GLAMORGAN SPRING BAY COUNCIL

ORDINARY COUNCIL MEETING – 23 MARCH 2021

ATTACHMENTS

Australian Government

Department of Infrastructure, Transport, Regional Development and Communications

Local Roads and Community Infrastructure Program Phase 2 - Work Schedule - Project Nomination

Funding Recipients are required to nominate project(s) they plan to undertake with LRCI Program Phase 2 funding by providing information to the Department of Infrastructure, Transport, Regional Development and Communications ('Department') via emailing LIP@infrastructure.gov.au. A separate Project Nomination row must be completed for each project or group of small projects that an Eligible Funding Recipient wishes to undertake.

For ease of assessment, and to limit requests for more information, please fill all fields as completely and accurately as possible.

Name [Council, State]						**LRCI Phase 2 Funding Allocation**					**$**
#	**Project Name** **[Project location or street address: Work category]**	**Project Description / Problem Being Addressed** **[Please align project description to project work categories on Page 3 where possible]**	**Infrastructure Type** **[Please select one item]**	**Total Project Cost** **[$]** Funding required should not exceed allocation	**LRCI Phase 2 Funding Required *** **[$]**	**Construction Start Date** **[MM/YY]** Construction to be within 01/21 and 12/21, as per guidelines	**Construction End Date** **[MM/YY]**	**Estimated jobs supported** **[Numerical figure – refer FAQ instructions]** **Council employees**	**Contractors**	**Project Electorate** **[Please list the Federal Project Electorate]**	**Project Land / Asset Owner **** **[Please select one item]**
1	Swansea Museum	CCTV for security in the museum	Community	11,000	11,000	03/21	04/21		2	Lyons	Council
2	Triabunna Medical	Asphalt & line mark public car park	Community	45,000	45,000	06/21	07/21		4	Lyons	Council
3	Bicheno Medical	Asphalt & line mark public car park	Community	55,000	55,000	07/21	08/21		4	Lyons	Council
4	Freycinet Drive – Kerb at Kayak Rental	Install Kerb to stop Flooding	Road	30,000	30,000	05/21	05/21	3		Lyons	Council
5	Strip Road Little Swanport floodway	Install concrete overlay to hardstand floodway – improve drainage	Road	30,000	30,000	09/21	09/21		4	Lyons	Council
6	Bicheno BMX track refurbishment	Re-vamp existing BMX track to bring it up to Community expectations	Community	20,000	20,000	07/21	08/21	4		Lyons	Crown
7	Bicheno Jetty Road Beach access	Track keeps washing out due to stormwater run-off, Install timber walkway to improve safety	Community	10,500	10,500	08/21	09/21		3	Lyons	Crown
8	Triabunna Wharf public toilet block	Install hands free washing station to improve Covid-19 hygiene & access	Community	15,000	15,000	05/21	05/21		4	Lyons	Council
9	Triabunna Port	Improve public facilities including shelters and safety at the Triabunna Port. The Port has a high visitor number and there are safety concerns with traffic and pedestrians.	Community	40,863	40,863	06/21	09/21		6	Lyons	Crown

Name [Council, State]						LRCI Phase 2 Funding Allocation					$
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10	Alma Road and Fieldwick lane	Rock line drain and culvert improvements	Road	125,000	125,000	08/21	10/21	4		Lyons	Council
11	Coles Bay Tennis	Basketball hoop installed on Tennis Court	Community	3,000	3.000	06/21	06/21		2	Lyons	Council
12	SES CCTV	Install CCTV around the Swansea Emergency Services Building	Community	3,000	3,000	08/21	08/21		1	Lyons	Council
	Total	-	-			-	-			-	-

Has the availability of funding under the Local Roads and Community Infrastructure Program required you to hire additional Council staff?	Choose an item.	**Number**

#	* If project is not fully funded by LRCI, state details of Council or other contribution	** If Project Land or Asset Owner is not Council, please indicate nature of permission	If applicable, details of any recycled materials used on the project

GLAMORGAN SPRING BAY COUNCIL

ASSET MANAGEMENT PLAN

PARKS & RECREATION

DRAFT

Document Control	Asset Management Plan - Parks & Recreation				
Document ID :					
Rev No	**Date**	**Revision Details**	**Author**	**Reviewer**	**Approver**
1	February 2021	Draft	VB	GI	GI

This Asset Management Plan is a supporting document used to inform Council's overarching Strategic Asset Management Plan.

Contents

1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan details information on how Council manages its Parks and Recreation assets. It details actions required to provide an agreed level of service in the most cost-effective manner, while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The Asset Management Plan will link to a Long Term Financial Plan which typically considers a 10 year planning period.

1.2 Asset Description

This Asset Management Plan generally covers higher value Council owned or maintained parks and recreation type assets.

The parks and recreation assets included comprise of:

Asset Category	Number of Assets/Length	Replacement Value
Car parks/parking areas	26	$3,167,000
Playgrounds	9	$1,450,000
Formed and maintained walkways/trails	16 km	$480,000
Tennis courts, netball courts, and cricket training nets	9	$465,000
Skate parks and BMX tracks	7	$460,000
Recreation grounds	5	$455,000
Monuments, memorials, cenotaphs, public art etc.	10	$320,000
BBQ's	17	$255,000
Pedestrian walkway bridges	8	$207,000
Public seating and picnic table settings	125	$122,000
Dog parks (excluding shelters– see *Asset Management Plan – Buildings*)	6	$85,000
Black water stations	5	$45,000
Cemeteries	2	$40,000
	TOTAL	**$7,551,000**

The above infrastructure assets have replacement value estimated at **$7,551,000.**

1.3 Levels of Service

The allocation in the planned budget is insufficient to continue providing existing services at current levels over the planning period.

The main service consequences of the Planned Budget are:

- The level of service is forecast to reduce over the planning period, due to a shortfall between the planned budget and the forecast lifecycle costs.
- Significant acquisitions (~$2 M) in the 2020-21 financial year budget have impacted (increased) forecast operations and maintenance costs over the planning period, which with an assumed constant budget will likely lead to a reduction in the level of service provided.
- The renewal of some assets during the planning period may require delay due to the forecast shortfall associated with the planned budget. This would result in a reduced level of service during this time.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Demographics
- Climate change (and associated increase in frequency of extreme weather events)
- Community expectation

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Identify upgrades required to meet with current accessibility standards and ensure these are included in the planned budget.
- Implement a planned preventative maintenance programme.
- Identify practicable improvements to meet with community expectations and include in planned budget.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this Asset Management Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the Asset Management Plan may be prepared for a range of time periods, it typically informs a Long Term Financial Planning period of 10 years. Therefore, a summary output from the Asset Management Plan is the forecast of 10 year total outlays, which for parks and recreation assets is estimated as **$9,717,243** or **$971,724** on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is **$8,121,182** or **$812,118** on average per year as per the Long Term Financial Plan and Planned Budget. This is **83.57 %** of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the Long Term Financial Plan can be provided. The informed decision making depends on the Asset Management Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for parks and recreation assets leaves a shortfall of **$159,606,** on average per year, of the forecast lifecycle costs required to provide services in the Asset Management Plan compared with the Planned Budget currently included in the Long Term Financial Plan. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

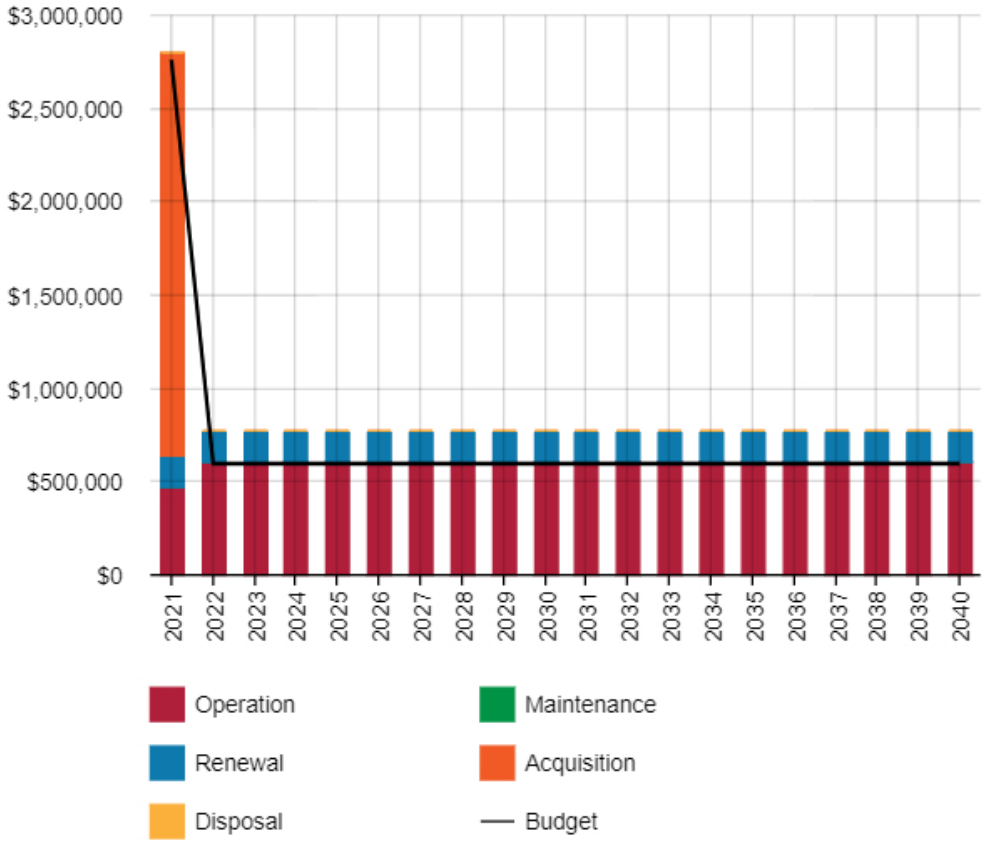


Figure values are in current day dollars.

We plan to provide parks and recreation infrastructure services for the following:

- Operation, maintenance, renewal and acquisition of parks and recreation assets to meet service levels set by Council.
- Forecast renewal works that are scheduled to occur over the planning period (once capital works program has been developed, refer Table 8.2). Specific renewals are not yet known, however preliminary renewal estimates have been made, refer to Appendix D.

1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- We cannot undertake all parks and recreation asset renewals at the rate required to maintain the current level of service. Council will endeavour to complete renewals on a priority basis.
- We cannot acquire assets where there is no planned budget assigned (refer Long Term Financial Plan) to service the full lifecycle costs (acquisition, operation, maintenance, renewal and disposal) over the planning period. This includes externally funded capital works.

1.6.3 Managing the Risks

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Loss of knowledge
- Injury to public
- Underfunding
- Loss of threatened or unique biodiversity
- Weed invasion

We will endeavour to manage these risks within available funding by:

- Ensure knowledge is common throughout works department
- Undertake appropriate renewal and maintenance works to ensure public safety
- Develop and continually improve asset register and condition assessment data to inform asset management plan and budget
- Community education, policing of and fines for illegal clearing of vegetation
- Feral animal control program
- Continued weed management works

1.7 Asset Management Planning Practices

Key assumptions made in this Asset Management Plan are:

- Expenditure projections are low confidence budget type figures with a range of ± 40%
- Financial data used in the development of this plan was from the end of the 2019-20 financial year.
- It is assumed that no major acquisitions outside of those referenced in this plan are to be undertaken during the planning period without detailed lifecycle costing knowledge and allocation in planned budget to meet these costs.
- Several gross assumptions were required in the derivation of planned budget and lifecycle forecast figures. This is due to the quality of financial and condition information currently available.
- Professional judgement has been applied in the absence of good quality data, however where applied, it has been noted for improvement in Section 8.0.
- All figures are presented in current day dollars.

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal.
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

A combination of the asset register and an alternate method was used to forecast the renewal lifecycle costs for this Asset Management Plan.

The estimated confidence level for and reliability of data used in this Asset Management Plan is considered to be **Low** (refer Table 7.5.1).

1.8 Monitoring and Improvement Program

The next steps resulting from this Asset Management Plan to improve asset management practices are:

- Improve parks and recreation asset register. Provide greater detail and break up into individual assets, review/add updated useful lives, condition, construction dates, renewal costs etc.
- Update XERO from new asset register (noting large increase in asset replacement value).

- Develop and maintain regular inspection of asset condition, defects and develop formal maintenance and capital works programs. Include condition assessment ratings in asset register and update the Asset Management Plan and Long Term Financial Plan accordingly. Capital works program to show renewal priority consistent with agreed criteria in this plan.
- Establish a formal, documented, program for operational (cleaning, mowing etc.) works and maintenance, for use by works crew.
- Increase accuracy of budget breakdown to include specific acquisitions, maintenance, operations, renewals and disposals sections. Aim for better transparency.
- Update Geographical Information System (GIS) to include all previously missing parks and reserves assets once they have been recorded in the field.
- Improve confidence in financial data used in Long Term Financial Plan and Asset Management Plan – this is foreseen to involve improved recording of acquisition, operations, maintenance, renewal and disposal asset lifecycle activities within XERO (accounting software) so accurate costs can be developed.
- Capture and include tree and other significant planting data, including renewal values etc. in asset register.
- Better understand community level of service expectations – community/Council consultation.
- Continually improve correlation between Long Term Financial Plan and Asset Management Plan.
- Improve confidence and maturity of Asset Management Plan.

2.0 Introduction

2.1 Background

This Asset Management Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulations, and required funding to provide the appropriate levels of service over the planning period.

The Asset Management Plan is to be read with Council's Asset Management Policy and Strategic Asset Management Plan, along with other key planning documents:

- Long Term Financial Strategy
- Long Term Financial Management Plan
- Glamorgan Spring Bay Council's 10-year Strategic Plan 2020-2029

Council is in the process of modernising its asset management practices to ensure they adhere to the *Local Government Act 1993*. Part of this process is the development of asset management plans, such as this document, and the above mentioned strategic documents.

This Asset Management Plan generally covers higher value Council owned or maintained parks and recreation type assets. For a detailed summary of the assets covered, refer to Table 5.1.1 in Section 5 and the lists below.

The parks and recreation infrastructure network is considered to comprise of the following:

- Recreation grounds, sports fields and associated assets not covered elsewhere
- BBQ's (excludes shelters – these are included in the *Asset Management Plan – Buildings*)
- Playgrounds
- Tennis courts, netball courts and cricket training nets
- Formed walkways and trails, including pedestrian bridges
- Parks/reserves incl. fencing.
- Dog parks (excluding shelters and tanks)
- Public seating and picnic tables
- Car parks (those not associated with Council buildings – these carparks are covered in the *Asset Management Plan – Buildings*)
- Cemeteries (replaceable, Council owned assets only)
- Skate parks and BMX tracks
- Black water stations
- Monuments, memorials, public art etc.

At this point in time, significant trees and other plantings, and the cost of their renewal have not been covered in this plan, however this is identified for future improvement in Section 8.0.

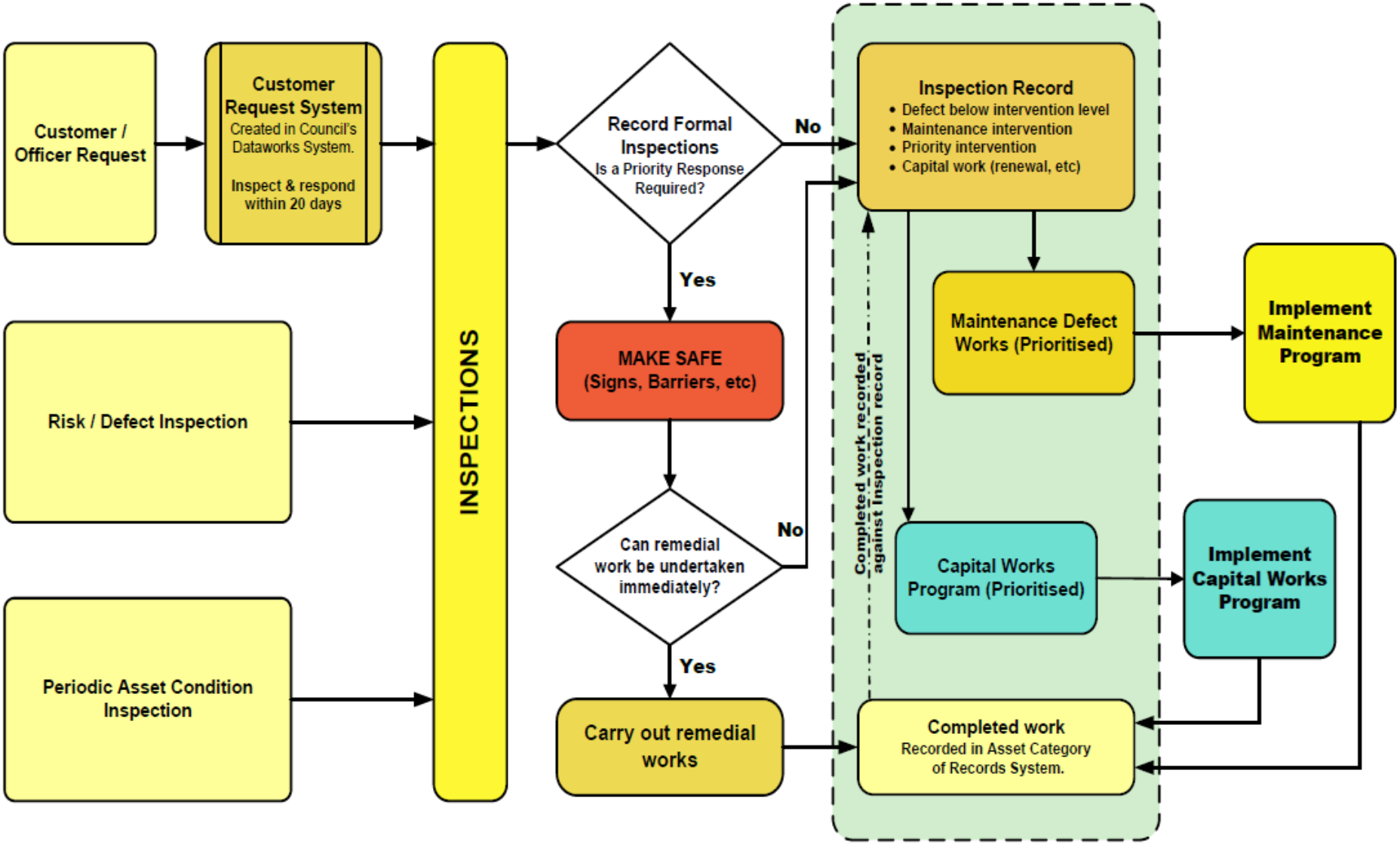
The parks and recreation assets included in this plan have a total replacement value of **$7,551,000** (excluding land value).

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

Table 2.1: Key Stakeholders in the Asset Management Plan

Key Stakeholder	Role in Asset Management Plan
Councillors	■ Represent needs of community/shareholders, ■ Allocate resources to meet planning objectives in providing services, while managing risks, ■ Ensure service is sustainable, ■ Make informed decisions, in the best interests of the community.
General Manager	■ Maintain a proactive approach to holistic asset management practices and ensure staff do the same. ■ Inform Councillors to enable educated decisions to be made.
Infrastructure Management Team	■ Maintain a proactive approach to holistic asset management practices. ■ Ensure the Asset Management Plan is used and updated regularly. ■ Inform Councillors to enable educated decisions to be made.
General Public	■ Report shortcomings, damage, safety concerns and other issues with current parks and recreation assets.

Our organisational structure for service delivery from parks and recreation assets is detailed below:



2.2 Goals and Objectives of Asset Ownership

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

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

Key elements of the planning framework are

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

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

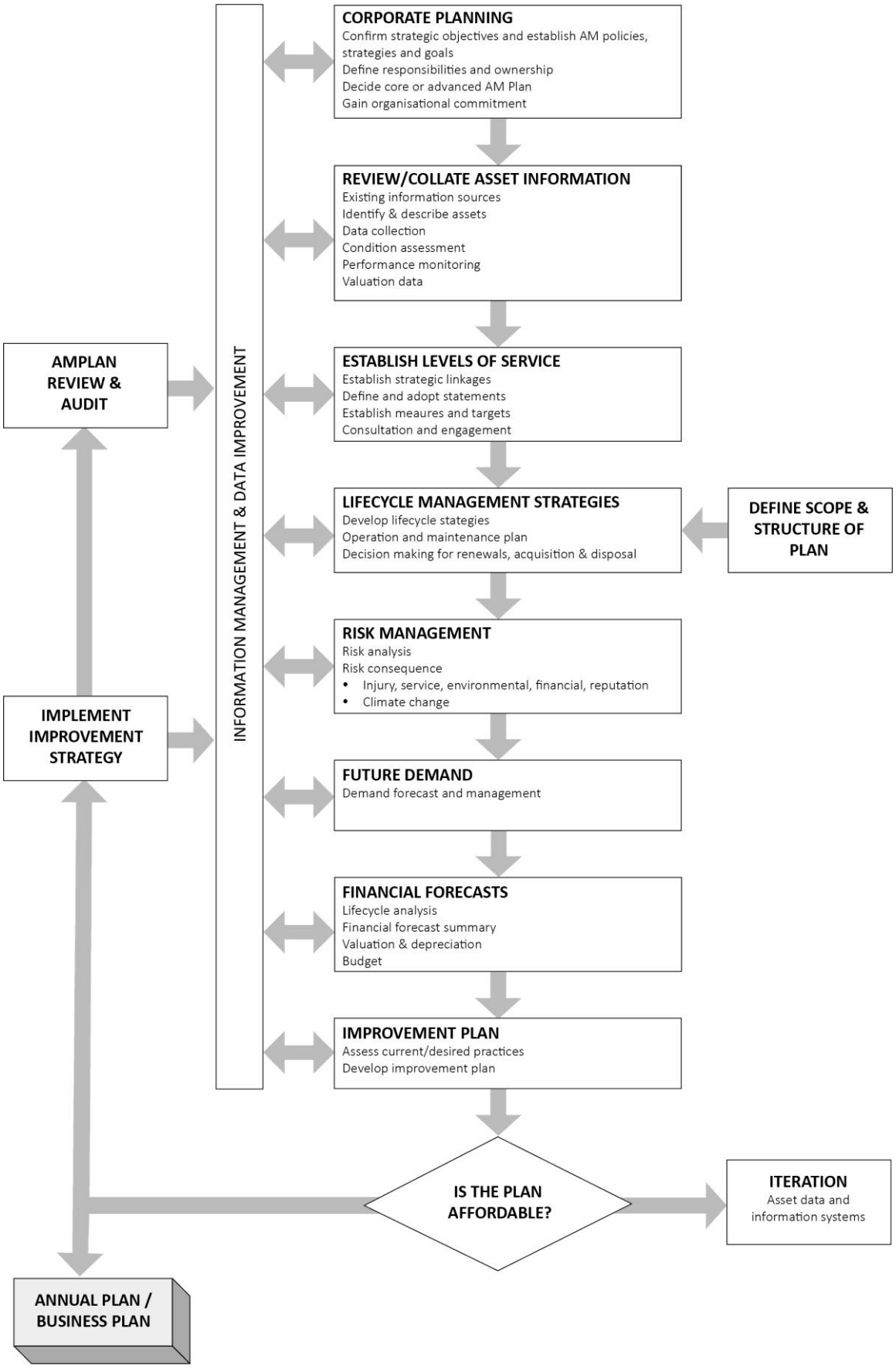
- International Infrastructure Management Manual 2015 [1]
- ISO 55000[2]

A road map for preparing an Asset Management Plan is shown below.

[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[2] ISO 55000 Overview, principles and terminology

Road Map for preparing an Asset Management Plan

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



3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

This Asset Management Plan is prepared to facilitate consultation prior to adoption of levels of service by Council. Future revisions of the Asset Management Plan will incorporate customer consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

Council undertakes community consultation for proposed developments. Council also receives vast community feedback on the services and facilities it provides. Budget submissions are invited from local district committees and community groups for Council consideration. Council's customer request system is used to determine trends in community expectations. This information is used in developing key planning documents and in allocation of budget resources.

3.2 Strategic and Corporate Goals

This Asset Management Plan is prepared under the direction of the Council's vision, mission, goals and objectives.

Our vision is:

Glamorgan Spring Bay, a welcoming community which delivers sustainable development, appreciates and protects its natural environment and facilitates a quality lifestyle.

Our mission is:

Represent and promote the interests of the communities in our municipality.

- ***Provide sound community governance, practices and processes.***
- ***Plan, implement and monitor services according to our agreed priorities and available resources.***
- ***Seek and secure additional funds, and grants to augment our finances.***
- ***Manage the finances and administer the Council.***
- ***Establish and maintain mutually beneficial strategic partnerships with State and Federal Government and private businesses and industry.***

Strategic goals have been set by Council. The relevant goals and objectives and how these are addressed in this Asset Management Plan are summarised in Table 3.2.

Table 3.2: Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objectives are addressed in the Asset Management Plan
To have safe and reliable parks and reserve facilities for the community to enjoy.	Maintain and develop parks and recreation assets to appropriate standards.	Continue to develop and maintain regular inspection of asset condition, defects and develop maintenance and capital works programs for inclusion in the Asset Management Plan. Refer Section 8.0.
Good Governance	Provide asset management services in a sustainable manner. Deliver services effectively and efficiently.	Completion, adoption and review of asset management plans (this plan)

Appropriate service levels	Identify current service levels and target sustainable levels	An ongoing task that will be monitored and improved. Refer Section 8.
Improved risk management	Identify and address all known significant risks to parks and recreation assets	Implement a structured approach to identify and manage significant risks. Refer Section 6.
Financial sustainability	Identify financial inefficiencies	Implement a structured approach to identifying financial inefficiencies.

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the level of service for Council's building infrastructure are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
National Parks and Reserves Management Act 2002	Provides management objectives for parks and reserves.
Work Health and Safety Act 2012	Legislates the requirements for design and building works. Sets out the roles and responsibilities to secure the health, safety and welfare of persons at work.
Nature Conservation Act 2002	Provides nature conservation objectives.

3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and,
- the likely trend over time based on the current budget provision

Table 3.4: Customer Values

Service Objective:			
Customer Values	**Customer Satisfaction Measure**	**Current Feedback**	**Expected Trend Based on Planned Budget**
Clean and tidy parks, reserves and recreation assets	Number of customer service requests	Generally only minor operational and maintenance type customer service requests	Expected to remain similar to existing
Accessible parks, reserves and recreation assets	Number of customer service requests	Small number of improvements requested	Expected to remain similar to existing
Safe parks, reserves and recreation assets	Number of customer service requests	Generally only minor operational and maintenance type customer service requests	Expected to remain similar to existing

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

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

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

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

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

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

Table 3.5: Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Quality of parks and recreation assets	Conditions in asset register (once fully developed and assets assessed)	60* % Good condition 35* % Fair condition 5* % Poor condition *Gross estimate only	Expect planned renewals (yet to be defined) over planning period, hence improvement in some assets whilst not enough budget to undertake all renewals required, hence a continued deterioration of any remaining 'poor' or 'very poor' condition assets.
	Confidence levels		Low (professional judgement with no data evidence)	Low (professional judgement with no data evidence)
Function	Appropriate and compliant parks and recreation assets	Staff/contractor assessment and number of customer service requests	Majority of assets considered compliant, with improvements required for some playground equipment (as noted in recent inspection report)	Required improvements to be gradually undertaken during planning period
	Confidence levels		Medium (professional judgement supported by data sampling)	Medium (professional judgement supported by data sampling)
Capacity	Appropriate number of accessible parks and recreation facilities	Number of customer service requests	Based on number of requests, existing service level considered adequate	Expected to remain similar to existing
	Confidence levels		Medium (professional judgement supported by data sampling)	Medium (professional judgement supported by data sampling)

3.6 Technical Levels of Service

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

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

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

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[3]

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this Asset Management Plan.

Table 3.6: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Acquire assets that align with Council's core purpose	Number of acquisitions	Council acquires assets generally on availability of external funding. 2020-21 financial year has seen significant externally funded acquisitions in the order of $2M, however following this no future acquisitions are currently planned during the planning period.	Only acquire assets that align with Council's core purpose and that Council can afford to maintain
		Budget	***$2,165,462 (2020-21)*** ***$0 per year (2022-240)***	***$0 per year***
Operation	Keep parks and recreation assets clean and tidy	Frequency of cleaning	Different assets are cleaned at varying intervals and this also changes throughout the year (more cleaning occurs during summer than winter)	Current performance is considered adequate based on user feedback

[3] IPWEA, 2015, IIMM, p 2|28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	Keep parks and recreation assets operational and accessible	User feedback	User feedback suggests current performance is adequate	Current performance is considered adequate based on user feedback
		Budget	***$472,572 per year (10 year average)***	***$472,572 per year (10 year average)***
Maintenance	Keep parks and recreation assets safe.	Frequency of maintenance	Reactive minor repairs and minor upgrades are undertaken	Reactive minor repairs, minor upgrades, and a planned preventative maintenance programme
	Keep parks and recreation assets serviceable	Frequency of maintenance	Reactive minor repairs and minor upgrades are undertaken	Reactive minor repairs, minor upgrades, and a planned preventative maintenance programme
		Budget	***Included in Operations above***	***Included in Operations above***
Renewal	Ensure parks and recreation assets are in good condition for use/function	Frequency of renewal	Assets do not have formal inspection programs and are dealt with on a reactive basis.	Establish a formal inspection program which will feed condition information into the forecast renewal plan
	Ensure parks and recreation assets remain modern and compliant with current standards	Frequency of renewal (including component renewal)	Assets are renewed on a reactive basis. No works forecasts are currently in place.	Establish a detailed forecast renewal plan with priorities based renewal criteria (see Table 5.3.1)
		Budget	***$123,000 per year (10 year average)***	***$160,604 per year (10 year average)***
Disposal	Identify assets and activities that do not align with Council's core purpose	Number of assets and activities identified for disposal	No potential disposals have currently been identified	Develop a list of potential asset and activity disposals for Council assessment
	Dispose of assets and activities that do not align with Council's core purpose	Number of identified asset and activity disposals undertaken	No disposals are currently planned	Develop a plan for, and dispose of, identified assets following Council approval
		Budget	***$0 per year***	***$0 per year***

Note: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

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

4.0 FUTURE DEMAND

4.1 Demand Drivers

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

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 4.3.

Population of the Glamorgan Spring Bay Local Government Area was last estimated in 2018 to be 4,528. Figure 4.2 below shows the projected population over the planning period. Analysis of this figure shows a slight projected rise in population to approximately 4,600 around 2025 and then a gradual decline to around 4,300 at the end of the planning period (2039). Hence, it is anticipated that there will be little need for change to the adopted 'Levels of Service' relating to population growth.

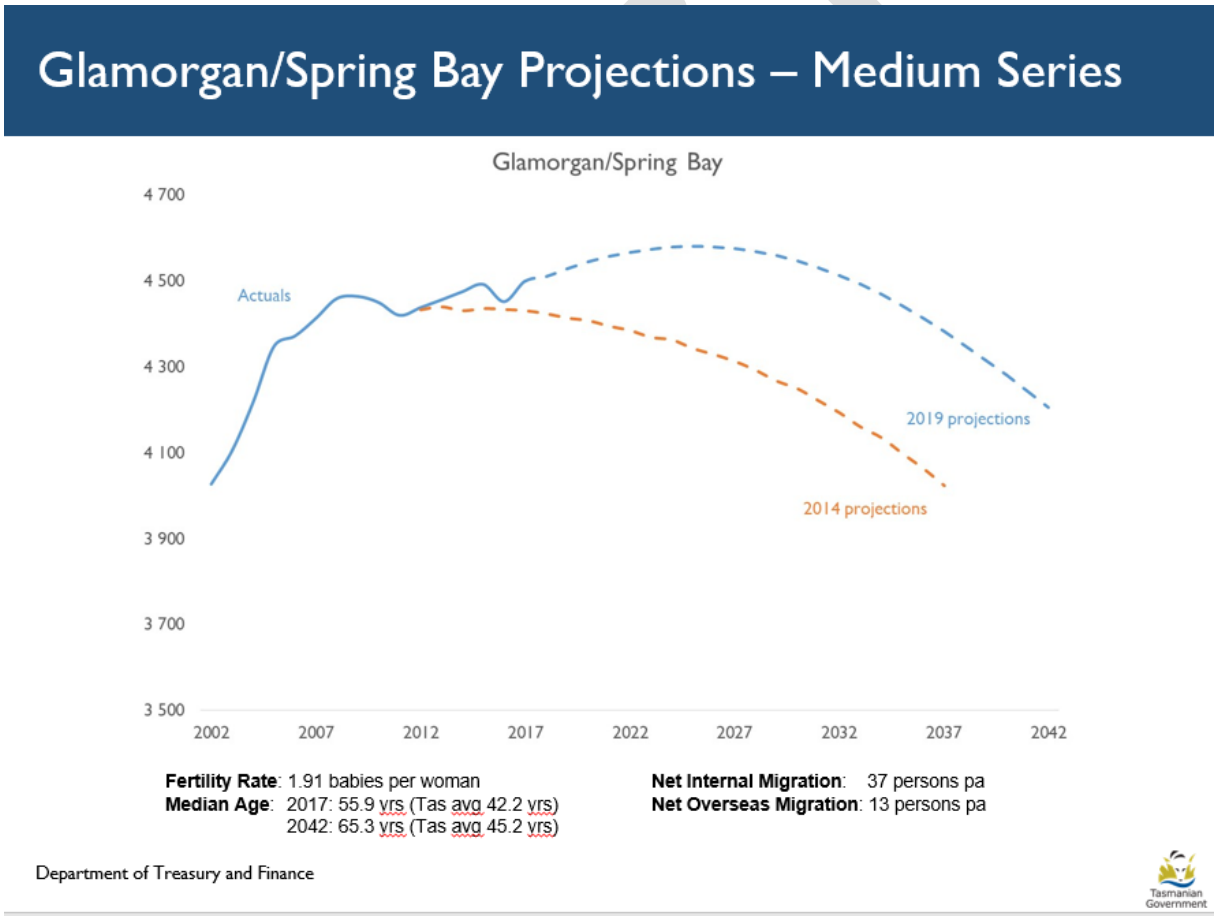


Figure 4.2 – Department of Treasury and Finance – Glamorgan Spring Bay population projections (medium series).

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this Asset Management Plan.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	4,528 people in 2018.	Refer Figure 4.2	The change is not foreseen to impact services	No impact to services, hence management plan is not required.
Demographic	Median age of 55.9 years (2017)	Increase in median age to approx. 65 years by 2039	Aging population expected to demand improved accessibility to parks and reserve/facilities	Identify upgrades required to meet with current accessibility standards and ensure these are included in the planned budget
Climate change	Experiencing more extreme weather patterns and events	Continue to experience increased frequency and intensity of extreme weather events	May require increased maintenance of parks and recreation assets to reduce risk of extreme weather related damage	Implement a planned preventative maintenance programme.
Community expectation	Some customer service requests relating to parks and recreation assets (and acquisition of)	Some improvements required over planning period	Increased renewal and maintenance costs to meet with community expectations	Identify practicable improvements to meet with community expectations and include in planned budget.

4.4 Asset Programs to meet Demand

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

Acquiring new assets will commit Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the Long Term Financial Plan (Refer to Section 5).

4.5 Climate Change Adaptation

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

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

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

Risk and opportunities identified to date are shown in Table 4.5.1

Table 4.5.1 Managing the Impact of Climate Change on Assets and Services

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Increased frequency and intensity of extreme rainfall events	Increased maintenance of outdoor assets (e.g. walkways)	Increased drainage upgrade and maintenance costs	Prioritise susceptible sites for improvement works to reduce vulnerability
Hotter summers	Increase in bushfire risk	Loss of assets	Refer *Glamorgan Spring Bay Council Risk Management Strategy*

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change;
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

Table 4.5.2 Building Asset Resilience to Climate Change

New Asset Description	Climate Change impact on these assets?	Build Resilience in New Works
Parks & Recreation assets	Increased risk of loss, or damage to assets	Consider climate change impacts when acquiring, renewing and maintaining assets.

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

5.0 LIFECYCLE MANAGEMENT PLAN

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

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this Asset Management Plan are shown in Table 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Category	Number of Assets/Length	Replacement Value
Car parks/parking areas	26	$3,167,000
Playgrounds	9	$1,450,000
Formed and maintained walkways/trails	16 km	$480,000
Tennis courts, netball courts, and cricket training nets	9	$465,000
Skate parks and BMX tracks	7	$460,000
Recreation grounds	5	$455,000
Monuments, memorials, cenotaphs, public art etc.	10	$320,000
BBQ's	17	$255,000
Pedestrian walkway bridges	8	$207,000
Public seating and picnic table settings	125	$122,000
Dog parks (excluding shelters– see *Asset Management Plan – Buildings*)	6	$85,000
Black water stations	5	$45,000
Cemeteries	2	$40,000
	TOTAL	**$7,551,000**

The age profile of the assets included in this Asset Management Plan would normally be shown in Figure 5.1.1. below, however due to construction dates being largely unknown, this graph is not shown. This is noted for improvement in Section 8.0. This graph would normally outline past peaks of investment that may require peaks in future renewals.

Figure 5.1.1: Asset Age Profile

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5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Playground and exercise equipment throughout municipality	Compliance issues, corrosion, peeling paintwork, graffiti, lack of soft-fall and all other issues identified in *Kingston* condition audit. (Repairs currently underway)
Coles Bay Tennis Courts	Uneven surface and cracking due to root intrusion – scheduled for replacement in 2021.
BMX tracks/jumps require some maintenance	Weathering of dirt tracks and jumps
Picnic tables and seating – throughout municipality	Dilapidation of a small number of assets, renewal or maintenance required.

The above service deficiencies were identified by visual observation by the author, discussion with key staff and through review of the 2020 playground equipment condition inspection undertaken by *Kingston*.

5.1.3 Asset condition

Council currently undertakes annual building maintenance inspections and risk assessments for all Council owned building structures. The purpose of these visual inspections is to identify defects and risk issues which are included into the annual maintenance program. Programmed maintenance is vital for extending the useful life of building components and elements to the full potential.

Condition is measured using a 1 – 5 grading system[4] as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the Asset Management Plan results are translated to a 1 – 5 grading scale for ease of communication.

Table 5.1.3: Condition Grading System

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

The condition profile of our assets is shown in Figure 5.1.3.

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

Figure 5.1.3: Asset Condition Profile

[INTENTIONALLY LEFT BLANK]

All parks and recreation assets currently have no condition ratings applied, hence Figure 5.1.3 is blank. For accounting purposes, the assets that were included in Council's *XERO* fixed asset register at the end of the 2019-20 financial year ($3,639,881) have currently been depreciated by approximately 20 % of their replacement value, meaning that on average those assets are assumed to have approximately 80 % of their service life remaining. This is in the absence of condition assessment data which would help calibrate these assumptions – this is noted for improvement in Section 8.0. It is important to note that development of this asset management plan has captured parks and recreation assets with an estimated total replacement value of approximately $7.5 M, compared with the previously recorded $3.6 M as at the end of 2019-20 financial year.

There are known assets that have not yet been valued or included in this management plan. One known example of this are significant tree and other plantings throughout the municipality which have an associated replacement cost. However noting Council is in the primary stages of its asset management journey, this has been highlighted for improvement in Section 8.0. A future project will be required to identify these and any other missing assets.

5.2 Operations and Maintenance Plan

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

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

The trend in operations and maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Operations and Maintenance Budget Trends

Year	Operations and Maintenance Budget $
2020-21	$656,115
2021-22	$452,178
2022-23	$452,178

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

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Asset hierarchy

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

The service hierarchy is shown is Table 5.2.2.

Table 5.2.2: Asset Service Hierarchy

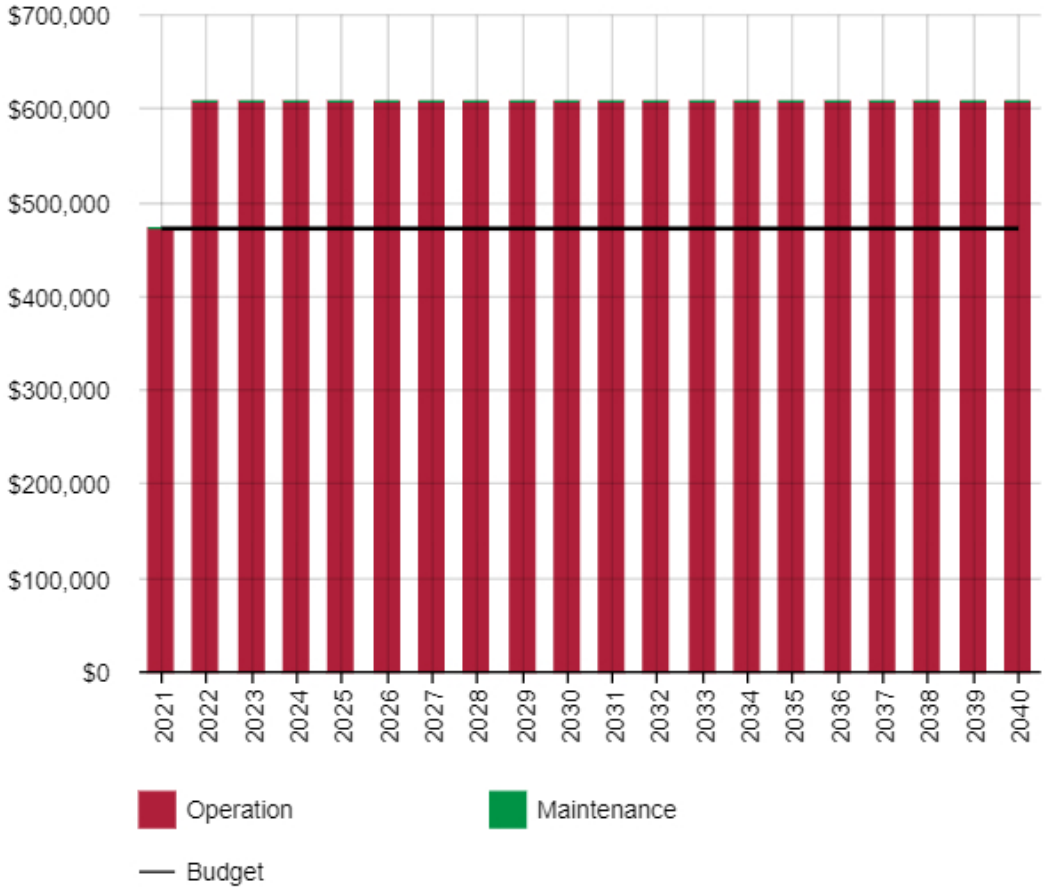
Service Hierarchy	Definition	Service Level Objective
Category 1 – Critical	High use, critical assets essential to service delivery	■ **Aesthetics** – As new or highest quality reasonably achieved. ■ **Functionality** – All elements must function as intended at all times, with no down time tolerated during periods of intended use. ■ **Legislative Requirements** – All legal responsibility must be met. ■ **Financial** – Maximum efficiency of maintenance and cleaning operations is required, to minimise expenditure in achieving the desired outcomes.
Category 2 – High	High use assets essential to service delivery	■ **Aesthetics** – Minor signs or deterioration when viewed closely may be acceptable. No deterioration when viewed form normal distance. Some deterioration may be tolerated for short period of time. ■ **Functionality** – All elements must function as intended during periods of intended use, with a low probability of failure. ■ **Legislative Requirements** – All legal responsibility must be met. ■ **Financial** – Primary aim is to maximise the long term economic performance of the asset. Refurbishments, equipment replacements and maintenance planning should be above current standards to provide a high level of service and aesthetics.
Category 3 – Moderate	Moderate use assets important to service delivery	■ **Aesthetics** – Some minor signs of deterioration when viewed from normal distance are acceptable. ■ **Functionality** – All required elements should function as intended during period of intended use. Minor failures, excluding those which bring a threat to safety or security, can be tolerated. ■ **Legislative Requirements** – All legal responsibility must be met. ■ **Financial** - Primary aim is to maximise the long term economic performance of the facility. Refurbishments, equipment replacements and maintenance planning should be in a strategic framework, and decision taken on a life cycle basis.
Category 4 – Low	Low use assets that are not critical to service delivery	■ **Aesthetics** – Some signs of deterioration are acceptable. ■ **Functionality** – All elements requirement should function as intended during periods of intended

		use. Minor failures, excluding those which bring a threat to safety or security, can be tolerated. ■ **Legislative Requirements** – All legal responsibility must be met. ■ **Financial** – Limitation of short term maintenance costs is the primary objective.
Category 5 – Infrequent use	Infrequently used assets	■ **Aesthetics** – Not important. ■ **Functionality** – No requirement to retain any functional performance except to avoid degradation of asset value or increase in risk. ■ **Legislative Requirements** – All legal responsibility must be met. ■ **Financial** – Limitation of maintenance costs is the primary objective.

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars. Maintenance costs are currently included in the operation costs shown in Figure 5.2, as separation of these within Council's *XERO* financial management software has not been undertaken and will require future improvements noted in Section 8.0.

Operations and maintenance costs cover, but are not limited to, recreation grounds, playgrounds, walkways, tree inspections, cemeteries, weed management, beach reserves, barbeques, picnic tables, tennis/netball courts and dog parks.

As can be seen in Figure 5.2, operation and maintenance cost forecasts are equal to the planned budget at the start of the planning period, however from 2022 onwards are above the planned budget. The forecast increase from 2022 onward is due to additional costs associated with operating and maintaining significant (approximately $2 M) acquisitions included in the 2020-2021 financial year budget. Figure 5.2 highlights that Council does not currently have sufficient planned budget to undertake forecast operation and maintenance over the planning period, this generally leads to a reduction in the level of service provided.

Deferred maintenance (i.e. works that are identified for maintenance activities but unable to be completed due to available resources) should be included in Section 6.0 of this plan where it poses a 'high' or 'very high' risk to Council – refer Table 6.2.

5.3 Renewal Plan

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

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

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

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed in February 2021.

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Car parks/parking areas	10 to 50 years
Playground/fitness equipment	15 years
Formed and maintained walkways/trails	10 to 50 years
Tennis courts, netball courts, and cricket training nets	25 years
Skate parks and BMX tracks	5 to 40 years
Recreation grounds (fencing, lighting etc.)	50 years
Monuments, memorials, cenotaphs, public art etc.	50 years
BBQ's	10 to 15 years
Pedestrian walkway bridges	20 to 50 years
Public seating and picnic table settings	20 years
Dog parks (excluding shelters– see *Asset Management Plan – Buildings*)	30 years
Black water stations	50 years
Cemeteries (fences, walls etc.)	50 years

The estimates for renewals in this Asset Management Plan were based on a combination of both the asset register and alternate methods.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

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

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

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

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

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

Table 5.3.1: Renewal Priority Ranking Criteria

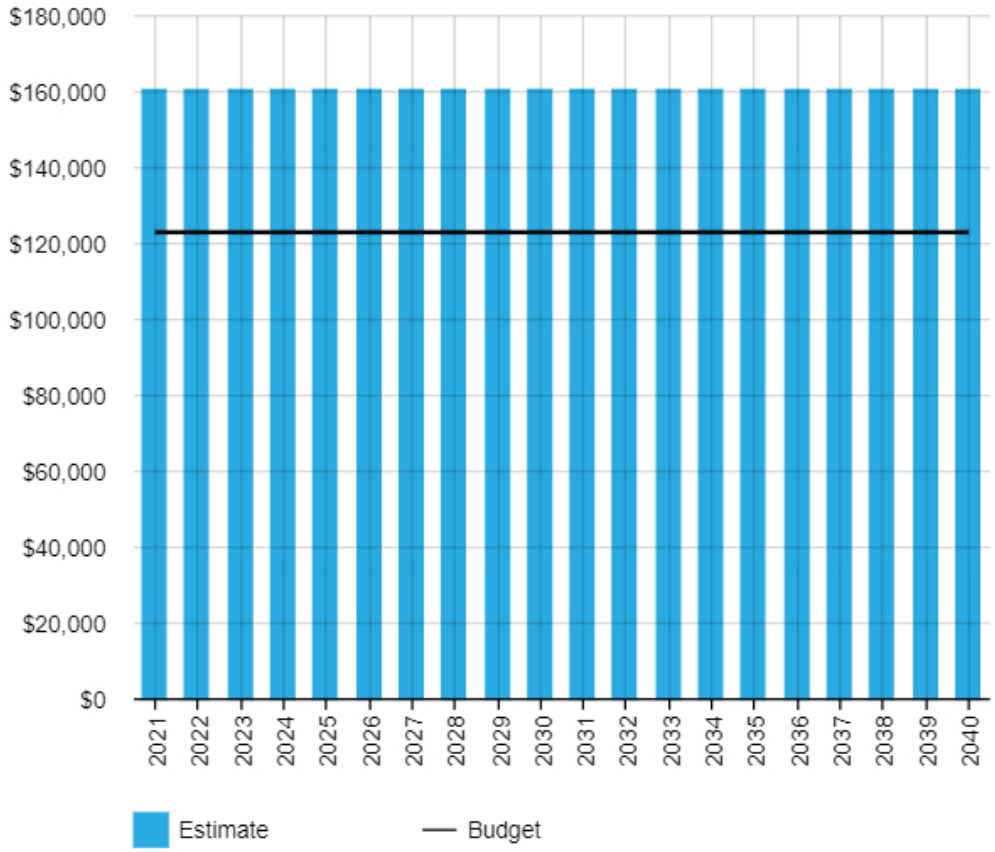
Criteria	Weighting
Condition	30 %
Usage/demand	30 %
Risk/failure consequence	20 %
High operation & maintenance costs that could be reduced significantly by renewal	20 %
Total	**100%**

5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

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

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

Figure 5.4.1 shows that the forecast renewal costs are greater than the planned renewal budget over the planning period.

The lifecycle forecast estimate is essentially the total foreseen renewal costs over the planning period, divided by the planning period (20 years), to give an annual average.

Figure 5.4.1 highlights that Council does not currently have sufficient planned budget to undertake forecast renewals over the planning period. This generally leads to a reduction in the level of service provided.

There are currently no deferred renewals forecast. Deferred renewal (assets identified for renewal and not scheduled in capital works programs) should be included in Section 6.0 of this plan where they pose a 'high' or 'very high' risk to Council – refer Table 6.2.

5.5 Acquisition Plan

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

5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Council's needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the

services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

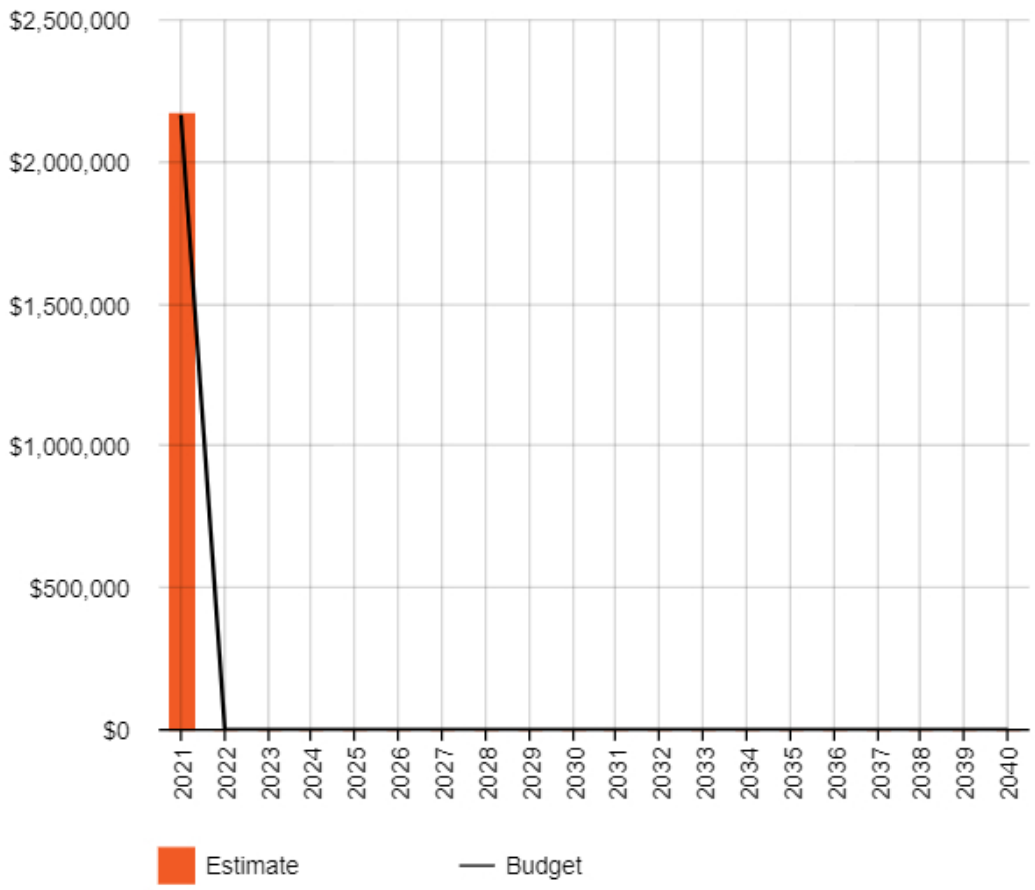
Table 5.5.1: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
Is the acquisition in line with Council's core purpose?	30 %
Necessity/demand	25 %
Are lifecycle costs known and funds available in planned budget?	25 %
Risk consequence of not providing	20 %
Total	**100%**

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

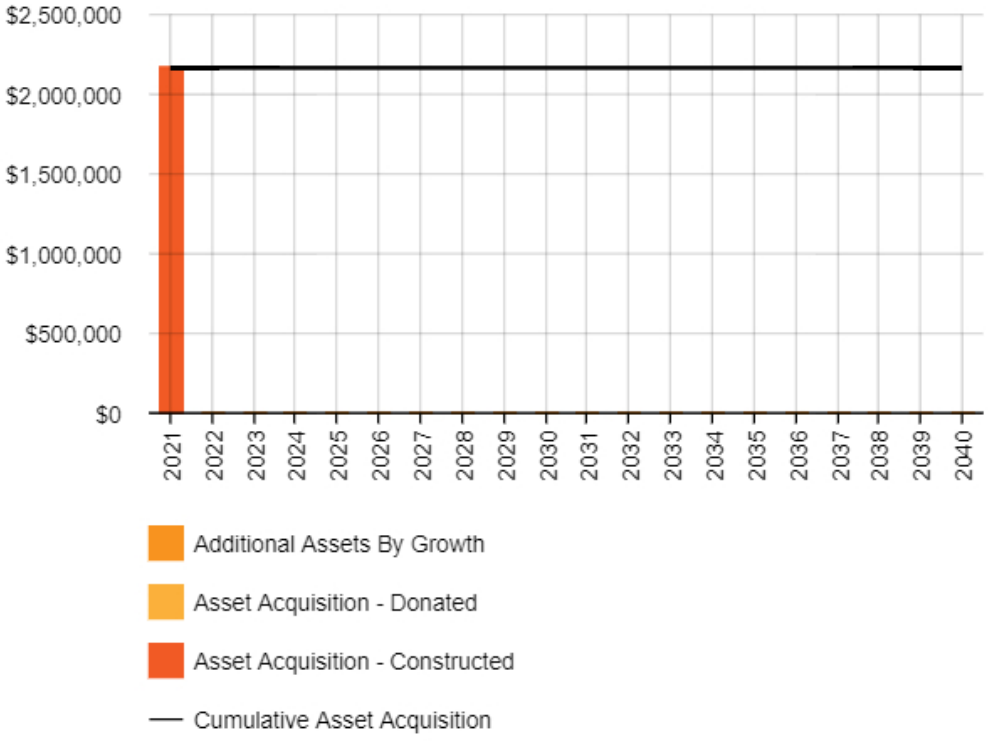
Figure 5.5.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When Council commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Council. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current day dollars.

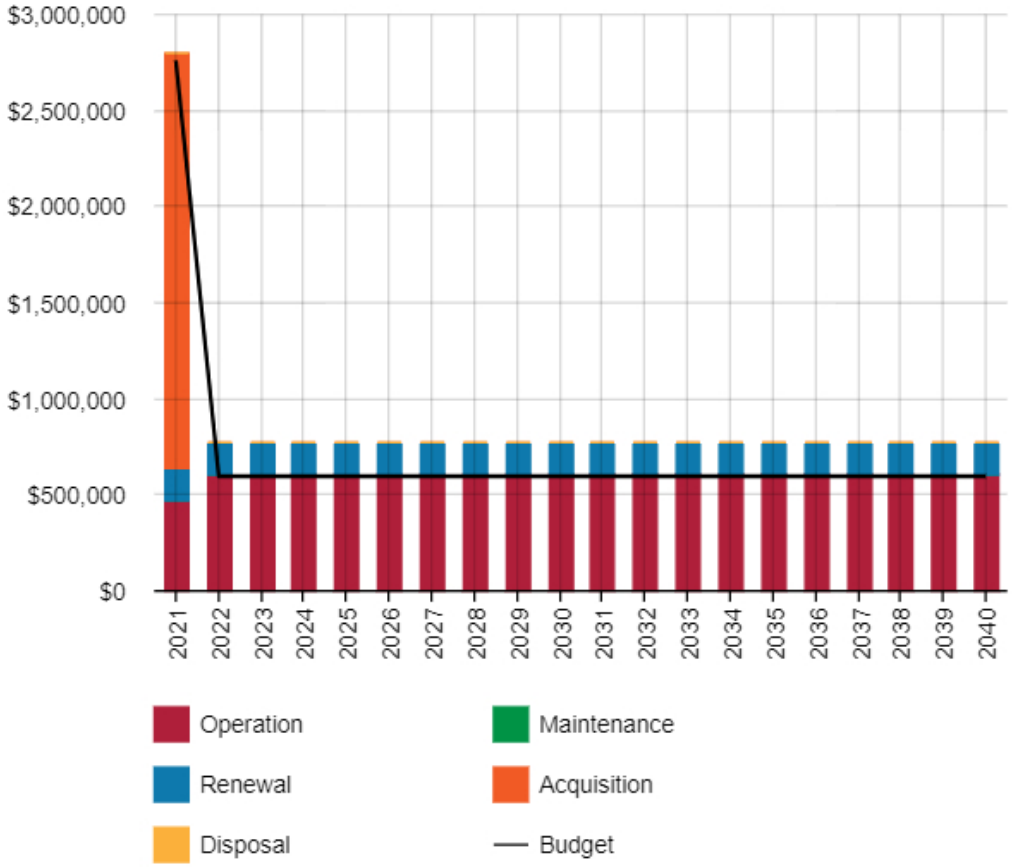
Expenditure on new assets and services in the capital works program will be accommodated in the Long Term Financial Plan, but only to the extent that there is available funding.

Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.4.3. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.5.3: Lifecycle Summary



All figure values are shown in current day dollars.

As can be seen in Figure 5.5.3, the forecast lifecycle costs exceed the planned budget (black line). The forecast lifecycle cost for operations and maintenance (increasing forecast costs due to acquisitions), along with a shortfall in renewal funding, are the main reasons for the overall shortfall between the planned budget and the forecast lifecycle costs.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the Long Term Financial Plan.

Table 5.6: Assets Identified for Disposal

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

6.0 RISK MANAGEMENT PLANNING

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

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

An assessment of risks[8] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

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

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
N/A	N/A	N/A

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

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

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

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

[7] ISO 31000:2009, p 2

[8] Refer GSBC Risk Management Policy and GSBC Risk Management Strategy (June 2020)

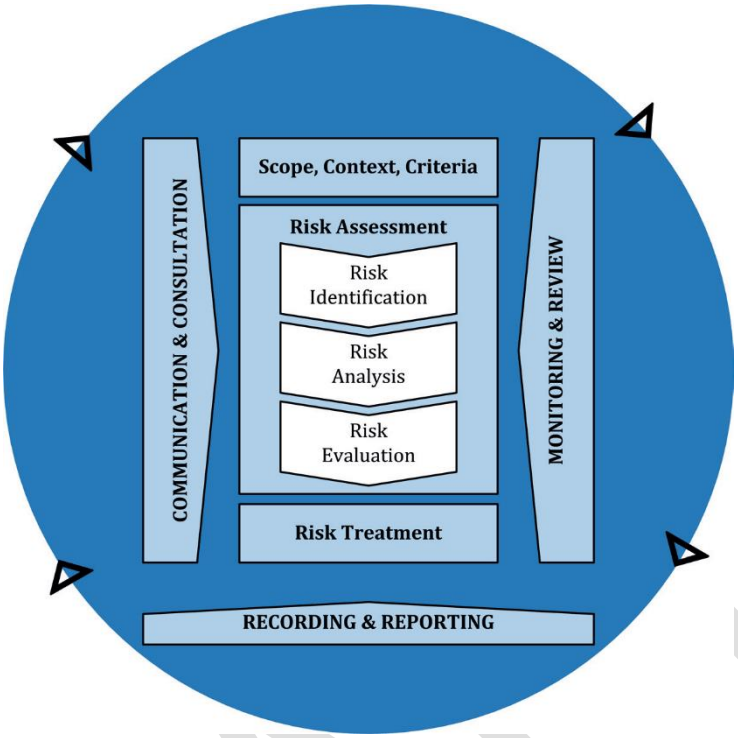


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

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

An assessment of risks[9] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

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

[9] Refer GSBC Risk Management Policy and GSBC Risk Management Strategy (June 2020)

Table 6.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Parks and recreation	Loss of knowledge and key staff	H	Ensure knowledge is common throughout works department	L	$10,000
Playground equipment	Injury to public	H	Undertake appropriate renewal and maintenance works to ensure public safety (currently underway)	L	$100,000
Parks and reserves	Underfunding	H	Develop and continually improve asset register and condition assessment data to inform asset management plan and budget	L	$50,000
Biodiversity assets	Loss of threatened or unique biodiversity	H	Community education, policing of and fines for illegal clearing of vegetation	M	$10,000
Biodiversity assets	Loss of threatened or unique biodiversity	H	Feral animal control program	M	$50,000
Biodiversity assets	Weed invasion	H	Continue weed management works	M	$100,000

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

6.3 Infrastructure Resilience Approach

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

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

We do not currently measure our resilience in service delivery. This will be included in future iterations of the Asset Management Plan.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this Asset Management Plan are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some capital works (acquisition and renewal) that are unable to be undertaken within the next 10 years. These include:

- We cannot acquire assets where there is no planned budget assigned (refer Long Term Financial Plan) to service the full lifecycle costs (acquisition, operation, maintenance, renewal and disposal) over the planning period. This includes externally funded capital works.
- We cannot undertake all parks and recreation asset renewals at the rate required to maintain the current level of service. Council will endeavour to complete renewals on a priority basis.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. The service consequences will generally be related to a reduction in level of service provided.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- A reduction to the level of service provided
- Reputational consequences

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

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

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

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

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

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[10] **76.59 %**

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have **76.59 %** of the funds required for the optimal renewal of assets.

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

Medium term – 10 year financial planning period

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

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

The forecast operations, maintenance and renewal costs over the 10 year planning period is **$755,178** on average per year.

The proposed (budget) operations, maintenance and renewal funding is **$595,572** on average per year, giving a 10 year funding shortfall of **$159,606** per year. This indicates that **78.87 %** of the forecast costs needed to provide the services documented in this Asset Management Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the Asset Management Plan and ideally over the 10 year life of the Long Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the Long Term Financial Plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year Long Term Financial Plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the Long Term Financial Plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the Asset Management Plan (including possibly revising the Long Term Financial Plan).

[10] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

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

Forecast costs are shown in current day dollar values.

Table 7.1.2: Forecast Costs (Outlays) for the Long Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2021	$2,165,462	$472,572	$0	$160,604	$0
2022	$0	$608,130	$0	$160,604	$0
2023	$0	$608,130	$0	$160,604	$0
2024	$0	$608,130	$0	$160,604	$0
2025	$0	$608,130	$0	$160,604	$0
2026	$0	$608,130	$0	$160,604	$0
2027	$0	$608,130	$0	$160,604	$0
2028	$0	$608,130	$0	$160,604	$0
2029	$0	$608,130	$0	$160,604	$0
2030	$0	$608,130	$0	$160,604	$0
2031	$0	$608,130	$0	$160,604	$0
2032	$0	$608,130	$0	$160,604	$0
2033	$0	$608,130	$0	$160,604	$0
2034	$0	$608,130	$0	$160,604	$0
2035	$0	$608,130	$0	$160,604	$0
2036	$0	$608,130	$0	$160,604	$0
2037	$0	$608,130	$0	$160,604	$0
2038	$0	$608,130	$0	$160,604	$0
2039	$0	$608,130	$0	$160,604	$0
2040	$0	$608,130	$0	$160,604	$0

7.2 Funding Strategy

The proposed funding for assets is outlined in Council's budget and Long Term financial plan.

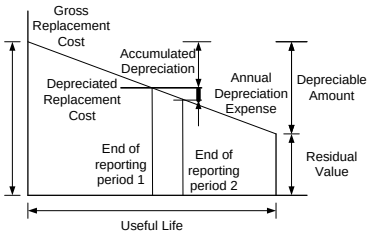
The financial strategy of Council determines how funding will be provided, whereas the Asset Management Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of parks and recreation assets included in this Asset Management Plan is shown below:

Replacement Cost (Current/Gross)	**$7,551,000**
Depreciable Amount	**$7,551,000**
Depreciated Replacement Cost[11]	**$4,160,400**
Annual Depreciation	**$354,508**



[11] Also reported as Written Down Value, Carrying or Net Book Value.

7.3.2 Valuation forecast

Asset values are forecast to increase slightly as additional or missing assets are added to the asset register.

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

7.4 Key Assumptions Made in Financial Forecasts

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

Key assumptions made in this Asset Management Plan are:

- Renewal costs are budget type figures, and in some instances have a confidence range of ± 40%
- Financial data used in the development of this plan was from the end of the 2019-20 financial year.
- It is assumed that no major acquisitions outside of those referenced in this plan are to be undertaken during the planning period without detailed lifecycle costing knowledge and allocation in planned budget to meet these costs.
- Several gross assumptions were required in the derivation of planned budget and lifecycle forecast figures. This is due to the quality of financial and condition information currently available.
- Professional judgement has been applied in the absence of good quality data, however where applied, it has been noted for improvement in Section 8.0.
- All figures are presented in current day dollars.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this Asset Management Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale[12] in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%

[12] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this Asset Management Plan is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in Asset Management Plan

Data	Confidence Assessment	Comment
Demand drivers	Medium	Requires Council input, review and acceptance
Growth projections	High	State government provided projections used
Acquisition forecast	Medium	Several gross estimates and assumptions made. Requires review on provision and improvement of financial data
Operation forecast	Low	Several gross estimates and assumptions made. Requires review on provision and improvement of financial data
Maintenance forecast	Very low	Several gross estimates and assumptions made. Requires review on improvement of financial data
Renewal forecast - Asset values	Low to Medium	Based on professional judgement of staff and recently undertaken projects
- Asset useful lives	Medium	Based on professional judgement/estimate by staff
- Condition modelling	Low	Based on visual inspection and professional judgement/estimate by staff
Disposal forecast	Medium	No disposals currently identified

The estimated confidence level for and reliability of data used in this Asset Management Plan is considered to be **Low**.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[13]

8.1.1 Accounting and financial data sources

This Asset Management Plan utilises accounting and financial data. The source of the data is Council's financial management system *XERO*.

8.1.2 Asset management data sources

This Asset Management Plan also utilises asset management data. The source of the data is Council's building infrastructure asset register in conjunction with *XERO*.

8.2 Improvement Plan

It is important that Council recognise areas of their Asset Management Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this Asset Management Plan is shown in Table 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Improve parks and recreation asset register. Provide greater detail and break up into individual assets, review/add updated useful lives, condition, construction dates, renewal costs etc.	Director of Works & Infrastructure	Works Manager, Technical officer	2021
2	Update XERO from new asset register (noting large increased in asset replacement value)	Accountant	Accountant	2021
3	Develop and maintain regular inspection of asset condition, defects and develop formal maintenance and capital works programs. Include condition assessment ratings in asset register and update the Asset Management Plan and Long Term Financial Plan accordingly. Capital works program to show renewal priority consistent with agreed criteria in this plan.	Director of Infrastructure, Works Manager, Works Supervisor	Internal	2021
4	Establish a formal documented program for operational (cleaning, mowing etc.) works and maintenance, for use by works crew.	Works Manager	Works Manager, Works Supervisor and Works Crew.	June 2022
5	Increase accuracy of budget breakdown to include specific acquisitions, maintenance, operations, renewals and disposals sections. Aim for better transparency.	Accountant	Accountant, Director of Works & Infrastructure	September 2022

[13] ISO 55000 Refers to this as the Asset Management System

6	Update Geographical Information System (GIS) to include all previously missing parks and reserves assets once they have been recorded in the field.	Director of Works & Infrastructure	Surveyor/Geographical Information System Officer	December 2022
7	Improve confidence in financial data used in Long Term Financial Plan and Asset Management Plan – this is foreseen to involve improved recording of acquisition, operations, maintenance, renewal and disposal asset lifecycle activities within *XERO* (accounting software) so accurate costs can be developed.	Accountant	Accountant, Director of Works & Infrastructure, Works Manager	December 2022
8	Capture and include tree and other significant planting data, including renewal values etc. in asset register.	Director of Works & Infrastructure	Works Manager	2023
9	Better understand community level of service expectations – community/Council consultation	Director of Works & Infrastructure	Internal	2023
10	Continually improve correlation between Long Term Financial Plan and Asset Management Plan. (Conduct regular meetings of responsible persons – aim for 'high' confidence level)	General Manager, Accountant, Director of Works & Infrastructure	General Manager, Accountant, Director of Works & Infrastructure, Works Manager	Ongoing
11	Improve confidence and maturity of Asset Management Plan	Director of Works & Infrastructure	Internal	Ongoing

8.3 Monitoring and Review Procedures

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

The Asset Management Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long Term Financial Plan or will be incorporated into the Long Term Financial Plan once completed.

The Asset Management Plan has a maximum life of 4 years and is due for complete revision and updating within 6 months of each Council election.

8.4 Performance Measures

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

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

9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
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- IPWEA, 2020 'International Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2018, Practice Note 12.1, 'Climate Change Impacts on the Useful Life of Assets', Institute of Public Works Engineering Australasia, Sydney
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- IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8
- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- '10-year Strategic Plan 2020-2029'
- '2020-2021 Annual Plan' (incl. budget)

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

A key assumption in the writing of this Asset Management Plan is that no Council funded acquisitions are forecast to be undertaken over the planning period (from 2022 onward). Given future demand (discussed in Section 4), Council's current financial position, available budget and discussion with key staff, a strategy of no Council funded acquisition (for parks and recreation assets) over the planning period is recommended.

A.2 – Acquisition Project Summary

Figure A2 – 2020-21 Financial Year Acquisitions Budget

Parks, Reserves, Walking Tracks, Cemeteries	2020/21 Revised Budget	Government Funding	Council Funding	Government Funding
Coles Bay Trailer Parking - c/fwd project	155,462	155,462		DPIPWE Funds
Swansea Boat Trailer Parking	500,000	500,000		DPIPWE Funds
Bicheno Triangle	600,000	600,000		Fed Grant Fund
Coles Bay Foreshore	800,000	800,000		Fed Grant Fund
Buckland Recreation Ground - Installation of cricket practice nets, pitch with synthetic surface	25,000	25,000		Drought Relief Grant
Triabunna Recreation Ground - Installation of cricket practice nets, pitch with synthetic surface	25,000	25,000		Drought Relief Grant
Buckland Walk	60,000	-	60,000	Pending Council decision
Total Parks, Reserves, Walking Tracks, Cemeteries	**2,165,462**	**2,105,462**	**60,000**	

There are currently no acquisitions forecast beyond 2021.

A.3 – Acquisition Forecast Summary

Table A3 displays the forecast acquisition value each year over the planning period.

Table A3 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2021	$2,165,462	$0	$0
2022	$0	$0	$0
2023	$0	$0	$0
2024	$0	$0	$0
2025	$0	$0	$0
2026	$0	$0	$0
2027	$0	$0	$0
2028	$0	$0	$0
2029	$0	$0	$0
2030	$0	$0	$0
2031	$0	$0	$0
2032	$0	$0	$0
2033	$0	$0	$0
2034	$0	$0	$0
2035	$0	$0	$0
2036	$0	$0	$0
2037	$0	$0	$0
2038	$0	$0	$0
2039	$0	$0	$0
2040	$0	$0	$0

Appendix B Operation and Maintenance Forecast

B.1 – Operation and Maintenance Forecast Assumptions and Source

Several gross estimates and assumptions were required to be made in the operation and maintenance forecast figures due to the quality of financial information currently available (poor tracking of operation and maintenance costs relating to parks and recreation assets). This has been noted for improvement in Section 8.0.

B.2 – Operation Forecast Summary

Table B2 displays the forecast operation and maintenance costs each year over the planning period. Note the 'Additional Operation and Maintenance Forecast' in 2021 is $135,558, which relates to the operation and maintenance of assets acquired during that year. Note the 'Additional Operation and Maintenance Forecast' is zero from 2022 onwards, as no acquisitions are assumed to occur during this time.

Table B2 – Operation and Maintenance Forecast Summary

Year	Operation and Maintenance Forecast	Additional Operation and Maintenance Forecast	Total Operation and Maintenance Forecast
2021	$472,572	$135,558	$472,572
2022	$608,130	$0	$608,130
2023	$608,130	$0	$608,130
2024	$608,130	$0	$608,130
2025	$608,130	$0	$608,130
2026	$608,130	$0	$608,130
2027	$608,130	$0	$608,130
2028	$608,130	$0	$608,130
2029	$608,130	$0	$608,130
2030	$608,130	$0	$608,130
2031	$608,130	$0	$608,130
2032	$608,130	$0	$608,130
2033	$608,130	$0	$608,130
2034	$608,130	$0	$608,130
2035	$608,130	$0	$608,130
2036	$608,130	$0	$608,130
2037	$608,130	$0	$608,130
2038	$608,130	$0	$608,130
2039	$608,130	$0	$608,130
2040	$608,130	$0	$608,130

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Refer to Appendix B. Maintenance costs and forecasts are yet to be separated out from 'Operations and Maintenance'. This has been noted for improvement in Section 8.0.

C.2 – Maintenance Forecast Summary

Refer to Appendix B. Maintenance costs and forecasts are yet to be separated out from 'Operations and Maintenance'. This has been noted for improvement in Section 8.0.

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
N/A	N/A	N/A	N/A

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

The renewal forecast of $160,604 per year is essentially based on the sum of the estimated renewal costs over the planning period, averaged over 20 years (the planning period). As noted in Section 7.0 the renewal costs are estimates based on Rawlinson Construction Cost Guide 2020, recent construction project costs, staff research, approximate asset size, and professional judgement of staff.

D.2 – Renewal Project Summary

The below Table D2 shows a preliminary estimate of asset renewal value forecast within the planning period (up to 2040). This is a gross estimate of forecast renewals and is subject to further condition assessments of specific parks and recreation assets. Further professional judgement will be required in prioritising forecast renewals (refer Table 5.3.1) and development of a detailed capital works program is also required.

Table D2 – Preliminary Renewal Forecast Summary

Asset category summary:	% of asset category value estimated to require renewal within next 20 years	$ value of asset category estimated to require renewal within next 20 years
Car parks/parking areas	50%	$ 1,583,500
Playgrounds	50%	$ 725,000
Formed and maintained walkways/trails	33%	$ 160,000
Tennis courts, netball courts, and cricket nets	0%	$ -
Skate parks and BMX tracks	33%	$ 153,333
Recreation grounds	50%	$ 227,500
Monuments, memorials, cenotaphs, public art etc.	13%	$ 40,000
BBQ's	80%	$ 204,000
Pedestrian walkway bridges	14%	$ 30,000
Public seating and picnic table settings	75%	$ 91,500
Dog parks	0%	$ -
Black water stations	25%	$ 11,250
Cemeteries	25%	$ 10,000

D.3 – Renewal Forecast Summary

Table D3 displays the forecast renewal costs and planned budget each year over the planning period. The renewal forecast is approximately $38,000, per year, higher than the forecast renewal budget.

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2021	$160,604	$123,000
2022	$160,604	$123,000
2023	$160,604	$123,000
2024	$160,604	$123,000
2025	$160,604	$123,000
2026	$160,604	$123,000
2027	$160,604	$123,000
2028	$160,604	$123,000
2029	$160,604	$123,000
2030	$160,604	$123,000
2031	$160,604	$123,000
2032	$160,604	$123,000
2033	$160,604	$123,000
2034	$160,604	$123,000
2035	$160,604	$123,000
2036	$160,604	$123,000
2037	$160,604	$123,000
2038	$160,604	$123,000
2039	$160,604	$123,000
2040	$160,604	$123,000

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

Through discussion with key staff, and analysis of the asset register, no disposals with foreseen costs to Council are forecast to occur over the planning period.

E.2 – Disposal Project Summary

No disposals with foreseen costs to Council are forecast to occur over the planning period.

E.3 – Disposal Forecast Summary

Table E3 displays the disposal forecast and disposal budget over the planning period. No disposals with foreseen costs to Council are forecast to occur over the planning period, hence the zero values shown.

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
2021	$0	$0
2022	$0	$0
2023	$0	$0
2024	$0	$0
2025	$0	$0
2026	$0	$0
2027	$0	$0
2028	$0	$0
2029	$0	$0
2030	$0	$0
2031	$0	$0
2032	$0	$0
2033	$0	$0
2034	$0	$0
2035	$0	$0
2036	$0	$0
2037	$0	$0
2038	$0	$0
2039	$0	$0
2040	$0	$0

Appendix F Budget Summary by Lifecycle Activity

Several gross estimates and assumptions were required to be made in the development of the planned budget figures shown in Table F1. This was due to the quality of financial information currently available. This has been noted for improvement in Section 8.0.

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2021	$2,165,462	$472,572	$0	$123,000	$0	$2,761,034
2022	$0	$472,572	$0	$123,000	$0	$595,572
2023	$0	$472,572	$0	$123,000	$0	$595,572
2024	$0	$472,572	$0	$123,000	$0	$595,572
2025	$0	$472,572	$0	$123,000	$0	$595,572
2026	$0	$472,572	$0	$123,000	$0	$595,572
2027	$0	$472,572	$0	$123,000	$0	$595,572
2028	$0	$472,572	$0	$123,000	$0	$595,572
2029	$0	$472,572	$0	$123,000	$0	$595,572
2030	$0	$472,572	$0	$123,000	$0	$595,572
2031	$0	$472,572	$0	$123,000	$0	$595,572
2032	$0	$472,572	$0	$123,000	$0	$595,572
2033	$0	$472,572	$0	$123,000	$0	$595,572
2034	$0	$472,572	$0	$123,000	$0	$595,572
2035	$0	$472,572	$0	$123,000	$0	$595,572
2036	$0	$472,572	$0	$123,000	$0	$595,572
2037	$0	$472,572	$0	$123,000	$0	$595,572
2038	$0	$472,572	$0	$123,000	$0	$595,572
2039	$0	$472,572	$0	$123,000	$0	$595,572
2040	$0	$472,572	$0	$123,000	$0	$595,572

Will Hodgman MP

PREMIER OF TASMANIA

22 February 2018

Mr David Metcalf
General Manager
Glamorgan Spring Bay Council
Email: david@freycinet.tas.gov.au

Dear Mr Metcalf

On behalf of the Liberal Team I am writing to confirm that a re-elected Liberal Government will provide support of $50,000 to the Glamorgan Spring Bay Council for a study into the prevention of odour levels from periodic seaweed deposits on the foreshore in Swansea.

Our economy is very strong, and we've worked hard to balance the Budget. Tasmania is now a much more confident, prouder place to be.

We have achieved a lot together, and our plan is to take Tasmania to the next level. Your project is an important part of building a brighter future for our State.

Should a Liberal Government be re-elected funding will be allocated as part of this year's state budget process.

Best wishes,

Will Hodgman MP
Liberal Leader

Building your future

Level 11, 15 Murray Street
Hobart TAS 7000

Liberals Tasmania

P: (03) 6165 7650
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E: will.hodgman@dpac.tas.gov.au

GLAMORGAN SPRING BAY COUNCIL

The Glamorgan Spring Bay Council received $50,000 State Government funding to enable investigations into odour issues/complaints resulting from the cyclic deposition of sea weed during high tide.

On rare occasions the odour reaches untenable limits. This is problematic given that Jubilee Beach boarders the business strip that is often frequented by tourist and locals alike.

I have been asked to undertake the first stage of the investigations.

An invitation is being extended to any member of the Swansea community who wishes to make comment or provide information on the issue. Any comment no matter how large or small will be welcomed.

Residents and businesses have been asked to contact the Office (6256 4777) or see Council's website (gsbc.tas.gov.au) to obtain the background paper detailing currently known facts. The purpose of this stage of the consultation is to determine, as far as practically possible, accurate and validated information.

How to make comment:

1. Phone the Office on 6256 4777 by 9 July 2020 to book a telephone appointment with the Technician who will ring you and list your comments; or
2. Lodge a written submission via email to admin@freycinet.tas.gov.au or mail to PO Box 6 Triabunna, Tas, 7190 by 26 July 2020.

Equally an invitation is being extended to all Councillors and Staff who wish to make comment. Of particular importance is to identify key people in the Swansea community who have knowledge or significant interest in this issue. Please contact Andrea at the office if you wish to make a telephone appointment and/or share the names of those key Swansea residents.

In the interim if you have any questions then please call me on 0400 059 897.

King regards
Harry Galea

Memorandum

To: Greg Ingham, General Manager

From: Harry Galea, Consulting Engineer

Date: 11 February 2021

Subject: Swansea Seaweed Project

The Glamorgan Spring Bay Council (Council) received $50,000 State Government funding to enable investigations into odour issues/complaints resulting from the cyclic deposition of sea weed during high tide events.

On rare occasions the odour reaches untenable limits. This is problematic given that Jubilee Beach boarders the business strip that is often frequented by tourist and locals alike.

An invitation was extended to members of the community who wished to make comment or provide information on the issue. The invitation to make comment was undertaken via a flyer via Swansea Post Office to every address in township; full page advertisement in GOBN & notice by letter to Swansea ratepayers without a local mailing address.

Any comment no matter how large or small was welcomed. Comments were required to be lodged in writing by contacting the Council office (6256 4777) or Council's website (gsbc.tas.gov.au) to obtain the background paper detailing currently known facts. Alternatively members of the community could seek a telephone appointment with the technician to allow transfer of information.

In addition to the broad request for community comment, an invitation was extended to all Councillors and Staff who wish to make comment and direct calls were made to key people in the Swansea community who were identified as having knowledge or significant interest in this issue.

The purpose of the consultation was to determine, as far as practically possible, accurate and validated information.

Comments and telephone interviews were undertaken over July and August 2020.

Background

Residents and business owners of Swansea have over the years expressed concern about the odour from rotting seaweed on the foreshore in front of the commercial area.

Preliminary information appears to indicate:

- Glamorgan Spring Bay Council (Council) have removed the seaweed 4 times in 8 years - each time the seaweed returned after 2 days.

- Seaweed is deposited at Jubilee Beach on more frequent occasions. It is understood to be a couple of times each year but generally an outgoing tide removes the material from the beach.
- On one occasion the volume removed amounted to 300 tonne - 20 tandem trailers.
- The odours occur during hot weather over the summer period.

Study Funding

The Council and State Government signed a Grant Deed where Premier and Cabinet have provided the Council with a grant of $50,000 to:
'The funding is provided to undertake a study regarding the odours that emanate from the seaweed on the foreshore of Swansea'.

Study Process

The Council has engaged a suitably experienced technician to determine the scale of the odour/seaweed problem, consult to determine public opinion/knowledge and research (if required) possible solutions to solving the core issue. The scope of the follow-up research is to also include that for each solution option, the degree it resolves the core problem is determined and the degree it resolves or value adds to resolving other service issues is quantified. The report will be workshopped with Councillors and Staff to narrow to a preferred solution. The Council will consult the community on the preferred solution before a final decision is made. Following this a detailed feasibility study on the adopted preferred solution will be undertaken using the services of relevant specialist consultants.

Telephone Interviews

Key personnel were identified who were considered to have knowledge or specific interest in the seaweed odour issue – these were[redacted],[redacted] and [redacted]

During the public submission process a number in the community sought telephone interviews to express comment – these were[redacted], [redacted]and[redacted].

The comments expressed during the telephone interviews are provided in the table below.

Name	Comment

[redacted]	• Seaweed issue can be seen as a win-win for residents and the council
	• Options available are:
	  ○ blended with green waste to make fertiliser
	  ○ Council could provide a machine to lift and stack the seaweed at the tip and people take it away for garden use at no cost
	• A further email was received which is provided as Attachment 1.

[redacted]	• Offers an extensive explanation of the sequence of events – briefly:
	  ○ Large storm accumulates volume that rots and left too long
	  ○ Council's efforts are too late and turn into a very large job. The Council consider removal a low priority given claim that it is not a sustainable solution – comes back and a major logistic task.
	  ○ Rotten smell often i the summer but also years go past where not an issue
	  ○ It is a natural occurrence and Parks and wildlife have pointed out its use for breeding birds and fish ,

	• a poster is still deployed by businesses and the Visitors Centre and that has helped assuage some visitors but also I and other people in Accommodation business have had guests refuse to stay and move on to less odiferous locations. • The suggested solution is a Beach Grooming Machine used daily with material removed. • A further email was received which is provided as Attachment 1.
[redacted]	• Contact delayed until public comments received to allow [redacted] to value add the community view.
[redacted]	• Confirms that seaweed odour occurs frequently to effect the amenity of living in Swansea • Removal in peak tines is supported and options include composting
[redacted]	• [redacted] received a grant from the University of Tasmania approx. 10yrs ago and completed a study under guidance of the University's Botany Department. This timing is about 2010 which differs from a Honours paper (also UTas) produced in 1998 on the technical proves of decaying seaweed (but no solutions for amelioration). A copy of this Honours report is held by the Council and Historical Society at Swansea. • A number of calls were made seeking a return call but unfortunately no reply.
[redacted]	• [redacted] and family visit frequently their holiday home at Swansea and attest to the odours produced by the seaweed. The smell of seaweed is often and requires managing windows and the like to lessen the impact. • Supportive of any measure to reduce the problem.
[redacted]	• Confirms that seaweed odour occurs frequently to effect the amenity of living in Swansea • Removal in peak tines is supported and options include composting

Email Comments

During the community consultation period 22 emails replies were received. These are summarised in the table below.

Name	Comment
[redacted]	• [redacted] working with several seaweed projects and wishing to know what the seaweed species is.
[redacted]	• Bringing to the Council's attention that problem is more extensive at Shouten House Beach than Jubilee Beach.
[redacted]	• [redacted] – believes the seaweed odour during summer months is disguising. • Are aware those accommodation tourists elect to move on when seaweed is smelly even after explaining the situation. • Having to work with the smell all day (or half day) has left work feeling sick. • Council needs to be proactive in using money for removal and not further studies. • Does not recall seaweed any problems in the 1970's – has problem being introduced by shipping?

[redacted]	• Happy to take seaweed to improve soil on 1Ha of their 6Ha Dolphin Sand property.
[redacted]	• The problem is repeated deposits of seaweed covered daily by sands and creating a rotting mess • As a local can live with the smell for a few days each year however much have a very negative effect on visitors/tourist who visit briefly.

[redacted]	• Decision is a balance between the pros and cons of removing seaweed
	• Pros
	  ○ Health problems from gas emissions in particular hydrogen Sulphide and e-coli
	  ○ Safe uses of beaches by the public
	  ○ Encourage tourist
	• Cons
	  ○ Maintaining a natural habitat
	  ○ Food for foraging sea birds
	  ○ Removal and disposal costs
	• Suggest a commercial use of dried and grounded seaweed as a salt substitute.

[redacted]	• A farmer who gladly would take 100T of seaweed. • Great natural fertiliser to be left to rot down before use. • Farmers and locals taking seaweed in distant past was a frequent occurrence. • Rotting smell a real issue. • Use $50,000 to buy a loader and use existing staff to remove and cart to farming properties.

[redacted]	• Offers an extensive explanation of the seaweed problem – smell and volume. Believes changes to Jubilee Beach have influences seaweed patterns.
	• The study should address:
	  ○ Type origin and volume (of rotting) seaweed
	  ○ How to divert seaweed from reaching the Beach
	  ○ Beach Geomorphology Study, summertime Water Quality Monitoring program and Air Monitoring Programs

[redacted]	• Seaweed issue is a natural event existing over history. However type of seaweed seems to have changed to a fine the weed. Likely beach infrastructure has influenced changes.
	• Advantages of the seaweed are that they feed small fish and seabirds.
	• Suggested course of action:
	  ○ Remove Jubilee Beach infrastructure – only move problem further east
	  ○ Drain Great Oyster Bay and chemically remove all introduced weed – hardly practical
	  ○ Diversion of seaweed at sea by nets or groins– very costly and may produce artificial reefs
	  ○ Living with the problem

[redacted]	• Very extensive explanation of the problem – frequent deposition on a number of beaches in area. Usually one major acumination each year. Anaerobic action causes smell. • A natural occurrence. • Depending on type seaweed is used extensively in cosmetics and culinary ingredients.

	• Processing and harvesting of seaweed is not a new activity for Tasmania. Extensive program of kelp on king island since 1976. • Options offered – do nothing, stop seaweed coming to the shore, add chemicals to 'rotting' seaweed to mask odour, harvest seaweed and remove to landfill, and issue licence to commercial company to remove and process seaweed. • Preferred option is to issue licence (last option) at no cost to the Council or ratepayers.
[redacted]	• [redacted] – believe s the seaweed odour during summer months is disguising. • Are aware those accommodation tourists elect to move on when seaweed is smelly even after explaining the situation. • Having to work with the small all day (or half day) has left work feeling sick. • Council needs to be proactive in using money for removal and not further studies. Give away to farmers who will welcome it
[redacted]	• Seaweed is frequent but at times the tide doesn't wash it away and hence becomes smelly. • Has observed that seaweed is a feeding source for seabirds during breading season. • Mechanical removal would be too costly and degrade the beach beyond any quick repair by daily tides.
[redacted]	• Removal supported when seaweed becomes smelly • Compost and sell to locals at a cheap rate to beatify gardens • Service should be extended to other nearby East Coast beaches during summer months.
[redacted]	• [redacted] employee providing personal comment. • Seaweed a natural event and any disturbance may have unpredicted undesirable event • Removal or discing frequently would assist in reducing anaerobic conditions (i.e. smelly). • Jubilee Beach is a priory deposition point for nature. To change will need extensive seawalls to change tidal conditions and seawater circulation – but this may not even work.
[redacted]	• Install net in water across headlands (at Jubilee Beach) to trap and keep seaweed moist
[redacted]	• Permanent employee to monitor and remove seaweed as it washes up on foreshore
[redacted]	• Establish a compost facility (including green waste) and retail final product. • Does not support any further studies into issue

[redacted]	• Cease any consultancy investigations until the community and the council determine a preferred position forward. Funding insufficient for extent of problem.
	• Suggestions
	  ○ Look at options to divert seaweed before reaching beaches
	  ○ Mechanically removing seaweed sounds expensive and would not be a long-term sustainable option

	○ Pushing seaweed into water at low tide and leaving tidal movements take seaweed back into sea.
[redacted]	• Engage a contractor to remove the seaweed annually. Compost or mulch and sell the product to reduce cost. • Does not support any further studies into issue
[redacted]	• Compost seaweed and sell to public. • Well received public service to collect seaweed
[redacted]	• Whilst unpleasant, short deposits of seaweed are not considered an issue. • Part of living by the sea. • Should again allow locals to collect seaweed to use as mulch on the garden. That said it is not a solution to the problem. • Contact Tasmanian Company Marinova about collecting offshore reaching beach.
[redacted]	• Provides a lay-person but well considered technical analysis of the problem. Essentially conditions product high growth of seaweed and Jubilee Beach is the priority deposit point. • Proposed solution ○ Remove daily to prevent anaerobic conditions (i.e. smelly) ○ The seaweed is readily compostable. Suggest a small business set-up. ○ Compost is one option – could dry then bail and ship to market ○ Amenity to Swansea tourist makes this a priority even recognising PWS objections to removable of material from East Coast beaches.
	•

Summary of Email and Interview Comments

In essence the directions of the comments/solutions are:

1. *Mechanically remove the seaweed and compost the material for sale.*
   Comment of Author – the best information current available on quantity is from removals undertaken by GSBC some years ago – approximately 300 tonne each cycle. Anecdotally residents suggest the worst of the odour happens with a large accumulation once per year over summer – hence residents would expect an active program to occur annually Contact with the City of Launceston (who undertake) full commercial composting in accordance with Australian Standards and suitable for commercial sale (for onward retail sale) indicates they process 200T pa (based on a upfront weight of 600T) at a neutral cost of $49/T processed material. The cost to GMSC on collection and transport are likely to be greater than the cost incurred by the CoL for this component – but for ease of calculation no further allowance is made at this high level comparison. Hence the desk-top cost to GSBC to process 300T wet seaweed plus (an estimated) of 300T green waste condenses to 1/3 the original volume = 200T processed compost at a annual break-even cost of $10,000pa. FOR THE Council to break-even the 200T pa would need to be either commercially or locally retail sold. Launceston's amounts are proving a challenge (but possible) in the Launceston market to move on. The up-front set-up costs are not indicated but are included in the annual depreciation of the equipment/dryers and generators.

2. *Do nothing as it is a natural process*
   Comment of Author – there are some comments that the composition and volume may have changed over the years during to jetty infrastructure or non-endemic seaweed introduced into the Great Oyster Bay. Equally others have mentioned that the process has remained unchanged over the history of the area. The difference appears to be a higher and recent emphasis on amenity (for locals and tourists alike) raising this project to a priority. Certainly there are many comments that Jubilee Beach is not alone with a heavy seaweed problem at peak times. The do-nothing approach may need to be a reflection of the other tasks that GSBC are attempting to resolved in bringing the council to modern management and hence needing to leave (worthy) but less priority projects on a strategy list in the future.

3. *Offer Seaweed material commercial a no cost to the Coucnil.*
   Comment of Author – contact has yet to be made with Parks and Wildlife. However this is vital before moving to this option or option 1 above. The beach is not a state government asset under their control. There is a general prohibition of removal of any material from foreshore crown reserves and any arrangement at Jubilee Beach would be a special arrangement if allowed. If progress can be made then an option is to seek expressions of interest to collect acclimated seaweed (frequency – yearly major deposition, regularly high tide deposits or other) where the company process/value add the material for private sale. This has been suggested by submitters as practical or possible but the extent of interest is unknown. Except for a degree of consultation with Parks and Wildlife and a relatively uncomplicated expression of interest process the effort would be minimal and seen as a progressive step in addressing this issue. If interest is limited or qualified, then option 1. or 2. above can be considered.

Attachment 1

Further Emails from [redacted] and [redacted]

[redacted]

Harry there is one problem that exacerbates and prolongs the seaweed events
When the Seaweed is deposited in large quantities usually after a storm driven heavy on shore swell , it is left on the Beach too long , the waves then proceed to chop it and dissolve the weed into a soupy black decomposing slurry and this is then too difficult to remove the ensuing sand deposits over the top and we have a decomposing methane laden layer under the sand that smell foul when exposed to the air if disturbed by either waves , people , or wind in the warmer months .

All too frequently we have been told Council will come and remove it; but they wait until there is a stench and ensuing complaints before attempting to remove the tonnes of sand and weed , The most efficient way is to remove the seaweed and only the seaweed as quickly as possible before it is broken up and this too date has never happened !

It is always well after the event and hence the complaints of " It came Back " or it took twenty Trailers of sand and weed "

The amount of time wasted on this has resulted in a haphazard and random approach by Council that has only occurred when complaints of the smell force the GSBC to do something albeit way too little and more importantly too late.

Also the seasonality of the problem whilst the rotten smell is often only a problem in the Summer Tourist season , it is the seaweed that is deposited in the wild surf of winter that becomes the decomposing black layer under the sand that causes the stench in Summer. As was the case two weeks ago there was a massive deposit and it is still there being moved around by the tide and waves to make a slurry that will be buried under the sand to decompose and smell in summer . It is too late when this occurs weed must be removed quickly and composted in the GSBC green waste as clean non rotting Seaweed when it is washed up not weeks or months later.

Yes the events are unpredictable and some years are not a problem and some years we have many large deposits . It is the complete failure to remove what is deposited quickly , One council employee offered a designed rake solution but s was never used for whatever reason; be it budgetary , North South political divide in the GSBC , revolving door General Managers , Mayors and Councillors.

There is a full and complete thesis on the seaweed problem , done many years ago on file with the Glamorgan Spring Bay Historical Society and I believe GSBC Officers have a scanned pdf of the same document .
It is a natural occurrence and Parks and wildlife have pointed out its use for breeding birds and fish , When I was involved with the Chamber of Commerce we came up with a poster that is still deployed by businesses and the Visitors Centre and that has helped assuage some visitors but also I and other people in Accommodation business have had guests refuse to stay and move on to less odiferous locations. (Poster Attached)

The obvious solution is for a Beach Grooming Machine or attachment to an existing Council machine and for the local Council Staff be empowered to react immediately and remove large deposits on the mornings they occur and remove weed only leaving the sand , unfortunately the bureaucracy and budget constraints mean that the local Council staff are hampered and restricted from acting quickly .

[redacted]

[redacted]

Harry

Thanks for reaching out. My brief comment to [redacted] was that the seaweed issue could be viewed as an opportunity and possible project that could raise funds and have a positive environmental impact.

There are places where seaweed is blended with green waste to make fertiliser; I understand there is a sterilisation process required however the technology is available and if the Council through the tip on-sold the by-product it could be a win-win and pay for itself over time. Secondly, Council could provide a machine to lift and stack the seaweed at the tip and people take it away for garden use at no cost as an alternative.

Regards,

[redacted]

From: Greg Ingham
Sent: Wednesday, 3 March 2021 2:56 PM
To: Council <council@freycinet.tas.gov.au>
Cc: Jazmine Murray <jazmine.murray@freycinet.tas.gov.au>
Subject: LGAT - 2021 General Management Committee election

Dear Councillors

The Tasmanian Electoral Commission is conducting the process for the 2021 election of President and 6 members of the General Management Committee for a two year term in accordance with the rules of the Local Government Association of Tasmania (LGAT). Nominations are now being invited from LGAT members and must be received by the Electoral Commissioner by 5pm Wednesday 21st April 2021.

Please inform if you are interested in receiving the Nomination Form. Jazmine Murray will forward it to you accordingly.

Regards

Greg Ingham
General Manager
Glamorgan Spring Bay Council

P: 03 6256 4755
F: 03 6256 4774
E: greg.ingham@freycinet.tas.gov.au

If I am sending this email outside of ordinary work hours, it is because it suits me.
However there is no expectation that you will read or act on this email outside of your own ordinary hours of work.

Tasmanian Electoral Commission

Reference: F60.301

Level 3
169 Main Road
Moonah Tasmania 7009
PO Box 307
Moonah Tas 7009
Phone (03) 6208 8700
Fax (03) 6208 8791
ballot.box@tec.tas.gov.au
www.tec.tas.gov.au

Mayor Robert Young
Glamorgan Spring Bay Council
PO Box 6
Triabunna Tas 7190

Dear Mayor Robert Young

Local Government Association of Tasmania – 2021 General Management Committee election

The Tasmanian Electoral Commission has been asked to conduct the 2021 election of President and 6 members of the General Management Committee for a two-year term in accordance with the rules of the Local Government Association of Tasmania (LGAT) adopted at the AGM of the Association on 26 June 2020.

Nominations are now invited from LGAT members and must be received at my office by 5:00 pm Wednesday 21 April 2021.

Candidates will be notified of receipt of their nomination by this office.

Election timetable

Nominations open	Monday 1 March 2021
Nominations close	5:00 pm Wednesday 21 April 2021
Ballot material posted (if a ballot is required)	Monday 26 April 2021
Close of postal ballot	10:00 am Thursday 17 June 2021
Declaration of the result	Thursday 17 June 2021

A nomination form and reply-paid envelope are enclosed.

If you would like further information or assistance, please call Kristi Read of this office on 6208 8722.

Yours sincerely

Andrew Hawkey
ELECTORAL COMMISSIONER

1 March 2021

Tasmanian Electoral Commission

Local Government Association Tasmania

Local Government Association of Tasmania
Nomination Form

Nomination of a candidate for election of President or Committee Member of the General Management Committee, Local Government Association of Tasmania.

Nominations are invited and must be lodged, posted, or emailed to be received by the Returning Officer at the address shown below **before 5 pm on Wednesday 21 April 2021.** This nomination must be accompanied by a copy of the Resolution passed by the Council that lawfully nominated the candidate for election. Candidates will be notified of receipt of the nominations by this office.

It is the responsibility of the candidate to ensure that the nomination form is received by the Returning Officer before the close of nominations. Late nominations cannot be accepted.

Each member is entitled to:

- nominate one elected Councillor of a Member Council for the position of President of the Local Government Association of Tasmania: and
- nominate one elected Councillor of a Member Council for the position of Committee Member of the General Management Committee. Members can only nominate a Councillor within their own electoral district and population category.

Candidate

Family Name:	*Given names:*	*Member Council:*
Position of: ☐ *President* ☐ *Committee Member*		
Postal address:	*Email address:*	
Given names for ballot paper: (if different from above)	*Contact phone numbers:* *Mobile*	
I accept the nomination as a candidate for election to the position shown above. *Signature.....* *Date.....*		

Nominator

Name of Member Council: *Hereby nominates the above-named candidate for election.*
Name of person authorised to lodge nomination behalf of Member Council: ..... *Contact mobile number:* .....
Endorsed at council meeting held on: *Date.....* ***This nomination must be accompanied by a copy of the Resolution passed by the Council that lawfully nominated the candidate for election.***
Signature of authorised person ..... *Date.....*

The address for lodgement at the Tasmanian Electoral Commission is:
Level 3, TasWater Building, 169 Main Road, MOONAH TAS 7009 **Phone**: (03) 6208 8722
Postal Address: PO Box 307, MOONAH TAS 7009
Email: nominations@tec.tas.gov.au

PTO

Electoral Districts

(for the purpose of electing members to the General Management Committee)

NORTH WEST AND WEST COAST ELECTORAL DISTRICT

Members within the electoral district having a population less than 20,000 – ***one position***	Members within the electoral district having a population of 20,000 or more – ***one position***
Burnie City Council	Devonport City Council
Circular Head Council	Central Coast Council
King Island Council	
Waratah-Wynyard Council	
Kentish Council	
Latrobe Council	
West Coast Council	

NORTHERN ELECTORAL DISTRICT

Members within the electoral district having a population less than 20,000 – ***one position***	Members within the electoral district having a population of 20,000 or more – ***one position***
Break O'Day Council	Launceston City Council
Flinders Council	West Tamar Council
Meander Valley Council	
Dorset Council	
George Town Council	
Northern Midlands Council	

SOUTHERN ELECTORAL DISTRICT

Members within the electoral district having a population less than 20,000 – ***one position***	Members within the electoral district having a population of 20,000 or more – ***one position***
Brighton Council	Clarence City Council
Glamorgan-Spring Bay Council	Glenorchy City Council
Derwent Valley Council	Kingborough Council
Southern Midlands Council	
Central Highlands Council	
Huon Valley Council	
Sorell Council	
Tasman Council	

Photo: J Lovell

2021-2031

LONG TERM FINANCIAL MANAGEMENT PLAN

GLAMORGAN SPRING BAY COUNCIL

Table of Contents

1. Executive Summary

The Long Term Financial Management Plan (LTFMP) seeks to inform the reader about how the Glamorgan Spring Bay (Council) intends to govern the financial aspects of its Strategic Framework. Underpinning this is Council's goal of managing its operations in a financially sustainable manner now and into the future.

With the advent of the COVID-19 health crisis Council experienced financial challenges as it quickly responded to protect the health and wellbeing of our community and sought to support residents, local business and community organisations while maintaining essential services.

This LTFMP, in the short term, has been shaped by the economic impacts of the COVID-19 pandemic. While difficult to estimate the financial impacts and therefore how quickly the municipality will recover, this plan forecasts a recovery to a financially sustainable position over the next four years.

This plan has been developed with Council's key financial strategies at its core: moderate underlying surpluses, sufficient liquidity and cash flow, minimise debt, and asset renewal requirements being satisfactorily funded.

Council recently considered its long term asset management plans, acknowledging the need to focus capital spending on asset renewals over the next ten years. Both the long term financial plan and the long term asset management plans are to be reviewed annually.

The forecasts contained within this LTFMP and which are necessarily based upon certain assumptions, produce the following outcomes over the 10-year horizon of this plan: -

- The achievement of modest underlying operating surpluses. Over the next 10 year period, Council is forecast to achieve underlying surpluses in the range -9.08% to 2.3% of revenue, and averaging -1.57%. Surpluses should then increase beyond this 10 year period. It is important that Council generates sufficient revenue to cover all of its cash and non-cash costs, with a small buffer.
- Long borrowings are currently at maximum capacity and these will decrease by more than 50% over the 10 year period.
- Cash balances in the short term are very low. Balances should steadily increase to a more acceptable level over the 10 year period with a near three fold increase in the cash balance by the end of the 10 year period. Balances and cash flow requirements will need to be closely monitored and further refined to ensure adequate liquidity.
- 100% funding of forecast asset renewal requirements will be achieved by year 4, which is a key financial sustainability indicator. An appropriate benchmark is considered to be 90-100%. Renewal forecasts are continually being refined and the funding level monitored.

These outcomes, together with the underpinning assumptions of revenue and cost growth indicate annual rate increases in the order of 15% in the short term, and then decreasing to 3.25%. This is exclusive of the State Government fire levy, any redistributive effects of revaluations, Assessed Annual Value (AAV) indexation or changes to council rating policy.

These outcomes ensure a return to a financially sustainable position for the Council, thus ensuring the ability to deliver services into the future. It will ensure an equitable distribution of costs between current and future generations.

2. Background

Glamorgan Spring Bay Council

The Council is a small regional council situated on the south east coast of Tasmania. The Council services an immediate population of 4,400 residents and 1.3 million tourists to the municipality annually. Council offers more than 300 services to the community and the infrastructure required of a regional location.

Council has over $169 million in gross assets (replacement cost) and will generate operating revenues of $12.8 million in 2020-21, comprising $8.7 million of rates and charges and $2.6 million of fees, charges and other income. $1.5 million is expected from operational grants, including $1.3 million in Financial Assistance Grants. Council has a workforce of 52 full time equivalent employees as at June 2020.

One of Council's corporate priorities is planning for its financial sustainability. Strategies to achieve this priority include the development of this 10-year Financial Management Plan.

What is Financial Sustainability?

For Council, financial sustainability means whether Council can sustain its current practices in financial terms and whether community needs are currently met and will be met in the future.

Importance for Local Government

Financial sustainability is particularly important for Local Government because councils hold assets worth in the billions of dollars (large relative to revenue base), that have lives, in some cases, well over 100 years.

Council has over $169 million in physical assets, including buildings, parks infrastructure, plant, vehicles and equipment, playground equipment, road infrastructure, sporting facilities, stormwater infrastructure, marine infrastructure and the Prosser Plains Raw Water Scheme. The expected life of physical assets varies from 3 years to 100 years.

It is important for Council to adequately fund asset management to ensure its assets achieve their full expected service life but can also be renewed without incurring large rate increases in the future.

In addition, councils face continuing expectations and pressures to maintain and increase service levels while at the same time keep rate rises to a minimum and have sound long-term financial management.

3. Council's Planning and Reporting Framework

Strategic Framework

The Council's Community Vision was developed for Council by residents in 2019-20. In 2020 the Council endorsed a new 10 year Strategic Plan, 2020-2030, for the Glamorgan Spring Bay Council. All councils are required to have a 10 year plan which is reviewed every four years. The new Plan replaced the previous 10 year Strategic Plan, 2009-2019. The Plan is built around five key foundations and will guide the Council's work over the 10 year period. Each key foundation has outcomes that detail what we are trying to achieve and how we will measure success.

Performance in achieving the major actions and initiatives outlined in the Annual Plan are reported to the community through Council's Annual Report.

Key foundations

Key foundation 1 – Our Governance and Finance

- Sound governance and financial management that shows Council is using ratepayer funds to deliver best value and impact for the GSBC community.

Key foundation 2 – Our Community's Health & Wellbeing

- Cohesive, inclusive and resilient communities that work together across the region to make the most of our collective talents, skills and resources and help and support each other.

Key foundation 3 – Our People

- Creating a positive working environment where Elected Members, staff and volunteers can give of their best in performing their roles for Council and community.

Key foundation 4 – Infrastructure and Services

- Delivering high quality, cost-effective infrastructure and services that meet the needs of our communities, residents and visitors.

Key foundation 5 – Our Environment

- Collaborating with our communities to value, manage and improve our natural resources.

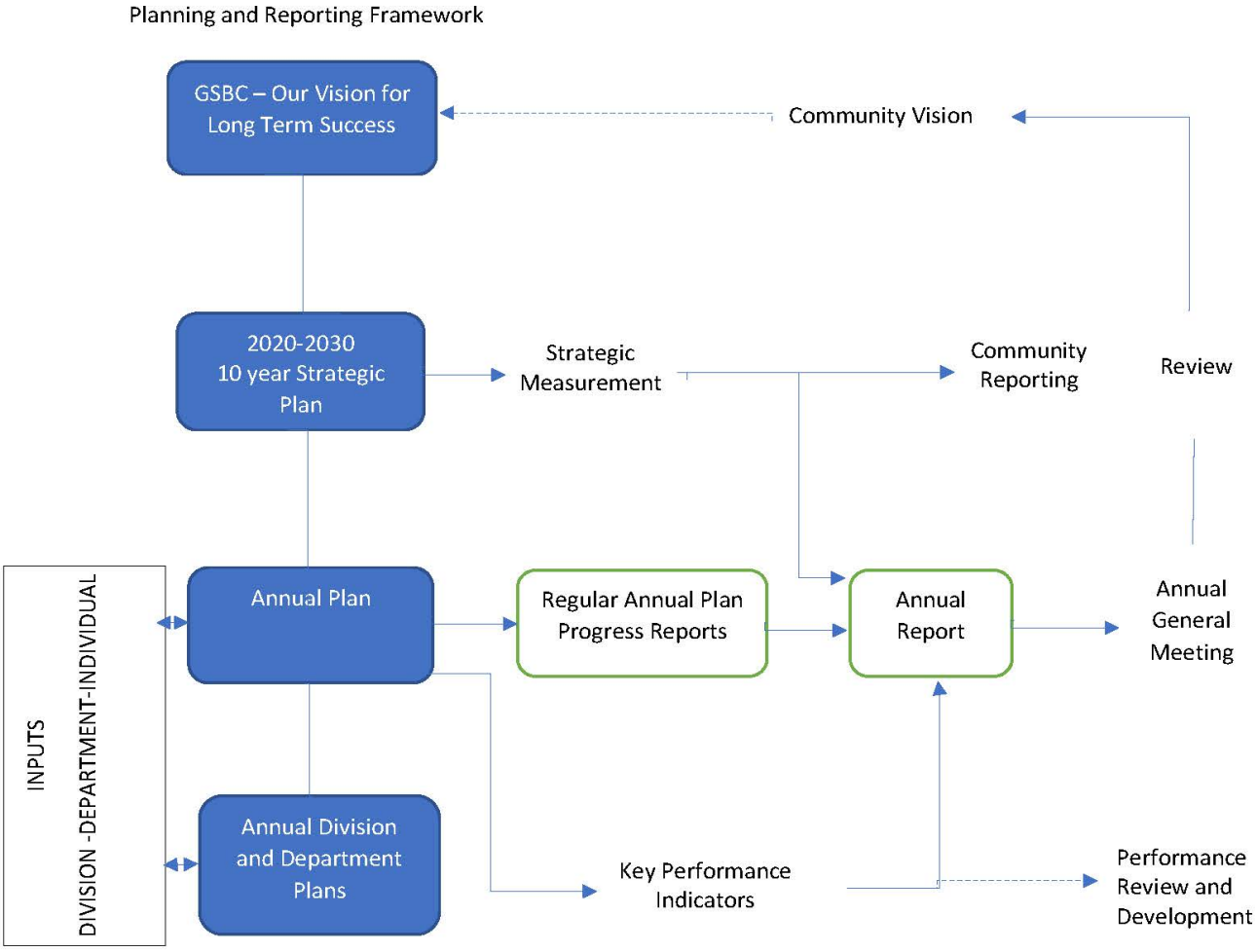
Linkages with the Strategic Framework

The relationship between long-term financial planning and Council's strategic framework is represented in the diagram overleaf. Long-term financial planning provides for the optimum allocation of available resources to deliver Council's strategic and corporate objectives. Long-term financial planning supports the delivery of Council's community vision.

Long term financial sustainability can only be said to have been achieved when Council is providing expected services at defined levels to its community that is adequately funded, not only on an annual basis, but over the long term. This includes infrastructure asset renewal funding requirements.

Council's 10-year Financial Management Plan and 10-year Asset Management Plan are integral documents. Council's Asset Management Strategy sets out the most appropriate long term course of action for implementing the asset management policy which aims to forecast long-term asset renewal requirements.

Council's Planning & Reporting Framework



4. Introduction to Long-Term Financial Management Plan

The Long-Term Financial Management Plan (LTFMP) sets out Council's objectives, goals and desired outcomes in financial terms. The purpose of the LTFMP is to express in financial terms the activities that Council proposes to undertake over the medium and longer term to achieve its strategic objectives and community expectations. The key objective of the LTFMP is the achievement of financial sustainability in the medium to long term whilst achieving Council's strategic objectives.

The LTFMP provides a tool for Council to consider the financial impact of its decisions on Council's future financial sustainability. It includes consideration of cost increases: salaries and wages, fire levy, energy costs and other operating costs; and revenue increases: rates, rental income, operating grants and other fees and charges.

The LTFMP is aimed at: -

- Developing systems to ensure the financial impacts of new initiatives are included in long-term financial planning;
- Achieving modest operating surpluses;
- Maintaining stable and predictable rate increases; and
- Maintaining and enhancing community service levels.

The LTFMP has been prepared over a rolling 10 year period with the first planning year being 2021-22 and concluding in 2030-31. The LTFMP is a 'living' document and is updated annually as part of Council's annual planning and budget process and on an ongoing basis to reflect changing internal and external circumstances.

Measuring Financial Sustainability

Council has adopted the recommended suite of financial sustainability measures identified in *The Framework for Long-term Financial and Asset Management Planning for all Tasmanian Councils* reports as key to securing long-term financial sustainability.

The 8 measures have been adopted for the purposes of the LTFMP and are as follows:

- Underlying operating result
- Operating surplus ratio
- Net financial liabilities
- Net financial liabilities ratio
- Interest cover ratio
- Asset sustainability ratio
- Asset consumption ratio
- Asset renewal funding ratio

Appendix 1 provides a full explanation of these indicators. The first two are measures of profitability, the next three are measures of indebtedness, and the last three are measures of asset management.

5. Assumptions and Methodology

The preparation of the LTFMP is underpinned by a 10-year financial model. The financial model allows for analysis and modelling of various financial scenarios. For the purpose of financial modelling the following key assumptions for years beyond 2021-22 have been made:

General

- The LTFMP generally provides for maintenance of existing core services.
- Council medical services and Triabunna Marina & Wharf operations are self-funding in that income equals or exceeds the cost of operations.
- Annual asset renewal requirements are based on Council's Asset Management Plans, which set out the forecast capital renewal requirements for the next 10 years. These plans are expressed in today's dollars, but for the financial model have been indexed at 2.0% per annum.
- All maturing debt will be repaid as it falls due, with the exception of 6 long term loans that require refinancing after their 10 year maturity dates for up to an additional 10 year period (maximum loan terms are 10 years).

Specific

- The percentage of revenue uncollected on average at year-end is 3.0%.
- The percentage of creditors' payable on average at year-end is 8%, targeting to reduce this to 7%.
- The percentage of commission received for collecting the Tasmanian fire service levy is 4%.
- The employee on-cost percentage relating to payroll tax, contribution scheme superannuation, personal leave, public holidays, annual leave and long services leave and workers compensation insurance is 46%.
- Council can afford to spend $1.4 million in capital works in year 1 increasing to $4.0 million by year 10. 100% funding of forecast asset renewal requirements will be achieved by year 4. With the assumption of receiving $401,000 in Roads to Recovery grant revenue each year.

The specific assumptions have been based on an analysis of recent experience. The variables used to underpin Council's long-term financial strategy are based on a historical analysis of cost and revenue increases over the last five years. These variables are summarised on the following page: -

		Y/E 30 June	2022	2023	2024	2025	2026-27	2028-31
Operating Items								
INFLOWS	Rate increase (Council operations)	% change	15	15.0	12.5	7.5	3.5	3.25
	Rate increase (fire levy)	% change	0.7	0.7	0.7	0.7	0.7	0.7
	Rate base growth	% change	3.0	3.0	3.0	3.0	3.0	3.0
	Operating grants	% change	-44%	0	0	0	0	0
	Other fees and charges	% change	3.0	3.0	3.0	3.0	3.0	3.0
	Rent	% change	3.0	3.0	3.0	3.0	3.0	3.0
	Interest revenue rate	%	1.5	1.5	1.5	1.5	1.5	1.5
OUTFLOWS	Operating costs	% change	2.0	2.0	2.0	2.0	2.0	2.0
	Employee salary & wages	% change	3.0	3.0	3.0	3.0	3.0	3.0
	Fire levy	% change	6.0	6.0	6.0	6.0	6.0	6.0
	Energy costs	% change	2.0	2.0	2.0	2.0	2.0	2.0
	Interest expense rate	%	3.0	3.0	3.0	3.0	3.0	3.0

Whilst the LTFMP will be updated annually, the underpinning financial model will be regularly updated. Revisions will included: -

- The inclusion of prior years' actual results;
- The inclusion of the current year budget;
- Revisions to the current year budget as approved by Council half yearly;
- Updated assumptions;
- Revisions to depreciation forecasts; and
- Revisions to the 10 year capital expenditure forecasts sourced from the updated asset management plans.

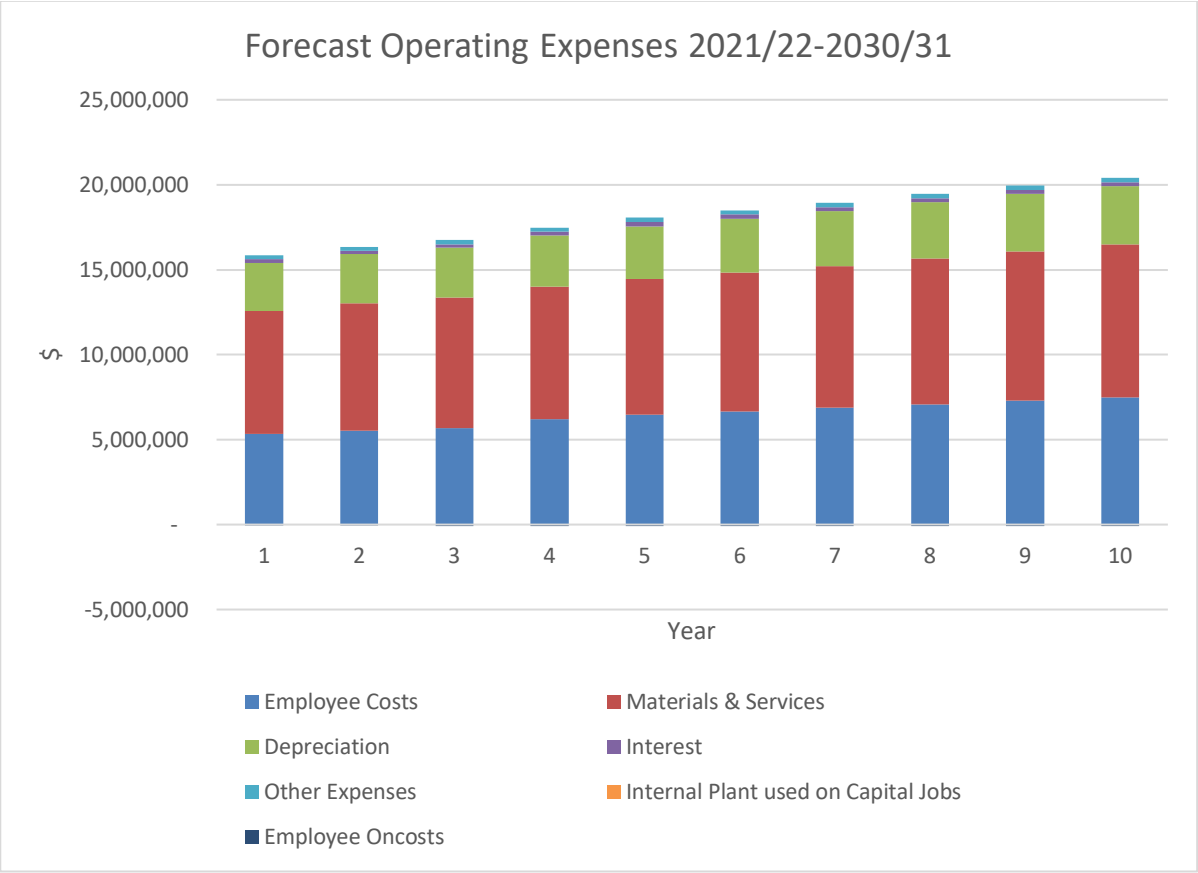
Forecasts from 2021-22 onwards are based, in the short term, on Council's focus on attaining a financial sustainable position, specifically;

- Rate revenue increases of 15% for two years, decreasing to 12.5% in year 3, 7.5% in year 4, 3.5% in years 5-6 and to 3.25% from 2028-31.
- Sufficient funding for core operations and to meet statutory obligations.
- Achieving a modest surplus, sufficient to finance asset renewals at 100% and meet loan repayments by year 4 (2024-25).
- Ensuring liquidity by improving the balance of cash on hand by three-fold at the end of the 10 year period.

6. Key Financial Strategies

In order for Council to remain financially sustainable the following financial strategy has been adopted. The financial strategy reflects an appropriate mix of cost and revenue levels designed to maintain financial stability and, as far as possible, whilst ensuring sufficient resources are available to achieve Council's strategic objectives and community expectations.

Forecast Operating Expenses 2021-22 to 2030-31



Operating Items - Expenses

Salaries and Wages

Salaries and wages is gross salaries and wages, net of leave amounts paid and amounts capitalised, and redundancy payments (if any).

Costs have been assumed to increase by 3% per annum from 2021-22, inclusive of reclassifications and any new positions. It is inherent in the assumption that leave amounts paid and amounts capitalised will increase by the same amount.

Employee On-costs

Employee on-costs include superannuation, leave entitlements, payroll tax, and workers compensation less labour on-costs capitalised. On costs for these items are assumed at 46% of salaries and wages, based on the 2020-21 forecast rate.

Employee Leave Entitlements Expense

Leave entitlements expense is the annual accruals for employee leave. This has been assumed to increase by 3% per annum.

Materials and Services

Materials and services is all expenditure not included elsewhere. Major items include subcontractors, communication costs, consultants, licences, external labour, insurance, fuel, advertising and marketing, equipment maintenance, water and sewer charges, energy costs printing and stationery costs, and legal costs. This has generally been assumed to increase by 2% per annum.

Fire Levy

Pursuant to the *Fire Services Act 1979*, local government acts as a collection agent for this levy, which is paid directly to the State Fire Commission. This item is difficult to forecast as given its method of calculation by the State Fire Commission, is prone to substantial fluctuations, year on year. For the 2020-21 year, there will be no increase in the fire levy from 2019-20 to assist the community recover from COVID-19. Annual increases of 3% have been assumed from 2021-22 with a 5% increase each revaluation year. A 4% commission is received for collecting the levy.

Other Expenses

Other expenses include audit fees and councillor allowances and expenses.

Depreciation and Amortisation

Depreciation is the financial representation of the annual decrease in the value of, or consumption of service potential inherent in, Council's assets. Depreciation therefore approximates the funds that will need to be spent at some time in the future to renew assets. This expense is forecast to increase at 2% per annum, due to rising asset valuations and capital expenditure.

Asset Write-offs

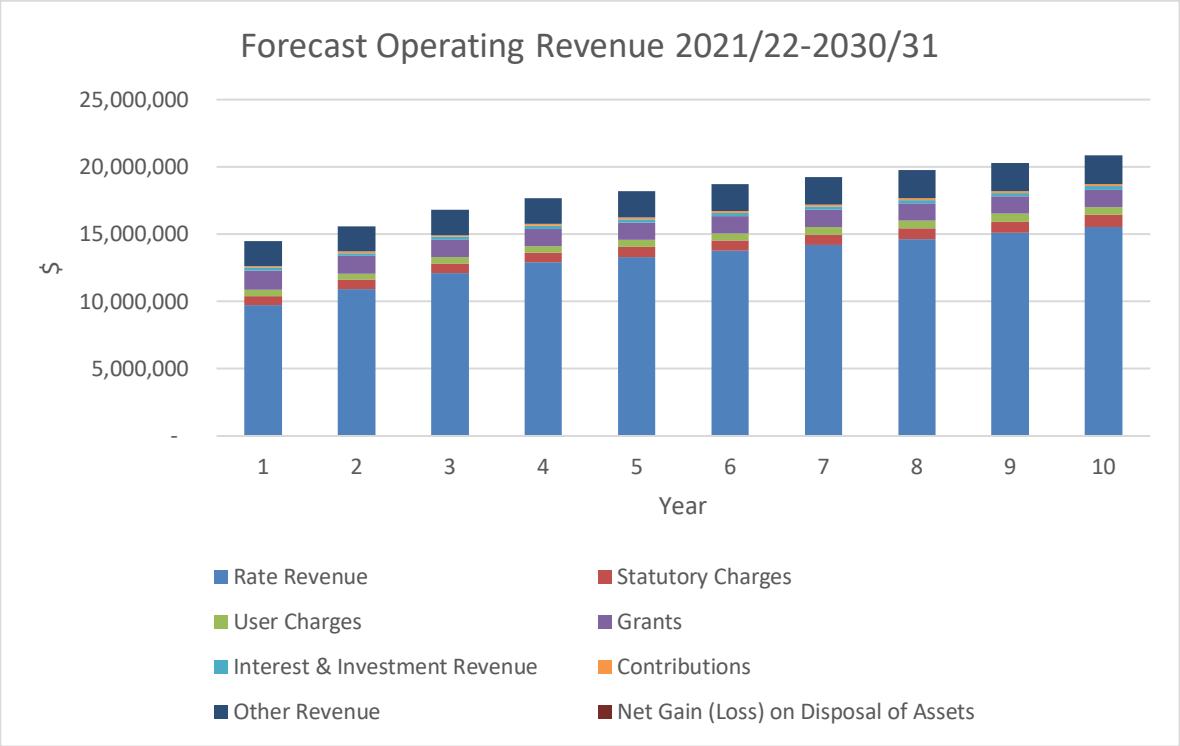
Asset write offs represents the residual value of infrastructure assets replaced. The forecast is difficult to predict, therefore no allowance has been made for asset write-offs.

Interest Expense

Interest expense is payable on debt. A commercial interest rate of 3.0% has been assumed for new debt forecast in the plan. Interest on new debt taken out in 2020-21 will be refunded to Council via grants for the first three years of the term of the loan.

Operating Items - Revenue

Forecast Operating Revenue 2021-22 to 2030-31 ('000s)



Rates

Rates include revenue from general rates, service rates (fire protection) and service charges (waste management and medical levy) and supplementary rates. There was no increase in the general rate or rate in the dollar charged to rate payers in 2020/21 due to the pandemic. Increases in general rate revenue from 2021-22 are forecast to be 15% per annum in the short-term decreasing to 3.5% in 2025-26. Waste management and fire levy are forecast to increase at 3% most years and the Medical Levy is forecast to remain steady.

This plan is not in any way affected by changes in the Council's rating strategy – it simply models total rate revenue required per annum irrespective of how that is apportioned to individual properties. For the same reason, the LTFMP is unaffected by periodic revaluations or the application of AAV indexing by the Valuer-General. However, the impact on individual ratepayers may be affected by these factors.

Fire Levy Commission

A commission of 4% is earned for collecting the State Government fire levy.

Fees and Charges

Fees and charges income includes all user fees and charges including landfill, private works income, building and development fees, animal licences, marina leases, hall hire and community events income. Most user fees and charges are forecast to increase 2-3% per annum over the 10 year period.

Operating Grants

Operating grants are predominantly the Commonwealth financial assistance grants. Over recent years revenue from Finance Assistance Grants has been slightly decreasing or remaining steady overall. The bridge and road component have been increasing slightly and the general component has been decreasing due to Council's ability to increase its own revenue sources (i.e. the effective general rate in the dollar charged by Council has fallen below the State average and municipal valuation totals are increasing creating the ability to increase overall rate revenue). Overall, there is forecast to be no change in Financial Assistance Grants over the 10 year period.

Given the unpredictable nature of grant revenue, no forecast has been made for other operating grants.

Interest and Investment Revenue

Interest revenue is earned on cash investments. An interest rate of 1.5% has been assumed from 2022 on the basis of current rates. For 2022, interest income will be lower due to forecast lower cash holdings at the end of 2020-21 and current interest rates. Only a proportion of Council's cash holdings is held in investments that attract interest.

Distributions from TasWater

Distributions are received as a result of Council's ownership interest in TasWater. They comprise dividends and tax equivalent payments. Forecast amounts are based on advice from both TasWater and the State Government to provide distributions until 2024-25. The most recent correspondence from TasWater has confirmed that an interim dividend will be paid in 2020-21. Payment of the second instalment in 2020-21 remains uncertain but it is included in the forecast at 50% of the dividends paid in years prior to the pandemic. This forecast has been carried for each year of the 10 year plan.

Non-Operating Items

Contributed Assets

Contributed assets are assets contributed to Council by developers. Council does not budget for these contributions as they cannot be reliably forecast.

Capital Grants

Capital grants are grants received to upgrade existing assets or to create new assets. They include Roads to Recovery grants and other specific-purpose capital grants. These are also difficult to reliably forecast and are therefore not included unless specific advice has been received. Only Roads to Recovery grants at current levels has been included in the plan.

Asset Revaluations

Asset revaluations are revaluation increments and decrements arising from periodic asset values. Usually these amounts are credited or debited directly to equity but on occasions are accounted for through the income statement.

Movement in TasWater Investment

This represents the annual adjustment to the value of Council's ownership interest in TasWater. This cannot be forecast reliably so no amounts have been included.

Capital Items

Asset Replacement

An integral component of the LTFMP is Council's approach to asset management and in particular to the renewal of assets. Council controls assets worth over $169 million and it is important that each generation pays their way, rather than allowing assets to run down creating a financial impost (or lower service levels) on future generations.

To ensure that Council discharges its asset management obligations responsibly, as set out in this plan, Council aims to achieve modest underlying operating surpluses and fully fund renewals by year 4 (2024/25) and for the remainder of the plan. This will ensure that the current generation is fully paying for the current cost of service provision and asset consumption.

Asset management plans will continue to be enhanced over time across all asset classes.

Capital works program

The forecast works program has a strong focus on asset renewal over the 10 year period. It will take until year 4 (2024/25) for Council to be able to afford the level of capital works that is required to keep up with the required level of asset renewals to be sustainable.

Borrowings

New borrowings of up to $2 million will be undertaken in 2020-21 and principal repayments of $0.683 million on existing borrowings will be made. In 2021-22 repayments are forecast to increase to $0.958 million and $1.198 million in 2022-23, with $440,000 of this to be refinanced.

Over the 10 year period a number of loans will mature that need to be refinanced. Council is limited to a maximum of 10 year borrowing terms, and in some cases the project and/or amount of borrowing justifies a longer borrowing period. In these situations, the balance is refinanced every 10 years. Apart from refinancing, no new borrowing are forecast over the 10 year period. Council is currently at its maximum borrowing capacity and the aim over the 10 year period is to repay debt to ensure a manageable level of repayments and capacity to borrow is available if required.

7. Long Term Risk, Contingency and Reserves

The LTFMP has included all known variables and has made certain assumptions about the future. However, the future is uncertain. There is an inherent risk that circumstances may change, some of which may be within Council's control (e.g. policy decisions, service delivery decisions) and some which will be outside of Council's control (e.g. legislative change, funding streams, demographics, and macro-economic conditions).

Council's three largest expense categories are employee salaries and wages, materials and services, and depreciation. As such the outcomes of the LTFMP are significantly affected if actual results in these three categories are different to forecast. Chapter 10 sets out a sensitivity analysis of these two largest categories – employee costs, and materials and services, as well as the LTFMP's sensitivity to rates increases being different to those currently assumed. In addition, asset management outcomes have a significant impact on the LTFMP. Updates to asset management plans and cyclical revaluations may materially impact on asset valuations, depreciation expense, asset write-offs and forecast asset renewal requirements.

The LTFMP is be reviewed and updated regularly – on at least an annual basis to coincide with the adoption of the Council budget, and more frequently when new information is available which may have an impact on the LTFMP.

In order to mitigate financial risk, the LTFMP has made provision for contingencies and reserves. These are outlined below.

Contributions in Lieu of Public Open Space

A reserve has been established to separately account for funds provided to Council for the express purpose of providing areas of Public Open Space throughout the municipality.

Developer Contributions

A reserve has been established to separately account for funds provided to Council for the express purpose of providing infrastructure in the vicinity of developments that have been approved with a contribution to infrastructure as a condition.

Plant Replacement

A reserve has been established to separately account for the upgrade or replacement of major plant.

Asset Replacement

A reserve has been established to provide for the replacement of major infrastructure assets.

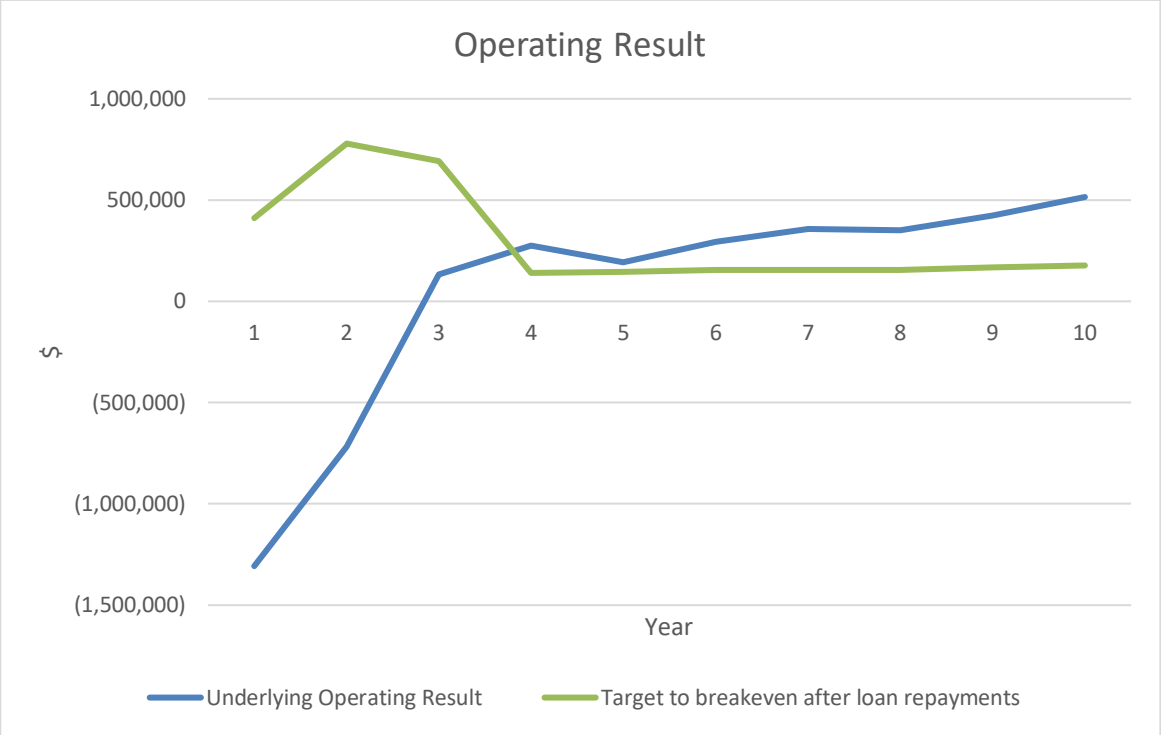
Eldercare

A reserve has been established to provide for the future upgrade and expansion of the Council owned Eldercare Units that provide independent aged care housing.

8. Forecast Position and Analysis

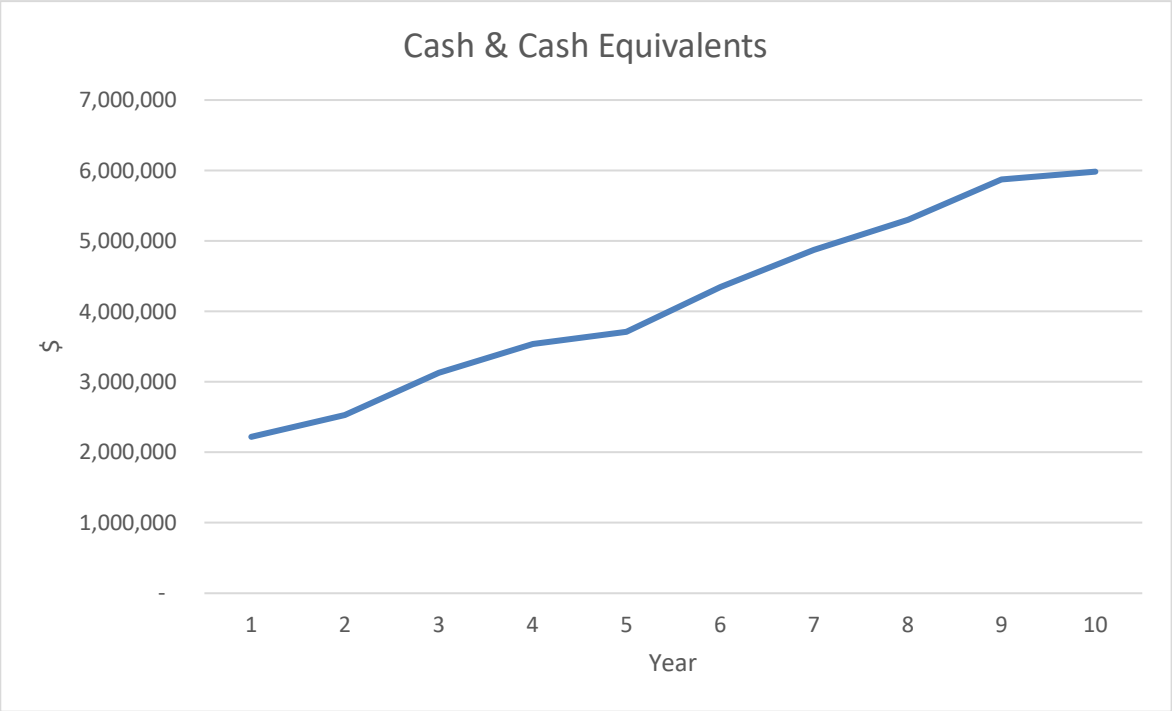
Based on the long-term financial strategy, the following outcomes will be achieved. More detail is provided in the forecast financial statements at Appendix 2.

Operating Result



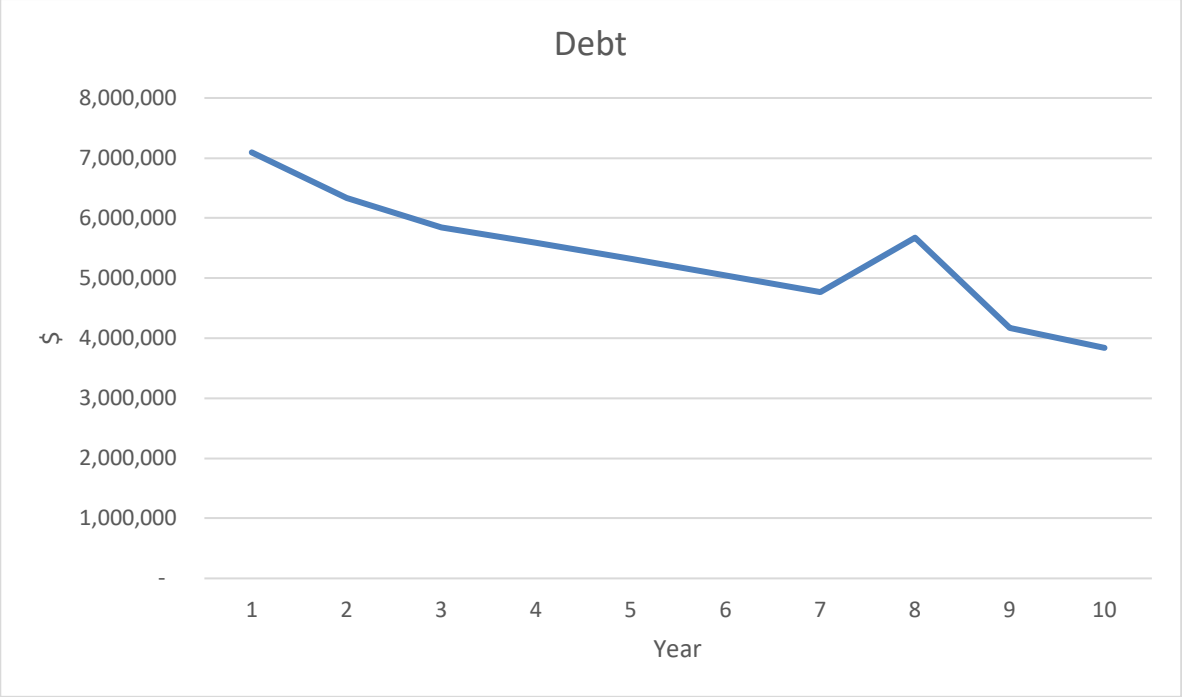
Based on the financial strategy Council will commence its return to a financially sustainable position with ongoing modest underlying operating surpluses from 2024/5. This is discussed further in Chapter 9.

Cash



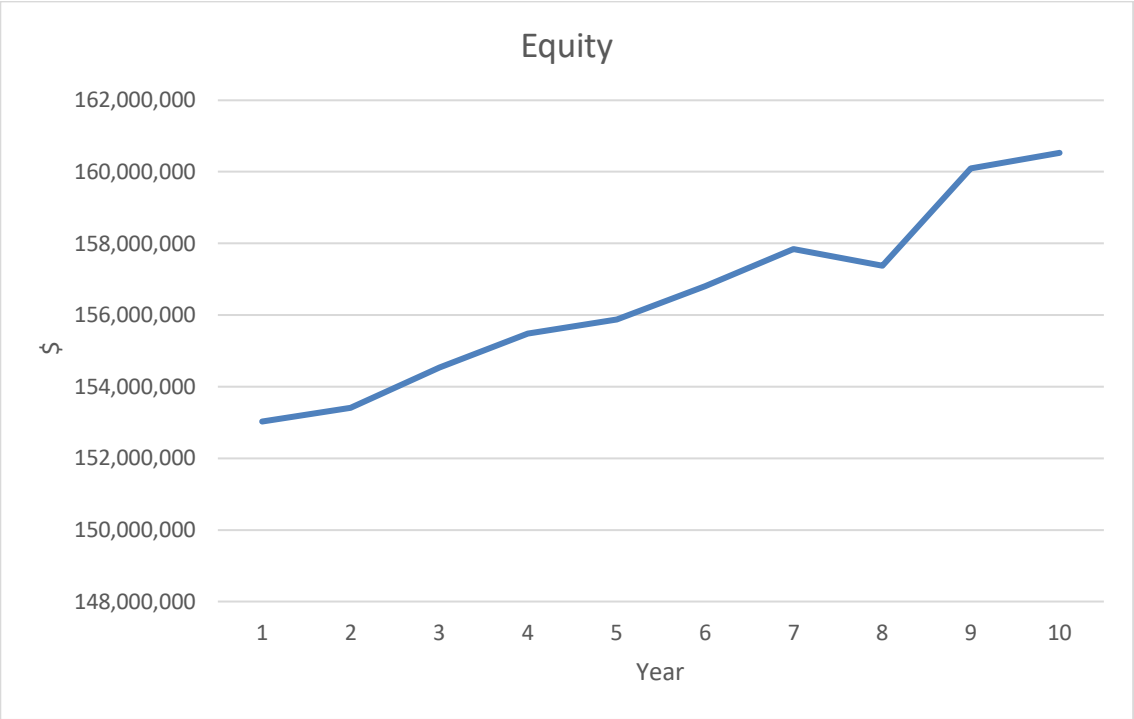
Cash balances are currently exceedingly low. A concerted effort to build cash balances is required to ensure Council's liquidity, to provide for asset replacement requirements and to provide for unforeseen events. Balances will rise during the latter part of the plan period to meet these needs. Balances and cash flow requirements will need to be closely monitored and refined as necessary.

Debt



Borrowings are currently at a maximum level and apart from refinancing, no new loans are forecast in the 10 year period. The aim is to keep Council's debt within manageable levels and under acceptable benchmarks to provide the facility to borrow funds in the future if required. See also Indicators 4 and 5 in Chapter 9.

Equity



Over the life of the plan, equity is forecast to increase due to operating surpluses.

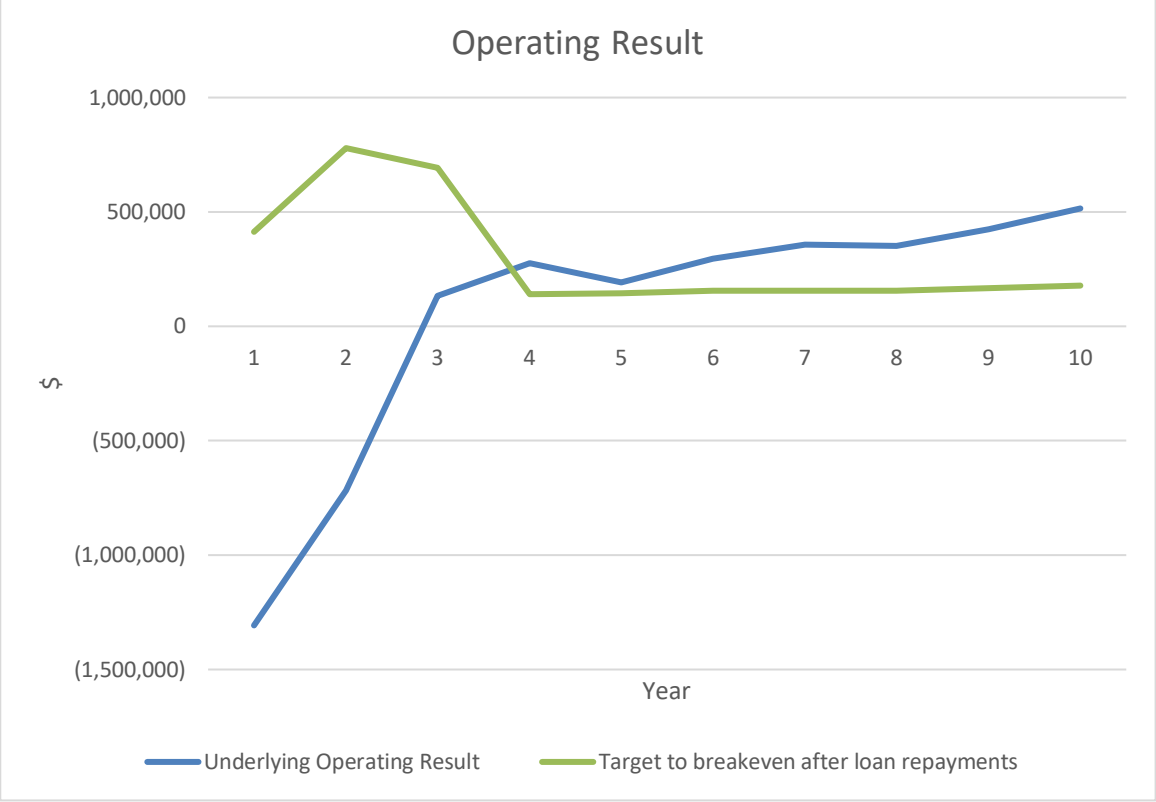
9. Financial Sustainability Outcomes

As outlined in Chapter 4, for the purpose of measuring Council's financial sustainability, eight financial sustainability measures have been adopted.

- Indicators 1 – 2 are measures of profit performance and the extent to which expenses are covered by revenues.
- Indicators 3 – 4 are measures of indebtedness and the amount Council owes others (debt, employee provisions, creditors) net of financial assets (cash, investments) and amounts owed to Council.
- Indicators 5 – 7 are measures of asset management.

Indicator 1 – Underlying Operating Result

This indicator measures the difference between day-to-day income and expenses for the period and is recognised as a better indicator of sustainability than the all-inclusive operating result. The underlying operating result excludes capital grants which can be project specific and thus non-recurring, and other amounts which are required to be recognised as income by accounting standards.



An operating surplus arises when operating revenue exceeds operating expenses for the period. An operating deficit arises when the opposite is true. Council's long term financial sustainability is dependent upon ensuring that on average, over time, its expenses are less than associated revenues. This ensures equity between generations of ratepayers in that each generation is responsible for the cost of the resources they consume.

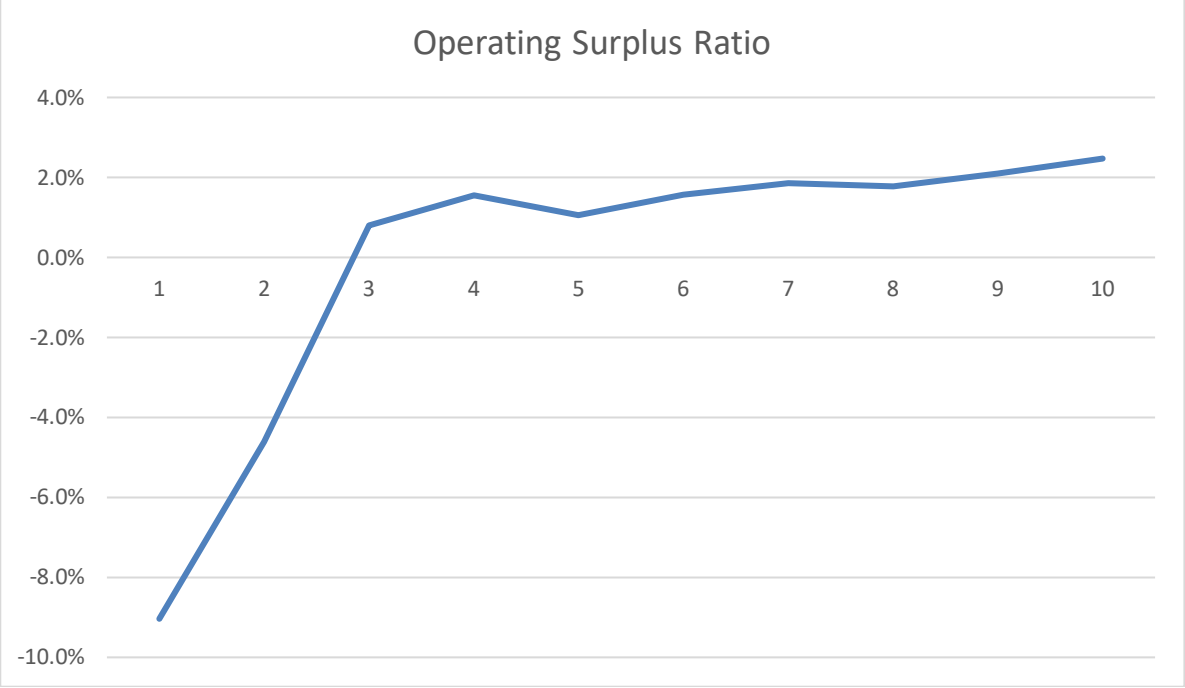
Council's LTFMP indicates, after year 4 (2024/25), modest surpluses will be recorded over the remaining plan period. The surpluses rise in the later years revenue growth assumptions being higher than expenditure growth assumptions, to generate cash surpluses needed for asset replacement. These forecasts will continue to be reviewed.

Research indicates that there is no clear agreement on what an appropriate target should be. For example, the Victorian Auditor-General recommends generating surpluses consistently, the Tasmanian report "Framework for Long Term Financial and Asset management Planning for all Tasmanian Councils" September 2009 recommends breakeven, or better, on average over medium term, and some state studies recommend sizeable surpluses.

Shown in the previous graph is the breakeven target including principal loan repayments. This provides for sufficient cash to fund operations, asset replacements on a consistent basis and provide sufficient funds to meet loan repayments as required. Without the funding of loan repayments over and above breakeven, there would be reduced funds available for asset replacements and place a burden on future ratepayers.

Indicator 2 – Operating Surplus Ratio

The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of total revenue (adjusted by excluding capital grants, contributed PP&E and asset revaluation increments/decrements). It expresses the underlying operating result relative to annual revenue.



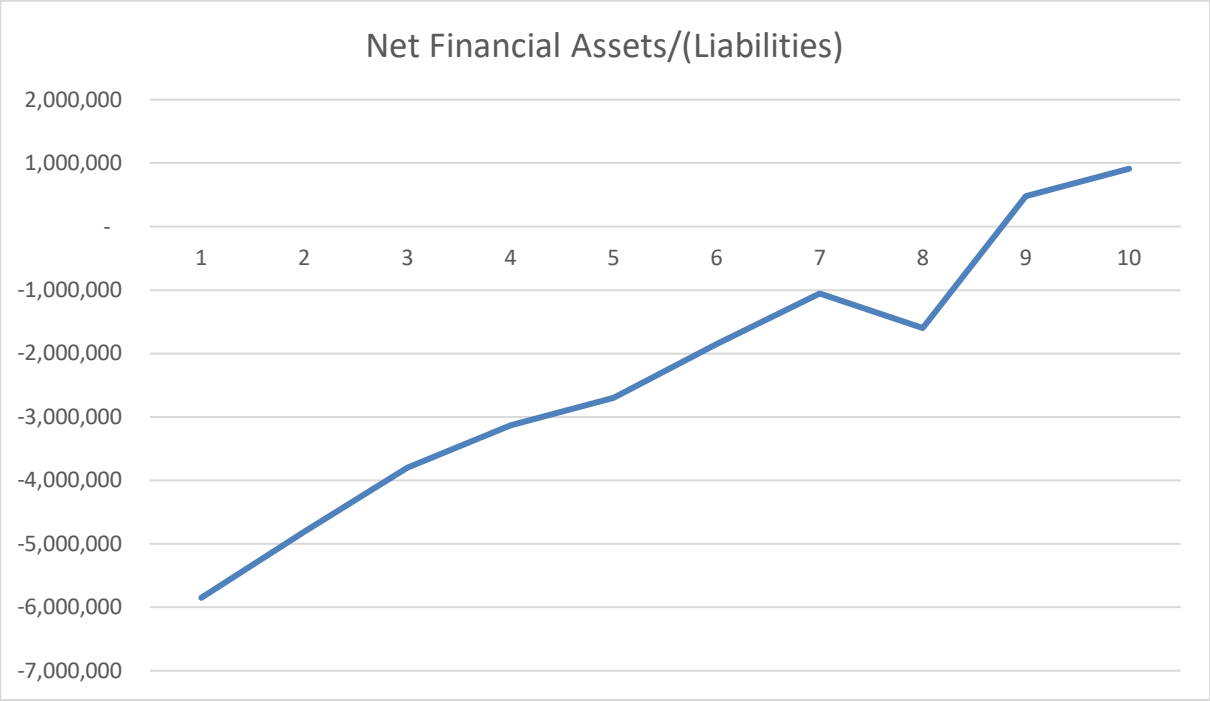
Over the next 10 year period, Council is forecast to achieve underlying surpluses in the range -9.0% and 2.5% of revenue, and averaging -0.1%. Surpluses then increase beyond this 10 year period to generate cash surpluses needed for asset replacement. These forecasts will continue to be reviewed. It is important that Council generates sufficient revenue to cover all of its cash and non-cash costs, with a small buffer.

Research indicates a wide range of views on appropriate targets. Reviews indicate targets of 0% to 15%, 2.5% to 7.5%, 5% but within the range of 0% to 10% and greater than 0%. It

is recommended that Council support a 2-3% Operating Surplus ratio as part of its LTFMP which provides a small margin in the event of unexpected events. Operating surpluses also generate cash surpluses required to retire debt (principal payments are not recorded in the operating result). Differences in the asset valuation rates used for financial reporting purposes and asset renewal purposes also require cash surpluses to be generated.

Indicator 3 – Net Financial Assets/ (Liabilities)

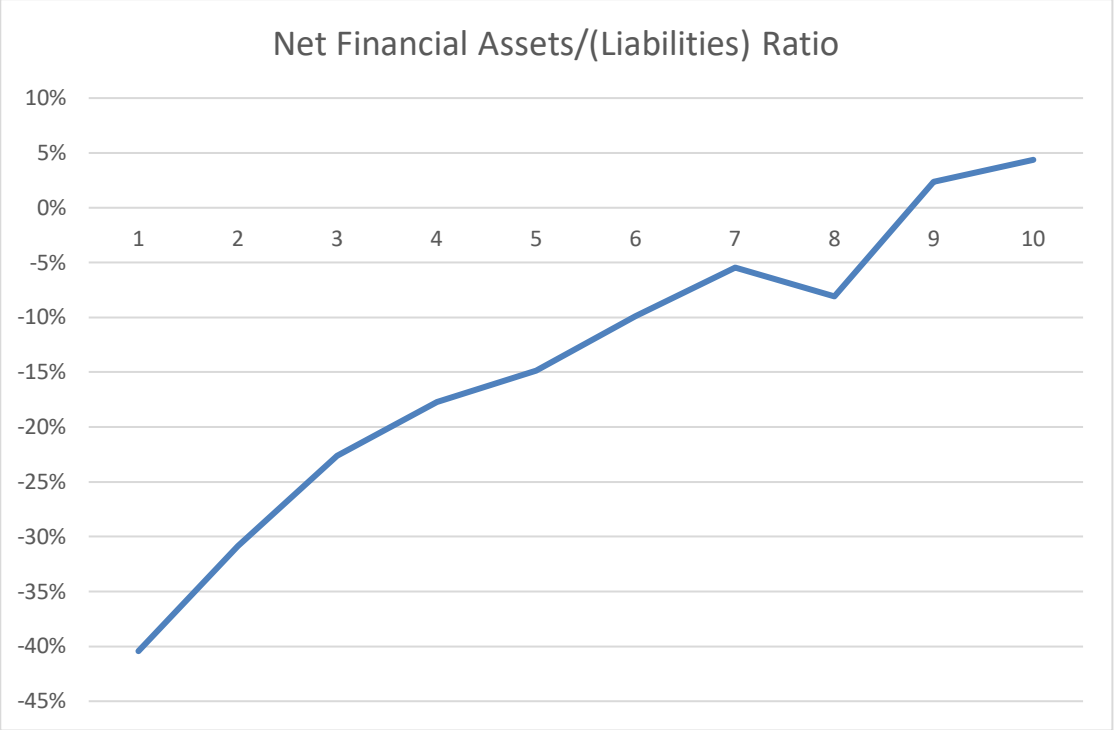
What is owed to others less cash held/invested and receivables and is thus a measure of net indebtedness. It is broader than just loan debt, as it includes amounts owed to creditors, employee provisions, amounts held in trust and all other liabilities.



Council's LTFMP indicates through the graph above that it will continue to operate in a net financial liability position. As noted earlier, Council currently has a very low cash position and high level of borrowings. The position will peak at around -$6.3million in 2021-22. A net financial asset position is forecast to be achieved by 2030/31.

Indicator 4 – Net financial liabilities ratio

This ratio is net financial liabilities expressed as a percentage of income. It indicates the extent to which net financial liabilities can be met by the Council's income. Where the ratio is increasing it indicates the Council's capacity to meet its financial obligations from income is strengthening.

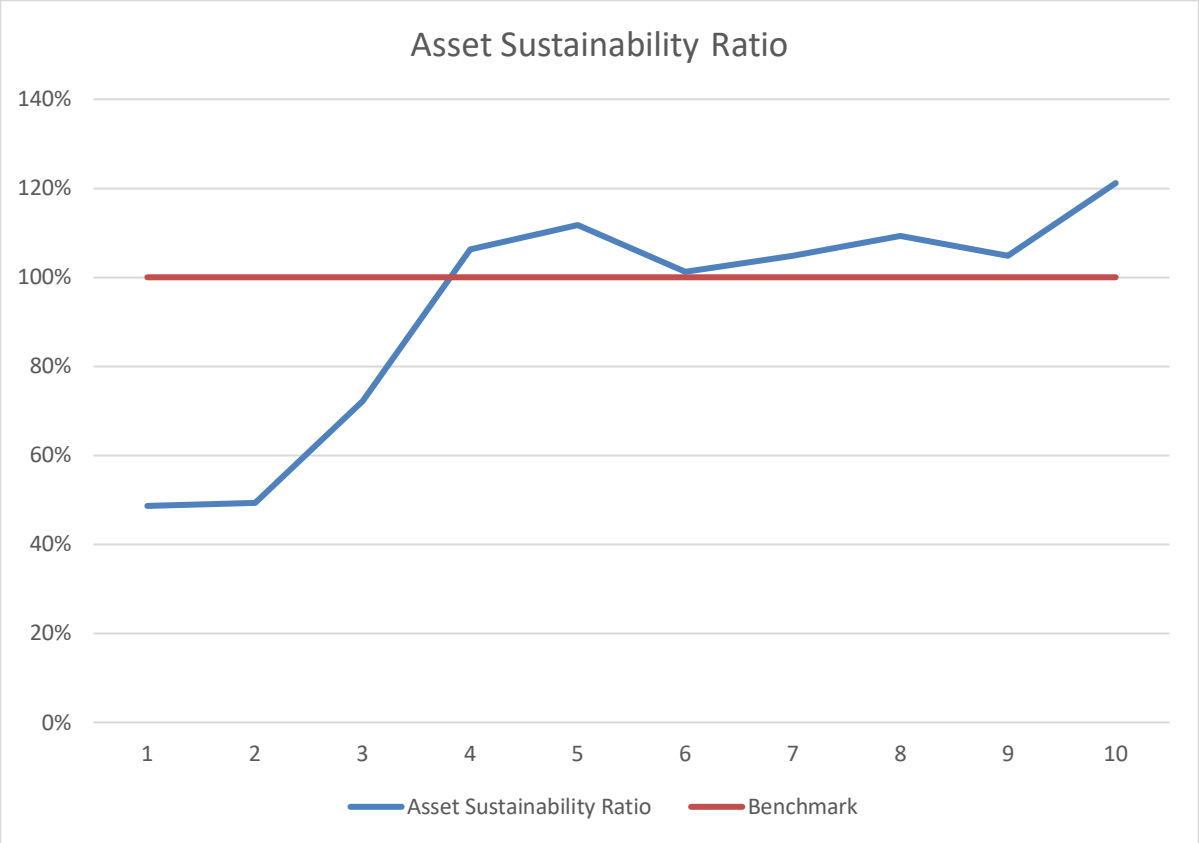


As set out above, Council will continue to operate in a net financial liability position. Council's net financial liability ratio will peak at -44% in 2021-22 then reduce across the remainder of the plan. The Tasmanian Auditor-General suggests a ratio of 0% to -50% represents low risk, -50% to -100% moderate risk, and greater than -100% high risk.

Indicators 3 and 4 show that Council's level of indebtedness will remain within benchmarks. Council's financial recovery approach adopted in this plan provides Council with the ability to service current debt.

Indicator 5 – Asset sustainability ratio

This ratio is asset replacement capital expenditure expressed as a percentage of depreciation expense. It measures whether assets are being replaced at the rate at which they are wearing out. With a young asset portfolio, the target may be quite low. If old, it may be greater than 100%. Over time, if it averages at or near 100% the service of the asset portfolio is being maintained.

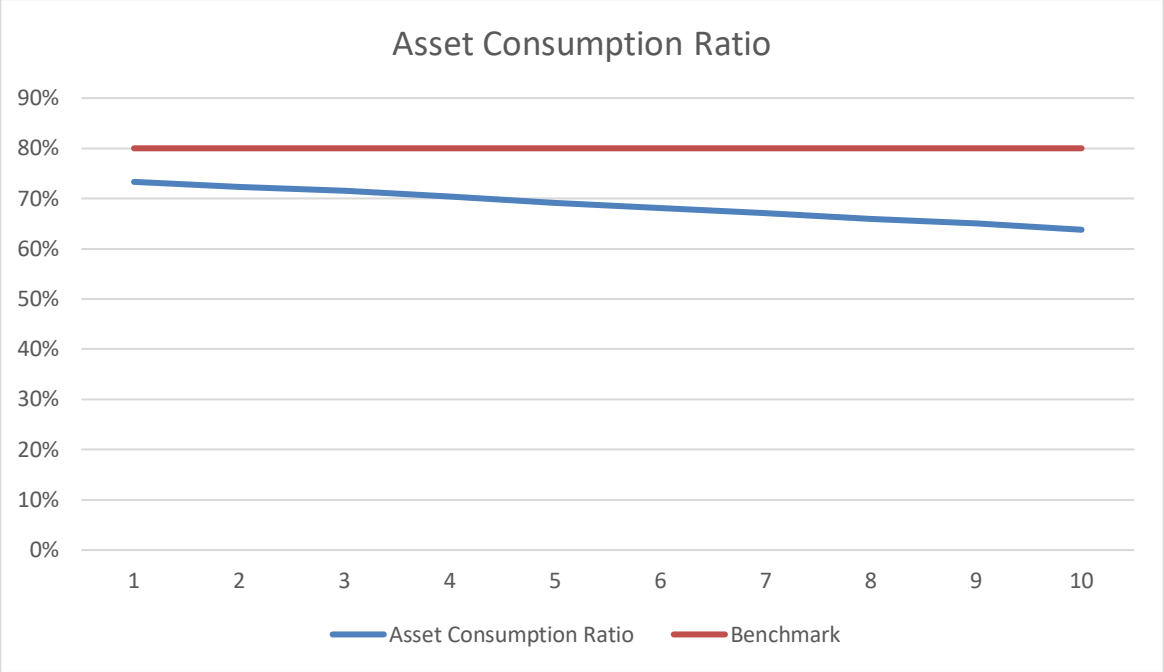


Council's LTFMP indicates through the graph above that it will operate at an average of more than 100% across most of the plan period. Local government proposed targets are typically set at 100%, however this does not allow for the sometimes legitimate periods of less than 100% or more than 100%.

Indicator 6 – Asset consumption ratio

This indicator expresses asset written-down value as a percentage of replacement cost and thus seeks to measure the proportion of life remaining in assets. A lower measure indicates an older, on average, portfolio of assets and could indicate the potential for large renewal expenditure.

However, a low or declining ratio is not a concern provided assets are being maintained/replaced in accordance with asset management plans and the organisation is operating sustainably i.e. recording a breakeven or better underlying operating result. The cash generated by operating sustainably funds the renewal of assets when required.

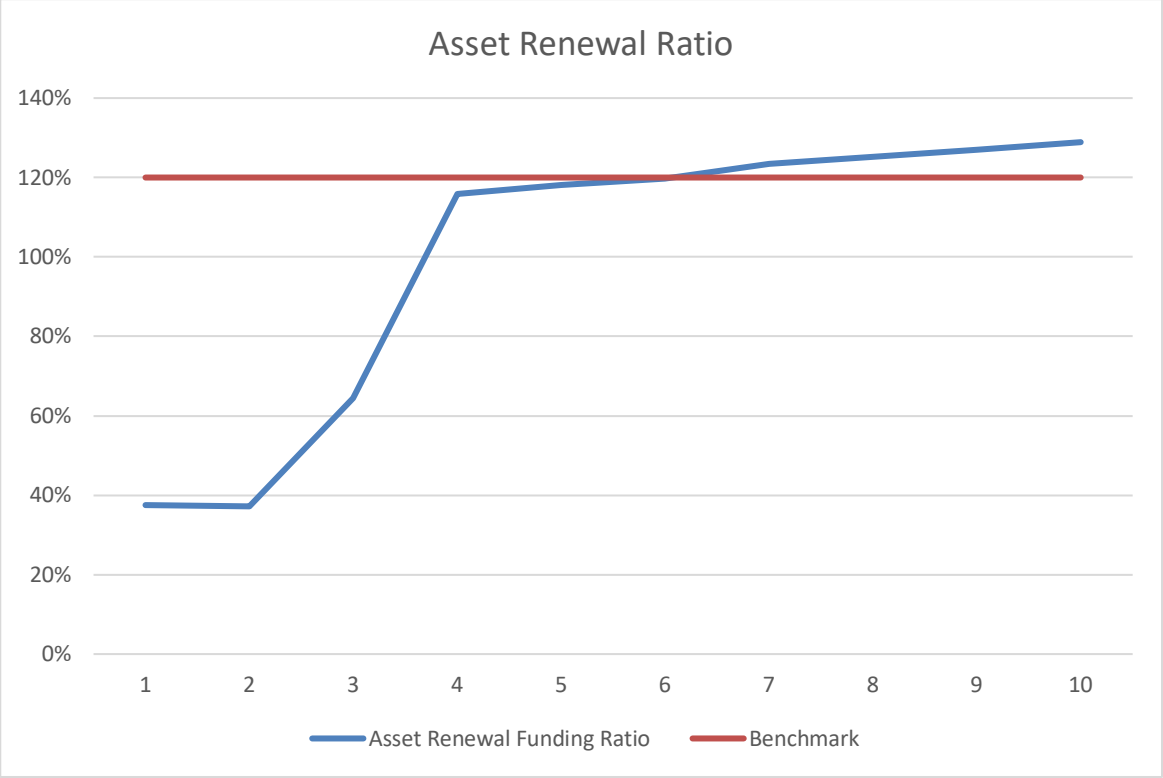


Council's LTFMP indicates through the graph above that the asset consumption ratio will decline over the plan period.

An appropriate target is difficult to define and one source suggests a ratio between 40% and 80%. The Tasmanian Auditor-General considers the road asset class in isolation and suggests a ratio of >60% to represent low risk, 40 to 60% moderate risk and less than 40% high risk. Council's road assets are currently at 68% (2019/20).

Indicator 7 – Asset renewal funding ratio

This indicator is the ratio of future asset renewal expenditure as per this plan relative to the future asset renewal expenditure requirement sourced from asset management plans. It therefore measures the capacity to fund asset renewal requirements. An inability to fund future requirements will result in revenue or expense or debt consequences, or a reduction in service levels.



For the duration of the plan Council's focus will be on asset renewals, looking after the assets we have while the Council concentrates on reaching a financially sustainable position.

Across the entire plan period, known asset renewal requirements will be fully-funded. That is, 100% of known asset renewal needs, as identified in Council's asset management plans, will be funded, however there will be a delay until year 4 when Council reaches 100% funding of renewals and then catch-up on the renewal program over the last 6 years of the plan.

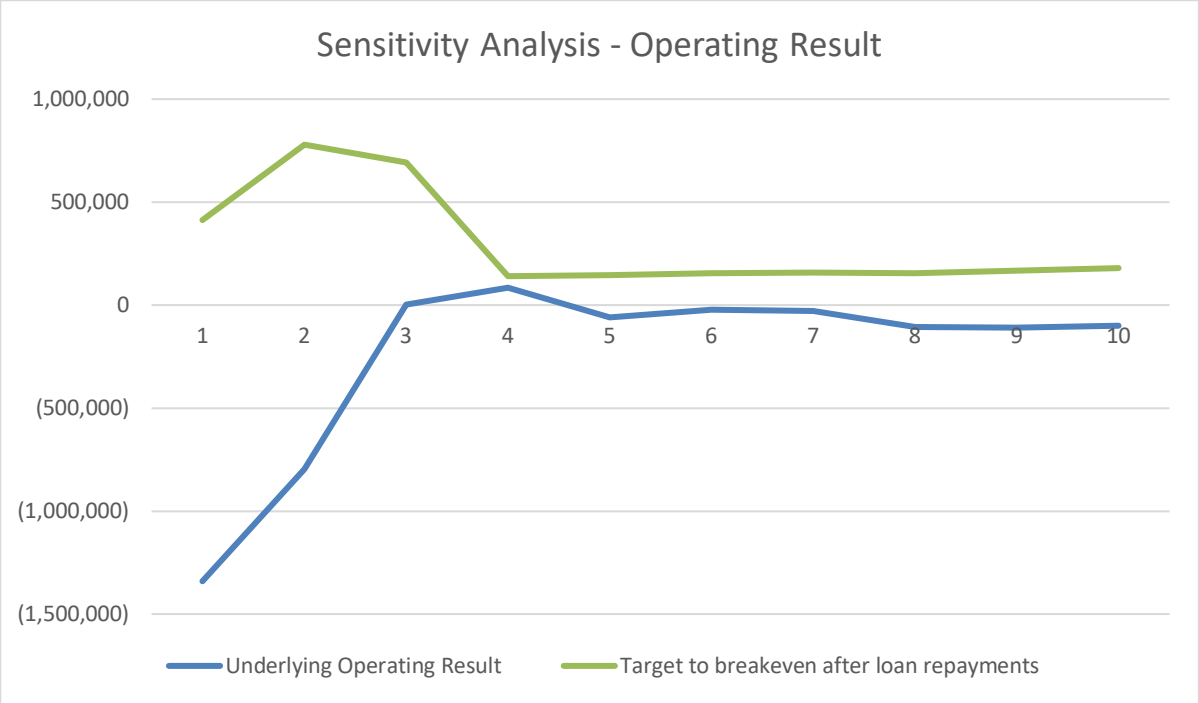
10. Sensitivity Analysis

As mentioned in chapter 7, Council's three largest expense items are employee salaries and wages, materials and services and depreciation. Council's largest revenue item is rate revenue. The outcomes of the LTFMP can be significantly affected if actual results for any of these items are different to forecast.

The analysis below demonstrates the sensitivity of the LTFMP to changes in assumptions for the above categories.

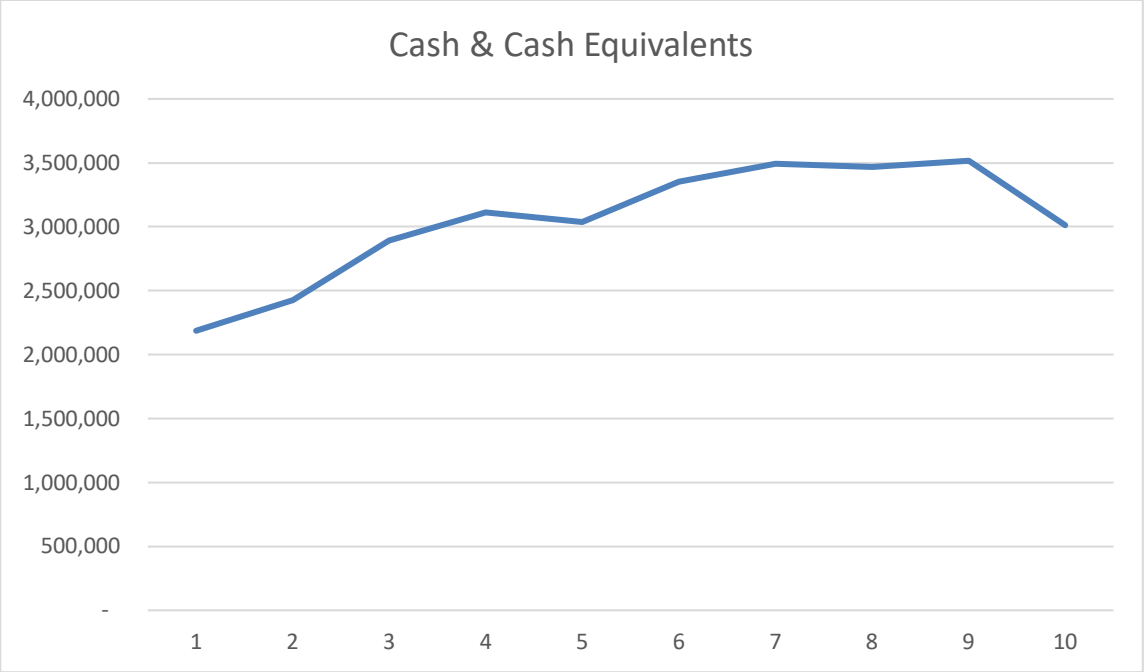
Rates

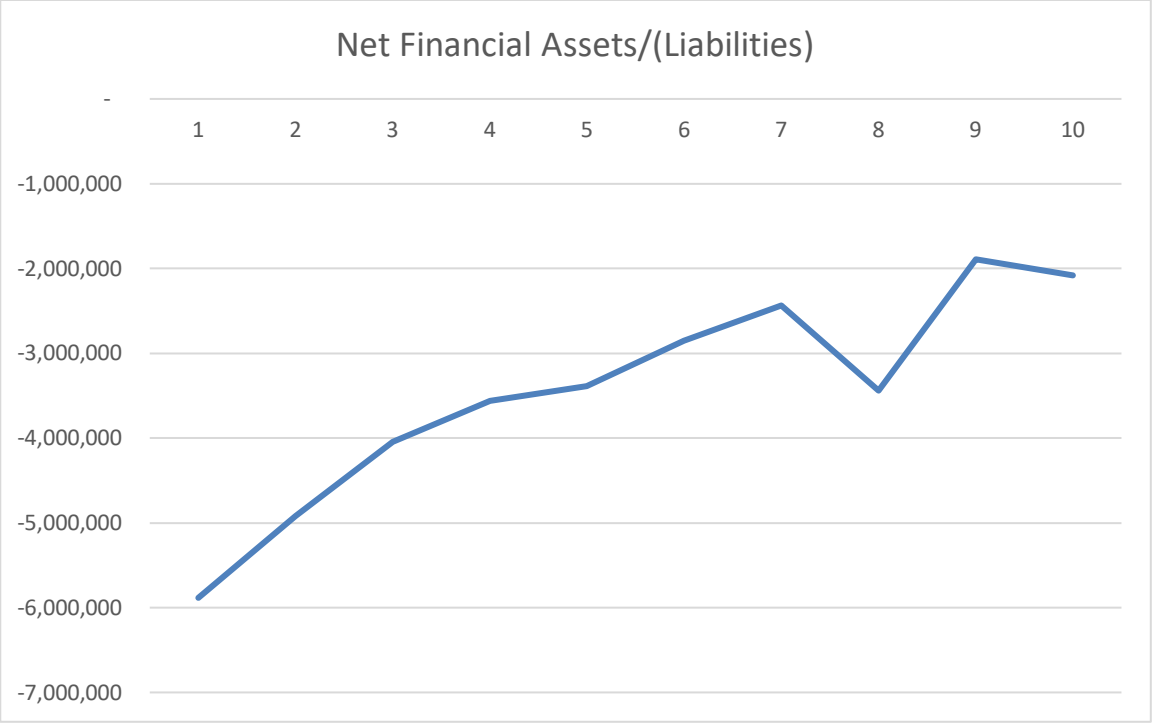
The LTFMP assumes general rate increases (for Council operations) of 15% per annum in the short term (for two years) then decreasing to 12.5%, then 7.5% per annum (one year each), then 3.5% per annum (for two years), 3.25% per annum for the remainder of the plan. If these rate increases are 0.5% per annum lower over the next ten years the effect is as shown below.



With rate increases 0.5% per annum lower over the next ten years, surpluses would not be recorded in most years and the operating surplus would remain below the benchmark to fund principal loan repayments in all years.

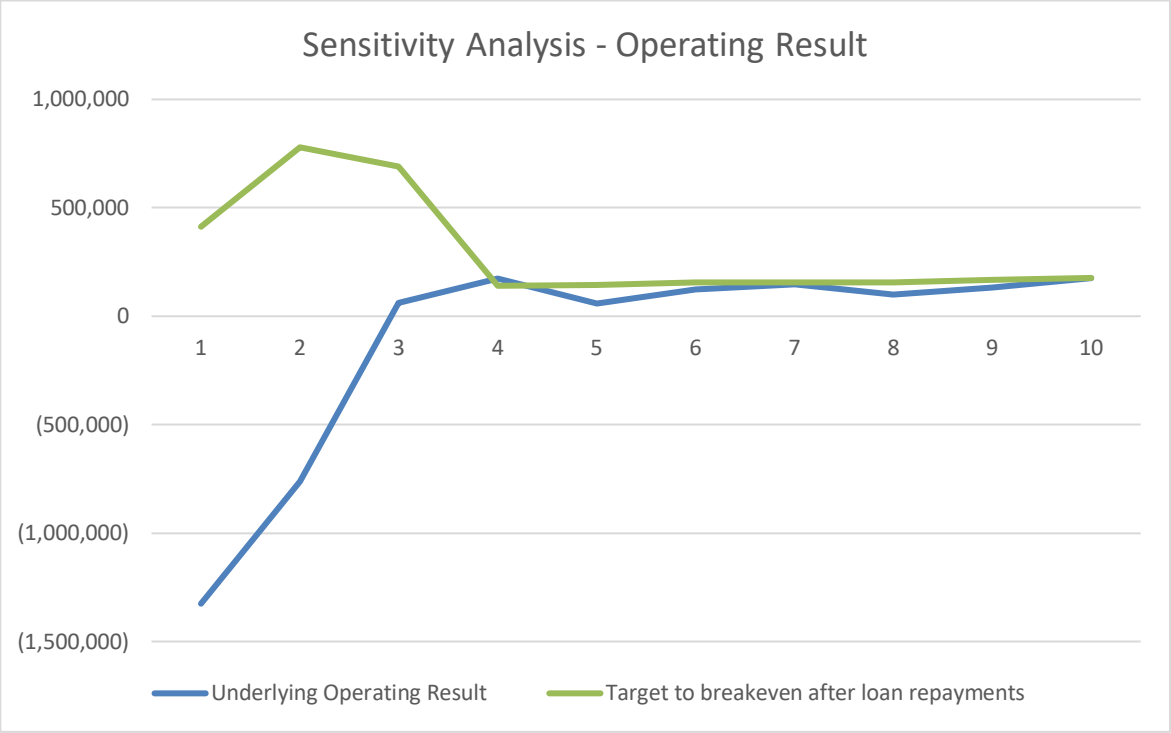
The graphs below show the impact on the cash balances and net financial assets/(liabilities) if rate revenue was 0.5% lower over the 10 year period.

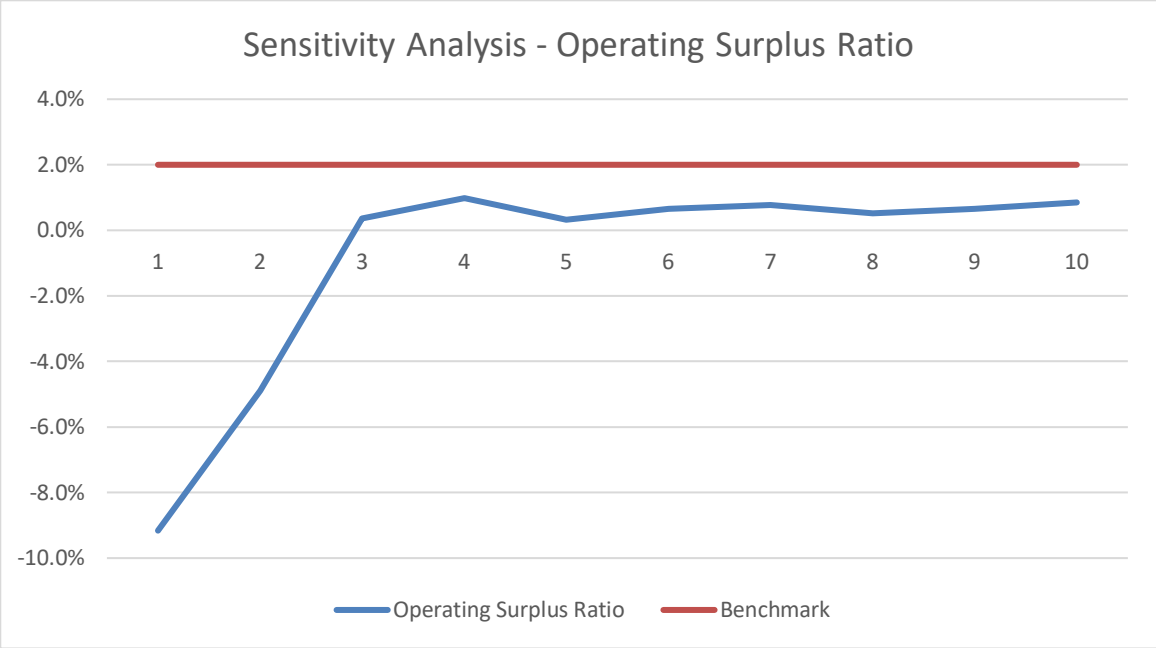


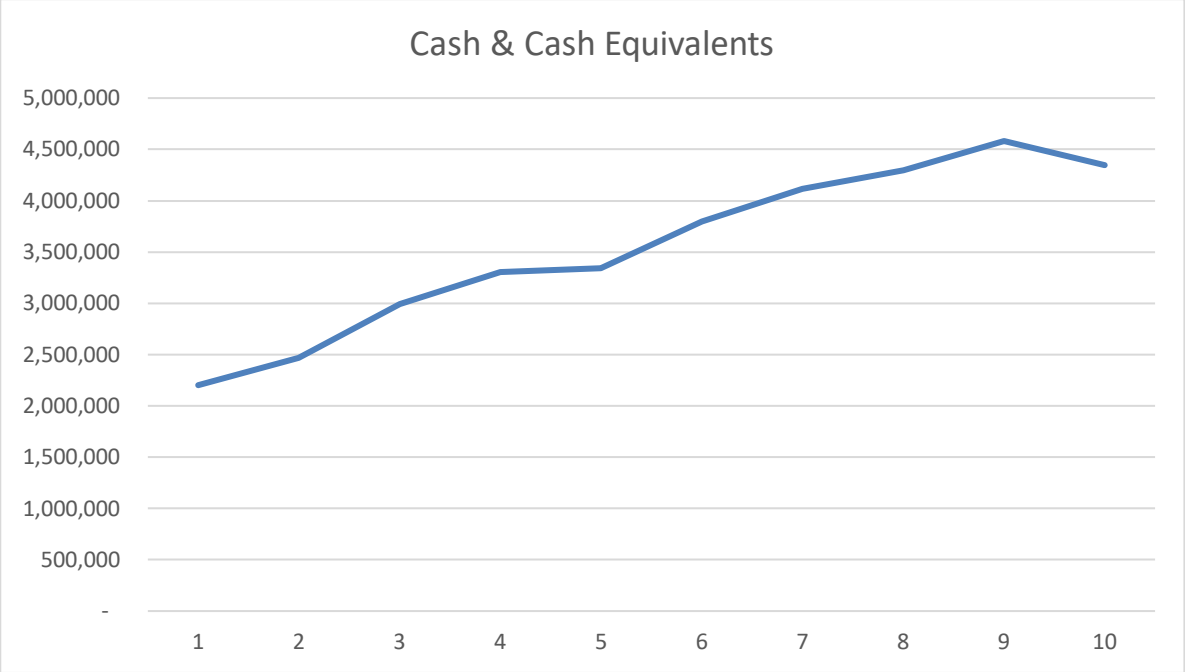


Employee Salaries and Wages

The LTFMP assumes increases in employee salaries and wages of 3% per annum. If employee salaries and wages increases are 0.5% per annum higher over the next ten years the effect is as shown below.



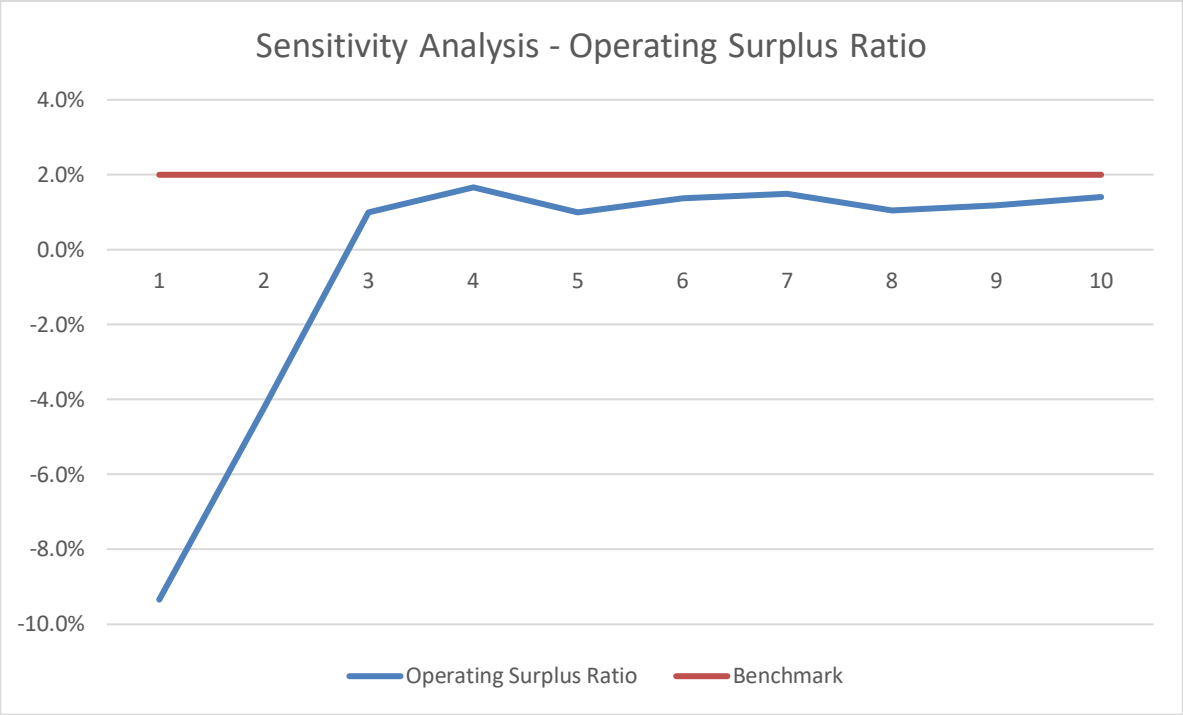


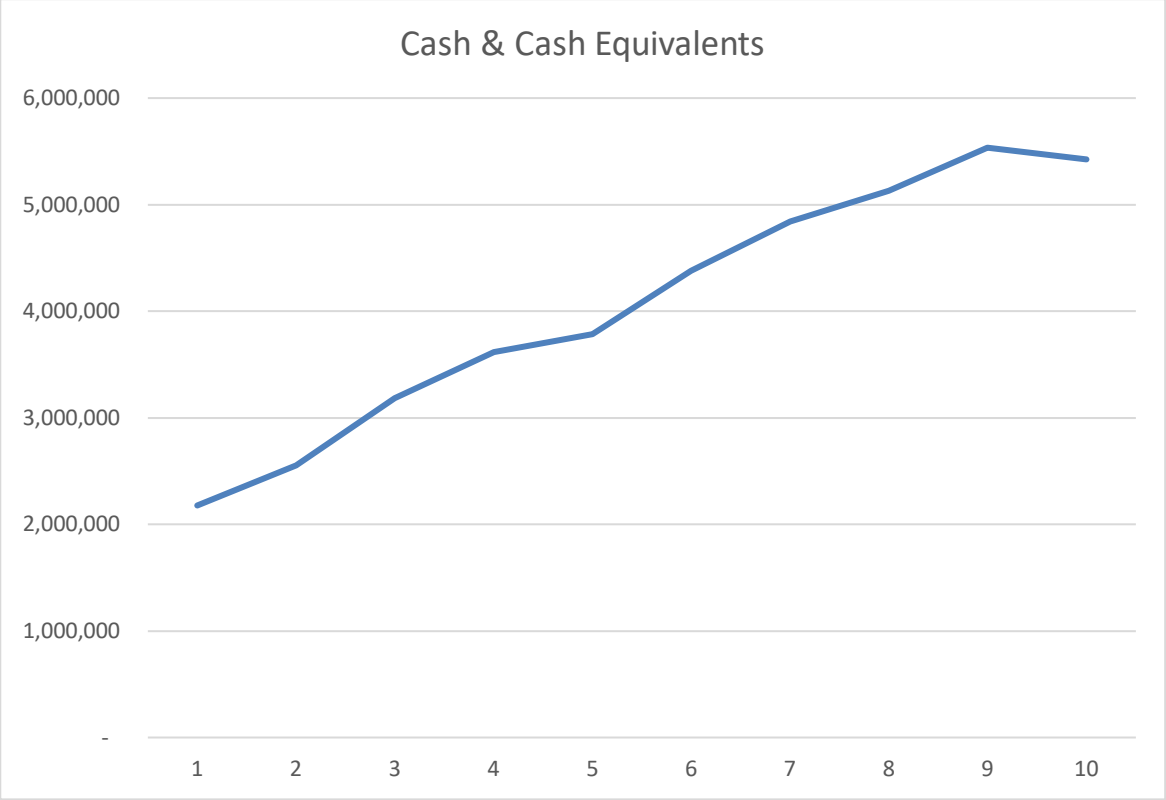


With employee salary and wage increases 0.5% per annum higher over the next ten years, surpluses would continue to be recorded, but the benchmark level would not be achieved over the 10 year period. Cash balances would be significantly lower by the end of the plan period. To restore the status quo, rate increases would need to be approximately 0.27% per annum higher over the next ten years.

Materials and Services

The LTFMP assumes increases in materials and services of 2% per annum over the life of the Plan. If these materials and services increases are 0.5% per annum higher over the next ten years the effect is as shown below.





With materials and services increases 0.5% per annum higher over the next ten years, surpluses would continue to be recorded, however further below benchmark levels. Cash balances would reduce by $0.5 million by the end of the plan period. To restore the status quo, rate increases would need to be approximately 0.092% per annum higher over the next ten years.

11. Conclusions

The purpose of the LTFMP is to express, in financial terms, the activities that Council proposes to undertake over the medium to longer term to achieve its stated objectives. It is a guide for future action. Without a LTFMP Council would have insufficient data to determine sustainable service levels, affordable asset management strategies, appropriate revenue targets or appropriate treasury management.

Council has worked with the community to establish a 10-year vision for the municipality and a strategic framework outlining the key strategies that will need to be undertaken by the Council to achieve the community vision.

Long-term financial planning provides for the optimum allocation of available resources to deliver Council's strategic and corporate objectives. Long-term financial planning supports the delivery of Council's community vision.

Long-term financial sustainability can only be said to have been achieved when Council is providing expected services at defined levels to its community that is adequately funded, not only on an annual basis, but over the long-term. This includes infrastructure asset renewal funding requirements.

In financial terms, it will result in: -

- A decreased, manageable and affordable level of debt.
- The funding of 100% of forecast asset renewal requirements over the Plan period.
- Cash balances increasing to estimated minimum levels over the plan period. Balances and cash flow requirements will need to be closely monitored and further refined to ensure adequate liquidity.

These outcomes, together with the underpinning assumptions of revenue and cost growth indicate annual rate increases in the order of 15% reducing to 3.25% (excluding fire levy increases, any redistributive effects of revaluations, AAV indexation or changes to council rating policy).

12. Appendices

Appendix 1 – Financial Sustainability Indicators

Financial Indicator	Calculation	Description
Underlying Operating Result	($) Operating income (excluding amounts received specifically for new or upgraded assets, physical resources received free of charge and revaluation increments) less operating expenses for the reporting period.	The difference between day-to-day income and expenses for the period.
Operating Surplus Ratio	(%) Operating surplus (deficit) divided by total revenue – adjusted (excluding amounts received specifically for new or upgraded assets, physical resources received free of charge and revaluation increments).	The operating surplus ratio is the operating surplus (deficit) expressed as a percentage of total revenue (adjusted by excluding capital grants, contributed PP&E and asset revaluation increments/decrements).
Net Financial Liabilities	($) Total liabilities less financial assets (cash and cash equivalents + trade & other receivables + other financial assets).	What is owed to others less money held, or invested or owed to the entity. Net financial liabilities equals total liabilities less financial assets.
Net Financial Liabilities Ratio	(%) Net financial liabilities divided by operating income.	Indicates the extent to which net financial liabilities could be met by operating income.
Asset Sustainability Ratio	(%) Capital expenditure on replacement/renewal of existing plant and equipment and infrastructure assets divided by their annual depreciation expense.	The ratio of asset replacement expenditure relative to depreciation for a period. It measures whether assets are being replaced at the rate they are wearing out.

Financial Indicator	Calculation	Description
Asset Consumption Ratio	(%) Depreciated replacement cost of plant and equipment and infrastructure assets divided by current replacement cost of depreciable assets.	Shows the depreciated replacement cost of an entity's depreciable assets relative to their 'as new' (replacement) value.
Asset Renewal Funding Ratio	(%) Future asset replacement expenditure as per long term financial plan divided by future asset replacement expenditure requirement as per asset management plans.	Measures the capacity to fund asset replacement requirements. An inability to fund future requirements will result in revenue or expense or debt consequences, or a reduction in service levels.

Appendix 2 – Forecast Financial Statements

Profit and Loss

Glamorgan Spring Bay Council

10 Year Long Term Financial Plan (2021-2031)

Account	Estimate 21/22	Estimate 22/23	Estimate 23/24	Estimate 24/25	Estimate 25/26	Estimate 26/27	Estimate 27/28	Estimate 28/29	Estimate 29/30	Estimate 30/31
Trading Income										
Rate Revenue	9,740,299	10,939,187	12,099,383	12,893,820	13,317,759	13,756,289	14,181,262	14,619,916	15,082,465	15,550,108
Statutory Charges	669,868	689,943	710,621	731,918	753,854	776,448	799,719	823,687	848,375	873,802
User Charges	434,682	450,768	467,474	484,823	506,779	529,784	549,548	565,559	582,048	599,027
Grants	1,465,667	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772
Interest & Investment Revenue	223,700	228,266	230,709	235,268	238,456	239,835	244,655	248,694	252,006	256,443
Contributions	107,715	110,346	113,057	115,848	118,724	121,685	124,736	127,878	131,114	134,448
Other Revenue	1,825,737	1,859,316	1,893,619	1,928,658	1,964,462	2,001,017	2,038,371	2,074,586	2,107,366	2,141,099
Net Gain (Loss) on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Total Trading Income	**14,467,667**	**15,565,600**	**16,802,635**	**17,678,107**	**18,187,806**	**18,712,831**	**19,226,063**	**19,748,094**	**20,291,145**	**20,842,700**
Gross Profit	**14,467,667**	**15,565,600**	**16,802,635**	**17,678,107**	**18,187,806**	**18,712,831**	**19,226,063**	**19,748,094**	**20,291,145**	**20,842,700**
Capital Grants										
Grants Commonwealth Capital - Other	-	-	-	-	-	-	-	-	-	-
Grants Commonwealth Capital - Roads to Recovery	401,000	401,000	401,000	401,000	401,000	401,000	401,000	401,000	401,000	401,000
Grants State Capital - Other	-	-	-	-	-	-	-	-	-	-
Total Capital Grants	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**
Other Income										
Other Income - PPRWS Reimbursement of Principal Loan	105,615	108,708	111,895	115,177	118,545	122,033	125,614	131,245	141,245	151,245
Total Other Income	**105,615**	**108,708**	**111,895**	**115,177**	**118,545**	**122,033**	**125,614**	**131,245**	**141,245**	**151,245**
Operating Expenses										
Employee Costs	5,354,145	5,512,056	5,674,701	6,186,682	6,479,140	6,670,789	6,868,184	7,071,498	7,280,908	7,496,597
Materials & Services	7,208,680	7,510,974	7,679,448	7,824,942	7,993,257	8,158,715	8,342,315	8,600,736	8,795,789	8,977,381
Depreciation	2,823,198	2,888,239	2,954,280	3,021,342	3,089,445	3,158,611	3,228,859	3,300,213	3,372,693	3,446,324
Interest	226,064	206,741	192,351	199,070	259,703	254,216	250,636	243,006	233,007	220,008
Other Expenses	230,218	234,822	239,518	244,309	249,195	254,179	259,262	264,448	269,737	275,131
Internal Plant used on Capital Jobs	-	-	-	-	-	-	-	-	-	-
Employee Oncosts	(67,391)	(69,413)	(71,495)	(73,640)	(75,849)	(78,125)	(80,468)	(82,882)	(85,369)	(87,930)
Total Operating Expenses	**15,774,914**	**16,283,419**	**16,668,803**	**17,402,704**	**17,994,890**	**18,418,384**	**18,868,788**	**19,397,018**	**19,866,765**	**20,327,511**
Net Profit	**(1,307,246)**	**(717,818)**	**133,831**	**275,403**	**192,916**	**294,446**	**357,274**	**351,076**	**424,380**	**515,189**
Break even Goal	412,648	779,066	691,572	140,428	144,333	155,857	156,552	156,132	167,535	178,200
Total Comprehensive Result (incl Capital Income)	**(800,631)**	**(208,110)**	**646,726**	**791,580**	**712,461**	**817,479**	**883,888**	**883,321**	**966,625**	**1,067,434**

Account	Estimate 21/22	Estimate 22/23	Estimate 23/24	Estimate 24/25	Estimate 25/26	Estimate 26/27	Estimate 27/28	Estimate 28/29	Estimate 29/30	Estimate 30/31
Capital Works Program										
Total Capital Works Program	**1,411,554**	**1,505,356**	**2,286,310**	**3,140,423**	**3,375,261**	**3,125,941**	**3,313,447**	**3,526,522**	**3,460,839**	**4,086,428**
Capital Works Funds Available	$	$	$	$	$	$	$	$	$	$
Loans										
New Loan Borrowings	440,000	310,000	-	-	870,000	-	-	2,290,000	1,200,000	-
Less Principal Repayments	(958,263)	(1,197,774)	(803,467)	(255,605)	(1,132,878)	(277,890)	(282,166)	(2,577,377)	(1,508,780)	(329,445)
Net Movement in Loan Funding	**(518,263)**	**(887,774)**	**(803,467)**	**(255,605)**	**(262,878)**	**(277,890)**	**(282,166)**	**(287,377)**	**(308,780)**	**(329,445)**
Reimbursement of Principal Loan Repayments	105,615	108,708	111,895	115,177	118,545	122,033	125,614	131,245	141,245	151,245
	(412,648)	**(779,066)**	**(691,572)**	**(140,428)**	**(144,333)**	**(155,857)**	**(156,552)**	**(156,132)**	**(167,535)**	**(178,200)**
Capital Grants										
Capital grants	401,000	401,000	401,000	401,000	401,000	401,000	401,000	401,000	401,000	401,000
Total Capital Grants	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**	**401,000**
Subtotal	**(11,648)**	**(378,066)**	**(290,572)**	**260,572**	**256,667**	**245,143**	**244,448**	**244,868**	**233,465**	**222,800**
Funded Depreciation for Asset Renewals										
Total Depreciation	2,823,198	2,888,239	2,954,280	3,021,342	3,089,445	3,158,611	3,228,859	3,300,213	3,372,693	3,446,324
Less depreciation not funded	(1,307,246)	(717,818)	133,831	275,403	192,916	294,446	357,274	351,076	424,380	515,189
Total Funded Depreciation for Asset Renewals	**1,515,952**	**2,170,420**	**3,088,111**	**3,296,745**	**3,282,361**	**3,453,057**	**3,586,133**	**3,651,289**	**3,797,073**	**3,961,513**
Max. Total funds available for capital works* **	**1,504,304**	**1,792,354**	**2,797,539**	**3,557,317**	**3,539,029**	**3,698,199**	**3,830,581**	**3,896,156**	**4,030,539**	**4,184,313**
Funds transferred to/(from) Equity or additional Loan Funds Required	**92,750**	**286,998**	**511,229**	**416,894**	**163,768**	**572,258**	**517,134**	**369,634**	**569,699**	**97,885**

Statement of Financial Position

Glamorgan Spring Bay

10 Year Long Term Financial Plan

Account	Estimate Y1 30 June 2022	Estimate Y2 30 June 2023	Estimate Y3 30 June 2024	Estimate Y4 30 June 2025	Estimate Y5 30 June 2026	Estimate Y6 30 June 2027	Estimate Y7 30 June 2028	Estimate Y8 30 June 2029	Estimate Y9 30 June 2030	Estimate Y10 30 June 2031
Assets										
Current Assets										
Cash & Cash Equivalents	2,220,088	2,533,659	3,129,179	3,541,909	3,713,218	4,343,187	4,869,065	5,297,677	5,876,302	5,983,644
Trade & Other Receivables	592,209	634,176	668,981	692,815	705,533	718,689	731,438	744,597	758,474	772,503
Inventories	-	-	-	-	-	-	-	-	-	-
Other Assets	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Current Assets	**2,832,297**	**3,187,835**	**3,818,160**	**4,254,723**	**4,438,750**	**5,081,876**	**5,620,503**	**6,062,275**	**6,654,776**	**6,776,147**
Non-current Assets										
Trade & Other Receivables	-	-	-	-	-	-	-	-	-	-
Investment in Water Corporation	28,139,885	28,139,885	28,139,885	28,139,885	28,139,885	28,139,885	28,139,885	28,139,885	28,139,885	28,139,885
Property, Infrastructure, Plant & Equipment	130,717,944	130,049,974	130,169,055	130,454,870	130,422,201	130,506,789	130,733,098	130,821,244	131,461,348	131,461,348
Total Non-current Assets	**158,857,829**	**158,189,859**	**158,308,940**	**158,594,756**	**158,562,086**	**158,646,674**	**158,872,984**	**158,961,129**	**159,601,233**	**159,601,233**
Total Assets	**161,690,126**	**161,377,694**	**162,127,100**	**162,849,479**	**163,000,836**	**163,728,550**	**164,493,487**	**165,023,404**	**166,256,009**	**166,377,380**
Liabilities										
Current Liabilities										
Trade & Other Payables	600,000	650,000	750,000	750,000	750,000	800,000	800,000	850,000	850,000	850,000
Trust Funds & Deposits	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Provisions	463,500	477,405	491,727	506,479	521,673	537,324	553,443	570,047	587,148	604,762
Contract Liabilities	-	-	-	-	-	-	-	-	-	-
Interest bearing Loans & Borrowings	1,197,774	803,467	255,605	1,132,878	277,890	282,166	2,577,377	1,508,780	329,445	331,094
Total Current Liabilities	**2,611,274**	**2,280,872**	**1,847,332**	**2,739,357**	**1,899,564**	**1,969,490**	**4,280,820**	**3,278,826**	**2,116,592**	**2,135,856**
Non-current Liabilities	108%	140%	207%	155%	234%	258%	131%	185%	314%	317%
Provisions	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716	201,587
Interest Bearing Loans & Borrowings	5,896,394	5,532,927	5,587,323	4,454,445	5,046,554	4,764,388	2,187,011	4,168,231	3,838,787	3,507,693
Total Non-current Liabilities	**6,050,894**	**5,692,062**	**5,751,232**	**4,623,271**	**5,220,445**	**4,943,496**	**2,371,492**	**4,358,246**	**4,034,503**	**3,709,280**
Total Liabilities	**8,662,169**	**7,972,934**	**7,598,563**	**7,362,628**	**7,120,009**	**6,912,986**	**6,652,312**	**7,637,073**	**6,151,095**	**5,845,136**
Net Assets	**153,027,957**	**153,404,760**	**154,528,537**	**155,486,851**	**155,880,827**	**156,815,564**	**157,841,174**	**157,386,331**	**160,104,914**	**160,532,244**
Equity										
Current Year Earnings	(800,631)	(208,110)	646,726	791,580	712,461	817,479	883,888	883,321	966,625	1,067,434
Retained Earnings	85,031,552	84,528,836	84,286,547	85,100,009	85,409,335	85,666,795	86,625,997	86,171,721	88,237,300	88,465,936
Equity - Asset Revaluation Reserve	68,381,239	68,381,239	68,381,239	68,381,239	68,381,239	68,381,239	68,381,239	68,381,239	68,381,239	68,381,239
Equity - Restricted Reserves	415,797	702,795	1,214,024	1,214,024	1,377,792	1,950,051	1,950,051	1,950,051	2,519,750	2,617,635
Total Equity	**153,027,957**	**153,404,760**	**154,528,537**	**155,486,851**	**155,880,827**	**156,815,564**	**157,841,175**	**157,386,331**	**160,104,914**	**160,532,244**

Statement of Cash Flows

Glamorgan Spring Bay Council

10 Year Long Term Financial Plan (2021-2031)

Account	Estimate Y1 2021/22	Estimate Y2 2022/23	Estimate Y3 2023/24	Estimate Y4 2024/25	Estimate Y5 2025/26	Estimate Y6 2026/27	Estimate Y7 2027/28	Estimate Y8 2028/29	Estimate Y9 2029/30	Estimate Y10 2030/31
Operating Activities										
Receipts from customers	12,902,000	14,235,861	15,480,056	16,366,502	16,887,316	17,411,902	17,925,541	18,447,162	18,989,496	19,540,898
Payments to suppliers and employees	(12,833,715)	(13,326,640)	(13,595,427)	(14,361,693)	(14,885,186)	(15,188,907)	(15,618,436)	(16,024,668)	(16,471,270)	(16,857,702)
Receipts from operating grants	1,465,667	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772	1,287,772
Cash receipts from other operating activities	105,615	108,708	111,895	115,177	118,545	122,033	125,614	131,245	141,245	151,245
Net Cash Flows from Operating Activities	**1,639,567**	**2,305,702**	**3,284,296**	**3,407,758**	**3,408,447**	**3,632,801**	**3,720,491**	**3,841,512**	**3,947,244**	**4,122,214**
Investing Activities										
Proceeds from sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Payment for property, plant and equipment	(1,411,554)	(1,505,356)	(2,286,310)	(3,140,423)	(3,375,261)	(3,125,941)	(3,313,447)	(3,526,522)	(3,460,839)	(4,086,428)
Receipts from capital grants	401,000	401,000	401,000	401,000	401,000	401,000	401,000	401,000	401,000	401,000
Other cash items from investing activities										
Net Cash Flows from Investing Activities	**(1,010,554)**	**(1,104,356)**	**(1,885,310)**	**(2,739,423)**	**(2,974,261)**	**(2,724,941)**	**(2,912,447)**	**(3,125,522)**	**(3,059,839)**	**(3,685,428)**
Financing Activities										
Trust funds & deposits	(50,000)	-	-	-	-	-	-	-	-	-
Net Proceeds/(Repayment) of Loans	(518,263)	(887,774)	(803,467)	(255,605)	(262,878)	(277,890)	(282,166)	(287,377)	(308,780)	(329,445)
Other cash items from financing activities	-	-	-	-	-	-	-	-	-	-
Net Cash Flows from Financing Activities	**(568,263)**	**(887,774)**	**(803,467)**	**(255,605)**	**(262,878)**	**(277,890)**	**(282,166)**	**(287,377)**	**(308,780)**	**(329,445)**
Net Cash Flows	**60,750**	**313,571**	**595,519**	**412,730**	**171,309**	**629,970**	**525,878**	**428,612**	**578,625**	**107,342**
Cash and Cash Equivalents										
Cash and cash equivalents at beginning of period	2,159,338	2,220,088	2,533,659	3,129,179	3,541,909	3,713,218	4,343,187	4,869,065	5,297,677	5,876,302
Cash and cash equivalents at end of period	2,220,088	2,533,659	3,129,179	3,541,909	3,713,218	4,343,187	4,869,065	5,297,677	5,876,302	5,983,644
Net change in cash for period	**60,750**	**313,571**	**595,519**	**412,730**	**171,309**	**629,970**	**525,878**	**428,612**	**578,625**	**107,342**

Forecast Capital Works Program

Glamorgan Spring Bay Council

10 Year Long Term Financial Plan (2021-2031)

	Estimate 21/22	Estimate 22/23	Estimate 23/24	Estimate 24/25	Estimate 25/26	Estimate 26/27	Estimate 27/28	Estimate 28/29	Estimate 29/30	Estimate 30/31
New Capital										
Roads, Footpaths, Kerbs						-	-	-	-	-
Parks, Reserves, Walking Tracks, Cemeteries										
Buildings & Facilities										
Stormwater, Drainage	265,000	115,000	200,000	-	-	-	-	-	-	-
Plant & Equipment										
Total New Capital	**265,000**	**115,000**	**200,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Renewal of Assets										
Roads, Footpaths, Kerbs	665,433	670,722	1,088,790	1,804,092	1,832,153	1,860,776	1,889,972	1,919,751	1,950,126	1,981,109
Parks, Reserves, Walking Tracks, Cemeteries	-	32,355	115,507	168,310	171,676	175,110	178,612	182,184	185,828	189,544
Stormwater, Drainage	77,121	78,664	80,237	81,842	83,478	85,148	86,851	88,588	90,360	92,167
Buildings & Facilities	-	54,616	165,000	412,500	422,813	422,813	468,455	468,455	468,455	468,455
Marine Assets	100,000	-	-	140,000	144,200	148,526	152,982	157,571	162,298	167,167
Water	-	-	-	-	-	-	-	-	-	-
Bridges, Culverts	-	250,000	240,000	125,000	300,000	-	90,000	250,000	130,000	700,000
Plant & Equipment	304,000	304,000	396,777	408,680	420,940	433,569	446,576	459,973	473,772	487,985
IT & Office Equipment	30,000	30,000	50,000	50,000	50,000	50,000	50,000	100,000	100,000	50,000
Total Renewal Capital	**1,146,554**	**1,390,356**	**2,086,310**	**3,140,423**	**3,375,261**	**3,125,941**	**3,313,447**	**3,526,522**	**3,460,839**	**4,086,428**
Total Capital Works	**1,411,554**	**1,505,356**	**2,286,310**	**3,140,423**	**3,375,261**	**3,125,941**	**3,313,447**	**3,526,522**	**3,460,839**	**4,086,428**