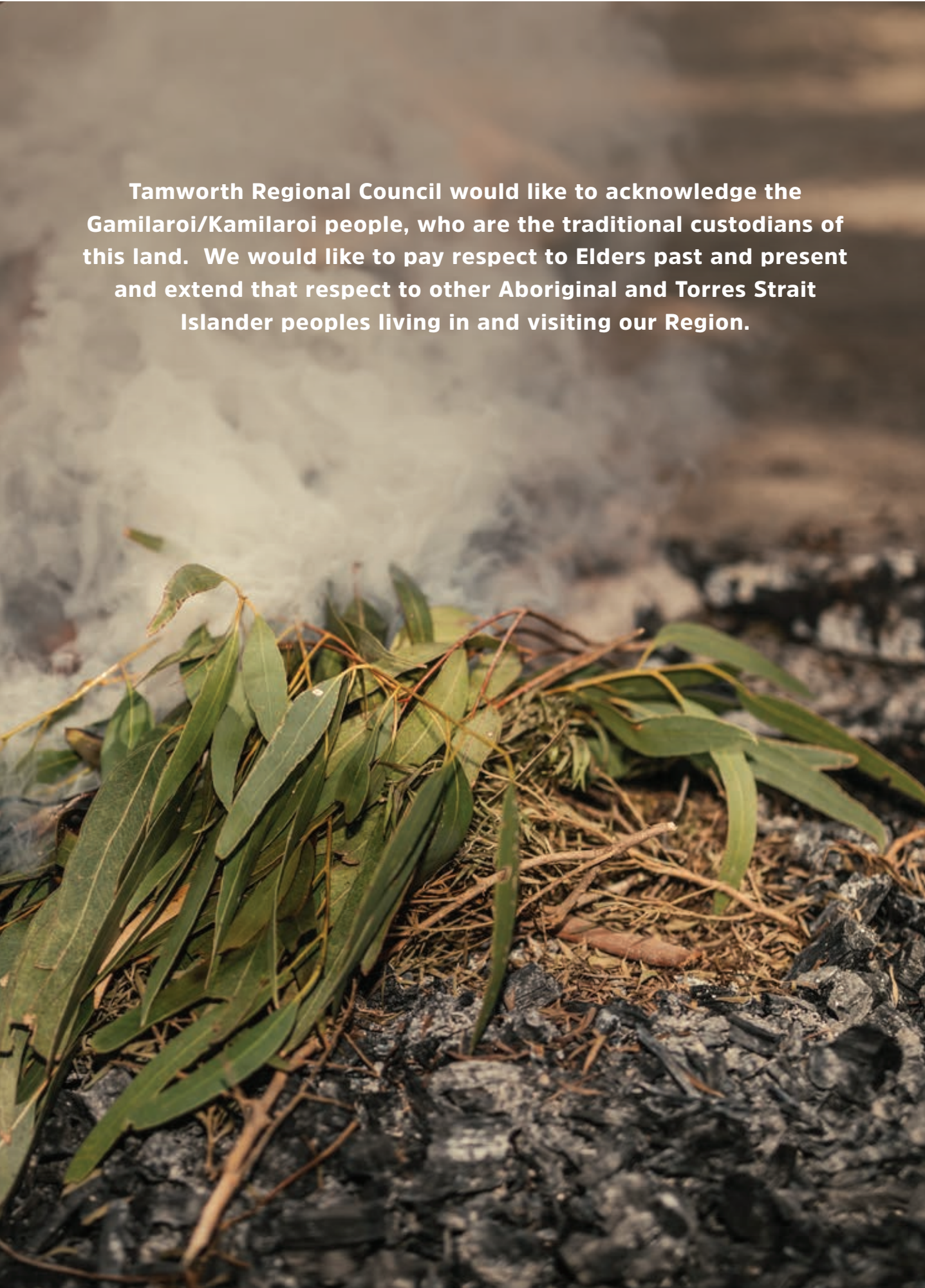


BLUEPRINT 100

Our Resourcing Plan

2023 - 2025





Tamworth Regional Council would like to acknowledge the Gamilaroi/Kamilaroi people, who are the traditional custodians of this land. We would like to pay respect to Elders past and present and extend that respect to other Aboriginal and Torres Strait Islander peoples living in and visiting our Region.

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FEEDBACK

We want to hear from you. Please direct any feedback or suggestions about this plan to Council by calling (02) 6767 5555, emailing trc@tamworth.nsw.gov.au or visiting www.tamworth.nsw.gov.au.



OUR VISION

“Our region will be thriving, modern and prosperous, with compassion for our people, reverence for our culture, and respect for nature.”

We will build a more resilient, inclusive community. We will protect and support our natural environment.

We will celebrate our rich culture and heritage. We will expand our proud identity. We will enable prosperity by supporting businesses to grow, through better housing options, thriving town centres and productive employment areas.

We will deliver water infrastructure and security that supports the growth of our region and economic aspirations. We will attract new businesses, support educational opportunities, and make it easier to do business. We will connect our region and its citizens through a safe and efficient movement network.

And we will achieve this with openness and accountability.



OUR VALUES

Here at Council, we endeavour to uphold our values in all that we do:

- Accountability
- Safety and health
- Customer Orientation
 - Equity
 - Teamwork

OUR MISSION

Tamworth Regional Council is committed to serving the community with:

- integrity • efficiency
- fairness • impartiality
- the encouragement of mutual respect
- Council promotes and strives to achieve a climate of respect for all

OUR PROMISE

Tamworth Regional Council is committed to making it simple for you to get in touch, have your questions answered and find the information you need.

PLANNING FOR OUR FUTURE

What is Integrated Planning & Reporting?

Integrated Planning and Reporting (IP&R) is the framework Tamworth Regional Council uses to work towards achieving our community's vision. It is an opportunity for everyone to join the conversation about the future of our region, what our priorities are, how projects and services are funded, and how we move forward sustainably.

Under NSW Government legislation, every council must prepare a number of connected plans that provide details on how a council intends to deliver works and services in the short and long term.

The plans in the framework are all connected, and are based on the community's priorities.

The plans are designed to cascade through a number of levels of detail, starting with the key Focus Areas in the document "Our Community Plan", and ending in actions and measures set out in the document "Our Annual Plan".

The framework also uses a reporting structure to communicate progress on the plans to our community, as well as a structured timeline for reviewing plans to ensure the goals and actions remain current.

You can find more information about the framework we use at the New South Wales Government website Integrated Planning and Reporting - Office of Local Government NSW



What is "Our Resourcing Plan"?

Our Resourcing Plan 2023 – 2025 sets out how council will implement and resource the community's vision described in "Our Community Plan" in terms of money, people and assets.

The Plan contains three chapters:

1. Our Long Term Financial Plan- addresses the financial challenges that impact on Council's ability to fund its services and projects whilst remaining financially sustainable
2. Our Workforce Management Plan – addresses current and future staffing needs to ensure Council has the right people, in the right roles, at the right time to deliver services to our community, and;
3. Our Asset Management Plan – addresses the infrastructure required to meet future community needs

What is the Long Term Financial Plan?

The Long Term Financial Plan (LTFP) sets out how the vision in "Our Community Plan" can be achieved in terms of money. The LTFP addresses the financial challenges that impact on Council's ability to fund its services and projects whilst remaining financially sustainable.

The LTFP is used as a tool to aid decision making, to set priorities, and to solve problems. Although it has a 10 year horizon, the plan is reviewed and updated annually to keep pace with any changes that might impact council's financial environment.

The LTFP includes information on:

- How council will survive future financial pressures
- Opportunities for future income and economic growth
- Whether council can afford what the community requests, and
- How council can achieve outcomes agreed with the community

What is the Workforce Management Plan?

The Workforce Management Plan maximises the capacity of Council's workforce resources to meet the vision and goals of "Our Community Plan". The Plan focuses on current and future staffing needs to ensure Council has the right people, in the right roles, at the right time to deliver services to our community. The Plan helps Council to prepare for future needs and address emerging challenges early.

The Workforce Management Plan includes;

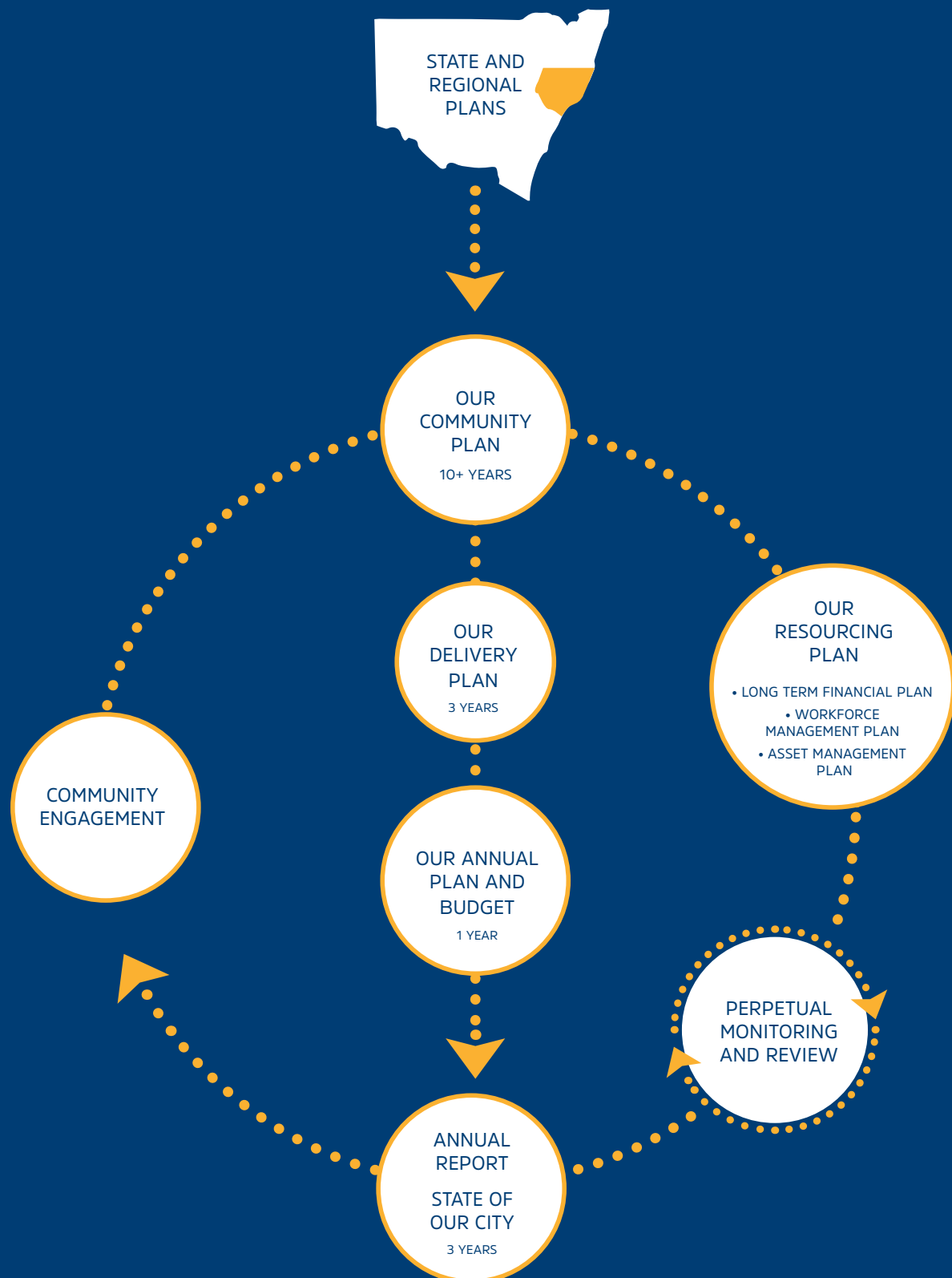
- A profile of our existing workforce
- How we will build our future workforce
- Identification of future challenges
- Financial considerations
- How the plan links to other IP&R plans
- How we will measure progress

What is the Asset Management Plan?

The Asset Management Plan sets out how council will manage and account for the assets it manages on behalf of the community in an efficient and sustainable way. Assets include roads, water & sewerage systems, bridges, buildings, footpaths, parks and gardens, and other physical infrastructure.

The Asset Management Plan sets out the cost to the community of each asset, and how the asset fits into the cost-effective delivery of services to the community. Importantly the plan helps council to plan for the financial impact of future assets.

INTEGRATED PLANNING AND REPORTING



OUR COMMUNITY PLAN 2033

Our Vision:

Our region will be thriving, modern and prosperous, with compassion for our people, reverence for our culture, and respect for nature

Focus Areas and Priorities



FOCUS AREA 1

OUR WATER SECURITY

"Deliver durable water infrastructure including raw water"

W1. A region with a safe and secure water supply

W2. A region that prioritises water conservation and water sustainability

W3. Efficient and fit for purpose waste water management

W4. Our urban planning, design and operations use sustainable water and waste water approaches



FOCUS AREA 2

A LIVEABLE BUILT ENVIRONMENT

"Facilitate smart growth and housing choices"

L1. The right growth in the right locations

L2. Vibrant city and town centres

L3. More diverse and affordable housing

L4. Providing high quality lifestyle, recreational and community facilities such as libraries, pools, park, sports facilities, arts centres and cemeteries



FOCUS AREA 3

PROSPERITY AND INNOVATION

"Create a Prosperous Region"

P1. Be an attractive region for new and existing businesses to invest.

P2. Our community has access to vocational education and skills development

P3. Our industries are successful and opportunities for other initiatives/business in the downstream economy grow

P4. The Tamworth region is Country Australia's leading and most vibrant destination with a sustainable and dynamic visitor economy



FOCUS AREA 4

RESILIENT AND DIVERSE COMMUNITIES

"Build resilient communities"

R1. Our towns, villages and communities grow and prosper

R2. Our community has improved outcomes and access to community and social services that are inclusive and meet their needs and expectations

R3. Meet the 17 targets of the "Closing the Gap" national agreement for our community

R4. Improve the health outcomes for all residents

R5. Be a safer and more resilient community



FOCUS AREA 5

CONNECT OUR REGION AND ITS CITIZENS

C1. A thriving aviation hub supporting travel and investment in our region

C2. A safe and efficient transport network

C3. Expanded public transport options to meet the needs of our community in the future

C4. Improved access to active transport options for movement between places

C5. Our community is enabled by technology



FOCUS AREA 6

WORKING WITH AND PROTECTING OUR ENVIRONMENT

"Design with Nature"

E1. Increase the take up and use of affordable and clean energy across the region

E2. A region where sustainable design of facilities, infrastructure and development are rule not the exception

E3. Reduce our waste and manage it responsibly

E4. We care for our natural environment (including animals, plants, birds, insects, and aquatic life)



FOCUS AREA 7

CELEBRATE OUR CULTURES AND HERITAGE

H1. Enhance our lives through the lived experience of arts and culture

H2. Our aboriginal community's history and culture is protected and celebrated

H3. Our region's heritage assets are protected



FOCUS AREA 8

A STRONG AND VIBRANT IDENTITY

"Strengthen our proud identity"

S1. Be known for country music and so much more

S2. Tell the world who we are and what we have

S3. Show who we are when people arrive by land or air to our towns and region



FOCUS AREA 9

OPEN AND COLLABORATIVE LEADERSHIP

T1. Conduct the business of Council with transparency and accountability

T2. Our financial position is strong and able to meet our current and future obligations to our community

T3. Everyone in our community feels informed, heard and understood.

T4. Our workforce is agile and future ready

T5. Build strategic partnerships and advocate to other levels of government to ensure our community needs are met and concerns heard



Tamworth Regional Playground

BLUEPRINT 100

Long Term Financial Plan

2022/23 – 2031/32

PART ONE



INTRODUCTION

Council's Long-Term Financial Plan (LTFP) forecasts the financial capacity of Tamworth Regional Council to meet the objectives adopted in the Community Strategic Plan. It is vital for informing both Council and our community about the long-term financial position of our organisation. Council's Long-Term Financial Plan covers a period of 10 years and will be updated annually following the adoption of each of Council's Annual Operational Plans.

Estimates, projections and assumptions have been used to develop a picture of how Council's finances will progress over each of the next 10 years by quantifying revenue growth, expenditure commitments, and funding capacity. This provides various results and performance indicators in relation to Council's financial sustainability, which is the degree to which revenues can meet commitments to operations, services and infrastructure.

Council's financial structure is divided into three separate funds: General, Water and Sewer. These funds are subject to legislative restrictions, and subsidisation between funds is not permitted. They operate as three separate businesses with appropriate inter-entity charging where required to ensure full and accurate cost absorption.

The Long-Term Financial Plan is presented using three of the main statements provided in the annual financial reports:

- **Income Statement** - this statement shows the operating result and change in net assets from operations for the year;
- **Balance Sheet** - this discloses the assets, liabilities and equity of Council
- **Cash Flow Statement** - this statement presents the cash flows associated with Council's operating, financing and investing activities

The Long-Term Financial Plan is an important component of Council's strategic planning tools. It is where the community's long-term vision and aspirations are tested against financial realities. Council can use the plan to model different scenarios to understand the longer-term impacts of financial decisions made now.

Tamworth Regional Council adopted an overarching strategic document, Blueprint100 on May 26, 2020. The purpose of Blueprint100 is to guide the development of the Tamworth Region to 2041. Long Term Financial Plans are living documents and the forecasts for the years outlined in this plan will change as Council progresses the strategies encompassed within Blueprint100.

PARAMETERS AND PRINCIPLES

In preparing Council's Long-Term Financial Plan the following principles have been adopted. Council will:

- maintain a cash balance that can meet short term commitments;
- maintain service levels to the community as defined in the Community Strategic Plan;
- maintain sufficient reserves for identified commitments;
- review operating expenditure and improve efficiency;
- pursue cost recovery on fees for service, and
- maximise investment returns within statutory guidelines.

Council has several policies in place that support these principles, which are outlined in the Annual Operational Plan each year. The main focus of these parameters is financial sustainability.

Financial Sustainability

A financially sustainable Council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without incurring excessive debt or rate increases. A key indicator for this is the net operating result before capital grants and contributions which can be found in the final line of the Income Statement. This shows the degree to which operating revenues can cover commitments for operating costs and asset renewals. A focus on achieving a positive or surplus result will enable Council to adopt capital programs and asset management plans, sustainable organisational structures and annual budgets within a prudent long term financial framework. Longer term economic modelling is critical to the success of meeting the needs of the community it serves. Council has established the following financial objectives and strategies to ensure its continuing sustainability:

- maintain service levels where possible and fund other recurrent obligations such as loan repayments, plant replacement and employee leave entitlements;
- pursue strategic management objectives identified in the Community Strategic Plan;
- preserve the investment of the community in the many assets to which Council is custodian, and
- protect itself against financial setbacks, and where possible, unknown contingencies.

Tamworth Regional Council's approach to improved financial sustainability includes a continuous review of our efficiency and effectiveness and catering for what Council "can do" in keeping with the overall aim of fiscal responsibility. However, the constraints on Council's ability to raise general fund income and limited recurrent government funding, combined with inflationary pressures on the costs of labour, plant and materials, are so significant that they are potentially leading to:

- a widening gap between the amount of funding needed and the amount of funding available for the maintenance and renewal of assets; and
- a lack of capacity to provide new facilities or increase current service levels without a consideration for offsets or funding options.

Council needs to balance these financial responsibilities with the various desires of the community to ensure the maximum benefit is returned from resource allocation.

Measuring Financial Sustainability

A review, undertaken by the Independent Pricing and Regulatory Tribunal (IPART) into the Revenue Framework for Local Government, identified a number of performance indicators which measure Council's financial performance and position. The indicators measure both recurrent operations and capital sustainability. Council's results against these indicators are outlined under the section financial performance.

Ratio	Calculation	What is Being Measured	Sustainable Target
Operating Performance Ratio (%)	Operating revenue (excluding capital income) less operating expenditure divided by operating revenue	The ability to contain operating expenditure within operating revenue	Greater than equal break even average (0%) over three years
Unrestricted Current Ratio (%)	Unrestricted current assets (excludes externally restricted assets) less unrestricted current liabilities	The ability to meet short term financial obligations such as loans, payroll and leave entitlements (measures liquidity)	> 1:1 Sustainable < 1:1 Unsustainable
Own Source Revenue Ratio (%)	Operating revenue (excluding capital grants and contributions) divided by operating revenue (inclusive of capital grants and contributions)	The degree of fiscal flexibility and the degree of reliance on external funding sources	Greater than 60% average over three years
Debt Service Ratio (%)	Loan interest and principal divided by operating revenue	The level of discretionary revenue required to repay the principal and interest on loans	Greater than 0% and less than or equal to 20% over three years
Debt Service Cover Ratio	Operating result before capital excluding interest and depreciation/impairment/amortisation divided by principal repayments and borrowing costs	The availability of operating cash to service debt including interest, principal and lease payments	Greater than or equal to two
Building and Infrastructure Renewal Ratio (%)	Asset renewal expenditure divided by depreciation compared to the estimated annualized rate of decline	The rate that assets are being renewed	Greater than 100% average over three years

PLANNING SCENARIOS

It is mentioned above that the Long-Term Financial Plan is a modelling tool as well as a guide for Council. By developing and applying different scenarios, Council and the community can understand the different implications of different scenarios over the longer-term. The Office of Local Government recommends that Council develop at least three scenarios – a planned scenario, a conservative scenario and an optimistic scenario. Due to the complexity of being a multi-fund council, this document includes one fully developed scenario, based on current funds, for each of the Consolidated, General, Water and Sewer Funds.

Planning assumptions common to all funds

The tables in this section document four factors that apply to and are assumed for all Funds as follows:

- Key Factors
- Revenue Factors
- Expenditure Factors
- Internal Employee Costs and Overheads Factors

KEY FACTORS	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Inflation (CPI)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Interest Rates (borrowings)	3.50%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Interest Rates (investments)	1.75%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

REVENUE FACTORS	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Rate Peg	0.7%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Water Annual Charges	2.00%	18.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Water Consumption Charges	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Sewer Annual Charges	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Waste Annual Charges	10.00%	5.00%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Waste User Charges (Gate Fees)	10.00%	10.00%	10.00%	10.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Financial Assistance Grants – General	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Financial Assistant Grants – Roads	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Government Grants (misc)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Airport fees	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Developer Contributions	3.05%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

EXPENDITURE FACTORS	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Electricity	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
General materials increase	0.00%	0.00%	0.00%	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Plant and Fleet – internal charges	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Telephone/ communication costs	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Waste Collection Services (contract)	2.00%	2.00%	2.00%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Insurance premiums	7.50%	7.50%	7.50%	7.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

INTERNAL EMPLOYEE COSTS AND OVERHEADS FACTORS	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Wages (Industry Award increases)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Training (% of total wages)	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Superannuation Contributions (% of total wages)	10.50%	11.00%	11.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Workers Compensation (% of total wages)	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%	4.60%

CONSOLIDATED FUNDS PLANNING SCENARIO

Current funds - projected budget forecast

The Consolidated Fund is simply a compilation of the General, Water and Sewer Funds.

Individual planning scenarios for each of the funds are documented separately within this Long-Term Financial Plan in the following order:

- Consolidated Fund
- General Fund
- Water Fund
- Sewer Fund

Projected Statement of Income and Expenditure

The Income Statement shows the total operating income and expenses for the year by type based on accrual accounting principles. The operating result therefore shows if the income received is sufficient to pay for both operating expenses and asset renewal (as reflected in depreciation costs).

The net operating result before capital income provided on the last row of each income and expenditure statement is considered the more relevant measure of sustainability as it excludes income that can only be used for the acquisition of new assets.

These statements are produced for the Consolidated Fund and for each fund separately.

CONSOLIDATED INCOME STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Income from Continuing Operations										
Rates & Annual Charges	78,253,930	81,395,283	83,374,998	85,042,493	86,740,008	88,471,423	90,237,416	92,038,677	93,875,911	95,464,807
User Charges & Fees	43,341,842	46,175,784	49,570,874	51,512,856	52,445,995	53,379,655	54,310,488	55,303,368	56,294,175	57,284,483
Other Revenue	3,330,045	3,351,242	3,417,884	3,485,963	3,551,376	3,618,097	3,686,253	3,755,771	3,826,680	3,891,922
Grants & Contributions - Operating Purposes	21,467,982	20,993,308	20,591,758	20,865,264	21,303,524	21,548,023	21,898,880	22,356,212	22,620,141	22,990,488
Grants & Contributions - Capital Purposes	28,835,042	5,404,566	5,453,016	9,053,412	5,644,406	5,748,633	5,854,944	5,963,387	6,073,992	6,186,812
Interest & Investment Revenue	3,448,253	2,986,955	2,948,799	3,205,681	3,371,028	3,718,836	4,120,685	4,551,697	4,758,851	5,075,325
Total Income from Continuing Operations	178,677,094	160,307,138	165,357,329	173,165,669	173,056,336	176,484,666	180,108,665	183,969,112	187,449,750	190,893,838
Expenses from Continuing Operations										
Employee Benefits & On-Costs	57,542,488	58,777,928	60,000,468	61,305,752	62,531,027	63,780,807	65,055,584	66,355,856	67,682,133	69,034,935
Borrowing Costs	3,948,314	4,315,895	3,876,681	3,305,822	3,065,537	2,610,012	2,141,413	1,676,216	1,422,416	1,276,792
Materials & Contracts	45,189,433	44,935,703	46,835,467	46,824,236	48,613,092	48,436,670	49,922,631	51,237,006	51,146,896	51,887,625
Depreciation & Amortisation	37,883,057	39,646,370	40,029,359	40,178,285	40,454,168	40,508,931	40,550,748	40,598,882	40,756,517	40,849,376
Other Expenses	1,646,691	1,984,869	2,016,179	2,050,695	2,086,777	2,123,197	2,160,345	2,198,234	2,236,801	2,273,266
Total Expenses from Continuing Operations	146,209,983	149,660,765	152,758,154	153,664,790	156,750,601	157,459,617	159,830,721	162,066,195	163,244,762	165,321,995
Operating Result from Continuing Operations	32,467,111	10,646,373	12,599,175	19,500,879	16,305,735	19,025,049	20,277,944	21,902,917	24,204,988	25,571,843
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	3,632,069	5,241,807	7,146,159	10,447,467	10,661,329	13,276,416	14,423,000	15,939,530	18,130,996	19,385,031

Consolidated Balance Sheet	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
ASSETS										
Current Assets										
Cash & Cash Equivalents	2,728,014	2,698,199	2,868,935	3,041,280	3,498,462	3,921,441	4,329,941	4,773,481	5,281,662	5,987,989
Investments	90,717,568	89,347,470	95,089,625	101,236,568	116,488,841	130,668,049	144,266,781	158,799,682	175,806,565	199,188,731
Receivables	19,218,212	15,986,586	16,771,617	17,412,281	17,710,837	18,111,910	18,507,240	18,907,128	19,338,916	19,785,882
Inventories	21,634,157	21,624,763	21,767,221	21,761,956	21,801,217	21,834,865	21,908,139	21,930,742	21,962,725	22,006,013
Contract Assets	4,471,250	4,471,250	4,471,250	4,471,250	4,471,250	4,471,250	4,471,250	4,471,250	4,471,250	4,471,250
Other	808,310	811,705	860,283	859,547	875,392	886,850	913,002	922,931	933,947	949,725
Non-current assets "held for sale"	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000
Total Current Assets	139,791,512	135,153,973	142,042,932	148,996,883	165,059,999	180,108,365	194,610,352	210,019,216	228,009,065	252,603,589
Non-Current Assets										
Investments	23,778,378	23,229,185	24,765,304	26,656,092	30,706,892	34,497,168	38,086,987	41,819,170	46,415,368	52,528,337
Receivables	283,402	206,901	212,447	216,696	221,016	225,423	229,918	234,502	239,178	242,807
Contract Assets	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750
Infrastructure, Property, Plant & Equipment	1,982,201,262	1,984,897,968	1,980,387,544	1,985,418,653	1,972,012,066	1,963,219,705	1,957,128,078	1,952,526,186	1,949,969,881	1,941,755,039
Investment Property	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000
Intangible Assets	2,857,000	2,857,000	2,857,000	2,857,000	2,857,000	2,857,000	2,857,000	2,857,000	2,857,000	2,857,000
Right of Use Assets	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000
Total Non-Current Assets	2,041,288,792	2,043,359,804	2,040,391,045	2,047,317,190	2,037,965,724	2,032,968,046	2,030,470,733	2,029,605,609	2,031,650,176	2,029,551,934
TOTAL ASSETS	2,181,080,304	2,178,513,777	2,182,433,977	2,196,314,073	2,203,025,724	2,213,076,411	2,225,081,086	2,239,624,825	2,259,659,241	2,282,155,523
LIABILITIES										
Current Liabilities										
Payables	22,943,956	23,179,686	24,155,374	24,222,320	24,686,298	24,928,353	25,529,406	25,872,153	26,124,293	26,511,894
Contract Liabilities	7,072,114	3,476,875	3,414,254	3,985,490	3,531,544	3,573,659	3,631,836	3,706,096	3,751,458	3,812,899
Borrowings	10,153,471	9,895,159	10,065,553	9,914,241	9,572,267	9,249,914	8,097,355	4,793,073	3,853,509	3,625,168
Provisions	11,469,594	11,638,651	11,810,666	11,986,064	12,164,908	12,347,268	12,533,214	12,722,818	12,916,153	13,113,293
Total Current Liabilities	51,639,134	48,190,371	49,445,847	50,108,115	49,955,017	50,099,195	49,791,811	47,094,140	46,645,413	47,063,254
Non-Current Liabilities										
Lease Liabilities	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000
Borrowings	93,106,880	83,211,721	73,146,169	66,731,927	57,159,660	47,909,745	39,812,390	35,019,318	31,165,809	27,540,641
Provisions	14,522,426	14,653,449	14,784,550	14,915,740	15,047,022	15,178,396	15,309,865	15,441,431	15,573,096	15,704,861
Total Non-Current Liabilities	109,892,306	100,128,170	90,193,719	83,910,667	74,469,682	65,351,141	57,385,255	52,723,749	49,001,905	45,508,502
TOTAL LIABILITIES	161,531,440	148,318,541	139,639,565	134,018,783	124,424,699	115,450,336	107,177,066	99,817,889	95,647,318	92,571,756
NET ASSETS	2,019,548,863	2,030,195,236	2,042,794,412	2,062,295,290	2,078,601,025	2,097,626,075	2,117,904,019	2,139,806,936	2,164,011,924	2,189,583,767
EQUITY										
Retained Earnings	1,365,428,863	1,376,075,236	1,388,674,412	1,408,175,290	1,424,481,025	1,443,506,075	1,463,784,019	1,485,686,936	1,509,891,924	1,535,463,767
Revaluation Reserves	653,426,000	653,426,000	653,426,000	653,426,000	653,426,000	653,426,000	653,426,000	653,426,000	653,426,000	653,426,000
Council Equity Interest	2,018,854,863	2,029,501,236	2,042,100,412	2,061,601,290	2,077,907,025	2,096,932,075	2,117,210,019	2,139,112,936	2,163,317,924	2,188,889,767
Minority Equity Interest	694,000	694,000	694,000	694,000	694,000	694,000	694,000	694,000	694,000	694,000
TOTAL EQUITY	2,019,548,863	2,030,195,236	2,042,794,412	2,062,295,290	2,078,601,025	2,097,626,075	2,117,904,019	2,139,806,936	2,164,011,924	2,189,583,767

CONSOLIDATED CASH FLOW STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	78,572,627	81,462,924	83,332,915	84,999,864	86,696,529	88,427,075	90,192,181	91,992,537	93,828,848	95,417,043
User Charges & Fees	45,589,489	48,821,696	49,141,669	51,244,443	52,293,487	53,226,178	54,156,374	55,141,313	56,131,360	57,121,036
Interest & Investment Revenue Received	3,695,758	2,998,688	2,850,628	3,131,334	3,272,207	3,615,926	4,028,879	4,471,372	4,643,541	4,941,648
Grants & Contributions	48,135,775	23,279,873	25,988,333	30,411,535	26,552,444	27,330,859	27,801,902	28,381,568	28,731,010	29,228,063
Other	3,636,836	3,496,093	3,231,110	3,335,867	3,516,419	3,553,467	3,620,529	3,685,609	3,758,059	3,823,413
Payments										
Employee Benefits & On-Costs	(57,329,704)	(58,585,976)	(59,806,740)	(61,108,164)	(62,326,968)	(63,572,667)	(64,843,280)	(66,139,306)	(67,461,252)	(68,809,637)
Materials & Contracts	(50,240,528)	(48,946,508)	(50,356,250)	(51,195,662)	(55,993,521)	(56,256,981)	(57,674,106)	(59,415,190)	(59,671,966)	(60,532,234)
Borrowing Costs	(3,802,521)	(4,207,324)	(3,767,741)	(3,191,828)	(2,955,641)	(2,499,679)	(2,029,245)	(1,563,621)	(1,306,008)	(1,159,101)
Other	(1,733,554)	(1,877,311)	(1,998,163)	(2,037,600)	(2,071,546)	(2,108,045)	(2,143,283)	(2,182,982)	(2,220,901)	(2,257,505)
Net Cash provided (or used in) Operating Activities	66,524,178	46,442,155	48,615,760	55,589,788	48,983,410	51,716,133	53,109,950	54,371,299	56,432,693	57,772,725
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Sale of Investment Securities	39,303,016	3,706,942	-	6,126,308	-	-	-	-	2,998,292	-
Sale of Infrastructure, Property, Plant & Equipment	4,732,611	4,670,142	4,608,938	4,546,499	3,017,364	1,407,449	1,407,651	1,407,711	1,407,487	322,854
Payments										
Purchase of Investment Securities	-	(1,787,651)	(7,278,274)	(14,164,038)	(19,303,073)	(17,969,484)	(17,188,551)	(18,265,085)	(24,601,372)	(29,495,135)
Purchase of Infrastructure, Property, Plant & Equipment	(124,725,322)	(42,907,933)	(35,880,528)	(45,360,659)	(22,326,277)	(25,158,853)	(27,670,635)	(28,973,031)	(30,935,845)	(24,040,609)
Net Cash provided (or used in) Investing Activities	(80,689,695)	(36,318,500)	(38,549,864)	(48,851,891)	(38,611,986)	(41,720,887)	(43,451,535)	(45,830,405)	(51,131,439)	(53,212,890)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from Borrowings & Advances	2,700,000	-	-	3,500,000	-	-	-	-	-	-
Payments										
Repayment of Borrowings & Advances	(9,465,006)	(10,153,471)	(9,895,159)	(10,065,553)	(9,914,241)	(9,572,267)	(9,249,914)	(8,097,355)	(4,793,073)	(3,853,509)
Net Cash Flow provided (used in) Financing Activities	13,234,994	(10,153,471)	(9,895,159)	(6,565,553)	(9,914,241)	(9,572,267)	(9,249,914)	(8,097,355)	(4,793,073)	(3,853,509)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(930,524)	(29,815)	170,736	172,344	457,183	422,979	408,500	443,539	508,181	706,327
plus: Cash, Cash Equivalents & Investments - beginning of year	3,658,538	2,728,014	2,698,199	2,868,935	3,041,280	3,498,462	3,921,441	4,329,941	4,773,481	5,281,662

CONSOLIDATED CASH FLOW STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Cash & Cash Equivalents - end of the year	2,728,014	2,698,199	2,868,935	3,041,280	3,498,462	3,921,441	4,329,941	4,773,481	5,281,662	5,987,989
Investments - end of the year	114,495,946	112,576,655	119,854,929	127,892,660	147,195,733	165,165,217	182,353,768	200,618,853	222,221,933	251,717,068
Cash, Cash Equivalents & Investments - end of the year	117,223,960	115,274,854	122,723,864	130,933,939	150,694,195	169,086,658	186,683,709	205,392,333	227,503,595	257,705,057
Representing										
- External Restrictions	103,663,531	101,775,783	108,858,589	115,178,620	133,322,957	150,194,672	167,182,650	184,093,168	204,222,794	230,955,977
- Internal Restrictions	12,410,471	12,856,747	13,204,205	14,647,321	16,527,402	17,820,987	17,916,309	19,415,860	21,016,602	24,009,428
- Unrestricted	1,149,958	642,323	661,070	1,107,998	843,837	1,070,999	1,584,750	1,883,305	2,264,199	2,739,652
	117,223,960	115,274,854	122,723,864	130,933,939	150,694,195	169,086,658	186,683,709	205,392,333	227,503,595	257,705,057

GENERAL FUND PLANNING SCENARIOS

The General Fund scenario is based on current funds, a 0.7% increase (rate peg) for 2022/2023 and 2% thereafter in ordinary rate revenue.

The results of this scenario can then be used as a base for the analysis of other potential scenarios.

Scenario 1 – What we can do now

This scenario was constructed on a no change basis to existing funding levels and existing levels of service provided in current operations. Some of the key points of this scenario for the General Fund are as follows:

- asset expenditure is based on existing funding levels, the 2023-2025 Delivery Program and Asset Management Plans (planned expenditure only);
- the base year of 2021/2022 has been used as at the 31 December 2021 Budget Review with 2022/2023 to 2031/2032 projections based on assumptions;

- relies on \$7.5m per year of labour, on-cost and plant being covered by works procured by civil construction from sources external to general fund, including Transport for NSW, Water Enterprises, Waste and other divisions to ensure the workforce is fully employed. This level is consistent with external works in preceding years;
- budget projections allow for the full employment of all current Council staff positions and plant items;
- projected unrestricted cash results for General Fund are at a level sufficient to maintain an acceptable unrestricted cash balance.
- a conservative level of Developer Contribution (General Fund) works has been included to match expected revenues from Developer Contributions Plans.

Planning Assumptions

Planning assumptions provide a basis for forecasting the future impact of internal and external factors. The following describe the main assumptions used in developing this Long-Term Financial Plan.

INTERNAL FACTORS	
Internal Revenue Factors	Internal revenue factors are those that impact on Council's ability to set discretionary fees and charges. Council has assumed that service charges (water, sewer, waste, stormwater etc.), development contributions and revenue from fees for service (user pays), will generally change in line with the rate peg.
Efficiency Savings	<p>The LTFP has an in-built annual savings amount of \$620,000 per annum to cater for minor budget savings within the divisions of Council as well as savings occurring from vacant positions as a result of timing differences between termination and recruitment of employees.</p> <p>From 2024/2025 a further \$600,000 will be required, to ensure that funds becoming available from completed loans will be available for future asset renewal or allocation to new projects, rather than be absorbed by operating expenditure increases. This will be achieved by routine services reviews and targeted reviews of major expenditure areas such as workers' compensation.</p>

EXTERNAL FACTORS

Service Delivery and Service Levels	The Long-Term Financial Plan is based on maintaining existing services at current levels of service. Service levels can affect operating costs and income as well as asset maintenance costs. The LTFP demonstrates that Council's General Fund is not in a position, within the prevailing income stream constraints, to significantly increase service levels.
Inflation (CPI)	<p>Inflation assumptions are mainly applied to the cost of materials and services that are not identified as having specific factors of influence. The average CPI (consumer price index) for Sydney over the last three years, based on ABS data in December 2021, is 1.82%, with a high of 3.05% in 2021 and a low of 0.77% in 2019. The assumed rate of CPI included in the LTFP is 1.5%.</p> <p>The most reliable available information has been used for proposed increases for expenditure items that are identified as having specific influences such as electricity, fuel and insurance. Where possible these items are matched to CPI with allowances for historical information and other known factors.</p>
Interest Rates	Interest rates for both borrowing and investments are based on rates being borrowing costs of 3.5% to 4% and investment revenue rates of 1.75% to 2%. It is acknowledged that interest rates do fluctuate, however it is considered that the relative gap between rates for income and expenses should remain steady and the net result should not change significantly.
Rate Peg	The rate peg amount is closely related to Local Government CPI rates as determined for Local Government by IPART. In determining the impact of rate variations over the next nine years from 2023/2031, Council has used 0.7% for 2022/2023 and 2% thereafter.
Special Rates Variation Application	Council will be submitting an application to the Office of Local Government to increase the rate peg for 2022/2023 to 2% in order to maintain existing service levels. Previous iterations of the Long-Term Financial Plan were based on Council increasing rates by 2% per annum. If the application is successful, it will yield approximately \$500,000 in ongoing revenue.

Refer also to the following tables in the Consolidated Funds Planning Assumptions

- Key Factors – page 15
- Revenue Factors – page 15
- Expenditure Factors – page 16
- Internal Employee Costs and Overheads Factors – page 16

Major Projects Scheduled



TAMWORTH GLOBAL GATEWAY PARK

In February 2016, Council purchased a 246 hectare landholding on the outskirts of the western side of the city of Tamworth, bounded by the Oxley Highway, Goddard Lane, Goonan Street and Marathon Street. Council is now involved in developing the site with other levels of government providing partial funding. The project is complex and involves a rail line activation (Transport NSW responsibility), development of a major business park and an intermodal transport site that provides an interface between rail and road freight. Phase 1 development has commenced and with eight contracts having been exchanged; final settlement for land parcels is subject to DA approval. The Capital Expenditure Review for Phase 1 predicts sound financial returns; however, timing of income streams cannot be reliably determined. Income streams have been matched to loan repayments in the LTFP.



ORGANIC RECYCLING FACILITY

Currently, Tamworth Regional Council's processing and composting of organic material is restricted to green waste only at the Forest Road Waste Management Facility. The facility processes approximately 15,000 tonnes per annum of green waste to produce a high-grade mulch. The composting facility has reached maximum processing and storage capacity and additional organic waste such as food are being placed into landfill. It is estimated that these additional organic waste streams could be in the order of up to 10,000 tonnes per annum.

Construction of this facility is scheduled to commence in 2022/23. The facility is expected to commence operating in 2024/2025. Staff have been optimistic in estimating the operational results for the facility, which is having a positive impact on General Fund financial results and indicators. More accurate financial information will be able to be determined as the facility gets closer to commencing operations.

MAJOR PROJECTS UNSCHEDULED

In addition to projects captured in this plan, Tamworth Regional Council is currently considering several other major projects. The timing and instigation of these projects will need to be considered in conjunction with current undertakings outlined in this long-term financial plan as well as the future priorities set by the community. As more detailed financial information becomes available and suitable feasibility studies undertaken, each project will be presented to the community and council for endorsement. If formally adopted, projects will be incorporated into the Long-Term Financial Plan which is reviewed every year.



INFORMATION AND COMMUNICATION TECHNOLOGY PLAN

A Technology Strategy Roadmap has been developed which outlines how technology will be used and managed to deliver Blueprint 100. The roadmap will ensure Tamworth Regional Council has the IT capabilities needed to effectively deliver services to our community in coming years. A business case for the roadmap is currently being developed. There will be significant costs involved in delivering these IT capabilities, however it is still too early to estimate costing and implementation time frames to enable inclusion of this major project into the current LTFP.



PERFORMING ARTS CENTRE

Council staff continue to investigate the feasibility and funding options for a Performing Arts Centre, a significant capital project with long term financial implications for the community. Work continues on evaluating the business case presented to Council in October 2019 with staff undertaking comparisons to other well-established similar facilities in other Local Government areas. Council may need to consider a special rate variation (SRV) to fund not just the construction of a Performing Arts Centre but also the operational funding requirements. For an SRV of this nature to be successful Council needs to demonstrate the need for additional revenue, evidence of community consultation and an assessment of the impact on affected ratepayers. Council needs to undertake additional detailed analysis and community engagement before this project can be incorporated into its long-term financial plans.



AQUATIC CENTRE

To support the implementation of Council's Blueprint 100 strategic plan, Council is planning for the redevelopment of the aquatic needs for a future Tamworth. Council is concurrently developing two business case studies for:

- i) the re-development of the Tamworth Olympic Pool site and
- ii) a new modern aquatic and leisure facility to be located at the Northern Inland Centre of Sporting Excellence.

Planning with regards to design and funding requirements is not yet mature enough for either of these projects to be included in this LTFP.



RAY WALSH HOUSE

In late 2021 a significant number of staff had to be evacuated from Ray Walsh House due to asbestos contamination. Interim measures have been put in place to ensure the safety of building users. In May 2022 additional work is to be undertaken to determine the extent of future remediation work. This information will be used to call for tenders to undertake the remediation. Following the completion of the tender process, Council will be better placed to ascertain the timing and cost of future works.

Current Funds - Projected Budget Forecast

Based on the assumptions provided above, this scenario represents Council's estimates of projected 'secure' revenue within rate peg limits, the maintenance of existing services, infrastructure and facilities, and capital expenditure proposed in the 2022-2025 Delivery Program and Asset Management Plans.

Projected Statement of Income and Expenditure

The Income Statement shows the total operating income and expenses for the year by type based on accrual accounting principles. The operating result therefore shows if the income received is sufficient to pay for both operating expenses and asset renewal (as reflected in depreciation costs).

The net operating result before capital income provided on the last row of each income and expenditure statement is considered the more relevant measure of sustainability as it excludes income that can only be used for the acquisition of new assets.

The General Fund result is in deficit from the first year 2022/2023 but moves into surplus from 2025/2026. The operating result before capital continues to improve to a high of \$4.5m in 2031/2032 and averages \$1.1m per annum, primarily as a result of external loans ceasing. It should be noted that each year includes a surplus of on average \$5.0m from the collective of airport, waste and fleet operations. Operations that are funded primarily from general revenues, are in fact still on average in \$4m deficit over the ten years.

GENERAL FUND INCOME STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Income from Continuing Operations										
Rates & Annual Charges	50,382,649	51,725,356	53,111,672	54,173,899	55,254,042	56,355,738	57,479,417	58,625,518	59,794,489	60,701,750
User Charges & Fees	26,516,564	29,014,000	32,065,851	33,657,733	34,233,769	34,803,185	35,362,488	35,976,408	36,580,677	37,175,530
Other Revenue	3,216,950	3,235,885	3,300,220	3,365,946	3,428,959	3,493,231	3,558,890	3,625,861	3,694,172	3,758,391
Grants & Contributions - Operating Purposes	21,060,482	20,577,658	20,167,796	20,432,823	20,862,561	21,098,368	21,440,359	21,888,648	22,143,354	22,504,293
Grants & Contributions - Capital Purposes	26,063,995	2,578,098	2,570,019	6,112,756	2,656,353	2,700,819	2,746,174	2,792,440	2,839,626	2,887,759
Interest & Investment Revenue	1,487,003	1,346,080	1,271,702	1,367,436	1,516,651	1,696,484	1,877,803	1,910,655	1,945,090	1,996,157
Total Income from Continuing Operations	128,727,643	108,477,077	112,487,260	119,110,593	117,952,335	120,147,826	122,465,131	124,819,531	126,997,407	129,023,879
Expenses from Continuing Operations										
Employee Benefits & On-Costs	51,882,198	53,009,943	54,122,635	55,315,882	56,421,360	57,548,946	58,699,086	59,872,228	61,068,832	62,289,369
Borrowing Costs	1,623,019	2,208,774	1,966,351	1,631,861	1,636,066	1,476,471	1,337,200	1,208,947	1,093,692	994,339
Materials & Contracts	24,452,649	23,972,502	26,321,469	25,822,904	26,200,846	26,464,275	27,478,676	27,515,688	27,724,460	28,144,804
Depreciation & Amortisation	26,148,976	27,094,498	27,412,097	27,506,913	27,588,943	27,636,042	27,677,859	27,725,993	27,881,677	27,904,363
Other Expenses	1,646,691	1,984,869	2,016,179	2,050,695	2,086,777	2,123,197	2,160,345	2,198,234	2,236,801	2,273,266
Total Expenses from Continuing Operations	105,753,533	108,270,586	111,838,731	112,328,255	113,933,992	115,248,931	117,353,164	118,521,090	120,005,462	121,606,142
Operating Result from Continuing Operations	22,974,110	206,491	648,529	6,782,338	4,018,343	4,898,895	5,111,967	6,298,441	6,991,945	7,417,737
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	(3,089,885)	(2,371,607)	(1,921,490)	669,582	1,361,990	2,198,076	2,365,793	3,506,001	4,152,319	4,529,978

GENERAL FUND BALANCE SHEET	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
ASSETS										
Current Assets										
Cash & Cash Equivalents	810,341	734,689	796,646	928,276	1,075,570	1,222,902	1,348,605	1,445,311	1,623,711	1,818,551
Investments	30,226,967	27,405,035	29,716,122	34,626,111	40,120,436	45,616,119	50,305,059	53,912,317	60,566,923	67,834,749
Receivables	14,918,110	11,496,734	12,188,686	12,745,342	12,939,658	13,235,356	13,522,961	13,810,615	14,134,789	14,457,831
Inventories	21,634,157	21,624,763	21,767,221	21,761,956	21,801,217	21,834,865	21,908,139	21,930,742	21,962,725	22,006,013
Contract Assets	4,467,000	4,467,000	4,467,000	4,467,000	4,467,000	4,467,000	4,467,000	4,467,000	4,467,000	4,467,000
Other	788,471	791,299	840,542	839,359	853,421	865,570	891,274	899,675	911,294	926,738
Non-current assets "held for sale"	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000	214,000
Total Current Assets	73,059,045	66,733,521	69,990,217	75,582,045	81,471,302	87,455,811	92,657,038	96,679,662	103,880,443	111,724,883
Non-Current Assets										
Investments	9,479,737	8,594,727	9,319,526	10,859,390	12,582,512	14,306,060	15,776,598	16,907,901	18,994,909	21,274,234
Receivables	283,402	206,901	212,447	216,696	221,016	225,423	229,918	234,502	239,178	242,807
Infrastructure, Property, Plant & Equipment	1,416,854,792	1,412,801,490	1,402,785,611	1,398,780,322	1,389,041,534	1,382,798,907	1,378,433,415	1,376,323,740	1,371,161,139	1,366,664,000
Investment Property	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000	30,025,000
Intangible Assets	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000
Right of Use Assets	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000	2,131,000
Total Non-Current Assets	1,459,061,931	1,454,047,118	1,444,761,584	1,442,300,407	1,434,289,062	1,429,774,390	1,426,883,931	1,425,910,143	1,422,839,225	1,420,625,041
TOTAL ASSETS	1,532,120,976	1,520,780,639	1,514,751,801	1,517,882,452	1,515,760,364	1,517,230,200	1,519,540,969	1,522,589,805	1,526,719,668	1,532,349,924
LIABILITIES										
Current Liabilities										
Payables	20,904,766	21,120,227	22,156,780	22,196,263	22,534,816	22,837,933	23,410,325	23,642,683	23,940,474	24,307,544
Contract Liabilities	7,068,672	3,473,363	3,410,672	3,981,837	3,527,837	3,569,878	3,627,980	3,702,163	3,747,447	3,808,808
Borrowings	8,467,062	7,954,345	8,068,922	6,335,111	4,087,951	3,749,106	3,877,317	3,530,156	2,544,817	2,268,781
Provisions	11,469,594	11,638,651	11,810,666	11,986,064	12,164,908	12,347,268	12,533,214	12,722,818	12,916,153	13,113,293
Total Current Liabilities	47,910,093	44,186,587	45,447,041	44,499,275	42,315,512	42,504,186	43,448,836	43,597,820	43,148,891	43,498,426
Non-Current Liabilities										
Lease Liabilities	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000	2,263,000
Borrowings	59,576,742	51,622,397	43,553,475	40,718,364	36,630,413	32,881,307	29,003,990	25,473,835	22,929,018	20,660,237
Provisions	14,522,426	14,653,449	14,784,550	14,915,740	15,047,022	15,178,396	15,309,865	15,441,431	15,573,096	15,704,861
Total Non-Current Liabilities	76,362,168	68,538,846	60,601,025	57,897,104	53,940,435	50,322,703	46,576,855	43,178,266	40,765,114	38,628,098
TOTAL LIABILITIES	124,272,261	112,725,433	106,048,066	102,396,379	96,255,947	92,826,889	90,025,691	86,776,086	83,914,004	82,126,524
NET ASSETS	1,407,848,715	1,408,055,206	1,408,703,735	1,415,486,073	1,419,504,417	1,424,403,311	1,429,515,278	1,435,813,719	1,442,805,664	1,450,223,401
EQUITY										
Retained Earnings	953,362,715	953,569,206	954,217,735	961,000,073	965,018,417	969,917,311	975,029,278	981,327,719	988,319,664	995,737,401
Revaluation Reserves	453,792,000	453,792,000	453,792,000	453,792,000	453,792,000	453,792,000	453,792,000	453,792,000	453,792,000	453,792,000
Council Equity Interest	1,407,154,715	1,407,361,206	1,408,009,735	1,414,792,073	1,418,810,417	1,423,709,311	1,428,821,278	1,435,119,719	1,442,111,664	1,449,529,401
Minority Equity Interest	694,000	694,000	694,000	694,000	694,000	694,000	694,000	694,000	694,000	694,000
TOTAL EQUITY	1,407,848,715	1,408,055,206	1,408,703,735	1,415,486,073	1,419,504,417	1,424,403,311	1,429,515,278	1,435,813,719	1,442,805,664	1,450,223,401

GENERAL FUND CASH FLOW STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	50,723,498	51,929,245	53,110,506	54,173,005	55,253,133	56,354,811	57,478,472	58,624,554	59,793,505	60,700,987
User Charges & Fees	28,808,137	31,703,148	31,680,747	33,434,302	34,127,144	34,696,508	35,256,111	35,863,044	36,467,526	37,062,898
Interest & Investment Revenue Received	1,691,198	1,365,942	1,179,414	1,288,156	1,431,545	1,606,422	1,799,342	1,846,299	1,839,202	1,886,091
Grants & Contributions	44,922,123	20,039,822	22,683,483	27,040,588	23,125,448	23,835,623	24,236,888	24,745,381	25,022,226	25,445,231
Other	3,523,741	3,380,736	3,113,446	3,215,850	3,394,002	3,428,601	3,493,166	3,555,699	3,625,551	3,689,881
Payments										
Employee Benefits & On-Costs	(51,669,414)	(52,817,991)	(53,928,907)	(55,118,294)	(56,217,300)	(57,340,806)	(58,486,782)	(59,655,678)	(60,847,951)	(62,064,071)
Materials & Contracts	(27,089,168)	(26,741,052)	(27,911,551)	(27,996,559)	(28,181,905)	(28,591,465)	(29,511,791)	(29,940,761)	(30,222,193)	(30,708,212)
Borrowing Costs	(1,465,047)	(2,087,429)	(1,844,193)	(1,504,337)	(1,513,878)	(1,353,257)	(1,213,449)	(1,085,399)	(969,594)	(868,679)
Other	(1,733,554)	(1,877,311)	(1,998,163)	(2,037,600)	(2,071,546)	(2,108,045)	(2,143,283)	(2,182,982)	(2,220,901)	(2,257,505)
Net Cash provided (or used in) Operating Activities	47,711,514	24,895,111	26,084,781	32,495,113	29,346,643	30,528,393	30,908,674	31,770,155	32,487,371	32,886,621
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Sale of Investment Securities	14,761,664	3,706,942	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	4,732,611	4,670,142	4,608,938	4,546,499	3,017,364	1,407,449	1,407,651	1,407,711	1,407,487	322,854
Payments										
Purchase of Investment Securities	-	-	(3,035,887)	(6,449,853)	(7,217,447)	(7,219,231)	(6,159,479)	(4,738,561)	(8,741,613)	(9,547,151)
Purchase of Infrastructure, Property, Plant & Equipment	(82,146,314)	(24,880,785)	(19,641,530)	(25,891,207)	(18,664,155)	(20,481,329)	(22,282,036)	(24,465,283)	(21,444,689)	(20,922,667)
Net Cash provided (or used in) Investing Activities	(62,652,039)	(16,503,701)	(18,068,479)	(27,794,561)	(22,864,238)	(26,293,111)	(27,033,864)	(27,796,133)	(28,778,815)	(30,146,964)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from Borrowings & Advances	22,700,000	-	-	3,500,000	-	-	-	-	-	-
Payments										
Repayment of Borrowings & Advances	(8,060,734)	(8,467,062)	(7,954,345)	(8,068,922)	(6,335,111)	(4,087,951)	(3,749,106)	(3,877,317)	(3,530,156)	(2,544,817)
Net Cash Flow provided (used in) Financing Activities	14,639,266	(8,467,062)	(7,954,345)	(4,568,922)	(6,335,111)	(4,087,951)	(3,749,106)	(3,877,317)	(3,530,156)	(2,544,817)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(301,258)	(75,652)	61,957	131,630	147,295	147,331	125,704	96,705	178,400	194,840
plus: Cash, Cash Equivalents & Investments - beginning of year	1,111,599	810,341	734,689	796,646	928,276	1,075,570	1,222,902	1,348,605	1,445,311	1,623,711

GENERAL FUND CASH FLOW STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Cash & Cash Equivalents - end of the year	810,341	734,689	796,646	928,276	1,075,570	1,222,902	1,348,605	1,445,311	1,623,711	1,818,551
Investments - end of the year	39,706,703	35,999,761	39,035,648	45,485,501	52,702,948	59,922,179	66,081,658	70,820,219	79,561,832	89,108,983
Cash, Cash Equivalents & Investments - end of the year	40,517,044	36,734,450	39,832,294	46,413,777	53,778,518	61,145,080	67,430,263	72,265,529	81,185,543	90,927,534
Representing										
- External Restrictions	26,956,615	23,235,380	25,967,019	30,658,458	36,407,279	42,253,094	47,929,203	50,966,364	57,904,742	64,178,454
- Internal Restrictions	12,410,471	12,856,747	13,204,205	14,647,321	16,527,402	17,820,987	17,916,309	19,415,860	21,016,602	24,009,428
- Unrestricted	1,149,958	642,323	661,070	1,107,998	843,837	1,070,999	1,584,750	1,883,305	2,264,199	2,739,652
	40,517,044	36,734,450	39,832,294	46,413,777	53,778,518	61,145,080	67,430,263	72,265,529	81,185,543	90,927,534

General Fund - Other Financial Information

UNRESTRICTED CASH – ADDITIONAL TRANSFERS FOR ASSET RENEWAL

UNRESTRICTED CASH – ADDITIONAL TRANSFERS FOR ASSET RENEWAL	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Unrestricted Cash prior to Transfers to Reserves for Asset Renewal	(202,803)	(632,230)	714,082	1,170,738	883,244	1,797,904	2,244,337	2,285,257	2,836,270	2,858,426
Additional Transfers to Reserves for Asset Renewal (cumulative)	0	0	780,000	780,000	780,000	1,570,000	1,970,000	1,970,000	2,426,000	2,426,000
Final Unrestricted Cash Balance	(202,803)	(632,230)	(65,918)	390,738	103,244	227,904	274,337	315,257	410,270	432,426

Note: Transfers to Reserve increase due to the cessation of infrastructure grants. On cessation of the loans, funds have been primarily transferred to asset renewal

LOAN REPAYMENTS FROM UNRESTRICTED CASH (PRINCIPAL & INTEREST)

LOAN REPAYMENTS FROM UNRESTRICTED CASH (PRINCIPAL & INTEREST)	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Debt Service Costs – Unrestricted Cash	3,179,293	3,115,180	2,422,598	2,193,433	2,070,717	1,278,471	804,850	809,532	333,025	337,551
Annual Difference	0	(64,113)	(692,582)	(229,165)	(122,716)	(792,246)	(473,621)	4,682	(476,507)	4,526
Loans Terminating										
Library/Art Gallery		(82,000)	(523,000)							
Capitol Theatre			(180,000)							
Internal-Street Lighting				(211,000)						
AELEC					(91,000)	(471,000)	(310,000)			
Flood Mitigation					(43,000)	(65,000)	(79,000)			
Roads & Bridges						(234,000)	(90,000)		(86,000)	
Sports Dome									(370,000)	
Total – Loans Terminating	0	(82,000)	(703,000)	(211,000)	(134,000)	(770,000)	(479,000)	0	(416,000)	0

GENERAL ACTIVITIES - OPERATING RESULTS

GENERAL ACTIVITIES - OPERATING RESULTS	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
General Fund – Operating Result before Capital Surplus/ (Deficit)	(3,089,885)	(2,371,607)	(1,921,490)	669,582	1,361,990	2,198,076	2,365,793	3,506,001	4,152,319	4,529,978
Airport	312,987	734,103	1,066,903	1,435,352	1,377,585	1,454,472	1,533,812	1,615,282	1,698,969	1,785,223
Pilot Training Facility	(1,047,322)	(1,042,857)	(1,038,394)	(937,904)	(1,037,773)	(1,037,774)	(1,037,656)	(1,037,413)	(1,037,039)	(1,038,057)
Waste Management	976,262	1,270,760	1,192,308	2,214,749	2,653,214	2,804,401	2,958,375	3,115,177	3,274,856	3,152,000
Fleet Services	2,398,160	2,428,535	2,479,209	2,528,633	2,643,593	2,761,045	2,881,043	3,003,641	3,128,892	3,256,854
Total - LTFP - General Fund-Other Entities-Operating Result before Capital Grants	2,640,087	3,390,541	3,700,026	5,240,830	5,636,619	5,982,144	6,335,574	6,696,687	7,065,678	7,156,020
General Activities-Operating Result before Capital Grants Surplus/(Deficit)	(5,729,972)	(5,762,148)	(5,621,516)	(4,571,248)	(4,274,629)	(3,784,068)	(3,969,781)	(3,190,686)	(2,913,359)	(2,626,042)

SIGNIFICANT NON-RECURRENT OPERATING EXPENDITURE

SIGNIFICANT NON-RECURRENT OPERATING EXPENDITURE	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Election			445,000				490,000			
Total Significant Non-Recurrent Operating Expenditure			445,000				490,000			

Sensitivity Analysis and Risk Assessment

An important component of modelling is being able to understand which factors in the model are the most sensitive to variance. By testing different variables in the LTFP, Council and the community can understand what the financial impact might be if the variables change. The variables tested in the sensitivity analysis are based on the planning assumptions.

For example, if Council has assumed CPI will increase steady at 3%, what will happen if it rises to 5%? If population growth stops or new development declines, what impact will it have on Council's revenue? If revenue substantially declines, what services and service levels are most at risk?

Council has undertaken a basic sensitivity analysis to determine factors likely to be sensitive to variables and known major risks. These are listed and described below.

FACTORS	
Interest Rates	<p>Estimates of interest rates are used to calculate the cost of new loans and the revenue from cash investments. There are many factors that impact on the rates for both borrowers and lenders. Current economic analysis indicates that cash rates have reached a bottom point and are likely to begin a gradual rise.</p> <p>Council's General Fund borrowing costs are currently approximately \$3.1m per annum, and estimated income from general investments is around \$1m. As most existing loans are generally fixed for at least five years and there are few new loans anticipated, a change in interest rates will mainly affect investment income. A 1% decrease in interest rates would indicate an unfavourable effect to income in the order of \$500,000.</p>
Employee Costs	<p>Employee costs are a major component of Council's operational costs and total and estimated \$52m for 2022/2023. The award increase of 2% totals over \$1m in additional expenses. With Council's rating income for 2022/2023 being constrained to a 0.7% increase, increased pressure is being placed on Council to maintain existing levels of service.</p> <p>The type of expenditure includes workers compensation which has increased in recent years. Reducing the premium costs has been identified as a major target for the organisation.</p>
Electricity Costs	<p>Total electricity costs include a combination of: consumption charges, fixed charges and additional levies, with each affected by different factors and subject to Government at any time. Council will continue to review options for reducing power consumption and have commenced a program of replacing street lighting with more efficient lamps. Council's total electricity costs for Sewer Fund are currently around \$770,000 per annum. Analysis of a 1% change to electricity costs would indicate an effect in the order of \$7,700.</p>
Workforce Levels	<p>Workforce levels have been assumed to remain the same over the next 10 years. At any point in time there will be outstanding leave entitlements owed to the employees of Tamworth Regional Council. These future entitlements to employee leave create a liability for Council that needs to be met at some point of time in the future. Council does not maintain cash reserves to fully extinguish the leave liabilities because, as a going concern, Council does not expect to pay these liabilities in full at any one point in time. However, given the size of the liability and the potential for large payments on termination or resignation of employees, it is prudent to have an appropriate level of cash reserves to meet future employee leave liabilities. Council has strategies to proactively manage leave taken in service to reduce the accumulation of future leave liabilities.</p>
Operational Costs and Revenues	<p>While most of Council's operating costs and revenue streams are reasonably predictable and controllable, there are a number of areas which are subject to uncertain external factors such as; airport, sporting and entertainment facilities; other user charges such as water consumption; and funding from other levels of government.</p> <p>While ever Council's General Fund is recording operating deficits (before capital income) or small operating surpluses, any further decrease to the net operating result will further reduce the ability to fund asset renewals. Council needs to ensure the ongoing net costs of any new assets or facilities are fully considered before approving them, even where the asset is provided at no cost. This was one of the objectives of introducing the Integrated Planning and Reporting Framework reforms, especially the requirement to consider assets on a 'whole of life basis' from acquisition to disposal.</p>

FACTORS

Rate-Pegging	<p>Councils are currently limited by rate-pegging legislation when determining income from rates. Increases outside this limit require approval through a special rate variation process to the Independent Pricing and Regulatory Tribunal (IPART). While IPART is generally receptive of genuine cases for rate variations, it is a difficult decision for council to make, a difficult assignment to undertake, and difficult for the public to understand, accept and show support for an increase. To maintain existing service levels within rate pegging limits, Council will have very limited capacity to absorb any increased operational costs, unfavourable budget results or additional commitments.</p>
Cost Shifting	<p>Cost-shifting describes the situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset or regulatory function, are "shifted" from a higher level of government on to a lower level of government without the provision of corresponding funding or the conferral of corresponding and adequate revenue raising capacity. Cost-shifting has been a major concern for local governments for many years. The overall cost to local governments due to cost-shifting is significant. In most cases where cost-shifting has occurred, Council has not been provided additional funds or the opportunity to generate additional funds to cover costs of providing the service.</p> <p>The most significant form of cost shifting is the transfer of major roads and infrastructure built by other levels of government and transferred to Local Government to operate and maintain. Other examples include changes to the New South Wales Rural Fire Service funding model, pensioner rates rebates, Companion Animal Act and environmental regulation.</p>
Payments from Other Levels of Government	<p>Grants from other levels of government are a significant source of revenue for Local Government. Council is also awarded significant contract works each year on State Roads which helps maintain existing workforce and plant resource levels. This model relies on the existing levels of government funding being available into the future and in most cases to increase annually by the Consumer Price Index.</p>
Pandemic	<p>Council has strong levels of Source Operating Revenue due to operating a variety of venues and business activities including the Airport, Pilot Training Facility, Entertainment Venues, Library/Art Gallery and Australian Equine & Livestock Events Centre and the Sports Dome. However, these venues require to be operating at near full capacity in order for forecasted results to be achieved. Covid-19 has had a significant impact on the business activities listed above. In preparing the LTFP the impact of another significant pandemic outbreak has not been considered.</p>
Pilot Training Facility	<p>In December 2018, Council purchased the Pilot Training Facility that previously operated at the Tamworth Regional Airport precinct. Due to Covid-19, the facility is not operating for the purpose for which it was acquired. In the current environment it is not expected that the Technical Centre arm of the operation will not improve for some time. Council is mitigating losses by sourcing alternative clientele for the accommodation facilities. The situation however places strain on the General Fund to cover the effects on operating results whilst ever the Pilot Training Facility business downturn continues.</p>

WATER FUND PLANNING SCENARIOS

The Water Fund scenario is based on current funds, a 2.0% increase for 2022/2023 in annual charges and consumption revenue. The model also includes an 18% increase (approximately \$47 per residential assessment) availability charges for 2023/2024, principally to fund a new loan for Automatic Water Meter Readers and to ensure sustainability of the water fund after the recent effects of a lengthy period of severe water restrictions and unplanned drought management expenditures. Annual charges then increase by 2% from 2024/2025 onwards.

The results of this scenario can then be used to discuss other potential scenarios.

Further modelling will take place during 2022/2023 on all aspects of the Water Fund business which may affect the estimated annual charge increases, including giving consideration to phased in increases.

Scenario – What we can do now

This scenario was constructed on a no change basis to existing funding levels and existing levels of service provided in current operations. Some of the key points of this scenario for the Water Fund are as follows:

- asset expenditure is based on the existing 20 Year Capital Works Program, the 2023-2025 Delivery Program and Asset Management Plans (planned expenditure only);
- the base year of 2021/2022 has been used as at the 31 December 2021 Budget Review with 2022/2023 to 2030/2032 projections based on assumptions;
- budget projections allow for the full employment of all current Council staff positions and plant items;
- projected unrestricted cash results for the Water Fund are at a level sufficient to maintain an acceptable unrestricted cash balance.
- Developer Contribution works have been included for new works relating to rate base growth

Planning Assumptions

Planning assumptions provide a basis for forecasting the future impact of internal and external factors. The following describe the main assumptions used in developing this Long-Term Financial Plan.

INTERNAL FACTORS

Internal Employee Costs

It is assumed that employee cost increases will be slightly above CPI inflation due to other factors including superannuation and workers compensation costs. The Long-Term Financial Plan assumes a rate of 2% for wages for the first year and 2% thereafter.

EXTERNAL FACTORS

Service Delivery and Service Levels

The Long-Term Financial Plan is based on maintaining existing services at current levels of service. Service levels can affect operating costs and income as well as asset maintenance costs.

Population Growth

Population growth across the Tamworth Region is relatively stable. However, this growth is not evenly distributed throughout the region, with some areas contracting, others expanding at faster rates and others remaining very stable

The LTFP model assumes a very conservative level of rate base growth as the region continues to provide attractive facilities and opportunities for residents and businesses alike.

EXTERNAL FACTORS

Inflation (CPI)	<p>Inflation assumptions are mainly applied to the cost of materials and services that are not identified as having specific factors of influence. The average CPI (consumer price index) for Sydney over the last three years, based on ABS data in December 2021, is 1.82%, with a high of 3.05% in 2021 and a low of 0.77% in 2019. The assumed rate of CPI included in the LTFP is 1.5%.</p> <p>The most reliable available information has been used for proposed increases for expenditure items that are identified as having specific influences such as electricity, fuel and insurance. Where possible these items are matched to CPI with allowances for historical information and other known factors.</p>
Interest Rates	<p>Interest rates for both borrowing and investments are based on rates being borrowing costs of 3.5% to 4% and investment revenue rates of 1.75% to 2%. It is acknowledged that interest rates do fluctuate, however it is considered that the relative gap between rates for income and expenses should remain steady and the net result should not change significantly.</p>
Annual Charges Increases	<p>The Long Term Financial Plan is based on a 2.0% increase for 2022/2023 in annual charges. The model also includes an 18% increase (\$47 per residential assessment) on availability charges for 2023/2024 and an increase of 2% from 2024/2025 onwards. In further modelling, consideration could also be given to a phase in of increased charges.</p>

Refer also to the following tables in the Consolidated Funds Planning Assumptions

- Key Factors – page 15
- Revenue Factors – page 15
- Expenditure Factors – page 16
- Internal Employee Costs and Overheads Factors – page 16

Current Funds - Projected Budget Forecast

Based on the assumptions provided above, this scenario represents Council's estimates of projected 'secure' revenue within rate peg limits, the maintenance of existing services, infrastructure and facilities, and capital expenditure proposed in the 2022-2025 Delivery Program and the 20 Year Capital Works Program.

Projected Statement of Income and Expenditure

The Income Statement shows the total operating income and expenses for the year by type based on accrual accounting principles. The operating result therefore shows if the income received is sufficient to pay for both operating expenses and asset renewal (as reflected in depreciation costs).

The net operating result before capital income provided on the last row of each income and expenditure statement is considered the more relevant measure of sustainability as it excludes income that can only be used for the acquisition of new assets.

The Water Fund result is in deficit for the first three years from 2022/2023 but moves into surplus from 2025/2026.

The 2022/2023 to 2024/2025 deficits are primarily due to reduced income levels as a result of severe water restrictions and unplanned Drought Management expenditures that have occurred in recent years.

The assumption has been made that water fund operations will gradually return to normal levels but this is dependent on current climatic conditions.

WATER FUND INCOME STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Income from Continuing Operations										
Rates & Annual Charges	7,617,477	9,011,047	9,191,267	9,375,092	9,562,594	9,753,846	9,948,923	10,147,901	10,350,859	10,557,876
User Charges & Fees	12,634,362	12,887,050	13,144,792	13,407,687	13,675,841	13,949,358	14,228,345	14,512,912	14,803,170	15,099,233
Other Revenue	38,657	39,430	40,218	41,023	41,843	42,680	43,534	44,405	45,293	46,199
Grants & Contributions - Operating Purposes	209,500	213,690	217,963	222,322	226,641	231,047	235,540	240,124	244,799	249,567
Grants & Contributions - Capital Purposes	1,828,047	1,864,608	1,901,900	1,939,937	1,967,320	2,006,666	2,046,799	2,087,736	2,129,491	2,172,081
Interest & Investment Revenue	827,250	567,595	603,751	669,833	494,133	540,044	587,662	637,033	685,064	624,856
Total Income from Continuing Operations	23,155,293	24,583,420	25,099,891	25,655,894	25,968,372	26,523,640	27,090,802	27,670,110	28,258,676	28,749,812
Expenses from Continuing Operations										
Employee Benefits & On-Costs	3,159,769	3,219,808	3,281,045	3,343,509	3,410,379	3,478,587	3,548,159	3,619,122	3,691,504	3,765,334
Borrowing Costs	860,604	785,859	730,739	654,571	575,847	507,416	439,754	379,761	328,724	282,453
Materials & Contracts	13,184,846	12,636,595	12,816,107	13,163,877	13,205,485	13,458,605	13,765,841	13,972,870	14,409,680	14,559,697
Depreciation & Amortisation	5,849,028	6,387,885	6,389,973	6,399,469	6,488,794	6,496,458	6,496,458	6,496,458	6,498,409	6,568,582
Total Expenses from Continuing Operations	23,054,247	23,030,147	23,217,864	23,561,426	23,680,505	23,941,066	24,250,211	24,468,211	24,928,317	25,176,066
Operating Result from Continuing Operations	101,046	1,553,273	1,882,027	2,094,468	2,287,866	2,582,574	2,840,591	3,201,899	3,330,359	3,573,746
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	(1,727,001)	(311,335)	(19,873)	154,531	320,546	575,908	793,792	1,114,163	1,200,868	1,401,665

WATER FUND BALANCE SHEET	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
ASSETS										
Current Assets										
Cash & Cash Equivalents	601,492	637,238	670,513	513,428	549,356	594,800	645,188	700,875	623,996	713,128
Investments	19,088,397	20,222,787	21,278,779	16,293,683	17,433,850	18,876,002	20,475,090	22,242,305	19,802,536	22,631,166
Receivables	2,312,731	2,463,340	2,514,073	2,550,408	2,603,349	2,658,228	2,714,532	2,772,313	2,820,317	2,883,005
Other	10,185	9,762	9,900	10,169	10,201	10,397	10,634	10,794	11,131	11,247
Total Current Assets	22,012,806	23,333,127	24,473,266	19,367,689	20,596,757	22,139,425	23,845,445	25,726,287	23,257,980	26,238,546
Non-Current Assets										
Investments	4,369,807	4,629,497	4,871,240	3,730,028	3,991,040	4,321,184	4,687,255	5,091,814	4,533,291	5,180,834
Infrastructure, Property, Plant & Equipment	290,732,108	288,939,123	287,681,956	294,228,218	293,437,347	292,506,560	291,885,291	291,344,768	296,465,705	295,106,532
Intangible Assets	1,183,000	1,183,000	1,183,000	1,183,000	1,183,000	1,183,000	1,183,000	1,183,000	1,183,000	1,183,000
Total Non-Current Assets	296,284,915	294,751,620	293,736,196	299,141,246	298,611,387	298,010,744	297,755,546	297,619,582	302,181,996	301,470,367
TOTAL ASSETS	318,297,721	318,084,747	318,209,461	318,508,935	319,208,144	320,150,170	321,600,991	323,345,869	325,439,976	327,708,913
LIABILITIES										
Current Liabilities										
Payables	1,203,775	1,150,324	1,153,689	1,169,949	1,163,579	1,173,391	1,188,943	1,196,271	1,222,858	1,226,661
Contract Liabilities	3,442	3,511	3,581	3,653	3,707	3,781	3,856	3,933	4,011	4,091
Borrowings	1,712,865	1,760,748	1,811,325	1,582,341	1,650,435	1,405,396	1,464,426	1,262,917	1,308,692	1,356,387
Total Current Liabilities	2,920,082	2,914,583	2,968,596	2,755,943	2,817,720	2,582,568	2,657,225	2,463,121	2,535,561	2,587,139
Non-Current Liabilities										
Borrowings	20,483,072	18,722,324	16,910,999	15,328,658	13,678,223	12,272,826	10,808,400	9,545,483	8,236,791	6,880,404
Total Non-Current Liabilities	20,483,072	18,722,324	16,910,999	15,328,658	13,678,223	12,272,826	10,808,400	9,545,483	8,236,791	6,880,404
TOTAL LIABILITIES	23,403,154	21,636,907	19,879,595	18,084,601	16,495,943	14,855,394	13,465,625	12,008,604	10,772,352	9,467,543
NET ASSETS	294,894,566	296,447,839	298,329,867	300,424,334	302,712,201	305,294,775	308,135,366	311,337,265	314,667,624	318,241,370
EQUITY										
Retained Earnings	187,741,566	189,294,839	191,176,867	193,271,334	195,559,201	198,141,775	200,982,366	204,184,265	207,514,624	211,088,370
Revaluation Reserves	107,153,000	107,153,000	107,153,000	107,153,000	107,153,000	107,153,000	107,153,000	107,153,000	107,153,000	107,153,000
TOTAL EQUITY	294,894,566	296,447,839	298,329,867	300,424,334	302,712,201	305,294,775	308,135,366	311,337,265	314,667,624	318,241,370

WATER FUND CASH FLOW STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	7,602,533	8,900,955	9,177,030	9,360,570	9,547,781	9,738,737	9,933,512	10,132,182	10,334,825	10,541,522
User Charges & Fees	12,655,670	12,854,977	13,112,077	13,374,318	13,641,805	13,914,641	14,192,933	14,476,792	14,766,328	15,061,654
Interest & Investment Revenue Received	863,686	559,835	600,668	682,100	490,573	535,726	582,928	631,855	690,715	616,896
Grants & Contributions	2,052,291	2,077,683	2,119,236	2,161,619	2,193,483	2,237,052	2,281,666	2,327,173	2,373,589	2,420,934
Other	38,657	39,430	40,218	41,023	41,843	42,680	43,534	44,405	45,293	46,199
Payments										
Employee Benefits & On-Costs	(3,159,769)	(3,219,808)	(3,281,045)	(3,343,509)	(3,410,379)	(3,478,587)	(3,548,159)	(3,619,122)	(3,691,504)	(3,765,334)
Materials & Contracts	(14,647,157)	(13,072,518)	(13,798,645)	(13,548,927)	(16,071,151)	(16,364,993)	(16,726,319)	(17,000,591)	(17,480,189)	(17,714,340)
Borrowing Costs	(870,594)	(796,289)	(741,460)	(665,601)	(585,482)	(517,466)	(448,312)	(388,679)	(336,414)	(290,422)
Net Cash provided (or used in) Operating Activities	4,535,317	7,344,265	7,228,078	8,061,593	5,848,472	6,107,790	6,311,783	6,604,015	6,702,644	6,917,109
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Sale of Investment Securities	17,221,551	-	-	6,126,308	-	-	-	-	2,998,292	-
Payments										
Purchase of Investment Securities	-	(1,394,079)	(1,297,735)	-	(1,401,179)	(1,772,296)	(1,965,159)	(2,171,774)	-	(3,476,174)
Purchase of Infrastructure, Property, Plant & Equipment	(20,557,814)	(4,201,575)	(4,136,320)	(12,533,660)	(2,829,024)	(2,639,615)	(2,890,839)	(2,912,128)	(8,514,898)	(2,043,111)
Net Cash provided (or used in) Investing Activities	(3,336,263)	(5,595,654)	(5,434,055)	(6,407,352)	(4,230,203)	(4,411,911)	(4,855,998)	(5,083,902)	(5,516,606)	(5,519,284)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-
Payments										
Repayment of Borrowings & Advances	(1,640,632)	(1,712,865)	(1,760,748)	(1,811,325)	(1,582,341)	(1,650,435)	(1,405,396)	(1,464,426)	(1,262,917)	(1,308,692)
Net Cash Flow provided (used in) Financing Activities	(1,640,632)	(1,712,865)	(1,760,748)	(1,811,325)	(1,582,341)	(1,650,435)	(1,405,396)	(1,464,426)	(1,262,917)	(1,308,692)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(441,578)	35,746	33,275	(157,085)	35,928	45,443	50,389	55,687	(76,879)	89,133
plus: Cash, Cash Equivalents & Investments - beginning of year	1,043,071	601,492	637,238	670,513	513,428	549,356	594,800	645,188	700,875	623,996

WATER FUND CASH FLOW STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Cash & Cash Equivalents - end of the year	601,492	637,238	670,513	513,428	549,356	594,800	645,188	700,875	623,996	713,128
Investments - end of the year	23,458,204	24,852,284	26,150,019	20,023,711	21,424,890	23,197,186	25,162,345	27,334,119	24,335,827	27,812,000
Cash, Cash Equivalents & Investments - end of the year	24,059,697	25,489,522	26,820,532	20,537,139	21,974,246	23,791,986	25,807,534	28,034,994	24,959,822	28,525,129
Representing										
- External Restrictions	13,445,259	15,570,169	17,772,177	13,207,233	15,438,698	17,754,138	20,156,020	22,489,506	19,409,672	21,969,946
- Internal Restrictions	9,925,868	9,105,820	7,994,363	5,972,019	5,062,349	4,482,295	3,933,729	3,715,352	3,456,765	4,362,141
- Unrestricted	688,570	813,533	1,053,992	1,357,887	1,473,200	1,555,552	1,717,785	1,830,136	2,093,386	2,193,041
	24,059,697	25,489,522	26,820,532	20,537,139	21,974,246	23,791,986	25,807,534	28,034,994	24,959,822	28,525,129

Water Fund - Other Financial Information

TRANSFERS TO INTERNALLY RESTRICTED ASSETS (RESERVES)

The cash transferred to reserves increases from year to year but this is dependent on the operating result and can be affected by the impacts of conditions on water consumption income.

The increases in cash transfers to reserves are also partially attributable to the cessation of existing loans.

TRANSFERS TO INTERNALLY RESTRICTED ASSETS (RESERVES)	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Water Fund	4,000,000	4,000,000	4,250,000	4,470,000	4,970,000	5,170,000	5,570,000	5,770,000	6,070,000	6,370,000

LOAN REPAYMENTS FROM UNRESTRICTED CASH (PRINCIPAL & INTEREST)

LOAN REPAYMENTS FROM UNRESTRICTED CASH (PRINCIPAL & INTEREST)	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Debt Service Costs -	2,501,236	2,498,724	2,491,487	2,465,896	2,158,188	2,157,851	1,845,150	1,844,187	1,591,641	1,591,185
Annual Difference	0	(2,512)	(7,237)	(25,591)	(307,708)	(337)	(312,701)	(963)	(252,546)	(456)
Loans Repayments Terminating										
Barraba Water										
Bendemeer Water					(29,000)					
Kootingal/Moonbi Water										
Manilla Water										
Nundle Water										
Tamworth Water					(280,000)		(312,000)		(253,000)	
Total - Loans Repayments Terminating	0	0	0	0	(309,000)	0	(312,000)	0	0	0

AVAILABLE ASSET FUNDING

AVAILABLE ASSET FUNDING	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	(1,727,001)	(311,335)	(19,873)	154,531	320,546	575,908	793,792	1,114,163	1,200,868	1,401,665
Principal Repayments on Loans	1,640,632	1,712,865	1,760,748	1,811,325	1,582,341	1,650,435	1,405,396	1,464,426	1,262,917	1,308,692
Net Operating Result before Capital Grants and Contributions less Principal Repayments on Loans	(3,367,633)	(2,024,200)	(1,780,621)	(1,656,794)	(1,261,795)	(1,074,527)	(611,604)	(350,263)	(62,049)	92,973
Add: Depreciation/ Other Non Cash Items	5,849,028	6,387,885	6,389,973	6,399,469	6,488,794	6,496,458	6,496,458	6,496,458	6,498,409	6,568,582
Available for Assets / Other	2,481,395	4,363,685	4,609,352	4,742,675	5,226,999	5,421,931	5,884,854	6,146,195	6,436,360	6,661,555
Less Planned Asset Renewal Expenditure	5,115,500	4,569,400	4,512,728	5,890,820	5,079,854	5,565,671	5,875,189	5,798,565	5,960,231	5,209,409
Difference – Available for Asset/Other to Planned Asset Renewal Expenditure	(2,634,105)	(205,715)	96,624	(1,148,145)	147,145	(143,740)	9,665	347,630	476,129	1,452,146

SIGNIFICANT NON-RECURRENT OPERATING EXPENDITURE

SIGNIFICANT NON-RECURRENT OPERATING EXPENDITURE	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Integrated Water Cycle Management Strategy	200,000									
Reservoir Internal Cleaning/Inspection	150,000			159,181					175,749	
Barraba – Connors Creek Dam Risk Assessment	150,000									
Manilla – Demolish old Water Treatment Plant	250,000									
Manilla – Desilt Namoi Weir at Intake							56,308			59,755
Calala Water Treatment Plant Master Plan	60,000									
Dams Management System Implementation	50,000	51,000	52,020	53,060						
Total Significant Non-Recurrent Operating Expenditure	860,000	51,000	52,020	212,241	0	0	56,308	0	175,749	59,755

Sensitivity Analysis and Risk Assessment

An important component of modelling is being able to understand which factors in the model are the most sensitive to variance. By testing different variables in the LTFP, Council and the community can understand what the financial impact might be if the variables change. The variables tested in the sensitivity analysis are based on the planning assumptions.

For example, if Council has assumed CPI will increase steady at 3%, what will happen if it rises to 5%? If population growth stops or new development declines, what impact will it have on Council's revenue? If revenue substantially declines, what services and service levels are most at risk?

Council has undertaken a basic sensitivity analysis to determine factors likely to be sensitive to variables and known major risks. These are listed and described below.

FACTORS	
Drought /Water Restrictions	In recent years the region has faced severe drought and stringent water restrictions. This has affected the performance of the Water Fund and cash reserves. In addition, Council has incurred significant one-off emergency expenditures to help mitigate the effects of drought. Climatic conditions and the resulting effect on financial results will continue to be closely monitored and adjustments made as necessary.
Chaffey Dam and Dungowan Dam	Council's capital or on-going commitments to the construction of and operation of infrastructure to Chaffey Dam and Dungowan Dam are unknown at this time and have not been considered within this model.
Water User Charges /Consumption Income	Water user charges and fees, predominately consumption income varies due to climatic conditions but equates to at least 60% of total income before capital. Total estimated income from user charges is approximately \$13m. Fluctuation of 1% to this figure equates to \$130,000. Major fluctuations to this income type obviously have similar affects to operating results.
Interest Rates	Council's Water Fund borrowing costs (interest) are currently \$860,000 per annum, and estimated income from water unrestricted investments is around \$400,000. As most existing loans are generally fixed for at least five years and there are few new loans anticipated, a change in interest rates will mainly affect investment income. A 1% decrease in interest rates would indicate an unfavourable effect to income in the order of \$4,000.

Refer also to the following tables in the Consolidated Funds Planning Assumptions

- Key Factors – page 15
- Revenue Factors – page 15
- Expenditure Factors – page 16
- Internal Employee Costs and Overheads Factors – page 16

SEWER FUND PLANNING SCENARIOS

The Sewer Fund scenario is based on current funds, a 0.00% change for 2022/2023 in annual charges revenue and a 2% increase for all years from 2023/2024 onwards.

The results of this scenario are then used to discuss other potential scenarios.

Scenario – What we can do now

This scenario was constructed on a no change basis to existing funding levels and existing levels of service provided in current operations. Some of the key points of this scenario for the Sewer Fund are as follows:

- asset expenditure is based on the existing 20 Year Capital Works Program, the 2022-2025 Delivery Program and Asset Management Plans (planned expenditure only);
- the base year of 2021/2022 has been used as at the 31 December 2021 Budget Review with 2022/2023 to 2030/2032 projections based on assumptions;
- budget projections allow for the full employment of all current Council staff positions and plant items;
- projected unrestricted cash results for General Fund are at a level sufficient to maintain an acceptable unrestricted cash balance.
- Developer Contributions have been included for new works relating to rate base growth

Planning Assumptions

Planning assumptions provide a basis for forecasting the future impact of external and internal factors. The following describe the main assumptions used in developing this Long-Term Financial Plan.

INTERNAL FACTORS	
Internal Employee Costs	<p>It is assumed that employee cost increases will be slightly above CPI inflation due to other factors including superannuation and workers compensation costs. The Long-Term Financial Plan assumes a rate of 2% for wages for the first year and 2% thereafter.</p> <p>The following tables show the assumptions that have been applied in developing this plan.</p>
EXTERNAL FACTORS	
Service Delivery and Service Levels	<p>The Long-Term Financial Plan is based on maintaining existing services at current levels of service. Service levels can affect operating costs and income as well as asset maintenance costs.</p>
Population Growth	<p>Population growth across the Tamworth Region is relatively stable. However, this growth is not evenly distributed throughout the region, with some areas contracting, others expanding at faster rates and others remaining very stable.</p> <p>The LTFP model assumes a very conservative level of rate base growth as the region continues to provide attractive facilities and opportunities for residents and businesses alike.</p>
Inflation (CPI)	<p>Inflation assumptions are mainly applied to the cost of materials and services that are not identified as having specific factors of influence. The average CPI (consumer price index) for Sydney over the last three years, based on ABS data in December 2021, is 1.82%, with a high of 3.05% in 2021 and a low of 0.77% in 2019. The assumed rate of CPI included in the LTFP is 1.5%.</p> <p>The most reliable available information has been used for proposed increases for expenditure items that are identified as having specific influences such as electricity, fuel and insurance. Where possible these items are matched to CPI with allowances for historical information and other known factors.</p>
Interest Rates	<p>Interest rates for both borrowing and investments are based on rates being borrowing costs of 3.5% to 4% and investment revenue rates of 1.75% to 2%. It is acknowledged that interest rates do fluctuate, however it is considered that the relative gap between rates for income and expenses should remain steady and the net result should not change significantly.</p>
Annual Charges Increases	<p>In determining the impact of rate variations Council has used 0.0% for 2022/2023 and 2.0% for all years thereafter.</p>

Refer also to the following tables in “Planning Assumptions Common to All Funds”

- Key Factors – page 15
- Revenue Factors – page 15
- Expenditure Factors – page 16
- Internal Employee Costs and Overheads Factors – page 16

Current Funds - Projected Budget Forecast

Based on the assumptions provided above, this scenario represents Council's estimates of projected 'secure' revenue within rate peg limits, the maintenance of existing services, infrastructure and facilities, and capital expenditure proposed in the 2022-2025 Delivery Program and the 20 Year Capital Works Program.

Projected Statement of Income and Expenditure

The Income Statement shows the total operating income and expenses for the year by type based on accrual accounting principles.

The operating result therefore shows if the income received is sufficient to pay for both operating expenses and asset renewal (as reflected in depreciation costs).

The net operating result before capital grants and contributions provided on the last row of each income and expenditure statement is considered the more relevant measure of sustainability as it excludes income that can only be used for the acquisition of new assets.

The Sewer Fund result is in a healthy surplus for all years of the model.

SEWER FUND INCOME STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Income from Continuing Operations										
Rates & Annual Charges	20,253,804	20,658,880	21,072,059	21,493,502	21,923,372	22,361,839	22,809,076	23,265,258	23,730,563	24,205,181
User Charges & Fees	4,190,916	4,274,734	4,360,231	4,447,436	4,536,385	4,627,112	4,719,655	4,814,048	4,910,329	5,009,720
Other Revenue	74,438	75,927	77,446	78,994	80,574	82,185	83,829	85,506	87,216	87,333
Grants & Contributions - Operating Purposes	198,000	201,960	205,999	210,119	214,321	218,608	222,980	227,440	231,988	236,628
Grants & Contributions - Capital Purposes	943,000	961,860	981,097	1,000,719	1,020,733	1,041,148	1,061,971	1,083,211	1,104,875	1,126,972
Interest & Investment Revenue	1,393,786	1,268,779	1,205,860	1,236,670	1,369,873	1,482,307	1,655,221	2,004,009	2,128,697	2,454,313
Total Income from Continuing Operations	27,053,944	27,442,140	27,902,692	28,467,440	29,145,258	29,813,200	30,552,732	31,479,471	32,193,668	33,120,147
Expenses from Continuing Operations										
Employee Benefits & On-Costs	2,500,521	2,548,177	2,596,788	2,646,361	2,699,288	2,753,274	2,808,340	2,864,506	2,921,796	2,980,232
Borrowing Costs	1,724,477	1,516,761	1,312,105	1,087,648	863,253	626,125	364,459	87,508	-	-
Materials & Contracts	7,551,938	8,326,606	7,697,891	7,837,455	9,206,761	8,513,790	8,678,115	9,748,449	9,012,756	9,183,123
Depreciation & Amortisation	5,885,053	6,163,987	6,227,289	6,271,903	6,376,431	6,376,431	6,376,431	6,376,431	6,376,431	6,376,431
Total Expenses from Continuing Operations	17,661,989	18,555,531	17,834,073	17,843,367	19,145,733	18,269,620	18,227,345	19,076,894	18,310,983	18,539,786
Operating Result from Continuing Operations	9,391,955	8,886,609	10,068,619	10,624,073	9,999,525	11,543,580	12,325,387	12,402,577	13,882,684	14,580,361
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	8,448,955	7,924,749	9,087,522	9,623,354	8,978,792	10,502,432	11,263,416	11,319,366	12,777,809	13,453,389

SEWER FUND BALANCE SHEET	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
ASSETS										
Current Assets										
Cash & Cash Equivalents	1,316,180	1,326,272	1,401,776	1,599,576	1,873,536	2,103,740	2,336,148	2,627,295	3,033,956	3,456,310
Investments	41,402,204	41,719,648	44,094,724	50,316,773	58,934,555	66,175,928	73,486,631	82,645,060	95,437,106	108,722,815
Receivables	5,187,371	5,226,511	5,268,859	3,716,531	2,167,830	2,218,327	2,269,746	2,324,200	2,383,810	2,445,046
Contract Assets	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Other	9,654	10,645	9,841	10,019	11,770	10,884	11,094	12,462	11,522	11,740
Total Current Assets	47,919,660	48,287,325	50,779,449	55,647,149	62,991,941	70,513,129	78,107,869	87,613,268	100,870,643	114,640,161
Non-Current Assets										
Investments	9,928,834	10,004,962	10,574,539	12,066,674	14,133,340	15,869,924	17,623,134	19,819,454	22,887,168	26,073,269
Receivables	8,000,000	4,800,000	1,600,000	-	-	-	-	-	-	-
Contract Assets	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750
Infrastructure, Property, Plant & Equipment	274,614,362	283,157,355	289,919,977	292,410,113	289,533,185	287,914,238	286,809,373	284,857,678	282,343,037	279,984,507
Intangible Assets	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000	1,386,000
Total Non-Current Assets	293,941,946	299,361,067	303,493,266	305,875,537	305,065,275	305,182,912	305,831,256	306,075,883	306,628,955	307,456,526
TOTAL ASSETS	341,861,607	347,648,392	354,272,715	361,522,686	368,057,216	375,696,040	383,939,125	393,689,151	407,499,598	422,096,686
LIABILITIES										
Current Liabilities										
Payables	835,415	909,135	844,905	856,108	987,903	917,029	930,138	1,033,199	960,961	977,690
Borrowings	3,173,544	3,380,066	3,385,305	3,596,790	3,833,881	4,095,412	2,755,612	-	-	-
Total Current Liabilities	4,008,959	4,289,201	4,230,210	4,452,898	4,821,784	5,012,441	3,685,750	1,033,199	960,961	977,690
Non-Current Liabilities										
Borrowings	21,047,066	17,667,000	14,281,695	10,684,905	6,851,024	2,755,612	-	-	-	-
Total Non-Current Liabilities	21,047,066	17,667,000	14,281,695	10,684,905	6,851,024	2,755,612	-	-	-	-
TOTAL LIABILITIES	25,056,025	21,956,201	18,511,905	15,137,803	11,672,808	7,768,053	3,685,750	1,033,199	960,961	977,690
NET ASSETS	316,805,582	325,692,191	335,760,810	346,384,883	356,384,408	367,927,988	380,253,375	392,655,952	406,538,636	421,118,997
EQUITY										
Retained Earnings	224,324,582	233,211,191	243,279,810	253,903,883	263,903,408	275,446,988	287,772,375	300,174,952	314,057,636	328,637,997
Revaluation Reserves	92,481,000	92,481,000	92,481,000	92,481,000	92,481,000	92,481,000	92,481,000	92,481,000	92,481,000	92,481,000
TOTAL EQUITY	316,805,582	325,692,191	335,760,810	346,384,883	356,384,408	367,927,988	380,253,375	392,655,952	406,538,636	421,118,997

SEWER FUND CASH FLOW STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	20,246,596	20,632,724	21,045,379	21,466,289	21,895,615	22,333,527	22,780,198	23,235,802	23,700,518	24,174,534
User Charges & Fees	4,125,682	4,263,571	4,348,845	4,435,822	4,524,539	4,615,029	4,707,330	4,801,477	4,897,506	4,996,483
Interest & Investment Revenue Received	1,400,659	1,268,411	1,203,059	1,229,336	1,359,718	1,473,777	1,646,608	1,993,218	2,113,623	2,438,661
Grants & Contributions	1,161,361	1,162,368	1,185,615	1,209,327	1,233,514	1,258,184	1,283,348	1,309,015	1,335,195	1,361,899
Other	74,438	75,927	77,446	78,994	80,574	82,185	83,829	85,506	87,216	87,333
Payments										
Employee Benefits & On-Costs	(2,500,521)	(2,548,177)	(2,596,788)	(2,646,361)	(2,699,288)	(2,753,274)	(2,808,340)	(2,864,506)	(2,921,796)	(2,980,232)
Materials & Contracts	(8,504,202)	(9,132,939)	(8,646,054)	(9,650,177)	(11,740,466)	(11,300,522)	(11,435,996)	(12,473,838)	(11,969,584)	(12,109,682)
Borrowing Costs	(1,726,666)	(1,519,105)	(1,314,602)	(1,090,149)	(865,910)	(628,957)	(367,484)	(89,543)	-	-
Net Cash provided (or used in) Operating Activities	14,277,347	14,202,780	15,302,901	15,033,082	13,788,295	15,079,950	15,889,493	15,997,129	17,242,678	17,968,995
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Sale of Investment Securities	7,319,800	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	3,200,000	3,200,000	3,200,000	3,200,000	1,600,000	-	-	-	-	-
Payments										
Purchase of Investment Securities	-	(393,571)	(2,944,653)	(7,714,185)	(10,684,448)	(8,977,957)	(9,063,913)	(11,354,750)	(15,859,759)	(16,471,810)
Purchase of Infrastructure, Property, Plant & Equipment	(22,021,194)	(13,825,573)	(12,102,678)	(6,935,792)	(833,097)	(2,037,908)	(2,497,760)	(1,595,620)	(976,258)	(1,074,831)
Net Cash provided (or used in) Investing Activities	(11,501,394)	(11,019,144)	(11,847,331)	(11,449,977)	(9,917,545)	(11,015,865)	(11,561,673)	(12,950,370)	(16,836,018)	(17,546,641)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-
Payments										
Repayment of Borrowings & Advances	(2,963,640)	(3,173,544)	(3,380,066)	(3,385,305)	(3,596,790)	(3,833,881)	(4,095,412)	(2,755,612)	-	-
Net Cash Flow provided (used in) Financing Activities	(2,963,640)	(3,173,544)	(3,380,066)	(3,385,305)	(3,596,790)	(3,833,881)	(4,095,412)	(2,755,612)	-	-
Net Increase/ (Decrease) in Cash & Cash Equivalents	(187,687)	10,092	75,504	197,800	273,960	230,204	232,408	291,147	406,660	422,354
plus: Cash, Cash Equivalents & Investments - beginning of year	1,503,868	1,316,180	1,326,272	1,401,776	1,599,576	1,873,536	2,103,740	2,336,148	2,627,295	3,033,956

SEWER FUND CASH FLOW STATEMENT	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Cash & Cash Equivalents - end of the year	1,316,180	1,326,272	1,401,776	1,599,576	1,873,536	2,103,740	2,336,148	2,627,295	3,033,956	3,456,310
Investments - end of the year	51,331,038	51,724,610	54,669,262	62,383,447	73,067,895	82,045,852	91,109,765	102,464,515	118,324,274	134,796,084
Cash, Cash Equivalents & Investments - end of the year	52,647,219	53,050,882	56,071,038	63,983,023	74,941,431	84,149,592	93,445,913	105,091,810	121,358,230	138,252,394
Representing										
- External Restrictions	6,815,878	4,095,778	5,075,700	4,804,452	5,907,641	7,053,308	8,242,712	9,477,144	10,757,928	11,506,208
- Internal Restrictions	43,542,657	46,328,237	48,160,113	56,060,665	65,510,370	73,452,886	81,381,320	91,453,716	106,291,927	122,154,244
- Unrestricted	2,288,684	2,626,867	2,835,225	3,117,906	3,523,420	3,643,398	3,821,881	4,160,950	4,308,375	4,591,942
	52,647,219	53,050,882	56,071,038	63,983,023	74,941,431	84,149,592	93,445,913	105,091,810	121,358,230	138,252,394

Sewer Fund - Other Financial Information

TRANSFERS TO INTERNALLY RESTRICTED ASSETS (RESERVES)

TRANSFERS TO INTERNAL RESERVES	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Sewer Fund	10,800,000	11,250,000	11,550,000	12,100,000	12,200,000	12,700,000	13,200,000	15,400,000	18,700,000	19,300,000

The increases in cash transfers to reserves are partially attributable to the cessation of existing loans in later years.

LOAN REPAYMENTS FROM UNRESTRICTED CASH (PRINCIPAL & INTEREST)

LOAN REPAYMENTS (P&I)	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Debt Service Costs -	4,688,117	4,690,305	4,692,171	4,472,953	4,460,043	4,460,006	4,459,871	2,843,120	0	0
Annual Difference	0	2,188	1,866	(219,218)	(12,910)	(37)	(135)	(1,616,751)	(2,843,120)	0
New Loan Repayments										
Barraba Sewerage										
Loan Repayments Terminating										
Barraba Sewerage										
Kootingal/Sewer										
Manilla Sewer										
Tamworth Sewer	0	0	0	(221,000)	0	0	0	(1,616,000)	(2,845,000)	0
Total - Loan Repayments Terminating	0	0	0	(221,000)	0	0	0	(1,616,000)	(2,845,000)	0

AVAILABLE ASSET FUNDING

AVAILABLE ASSET FUNDING	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Net Operating Result before Capital Grants and Contributions Surplus/(Deficit)	8,448,955	7,924,749	9,087,522	9,623,354	8,978,792	10,502,432	11,263,416	11,319,366	12,777,809	13,453,389
Principal Repayments on Loans	2,963,640	3,173,544	3,380,066	3,385,305	3,596,790	3,833,881	4,095,412	2,755,612	0	0
Net Operating Result before Capital Grants and Contributions less Principal Repayments on Loans	5,485,315	4,751,205	5,707,456	6,238,049	5,382,002	6,668,551	7,168,004	8,563,754	12,777,809	13,453,389
Add: Depreciation/ Other Non Cash Items	5,885,053	6,163,987	6,227,289	6,271,903	6,376,431	6,376,431	6,376,431	6,376,431	6,376,431	6,376,431
Available for Assets / Other	11,370,368	10,915,192	11,934,745	12,509,952	11,758,433	13,044,982	13,544,435	14,940,185	19,154,240	19,829,820
Less Planned Asset Renewal Expenditure	7,344,000	11,177,270	10,858,652	5,502,538	3,499,503	4,757,484	5,271,566	4,424,737	3,861,769	2,857,466
Difference – Available for Asset/Other to Planned Asset Renewal Expenditure	4,026,368	(262,078)	1,076,093	7,007,414	8,258,930	8,287,498	8,272,869	10,515,448	15,292,471	16,972,354

SIGNIFICANT NON-RECURRENT OPERATING EXPENDITURE

SIGNIFICANT NON-RECURRENT OPERATING EXPENDITURE	Budget 2022/2023 \$	Projected 2023/2024 \$	Projected 2024/2025 \$	Projected 2025/2026 \$	Projected 2026/2027 \$	Projected 2027/2028 \$	Projected 2028/2029 \$	Projected 2029/2030 \$	Projected 2030/2031 \$	Projected 2031/2032 \$
Tamworth Wastewater – Biosolids Management		760,000			850,792			902,867		
Total Significant Non-Recurrent Operating Expenditure	0	760,000	0	0	850,792	0	0	902,867	0	0

Sensitivity Analysis and Risk Assessment

An important component of modelling is being able to understand which factors in the model are the most sensitive to variance. By testing different variables in the LTFP, Council and the community can understand what the financial impact might be if the variables change. The variables tested in the sensitivity analysis are based on the planning assumptions.

For example, if Council has assumed CPI will increase steady at 3%, what will happen if it rises to 5%? If population growth stops or new development declines, what impact will it have on Council’s revenue? If revenue substantially declines, what services and service levels are most at risk?

Council has undertaken a basic sensitivity analysis to determine factors likely to be sensitive to variables and known major risks. These are listed and described below.

FACTORS	
Interest Rates	Council's Sewer Fund borrowing costs are currently around \$1.7m per annum, and estimated income from unrestricted investments is around \$900k. As most existing loans are generally fixed for at least five years and there are few new loans anticipated, a change in interest rates will mainly affect investment income. A 1% decrease in interest rates would indicate an unfavourable effect to income in the order of \$9,000.

FINANCIAL PERFORMANCE

Note: Minor variations occur between the Long Term Financial Plan and 2023-2025 Delivery Program Performance indicators primarily due to differing Income Statement classifications of Internal Rates & Charges.

Operating Performance

This ratio measures Council's ability to contain operating expenditure within operating revenue. The ratio is a measure of sustainability and compares the operating result before capital income to total operating revenue (before capital). The benchmark is a greater than or equal to break even average over three years.

The Consolidated Fund ratio is positive each year, primarily due to the Sewer Fund which has a very high operating performance ratio.

The General Fund improves from an unsatisfactory negative result in 2022/2023 to a satisfactory positive result from 2025/2026. Council has applied for an additional rates variation to increase rates by 2% for the 2022/2023 financial year, which if successful yield approximately \$500,000 and positively assist this ratio. It must be noted however that, collectively, airport, fleet and waste management combined positively contribute on average \$5.0m annually to the operating result.

This means that the organisation must be especially vigilant in controlling the operating budget and disciplined in not introducing any new items without considering offsets or funding options. It also means that Council has limited capacity to fund expenditure on new assets without a corresponding detrimental effect on funding available for renewal on existing assets.

The Water Fund improves from a negative result in 2022/2023 to a satisfactory positive result from 2025/2026. The 2022/2023 Water Fund result is due to large one-off operating expenditure, conservative consumption estimates and a new loan for automatic meter readers raised prior to increasing annual charges.

The Sewer Fund has a very high operating ratio in order to service loans required for infrastructure and to fund future asset renewal. The high ratio supports the decision for a 0.0% increase to annual charges for 2022/2023.

OPERATING PERFORMANCE RATIO	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Consolidated Fund	2.42%	3.38%	4.47%	6.37%	6.37%	7.78%	8.28%	8.95%	10.00%	10.50%
General Fund	(3.01%)	(2.24%)	(1.75%)	0.59%	1.18%	1.87%	1.98%	2.87%	3.34%	3.59%
Water Fund	(8.10%)	(1.37%)	(0.09%)	0.65%	1.34%	2.35%	3.17%	4.36%	4.60%	5.27%
Sewer Fund	32.36%	29.93%	33.76%	35.04%	31.93%	36.50%	38.19%	37.24%	41.10%	42.05%

UNRESTRICTED CURRENT RATIO

This ratio measures 'liquidity' by assessing the adequacy of working capital to meet unrestricted obligations in the short term. Short- term debts include loans, accounts payable and employee entitlements due within 12 months. A sustainable ratio is greater than 1:1. The result is above 1:1 for all years.

All funds are above 1:1, indicating a strong short-medium term financial position

UNRESTRICTED CURRENT RATIO	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Consolidated Fund	1.43	1.37	1.41	1.60	1.79	1.90	1.93	2.06	2.24	2.41
General Fund	1.39	1.33	1.37	1.57	1.79	1.90	1.93	2.06	2.24	2.41
Water Fund	4.43	4.25	3.90	3.59	3.25	3.37	3.15	3.38	3.31	3.65
Sewer Fund	11.95	11.26	12.00	12.50	13.06	14.07	21.19	84.80	104.97	117.26

OWN SOURCE OPERATING REVENUE RATIO

This ratio measures the fiscal flexibility and the degree of reliance on external funding sources such as operating grants and contributions.

Consolidated Fund - The ratio is well above the three year industry benchmark, of greater than 60% average over three years, which reflects a responsible revenue policy for the raising of rates, fees and charges.

General Fund - With the exception of 2022/2023, where the amount is lower due to Council receiving a high level of capital grants, the ratio is well above the three year industry benchmark which reflects a responsible revenue policy for the raising of rates, fees and charges

Water and Sewer Funds - This ratio should always be high given the nature of water and sewer funds being able to raise annual charges in a manner to support a sustainable business operation. The ratio is well above the industry benchmark.

OWN SOURCE OPERATING REVENUE RATIO	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Consolidated Fund	71.85%	83.53%	84.25%	82.72%	84.43%	84.53%	84.59%	84.61%	84.69%	84.72%
General Fund	63.39%	78.65%	79.79%	77.71%	80.06%	80.19%	80.25%	80.23%	80.33%	80.32%
Water Fund	91.20%	91.55%	91.55%	91.57%	91.55%	91.56%	91.58%	91.59%	91.60%	91.58%
Sewer Fund	95.78%	95.76%	95.75%	95.75%	95.76%	95.77%	95.79%	95.84%	95.85%	95.88%

DEBT SERVICE RATIO (%)

The Debt-Service Ratio shows Council's level of commitment to loan repayments. The debt-service ratio is calculated by dividing the amount of loan principal and interest by operating revenue. The industry benchmark is an average of greater than 0% and less than or equal to 20% over three years.

The Consolidated, General, Water and Sewer Funds meet industry standards for all years.

Council's Sewer Fund Debt Service Ratio is high in early years but is supported by a high Operating Performance Ratio to service the debt. The ratio reduces in later years to 0% as all loans have been fully paid.

DEBT SERVICE RATIO	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Consolidated Fund	9.48%	9.84%	9.01%	8.52%	8.11%	7.45%	6.82%	5.72%	3.54%	2.85%
General Fund	10.24%	10.85%	9.62%	9.13%	7.34%	4.99%	4.46%	4.38%	3.90%	2.91%
Water Fund	11.84%	11.10%	10.84%	10.50%	9.08%	8.89%	7.44%	7.28%	6.15%	6.04%
Sewer Fund	18.09%	17.85%	17.56%	16.41%	15.98%	15.62%	15.24%	9.42%	0.00%	0.00%

DEBT SERVICE COVER RATIO

The Debt-Service Cover ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The debt- service cover ratio is calculated by dividing the operating result (before interest and depreciation) by the amount of loan principal and interest payments.

The industry benchmark for the ratio is greater than or equal to two. The Consolidated, General and Sewer Funds meet the industry benchmarks for all years.

The Water Fund meets the industry benchmarks for all years, with exception of 2022/2023. This is due to the budget including a loan to be raised in 2022/2023 prior to the raising of rates in 2023/2024.

For the Sewer Fund, the ratio reduces in later years to 0% as all loans have been fully paid.

DEBT SERVICE COVER RATIO	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Consolidated Fund	3.39	3.40	3.71	4.03	4.17	4.63	5.01	5.96	9.70	11.99
General Fund	2.55	2.52	2.77	3.07	3.84	5.63	6.17	6.38	7.16	9.45
Water Fund	1.99	2.75	2.85	2.92	3.42	3.51	4.19	4.33	5.04	5.19
Sewer Fund	3.43	3.33	3.54	3.80	3.64	3.92	4.04	6.25	0.00	0.00

BUILDING AND INFRASTRUCTURE RENEWAL RATIO (%)

This ratio shows the rate that assets are being renewed compared to the estimated annualised rate of decline. This ratio provides an indication of Council's ability to renew its building and infrastructure compared with their depreciation. Ideally the ratio should be greater than 100%, however the timing of required works will not always align with annualised depreciation.

For a Council to be able to afford an asset renewal ratio of 100%, it must consistently record operating surpluses before capital.

The main areas within General Fund where annual renewal is significantly below the depreciation recorded are bridge and stormwater infrastructure.

The figures indicate that significant additional expenditure may be required on asset renewal, useful lives may need to be revised or major planned renewal is not due until outside the timeframe of this iteration of the Long-Term Financial Plan.

In relation to the Water and Sewer Funds, Council is generally recording operating surpluses each year and fulfilling the asset renewal requirements listed in the 20 Year Capital Works Program. It also must be noted that in the Sewer Fund Council has large, relatively new assets, which record large depreciation but do not currently require major renewal works.

BUILDING AND INFRASTRUCTURE RENEWAL RATIO (%)	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
Consolidated Fund	98.41%	85.17%	77.13%	64.39%	57.93%	66.52%	74.03%	67.91%	65.89%	61.67%
General Fund	87.97%	56.64%	56.02%	52.79%	55.45%	62.09%	71.07%	65.72%	64.58%	65.50%
Water Fund	98.89%	84.50%	74.52%	96.46%	81.42%	88.21%	92.10%	89.88%	91.34%	78.11%
Sewer Fund	141.09%	201.23%	146.24%	74.22%	46.22%	62.32%	68.29%	56.63%	48.92%	35.89%

UNRESTRICTED CASH RESULT

Unrestricted cash is the amount of cash and investments that can be used for any purpose. The cash result shows how much the balance has been increased or decreased by in each financial year. It reflects the amount of untied revenues that have not been used to fund operating costs or internal reserves for asset renewals and leave provisions. Ideally the result should be positive to ensure a satisfactory level of accumulated cash is maintained.

For General Fund, the model shows that initially general fund is returning deficit amounts in the years 2022/2023 to 2024/2025. This is due to the low rate-peg that is not covering rises in operational costs. Unrestricted Cash balances return to cash surplus from 2025/2026.

The unrestricted cash result steadily improves due to the cessation of loans for the construction of new assets and these amounts have been partially replaced by asset renewal expenditure to replace existing assets.

The projected results for General Fund are reliant on a number of factors including; operating budgets being vigilantly achieved each year; and new unfunded costs not being added.

Water Fund returns a modest cash surplus each year to maintain a satisfactory accumulated unrestricted cash balance, with any cash excesses being transferred to internal reserves each year.

Sewer Fund returns a modest cash surplus each year to maintain a satisfactory accumulated unrestricted cash balance, with any cash excesses being transferred to internal reserves each year.

UNRESTRICTED CASH RESULT (Scenario 1)	Budget 2022/2023	Projected 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030	Projected 2030/2031	Projected 2031/2032
General Fund	(\$202,803)	(\$632,230)	(\$65,918)	\$390,738	\$103,244	\$227,904	\$274,337	\$315,257	\$410,270	\$432,426
Water Fund	(\$368,657)	\$328,531	\$287,895	\$324,169	\$174,602	\$127,540	\$203,149	\$162,887	\$284,926	\$158,576
Sewer Fund	\$470,368	\$304,592	\$314,133	\$319,328	\$326,769	\$240,563	\$217,002	\$291,831	\$278,331	\$328,293

BLUEPRINT 100

Workforce Management Plan

2023 - 2025

PART TWO

OUR WORKFORCE MANAGEMENT PLAN

At Tamworth Regional Council we use workforce planning to ensure our vision and goals are achieved through our people and their commitment to our community.

Our workforce plan helps us to understand the current workforce, highlight potential skills shortages, associated risks and to identify any new skills required. It allows Council to prepare for future needs and address emerging challenges early, including the reality of an aging workforce.

Council aims to build an agile and engaged workforce who are equipped to achieve our commitments to the community now and into the future.

OUR WORKFORCE PROFILE

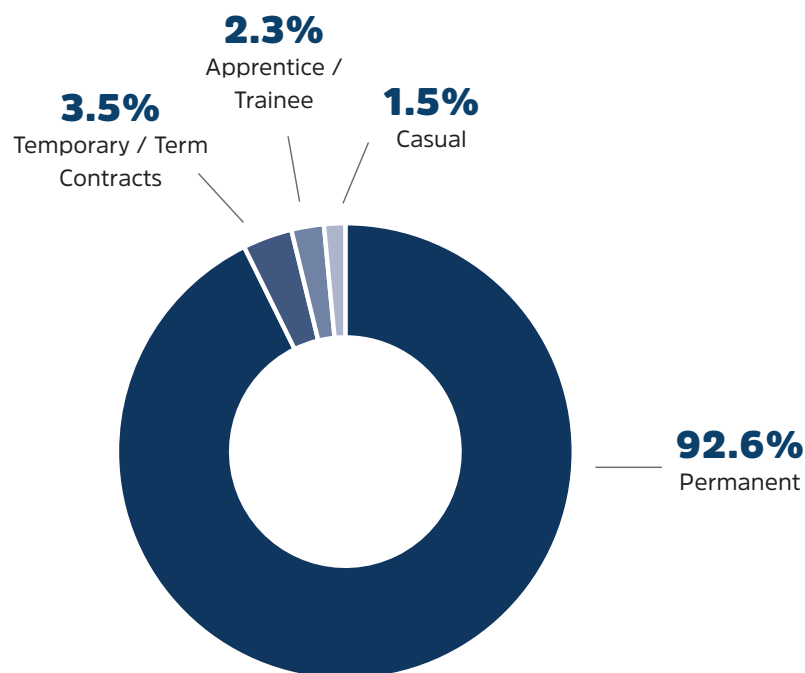
Tamworth Regional Council has a large workforce which encompasses a broad range of disciplines across the organisation. Our employees work across community and external facing services including planning, construction, waste facilities, sport and recreation through to entertainment, libraries, art, museums and delivery of the Country Music Festival. Our Council is also supported by internal services such as legal, finance, IT, customer service, communications and People and Culture.

Our workforce comprises of 614 employees with 93% being permanent staff (full or part time).

Only 5 percent of staff are employed on a casual, temporary or fixed term basis. 2% are currently participating in tertiary/vocational education programs.

Our employee base is supplemented by contract employees or external labour hire which fluctuates with operational short-term demand. This approach allows flexibility to meet periods of peak demand while protecting ongoing job security for our employees.

Over reliance on this type of labour can present challenges and on-going viability and utilisation is reviewed regularly.

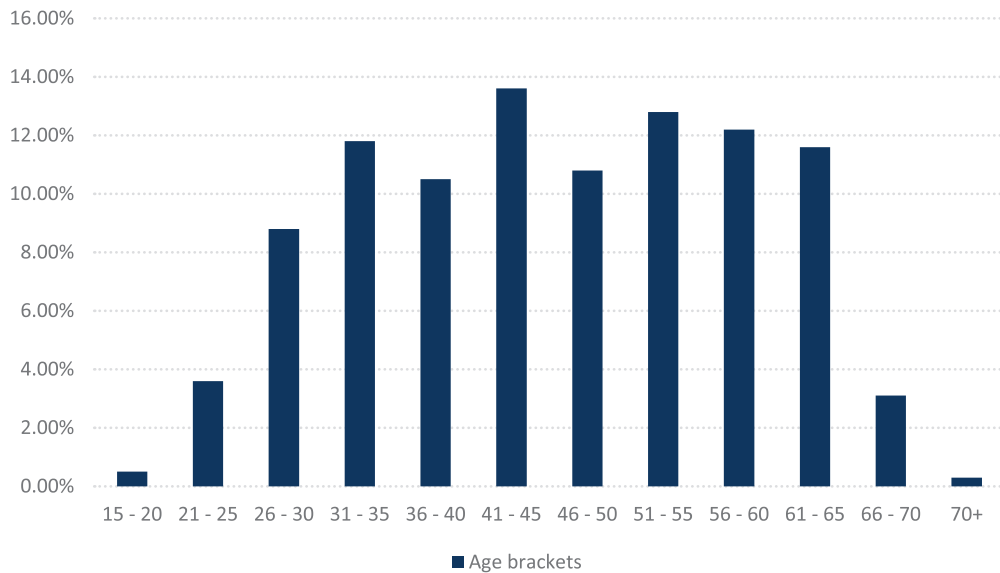


*Figure 1 – Workforce Breakdown
(at 1 Jan 2022)*

AGE

Just over 27% of our workforce are approaching retirement age (55 years and over) and this has increased by over 3% in the last four years. It is anticipated that this will continue to grow and with it,

the number of employees planning for retirement and exiting the organisation. This will become a significant challenge to particular parts of the workforce and highlights the need for stronger emphasis on succession planning and career development.

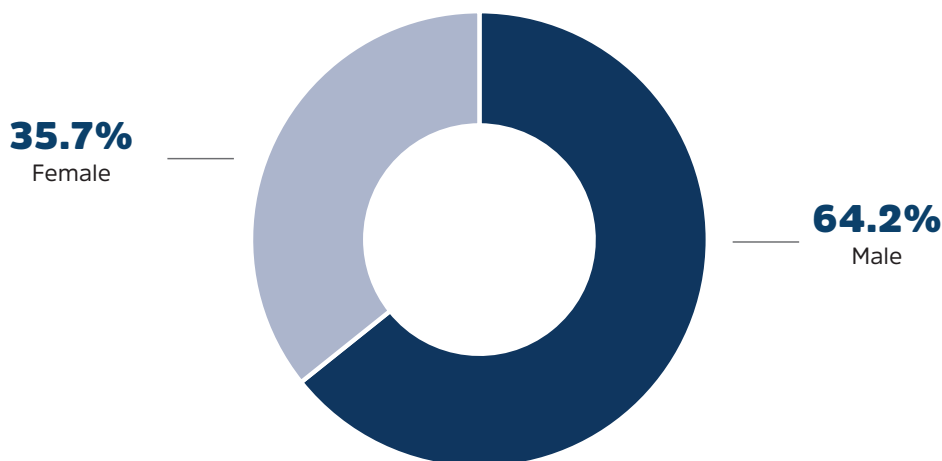


*Figure 2 – Age Profile
(at 1 Jan 2022)*

GENDER

Council is an Equal Opportunity Employer and recognises the benefits that a diverse workforce brings. Our total workforce comprises 35.7% female and 64.2% male. The Regional Services and Water & Waste Directorates have a high proportion of

male employees, particularly in outdoor occupations. Predominantly female employees are largely seen in indoor occupations. The number of female employees in senior leadership positions has increased over the last 12 months.



*Figure 3 – Diversity Breakdown
(at 1 Jan 2022)*

TENURE AND TURNOVER

Turnover at Council has increased significantly in the last two years since the COVID-19 pandemic. Staff turnover rate in 2016 was 6.4% compared with 15.72% in 2021.

15% of our employees have up to 20 or more years of service at Council, 40% have 5 years or less with Council and in the last 12 months Council has welcomed 70 new employees, meaning over 10% of the organisation are new to their roles with Council.

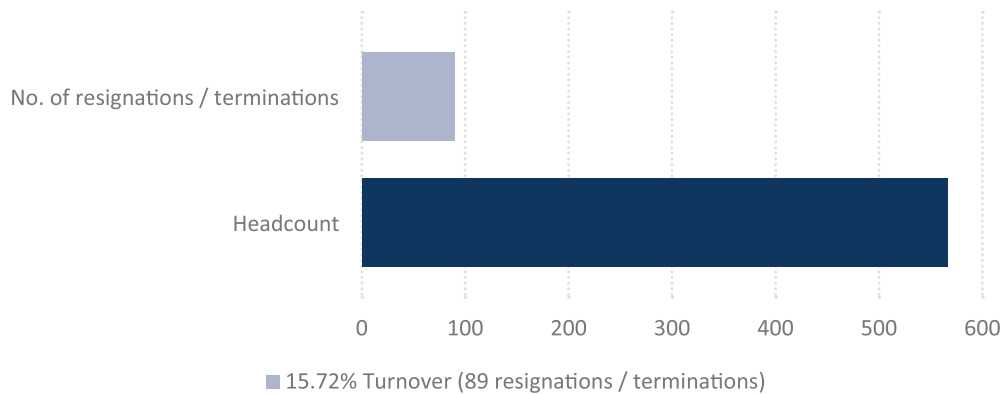


Figure 4 – Turnover as a Percentage of Headcount (2021)

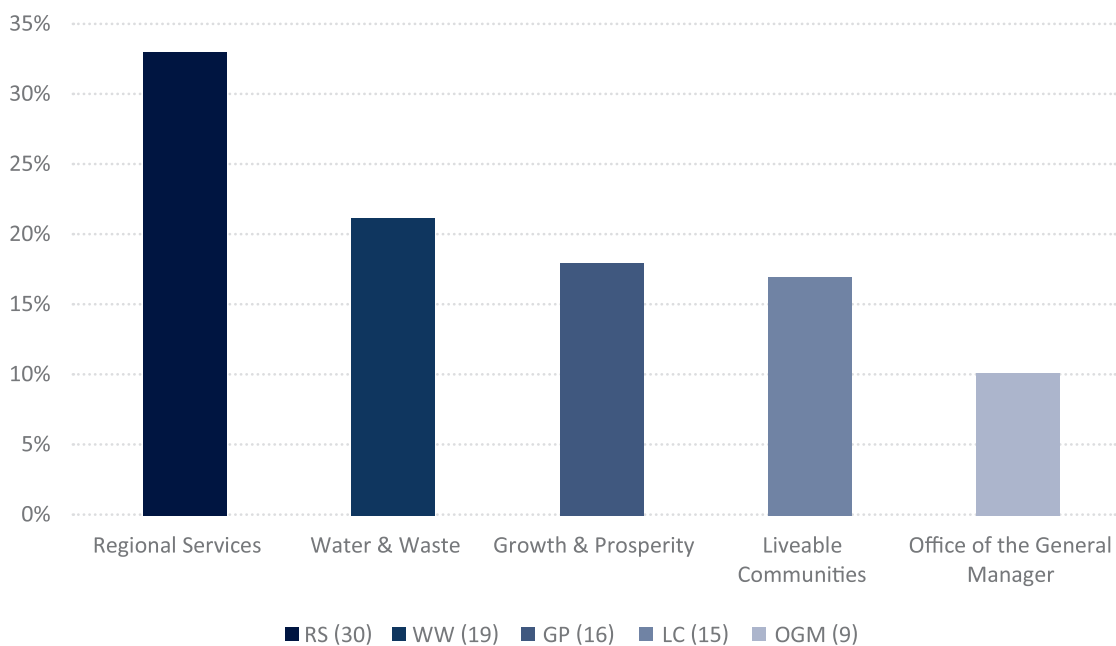


Figure 5 – Resignations/Terminations by Directorate (2021)

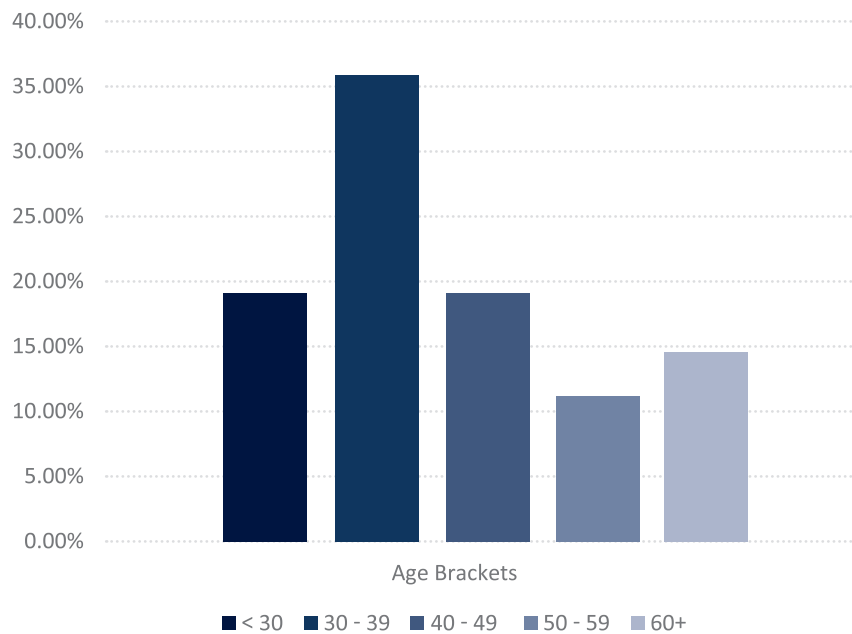
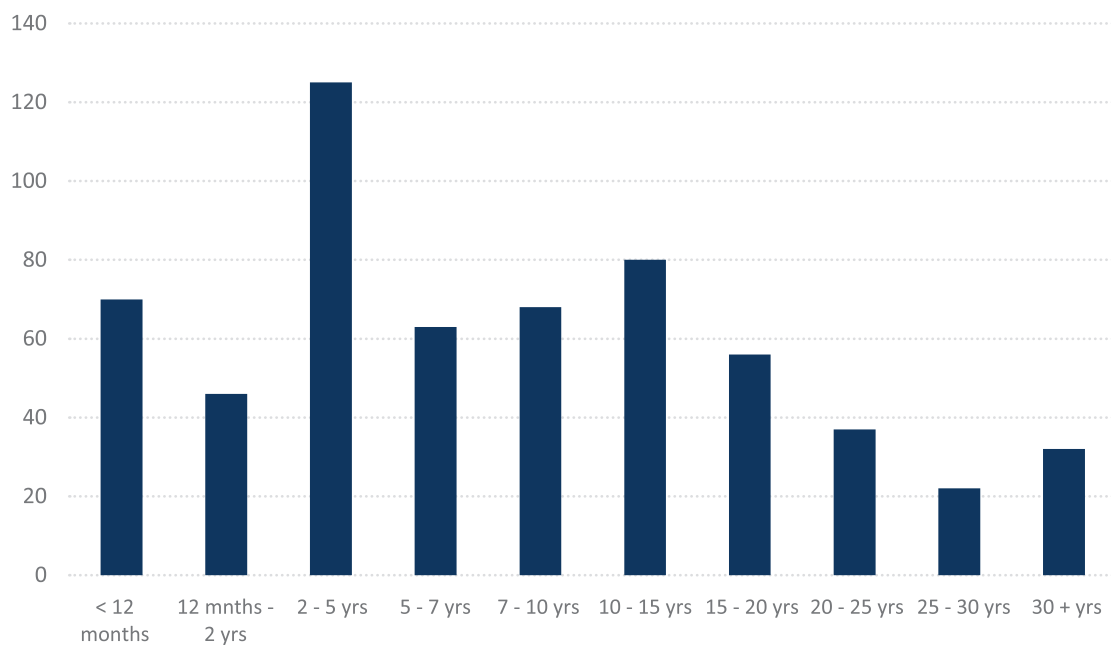


Figure 6 – Resignations/Terminations by Age (2021)



**Figure 7 – Years of Service
(at 1 Jan 2022)**

COVID-19

Similar to many other organisations COVID-19 has had a significant impact on our workforce. We have worked with our people to adapt to the changing environment including implementing a Covid Safe Workplace Policy. The pandemic has changed the way we work and there is an expectation of increased flexibility in the workplace. Working from home, condensed hours and 9 day fortnights are trending in the increasing number of Flexible Work Arrangement requests.

Our Future

Tamworth Regional Council is committed to building a future-ready workforce which is agile and able to pivot in line with the priorities of Blueprint 100 and the expectations of our community. We are committed to our people, from attracting, retaining and engaging employees, through to developing their skills using career pathways and increased opportunities. A strong focus on leadership development will be the foundation of enhancing our culture of respect, excellence and wellbeing.

One element of building and maintaining an agile workforce is to ensure we continue to focus on the health and wellbeing of our people. This encompasses both physical and psychological wellbeing. As part of our wellbeing strategy, we continue to research and promote best practice tools and supports. This includes pro-active programs, engaging health and wellbeing experts to educate and promote a healthy workplace. We will continue to work with our employees to promote and implement a philosophy of recovery at work.

We will champion a continuous improvement philosophy to ensure our operations are ethical, efficient and based on evidence and best practice. Council is committed to delivering its goals as part of Blueprint 100 and recognises the need for a sustainable workforce to ensure we can continue the delivery of services to our community.

Council's Workforce Plan's overarching priority is to build an agile and future-ready workforce. This is underpinned by five key strategies and subsequent action items.

1. OUR PEOPLE Attract and retain a high performing and engaged workforce	2. OUR DEVELOPMENT Create opportunities for learning and the development of our people	3. OUR CULTURE Facilitate a culture of innovation, respect, excellence and wellbeing	4. OUR OPERATIONS Promote ethical operations, efficient processes and systems of work	5. OUR FUTURE Plan for our future workforce
1.1 Develop and implement a Talent Acquisition Strategy including a Employee Value Proposition	2.1 Develop and implement a learning and development framework to support current and future skill requirements	3.1 Develop a framework to enhance our organisational culture	4.1 Develop and implement agreed service levels	5.1 Develop a Strategic Workforce Plan in consultation with leaders and employees to ensure our workforce is sustainable
1.2 Refine recruitment processes to create positive experience for candidates	2.2 Develop and implement a succession planning framework for critical, emerging roles and retirement planning	3.2 Document and implement a Diversity Management Plan	4.2 Ensuring operations are aligning with regulatory and compliance requirements	5.2 Identify critical roles and retirement trends to forecast future needs that align with achieving Blueprint 100 strategies
1.3 Set up new employees ready for success with an informative induction and onboarding experience	2.3 Invest in a leadership development program as a foundation for leaders at all levels	3.3 Design and implement a health and Wellbeing Strategy	4.3 Embed continuous improvement to ensure efficiency in processes and systems of work	5.3 Align learning and development, vocational and tertiary recruitment programs to future needs
1.4 Develop and implement a holistic performance and development program which is aligned to Council strategic objectives	2.4 Facilitate the introduction of coaching and mentoring programs	3.4 Introduce and develop a culture of integrated risk management across all functions and levels of the organisation		5.4 Formally develop and implement transition to retirement arrangements to facilitate knowledge transfer
1.5 Review and promote flexible work arrangements		3.5 Improve and expand the positive beliefs, values, attitudes and perceptions relating to workplace health and safety		5.5 Review job design of Council roles to meet market demand
1.6 Review use of contingent labour (contractors, contracts, labour hire)				
1.7 Develop and implement an improved salary system				

DRAFT

BLUEPRINT 100

Asset Management Plan

2023 - 2033

PART THREE

OUR ASSET MANAGEMENT PLAN

Asset Management refers to:

“ the combination of financial, engineering, economic and other practices applied to physical assets in order to provide a service to an acceptable level in a cost-effective manner. ”

- International Infrastructure Management Manual version 5.0 © Institute of Public Works Engineering Australasia 2015

ASSET MANAGEMENT POLICY

Tamworth Regional Council's Asset Management Policy sets out the adopted approach to asset management to ensure that Council has information, knowledge and understanding about the long term and cumulative consequences of being the custodian of public infrastructure. This is achieved by ensuring systems, processes and people are able to inform decisions on

the most effective and efficient options for delivering infrastructure related services whilst controlling exposure to risk and loss.

The full Asset Management Policy is contained in the [General Policy Register | Tamworth Regional Council \(nsw.gov.au\)](#)

ASSET MANAGEMENT STRATEGY AND PLANS

This section of the Resourcing Plan outlines strategic objectives and outcome measures and identifies actions for improving capability related to asset management in the context of supporting the delivery of Our Community Plan.

Asset Management Plans for each asset class inform the Asset Management Strategy and set out the services provided by assets and the funds required to meet the lifecycle costs as appropriate for each asset

class. Asset management plans describe agreed levels of service, document management of risk and outline continuous improvement goals.

Updated Asset Management Plans for all asset classes are currently being produced for end of financial year, 30 June 2021.

BUDGET AND PROJECTED EXPENDITURE

Budgets for each asset class are allocated on the basis of a no change scenario for existing funding levels and levels of service provided in current operations. In addition, Asset Management Plans for each Asset Class detail multiple budget vs expenditure scenarios for strategic planning purposes.

Information relating to asset management budget allocations is contained the Long Term Financial Plan – Part One of this Resourcing Plan.

ASSET VALUE AND SERVICE

Tamworth Regional Council manages an asset management portfolio of \$2.6 billion, across 16 asset classes. These assets classes, along with their current replacement value and service description are outlined in the table below:

ASSET MANAGEMENT PLAN	SERVICE DESCRIPTION	VALUE (\$)	VALUE (%)
AELEC	Provide equine and livestock events in a state of the art facility.	\$61,711,824	2.33%
Airport	Provide a critical transport network for air travel that provides the region with the opportunity to experience growth and prosperity through enhanced connectivity.	\$115,046,000	4.34%
Art Gallery	Provide access to a visual arts and cultural resource that inspires, enriches and informs the community; enhances experiences through the visual arts; and is a model in the delivery of cultural services to the community.	\$41,619,000	1.57%
Buildings	Provide and operate buildings and facilities for specialised or general purposes for the benefit of Council functions, economic purposes and/or community needs. Provide a fleet depot network to enable Council to function in an efficient and effective manner. Provide public toilets, showers, change rooms and clubhouses to the community and tourists/visitors.	\$6,045,203	0.23%
Entertainment Venues	Provide spaces for performing arts, conferences and community needs.	\$85,292,000	3.22%
IFTT (Flight College)	Provide a flight training facility.	\$27,110,000	1.02%
Information Technology	Provide computers, storage, network and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data to support Council needs.	\$3,782,000	0.14%
Plant & Fleet	Purchase and maintain vehicles, plant and equipment to meet Council business needs and enable work capacity.	\$38,016,000	1.43%
Aquatics	Provide a safe and healthy environment to swim in.	\$19,158,000	1.41
NICSE	Provide the community with a modern well-equipped sports facility suitable for a wide range of different sports and activities.	\$28,356,000	1.37
Parks	Maintain and develop appealing and safe spaces for public use and recreation.	\$75,786,000	3.90
Stormwater Drainage & Flood Mitigation	Collect and discharge urban surface and building water drainage from road and residential areas. Provide protection from localised flooding.	\$285,908,000	12.00
Transport Infrastructure	Enable movement of people, freight and equipment throughout and beyond the Council area in a safe and efficient manner, supporting industry, commerce and tourism.	\$1,036,000,000	1.41
Waste Facilities	Collect, process and dispose of municipal domestic and commercial waste in accordance with environmental and legislative requirements.	\$32,998,369	1.37
Wastewater	Provide essential public sanitation services of collecting and treating effluent so it is suitable for discharge.	\$351,421,014	3.90
Water	Obtain, treat and distribute safe, potable drinking water for human use and consumption. Provide raw water for identified industrial or community purposes.	\$444,673,387	12.00

Note: Asset values are as at 30 June 2021

ASSET CONDITION

Asset condition ratings are applied according to internationally recognised standards as follows:

CONDITION GRADING DESCRIPTIONS		
Very Good	1	Only planned maintenance required
Good	2	Minor maintenance in addition to planned maintenance required
Fair	3	Significant maintenance required
Poor	4	Significant renewal/rehabilitation required
Very Poor	5	Physically unsound and/or beyond rehabilitation

The majority of Council assets (74%) are in a condition state of Very Good or Good, with a small representation of condition states Fair (10%), Poor (3%) or Very Poor (1%).

Only 12% of Council's assets are Unrated. This grading is applied for instances where condition data is either not yet collected or has been collected but not yet documented for reporting purposes. Data

improvement strategies have been identified to reduce this percentage.

The condition state of Council's assets is shown in the figures below.

Figure 8 shows the overall condition of the asset portfolio.

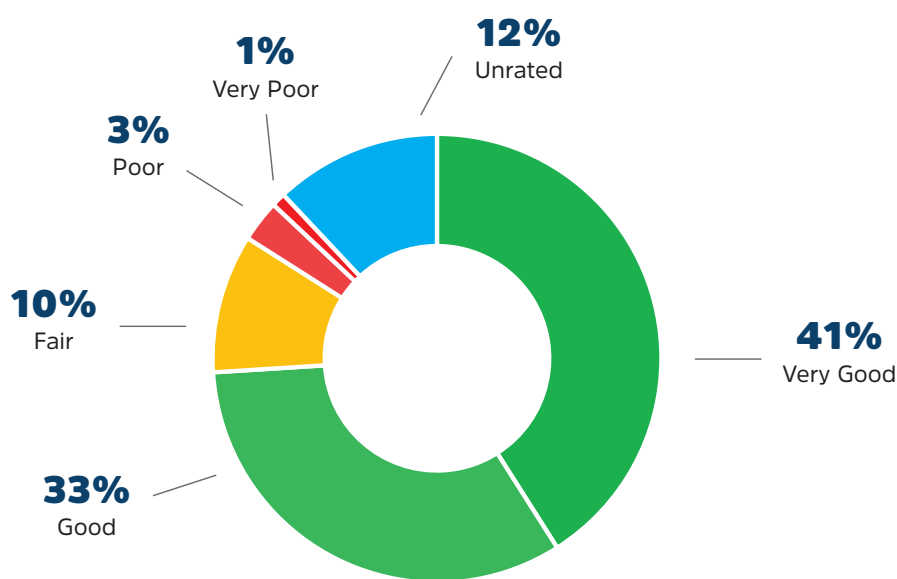


Figure 8 – Asset Condition – All Asset Classes

Figure 9 shows a breakdown of the condition state of assets in each class .

It should be noted that IT assets are unrated because their condition is based on a binary functional vs non-functional, fit-for-purpose criteria.

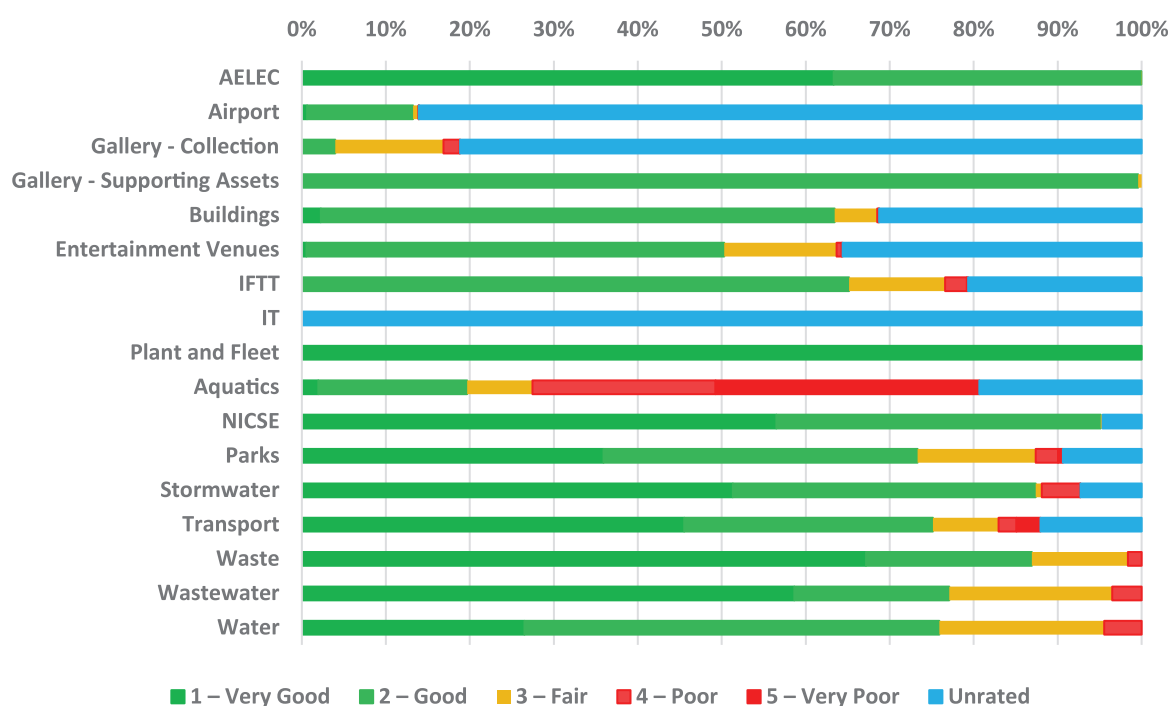
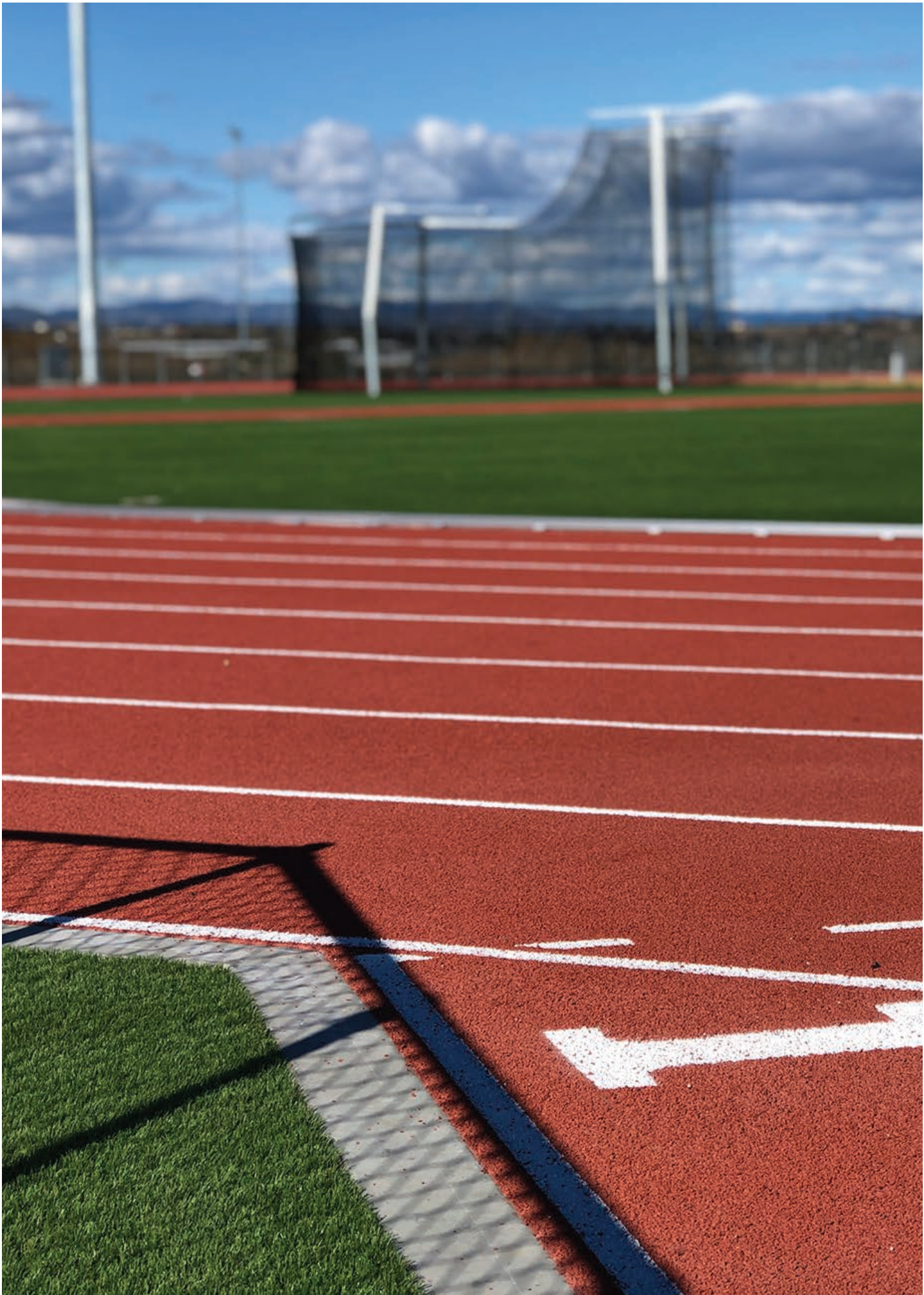


Figure 9 – Asset Condition – Breakdown by Asset Class

KEY IMPROVEMENT STRATEGIES FOR ASSET MANAGEMENT

CONDITION GRADING DESCRIPTIONS	
Community Engagement	Increased integration of community consultation outcomes with service level outcomes and targets
Electronic Work System	Continued implementation of an electronic Work Order System across the organisation to optimise assignment of and reporting on asset inspection and maintenance
Safety and Security	Prioritising risk reduction actions relating to fire safety and asset insurance
Accountability	Delivering up to date Asset Management Plans in line with reporting requirements
Scientific Methodology	Utilisation of the Pavement Management System to inform the works program/maintenance schedule for roads
Accurate Data	Continued implementation of scheduled asset inspections to increase data accuracy





ENGAGE WITH US

You can be actively involved in decision making for your region through the MyTRC Online Community, Council's online engagement platform <https://haveyoursay.tamworth.nsw.gov.au/>

CONTACTING US

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- » Manilla Branch Office, 210 Manilla Street, Manilla NSW 2346
- » Nundle Branch Office, 58 Jenkins Street, Nundle NSW 2340





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