

A photograph of the Maitland City Council building, a grand, multi-story structure with classical architectural features. The facade is made of light-colored stone or concrete, featuring large windows with decorative frames and a prominent balcony with a balustrade. The building's corner is visible, showing its imposing scale. The sky is a pale, overcast grey.

maitland city council

Resourcing Strategy 2022 - 2026

Including:

**Long Term Financial Plan
(2022-2032)**

**Asset Management Strategy
(2022-2032)**

**Workforce Management Plan
(2022-2026)**

Together, we make Maitland.



Acknowledgement of country

We acknowledge the Wonnarua People as the Traditional Owners and Custodians of the land within the Maitland Local Government Area.

Council pays respect to all Aboriginal Elders, past, present and future with a spiritual connection to these lands.

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David Evans PSM
General Manager
Maitland City Council

Message from the General Manager

Ensuring an effective plan is in place to manage our people, assets and finances is integral to ensuring Council can best support attainment of the aspirations set out in Maitland +10, our community strategic plan.

We heard and understand what our community wants, with strong community views on planning and managing our urban growth, easing of traffic congestion and ensuring all required services and infrastructure keep pace with our growing population. We also know our community cares about our environment and being prepared for the impacts of a changing climate, that we can connect socially and have a sense of wellbeing, and that we have the homes, education and jobs we need. The work of Council is fundamental to the attainment of these goals.

As such, this Resourcing Strategy has been put in place with the three inter-related elements of our Workforce Management Plan, Long Term Financial Plan and Asset Management Strategy, to ensure we can meet our Delivery Program commitments and in turn, help attain the community's longer term goals.

However, the strategy clearly illustrates the challenges we will face in ensuring the right infrastructure is in place at the right time for our growing community, and that the maintenance and renewal of these infrastructure assets is affordable over time.

While there may be a community perception that Council significantly benefits from additional rate revenue as new homes are built, in practice this is not the case. Our Delivery Program forecasts that for every dollar spent on Council services, rates will contribute approximately \$0.55 with remaining required funds coming from grants, developer contributions and other revenues such as user fees.

These growing pains are not uncommon in fast growing, regional communities like Maitland. Our city's growth is

predominately greenfield development, resulting in significant financial impacts as newly constructed roads, footpaths, drainage, community, recreation and sport facilities are handed to Council for operation, maintenance and ultimately renewal over time.

This infrastructure provides residents with improved liveability, but with a significant increase to the Council's operational, maintenance and depreciation costs.

Our approach to managing this \$1.7 billion asset base is captured in our Asset Management Strategy (page 42) and supporting plans. These clearly show the challenges and opportunities we have ahead, as we strive to ensure we maximise every dollar spent on our rapidly growing asset base.

Our Workforce Plan (page 82) hones in on our people management objectives, ensuring that our 550 people are skilled, collaborative and focused on our customer. We maintain a strong focus on efficiency and effectiveness, with a drive toward 'digital first' in the way we do business. Safety and wellbeing also remain at the forefront of all that we do, ensuring our systems and processes are easy to use and accessible for all of our employees.

Our Long Term Financial Plan (page 12) perhaps most strongly illustrates the challenges before us. It is a forecasting tool that allows testing of assumptions on CPI changes, construction and other costs such as staff required to deliver services as planned. Through its underpinning assumptions, it provides Council with a 'planned outcome' (as anticipated), 'optimistic outcome' (what would happen if we had positive changes in income and cost reductions) and a 'conservative

outcome' (what would happen if we had negative impacts on income and increasing costs). Further, each assumption is subject to sensitivity analysis to assess what assumptions, if flawed, would have the most significant impact on Council's future sustainability.

While Council will continue to focus on gaining efficiencies through changes to process and technology, from 2025/26 and for the duration of the forecast, Council's expenditure and levels of service will need to be considered in consultation with the community. Service reviews will assess the impact on financial projections of increases or decreases to levels of service, including consideration of all forms of income and expenditure associated with the service.

This is not something we can shy away from or resolve alone. It is an issue that will require Council and the community to work together to find solutions to the financial challenges.

This Resourcing Strategy is the beginning of this conversation.

Introduction

Council's Resourcing Strategy has been prepared to support the delivery of Maitland +10, our Community Strategic Plan, through identifying the financial, workforce, and asset management needs and capacity of Council.

MAITLAND +10

Maitland +10 is our community's strategic plan. This plan captures our community's vision for the future of our local government area with a ten year outlook. Informed by extensive community engagement, the plan identifies a number of goals and strategies for reaching the community's vision. It acknowledges that a number of different groups play a role in achieving these goals including the State and Federal Governments, businesses, community groups and individual citizens.

DELIVERY PROGRAM / OPERATIONAL PLAN

Council's role in supporting the achievement of the goals within Maitland +10 is identified within its Delivery Program. The Delivery Program details the services we provide and the outcomes we are aiming to achieve over the next four years. The Delivery Program is underpinned by annual Operational Plans that list the actions we will take within a given financial year to progress toward achieving each outcome. The Operational Plan includes a budget, capital works program, fees and charges and rating structure.

Resourcing Strategy

Resourcing Strategy clearly articulates how council will implement and resource the vision contained within the community strategic plan.

The three elements of the Resourcing Strategy are:

LONG TERM FINANCIAL PLAN

We project our financial resources over a ten year period within a Long Term Financial Plan. This plan is reviewed and updated annually within our Delivery Program and details our projected income and expenditure, our planning assumptions and the factors that are most likely to impact service delivery. It considers our asset management, workforce and technology needs and our goals for delivering Maitland +10, and is one of the ways we monitor our performance to achieve financial sustainability

ASSET MANAGEMENT STRATEGY

In line with our financial projections, we forecast our asset management needs over a ten year period through the development of an Asset Management Strategy. This strategy supports Council's adopted Asset Management Policy, projects long term asset maintenance, rehabilitation and replacement costs, and guides the development of Asset Management Plans that focus on individual asset types, such as roads, buildings and recreational spaces.

WORKFORCE MANAGEMENT PLAN

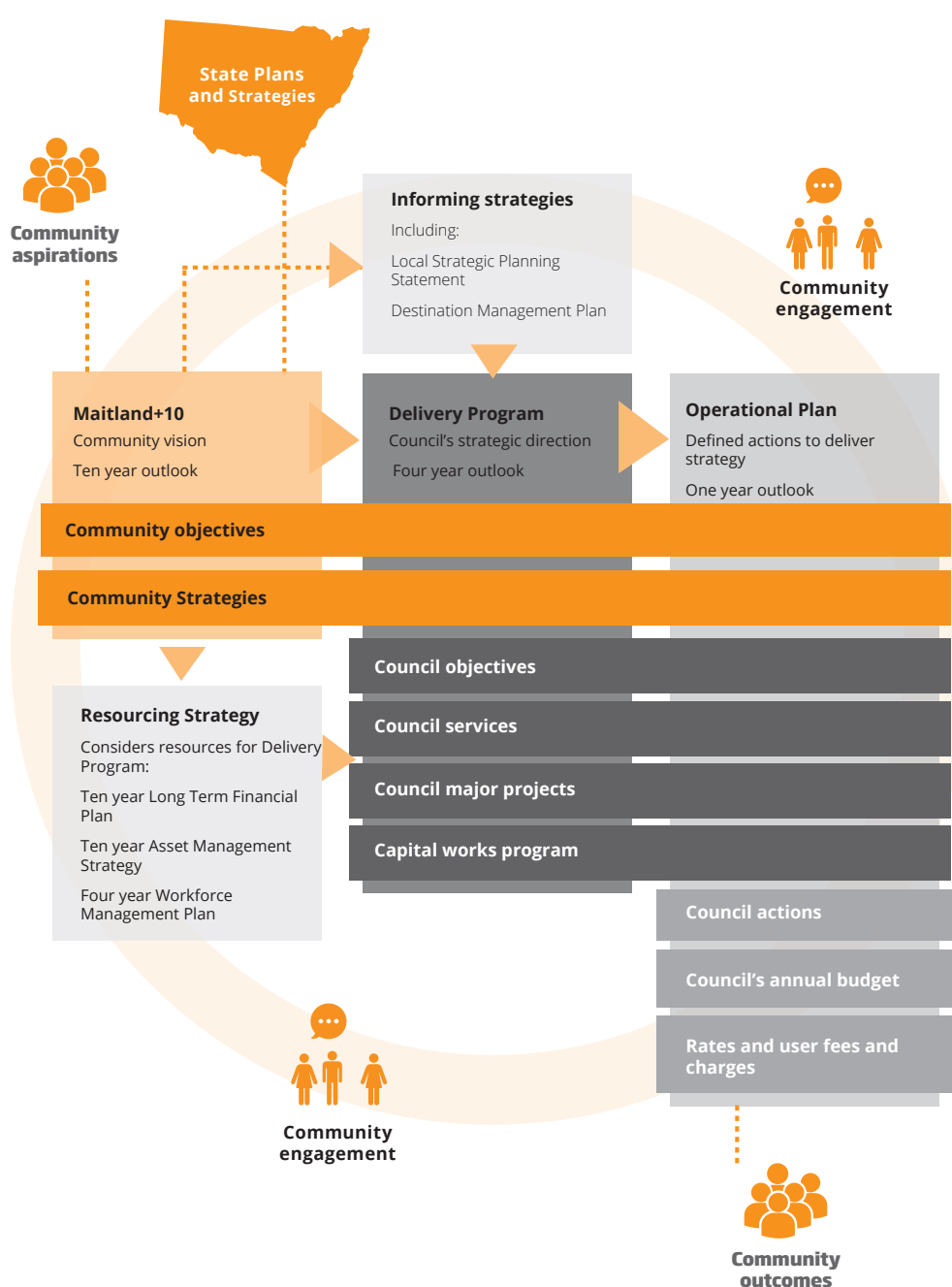
To support the delivery of our organisational objectives now and into the future, the Workforce Management Plan guides the integration and alignment of our human resources to ensure we have the right people in the right place at the right time. It identifies the challenges facing the organisation in shaping our future workforce and opportunities to support the achievement of our goals through our workforce.

Integrating Planning and Reporting

Maitland City Council delivers its planning under the guidance of the Integrated Planning and Reporting framework, as legislated by the *Local Government Act 1993*.

Plans are developed to lead and inspire our community and employees, focus effort and attention, anticipate obstacles, coordinate and prioritise action, and identify clear points of accountability.

Our planning and performance framework cascades into increasing levels of operational and action detail. A line of sight is established between what each staff member does within each department's day to day work and the broader outcomes of Maitland +10, the community strategic plan. A level of alignment also exists with Maitland +10 and NSW State and Regional plans.





Our city and its people



Location

Neighbouring local government areas: Cessnock, Singleton, Newcastle, Port Stephens and Dungog.
30 kilometres to Newcastle and 130 kilometres to Sydney.



Area

396 square kilometres



Community

Home to 90,449 people, including 21,192 families*

104,700 projected population for 2041[#]

13 percent born overseas*

14 percent aged 65 and over*

Median age of 36*

28 percent age 19 years or under*

5.3 percent of residents identify as Aboriginal and Torres Strait Islander*

9 percent of population speak another language other than English at home*

5.8 percent of people with disability (needing core function support)*



Environment

450 hectares of passive and open space¹

1,290 recorded flora species¹

390 recorded fauna species¹

20 threatened ecological communities¹

Over 240 heritage items¹

Over 527 recorded Aboriginal sites¹

Seven heritage conservation areas¹

16 percent canopy cover (trees over 2 metres high)²

Approximately 15 percent of remnant bushland²



Economy

\$10,311.963 (\$M) economic output*

\$4,844.304 (\$M) value addition*

28,318 total employment*

58 percent live and work in Maitland*

42 percent work in Maitland and live elsewhere*

44 percent of our overall population is 'Working Age' (30 to 64 years)*

20 percent have a Bachelors Degree or higher education qualification*



Housing

2.6 average people per household*

\$620,000 median house price (June 2021)

45,450 projected dwellings by 2041[#]

31,900 dwellings (2016 census)*

86 percent single detached dwellings

12 percent medium density dwellings

28 percent dwellings owned outright

28 percent renting

37 percent dwellings owned with mortgage

*Information source: ¹Local Strategic Planning Statement, ²Natural Environment Profile * Remplan, ~ ABS 2016/2021 Census, ^ Destination Management Plan, [#]NSW Department of Planning, Industry and Environment, ⁺NSW Department of Communities and Justice*

Council services

We provide a wide and diverse range of community and essential services that promote economic development and enhance a community's quality of life. Local councils are a vital part of the community's social infrastructure providing services, which are not provided by any other level of government.

For us it is about the people of Maitland and creating a city they are proud to call home. We fully understand that every decision we make has a direct impact on the lifestyle our citizens want and expect by choosing to live here, and as a Council, we embrace the pivotal role we play in the Hunter region.



CEMETERIES

We manage nine cemeteries across the city, including four operational sites and the conservation of five historic sites.



CITY MARKETING, EVENTS AND ECONOMY

We contribute to the growth of our local economy through marketing, visitor economy and experiences, city events, place activation and programs at The Levee, Central Maitland.



COMMUNITY PLANNING AND PARTICIPATION

We enhance and support our community and the many groups within it through active planning, partnerships and provision of high quality, accessible services.



CORPORATE AND FINANCIAL PERFORMANCE

We manage the performance of Council through integrated community and corporate planning, sustainable financial management and the effective management of assets and properties.



CUSTOMER EXPERIENCE

We provide contemporary customer experience to meet the growing needs of the community, both in person and online.



ENVIRONMENTAL SUSTAINABILITY

We help protect and enhance our natural environment through planning, partnerships and the delivery of a range of sustainability programs.



GOVERNANCE

We steer the development of a contemporary city through the leadership of our elected Councillors and senior staff, representing community interests, making decisions, setting policies and delivering services.



LAND USE PLANNING AND DEVELOPMENT

We plan for and manage the sustainable growth and development of our city, whilst respecting our heritage rich built environment.



LONG TERM INFRASTRUCTURE PLANNING

We manage Council's approach to asset planning, management and assessment. As well as active transport advocacy and planning for our local road network.



MAITLAND AQUATICS

We operate two aquatic centres, providing indoor and outdoor swimming facilities, swimming and fitness programs.



MAITLAND GAOL

We manage this heritage listed former maximum security prison as a tourist attraction, and a venue for private and public events.



MAITLAND LIBRARIES

We provide community libraries at Central Maitland, East Maitland, Rutherford and Thornton, providing community spaces, physical and digital library items, history collections, literacy and learning programs and events.



MAITLAND REGIONAL ART GALLERY

We operate a regional art gallery that provides contemporary exhibitions and collections within one of Maitland's historic buildings.



ROADS AND TRANSPORT

We provide transport routes for vehicles, bicycles and pedestrians through planning and management of road and transport networks in the city.



SAFETY AND WELLBEING

We enhance community health and safety through the delivery of a range of programs including pet and animal control, compliance and illegal dumping. We also help protect our community in times of emergency or disaster.



SPORTS AND RECREATION

We design, construct, manage and operate our city's recreation areas including major sporting venues and facilities, parks, sportsgrounds and green space.



VENUES AND FACILITIES

We construct, manage and maintain our city's community buildings and facilities including neighbourhood centres, Town Hall and the Maitland Administration Centre.



WALKA WATER WORKS

We manage the Walka Recreation and Wildlife Reserve, its park, lake and bushland and the historic Walka Water Works pumphouse building.



WASTE COLLECTION AND DISPOSAL

We manage the collection and disposal of our general, recycling and organic waste, as well as resource recovery and reuse.

NOTE ON FUNCTIONS AND RESPONSIBILITIES

Each of our services is supported by a range of functions, delivered at a departmental level. We work together to apply an integrated approach to service delivery, providing the best value to our community.

Long Term Financial Plan 2022 - 2032

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Message from the General Manager

The development of a Long Term Financial Plan is vital for informing both Council and our community about the long term financial sustainability challenges facing our organisation.

A financially sustainable Council is one that can meet the service and asset needs of the community both now and into the future, without incurring unmanageable debt or making revenue increases that are unaffordable for customers and ratepayers.

Our Long Term Financial Plan is essentially a financial projection, quantifying the cost of providing Council's services for the next ten years. It is more comprehensive than a budget and includes, in addition to the financial statements, a written commentary and scenario options.

It projects the impact of Council's revenue against operational and capital expenditure forecasts. Our projections take into account assumptions for economic factors, changes to service delivery levels, potential future changes to our service mix and major capital (asset) expenses.

The plan is a tool to assist decision-making. It allows us to test the realities of our continued population and asset portfolio growth, as well as broader community aspirations, against financial realities. There is no doubt this will lead to some difficult conversations, as Council and the community grapple with adjusting levels of service or alternatively finding additional revenues.

The aim of our Long Term Financial Plan is to facilitate financial decisions underpinning our Delivery Program and Operational Plan, considering short, medium and long term factors. It is informed by our continued growth in predominately new greenfield suburbs, and considers the additional costs associated with asset maintenance and Council services for our new population over time.

Our plan presents three scenarios, and clearly identifies the financial sustainability challenges we will face as Council and our community over the next decade and beyond.

Council will continue to engage with the community to ensure awareness and understanding of our financial challenges, and consult on the ways by which these challenges might be overcome in the future.



David Evans PSM
General Manager
Maitland City Council

Introduction

The Long Term Financial Plan is a ten year forecast, providing a decision making tool that allows Council to test our ability to support attainment of the aspirations set out in Maitland +10, our community's long term vision for the future of the city.

The plan enables us to assess the impacts of our continued greenfield population, services and asset portfolio growth against financial realities.

The plan is prepared in accordance with the Integrated Planning and Reporting framework, legislated by the *Local Government Act 1993*, and guides the development of Council's Delivery Program and Operational Plan, and how these will be resourced and funded.

It examines the financial realities of both maintaining existing and new assets and services to a fast growing population over time, and aims to provide a mechanism through which Council can consider and address its long term financial sustainability challenges.

The plan provides:

- Council's indicative future financial position based on delivering service levels as outlined in our Delivery Program and Asset Management Strategy and Plans
- projected costs of long term strategic decisions to inform debate and decision making over the period
- a tool to assist Council to determine the financial sustainability of both current and projected future service levels
- a method to determine the risks of embarking on future strategic directions
- a capability for Council and the community to test scenarios of different policies and service levels
- a mechanism to test the sensitivity and robustness of key assumptions underpinning a range of strategic planning options
- a vital contribution to the development of Council's Asset Management Strategy and Plans
- projected income and expenditure, balance sheet and cash flow statement

- methods of monitoring financial performance

Some of the key challenges to be faced over the next ten years by Council and the community include:

- the cap placed on contributions from developers by the State Government, and removal of community infrastructure from development contribution plans, makes delivering infrastructure required in greenfield release areas such as Lochinvar, Anambah and Chisholm (Thornton North) challenging for Council
- continued high population growth in predominately greenfield development locations, and resulting new assets to be maintained and renewed by Council over time
- rating revenue realised from new rateable properties is insufficient to cover the costs of the delivery of new assets and service demands generated by these new residents
- implementation of significant changes to our asset management approach, as delivery of new infrastructure is accelerated by council
- addressing the impacts of a changing climate across our city, in particular flooding
- implementation of new technologies across all Council operations to drive increased efficiencies and effectiveness
- meeting the increasing expectations of our community for council services
- a change of approach to customer experience, taking an un-Council like approach to service delivery
- ensuring financial sustainability can be maintained, understanding the significant impacts of the challenges above.

The Long Term Financial Plan is an evolving document, adjusted over time as a result of changes to our reshaped asset portfolio and level of service adjustments. It is reviewed annually to reflect changes to income and expenditure as these decisions are made by Council.

LINKS TO ASSET MANAGEMENT STRATEGY

The Long Term Financial Plan has strong links to our Asset Management Strategy. Through financial modelling we are able to identify and take steps to ensure sufficient funding is in place for asset maintenance and renewal, for both existing and assets to be constructed over the next decade, as identified today.

Our plan is also informed by existing development contribution plans for existing urban release areas at Thornton, Gillieston Heights, Lochinvar and Farley, along with Council's understanding of the service requirements of our incoming population.

LINKS TO WORKFORCE MANAGEMENT PLANNING

Based on our financial and asset management projections and any identified changes to levels of service, Council develops a Workforce Management Plan that ensures we have access to the right people in the right place at the right time, both now and into the future.

The Workforce Management Plan guides the integration and alignment of our human resources to ensure we have the right people in the right place doing the right work. It identifies the challenges facing the organisation in shaping our future workforce and opportunities to support the achievement of our goals through our workforce.



Revenue Strategy

Council's revenue streams are largely determined by the NSW *Local Government Act 1993*. These streams include rates, fees and charges for particular services, grants and subsidies from higher levels of government, loans taken up by Council, income from interest on invested funds, and occasional revenue from the sale of unwanted assets or business activities.

Either directly or indirectly, almost all these revenue streams are regulated in some way. All however, are important to Council and particularly in the context of their capacity to generate additional revenue for increased levels of service or new services.

Council's Revenue Strategy highlights the increasing financial challenges facing Council, identifies the revenue streams available to Council and recommends the following as a means of increasing our revenue base:

- review and monitor Council's Section 7.11 Development Contribution Plans and Policies
- review Council's Investment Policy and cash flow processes
- review Council's Annual Borrowing Policy
- identify and seek additional grant funding
- review all current fees and charges and levels of cost recovery
- review options for introduction of appropriate new fees, in line with industry trends and benchmarking
- identify opportunities to rationalise Council's asset base
- review Council's service levels and methods of service delivery
- continue to incorporate discussion of revenue, including levels of rating, into Council's community strategic planning and engagement processes.



Sources of revenue



Rating

Income from rates generally forms the largest single portion of a Council's total overall revenue. Rating income is generated from four rating categories, being farmland, residential, mining and business.

Maitland City Council's rates base consists of approximately 36,679 rateable properties, encompassing the residential, farming, business and mining sectors.

Although rates income is the largest revenue stream for Council, it comprises approximately half of Council's total revenue in any year.

For 2022/23, Maitland City Council's total adjusted budgeted revenue is \$161.1 million (excluding non cash developer road and drainage dedications), of which \$78.2 million is generated from rating revenue.

Council's ordinary rating revenue as a proportion of total revenue (excluding non cash developer road and drainage dedications) estimated for the next four years is as follows:

Ordinary Rates as a Proportion of Revenue

YEAR	PERCENTAGE (%)
2023 (projected)	56.7
2024	54.6
2025	54.4
2026	55.1



Fees and Charges

Council's fees and charges relate to the recovery of service delivery costs by charging fees to users of Council services. These include Council's waste facility, a wide variety of community facilities, including the Maitland Regional Sports Complex, parks, sportsgrounds, community halls, the Town Hall and aquatic facilities.

This revenue stream also includes regulatory and statutory fees such as those for development applications, Section 10.7 (zoning) certificates, Section 603 (rates) certificates and construction certificates. The amount charged for regulatory and statutory fees is set by legislation.

Section 610D of the *Local Government Act 1993*, provides that when determining a fee for service Council must take into consideration the following factors:

- the cost to the Council of providing the service
- the price suggested for that service by any relevant industry body or in any schedule of charges published, from time to time, by the Office of Local Government
- the importance of the service to the community
- any factors specified in the *Local Government (General) Regulations*.

Further, in developing a conceptual framework for specific pricing policies, Council should consider a range of issues, including:

- that the setting of fees and charges is cognisant of Council's environmental, social and financial objectives
- that user based charges recognise the needs of the disadvantaged in our community and that where appropriate Council's fee structures recognise the capacity to pay of those service users who may have a limited capacity to pay
- that Council's fees and charges are reviewed annually taking into account any increases in the underlying rate of inflation
- that the optimum use of Council facilities and resources in the context of Council's Asset Management Strategy is considered in the setting of user pays based fees and charges
- that community users of Council services are effectively consulted prior to the introduction of any new or varied service charges
- the pricing policy applied to a particular service is also guided by Council's motivation for being involved in the service.



Pricing Policy

Council adheres to the following principles when setting fees and charges:

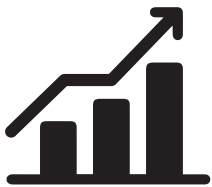
MOTIVE	PRICING PRINCIPLE
Public Goods and the Exclusion Principle	Council services may be provided free of charge in those circumstances where it is impossible or impractical to exclude users who for various reasons do not have the ability to pay.
Externalities	Fees may be discounted to a level below the cost of a service where the production or consumption of the service generates external benefits to the community (hence creating a community service obligation); provided the cost of the discount does not exceed the estimated benefit.
Merit Goods	Fees may be discounted to a level below the cost of a service if full cost recovery would prevent or discourage its consumption and the service is regarded as having particular merit to the welfare and wellbeing of the community (hence creating a community service obligation); provided the cost of the discount does not exceed the estimated benefit.
Natural Monopoly	Where Council has a monopoly over the production of a good or service, prices should be set at a level to fully recover costs unless there are explicit community service obligations or equity objectives.



Borrowings

It is recognised that long term borrowings can be a useful tool for funding the development of major new assets. It's also recognised that while borrowings enhance the capacity of Council's short term capital program, debt repayment and borrowing costs limit the capacity of future capital programs. It is therefore important that the utilisation of debt as a funding tool is applied appropriately.

Council borrows funds for specific capital works projects, including road, drainage, access and bridge construction works each year. The annual capital works loan drawdown for 2023 to 2025 is \$6.0 million, with projected borrowings of \$12.0 million for 2026, \$9.0 million for 2027, \$8.0 million for 2028, \$12.0 million for 2029, \$9.0 million for 2030, \$16.0 million for 2031 and \$12.0 million in 2032. The debt service ratio will decrease to 2.04 percent in 2022/23, then increase to 3.09 percent by 2031/32.



Investments

Councils are limited by Section 625 of the *Local Government Act 1993*, to the types of investments that can be made. Investments must be in accordance with the *Local Government Act 1993* Investment Order, which is issued by the Minister for Local Government.

In accordance with Office of Local Government guidelines, Council has adopted an Investment Policy, with its current policy being last revised on 25 June 2019.

The principle objective of Council's Investment Policy is for Council to adopt a prudent approach to investments with the primary focus being the preservation of capital.

Council's cash flow is monitored on a daily basis, however given that the principle objective of Council's Investment Policy is the preservation of capital, there is little scope available to Council to generate additional revenue from changes to its investment practices.



Grants and Subsidies

Council receives specific grants, both operating and capital, from Federal and State Governments to support the funding of a range of Council services and major capital projects, including environmental projects, community service programs, road safety programs, public library operations, road construction and other infrastructure works. This revenue stream also includes the Commonwealth financial assistance and local roads grants paid through the NSW Grants Commission.

Other than the annual untied Commonwealth Financial Assistance Grant (FAG) and local roads grants (\$7.4 million in 2022/23), grant funding opportunities are generally seeking specific outcomes aligned to specific program goals.



Over the past few years, a range of programs have been established to encourage local economic stimulus, recognizing that councils are an effective partner in delivering projects of high public value and supporting local employment. Major community infrastructure projects have been completed using grant funding, infrastructure that would otherwise not have been able to be delivered. In recognition of the significance of grants as a funding stream, Council will build on its strong record in attaining grants and continue to pursue all suitable opportunities for funding.

Developer Contributions

Section 7.11 of the *Environmental Planning and Assessment Act 1979*, gives Council the power to levy contributions from developers for public infrastructure required as a consequence of their development.

Contributions may be in the form of cash payments, transfer or dedication of land to Council or the provision of a material public benefit (generally known as works in kind).

For Council to levy contributions, there must be a clear link between the proposed development and the need for the public infrastructure for which the levy is being required. Consequently, there are limitations on the types of works that Section 7.11 funds can be utilised for, and a strict legislative framework that guides the collection and management of such funds.

Other Revenue

Council also receives income from various other sources. The levels of these revenue streams vary significantly on a year by year basis and include the following:

ASSET SALES

Council has an extensive asset base, with the written down value of its land and buildings at 30 June 2021 totalling \$1.2 billion.

If an asset deemed surplus to requirements could be sold, not only would sales revenue be generated, there would be an ongoing reduction in costs currently being outlaid on maintaining the asset. Further, as properties move from Council to private ownership, Council's rate income would be enhanced to some extent.

A number of issues may arise in relation to the sale of Council assets, including:

- resistance from user groups
- negative response from the community in general
- lengthy reclassification process if the assets are built on Community land
- lengthy reclassification process if the assets were funded by Section 7.11 development contributions.

Whilst there are some challenges and constraints, Council has identified a need to review its land holdings to assess opportunities for sale. This work will be progressed from the 2022/23 financial year.





ENTREPRENEURIAL ACTIVITIES

Council's entrepreneurial activities are currently limited to generating rental and lease income from property, merchandise sales and various tourism activities.

Any greater involvement in entrepreneurial activity as a means of generating additional revenue requires careful consideration in terms of:

- the levels of risk associated with any business venture
- remaining 'competitively neutral', that is ensuring there is no subsidisation of business costs from general revenue
- effective and appropriate utilisation of Council resources
- the level of community support for such activities by Council.

DEVELOPMENT CONTRIBUTIONS

Development contributions are paid by property developers. These contributions assist in the completion of assets and facilities of benefit to the residents in newly developed areas and homes, as well as considering the impacts of new residents in the broader functioning of the city.

A proportion of Council's annual capital works program is funded by development contributions. Often, Council will hold funds, pending the creation of a sufficient amount of funds to deliver works. All works funded by development contributions are listed in Development Contribution Plans which can be found on Council's website.

CASH RESERVES

Council's Long Term Financial Plan incorporates the establishment and management of financial reserves to ensure long term financial sustainability and capacity to provide infrastructure and services into the future. In the preparation of Council's annual statutory financial statements, funds are set aside in the external and internal reserves of Council. Both externally and internally restricted financial reserves are established and managed to meet a range of objectives.

Externally restricted financial reserves are established to meet legislative requirements, mainly unspent development contribution funds and unspent grants received by Council. These unspent funds are set aside as externally restricted assets in financial reserve as they can only be expended for that purpose.

Internally restricted financial reserves are established at the discretion of Council and are used to meet a variety of circumstances. Such circumstances include future infrastructure works, operating activity and other unspent funds where the funds have been set aside over time for specific activity. These unspent funds are set aside as internally restricted assets in the internal financial reserves.

Council has an adopted Financial Reserves Policy to guide purpose and management of its reserves.



Planning assumptions

As with any long term forecast, we are required to make assumptions about our future revenue and expenditure. The plan also incorporates a sensitivity analysis. This is captured in the income and expenditure, balance sheet and cashflow statements included within this plan, for 'planned', 'optimistic' and 'conservative' scenarios.

Council's established position has been to adopt balanced annual budgets, and the 'planned' scenario has been developed to enable this commitment to be continued.

Our 'planned', 'optimistic' and 'conservative' scenario also assume maintenance of all existing services of Council to a growing population over time, that is, no reduction in Council services.

GROWTH

- The 2019 population projections for Maitland indicate an increase of people to 104,700 by 2041, as advised by the Department of Planning and Environment.

REVENUE

- Dwelling growth of 2.6 percent per annum 'planned' and 'optimistic' projections; 2.0 percent 'conservative' projection.
- Rate increase in 'planned' option of 0.7 percent rate peg in 2022/23, followed by the estimated rate peg of 2.5 percent in 2023/24 and 2024/25; in 'optimistic' rate peg of 3.0 percent for 2023/24 and 2024/25; in 'conservative' rate peg limited to 2.0 percent.
- From 2025/26 for the duration of the forecast, revenue sources, including fees and charges and rates, will need to be considered in consultation with the community to meet increasing levels of service requirements. The 'planned' scenario incorporates an annual rate increase of 4.5 percent per annum for four years, commencing in 2025/26; for 'optimistic' projection an annual rate increase of 5.0 percent.
- CPI applied to a number of income streams including general user fees and charges, regulatory services, grants and subsidies.
- Increasing revenue via fees and charges, with a 2 - 3.2 percent estimated increase per annum (varies across scenarios).

- Interest on investments at between 1.7 percent and 3.2 percent, based on advice from Council's investment advisors, with a higher interest rate projection of 2.7 - 4.2 percent incorporated in the 'optimistic' scenario.

EXPENDITURE

- Construction costs increasing at 2.7 percent per annum.
- Other operating expenses, excluding street lighting, modeled on CPI increases of 2.2 - 2.5 percent per annum.
- Salary increases based on Award changes projected at 2.5 percent per year incorporating competencies and superannuation changes.
- Waste Levy increases applied by the NSW State Government based on annual CPI.
- Loan borrowings at \$6.0 million per annum for 2023 to 2025, \$12.0 million 2026, \$9.0 million for 2027, \$8.0 million for 2028, \$12.0 million for 2029, \$9.0 million for 2030, \$16.0 million for 2031 and \$12.0 million in 2032.
- Staffing increases of between ten and fifteen full time equivalents each year, based on service requirements.
- From 2025/26 and for the duration of the forecast, Council expenditure and levels of service will need to be considered in consultation with the community.
- A productivity factor of \$500,000, annually, being a reduction in expenditure across the organisation without compromising levels of service.

CONTINUOUS IMPROVEMENT

- Continued focus on efficiency through changes to process and technology.
- In line with legislated requirements, conducting service reviews to assess the impact on financial projections of increases or decreases to levels of service, including consideration of all forms of income and expenditure associated with the service.

Sensitivity analysis and risk assessment

Council's Long Term Financial Plan has been in place since 2005, with strong links to our Asset Management Strategy.

We are therefore confident of the stability of the plan and its incorporated financial model.

However, the following risk factors have been considered in the development of the Long Term Financial Plan. Some of these factors would have only a minor impact on our projections, while others could have a more significant impact.

Areas which would have a particular impact on our projections, should they occur, include:

- rate increases being lower than anticipated, noting a review of the method of rate peg determination is underway by IPART
- substantial fluctuation to the quantum or timing of population increase projections, noting that regional migration is anticipated to be higher than projected following the COVID 19 pandemic
- inflation being higher than anticipated
- construction costs being higher than anticipated
- changes to legislation with significant implementation costs to Council
- significant fluctuation in the rate of return on investments
- staffing related costs increasing more than anticipated.

There are also external factors beyond the scope of Council which could impact on the model. These include:

- the cap placed on contributions from developers, and removal of community infrastructure from development contribution plans
- market conditions impacting on the rate at which land releases are made by the development industry
- dedication of new assets to Council as new suburbs are completed, with the value and

timing difficult to predict, and therefore impacts on workforce and maintenance may vary

- a reduction in grants attained by council, due to changing State or Federal Government priorities
- changes to the local government rating regime
- changes to the superannuation guarantee legislation
- fluctuation in government and statutory charges to Council
- changes to the value of the mandatory pensioner on Council rates
- impact of continuing pandemic on both revenue and expense
- natural disaster, in particular flooding.

To mitigate these risks, Council undertakes annual monitoring to ensure that adjustments can be made to expenditure that ensure financial sustainability and meet the core operating requirements of local government.



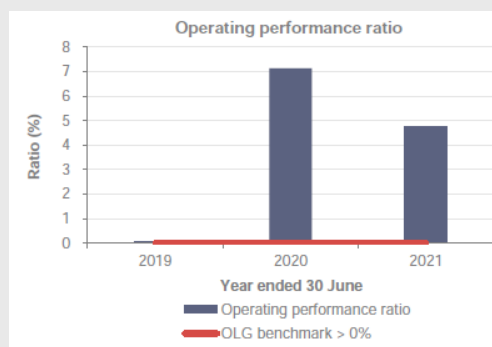
Performance monitoring

Council will continue to report its financial performance each quarter.

Additionally, an annual review is undertaken of the Long Term Financial Plan to review assumptions and assess the robustness of the model. Key performance measures used in this assessment include:

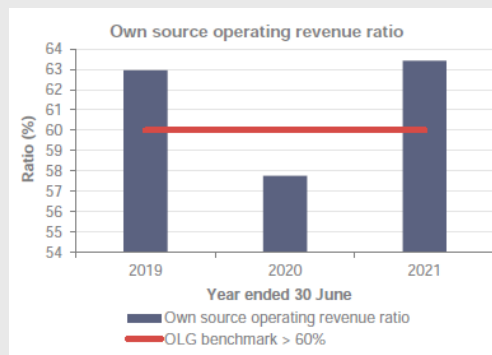
OPERATING PERFORMANCE

This ratio measures whether operating expenditure is contained within operating income. The benchmark for this ratio is 0 percent or greater. An operating deficit occurs when total expenses are greater than total income (excluding all capital amounts). This includes a council's day to day income and expenses. Councils are encouraged to budget for a surplus result, and to consider asset condition and maintenance requirements. The ratio is calculated by total continuing operating revenue (excluding capital grants and contributions), less operating expenses, divided by total continuing operating revenue (excluding capital grants and contributions).



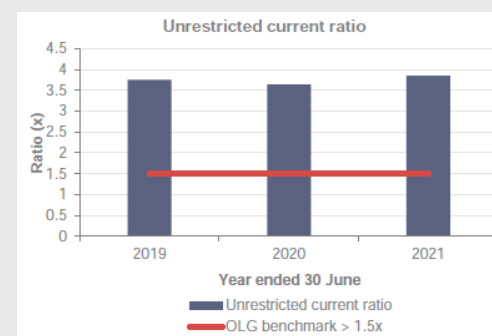
OWN SOURCE OPERATING REVENUE

This ratio measures financial flexibility and indicates reliance on external funding sources such as grants and contributions. A council's financial flexibility improves as its own source revenue (including rates, annual charges and user fees and charges) increases. The benchmark is greater than 60 percent. The ratio is calculated by total continuing operating revenue less all grants and contributions divided by total continuing operating revenue inclusive of capital grants and contributions.



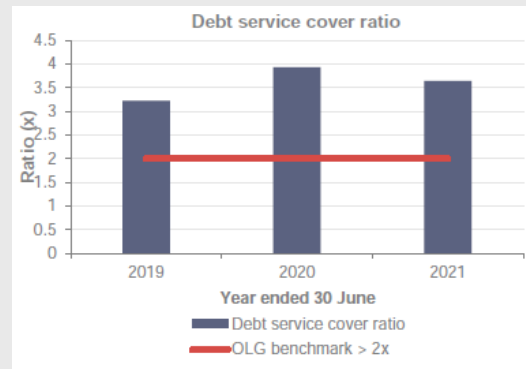
UNRESTRICTED CURRENT RATIO

This ratio measures working capital and Council's ability to meet short term obligations. Restrictions placed on various funding sources (e.g. Section 7.11 development contributions, roads contributions) complicate the traditional current ratio used to assess liquidity of businesses, as cash allocated to specific projects is restricted and cannot be used to meet a council's other operating and borrowing costs. For example, an unrestricted ratio of 4.45 means that council has \$4.45 in unrestricted current assets to meet each \$1.00 of unrestricted current liabilities. A ratio of less than 1.5 is considered unsatisfactory and could indicate, along with other financial indicators, that the council may face some financial risk. The ratio is calculated by current assets less all external restrictions divided by current liabilities less specific purpose liabilities.



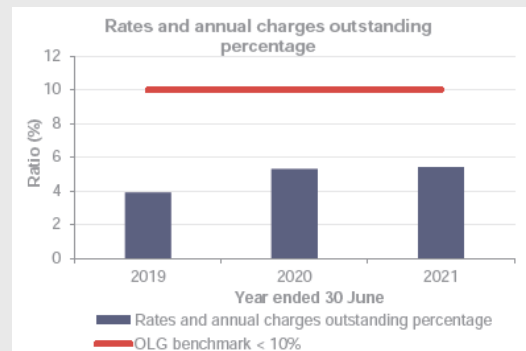
DEBT SERVICE COVER RATIO

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. Councils have approximately twice as many financial assets as they do outstanding borrowings. The benchmark for this ratio is greater than 2.0. A high ratio indicates the council has significant capacity to repay debt. The ratio is calculated by operating results before capital, excluding interest and depreciation/impairment/amortisation divided by principal repayments (from Statement of Cashflow) and interest on loans.



RATES AND ANNUAL CHARGES OUTSTANDING PERCENTAGE

This ratio assesses the impact of uncollected rates and annual charges on liquidity and the efficiency of councils' debt recovery. Some councils may have agreements in place to assist ratepayers in an attempt to reduce the debt owed to council. The benchmark for outstanding rates is <10 percent for regional areas. The ratio is calculated by rates and annual charges outstanding divided by rates and annual charges levied by council.



Income Statement for the period 2022/23 to 2031/32

Planned Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
Rates & Charges	77,691	81,704	85,924	92,125	98,774	105,902	113,545	119,410	125,577	132,063
Special Rates	493	505	518	541	566	591	618	633	649	665
Annual Charges	19,791	20,309	20,840	21,385	21,945	22,519	23,108	23,712	24,333	24,969
Total Rates & Annual Charges	97,975	102,518	107,282	114,051	121,285	129,012	137,271	143,755	150,559	157,697
User Charges and fees	9,262	9,712	10,203	10,720	11,262	11,832	12,431	13,061	13,722	14,444
Other revenues	3,308	3,381	3,455	3,535	3,616	3,699	3,792	3,886	3,984	4,083
Interest and Investment Income	2,025	4,105	3,841	3,263	3,439	3,461	3,887	4,244	3,924	4,526
Total Own Source Revenue	112,570	119,716	124,781	131,569	139,602	148,004	157,381	164,946	172,189	180,750
Grants & Contributions - Operating Purposes	9,664	9,838	10,015	10,215	10,420	10,628	10,841	11,057	11,279	11,504
Grants & Contributions for Capital Purposes	14,873	20,134	23,149	25,464	25,283	29,264	16,831	16,592	16,868	17,150
Total Income from Continuing Operations	137,107	149,688	157,945	167,248	175,305	187,896	185,053	192,595	200,336	209,404
Total Operating Income (exc. Capital)	122,234	129,554	134,796	141,784	150,022	158,632	168,222	176,003	183,468	192,254
Employee Benefits	51,637	54,248	56,957	59,768	62,684	65,708	68,844	72,096	75,467	78,962
Materials and Contracts	30,197	31,432	33,646	35,748	35,994	39,334	41,710	42,832	44,666	46,538
Borrowing Costs	2,187	2,145	2,019	2,126	2,120	2,067	2,257	2,312	2,655	2,791
Depreciation & Amortisation	26,264	26,405	27,533	28,511	29,521	30,322	31,264	32,252	33,095	34,100
Other Expenses	15,879	16,228	16,585	16,967	17,357	17,756	18,200	18,655	19,122	19,600
Total Expenses from Continuing Operations	126,164	130,458	136,740	143,120	147,676	155,187	162,275	168,147	175,005	181,991
Operating Result (Excl. Capital)	(3,930)	(904)	(1,944)	(1,336)	2,346	3,445	5,947	7,856	8,463	10,263
Operating Result (Incl. Capital)	10,943	19,230	21,205	24,128	27,629	32,709	22,778	24,448	25,331	27,413
Net Operating Result from Income Statement	10,943	19,230	21,205	24,128	27,629	32,709	22,778	24,448	25,331	27,413
Gain / (Loss) on Reval of PP&E	-	40,528	42,359	46,110	47,676	49,319	55,089	56,740	58,459	59,976
Total Comprehensive Income	10,943	59,758	63,564	70,238	75,305	82,028	77,867	81,188	83,790	87,389

Balance Sheet for the period 2022/23 to 2031/32

Planned Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
Cash & Cash Equivalents	97,467	71,765	48,591	49,074	45,784	58,137	65,527	50,931	66,731	70,037
Receivables - Current	8,197	8,616	9,055	9,700	10,391	11,131	11,925	12,534	13,175	13,849
Other Current Assets	1,357	1,368	1,381	1,393	1,407	1,420	1,434	1,448	1,462	1,478
Total Current Assets	107,021	81,749	59,027	60,167	57,582	70,688	78,886	64,913	81,368	85,364
Investments - Non-Current	65,448	66,888	68,360	69,932	71,541	73,186	75,016	76,891	78,813	80,784
Infrastructure Property & Equip	1,345,644	1,428,249	1,512,449	1,583,193	1,661,319	1,729,686	1,799,945	1,897,889	1,972,582	2,058,613
Other Non-Current Assets	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593
Total Non-Current Assets	1,412,685	1,496,730	1,582,402	1,654,718	1,734,453	1,804,465	1,876,554	1,976,373	2,052,988	2,140,990
Total Assets	1,519,706	1,578,479	1,641,429	1,714,885	1,792,035	1,875,153	1,955,440	2,041,286	2,134,356	2,226,354
Payables - Current	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900
Contract Liabilities - Current	5,096	5,208	5,323	5,445	5,570	5,699	5,841	5,987	6,137	6,290
Lease Liabilities - Current	273	273	273	273	273	273	273	273	273	273
Borrowings - Current	8,461	9,560	10,413	9,344	10,620	11,470	7,524	8,679	9,421	11,037
Provisions - Current	18,028	18,957	19,921	20,922	21,960	23,037	24,154	25,312	26,513	27,759
Total Current Liabilities	42,758	44,898	46,830	46,884	49,323	51,379	48,692	51,151	53,244	56,259
Lease Liabilities - Non-Current	425	434	444	454	465	475	487	499	512	525
Borrowings - Non Current	86,148	82,712	79,847	82,671	81,728	80,406	85,116	86,910	93,681	94,846
Provisions - Non-Current	13,766	14,069	14,379	14,709	15,048	15,394	15,779	16,173	16,577	16,992
Total Non-Current Liabilities	100,339	97,215	94,670	97,834	97,241	96,275	101,382	103,582	110,770	112,363
Total Liabilities	143,097	142,113	141,500	144,718	146,564	147,654	150,074	154,733	164,014	168,622
Net Assets	1,376,609	1,436,366	1,499,929	1,570,167	1,645,471	1,727,499	1,805,366	1,886,553	1,970,342	2,057,732
Accumulated Surplus	1,000,401	1,011,344	1,030,573	1,051,777	1,075,905	1,103,533	1,136,242	1,159,019	1,183,467	1,208,797
Revaluation Reserves	365,265	365,265	405,793	448,152	494,262	541,938	591,257	646,346	703,086	761,545
Total Equity Opening Balance	1,365,666	1,376,609	1,436,366	1,499,929	1,570,167	1,645,471	1,727,499	1,805,365	1,886,553	1,970,342
Net Operating Result for the Year	10,943	19,229	21,204	24,128	27,628	32,709	22,777	24,448	25,330	27,414
Gain / (Loss) on Reval of PP&E	-	40,528	42,359	46,110	47,676	49,319	55,089	56,740	58,459	59,976
Total Comprehensive Income	10,943	59,757	63,563	70,238	75,304	82,028	77,867	81,188	83,789	87,390
Total Equity Closing Balance	1,376,609	1,436,366	1,499,929	1,570,167	1,645,471	1,727,499	1,805,366	1,886,553	1,970,342	2,057,732

Cashflow Statement for the period 2022/23 to 2031/32

Planned Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
Total Own Source Revenue	108,183	119,298	124,341	130,924	138,910	147,264	156,587	164,336	171,547	180,077
Grants and Contributions	9,664	9,838	10,015	10,215	10,420	10,628	10,841	11,057	11,279	11,504
Employee Benefits	(51,637)	(54,248)	(56,957)	(59,768)	(62,684)	(65,708)	(68,844)	(72,096)	(75,467)	(78,962)
Materials and Contracts	(30,197)	(29,660)	(28,162)	(26,796)	(27,304)	(24,738)	(23,156)	(22,848)	(21,850)	(20,836)
Other Expenses from Continuing Operations	(15,879)	(18,000)	(22,070)	(25,919)	(26,047)	(32,352)	(36,755)	(38,639)	(41,938)	(45,302)
Cashflow from Operations	20,134	27,228	27,167	28,656	33,295	35,094	38,673	41,810	43,571	46,481
Net movement of IPP&E	(52,371)	(66,042)	(67,135)	(52,763)	(57,197)	(46,970)	(48,739)	(70,605)	(46,831)	(56,730)
Purchase of Long-Term Investments	(1,409)	(1,440)	(1,472)	(1,572)	(1,608)	(1,645)	(1,830)	(1,875)	(1,922)	(1,970)
Cashflow from Investing	(53,780)	(67,482)	(68,607)	(54,335)	(58,805)	(48,615)	(50,569)	(72,480)	(48,753)	(58,700)
Grants and Contributions - Capital purposes	14,873	20,134	23,149	25,464	25,283	29,264	16,831	16,592	16,868	17,150
Proceeds from Borrowings	7,350	6,000	7,400	12,000	9,532	9,935	12,000	10,315	16,000	12,000
Loan repayments	(10,662)	(11,582)	(12,283)	(11,303)	(12,595)	(13,325)	(9,546)	(10,833)	(11,885)	(13,625)
Cashflow from Financing	11,561	14,552	18,266	26,161	22,220	25,874	19,285	16,074	20,983	15,525
Opening Cash	183,592	162,916	138,653	116,951	119,006	117,324	131,323	140,543	127,822	145,544
Change in Cash	(20,676)	(24,262)	(21,703)	2,056	(1,682)	13,999	9,219	(12,721)	17,723	5,276
Closing Cash	162,916	138,653	116,951	119,006	117,324	131,323	140,543	127,822	145,544	150,821
Total Cash and Liquid Investments	162,916	138,653	116,951	119,006	117,324	131,323	140,543	127,822	145,544	150,821
Internally Restricted Cash	59,963	39,297	37,707	35,837	33,086	33,906	36,176	19,821	19,971	20,121
Externally Restricted Cash	94,967	91,128	77,558	80,010	80,654	94,173	99,670	103,145	116,839	122,374
Unrestricted Cash	7,985	8,229	1,686	3,160	3,584	3,245	4,696	4,855	8,734	8,326
Total Cash and Liquid Investments	162,916	138,653	116,951	119,006	117,324	131,323	140,543	127,822	145,544	150,821

Statement of performance measures for the period 2022/23 to 2031/32

Planned Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
1. Operating performance (Benchmark >0)										
Total continuing operating revenue excluding capital grants and contributions - operating expenses	-3.22%	-0.70%	-1.44%	-0.94%	1.56%	2.17%	3.54%	4.46%	4.61%	5.34%
Total continuing operating revenue excluding capital grants and contributions										
2. Own source operating revenue (Benchmark >60%)										
Total continuing operating revenue excluding capital grants and contributions	82.10%	79.98%	79.00%	78.67%	79.63%	78.77%	85.05%	85.64%	85.95%	86.32%
Total continuing operating revenue inclusive capital grants and contributions										
3. Unrestricted current ratio (Benchmark >1.5)										
Current assets less all external restrictions										
Current liabilities less specific purpose liabilities	2.57	1.82	1.52	1.55	1.43	1.41	1.71	1.16	1.25	1.19
4. Debt service cover (>2 Benchmark)										
Operating results before capital excluding interest and depreciation/impairment/ amortisation (EBTDA)										
Principal repayments (from statement of cash flows) + borrowing interest costs (from income statement)	2.30	2.39	2.25	2.59	2.70	2.69	4.13	3.92	3.72	3.46
5. Rates and annual charges outstanding percentage (Benchmark <10%)										
Rates and annual charges outstanding	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%
Rates and annual charges collectible										
6. Cash expense cover ratio (Benchmark >3 months)										
(Current year's cash and cash equivalents + term deposits)*12	18.04	14.66	11.75	11.54	10.95	11.58	12.19	10.62	11.56	11.40
Payments from cash flow of operating and financing activities										

Income Statement for the period 2022/23 to 2031/32

Optimistic Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
Rates & Charges	79,353	83,859	88,620	95,925	103,832	112,391	121,656	128,563	135,863	143,577
Special Rates	493	508	523	552	582	614	648	667	687	708
Annual Charges	19,791	20,309	20,840	21,385	21,945	22,519	23,108	23,712	24,333	24,969
Total Rates & Annual Charges	99,637	104,676	109,983	117,862	126,359	135,524	145,412	152,942	160,883	169,254
User Charges and fees	9,262	9,712	10,203	10,720	11,262	11,832	12,431	13,061	13,722	14,444
Other revenues	3,308	3,381	3,455	3,535	3,616	3,699	3,792	3,886	3,984	4,083
Interest and Investment Income	2,025	4,143	5,364	4,728	5,134	5,409	6,306	7,190	7,251	8,607
Total Own Source Revenue	114,232	121,912	129,005	136,845	146,371	156,464	167,941	177,079	185,840	196,388
Grants & Contributions - Operating Purposes	9,664	9,838	10,015	10,215	10,420	10,628	10,841	11,057	11,279	11,504
Grants & Contributions for Capital Purposes	14,873	20,134	23,149	25,464	25,283	29,264	16,831	16,592	16,868	17,150
Total Income from Continuing Operations	138,769	151,884	162,169	172,524	182,074	196,356	195,613	204,728	213,987	225,042
Total Operating Income (exc. Capital)	123,896	131,750	139,020	147,060	156,791	167,092	178,782	188,136	197,119	207,892
Employee Benefits	51,637	54,248	56,957	59,768	62,684	65,708	68,844	72,096	75,467	78,962
Materials and Contracts	30,197	31,432	33,646	35,748	35,994	39,334	41,710	42,832	44,666	46,538
Borrowing Costs	2,187	2,145	2,019	2,126	2,120	2,067	2,257	2,312	2,655	2,791
Depreciation & Amortisation	26,264	26,405	27,533	28,511	29,521	30,322	31,264	32,252	33,095	34,100
Other Expenses	15,879	16,228	16,585	16,967	17,357	17,756	18,200	18,655	19,122	19,600
Total Expenses from Continuing Operations	126,164	130,458	136,740	143,120	147,676	155,187	162,275	168,147	175,005	181,991
Operating Result (Excl. Capital)	(2,268)	1,292	2,280	3,940	9,115	11,905	16,507	19,989	22,114	25,901
Operating Result (Incl. Capital)	12,605	21,426	25,429	29,404	34,398	41,169	33,338	36,581	38,982	43,051
Net Operating Result from Income Statement	12,605	21,426	25,429	29,404	34,398	41,169	33,338	36,581	38,982	43,051
Gain / (Loss) on Reval of PP&E	-	40,528	42,359	46,110	47,676	49,319	55,089	56,740	58,459	59,976
Total Comprehensive Income	12,605	61,954	67,788	75,514	82,074	90,488	88,427	93,321	97,441	103,027

Balance Sheet for the period 2022/23 to 2031/32

Optimistic Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
Cash & Cash Equivalents	98,958	75,400	56,395	62,041	65,390	86,056	103,837	101,267	130,602	149,419
Receivables - Current	8,368	8,837	9,333	10,092	10,912	11,800	12,761	13,479	14,237	15,037
Other Current Assets	1,357	1,368	1,381	1,393	1,407	1,420	1,434	1,448	1,462	1,478
Total Current Assets	108,683	85,605	67,109	73,526	77,709	99,276	118,032	116,194	146,301	165,934
Investments - Non-Current	65,448	66,888	68,360	69,932	71,541	73,186	75,016	76,891	78,813	80,784
Infrastructure Property & Equip	1,345,644	1,428,250	1,512,449	1,583,192	1,661,320	1,729,686	1,799,946	1,897,890	1,972,581	2,058,612
Other Non-Current Assets	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593
Total Non-Current Assets	1,412,685	1,496,731	1,582,402	1,654,717	1,734,454	1,804,465	1,876,555	1,976,374	2,052,987	2,140,989
Total Assets	1,521,368	1,582,336	1,649,511	1,728,243	1,812,163	1,903,741	1,994,587	2,092,568	2,199,288	2,306,923
Payables - Current	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900
Contract Liabilities - Current	5,096	5,208	5,323	5,445	5,570	5,699	5,841	5,987	6,137	6,290
Lease Liabilities - Current	273	273	273	273	273	273	273	273	273	273
Borrowings - Current	8,461	9,560	10,413	9,344	10,620	11,470	7,524	8,679	9,421	11,037
Provisions - Current	18,028	18,957	19,921	20,922	21,960	23,037	24,154	25,312	26,513	27,759
Total Current Liabilities	42,758	44,898	46,830	46,884	49,323	51,379	48,692	51,151	53,244	56,259
Lease Liabilities - Non-Current	425	434	444	454	465	475	487	499	512	525
Borrowings - Non Current	86,148	82,712	79,847	82,671	81,728	80,406	85,116	86,910	93,681	94,846
Provisions - Non-Current	13,766	14,069	14,379	14,709	15,048	15,394	15,779	16,173	16,577	16,992
Total Non-Current Liabilities	100,339	97,215	94,670	97,834	97,241	96,275	101,382	103,582	110,770	112,363
Total Liabilities	143,097	142,113	141,500	144,718	146,564	147,654	150,074	154,733	164,014	168,622
Net Assets	1,378,271	1,440,223	1,508,011	1,583,525	1,665,599	1,756,087	1,844,513	1,937,835	2,035,274	2,138,301
Accumulated Surplus	1,000,401	1,013,006	1,034,430	1,059,859	1,089,263	1,123,661	1,164,830	1,198,167	1,234,748	1,273,729
Revaluation Reserves	365,265	365,265	405,793	448,152	494,262	541,938	591,257	646,346	703,086	761,545
Total Equity Opening Balance	1,365,666	1,378,271	1,440,223	1,508,011	1,583,525	1,665,599	1,756,087	1,844,513	1,937,834	2,035,274
Net Operating Result for the Year	12,605	21,424	25,429	29,404	34,398	41,169	33,337	36,581	38,981	43,052
Gain / (Loss) on Reval of PP&E	-	40,528	42,359	46,110	47,676	49,319	55,089	56,740	58,459	59,976
Total Comprehensive Income	12,605	61,952	67,788	75,514	82,074	90,488	88,426	93,322	97,440	103,027
Total Equity Closing Balance	1,378,271	1,440,223	1,508,011	1,583,525	1,665,599	1,756,087	1,844,513	1,937,835	2,035,274	2,138,301

Cashflow Statement for the period 2022/23 to 2031/32

Optimistic Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
Total Own Source Revenue	109,674	121,442	128,510	136,086	145,550	155,576	166,979	176,362	185,081	195,588
Grants and Contributions	9,664	9,838	10,015	10,215	10,420	10,628	10,841	11,057	11,279	11,504
Employee Benefits	(51,637)	(54,248)	(56,957)	(59,768)	(62,684)	(65,708)	(68,844)	(72,096)	(75,467)	(78,962)
Materials and Contracts	(30,197)	(29,660)	(28,162)	(26,796)	(27,304)	(24,738)	(23,156)	(22,848)	(21,850)	(20,836)
Other Expenses from Continuing Operations	(15,879)	(18,000)	(22,070)	(25,919)	(26,047)	(32,352)	(36,755)	(38,639)	(41,938)	(45,302)
Cashflow from Operations	21,625	29,372	31,336	33,818	39,935	43,406	49,065	53,836	57,105	61,992
Net movement of IPP&E	(52,371)	(66,042)	(67,135)	(52,763)	(57,197)	(46,970)	(48,739)	(70,605)	(46,831)	(56,730)
Purchase of Long-Term Investments	(1,409)	(1,440)	(1,472)	(1,572)	(1,608)	(1,645)	(1,830)	(1,875)	(1,922)	(1,970)
Cashflow from Investing	(53,780)	(67,482)	(68,607)	(54,335)	(58,805)	(48,615)	(50,569)	(72,480)	(48,753)	(58,700)
Grants and Contributions - Capital purposes	14,873	20,134	23,149	25,464	25,283	29,264	16,831	16,592	16,868	17,150
Proceeds from Borrowings	7,350	6,000	7,400	12,000	9,532	9,935	12,000	10,315	16,000	12,000
Loan repayments	(10,662)	(11,582)	(12,283)	(11,303)	(12,595)	(13,325)	(9,546)	(10,833)	(11,885)	(13,625)
Cashflow from Financing	11,561	14,552	18,266	26,161	22,220	25,874	19,285	16,074	20,983	15,525
Opening Cash	183,592	164,407	142,289	124,755	131,973	136,930	159,242	178,853	178,158	209,415
Change in Cash	(19,185)	(22,118)	(17,534)	7,218	4,958	22,311	19,612	(695)	31,257	20,787
Closing Cash	164,407	142,289	124,755	131,973	136,930	159,242	178,853	178,158	209,415	230,202
Total Cash and Liquid Investments	164,407	142,289	124,755	131,973	136,930	159,242	178,853	178,158	209,415	230,202
Internally Restricted Cash	61,625	42,959	42,894	46,040	49,022	57,201	68,740	63,183	75,552	89,703
Externally Restricted Cash	95,911	92,095	79,473	82,773	84,325	98,795	105,417	110,120	125,130	132,173
Unrestricted Cash	6,871	7,235	2,388	3,160	3,584	3,245	4,696	4,855	8,734	8,326
Total Cash and Liquid Investments	164,407	142,289	124,755	131,973	136,930	159,242	178,853	178,158	209,415	230,202

Statement of performance measures
for the period 2022/23 to 2031/32

Optimistic Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
1. Operating performance (Benchmark >0)										
Total continuing operating revenue excluding capital grants and contributions - operating expenses	-1.83%	0.98%	1.64%	2.68%	5.81%	7.12%	9.23%	10.62%	11.22%	12.46%
Total continuing operating revenue excluding capital grants and contributions										
2. Own source operating revenue (Benchmark >60%)										
Total continuing operating revenue excluding capital grants and contributions										
Total continuing operating revenue inclusive capital grants and contributions	82.32%	80.27%	79.55%	79.32%	80.39%	79.68%	85.85%	86.49%	86.85%	87.27%
3. Unrestricted current ratio (Benchmark >1.5)										
Current assets less all external restrictions										
Current liabilities less specific purpose liabilities	2.60	1.91	1.70	1.88	1.91	2.09	2.76	2.48	2.88	3.11
4. Debt service cover (>2 Benchmark)										
Operating results before capital excluding interest and depreciation/impairment/ amortisation (EBTDA)										
Principal repayments (from statement of cash flows) + borrowing interest costs (from income statement)	2.46	2.58	2.59	3.06	3.24	3.32	5.24	5.04	4.87	4.61
5. Rates and annual charges outstanding percentage (Benchmark <10%)										
Rates and annual charges outstanding	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%	5.42%
Rates and annual charges collectible										
6. Cash expense cover ratio (Benchmark >3 months)										
(Current year's cash and cash equivalents + term deposits) *12	18.20	15.05	12.53	12.79	12.77	14.04	15.52	14.80	16.63	17.40
Payments from cash flow of operating and financing activities										

Income Statement for the period 2022/23 to 2031/32

Conservative Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
Rates & Charges	77,691	80,830	84,095	87,493	91,027	94,705	98,531	102,512	106,653	110,962
Special Rates	493	503	513	523	534	544	555	566	578	589
Annual Charges	19,791	20,199	20,616	21,042	21,476	21,920	22,373	22,835	23,307	23,789
Total Rates & Annual Charges	97,975	101,532	105,224	109,058	113,037	117,169	121,459	125,913	130,538	135,340
User Charges and fees	9,262	9,712	10,203	10,720	11,262	11,832	12,431	13,061	13,722	14,444
Other revenues	3,308	3,381	3,455	3,535	3,616	3,699	3,792	3,886	3,984	4,083
Interest and Investment Income	2,025	4,105	3,830	3,227	3,313	3,161	3,322	3,291	2,514	2,591
Total Own Source Revenue	112,570	118,730	122,712	126,540	131,228	135,861	141,004	146,151	150,758	156,458
Grants & Contributions - Operating Purposes	9,664	9,838	10,015	10,215	10,420	10,628	10,841	11,057	11,279	11,504
Grants & Contributions for Capital Purposes	14,873	20,134	23,149	25,464	25,283	29,264	16,831	16,592	16,868	17,150
Total Income from Continuing Operations	137,107	148,702	155,876	162,219	166,931	175,753	168,676	173,800	178,905	185,112
Total Operating Income (exc. Capital)	122,234	128,568	132,727	136,755	141,648	146,489	151,845	157,208	162,037	167,962
Employee Benefits	51,637	53,808	56,055	58,381	60,788	63,279	65,857	68,524	71,283	74,137
Materials and Contracts	30,197	31,352	33,482	35,495	35,649	38,893	41,169	42,186	43,910	45,668
Borrowing Costs	2,187	2,145	2,019	2,126	2,120	2,067	2,257	2,312	2,655	2,791
Depreciation & Amortisation	26,264	26,405	27,533	28,511	29,521	30,322	31,264	32,252	33,095	34,100
Other Expenses	15,879	16,228	16,585	16,967	17,357	17,756	18,200	18,655	19,122	19,600
Total Expenses from Continuing Operations	126,164	129,938	135,674	141,480	145,435	152,317	158,747	163,929	170,065	176,296
Operating Result (Excl. Capital)	(3,930)	(1,370)	(2,947)	(4,725)	(3,787)	(5,828)	(6,902)	(6,721)	(8,028)	(8,334)
Operating Result (Incl. Capital)	10,943	18,764	20,202	20,739	21,496	23,436	9,929	9,871	8,840	8,816
Net Operating Result from Income Statement	10,943	18,764	20,202	20,739	21,496	23,436	9,929	9,871	8,840	8,816
Gain / (Loss) on Reval of PP&E	0	40,528	42,359	46,110	47,676	49,319	55,089	56,740	58,459	59,976
Total Comprehensive Income	10,943	59,292	62,561	66,849	69,172	72,755	65,018	66,611	67,299	68,792

Balance Sheet for the period 2022/23 to 2031/32

Conservative Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
Cash & Cash Equivalents	97,467	71,390	47,313	44,697	35,595	39,032	33,967	4,988	4,506	(10,562)
Receivables - Current	8,197	8,526	8,867	9,222	9,591	9,975	10,375	10,791	11,223	11,673
Other Current Assets	1,357	1,368	1,381	1,393	1,407	1,420	1,434	1,448	1,462	1,478
Total Current Assets	107,021	81,284	57,561	55,312	46,593	50,427	45,776	17,227	17,191	2,589
Investments - Non-Current	65,448	66,888	68,360	69,932	71,541	73,186	75,016	76,891	78,813	80,784
Infrastructure Property & Equip	1,345,644	1,428,089	1,512,123	1,582,688	1,660,631	1,728,804	1,798,861	1,896,595	1,971,064	2,056,864
Other Non-Current Assets	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593
Total Non-Current Assets	1,412,685	1,496,570	1,582,076	1,654,213	1,733,765	1,803,583	1,875,470	1,975,079	2,051,470	2,139,241
Total Assets	1,519,706	1,577,854	1,639,637	1,709,525	1,780,358	1,854,010	1,921,246	1,992,306	2,068,661	2,141,830
Payables - Current	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900
Contract Liabilities - Current	5,096	5,208	5,323	5,445	5,570	5,699	5,841	5,987	6,137	6,290
Lease Liabilities - Current	273	273	273	273	273	273	273	273	273	273
Borrowings - Current	8,461	9,560	10,413	9,344	10,620	11,470	7,524	8,679	9,421	11,037
Provisions - Current	18,028	18,798	19,595	20,419	21,273	22,157	23,071	24,018	24,997	26,011
Total Current Liabilities	42,758	44,739	46,504	46,381	48,636	50,499	47,609	49,857	51,728	54,511
Lease Liabilities - Non-Current	425	434	444	454	465	475	487	499	512	525
Borrowings - Non Current	86,148	82,712	79,847	82,671	81,728	80,406	85,116	86,910	93,681	94,846
Provisions - Non-Current	13,766	14,069	14,379	14,709	15,048	15,394	15,779	16,173	16,577	16,992
Total Non-Current Liabilities	100,339	97,215	94,670	97,834	97,241	96,275	101,382	103,582	110,770	112,363
Total Liabilities	143,097	141,954	141,174	144,215	145,877	146,774	148,991	153,439	162,498	166,874
Net Assets	1,376,609	1,435,900	1,498,463	1,565,310	1,634,481	1,707,236	1,772,255	1,838,867	1,906,163	1,974,956
Accumulated Surplus	1,000,401	1,011,344	1,030,107	1,050,310	1,071,048	1,092,544	1,115,980	1,125,909	1,135,780	1,144,619
Revaluation Reserves	365,265	365,265	405,793	448,152	494,262	541,938	591,257	646,346	703,086	761,545
Total Equity Opening Balance	1,365,666	1,376,609	1,435,900	1,498,462	1,565,310	1,634,482	1,707,237	1,772,255	1,838,866	1,906,164
Net Operating Result for the Year	10,943	18,763	20,203	20,738	21,496	23,436	9,929	9,871	8,839	8,816
Gain / (Loss) on Reval of PP&E	0	40,528	42,359	46,110	47,676	49,319	55,089	56,740	58,459	59,976
Total Comprehensive Income	10,943	59,291	62,563	66,848	69,171	72,754	65,018	66,612	67,297	68,792
Total Equity Closing Balance	1,376,609	1,435,900	1,498,463	1,565,310	1,634,481	1,707,236	1,772,255	1,838,867	1,906,163	1,974,956

Cashflow Statement for the period 2022/23 to 2031/32

Conservative Outlook

	YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
Total Own Source Revenue	108,183	118,402	122,372	126,184	130,859	135,477	140,604	145,735	150,324	156,009
Grants and Contributions	9,664	9,838	10,015	10,215	10,420	10,628	10,841	11,057	11,279	11,504
Employee Benefits	(51,637)	(53,808)	(56,055)	(58,381)	(60,788)	(63,279)	(65,857)	(68,524)	(71,283)	(74,137)
Materials and Contracts	(30,197)	(29,580)	(27,997)	(26,543)	(26,959)	(24,297)	(22,614)	(22,202)	(21,094)	(19,966)
Other Expenses from Continuing Operations	(15,879)	(18,000)	(22,070)	(25,919)	(26,047)	(32,352)	(36,755)	(38,639)	(41,938)	(45,302)
Cashflow from Operations	20,134	26,852	26,265	25,556	27,485	26,177	26,219	27,427	27,288	28,108
Net movement of IPP&E	(52,371)	(66,042)	(67,135)	(52,763)	(57,197)	(46,970)	(48,739)	(70,605)	(46,831)	(56,730)
Purchase of Long-Term Investments	(1,409)	(1,440)	(1,472)	(1,572)	(1,608)	(1,645)	(1,830)	(1,875)	(1,922)	(1,970)
Cashflow from Investing	(53,780)	(67,482)	(68,607)	(54,335)	(58,805)	(48,615)	(50,569)	(72,480)	(48,753)	(58,700)
Grants and Contributions - Capital purposes	14,873	20,134	23,149	25,464	25,283	29,264	16,831	16,592	16,868	17,150
Proceeds from Borrowings	7,350	6,000	7,400	12,000	9,532	9,935	12,000	10,315	16,000	12,000
Loan repayments	(10,662)	(11,582)	(12,283)	(11,303)	(12,595)	(13,325)	(9,546)	(10,833)	(11,885)	(13,625)
Cashflow from Financing	11,561	14,552	18,266	26,161	22,220	25,874	19,285	16,074	20,983	15,525
Opening Cash	183,592	162,916	138,278	115,673	114,629	107,136	112,218	108,982	81,879	83,319
Change in Cash	(20,676)	(24,637)	(22,605)	(1,044)	(7,493)	5,082	(3,235)	(27,103)	1,440	(13,097)
Closing Cash	162,916	138,278	115,673	114,629	107,136	112,218	108,982	81,879	83,319	70,222
Total Cash and Liquid Investments	162,916	138,278	115,673	114,629	107,136	112,218	108,982	81,879	83,319	70,222
Internally Restricted Cash	59,963	39,297	37,707	35,837	33,086	33,906	36,176	19,821	19,971	20,121
Externally Restricted Cash	94,967	91,099	77,470	79,828	80,344	93,697	98,987	102,210	115,606	120,792
Unrestricted Cash	7,985	7,882	496	(1,036)	(6,294)	(15,385)	(26,180)	(40,152)	(52,258)	(70,691)
Total Cash and Liquid Investments	162,916	138,278	115,673	114,629	107,136	112,218	108,982	81,879	83,319	70,222

Statement of performance measures for the period 2022/23 to 2031/32

Conservative Outlook

YEAR 1 FORECAST 2022/23 (\$'000'S)	YEAR 2 FORECAST 2023/24 (\$'000'S)	YEAR 3 FORECAST 2024/25 (\$'000'S)	YEAR 4 FORECAST 2025/26 (\$'000'S)	YEAR 5 FORECAST 2026/27 (\$'000'S)	YEAR 6 FORECAST 2027/28 (\$'000'S)	YEAR 7 FORECAST 2028/29 (\$'000'S)	YEAR 8 FORECAST 2029/30 (\$'000'S)	YEAR 9 FORECAST 2030/31 (\$'000'S)	YEAR 10 FORECAST 2031/32 (\$'000'S)
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1. Operating performance (Benchmark >0)

Total continuing operating revenue
excluding capital grants and contributions -
operating expenses

-3.22% -1.07% -2.22% -3.46% -2.67% -3.98% -4.55% -4.28% -4.95% -4.96%

Total continuing operating revenue excluding
capital grants and contributions

2. Own source operating revenue (Benchmark >60%)

Total continuing operating revenue
excluding capital grants and contributions

82.10% 79.84% 78.72% 78.01% 78.61% 77.30% 83.59% 84.09% 84.27% 84.52%

Total continuing operating revenue inclusive
capital grants and contributions

3. Unrestricted current ratio (Benchmark >1.5)

Current assets less all external restrictions

2.57 1.81 1.48 1.42 1.12 0.86 0.69 -0.24 -0.57 -1.03

Current liabilities less specific purpose
liabilities

4. Debt service cover (>2 Benchmark)

Operating results before capital excluding
interest and depreciation/impairment/
amortisation (EBTDA)

2.30 2.35 2.17 2.29 2.21 1.99 2.79 2.57 2.33 2.10

Principal repayments (from statement of
cash flows) + borrowing interest costs (from
income statement)

5. Rates and annual charges outstanding percentage (Benchmark <10%)

Rates and annual charges outstanding

5.42% 5.42% 5.42% 5.42% 5.42% 5.42% 5.42% 5.42% 5.42% 5.42%

Rates and annual charges collectible

6. Cash expense cover ratio (Benchmark >3 months)

(Current year's cash and cash equivalents +
term deposits) *12

18.04 14.69 11.72 11.26 10.17 10.11 9.70 7.01 6.84 5.51

Payments from cash flow of operating and
financing activities

Asset Management Strategy 2022 - 2032

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Appendices

Appendix A Asset Portfolio

Introduction

Maitland City Council is the custodian of an extensive portfolio of infrastructure, community and operational assets that assist in delivering services to the community. These assets include roads, footpaths, drainage and water quality devices, parks, sporting complexes and playgrounds, libraries, amenities and other community buildings as well as administration facilities, depots and other operational assets.

Managing our physical assets and infrastructure in a sustainable way throughout their life cycle is recognised by all levels of government as one of the most significant issues facing local councils throughout Australia today.

This Asset Management Strategy details how Council intends to manage Council owned and managed assets in a service centric, community focused and sustainable manner now and into the future.

The objectives, strategies and tactics outlined in this document will help shape decisions for the short, medium and long term, in order to ensure sustainable service delivery for both current and future generations in the City of Maitland.

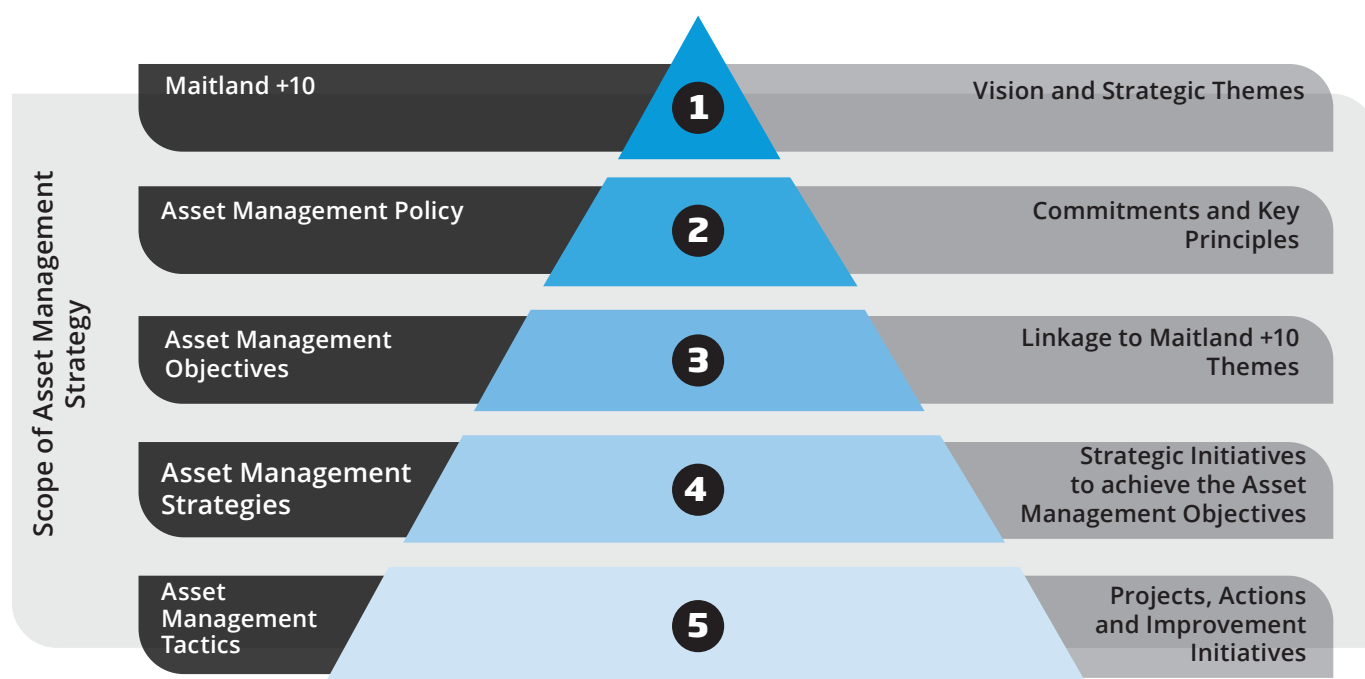
PURPOSE OF THIS STRATEGY

The purpose of this Asset Management Strategy is to describe how the physical assets and asset management activities are leveraged to realise the vision and objectives outlined in Maitland+10, and thereby deliver the service outcomes sought by Council's stakeholders. It also provides strategic direction and guidance for numerous tactical and operational plans, including asset class-specific Asset Management Plans.

This Asset Management Strategy forms part of the Resourcing Strategy, and aligns with the Long Term Financial Plan and Workforce Management Plan.

The content and structure of the strategy is designed to meet the requirements of the Integrated Planning and Reporting Guidelines under the *Local Government Act 1993* and be consistent with leading practice as set out in the ISO 55000 series of asset management standards.

The structure of the Asset Management Strategy, and the hierarchy of elements within it, is shown in Figure 1.1.



The Asset Management Strategy has a 10-year time horizon, and covers the following Council-owned or operated infrastructure asset classes:



Roads, Footpaths and Cycleways



Drainage including stormwater, floodgates, minor culverts, pipes, stormwater pits and environmental devices



Bridges and major structures



Buildings



Aquatic Centres



Recreational and open space assets



Plant and Equipment

The scope does not currently include the Mount Vincent Road Waste Management Centre and contaminated lands, and Crown assets Walka Water Works and Maitland Gaol, that are managed under other separate, specific plans.



CHALLENGES AND OPPORTUNITIES

Council is facing a series of asset management challenges that are outlined below.

GROWING AND CHANGING DEMAND

Council is faced with an increasing demand for services as a result of sustained urban expansion. Maitland is in a period of extraordinary population growth. Most recent population estimates from the Australian Bureau of Statistics for 2020/21 shows the population grew by 3.5%. These accelerated growth rates are predicted to continue for the next five to ten years, with Maitland's population expected to exceed 104,700 by 2041.

Our current growth rate is the fifth highest in NSW and the highest outside of Greater Sydney.

To accommodate this continued growing population, the majority (>90%) are expected to live in new greenfield developments, all of which require new Council owned and operated assets (such as roads, drainage, paths, recreation etc). New greenfield developments have conservatively been estimated at around 700 new lots per year for the next 10 years.

Another source impacting Maitland's asset base is the significant number of assets and services that have been transferred from the State sector to the local government sector, such as the reclassification of state and local roads. To adequately manage all our assets, these additional assets will need to be monitored, accounted for and managed into the future.

Changes in population, demographics and community expectations are all factors that need to be considered to manage assets so they can meet both current and emerging needs of the community. As the City's population grows and evolves, so too does the demand for services in terms of volume, range and quality. Council's objective of making Maitland a hub for sporting and cultural events and festivals will require that it continually seeks to create, update, renew and maintain a portfolio of buildings, facilities and associated infrastructure.

The growth of the city also brings with it the challenge of retaining the balance between heritage, urban, rural and natural environmental character, charm and amenity, increasing the importance of decisions regarding urban planning, and facility and infrastructure development.

AGING INFRASTRUCTURE

The majority of the council's assets were first constructed at the time the original suburbs

were built from the early 1900's onwards. Many of these assets are in the latter half of their expected lives or approaching end of life. As such, their physical condition has deteriorated and will continue to deteriorate at an accelerated pace in the coming years. Council must determine the ongoing need for these assets, opportunities for asset rationalisation, decide on renewal versus replacement options, and develop asset strategies and works programs that balance cost, risk and asset performance against the community needs.

As identified in our long term financial plan, funding asset maintenance and renewal and reducing unfunded renewals will require Council to continue to develop efficiencies, rationalise assets, review service levels, source additional grant funds, raise additional revenue or a mixture of some or all of these.

LEGISLATIVE LANDSCAPE

The current legislative environment emphasises a need for local government to recognise the equitable recovery of costs from owning and operating infrastructure over the full lifecycle of assets. This includes capital works as well as maintenance programs. Council will also continue to monitor the external factors that influence the management of assets such as potential change in relevant legislation to how development contributions are levied.

HERITAGE ASSETS

Council has a significant number of heritage buildings and infrastructure dating from the early 1800's which present additional challenges and costs for the preservation and maintenance of our unique past. The requirement for specialist trades in some cases (e.g. stonemasons) and the need to maintain compliance with contemporary standards and codes, can add significantly to maintenance costs and time to repair.

PRESERVING AND RESTORING NATURAL ASSETS

The natural environment and unique character of the Hunter River floodplain are an important part of the Maitland's appeal to residents and visitors. In dealing with population growth and urban expansion it is essential that we not only preserve but increase our areas of natural vegetation and green open space.

RESILIENCE AND SUSTAINABILITY

While the natural and riverine assets of our city are among its most appealing attributes, they bring with them risks including potential vulnerability to bushfires and floods. Our asset

management decision making must be cognizant of these risks and seek to improve the resilience of our flood facilities and infrastructure in a sustainable way.

IMPROVING OUR DELIVERY CAPABILITY

The above challenges create one further overarching challenge of uplifting Council's delivery capability and capacity to meet these diverse demands within available funding. Across both our capital project and maintenance service delivery processes we have the opportunity to significantly improve our asset information, tools, business processes and skills, and in doing so increase our productivity, efficiency and the value for money of our services.

Developer contribution (section 7.11) plans are legislated under the *Environmental Planning and Assessment Act 1979* and designed to attract equitable contributions to the city's infrastructure impacted by development and growth. While these plans provide a source of capital, they also bring with them the need to provide the delivery capability to plan and construct the required infrastructure, and ongoing financial obligations for the operation, maintenance and renewal of these assets into the future

Beyond the Section 7.11 plans, council delivers maintenance and capital works through a number of methods encompassing both internal staff as well as industry professionals and contractors. All external contracts are undertaken through appropriate tender processes. Council recognise that industry procurement practices continue to evolve and improve which creates an opportunity for council to improve with these practices in relation to the market forces, delivery models and training of our staff. Council will continue to align with these practices to enable ongoing benefit to the local economy.



Our Planning Framework

ASSET MANAGEMENT STRATEGY

Council's asset management policy, plans, strategies, tactics and activities are part of an integrated, overarching Asset Management Framework. This framework defines the relationship between key asset management plans and business processes, and how they interact with council's broader corporate plans and activities to deliver the community strategic plan and its service outcomes.

The key elements of the Asset Management Framework, and their inter relationships, are shown in Figure 3.1.

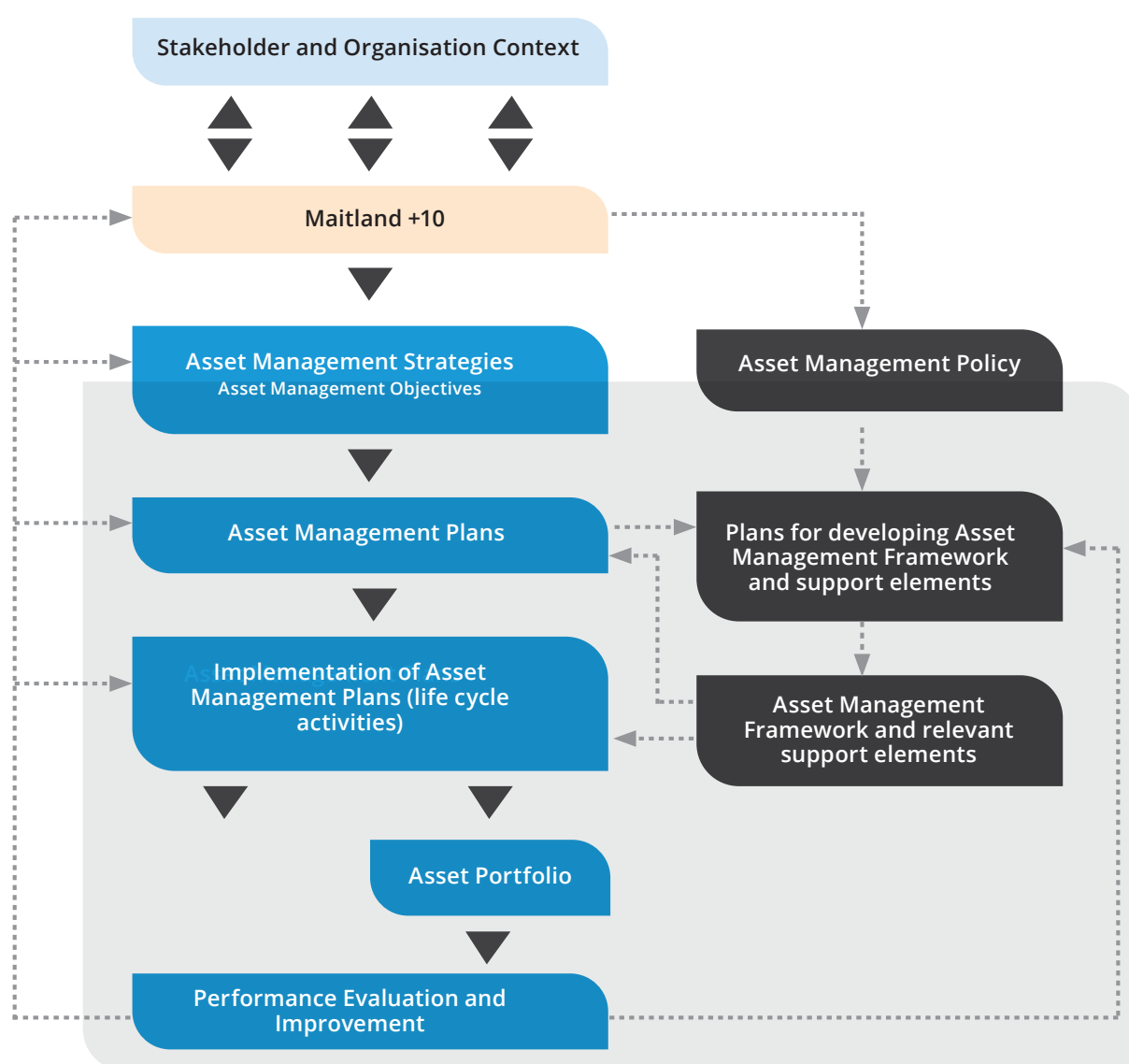


Figure 3.1

ASSET MANAGEMENT POLICY

Maitland City Council has a formalised Asset Management Policy, originally adopted in 2011 it has been revised and updated over time. The policy affirms Council's recognition of the critical role of asset management in the sustainable provision of services for Maitland and delivery of the Community Strategic Plan. It also sets out the key principles that underpin how Council executes the performance of its asset management functions; integrates asset management with other policies; and provides direction and guidance for this Asset Management Strategy.

The policy principles are set out below:

1. The Asset Management Strategy and Asset Management Plans will align with and underpin the vision and objectives of the Community Strategic Plan Maitland +10
2. The health and safety of the community, our employees and contractors is a primary consideration in the development of the Asset Management Plans
3. Asset planning and project delivery will recognise and reflect the infrastructure needs of our growing community and will be integrated with other Council policies, strategies, and procedures
4. Active community engagement will be sought in the establishment of Levels of Service levels and in measuring our service delivery performance
5. A strategic and systematic approach to asset management that embraces legislative requirements, industry standards including ISO 55001, and best practice, will be applied throughout Council
6. Council infrastructure will be designed, purchased, constructed, and maintained with consideration of full life cycle costing to ensure that the community's needs for these services are delivered in a sustainable fashion
7. Asset management practices will shift toward focusing on asset criticality, condition and risk to optimise value and performance
8. Assets will be optimally managed in accordance with the Asset Management Strategy and Plans to ensure they continue to function as built for the duration of their life and minimise the community and Council's exposure to risk with respect to asset failure
9. Council's asset management capabilities will be improved through necessary advances in technology, efficiency gains in systems and processes and targeted training for our people
10. Regular review mechanisms will be undertaken to monitor the performance of and improvements in Council's asset management capabilities

ASSET MANAGEMENT OBJECTIVES

Asset Management Objectives (AMOs) are the means by which all asset management strategies, tactics and activities are linked back to Council's objectives and policy. They describe the key outcomes through which the asset management framework contributes to the overarching organisational objectives set out in the Community Strategic Plan. Council's eight AMOs are shown below and have been derived from, and are aligned to, the Maitland +10 and are the focus of all asset management activities.

The eight Asset Management Objectives, and their associated themes are:

HEALTH AND SAFETY

To be a local government leader in how we effectively manage the health and safety risks related to how we use, operate and maintain our assets.

COMMUNITY FOCUS

Our asset portfolio supports the Maitland community's growing and changing demand for connectivity, recreational, sporting and community infrastructure and services.

VALUE FOR MONEY

The life cycle management of our assets is sustainable, prioritised and optimised to deliver the right balance of cost, risk and service level outcomes.

EMPOWERED AND ENGAGED PEOPLE

Our people understand their role in delivering service outcomes and are empowered to consider their decisions and actions from a customer service perspective.

GROWING MAINTENANCE MATURITY

The maturing knowledge and understanding of our assets supports effective application of our condition and risk-based maintenance approach.

PROJECT DELIVERY

Our project delivery capability and capacity enable us to consistently meet the expectations and timeframes of our stakeholders.

BALANCED GROWTH

Our city retains its unique balance of heritage, urban, rural, natural character, amenity, lifestyle and physical assets while accommodating growth.

ECONOMIC PROSPERITY

Our infrastructure and asset management practices support and enable the economic prosperity of our City.

ASSET MANAGEMENT PLANS

The translation of Asset Management Strategies and Objectives into actions, outcomes and programs of work is achieved through the development and implementation of a suite of Asset Management Plans (AMPs). An individual AMP is developed by asset class and is reviewed every two years. Asset classes and their inclusions were refreshed in early 2022, with the identification and addition of a new asset class being “Plant and Equipment”.

AMPs incorporate all assets within the asset portfolio (as defined in section 4) with separate AMPs being implemented for the following asset classes:



Roads and Footpaths



Drainage



Bridges and Major Structures



Recreation



Buildings



Aquatic Centres

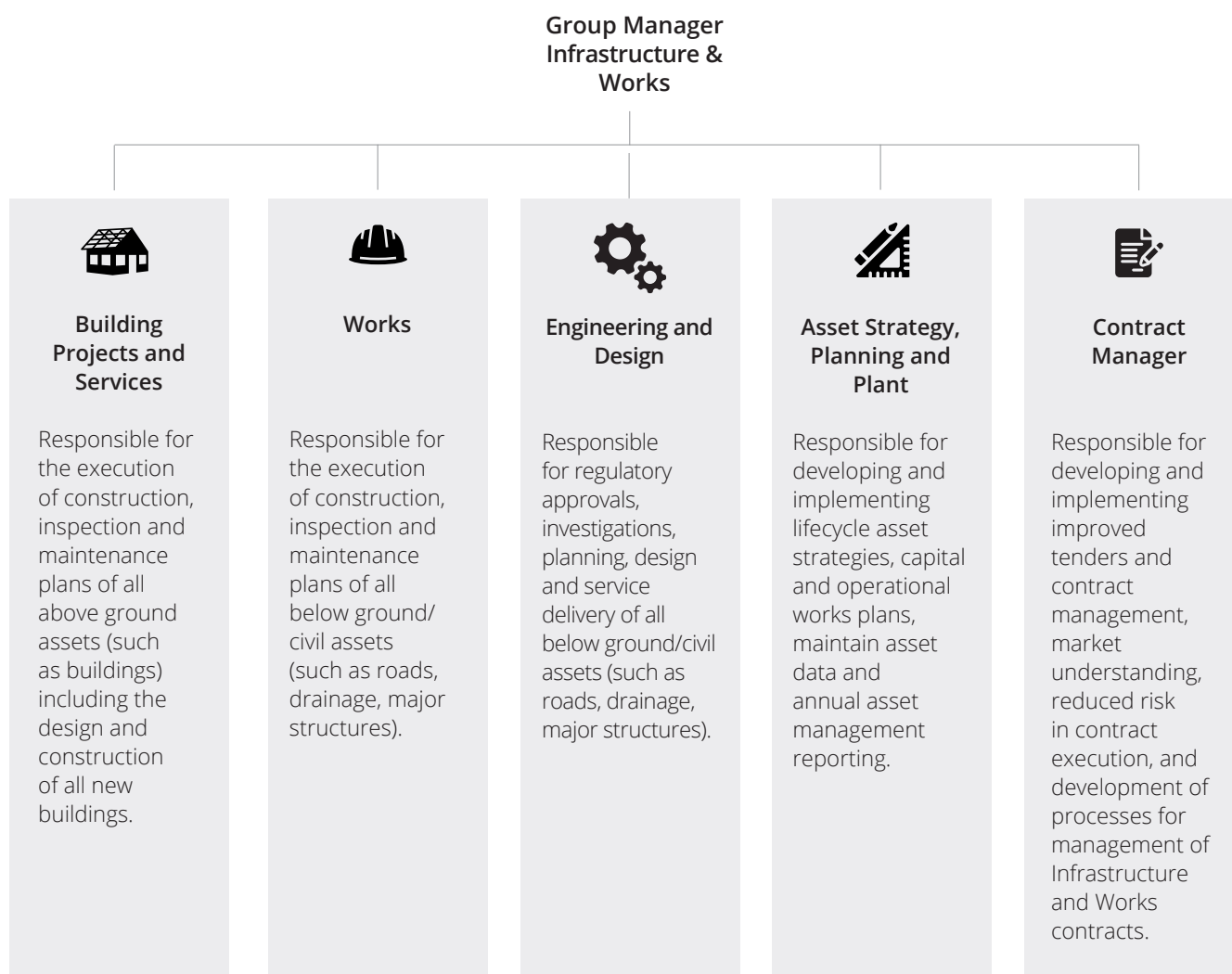


Plant and Equipment

KEY ROLES AND RESPONSIBILITIES

The majority of council's asset management strategy, planning and life cycle delivery activities are the responsibility of its Infrastructure and Works division, giving clear accountability for this function in a single part of the organisation.

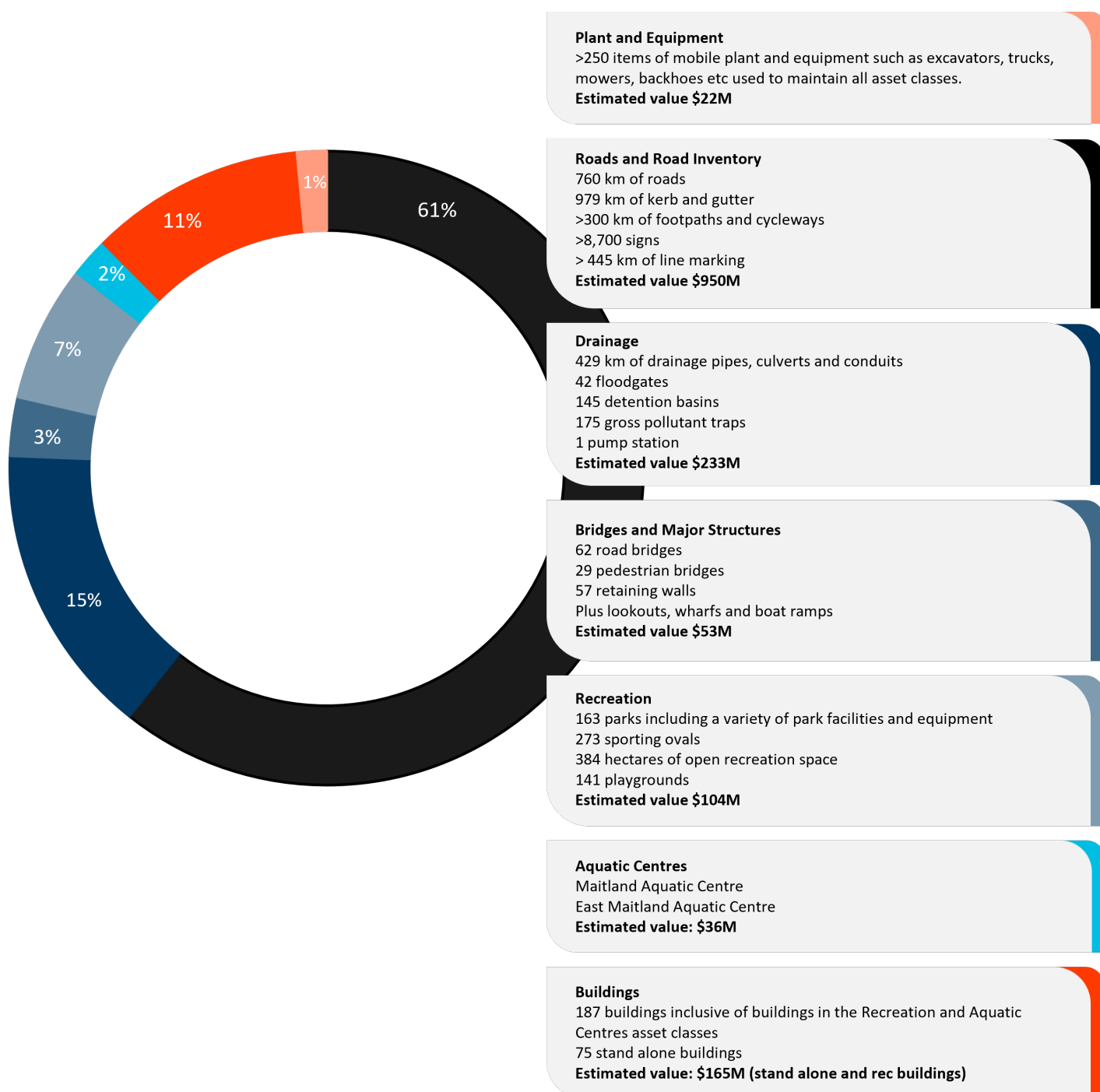
Key asset management roles within this structure, reporting to the Group Manager for Infrastructure and Works are:



Overview of the Asset Portfolio

Council's asset portfolio included in asset class Asset Management Plans are illustrated in Figure 4.1. Further information on the asset portfolio is included in Appendix A in the following sections.

The estimated approximate financial value of Council's current asset portfolio is ~\$1.7B (in 2022). The largest asset classes in both quantity and financial is roads and footpaths, making up 61% of the financial value. Drainage (15%) and Buildings (11%) are the second and third largest asset class respectively.



Asset performance and risk

TARGET LEVELS OF SERVICE

A cornerstone of sound asset management is to provide the level of service that current and future communities want and are prepared to pay for. To achieve this, council is planning for a desired (or target) service level across all asset classes. Target levels of service will guide community engagement discussions on which assets are most important to Maitland, as well as being a key input into ongoing maintenance and capital decision making and expenditure. Over time, Council will track asset performance against these targets utilizing technical based engineering data as well as feedback from the community.

Target levels of service are established as follows, with detailed information defined in the asset class Asset Management Plans.

ASSET CLASS	MAJOR ASSETS	TARGET LEVEL OF SERVICE DESCRIPTION
Roads	Local, collector, distributor, arterial, commercial and industrial roads	<p>Based on Austroad industry guidelines, target levels of service for roads are defined by the allowable traffic movements (capacity of the road) and the condition of the road (roughness, rideability and level of maintenance required).</p> <p>In general, local, collector and distributor roads will have a lower target level of service than arterial and commercial roads. Roads with a high level of service will require a higher level of preventative maintenance.</p>
Drainage	Trunk drains, culverts, conduits, detention basins	All drainage assets must be safe and functional based on the original engineering requirements of each asset according to the design standards at the time of installation.
Bridges and Major Structures	Road bridges, pedestrian bridges, retaining walls, wharfs and lookouts	All structures must safely meet the current load and heritage requirements, with no restrictions to road traffic, pedestrian traffic or retained assets.
Recreation	Parks, sporting facilities and open spaces	<p>Target levels of service for recreation assets are based on their importance to the community which assists in defining the level of preventative maintenance and ongoing capital investment at each location. For levels of service purposes parks, sporting facilities and open spaces are allocated to the following level of service categories:</p> <ul style="list-style-type: none"> • Primary Parks and Sporting Facilities: Maintained at a high level • Secondary Parks and Sporting Facilities: Maintained at a medium level • Primary Open Space: Maintained at a medium level • Secondary Open Spaces: Maintained at a low (functional) level

ASSET CLASS	MAJOR ASSETS	TARGET LEVEL OF SERVICE DESCRIPTION
Buildings	All council buildings from complex buildings (such as the Art Gallery and Administration building) to simple buildings such as toilet blocks, kiosks and storage sheds.	<p>As with roads and recreation assets, not all buildings are of equal importance to the community. Therefore, buildings also allocated a target level of service based on the following categories:</p> <ul style="list-style-type: none"> • Superior: High profile buildings with regional significance, high community interface/use and critical to service delivery. • Above Average: Buildings with high community interface/use and are important to service delivery. • Average: Buildings with some community interface/use and are not as important to service delivery • Basic: Buildings where basic functional performance is acceptable to the community and service delivery.
Aquatic Centres	Maitland and East Maitland Aquatic Centres	Aquatic Centres are allocated a target level of service the same as building assets. As high profile, high use and high importance to the community, Maitland and East Maitland Aquatic Centres have a target level of service of "Superior" and "Above Average" respectively.
Plant and Equipment	Major plant items such as trucks, excavators, graders, mowers etc	All plant and equipment assets must be compliant with required regulations (including safety) and achieves intended function to enable maintenance and service delivery of all asset classes.

TARGET ASSET CONDITION

Together with Levels of Service, asset condition guides asset management decision making. Understanding an acceptable level of asset condition helps define maintenance interventions and activities based on the expected level of service (or importance) of each asset.

Council employs an industry standard five point rating scale for asset condition, with Condition 1 being 'Poor' and 5 being "Excellent". Physical asset condition is an important indicator of both asset performance and likelihood of failure, and a key element of Levels of Service, discussed in the previous section. Target condition for major assets are as follows, with more detailed condition targets defined in the asset class Asset Management Plans.

Table 5.2 Asset condition targets

ASSET CLASS	MAJOR ASSETS	TARGET CONDITION (1 = excellent condition, 5 = poor condition)	ALLOWABLE DEGRADATION
Roads	Local Roads – Rural	3	Until minor corrective maintenance is required
	Local Roads – Urban	3	Until minor corrective maintenance is required
	Collector Roads – Rural	3	Until minor corrective maintenance is required
	Collector Roads – Urban	3	Until major corrective maintenance is required
	Distributor, Arterial, Commercial and Industrial Roads	2	Until a major rehab/renewal is required
	Arterial	1	Minimal degradation, regular preventative maintenance
Drainage	Trunk Drains	3/4	Until major corrective maintenance is required / Until a major rehab/renewal is required
	Culverts and Conduits	4	Until major corrective maintenance is required
	Wet and dry detention basins	3	Until major corrective maintenance is required
Bridges and major structures	Road and pedestrian bridges	3	Until minor corrective maintenance is required
Recreation	Primary Parks / Sporting Facility	2	Until minor corrective maintenance is required
	Secondary Parks / Sporting Facility	2	Until minor corrective maintenance is required
	Primary Open Space	2	Until major corrective maintenance is required
	Secondary Open Space	3	Until major corrective maintenance is required

ASSET CLASS	MAJOR ASSETS	TARGET CONDITION (1 = excellent condition, 5 = poor condition)	ALLOWABLE DEGRADATION
Buildings	Such as the Administration, Art Gallery and Town Hall buildings	1	Minimal degradation, regular preventative maintenance
	Such as libraries, Maitland Athletics Centre and some community centres	2	Until minor corrective maintenance is required
	Such as community halls, amenities buildings and toilet blocks	3	Until major corrective maintenance is required
	Such as kiosks, work-shops and storage sheds	4	Until a major rehab/renewal is required
Aquatic Centres	Maitland Aquatic Centre	1	Minimal degradation, regular preventative maintenance
	East Maitland Aquatic Centre	2	Until minor corrective maintenance is required
Plant and Equipment	Major plant items such as trucks, excavators, graders, mowers etc	3	Until major corrective maintenance is required

SUMMARY OF CONDITION RATING AT 30 JUNE 2021

ASSET CLASS	ALLOWABLE DEGRADATION	CONDITION (1 - EXCELLENT TO 5 - VERY POOR)				
		1	2	3	4+5	AVE
Roads	Sealed roads, unsealed roads, kerb and gutter, roadside furniture and signage	54.5%	30.1%	11.9%	3.5%	1.8
Buildings	Art gallery, libraries, grandstands, public toilets, halls, Council works depot, community buildings, district buildings, waste depot	20%	15%	53%	12%	2.6
Bridges	Timber, concrete, steel, culverts over 6 metre span	69%	21%	5%	5%	1.5
Drainage	Pipes, culverts, headwalls, pits, gross pollutant traps, detention basins, water quality ponds	58%	34%	6%	2%	1.5
Footpaths/Cycleways	Footpath paving and cycleway pavement and formation	38%	39%	21%	2%	1.9
Recreation	Parks, open spaces, recreational facilities, skate parks, sporting facilities, play equipment	43%	44%	9%	4%	1.8

SUMMARY OF ASSET CONDITION REPRESENTED IN DOLLAR VALUE AT 30 JUNE 2021

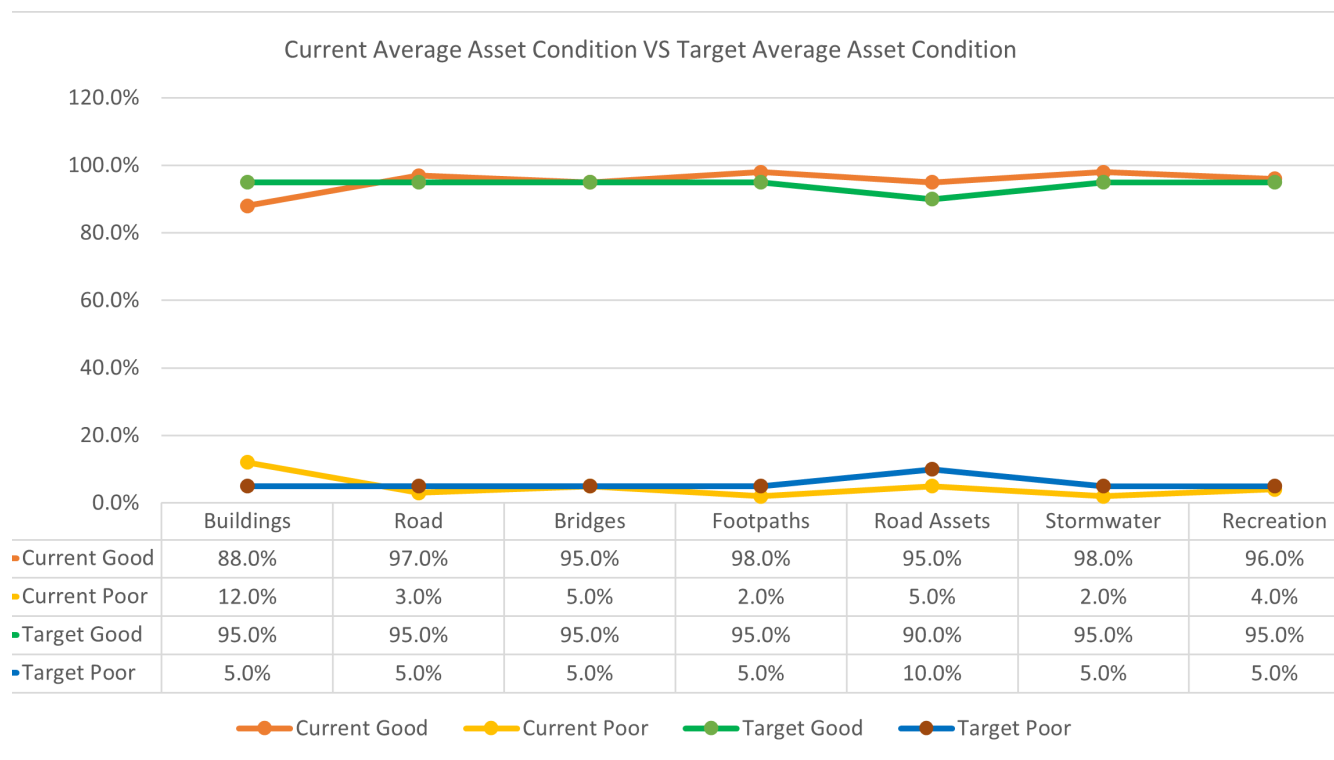
ASSET CATEGORY	CURRENT WRITTEN DOWN VALUE (2020/21) (\$'000)	CURRENT REPLACEMENT VALUE (2020/21) (\$'000)	ESTIMATED COST TO BRING TO SATISFACTORY CONDITION (FUNDING GAP) (2020/21) (\$'000)	ESTIMATED MAINTENANCE REQUIRED (2020/21) (\$'000)	ESTIMATED CAPITAL REQUIRED FR CURRENT SERVICE LEVEL (2020/21) (\$'000)
Roads (Pavement)	482,919	648,778	24,995	4,046	7,363
Roads (Inventory)	134,884	199,545	36,267	370	7,336
Buildings	81,769	159,769	22,259	1,474	3,308
Bridges	43,249	52,220	2,103	117	689
Drainage	184,245	224,320	10,534	892	4,341
Footpaths/ Cycleways	85,943	123,815	15,579	700	1,706
Recreation	52,989	85,487	6,693	4,833	1,991
TOTAL	1,065,998	1,493,844	118,430	12,432	26,734

The information presented above shows that Council has a very large investment in a broad range of infrastructure assets. The majority of its assets are in good to fair condition but there is a \$118.4 million gap between the current condition and a "satisfactory" condition. A satisfactory standard is defined, for the purposes of asset management reporting at Maitland, as a being in the middle of condition 3, i.e. "fair".

CURRENT AVERAGE ASSET CONDITION VS TARGET AVERAGE ASSET CONDITION

ASSET CATEGORY	CURRENT CONDITION		TARGET CONDITION	
CONDITION	1 TO 3	4 TO 5	1 TO 3	4 TO 5
Buildings **	88%	12%	95.0%	5.0%
Road	97%	3%	95.0%	5.0%
Bridges	95%	5%	95.0%	5.0%
Footpaths	98%	2%	95.0%	5.0%
Other Road Assets	95%	5%	95.0%	5.0%
Stormwater*	98%	2%	95.0%	5.0%
Recreation	96%	4%	95.0%	5.0%

CURRENT AVERAGE ASSET CONDITION VS TARGET AVERAGE ASSET CONDITION



*Stormwater high percentage in the "Good" range is due in part to much of the network constructed within the last 50 years and long life expectancy. The capital works on stormwater assets is aimed at lifting service for functionality and capacity.

**Building average condition has a high percentage in the "Good" range. However, many buildings fall in the lower part of that condition range. Works are centred on improving functionality and condition.

MANAGEMENT OF RISK

Not all assets represent the same level of risk to Council and the community should they fail or under perform, and hence a key means of tailoring maintenance strategies and prioritising effort and expenditure is through the classification of assets by their 'criticality'. For example, major drainage infrastructure across Maitland would have significant impacts if they were to fail and may therefore require greater maintenance effort against more stringent condition standards to mitigate this risk. Council will focus on improved asset information and decision-making processes to leverage risk and criticality-based asset management more fully.

Consistent with our Risk Management Policy, Council has taken initial steps in assessing criticality of all asset types across the asset portfolio by assessing consequence of failure of major assets utilising our risk management framework. This risk management framework defines consequence based on an asset not being able to fulfill its intended function with resultant impacts to community services, financial liability, safety, reputational and environmental impacts. Based on the current assessment, the most critical assets (those with the highest consequence of failure) within the asset portfolio that will be prioritised in ongoing risk mitigation measures are those that relate to community safety (such as major drainage assets, bridges and emergency control centres) as well as regionally significant facilities (such as Maitland Art Gallery and the Maitland Aquatic Centre).

Council's asset management and maintenance strategies are already broadly tailored to reflect the relative risk and criticality of assets, however our commitment to improvement of our capability and practices in this area is demonstrated by the designation of a specific objective (AMO 5) and strategy (S7) in this document.

Asset management strategies and tactics

STRATEGY OVERVIEW

Council has developed a suite of ten asset management strategies aimed at addressing identified challenges and issues and achieving its asset management objectives. The strategies are shown and described briefly below.

STRATEGY ONE: HEALTH AND SAFETY IS A CORE VALUE, AND WE MAKE OUR WORK SAFE

The health and safety of our staff, contractors, community and other stakeholders is our foremost priority. We aim to be a leader in health and safety practices and performance in local government. We proactively aim to embed the right process and tools into our asset management practices to help our people stay safe and make better decisions. We want our people to be risk aware and able to identify and control risk to both themselves, their mates and the community.

STRATEGY TWO: EFFECTIVELY TRANSLATE COMMUNITY REQUIREMENTS INTO AFFORDABLE LEVELS OF SERVICE AND WORKS PROGRAMS

The agreement and definition of clear Levels of Service with our community, and the translation of these requirements into effective decisions, actions, and expenditure and works programs, is one of the primary objectives of asset management. Drawing on digital tools, improved business processes and an appropriately skilled workforce will enable Council to have a clearer line of sight between its actions and service outcomes and achieve a more customer-centric approach to asset management.

STRATEGY THREE: DEVELOP AND EMPOWER OUR PEOPLE WITH THE LEADERSHIP AND TEAMWORK SKILLS THAT PUTS THE 'CUSTOMER AT THE CENTRE' OF WHAT WE DO

The primary aim of assets, and asset management, is to deliver service and value to our stakeholders – that is customers and community. It is essential that our people understand this, and the key role that each of them as individuals play in delivering these outcomes. By instilling a customer centric culture, and enhancing the skills of our asset management people, we will be able to deliver superior asset management outcomes to our stakeholders.

STRATEGY FOUR: INCORPORATE LIFE CYCLE COST PRINCIPLES INTO ALL ASPECTS OF OUR ASSET MANAGEMENT DECISION MAKING

Consideration of the costs associated with assets throughout their entire lives – and not just the initial construction or purchase cost – is a fundamental principle of good asset management. The costs of ongoing operation and maintenance can often far exceed the initial capital costs and are therefore critical to Council's funding and resource requirements.

STRATEGY FIVE: INCREASE THE CAPABILITY AND CAPACITY OF OUR PROJECT PLANNING AND DELIVERY TEAMS TO EFFECTIVELY EXECUTE THE SIGNIFICANT PIPELINE OF WORK AHEAD

The continuing growth of our city brings with it increasing volumes of capital investment and projects, and the need for these to be delivered in a timely, effective and efficient manner. Restructuring and enhancing the capability and capacity of our project delivery teams will allow these increasing demands to be met.

STRATEGY SIX: LIFT OUR MAINTENANCE EFFECTIVENESS AND RESOURCE UTILISATION THROUGH IMPROVED PLANNING AND SCHEDULING PROCESSES

As with capital project delivery, the growing demands for the maintenance of assets requires smarter and more effective approaches if resource costs are to be contained. Improving our planning and scheduling processes has been identified as a powerful opportunity to deliver more effective maintenance with greater efficiency.

STRATEGY SEVEN: TRANSITION FROM TIME-BASED MAINTENANCE TOWARD ADOPTING ASSET CRITICALITY AND CONDITION-BASED DECISION MAKING TO OPTIMIZE OUR EFFECTIVENESS

Not all assets are of equal importance or value in delivering services and have different consequences if they fail to perform. Best contemporary practice is to adopt a risk-based approach to the prioritisation and scheduling of maintenance, based on the classification of assets according to their criticality to the organisation and its service outcomes. Council will progressively implement the steps required to achieve this improved capability.

STRATEGY EIGHT: REFINE PROCUREMENT AND CONTRACTING PROCESSES TO EXTRACT IMPROVED VALUE FOR MONEY AND WORK EXECUTION EFFICIENCIES

Modern procurement practices are continually evolving. Upgrading procurement practices and adopting new innovations provide council with an opportunity to enhance the value it gets from its substantial expenditures on asset related services, materials and equipment.

STRATEGY NINE: DEVELOP AN ASSET MANAGEMENT PERFORMANCE AND REPORTING FRAMEWORK THAT ALLOWS US TO BETTER MEASURE OUR OUTCOMES AND RESULTS

Council's existing performance measurement and reporting systems are inadequate to support the needs of a growing and increasingly complex city and asset portfolio. From the asset management objectives down, we propose to develop and implement a suite of KPIs and reporting framework to better measure performance of our assets, and of the asset management function. This will also enable us to objectively measure improvement in our overall asset management capability maturity in the future.
















STRATEGY TEN: EMBRACE DIGITALLY ENABLED ASSET MANAGEMENT USING ENHANCED ASSET INFORMATION, ANALYTICS AND DECISION SUPPORT TOOLS

Modern information and communications technology is enabling step changes in the quality of insights available on asset condition and performance, and vastly improving the power and quality of asset decision making. The careful and progressive adoption of these digital technologies will allow council to optimise the cost, risk and performance of its asset portfolio.

ALIGNMENT OF ASSET MANAGEMENT STRATEGIES WITH ASSET MANAGEMENT OBJECTIVES

The contribution that our strategies play in achieving our asset management objectives is illustrated in Table 6.1.

Table 6.1 Mapping of Asset Management Strategies and Asset Management Objectives

ASSET MANAGEMENT OBJECTIVE/STRATEGY	S1 HEALTH AND SAFETY	S2 COMMUNITY FOCUS	S3 EMPOWERED PEOPLE	S4 LIFECYCLE MANAGEMENT	
AMO 1 Health and Safety					
AMO 2 Community Focus					
AMO 3 Value for Money					
AMO 4 Empowered and Engaged People					
AMO 5 Growing Maintenance Maturity					
AMO 6 Project Delivery					
AMO 7 Balanced Growth					
AMO 8 Economic Prosperity					

	S5 PROJECT DELIVERY	S6 EFFECTIVE MAINTENANCE PLANNING	S7 CONDITION BASED MAINTENANCE	S8 PROCUREMENT	S9 PERFORMANCE MANAGEMENT	S10 DIGITAL ENABLEMENT
					✓	✓
	✓	✓	✓	✓	✓	✓
					✓	
		✓	✓	✓	✓	✓
	✓			✓	✓	✓
	✓			✓	✓	

ASSET MANAGEMENT TACTICS

Each asset management strategy is underpinned by set of tactics or initiatives that enable delivery of the strategy. Some of these tactics can be considered 'business as usual' or routine, whereas others represent specific improvement initiatives and form part of council's Asset Management Improvement Plan. The suite of tactics can be expected to change over time.

ASSET MANAGEMENT STRATEGY TACTICS

STRATEGY	TACTIC	22/23	23/24	24/25	25/26
Health and safety is a core value, and we make our work safe	Continued review and enhancement of Council's WHS Management systems to enable staff to easily meet their WHS responsibilities through intuitive and accessible systems	✓	✓	✓	✓
	Ensure health and safety messaging is incorporated in Council's corporate and internal communication plans	✓	✓	✓	✓
	Establish health and safety working groups in key functional areas across Council, improving awareness of work specific risks and delivering rapid safety improvements when identified	✓			
	Promote Council's health and wellbeing programs to maximise staff awareness and engagement with programs provided to support improved health outcomes	✓	✓	✓	✓
	Ensure due diligence, and continue to identify safety risks across Council operations and implement actions to reduce or eliminate risks	✓	✓	✓	✓
	Investigate options for a new Leadership Development Program for leaders at all levels that also fosters emerging leaders as part of Council's succession planning	✓	✓	✓	✓
	Implement programs on mental health and wellbeing to minimise psychosocial risks and ensure staff feel safe in our workplace	✓	✓	✓	✓
Effectively translate community requirements into affordable levels of service and works programs	Develop improved understanding of cost and risks for each asset class to ensure the implications of increasing or decreasing levels of service are known			✓	✓
	Continue to increase community awareness of Council's adopted capital works and maintenance programs	✓	✓	✓	✓
	Ensure continued alignment of Council's asset service levels with community priorities through active engagement and communication		✓	✓	✓
	Develop improved pathways to communicate and educate our community on the purpose and reasons behind our approach to managing and maintaining our assets	✓	✓		

STRATEGY	TACTIC	22/23	23/24	24/25	25/26
Develop and empower our people with the leadership and teamwork skills that puts the 'customer at the centre' of what we do	Clearly define and communicate asset management roles and responsibilities across Council to improve productivity and best contribute to improved customer experience	✓			
	Review Council's competency framework including leadership roles with a focus on core capabilities of customer service, digital literacy, process improvement, managing change and behaving safely	✓	✓		
	Plan for the recruitment and onboarding of staff to meet the future asset maintenance requirements of the growing LGA	✓			
Incorporate life cycle cost principles into all aspects of our asset management decision making	Update Council's asset management plans across all classes to ensure full life cycle costs are captured		✓		
	Ensure informed decision-making through inclusion of life cycle costings such as maintenance and capital replacement into all future infrastructure plans		✓	✓	✓
	Ensure whole of life costs are factored into Council's long term financial plan, for both current and future assets	✓	✓	✓	✓
	Ensure we select plant and equipment that is fit for purpose to meet both our current and future extent of our work	✓	✓	✓	✓
Increase the capability and capacity of our project planning and delivery teams to effectively execute the significant pipeline of work ahead	Ensure our workforce grows in accordance with the need to manage and maintain Council's increased asset base	✓	✓	✓	✓
	Implement a range of new human resourcing approaches to meet current and future project delivery requirements.	✓	✓	✓	✓
	Implement new project management processes and software to support faster infrastructure planning and delivery	✓	✓	✓	✓
Lift our maintenance effectiveness and resource utilisation through improved planning and scheduling processes	Develop a rolling forward maintenance plan to increase visibility and ensure critical work is scheduled in advance	✓	✓	✓	✓
	Implement new technologies to improve the scheduling of asset maintenance, including reducing travel times and maximising use of plant		✓	✓	✓
	Ensure robust asset condition information is available for critical asset classes to inform future risk and condition-based maintenance strategies			✓	✓
	Update Asset Management Plans for all classes to capture any changes as a result of condition and risk-based assessments				✓

STRATEGY	TACTIC	22/23	23/24	24/25	25/26
Transition from time-based maintenance toward adopting asset criticality and condition-based decision making to optimize our effectiveness	Ensure that assets in poor condition and / or high risk are included in the capital works and maintenance programs at the right time	✓	✓	✓	✓
	For all asset classes, update and implement an improved risk management procedure including an asset criticality rating methodology	✓	✓	✓	✓
	Focus on prioritising the transition from time based to condition based maintenance for critical high use community assets	✓	✓		
Refine procurement and contracting processes to extract improved value for money and work execution efficiencies	Review Council's procurement policy and framework, including new approaches to accessing suppliers and implementation of new technologies	✓	✓		
	Implement a new approach to pre and post contract management through bringing a new range of skills in-house	✓	✓		
Develop an Asset Management performance and reporting framework that allows us to better measure our outcomes and results	Develop asset class performance indicators, including asset management planning principles such as safety, levels of service, risk and implementation of works programs			✓	✓
	Align asset performance indicators and targets with internal and external performance reporting			✓	✓
Embrace digitally enabled asset management using enhanced asset information, analytics and decision support tools	Implement the Intelligent Asset Management program within Council's customer driven transformation initiative		✓	✓	✓
	Develop and implement consistent data management processes across all asset classes relating to asset management and lifecycle decision making	✓			



Financial requirements

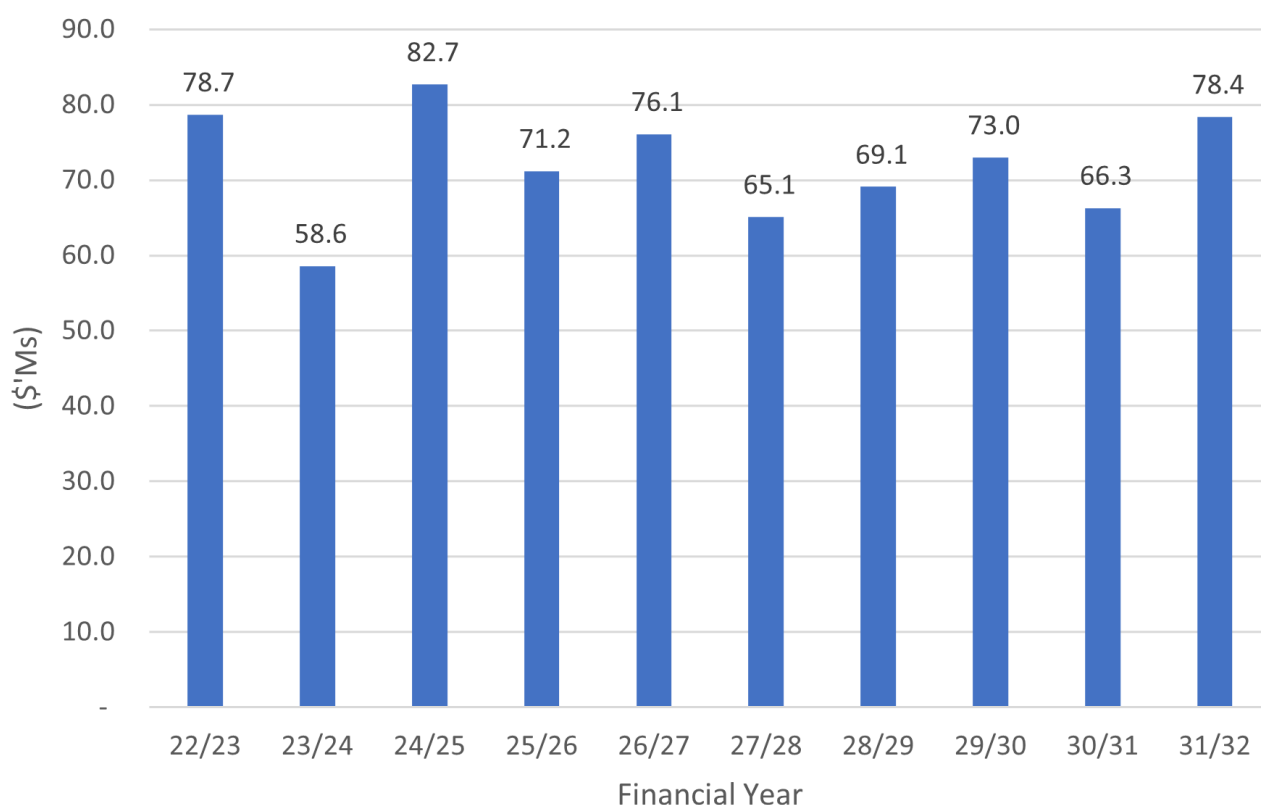
OPERATING EXPENDITURE

Over the coming decade, the population of Maitland is estimated to grow by more than 10% from 90,449 to 99,500. Subsequently, the operational expenditure required to sustain services to the community for this growing population will also increase. To estimate the increase in operational expenditure, Council has developed a financial model that incorporates operation/capital expenditure for existing assets as well as expenditure for new growth assets inclusive of pipeline of projects from developer contributions. A summary of this operating expenditure is illustrated in Figure 7.1 below indicating an increase from \$20.9M in the 2022/23 financial year to \$38.0M in the 2031/32 financial year.

Within the current five year capital planning horizon, priorities for expenditure include:

- Critical and major road reconstructions, rehabilitation and reseals
- Improving recreational assets including open spaces, parks and car parks
- Maintenance and rehabilitation of critical stormwater drainage
- Improving community connectivity and access through footpath and cycleway refurbishments

COMBINED CAPITAL AND MAINTENANCE EXPENDITURE ESTIMATE

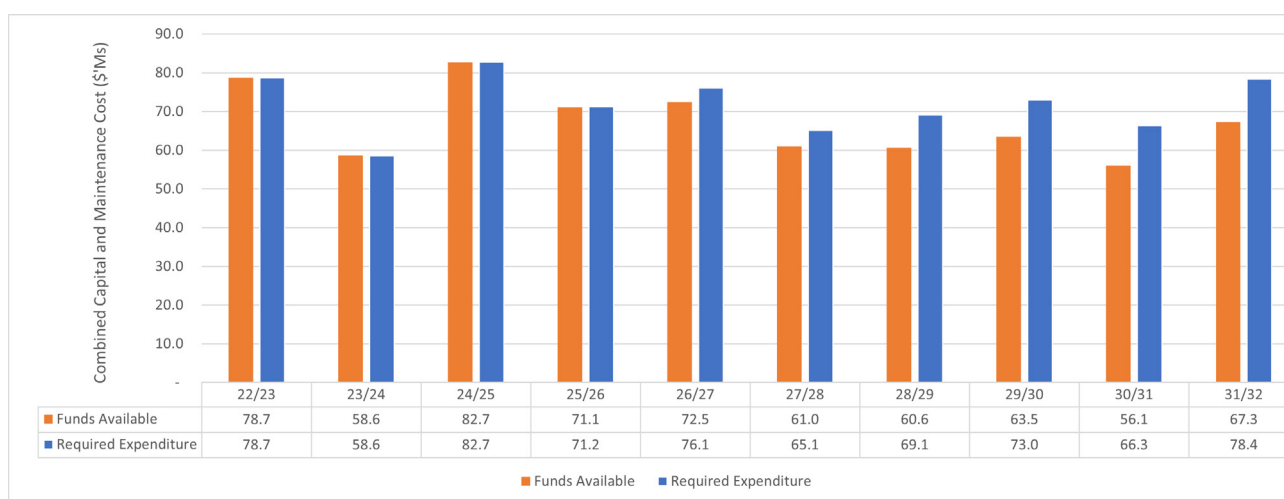


FUNDING GAP

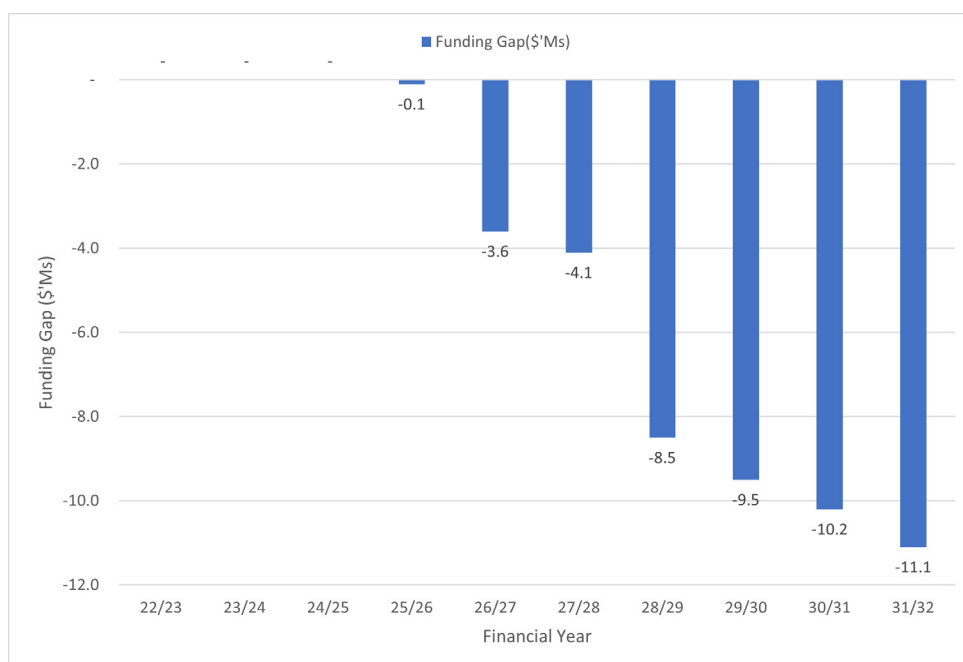
Due to the challenges facing council that comes with this population growth (refer to section 3.2 of this Strategy), the existing asset base, in some areas, do not currently meet target service and condition levels. For example, of the 204 buildings owned and operated by council it is estimated that only 73% of these buildings meet or exceed the target level of service expected by the community. (Refer to section 6 of this strategy for a description of these targets). For those buildings where service/condition level improvements are required additional maintenance and/or capital expenditure will likely be necessary.

This additional expenditure is currently not included in the above estimates meaning that a funding gap is present for some asset classes. This funding gap will be specifically defined in the asset class Asset Management Plans. The asset management strategies and tactics defined in this document together with continuous improvement initiatives, such as improved lifecycle and maintenance outcomes are intended to reduce this funding gap over time.

TEN YEAR PREDICTION - FUNDS AVAILABLE VS REQUIRED EXPENDITURE



FUNDING GAP (\$'MS)



Performance measurement and reporting

Council is committed to the ongoing refinement of its monitoring, measurement and reporting of asset management performance, with Strategies 3 and 8 directly contributing to this goal. We aspire to being able to measure our performance in a variety of ways as the quality and availability of our data improves.

Some examples of the ways we currently assess our performance, and our desired future capability, are summarised in Table 8.1.

Table 8.1 Asset management performance measures

PERFORMANCE ASPECT	CURRENT MEASURES	INTENDED FUTURE CAPABILITY
Level of Service	LoS not clearly defined, and performance measured infrequently.	Levels of Service clearly defined for different types of asset and levels of importance, with objective
Asset Condition	Asset Condition assessed infrequently across the asset portfolio and condition rating scale not consistently applied.	Standardised 5-point condition rating scale applied to all key asset classes, and periodically and objectively measured.
Asset Management Objectives	Subjectively assessed only.	Each objective has clear and measurable KPIs which are reported regularly.

Asset management improvement

Council is committed to the continual improvement of its asset management system and practices. This document, and the strategies and actions contained in it, provide a solid basis for addressing the identified issues and opportunities, and thereby significantly improve council's asset management outcomes over time.

The 'AM Strategy on a Page' in Section 6.3 provides a concise summary of proposed improvement initiatives and will be used as the basis for tracking progress and fine-tuning our continual improvement efforts moving forward.



Definitions and Acronyms

As far as practicable, this strategy has adopted terminologies and definitions consistent with both the NSW Integrated Planning and Reporting Framework, and ISO 55000. In the event of conflicting terminologies, those of the Integrated Planning and Reporting Framework have taken precedence.

Terminology	Description
AM	Asset Management
The Act	The New South Wales Local Government Act 1993
Asset Management (AM)	ISO 55001 – Coordinated activity of an organisation to realise value from assets
Asset Management Objective (AMO)	A set of asset management-specific objectives through which the asset management system contributes to and achieves the overarching organisational objectives
Asset Management System (AMS)	Management system to establish, plan and deliver the asset management objectives. A framework for the Asset Management Policy, Strategy and Objectives, Plans, Processes and Procedures
Asset Management Information System (AMIS)	The data, information, computer and communications, hardware and software comprising the information technology system that supports asset management decision making
Asset Management Plan (AMP)	ISO 55001 – Documented information that specifies the activities, resources and timescales required for an individual asset, or grouping of assets, to achieve the organisation's asset management objectives
CMMS	Computerised Maintenance Management System
IIMM	International Infrastructure Management Manual
LoS	Levels of Service – Measurable customer service outcomes or technical standards
IPWEA	Institute of Public Works Engineering, Australasia
ISO 55000/1/2	The Suite of Asset Management standards issued by ISO: <ul style="list-style-type: none"> • ISO 55000:2014 – Asset Management – Overview, Principles & Terminology • ISO 55001:2014 – Asset Management – Management System – Requirements • ISO 55002:2018 – Asset Management – Management System – Guidelines for application of ISO 55001
SAM	Strategic Asset Management
Asset Management Strategy	Also often referred to as a 'Strategic Asset Management Plan' or 'SAMP' ISO 55000 – Documented information that specifies how organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives
SLA	Service Level Agreement
Stakeholder	ISO 55000 – Person or organisation than can affect, be affected by, or perceive themselves to be affected by a decision or activity – (with respect to Asset Management)



Appendix A

Asset Portfolio

Roads and road inventory

The roads and footpaths asset class consists of the following:



Table C.1 Roads and footpaths asset portfolio

ASSET	ASSET ELEMENTS	QUANTITY	FINANCIAL VALUE
Roads	Arterial - Rural	4.2 km	\$8.4M
	Arterial - Urban	10.5 km	\$21.0M
	Collector - Rural	63.4 km	\$40.8M
	Collector - Urban	90.8 km	\$122.3M
	Distributor - Rural	23.1 km	\$22.7M
	Distributor - Urban	34.1 km	\$52.5M
	Local - Rural	147.6 km	\$54.2M
	Local - Urban	386.0 km	\$321.2M
	Roads (total)	759.7 km	\$642.48M
Kerb and Gutter	A variety of kerb/gutter types are managed by road location (e.g. mountable, barrier, dish etc) made from a variety of materials (e.g. concrete, sandstone etc)	979.5 km	\$192.68M
Paths	Footpaths, cycleways, shared pathways	301.9 km	\$108.06M
Traffic Equipment and Ancillary Items		>350 of	\$2.02M
Signs		>8700	\$2.9M
Line Marking		>445 km	\$0.2M
Car Parks and Access Road		inc	inc
Lighting	Metered and solar	37	\$1.8M
GRAND TOTAL			\$950.4 M

Drainage



The drainage asset class consists of the following:

Table C.2 Drainage asset portfolio

ASSET	ASSET ELEMENTS	QUANTITY	FINANCIAL VALUE
Trunk Drains	Natural and engineered	50 of	\$15.8M
Detention Basins	All types	146 of	\$30.2M
Floodgates	Dual Guillotine	2	\$0.1M
	Flap	23	\$0.1M
	Guillotine	5	\$0.1M
	Inspection Pit	8	\$0.1M
	Open	4	TBA
Gross Pollutant Traps	Engineered and proprietary	186 of	\$14.3M
Gross Pollutant Traps	GPTs are included as part of the drainage network including proprietary, engineered and isolated GPTs.	186 of	Currently under review
Pipes	Box Culvert	0.9 km	\$1.2M
	Concrete Pipe	421.6 km	\$151.4M
	Concrete Twin	0.5 km	Included
	Large Culvert	0.7 km	\$2.7M
	PVC	4.4 km	\$0.6M
Pits and Headwalls	All types	17,939 of	\$31.7M
Pumps	Chamber	1 of	\$0.9M
	Controls	1 of	Included
	Pumps	2 of	Included
GRAND TOTAL			\$249.2M

Bridges and major structure

The bridges and major structures asset class consists of the following:



Table C.3 Bridges and major structures asset portfolio

ASSET	ASSET ELEMENTS	QUANTITY	FINANCIAL VALUE
Bridges (road structures)	Concrete Bridge	15	\$10.1M
	Large Box Culvert	27	\$25.7M
	Large Pipe Culvert	17	\$12.0M
	Steel Composite Bridge	1	\$1.5M
	Timber Bridge	2	\$2.2M
Pedestrian bridges	Timber Bridges	15	\$0.3M
	Concrete Bridges	9	\$0.9M
	Enduroplank Bridges	5	\$0.2M
Retaining walls	>1m in height*	18	\$0.1M
	<1m in height*	17	\$0.4M
	Shotcrete retention*	2	TBA
	Not specified	20	\$0.6M
Other major structures	Lookouts*	1	TBA
	Wharfs	1	\$0.6M
	Boat Ramps	1	\$0.1M
	Feature signage*	TBA	TBA
	Flag poles*	TBA	TBA
GRAND TOTAL			\$54.6M

Recreation



The recreation asset class consists of all named parks, recreation facilities and open spaces, inclusive of all assets within the location such as car parks, buildings, paths, playgrounds etc. A park could include any (or all) of the following asset types, with a high level summary of each as follows.

Table C.4 Buildings asset portfolio

ASSET	ASSET ELEMENTS	QUANTITY	FINANCIAL VALUE
Recreation	Buildings	102	\$42.0M
	Bushland	161 ha	excluded
	Cricket Practice Nets	13	\$0.5M
	Drainage	Various	\$0.6M
	Drainage Reserves	62 ha	excluded
	Furniture	856	\$3.9M
	Gardens	45 ha	\$3.6M
	Internal Car Parks	55 of	\$3.7M
	Internal Roads	Included	Included
	Irrigation Systems	54	\$4.2M
	Memorial	21	\$6.3M
	Open recreation space	384 ha	excluded
	Park Fencing	197	\$8.0M
	Park Footpaths	~7 km	\$1.0M
	Park Lighting	883	\$5.0M
	Park Signage	32	\$0.1M
	Playgrounds	141	\$25.1M
	Public Art	TBA	TBA
	Public BBQs	18	\$0.2M
	Services - Power	52	\$0.5M
	Services - Water	77	\$0.8M
	Skate park	8	\$6.0M
	Sporting Ovals / surfaces	86 ha	\$31.8M
	Trees	~45,000	excluded
GRAND TOTAL			\$143.3M

Buildings



In total, the buildings asset class consists of 187 buildings across 15 building types. Many of these buildings are stand alone “unique” assets, such as the Maitland Art Gallery, Town Hall and Libraries. Many other buildings however, form part of a larger asset function in a corresponding asset class. These are for example, buildings located at the Maitland Athletics Centre or a rotunda, amenity facility and grandstand at Maitland Park.

Table C.5 Buildings asset portfolio

BUILDING TYPE	TOTAL		STAND ALONE BUILDINGS		AQUATIC CENTRE BUILDINGS		RECREATION BUILDINGS	
	QUANTITY	FINANCIAL VALUE	QUANTITY	FINANCIAL VALUE	QUANTITY	FINANCIAL VALUE	QUANTITY	FINANCIAL VALUE
Amenities Buildings	34	\$17.9M	-	-	-	-	34	\$17.9M
Aquatic centre buildings	10	\$11.2M	-	-	10	\$11.2M	-	-
Child Care Centres	4	\$3.9M	4	\$3.9M	-	-	-	-
Community Halls	16	\$16.1M	14	\$14.9M	-	-	2	\$1.2M
Council Works Depots	19	\$7.5M	19	\$7.5M	-	-	-	-
District Buildings	6	\$69.3M	5	\$68.5M	-	-	1	\$0.8M
Equipment Sheds	22	\$1.4M	1	\$0.5M	-	-	21	\$0.9M
Grandstands	8	\$13.2M			-	-	8	\$13.2M
Kiosks	14	\$1.6M			-	-	14	\$1.6M
Libraries	4	\$5.9M	4	\$5.9M	-	-		
Miscellaneous Buildings	15	\$15.8M	9	\$10.9M	-	-	6	\$4.9M
Mt Vincent Waste Depot	2	\$0.4M	2	\$0.4M	-	-	-	-
Residence	3	\$1.4M	3	\$1.4M	-	-	-	-
RFS Buildings	8	\$7.5M	8	\$7.5M	-	-	-	-
Toilet Blocks	22	\$2.4M	6	\$1.0M	-	-	16	\$1.4M
GRAND TOTAL	187	\$175.5M	75	\$122.2M	10	\$11.2M	102	\$42.1M

Plant and equipment



The plant and equipment asset class includes all mobile or portable large plant, small plant and ancillary equipment used to maintain all other asset classes. In total there are:

- Around 250 items of large plant, such as excavators, trucks, mowers, backhoes, utes etc.
- Plus items of small ancillary plant/equipment, defined as plant with a purchase value of less than \$10,000 such as drills, hoists, chainsaws etc.

The Plant and Equipment assets have an estimated financial value of all plant and equipment of approximately **\$22.2M**.

DESCRIPTION	TOTAL QTY (ESTIMATED)	\$ COST BREAKDOWN
Trucks	68	\$10.5M
Utes	64	\$2.5M
Waste Compactor	1	\$1.3M
Graders	3	\$1.3M
Front End Loaders	4	\$0.8M
Tractors	8	\$0.7M
Mowers	19	\$0.7M
Trailers	26	\$0.6M
Track Loader	1	\$0.5M
Rollers	4	\$0.5M
Small plant	29	\$0.4M
Backhoes	2	\$0.4M
Caravans	6	\$0.4M
Slashers	12	\$0.3M
Excavators	2	\$0.3M
Ancillary Equipment	3	\$0.2M
Skid Steer	1	\$0.2M
Woodchipper	1	\$0.1M
EWP	3	\$0.1M
Turf Equipment	2	<\$0.1M
Forklifts	2	<\$0.1M
ATV / UTVs	2	<\$0.1M
Stump Grinders	2	<\$0.1M
VMS	2	<\$0.1M
Portable Traffic Lights	1	<\$0.1M
Boat and Trailer	1	<\$0.1M
Confined S/Trailer	1	<\$0.1M
Tamper	1	<\$0.1M
TOTAL	271	\$22.2M

Aquatic centres



The aquatic centre class consists of the following two aquatic centres with a high level summary of assets at each facility:

Table C.5 Aquatic centres asset portfolio

ASSET	ASSET ELEMENTS	FINANCIAL VALUE
Maitland Aquatic Centre	Buildings	\$9.5M
	Picnic Shelters and Tables	\$0.1M
	Shade Structures	\$0.1M
	Site Services	\$1.0M
	Site Works	\$0.7M
	Swimming Pools	\$11.3M
	Water Treatment	\$1.9M
	Sub total	\$24.7M
East Maitland Aquatic Centre	Buildings	\$1.7M
	Picnic Shelters and Tables	\$0.1M
	Shade Structures	\$0.1M
	Site Services	\$0.5M
	Site Works	\$1.5M
	Swimming Pools	\$7.6M
	Water Treatment	\$0.3M
	Sub total	\$11.6M
TOTAL		\$36.3M

Limitations

This report: has been prepared by GHD for Maitland City Council and may only be used and relied on by Maitland City Council for the purpose agreed between GHD and Maitland City Council as set out in this report.

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The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. GHD has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD described in this report. GHD disclaims liability arising from any of the assumptions being incorrect.

Workforce Management Strategy 2022 - 2026

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Introduction

Our Workforce Management Plan is the people component of Council's Resourcing Strategy, driven by Maitland +10, our community strategic plan, and our Delivery Program.

To ensure that we are working toward achieving our community's vision, we undertake workforce planning to project staffing needs and ensure we have the capacity and capability needed to deliver our role within the community.

It is the effective integration and alignment of human resource strategies to ensure we have the right people in the right place doing the right work at the right time.

This planning process identifies the challenges facing the organisation in shaping our future workforce and opportunities to support the achievement of our goals through our workforce.

Council's Workforce Management Plan works in partnership with our Long Term Financial Plan and our Asset Management Strategy to invest in our workforce through strategic objectives that support our Delivery Program.



Our workforce

- 491 full time equivalent employees
- 532 headcount*
- 55% male, 45% female
- 59 staff work part time (85% female)
- 63% of staff are 'indoor staff'
- 37% of staff are 'outdoor staff'
- Average years of service is 8.8*
- Employee turnover rate of 12.6%*
- 22% of the workforce is over 55
- 44 median age*
- Work and live - 50 percent staff live within Local Government Area
- Casual workforce can be up to 80 employees during the peak summer season
- 62% of the casual workforce are employed in Aquatics

* data excludes casuals due to the fluctuating and temporary nature of that work group

Our organisation

Our people come from a diverse range of backgrounds and professions creating a dynamic workforce of more than 500 staff. We are highly motivated and focused on providing a positive customer experience as we work towards delivering the outcomes set by our community.

For us it is about the people of Maitland and creating a city they are proud to call home.

We fully understand that every decision we make has a direct impact on the lifestyle our citizens want and expect by choosing to live here, and as a Council, we embrace the pivotal role we play in the Hunter region.

To ensure that we are working toward achieving our community's vision, we undertake workforce planning to project staffing needs and ensure we have the capacity and capability needed to deliver our role within the community.

This is achieved through identifying how our staffing levels and skill requirements will be met, including recruitment, staff progression and development and succession planning.

Our environment requires flexibility, responsiveness and a continuous improvement mindset to meet agile labour markets, skills shortages and an ageing workforce.

Our organisational structure establishes clear lines of accountability and responsibility to ensure that the outcomes expected by our community are achieved.

For us, it's about the people of Maitland and creating a city they are proud to call home.

Our guiding principles

Our Guiding Principles assist our people to embrace the customer centric behaviors that our customers value.



MAKE THINGS EASY

Do the hard work to make things intuitive for me.



BE WELCOMING

Care for me as a person, not a task or a number.



BE OPEN MINDED

Listen to me and work with me to find solutions.



LOOK OUT FOR ME

Thoughtfully anticipate what will make my days go smoother.



KEEP YOUR PROMISES

Follow through on your commitments to me.



Our achievements

Workforce Plan 2018-2021

Over the past four years we have made significant progress towards the vision and goals of the 2018-2021 Workforce Plan. The goal was to equip our organisation with a skilled, adaptive, and innovative workforce, aligned to community priorities contained within our Delivery Program.

Key achievements from this plan include:

- Improved staff engagement, evidenced through comparison of results from the staff surveys conducted in 2019 and 2021
- Increased focus on the employment and development of young people in our community through the introduction of council's Pathways Program for apprentices, trainees, interns, cadets and graduates. The Pathways Program also saw the introduction of targeted positions for applicants that have identified as Aboriginal and Torres Strait Islanders (ATSI)
- The introduction of flexible work arrangement guidelines for council employees, offering a very competitive selection of flexible options to support work/life balance as well as supporting the attraction and retention staff
- Through workforce restructures, council has created significantly improved career progression opportunities which has resulted in internal employee promotions
- Enhancement of council's Health and Wellbeing Program, and re-engineering of the WHS Management systems with a variety of safety focused initiatives resulting in a decrease in significant injuries across council
- The support of council employees during the COVID-19 pandemic to provide redeployment, wellbeing support and health advice to ensure the safety and wellbeing of our staff throughout that challenging time.

Our challenges

Workforce Plan 2022-2026

Influences on the development of our Workforce Management Plan include:

- An ageing demographic
- Technology and automation
- Diversity and inclusion
- Flexibility and contemporary workplace arrangements
- Industry skills shortages
- Improved physical and mental wellbeing
- Rapid growth in our LGA

The overall Resourcing Strategy identifies opportunities for investment in assets including human resources, infrastructure, equipment, and technology that support the Workforce Plan objectives.

Our workforce plan

The three Strategic Objectives support our Delivery Program and community vision, reflect best practice and relevant workforce trends, build on what we do well and embrace the steps we need to take to be ready for the future. The associated actions are a continuation of the work we are already undertaking to equip our organisation with a skilled, adaptive, and collaborative workforce who are un-Council like in the delivery of great service. Our objectives are to:

Objective 1

Foster an engaged workforce that is skilled, collaborative and focused on our customer

Objective 2

Support workforce efficiency and effectiveness

Objective 3

Provide an environment of safety and wellbeing



Our actions

Objective 1

Foster an engaged workforce that is skilled, collaborative and focused on our customer

- Review and improve our attraction and selection processes, practices, and systems to ensure they optimise customer experience, create efficiencies, and include innovative sourcing strategies to address future skill requirements of Council
- Review induction and onboarding programs for new and promoted employees
- Continue to conduct staff engagement surveys and implement actions to improve workplace culture and engagement
- Review Council's competency framework including leadership roles with a focus on core capabilities of customer service, digital literacy, process improvement, managing change and behaving safely
- Investigate options for a new Leadership Development Program for leaders at all levels that also fosters emerging leaders as part of Council's succession planning.

Objective 2

Support workforce efficiency and effectiveness

- Implement a Human Resources Information System (HRIS) as part of Council's digital transformation to create workplace efficiencies through improved access to information
- Implement a Learning Management System (LMS) to ensure our workforce have the core capabilities such as digital literacy, agility, human centred design and project management skills required to enable Council to deliver on our commitments to the community
- Implement new modules in council's payroll system (leave apply online and pay by exception)
- Review Council's performance development and review system
- Explore options to expand Council's Pathways Program for trainees, cadets and grads through funding opportunities.

Objective 3

Provide an environment of safety and wellbeing

- Continued review and enhancement of Council's WHS Management systems to enable staff to easily meet their WHS responsibilities through intuitive and accessible systems
- Promote Council's health and wellbeing programs to maximise staff awareness and engagement with programs provided to support improved health outcomes
- Implement programs on mental health and wellbeing to minimise psychosocial risks and ensure staff feel safe in our workplace
- Deliver on our Reconciliation Action Plan and Disability and Inclusion Action Plan initiatives
- Investigate options for enhanced reward and recognition programs
- Conduct a review of council's flexible work arrangement framework to ensure effectiveness
- Review council's transition to retirement program.

How we measure success

Our success in the execution of our objectives will be measured via the following metrics:

- Trending increase in our future staff engagement survey results
- The percentage of staff successful in internal applications (promotions, role changes)
- The percentage of workforce participation in health and wellbeing programs
- The percentage of staff participation in our flexible work program and feedback from staff that available arrangements meet their needs
- Improvement in the percentage of staff who believe council manage change well in future
- Workforce Metrics (exit interview data, absenteeism, staff turnover, promotions, training data, competency progressions, WHS data, injuries, lost time, cost of claims)
- Audit outcomes e.g. Internal Audits, StateCover Audits, Safety System Audits
- Establishment of performance development and review plans for staff inclusive of KPIs
- Completion of action items in Customer Driven Transformation plan
- Increase in community satisfaction with Council and with our customer service
- Number of groups with clear succession plans and development plans in place for high potential employees.



How we developed this plan

Input for the development of the plan was sourced from three key areas:

1. Existing Council Documents:

- Delivery Program and Operational Plan
- Community Strategic Plan
- Customer Experience Plan (Customer Driven Transformation)
- Long Term Financial Plan
- Strategic Asset Management Strategy
- Workforce Metrics
- Organisational Structure
- Pathways Program
- Flexible Work Arrangements Protocol and Guidelines
- Corporate Training Plan
- WHS Policy

2. Consultation:

- Strategic planning workshops
- Council's staff engagement survey results – 2019 and 2021
- Return to work staff survey data (Nov 2021)
- Flexible work survey staff data
- Discussion and consultation at committees including Consult, WHS, EEO

3. Other Data Sources:

- LGNSW Workforce Analytics, Benchmarking Reports Remuneration Data
- Office of Local Government Reports
- AoN Human Capital Employment Market Data, Benchmarking and Remuneration Reports

The Maitland City Council Resourcing Strategy 14 June 2022

Disclaimer: Every effort has been made to ensure the accuracy of the information herein however Maitland City Council accepts no responsibility for any consequences resulting from misdescription or inadvertent errors. It is recommended that the accuracy of the information supplied be confirmed with the contact listed.

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285 - 287 High Street
Maitland NSW 2320

t 02 4934 9700
f 02 4933 3209

info@maitland.nsw.gov.au
maitland.nsw.gov.au