of the need to not "cherry-pick" recommendations and to take a holistic and systemic approach to the reform agenda and in particular funding opportunities.

As mentioned earlier in this report there are two important reviews currently underway which will impact on the assumptions underpinning any potential improvement plans. They are the NSW Government rate review and the Federal Government review of the Financial Assistance Grants. Details of the results of these reviews will not be available in time for incorporation into the development of the improvement proposal however it will be important to model options and to discuss the implications of these reviews across the sector and with other representatives of state and federal governments.

SUSTAINABILITY ASSESSMENT:

The Fit for the Future Program seeks to initiate financial sustainability reforms across New South Wales local government.

ENGAGEMENT:

The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

The Fit for the Future process has long term and shire wide implications.

It is noted that the NSW Government has released a series of media releases and Frequently Asked Questions as well as established a *Fit for the Future* web page for general community access. It has not necessarily received large media or community interest to date given the reform agenda being proposed by the NSW Government.

During the initial assessment it has not been opportune to carry out direct community engagement in relation to the *Fit for the Future* submission by Council.

It is planned to develop a communications strategy and undertake a community engagement process as the Bellingen Shire Council submission is developed. This will include a strong focus on education, awareness raising and understanding community perspective in relation to the *Fit for the Future* program. This will be subject to future reports to council.

Noting the foregoing, the following process has commenced:

- A *Fit for the Future* Information Centre has been established on Council's website.
- A *Fit for the Future* working group has been established to develop the submission
- A *Fit For the Future* project officer has been appointed, and council has allocated initial funding to the process, by way of resolution of the Special Rate Variation Implementation Planning and Policy Committee (December 2015, which is also subject to a report to this meeting of Council).
- Staff have been briefed regarding the recommendations of the Independent NSW Local Government Reform Panel and the *Fit for the Future* Reform package.
- Briefings will continue and the engagement process outlined above will incorporate input from council staff.
- Councillors have been briefed by way of a number of reports throughout 2013 and 2014 regarding the work of the Panel, a report to Council regarding *Fit For the Future* in September 2014, as well as Workshops in December 2014 and February 2015
- A further Councillor Workshop has been scheduled for mid March 2015 with additional workshops for subsequent months currently being planned.
- The General Manager and Deputy General Manager Corporate and Community have attended a number of information sessions provided by the Office of Local Government
- Key staff will attend forums facilitated by external organizations such as the Office of Local Government, Local Government NSW, and IPWEA.
- Council is participating in the MIDROC 'Apples with Apples' Infrastructure review program which will form key input to the asset assessment process associated with compilation of a new long term financial plan and asset management plans
- Communications have been established with the Office of Local Government's Relationship Manager for the Mid North Coast.
- Council continues to participate in discussions around the formation of the North Coast Joint Organisation
- Council continues to participate in discussions around the role of MIDROC.
- Commentary has been sought from a member of the Independent Local Government Review Panel which was canvassed at the Councillor Workshop held on 11 February 2015.
- Independent and expert advice has been sought in terms of the financial assessments being undertaken by council to provide particular perspective to the unique circumstances faced by the north coast councils and within that, Bellingen.

SHIRE OF BELLINGEN 2030 COMMUNITY VISION ALIGNMENT:

This project/initiative aligns with the following strategic directions within the Shire of Bellingen 2030 Community Vision:

- Civic Leadership – Strategic Direction 1.1 – Financial sustainability is maintained through effective short and long term management.

OFFICERS RECOMMENDATION:

- 1 That Council resolves that Bellingen Shire does have the scale and capacity broadly consistent with the recommendations of the NSW Independent Local Government Review Panel and will prepare Council's *Fit for the Future* submission on the basis of the existing Shire boundaries and membership of the proposed North Coast Joint Organisation of Councils.
- 2 That Council notes this report and process outlined for the development of the Bellingen Shire Council *Fit for the Future* submission to the NSW Government.

ATTACHMENTS:

7.3A BSC FFF Self-assessment ratio results

ATTACHMENT LINKS:

- 7.3B Revitalising Local Government, Final report of the NSW Independent Local Government Review Panel
- 7.3C Fit for the Future, A roadmap for Stronger Smarter Councils
- 7.3D Fit for the Future, A Blueprint for the future of local Government
- 7.3E Fit for the Future, Joint Organisations, A roadmap for intergovernmental collaborations in New South Wales

07.003/15

RESOLVED (Cr Klipin/Cr Scott)

- 1 That Council resolves that Bellingen Shire does have the scale and capacity broadly consistent with the recommendations of the NSW Independent Local Government Review Panel and will prepare Council's *Fit for the Future* submission on the basis of the existing Shire boundaries and membership of the proposed North Coast Joint Organisation of Councils.
- 2 That Council notes this report and process outlined for the development of the Bellingen Shire Council *Fit for the Future* submission to the NSW Government.

UNANIMOUS

9.4 Fit for the Future Submission

File/Index: Fit For the Future Submission

Author: Maxine Compton, Fit for the Future Project Coordinator

Liz Jeremy General Manager

Michelle McFadyen Deputy General Manager Corporate and Community

Chris Hodge, Chief Financial Officer

REPORT SUMMARY:

As outlined in a 25 February 2015 report to the Ordinary meeting of Council, the Fit for the Future program is currently being undertaken by NSW councils in response to the Local Government reform process instigated by the State Government. The Fit for the Future process is about Councils demonstrating that they are financially sound, operating efficiently and in a strong position to guide growth and deliver quality services into the future.

Each Council has been asked to review its current situation, prepare a Fit for the Future submission by 30 June 2015 and make the transition to a new structure by September 2016 (if required) or implement an improvement plan.

This report refers to Council's decision to submit a proposal by 30 June 2015 and presents to Council the final draft of its intended submission.

REPORT DETAIL:

Based on the Independent Local Government Review Panel's (ILGRP) recommendation and Council's adoption of this recommendation at the 25 February 2015 Ordinary Meeting, Council has developed an Improvement Plan based on the Fit for the Future Template 2.

Template 2 requires Council to respond to a series of questions, benchmarks and performance ratios including forecast information up to and including 2019/2020 financial year. These criteria are primarily focused on sustainability, infrastructure and service management and efficiency. In response to these criteria, Council is also required to provide commentary around the key strategies to improve performance, key assumptions that underpin the strategies and expected outcomes.

Council is also required to provide an Improvement Action Plan (the Plan) as part of Template 2. The process that underpinned the development of the Plan is included incorporating who was involved, any external assistance, consultation or collaboration and how Council reviewed and approved its Plan. The Plan, as outlined in Template 2, drives the expected improvement in performance over a five (5) year period. Additional information that extends the timeframe for improvement is further detailed in the associated documentation supporting Council's submission.

IPART

On 27 April, 2015 the Independent Pricing and Regulatory Tribunal (IPART) was appointed as the Expert Panel to assess council submissions and subsequently released their draft assessment methodology.

IPART undertook a process of stakeholder consultation to ascertain the acceptance and fairness of the methodology with councils able to provide feedback via a submission process by 25 May 2015. Council made a submission to IPART outlining its concerns regarding the timeframe to achieve the benchmarks against the ratios making reference to the Rural Council model as a more realistic approach. This was subject to a report to the May Ordinary Meeting of Council. Other points of concern outlined in Council's submission included consideration into the level of disadvantage affecting individual councils, flood impacts, community consultation, ongoing performance reporting and cost shifting by other levels of government.

On 5 June 2015, IPART released the final methodology after receiving and reviewing 174 submissions to the draft proposal. The most significant change to the draft methodology included the broadening of the category of rural councils to include councils classified under the Office of Local Government (OLG) Groups 8, 9, 10 and 11. Enquiries were made to IPART to clarify this which has indicated that as Bellingen Council is classified as an OLG Group 11 Council, this change means that Council's submission may be subject to the lesser assessment of '*plan to meet the benchmark within 10 years*' for the Operating Performance ratio (previously stated as must meet within 5 years) and '*plan to improve within 5 years with consideration of FAGs*' for the Own Source Revenue ratio.

While Council welcomes this amendment to the methodology, it also acknowledges that there has been some ambiguity in terms of how the information has been presented.

According to the IPART methodology, Councils that submit proposals will be rated as either 'fit' or 'not fit' with reasons given for the assessment. Councils that choose not to submit a proposal cannot be assessed and will therefore be 'deemed not fit'. IPART expect to provide its report to the Minister by 16 October 2015.

Long Term Financial Plan (LTFP)

Council's Long Term Financial Plan provides a framework to assess its revenue building capacity to meet the activities and levels of service as outlined in its Community Vision. The LTFP is required to be produced and resolved annually, with a detailed review every four years and cover a minimum period of 10 years.

As part of the planning process, Council modelled three different scenarios* in the LTFP. These Models reflect the proposed financial improvement performance measures included in Council's Fit for the Future proposal. The scenarios tested as part of the modelling process are:

- Financial Services Model 1 – Service Levels Maintained
- Financial Services Model 2 – Service Levels Reduced
- Financial Services Model 3 – Required to meet the 'Fit For the Future' benchmarks by 2020

The Financial Services Model 1 is the preferred option proposed in the Fit for the Future submission. Details of the Financial Services Models are outlined in the attached submission and supporting documentation.

The Fit for the Future submission has been based on the adoption of the LTFP by Council at its 24 June 2015 Ordinary Meeting, which is subject to a separate report to this Meeting of Council. The Fit for the Future submission attached to this report is the final draft available prior to the deadline for publishing the agenda papers for this Meeting of Council. Minor typographical and other amendments may be required in the final editing and post the final Council workshop in the matter which occurred on 18 June 2015.

Council in undertaking its approach to addressing the ratios and benchmarks has been considered in its modeling and preferred option (Financial Services Model 1). This approach has taken into account our community's SEIFA/disadvantage factors in consideration of lessening the burden on ratepayers.

Specifically, robust modeling has been undertaken (which was reviewed by an independent expert). While the current benchmark of Operating Performance will not be met within the 10 year timeframe, based on the rural council assessment model, Council in its forecast that is based on current information to date, considers it is likely to meet the ratio within 12 years and believes this is the most prudent and appropriate approach for both Council and community.

***Please note:** Figures throughout the Long Term Financial Plan have been prepared based on assumptions that reflect the most current information at the time of this report. The level of uncertainty

around the current NSW Local Government reforms (e.g. Local Government Act, rate pegging and Financial Assistance Grant allocations, all of which are currently under review) and the influence this is likely to have on future revenues and expenses should be acknowledged. Any unforeseen changes as a result of these reforms will require a review of the income and expenditure assumptions contained within the Long Term Financial Plan.

Response to the Parliamentary Inquiry into Local Government

A Legislative Council Select Committee Inquiry, announced on 27 May 2015 (supported by the Opposition and cross bench members of the Upper House), reopens many of the broader considerations of local government reform and sustainability which are not reflected in the more narrowly focused Fit for the Future process.

The Inquiry's terms of reference incorporate many of the key issues raised by the local government sector since the Destination 2036 workshop in 2011, including issues raised in Bellingen Council's previous submissions.

The Inquiry offers an opportunity to reiterate calls for genuine reform that will benefit communities, particularly essential improvements to the funding framework for local government.

As submissions close on 5 July 2015, there will not be the opportunity to submit a draft submission to Council for endorsement. It is accordingly recommended that the General Manager be authorised to make a submission and that this process include consultation out of session with Councillors.

It is understood that the Inquiry will hand down its report on 17 August 2015. This would allow its findings to be taken into account prior to any report by IPART being submitted to the Minister for Local Government. However, at this point, the Government has only stated its intention to proceed with the Fit for the Future process as previously advised.

BUDGETARY IMPLICATIONS:

Council resolved to allocate an initial \$50,000 to support a Fit for the Future Project Coordinator and other associated costs to enable a response to the Fit for the Future program. Senior and other staff has dedicated significant resources to the Fit for the Future program over the past six months.

There is likely to be impacts on Council's budget post the announcement of the outcomes for individual NSW councils by the Minister, expected in late October. These impacts will be reflective of the Implementation Action Plan and subsequent requirements to enact the activities outlined in the Plan. The impacts are likely to be positive in terms of improving Council's performance and sustainability as well as potentially requiring the allocation of internal and external resources to support the improvement activities.

Councils considered 'Fit for the Future', will have access to a range of benefits which includes:

- Access to a streamlined IPART process for rate increases above the rate pegging limit, particularly focussed on infrastructure funding needs
- Access to a T-Corp borrowing facility helping to fund the crucial infrastructure that communities need
- Priority access to other State funding and grants;

- Eligibility for additional devolved planning powers in relation to the making of local environmental plans and development decisions, and opportunities for devolving further planning powers.

SUSTAINABILITY ASSESSMENT:

The Fit for the Future program seeks to initiate financial sustainability reforms across NSW local government.

ENGAGEMENT:

The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

Having regards to the Community Engagement Strategy it is considered that the actions/initiatives contained within this report are appropriately categorised as having a LEVEL 3 Lower Impact – Shire Wide. To address the requirements of Council's Community Engagement Strategy and the *NSW Local Government Act 1993*, Council carried out the following actions:

- Fit for the Future Information Centre on Council's website
- Presentation to the three Chambers of Commerce
- Opinion Leaders forum
- Newsletter to residents
- E-newsletter to community contacts list
- Information included in the April rates notification
- LTFP and Operational Plan on public exhibition
- Workshops with councillors
- Full page advertisement in local paper on 3 June 2015

Previous engagement also includes:

- Special Rate Variation community consultation
- Community Customer Satisfaction Survey
- IP&R community consultation

Council's current Community Engagement Framework, Strategy and Policy is designed to support a long-term relationship with our community. Our community clearly wants to be engaged and informed. Our various engagement processes have consciously considered and responded to this and have shaped this particular engagement process. Council's engagement strategy lays the foundation for ongoing consultation with our community particularly as Council moves through the ongoing process of local government reform.

In addition, in association with the development and compilation of Council's Fit for the Future submission, dialog has been undertaken with those Council's slated for membership of the North Coast Region of Councils which include Clarence Regional Council, Coffs Harbour City Council and Nambucca Shire Council. Dialog has also been undertaken with other councils within the Mid North Coast Region of Councils with the objective of establishing a platform for shared servicing and alliancing. Further detail regarding the future direction of these initiatives is contained within the Fit for the Future submission and will be the subject to further reports to Council as matters progress.

SHIRE OF BELLINGEN 2030 COMMUNITY VISION ALIGNMENT:

This project/initiative aligns with the following strategic directions within the Shire of Bellingen 2030 Community Vision:

- Civic Leadership – Financial sustainability is maintained through effective short and long term financial management

OFFICERS RECOMMENDATION:

- 1 That Council adopts the final submission to the Fit for the Future program for assessment by the Independent Pricing and Regulatory Tribunal noting that there may be some minor and/or typographical amendments made to the document prior to submission on 30 June 2015 as outlined in this report.
- 2 That the General Manager prepare a submission to the Parliamentary Inquiry into Local Government as outlined in this report.

ATTACHMENTS:

There is one additional attachment for this report

9.4A Fit for the Future Bellingen Shire Council Draft Submission

08.027/15

RESOLVED (Cr Klipin/Cr Scott)

- 1 That Council adopts the final submission to the Fit for the Future program for assessment by the Independent Pricing and Regulatory Tribunal noting that there may be some minor and/or typographical amendments made to the document prior to submission on 30 June 2015 as outlined in this report.
- 2 That the General Manager prepare a submission to the Parliamentary Inquiry into Local Government as outlined in this report.

For: Cr Klipin/Cr Scott/Cr King/Cr Troy/Cr Harrison

Against: Cr Manning/Cr Carter

Cr King left the room 11.10am and returned 11.11am

Our Vision:
Connected - Sustainable - Creative

**Bellinghen Shire
COUNCIL**



M I N U T E S

SPECIAL RATE VARIATION IMPLEMENTATION, PLANNING AND PRODUCTIVITY COMMITTEE

Wednesday 11 February 2015

**Bellinghen Council Chambers
Commencing 3.00 pm**

TERMS OF REFERENCE – SPECIAL RATE VARIATION IMPLEMENTATION, PLANNING AND PRODUCTIVITY COMMITTEE

Background

The Council Report of 19 February 2014 committed Council to implementing improved project, program and portfolio governance and two new programs relating to expenditure of SRV funds and financial sustainability: The Transport (Road and Bridge) Infrastructure Sustainability Program, and the Financial Sustainability Program.

Council further committed to adopting a portfolio management approach (via the Executive Team) to managing these and other programs through integration with, and enhancement of, Council's existing Integrated Planning and Reporting Framework.

In the same report it was proposed to establish a new Council committee (with membership to comprise the entire council) to provide the requisite Council oversight and review of the SRV works program. Additionally, oversight of specific programs that relate to financial sustainability, asset management and the transport infrastructure backlog, would be provided by the new committee.

Definitions

Project

A project is defined as a unique set of coordinated activities, with definite starting and finishing points, undertaken by an individual or team to meet specific objectives within defined time, cost and performance parameters as specified in the business case.

Program

A program is defined as a temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation's strategic objectives.

Portfolio

A portfolio is defined as the totality of an organisation's investment (or a segment thereof) in the changes required to achieve its strategic objectives.

Relationship to Council Management

Council has established the Financial Sustainability Program Board and the Transport Infrastructure Sustainability Program Board.

Both of these Boards report to the SRVIPP.

Relationship to Internal Audit

Internal audit's role is primarily one of providing independent assurance over the internal controls and risk management framework of the council.

Internal audit's core competencies are in the area of internal control, risk and governance.

Typically, internal audit's scope will include some or all of the following areas:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and resource usage
- Safeguarding of assets
- Compliance with laws, regulations, policies, procedures and contracts
- Adequacy and effectiveness of the risk management framework

Management has primary responsibility for the design and operation of the risk management and internal control frameworks of the council. It is separate from the responsibilities of external audit, internal audit and the audit committee. While these functions provide advice and oversight in relation to the risk management and internal controls, they are not responsible for its design or implementation.

In the context of the SRVIPPC, Internal Audit may provide advice on productivity, efficiency, and cost containment for areas within the scope of the Committee. Management, through change programs oversighted by this Committee, is responsible for acting on the recommendations and advice.

SRVIPPC Areas of Responsibility

The Committee has two main areas of responsibility: community engagement, and overseeing the outcomes and management of the programs in scope.

Community engagement is an essential component of Councillors' roles as elected members. As this Committee is concerned with change, there is a particular requirement to represent the interests of residents and ratepayers and facilitate communication between the community and the Council.

Outcome and management oversight includes:

- Review of program performance in terms of planning, execution, costs, schedules and quality
- Review of the outcomes of the programs in terms of benefit realisation (productivity, efficiency, and cost containment) and infrastructure delivery
- Reviewing the strategy, objectives, and composition of programs, both planned and current, to ensure they align with the Community Vision
- Provide guidance on Council's risk appetite for programs and projects, and assist in maximising opportunities identified in, or arising from, initiatives

SRVIPPC Membership

Membership of the Committee will comprise all councillors.

The Committee will be supported by the General Manager and Deputy General Managers, and program/project managers as required.

SRVIPPC Scope

The scope of the Committee's consideration will include:

- Delivery of the transport infrastructure works program associated with the Special Rate Variation
- Programs that relate to financial sustainability:
 - Service Delivery Reform Projects
 - Cost reduction and/or containment projects
 - Revenue projects
 - Productivity projects
 - Efficiency projects

For 2014/15 the relevant projects from the Delivery Program and Operational Plan at this stage include the following:

- 2014/15 SRV transport infrastructure works:
 - Shire Road Resurfacing Program:
 - Sunny Corner Road
 - Kalang Road Section 1

Darkwood Road Section 1

- North Bank Road Section 1
- Bridge Program:
 - Reid's Creek Bridge on Kalang Road Restoration
 - Tallowood Bridge on Promised Land Road
 - McFadyen's Bridge on Gordonville Road Restoration
 - Cook's Bridge on Kalang Road
 - Brown's Bridge on Varley Road Restoration
 - Newry Island Bridge
- Repair Program Pavement Rehabilitation:
 - Main Road MR119 North of North Dorrigo Stage 2
 - Main Road MR119 North of North Dorrigo Stage 4
 - Main Road MR469 South of Wild Cattle Creek
- Road Improvement:
 - Timboon Road (East) Construct and Seal
- Develop improved timesheet process and systems
- Review outstanding monies for sale of land
- Review of the Fees and Charges Schedule
- Continue the implementation of improved performance management system
- Conduct a Property and Land Management Review

Meeting Arrangements

The SRVIPPC will meet quarterly on the 1st Wednesday of each of the 2nd month of each quarter.

Meeting Protocols

Meeting protocols will be in keeping with Council's Code of Meeting Practice. In particular, the Committee is required to refer recommendations to Council (Section 37 - Functions of Committees)

A G E N D A

1	APOLOGIES	
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MINUTES: SRVIPP Committee meeting held in the Council Chambers, Bellingén on Wednesday 11 February 2015 commencing at 3.11pm.

PRESENT: Councillors Garry Carter, Gordon Manning, Steve Klipin, David Scott, Desmae Harrison, and Mark Troy (Mayor).

IN ATTENDANCE: Liz Jeremy, General Manager, Michelle McFadyen, Deputy General Manager Corporate & Community, Stephen Taylor, Deputy General Manager Operations and Symone Williams.

1. APOLOGIES

RESOLVED (Cr Scott/Cr Klipin)

That Council receives an apology from Cr Dominic King.

UNANIMOUS

2. DECLARATION OF INTEREST

NIL

3. CONFIRMATION OF MINUTES

RESOLVED (Cr Scott/Cr Harrison)

That the Minutes of the SRVIPP meeting held on 10 December 2014 be confirmed.

UNANIMOUS

4. MATTERS ARISING

N/A

4 FINANCIAL SUSTAINABILITY PROGRAM BOARD

4.1 QUARTERLY REPORT - FINANCIAL SUSTAINABILITY PROGRAM BOARD

File/Index: Program Boards/Financial Sustainability Program Board

Author: Michelle McFadyen, Deputy General Manager Corporate and Community
Chair – Financial Sustainability Program Board (FSPB)

REPORT SUMMARY:

This report provides an update to the Special Rate Variation Implementation, Planning and Productivity (SRVIPP) Committee from the Financial Sustainability Program Board. Outlined in this report and attachments (including minutes from the FSPB meetings) are items for noting or decision of the SRVIPP. The FSPB held meetings on 19 December 2014 and 23 January 2015.

REPORT DETAIL:

The FSP is a 3 year program with the objectives of:

- Reducing costs
- Identifying savings
- Enhancing revenue

The short term goal is to identify savings of \$150,000 per annum that can be redirected to transport infrastructure renewal.

The scope for the FSP includes:

- Managing the Service Delivery Reform projects, and assess future options for Service Delivery Reviews
- Managing projects related to enhanced funding (other than transport infrastructure), eg grant submissions, fees and charges review
- Managing general savings and cost containment projects, eg property rationalisation and overdue rates recovery, employee oncost review

Projects in scope for 2014/15 from the Operational Plan are:

- Develop improved timesheet process and systems
- Review outstanding monies for sale of land
- Review fees and charges
- Continue implementation of improved performance management system
- Property and Land Management Review

Membership of the FSP Board comprises the Deputy General Manager Corporate and Community (Chair), Deputy General Manager Operations (as required) and the Chief Financial Officer. Currently the General Manager is attending these meetings until the commencement of the Chief Financial Officer.

The FSPB held meetings on 19 December 2014 and 23 January 2015. The minutes of these meetings are attached for the information of the SRVIPP committee.

From the minutes of these meetings the following item requires a decision or direction from the SRVIPP:

RESOLVED 2015-01-23-05

1. That funding be provided to resource the review of Council's property portfolio and develop and document the relevant business processes to enable the project to proceed.
2. That the FSPB recommend to the SRVIPP that up to \$20,000 of savings from projects already identified through the FSPB, or realised after this report through other initiatives, be allocated to fund this project.

As outlined in the attached minutes from 23 January 2015 (*Report 5. Land and Property Review*) the undertaking of this project is expected to provide council with accurate information on the property and land owned by council, it's financial performance over past years, along with any social or legal obligations against the property or land. In turn, this will allow the FSPB, through the SRVIPP (and to council) to make recommendations on potential divestment of property or land and recommend an engagement process, where that may be required. Current resourcing, particularly in light of the Fit for the Future Project requirements, will not allow this item to progress with existing resources.

BUDGETARY IMPLICATIONS:

Budgetary implications are outlined in the attached business papers and minutes and other attachments.

SUSTAINABILITY ASSESSMENT:

The Council Report of 19 February 2014 committed Council to implementing improved project, program and portfolio governance and two new programs relating to expenditure of SRV funds and financial sustainability: The Transport (Road and Bridge) Infrastructure Sustainability Program, and the Financial Sustainability Program.

Council further committed to adopting a portfolio management approach (via the Executive Team) to managing these and other programs through integration with, and enhancement of, Council's existing Integrated Planning and Reporting Framework.

In the same report it was proposed to establish a new Council committee (with membership to comprise the entire council) to provide the requisite Council oversight and review of the SRV works program. Additionally, oversight of specific programs that relate to financial sustainability, asset management and the transport infrastructure backlog, would be provided by the new committee.

ENGAGEMENT:

The Bellingen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellingen Shire takes towards engaging with our community.

The FSPB is an internal Board which consults widely and regularly with relevant staff and stakeholders. The FSPB reports to the SRVIPP Committee (a whole of council committee).

SHIRE OF BELLINGEN 2030 COMMUNITY VISION ALIGNMENT:

This project/initiative aligns with the following strategic directions within the Shire of Bellingen 2030 Community Vision:

CL.Civic Leadership

CL.1 Council is an organisation that embraces business excellence

CL.1.4 Best practice, sustainability principles, accountability and good governance are incorporated in all that we do

OFFICERS RECOMMENDATION:

1. That the SRVIPP note the minutes of the meetings of the Financial Sustainability Program Board of 19 December 2014 and 23 January 2015.
2. That the SRVIPP accept the recommendation from the FSPB that up to \$20,000 of savings from projects already identified through the FSPB, or realised through other initiatives, be allocated to fund resources to conduct a review of council's operational land and property as outlined in the minutes of the FSPB from 23 January 2015 (Report 5. Land and Property Review).

ATTACHMENTS:

- 4.1A Minutes of the FSPB Meeting of 19 December 2014
4.2B Minutes of the FSPB Meeting of 23 January 2015

RESOLVED (Cr Scott/Cr Harrison)

1. That the SRVIPP note the minutes of the meetings of the Financial Sustainability Program Board of 19 December 2014 and 23 January 2015.
2. That the SRVIPP accept the recommendation from the FSPB that up to \$20,000 of savings from projects already identified through the FSPB, or realised through other initiatives, be allocated to fund resources to conduct a review of council's operational land and property as outlined in the minutes of the FSPB from 23 January 2015 (Report 5. Land and Property Review).

For: Cr Klipin, Cr Scott, Cr Harrison and Cr Troy
Against: Cr Manning and Cr Carter

5 TRANSPORT INFRASTRUCTURE SUSTAINABILITY PROGRAM BOARD

5.1 QUARTERLY REPORT TRANSPORT INFRASTRUCTURE SUSTAINABILITY PROGRAM BOARD

File/Index: Program Boards/Transport Infrastructure Sustainability Program Board

Author: Stephen Taylor, Deputy General Manager Operations

Chair – Transport Infrastructure Sustainability Program Board (TISPB)

REPORT SUMMARY:

This report provides an update to the Special Rate Variation Implementation, Planning and Productivity (SRVIPP) Committee from the Transport Infrastructure Sustainability Program Board. Outlined in this report and attachments (including minutes from the TISPB meeting) are items for noting or decision of the SRVIPP. A meeting of the TISPB was held on 22 January 2014.

REPORT DETAIL:

Ten Year Road Capital Works Program 2014/2015

The Road Capital Works Program for 2014/2015 was considered by TISPB. Four additional major flood damage projects were added to program and the timing of a number of projects was amended. This was as a result of proposed projects on Waterfall Way having not progressed as quickly as anticipated. The amended program is included in the minutes from the TISPB meeting.

Progress to date in relation to the Road Capital Works Program

The Ten Year Road Capital Works Program adopted with the Special Rate Variation included as its major project for 2014/15 and 2015/16 the restoration of the Newry Island Bridge. Due to the continued deterioration of the existing structure the refurbishment of the bridge was undertaken and completed in 2014. This has necessitated the reprioritisation of a number of other bridge projects which will result in some projects being carried over into 2015/2016 financial year.

Preparation work for the Shire Road resurfacing program is proceeding with the majority of the widening being completed on a 4 km section of Darkwood Road and surface preparation work being undertaken on Sunny Corner Road. Wet weather during late January has delayed commencement of further preparation work on Kalang Road and North Bank Road. The commencement of work on Mylestom culvert has also been delayed by high water levels in the creek and the adjoining Bellinger River.

The regional road pavement rehabilitation work is proceeding with two sections on Tyringham Road (MR119) being completed and work due to commence on the one section of Coramba Road (MR469).

As a final design for RMS projects on Waterfall Way has not been completed by RMS, Council's construction team will complete some of the 'major' flood damage items and the seal extension on Timboon Road earlier than originally programmed.

Leeds Construction Pty Ltd has commenced the construction of the Dorrig Sewerage Treatment Plant. They have undertaken initial excavation works required and will commence pouring concrete foundations in early February.

BUDGETARY IMPLICATIONS:

Funding for the Ten Year Capital Works Program 2014/2015 was provided in the Long Term Financial Plan. Additional items included in the program are funded from Natural Disaster funding and Roads and Maritime Services Specific Purpose Grants.

SUSTAINABILITY ASSESSMENT:

The Council Report of 19 February 2014 committed Council to implementing improved project, program and portfolio governance and two new programs relating to expenditure of SRV funds and financial sustainability: The Transport (Road and Bridge) Infrastructure Sustainability Program and the Financial Sustainability Program.

Council further committed to adopting a portfolio management approach (via the Executive Team) to managing these and other programs through integration with, and enhancement of, Council's existing Integrated Planning and Reporting Framework.

In the same report it was proposed to establish a new Council committee (with membership to comprise the entire council) to provide the requisite Council oversight and review of the SRV works program. Additionally, oversight of specific programs that relate to financial sustainability, asset management and the transport infrastructure backlog, would be provided by the new committee.

ENGAGEMENT:

The Bellinghen Shire Council Community Engagement Strategy was adopted by Council at its Meeting 22 February 2012. This strategy is designed to outline the approach Bellinghen Shire takes towards engaging with our community.

The TISPB is an internal Board which consults widely and regularly with relevant staff and stakeholders. The TISPB reports to the SRVIPP Committee (a whole of council committee).

SHIRE OF BELLINGEN 2030 COMMUNITY VISION ALIGNMENT:

This project/initiative aligns with the following strategic directions within the Shire of Bellinghen 2030 Community Vision:

PP Places for People

PP.3 We are connected and able to move around in a safe, accessible, affordable, healthy and environmentally friendly way

PP.3.4 We have a system of safe, well-maintained roads including car calming infrastructure.

OFFICERS RECOMMENDATION:

That the SRVIPP note the minutes of the meeting of the Transport Infrastructure Sustainability Program Board held on 22 January 2015.

ATTACHMENTS:

5.1A Minutes of the TISPB Meeting of 22 January 2015

Cr Gordon Manning left the meeting at 3.31pm.

RESOLVED (Cr Klipin/Cr Scott)

That the SRVIPP note the minutes of the meeting of the Transport Infrastructure Sustainability Program Board held on 22 January 2015.

UNANIMOUS noting the absence of Cr Manning.

6 MATTERS OF AN URGENT NATURE

There are no matters of an urgent nature.

7 QUESTIONS WITH NOTICE

There were no Questions with Notice received for this Agenda.

8 DATE OF NEXT MEETING

9 REPORT ATTACHMENTS

4.1A MINUTES OF THE FSPB MEETING OF 19 DECEMBER 2014.....	9
4.2B MINUTES OF THE FSPB MEETING OF 23 JANUARY 2015.....	9
5.1A MINUTES OF THE TISPB MEETING OF 22 JANUARY 2015.....	11

Meeting closed: 3.35pm

Sign:

Cr Mark Troy, MAYOR OAM
CHAIRPERSON

Attachment 5 - Asset Management Policy and Strategy (currently under review)

Bellingen Shire Council Asset Management Policy and Strategy

June 2012



Bellingen Shire
COUNCIL



Asset Management Policy

1. Purpose

The purpose of the Asset Management Policy is to set guidelines for the implementation of consistent Asset Management processes for Bellingen Shire Council.

2. Scope

This policy applies to all Council, Councillors, General Manager, Staff, Committees of Management and the Community involved in the operations, maintenance, refurbishment, renewal, upgrading and development of Council's existing and new assets.

Council staff have a corporate responsibility to provide technical and professional advice to Councillors so that they may make the best decisions on behalf of the people they represent in the Bellingen Shire community.

The policy applies to all of Council's assets and it defines the principles underpinning Council's responsible management of assets.

3. Principles

In applying the principles of the asset management policy, Council aims to achieve the following:

- Council assets must be purchased/leased, recorded, tracked, safeguarded and disposed of in a responsible and accountable manner.
- An Asset Management Strategy must be consistently applied for the systematic management of assets in all Departments of Council.
- Inspection regimes will be employed to ensure agreed service levels are maintained and to identify asset renewal priorities.
- Systematic and cyclic renewal reviews will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- Future life cycle costs of major assets will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- Asset renewal will be funded through Council's annual budgetary process.
- Asset management plans will be fully integrated within the existing Integrated Planning and Reporting Framework of Council.
- All assets will have their value recorded properly and their depreciation, impairment and write-off costs all reported accurately in the Council's financial statements and management reports

4. Definitions

Asset – A physical resource, owned (or leased) by Council which has value, enables services to be provided and has an economic life of greater than 12 months. Assets include plant, machinery, property, buildings, vehicles, software applications and other items that have distinct value.

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

Asset Management Strategy – A strategy for asset management covering the development and implementation of plans and programs for asset creation/purchase, operation, maintenance, rehabilitation/replacement, disposal and performance monitoring to ensure the desired levels of service and other operational objectives are achieved at optimum cost.

Asset Management Plan – A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most sustainable manner to provide a specified level of service.

Depreciation – The systematic allocation of the depreciable amount of an asset over its useful life to the income statement.

Lease – A lease transfers the risks and rewards of ownership of an asset to the lessee. It allows for the use of an asset over a major part of its economic lifetime without the capital outlay for the purchase of an asset.

Lifecycle – The phases of an asset's life, beginning with identifying the need for an asset and ending with disposal through decommissioning, retirement or sale of the asset. An assets lifecycle includes creation/acquisition, operation, maintenance and renewal/disposal.

Residual Value - The residual value of an asset is the estimated amount that the sale of that asset would realise after deducting the costs associated with disposal.

Standards of Service - Standards that are established in relation to the provision of works services and asset maintenance.

5. Policy Statement

Bellingen Shire Council is committed to the responsible management of Council's Assets. We will be guided in the responsible acquisition, use and disposal of assets by the principles outlined in this policy to make the most of their service delivery potential and manage the related risks and costs over the full life of all assets.

Council's role in managing the assets on behalf of the community is to provide responsible and accountable stewardship over all classes of assets. In order to achieve this, Bellingen Shire Council is committed to:

Defining standards of service in terms of community expectations and technical requirements in line with costs/available funding.

Implementing a systematic approach to the management of its assets and ensuring that appropriate asset management practices are applied across all areas of the organisation.

Applying a team approach using multi-discipline, cross-functional asset management practices.

Planning, creating, operating, maintaining, renewing and disposing of assets in a manner that ensures cost effective service delivery.

Developing and regularly reviewing an Asset Management Strategy and Asset Management Plans which will detail the approach taken in managing assets and which facilitate the continuous improvement of asset management practices.

Implementing a lifecycle approach to asset management whereby the costs and benefits of assets are considered over the assets' life.

Providing the necessary resources and operational capabilities to adequately manage assets and to comply with legislative requirements.

Undertaking long term planning for assets which takes into consideration the benefits and costs to present and future generations and their ability to pay.

Ensuring that asset management decisions will take into consideration the impact on the environment. Where possible, the outcomes of decisions are to have a minimal impact on the environment.

Integrating Asset Management planning with Council's Community Strategic Plan and Long Term Financial Plan.

6. Roles and Responsibilities

Asset management is a corporate responsibility of Council and an essential part of doing business for the whole Council.

Council

- To approve Council's Asset Management Policy, Strategy and Plans
- To ensure appropriate allocation of Asset Management resources
- To evaluate Asset Management improvement plans

General Manager

- To implement the Council Asset Management Policy, Strategy and Plans
- To establish and oversee Council's Asset Management Team and monitor the performance of staff in implementing asset management
- To ensure the community and key stakeholders inputs are integrated into Asset Management Plans
- To monitor, evaluate and report to Council on Asset Management improvement plans
- To include Asset Management in relevant position descriptions and performance plans
- To ensure that accurate and reliable information is presented to Council for decision-making
- To provide effective communication between staff, Council and the community in relation to the management of Council assets

Director of Engineering and Operations

- To develop and establish corporate policy, objectives and guidelines with regard to asset management practices and procedures
- To ensure the long term effectiveness of the asset management programs likely to be generated and their ownership by the organisation
- To raise awareness throughout the organisation as to the many benefits of adopting a formal approach to asset management.
- To ensure that Council's Asset Management Program is developed and implemented in a logical and structured manner
- To seek and use outside asset management consultants on activities where necessary
- To review existing practices, procedures and systems
- To integrate Asset Management Policies, Strategies and Plans into the corporate governance framework
- To oversee the progress of individual asset management activities including data capture and preparation of Asset Management Plans.
- To develop Capital Investment Evaluation Policy and Procedures

Asset Managers

- To assist in the development of Asset Management Policy, Strategy and Plans
- To monitor compliance with delegated responsibilities and the Asset Management Strategy as a whole
- To ensure that legal and statutory obligations are met
- To develop Asset Management Plans for individual asset groups using the principle of lifecycle management and analysis
- To implement improvement plans for individual asset groups
- To implement operational plans (such as maintenance programs and capital works programs) in accordance with Asset Management Plans
- To deliver levels of service to agreed risk, cost and sustainability standards

7. Related Procedures

Reporting on the management of all asset classes will occur in accordance with the reporting framework set out in NSW Local Government Amendment (Planning and Reporting) Act 2009. This requires Council to account and plan for all existing assets under its ownership, and any new asset solutions proposed in its Community Strategic Plan and Delivery Program.

The Asset Management Plans produced by Council must be for a minimum timeframe of 10 years.

8. Legal Parameters

- Local Government Act 1993 No 30
- Local Government (General) Regulation 2005
- IPWEA International Infrastructure Management Manual 2006
- Local Government Code of Accounting Practice and Financial Reporting 2009
- Australian Accounting Standards

9. Associated Documents

Bellingen Shire 2030 Community Strategic Plan
Bellingen Shire Delivery Program and Operational Plan 2012 – 2017
Bellingen Shire Asset Management Strategy
Bellingen Shire Buildings Asset Management Plan
Bellingen Shire Open Spaces Asset Management Plan
Bellingen Shire Sewerage Asset Management Plan
Bellingen Shire Water Asset Management Plan
Bellingen Shire Council Sustainability Policy

Asset Management Strategy

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1. Introduction

Bellingham Shire is responsible for an extensive range of infrastructure assets. It is faced with the ongoing dilemma of which resources and funds need to be provided to ensure these assets continue to provide the required services to its community in the most cost effective manner for the present and future.

There are a number of factors that require Council to critically assess the way in which it manages these assets. These include:

- Limitations in Council's ability to raise funds;
- Increased pressure from the community for improved service delivery at less cost;
- Changes in legislation requiring the identification and depreciation of infrastructure assets.

2. Purpose

To define and classify the assets and to describe the recording, tracking, purchase and disposal methods to be employed.

To provide a framework that ensures assets operate or perform reliably, meet availability requirements, provide adequate capacity into the future, and ensure that long-term asset costs will be prudent and economic.

The purpose of this Strategy is:

- To develop a set of actions aimed at improved asset management practices by the "whole" organisation through:
 - Improved stewardship and accountability for assets;
 - Improved communication and relationships with service users;
 - Improved risk management;
 - Ensuring more effective utilisation of assets; and
 - Improved financial effectiveness.
- To ensure that asset management practices are applied consistently across the organisation and supported by a continuous improvement action plan so that Council may more effectively manage community assets now and into the future.
- To enable Council to more effectively plan and fund its works programs.
- To enable Council to competently deliver services to the community.
- To enable Council to maintain its assets to an acceptable standard, which will fulfil the goal of Council's Mission Statement.
- To be a living document that will be reviewed periodically.

It is not necessarily a matter of spending more money; it is rather recognition that a "rational and realistic" strategic focus is required to achieve maximum value for the funds spent. These service levels based on costs are defined through Council's Asset Management Strategy and Plans.

Having a corporate focus on asset management will ensure that the benefit-cost analysis of asset proposals is critically examined taking into account the overall needs of Council and its community.

3. Asset Management

3.1 Purpose of Asset Management

Asset management is a continuous process, covering the full life of the asset. It is seen as a practical and financially responsible means of managing assets through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets to provide for present and future community needs.

The key elements of successful infrastructure asset management are:

- Ensuring appropriate use and maintenance;
- Making the most out of the assets (service potential optimised);
- Applying full life cycle costing where it is cost effective;
- Pursuing reduction or optimisation and integration of those assets not achieving the most productive outcome;
- Defining clear responsibilities for asset, accountability and reporting; and
- Recognising that infrastructure assets must support Council in the delivery of services to its community.

3.2 Role of Local Government

In accordance with the NSW Local Government Act 1993 (the Act) Council has a wide range of objectives and functions with regard to the provision and management of infrastructure. The Act provides the legal framework to assist Councils in providing an efficient and effective infrastructure system.

The provision of infrastructure is considered one of the most important roles of Council as it strives to provide a safe and functional environment for its community. Ensuring that this important infrastructure is managed in the most effective and efficient manner and continues to meet the needs of our community, in both the short and long term, is a key issue for Council.

3.3 Asset Management Policy

Council has developed an Asset Management Policy, which includes the following key principles it aims to achieve when making any decisions impacting on infrastructure assets:

- Council assets must be purchased/leased, recorded, tracked, safeguarded and disposed of in a responsible and accountable manner.
- An Asset Management Strategy must be consistently applied for the systematic management of assets in all Departments of Council.
- Inspection regimes will be employed to ensure agreed service levels are maintained and to identify asset renewal priorities.
- Systematic and cyclic renewal reviews will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- Future life cycle costs of major assets will be reported and considered in all decisions relating to

new services and assets and upgrading of existing services and assets.

- Asset renewal will be funded through Council's annual budgetary process.
- Asset management plans will be fully integrated within the existing Integrated Planning and Reporting Framework of Council.
- All assets will have their value recorded properly and their depreciation, impairment and write-off costs all reported accurately in the Council's financial statements and management reports

3.4 Asset Management Plans

Council has developed Asset Management Plans for each class of asset under its control.

In general, these Asset Management Plans will:

- Describe the asset (physical, financial)
- Describe the objective/purpose of the asset (or each key component of it)
- Define the service levels
- Describe the risks associated with assets
- State assumptions and confidence levels
- Identify key performance measures
- Have the firm commitment of the organisation
- Be reviewed regularly

Asset Management Plans are dynamic documents and therefore must be updated periodically to be effective as a management tool and reference document. The plans should reflect changes in objectives/policies, customer expectations, improvements in asset management systems or data in general.

The level of detail within each plan will depend on the complexity and size of the asset portfolios under consideration. It is important that all asset management plans match the complexity required and are practical, readily understood useable documents.

4. Strategic Context

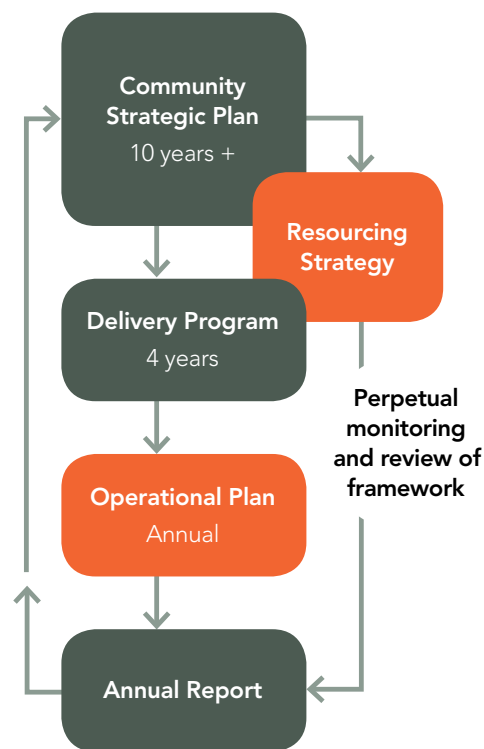
Across Australia over recent years there have been a number of reports analysing the performance of Local Government in terms of asset management. While these reports have noted that progress was being made, there is clear evidence that sustainable asset management is a significant challenge for many Councils.

The New South Wales Division of Local Government introduced the Integrated Planning and Reporting Framework process which provides councils with a 'whole of organisation' perspective and a framework to work with in improving their asset management capabilities.

Bellingen Shire has embraced the Integrated Planning and Reporting Framework process in order to be better prepared in asset management for the future.

The following figure shows how asset management is an integral part of the Integrated Planning and Reporting process.

Figure 1:
Integrated Planning
and Reporting Process



5. Link with Councils Key Principles

Council's Asset Management Policy, Strategy and Plans accords with Council's key principles as documented in the Community Strategic Plan.

Respect and understanding of our community's needs

Respect is fundamental to all that we do every day. Respect for the rights of others, the lifestyle we choose, our beliefs, the safety of our staff and our community, and the value that each brings to our community.

Fairness and equity

The need to treat others with fairness and equity is a guiding principle for all our actions and activities. This includes equity in opportunity, the right to learn and share in community life, the right to be included and to be heard. We will also strive for equity in the use of our community resources for individuals and groups now and for generations to come.

Stewardship

Stewardship recognises that we do not own the things entrusted to our care, that we hold them in trust for our community to use, enjoy, and benefit from, now and into the future.

Responsible decision-making

Good governance involves accepting responsibility for the decisions we make and considering their impact on others. Embedded within this plan is our commitment to being fair, ethical and transparent in decision-making and to engaging actively with those who will be affected by these decisions.

Active engagement

The key directions and objectives of our plan have been developed with and on behalf of our community. They are ambitious and cannot be delivered in isolation, and nor are they intended to be. To achieve our aspirations for the future, many individuals, groups, and agencies will need to work together in a spirit of cooperation and support.

We want to consolidate and strengthen existing relationships and build new relationships.

In making our plan we are committing to partnerships within and beyond our community that are open, honest, and respectful, and that focus on the greater good.

Pride in our innovative creative and sustainable community

Our plan gives us the opportunity to focus strongly on our achievements as a community, recognise our capabilities, and to work towards our aspirations and goals. We have the opportunity to shape the future direction for our community by our own actions and approach. Our pride in our community is an expression of our commitment to our place, our people, and our beliefs.

The objective of Council's Asset Management Policy is to:

Manage Council's assets in a way that achieves Council's vision, is based on Council's resources and meets infrastructure needs of the community.

In order to achieve this, we will:

- Strive to deliver sustainable development and infrastructure to meet the current and long term needs of the community
- Design and deliver capital works and maintenance programs based on sustainable asset management plans
- Review service levels on a regular basis with a view to maintaining financial sustainability

6. Status of Asset Management Practices

As part of the Integrated Asset Management Framework, information on asset inventory, renewal costs, renewal expenditure, asset life and intervention criteria have been documented. This enables further analysis to determine the current and future infrastructure funding gap levels.

The identification and quantification of these deficiencies, will allow Council to predict what funding is required for the long term maintenance of assets. This strategy will be an important part of future budget planning.

Historically the gap between sustainable asset replacement and the demand of the asset has been determined on broad principles utilising predicted asset lives. Funding allocation does not necessarily match the demand for asset replacement; however with the intended utilisation of Council's proposed total asset management system the subsequent output data will better reflect the renewal needs of important infrastructure assets.

6.1 Cyclic Asset Review

All of Council's assets are inspected on a cyclical basis; the individual Asset Management Plans outline the inspection regimes for all assets.

6.2 Data Collection

Council collects and maintains data for the following assets:

- Roads and Associated Infrastructure
- Water and Sewerage Infrastructure
- Buildings
- Plant and Fleet
- Open Space

Council is currently planning to transfer its assets to an IT asset management platform. We believe this will assist in:

- Improving the integrity of data
- Managing data in a meaningful way
- Making informed decisions
- Efficiently determining the Capital Works Program

Our aim is to provide Council with a fully integrated total asset management system to support our asset management practices.

6.3 Risk Management

The Council has a Risk Management Strategy which identifies risk management as an integral element of its corporate responsibilities and operations. The Risk Management Plan, developed to support the strategy, aims to:

- Establish the context of risk management
- Identify and prioritise all areas of risk
- Analyse the risk and assess the benefits and costs of available options and controls to mitigate or prevent risk
- Evaluate risk as appropriate
- Treat and control risks that have been identified as unacceptable
- Monitor and review risk controls to ensure effective reduction of risk levels

Both the Risk Management Strategy and Risk Management Plan are integrated into our asset management practices.

Failure to manage risk correctly could lead to death or injury, financial loss and organisational and operational disruption. Our risk management process involves evaluating and monitoring risk in the strategic planning, project management, outsourced services and organisational functions. This ensures risks associated with these functions are controlled and acceptable.

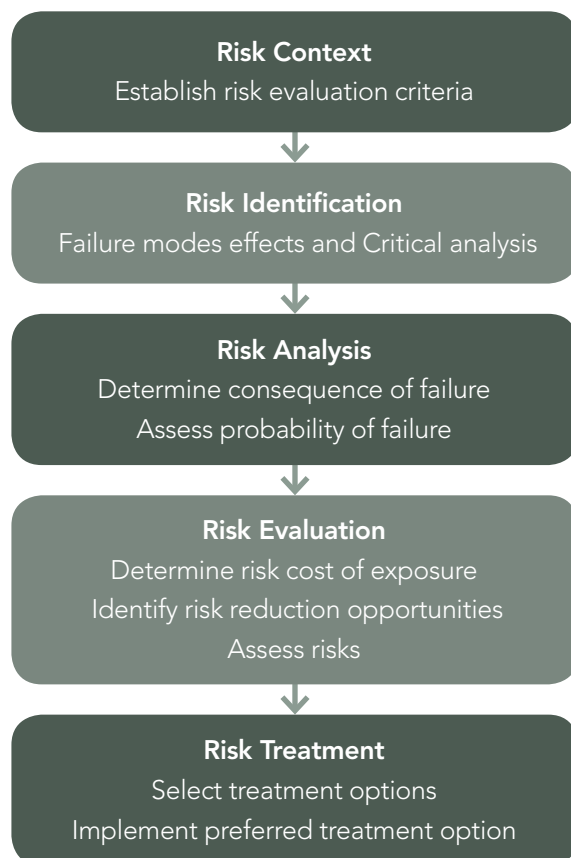
A risk management strategy and plan enable Council to manage risk in a controlled and coordinated manner. It provides the basis for a legal defence in the event of mishap and minimise the probability of a catastrophic infrastructure failure.

Using a risk management framework, Council is committed to ensuring the interests of the community, its employees and contractors are protected by minimising loss arising from Councils activities and services. The recognised objectives of risk management are to:

- Outline the process by which an organisation will manage risk associate with its assets, so that all risks can be identified and evaluated in a consistent manner,
- Identify operational and organisational risks at a broad level,
- Allocate responsibility for managing risks to specific staff to improve accountability;
- Prioritise the risks to identify the highest risks that should be addressed in the short to medium term.

Australian Standard 4360:2004 as illustrated below is the framework Council employs to achieve the objectives of risk management.

Figure 2



Risk Context

The Shire of Bellingen is currently developing an organisational wide approach to risk management. The proposed risk management framework consists of a risk management policy, a risk management strategy supported by a risk register.

This framework is designed to ensure that:

- All significant operational and organisational risks are understood and identified. The highest risks are identified and addressed.
- Risk reduction treatments are implemented which best meet business needs.
- Responsibilities for implementing, evaluating and managing risks are allocated to specific staff and reporting regimes adopted.

Risk Identification

As part of its operational procedures, Council undertakes a review of potential risks. The risks identified will be assessed to determine their potential impacts. The current and required controls will be documented in the Corporate Risk Register. Risks relating to assets will be identified from a number of sources such as:

- Routine inspections by Council officers
- Industry information and trends
- Reports from the community
- Information obtained from incident reports

Risk Assessment

The key risk management criteria relating to Councils assets include

- Public safety
- Service provision
- Environmental and legal compliance
- Image reputation, political and public relations
- Financial risk
- Property damage through flooding or fire damage

Risk Analysis and Evaluation

Risk analysis and evaluation follow the principles set out by AS 4360 on Risk Management. The analysis considers both the likelihood and consequence of events and other risks. The adopted consequence scale (see Table 1 below) defines the risk categories and provides descriptions of the different consequences that could result. The officer undertaking a risk assessment would select the most relevant severity of the consequence. The next step is to consider the likelihood of the risk occurring. Using the Likelihood Scale (Table 0 below) the officer identifies the likelihood of the risk occurring (if it is one that has not already occurred) and assigns the likelihood from one of the five possible categories.

Table 1: Consequence Levels

Level	Description	Financial Impact	Health	Reputation	Operation	Environment
1	Insignificant	Less than \$1,000	No injuries	Unsubstantiated, low impact, low profile, minor complaint	Little impact – objectives still achieved with minimum extra cost or inconvenience	Little impact
2	Low	\$1,000 to \$10,000	First aid treatment	Heightened concern by community, several complaints	Inconvenient delays - partial achievement of objectives with some compensating action taken	Minor damage or contamination
3	Medium	\$10,000 to \$50,000	Medical treatment	Unsubstantiated, local news profile	Significant delays to major deliverables – additional costs required and or time delays to achieve objectives. Adverse impacts on KPI's and targets	Environmental damage requiring restitution or internal cleanup
4	High	\$50,000 to \$150,000	Death or extensive injuries	Substantiated, coverage in local or state media, third party action	Unable to achieve corporate objectives or statutory obligations resulting in significant visible impact on service provision such as closure of facilities	Minor Breach of legislation / significant contamination or damage requiring third party assistance
5	Extreme	More than \$150,000	Multiple deaths or severe permanent disablements	Substantiated, high multiple impacts, high state or national news profile, third party action	Organisation unable to function	Major breach of legislation or extensive contamination and environmental damage requiring third party intervention

Table 2: Likelihood Scale

Level	Description	Financial Impact	Health
A	Almost Certain	Expected to occur in most circumstances	More than once per year
B	Likely	Will probably occur in most circumstances	At least once per year
C	Possible	Should occur at some time	At least once in three years.
D	Unlikely	Could occur at some time	At least once in ten years
E	Rare	May occur, only in exceptional circumstances	Less than once in fifteen years.

Table 3: Risk Matrix

		Consequence				
		Insignificant	Low	Medium	High	Extreme
Likelihood	Almost Certain	M	H	H	E	E
	Likely	M	M	H	H	E
	Possible	L	M	M	H	H
	Unlikely	L	L	M	M	H
	Rare	L	L	M	M	H

The following risks have been identified in relation to Council's assets:

Table 4: Risks related to Council's Assets

Risk Details	Risk Assessment			Treatment Strategy	Values after treatment		
	Likelihood	Consequence	Risk Rating		Likelihood	Consequence	Risk Rating
Inadequate funding for renewal and maintenance resulting in deterioration of structures and decrease in levels of service.	Possible	High	High	Ensure priority given through budget process. Develop 10 year renewal and maintenance plans for parks assets.	Unlikely	Medium	Medium
Inappropriate technical practices employed for maintenance and renewal resulting in an increased rate of deterioration of asset.	Possible	High	High	Document best practice technical standards and monitoring procedure to ensure these standards are maintained and used through employee change.	Unlikely	Medium	Medium
Inadequate values and/or incomplete list of assets used for insurance purposes.	Possible	High	High	Include annual consultation with Technical Services directorate within insurance renewal procedures	Unlikely	High	Medium
Inappropriate renewal and maintenance methods expose work personnel to unacceptable risks.	Possible	High	High	Compliance with requirements of OSH legislation. Adoption and documentation of safe systems of work. Staff training.	Unlikely	Medium	Medium
Buildings, reserves, roads infrastructure or equipment contain hazards that may injure employees or community members.	Possible	High	High	Formalise and document inspection frequency and findings. Formalise elevation flowchart for risks to ensure high and extreme risks are brought to the attention of senior management.	Unlikely	Medium	Medium

7. Council's Planning Framework

The Annual Budget is developed within an overall planning framework, which guides the Council in identifying community needs and aspirations over the long term (Community Strategic Plan and Long Term Financial Plan) and converting these into medium term (Delivery Program) and short term (Operational Plan, Annual Budgets and Schedules) goals and objectives (Refer Figure 1 page 7).

The Delivery Program identifies the strategic objectives of Council as well as identifying any strategies to achieve the objectives for at least the next four years. Asset management priorities that lie within the four year term of the Delivery Program are identified in therein.

The Long Term Financial Plan will summarise the financial impacts of the goals and objectives and determine the sustainability of these plans.

This Strategy will enhance financial planning by providing the opportunity for improved management practices and asset condition information together with improved determination of infrastructure lives. These factors impact on Council's annual asset depreciation and can significantly affect the required level of funding for asset replacement.

Underpinning the above, Council is currently undertaking a full service level review with a view to determining financial and other resource requirements. Outcomes of the service level review will determine the level of sustainability of the current services and future service levels.

Table 5: Improvement and Action Plan

Priority Scale:

P1=Short term, high priority actions 2yr timeframe

P2=Medium term priority actions 3 - 4yr timeframe

P3=Long term priority actions 4yrs +

Item	Actions	Success Measures	Responsible Officer	Target
1.	Corporate Review			
1.1	AM Strategy to be adopted with clear actions and timeframes	Adoption of AM Strategy	DEO/FM	P1 July 2012
1.2	Annually review and update AM Strategy actions	Strategy reviewed and adopted	Steering Committee	P1 July Annually
1.3	In accordance with the asset function matrix, developed an asset skills matrix to highlight gaps and provide appropriate training	Matrix completed	Steering Committee	P2 June 2014
1.4	Review & update AM Plan for Road & Bridge Infrastructure	Adoption	RAM	P3 5 year cycle
1.5	Review & update AM Plan for Buildings	Adoption	MBS	P1 Annually
1.6	Review & Update AM Plan for Parks & Gardens	Adoption	MBS	P1 Annually
1.7	Review & update AM Plan for Water & Sewerage	Adoption	MWS	P1 Annually

Item	Actions	Success Measures	Responsible Officer	Target
1.8	Develop a Capital Works evaluation process that considers risk and criteria agreed to by Council	Document Process	Steering Committee WHS Officer	P1 July 2013
1.9	Review, refine and prioritise 10 year capital expenditure program in line with AMP requirements for all classes of assets	Revised 10 year capital expenditure program adopted by Council	FM/RAM/MBS/MWS	P1 June 2013
2.	Level of Service			
2.1	Formal handover process to be developed that includes inspection by maintenance (Roads/Open Spaces/Buildings) prior to formal acceptance of project (before practical completion)	Process Documented	WE/RAM/MBS/MWS	P1 December 2012
2.2	Develop Asset hierarchy for buildings	Hierarchy agreed to by Steering Group	MBS	P1 December 2012
2.3	Develop Asset hierarchy for recreational assets	Hierarchy agreed to by Steering Group	MBS	P1 December 2012
3.	Demand Forecasting			
3.1	Develop sustainable and effective management strategies for the long term including demand analysis covering changes in legislation and demographics	Strategies adopted by EMT	RAM / MBS / MWS	P1 February 2013
4.	Lifecycle Planning			
4.1	Develop a template that covers 'whole of life' costs	Template presented to Steering Group	Steering Group	P1 June 2013
5.	Risk Management			
5.1	Develop a process to ensure that data from condition surveys include executive reports on service potential impacts and sustainability. These reports to be presented by the Steering Committee to the General Manager for consideration.	Adopted by EMT	RAM / MBS / MWS	P2 March 2014
6.	Financial Management			
6.1	Asset Management Plans updated annually to include the most up-to-date data available and other relevant cost variations	Plans completed and submitted to EMT	DEO / DCS	P1 Annually
6.2	Arrange valuations to be reviewed for all classes of assets	Revaluations reviewed and information submitted to Finance for Audit	RAM / FM	P3 Every 5 years
7.	System			
7.1	Establish a cross functional team with the following goals: 1. Identify key business processes and requirements and develop specification for an appropriate AM system 2. Transfer AM data into Civic View 3. Develop an implementation plan for an AM system 4. Coordinate implementation based on key milestones and budget requirements	1. Adopted by EMT 2. Adopted by EMT 3. Implementation complies with agreed process	DCS / DEO	P1 July 2013



Bellingen Shire Council Road Asset Management Plan

June 2012

Bellingen Shire
COUNCIL



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1.0 Executive Summary

Bellingen Shire Council is a small rural council of approximately 1,600 square kilometres on the mid north coast of New South Wales. The council has a small population of approximately 12,000 people and a relatively low rate base due to large areas of State Forest and National Parks.

The local road network is the main system which links the community by providing access between properties and main road systems. This network includes extensive lengths of rural roads extending as the only access route up narrow valleys. That is, there are many roads which don't provide a through traffic route to link with other roads and consequently access is vulnerable as large numbers of people can be isolated if the road is cut for any reason such as a damaged bridge or a landslip.

Other challenges associated with managing the road network include high rainfall, steep landforms and fast vegetation growth.

The aim of the provision of transport infrastructure is to provide safe, serviceable and convenient access throughout the Shire.

The transport network that Council is responsible for includes:

- Regional Roads (34km)
- Local Roads (531km)
- Bridges and large culverts (137)
- Footpaths (22km)
- Off street car parks (5)
- Roadside furniture
- Drainage systems (38km)

These infrastructure assets have a replacement value in the order of \$455 million. A broad based assessment of Council's finances indicates that present funding levels are likely to be insufficient to continue to provide existing services at current levels in the medium term.

This raises the issue of how Council manages the potentially higher risks that may result from the provision of lower levels of service.

In this regard Council has defined intervention levels in a policy document, the BSC Road Inspection System. The level of compliance of Council's operations and maintenance to the intervention levels specified in the policy is monitored. In the short term, budget variations may be required to meet these standards. However, if funding cannot be maintained at the required level over the medium term, then it will be necessary for Council to revise the intervention levels to a level commensurate with the funds that can be allocated. That is, if funding levels are insufficient to meet the currently specified intervention levels, then a lower level of service will be provided.

The risks associated with this lower level of service can then be assessed and decisions made with regard to Council's overall financial management framework.

Funding for renewals, upgrades and capital expansion are managed using Council's project priority assessment system. It is anticipated that to achieve good asset management practices, asset renewals will require a greater emphasis in preference to upgrades and capital expansion as a result of this asset management plan. One obvious and immediate concern that needs to be addressed is the need to allocate increased funding for renewal of bitumen sealed surfaces on existing roads.

2.0 Introduction

This Road Asset Management Plan (RAMP) has been prepared to formalise the process of providing the framework to guide the financial and physical requirements for the long term operational performance of Council's transport infrastructure assets.

The RAMP encompasses previous plans and strategies developed by Council. This version of the RAMP will deal with the following elements of the transport infrastructure network in detail:

- public road network: road formation, road pavement, road wearing surface
- bridges and large culverts
- footpaths and cycleways
- car parks (off street)
- ancillary road facilities: roadside furniture (signage, linemarking, safety fencing) traffic facilities (round-a-bouts, medians, thresholds), retaining walls, bicycle racks, bus shelters, seats.
- road drainage systems: table drains, small culverts, kerb and gutter, subsoil drainage, relief drainage pits pipes and headwalls and trunk drainage systems including pipes and formed open channels providing drainage from the road network to the receiving waters.

The RAMP aims to provide succinct information for the general community to understand Council's objectives for the provision of a network of appropriate and sustainable transport infrastructure throughout the Shire.

The plan is referred to as the RAMP because Council's primary involvement with the management of transport in Bellingen Shire is related to the public road network. However it is important to appreciate the connection this system has with the wider transport infrastructure.

The RAMP will be regularly reviewed and updated to improve the quality and accuracy of the information as it relates to Council's transport infrastructure.

3.0 Strategic and Corporate Planning

Bellingen Shire Council's Mission Statement is:

"to enhance our community's lifestyle and protect our unique environment through effective leadership, community involvement and commitment to service".

Council has developed a Management Plan for a five year horizon and aims to achieve this Mission through the following objectives:

- Protect, preserve and enhance the unique environment of Bellingen Shire,
- Promote environmentally sensitive economic and industrial development,
- Develop, improve and maintain a safe and efficient transportation network throughout the Shire,
- Promote the development of tourism and tourist facilities without degrading the natural environment,
- Enhance the quality of life through the provision of a safe and healthy living, working and recreational environment.

Council has adopted an Asset Management Policy which recognises the responsibility for an extensive range of community infrastructure assets. The task of allocating Council's available resources, to ensure that these assets provide the required service for the community, is ongoing and is subject to regular review. There is a constant need to balance the available resources to optimise the outcomes and use of these assets. An Asset Management Strategy has been developed to guide this process.

Council is responsible for the public roads within the Shire of Bellingen. These roads provide the basic transportation link between properties, businesses, community facilities and other transport infrastructure particularly highways and railways and ultimately airports and seaports. This RAMP has been developed to meet the principles and requirements defined in the Asset Management Policy and Strategy.

3.1 Operational Framework

There are a number of operational strategies, committees, policies and plans which form a part of the overall asset management framework for public transport infrastructure assets as briefly outlined below:

- Council has a Local Traffic Committee which is involved with the regulatory framework for road transport assets.
- Council has a number of policies which influence road asset management. The main policies are the BSC Road Inspection Policy, the Footpath Inspection Policy and the Policy for the Erection of Fingerboard Directional Signage for Tourist Oriented Businesses within Bellingen Shire.
- Council is a member of the Mid North Weight of Loads Group. The aim of this group is to educate the trucking industry on the appropriate use of the road network for transporting freight. The group also has a regulatory role to enforce legal loading of vehicles. This is an important component of Council's road management system and is essential to ensure the road pavements are being used appropriately to enable the road to perform its proposed function and meet the expected design life.
- Council adopted a Roadside Management Plan in 1998 which provides a long term plan of management for activities impacting on the roadside environment.
- Council adopted a Bicycle Plan and Pedestrian Accessibility and Mobility Plan (PAMP) in October 2006. This PAMP aims to rationalise and provide a strategic program for the improvement of the footpath and cycleway network within the three urban centers of the Shire.
- The Northern Rivers Catchment Management Authority (NRMCA) has also developed a draft LGA Rural Roads and Roadsides Land Management Strategic Plan to facilitate a standard and consistent approach to rural road and roadside management in order to achieve environmental, social and economic outcomes.
- Forests NSW and Council have developed a haulage strategy aimed at minimising the use of public roads for logging transportation. This is achieved by rationalisation of internal forest roads within plantation areas and development of minimum length of public roads gazetted for B Double use.

3.2 Funding Sources

Council primarily funds its activities from property rates and federal and state government grants. Details are provided in the annual management plan and budget. Road maintenance and improvements are currently funded from general rates, federal financial assistance grant, various grants from Roads and Maritime Services (RMS) (including the Regional Road Block Grant, the Regional Road Supplementary Grant, the Traffic Facilities Grant, the Repair Program Grant), the Special Rate Levy, developer contributions and other grants such as the Roads To Recovery Program.

Some funding is available under the Section 94 Road Contribution Plan for developer contributions associated with new developments. This plan needs periodic revision to cater for changes in the rate of development and was last reviewed on 1 July 2009. The Section 94 Road Contribution Plan is referred to in relation to increased demand for transport assets and can be used in a limited way to supplement infrastructure improvements as required.

Some funds are available under Rural Fire Service fire mitigation grants for fire trails on public road reserves which are not provided for private property access, although some properties do gain access via these trails. Grants are made available from time to time for maintenance and repairs to these fire trails through the Fire Mitigation Fund.

4.0 Asset Management Systems

Council's assets have been managed using a number of separate systems in each division and section. One future objective of Council will be to integrate these separate systems into an overall corporate system. This RAMP provides details of the various systems used for transportation assets.

4.1 Asset Records

Council has maintained a number of Asset Registers for various assets.

Roads were originally recorded in loose leaf paper form based on information collected in the field. The information recorded included a road name and number, status, length, description of the starting point and finishing point of the road, sealed and unsealed lengths and the chainage and size of culverts.

Council then recorded the road assets on the SMEC pavement management system in the mid 1990s. The field information was collected by a casual employee (Greg Nelson) and input into the SMEC pavement management system with the original field sheets maintained in a folder. The SMEC pavement management system needed a major upgrade before the year 2000 as problems with the compliance of the system with "Y2K" changes were expected. The road asset system was then transferred to an Excel spreadsheet which has subsequently been converted into an MS Access Database system and this system is still currently in use.

Bridge assets were originally recorded on a spreadsheet. This information has been transferred into an Access Database to enable bridge information to be managed in a more effective manner. The basic information records the bridge name, number, road, location, and details of the bridge structure such as materials, spans, lengths and widths.

Council has an Access database which records the footpath and cycleway network in the Shire. This database records the footpath location, length, width and materials.

Car park assets are recorded in an Excel spreadsheet. The basic information records the car park location, the pavement area, the length of kerb and gutter and basic details of ancillary facilities such as signage and linemarking.

Drainage system assets are recorded in an Access Database. This database records the details of drainage structures such as location, pit type, size, conduit inlet or outlet depths and details of drainage conduits, such as size, materials and length.

4.2 Valuation of Assets

Road infrastructure assets have been valued utilising the methodology and approach of Australian Accounting Standards for Financial Reporting purposes. This approach includes:

- Valuations are based on data quantified in Council's most up to date Asset Registers.
- Current replacement values have been determined based on sound engineering estimates using current market rates for labour, plant hire, materials and contract services. Where an asset is constructed of materials which are currently not in common usage, the estimates are based on construction with current material technology which will provide an equivalent service in terms of capacity to the user.
- Asset life is determined based on the characteristics of the asset and particularly the type of construction materials used.
- Written Down Cost is determined based on the difference between the economic life of the type of asset class and the actual age of the asset when this is accurately known. If the age of the asset is not known with any degree of reliability the Written Down Cost is based on the current condition assessment of the asset and a corresponding estimated percentage of remaining useful life.
- Where the useful life of the asset is extended or reduced, the resultant impact will be on future depreciation rates and charges and will not be retrospective in accordance with appropriate accounting standards.

4.3 Asset Values

The adopted economic life of transport infrastructure asset components is summarized as follows:

Regional Roads:

Road formation	geological time (no depreciation)
Road pavement (sealed)	60 years
Road wearing surface (sealed)	
Bitumen seal	15 years
Asphalt surface	15 years

Local Roads (low traffic volume):

Road formation	geological time (no depreciation)
Road pavement (sealed)	75 years
Road pavement (unsealed)	25 years
Road wearing surface (sealed)	
Bitumen seal	20 years
Asphalt surface	15 years

Bridges and large culverts:

Concrete	75 years
Steel	60 years
Timber piles	75 years
Timber Girders	40 years
Timber deck	20 years

Footpaths:

Concrete	100 years
Pavers	50 years
Asphalt	30 years

Drainage Systems:

Concrete	100 years
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Roadside Furniture:

Signs	15 years
Safety fencing	20 years
Concrete medians	100 years

Car Parks:

Formation	geological time (no depreciation)
Pavement	75 years
Wearing surface	
Bitumen seal	20 years
Asphalt surface	15 years

As an interim measure for use in determining an annual depreciation amount in the financial statements an average life has been adopted for bridges of 60 years, car parks 60 years and kerb and gutter 100 years.

When the date of provision of an asset is not known the remaining life will be calculated based on the assessed condition rating of the asset component. The following remaining asset life shall be adopted:

Condition Rating	Remaining Life
Very Good	95%
Good	75%
Fair	50%
Poor	25%
Very Poor	1 year

It should be noted that the life of road pavements is subject to a large degree of uncertainty. There is current research being undertaken to improve the knowledge and understanding of the deterioration of road pavements which will in turn lead to improvements in the management of these assets.

Similarly the life of bitumen seals is not easily determined although they have a much shorter life than road pavements. Current research is aimed at determining the degree of oxidation of the bitumen matrix.

5.0 Levels of Service

The transport infrastructure assets can provide varying levels of service. This section describes the functions of each asset class and the factors influencing the level of service that can be provided and forms the basis for determining an appropriate level of service having regard to financial constraints.

A number of management systems for various components of the transport infrastructure network have been developed by Council over time. These systems as well as forming the basic asset register for different classes of assets are also used as operational management tools.

5.1 Public Road Network

The performance of the road network is mainly dependent on the physical use of the system and environmental effects. The main factors relating the physical use of the network include traffic volumes, number and type of heavy vehicles, overloaded vehicles, public transport (buses), speed of traffic and property access.

Environmental effects include wet weather (rainfall frequency, intensity and duration, including flooding), sunlight radiation, hot and cold temperatures, growth of vegetation, river erosion, slope stability and potentially sea level changes.

There are three basic asset components of the road network, as follows:

1. Road formation: The road formation includes the formation for the road carriageway up to the sub-grade level. It includes cut and fill batters and private property access formations within the road reserve but excludes retaining wall structures.
2. Road pavement: Road pavements include the structural component of the road which supports the traffic loading and transfers the vehicular load to the subgrade.
3. Road wearing surface: Road wearing surfaces provide the running surface for traffic. For the purpose of asset management some road types do not have a wearing surface such as unsealed gravel roads and concrete roads.

Council's road network has been classified into a hierarchy based on function and, at a basic level, are classified as State Roads, Regional Roads or Local Roads. Although Bellingen Shire Council is the Roads Authority under the Roads Act 1993 for all public roads within the Shire, it is a requirement under the Roads Act that any work on a classified road needs the concurrence of the NSW Roads and Traffic Authority.

The following roads are classified roads within Bellingen Shire:

- Pacific Highway (State Highway 10, SH10)
- Waterfall Way (Main Road 76, MR76)
- Tyringham Road (Main Road 119, MR119)
- Coramba Road (Main Road 469, MR469)

Of these classified roads the Pacific Highway and Waterfall Way are State Roads and Tyringham Road and Coramba Road are Regional Roads.

State Road assets are considered to be the responsibility of the Roads and Traffic Authority (RTA). The RTA maintains the road carriageway and directly related traffic facilities on State Roads. Council is the Roads Authority for these roads and generally has maintenance responsibility for other features in the road reserve, such as the road verge and footways.

Council undertakes work on Waterfall Way under a Road Maintenance Council Contract (RMCC) under which Council has an active role in assessing requirements for upgrades and improvement works. Regional Road and Local Road assets are considered to be the full responsibility of Council. Council has determined a defined road network for which routine maintenance is budgeted for and undertaken. However, there are other roads on public road reserves usually either used by 1 or 2 properties or used as fire trails for which Council does not carry out routine maintenance. If a request for maintenance is received for these roads the request is considered on its merits and any work requires a specific allocation of funds by Council. These roads are not currently included on the road asset register. It is intended that these assets will be recorded in the asset register as resources permit however this is currently a low priority and has low relevance with regard to financial asset management but more relevance with regard to risk management.

There are also other roads which are not included in the asset management plan including Crown Roads, Forestry Roads, roads through national parks and private roads. Some of these roads are available for access by the community but any Council involvement in the management of these facilities is considered on an individual merit basis.

The road network within the Shire is made up of:

Asset Type	Asset Manager	Length (km)
Highways	RTA	13
State Roads	RTA	70
Regional Roads	Bellingen Shire Council	34
Local Roads	Bellingen Shire Council	531

The roads for which Council has responsibility are divided by function based on rural or non rural roads and traffic volumes as follows:

- Category 1** Rural Roads with ADT of 0 to 100 vehicles per day
Non Rural Roads with ADT of 0 to 500 vehicles per day
- Category 2** Rural Roads with ADT between 100 and 250 vehicles per day
Non Rural Roads with ADT between 500 and 1,000 vehicles per day
- Category 3** Rural Roads with ADT greater than 250 vehicles per day
Non Rural Roads with ADT greater than 1,000 vehicles per day

The road network has developed over many decades and consequently the standard of roads varies enormously with the topography having had a large impact on the standard of road provided. Most of the terrain within the Shire area is very hilly and consequently many roads have been constructed with steep vertical grades, tight horizontal curves and narrow formation widths, although Council does aim to achieve the road standards set out in Aus-Spec No 1 Design Specifications, specifically Tables D1-5 for residential areas and Table D1-8 for rural residential and rural areas.

5.2 Bridges and Large Culverts

Bridges and large culverts are relatively large structures which carry the road over physical features such as watercourses, roads and railway lines.

The majority of bridges on Local Roads cross watercourses. A large number of bridges were constructed many decades ago using locally available timber. Typically the structures only provide for a single lane of traffic and often have poor alignments on the road approaches. Many bridges are also constructed at low levels in flood prone areas and are regularly cut during flood events.

As bridges deteriorate they are repaired under a bridge maintenance program. Some bridges deteriorate to such an extent that replacement is required. Council aims to replace deteriorated bridges with structures that are durable and have a long life cycle. The replacement structures are assessed with the aim of providing a higher level of service. In particular it is considered desirable to provide a replacement structure with two lanes of traffic with improved approach alignments and to provide the structure at a level which improves access during flood events where feasible.

5.3 Footpaths

It is desirable to have a footpath network which provides safe and serviceable pedestrian access to community and commercial facilities. Generally, factors which influence levels of service are width, crossfall, longitudinal grade, type of surface, evenness of surface, drainage and provision of accessible ramps. Currently the limited available funds are utilised to remove or repair localized defects. Resources will need to be dedicated to developing a program to reconstruct substandard footpath facilities to bring them up to current standards.

5.4 Car Parks

Car park assets include off street public car parks but excludes on street parking facilities which are treated as part of the road network.

Car park assets are divided into the same basic components as roads for valuation purposes (ie: formation, pavement and wearing surface. In addition there are other components including kerb and gutter, linemarking, signage and other traffic facilities).

Generally, car parks are expected to provide convenient and safe parking for vehicles but also need to enable the regulation of fair and equitable parking for the public. The issues that influence the level of service for car parks include the provision of a sound, well drained pavement with clear linemarking and signage.

5.5 Roadside Furniture and Traffic Facilities

This class of asset includes regulatory signs, warning signs, guidance signs, linemarking, safety fencing, retaining walls, traffic medians and traffic devices such as round-a-bouts, thresholds, speed humps, traffic mirrors, bus shelters, street lights and bike racks.

More work needs to be done in the future to comprehensively record these assets. From an accounting point of view the value of roadside furniture and traffic facility assets is relatively low and is not considered to be material with regard to the financial statements.

However, these assets are important for the level of service provided for the transport network. Appropriately provided and maintained traffic facilities, regulatory signs and warning signs assist in the provision of a safe, serviceable and equitable traffic environment.

In addition, guidance signs assist the public in finding desired locations and facilities. Council receives many requests for additional signs. However a proliferation of signs can be confusing for motorists and the focus is on providing a well maintained system of street name and geographical location signs. Requests for additional signs are considered in accordance with the "Policy for the Erection of Fingerboard Directional Signage for Tourist Oriented Businesses within Bellingen Shire".

5.6 Drainage Systems

Drainage systems as they relate to transport infrastructure include table drains, small culverts, kerb and gutter and relief drainage systems.

The primary function of drainage systems relating to transport infrastructure is to protect the asset from damage which can result when stormwater flow is uncontrolled. In performing this function the drainage system also needs to protect adjacent private property and provide a reasonable level of service to road users.

Drainage systems need to deal with rainfall which has varying frequencies of intensity and duration. The level of service of the drainage system involves the extent of protection provided to the infrastructure for these varying events and is reliant on the frequency of maintenance.

In performing this role the drainage system needs to be able to control drainage in a manner which does not jeopardise adjacent property and which provides an appropriate level of service for users. The aim is to provide a level of protection as defined by the standards contained in Australian Rainfall and Runoff (AR&R). In particular it is considered appropriate to adopt the principles of minor flow paths and major flow paths as follows:

- Minor flows to cater for 20% Annual Exceedance Probability (AEP)
- Major flows to cater for 1% Annual Exceedance Probability (AEP)

6.0 Future Demand

Population growth in Bellingen is generally low and does not have a significant impact on the management of transport assets. Council developed a Growth Management Strategy which was endorsed by the Department of Planning on 21 April 2007. Based on this strategy the rate of growth is not expected to change substantially over the next 20 years.

Consequently the growth in subdivisional and residential development is not expected to greatly increase the need for transport infrastructure. Development will either be limited by the available capacity within existing infrastructure or additional capacity will need to be provided to enable such development to proceed.

The Section 94 Road Contribution Plan is periodically reviewed and this document is referred to when considering transport infrastructure requirements in relation to new development.

7.0 Risk Management

In accordance with Council's risk management systems, risks associated with Council's road network have been identified and a strategies proposed to mitigate these identified risks as provided in Table 1.

Table 1: Risk Assessment

Risk Details	Risk Assessment			Treatment Strategy	Risk Assessment after treatment		
	Likelihood	Consequence	Risk Rating		Likelihood	Consequence	Risk Rating
Inadequate funding for renewal and maintenance resulting in deterioration of asset and decrease in levels of service	Likely	High	High	Ensure priority to asset maintenance and renewal is given through the budget process. Regularly revise four year rolling program of road improvements.	Unlikely	High	Medium
Inadequate funding for maintenance resulting in exposure to public liability	Likely	High	High	Regularly revise use and appropriateness of BSC Road Inspection Policy	Possible	Medium	Medium
Inadequate identification and/or incomplete asset registers	Possible	High	High	Progressively reassess and update asset registers.	Unlikely	Medium	Medium

8.0 Life Cycle Management

Local Government has a responsibility to ensure that assets under its management will function and meet the community needs and expectations on a long term basis, for both present and future generations. The management role includes the need to maintain the assets in a safe and serviceable condition and exercising a reasonable duty of care.

There is a general expectation within the community for ongoing improvements to the existing transport infrastructure. This is evidenced by requests received for upgrades and improvements particularly for roads, footpaths and cycleways. However, there is a significant gap between this desired standard and the existing standard because of the way the road network has developed over time. The resources required to upgrade the existing network to meet the current standards are not available so, consequently a program to carry out improvements based on merit has been developed.

There is a trade off between undertaking improvement projects to address identified safety needs or to achieve a desired level of service and undertaking rehabilitation and renewal of existing infrastructure. Consequently the improvement program includes rehabilitation projects as well as improvement projects and the asset management aspect of rehabilitation or renewal of existing assets is a significant criterion in the priority assessment of these projects. The tradeoff between asset renewal and safety or serviceability improvements is addressed by the assessment process for the road improvement list of works. Factors are weighted in an attempt to produce a balanced rolling program which is responsive to the community's needs.

As life cycle management is further developed it is anticipated that there will be a greater emphasis on asset renewal at the expense of asset improvement. This RAMP aims to assist with this assessment process by including life cycle asset management principles to forecast funding requirements and it is proposed to develop this funding profile over 10 year period.

There are two fundamental criteria, which are taken into account when determining the levels of service for asset replacement cycles and asset management. In an economic context an asset should be replaced when the annualised cost of its replacement exceeds its written down cost. This needs to be balanced by the second criteria, which relates to the level of service provided by the asset against the level of service expected by users of the asset. This will in turn enable the relationship between level of service of asset functionality with asset maintenance and the cost of the level of service (price/quality) to be determined and then evaluated in consultation with the community to determine the optimum level of service that the community is prepared to pay for.

8.1 Performance Monitoring of Assets

One of Council's objectives is to develop, improve and maintain a safe and efficient transportation network throughout the Shire. This RAMP is aimed at achieving this objective by managing transport assets appropriate to determined service levels. The consequences of asset failure will impact on this objective.

A number of inspection systems have been developed to monitor the service levels provided for various components of the transportation network. A brief outline of these inspection systems is outlined in this section.

Council has developed the BSC Road Inspection System which details the inspection regime to be carried out of the road network and specifies the intervention level for the repair of identified defects. Bridges and large culverts are inspected under the bridge maintenance program. Maintenance repairs,

replacement of bridge components and bridge restoration or replacements are determined from this inspection regime. Council has adopted a Footpath Inspection Policy. All constructed footpaths are inspected under this policy and defect repairs scheduled accordingly. No formal detailed inspection system has yet been developed for car parks, traffic facilities or drainage systems. Detailed inspections are carried out as problems are identified during the normal road inspections, as problems are identified during large storm events or as reported by the general public and maintenance or repairs carried out under the road maintenance program.

One significant aspect to the level of service that can be provided is the amount of funding allocated to maintenance. Council allocates funds for maintenance based on an historical budget which has a standard percentage variation each year. It is evident based on community requests that this budget is inadequate for the desired level of service and further work needs to be undertaken in this area to enable consultation with the community on the level of service that can be provided within financial constraints.

In the meantime risks will be managed by use of the Bellingen Shire Council Road Inspection System. It should be noted that some short term budget variations may be required to meet the intervention standards determined for this system. If, in the longer term, financial constraints are such that the current intervention standards cannot be achieved then this system will need to be revised with the aim of utilising the available funds to optimise the minimisation of risks to the public.

8.2 Financial Management

The Current Replacement Value and Written Down Cost of the transport infrastructure assets will be calculated every third year. The Finance Section will track maintenance expenditure, capital renewal and capital expansion costs for each component of the asset as described in this plan on an annual basis based on actual expenditure. These costs will then be reconciled with the Current Replacement Value and Written Down Costs calculated for the assets overall on a three yearly cycle.

The annual depreciation expense calculated for each asset component gives a broad prediction of future funding requirements. The annual depreciation based on the 2010 Current Replacement Cost for various asset components is given in Table 2.

When the annual depreciation amounts are compared to recent capital budgets for road infrastructure assets it is apparent that current funding is below what would be required for the long term rehabilitation or renewal of road infrastructure. Consequently it is perceived that there is funding gap which will impact on the level of service which can be provided for these assets in the future.

This funding gap needs further analysis in the light of the comments provided in this RAMP relating to the uncertainty of economic life predictions of assets. In the meantime, overall road infrastructure asset renewal and improvement selection is managed by the use of Council's List of Shire Road Improvement Projects and the associated method of prioritising projects utilising the available funds.

Table 2: Asset Values

Asset Values (2010)				
Asset	Economic life (yrs)	Current Replacement Value (\$) ¹ x 1,000	Written Down Cost (\$) ¹ x 1,000	Annual Depreciation (\$) ¹ x 1,000
Regional Roads				
formation	N/A	11,330		0
pavement	60	23,035	14,481	384
wearing surface	15	1,028	68	69
Local Roads				
formation	N/A	199,461		0
pavement (sealed)	75	120,954	92,722	1,764
pavement (unsealed)	25	25,784	12,892	2,687
wearing surface	20	7,144	2,181	357
Bridges and Culverts				
timber	40	14,460	8,904	362
other than timber	60	13,696	9,765	228
Footpaths	100	3,450	2,588	35
Carparks	60	539	290	9
Drainage				
kerb and gutter	100	10,386	7,686	104
stormwater drainage	100	24,535	14,846	245
Roadside furniture and traffic facilities	various	Not yet determined	Not yet determined	Not yet determined

9.0 Monitoring and Review

This RAMP will require refinement and regular updating and reviewing.

The main refinements proposed are:

- To provide a more comprehensive link between the required level of maintenance expenditure on transport assets to provide ongoing specified levels of service. This will then enable community consultation to be undertaken to assist in the resolution of community expectations and financial constraints.
- To undertake more detailed monitoring and improve the knowledge of asset life which will assist in financial planning for rehabilitation or renewal of assets.

Council's Road Asset Manager will be responsible for the ongoing maintenance of the plan and updating the relevant asset registers. The asset registers are to be updated by the end of each financial year.

The Road Asset Manager will also undertake a comprehensive review of the RAMP every five years.



Attachment 7 - Community Engagement initiatives

Bellingen Shire
COUNCIL



fit for the future



Bellingen
Shire Council

How did we get here...?

- 30 years of rate pegging
- Cost shifting by NSW Government
- Government requirements on asset reporting
- Our unique environment

Where have we come from?

The journey so far...

2011

2012

2013

2014

Today

Destination 2036

Councils came together to plan how local government could meet the challenges of the future.

TCorp Sustainability Review

Conducted a comprehensive, independent analysis into the financial sustainability of every council in NSW.

Local Government Infrastructure Audit

Provided information in relation to the infrastructure backlog in NSW and identified infrastructure needs by area and asset type.

Independent Local Government Review

Conducted wide consultation to develop key recommendations regarding local government structures, governance models and boundary changes.

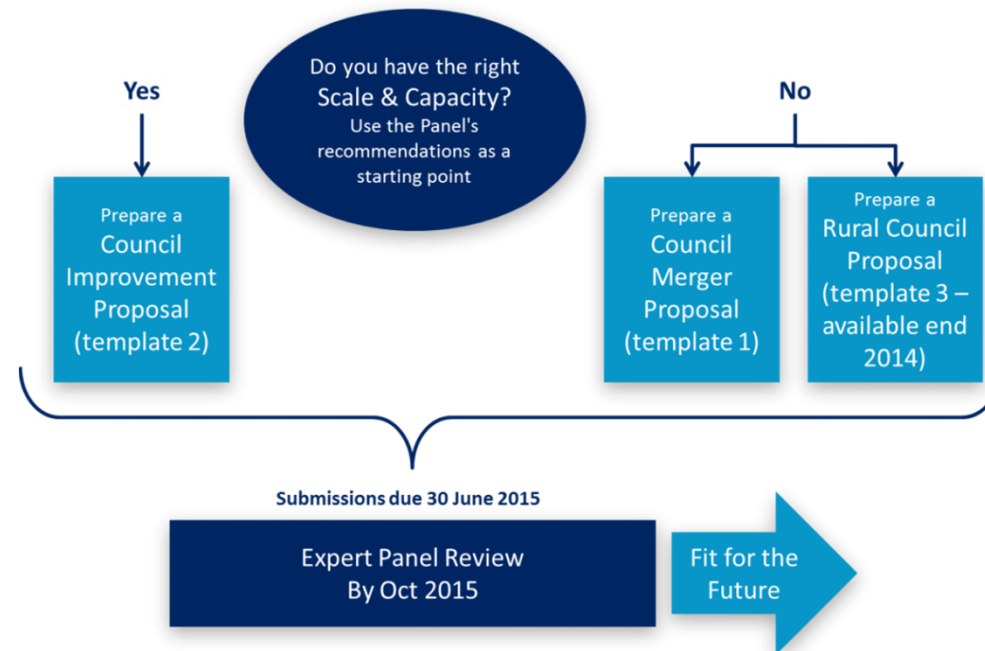
Local Government Acts Taskforce

Looked at ways to modernise legislation, to ensure that it would meet the future needs of councils and communities.

Fit for the Future – Local Government

Will lay the foundations for a stronger system of local government and stronger local communities.

Becoming Fit for the Future



What are the Fit for the Future options?

1. **Scale and capacity + Joint Organisation** = Template 2
2. **Rural Council** – Councils with a current, or projected, population under 10,000
3. **Voluntary Merger**
4. **A model for the Far West**



What does a Fit for the Future council look like?

A Fit for the Future council is one that is:

- **Sustainable**
- **Efficient**
- **Effectively manages infrastructure and delivers services for communities**
- **Has the scale and capacity to engage effectively across community, industry and government.**

Scale and Capacity






- What does a Fit for the Future council do?
- What is the starting point for assessment?
- Who would be part of the North Coast Joint Organisation?



Bellingen
Shire Council

Where are we now?

Part of the Fit for Future package is a self-assessment tool to help Council determine whether their past performance indicates that they are “Fit for the Future”. A summary of the self-assessment results are as follows:

	BENCHMARK	RESULT	MEETS FFTF BENCHMARK	
 SUSTAINABILITY	<i>Operating Performance Ratio (greater or equal to break-even average over 3 years)</i>	-0.333	NO	✗
	<i>Own Source Revenue Ratio (greater than 60% average over 3 years)</i>	58.59%	NO	✗
	<i>Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i>	57.58%	NO	✗
 EFFECTIVE INFRASTRUCTURE AND SERVICE MANAGEMENT	<i>Infrastructure Backlog Ratio (less than 2%)</i>	6.31%	NO	✗
	<i>Asset Maintenance Ratio (greater than 100% average over 3 years)</i>	125.69%	YES	✓
	<i>Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)</i>	2.90%	YES	✓
 EFFICIENCY	<i>A decrease in Real Operating Expenditure per capita over time</i>	Increasing	NO	✗
OVERALL RESULT		✗		

The Council does not meet all seven of the Fit for the Future Criteria



How do we compare?



Bellinghen
Shire Council

What are the influences and drivers affecting our position?

- Rates/annual charges
- Grant revenue
- Depreciation
- Asset renewal expenditure
- Asset revaluations
- Written down value of infrastructure
- Agreed service level expectations
- Raw materials/labour costs
- Cash flow requirements
- Past/present/future borrowings
- Current and future interest rates
- Annual operating costs
- Asset maintenance
- Cost shifting by State Government
- Only 3% share of Federal tax revenue

What are the future threats and opportunities?

- Government grants
- Service level reviews (essential/non-essential)
- Rating of State forests/crown reserves
- Review of depreciation
- Rating revenue
- Review of fees and charges
- Alternative revenue streams
- Infrastructure revaluations
- Greater use of S.94 funds and internal reserves
- Raw material and labour cost fluctuations
- Shift towards whole of life costing for any new asset purchases
- Subsidised borrowings (TCorp)
- Interest rate fluctuations
- Intergenerational equity
- Population fluctuations
- Fluctuations in operating expenses due to one off grant payments (flood damage/RMS)

How have we been preparing ourselves?

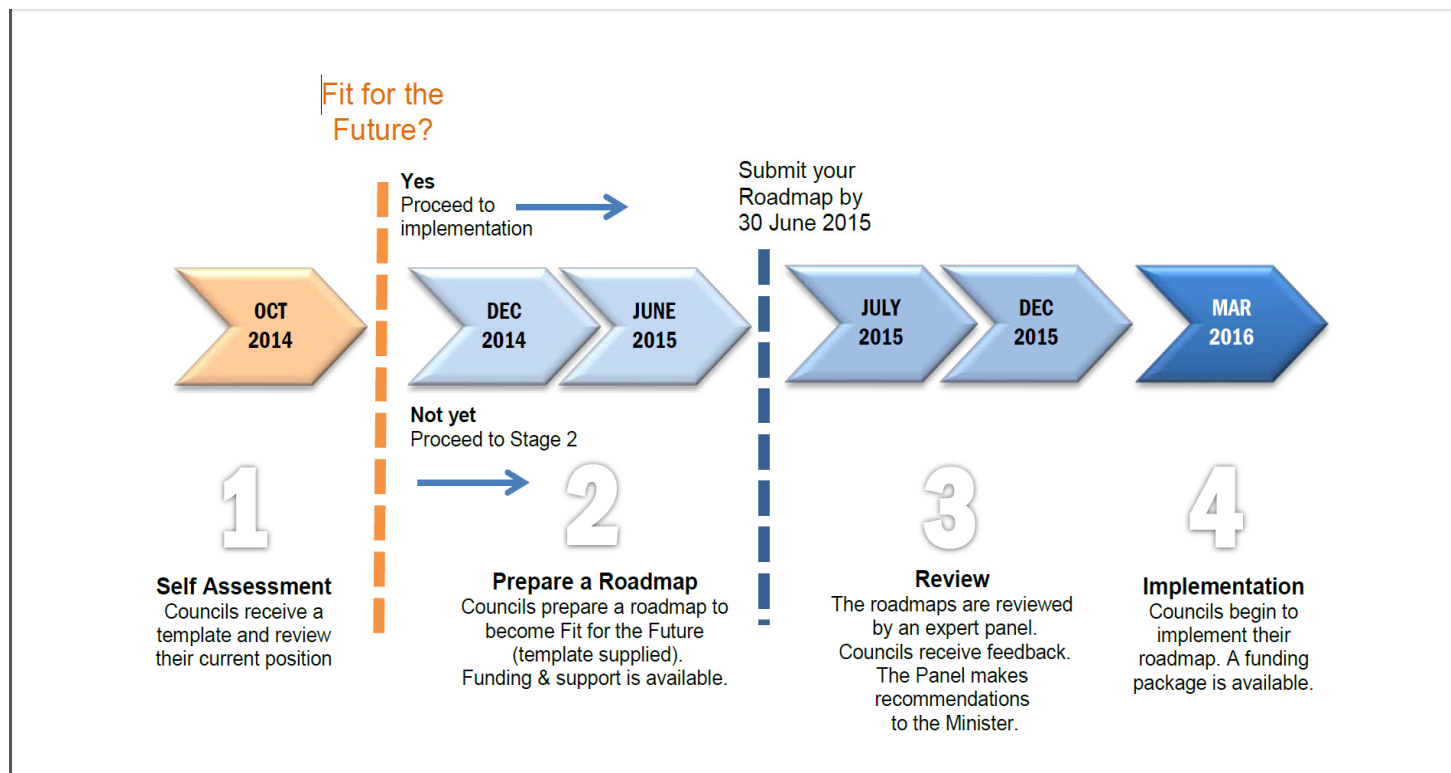
Our back story

- Organisational realignment 2012 around effectiveness, productivity outcomes, customer focus
- Departmental and functional reviews, including processes - ongoing
- Community Satisfaction Survey and Planning Process Review Survey
- Service Review process utilising ACELG process SmartGov Toolkit
- Special Rate Variation secured 2013
- Establishment of Governance arrangements around the SRV including a committee of council to oversee productivity initiatives and progress of works. Examples include land and property review, fees and charges review
- SRV Committee supported by Internal Program Boards./Project framework
- Appointment of a CFO
- Establishment of an internal audit function
- Development of a Leadership and Engagement Framework – horizontal and vertical (Councillors, Senior Leaders, Leaders, and Operational Team Leaders)
- Implementation of a procurement roadmap to streamline procurement and deliver more cost efficient outcomes
- Working regionally – Waste, Libraries, Internal Audit, Asset Management
- Regional collaboration e.g. WHS, E-Learning, Planning, Asset Management

Fit for the Future is a journey...

4 Stages of becoming Fit for the Future:

- Self assessment
- Preparing a roadmap and submit by June 2015
- Review by expert panel
- FFF Councils begin implementation of roadmap



Where are we heading...

The fit for the future road ahead.....

- Financial Sustainability Framework
- Asset Framework, (condition data, backlog, revaluation and depreciation)
- Participation in the MIDROC Regional Asset project
- Service Reviews, consolidating work to date for refinement into FFF submission along with consideration of service levels
- Integration of other initiatives into FFF submission e.g. Procurement Roadmap, Land and Property Review, modelling re rateable land
- Shared servicing
- Regional collaboration
- Informing and engaging with our community



Thought starters...

Questions?



Bellingen
Shire Council

BELLINGEN SHIRE COUNCIL



Fit for the Future



Bellinghen
Shire Council

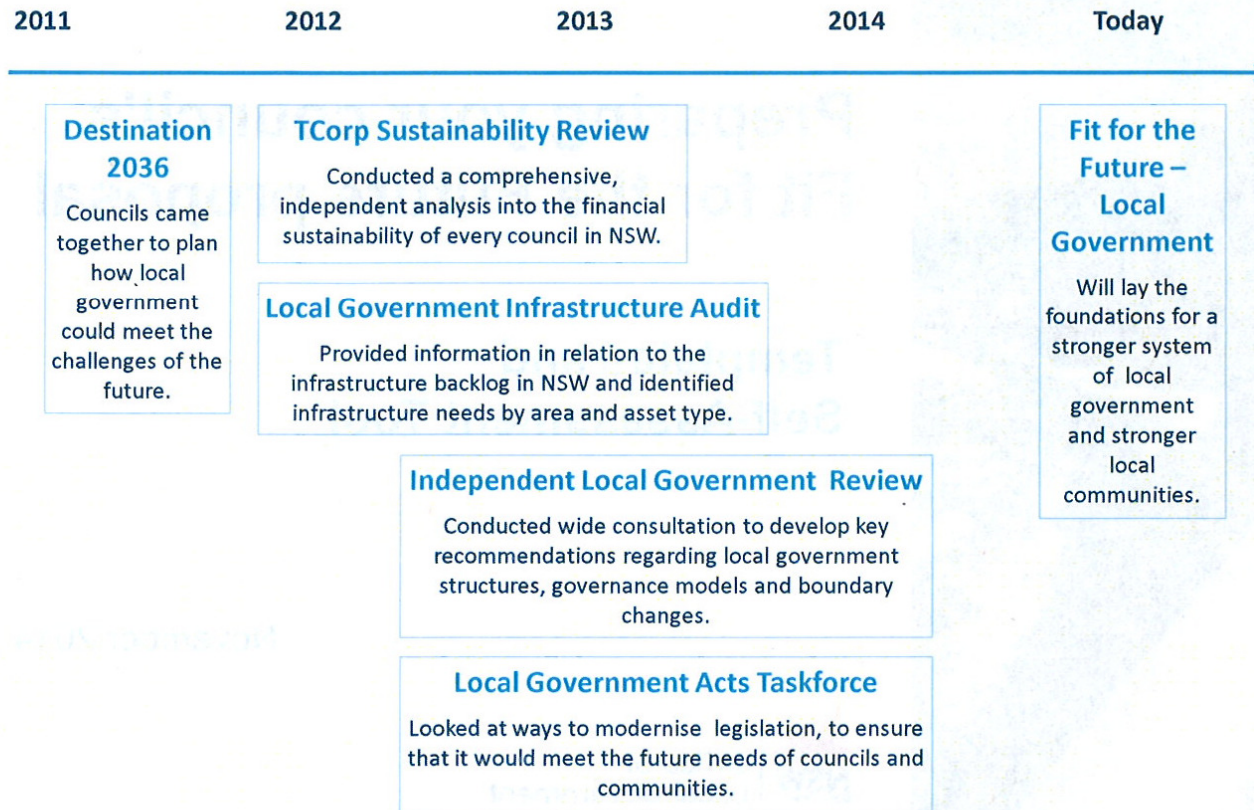
Today is about...

- Background
- Current state of play
- Becoming Fit for the Future
- Where to from here
- Community leadership & engagement



Where have we come from?

The journey so far...

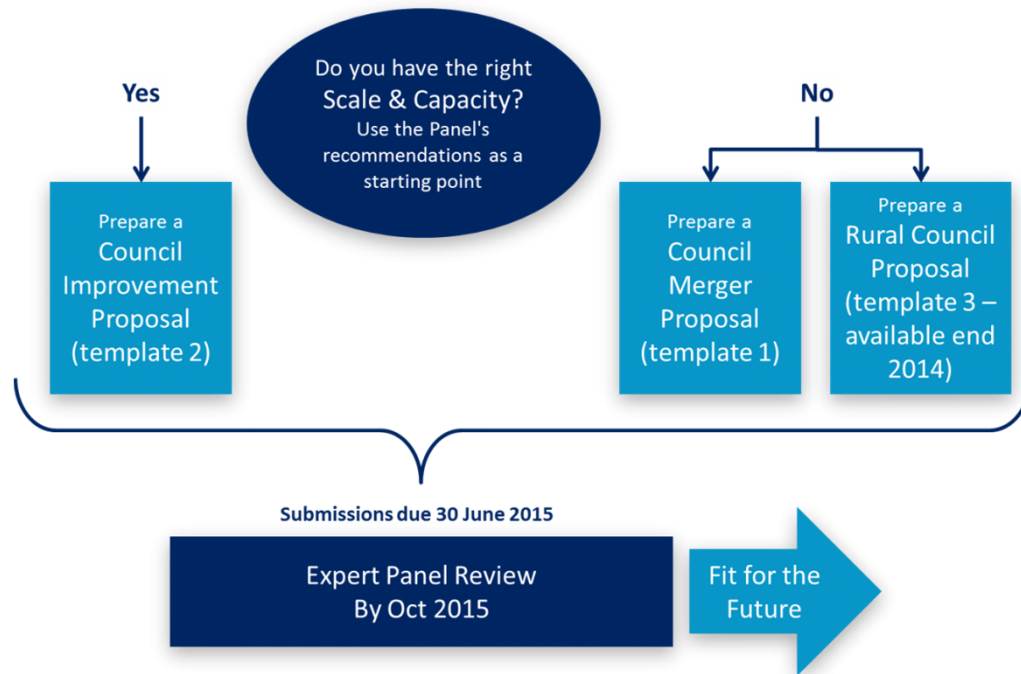


What have we done locally?

- Report to Council 24 September 2014
 - Council resolved to *'note and endorse the proposed way forward, acknowledging that the process will require significant organisational attention and resourcing as outlined in this report'*
- Briefing to Council December 2014
- Discussion at MIDROC – 2 meetings of the proposed Mid North Coast Joint Organisation with a third meeting planned
- Establishment of a Project Team
- Appointment of a Project Manager
- Self-assessment completed
- Key experts identified to assist with the proposal
- Development of an action plan



Becoming Fit for the Future



Councils are invited to submit a proposal by 30 June 2015 outlining how they intend to become Fit for the Future.

The NSW Government is assisting by providing a Self-Assessment Tool, an Improvement Proposal Template and guidance, a Merger Proposal Template and guidance, and a Rural Council Proposal Template and guidance.

Councils can also get support from their regional Relationship Manager who can arrange access to expert facilitators and technical assistance to help councils explore options and prepare a sound business case.

Why do we need a roadmap for the future?

The NSW Government has a vision to rebuild our State and deliver a strong future for the people of NSW. To have a strong future, NSW needs strong councils providing the services and infrastructure that communities need.

The Independent Local Government Review Panel's final report has made it clear that the system of local government in NSW is not working as well as it should be.

More than one-third of the State's councils are facing financial problems, infrastructure backlogs are overwhelming, many of our growing suburbs are being constrained by boundaries that date back to the horse and cart days, and councils are missing out on opportunities to take a more active role in

regional and State planning because they lack the scale and structures to engage.

Destination 2036 started a conversation about the need for reform in the local government sector. The Fit for the Future program is about enabling each council to create its own roadmap of how it will become sustainable.

The work of the Independent Panel, NSW Treasury Corporation analysis and the NSW Infrastructure Audit has helped us to build a clearer picture of what a sustainable council looks like. But this picture needs to be set in the context of each local community. Each community has its own vision and its own unique circumstances and challenges.

The NSW Government is laying the foundations for a stronger and more viable local government sector.

We will work with councils to make changes to legislation, review the regulatory burden on councils, create new regional Joint Organisations and opportunities for cheaper finance. But these are just the starting point.

Councils too, must play their part by working smarter together to become Fit for the Future.

“We need smart, modern local councils that can work with the State to deliver the housing, jobs and transport people need.”



What are the Fit for the Future options?

1. **Scale and capacity + Joint Organisation** = Template 2
2. **Rural Council** – Councils with a current, or projected, population under 10,000
3. **Voluntary Merger**
4. **A model for the Far West**

What are the Government Incentives?



\$258m

To help councils who have decided to merge to make the transition and provide services and facilities communities need.



Expert assistance

Funding for experts to help merging councils explore the options and prepare a sound business case.

\$13m

To support local transition committees and ensure elected representatives are involved in the merger process.

One stop shop

Access to the Office of Local Government's One Stop Shop for local government reform, including a regional relationship manager who understands your area.

\$5.3m

To get new regional Joint Organisations up and running.

Facilitators

Access to fully-funded professional facilitators who can help councils begin discussions about how to merge and the benefits for their community.

\$4m

To help small councils (<10,000 population) develop innovative ways of working.

Technical support

Access to a team of technical experts to help prepare your Fit for the Future proposal.

Up to \$600m

Potential savings from cheaper finance for Fit for the Future councils to invest in local infrastructure.



What does a Fit for the Future council look like?

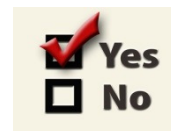
A Fit for the Future council is one that is:

- **Sustainable** - For councils to meet the service and infrastructure needs of their communities they need to be financially sustainable.

The NSW Treasury Corporation defined a financially sustainable council as one that, over the long term, is able to generate sufficient funds to provide the level and scope of services and infrastructure, agreed with its community through the Integrated Planning & Reporting process.

- **Efficient** - People rightfully expect modern, responsive services, that are easy to access and that offer value for money. A Fit for the Future council:
 - Minimises unnecessary burden on business and the community;
 - Provides value for money to the community
 - Manages resources well to deliver services or infrastructure.
- **Effectively manages infrastructure and delivers services for communities.**
 - Knows the current and future infrastructure needs of the community
 - Develops, maintains and renews infrastructure using the right mix of revenue and borrowing
 - Works with others to deliver cost effective services
 - Delivers services and infrastructure that meets the needs of communities as identified through the Integrated Planning & Reporting process
 - Delivers services and infrastructure on time and on budget.
- **Has the scale and capacity to engage effectively across community, industry and government.**

Scale and Capacity



What does this actually mean?

Scale is a key component of strategic capacity.

A Fit for the Future council is one that:

- ▶ Saves money on bureaucracy and administration, freeing up funds for front-line services and community facilities
- ▶ Can contribute to projects and tackle issues that impact on its residents and extend beyond the council boundary
- ▶ Has credibility and influence across councils, across government, and with industry.

What is the starting point for assessment?

- ▶ The work of the Local Government Review Panel
- ▶ That the boundaries remain the same
- ▶ That Council participates in the proposed North Coast Joint Organisation.

Who would be part of the North Coast Joint Organisation?

- ▶ Bellingen Shire Council
- ▶ Nambucca Shire Council
- ▶ Coffs Harbour City Council
- ▶ Clarence Valley Council.

Letter of Request

Nambucca Shire Council's request to discuss a possible amalgamation or other joint activities



Bellingen
Shire Council

Fit for the Future is a journey...

Initial step




- Undertake self-assessment against IPART/Tcorp benchmarks and agree regarding scale and capacity. (Government acceptance that councils may not meet the benchmarks but they need to be heading in the right direction)

Preparing the roadmap

- Addressing the key criteria of
 - Sustainability
 - Effective Infrastructure and service management
 - Efficiency
- Completion of the Template depending on the option chosen

Where are we now?

Part of the Fit for Future package is a self-assessment tool to help Council determine whether their past performance indicates that they are “Fit for the Future”. A summary of the self-assessment results are as follows:

	BENCHMARK	RESULT	MEETS FFTF BENCHMARK	
 SUSTAINABILITY	<i>Operating Performance Ratio (greater or equal to break-even average over 3 years)</i>	-0.333	NO	✗
	<i>Own Source Revenue Ratio (greater than 60% average over 3 years)</i>	58.59%	NO	✗
	<i>Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i>	57.58%	NO	✗
 EFFECTIVE INFRASTRUCTURE AND SERVICE MANAGEMENT	<i>Infrastructure Backlog Ratio (less than 2%)</i>	6.31%	NO	✗
	<i>Asset Maintenance Ratio (greater than 100% average over 3 years)</i>	125.69%	YES	✓
	<i>Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)</i>	2.90%	YES	✓
 EFFICIENCY	<i>A decrease in Real Operating Expenditure per capita over time</i>	Increasing	NO	✗
OVERALL RESULT		✗		

The Council does not meet all seven of the Fit for the Future Criteria






Bellingren
Shire Council

How do we compare?

Criteria Results




BENCHMARK

	Operating Performance Ratio (greater or equal to break-even average over 3 yrs)
	Own Source Revenue Ratio (greater than 60% average over 3 yrs)
	Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 yrs)
	Infrastructure Backlog Ratio (less than 2%)
	Asset Maintenance Ratio (greater than 100% average over 3 years)
	Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)
	A decrease in Real Operating Expenditure per capita over time

Nambucca Shire Council			Coffs Harbour City Council			Greater Taree		
RESULT	MEETS FFTF BENCHMARK		RESULT	MEETS FFTF BENCHMARK		RESULT	MEETS FFTF BENCHMARK	
-17.8%	NO	✗	-17.0%	NO	✗	-26.1%	NO	✗
60.95%	YES	✓	73.27%	YES	✓	63.17%	YES	✓
70.33%	NO	✗	37.16%	NO	✗	67.13%	NO	✗
10.00%	NO	✗	9.15%	NO	✗	27.70%	NO	✗
68.94%	NO	✗	79.01%	NO	✗	42.00%	NO	✗
5.66%	YES	✓	6.05%	YES	✓	8.41%	YES	✓
Increasing	NO	✗	Increasing	NO	✗	Decreasing	Yes	✓

Criteria Results

BENCHMARK

	Operating Performance Ratio (greater or equal to break-even average over 3 yrs)
	Own Source Revenue Ratio (greater than 60% average over 3 yrs)
	Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 yrs)
	Infrastructure Backlog Ratio (less than 2%)
	Asset Maintenance Ratio (greater than 100% average over 3 years)
	Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)
	A decrease in Real Operating Expenditure per capita over time

Kemsey City Council			Gloucester Shire Council			Port Macquarie-Hastings Council		
RESULT	MEETS FFTF BENCHMARK		RESULT	MEETS FFTF BENCHMARK		RESULT	MEETS FFTF BENCHMARK	
-41.9%	NO	✗	-46.7%	NO	✗	-9.5%	NO	✗
63.35%	YES	✓	43.98%	NO	✗	64.60%	YES	✓
32.22%	NO	✗	63.94%	NO	✗	46.06%	NO	✗
16.37%	NO	✗	43.05%	NO	✗	20.51%	NO	✗
77.71%	NO	✗	36.74%	NO	✗	33.00%	NO	✗
8.36%	YES	✓	5.18%	YES	✓	8.65%	YES	✓
Increasing	NO	✗	increasing	NO	✗	Decreasing	Yes	✓



Ratios - Sustainability

Measure	Benchmark as per OLG	BSC Results (as at 30/06/14)	Is KPI Met?	Trend +ve or -ve or neutral
Operating Performance Ratio	>= break even over 3 years	-0.333	✗	+ve

What does this ratio measure?

- ❑ “Is Council making a profit or a loss?”

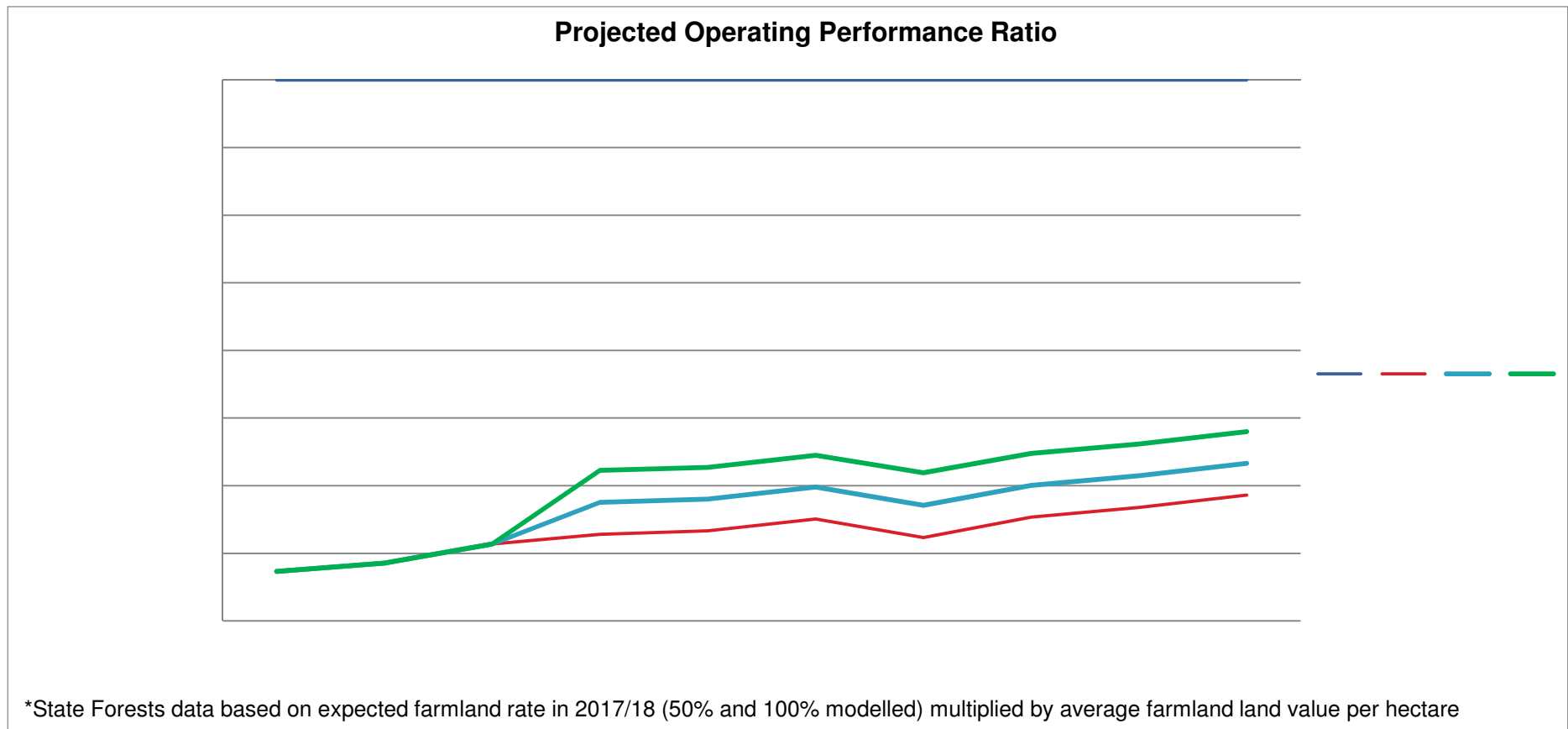
How do we compare?

- ❑ State average -5.0% (2013)
- ❑ 98 out of 152 NSW councils in 2013 recorded deficits
- ❑ 48 NSW councils reported deficits of more than \$2.5 million

What are the key drivers/influences?

- ❑ Rates/annual charges, grant revenue, depreciation.....

What is the forecast?



What are the future threats/opportunities?

- ❑ Government grants, service level reviews (essential/non-essential), rating of state forests/crown reserves, review of depreciation.....



Bellingren
Shire Council



SUSTAINABILITY

Measure	Benchmark as per OLG	BSC Results (as at 30/06/14)	Is KPI Met?	Trend +ve or -ve or neutral
Own Source Revenue Ratio	> 60% over 3 years	58.59%	✗	+ve

What does this ratio measure?

- How reliant is Council on external funding sources (grant money)?

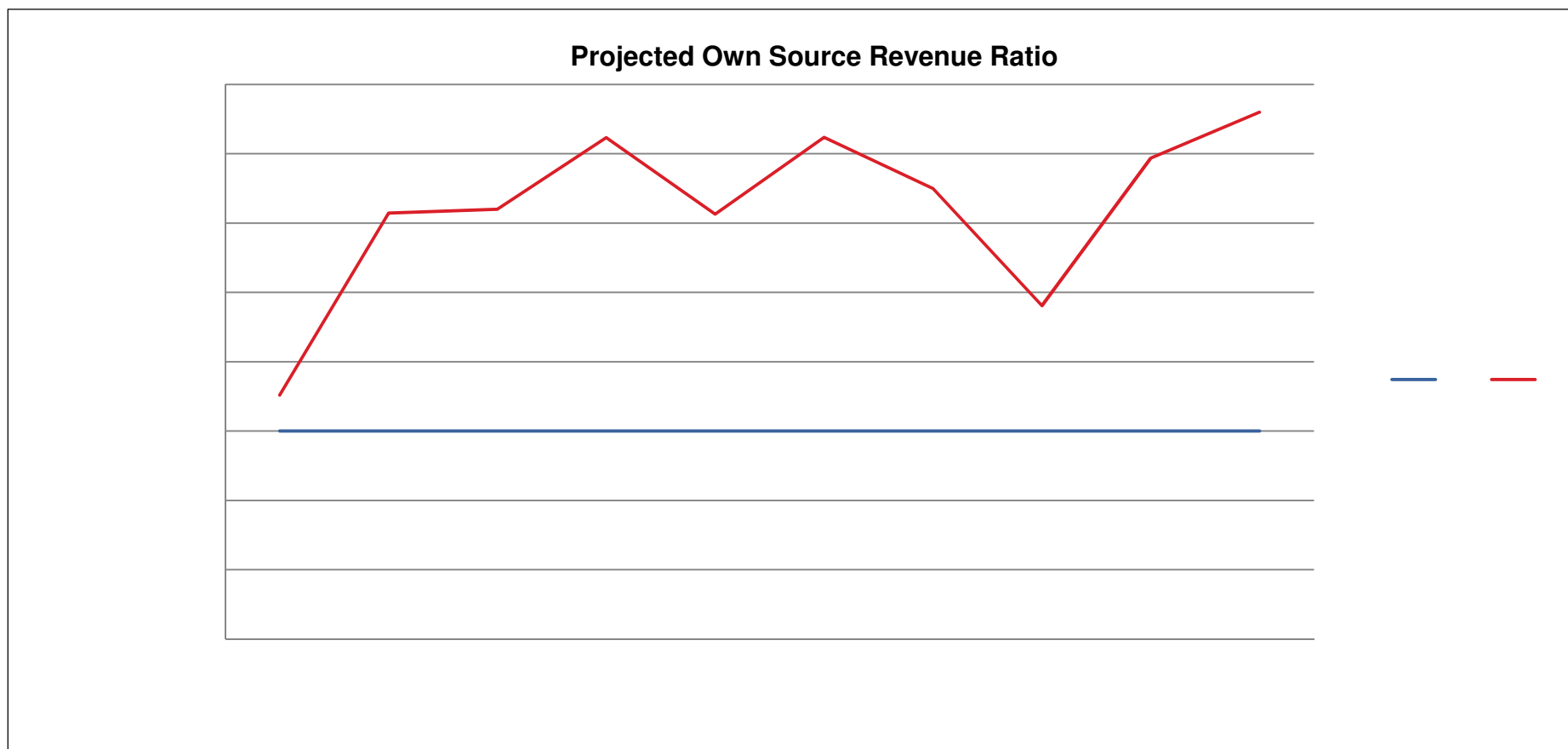
How do we compare?

- Range between 22.5% to 80% across NSW (2013)
- 79 (52%) out of 152 NSW councils in 2013 reported less than 60%

What are the key drivers/influences?

- Rates/annual charges, grant/contribution revenue....

What is the forecast?



What are the future threats/opportunities?

- ❑ Fluctuation in Government grants, rating revenue, review of fees and charges and alternative revenue streams.....



Bellingren
Shire Council



SUSTAINABILITY

Measure	Benchmark as per OLG	BSC Results (as at 30/06/14)	Is KPI Met?	Trend +ve or -ve or neutral
Building and Infrastructure Asset Renewal Ratio	> 100% average over 3 years	57.58%	✗	negative

What does this ratio measure?

- How much is Council spending on renewing existing infrastructure against the annual depreciation?
- E.g. If a bridge cost \$100,000 and has a life of 100 years, Council should be spending \$1,000 per year on average.

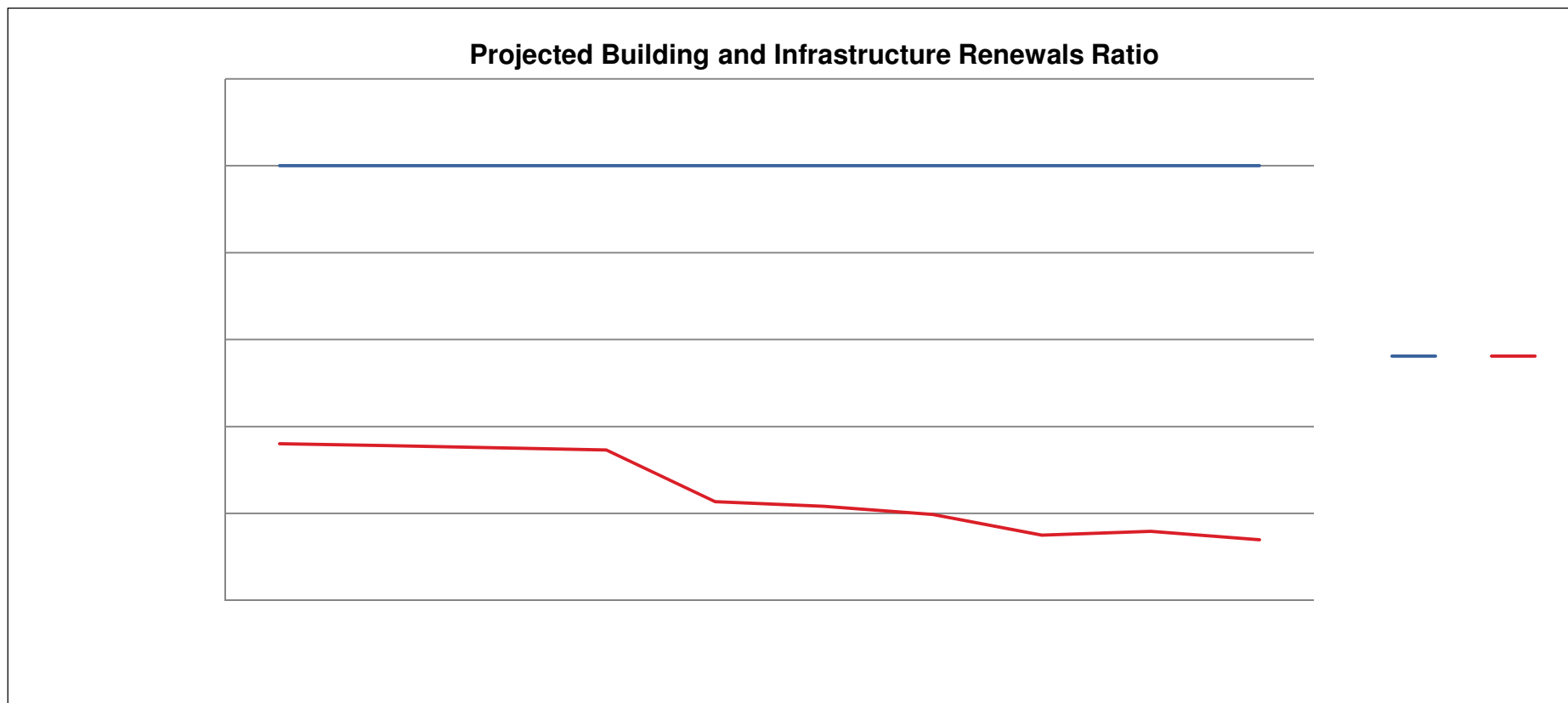
How do we compare?

- NSW state average 81.5% (2013)
- Only 35 NSW councils reported a ratio greater than 100% in 2013

What are the key drivers/influences?

- Depreciation, asset renewal expenditure, asset revaluations.....

What is the forecast?



What are the future threats/opportunities?

- ❑ Infrastructure revaluations, greater use of S.94 funds and internal reserves, raw material and labour cost fluctuations, shift towards whole of life costing for any new asset purchases.....



Bellingren
Shire Council



SUSTAINABILITY

Ratios – Effective infrastructure and service management

Measure	Benchmark as per OLG	BSC Results (as at 30/06/14)	Is KPI Met?	Trend +ve or –ve or neutral
Infrastructure Backlog Ratio	< 2%	6.31%	✗	+ve (est. only)

What does this ratio measure?

- ❑ What is the estimated cost to bring assets up to satisfactory condition as compared to their written down value(s)?

How do we compare?

- ❑ 87% of NSW councils reported a backlog of >2% (2013)
- ❑ 10% average backlog for NSW councils (2013)
- ❑ 13% average backlog for group 11 councils (2013)

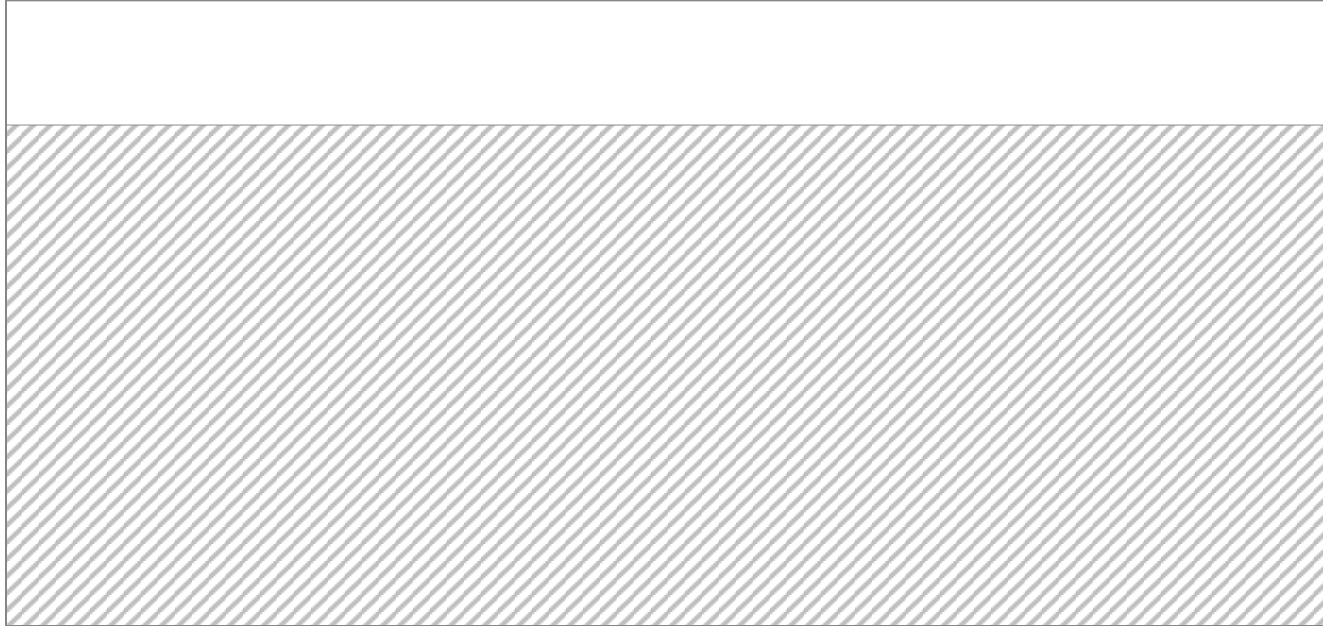
What are the key drivers/influences?

- ❑ Written down value of infrastructure, agreed service level expectations, raw materials/labour costs.....



What is the forecast?

Infrastructure Backlog Ratio



*Ratio forecast to be determined upon completion of asset revaluation project.

What are the future threats/opportunities?

- ❑ Infrastructure revaluations, raw material and labour cost fluctuations, service level expectations



Bellingren
Shire Council



EFFECTIVE
INFRASTRUCTURE AND
SERVICE MANAGEMENT

Measure	Benchmark as per OLG	BSC Results (as at 30/06/14)	Is KPI Met?	Trend +ve or -ve or neutral
Asset Maintenance Ratio	> 100% over 3 years	125.69%	✓	Neutral

What does this ratio measure?

- How much Council is spending on maintaining its infrastructure against the estimated required expenditure.

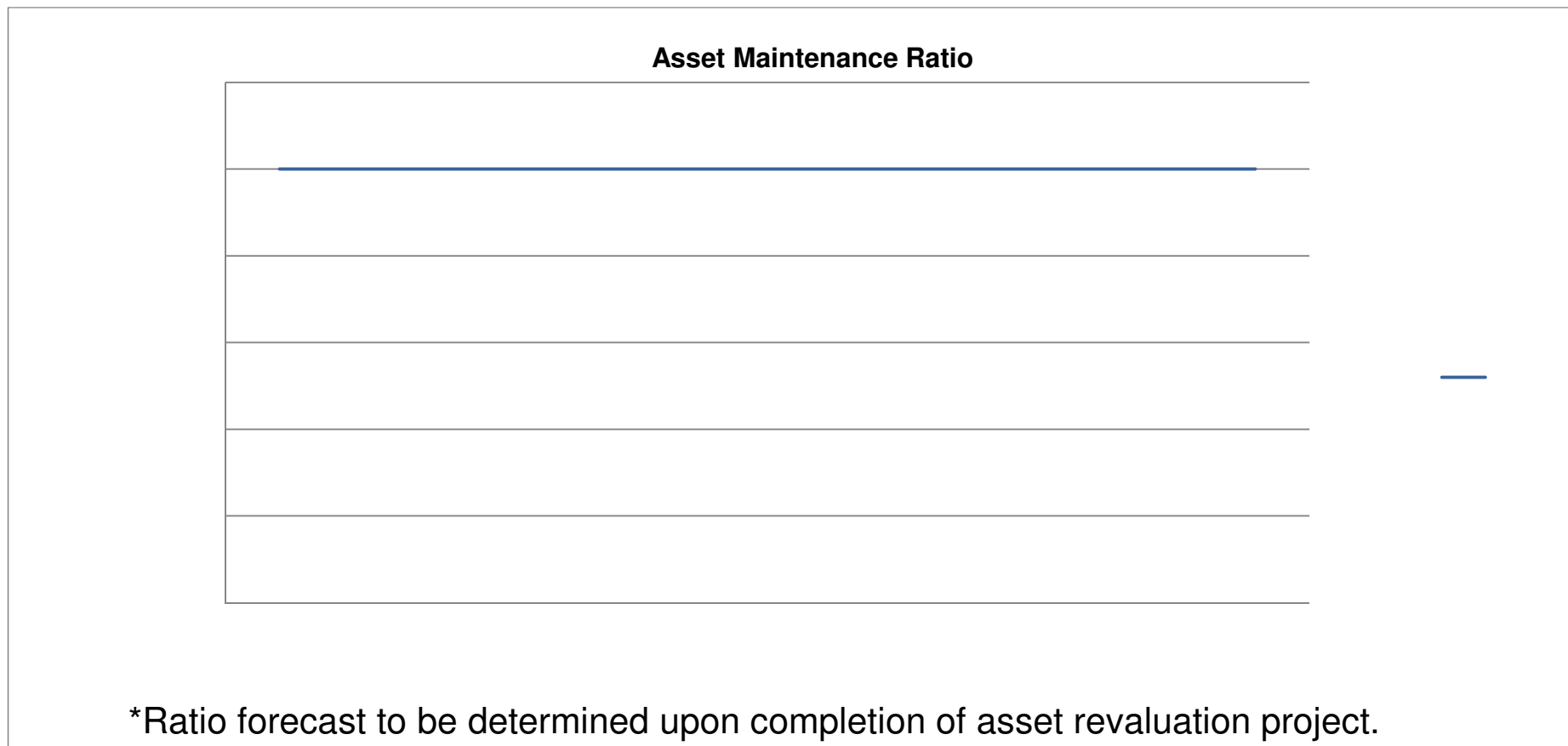
How do we compare?

- 91.1% average across NSW councils (2013)
- NSW shortfalls in maintenance expenditure ranged from \$21,000 - \$24M
- 20% of councils reported shortfalls of greater than \$5M

What are the key drivers/influences?

- Written down value of infrastructure, agreed service level expectations, raw materials/labour costs.....

What is the forecast?



What are the future threats/opportunities?

- ❑ Infrastructure revaluations, raw material and labour cost fluctuations, service level expectations.....



Bellingren
Shire Council



EFFECTIVE
INFRASTRUCTURE AND
SERVICE MANAGEMENT

Measure	Benchmark as per OLG	BSC Results (as at 30/06/14)	Is KPI Met?	Trend +ve or -ve or neutral
Debt Service Ratio	> 0% <= 20% average over 3 years	2.90%	✓	+ve

What does this ratio measure?

- What % of annual revenue is needed to repay Council borrowings (principal and interest)?

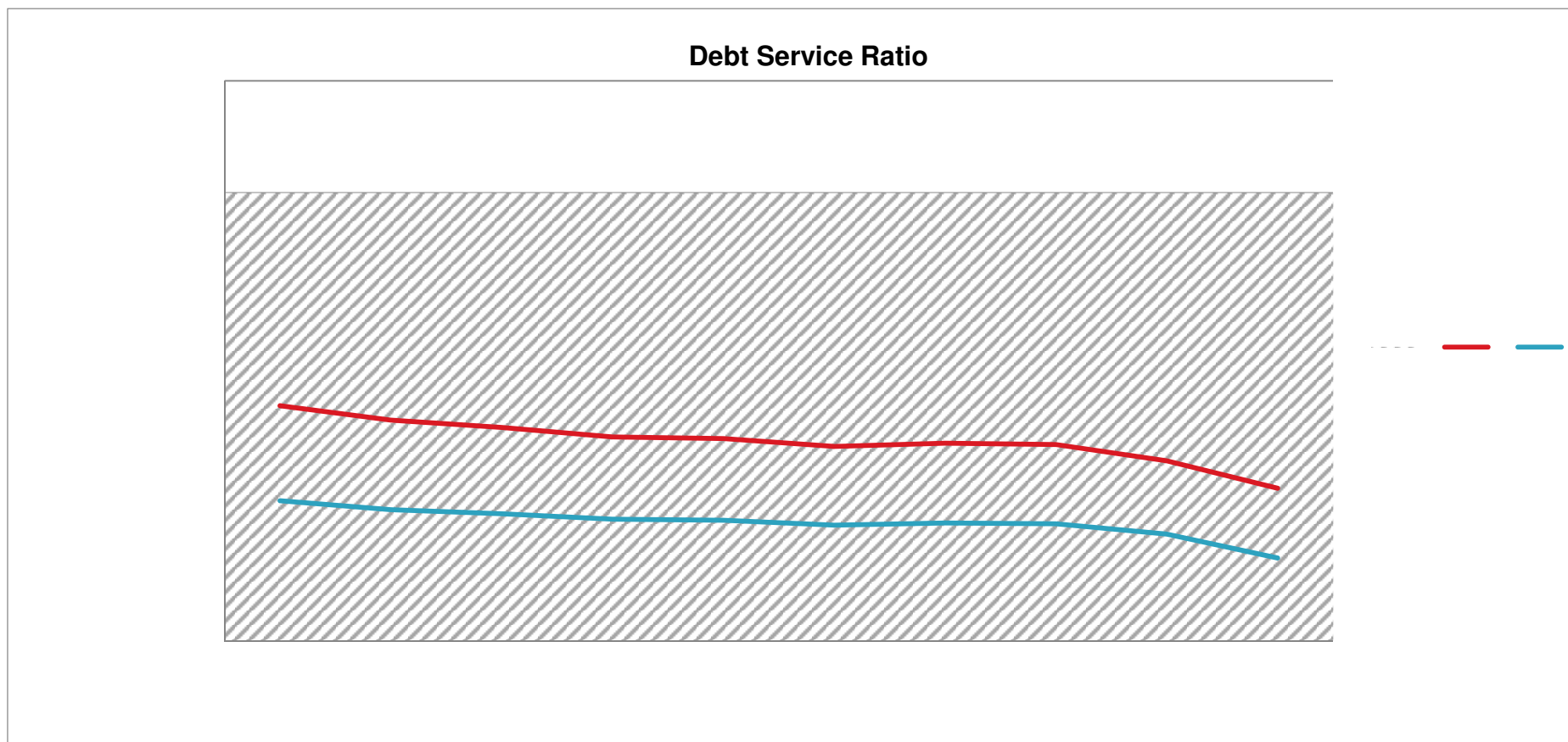
How do we compare?

- NSW councils have low levels of debt (compared with other industries).
- 12 councils across the State have no debt.

What are the key drivers/influences?

- Cash flow requirements, past/present/future borrowings, current and future interest rates.....

What is the forecast?



What are the future threats/opportunities?

- ❑ Subsidised borrowings (TCorp), interest rate fluctuations, intergenerational equity.....



Bellingren
Shire Council



EFFECTIVE
INFRASTRUCTURE AND
SERVICE MANAGEMENT

Ratios – Efficiency

Measure	Benchmark as per OLG	BSC Results (as at 30/06/14)	Is KPI Met?	Trend +ve or –ve or neutral
A Decrease in Real Operating Expenditure per capita over time	Decreasing over past 5 years	Increasing	✗	Decreasing

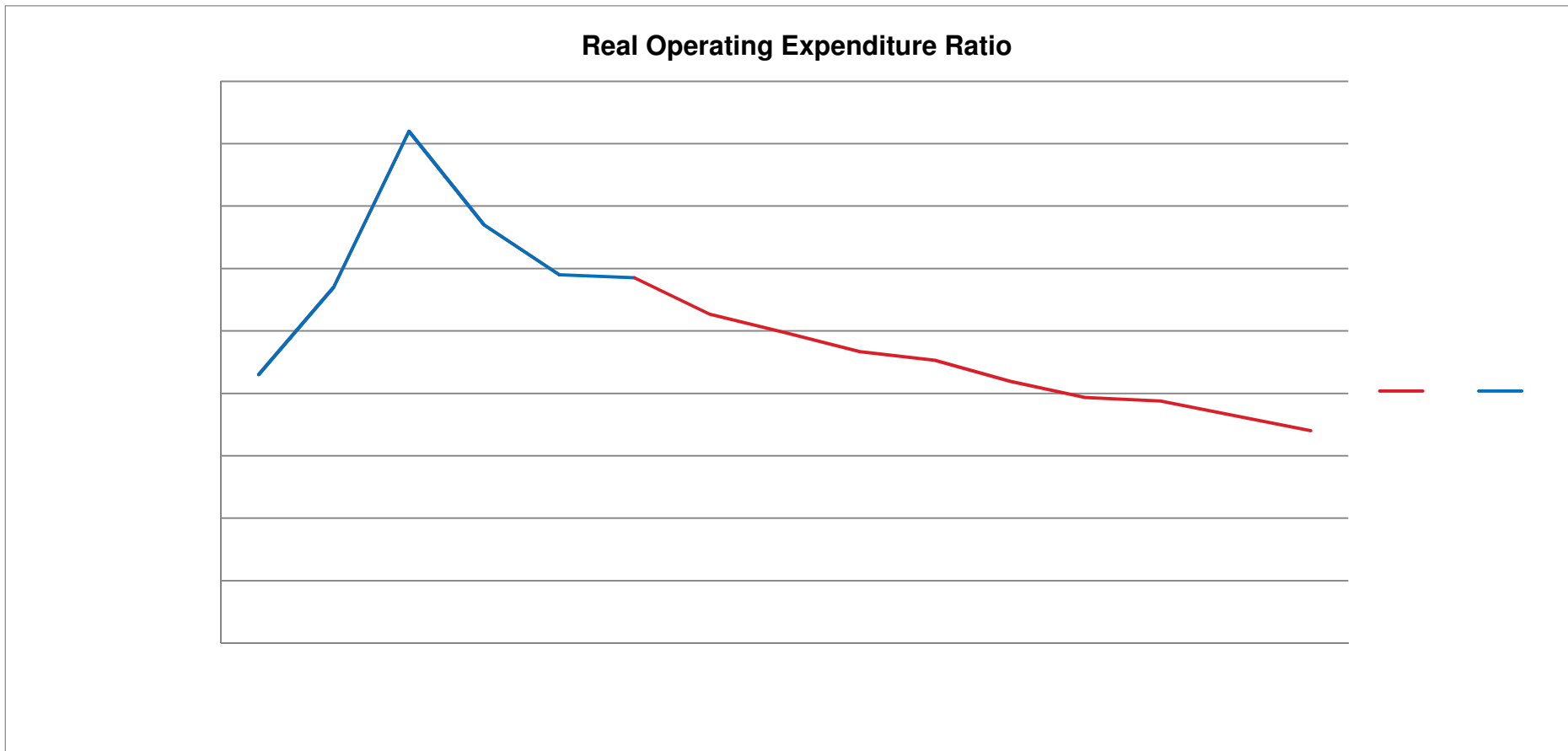
What does this ratio measure?

- Total annual operating expenditure divided by the Shire population adjusted for consumer price index (CPI) each year?

What are the key drivers/influences?

- Annual operating costs, asset maintenance, raw materials/labour costs.....

What is the forecast?



What are the future threats/opportunities?

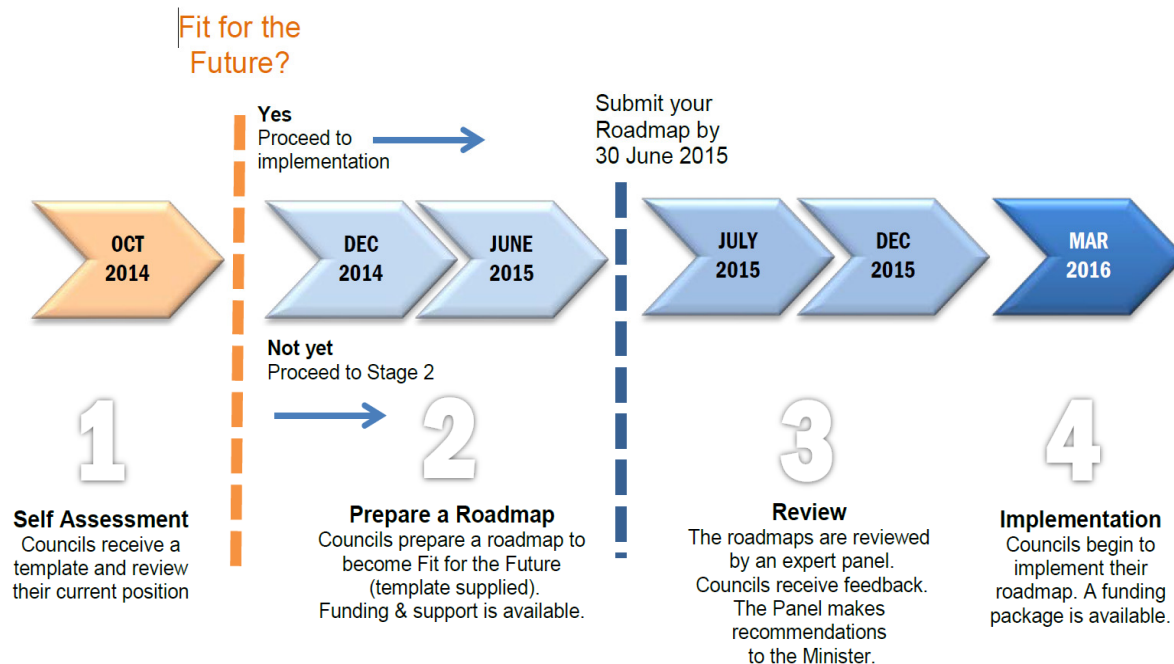
- ❑ Population fluctuations, fluctuations in operating expenses due to one off grant payments (flood damage/RMS).....



How will we process work?

4 Stages:

- Self assessment
- Preparing a roadmap and submit by June 2015
- Review by expert panel
- FFF Councils begin implementation of roadmap



Where to from here?

If Council says 'yes' to scale and capacity, the steps moving forward include:

- Revision of asset plans
- Revision of Council's Long-term Financial Plan
- Review the Revaluation Assets report
- Consider levels of service
- Stakeholder engagement
- Improvement strategies and outcomes
- Complete Template 2

If Council says 'no', Council would:

- Seek a change to the current Shire boundaries and/or not participate in the proposed North Coast Joint Organisation of Councils.
- Complete a different submission template
- Present a case for the changed arrangements.



If Council agrees with the Panel's recommendations around scale and capacity (stand alone and member of a Joint Organisation):

- Complete Template 2
 - Executive summary
 - Assessment of scale and capacity
 - Snapshot of Bellingen
 - Key challenges and opportunities
 - Performance against FFF benchmarks
 - Assessment of water utility performance
 - Improvement strategies and outcomes
 - Improvement Action Plan
 - Other strategies considered
 - Expected outcomes
 - Implementation
- Engagement with key stakeholders

"The Independent Local Government Review Panel recommended a range of structural solutions for councils across NSW, based on its extensive consultation and research.

The NSW Government therefore welcomes Fit for the Future proposals broadly in line with these recommendations."

What's your role...

- Council report at February Ordinary Meeting – to resolve scale and capacity
- Councillor March workshop – leadership and engagement
- Monthly workshops to:
 - Build template
 - Report on progress of Joint Organisation
 - Facilitate stakeholder engagement



Your Feedback...

Questions?



Bellinghen
Shire Council

Bellingen Shire
COUNCIL



fit for the future



Bellingen
Shire Council

Background and context



Bellinghen
Shire Council

Background and Context

- **30 years of rate pegging**
 - Limits ability to provide local services
 - Prevents infrastructure backlogs from being addressed
 - Requires councils to consider higher user pays charges
 - Runs counter to principles of democracy and accountability of local government
- **LG Infrastructure Audit June 2013 – Infrastructure backlog**
 - NSW \$7.4 billion as at June 2012
 - North Coast NSW = 29% of backlog

Background and Context

Treasury Corporation Assessment of NSW councils

- Operating deficits unsustainable (2009-12 cumulative operating deficit for all NSW councils = \$1 billion)
- Sustainability deteriorating
- Need to prevent further deterioration
- Asset management gap – 2012 - reported maintenance gap = \$389 million totaling \$1.6 billion over the last four years

“there is a higher proportion of councils rated as weak to very weak in the North coast region and the far west compared to other regions. Much of this variation in performance can be attributed to population density, where lower levels of population and hence proportional numbers of rate payers are available to meet the costs of maintaining and renewing assets”

Bellingen: FSR rating moderate, outlook negative

Background and Context

- State Government financial situation
- Cost shifting
- Long term State Government planning and reporting

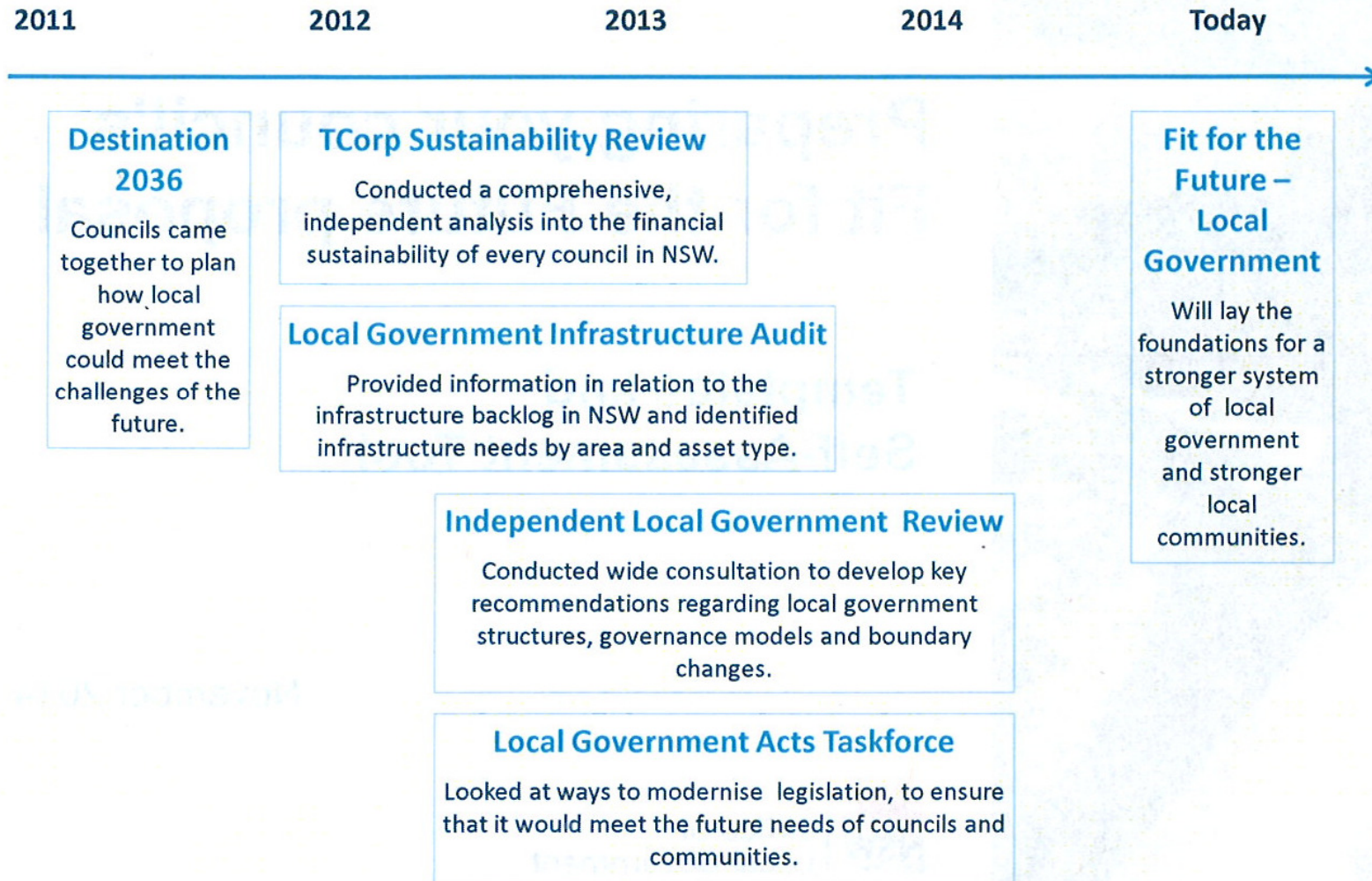
Where we are today



Bellinghen
Shire Council

Unprecedented Era of Change

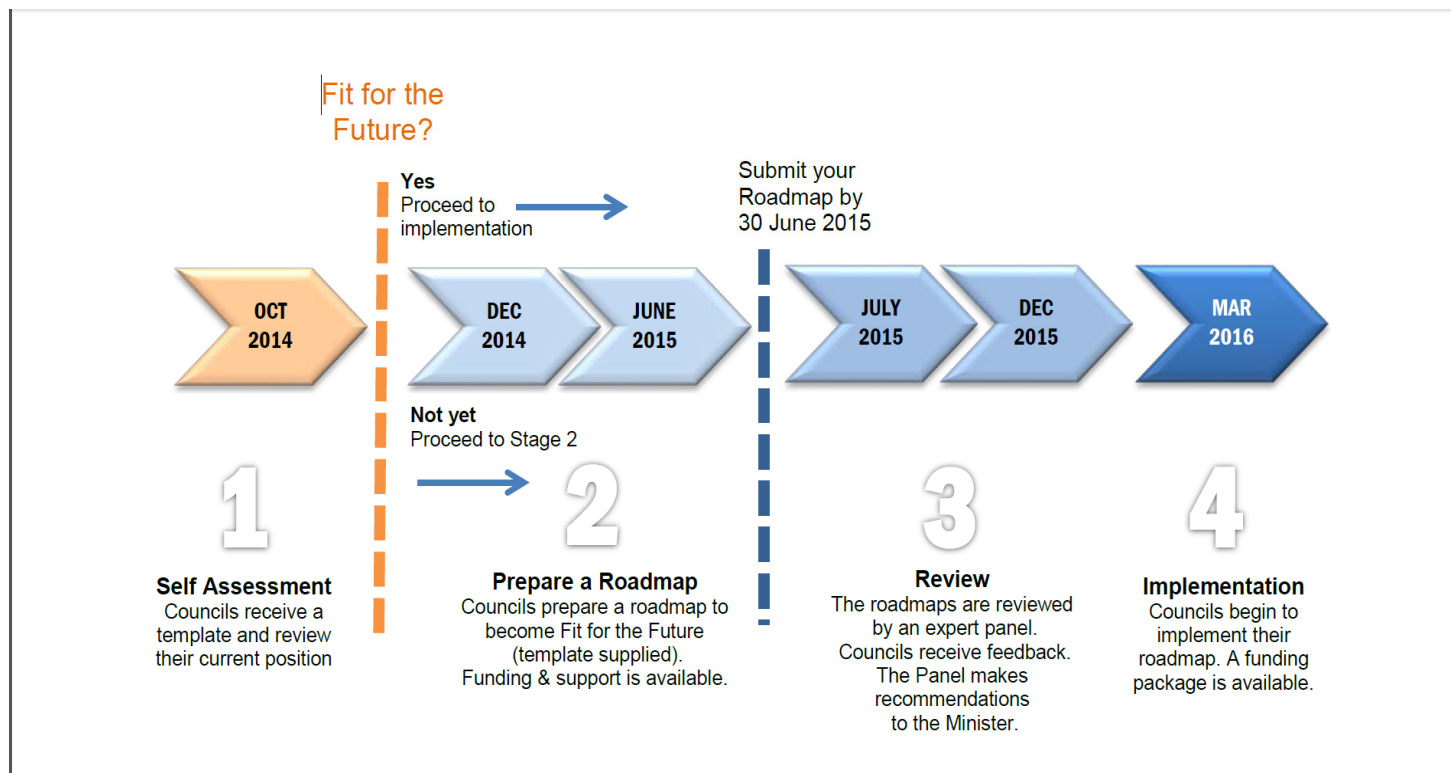
The journey so far...



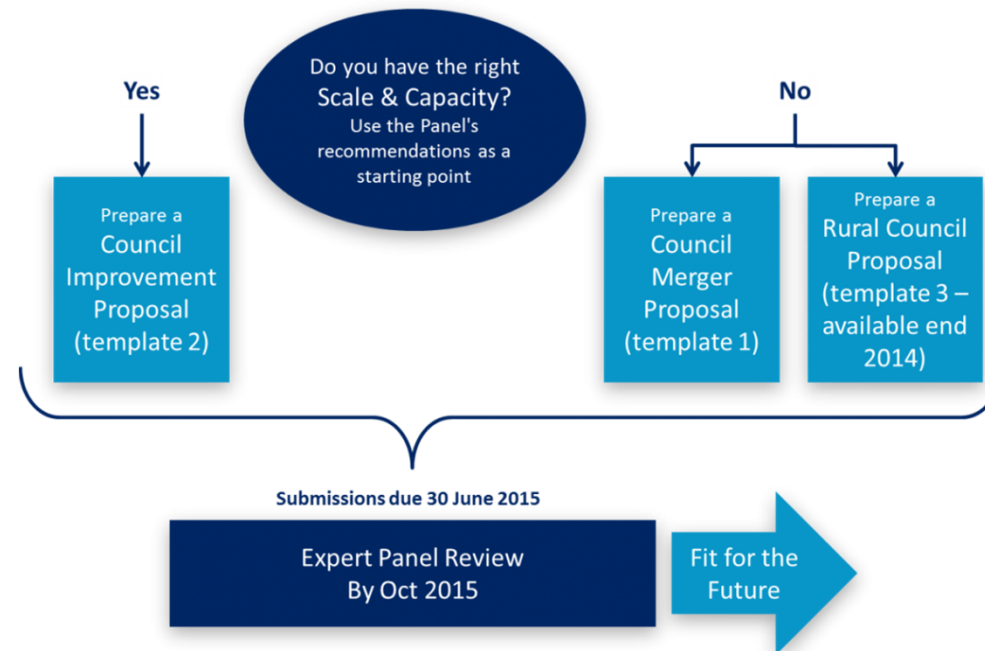
Fit for the Future is a journey...

4 Stages of becoming Fit for the Future:

- Self assessment
- Preparing a roadmap and submit by June 2015
- Review by expert panel
- FFF Councils begin implementation of roadmap



Becoming Fit for the Future



What are the Fit for the Future options?

1. **Scale and capacity + Joint Organisation** = Template 2
2. **Rural Council** – Councils with a current, or projected, population under 10,000
3. **Voluntary Merger**
4. **A model for the Far West**



Office of Local Government Guidance

“Councils need to demonstrate to their communities that they are financially sound, operating efficiently and in a strong position to guide growth and deliver quality services in the future.”

Fit for the Future – NSW Government

What does a Fit for the Future council look like?

A Fit for the Future council is one that is:

- **Sustainable**
- **Efficient**
- **Effectively manages infrastructure and delivers services for communities**
- **Has the scale and capacity to engage effectively across community, industry and government.**

Implications for Bellingen Shire Council

- **The starting point for assessment – Independent Local Government Review Panel (ILGRP)**
- **ILGRP Recommendation**
 - Stand alone
 - Role of the JO
 - Member of the North Coast Joint Organisation
 - Bellingen Shire Council
 - Nambucca Shire Council
 - Coffs Harbour City Council
 - Clarence Valley Council



Bellingen
Shire Council

How does IPART propose to rate council proposals?

Councils that submit proposals will either be '**fit**' or '**not fit**'.

Fit councils must:

- Demonstrate that they currently have, or will have, **sufficient scale and capacity**
- Satisfy, overall, the criteria of sustainability, effective infrastructure and service management and efficiency

Not Fit councils are those that:

- Do not satisfy the scale and capacity criterion and/or, overall, the other criteria
- Have not submitted a proposal for assessment

Fit for the Future Assessment

Contextualised by the Integrated Planning and Reporting Framework

- Community Vision - Bellingen 2030
- Delivery Program (4 years) & Operational Plan (1 year)
- Resourcing Strategy
 - Asset Management Framework
 - Workforce Management Plan
 - Long Term Financial Plan (LTFP)

Role of the LTFP

- **ROADMAP** or plan to strategically model Council's finances
- Projects income and expenditure over a 10 year horizon
- Contains Council's annual budget
- Renewed annually with income and expenditure decisions taken year on year

Fit for the Future Assessment

Review of Council's Long Term Financial Plan to address:

- Operating deficits
- Additional revenue sources
- Cost containment strategies
- Productivity and efficiency initiatives
- Service provision and service levels
- Additional infrastructure investment

What does this mean?

- Corrective measures to address financial sustainability and infrastructure backlog issues
- A revised plan in the context of the Fit for the Future ratios

Additional considerations when assessing council proposals?

In undertaking the assessments, IPART propose to also consider:

- Social and community context of the council
 - Local identity
- Council consultation on FFF proposals
- The impact of water/sewer utility performance

The challenges we face



Assessment process and timeframes

- Independent Pricing and Regulatory Tribunal (IPART) appointed **27 April** to assess council proposals
- IPART released a draft intended methodology for assessment
- Assessment methodology on public exhibition until **25 May**
- Final IPART Guidelines – week commencing **1 June**
- Council FFTF submissions due **30 June**
- IPART assessment complete – **16 October**

Factors beyond our control

- Future Federal and State grant arrangements
- Undertakings by the State e.g. Local Government borrowing facility
- Changes to legislation
- Arrangements regarding rating



Local challenges

- Climatic impacts –
 - 13 flood events since 2001
 - \$31M damage
- 57% of Shire not rateable
- Non rateable land owned by State and Federal government ie Crown Land, State Forest, National Parks
- Demographics
- Transport assets

Population Densities

Council	Area (km ²)	Population (2012 Census)	Density (pop/km ²)
Bellingen	1,600	12,819	8.0
Clarence	10,429	51,346	4.9
Kempsey	3,376	29,198	8.7
Nambucca	1,491	19,319	13.0
CHCC	1,174	70,990	60.5
Blacktown	240	317,598	1,322.7
Sydney	27	187,561	7,016.9

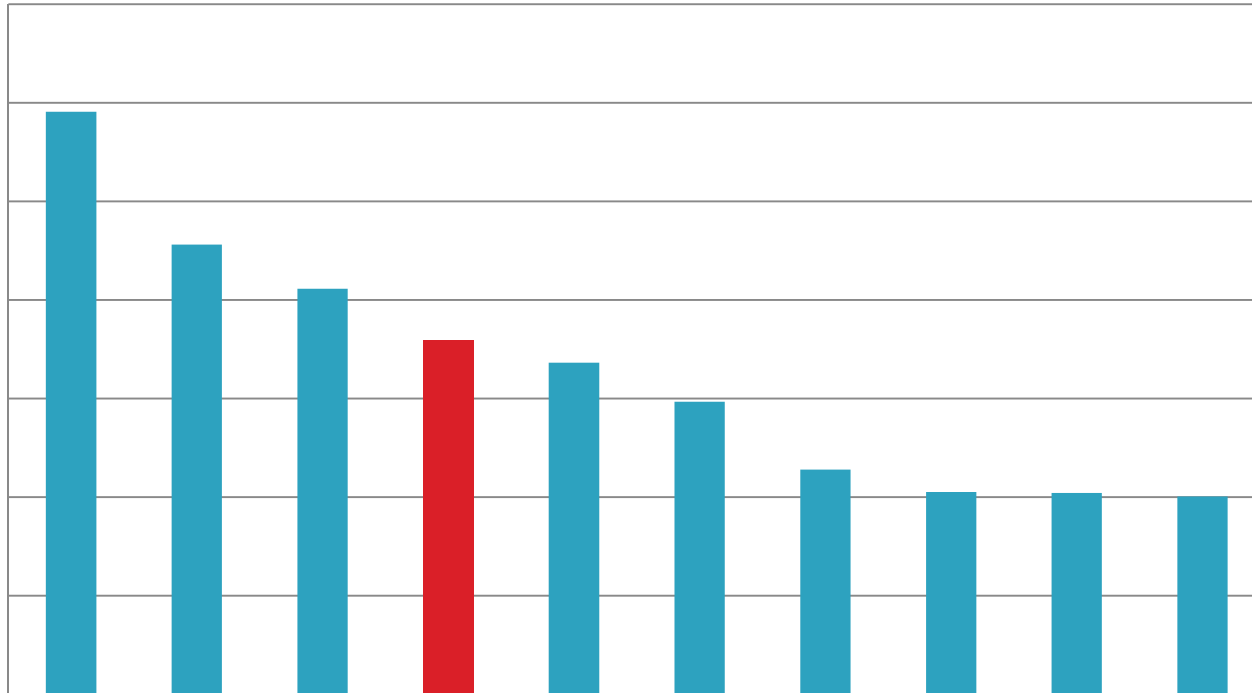


Length Local Road per head of Population

Council	Population (2012 Census)	Local Road Length (km)	Length (m) /Person
Bellingen	12,819	531.5	415
Clarence	51,346	2,055.3	400
Kempsey	29,198	1,059.6	363
Nambucca	19,319	666.2	345
CHCC	70,990	763.7	108
Blacktown	317,598	1,223.1	39
Sydney	187,561	301.3	16



Top 10 Councils Timber Bridge Length on Local Roads (metres)



These 10 Councils have 1021 (16.4 km) timber bridges (49.5% of total NSW length and 53% of bridges in number)

60 NSW councils (40%) have no timber bridges



What have we done to date?



What have we done to date?

- Organisational realignment 2012 around effectiveness, productivity outcomes, customer focus
- Departmental and functional reviews, including processes - ongoing
- Community Satisfaction Survey and Planning Process Review Survey
- Service Review process utilising ACELG process SmartGov Toolkit
- Special Rate Variation secured 2013
- Establishment of Governance arrangements around the SRV including a committee of council to oversee productivity initiatives and progress of works. Examples include land and property review, fees and charges review
- SRV Committee supported by Internal Program Boards./Project framework
- Strategic financial advice
- Establishment of an internal audit function
- Development of a Leadership and Engagement Framework – horizontal and vertical (Councillors, Senior Leaders, Leaders, and Operational Team Leaders)
- Implementation of a procurement roadmap to streamline procurement and deliver more cost efficient outcomes
- Working regionally – Waste, Libraries, Internal Audit, Asset Management
- Regional collaboration e.g. WHS, E-Learning, Planning, Asset Management

What have we done to date?

Regional Asset Management:

- A common approach to asset valuation and depreciation methodology
- Benchmarks have been establish to compare asset life and renewal costs
- Outcome - realistic asset values and lifecycle cost representing better informed depreciation calculations

• Input to the Long Term Financial Plan



What have we done to date?

Major infrastructure review

- Regional approach to asset valuation and depreciation methodology
- Establishment of benchmarks to compare asset life and renewal costs
- Objective and realistic asset values and lifecycle costs representing better informed calculations

What are we doing?

Review of programs and services around productivity and efficiency

What have we done already?

- Local government benchmarking data
- Regional shared service analysis
- Customer Service Satisfaction survey 2012
- Internal service reviews (pools, weeds, roads and bridges)

What are we doing?

- Distilling work undertaken to date regarding satisfaction and importance to provide a baseline for the establishment of service levels in partnership with the community
- Identifying opportunities for productivity and efficiency
- Pursuing gains through shared servicing and alliancing
- Joint Organisations






Bellingren
Shire Council

The targets, current status and options



Initial Assessment

Part of the Fit for Future package is a self-assessment tool to help Council determine whether their past performance indicates that they are “Fit for the Future”. A summary of the self-assessment results are as follows:

	BENCHMARK	RESULT	MEETS FFTF BENCHMARK	
 SUSTAINABILITY	<i>Operating Performance Ratio (greater or equal to break-even average over 3 years)</i>	-0.333	NO	✗
	<i>Own Source Revenue Ratio (greater than 60% average over 3 years)</i>	58.59%	NO	✗
	<i>Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i>	57.58%	NO	✗
 EFFECTIVE INFRASTRUCTURE AND SERVICE MANAGEMENT	<i>Infrastructure Backlog Ratio (less than 2%)</i>	6.31%	NO	✗
	<i>Asset Maintenance Ratio (greater than 100% average over 3 years)</i>	125.69%	YES	✓
	<i>Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)</i>	2.90%	YES	✓
 EFFICIENCY	<i>A decrease in Real Operating Expenditure per capita over time</i>	Increasing	NO	✗
	OVERALL RESULT	✗		

The Council does not meet all seven of the Fit for the Future Criteria



Financial Modelling

Three different scenarios have been modelled in the LTFP. The scenarios tested as part of the modelling process are:

- ▶ **Financial Services Model 1 – Service Levels Maintained (at current level)**
 - Base model used throughout the Long Term Financial Plan
 - Permanent 3% per year rate increase (above rate peg) 2016/17-2024/25
 - \$250K (2015/16) and \$300K (2016/17) operational cost reductions
- ▶ **Financial Services Model 2 – Service Levels Reduced**
 - Rate peg increase only per year rate increase
 - \$1.5M operational cost reductions
- ▶ **Financial Services Model 3 – Meet ‘Fit For the Future’ requirements by 2020**
 - Permanent 13% per year rate increase (above rate peg) 2016/17-2019/20
 - \$250K (2015/16) and \$300K (2016/17) operational cost reductions

Other Modelling

Option 4

► **Aspirational**

As part of this scenario we modelled some 'what ifs':

- **What if we could rate State Forests.....**

57% of Shire is unrateable – State Forests, National Parks and Crown Lands (all owned by State and Federal Government).

This model incorporated the rating of the Shires State Forest land area calculated on 50% of the current farmland rate yielding between \$436K (2017/18) to \$519K (2024/25).

- **Development commensurate with approved land release.....**

This model incorporated the increase in rating income generated by subdivisions of \$50K commencing 2016/17.

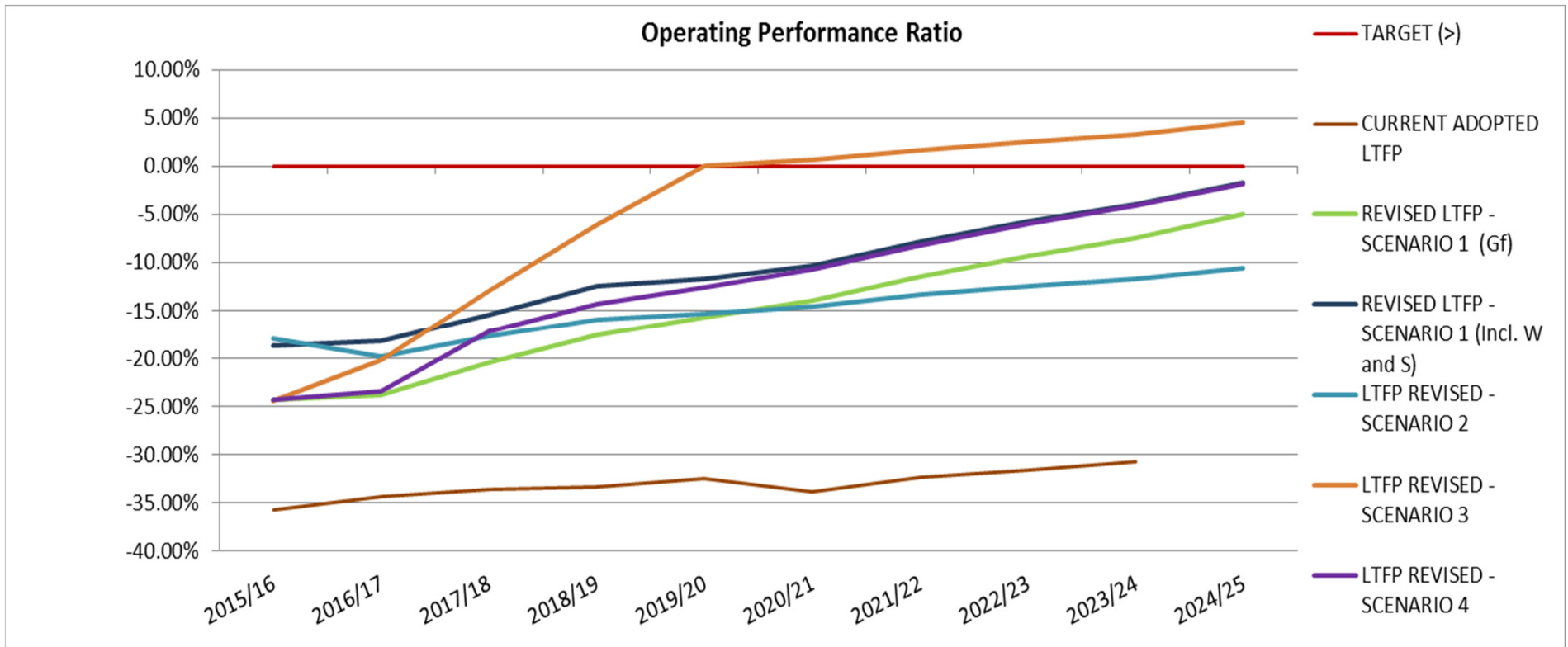
- **Shared service savings realised.....**

This model incorporated a 5% savings in Council 'back office' functions commencing in 2017/18 from implementing a shared service arrangement.

Modelling is shown in the Infrastructure Renewal ratio and Operating Performance Ratio.

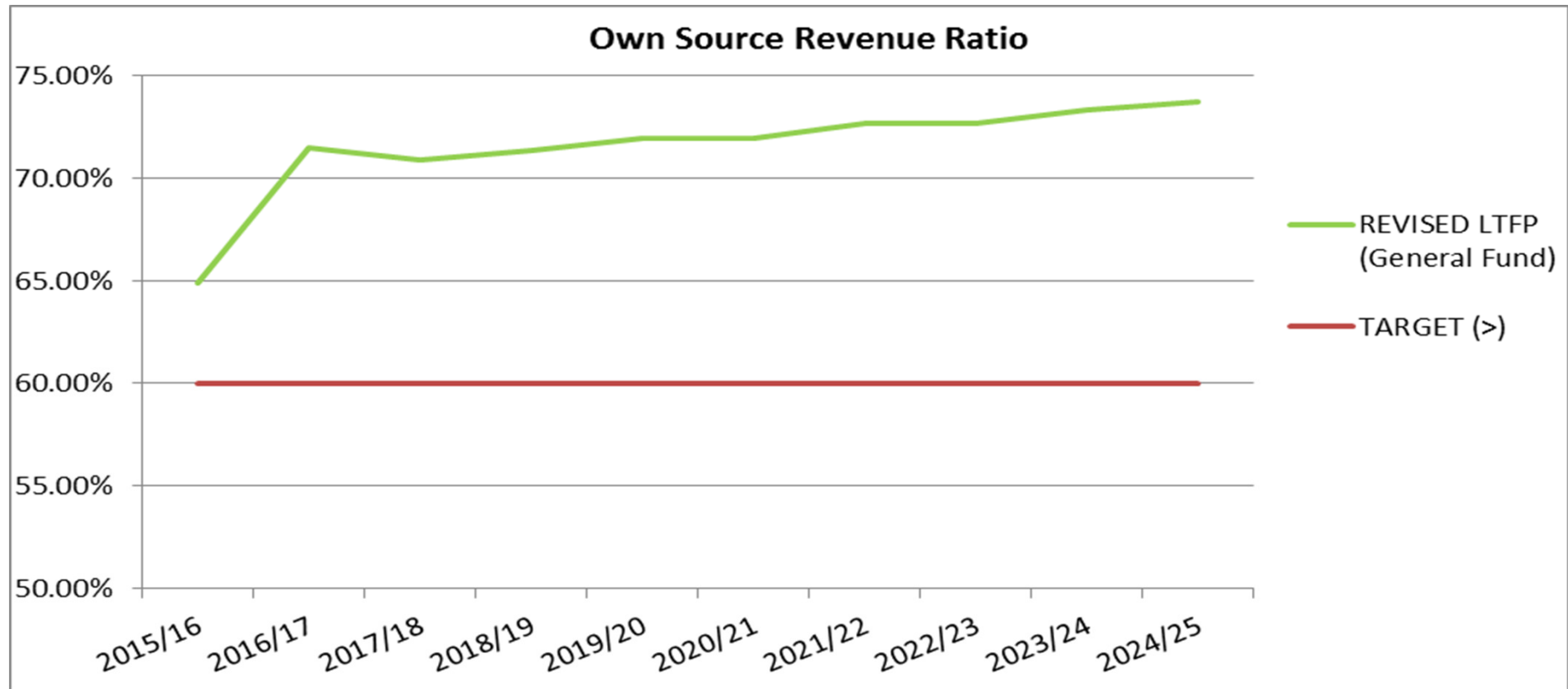
Ratios – Sustainability

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or -ve or neutral
Operating Performance Ratio	>= break even over 3 years	-15.73	✗	+ve



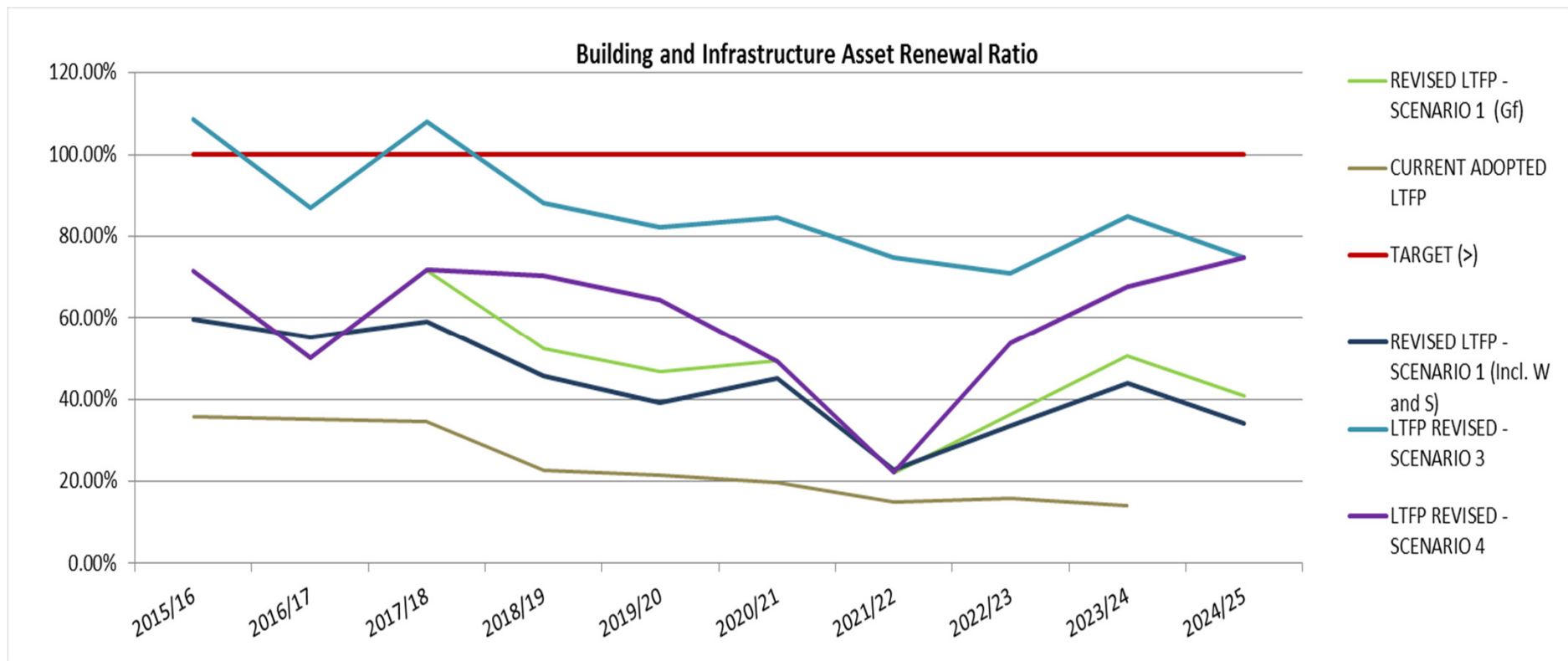
Ratios – Sustainability

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or -ve or neutral
Own Source Revenue Ratio	> 60% over 3 years	71.90%	✓	+ve



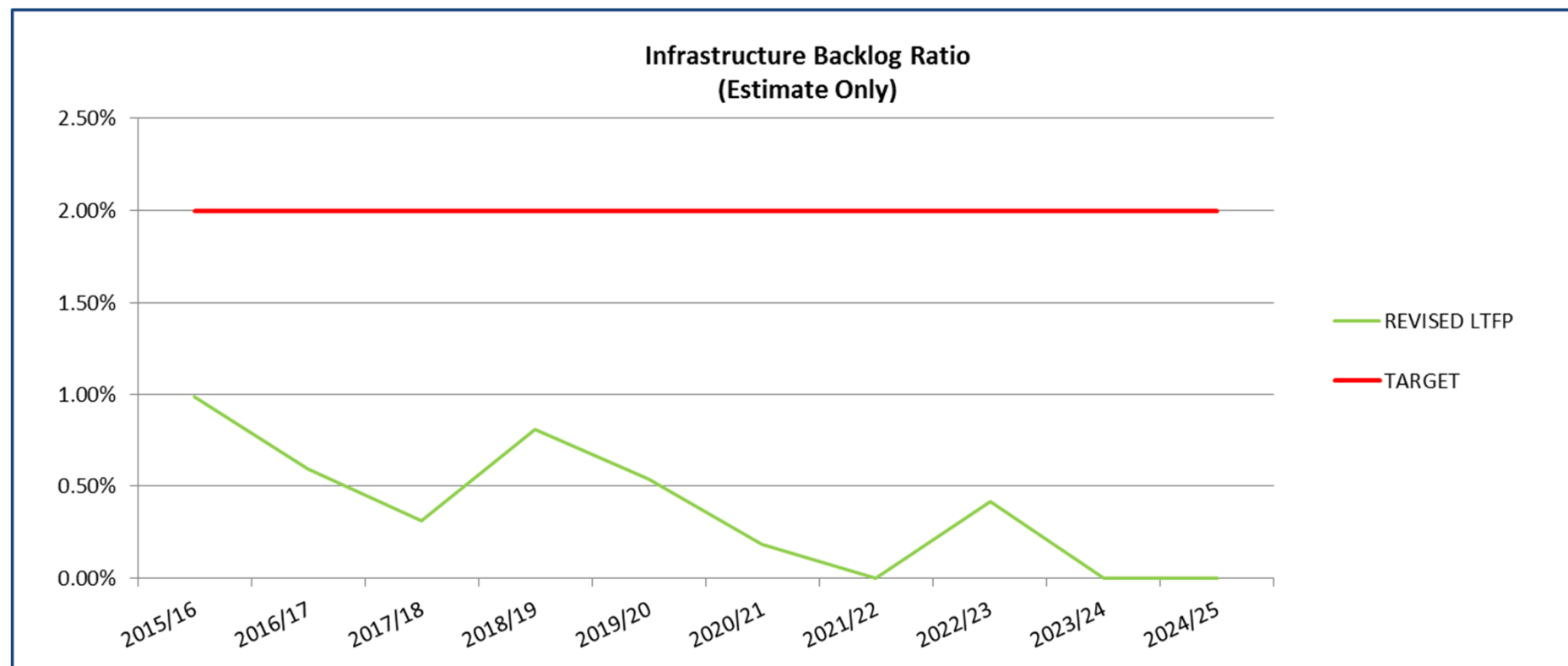
Ratios – Sustainability

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or –ve or neutral
Building and Infrastructure Asset Renewal Ratio	> 100% average over 3 years	56.86%	✗	negative



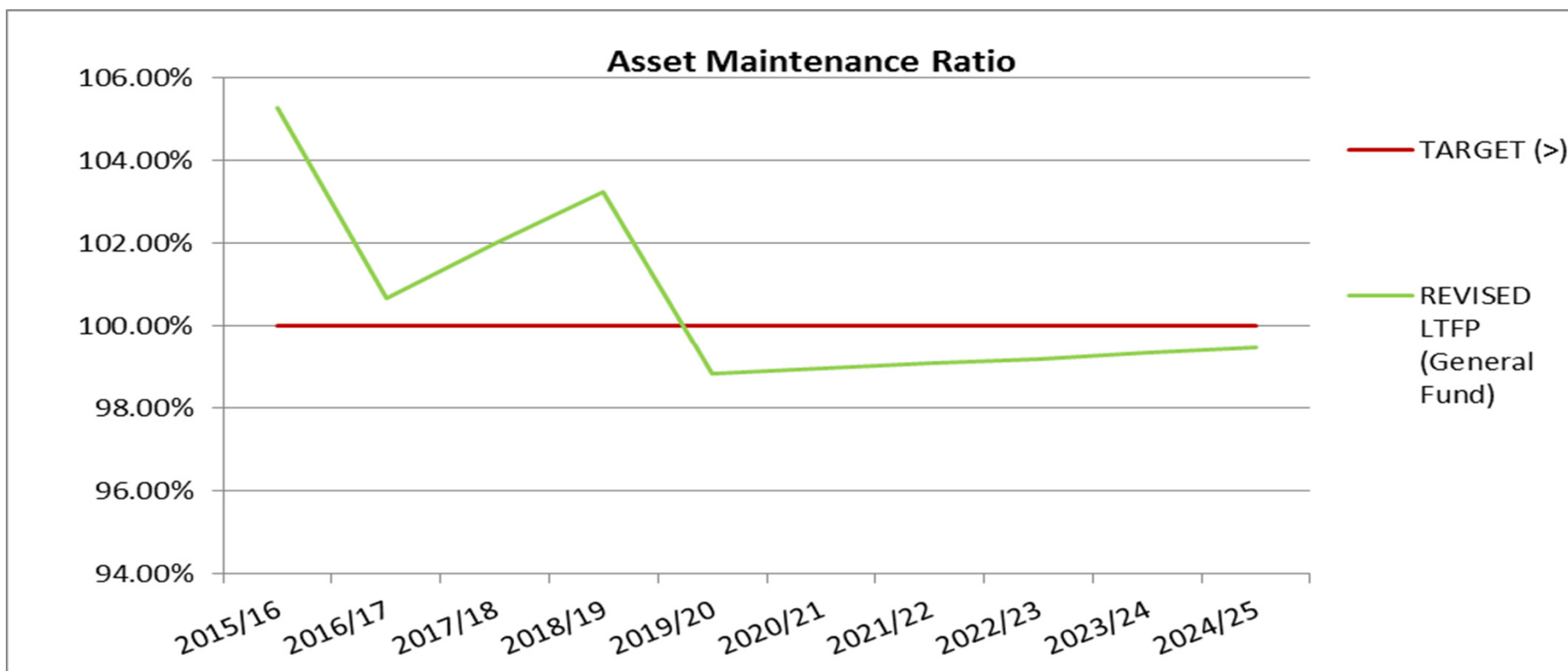
Ratios – Effective infrastructure and service management

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or –ve or neutral
Infrastructure Backlog Ratio	< 2%	0.54%	✓	+ve (est. only)



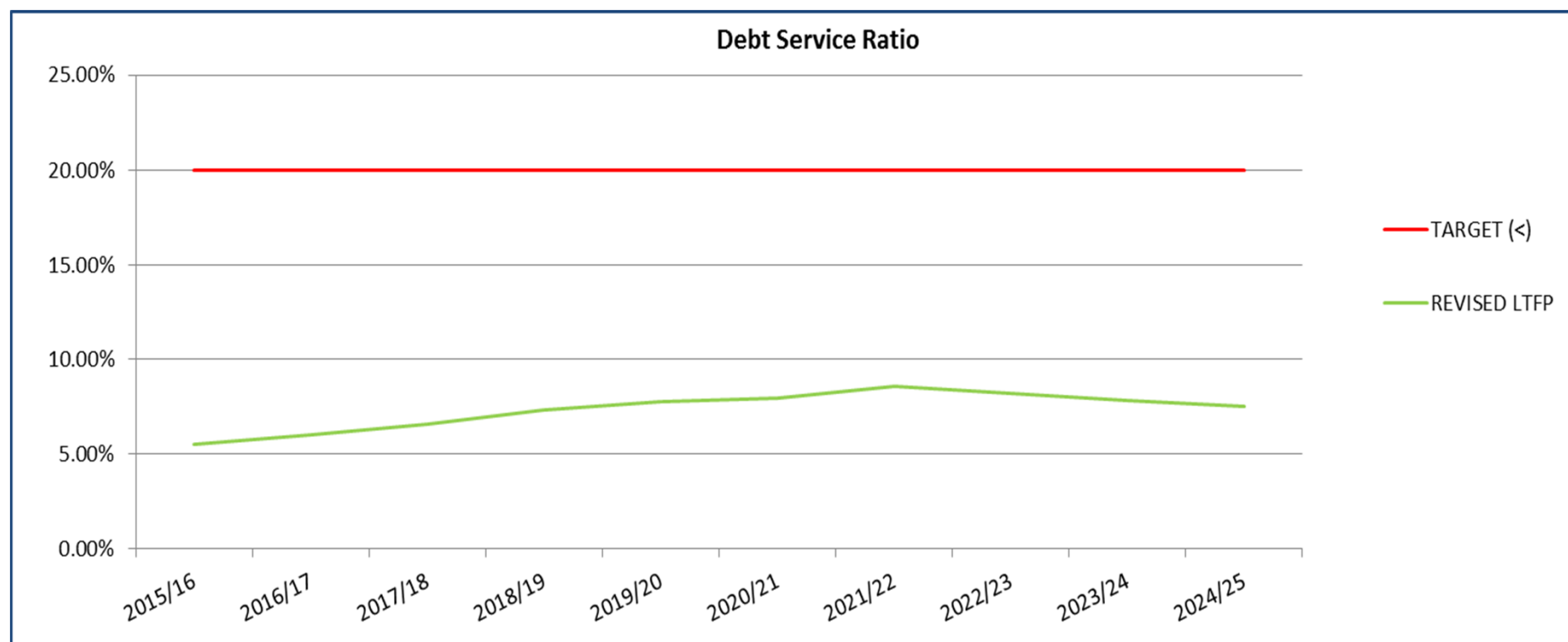
Ratios – Effective infrastructure and service management

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or –ve or neutral
Asset Maintenance Ratio	> 100% over 3 years	101.35%	✓	+ve (est. only)



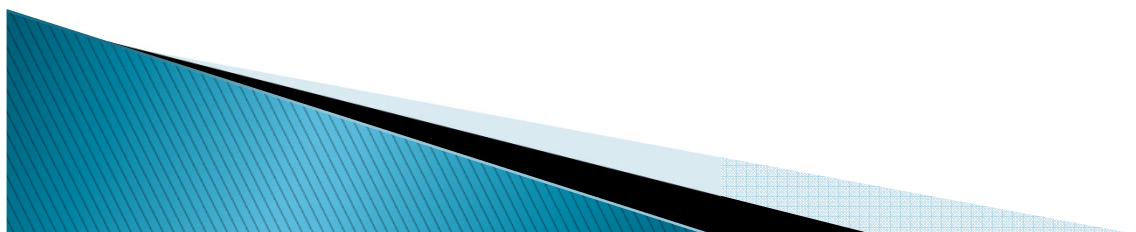
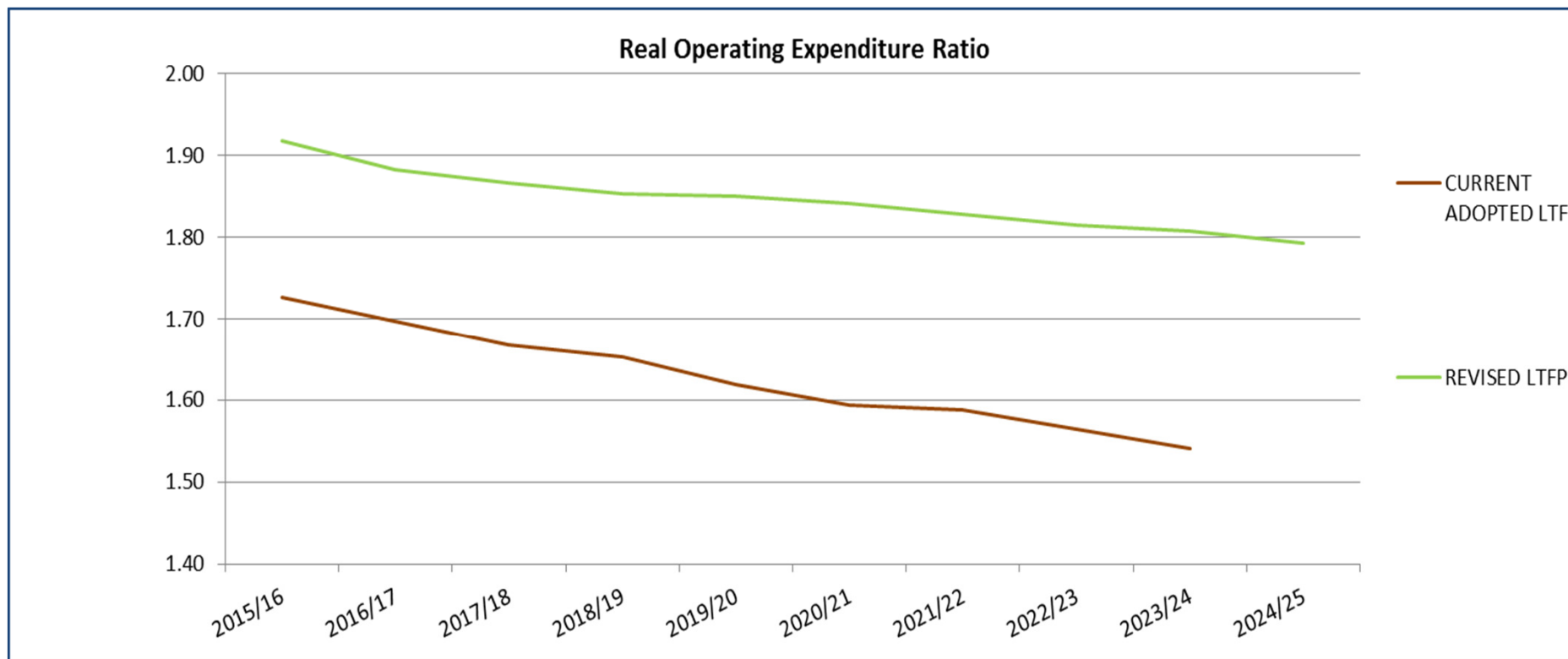
Ratios – Effective infrastructure and service management

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or –ve or neutral
Debt Service Ratio	> 0% <= 20% average over 3 years	7.76%	✓	+ve



Ratios – Efficiency

Measure	Benchmark as per OLG	BSC Results (by 30/06/2020)	Is KPI Met?	Trend +ve or –ve or neutral
A Decrease in Real Operating Expenditure per capita over time	Decreasing over past 5 years	Decreasing	✓	Decreasing



Projected Result 2019/2020



BENCHMARK

	RESULT	MEETS FFTF BENCHMARK	
<i>Operating Performance Ratio (greater or equal to break-even average over 3 years)</i>	-15.730	NO	✗
<i>Own Source Revenue Ratio (greater than 60% average over 3 years)</i>	71.90%	YES	✓
<i>Building and Infrastructure Asset Renewal Ratio (greater than 100% average over 3 years)</i>	56.86%	NO	✗
<i>Infrastructure Backlog Ratio (less than 2%)</i>	0.54%	YES	✓
<i>Asset Maintenance Ratio (greater than 100% average over 3 years)</i>	125.69%	YES	✓
<i>Debt Service Ratio (greater than 0 and less than or equal to 20% average over 3 years)</i>	2.90%	YES	✓
<i>A decrease in Real Operating Expenditure per capita over time</i>	Decreasing	YES	✓

OVERALL RESULT



The Council does not meet all seven of the Fit for the Future Criteria

What are the key influences and drivers affecting our position?

- Rates/annual charges
- Grant revenue
- Depreciation
- Asset renewal expenditure
- Asset revaluations
- Written down value of infrastructure
- Agreed service level expectations
- Raw materials/labour costs
- Cash flow requirements
- Past/present/future borrowings
- Current and future interest rates
- Annual operating costs
- Asset maintenance
- Cost shifting by State Government
- Only 3% share of Federal tax revenue

What are the future threats and opportunities?

- Government grants
- Service level reviews (essential/non-essential)
- Rating of State forests/crown reserves
- Review of depreciation
- Rating revenue
- Review of fees and charges
- Alternative revenue streams
- Infrastructure revaluations
- Greater use of S.94 funds and internal reserves
- Raw material and labour cost fluctuations
- Shift towards whole of life costing for any new asset purchases
- Subsidised borrowings (TCorp)
- Interest rate fluctuations
- Intergenerational equity
- Population fluctuations
- Fluctuations in operating expenses due to one off grant payments (flood damage/RMS)

Where to from here?



Bellinghen
Shire Council

Our plan canvasses

- Financial sustainability
- Infrastructure renewal
- Service provision and service standards
- Review of assets and opportunities for renewal
- Shire growth
- Productivity and efficiency improvements
- Cost containment strategies
- Shared services and alliances

Where to from here?

- FFF submission by 30 June 2015
- IPART assessment to the NSW Government by 16 October 2015
- Continue our current financial sustainability initiatives
- Implement the proposed FFF action plan

Where to from here?

- Continued community engagement
- Decisions to be made in relation to:
 - Services
 - Infrastructure
 - Rates
 - Funding models
 - Revenue generation



Bellinghen
Shire Council

“Councils need to demonstrate to their communities that they are financially sound, operating efficiently and in a strong position to guide growth and deliver quality services into the future.”

“Some councils will take longer than others to achieve their goals. The important thing is for councils to have a sound and credible plan to improve its situation”

Fit for the Future - NSW Government



Bellingen Shire Council 2012 Customer Satisfaction Survey



© Jetty Research, June 2012



What do you need to know?

OBJECTIVES

- To assess resident satisfaction and priorities with regard to services and facilities using a statistically valid sample
- To establish baseline data assisting in the future benchmarking of Council's performance



METHODOLOGY (1)

- Random fixed line telephone poll of 400 residents
- Used a database of +/- 5,000 local numbers
- Adequate coverage from 2453, 2454 and 2455 postcodes



METHODOLOGY (2)

- Surveying conducted 3.30-8pm Monday to Thursday and midday-5pm Saturday
- Took place March 21st to April 2nd, 2012
- Residents called up to four times, offered callbacks for convenience
- Screened to ensure 18+, lived in LGA, not councillors or permanent Council employees



METHODOLOGY (3)

- 400 interviews conducted
- Participation rate 46 per cent
- Survey time varied from 8 to 33 minutes (average = 15.4 minutes)
- Data was post-weighted by age and gender to match LGA's profile (based on 2006 Census)



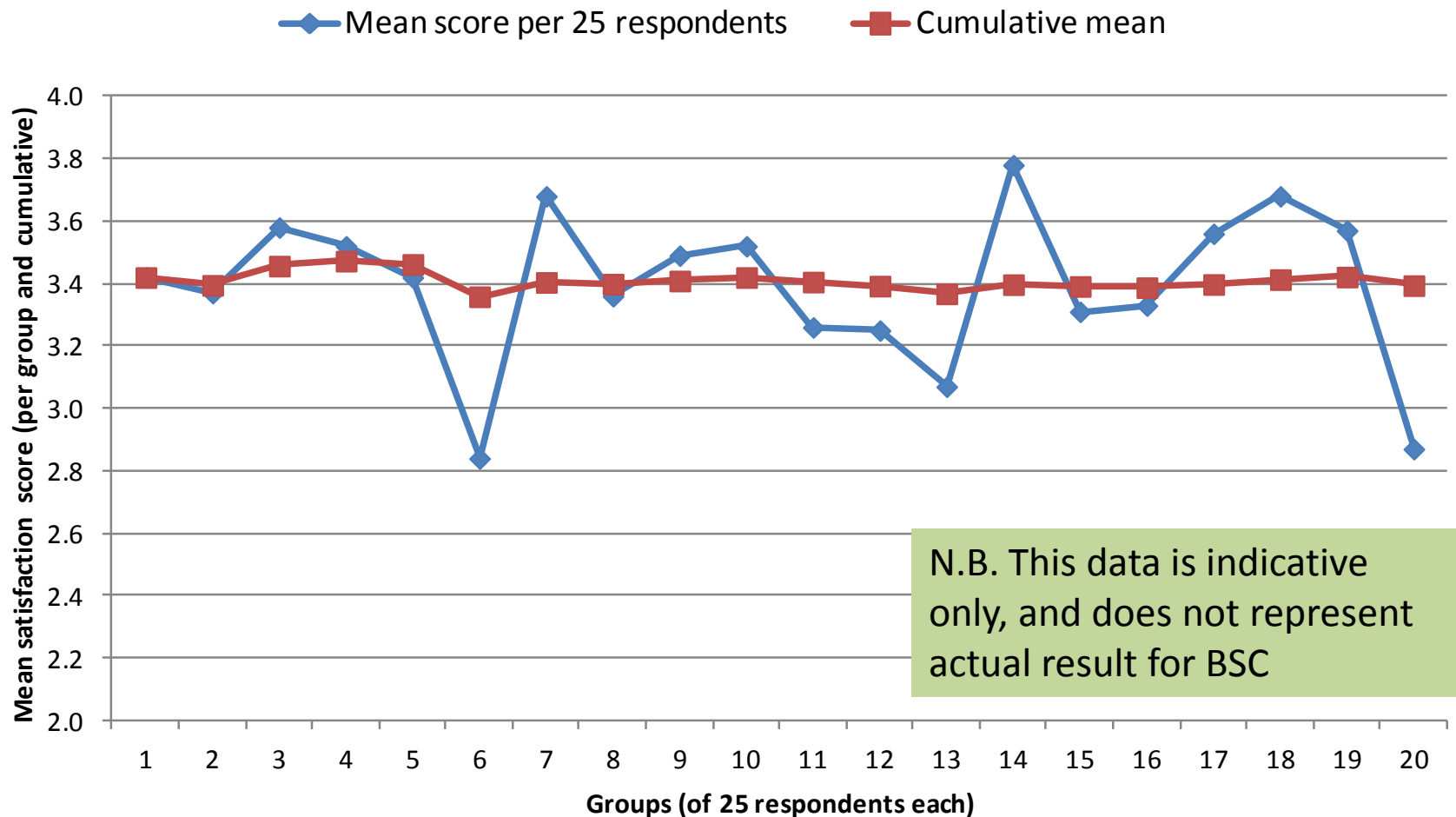
SAMPLING ERROR (1)

- Based on number of BSC households, 400 survey sample implies random sampling error of $\pm 4.7\%$ at 95% confidence
- Hence if we conducted the same survey 20 times, results should be representative of entire survey population to within $\pm 4.7\%$ in 19 of those 20 surveys

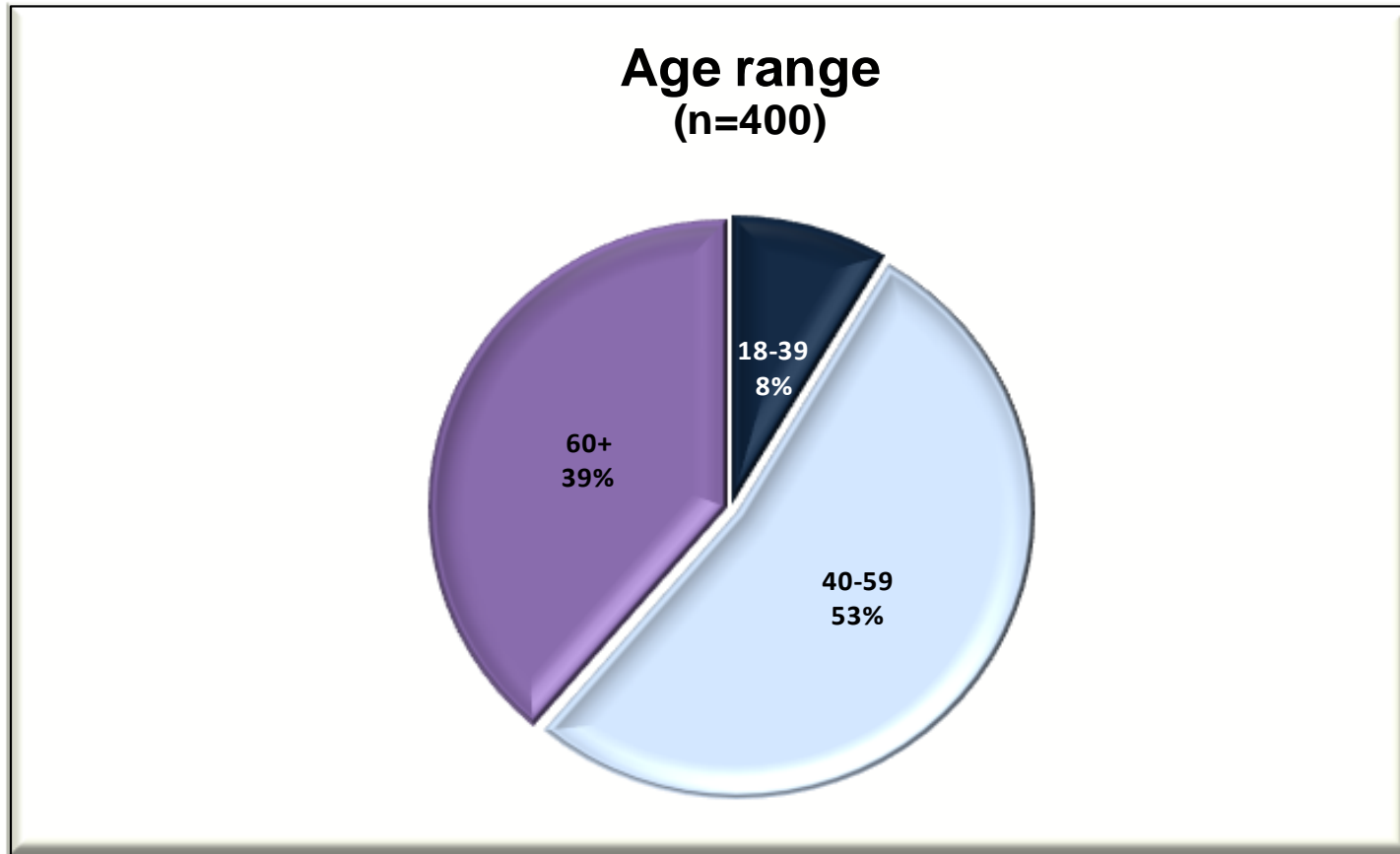


SAMPLING ERROR (2)

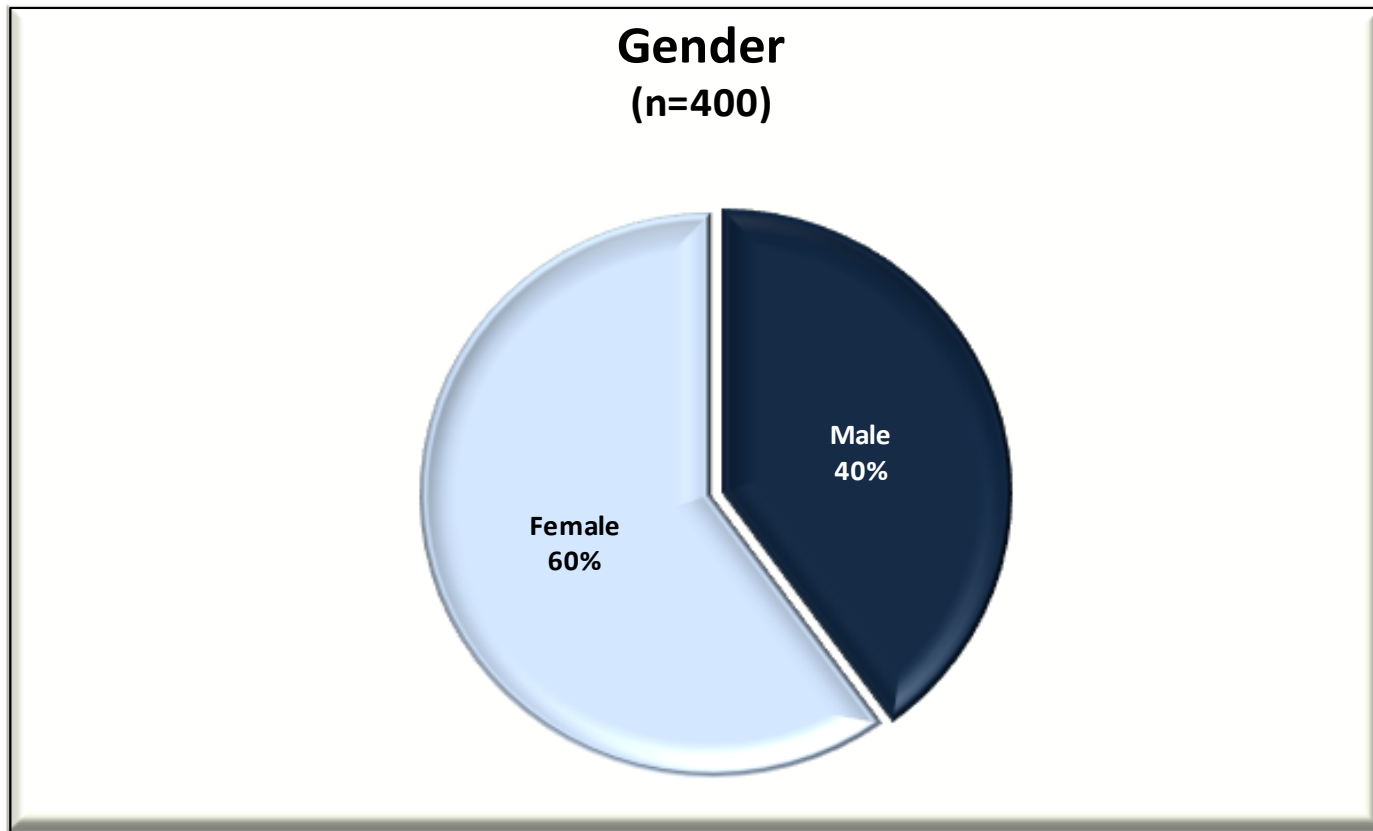
Mean score (1-5 scale) for satisfaction regarding
"protection of the natural environment" (n =500)



DEMOGRAPHICS (1)

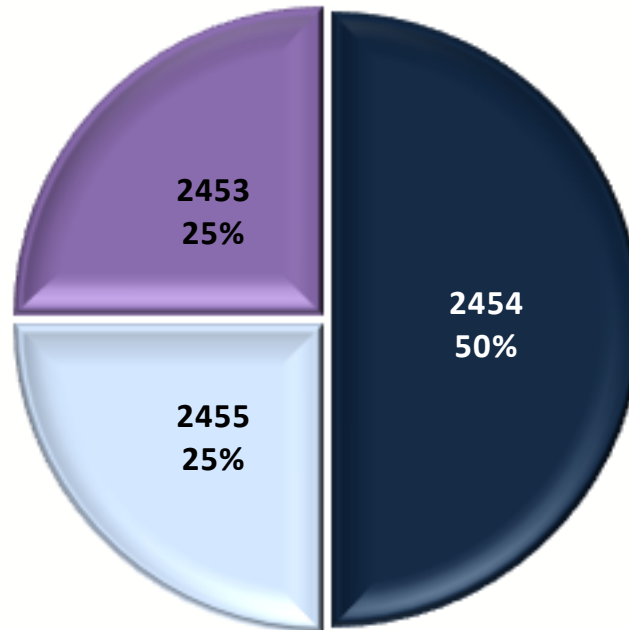


DEMOGRAPHICS (2)



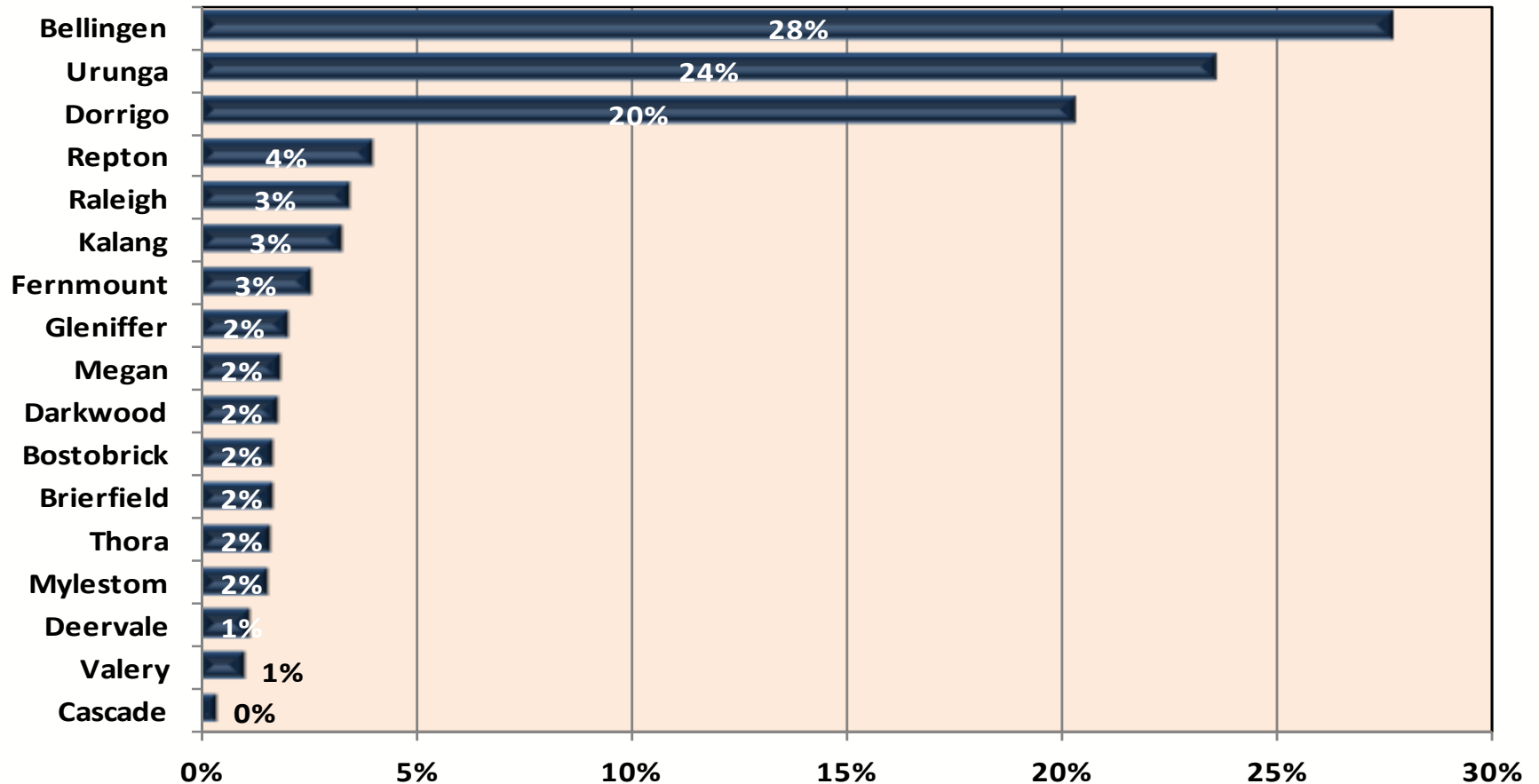
DEMOGRAPHICS (3)

**Residential postcode
(n=400)**



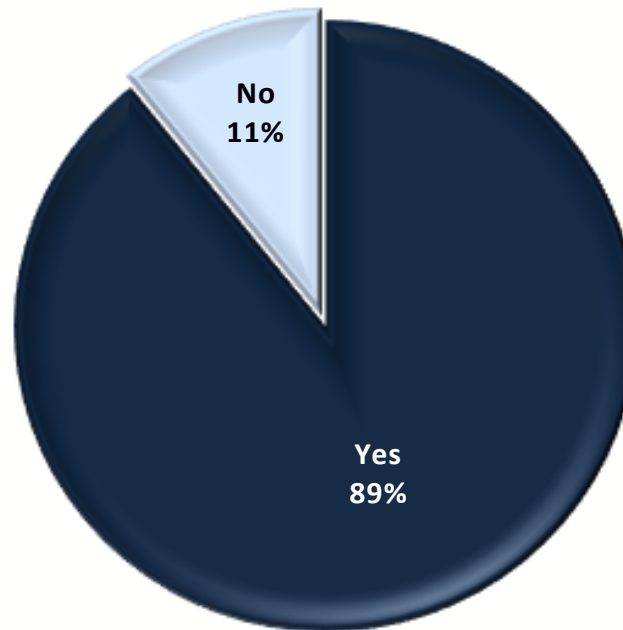
DEMOGRAPHICS (4)

Breakdown of survey sample by town
(n = 400)



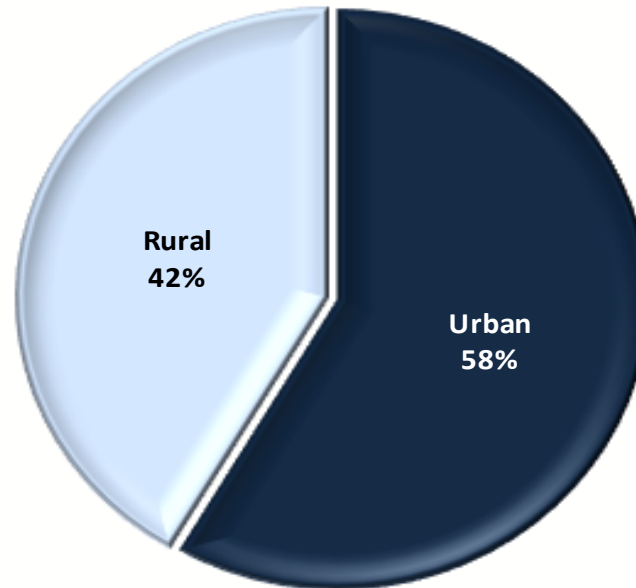
DEMOGRAPHICS (5)

Are you a ratepayer?
(n=400)

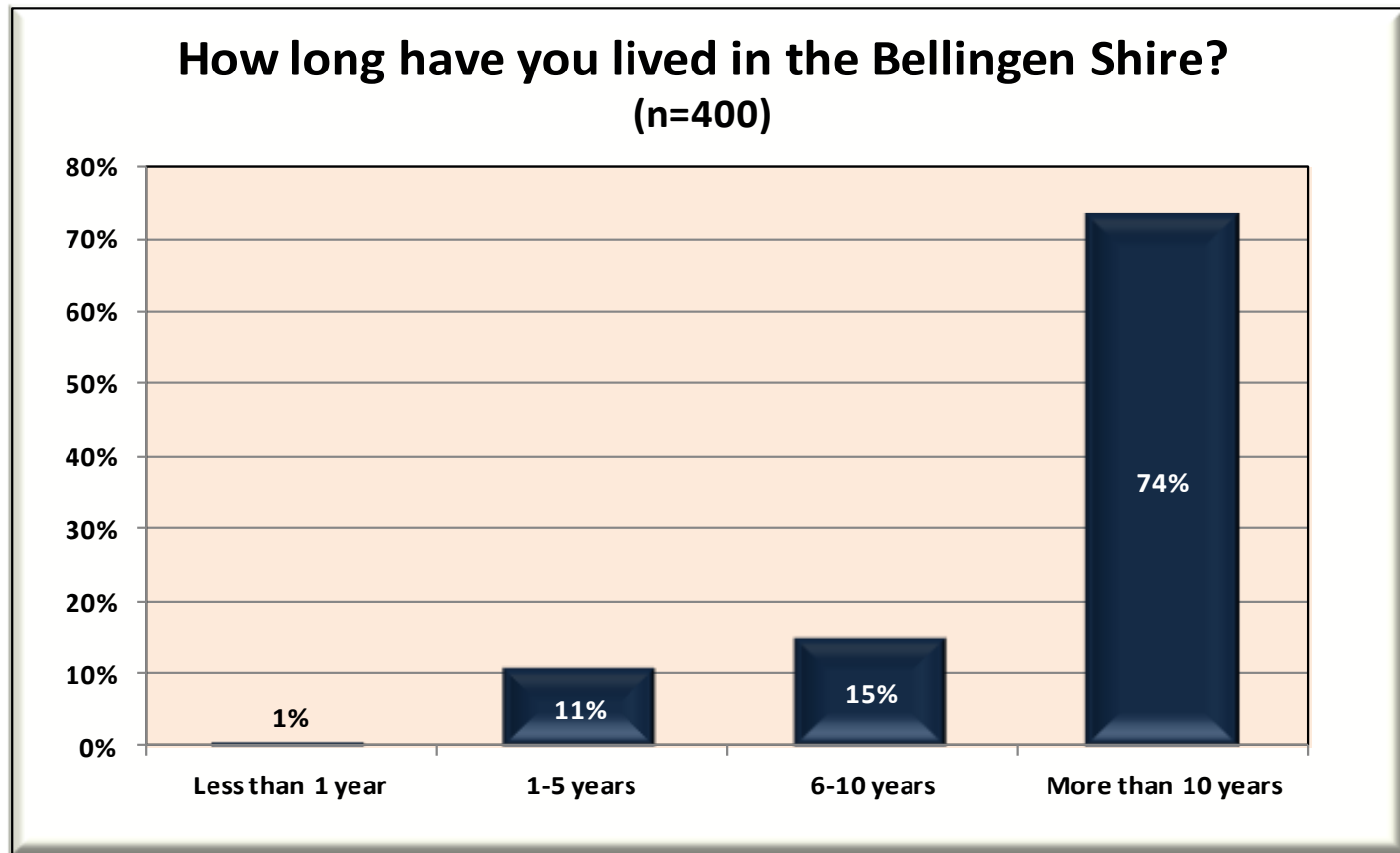


DEMOGRAPHICS (6)

Do you live in an urban or rural setting?
(n=400)



DEMOGRAPHICS (7)



Satisfaction with services

Council services	Satisfaction Mean	Standard deviation for satisfaction mean	% of sample scoring factor
Libraries	4.09	.819	83%
Cleanliness of streets	3.61	.992	99%
Water supply	3.60	1.246	73%
Parks, reserves and playgrounds	3.52	1.008	95%
Sporting facilities	3.51	.961	81%
Community halls	3.38	.948	79%
Sewerage	3.35	1.182	66%
Waste and recycling	3.34	1.162	93%
Council Pools	3.29	1.152	67%
Tourism marketing	3.26	.953	81%
Protection of the natural environment	3.21	1.024	89%
Online services such as the website	3.19	1.020	52%
Youth facilities and activities	3.06	1.038	70%
Maintenance of public toilets	3.05	1.027	85%
Flood management	2.96	1.101	91%
Enforcement of pet regulations	2.90	1.187	69%
Enforcement of environment and land use	2.90	1.072	66%
Maintenance of bridges	2.87	1.016	92%
River water quality	2.84	1.171	88%
Coastal management, including erosion	2.82	1.069	57%
Footpaths and cycleways	2.66	1.087	93%
Maintenance of sealed roads	2.51	1.032	100%
Economic development	2.50	.907	77%
Development application processing	2.41	1.171	58%
Maintenance of unsealed roads	2.33	.985	87%



Satisfaction, urban vs. rural

Council services	Urban satisfaction mean	Rural satisfaction mean	Mean Difference
Sewerage	3.57	2.51	1.06
Waste and recycling	3.60	2.87	0.73
Maintenance of bridges	3.11	2.55	0.56
Online services such as the website	3.42	2.94	0.48
Maintenance of sealed roads	2.71	2.27	0.44
Water supply	3.69	3.26	0.43
Tourism marketing	3.43	3.00	0.43
Maintenance of unsealed roads	2.47	2.11	0.36
Flood management	3.10	2.75	0.35
Maintenance of public toilets	3.20	2.86	0.34
Coastal management, including erosion	2.88	2.60	0.28
Sporting facilities	3.60	3.33	0.27
Protection of the natural environment	3.32	3.05	0.27
Economic development	2.59	2.35	0.25
Enforcement of environment and land use	2.99	2.76	0.23
Community halls	3.46	3.28	0.18
Libraries	4.16	3.98	0.18
Enforcement of pet regulations	2.97	2.83	0.14
Development application processing	2.46	2.33	0.14
Cleanliness of streets	3.64	3.58	0.07
River water quality	2.88	2.82	0.05
Youth facilities and activities	3.07	3.03	0.04
Parks, reserves and playgrounds	3.53	3.52	0.01
Footpaths and cycleways	2.68	2.70	-0.02
Council Pools	3.19	3.44	-0.26



Importance of services

Council services	Importance mean	Standard deviation for importance mean
Maintenance of sealed roads	4.23	.814
River water quality	4.10	1.054
Waste and recycling	4.06	.957
Protection of the natural environment	3.98	.992
Flood management	3.91	1.148
Maintenance of bridges	3.91	1.021
Water supply	3.85	1.395
Cleanliness of streets	3.82	.852
Maintenance of unsealed roads	3.72	1.145
Parks, reserves and playgrounds	3.72	1.022
Footpaths and cycleways	3.59	1.104
Maintenance of public toilets	3.57	1.174
Sewerage	3.55	1.482
Libraries	3.44	1.161
Coastal management, including erosion	3.42	1.337
Economic development	3.37	1.214
Enforcement of environment and land use	3.26	1.264
Youth facilities and activities	3.20	1.354
Sporting facilities	3.19	1.264
Community halls	3.18	1.133
Tourism marketing	3.04	1.195
Council Pools	2.93	1.340
Enforcement of pet regulations	2.90	1.250
Development application processing	2.87	1.367
Online services such as the website	2.43	1.246

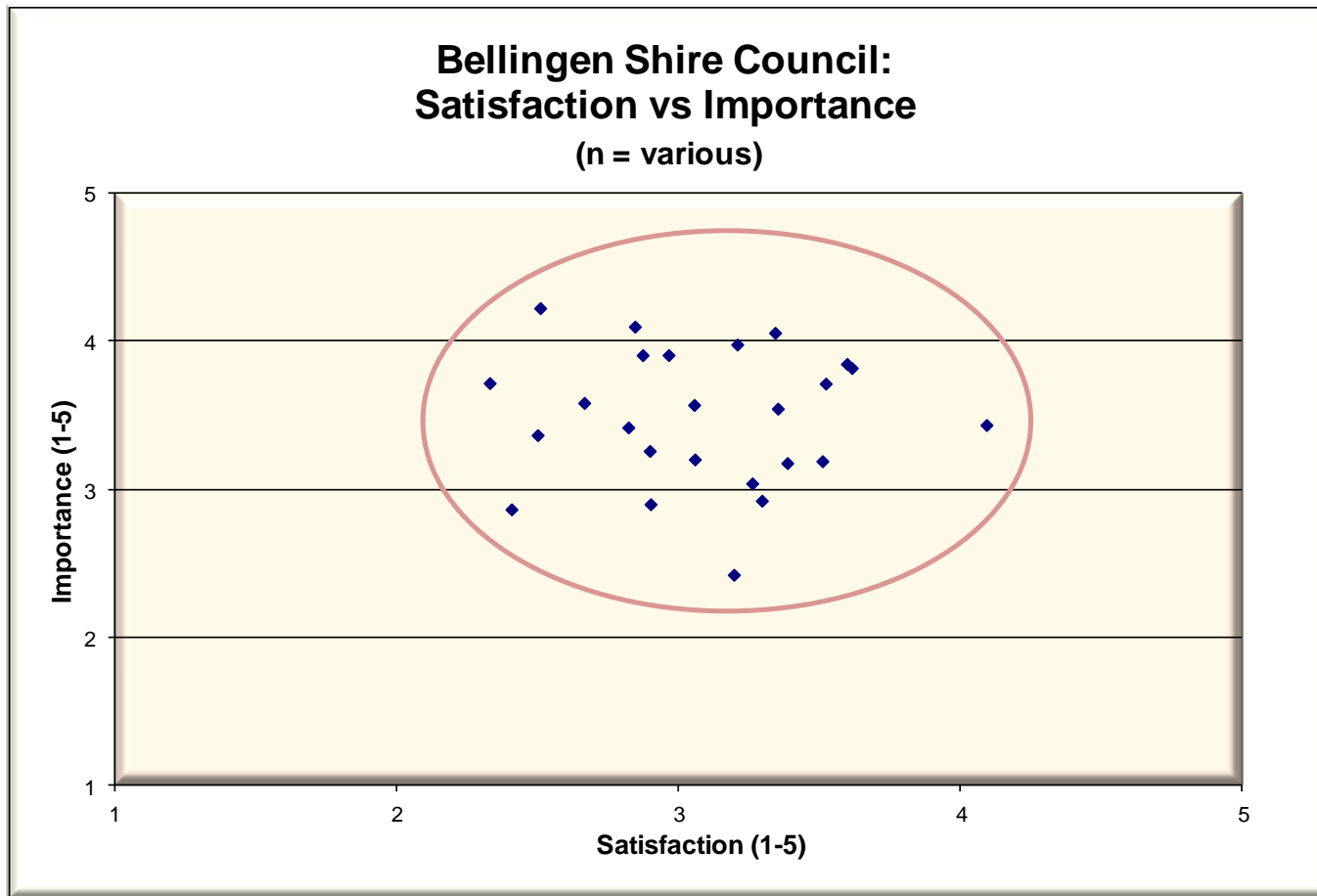


Importance, urban vs. rural

Council service	Urban importance mean	Rural importance mean	Mean Difference
Water supply	4.48	3.00	1.49
Sewerage	4.12	2.81	1.31
Footpaths and cycleways	3.85	3.25	.61
Enforcement of pet regulations	3.10	2.63	.47
Council Pools	3.13	2.67	.46
Waste and recycling	4.17	3.85	.32
Parks, reserves and playgrounds	3.84	3.53	.32
Youth facilities and activities	3.35	3.10	.25
Libraries	3.53	3.31	.22
Cleanliness of streets	3.92	3.70	.22
Sporting facilities	3.31	3.10	.21
Maintenance of public toilets	3.64	3.46	.18
Coastal management, including erosion	3.46	3.29	.17
River water quality	4.18	4.02	.15
Enforcement of environment and land use	3.30	3.16	.14
Community halls	3.26	3.13	.12
Flood management	3.95	3.88	.07
Economic development	3.43	3.39	.04
Tourism marketing	3.06	3.06	.00
Protection of the natural environment	3.94	3.99	-.05
Development application processing	2.80	2.86	-.06
Maintenance of sealed roads	4.17	4.29	-.12
Online services such as the website	2.40	2.53	-.14
Maintenance of bridges	3.79	4.10	-.30
Maintenance of unsealed roads	3.59	4.01	-.43

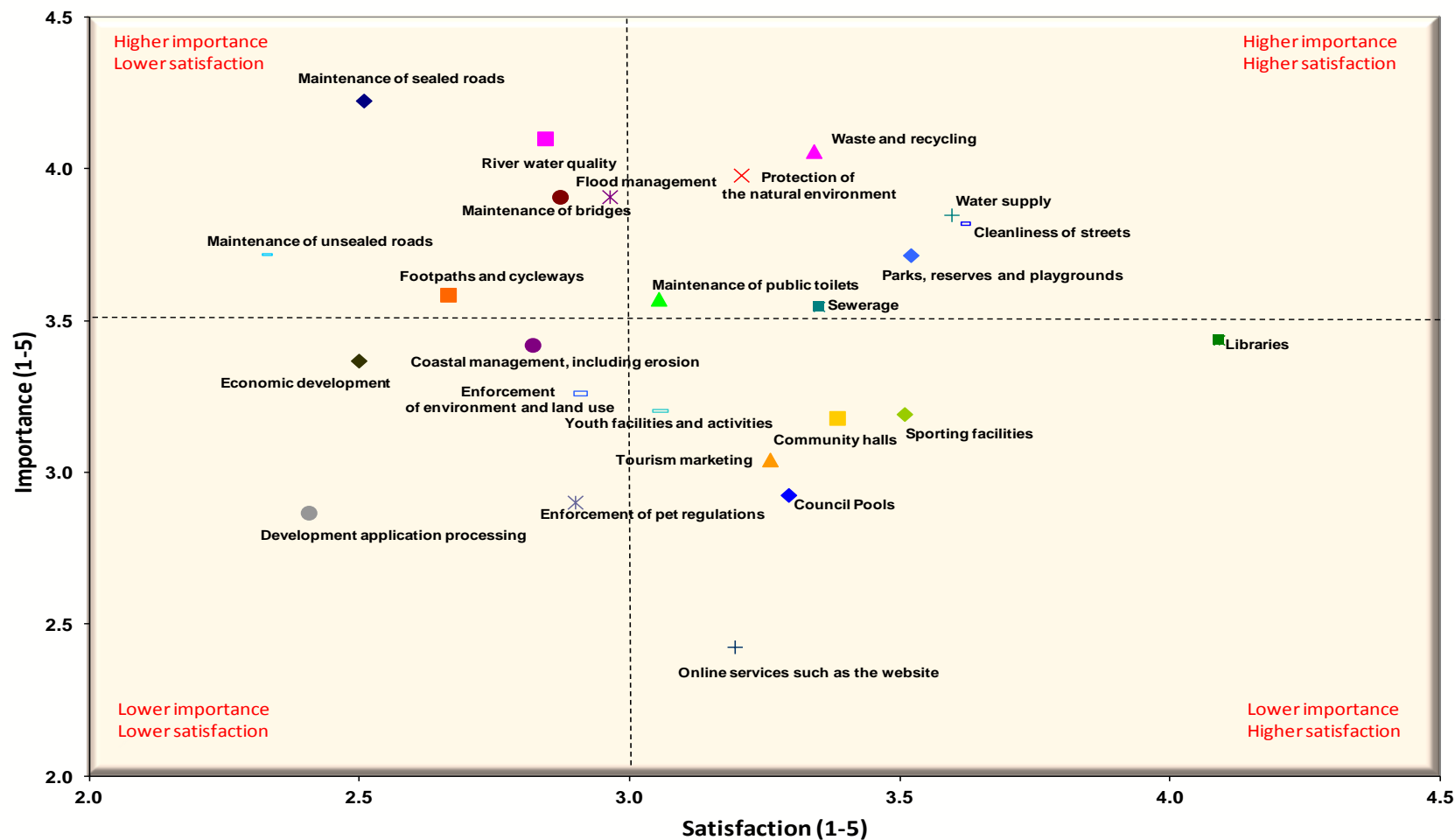


Satisfaction vs. Importance



Satisfaction vs. Importance (2)

Bellinghen Shire Council:
Satisfaction vs Importance
(n = various)



Satisfaction vs. Importance (3)

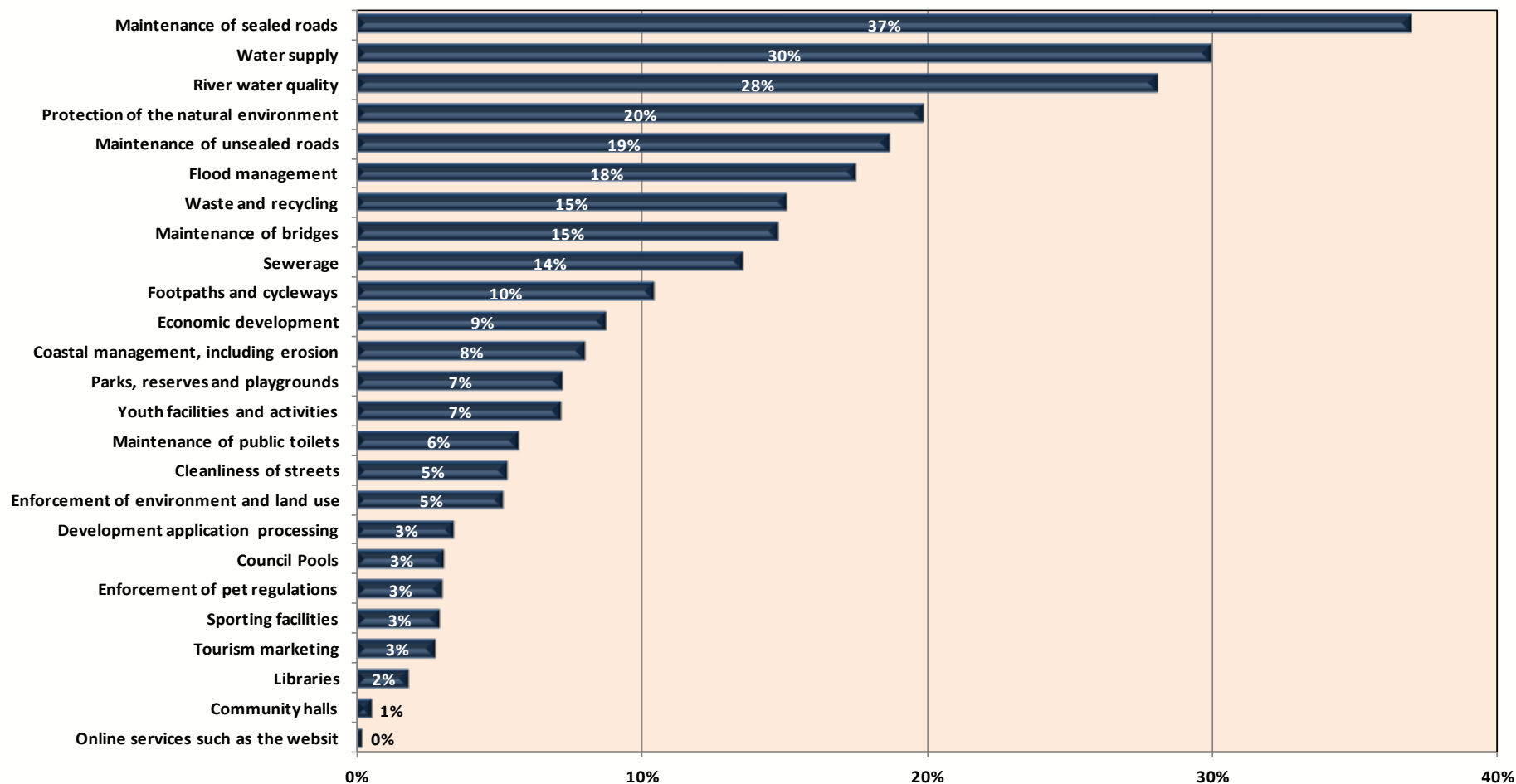
Higher importance/lower satisfaction	Higher importance/higher satisfaction
Maintenance of sealed roads	Water supply
River water quality	Waste and recycling
Bridge Maintenance	Sewerage
Maintenance of unsealed roads	Parks, reserves and playgrounds
Footpaths/cycleways	Cleanliness of streets
Flood management	Protection of the natural environment
	Maintenance of public toilets
Lower importance/lower satisfaction	Lower importance/higher satisfaction
Economic development	Sporting facilities
Enforcement of pet regulations	Community halls
Development application processing	Council Pools
Enforcement of environmental and land use	Libraries
Coastal management	Online services
	Youth facilities
	Tourism marketing



Most critical uses of Council resources?

Please tell us which you see as being the most important uses of council resources?

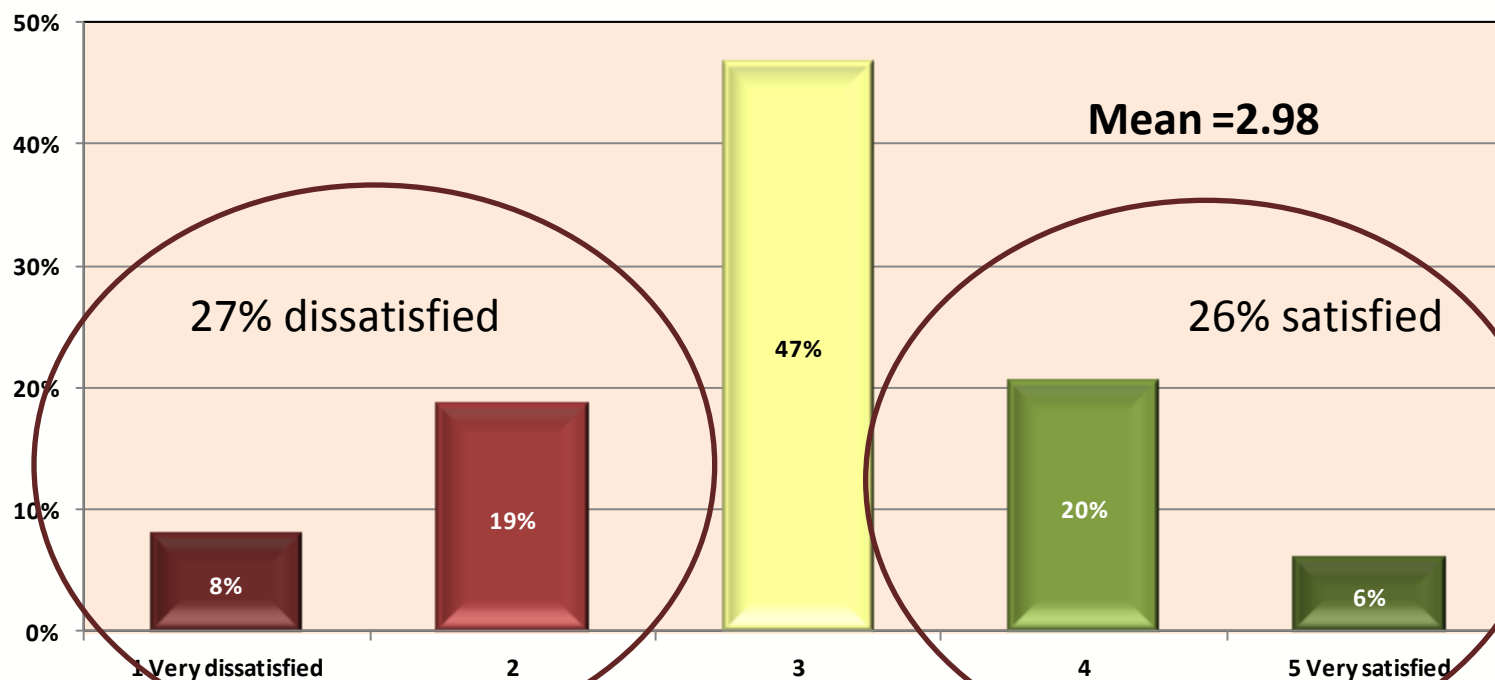
(n=330, multiple answers allowed)



Overall Satisfaction (1)

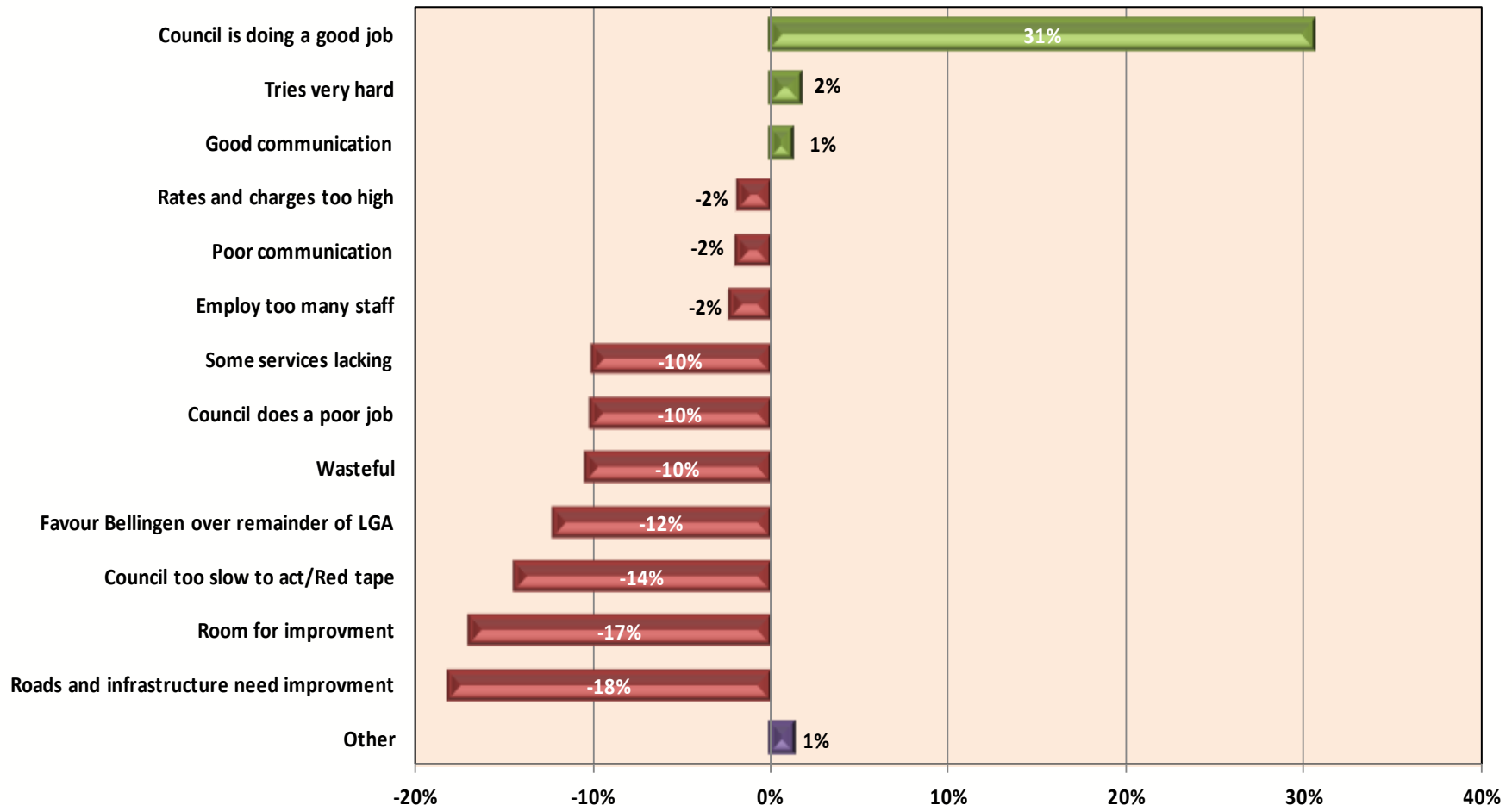
Please rate your satisfaction with Council's overall performance?

(n=400, 1-5 satisfaction scale)



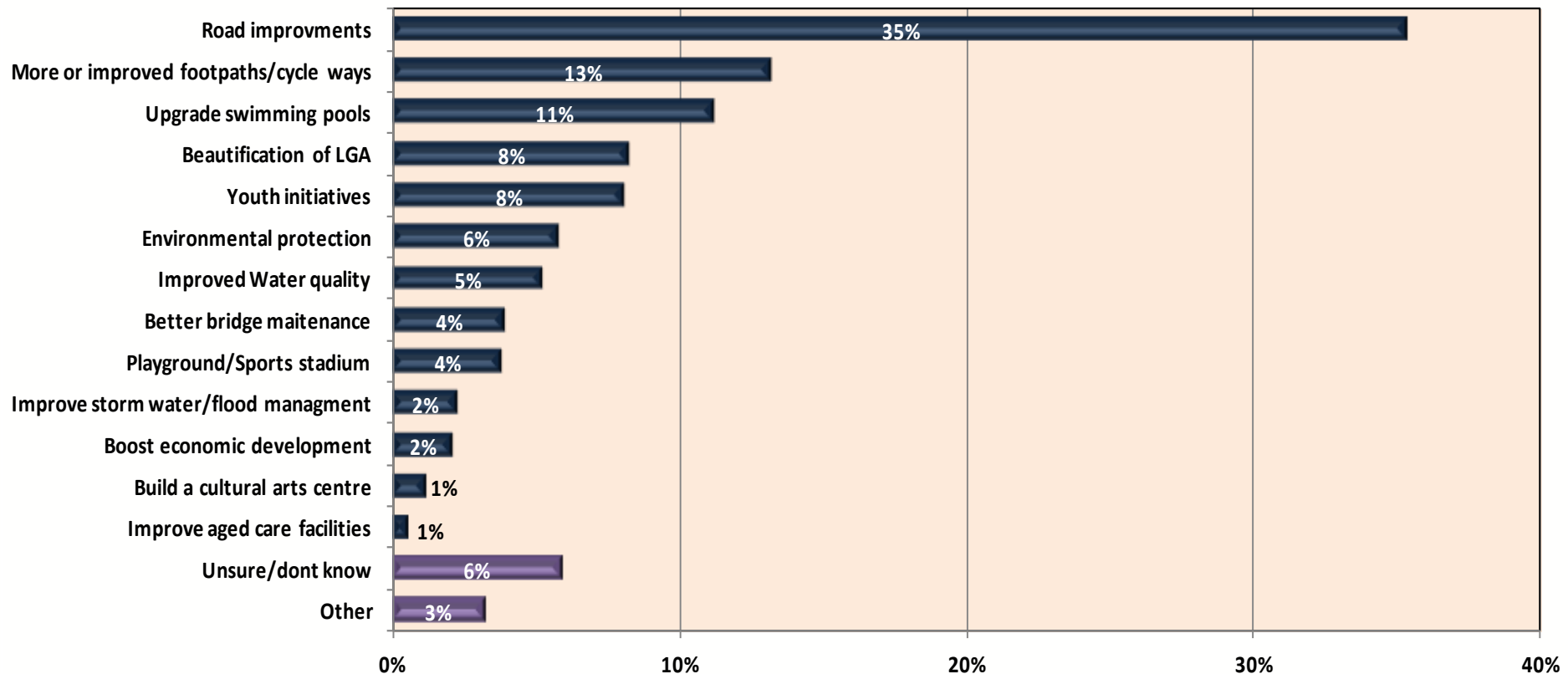
Overall Satisfaction (2)

Could you briefly explain why you gave your overall satisfaction with Council?
(n=385, multiple answers allowed)



The great hypothetical...

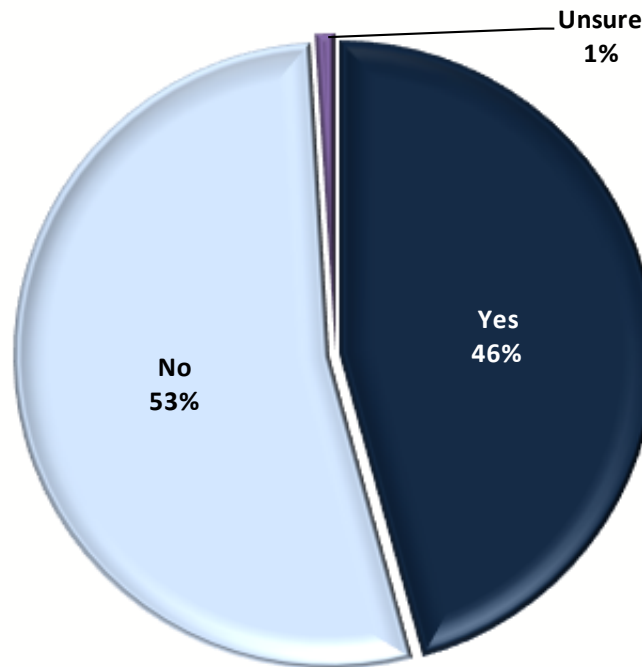
**If Council were to receive a \$250,000 general use grant ,
how would you like to see this money spent?
(n=400, multiple answers allowed)**



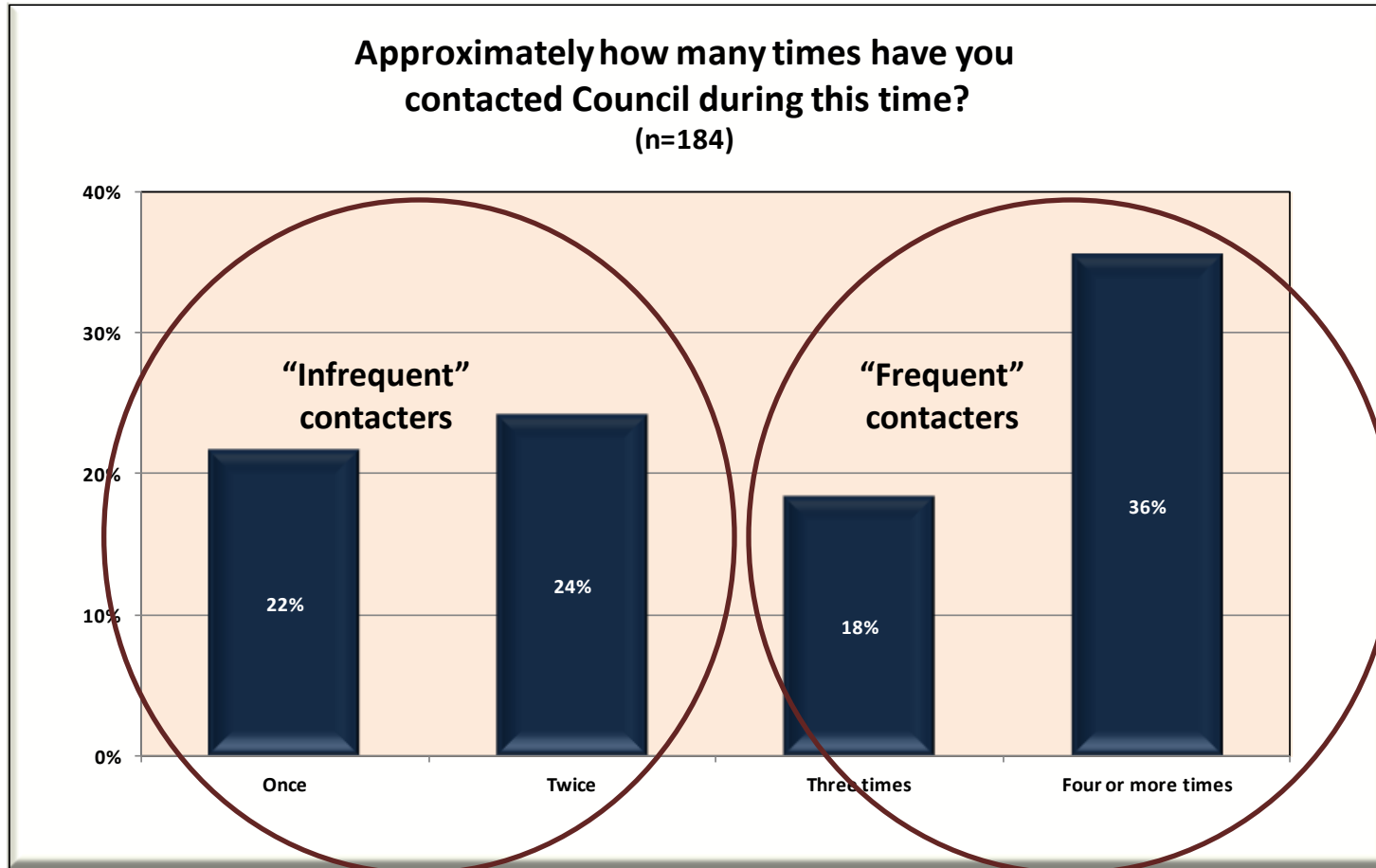
Council contact (1)

Have you contacted Council within the past 12 months, other than to make a payment?

(n=400)

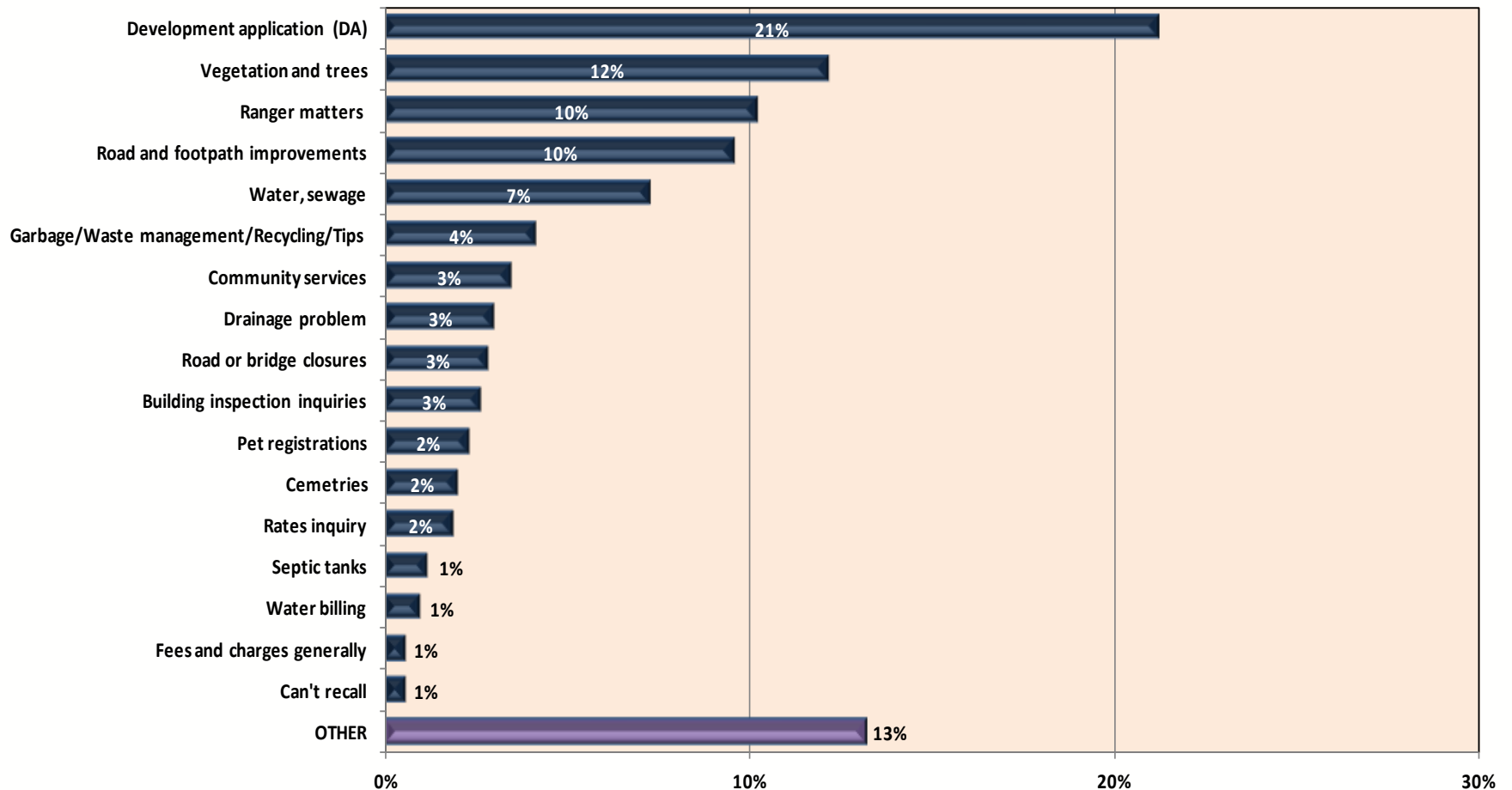


Council contact (2)

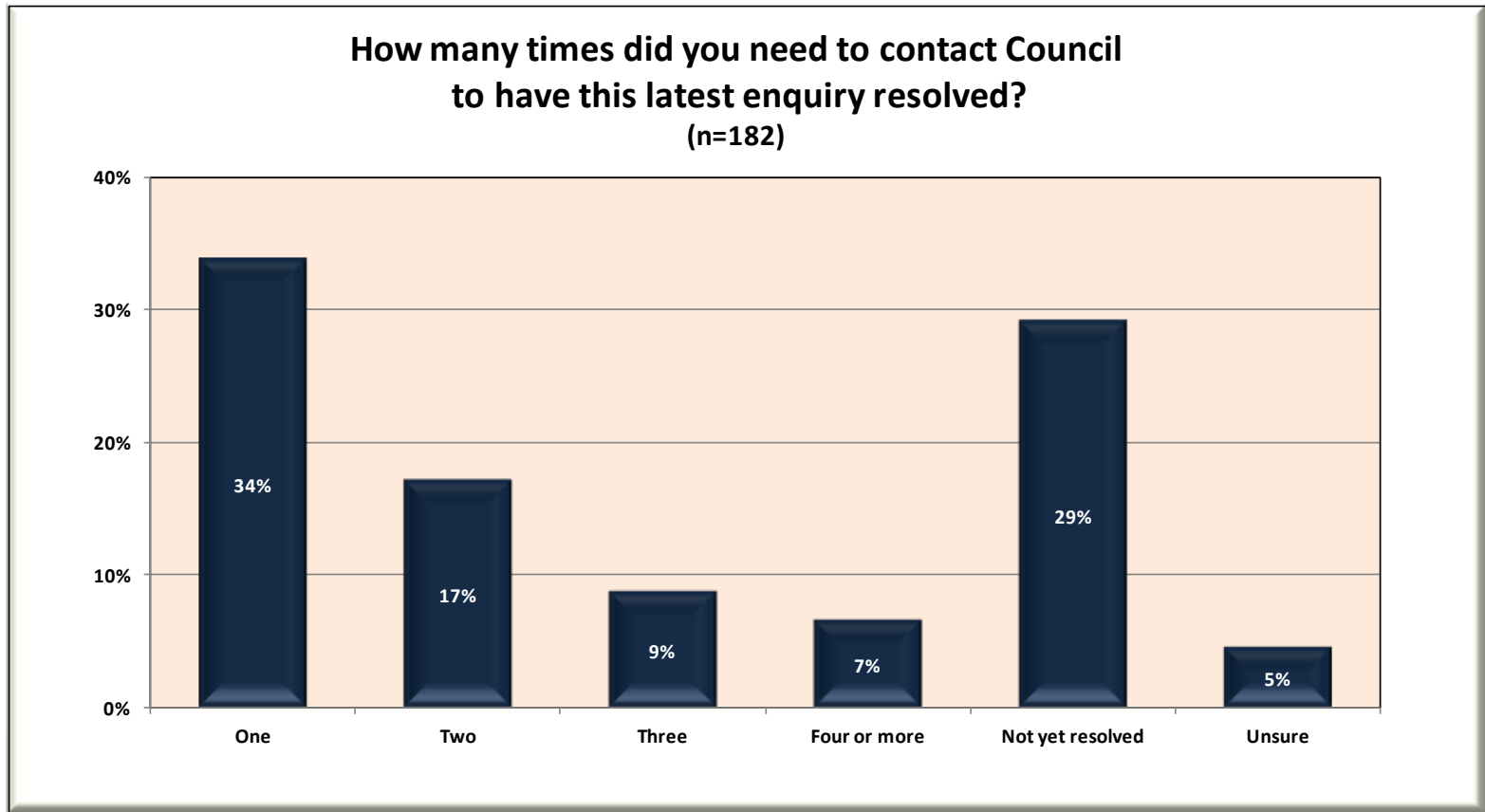


Council contact (3)

What was your most recent enquiry regarding?
(n=182)

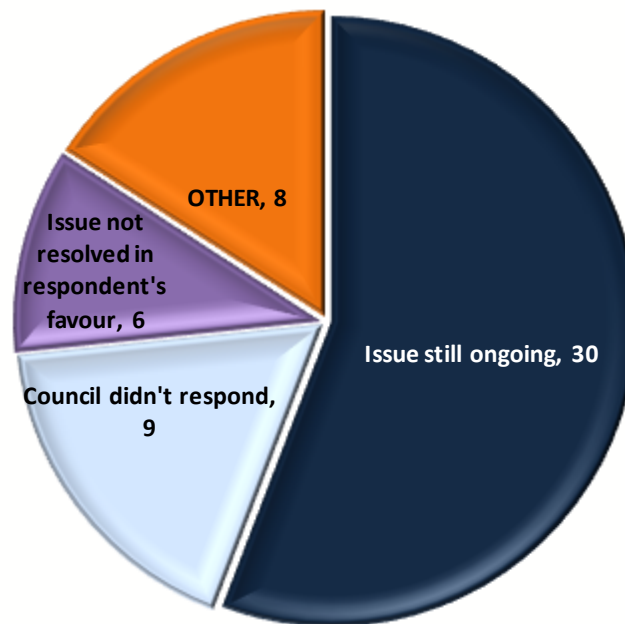


Council contact (4)

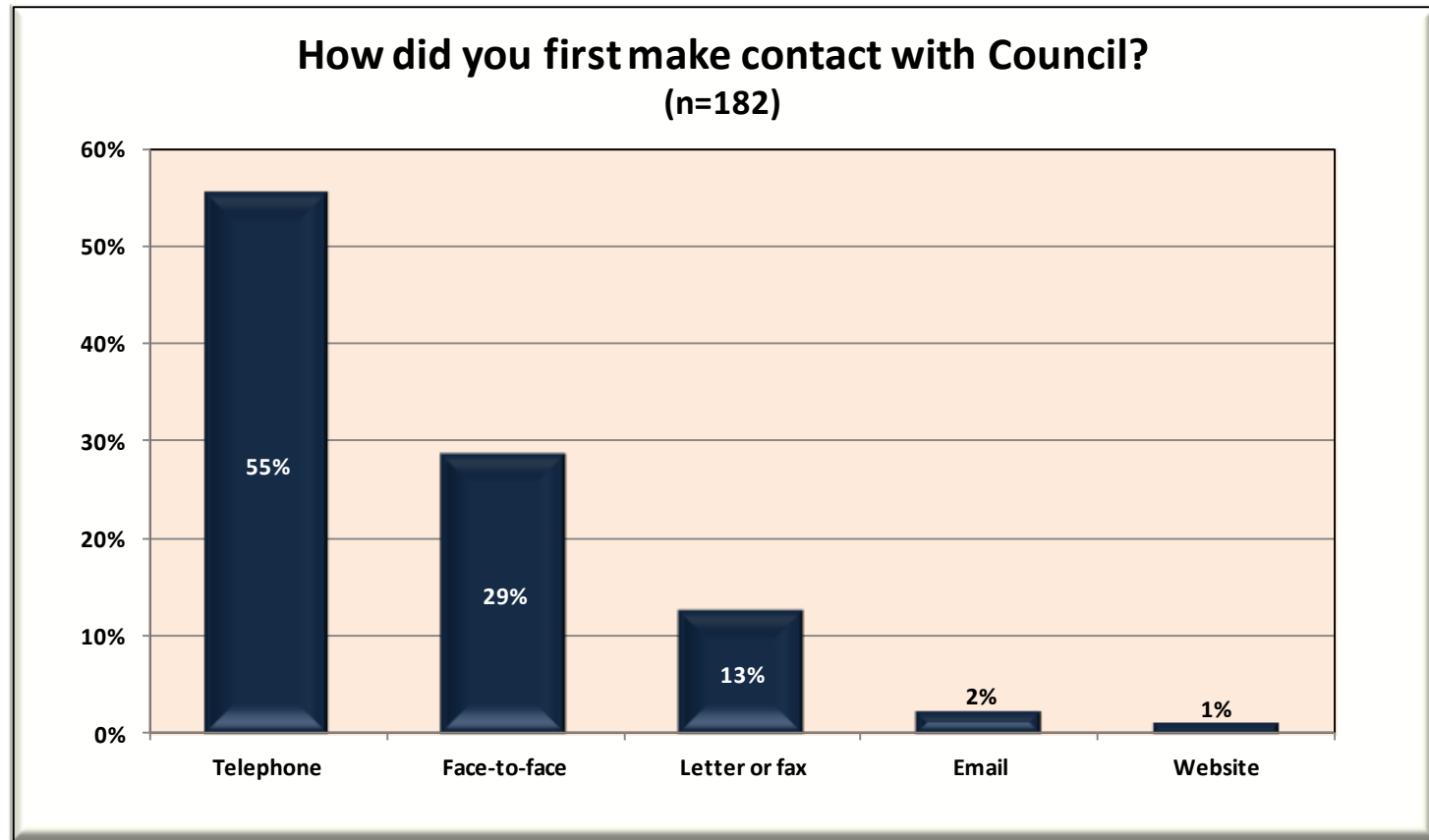


Council contact (5)

Why do believe the issue has not been resolved?
(n=53)



Council contact (6)

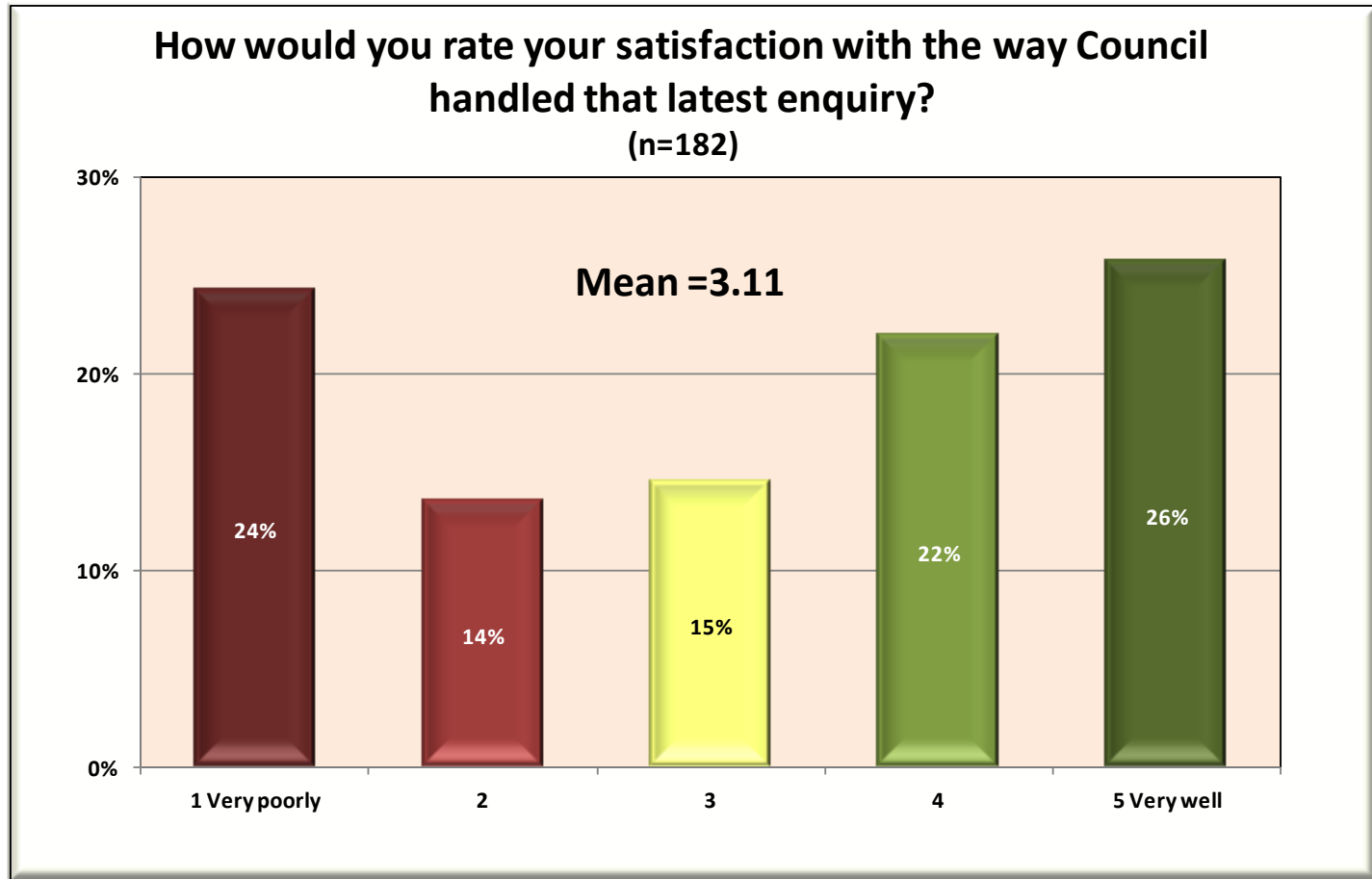


Council contact (7)

How did you make contact with BSC?	Age			Gender		Total
	18-39	40-59	60+	Male	Female	
Telephone	29	49	23	41	60	101
	70.7%	57.0%	41.1%	44.1%	66.7%	55.2%
Face-to-face	12	21	19	37	15	52
	29.3%	24.4%	33.9%	39.8%	16.7%	28.4%
Letter or fax	0	10	13	11	12	23
	.0%	11.6%	23.2%	11.8%	13.3%	12.6%
Email	0	3	1	2	2	4
	.0%	3.5%	1.8%	2.2%	2.2%	2.2%
Website	0	2	0	2	0	2
	.0%	2.3%	.0%	2.2%	.0%	1.1%
Unsure	0	1	0	0	1	1
	.0%	1.2%	.0%	.0%	1.1%	.5%
Total	41	86	56	93	90	183
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Satisfaction with Council contact



Satisfaction with Council contact

Most recent inquiry regarding?	Mean	N
Ranger matters	3.61	18
Development applications	3.33	37
Road and footpath improvements	2.68	17
Water, sewage	2.65	14
Vegetation and trees	2.51	22



Satisfaction with Council contact

Number of calls required to resolve issue	Satisfaction with council enquiry					Total
	1 Very dissatisfied	2	3	4	5 Very satisfied	
1 or 2	9	5	14	26	39	93
	9.6%	5.4%	15.1%	28.0%	41.9%	100.0%
Many/Not resolved	34	17	13	10	7	81
	42.0%	21.0%	16.0%	12.4%	8.6%	100.0%
TOTAL	43	22	27	36	46	174
	24.7%	12.6%	15.5%	20.7%	26.4%	100.0%



Effect of contact on overall satisfaction

- Logical that the faster an issue is resolved, the higher is satisfaction with how issue handled
- However effect is wider still!
 - Longer they take to resolve → Lower overall satisfaction with Council
- Hence contact experience is a bigger determinant of overall satisfaction than the +/- 25 factors rated previously



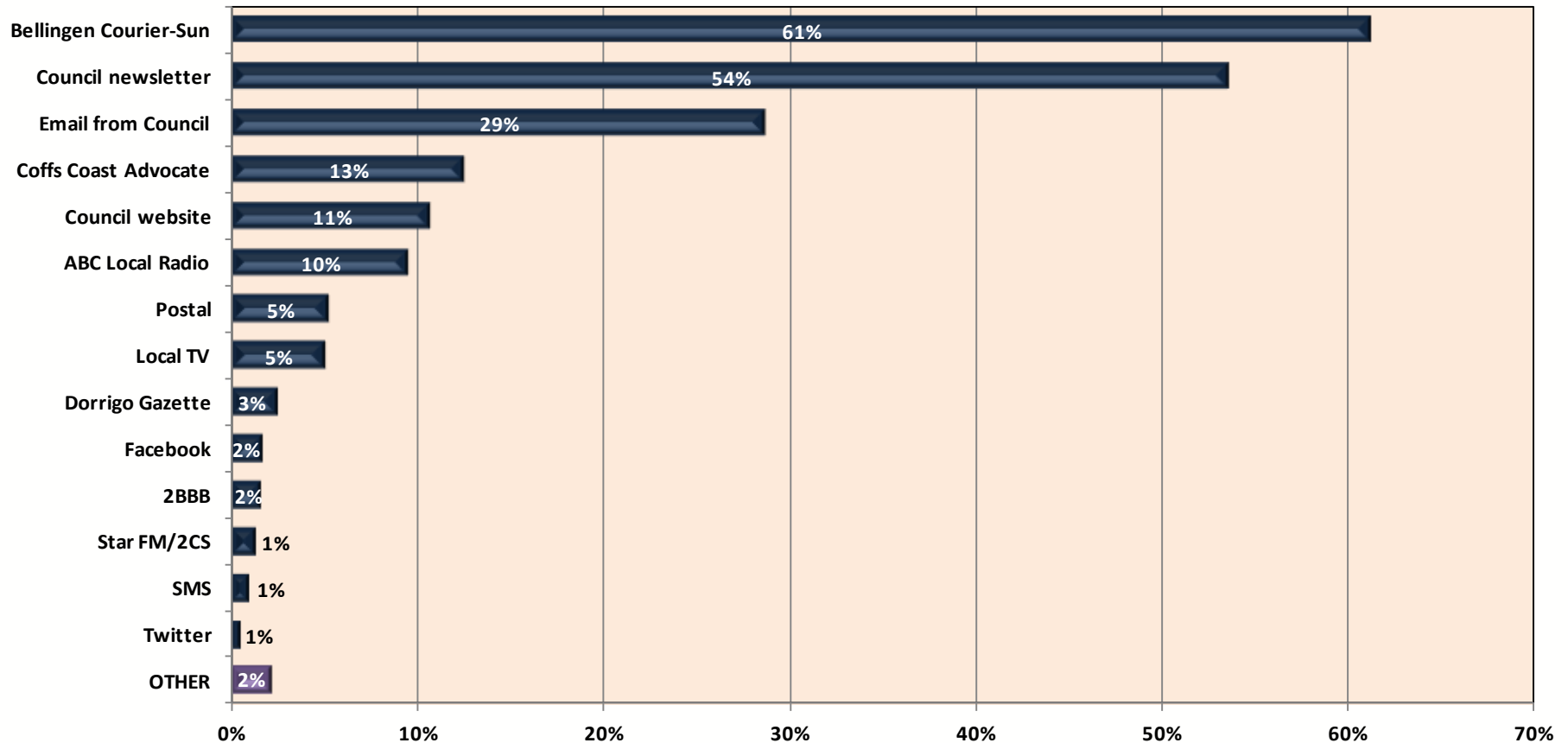
And the evidence?

- Of the 184 people who had contacted Council, satisfaction with Council's overall performance varied from 3.01 among those whose inquiry had been settled in one or two calls, to 2.57 for those who took three or more calls to have their issue resolved.
- This difference is statistically significant



Council communication (1)

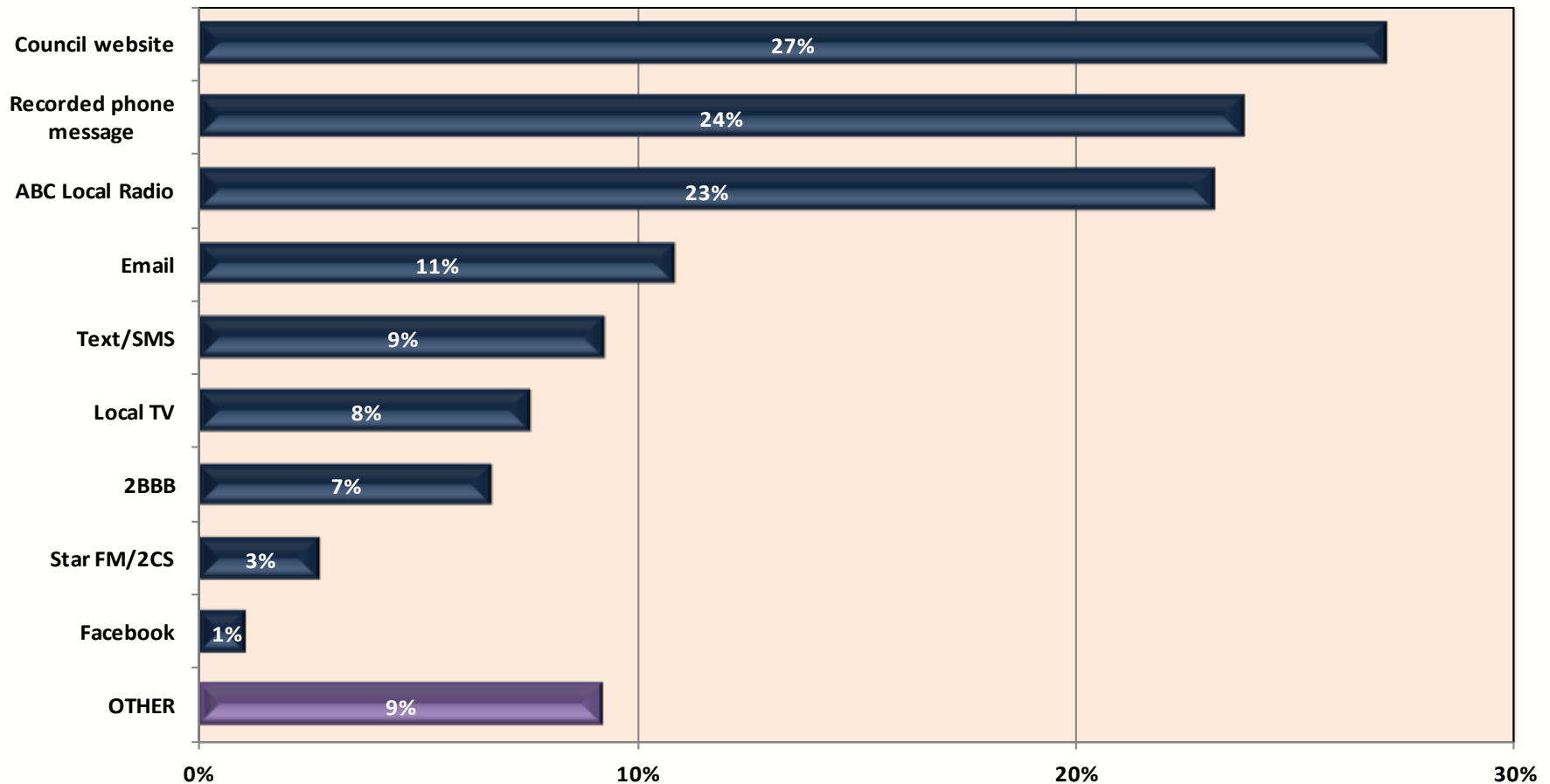
**What is your preferred methods for receiving
Council information about non-urgent matters?**
(n=399, multiple answers allowed)



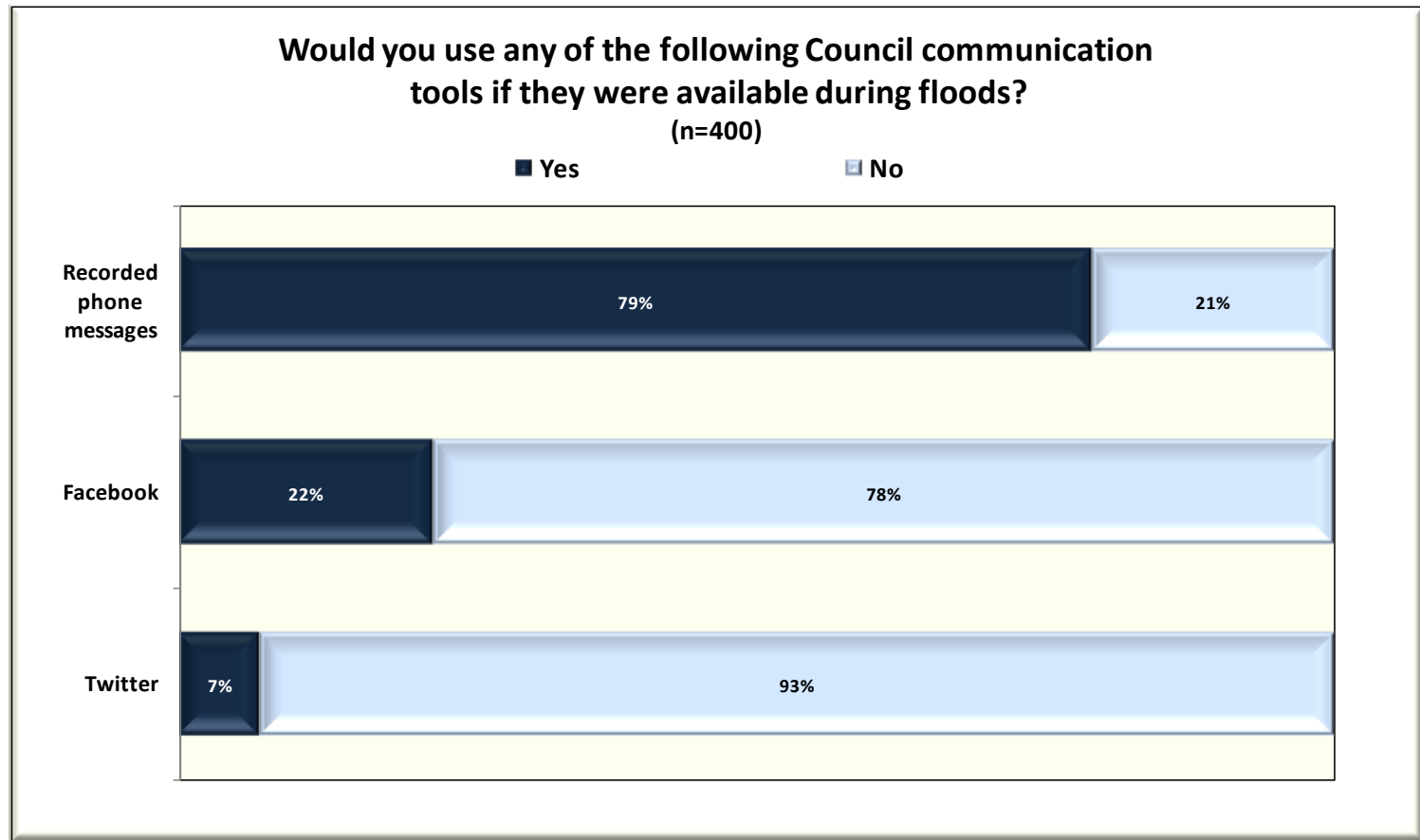
Council communication (2)

What would be your preferred methods for receiving Council information about urgent matters?

(n=400, multiple answers allowed)



Council communication (3)



Conclusions and recommendations

- 26% satisfied with Council's performance, against 27% dissatisfied. Mean satisfaction of 2.98 not ideal, but a useful benchmark for improvement
- Six services deemed of higher importance but lower satisfaction require focus
- Likewise road maintenance, water supply, river water quality and protection of natural environment – all deemed critical uses of Council resources



Conclusions and recommendations

- Clear relationship between degree of contact with Council and overall satisfaction. Hence the faster an issue is resolved, and the greater the clarity of communication, the higher satisfaction should be.
- Clear direction on preferred communication channels – esp. during flooding/other emergencies





Fit for the Future Information Pack

Fit for the Future is the NSW Government's plan to revitalise and strengthen local government. It has been developed from the three year independent review of local government, in addition to a range of reviews undertaken around financial sustainability, asset management and the local government act.

More than one third of the State's councils, particularly in regional areas are facing financial problems. In Sydney's growing suburbs, multiple council administrations, layers of red tape and regulations are making it hard for people to do business, build homes and receive the services they need.

Fit for the Future includes a range of new measures to help councils improve their performance provide communities the assurance that their councils' finances are being well managed and talk with communities around which services are important.

You can read about this plan on these NSW Government websites:

- [Blueprint for the future of Local Government](#)
- [NSW Government's Fit for the Future website](#)
- [Independent Local Government Review Panel: Revitalising Local Government report](#)

What is a Fit for the Future council?

A Fit for the Future council is one that is:

- Sustainable
- Efficient
- Effectively manages infrastructure and delivers services for communities
- Has the scale and capacity to engage effectively across community, industry and government.

These features will ensure that a council has the strategic capacity to govern effectively and partner with industry and State government to deliver key priorities.

A Fit for the Future council is one that:

- Saves money on bureaucracy and administration, freeing up funds for front-line services and community facilities
- Can contribute to projects and tackle issues that impact on its residents and extend beyond the council boundary
- Has credibility and influence across councils, across government, and with industry.

What does this mean for our council?

The NSW Government has asked us to prepare a proposal to show how we plan to be Fit for the Future by 30 June 2015.

Each Council is being asked to:

- Review its situation, starting with whether the council has scale and capacity to meet the challenges ahead

- Prepare a Fit for the Future submission by 30 June 2015
- Make the transition to a new structure by September 2016 or implement an improvement plan.

Our proposal will assess our current position against the Fit for the Future criteria:

- sustainability
- infrastructure
- services
- efficiency

It will be a detailed plan of how we can maintain and improve our position over the medium term. This includes how we plan to build and improve on the significant productivity improvements and efficiencies we have already made in recent years in the areas of:

- structure and form
- governance
- procurement
- asset management practices
- productivity
- work practices
- service delivery
- safety practices
- collaboration with other councils in our region

The NSW Government has asked us to address key areas in our proposal, and each of these will be measured by seven ratios which are as follows:

1. **Financial Sustainability** - measured by Council's Operating Ratio, Own Source Operating Revenue Ratio, and Infrastructure Renewal Ratio
2. **Effective Infrastructure and Service Management** - measured by Council's Infrastructure Backlog Ratio, Asset Maintenance Ratio, and Debt Service Ratio
3. **Efficiency** as measured by Council's Efficiency ratio.

These ratios are explained in more detail on the [Office of Local Government's website](#).

Will Council be asked to amalgamate?

The Fit for the Future process asks Councils to use the work of the NSW Independent Local Government Review Panel as a starting point.

As part of the extensive review process, the Independent Local Government Review Panel assessed all councils scale and capacity and then made recommendations to the NSW Government on amalgamation and boundary adjustments.

Bellingen Shire Council has not been recommended for amalgamation or boundary adjustment by the Independent Local Government Review Panel.

The Panel has recommended that Bellingen Council become a member of the North Coast Joint Organisation or JO, along with our neighboring councils of Clarence Valley, Coffs Harbour and Nambucca.

These councils have not been identified for amalgamation or boundary adjustments with Bellingen Shire Council.

For information about the Independent Local Government Review Panel recommendations please visit the [Fit for the Future website](#).

What is a Joint organisation?

Joint Organisations will provide a forum for local councils and the state to work together to deliver regional priorities such as jobs education housing roads and transport. They will help to connect local priorities from

councils community strategic plans with regional planning for growth, infrastructure and economic development and provide a means of delivering projects across council boundaries.

What will Joint Organisations do?

Regional Joint Organisations will have three core functions:

- Regional strategic planning
- Working with State Government
- Regional leadership and advocacy

Joint Organisations may also decide to undertake optional functions such as:

- Regional service delivery
- Sharing skills and best practice

What is the FFF assessment process?

Each submission will be assessed against the Fit for the Future criteria on its own merits by the Independent Pricing and Regulatory Tribunal (IPART) who have been appointed by the State Government. The Independent Expert Panel will assess Proposals from 30 June 2015 and make recommendations to the Minister for Local Government. The outcomes will be announced and support will be provided to ensure any new arrangements are in place in time for the next local government elections.

Fit for the Future is a journey

Becoming Fit for the Future is a journey.

Some councils will take longer than others to achieve their goals. The important thing is for councils to have a sound and credible plan to improve their particular circumstances. Over the longer term, Council will be actively engaging with you and the broader community regarding Council works and services to determine service levels and what services are more important for our community.

We are, and will continue to look at funding options including rating, fees and charges, funding from other levels of government, grant options, payment of rates on land that is not currently rateable and economies of scale efficiencies through shared services and alliancing.

What other arrangements might there be?

Bellingen Council currently participates actively in the Mid North Coast Region of Councils (MIDROC). Council will continue to work with other councils both regionally and as individual arrangements to pursue shared servicing and regional alliance initiatives.

Where can I get more information?

Bellingen Council has set up an Information Page on its website that provides links to the Fit for the Future website, frequently asked questions, the Independent Local Government Review Panel's final report, reports to Council regarding the Fit for the Future program and other information - <http://bellingen.nsw.gov.au/fit-for-the-future>. You can also call Bellingen Shire Council on 6655 7300.

We are actively working on our proposal with the aim of presenting it to the NSW Government by 30 June 2015.

During this time we will keep you informed of any new information through our Fit for the Future Information Centre on Councils website, at www.bellingen.nsw.gov.au.

Fit For the Future Questionnaire

1. **What do you value MOST about living in the Shire?** (please tick up to THREE, and/or add as "other")

- ☐ Lifestyle
 - ☐ Local identity
 - ☐ Environment (rivers, mountains, beaches, wildlife)
 - ☐ Access to local produce
 - ☐ Close to large regional centre
 - ☐ Arts and culture
 - ☐ Diversity
 - ☐ Other (please provide details)
-

2. **What do you value MOST about living on the Mid North Coast generally?** (please tick up to THREE, and/or add as "other")

- ☐ Lifestyle
 - ☐ Access to major services (banks, shopping centres, schools/universities/TAFE, medical and other health care, etc)
 - ☐ Environment
 - ☐ Close to regional and interstate transport hubs (airport, train, bus)
 - ☐ Arts and culture
 - ☐ Diversity
 - ☐ Other (please provide details)
-

3. **Which of the following Council-managed services have you used in the past 6 months?** (Please tick any that apply)

- | | |
|--|---|
| <input type="checkbox"/> Local library | <input type="checkbox"/> Public toilets |
| <input type="checkbox"/> Sporting fields | <input type="checkbox"/> Community hall/s |
| <input type="checkbox"/> Local waterways | <input type="checkbox"/> Youth facilities |
| <input type="checkbox"/> Public swimming pool/s | <input type="checkbox"/> Services for the aged or disabled |
| <input type="checkbox"/> Unsealed roads | <input type="checkbox"/> Ranger services (animal disputes, etc) |
| <input type="checkbox"/> Waste and recycling services | <input type="checkbox"/> Land or building services (DA, construction certificates, etc) |
| <input type="checkbox"/> Town water | <input type="checkbox"/> Other |
| <input type="checkbox"/> Business and economic development | |

4. Which services would you consider to be most important to you? (Please tick any that apply)

- | | |
|--|---|
| <input type="checkbox"/> Local library | <input type="checkbox"/> Public toilets |
| <input type="checkbox"/> Sporting fields | <input type="checkbox"/> Community hall/s |
| <input type="checkbox"/> Local waterways | <input type="checkbox"/> Youth facilities |
| <input type="checkbox"/> Public swimming pool/s | <input type="checkbox"/> Services for the aged or disabled |
| <input type="checkbox"/> Unsealed roads | <input type="checkbox"/> Ranger services (animal disputes, etc) |
| <input type="checkbox"/> Waste and recycling services | <input type="checkbox"/> Land or building services (DA, construction certificates, etc) |
| <input type="checkbox"/> Town water | <input type="checkbox"/> Other |
| <input type="checkbox"/> Business and economic development | |

5. What do you value most about your local council (accessibility, customer service, community events, infrastructure, environmental focus, etc)?

6. Council may choose to share certain services with neighbouring councils. Which of the following services would you prefer to see handled locally (Bellingen Council), and which would you prefer to see handled regionally (i.e. by a combination of councils)?

	<u>Locally</u>	<u>Regionally</u>	<u>Not sure</u>
Road maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bridge maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maintenance of parks, reserves, sports fields	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tourism development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Waste/recycling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water supply management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management of community halls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management of local libraries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management of local swimming pools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Town planning/zoning etc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management of development applications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management of waterways	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attracting new business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attracting new residents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lobbying	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Town beautification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improving community infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please advise)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Should Bellingen Council consider a shared arrangement with other councils, what would you like to see preserved in terms of our Shire's uniqueness, standards and/or values?

8. How interested are you in the subject of council reform?

- ☐ Very interested
- ☐ Quite interested
- ☐ Not very interested
- ☐ Not at all interested

Thank you for taking the time to complete this questionnaire. Your feedback is appreciated.



Fit for the Future – reform of the NSW Local Government Sector

Fit for the Future is the NSW Government's plan to revitalise and strengthen local government. It has been developed from the three year independent review of local government, in addition to a range of reviews undertaken around financial sustainability, asset management and the Local Government Act.

Fit for the Future includes a range of new measures to help councils improve their performance provide communities the assurance that their council's finances are being well managed and talk with communities around which services are important.

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What does this mean for our Council?

The NSW Government has asked us to prepare a proposal to show how we plan to be Fit for the Future by 30 June 2015. Each Council is being asked to:

- Review its situation, starting with whether the council has scale and capacity to meet the challenges ahead
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Our proposal will assess our current position against the Fit for the Future criteria and will be a detailed plan of how we can maintain and improve our position over the medium term. This includes how we plan to build and improve on the significant productivity improvements and efficiencies we have already made in recent years in the areas of:

- structure and form
- governance
- procurement
- asset management practices
- productivity
- work practices
- service delivery
- safety practices
- collaboration with other councils in our region

The NSW Government has asked us to address key areas in our proposal, and each of these will be measured by seven ratios which are as follows:

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What is the FFF assessment process?

Each submission will be assessed against the Fit for the Future criteria on its own merits by the Independent Pricing and Regulatory Tribunal (IPART) who have been appointed by the State Government as the Expert Panel.

At the time of writing, IPART had published draft criteria which were proposed to be applied uniformly across the State. In response Bellingen Shire Council has made a submission indicating that the criteria needs to be revised particularly around the expectation that rural councils meet the criteria in the same timeframe as city councils.

It is understood that the IPART will assess proposals from 30 June 2015 and will make recommendations to the Minister for Local Government by mid October 2015. IPART will also receive submissions from the public against council FFF plans post the June 2015 deadline.

As part of Council's submission preparation, Council has modelled three different scenarios in its Long Term Financial Plan. The (LTFP)

is a roadmap or plan to strategically model council finances. It projects income and expenditure over a 10 year horizon, contains the annual budget and is reviewed annually with income and expenditure decisions made by council year on year.

The LTFP also addresses a range of matters including operating deficits, additional revenue sources, cost containment strategies, productivity and efficiency initiatives, service provision and service levels and additional infrastructure investment.

The scenarios are outlined below:

Financial Services Model 1 – Service Levels Maintained

The 'Financial Services Model 1' is the base model used throughout the Long Term Financial Plan and assumes a permanent 3% per year special rate variation across all categories in years 2016/17 – 2024/25 above an estimated rate peg increase of 3% per year (total of 6% increase). This model incorporates the permanent special rate variation that commenced in the 2014/15 financial year to fund a specific program of infrastructure improvement that was adopted by Council as part of the process. The scenario also models a \$250K (2015/16) and \$300K (2016/17) operational cost reductions/savings that continues throughout the LTFP in order to improve Council's infrastructure.

Financial Services Model 2 – Service Levels Reduced

The purpose of the 'Financial Services Model 2' is to model the impact on Council's financial position if the annual rate peg limit only is applied. This model incorporates the permanent special rate variation that commenced in the 2014/15 financial year to fund a specific program of infrastructure improvement that was adopted by council as part of the process. This scenario also models cost containment of \$1.5M operational cost reductions/savings that continues in 2015/16 that continues throughout the LTFP in order to improve Councils infrastructure.

Financial Services Model 3 – Meeting 'Fit for the Future' Requirements by 2020

The purpose of the 'Financial Services Model 3' is to model the impact on Councils financial position if Council were to meet all required FFF ratios by year 5 (2019/20) of the plan. This model includes a \$250K (2015/16) and \$300K (2016/17) operational cost reductions/savings that continues throughout the LTFP in order to improve Council's infrastructure and assumes a permanent 13% per year special rate variation across all categories in years 2016/17 – 2019/25 above an estimated rate peg increase of 3% per year (total of 16% increase). This model incorporates the permanent special rate variation that commenced in the 2014/15 financial year to fund a specific program of infrastructure improvement that was adopted by council as part of the process

It should be noted that all assumptions detailed throughout the Long Term Financial Plan are based on 'Financial Services Model 1' the preferred model for adoption. It represents an overall strategy that will ensure Council is able to effectively manage its infrastructure assets and be financially sustainable into the future. It should also be noted that Council has had to make a series of assumptions regarding rates and funding from other levels of government, both of which are subject to review concurrent to the FFF process. The outcomes of these review processes are not known at this time and may impact on the FFF scenario modelling. When this information is known the models can be revisited and presented to Council as part of the annual review of the LTFP.

The LTFP was considered by Council on 20 May 2015 and adopted for exhibition. Community members are invited to make submissions by 18 June 2015. The LTFP will be again considered by Council at the June Ordinary Meeting.

For further information about the Long Term Financial Plan please visit Council's website – [www.bellingen.nsw.gov.au](#)

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- Regional strategic planning
- Working with State Government
- Regional leadership and advocacy

Joint Organisations may also decide to undertake optional functions such as:

- Regional service delivery
- Sharing skills and best practice

Fit for the Future is a journey

The local government reform process has as its background 30 years of rate pegging (meaning councils across the state are limited in their ability to provide services and have large asset backlogs which for NSW was \$7.2 billion as at June 2012) as well as cost shifting (where councils are required by other levels of government to provide works or services without commensurate funding – for Bellingen this represents around \$1million per year).

It is apparent that some councils will take longer than others to achieve their goals. Bellingen Shire Council has advocated to IPART the need to revise the guidelines particularly in relation to the circumstances of rural councils such as population density, the scale of infrastructure requiring maintenance and the quantum of government land within the Shire that is not rateable.

Whilst the implications of being deemed not Fit for the Future lack clarity in terms of information from Government, it would appear likely they would involve cuts to government grants which are received currently by every council in Australia based on a Federal Government formula.

The important thing is for councils to have a sound and credible plan to improve their particular circumstances. Over the longer term, Council will be actively engaging with you and the broader community regarding its works and services to determine service levels and what services are considered more important for our community.

We are, and will continue looking at funding options including rating, fees and charges, funding from other levels of government, grant options, payment of rates on land that is not currently rateable and economies of scale efficiencies through shared services and alliancing.

What other arrangements might there be?

Bellingen Council currently participates actively in the Mid North Coast Region of Councils (MIDROC). Council will continue to work with other councils both regionally and as individual arrangements to pursue shared servicing and regional alliance initiatives.

Where can I get more information?

Bellingen Council has set up an Information Centre on its website that provides links to the Fit for the Future website, frequently asked questions, the Independent Local Government Review Panel's final report, reports to Council regarding the Fit for the Future program and other information - [http://bellingen.nsw.gov.au/fit-for-the-future](#). You can also call Bellingen Shire Council on 6655 7300.

We are actively working on our proposal with the aim of presenting it to the NSW Government by 30 June 2015.

During this time we will keep you informed of any new information through our Fit for the Future Information Centre on Council's website, at [www.bellingen.nsw.gov.au](#).

A Snapshot of our Challenges:

- Climatic events – we have had 13 flood events since 2001
- 57% of our Shire is not rateable with non- rateable land owned by State and Federal government
- Our population density /km is 8.00 compared to 8.7 for Kempsey, 13 for Nambucca, 60 for Coffs Harbour City Council and 7,016 for Sydney
- Our length of local roads per head of population is 415 compared to 363 for Kempsey, 345 for Nambucca, 108 for Coffs Harbour and 16 for Sydney.

Bellingen Shire Council has the **fourth largest** number of timber bridges in NSW. Here is a comparison:



- These 10 Councils have 1021 (16.4 km) timber bridges (49.5% of total NSW length and 53% of bridges in number)
- BSC has 1,794.9 metres of timber bridges
- 60 NSW councils (40%) have no timber bridges

LIZ JEREMY, GENERAL MANAGER

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Bellingen Shire Council

Fit for the Future Information Centre

Further information will be added to this page as it becomes available.

Introduction

Bellingen Shire Council is currently working hard to become 'Fit for the Future'.

The Fit for the Future Program is the State Government's response to the work of the NSW Independent Local Government Review Panel's assessment of individual councils across NSW which was a three year comprehensive independent review of local government.

Each NSW local authority has been asked to submit a Council Improvement Proposal or Merger Proposal based on the Panel's recommendations. In Bellingen's case, the Panel recommended that Council stand alone and be a member of a Joint Organisation, or regional grouping of Councils.

Council proposals are due by **30 June 2015** and will be reviewed by an expert panel who will report to the Government by October 2015.

What is needed

For information regarding the Fit for the Future program, please refer to <http://www.fitforthefuture.nsw.gov.au/>. Here you will find out what councils, including Bellingen, need to do to submit a proposal by 30 June 2015.

Draft FFF Submission

Minutes of Council's Ordinary Meeting held on 24 June 2015 - Refer Pages 40-44
Attachment 9.4A: Draft Fit for the Future Submission

FFF Story in Local Media 3 June 2015

Full page story in local media on 3 June 2015 (PDF) (497.13 KB)

Project Outline

Bellingen Shire Council - FFF Project Outline (PDF) (130.07 KB)

Summary Fact Sheets

FFF Summary Information Pack and Questionnaire - May 2015 (PDF) (118.54 KB)

FFF Summary Fact Sheet - May 2015.pdf (PDF) (147.18 KB)

Community Engagement

As Council moves through the Fit for the Future process, we have been undertaking discussions with community opinion leaders and our three Chambers of Commerce. The following presentations outline those discussions.

Focus Group Forum - 13 May 2015 (PDF) (3.73 MB)

External stakeholder FFF presentation 2015 (PDF) (1.74 MB)

Independent Panel

For information on the Independent Panel including the final report, please refer to <http://www.localgovernmentreview.nsw.gov.au/>.

Frequently Asked Questions

Fit for the Future FAQ

Council Reports/Minutes

Minutes of Council's Ordinary Meeting held on 24 June 2015 - Refer Pages 40-44

Attachmen 9.4A: Draft Fit for the Future Submission

Minutes of Council's Ordinary Meeting held on 25 February 2015 - Refer Pages 13-29

Minutes from Council's Ordinary Meeting held on 24 September 2014 - Refer Pages 9-12