

COFFS HARBOUR CITY COUNCIL

INTEGRATED PLANNING AND REPORTING



Image by Phil Coy

2014-2024 RESOURCING STRATEGY LONG TERM FINANCIAL PLAN ASSET MANAGEMENT PLANS WORKFORCE MANAGEMENT PLAN



Helping to achieve the 2030 Community Vision

1. Legislative Context

Coffs Harbour City Council is established under the NSW Local Government Act, 1993.

Section 8 of the Act sets out Council's charter – the reason Council exists – which is defined as the following:

- to provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- to exercise community leadership
- to exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism
- to promote and to provide and plan for the needs of children
- to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- to have regard to the long term and cumulative effects of its decisions
- to bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible
- to engage in long-term strategic planning on behalf of the local community
- to exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights
- to facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government
- to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants
- to keep the local community and the State government (and through it, the wider community) informed about its activities
- to ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected
- to be a responsible employer.

Chapter 13 of the Act asks the question “how are councils are made accountable for their actions?” Sections 402 to 407 of the Act answer this in relation to Strategic Planning, establishing what is known as the Integrated Planning and Reporting Framework.

In consultation with the community, Council has developed our Community Strategic Plan, Coffs Harbour 2030, which that identifies the main priorities and aspirations for the future of the Coffs Harbour local government area.

This Resourcing Strategy is effectively Council's response to those priorities and aspirations – the means by which Council will provide the resources required to implement the strategies established by the Community Strategic Plan that Council is responsible for.

In accordance with the Act, this Resourcing Strategy includes long-term financial planning, workforce management planning and asset management planning.

The Resourcing Strategy informs Council's Delivery Program that details the principal activities to be undertaken by Council over the next four years to implement the strategies established by the Community Strategic Plan within the resources available under the Resourcing Strategy. The Operational Plan specifies the resources and activities of the first year of the Delivery Program.

The Integrated Planning and Reporting Framework is depicted in Figure 1.



2. Background: the Road to Financial Sustainability

Council's 2013-2023 Resourcing Strategy (last year's version of this document) began with the following statement under the heading "Council's unsustainable position":

Council cannot continue to deliver the services it currently does to the current standards, let alone achieve new objectives over and above these.

How did this situation arise?

As noted in the Strategy, two key factors common to most local government were the key contributors to this unsustainable position:

- a widening gap between expenditure and revenues
- deterioration of infrastructure

The "widening gap" between expenditure and revenues arises from:

- State Government 'Rate Pegging': legislation that has, over the last 30 years, meant increases in revenue have not kept pace with inflation or CPI.
- Cost Shifting: the latest report commissioned by LG NSW found that as at 2010/11 Council was responsible for 25 extra services that were previously the responsibility of State or Federal Government and that these cost Coffs Harbour City Council \$4.4 million each year to deliver.
- Community Expectations: Council now delivers a wider range of services than it did in the past.

With regards to deterioration of infrastructure, Council is the "custodian and trustee" of public assets including transport, water, sewerage, stormwater drainage, buildings and recreation assets with a replacement value of around \$2 Billion.

The competing financial pressures noted above have led to a gradual reduction in funding for infrastructure repair and renewal over a number of years to the point where Council cannot continue to deliver the services it currently does to the current standards, let alone achieve new objectives over and above these.

Infrastructure assets are long-lived. Decisions made today can have a big impact on the future.

Council's Infrastructure Investments

Water supply and sewerage infrastructure makes up \$995M (around half) of the replacement value of Council assets. Under the NSW Local Government Act, 1993 these services are funded by specific charges and accounted for distinct from "general" activities funded by ordinary rates.

Over the past decade, Council has made substantial investments in the provision of new water and sewerage infrastructure including the construction of a \$60M Water Treatment Plant at Karangi, a \$90M Water Reclamation Plant at Coffs Harbour and (with our neighbours, Clarence Valley Council) the \$180M Shannon Creek Dam and Regional Water Supply Scheme.

These investment decisions will underpin the social, environmental and economic future of the City, ensuring the expected level of service can be delivered. The decisions were supported by 30 year financial plans demonstrating that Council could repay the substantial loans required via water and sewerage charges (initially requiring an increase, but then held

to around CPI).

The same approach is clearly required to address the “other half” of Council’s infrastructure portfolio – transport, stormwater drainage, buildings and recreation assets together valued at around \$1 Billion – which similarly underpin the future of the City, ensuring that current services can be provided into the future.

Coming to grips with Asset and Financial Management Challenges

In 2010 Council engaged consultants to undertake an Asset Management Gap Analysis which led to the preparation of “first cut” Asset Management Plans (AMPs), completed in March 2011, which identified the funds required for infrastructure repair and renewal.

Whilst the need to engage with the community regarding the levels of service they would like from their assets was noted, the starting point adopted in formulating the AMPs was maintaining current levels of service. This decision is critical in that it influences the cost of providing asset-related services.

Limitations arising from lack of asset-related data (quantity, current condition, deterioration behaviour, current costs to maintain and renew) meant that the analysis undertaken was at a fairly high level however it was clear that current funding for infrastructure maintenance and renewal was inadequate. Asset condition is deteriorating over time. The current situation is unsustainable in that current services cannot be maintained. An update on Asset Management Planning was reported to Council on 25 August, 2011.

Along with a “first cut” AMP, a “first cut” Long-Term Financial Plan (LTFP) was prepared that identified the full extent of Council's financial sustainability challenges: expenditure was increasing faster than its revenues (the “underlying operating deficit”). Considered together, the clear picture from the AMP and LTFP was that Council does not have the resources to continue to deliver the services it currently does to the current standards, let alone pursue new service objectives.

Service Review

At its meeting of 28 April, 2011 Council noted the proposed objectives and program for a comprehensive Service Review project examining all services, the outcomes of which were reported back to Council on 15 December, 2011.

A total of 43 services (which were utilised as the basis for restructuring Council’s 2012-2016 Delivery Program) were defined:

- 26 external services (provided to the community) and
- 17 internal services (enabling these external services to be delivered)

Each was examined from three perspectives, the “3Rs”, namely:

- **reason:** why the service is delivered (Community Strategic Plan, legislation, risk)
- **resources:** the human, financial and infrastructure resources required to deliver the service
- **results:** the service outcomes achieved and how these compared to stated objectives.

Service Leaders (those responsible for delivering the service) presented information on their service using standard templates to an independent Review Panel made up of a Director not responsible for the service delivery and managers from elsewhere in the organisation.

At “gate 1” the Review Panels reviewed, challenged and refined the definition of the service (based on the 3Rs) and identified opportunities for improvement and levels of service options to be explored by the Service Leaders for “gate 2”.

At “gate 2” the Review Panels reviewed, challenged and refined opportunities for improvement and levels of service options.

Whilst some opportunities for improvement were actioned, a number required changes to organisational structure and many required further investigation and validation. Whilst options to develop a ‘continuous improvement program’ for Council as a whole were explored, resource constraints and competing demands have prevented these from moving forward until the Transformation to Sustainability project, discussed below, was resourced.

Levels of service options provided valuable analysis of the implications of changing service levels in terms of impacts on service users, budget implications, risk, etc. that was utilised in the Community Engagement regarding levels of service, discussed below.

The outcomes of the Service Review were reported to Council on 15 December 2011, with Council resolving to undertake a community survey to gain a clearer understanding of community priorities for service provision.

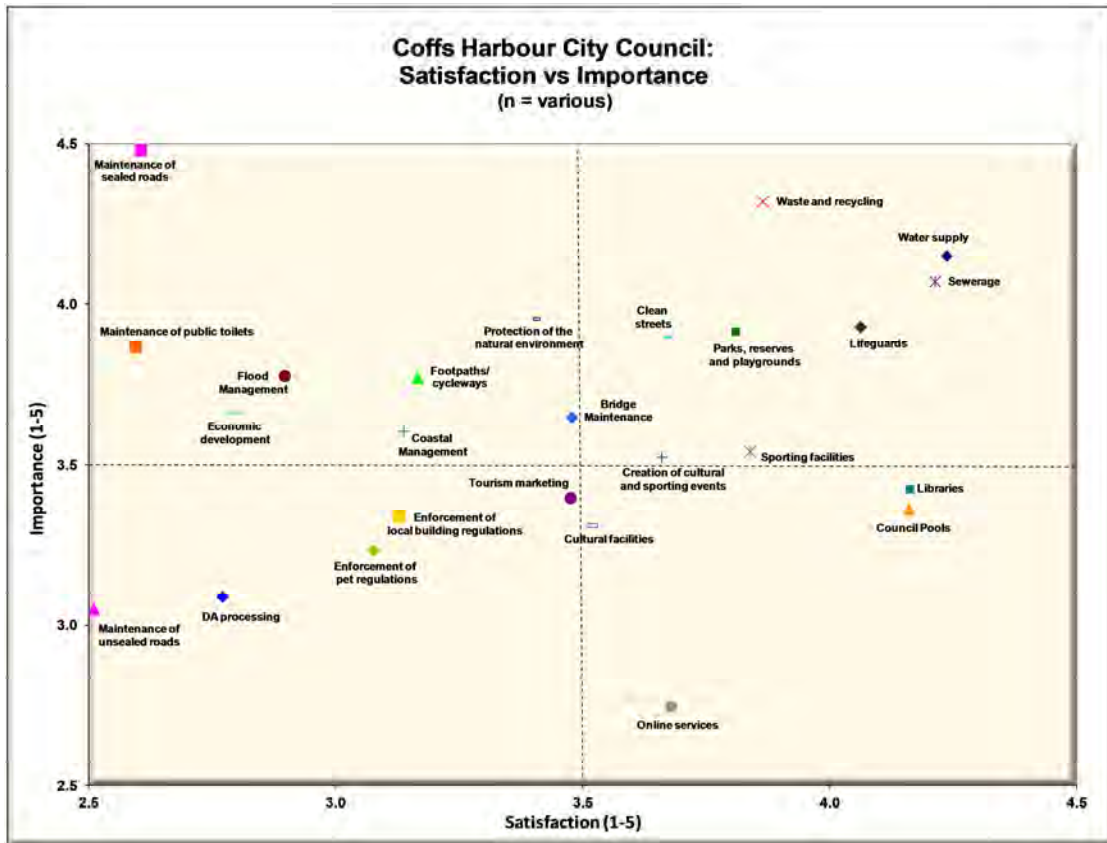
Community Survey regarding Levels of Service 2012

Council commissioned a telephone survey of 500 residents selected so as to be a statistically significant sample of the community (people were recruited based on age and where they lived).

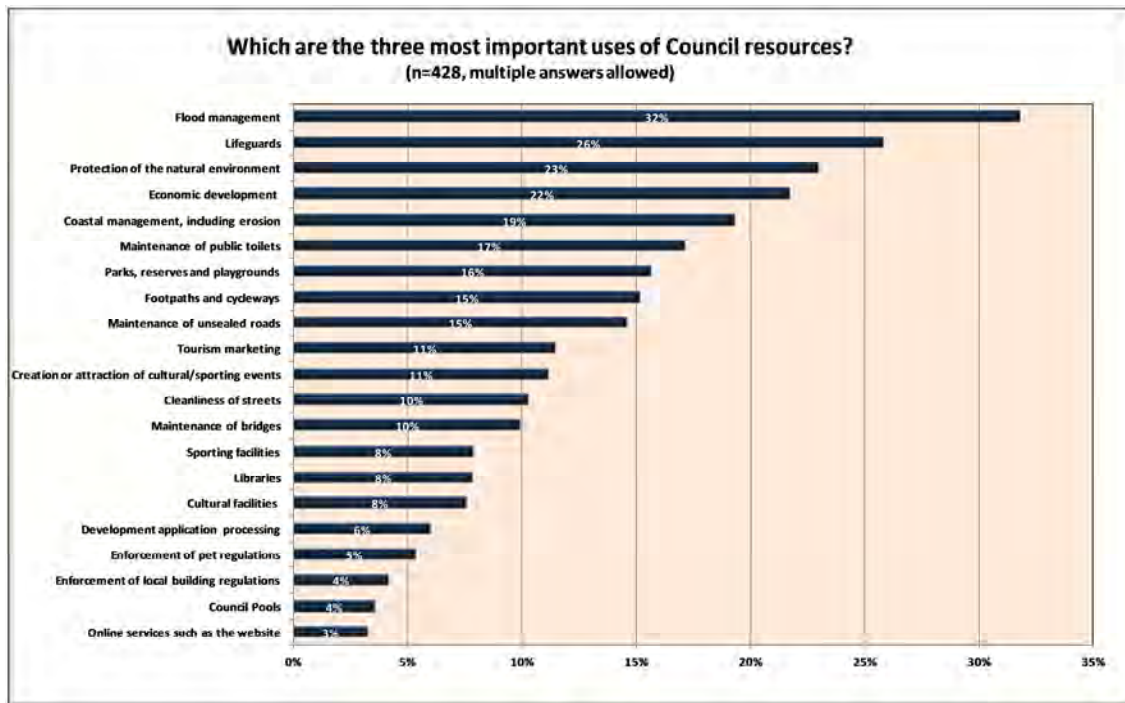
Respondents were asked to rate each of the external services defined by the Service Review from 1 (low) to 5 (high) regarding the following, the outcomes of which are presented below

- importance of the service
- satisfaction with the current service

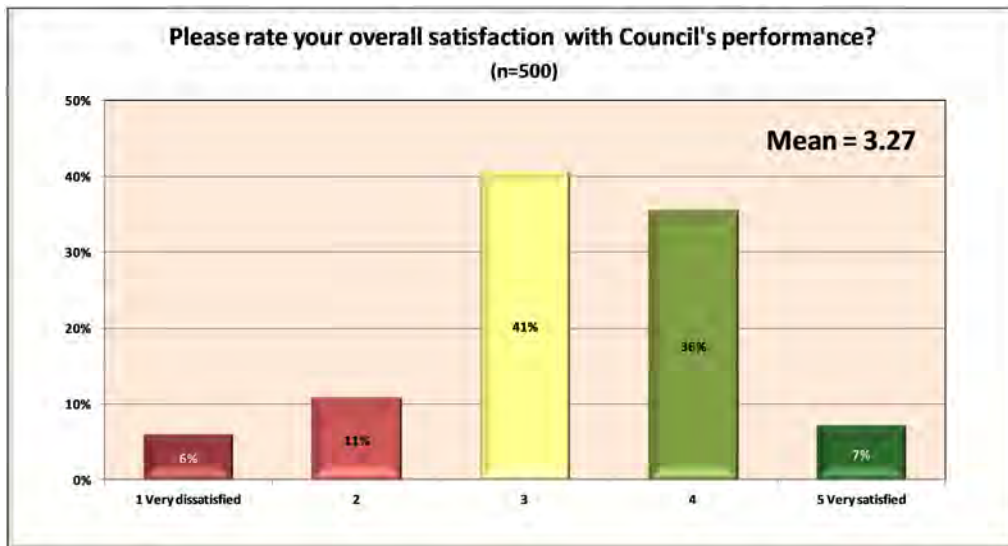
Those services which scored high in importance and low in satisfaction (the most notable by far being maintenance of sealed roads) were potentially those that the community would most like to see more funds allocated to, while those services of low importance and high satisfaction were potentially those that Council could consider reducing (bearing in mind that some services, such as the library or pools, are highly valued by users, but only used by a portion of the community).



Survey participants were also asked to identify which (if any) services provided by Council were considered critical (noting that “known criticals” of road maintenance and water supply were removed).



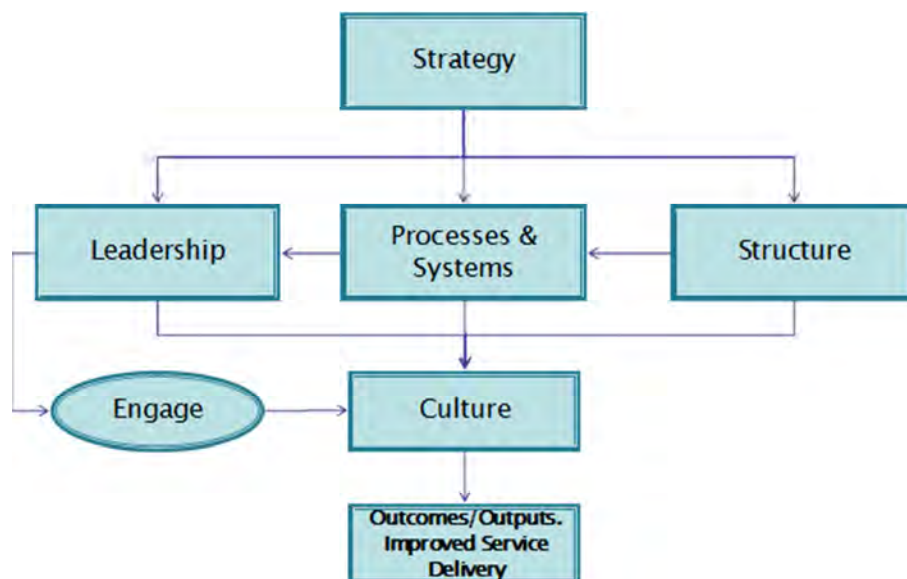
Finally, the survey also asked respondents to rate their overall satisfaction with Council. 43% of respondents declared themselves satisfied, 17% dissatisfied, and the balance neither satisfied nor dissatisfied.



The outcomes of the Survey were reported to Council's 26 July meeting, with Council noting the initiatives that were then underway to address Council's challenges around sustainable service provision, particularly the development of a Long Term Financial Plan and Asset Management Plans, and that this would provide the incoming Council with a good foundation to tackle this issue with far better information than existed previously.

Addressing Council's Biggest Strategic Challenge

The Service Review and a number of other organisational initiatives identified substantial barriers preventing Council from effectively addressing its unsustainable financial position. During 2011 and 2012, staff worked on addressing this, arguably Council's biggest strategic challenge, utilising the following model.



Whilst a range of opportunities could be pursued at an operational level, many were contingent on policy decisions by the elected Council.

Review of Council's Integrated Planning and Reporting Framework in 2012

Following the Local Government elections in September 2012, a series of briefing sessions with the incoming Council communicated the issues around Council's sustainability challenge and the options available to address it.

In accordance with the Act, the incoming Council reviewed and adopted a new Community Strategic Plan in May 2013 that identified the main priorities and aspirations for the future of the local government area, which were generally consistent with the earlier Coffs Harbour 2030 Plan.

Council also adopted a new long-term Resourcing Strategy setting out the means by which Council will provide the resources (financial, workforce and assets) required to implement the strategies established by the Community Strategic Plan that Council is responsible for.

The 2013-2023 Resourcing Strategy acknowledged Council's unsustainable position and the fact that Council could not continue to deliver current services into the future. Options to address the issue (none of which was a "silver bullet"), included:

- Productivity improvements (changing the way services are delivered)
- New revenue opportunities (e.g. commercialisation of council services)
- Reductions in current levels of service delivery
- Additional rate income.

The Strategy went on to identify a number of actions to be taken in order to pursue these options.

Community Engagement regarding Levels of Service 2013

Action 1 from the Strategy, development of a program to identify, evaluate and implement opportunities for improvement, was actioned by Council at its meeting of 14 November, 2013 in approving phase 1 of the Transformation to Sustainability project.

The remainder of the actions (actions 2 to 6) identified in the 2013-2023 Resourcing Strategy were tied up in the Community Engagement regarding Levels of Service that Council has undertaken in the latter part of 2013 and early 2014.

At its meeting of 26 September 2013, Council noted its annual financial gap and endorsed the principles of the Level of Service Community Engagement Process, adopting a Community Engagement Strategy for Levels of Service.

What differentiated this process from the 2012 Community Survey is that the community was enabled to understand the cost of service delivery, and thus to provide feedback on not only their priorities, but also their willingness to pay for service delivery.

In accordance with the Community Engagement Strategy, the "Budget Allocator" tool was utilized to gather community feedback on all services funded by the ordinary rate (i.e. excluding water, sewerage and domestic waste which are separately funded as required by legislation).

The tool included a number of Level of Service (LoS) options for each operational service:

- ⤴ Increase LoS
- ⤴ Maintain current LoS
- ⤴ Mid-range decrease to LoS
- ⤴ Minimum LoS

Given the need to increase funding for repair and renewal of infrastructure, only two LoS options were offered for infrastructure:

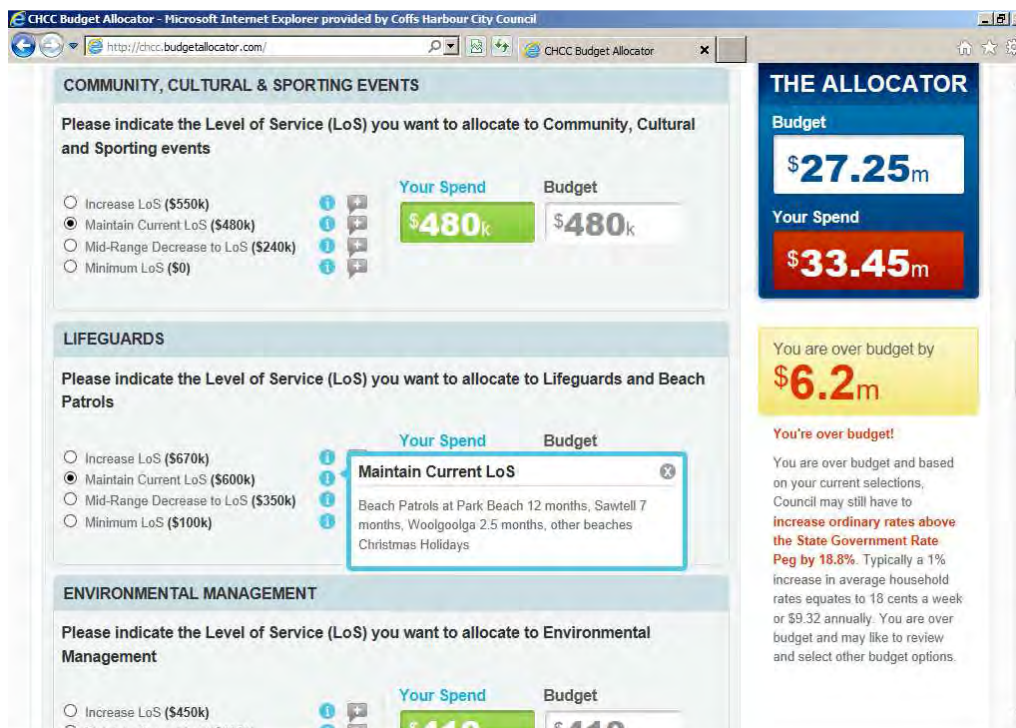
1. Enhanced LoS
2. Sustainable LoS

To enable people to make informed choices, the tool included a description of what each LoS option would actually look like.

Participants could also provide comments on particular services, service options and the process overall.

The cost of selections, including the impact on the average residential rate, were displayed as they progressed, enabling participants to balance their service priorities against what they were willing to pay for them.

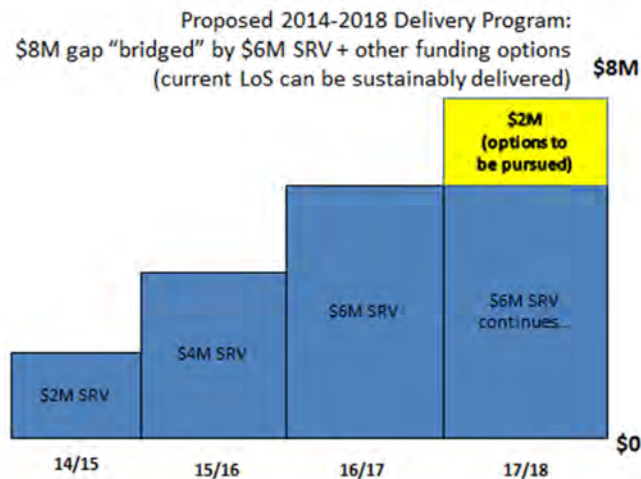
A “screen shot” from the Budget Allocator showing the LoS description (in the box showing the “Maintain Current LoS” for Lifeguards), the options and budgets for several services and the box (on the right hand side) that helped participants track the impact of their choices in terms of the overall budget and also the average household rate.



As discussed in detail in the report on the outcomes of the process, which was reported to Council’s meeting of 28 November 2013, feedback based on a statistically significant community reference group suggested that the community values the services Council

currently delivers and is willing to pay more to maintain these rather than see levels of service reduced.

The report recommended that Council apply to IPART for a rate variation that “bridged” \$6 Million of the \$8M financial sustainability gap, to be increased gradually over the next three years, whilst other means of closing the remaining \$2 Million gap such as the Transformation to Sustainability project and new revenue opportunities such as the commercialisation of CityWorks, which Council approved on 12 December 2013 were pursued.



In noting the feedback from the community regarding levels of service was generally supportive of Council continuing to deliver its current services (acknowledging that to do so requires Council to generate additional revenues) Council resolved to notify IPART of its intention to apply for a Special Rate Variation of \$6M to be staged over a period of three years at the rate of \$2M dollars per year to fund increased expenditure on infrastructure repair and renewal.

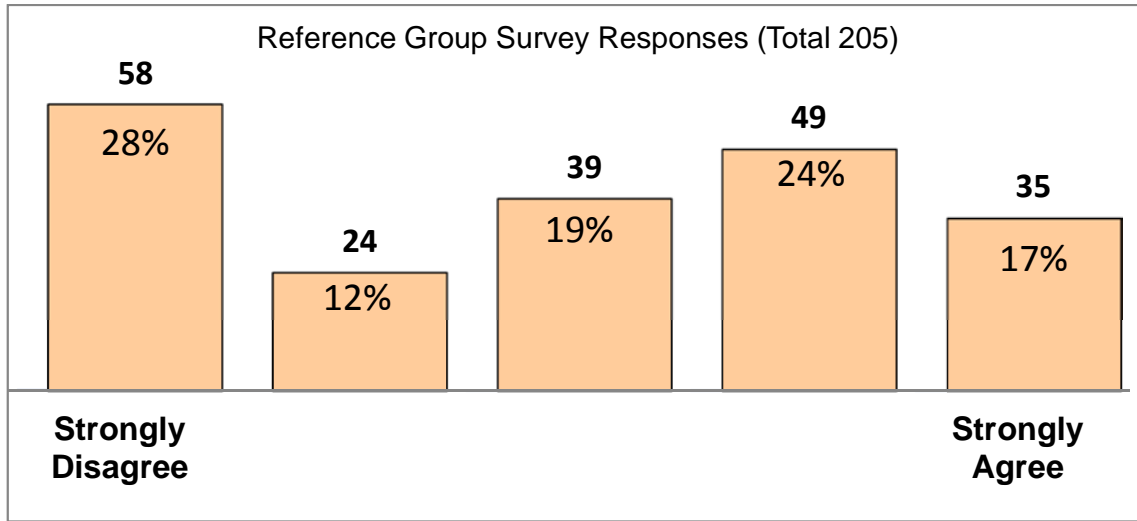
Council also resolved to acknowledge in its 2014-2018 Delivery Program the need to pursue a range of options to close the remainder of the “gap” to financial sustainability including the Transformation to Sustainability Project and continued emphasis on Asset Management, and to undertake a community engagement process regarding the proposed steps to be taken to adopt a financially sustainable position, including the application for a Special Rate Variation and options to close the remainder of the “gap” to financial sustainability.

A community engagement process was undertaken from 9 December 2013 to 24 January 2014 where participants were asked simply to respond to the following statement on a scale of 1 (strongly disagree) to 5 (strongly agree):

I understand that the current levels of Council services cannot continue without a rate rise being generated to repair and replace our ageing public infrastructure, so I would support Council applying for a rate increase over the next three years to help pay for the ongoing maintenance and renewal of the assets needed to deliver services to the community.

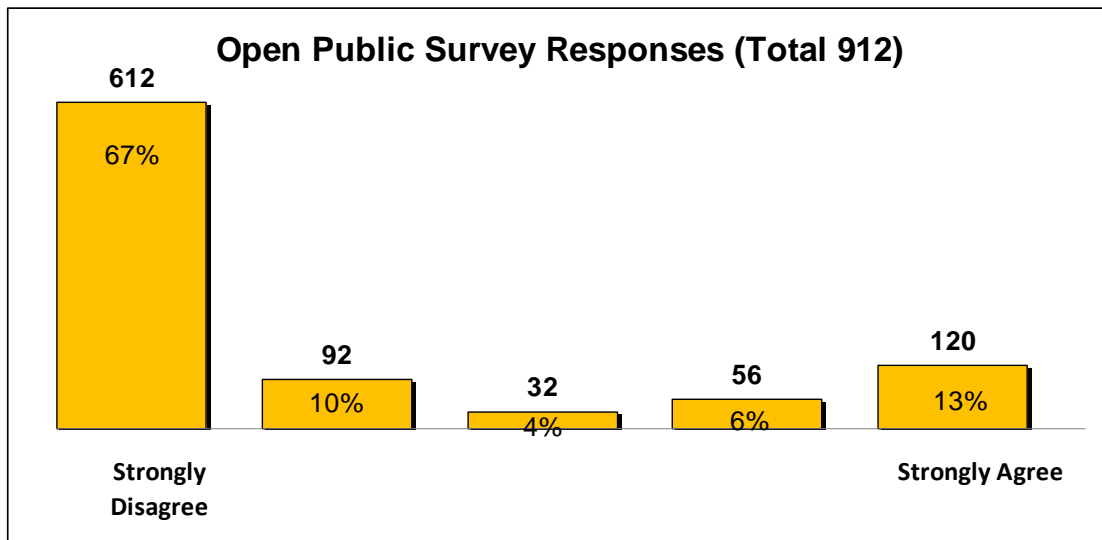
This question was asked via a survey of a statistically significant community reference group as well as process which was open to the general public. The results are outlined below.

The results of the survey of a statistically significant community reference group are presented in the graph below.



The results of the 'open to the public' survey, shown in the graph below, should be seen in relation to a number of factors including:

- The population of the local government area is approximately 73,000
- The ABS data in relation to income levels indicate that concerns about affordability are likely to play a part in the responses received
- There is no way to quantify or qualify the nature of the responses in such a survey



As discussed in the report on the outcomes of the community engagement process regarding Council's intention to apply for a Special Rate Variation, given affordability issues it is understandable that a significant portion of respondents strongly disagree with Council making an application for a Special Rate Variation, despite the need for increased funding for repair and renewal of infrastructure.

Yet the results follow a “bell curve” (an indication of statistical significance) and the peak of the curve is shifted towards the “agree” side of the graph, indicating that the majority of the community support Council's application for a Special rate Variation.

Whilst a \$2M “gap” to financial sustainability remains, plans are in place (notably the Transformation to Sustainability project) to close this through productivity gains and new revenue opportunities (other than rates). With \$6M additional funding included in long-term planning, Council has largely reached its destination on the road to financial sustainability.

3. The Purpose of this Resourcing Strategy

This 2014-2024 Resourcing Strategy has been prepared to describe the means by which Council will provide the financial, workforce and asset resources required to implement the strategies established by the Community Strategic Plan that Council is responsible for.

If “a plan without resources is just a dream” then this dream (albeit a moderate one where Council can continue to deliver current services) is now largely a reality.

In short, the Strategy describes how Council will deliver its part of the Coffs Harbour 2030 Plan.

The “sustainable case” of the Long Term Financial Plan (LTFP) includes \$8M annual funding additional to that available in the “base case” (\$6M is from the proposed Special Rate Variation and \$2M is to be funded from productivity improvements and revenue opportunities identified via the Transformation to Sustainability project over the next three years).

The “sustainable case” of the LTFP demonstrates that Council has the financial resources to deliver current services to current standards into the future.

The Workforce Management Plan demonstrates that, whilst noting several challenges, Council will have the workforce necessary to deliver current services to current standards into the future.

Of particular note in this 2014-2024 Resourcing Strategy is that the “asset management planning” component of the Resourcing Strategy (the third component required under section 403 of the NSW Local Government Act, 1993) includes Asset Management Plans Summaries (AMPs) for all general fund assets.

The 2013-2023 Resourcing Strategy, and the earlier version adopted under the previous Council, only included an Asset Management Strategy.

Whilst the Act requires that Council have a plan for the provision of (in this case) asset or infrastructure resources to implement the strategies that Council is responsible for in the Community Strategic Plan, previous Resourcing Strategies acknowledged that Council could not do so. Given the (then current) resources defined in the LTFP for repair and renewal of infrastructure, service levels would continue to decline.

AMPs have been prepared based on funding for asset repair and renewal in the “sustainable case” in the LTFP. These AMPs describe:

- the assets covered by each plan in terms of quantity, age, condition, value, etc.

- the levels of service provided by these assets now, and the level of service forecast to be required in future, based on an analysis of future demand
- lifecycle management plans detailing how these assets will be maintained and renewed (and, where necessary, new assets acquired) so as to minimise the long-term costs of service provision
- funding projections to undertake these works that integrate with the “sustainable case” in the LTFP
- an improvement plan detailing actions to improve the way Council manages its assets.

AMPs have been developed for each asset class funded by the General Fund that is proposed to be funded by the Special Rate Variation, specifically:

- transport
- buildings and
- recreational assets.

Note that Council adopted a 30 year Water and Sewerage Strategic Business Plan (which include asset management as well as a range of other issues, as required by the NSW Government Best Practice Guidelines) in 2013.

An AMPs for stormwater drainage assets will be prepared in conjunction with the presentation of the Delivery Plan.

In addition to the AMPs (which include improvement plans for individual asset classes), the Resourcing Strategy includes an Asset Management Strategy, updated from the 2013-2023 version, that sets out the actions to be taken at a corporate level to improve asset management capacity and capability across Council.

The Strategy also includes Council's Asset Management Policy, which establishes Council's commitment to Asset Management.

4. Improvement Plan

The focus of actions identified in Council's Resourcing Strategy has, for last year and this 2014-2024 Strategy, been on the "road to financial sustainability".

As noted in the background section of this strategy, financial sustainability will only be achieved through the implementation of continuous improvement processes, commencing at this stage with the Transformation to Sustainability project and also examining the opportunities for income generation.

So ACTION 1 of this Strategy is to undertake phase 1 of the Transformation to Sustainability project, to engage a suitable consulting firm to conduct an organisational diagnostic and prepare a detailed business case and proposed implementation plan.

Following on from this, ACTION 2 will be Council's consideration of opportunities for improvement and adoption of a list of those to be implemented, and resolving to commence phase 2 of the project. This is "gate 2" in the process detailed in the report recommending the project as reported to Council's meeting of 14 November 2013. *The target of this project is to identify approximately \$2M worth improvements in the processes of Council's delivery of service. This is likely to involve a range of actions beyond those outlined above.*

Council will continue to face the financial pressures in fulfilling the vision outlined in the Coffs Harbour 2030 Plan. Those pressures which have contributed to the unsustainable financial position in the past will continue to need to be effectively addressed. The community aspires to not only maintain current services, current infrastructure, but to new objectives set out in the Community Strategic Plan.

Given that another full review of the Community Strategic Plan will be undertaken with the incoming Council in 2016, it is vital that Council continue to improve the ways in which it is able to present levels of service options and the cost of delivering these. This objective is identified in the Asset Management Plans as a central issue: the adopted level of service is fundamental in determining the cost of service provision (i.e. of repairing and renewing infrastructure).

Action 2 outlined above will have a significant influence and impact on future actions in relation to financial sustainability. It is likely therefore that ACTION 3 will be a continued refining of the definitions of levels of service for each service Council delivers, including the cost of service delivery i.e. understanding the current level of service and what it costs to deliver.

Subject to the outcomes of the above actions, ACTION 4 is likely to begin development of a range of levels of service options for each service in anticipation of these being utilised as part of community engagement around levels of service that will inform the objectives and strategies as part of the review of the Community Strategic Plan. Whilst this may also include levels of service options for services that Council does not currently deliver, the life-cycle costs of providing this service will need to be made clear so that an informed decision can be made on the desirability of this.

As noted in the report to Council's 26 September 2013 meeting regarding the proposed Community Engagement Process utilising the budget allocator tool, that process only considered Council's external services.

Council's budget includes significant expenditure on internal services (such as human resources, finance, information technology, etc.) that enable external services to be

delivered. Opportunities for productivity improvements in these areas is a focus of the Transformation to Sustainability project (noting that external services will also be examined).

At the commencement of the Transformation to Sustainability project it is expected that ACTION 5 is to develop Service Level Agreements for these internal services that set out levels of service and the costs of service delivery to those other areas of Council who rely on these internal services to deliver services directly to the community.

It is important to recognise that services delivered to the community cannot be delivered without these internal services. It is also important to note that the way in which they are delivered can ensure the best service delivery to the community, and thus enable Council to better implement the strategies contained in the Community Strategic Plan.

These five improvement actions are summarised in the table below and at the time of writing this section of the Resourcing Strategy, the Transformation to Sustainability project is in its early stage. The outcomes of this project will inform future action by Council in relation to both internal and external service delivery. Therefore the below table is subject to change/amendment dependent on the outcomes of the Transformation to Sustainability project.

| Action | Description | Who | When |
|--------|--|--|---|
| 1 | Phase 1 of the Transformation to Sustainability project: detailed organisational diagnostic and development of a business case | Consultant | Early 2014 |
| 2 | Consideration of opportunities for improvement and approval of a list of those desired to be pursued (“gate 2” in the project) and resolution to proceed with “phase 2” of the project. | Council | Mid 2014 |
| 3 | Subject to the outcomes of Action 1 & 2 above a continued refining of levels of service – defining current levels of service and costs of delivery | Leadership Team | Ongoing |
| 4 | Depending on work to this point, begin development of a range of levels of service options, including costs, as support for community engagement regarding levels of service as part of the review of Coffs Harbour 2030 following the 2016 local government elections | Leadership Team | Review of initial list of options late 2014 |
| 5 | Service Level Agreements for internal services are expected to be developed | Service Providers and internal customers | Late 2014 |



COFFS HARBOUR
CITY COUNCIL

**LONG TERM FINANCIAL PLAN 2014/15 – 2023/24
(Adopted 13 February 2014)**

Introduction

Councils are required to prepare a ten-year resourcing strategy to identify the resources it needs to implement the community strategic plan. An essential element of the resourcing strategy is that it includes provisions for long term financial planning. The Long Term Financial Plan incorporates the principles and strategies contained within Council's Workforce Strategy and Asset Management Planning. The Long Term Financial Plan is for a period of ten years.

What is a Long Term Financial Plan?

A long term financial plan can be best described as a financial decision making and problem solving tool. It is the point at which long term community aspirations are tested against financial realities. It consists of modelling expenditure and revenue projections, based on a number of market based and internal assumptions.

The Long Term Financial Plan is a necessary component of Council's resourcing strategy, it includes the financial modelling of actions and strategies contained within Council's asset management planning and workforce plan.

What is the Purpose of this Long Term Financial Plan?

The primary purpose of this Long Term Financial Plan is to facilitate effective financial decision-making which is informed by the short, medium and long term expectations of the community.

This Long Term Financial Plan seeks to answer the following questions:

- Can we survive the financial pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?

The Plan will be an effective tool in modelling the financial impacts of significant growth within the Coffs Harbour Local Government Area. It will identify the additional resources (people, time and finances) required to plan for growth whilst continuing to deliver the services and standard of service our community expects.

The Long Term Financial Plan will be updated quarterly in line with the statutory quarterly review of Council's Operational Plan (budget). Upon adoption of a new Community Strategic Plan every 4 years, a detailed review of the Long Term Financial Plan will be undertaken to ensure it still represents the key directives and service priorities identified in the Community Strategic Plan – *Coffs Harbour 2030*.

Long Term Financial Sustainability

How do we define Long Term Financial Sustainability?

A financially sustainable Council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without incurring excessive debt or rate increases. This definition has been translated into four key financial sustainability principles:

- Council must achieve a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation,
- Council must maintain sufficient cash reserves to ensure that it can meet its short-term working capital requirements,
- Council must have a fully funded capital program, where the source of funding is identified and secured for both capital renewal and new capital works,
- Council must maintain its asset base, by renewing ageing infrastructure and by ensuring cash reserves are set asides for those works which are yet to be identified.

It is important to note that while these principles represent financial sustainability; most Councils will find it difficult to obtain this level of sustainability.

Funding the life cycle of assets is a major issue for all levels of Government. The Percy Allan Report (released 2006) identified that NSW Councils had an infrastructure renewal backlog of \$6.3 billion and an annual renewal gap of \$500 million. The backlog in asset renewal is a direct result of Councils in NSW not being able to cash fund depreciation. This means that as assets are consumed, funds are not being put aside to replace the asset at the end of its useful life.

This is not a result of poor management; Councils simply cannot afford to fund depreciation without compromising existing levels of service.

The problem with this approach is the older assets get, the more they cost a Council to maintain. This in part is being addressed through the implementation of Integrated Planning and Reporting, moving a focus away from simply maintaining assets to managing an assets life cycle.

How is Long Term Financial Sustainability Measured?

Key Financial Indicators (KFIs)

Council in April 2012 adopted a number of Key Financial Indicators (KFI) which are monitored and reported to Council on an annual basis.

These indicators are used as financial health checks to monitor the operational liquidity (short term focus), fiscal responsibility (elected term focus) and financial sustainability (long term/intergenerational focus) of the Council. The indicator targets have been derived through a combination of management policy, Department of Local Government recommendations and industry benchmarking.

These ratios (detailed in the following table) are monitored on a consolidated and individual fund basis.

| Key Financial Indicator | Council Target |
|--|-------------------------|
| Unrestricted Current Ratio | 2:1 |
| Working Capital (excluding Internal Restrictions) | > \$1,000,000 |
| Cash Flow Adequacy Ratio (measures the ability of cash from operations to pay for asset purchases and loan repayments) | > 1 |
| Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage | < 7% |
| Operating Result adjusted for Renewal Costs | Break even over 5 years |
| Own Source Revenue Ratio (Income excluding grants and contributions as a % of total income) | 65% |
| Employee Costs as a % of Rates, Annual Charges and United Grants | Between 55% - 75% |
| Rates and Annual Charges Coverage Ratio | > 40% |
| Debt Service Ratio (General Fund) | < 10% |
| ELE Funding Ratio | 20% |
| Building and Infrastructure Renewal Ratio | > 100% |
| Operating Balance Ratio | > 0% |
| Broad Liabilities Ratio | < 100% |

Level of Service for Assets

Current asset data places Council's annual 'infrastructure gap' (for the General Fund) around \$6.2 million. If this infrastructure gap is not addressed, asset service levels will decline as community assets deteriorate.

This annual funding gap has an impact on Council's ability to meet community strategies captured within the Community Strategic Plan.

The following asset-specific strategies from the *Coffs Harbour 2030* Plan are impacted by the amount of Council's General Fund asset maintenance and renewal spends.

- Provide infrastructure that supports sustainable living and is resilient to climatic events
- Provide public spaces and facilities that are accessible and safe for all
- Provide safe and accessible play spaces for our children within each community
- Improve the effectiveness of the existing transport system
- Ensure adequate maintenance and renewal of roads, footpaths and cycleways

Addressing the Funding Challenge

The 2014/2018 Delivery Program will be developed on an asset service level using the “**Sustainable Financial Model**” within Council's Long Term Financial Plans. This level of service will require additional funding to eliminate the annual General Fund infrastructure gap (approximately \$6.2M) as well as projected General Fund budget deficits in future years.

Long Term Financial Plan Scenarios

Two of Council's Long Term Financial Plan scenarios are included in this document, being:

1. The 'Base-Line' Financial Model, and
2. The 'Sustainable' Financial Model

The Base-Line Model

Council's Base-Line Model produces financial projections (at both fund and consolidated levels) over the next ten years based on a 'business as usual' scenario. This model includes revenues generated by the Business City Centre Special Rate Variation (CBD Special Rate) which was approved in 2013/14 and an associated works program.

Council's Base-Line Model contains the following key assumptions:

- Annual increases in rate revenue of 3.5% (including 0.5% - 1% for property growth)
- Revenue from annual charges increasing by 4% - 6% per annum (including growth)
- Other Revenues increasing by 3%
- Recurrent grant funding capped at (0% - 3%) increase per annum
- Annual increases of 5% for salary expenditure
- Operational expenditure increases capped at 3% per annum
- Recurrent capital expenditure capped at (0% - 3%) increase per annum
- A set program of capital projects over 10 years
- Existing Loan repayments (per loan repayment schedules)

The Base-Line model is unsustainable. It includes no increase in asset renewals to cover inflation, insufficient expenditure on assets to maintain acceptable standards and a declining operation position.

A continuation of this position in future years will result in an unacceptable decline in the standard and usability of infrastructure, particularly roads and recreational facilities and a reduction in general service levels provided by Council.

The Sustainable Model

Council's Sustainable Model produces financial projections (at both fund and consolidated levels) over the next ten years based on a 'Sustainable' level of service for assets. This level of service requires additional funding to eliminate the annual General Fund infrastructure renewal gap as well as projected General Fund budget deficits.

Council's Sustainable Model which previously formed the basis of Council's 2013-2017 Delivery Program and will again be used to develop Council's 2014-2018 Delivery Program.

This Financial Model contains the following key assumptions in addition to those mentioned in the Base-Line Scenario:

- No General Fund budget deficits for the next 10 years
- The value of the General Fund infrastructure backlog will not continue to increase
- No significant increases in unfunded new capital works
- Potential change to service levels upon further review of current service levels
- Further productivity improvements through the 'Transformation to Sustainability' process
- Increase in General Fund asset maintenance spends
- Increase in General Fund asset renewal spends
- Additional rate funding through a community wide permanent Special Rate Variation over a 3 year period

Funding Options – 'Sustainable' Level of Service

The required additional funding to achieve a 'Sustainable' level of service delivery comes from a number of funding sources which include:

- Savings through productivity and service delivery improvements
- Commercialisation of Council services
- New revenue opportunities
- Additional rate revenue via a proposed Special Rate Variation

Proposed Special Rate Variation

The proposed community-wide Special Rate Variation is a key element of Council's funding strategy to ensure the sustainable management of Council's infrastructure assets. All additional revenue generated by the Special Rate Variation (above rate pegging allowances) will be allocated to funding asset maintenance and renewal works.

The proposed Special Rate Variation is a permanent multiple year increase over a three year period commencing from 2014/2015.

As shown in the table below, the proposed Special Rate Variation will yield an additional \$6.2 million (approximately) in the third year (2016/17) to be used for additional asset maintenance and renewal of community assets. As the proposed Special Rate Variation is a permanent increase to Council's rate base, the \$6.2 million after the third year (2016/17) will then increase in future years by the rate pegging allowance.

The following table shows the impact of the proposed Special Rate Variation (inclusive of rate pegging) on Council's approximate annual ordinary rate yield and additional annual expenditure for asset maintenance and renewal.

| Proposed Funding Levels | 2013/14 | (YEAR 1) 2014/15 | (YEAR 2) 2015/16 | (YEAR 3) 2016/17 |
|---|---------|---------------------|---------------------|---------------------|
| Ordinary Rate Yield | \$36.1M | \$38.9M | \$42.05M | \$45.45M |
| Ordinary Rate Yield Increase <i>(including rate pegging %)</i> | | \$2.8M | \$3.15M | \$3.4M |
| Additional Annual Ordinary Rate Yield <i>(above rate pegging %)</i> for Asset Maintenance & Renewal | | \$2M | \$2.06M | \$2.12M |
| Additional Annual Funds Allocated to Asset Maintenance & Renewal | | \$2M | \$4.06M | \$6.18M |

Allocation of Additional Rate Funds

The proposed Special Rate Variation will generate additional ordinary rate funds (above the pegging increase) in the third year of approximately \$6.2 million to address Council's annual infrastructure maintenance and renewal gap. The following table shows the proposed allocation of these additional funds for the first three years across particular asset categories and expenditure.

| | 2014/2015 | 2015/2016 | 2016/2017 |
|------------------------------|--------------------|--------------------|--------------------|
| Asset Expenditure | Year 1 | Year 2 | Year 3 |
| Road Pavements and Surfacing | \$660,000 | \$1,320,000 | \$2,000,000 |
| Road Maintenance | \$190,000 | \$390,000 | \$600,000 |
| Other Transport Assets | \$190,000 | \$390,000 | \$600,000 |
| Building Renewals | \$480,000 | \$980,000 | \$1,481,800 |
| Building Maintenance | \$160,000 | \$330,000 | \$500,000 |
| Recreation Services Renewals | \$260,000 | \$520,000 | \$800,000 |
| Asset Management | \$60,000 | \$130,000 | \$200,000 |
| Totals | \$2,000,000 | \$4,060,000 | \$6,181,800 |

Impact on Ratepayers

As mentioned previously, the 'Sustainable' Financial Model will form the basis of Council's Delivery Program for 2014-2018 (which includes additional rate revenue generated through a Special Rate Variation staged over 3 years). The impact on the average residential property is shown in the table below.

Total Rate Burden Increase for the next 3 Years with Proposed Special Rate Variation (Rate Peg % + Proposed Additional Rate Increase)

Average Residential Property

(Based on a Land Valuation of \$183,700)

| Rates & Charges | CURRENT | Year 1 | Year 2 | | Year 3 | | 3 Year Compound Increase from 2013/14 | | | | | |
|---|-----------------|-----------------|-----------------|--------------|-----------------|-----------------|---------------------------------------|-----------------|-----------------|--------------|---------------|---------------|
| | 2013/14 | 2014/15 | Increase Year 1 | | 2015/16 | Increase Year 2 | | 2016/17 | Increase Year 3 | | | |
| | (\$) | (\$) | (\$) | % | (\$) | (\$) | % | (\$) | (\$) | % | (\$) | % |
| Residential Ordinary Rate | 930.65 | 1,006.03 | 75.39 | 8.10% | 1,089.67 | 83.64 | 8.31% | 1,175.81 | 86.14 | 7.91% | 245.17 | 26.34% |
| Environmental Levy | 38.31 | 39.22 | 0.91 | 2.38% | 40.41 | 1.19 | 3.03% | 41.62 | 1.21 | 2.99% | 3.31 | 8.64% |
| Sewerage, Water, Waste & Stormwater Charges | 2,118.50 | 2,197.50 | 79.00 | 3.73% | 2,280.50 | 83.00 | 3.78% | 2,364.50 | 84.00 | 3.68% | 246.00 | 11.61% |
| Totals | 3,087.46 | 3,242.75 | 155.30 | 5.03% | 3,410.58 | 167.83 | 5.18% | 3,581.93 | 171.35 | 5.02% | 494.48 | 16.02% |
| Increase per Week (\$) | | | 2.99 | | | 3.23 | | | 3.30 | | 9.51 | |

Please Note

The Rate Peg for 2014/15 has been set at 2.3%. An estimated Rate Peg of 3% has been used for 2015/16 & 2016/17

The Rate Peg % does not apply to Sewerage, Water, Waste or Stormwater charges.

Water charges include 250 KL of water usage for a year.

The table on the next page provides a comparison of the Residential Ordinary Rate for Councils in the Group 5 Category of Councils in NSW. These figures are supplied by the Division of Local Government and relate to the 2011/2012 financial year. This table shows that Council's average Residential Ordinary Rate is the second lowest within the group and well below the overall group average.

Comparative Information for Group 5 NSW Local Government Councils 2011/2012 (Average Residential Ordinary Rate)

| Group 5 Council | Average Residential Ordinary Rate (\$) |
|-------------------------|--|
| Coffs Harbour | 804.18 |
| Lake Macquarie | 907.41 |
| Maitland | 865.20 |
| Newcastle | 897.56 |
| Port Macquarie-Hastings | 907.27 |
| Shoalhaven | 779.01 |
| Tweed | 1082.30 |
| Wollongong | 1044.77 |
| Group Average | 910.96 |

Source: Division of Local Government
Comparative Information of NSW Local Government Councils 2011/2012

Long Term Financial Plans (In detail)

The following pages of this document show the two Long Term Financial Plan scenarios for Council's General Fund and a scenario for each of the Water Supply and Sewerage Funds. Each scenario incorporates a Budget Summary, Income Statement, Balance Sheet and Cash Flow Statement (by fund) for the current year (2013/14) and the next ten years.

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

BUDGET SUMMARY - GENERAL FUND

Scenario: Sustainable Model

| | Current Year | Projected Years | | | | | | | | | |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | |
| Rates & Annual Charges | 51,637,913 | 55,562,526 | 59,863,630 | 64,333,674 | 66,980,300 | 70,046,183 | 73,264,972 | 74,797,438 | 78,291,706 | 81,963,276 | 84,898,602 |
| User Charges & Fees | 13,534,224 | 15,008,500 | 15,810,352 | 16,697,579 | 17,192,525 | 17,784,260 | 18,398,378 | 19,036,988 | 19,701,167 | 20,392,043 | 21,110,799 |
| Interest & Investment Revenue | 3,033,967 | 2,576,872 | 2,132,255 | 2,019,623 | 2,222,064 | 2,201,667 | 2,161,826 | 2,229,355 | 2,337,770 | 2,451,473 | 2,592,501 |
| Other Revenues | 4,334,423 | 5,810,647 | 6,019,755 | 6,183,637 | 6,345,024 | 6,503,672 | 6,666,262 | 6,831,559 | 7,001,830 | 7,177,744 | 7,379,376 |
| Grants & Contributions provided for Operating Purposes | 11,807,387 | 12,740,236 | 12,964,685 | 13,193,562 | 13,428,678 | 13,687,598 | 13,923,136 | 14,166,279 | 14,417,410 | 14,676,932 | 14,946,120 |
| Grants & Contributions provided for Capital Purposes | 10,137,026 | 8,459,309 | 8,593,379 | 8,788,499 | 8,989,281 | 9,196,278 | 9,409,486 | 9,629,089 | 9,855,281 | 10,088,258 | 10,328,225 |
| Total Income from Continuing Operations | 94,484,940 | 100,158,090 | 105,384,056 | 111,216,574 | 115,157,872 | 119,419,657 | 123,824,058 | 126,690,708 | 131,605,164 | 136,749,726 | 141,255,622 |
| Expenses from Continuing Operations | | | | | | | | | | | |
| Employee Benefits & On-Costs | 33,195,818 | 35,160,444 | 37,089,523 | 38,495,933 | 40,223,913 | 42,035,212 | 43,931,080 | 45,915,564 | 47,992,909 | 50,167,570 | 52,444,214 |
| Borrowing Costs | 2,027,065 | 2,081,643 | 1,776,742 | 1,476,814 | 1,257,684 | 1,070,051 | 879,054 | 693,993 | 556,274 | 426,906 | 328,099 |
| Materials & Contracts | 38,460,030 | 31,238,384 | 32,132,650 | 33,527,749 | 34,294,228 | 35,280,121 | 36,205,566 | 37,473,924 | 38,428,947 | 39,470,326 | 40,624,650 |
| Depreciation & Amortisation | 27,214,351 | 29,099,668 | 30,031,105 | 30,930,283 | 31,856,438 | 32,812,131 | 33,796,495 | 34,810,390 | 35,854,702 | 36,930,343 | 38,038,253 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 4,592,638 | 5,407,420 | 6,057,580 | 6,674,660 | 6,926,208 | 7,270,717 | 7,696,967 | 8,107,776 | 8,606,213 | 9,095,621 | 9,679,647 |
| Total Expenses from Continuing Operations | 105,489,902 | 102,987,559 | 107,087,600 | 111,105,439 | 114,558,471 | 118,468,232 | 122,509,162 | 127,001,647 | 131,439,045 | 136,090,765 | 141,114,862 |
| Net Operating Profit/(Loss) for the Year | (11,004,963) | (2,829,469) | (1,703,544) | 111,135 | 599,401 | 951,425 | 1,314,896 | (310,938) | 166,119 | 658,961 | 140,760 |
| Capital (Balance Sheet) and Reserve Movements | | | | | | | | | | | |
| Capital Expenditure | (59,164,207) | (24,854,567) | (24,840,473) | (26,060,367) | (26,477,347) | (23,436,382) | (29,672,598) | (28,691,849) | (25,935,079) | (23,599,038) | (26,739,550) |
| Loan Repayments (External) | (3,820,119) | (4,497,517) | (4,797,031) | (3,620,163) | (2,949,383) | (2,780,531) | (2,970,054) | (2,253,625) | (2,176,898) | (1,790,074) | (1,190,537) |
| Loan Repayments (Internal) | - | - | - | - | - | - | - | - | - | - | - |
| Finance Lease Repayments | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors and Advances made (External) | (35,000) | - | - | - | - | - | - | - | - | - | - |
| New Loan Borrowings (External) | 9,500,000 | - | - | - | - | - | - | - | - | - | - |
| New Loan Borrowings (Internal) | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from Sale of intangible & tangible Assets | 1,943,075 | 2,301,000 | 1,519,129 | 1,262,938 | 1,296,200 | 1,061,700 | 1,325,654 | 1,330,825 | 1,175,131 | 922,430 | 1,867,643 |
| Deferred Debtors and Advances received (External) | 75,837 | 37,655 | 36,621 | 39,150 | 41,854 | 40,114 | 18,976 | 20,348 | 21,819 | 9,550 | - |
| Non-cash Expense Contra Income | 27,214,351 | 29,099,668 | 30,031,105 | 30,930,283 | 31,856,438 | 32,812,131 | 33,796,495 | 34,810,390 | 35,854,702 | 36,930,343 | 38,038,253 |
| Net Transfers (to)/from Reserves | 35,273,423 | 743,230 | (245,807) | (2,662,976) | (4,367,163) | (8,648,457) | (3,813,370) | (4,905,150) | (9,105,793) | (13,132,171) | (12,116,568) |
| Total Capital (Balance Sheet) and Reserve Movements | 10,987,360 | 2,829,469 | 1,703,544 | (111,135) | (599,401) | (951,425) | (1,314,897) | 310,938 | (166,119) | (658,960) | (140,759) |
| Net Result (including Depreciation & Other non-cash items) | (17,602) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Add back Depreciation Expense (non-cash) | 27,214,351 | 29,099,668 | 30,031,105 | 30,930,283 | 31,856,438 | 32,812,131 | 33,796,495 | 34,810,390 | 35,854,702 | 36,930,343 | 38,038,253 |
| Add back ELE Expense (non-cash) | - | - | - | - | - | - | - | - | - | - | - |
| Add back Other Expenses (non-cash) | 4,500,000 | 4,500,000 | 4,635,000 | 4,774,050 | 4,917,300 | 5,064,819 | 5,216,764 | 5,373,266 | 5,534,464 | 5,700,498 | 5,871,513 |
| Less Other Income (non-cash) | (31,714,351) | (33,599,668) | (34,666,105) | (35,704,333) | (36,773,738) | (37,876,950) | (39,013,259) | (40,183,656) | (41,389,166) | (42,630,841) | (43,909,766) |
| Cash Budget Surplus/(Deficit) | (17,602) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

INCOME STATEMENT - GENERAL FUND

Scenario: Sustainable Model

| | Current Year | Projected Years | | | | | | | | | |
|---|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | |
| Rates & Annual Charges | 51,637,913 | 55,562,526 | 59,863,630 | 64,333,674 | 66,980,300 | 70,046,183 | 73,264,972 | 74,797,438 | 78,291,706 | 81,963,276 | 84,898,602 |
| User Charges & Fees | 13,534,224 | 15,008,500 | 15,810,352 | 16,697,579 | 17,192,525 | 17,784,260 | 18,398,378 | 19,036,988 | 19,701,167 | 20,392,043 | 21,110,799 |
| Interest & Investment Revenue | 3,033,967 | 2,576,872 | 2,132,255 | 2,019,623 | 2,222,064 | 2,201,667 | 2,161,826 | 2,229,355 | 2,337,770 | 2,451,473 | 2,592,501 |
| Other Revenues | 4,334,423 | 5,810,647 | 6,019,755 | 6,183,637 | 6,345,024 | 6,503,672 | 6,666,262 | 6,831,559 | 7,001,830 | 7,177,744 | 7,379,376 |
| Grants & Contributions provided for Operating Purposes | 11,807,387 | 12,740,236 | 12,964,685 | 13,193,562 | 13,428,678 | 13,687,598 | 13,923,136 | 14,166,279 | 14,417,410 | 14,676,932 | 14,946,120 |
| Grants & Contributions provided for Capital Purposes | 10,137,026 | 8,459,309 | 8,593,379 | 8,788,499 | 8,989,281 | 9,196,278 | 9,409,486 | 9,629,089 | 9,855,281 | 10,088,258 | 10,328,225 |
| Total Income from Continuing Operations | 94,484,940 | 100,158,090 | 105,384,056 | 111,216,574 | 115,157,872 | 119,419,657 | 123,824,058 | 126,690,708 | 131,605,164 | 136,749,726 | 141,255,622 |
| Expenses from Continuing Operations | | | | | | | | | | | |
| Employee Benefits & On-Costs | 33,195,818 | 35,160,444 | 37,089,523 | 38,495,933 | 40,223,913 | 42,035,212 | 43,931,080 | 45,915,564 | 47,992,909 | 50,167,570 | 52,444,214 |
| Borrowing Costs | 2,027,065 | 2,081,643 | 1,776,742 | 1,476,814 | 1,257,684 | 1,070,051 | 879,054 | 693,993 | 556,274 | 426,906 | 328,099 |
| Materials & Contracts | 38,460,030 | 31,238,384 | 32,132,650 | 33,527,749 | 34,294,228 | 35,280,121 | 36,205,566 | 37,473,924 | 38,428,947 | 39,470,326 | 40,624,650 |
| Depreciation & Amortisation | 27,214,351 | 29,099,668 | 30,031,105 | 30,930,283 | 31,856,438 | 32,812,131 | 33,796,495 | 34,810,390 | 35,854,702 | 36,930,343 | 38,038,253 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 4,592,638 | 5,407,420 | 6,057,580 | 6,674,660 | 6,926,208 | 7,270,717 | 7,696,967 | 8,107,776 | 8,606,213 | 9,095,621 | 9,679,647 |
| Total Expenses from Continuing Operations | 105,489,903 | 102,987,559 | 107,087,600 | 111,105,439 | 114,558,471 | 118,468,232 | 122,509,162 | 127,001,647 | 131,439,045 | 136,090,765 | 141,114,862 |
| Operating Result from Continuing Operations | (11,004,963) | (2,829,469) | (1,703,544) | 111,135 | 599,401 | 951,425 | 1,314,896 | (310,938) | 166,119 | 658,961 | 140,760 |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | (11,004,963) | (2,829,469) | (1,703,544) | 111,135 | 599,401 | 951,425 | 1,314,896 | (310,938) | 166,119 | 658,961 | 140,760 |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (21,141,989) | (11,288,778) | (10,296,923) | (8,677,364) | (8,389,880) | (8,244,854) | (8,094,589) | (9,940,028) | (9,689,162) | (9,429,297) | (10,187,465) |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

BALANCE SHEET - GENERAL FUND
Scenario: Sustainable Model

| | Current Year | Projected Years | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| ASSETS | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| Cash & Cash Equivalents | 1,803,163 | 1,675,863 | 1,634,495 | 1,724,165 | 1,910,071 | 2,300,326 | 2,464,648 | 2,677,035 | 3,090,878 | 3,705,540 | 4,282,618 |
| Investments | 9,543,384 | 8,869,635 | 8,650,695 | 9,125,282 | 10,109,199 | 12,174,657 | 13,044,346 | 14,168,417 | 16,358,716 | 19,611,862 | 22,666,093 |
| Receivables | 11,557,818 | 12,146,015 | 12,688,881 | 13,289,035 | 13,702,496 | 14,191,515 | 14,674,053 | 15,101,174 | 15,652,209 | 16,261,938 | 16,843,995 |
| Inventories | 2,060,325 | 1,750,044 | 1,799,799 | 1,870,685 | 1,915,732 | 1,970,971 | 2,024,164 | 2,092,071 | 2,147,389 | 2,206,768 | 2,268,192 |
| Other | 1,119,580 | 982,156 | 1,020,356 | 1,068,378 | 1,095,985 | 1,130,584 | 1,165,858 | 1,208,129 | 1,245,954 | 1,285,611 | 1,328,244 |
| Non-current assets classified as "held for sale" | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 |
| Total Current Assets | 26,161,270 | 25,500,713 | 25,871,226 | 27,154,545 | 28,810,483 | 31,845,053 | 33,450,069 | 35,323,827 | 38,572,145 | 43,148,720 | 47,466,142 |
| Non-Current Assets | | | | | | | | | | | |
| Investments | 24,716,719 | 22,971,755 | 22,404,715 | 23,633,862 | 26,182,142 | 31,531,537 | 33,783,972 | 36,695,242 | 42,367,966 | 50,793,396 | 58,703,647 |
| Receivables | 1,290,236 | 1,324,304 | 1,359,923 | 1,396,918 | 1,403,769 | 1,439,375 | 1,476,005 | 1,488,980 | 1,541,187 | 1,605,905 | 1,661,222 |
| Inventories | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 1,158,306,781 | 1,151,760,680 | 1,145,050,919 | 1,138,918,065 | 1,132,242,774 | 1,121,805,325 | 1,116,355,773 | 1,108,906,407 | 1,097,811,654 | 1,083,557,919 | 1,070,391,573 |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - |
| Investment Property | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 |
| Intangible Assets | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 |
| Total Non-Current Assets | 1,186,410,736 | 1,178,153,739 | 1,170,912,557 | 1,166,045,845 | 1,161,925,685 | 1,156,873,237 | 1,153,712,751 | 1,149,187,629 | 1,143,817,807 | 1,138,054,221 | 1,132,853,442 |
| TOTAL ASSETS | 1,212,572,006 | 1,203,654,453 | 1,196,783,783 | 1,193,200,390 | 1,190,736,168 | 1,188,718,290 | 1,187,162,819 | 1,184,511,456 | 1,182,389,953 | 1,181,202,940 | 1,180,319,584 |
| LIABILITIES | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - |
| Payables | 8,288,771 | 6,738,697 | 6,335,938 | 6,229,326 | 6,088,595 | 5,869,690 | 5,938,229 | 5,816,588 | 5,672,079 | 5,580,789 | 5,709,691 |
| Borrowings | 4,497,517 | 4,797,031 | 3,620,163 | 2,949,383 | 2,780,531 | 2,970,054 | 2,253,625 | 2,176,898 | 1,790,074 | 1,190,537 | 505,897 |
| Provisions | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 25,952,035 | 24,701,474 | 23,121,847 | 22,344,456 | 22,034,873 | 22,005,491 | 21,357,601 | 21,159,233 | 20,627,900 | 19,937,073 | 19,381,335 |
| Non-Current Liabilities | | | | | | | | | | | |
| Payables | 873,284 | 832,791 | 865,456 | 897,702 | 924,192 | 954,327 | 985,475 | 1,020,316 | 1,054,100 | 1,089,492 | 1,127,010 |
| Borrowings | 28,664,397 | 23,867,366 | 20,247,203 | 17,297,820 | 14,517,289 | 11,547,235 | 9,293,610 | 7,116,712 | 5,326,638 | 4,136,101 | 3,630,204 |
| Provisions | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 |
| Total Non-Current Liabilities | 34,859,934 | 30,022,410 | 26,434,912 | 23,517,775 | 20,763,734 | 17,823,815 | 15,601,338 | 13,459,281 | 11,702,991 | 10,547,846 | 10,079,467 |
| TOTAL LIABILITIES | 60,811,968 | 54,723,885 | 49,556,759 | 45,862,231 | 42,798,607 | 39,829,305 | 36,958,938 | 34,618,513 | 32,330,891 | 30,484,918 | 29,460,802 |
| Net Assets | 1,151,760,037 | 1,148,930,568 | 1,147,227,024 | 1,147,338,159 | 1,147,937,560 | 1,148,888,985 | 1,150,203,881 | 1,149,892,943 | 1,150,059,062 | 1,150,718,022 | 1,150,858,782 |
| EQUITY | | | | | | | | | | | |
| Retained Earnings | 715,129,037 | 712,299,568 | 710,596,024 | 710,707,159 | 711,306,560 | 712,257,985 | 713,572,881 | 713,261,943 | 713,428,062 | 714,087,022 | 714,227,782 |
| Revaluation Reserves | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 |
| Council Equity Interest | 1,151,760,037 | 1,148,930,568 | 1,147,227,024 | 1,147,338,159 | 1,147,937,560 | 1,148,888,985 | 1,150,203,881 | 1,149,892,943 | 1,150,059,062 | 1,150,718,022 | 1,150,858,782 |
| Minority Equity Interest | - | - | - | - | - | - | - | - | - | - | - |
| Total Equity | 1,151,760,037 | 1,148,930,568 | 1,147,227,024 | 1,147,338,159 | 1,147,937,560 | 1,148,888,985 | 1,150,203,881 | 1,149,892,943 | 1,150,059,062 | 1,150,718,022 | 1,150,858,782 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

CASH FLOW STATEMENT - GENERAL FUND

Scenario: Sustainable Model

| | Current Year | Projected Years | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash Flows from Operating Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Rates & Annual Charges | 52,152,803 | 55,392,956 | 59,677,793 | 64,140,538 | 66,865,948 | 69,913,716 | 73,125,898 | 74,731,225 | 78,140,730 | 81,804,639 | 84,771,776 |
| User Charges & Fees | 11,675,890 | 14,804,221 | 15,699,246 | 16,574,642 | 17,123,944 | 17,702,268 | 18,313,284 | 18,948,500 | 19,609,136 | 20,296,313 | 21,011,206 |
| Interest & Investment Revenue Received | 5,070,974 | 2,523,294 | 2,077,927 | 1,937,780 | 2,151,490 | 2,084,533 | 2,085,202 | 2,168,808 | 2,209,520 | 2,284,702 | 2,444,283 |
| Grants & Contributions | 19,438,025 | 16,990,189 | 16,904,435 | 17,182,789 | 17,474,749 | 17,790,524 | 18,089,901 | 18,395,307 | 18,710,551 | 19,036,092 | 19,373,166 |
| Other | 3,630,721 | 5,416,592 | 5,874,009 | 6,033,690 | 6,227,937 | 6,374,304 | 6,532,959 | 6,663,292 | 6,860,103 | 7,031,791 | 7,222,058 |
| Payments: | | | | | | | | | | | |
| Employee Benefits & On-Costs | (33,297,701) | (35,152,740) | (37,227,344) | (38,495,933) | (40,223,913) | (42,035,212) | (43,931,080) | (45,915,564) | (47,992,909) | (50,167,570) | (52,444,214) |
| Materials & Contracts | (39,273,254) | (31,021,036) | (32,134,589) | (33,547,577) | (34,301,757) | (35,291,486) | (36,213,593) | (37,490,258) | (38,435,438) | (39,478,542) | (40,631,616) |
| Borrowing Costs | (1,173,500) | (2,468,788) | (2,189,669) | (1,788,436) | (1,511,566) | (1,309,398) | (1,134,715) | (887,984) | (743,661) | (580,995) | (430,580) |
| Bonds & Deposits Refunded | - | - | - | - | - | - | - | - | - | - | - |
| Other | (4,592,638) | (5,407,420) | (6,057,580) | (6,674,660) | (6,926,208) | (7,270,717) | (7,696,967) | (8,107,776) | (8,606,213) | (9,095,621) | (9,679,647) |
| Net Cash provided (or used in) Operating Activities | 13,631,320 | 21,077,268 | 22,624,228 | 25,362,833 | 26,880,624 | 27,958,530 | 29,170,889 | 28,505,550 | 29,751,820 | 31,130,810 | 31,636,433 |
| Cash Flows from Investing Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Sale of Investment Securities | 25,006,897 | 2,418,712 | 785,981 | - | - | - | - | - | - | - | - |
| Sale of Infrastructure, Property, Plant & Equipment | 1,943,075 | 2,301,000 | 1,519,129 | 1,262,938 | 1,296,200 | 1,061,700 | 1,325,654 | 1,330,825 | 1,175,131 | 922,430 | 1,867,643 |
| Sale of Interests in Joint Ventures & Associates | - | - | - | - | - | - | - | - | - | - | - |
| Sale of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Debtors Receipts | 75,837 | 37,655 | 36,621 | 39,150 | 41,854 | 40,114 | 18,976 | 20,348 | 21,819 | 9,550 | - |
| Payments: | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | (1,703,734) | (3,532,197) | (7,414,854) | (3,122,124) | (4,035,341) | (7,863,023) | (11,678,577) | (10,964,482) |
| Purchase of Investment Property | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Infrastructure, Property, Plant & Equipment | (54,705,923) | (21,464,419) | (20,210,296) | (21,251,354) | (21,551,192) | (18,474,704) | (24,259,019) | (23,355,370) | (20,495,005) | (17,979,477) | (20,771,979) |
| Deferred Debtors & Advances Made | (38,924) | - | - | - | - | - | - | - | - | - | - |
| Net Cash provided (or used in) Investing Activities | (27,719,038) | (16,707,052) | (17,868,565) | (21,652,999) | (23,745,335) | (24,787,744) | (26,036,513) | (26,039,538) | (27,161,078) | (28,726,074) | (29,868,818) |
| Cash Flows from Financing Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Proceeds from Borrowings & Advances | 9,500,000 | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | |
| Repayment of Borrowings & Advances | (3,820,119) | (4,497,517) | (4,797,031) | (3,620,163) | (2,949,383) | (2,780,531) | (2,970,054) | (2,253,625) | (2,176,898) | (1,790,074) | (1,190,537) |
| Net Cash Flow provided (used in) Financing Activities | 5,679,881 | (4,497,517) | (4,797,031) | (3,620,163) | (2,949,383) | (2,780,531) | (2,970,054) | (2,253,625) | (2,176,898) | (1,790,074) | (1,190,537) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (8,407,837) | (127,301) | (41,367) | 89,670 | 185,905 | 390,255 | 164,322 | 212,386 | 413,843 | 614,662 | 577,078 |
| plus: Cash, Cash Equivalents & Investments - beginning of year | 10,211,000 | 1,803,163 | 1,675,863 | 1,634,495 | 1,724,165 | 1,910,071 | 2,300,326 | 2,464,648 | 2,677,035 | 3,090,878 | 3,705,540 |
| Cash & Cash Equivalents - end of the year | 1,803,163 | 1,675,863 | 1,634,495 | 1,724,165 | 1,910,071 | 2,300,326 | 2,464,648 | 2,677,035 | 3,090,878 | 3,705,540 | 4,282,618 |
| Cash & Cash Equivalents - end of the year | 1,803,163 | 1,675,863 | 1,634,495 | 1,724,165 | 1,910,071 | 2,300,326 | 2,464,648 | 2,677,035 | 3,090,878 | 3,705,540 | 4,282,618 |
| Investments - end of the year | 34,260,103 | 31,841,391 | 31,055,410 | 32,759,144 | 36,291,341 | 43,706,194 | 46,828,318 | 50,863,659 | 58,726,681 | 70,405,259 | 81,369,741 |
| Cash, Cash Equivalents & Investments - end of the year | 36,063,267 | 33,517,254 | 32,689,905 | 34,483,309 | 38,201,411 | 46,006,520 | 49,292,966 | 53,540,694 | 61,817,559 | 74,110,799 | 85,652,359 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

BUDGET SUMMARY - GENERAL FUND

Scenario: Base-Line Model

| | Current Year | Projected Years | | | | | | | | | |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | |
| Rates & Annual Charges | 51,637,913 | 53,562,526 | 55,803,630 | 58,151,874 | 60,613,046 | 63,487,911 | 66,509,952 | 67,839,767 | 71,125,306 | 74,581,884 | 77,295,768 |
| User Charges & Fees | 13,534,224 | 15,008,500 | 15,810,352 | 16,697,579 | 17,192,525 | 17,784,260 | 18,398,378 | 19,036,988 | 19,701,167 | 20,392,043 | 21,110,799 |
| Interest & Investment Revenue | 3,033,967 | 2,576,872 | 2,132,255 | 2,019,623 | 2,222,064 | 2,201,667 | 2,161,826 | 2,229,355 | 2,337,770 | 2,451,473 | 2,592,501 |
| Other Revenues | 4,334,423 | 5,810,647 | 6,019,755 | 6,183,637 | 6,345,024 | 6,503,672 | 6,666,262 | 6,831,559 | 7,001,830 | 7,177,744 | 7,379,376 |
| Grants & Contributions provided for Operating Purposes | 11,807,387 | 12,740,236 | 12,964,685 | 13,193,562 | 13,428,678 | 13,687,598 | 13,923,136 | 14,166,279 | 14,417,410 | 14,676,932 | 14,946,120 |
| Grants & Contributions provided for Capital Purposes | 10,137,026 | 8,459,309 | 8,593,379 | 8,788,499 | 8,989,281 | 9,196,278 | 9,409,486 | 9,629,089 | 9,855,281 | 10,088,258 | 10,328,225 |
| Net gains from the disposal of assets | - | - | - | - | - | - | - | - | - | - | - |
| Joint Ventures & Associated Entities | - | - | - | - | - | - | - | - | - | - | - |
| Total Income from Continuing Operations | 94,484,940 | 98,158,090 | 101,324,056 | 105,034,774 | 108,790,618 | 112,861,385 | 117,069,038 | 119,733,038 | 124,438,763 | 129,368,334 | 133,652,788 |
| Expenses from Continuing Operations | | | | | | | | | | | |
| Employee Benefits & On-Costs | 33,195,818 | 35,160,444 | 37,089,523 | 38,495,933 | 40,223,913 | 42,035,212 | 43,931,080 | 45,915,564 | 47,992,909 | 50,167,570 | 52,444,214 |
| Borrowing Costs | 2,027,065 | 2,081,643 | 1,776,742 | 1,476,814 | 1,257,684 | 1,070,051 | 879,054 | 693,993 | 556,274 | 426,906 | 328,099 |
| Materials & Contracts | 38,460,030 | 32,162,240 | 32,836,249 | 34,144,824 | 35,246,257 | 36,532,759 | 37,819,582 | 39,136,552 | 40,491,538 | 41,971,488 | 43,477,642 |
| Depreciation & Amortisation | 27,214,351 | 29,099,668 | 30,031,105 | 30,930,283 | 31,856,438 | 32,812,131 | 33,796,495 | 34,810,390 | 35,854,702 | 36,930,343 | 38,038,253 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 4,592,638 | 5,407,420 | 6,057,580 | 6,674,660 | 6,926,208 | 7,270,717 | 7,696,967 | 8,107,776 | 8,606,213 | 9,095,621 | 9,679,647 |
| Total Expenses from Continuing Operations | 105,489,902 | 103,911,415 | 107,791,199 | 111,722,514 | 115,510,500 | 119,720,870 | 124,123,178 | 128,664,274 | 133,501,636 | 138,591,927 | 143,967,854 |
| Net Operating Profit/(Loss) for the Year | (11,004,963) | (5,753,325) | (6,467,143) | (6,687,740) | (6,719,882) | (6,859,485) | (7,054,139) | (8,931,236) | (9,062,872) | (9,223,594) | (10,315,067) |
| Capital (Balance Sheet) and Reserve Movements | | | | | | | | | | | |
| Capital Expenditure | (59,164,207) | (23,264,567) | (21,630,473) | (21,178,567) | (21,449,093) | (18,257,280) | (24,338,123) | (23,197,340) | (20,275,735) | (17,769,914) | (20,735,552) |
| Loan Repayments (External) | (3,820,119) | (4,497,517) | (4,797,031) | (3,620,163) | (2,949,383) | (2,780,531) | (2,970,054) | (2,253,625) | (2,176,898) | (1,790,074) | (1,190,537) |
| Deferred Debtors and Advances made (External) | (35,000) | - | - | - | - | - | - | - | - | - | - |
| New Loan Borrowings (External) | 9,500,000 | - | - | - | - | - | - | - | - | - | - |
| New Loan Borrowings (Internal) | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from Sale of intangible & tangible Assets | 1,943,075 | 2,301,000 | 1,519,129 | 1,262,938 | 1,296,200 | 1,061,700 | 1,325,654 | 1,330,825 | 1,175,131 | 922,430 | 1,867,643 |
| Deferred Debtors and Advances received (External) | 75,837 | 37,655 | 36,621 | 39,150 | 41,854 | 40,114 | 18,976 | 20,348 | 21,819 | 9,550 | - |
| Non-cash Expense Contra Income | 27,214,351 | 29,099,668 | 30,031,105 | 30,930,283 | 31,856,438 | 32,812,131 | 33,796,495 | 34,810,390 | 35,854,702 | 36,930,343 | 38,038,253 |
| Net Transfers (to)/from Reserves | 35,273,423 | 743,230 | (245,807) | (2,662,976) | (4,367,163) | (8,648,457) | (3,813,370) | (4,905,150) | (9,105,793) | (13,132,171) | (12,116,568) |
| Total Capital (Balance Sheet) and Reserve Movements | 10,987,360 | 4,419,469 | 4,913,544 | 4,770,665 | 4,428,853 | 4,227,677 | 4,019,578 | 5,805,447 | 5,493,225 | 5,170,164 | 5,863,239 |
| Net Result (including Depreciation & Other non-cash items) | (17,602) | (1,333,856) | (1,553,599) | (1,917,075) | (2,291,029) | (2,631,808) | (3,034,561) | (3,125,789) | (3,569,647) | (4,053,430) | (4,451,828) |
| Add back Depreciation Expense (non-cash) | 27,214,351 | 29,099,668 | 30,031,105 | 30,930,283 | 31,856,438 | 32,812,131 | 33,796,495 | 34,810,390 | 35,854,702 | 36,930,343 | 38,038,253 |
| Add back ELE Expense (non-cash) | - | - | - | - | - | - | - | - | - | - | - |
| Add back Other Expenses (non-cash) | 4,500,000 | 4,500,000 | 4,635,000 | 4,774,050 | 4,917,300 | 5,064,819 | 5,216,764 | 5,373,266 | 5,534,464 | 5,700,498 | 5,871,513 |
| Less Other Income (non-cash) | (31,714,351) | (33,599,668) | (34,666,105) | (35,704,333) | (36,773,738) | (37,876,950) | (39,013,259) | (40,183,656) | (41,389,166) | (42,630,841) | (43,909,766) |
| Cash Budget Surplus/(Deficit) | (17,602) | (1,333,856) | (1,553,599) | (1,917,075) | (2,291,029) | (2,631,808) | (3,034,561) | (3,125,789) | (3,569,647) | (4,053,430) | (4,451,828) |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

INCOME STATEMENT - GENERAL FUND

Scenario: Base-Line Model

| | Current Year 2013/14 | Projected Years | | | | | | | | | |
|---|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | |
| Rates & Annual Charges | 51,637,913 | 53,562,526 | 55,803,630 | 58,151,874 | 60,613,046 | 63,487,911 | 66,509,952 | 67,839,767 | 71,125,306 | 74,581,884 | 77,295,768 |
| User Charges & Fees | 13,534,224 | 15,008,500 | 15,810,352 | 16,697,579 | 17,192,525 | 17,784,260 | 18,398,378 | 19,036,988 | 19,701,167 | 20,392,043 | 21,110,799 |
| Interest & Investment Revenue | 3,033,967 | 2,576,872 | 2,132,255 | 2,019,623 | 2,222,064 | 2,201,667 | 2,161,826 | 2,229,355 | 2,337,770 | 2,451,473 | 2,592,501 |
| Other Revenues | 4,334,423 | 5,810,647 | 6,019,755 | 6,183,637 | 6,345,024 | 6,503,672 | 6,666,262 | 6,831,559 | 7,001,830 | 7,177,744 | 7,379,376 |
| Grants & Contributions provided for Operating Purposes | 11,807,387 | 12,740,236 | 12,964,685 | 13,193,562 | 13,428,678 | 13,687,598 | 13,923,136 | 14,166,279 | 14,417,410 | 14,676,932 | 14,946,120 |
| Grants & Contributions provided for Capital Purposes | 10,137,026 | 8,459,309 | 8,593,379 | 8,788,499 | 8,989,281 | 9,196,278 | 9,409,486 | 9,629,089 | 9,855,281 | 10,088,258 | 10,328,225 |
| Total Income from Continuing Operations | 94,484,940 | 98,158,090 | 101,324,056 | 105,034,774 | 108,790,618 | 112,861,385 | 117,069,038 | 119,733,038 | 124,438,763 | 129,368,334 | 133,652,788 |
| Expenses from Continuing Operations | | | | | | | | | | | |
| Employee Benefits & On-Costs | 33,195,818 | 35,160,444 | 37,089,523 | 38,495,933 | 40,223,913 | 42,035,212 | 43,931,080 | 45,915,564 | 47,992,909 | 50,167,570 | 52,444,214 |
| Borrowing Costs | 2,027,065 | 2,081,643 | 1,776,742 | 1,476,814 | 1,257,684 | 1,070,051 | 879,054 | 693,993 | 556,274 | 426,906 | 328,099 |
| Materials & Contracts | 38,460,030 | 32,162,240 | 32,836,249 | 34,144,824 | 35,246,257 | 36,532,759 | 37,819,582 | 39,136,552 | 40,491,538 | 41,971,488 | 43,477,642 |
| Depreciation & Amortisation | 27,214,351 | 29,099,668 | 30,031,105 | 30,930,283 | 31,856,438 | 32,812,131 | 33,796,495 | 34,810,390 | 35,854,702 | 36,930,343 | 38,038,253 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 4,592,638 | 5,407,420 | 6,057,580 | 6,674,660 | 6,926,208 | 7,270,717 | 7,696,967 | 8,107,776 | 8,606,213 | 9,095,621 | 9,679,647 |
| Total Expenses from Continuing Operations | 105,489,903 | 103,911,415 | 107,791,199 | 111,722,514 | 115,510,500 | 119,720,870 | 124,123,178 | 128,664,274 | 133,501,636 | 138,591,927 | 143,967,854 |
| Operating Result from Continuing Operations | (11,004,963) | (5,753,325) | (6,467,143) | (6,687,740) | (6,719,882) | (6,859,485) | (7,054,139) | (8,931,236) | (9,062,872) | (9,223,594) | (10,315,067) |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | (11,004,963) | (5,753,325) | (6,467,143) | (6,687,740) | (6,719,882) | (6,859,485) | (7,054,139) | (8,931,236) | (9,062,872) | (9,223,594) | (10,315,067) |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (21,141,989) | (14,212,634) | (15,060,522) | (15,476,239) | (15,709,163) | (16,055,763) | (16,463,625) | (18,560,325) | (18,918,153) | (19,311,852) | (20,643,291) |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

BALANCE SHEET - GENERAL FUND

Scenario: Base-Line Model

| | Current Year 2013/14 | Projected Years | | | | | | | | | |
|--|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| ASSETS | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| Cash & Cash Equivalents | 1,803,163 | 1,610,173 | 1,493,661 | 1,490,057 | 1,562,128 | 1,821,765 | 1,835,443 | 1,893,055 | 2,129,705 | 2,543,161 | 2,899,408 |
| Investments | 9,543,384 | 8,521,966 | 7,905,321 | 7,886,243 | 8,267,687 | 9,641,833 | 9,714,225 | 10,019,144 | 11,271,631 | 13,459,883 | 15,345,343 |
| Receivables | 11,557,818 | 12,044,279 | 12,482,163 | 12,971,241 | 13,356,571 | 13,813,084 | 14,259,185 | 14,648,876 | 15,158,057 | 15,721,239 | 16,252,862 |
| Inventories | 2,060,325 | 1,788,503 | 1,829,089 | 1,896,373 | 1,955,364 | 2,023,116 | 2,091,353 | 2,161,284 | 2,233,251 | 2,310,887 | 2,386,957 |
| Other | 1,119,580 | 1,001,280 | 1,034,920 | 1,081,151 | 1,115,692 | 1,156,513 | 1,199,268 | 1,242,546 | 1,288,649 | 1,337,385 | 1,387,301 |
| Non-current assets classified as "held for sale" | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 | 77,000 |
| Total Current Assets | 26,161,270 | 25,043,201 | 24,822,155 | 25,402,064 | 26,334,442 | 28,533,312 | 29,176,473 | 30,041,904 | 32,158,294 | 35,449,556 | 38,348,871 |
| Non-Current Assets | | | | | | | | | | | |
| Investments | 24,716,719 | 22,071,315 | 20,474,247 | 20,424,835 | 21,412,749 | 24,971,696 | 25,159,185 | 25,948,905 | 29,192,762 | 34,860,186 | 39,743,400 |
| Receivables | 1,290,236 | 1,297,375 | 1,305,258 | 1,313,685 | 1,318,039 | 1,351,072 | 1,385,053 | 1,395,300 | 1,444,697 | 1,506,520 | 1,558,855 |
| Inventories | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 1,158,306,781 | 1,150,170,680 | 1,140,250,919 | 1,129,236,265 | 1,117,532,720 | 1,101,916,169 | 1,091,132,143 | 1,078,188,268 | 1,061,434,171 | 1,041,351,311 | 1,022,180,967 |
| Investments Accounted for using the equity method | - | - | - | - | - | - | - | - | - | - | - |
| Investment Property | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 | 1,596,000 |
| Intangible Assets | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 | 501,000 |
| Total Non-Current Assets | 1,186,410,736 | 1,175,636,371 | 1,164,127,424 | 1,153,071,785 | 1,142,360,508 | 1,130,335,937 | 1,119,773,381 | 1,107,629,473 | 1,094,168,630 | 1,079,815,017 | 1,065,580,222 |
| TOTAL ASSETS | 1,212,572,006 | 1,200,679,572 | 1,188,949,578 | 1,178,473,849 | 1,168,694,949 | 1,158,869,249 | 1,148,949,853 | 1,137,671,377 | 1,126,326,923 | 1,115,264,572 | 1,103,929,093 |
| LIABILITIES | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - |
| Payables | 8,288,771 | 6,679,671 | 6,183,095 | 5,983,772 | 5,844,746 | 5,626,324 | 5,696,845 | 5,567,968 | 5,426,037 | 5,338,164 | 5,467,723 |
| Borrowings | 4,497,517 | 4,797,031 | 3,620,163 | 2,949,383 | 2,780,531 | 2,970,054 | 2,253,625 | 2,176,898 | 1,790,074 | 1,190,537 | 505,897 |
| Provisions | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 | 13,165,747 |
| Liabilities associated with assets classified as "held for sale" | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 25,952,035 | 24,642,449 | 22,969,005 | 22,098,901 | 21,791,024 | 21,762,125 | 21,116,217 | 20,910,613 | 20,381,858 | 19,694,448 | 19,139,367 |
| Non-Current Liabilities | | | | | | | | | | | |
| Payables | 873,284 | 840,791 | 871,548 | 903,045 | 932,436 | 965,174 | 999,451 | 1,034,713 | 1,071,960 | 1,111,150 | 1,151,715 |
| Borrowings | 28,664,397 | 23,867,366 | 20,247,203 | 17,297,820 | 14,517,289 | 11,547,235 | 9,293,610 | 7,116,712 | 5,326,638 | 4,136,101 | 3,630,204 |
| Provisions | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 | 5,322,253 |
| Total Non-Current Liabilities | 34,859,934 | 30,030,410 | 26,441,004 | 23,523,119 | 20,771,978 | 17,834,662 | 15,615,314 | 13,473,678 | 11,720,851 | 10,569,504 | 10,104,172 |
| TOTAL LIABILITIES | 60,811,968 | 54,672,860 | 49,410,010 | 45,622,020 | 42,563,002 | 39,596,787 | 36,731,531 | 34,384,291 | 32,102,709 | 30,263,952 | 29,243,539 |
| Net Assets | 1,151,760,037 | 1,146,006,712 | 1,139,539,569 | 1,132,851,829 | 1,126,131,947 | 1,119,272,462 | 1,112,218,323 | 1,103,287,087 | 1,094,224,214 | 1,085,000,620 | 1,074,685,554 |
| EQUITY | | | | | | | | | | | |
| Retained Earnings | 715,129,037 | 709,375,712 | 702,908,569 | 696,220,829 | 689,500,947 | 682,641,462 | 675,587,323 | 666,656,087 | 657,593,214 | 648,369,620 | 638,054,554 |
| Revaluation Reserves | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 | 436,631,000 |
| Council Equity Interest | 1,151,760,037 | 1,146,006,712 | 1,139,539,569 | 1,132,851,829 | 1,126,131,947 | 1,119,272,462 | 1,112,218,323 | 1,103,287,087 | 1,094,224,214 | 1,085,000,620 | 1,074,685,554 |
| Minority Equity Interest | - | - | - | - | - | - | - | - | - | - | - |
| Total Equity | 1,151,760,037 | 1,146,006,712 | 1,139,539,569 | 1,132,851,829 | 1,126,131,947 | 1,119,272,462 | 1,112,218,323 | 1,103,287,087 | 1,094,224,214 | 1,085,000,620 | 1,074,685,554 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

CASH FLOW STATEMENT - GENERAL FUND

Scenario: Base-Line Model

| | Current Year 2013/14 | Projected Years | | | | | | | | | |
|---|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash Flows from Operating Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Rates & Annual Charges | 52,152,803 | 53,479,370 | 55,706,799 | 58,050,414 | 60,506,707 | 63,363,697 | 66,379,379 | 67,782,310 | 70,983,348 | 74,432,536 | 77,178,509 |
| User Charges & Fees | 11,675,890 | 14,804,221 | 15,699,246 | 16,574,642 | 17,123,944 | 17,702,268 | 18,313,284 | 18,948,500 | 19,609,136 | 20,296,313 | 21,011,206 |
| Interest & Investment Revenue Received | 5,070,974 | 2,565,545 | 2,121,640 | 1,985,749 | 2,174,104 | 2,111,358 | 2,115,787 | 2,200,211 | 2,245,165 | 2,324,855 | 2,488,130 |
| Grants & Contributions | 19,438,025 | 16,990,189 | 16,904,435 | 17,182,789 | 17,474,749 | 17,790,524 | 18,089,901 | 18,395,307 | 18,710,551 | 19,036,092 | 19,373,166 |
| Other | 3,630,721 | 5,382,515 | 5,838,910 | 5,997,538 | 6,224,777 | 6,371,049 | 6,529,606 | 6,659,839 | 6,856,547 | 7,028,128 | 7,218,285 |
| Payments: | | | | | | | | | | | |
| Employee Benefits & On-Costs | (33,297,701) | (35,152,740) | (37,227,344) | (38,495,933) | (40,223,913) | (42,035,212) | (43,931,080) | (45,915,564) | (47,992,909) | (50,167,570) | (52,444,214) |
| Materials & Contracts | (39,273,254) | (31,967,989) | (32,832,681) | (34,162,488) | (35,262,161) | (36,551,640) | (37,836,643) | (39,154,101) | (40,508,029) | (41,990,669) | (43,493,404) |
| Borrowing Costs | (1,173,500) | (2,468,788) | (2,189,669) | (1,788,436) | (1,511,566) | (1,309,398) | (1,134,715) | (887,984) | (743,661) | (580,995) | (430,580) |
| Other | (4,592,638) | (5,407,420) | (6,057,580) | (6,674,660) | (6,926,208) | (7,270,717) | (7,696,967) | (8,107,776) | (8,606,213) | (9,095,621) | (9,679,647) |
| Net Cash provided (or used in) Operating Activities | 13,631,320 | 18,224,902 | 17,963,756 | 18,669,614 | 19,580,434 | 20,171,929 | 20,828,553 | 19,920,743 | 20,553,936 | 21,283,069 | 21,221,453 |
| Cash Flows from Investing Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Sale of Investment Securities | 25,006,897 | 3,666,822 | 2,213,714 | 68,490 | - | - | - | - | - | - | - |
| Sale of Infrastructure, Property, Plant & Equipment | 1,943,075 | 2,301,000 | 1,519,129 | 1,262,938 | 1,296,200 | 1,061,700 | 1,325,654 | 1,330,825 | 1,175,131 | 922,430 | 1,867,643 |
| Deferred Debtors Receipts | 75,837 | 37,655 | 36,621 | 39,150 | 41,854 | 40,114 | 18,976 | 20,348 | 21,819 | 9,550 | - |
| Payments: | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | - | (1,369,358) | (4,933,093) | (259,880) | (1,094,640) | (4,496,345) | (7,855,675) | (6,768,675) |
| Purchase of Infrastructure, Property, Plant & Equipment | (54,705,923) | (19,925,853) | (17,052,700) | (16,423,633) | (16,527,676) | (13,300,482) | (18,929,571) | (17,866,038) | (14,840,993) | (12,155,845) | (14,773,637) |
| Deferred Debtors & Advances Made | (38,924) | - | - | - | - | - | - | - | - | - | - |
| Net Cash provided (or used in) Investing Activities | (27,719,038) | (13,920,376) | (13,283,236) | (15,053,056) | (16,558,980) | (17,131,761) | (17,844,821) | (17,609,505) | (18,140,388) | (19,079,539) | (19,674,670) |
| Cash Flows from Financing Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Proceeds from Borrowings & Advances | 9,500,000 | - | - | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | |
| Repayment of Borrowings & Advances | (3,820,119) | (4,497,517) | (4,797,031) | (3,620,163) | (2,949,383) | (2,780,531) | (2,970,054) | (2,253,625) | (2,176,898) | (1,790,074) | (1,190,537) |
| Net Cash Flow provided (used in) Financing Activities | 5,679,881 | (4,497,517) | (4,797,031) | (3,620,163) | (2,949,383) | (2,780,531) | (2,970,054) | (2,253,625) | (2,176,898) | (1,790,074) | (1,190,537) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (8,407,837) | (192,991) | (116,511) | (3,605) | 72,071 | 259,636 | 13,678 | 57,613 | 236,650 | 413,457 | 356,246 |
| plus: Cash, Cash Equivalents & Investments - beginning of year | 10,211,000 | 1,803,163 | 1,610,173 | 1,493,661 | 1,490,057 | 1,562,128 | 1,821,765 | 1,835,443 | 1,893,055 | 2,129,705 | 2,543,161 |
| Cash & Cash Equivalents - end of the year | 1,803,163 | 1,610,173 | 1,493,661 | 1,490,057 | 1,562,128 | 1,821,765 | 1,835,443 | 1,893,055 | 2,129,705 | 2,543,161 | 2,899,408 |
| Cash & Cash Equivalents - end of the year | 1,803,163 | 1,610,173 | 1,493,661 | 1,490,057 | 1,562,128 | 1,821,765 | 1,835,443 | 1,893,055 | 2,129,705 | 2,543,161 | 2,899,408 |
| Investments - end of the year | 34,260,103 | 30,593,281 | 28,379,568 | 28,311,078 | 29,680,436 | 34,613,529 | 34,873,409 | 35,968,049 | 40,464,394 | 48,320,068 | 55,088,744 |
| Cash, Cash Equivalents & Investments - end of the year | 36,063,267 | 32,203,454 | 29,873,229 | 29,801,135 | 31,242,564 | 36,435,294 | 36,708,852 | 37,861,104 | 42,594,099 | 50,863,230 | 57,988,151 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

BUDGET SUMMARY - WATER FUND

Scenario: Base-Line Model

| | Current Year | Projected Years | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | |
| Rates & Annual Charges | 3,983,590 | 4,066,783 | 4,219,072 | 4,373,833 | 4,560,222 | 4,742,631 | 4,932,336 | 5,129,630 | 5,334,815 | 5,548,207 | 5,770,136 |
| User Charges & Fees | 13,410,134 | 13,397,325 | 13,959,334 | 14,395,319 | 14,969,980 | 15,495,839 | 16,039,604 | 16,602,902 | 17,185,380 | 17,788,711 | 18,413,028 |
| Interest & Investment Revenue | 1,560,000 | 1,503,500 | 1,253,000 | 1,102,500 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 |
| Other Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Grants & Contributions provided for Operating Purposes | 286,453 | 284,410 | 287,964 | 291,705 | 295,562 | 299,194 | 302,884 | 306,631 | 310,436 | 314,303 | 318,230 |
| Grants & Contributions provided for Capital Purposes | 3,428,000 | 3,479,700 | 3,584,250 | 3,691,178 | 3,801,863 | 3,916,389 | 4,033,841 | 4,155,306 | 4,279,875 | 4,408,641 | 4,541,700 |
| Total Income from Continuing Operations | 22,668,177 | 22,731,718 | 23,303,620 | 23,854,535 | 24,930,627 | 25,757,053 | 26,611,664 | 27,497,467 | 28,413,506 | 29,362,862 | 30,346,095 |
| Expenses from Continuing Operations | | | | | | | | | | | |
| Employee Benefits & On-Costs | 3,046,605 | 3,086,223 | 3,145,084 | 3,206,768 | 3,271,444 | 3,339,270 | 3,410,390 | 3,484,965 | 3,563,166 | 3,645,170 | 3,731,165 |
| Borrowing Costs | 5,977,366 | 5,516,246 | 5,153,161 | 4,827,646 | 4,480,856 | 4,109,787 | 3,713,258 | 3,287,923 | 2,849,861 | 2,468,626 | 2,072,800 |
| Materials & Contracts | 4,457,314 | 3,907,418 | 4,139,726 | 4,417,624 | 4,695,749 | 4,980,433 | 5,273,655 | 5,575,669 | 5,886,739 | 6,207,138 | 6,537,145 |
| Depreciation & Amortisation | 6,088,861 | 7,138,354 | 7,354,504 | 7,573,079 | 7,800,272 | 8,034,280 | 8,275,309 | 8,523,568 | 8,779,275 | 9,042,653 | 9,313,933 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 |
| Total Expenses from Continuing Operations | 22,520,146 | 22,598,241 | 22,742,475 | 22,975,117 | 23,198,321 | 23,413,770 | 23,622,611 | 23,822,125 | 24,029,041 | 24,313,588 | 24,605,043 |
| Net Operating Profit/(Loss) for the Year | 148,031 | 133,477 | 561,145 | 879,418 | 1,732,306 | 2,343,283 | 2,989,053 | 3,675,343 | 4,384,465 | 5,049,275 | 5,741,052 |
| Capital (Balance Sheet) and Reserve Movements | | | | | | | | | | | |
| Capital Expenditure | (12,645,007) | (6,637,353) | (5,052,100) | (3,215,050) | (3,334,150) | (3,462,400) | (3,591,650) | (3,739,250) | (3,864,500) | (4,010,350) | (4,161,341) |
| Loan Repayments (External) | (7,030,201) | (5,873,389) | (4,591,051) | (4,913,543) | (5,257,115) | (5,624,742) | (6,017,596) | (6,438,984) | (5,995,362) | (5,495,559) | (5,887,884) |
| Non-cash Expense Contra Income | 6,088,861 | 7,138,354 | 7,354,504 | 7,573,079 | 7,800,272 | 8,034,280 | 8,275,309 | 8,523,568 | 8,779,275 | 9,042,653 | 9,313,933 |
| Net Transfers (to)/from Reserves | 8,884,874 | 2,171,050 | 594,650 | (1,310,928) | (1,391,113) | (1,391,489) | (1,393,791) | (1,382,756) | (1,397,175) | (1,396,291) | (1,395,069) |
| Total Capital (Balance Sheet) and Reserve Movements | (4,701,473) | (3,201,338) | (1,693,997) | (1,866,442) | (2,182,106) | (2,444,351) | (2,727,728) | (3,037,422) | (2,477,762) | (1,859,547) | (2,130,362) |
| Net Result (including Depreciation & Other non-cash items) | (4,553,442) | (3,067,861) | (1,132,852) | (987,024) | (449,800) | (101,068) | 261,325 | 637,921 | 1,906,703 | 3,189,728 | 3,610,690 |
| Add back Depreciation Expense (non-cash) | 6,088,861 | 7,138,354 | 7,354,504 | 7,573,079 | 7,800,272 | 8,034,280 | 8,275,309 | 8,523,568 | 8,779,275 | 9,042,653 | 9,313,933 |
| Add back ELE Expense (non-cash) | | | | | | | | | | | |
| Add back Other Expenses (non-cash) | 490,000 | 504,700 | 520,000 | 535,000 | 551,000 | 568,000 | 585,000 | 603,000 | 621,000 | 640,000 | 659,200 |
| Less Other Income (non-cash) | (6,578,861) | (7,643,054) | (7,874,504) | (8,108,079) | (8,351,272) | (8,602,280) | (8,860,309) | (9,126,568) | (9,400,275) | (9,682,653) | (9,973,933) |
| Cash Budget Surplus/(Deficit) | (4,553,442) | (3,067,861) | (1,132,852) | (987,024) | (449,800) | (101,068) | 261,325 | 637,921 | 1,906,703 | 3,189,728 | 3,609,890 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

INCOME STATEMENT - WATER FUND

Scenario: Base-Line Model

| | Current Year | Projected Years | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | |
| Rates & Annual Charges | 3,983,590 | 4,066,783 | 4,219,072 | 4,373,833 | 4,560,222 | 4,742,631 | 4,932,336 | 5,129,630 | 5,334,815 | 5,548,207 | 5,770,136 |
| User Charges & Fees | 13,410,134 | 13,397,325 | 13,959,334 | 14,395,319 | 14,969,980 | 15,495,839 | 16,039,604 | 16,602,902 | 17,185,380 | 17,788,711 | 18,413,028 |
| Interest & Investment Revenue | 1,560,000 | 1,503,500 | 1,253,000 | 1,102,500 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 |
| Other Revenues | - | - | - | - | - | - | - | - | - | - | - |
| Grants & Contributions provided for Operating Purposes | 286,453 | 284,410 | 287,964 | 291,705 | 295,562 | 299,194 | 302,884 | 306,631 | 310,436 | 314,303 | 318,230 |
| Grants & Contributions provided for Capital Purposes | 3,428,000 | 3,479,700 | 3,584,250 | 3,691,178 | 3,801,863 | 3,916,389 | 4,033,841 | 4,155,306 | 4,279,875 | 4,408,641 | 4,541,700 |
| Total Income from Continuing Operations | 22,668,177 | 22,731,718 | 23,303,620 | 23,854,535 | 24,930,627 | 25,757,053 | 26,611,664 | 27,497,467 | 28,413,506 | 29,362,862 | 30,346,095 |
| Expenses from Continuing Operations | | | | | | | | | | | |
| Employee Benefits & On-Costs | 3,046,605 | 3,086,223 | 3,145,084 | 3,206,768 | 3,271,444 | 3,339,270 | 3,410,390 | 3,484,965 | 3,563,166 | 3,645,170 | 3,731,165 |
| Borrowing Costs | 5,977,366 | 5,516,246 | 5,153,161 | 4,827,646 | 4,480,856 | 4,109,787 | 3,713,258 | 3,287,923 | 2,849,861 | 2,468,626 | 2,072,800 |
| Materials & Contracts | 4,457,314 | 3,907,418 | 4,139,726 | 4,417,624 | 4,695,749 | 4,980,433 | 5,273,655 | 5,575,669 | 5,886,739 | 6,207,138 | 6,537,145 |
| Depreciation & Amortisation | 6,088,861 | 7,138,354 | 7,354,504 | 7,573,079 | 7,800,272 | 8,034,280 | 8,275,309 | 8,523,568 | 8,779,275 | 9,042,653 | 9,313,933 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 | 2,950,000 |
| Total Expenses from Continuing Operations | 22,520,146 | 22,598,241 | 22,742,475 | 22,975,117 | 23,198,321 | 23,413,770 | 23,622,611 | 23,822,125 | 24,029,041 | 24,313,588 | 24,605,043 |
| Operating Result from Continuing Operations | 148,031 | 133,477 | 561,145 | 879,418 | 1,732,306 | 2,343,283 | 2,989,053 | 3,675,343 | 4,384,465 | 5,049,275 | 5,741,052 |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | 148,031 | 133,477 | 561,145 | 879,418 | 1,732,306 | 2,343,283 | 2,989,053 | 3,675,343 | 4,384,465 | 5,049,275 | 5,741,052 |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (3,279,969) | (3,346,223) | (3,023,105) | (2,811,760) | (2,069,557) | (1,573,106) | (1,044,787) | (479,963) | 104,590 | 640,633 | 1,199,352 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

BALANCE SHEET - WATER FUND

Scenario: Base-Line Model

| | Current Year 2013/14 | Projected Years | | | | | | | | | |
|---|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| ASSETS | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| Cash & Cash Equivalents | 1,163,658 | 900,755 | 808,961 | 821,392 | 862,933 | 922,542 | 1,000,202 | 1,095,940 | 1,255,640 | 1,479,231 | 1,723,592 |
| Investments | 5,448,432 | 4,217,480 | 3,787,684 | 3,845,886 | 4,040,389 | 4,319,487 | 4,683,106 | 5,131,364 | 5,879,106 | 6,925,996 | 8,070,134 |
| Receivables | 3,447,038 | 3,399,216 | 3,539,531 | 3,652,649 | 3,799,685 | 3,935,611 | 4,076,290 | 4,222,111 | 4,373,032 | 4,529,454 | 4,691,445 |
| Inventories | 178,605 | 128,098 | 141,625 | 158,845 | 176,668 | 194,844 | 213,565 | 232,847 | 252,709 | 273,166 | 294,236 |
| Other | 394 | 364 | 377 | 392 | 406 | 421 | 437 | 453 | 470 | 487 | 504 |
| Total Current Assets | 10,238,126 | 8,645,914 | 8,278,177 | 8,479,163 | 8,880,081 | 9,372,905 | 9,973,600 | 10,682,715 | 11,760,955 | 13,208,334 | 14,779,912 |
| Non-Current Assets | | | | | | | | | | | |
| Investments | 16,661,069 | 12,896,873 | 11,582,573 | 11,760,554 | 12,355,336 | 13,208,806 | 14,320,736 | 15,691,490 | 17,978,052 | 21,179,398 | 24,678,121 |
| Receivables | 89,323 | 91,067 | 94,502 | 97,937 | 102,095 | 106,148 | 110,362 | 114,744 | 119,300 | 124,037 | 128,963 |
| Inventories | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 288,008,146 | 287,507,145 | 285,204,741 | 280,846,712 | 276,380,590 | 271,808,710 | 267,125,051 | 262,340,733 | 257,425,959 | 252,393,655 | 247,241,064 |
| Intangible Assets | 66,155,000 | 66,155,000 | 66,155,000 | 66,155,000 | 66,155,000 | 66,155,000 | 66,155,000 | 66,155,000 | 66,155,000 | 66,155,000 | 66,155,000 |
| Total Non-Current Assets | 370,913,538 | 366,650,085 | 363,036,816 | 358,860,203 | 354,993,021 | 351,278,664 | 347,711,150 | 344,301,967 | 341,678,310 | 339,852,091 | 338,203,148 |
| TOTAL ASSETS | 381,151,664 | 375,295,999 | 371,314,993 | 367,339,366 | 363,873,102 | 360,651,569 | 357,684,749 | 354,984,682 | 353,439,266 | 353,060,425 | 352,983,060 |
| LIABILITIES | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - |
| Payables | 1,559,240 | 1,443,486 | 1,492,387 | 1,550,885 | 1,609,430 | 1,669,356 | 1,731,079 | 1,794,653 | 1,860,134 | 1,927,578 | 1,997,044 |
| Borrowings | 5,873,389 | 4,591,051 | 4,913,543 | 5,257,115 | 5,624,742 | 6,017,596 | 6,438,984 | 5,995,362 | 5,495,559 | 5,887,884 | 6,758,559 |
| Total Current Liabilities | 7,432,629 | 6,034,537 | 6,405,930 | 6,808,000 | 7,234,172 | 7,686,952 | 8,170,063 | 7,790,015 | 7,355,693 | 7,815,462 | 8,755,603 |
| Non-Current Liabilities | | | | | | | | | | | |
| Payables | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 77,069,004 | 72,477,953 | 67,564,410 | 62,307,295 | 56,682,553 | 50,664,957 | 44,225,973 | 38,230,611 | 32,735,052 | 26,847,168 | 20,088,609 |
| Provisions | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | 77,069,004 | 72,477,953 | 67,564,410 | 62,307,295 | 56,682,553 | 50,664,957 | 44,225,973 | 38,230,611 | 32,735,052 | 26,847,168 | 20,088,609 |
| TOTAL LIABILITIES | 84,501,633 | 78,512,490 | 73,970,340 | 69,115,295 | 63,916,725 | 58,351,909 | 52,396,036 | 46,020,626 | 40,090,745 | 34,662,630 | 28,844,212 |
| Net Assets | 296,650,031 | 296,783,508 | 297,344,653 | 298,224,071 | 299,956,377 | 302,299,660 | 305,288,713 | 308,964,056 | 313,348,521 | 318,397,796 | 324,138,848 |
| EQUITY | | | | | | | | | | | |
| Retained Earnings | 179,975,031 | 180,108,508 | 180,669,653 | 181,549,071 | 183,281,377 | 185,624,660 | 188,613,713 | 192,289,056 | 196,673,521 | 201,722,796 | 207,463,848 |
| Revaluation Reserves | 116,675,000 | 116,675,000 | 116,675,000 | 116,675,000 | 116,675,000 | 116,675,000 | 116,675,000 | 116,675,000 | 116,675,000 | 116,675,000 | 116,675,000 |
| Council Equity Interest | 296,650,031 | 296,783,508 | 297,344,653 | 298,224,071 | 299,956,377 | 302,299,660 | 305,288,713 | 308,964,056 | 313,348,521 | 318,397,796 | 324,138,848 |
| Minority Equity Interest | - | - | - | - | - | - | - | - | - | - | - |
| Total Equity | 296,650,031 | 296,783,508 | 297,344,653 | 298,224,071 | 299,956,377 | 302,299,660 | 305,288,713 | 308,964,056 | 313,348,521 | 318,397,796 | 324,138,848 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

CASH FLOW STATEMENT - WATER FUND

Scenario: Base-Line Model

| | Current Year | Projected Years | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash Flows from Operating Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Rates & Annual Charges | 3,668,671 | 4,055,382 | 4,198,202 | 4,352,624 | 4,534,679 | 4,717,633 | 4,906,339 | 5,102,592 | 5,306,696 | 5,518,964 | 5,739,722 |
| User Charges & Fees | 13,815,656 | 13,399,625 | 13,858,438 | 14,317,048 | 14,866,813 | 15,401,433 | 15,941,983 | 16,501,775 | 17,080,810 | 17,680,397 | 18,300,947 |
| Interest & Investment Revenue Received | 1,560,000 | 1,503,500 | 1,253,000 | 1,102,500 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 | 1,303,000 |
| Grants & Contributions | 3,224,484 | 3,314,089 | 3,352,148 | 3,447,813 | 3,546,353 | 3,647,516 | 3,751,656 | 3,858,867 | 3,969,241 | 4,082,872 | 4,199,858 |
| Bonds & Deposits Received | - | - | - | - | - | - | - | - | - | - | - |
| Other | 5,005 | 500 | (21,918) | (17,003) | (22,412) | (20,508) | (21,207) | (21,969) | (22,717) | (23,530) | (24,348) |
| Payments: | | | | | | | | | | | |
| Employee Benefits & On-Costs | (3,046,605) | (3,086,223) | (3,145,084) | (3,206,768) | (3,271,444) | (3,339,270) | (3,410,390) | (3,484,965) | (3,563,166) | (3,645,170) | (3,731,165) |
| Materials & Contracts | (4,100,479) | (3,972,635) | (4,104,364) | (4,376,361) | (4,655,041) | (4,938,698) | (5,230,668) | (5,531,394) | (5,841,137) | (6,160,168) | (6,488,766) |
| Borrowing Costs | (5,977,366) | (5,516,246) | (5,153,161) | (4,827,646) | (4,480,856) | (4,109,787) | (3,713,258) | (3,287,923) | (2,849,861) | (2,468,626) | (2,072,800) |
| Bonds & Deposits Refunded | - | - | - | - | - | - | - | - | - | - | - |
| Other | (2,950,000) | (2,950,000) | (2,950,000) | (2,950,000) | (2,950,000) | (2,950,000) | (2,950,000) | (2,950,000) | (2,950,000) | (2,950,000) | (2,950,000) |
| Net Cash provided (or used in) Operating Activities | 6,199,366 | 6,747,992 | 7,287,261 | 7,842,207 | 8,871,092 | 9,711,319 | 10,577,455 | 11,489,983 | 12,432,866 | 13,337,738 | 14,276,446 |
| Cash Flows from Investing Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Sale of Investment Securities | 13,325,500 | 4,995,147 | 1,744,096 | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | (236,183) | (789,286) | (1,132,568) | (1,475,548) | (1,819,012) | (3,034,304) | (4,248,238) | (4,642,860) |
| Purchase of Investment Property | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Infrastructure, Property, Plant & Equipment | (12,155,007) | (6,132,653) | (4,532,100) | (2,680,050) | (2,783,150) | (2,894,400) | (3,006,650) | (3,136,250) | (3,243,500) | (3,370,350) | (3,501,341) |
| Net Cash provided (or used in) Investing Activities | 1,170,493 | (1,137,506) | (2,788,004) | (2,916,233) | (3,572,436) | (4,026,968) | (4,482,198) | (4,955,262) | (6,277,804) | (7,618,588) | (8,144,201) |
| Cash Flows from Financing Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Payments: | | | | | | | | | | | |
| Repayment of Borrowings & Advances | (7,030,201) | (5,873,389) | (4,591,051) | (4,913,543) | (5,257,115) | (5,624,742) | (6,017,596) | (6,438,984) | (5,995,362) | (5,495,559) | (5,887,884) |
| Net Cash Flow provided (used in) Financing Activities | (7,030,201) | (5,873,389) | (4,591,051) | (4,913,543) | (5,257,115) | (5,624,742) | (6,017,596) | (6,438,984) | (5,995,362) | (5,495,559) | (5,887,884) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 339,658 | (262,902) | (91,795) | 12,431 | 41,541 | 59,609 | 77,660 | 95,737 | 159,700 | 223,591 | 244,361 |
| plus: Cash, Cash Equivalents & Investments - beginning of year | 824,000 | 1,163,658 | 900,755 | 808,961 | 821,392 | 862,933 | 922,542 | 1,000,202 | 1,095,940 | 1,255,640 | 1,479,231 |
| Cash & Cash Equivalents - end of the year | 1,163,658 | 900,755 | 808,961 | 821,392 | 862,933 | 922,542 | 1,000,202 | 1,095,940 | 1,255,640 | 1,479,231 | 1,723,592 |
| Cash & Cash Equivalents - end of the year | 1,163,658 | 900,755 | 808,961 | 821,392 | 862,933 | 922,542 | 1,000,202 | 1,095,940 | 1,255,640 | 1,479,231 | 1,723,592 |
| Investments - end of the year | 22,109,500 | 17,114,353 | 15,370,257 | 15,606,440 | 16,395,726 | 17,528,293 | 19,003,842 | 20,822,854 | 23,857,157 | 28,105,395 | 32,748,255 |
| Cash, Cash Equivalents & Investments - end of the year | 23,273,158 | 18,015,108 | 16,179,218 | 16,427,832 | 17,258,659 | 18,450,835 | 20,004,044 | 21,918,793 | 25,112,797 | 29,584,626 | 34,471,847 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

BUDGET SUMMARY - SEWER FUND

Scenario: Base-Line Model

| | Current Year | Projected Years | | | | | | | | | |
|---|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | |
| Rates & Annual Charges | 21,858,231 | 22,516,959 | 23,459,770 | 24,394,032 | 25,377,463 | 26,392,157 | 27,447,426 | 28,544,894 | 29,543,744 | 30,577,547 | 31,647,526 |
| User Charges & Fees | 2,936,923 | 2,737,252 | 2,825,197 | 2,927,849 | 3,021,758 | 3,123,642 | 3,228,975 | 3,337,876 | 3,438,012 | 3,541,152 | 3,647,387 |
| Interest & Investment Revenue | 2,060,000 | 2,552,000 | 2,102,000 | 1,951,500 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 |
| Other Revenues | 167,900 | 172,900 | 178,000 | 183,340 | 188,841 | 194,506 | 200,341 | 206,352 | 212,542 | 218,918 | 225,486 |
| Grants & Contributions provided for Operating Purposes | 292,217 | 293,250 | 296,867 | 300,554 | 301,665 | 305,445 | 309,285 | 313,187 | 317,153 | 321,183 | 325,279 |
| Grants & Contributions provided for Capital Purposes | 6,285,406 | 4,945,787 | 5,094,161 | 3,969,096 | 3,959,669 | 3,952,959 | 4,149,048 | 4,498,019 | 4,649,960 | 4,804,959 | 4,854,959 |
| Total Income from Continuing Operations | 33,600,677 | 33,218,148 | 33,955,995 | 33,726,371 | 35,001,196 | 36,120,509 | 37,486,876 | 39,052,128 | 40,313,211 | 41,615,560 | 42,852,438 |
| Expenses from Continuing Operations | | | | | | | | | | | |
| Employee Benefits & On-Costs | 4,643,707 | 4,720,670 | 4,792,527 | 4,867,850 | 4,946,809 | 5,034,149 | 5,125,857 | 5,222,150 | 5,323,257 | 5,429,420 | 5,540,891 |
| Borrowing Costs | 7,277,134 | 6,718,224 | 6,131,414 | 5,608,378 | 5,180,082 | 4,725,978 | 4,242,402 | 3,737,107 | 3,234,315 | 2,799,275 | 2,348,030 |
| Materials & Contracts | 4,678,407 | 5,001,571 | 5,459,956 | 5,931,872 | 6,355,511 | 6,792,176 | 7,241,942 | 7,705,200 | 8,182,356 | 8,673,827 | 9,180,041 |
| Depreciation & Amortisation | 6,993,049 | 12,198,079 | 12,564,022 | 12,940,942 | 13,329,171 | 13,729,046 | 14,140,918 | 14,565,145 | 15,002,099 | 15,452,162 | 15,915,727 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 5,087,418 | 5,090,041 | 5,092,742 | 5,095,524 | 5,098,390 | 5,098,390 | 5,098,390 | 5,098,390 | 5,098,390 | 5,098,390 | 5,098,390 |
| Total Expenses from Continuing Operations | 28,679,715 | 33,728,584 | 34,040,661 | 34,444,566 | 34,909,963 | 35,379,740 | 35,849,508 | 36,327,992 | 36,840,418 | 37,453,074 | 38,083,080 |
| Net Operating Profit/(Loss) for the Year | 4,920,962 | (510,436) | (84,667) | (718,195) | 91,233 | 740,769 | 1,637,368 | 2,724,136 | 3,472,793 | 4,162,486 | 4,769,358 |
| Capital (Balance Sheet) and Reserve Movements | | | | | | | | | | | |
| Capital Expenditure | (29,549,368) | (7,530,600) | (5,494,800) | (4,355,100) | (4,344,600) | (4,321,100) | (4,497,800) | (4,827,900) | (4,945,000) | (5,093,200) | (5,285,446) |
| Loan Repayments (External) | (8,068,442) | (8,671,952) | (8,685,979) | (6,037,280) | (6,461,252) | (6,821,651) | (7,296,299) | (7,403,651) | (6,869,515) | (6,268,413) | (6,715,942) |
| Non-cash Expense Contra Income | 6,993,049 | 12,198,079 | 12,564,022 | 12,940,942 | 13,329,171 | 13,729,046 | 14,140,918 | 14,565,145 | 15,002,099 | 15,452,162 | 15,915,727 |
| Net Transfers (to)/from Reserves | 22,538,572 | 1,772,813 | (261,361) | (225,496) | (276,869) | (293,659) | (313,048) | (331,919) | (366,760) | (373,559) | (236,313) |
| Total Capital (Balance Sheet) and Reserve Movements | (8,086,189) | (2,231,660) | (1,878,118) | 2,323,066 | 2,246,450 | 2,292,636 | 2,033,771 | 2,001,675 | 2,820,825 | 3,716,991 | 3,678,027 |
| Net Result (including Depreciation & Other non-cash items) | (3,165,227) | (2,742,096) | (1,962,785) | 1,604,871 | 2,337,683 | 3,033,405 | 3,671,138 | 4,725,811 | 6,293,618 | 7,879,476 | 8,447,384 |
| Add back Depreciation Expense (non-cash) | 6,993,049 | 12,198,079 | 12,564,022 | 12,940,942 | 13,329,171 | 13,729,046 | 14,140,918 | 14,565,145 | 15,002,099 | 15,452,162 | 15,915,727 |
| Add back ELE Expense (non-cash) | | | | | | | | | | | |
| Add back Other Expenses (non-cash) | 1,050,000 | 2,100,000 | 2,163,000 | 950,000 | 850,000 | 750,000 | 850,000 | 1,100,000 | 1,150,000 | 1,200,000 | 1,236,000 |
| Less Other Income (non-cash) | (8,043,049) | (14,298,079) | (14,727,022) | (13,890,942) | (14,179,171) | (14,479,046) | (14,990,918) | (15,665,145) | (16,152,099) | (16,652,162) | (17,165,727) |
| Cash Budget Surplus/(Deficit) | (3,165,227) | (2,742,096) | (1,962,785) | 1,604,871 | 2,337,683 | 3,033,405 | 3,671,138 | 4,725,811 | 6,293,618 | 7,879,476 | 8,433,384 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

INCOME STATEMENT - SEWER FUND

Scenario: Base-Line Model

| | Current Year | Projected Years | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income from Continuing Operations | | | | | | | | | | | |
| Revenue: | | | | | | | | | | | |
| Rates & Annual Charges | 21,858,231 | 22,516,959 | 23,459,770 | 24,394,032 | 25,377,463 | 26,392,157 | 27,447,426 | 28,544,894 | 29,543,744 | 30,577,547 | 31,647,526 |
| User Charges & Fees | 2,936,923 | 2,737,252 | 2,825,197 | 2,927,849 | 3,021,758 | 3,123,642 | 3,228,975 | 3,337,876 | 3,438,012 | 3,541,152 | 3,647,387 |
| Interest & Investment Revenue | 2,060,000 | 2,552,000 | 2,102,000 | 1,951,500 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 |
| Other Revenues | 167,900 | 172,900 | 178,000 | 183,340 | 188,841 | 194,506 | 200,341 | 206,352 | 212,542 | 218,918 | 225,486 |
| Grants & Contributions provided for Operating Purposes | 292,217 | 293,250 | 296,867 | 300,554 | 301,665 | 305,445 | 309,285 | 313,187 | 317,153 | 321,183 | 325,279 |
| Grants & Contributions provided for Capital Purposes | 6,285,406 | 4,945,787 | 5,094,161 | 3,969,096 | 3,959,669 | 3,952,959 | 4,149,048 | 4,498,019 | 4,649,960 | 4,804,959 | 4,854,959 |
| Total Income from Continuing Operations | 33,600,677 | 33,218,148 | 33,955,995 | 33,726,371 | 35,001,196 | 36,120,509 | 37,486,876 | 39,052,128 | 40,313,211 | 41,615,560 | 42,852,438 |
| Expenses from Continuing Operations | | | | | | | | | | | |
| Employee Benefits & On-Costs | 4,643,707 | 4,720,670 | 4,792,527 | 4,867,850 | 4,946,809 | 5,034,149 | 5,125,857 | 5,222,150 | 5,323,257 | 5,429,420 | 5,540,891 |
| Borrowing Costs | 7,277,134 | 6,718,224 | 6,131,414 | 5,608,378 | 5,180,082 | 4,725,978 | 4,242,402 | 3,737,107 | 3,234,315 | 2,799,275 | 2,348,030 |
| Materials & Contracts | 4,678,407 | 5,001,571 | 5,459,956 | 5,931,872 | 6,355,511 | 6,792,176 | 7,241,942 | 7,705,200 | 8,182,356 | 8,673,827 | 9,180,041 |
| Depreciation & Amortisation | 6,993,049 | 12,198,079 | 12,564,022 | 12,940,942 | 13,329,171 | 13,729,046 | 14,140,918 | 14,565,145 | 15,002,099 | 15,452,162 | 15,915,727 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Other Expenses | 5,087,418 | 5,090,041 | 5,092,742 | 5,095,524 | 5,098,390 | 5,098,390 | 5,098,390 | 5,098,390 | 5,098,390 | 5,098,390 | 5,098,390 |
| Total Expenses from Continuing Operations | 28,679,715 | 33,728,584 | 34,040,661 | 34,444,566 | 34,909,963 | 35,379,740 | 35,849,508 | 36,327,992 | 36,840,418 | 37,453,074 | 38,083,080 |
| Operating Result from Continuing Operations | 4,920,962 | (510,436) | (84,667) | (718,195) | 91,233 | 740,769 | 1,637,368 | 2,724,136 | 3,472,793 | 4,162,486 | 4,769,358 |
| Discontinued Operations - Profit/(Loss) | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) from Discontinued Operations | - | - | - | - | - | - | - | - | - | - | - |
| Net Operating Result for the Year | 4,920,962 | (510,436) | (84,667) | (718,195) | 91,233 | 740,769 | 1,637,368 | 2,724,136 | 3,472,793 | 4,162,486 | 4,769,358 |
| Net Operating Result before Grants and Contributions provided for Capital Purposes | (1,364,444) | (5,456,223) | (5,178,828) | (4,687,291) | (3,868,436) | (3,212,190) | (2,511,680) | (1,773,883) | (1,177,167) | (642,473) | (85,601) |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

BALANCE SHEET - SEWER FUND

Scenario: Base-Line Model

| | Current Year 2013/14 | Projected Years | | | | | | | | | |
|---|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| ASSETS | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| Cash & Cash Equivalents | 1,712,869 | 1,540,656 | 1,456,156 | 1,548,275 | 1,679,042 | 1,845,327 | 2,044,427 | 2,297,161 | 2,630,601 | 3,043,669 | 3,478,265 |
| Investments | 16,705,553 | 15,025,967 | 14,201,843 | 15,100,280 | 16,375,646 | 17,997,418 | 19,939,235 | 22,404,137 | 25,656,162 | 29,684,801 | 33,923,402 |
| Receivables | 2,826,482 | 1,814,960 | 1,884,230 | 1,955,760 | 2,027,913 | 2,103,784 | 2,182,552 | 2,264,330 | 2,339,079 | 2,416,335 | 2,496,183 |
| Inventories | 10,143 | 11,560 | 13,672 | 15,839 | 17,717 | 19,652 | 21,644 | 23,696 | 25,810 | 27,987 | 30,230 |
| Other | 5,724 | 5,915 | 6,185 | 6,463 | 6,713 | 6,969 | 7,233 | 7,504 | 7,784 | 8,072 | 8,368 |
| Total Current Assets | 21,260,771 | 18,399,058 | 17,562,086 | 18,626,617 | 20,107,032 | 21,973,149 | 24,195,091 | 26,996,829 | 30,659,435 | 35,180,864 | 39,936,448 |
| Non-Current Assets | | | | | | | | | | | |
| Investments | 15,838,952 | 14,246,494 | 13,465,122 | 14,316,952 | 15,526,159 | 17,063,801 | 18,904,886 | 21,241,921 | 24,325,248 | 28,144,901 | 32,163,624 |
| Receivables | 353,005 | 361,521 | 376,458 | 391,374 | 406,971 | 423,101 | 439,870 | 457,306 | 473,183 | 489,613 | 506,613 |
| Inventories | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure, Property, Plant & Equipment | 474,066,319 | 469,398,840 | 462,329,618 | 453,743,776 | 444,759,205 | 435,351,259 | 425,708,141 | 415,970,896 | 405,913,797 | 395,554,835 | 384,924,553 |
| Total Non-Current Assets | 490,258,275 | 484,006,855 | 476,171,198 | 468,452,102 | 460,692,335 | 452,838,160 | 445,052,898 | 437,670,124 | 430,712,228 | 424,189,348 | 417,594,791 |
| TOTAL ASSETS | 511,519,046 | 502,405,913 | 493,733,284 | 487,078,720 | 480,799,366 | 474,811,310 | 469,247,989 | 464,666,952 | 461,371,663 | 459,370,212 | 457,531,238 |
| LIABILITIES | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - | - | - |
| Payables | 2,076,003 | 2,145,258 | 2,243,275 | 2,344,186 | 2,434,852 | 2,527,677 | 2,623,288 | 2,721,766 | 2,823,199 | 2,927,675 | 3,035,286 |
| Borrowings | 8,671,952 | 8,685,979 | 6,037,280 | 6,461,252 | 6,821,651 | 7,296,299 | 7,403,651 | 6,869,515 | 6,268,413 | 6,715,942 | 7,195,420 |
| Provisions | - | - | - | - | - | - | - | - | - | - | - |
| Total Current Liabilities | 10,747,955 | 10,831,237 | 8,280,555 | 8,805,438 | 9,256,503 | 9,823,976 | 10,026,939 | 9,591,281 | 9,091,612 | 9,643,617 | 10,230,706 |
| Non-Current Liabilities | | | | | | | | | | | |
| Payables | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 92,887,129 | 84,201,150 | 78,163,870 | 71,702,618 | 64,880,967 | 57,584,668 | 50,181,017 | 43,311,502 | 37,043,089 | 30,327,147 | 23,131,727 |
| Provisions | - | - | - | - | - | - | - | - | - | - | - |
| Total Non-Current Liabilities | 92,887,129 | 84,201,150 | 78,163,870 | 71,702,618 | 64,880,967 | 57,584,668 | 50,181,017 | 43,311,502 | 37,043,089 | 30,327,147 | 23,131,727 |
| TOTAL LIABILITIES | 103,635,084 | 95,032,387 | 86,444,425 | 80,508,056 | 74,137,470 | 67,408,644 | 60,207,956 | 52,902,783 | 46,134,701 | 39,970,764 | 33,362,433 |
| Net Assets | 407,883,962 | 407,373,526 | 407,288,859 | 406,570,664 | 406,661,897 | 407,402,666 | 409,040,033 | 411,764,169 | 415,236,962 | 419,399,448 | 424,168,806 |
| EQUITY | | | | | | | | | | | |
| Retained Earnings | 295,629,962 | 295,119,526 | 295,034,859 | 294,316,664 | 294,407,897 | 295,148,666 | 296,786,033 | 299,510,169 | 302,982,962 | 307,145,448 | 311,914,806 |
| Revaluation Reserves | 112,254,000 | 112,254,000 | 112,254,000 | 112,254,000 | 112,254,000 | 112,254,000 | 112,254,000 | 112,254,000 | 112,254,000 | 112,254,000 | 112,254,000 |
| Council Equity Interest | 407,883,962 | 407,373,526 | 407,288,859 | 406,570,664 | 406,661,897 | 407,402,666 | 409,040,033 | 411,764,169 | 415,236,962 | 419,399,448 | 424,168,806 |
| Minority Equity Interest | - | - | - | - | - | - | - | - | - | - | - |
| Total Equity | 407,883,962 | 407,373,526 | 407,288,859 | 406,570,664 | 406,661,897 | 407,402,666 | 409,040,033 | 411,764,169 | 415,236,962 | 419,399,448 | 424,168,806 |

Coffs Harbour City Council
10 Year Financial Plan for the Years ending 30 June 2024

CASH FLOW STATEMENT - SEWER FUND

Scenario: Base-Line Model

| | Current Year | Projected Years | | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash Flows from Operating Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Rates & Annual Charges | 21,552,285 | 22,470,611 | 23,393,434 | 24,328,297 | 25,308,269 | 26,320,763 | 27,373,177 | 28,467,676 | 29,473,465 | 30,504,809 | 31,572,243 |
| User Charges & Fees | 3,191,748 | 2,760,719 | 2,814,861 | 2,915,784 | 3,010,721 | 3,111,668 | 3,216,596 | 3,325,077 | 3,426,243 | 3,529,030 | 3,634,901 |
| Interest & Investment Revenue Received | 2,060,000 | 2,552,000 | 2,102,000 | 1,951,500 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 | 2,151,800 |
| Grants & Contributions | 5,448,366 | 4,150,621 | 3,227,329 | 3,318,937 | 3,411,119 | 3,507,673 | 3,607,591 | 3,710,452 | 3,816,346 | 3,925,363 | 3,929,446 |
| Bonds & Deposits Received | - | - | - | - | - | - | - | - | - | - | - |
| Other | 281,791 | 187,202 | 171,164 | 175,406 | 181,537 | 186,605 | 192,174 | 197,909 | 204,730 | 210,872 | 217,199 |
| Payments: | | | | | | | | | | | |
| Employee Benefits & On-Costs | (4,643,707) | (4,720,670) | (4,792,527) | (4,867,850) | (4,946,809) | (5,034,149) | (5,125,857) | (5,222,150) | (5,323,257) | (5,429,420) | (5,540,891) |
| Materials & Contracts | (4,791,747) | (4,933,924) | (5,364,321) | (5,833,407) | (6,266,973) | (6,701,541) | (7,148,587) | (7,609,045) | (8,083,316) | (8,571,816) | (9,074,970) |
| Borrowing Costs | (7,277,134) | (6,718,224) | (6,131,414) | (5,608,378) | (5,180,082) | (4,725,978) | (4,242,402) | (3,737,107) | (3,234,315) | (2,799,275) | (2,348,030) |
| Bonds & Deposits Refunded | - | - | - | - | - | - | - | - | - | - | - |
| Other | (5,087,418) | (5,090,041) | (5,092,742) | (5,095,524) | (5,098,390) | (5,098,390) | (5,098,390) | (5,098,390) | (5,098,390) | (5,098,390) | (5,098,390) |
| Net Cash provided (or used in) Operating Activities | 10,734,184 | 10,658,295 | 10,327,784 | 11,284,765 | 12,571,192 | 13,718,450 | 14,926,101 | 16,186,223 | 17,333,306 | 18,422,973 | 19,443,308 |
| Cash Flows from Investing Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Sale of Investment Securities | 26,754,495 | 3,272,044 | 1,605,496 | - | - | - | - | - | - | - | - |
| Payments: | | | | | | | | | | | |
| Purchase of Investment Securities | - | - | - | (1,750,266) | (2,484,573) | (3,159,414) | (3,782,902) | (4,801,938) | (6,335,351) | (7,848,292) | (8,257,324) |
| Purchase of Investment Property | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Infrastructure, Property, Plant & Equipment | (28,499,368) | (5,430,600) | (3,331,800) | (3,405,100) | (3,494,600) | (3,571,100) | (3,647,800) | (3,727,900) | (3,795,000) | (3,893,200) | (4,035,446) |
| Net Cash provided (or used in) Investing Activities | (1,744,873) | (2,158,556) | (1,726,304) | (5,155,366) | (5,979,173) | (6,730,514) | (7,430,702) | (8,529,838) | (10,130,351) | (11,741,492) | (12,292,770) |
| Cash Flows from Financing Activities | | | | | | | | | | | |
| Receipts: | | | | | | | | | | | |
| Payments: | | | | | | | | | | | |
| Repayment of Borrowings & Advances | (8,068,442) | (8,671,952) | (8,685,979) | (6,037,280) | (6,461,252) | (6,821,651) | (7,296,299) | (7,403,651) | (6,869,515) | (6,268,413) | (6,715,942) |
| Net Cash Flow provided (used in) Financing Activities | (8,068,442) | (8,671,952) | (8,685,979) | (6,037,280) | (6,461,252) | (6,821,651) | (7,296,299) | (7,403,651) | (6,869,515) | (6,268,413) | (6,715,942) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 920,869 | (172,213) | (84,500) | 92,119 | 130,767 | 166,285 | 199,100 | 252,734 | 333,440 | 413,068 | 434,596 |
| plus: Cash, Cash Equivalents & Investments - beginning of year | 792,000 | 1,712,869 | 1,540,656 | 1,456,156 | 1,548,275 | 1,679,042 | 1,845,327 | 2,044,427 | 2,297,161 | 2,630,601 | 3,043,669 |
| Cash & Cash Equivalents - end of the year | 1,712,869 | 1,540,656 | 1,456,156 | 1,548,275 | 1,679,042 | 1,845,327 | 2,044,427 | 2,297,161 | 2,630,601 | 3,043,669 | 3,478,265 |
| Cash & Cash Equivalents - end of the year | 1,712,869 | 1,540,656 | 1,456,156 | 1,548,275 | 1,679,042 | 1,845,327 | 2,044,427 | 2,297,161 | 2,630,601 | 3,043,669 | 3,478,265 |
| Investments - end of the year | 32,544,505 | 29,272,461 | 27,666,965 | 29,417,231 | 31,901,805 | 35,061,219 | 38,844,121 | 43,646,059 | 49,981,410 | 57,829,702 | 66,087,026 |
| Cash, Cash Equivalents & Investments - end of the year | 34,257,374 | 30,813,117 | 29,123,121 | 30,965,507 | 33,580,847 | 36,906,546 | 40,888,548 | 45,943,220 | 52,612,011 | 60,873,371 | 69,565,291 |

ASSET MANAGEMENT STRATEGY

2014 - 2024



COFFS HARBOUR
CITY COUNCIL

1. Introduction

1.1 Background

Under the NSW Local Government Act, 1993 Council is required to develop a Community Strategic Plan (Coffs Harbour 2030) that identifies the main priorities and aspirations for the future of the local government area.

The Act requires Council to develop a Resourcing Strategy (of which this Asset Management Strategy forms a part) for the provision of the resources required to implement the strategies established by the Community Strategic Plan that Council is responsible for delivering (via its Delivery Plan).

Given the long-lived nature of most public infrastructure it is vital that Council effectively plan, account for and manage the assets which the Act establishes Council as “custodian and trustee”.

Asset Management Plans set out what asset-related services Council plans to provide based on the priorities in the Community Strategic Plan and funding provided in the “sustainable case” in the Long Term Financial Plan (another component of the Resourcing Strategy).

1.2 Purpose of this Asset Management Strategy

Coffs Harbour City Council's Asset Management Policy states Council's commitment to:

- delivering community priorities for asset-related services within Council's limited funds
- minimising the life-cycle cost to build, operate, maintain and renew these assets.

and notes that Council will prepare, implement and review Asset Management Plans defining how Council plans for, accounts for, and manages the public assets for which it is custodian and trustee.

The full Policy is included in the Appendix to this Strategy.

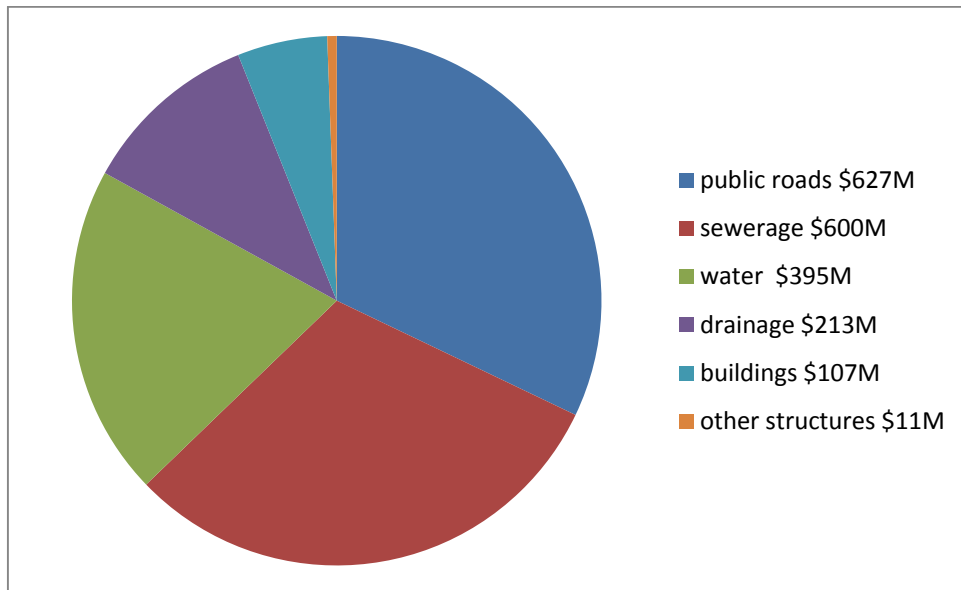
Whilst Asset Management Plans include an improvement plan identifying actions to be taken in relation to issues affecting only one asset class, this Asset Management Strategy (AMS) identifies actions to be taken at a corporate level to improve Council's capacity and capability to deliver on the commitment made in the Policy.

The AMS is thus a corporate asset management improvement plan setting out:

- where we are now,
- where we want to be, and
- how we will get there

1.3 Scope of this Strategy

Council's assets include transport, water supply, sewerage, stormwater drainage, buildings and recreation assets. Together these have a replacement value of around \$2 Billion. The relative value of each asset class is set out in the chart below



The assets making up each asset class is summarised below. Further details are provided in each AMPs, attachments to this document.

Transport

- ▲ 700km sealed roads
- ▲ 120 unsealed roads
- ▲ 102 concrete and 69 timber bridges
- ▲ Coffs Harbour Jetty
- ▲ 150km footpaths and cycleways
- ▲ 540km kerb and gutter

Sewerage

- 500km gravity mains
- 94km rising (pumping) mains
- 118 pump stations
- 5 treatment plants
- 10km deep sea release
- 59km reclaimed water mains

Water

- ▲ 472km service mains (pipes)
- ▲ 155km trunk mains
- ▲ 9 pump stations
- ▲ 2 treatment plants
- ▲ 23 reservoirs and dams

Stormwater drainage

- 230km pipes
- 7,785 pits
- 10 detention basins
- 33 gross pollutant traps

Buildings

- 300 buildings including works depots, offices, neighbourhood and community centres, public halls, toilets, commercial buildings used by community groups
- 5 swimming pools

Recreation assets

- 55 playgrounds with over 300 items of equipment
- 80 BBQs
- 100 shelters
- 300 table and chairs
- 287 seats
- 940km retaining wall

2. Asset Management Gap Analysis and Actions

2.1 Levels of Service

As discussed in the Resourcing Strategy, Council has undertaken an extensive Community Engagement project regarding levels of service across all services Council delivers. With regards to asset-related services, only two levels of service were considered: maintaining the current level of service and an 'enhanced' level of service.

Levels of service have a direct correlation to the resources required for delivery of the service, so the issue is fundamental in terms of asset management planning.

The AMP for each asset class identifies established measures of the current level of service and information regarding the desired level of service. The clarity of the current and desired level of service varies considerably between asset classes.

The Integrated Planning and Reporting Framework makes clear that a key part of the preparation of the Community Strategic Plan is that it be formulated having regard to levels of service.

When the Community Strategic Plan is next reviewed following the 2016 local government election, information in regards to current levels of service across all asset classes and the resources implications of varying these (including the provision of new assets) will be essential to facilitate deeper engagement with the community regarding what Council is able to deliver in terms of the community's aspirations and priorities.

ACTION 1: Develop a strategy for the presentation of asset-related levels of service (both current and potential changes to this) to support the review of the Community Strategic Plan in 2016.

2.2 Asset Data Migration

Council's asset-related data sets have historically been kept in a variety of systems and programs creating issues with consistency, data integrity and reporting.

An Asset Data Migration Plan has been prepared with the objective of holding all asset data in Council's corporate Asset Management System, AssetMaster.

The Plan prioritises the various asset classes based on materiality (the value of assets) and other factors, and includes a current status field that will enable progress to be monitored by the Asset Accounting Team and Council's Executive Leadership team.

ACTION 2: Implement Asset Data Migration Plan and report on progress.

2.3 Data Collection Program

The Asset Data Migration Plan identifies a number of asset classes for which limited information is held and prioritises the collection of these in order to achieve the objective of all asset-related data being held in the corporate Asset Management System.

Yet more broadly than this, condition data on all assets is in need of improvement and, in fact, ongoing cycles of inspection to track deterioration and identify priorities for major preventative maintenance and renewal.

Action A1 of the 2013 Asset Management Strategy identified the need to improve asset condition data. Whilst some asset classes have progressed, resourcing limitations meant that overall progress has been limited.

One of the tasks in establishing the Strategic Asset Planning function is a review of the resources allocated to physical data collection (field work) against data management (office work). As the new team is established, this will be a focus for management.

A fundamental input to this analysis will be the development of an asset inspection cycle across all asset classes that considers the resourcing required to deliver it.

ACTION 3: develop a 5 year Data Collection program based on the information required to enable effective asset management, statutory requirements and risk.

ACTION 4: Review resources allocated within the Strategic Asset Planning branch to physical data collection (field work) against data management (office work).

2.4 Data Collection Procedures

Asset Data Management Guidelines were developed several years ago establishing controls for the accurate and consistent collection of asset-related data. These need to be reviewed by the Asset Recording and Reporting Team in consultation with Council's Geographical Information Systems branch who establish the corporate framework for GIS data generally. This review needs to be coordinated by the Asset Accounting Team given it involves staff from across the organisation.

ACTION 5: Review and update Asset Data Management Guidelines.

Action A3 from the 2013 Asset Management Strategy required the development of written procedures for data collection for all asset classes. This has not progressed given resource limitations, but is an important strategy to ensure accurate and consistent information is collected.

ACTION 6: Development of written procedures for collection of asset data for all asset classes.

2.5 Works Order System

A critical means of collecting asset-related information is via the Works Order System implemented during the 2012/13 financial year which captures detailed information on asset creation and disposals as well as the costs of this work.

The implementation of the system was hindered by the lack of clarity in roles under the previous organisational structure (action A2 from the 2013 Strategy), which has now been resolved.

A review of the Works Order System following the 2012/13 financial year (action A4 of the 2013 Strategy) highlighted a number of issues that need to be addressed. The implementation of corrective actions regarding these, and the effective functioning of the Works Order system besides, will be an agenda item for the Asset Accounting Team.

ACTION 7: Review Works Order System at Asset Accounting Team meetings and monitor implementation of improvement actions identified.

Currently, the Works Order system is operated via a spreadsheet developed in-house. This was a 'stop-gap' measure given that an off-the-shelf product was not identified that would serve the varying objectives it needs to – not only collecting asset-related data, but also

managing programs, budgets, approvals processes, etc.

Ideally, a database needs to be purchased or developed to perform this function to ensure accuracy and robustness in this critical process.

ACTION 8: define Works Order system requirements and evaluate options for a database satisfying the needs of all users.

2.6 Capitalisation Policy

Council adopted an Asset Capitalisation Policy in 2012, which was refined during the 2012/13 financial year. Given the scale of the changes in terms of implementing the Works Order system in earnest during the 2013/14 financial year it will be important to review this to ensure the data being captured serves the range of needs it needs to.

ACTION 9: review Capitalisation Policy.

2.7 Specifications for Data Submission from Design and Developers

A significant volume of work can be saved for the Strategic Asset Planning division if the asset-related information they receive is in the correct format and therefore able to be simply imported, rather than manipulated or even worse collected from scratch.

Whilst discussions have continued with the Survey and Design branch and the Subdivision branch (both within Engineering Services) further work is required to establish processes that facilitate ease of data importing. The need to do so must be balanced against challenges of imposing such systems externally, i.e. on the development community – this has been one of the key points of discussion with regards to the ADAC (as designed as constructed) system which is being adopted by many councils.

ACTION 10: Review opportunities to facilitate easier importation of asset-related data from both the Survey and Design branch and also from developers.

2.8 Asset Management System

Council currently utilises AssetMaster as the corporate asset management system. Not all asset classes are currently loaded into the system – action 2 is the implementation of the Asset Data Migration Plan.

A key asset class not included is plant and vehicle assets. Investigations into the most appropriate system to satisfy asset accounting and operational management of plant and vehicle assets is continuing.

The need for a database to manage works orders is action 7. Whilst works orders do not need to be undertaken using the same system (but rather generate asset creation and disposal information that can be easily uploaded) the relationship between these systems is important.

Further, Council also operates a number of maintenance management systems (details of which are included in the respective AMPs) which also have an inter-relationship with the assets system.

Review of the Asset Management System suitability and options is considered important at

this time.

ACTION 11: Review suitability of Asset Management System (AssetMaster) and options available.

2.9 Accounting Structure

A key barrier to the reconciliation of financial information and asset-related information has been the structure of Council's general ledger (accounting structure).

A project has been underway for several years scoping up a restructure of the ledger as noted by action A5 in the 2013 Strategy.

ACTION 12: Restructure of General Ledger.

2.10 Customer Request System

Customer Requests (CRs) not only enable Council to respond to defects in a timely manner (i.e. between inspections to identify defects by Council staff) but also enable Council to better understand the desired levels of service for the community with a view to improving them where resources permit.

The current CR system has deficiencies from a number of perspectives, including a need to review the categorisation of requests, integration with other systems (particularly those used for prioritising defects for repair and scheduling work) and reporting functionality to enable effective asset management and satisfy legislative obligations.

Whilst the CR system is 'bigger' than simply asset management, this is a key component.

ACTION 13: undertake a needs analysis of Council's customer request system from an assets and infrastructure perspective.

2.11 Establishment of Methodology for Reporting in Special Schedule 7

Each Asset Management Plan includes a methodology for the determination of values to be reported in Special Schedule 7 of Council's Annual Financial Statements.

As noted by the NSW Government's Local Government Infrastructure Audit released in 2013, there is a lack of consistency in the way these figures are reported across the industry.

The Director City Infrastructure Services is Council's representative on the Mid North Coast Regional Organisation of Councils (MIDROC) Roads and Bridges Working Party, which has been working on a common methodology for reporting the infrastructure renewal backlog (referred to in Special Schedule 7 as the "estimated cost to bring up to a satisfactory condition / standard").

ACTION 14: in consultation with MIDROC Roads and Bridges Working Party, seek a common methodology for reporting the infrastructure backlog reported in Special Schedule 7 for roads and bridges, with a view to extending this methodology across all asset classes.

Another measure reported in Special Schedule 7 that is currently undefined on a common basis across the industry is the "required annual maintenance" figure. As noted in the Transport AMP, this is to be determined following analysis of compliance with the draft Maintenance Defects Levels of Service. Given the variability in available and relevant

information on maintenance levels of service available (as discussed in each AMP) this figure is likely to remain specific to an individual asset category, however the possibility of developing a common methodology should be reviewed in future years.

2.12 Independent Asset Management Gap Analysis

Council has had very limited resources and clear priorities for action in the past few years regarding asset management, however it would be timely to engage an independent consultant to undertake a gap analysis of Council's asset management systems, processes and documentation with a view to informing the preparation of the 2015 Asset Management Strategy.

ACTION 15: undertake an Asset Management Gap Analysis to inform the production of the 2015 Asset Management Strategy.

3. Improvement Plan

Actions identified in section 3 are summarised in the table below, with responsibilities and timeframes allocated to each.

Progress on these actions will be an agenda item at Asset Accounting Team Meetings, which will be reported to Council's Executive Leadership Team.

| Action | Details | Who | When |
|--------|--|---------------------------------------|----------------------------|
| 1 | Develop a strategy for the presentation of asset-related levels of service (both current and potential changes to this) to support the review of the Community Strategic Plan in 2016. | Director City Infrastructure Services | December 2015 |
| 2 | Implement Asset Data Migration Plan and report on progress. | Manager Strategic Asset Planning | Report to AA Team Meetings |
| 3 | develop a 5 year Data Collection program based on the information required to enable effective asset management, statutory requirements and risk. | Manager Strategic Asset Planning | May 2014 |
| 4 | Review resources allocated within the Strategic Asset Planning branch to physical data collection (field work) against data management (office work). | Manager Strategic Asset Planning | May 2014 |
| 5 | Review and update Asset Data Management Guidelines. | AA Team | December 2014 |
| 6 | Development of written procedures for collection of asset data for all asset classes. | Manager Strategic Asset Planning | December 2014 |
| 7 | Review Works Order System at Asset Accounting Team meetings and monitor implementation of improvement actions identified. | AA Team | Each meeting |
| 8 | Define Works Order system requirements and evaluate options for a database satisfying the needs of all users. | Manager Infrastructure Program | May 2014 |
| 9 | Review Capitalisation Policy. | AA Team | August 2014 |
| 10 | Review opportunities to facilitate easier importation of asset-related data from both the Survey and Design branch and also from developers. | Manager Strategic Asset Planning | December 2014 |
| 11 | Review suitability of Asset Management System (AssetMaster) and options available. | AA Team | May 2014 |
| 12 | Restructure of General Ledger. | Executive Manager Finance | June 2014 |

| | | | |
|----|---|---------------------------------------|----------------|
| 13 | Undertake a needs analysis of Council's customer request system from an assets and infrastructure perspective | Manager Infrastructure Program | May 2014 |
| 14 | In consultation with MIDROC Roads and Bridges Working Party, seek a common methodology for reporting the infrastructure backlog reported in Special Schedule 7 for roads and bridges, with a view to extending this methodology across all asset classes. | Director City Infrastructure Services | May 2014 |
| 15 | Undertake an Asset Management Gap Analysis to inform the production of the 2015 Asset Management Strategy. | Director City Infrastructure Services | September 2014 |

COFFS HARBOUR CITY COUNCIL

WORKFORCE MANAGEMENT PLAN

2011 - 2012
to
2015 - 2016



For: Coffs Harbour City Council
Cnr Coffs & Castle Streets
Coffs Harbour

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IR Number: 3677336

Review Date: 31 January 2014 (document amended to reflect new organisational structure and reporting codes for the revised 2013 Coffs Harbour 2030 Community Strategic Plan.)

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Coffs Harbour City

Coffs Harbour City is located on the Mid North Coast of New South Wales, about 540 kilometres north of Sydney, and 440 kilometres south of Brisbane. Coffs Harbour City is predominately a rural area, with expanding residential, rural-residential and resort areas, and some industrial and commercial land use. The City encompasses a total land area of nearly 1,200 square kilometres, including substantial national park, state forest, parklands, coastline and beaches. The original inhabitants of the area are the Gumbaynggir people.

Introduction

What is the Integrated Planning Framework?

The New South Wales (NSW) State Government has introduced a new planning and reporting framework for Local Government. These reforms replace the former Management Plan and Social Plan with an integrated framework; this also includes a new requirement to prepare a long term community strategic plan and resourcing strategy.

The Resourcing Strategy consists of three components including the Long Term Financial Plan, Asset Management Plan and Workforce Plan. These strategies are required under the amended Local Government Act 1993, Section 403.

Council's Delivery Program sets out strategies to incrementally address the emerging long term service delivery expectations and needs of the community. These strategies and the annually updated actions that underpin them are derived from our community's Vision 2030 document.





The Coffs Harbour 2030 Community Strategic Plan has five key areas derived from community consultation

- **Learning & Prospering**
- **Places for Living**
- **Moving Around**
- **Looking After our Community**
- **Looking After our Environment**

The Operational Plan and Delivery Program are aligned with these five themes. Council's Workforce Management Plan will endeavour to build an organisational culture which continues to attract and retain great staff to assist in achieving the outcomes in the Delivery Program and Operational Plan.

With a high performing culture, Council will strengthen relationships with its partners. The Workforce Management Plan will be a dynamic document which will change as required.

The Workforce Management Plan is structured on the directions and key strategies set out in the Operational Plan and Delivery Program.



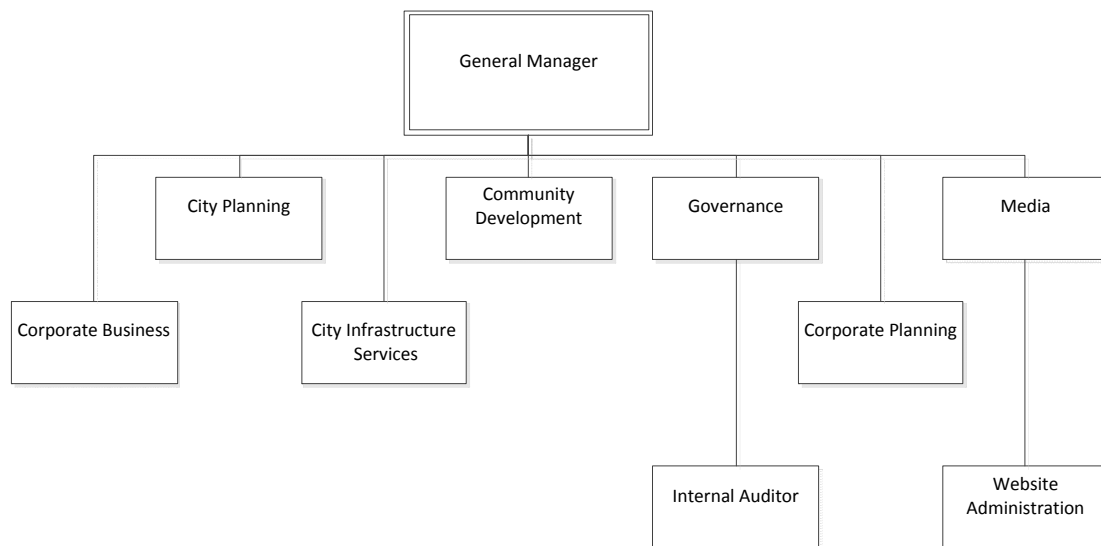
Council Service S36 - Human Resources

Develop and implement best practice workforce management strategies to assist Council to serve the community.

Coffs Harbour 2030 Plan

Strategy LC3.1: Council supports the delivery of high quality, sustainable outcomes for Coffs Harbour

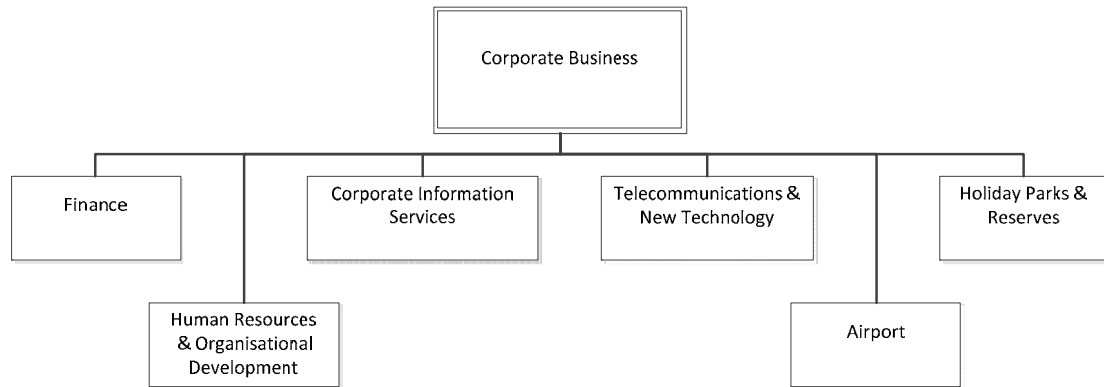
Coffs Harbour City Council Work Environment



Council delivers services to the community through four directorates and the General Manager's Unit.

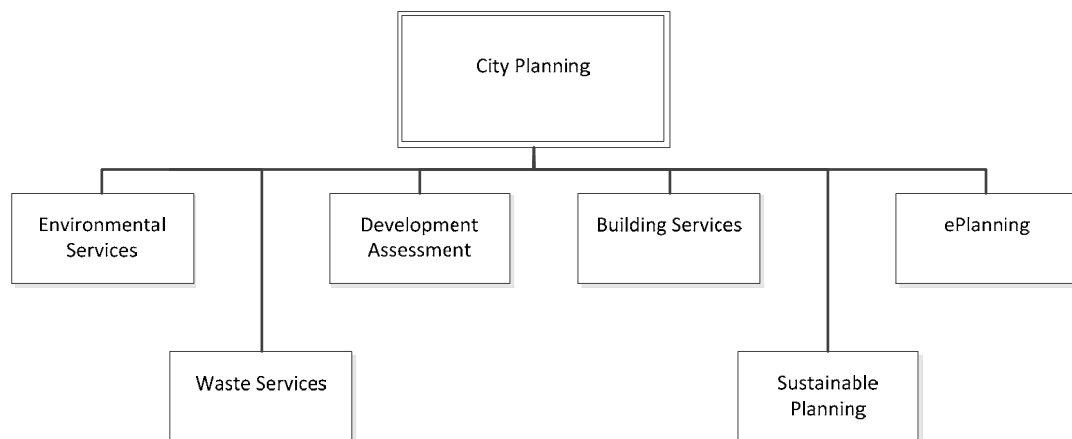
The General Manager's Unit facilitates cohesion between the four directorates, it oversees the Media and Web Administration functions, Corporate Planning and Governance Services; it also provides support for the Mayoral function.

Corporate Business



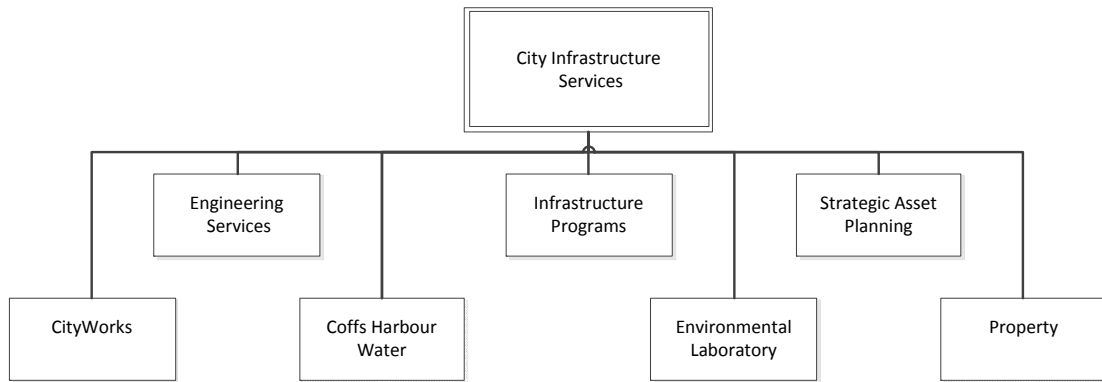
Corporate Business is responsible for Finance, Information Technology, Human Resources & Organisational Development, Coffs Harbour Airport and Holiday Parks & Reserves.

City Planning



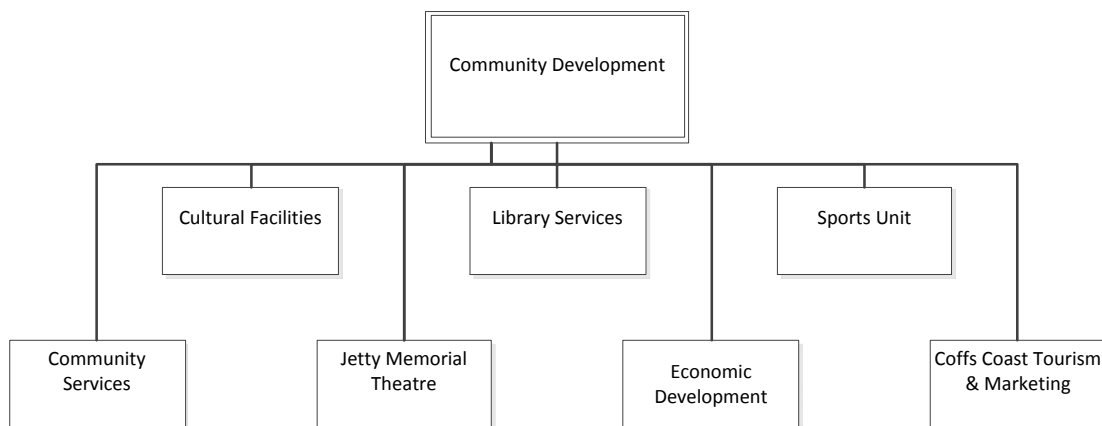
City Planning is responsible for Land Use Management, including building and development functions and Rangers. Strategic Planning within the Land Use Planning Section and Land Use Assessment provides services in relation to development applications. The Sustainability and Strategy section is responsible for ongoing programs in relation to new clean technology and environmental management, and finally the Public Health section is responsible for the full array of waste collection and inspections of business premises.

City Infrastructure Services



City Infrastructure Services directorate provides services in relation to construction and maintenance of roads, footpaths stormwater and various physical assets. This directorate is also responsible for Coffs Harbour Water, providing water and sewerage services. In addition, City Infrastructure Services also has responsibility for Cultural and Community Services and Economic Development.

Community Development



Community Development is responsible for community services such as aged, youth and multicultural services, the Jetty Memorial Theatre, Library Services, Cultural Facilities, Economic Development, Sports Unit and Coffs Coast Tourism and Marketing.

These directorates work within the following standards:

- Council will work to ensure that interaction with the community we serve is conducted with impartiality and fairness, honesty and trust, courtesy and respect.
- We will adapt to community needs, be innovative in the provision of services and business like in the stewardship of the community's resources.
- We will deliver friendly effective, efficient and timely service.

Coffs Harbour City Council Corporate Goals

- Corporate Sustainability
- Respect for the individual, whether customer or employee
- The pursuit of excellence
- Outstanding customer service



Coffs Harbour City Council Staff Core Values

Team Work

- working cooperatively
- having a one Council approach
- avoiding duplication of effort
- looking out for the well being of each other

Effective Communication

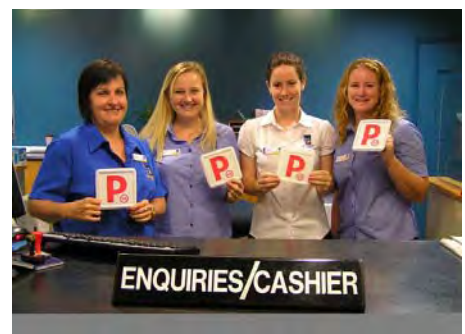
- having open and honest two way communication
- recognising the diversity of people
- communicating in a sensitive manner and respecting confidentiality

Professionalism

- appropriate application of knowledge
- pride in work
- focussed on positive sustainable outcomes
- high quality of service to each other and the community
- commitment to improving skills
- demonstrated leadership

Innovation

- encouraging new ideas and better ways
- using experiences positively
- flexibility
- a can do approach



Integrity

- honesty
- being ethical
- respect for people
- giving our best
- being loyal

Achievement

- positive self motivation
- encouragement to succeed
- recognition of work well done
- celebrating success

Workforce and the Future

Strategic Human Resource Management recognises the economic, social and political factors that create the external context in which Council operates. Factors with significant implications for effective human resources management and organisational development relate to the changing composition of the Australian workforce in terms of age, gender, ethnic distribution and the push to have people with disabilities, to gain meaningful employment. Skills Australia, has stated in their Australian Workforce Futures paper, that Australia faces a significant participation challenge and needs to increase participation rates to avoid future labour and skills shortages. Targeting specific groups in the community who have relatively low participation rates is critical; these include men of prime working age (25 to 64) Women (25 to 34) and older workers (55 to 64).

Council strives to have its workforce, to the greatest possible extent, reflect the demographics of the Coffs Harbour community. There are also significant challenges in maintaining high level productivity in an ageing workforce and ensuring Council is successful in recruiting and retaining high quality staff across all working age groups.

The ageing workforce trend is currently reflected in Councils staff demographics. Council employs 569 staff of which 24.78 % are 55 and over, this is in part due to Coffs Harbour's location and Coffs Harbour's status as one of the largest employers in Coffs Harbour, many people at Coffs Harbour City Council have sought a sea change and have relocated from urban metropolitan areas and are here to stay.

Keeping talented mature aged workers is a challenge, but one that is made easier by Councils low staff turnover, which was 5.12% in 2010/2011. In Australia, the trend is for people to work longer, government policy in relation to the age pension entitlement age, and life style expectation of baby boomers, plays a role in this.



Councils Financial Position

In relation to Councils financial situation, details can be found in the Delivery Program and the Operational Plan and Long Term Financial Plan. A Service Review Program is scheduled for the second half of 2011, to review all Councils services.

Strategic Directions for Human Resources & Organisational Development

Recruit, develop and retaining high quality staff

Recruitment, development and retention of high quality staff in a competitive labour market are of vital importance to the Council. As demographic change increases turnover, competition for the best will accelerate. Progressive human resources management requires effective recruitment and retention strategies, more flexible remuneration packages, and career development within a healthy and safe work environment, strategies to maintain organisational knowledge in a time of change are also essential.



Flexible employment

Rapidly changing demands on Council requires flexible work arrangements, while at the same time protecting the interests of staff, the extent to which employee's access flexible employment options will, in some measure, depend on the understanding and support they receive from management and co-workers.

Performance Management

One of the most important reasons for managing performance is to encourage desired behaviours in the workplace. Good performance management often results in staff having a sense of value, purpose and motivation to excel in their work. Council's focus on performance management will also work towards developing our staff to be good managers and leaders who can drive strong performance and a positive culture. In 2011 Council has introduced 360 degree assessments of Directors, Executive Managers and Managers as the starting point of a new program of performance management. Progressively, the performance management program for all staff will be reviewed and implemented. Achieving best practice standards requires that all staff perform at a high level, using performance and risk assessment frameworks. Effective performance management will incorporate benchmarking of expectations and encourage performance based rewards. Into the future, risk management will incorporate business continuity and succession planning.

Continual Learning

A rapidly changing knowledge base in the work of Councils, developing technologies, the need for a sustainable financial environment, and a greater level of communication with the community, requires a commitment to lifelong learning by each member of staff, as well as access to staff development opportunities. The need to develop transformational leadership in our supervisors, managers and directors offers a challenge that must be fulfilled.

Equity and Diversity

Diversity among the staff that reflects the broader Coffs Harbour Community, has the benefit of building a broad base of community support, as well as meeting important social, moral and human rights and commitments to equity and diversity. A diverse staff will improve the decision making in Council and greater age diversity will also assist in addressing the need to maintain staff levels.

Supportive Culture

To maintain Council as an employer who can attract and retain quality staff, requires a supportive, inclusive and high performance culture marked by cooperation and respect and where the work environment promotes work / life balance for staff, the important element here is promoting emotional intelligence amongst all staff.

Ongoing Efficient Workplace

Councils are service based industries and as such do not have the same operating environment and opportunities for economies of scale other industries such as manufacturing have. But Councils can, through ongoing continuous improvement programs and through resource sharing and enterprise bargaining, achieve significant results in relation to efficiencies and effectiveness.

Organisational Development

Continuous improvement requires us to put in place relevant measures in key areas to support development and change. In addition, the changing needs of the community and financial pressures demand that we continually review and seek efficiencies in our work practices. In 2011, Council conducted a Service Review, this had not had significant impacts on service levels or on which services Council provides today.



It is envisaged that a program of continuous improvement will be carried on to monitor and evaluate our practices. As part of the wider organisational development agenda, Council has conducted an employee survey in the second half of 2012 with another planned for 2014.

As part of the ongoing monitoring, a reporting profile will be implemented, that will regularly report on demographics, turnover, gender balance, sick leave, employment status, age profile, staff survey results, non confidential results of 360 degree processes, and results of service reviews and continuous improvement programs.

Safe and Healthy Workplaces

Council continually reviews its safe work practices, and works toward reducing the cost of workers compensation, both in relation to premiums and lost time. Concentration on areas where trends occur, has resulted in significant improvements, an intensive approach to return to work and rehabilitation has improved the overall outcomes in relation to workers compensation.

Council also continues to use its Health and Well Being program to endeavour to improve the health of its staff and to assist with developing healthy lifestyle choices. Council also provides access to the Employee Assistance Program, which allows access to a confidential service in relation to professional counselling.

Workforce Demographic Data

In preparing the Workforce Plan, Council reviewed the demographic data of Councils workforce and the Coffs Harbour Local Government Area.

| | Council ^ | CHLGA * |
|------------|-----------|-------------------------------|
| Males | 386 | 32,243 (total all age groups) |
| Females | 183 | 33,959 (total all age groups) |
| Disability | 7 | 1,719 (total all age groups) |
| Aboriginal | 6 | 2,310 (total all age groups) |
| CALD | 4 | 3,135 (total all age groups) |

*(ABS Census 2006) ^(Includes all staff on payroll)

Australian Workforce Demographics

ABS data * – states that almost one third of the local government industry workforce is aged over 50 year. In the Australian workforce, generally two out of every five workers is 45 years or older, the median age in 2006 was 40 years with 41.6% of workers in local government aged 45 years or older. In the last 20 years the number females in the labour force has increased by 54.2%. The number of females in government administration and defence was 43.4% by 2001. By 2006 the number of females employed in local government administration was 43.7%

Over the past 20 years the number of part time workers has almost doubled. Part time workers constitute 28.6% of the total population; Females make up 71.2% of part time workers.

(*ABS 2006 census of Population & Housing) (ABS 2001 Census P&H) (ABS Labour Force Australia Jan 2009)

In relation to the demographic data of the LGA, this needs to be put in the context of Council's location on the Mid North Coast and Council's status as a "Sea Change" and retirement destination. Much of Council's "outdoor" work is still physically demanding and this leads to it being more attractive to males rather than females. The ratio of 30% females to 70% males has been reasonably consistent for the past several years, varying only by 1 or 2%. Gender varies across directorates as the "hard infrastructure" services, which attract more males, are largely in one directorate.

Age Profile



Based on the latest figures of a total of 569 staff, 24.78 % are 55 and over, and 57% of staff are 45 years of age or older. This is not surprising given that recruitment of professional, technical and other staff, attracts candidates wishing to move from major metropolitan centres, once they move here, they stay here. With government policy encouraging the population to work longer, the old "artificial" retirement age of 65 can no longer be used as a benchmark.

Turnover

Council's turnover is a very low 5.12% for 2010/2011. This reflects our geographic location and our attracting people to the area, who wish to relocate and stay here.

Salary and Rewards

Council is embarking on many organisational development initiatives, in relation to staff management and a salary and rewards review will be scheduled into a program of related reviews.

Current and Ongoing Initiatives for Workforce Sustainability

Council currently has a range of initiatives in place to address workforce demand and supply issues. The strategies have three broad aims, concentrating on attracting suitable professional, administrative, technical and operational staff, retaining staff and exploring areas for potential employees which have not been sufficiently utilised in the past, e.g. people with disabilities and Aboriginal and Torres Strait Islanders.



These initiatives include but are not limited to

- Employment of trainees
- Use of existing workers trainee funding to up skill existing staff
- Accessing federal funding for over 50 age groups to obtain qualifications
- Encouraging staff to consider career changes into known areas of skills shortages
- The development of staff in para professional roles
- Increasing the level of participation in the workplace by Aboriginal people
- Flexible work practices to encourage the continued participation of women with young children, and staff with elder carer responsibilities
- Flexible employment practices for staff transitioning to retirement.
- Use of project management methodology and internal teams to deliver projects
- Continuing professional development opportunities for staff.
- Increasing the opportunities for employment of people with disabilities, including as far as practicable making flexible changes for exciting staff who acquire disabilities so as to keep them in the workplace.
- A health and well being program to encourage improved health and fitness of staff, so they can work longer in good health and to assist with reducing sick leave taken, through lifestyle issues.

Project Management Methodology

Council uses project management methodologies which utilises project teams across multi disciplinary lines to focus on the achievement of the outcomes, without resorting to external consultants. This method develops existing staff and keeps knowledge within Council while giving greater job satisfaction and variety, which is a key factor in retaining talented staff.

Support for Staff in training & development and continuing professional development activities

This is a factor in both attracting and retaining good staff. Generous support for staff development opportunities are given to staff wishing to enhance their professional qualifications or personal development. Support is also given, by allowing secondments to other organisations to gain different but valuable experience. Council reimburses fees paid to professional bodies, thus encouraging staff to maintain their up to date knowledge within their field of expertise and stay connected to colleagues in the industry. Council has been very successful in gaining access to federal and state funding for training and development, and will continue to avail itself of funding sources that come up in the future, to maximise the gain for staff while offsetting costs to the community.



Employment of people with recognised disabilities

Council is encouraging the employment of people with recognised disabilities; this has been achieved by employing new staff with recognised disabilities, where these can be accommodated, within the requirements of the position. In addition, making accommodations within the workplace for existing staff, wherever practicable, who find themselves with a disability, through accident or illness; this may include flexible work hours or days, or reasonable workplace adjustments.

Support through Health & Well Being Program

Council continues to support activities through the health and well being program, this support is designed to increase the overall fitness and health of staff, making them more resilient to workplace injuries and more resilient to seasonal ailments. In addition, healthy lifestyle choices can assist with mental health issues, and stress related illnesses. This support is again an important factor in attracting and retaining good staff. The program includes support for events such as Ride 2 Work day, Australia's Biggest Morning Tea, Diabetes awareness and other related activities.



Employment of Trainees

Council has supported the employment of trainees, and assisting existing workers to complete traineeships. The support for traineeships both satisfies Council needs to have trainees and up skill staff, but is also a contribution to the well being of the community as whole, providing opportunities for local people. Council is growing



their own skilled trade's people, technical and professional people. Council currently has 68 trainees, some existing workers, some new staff, some through group training companies and three school based trainees. They are in areas including civil construction, civil engineering, business administration, front line management, library and information services, water industry operations, management, civil construction plant, environmental

health, financial services, horticulture, information technology, outdoor recreation, human resources, and conservation and land management.

Apprentices

Council currently has seven apprentices in design, carpentry construction electrical and fitting.

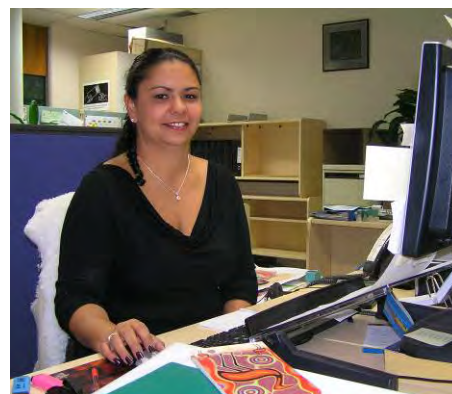


Engineering Scholarships

Council currently has four engineering students completing their degrees over a six year period with Newcastle University. A condition of their scholarship with Council is that they do industrial experience placements with Council in five out of the six years of their study. On completion of their studies, if a position is available, they may be offered a graduate engineer position. In this way Council is growing our own engineers, a profession which has been identified as being in short supply. It is also a profession which has been subject to the impact of the mining boom, with many graduate engineers being attracted to that sector.

Aboriginal Employment

Employment of staff of Aboriginal and Torres Strait Islander descent, has been reasonably successful over the past few years, but some staff that identified, have left Council's employ due to ill health and family reasons. Council continues to support those Aboriginal staff in the workplace. Trainees are encouraged to apply for permanent positions as they arise, and support in relation to recruitment processes, such as interview skills training is provided. Council currently has aboriginal trainees in the areas of outdoor recreation (lifeguards), conservation and land management, and business studies. Council currently has one aboriginal staff member completing an apprenticeship in bridge carpentry.



Flexible employment

Over the past several years Council has accommodated some 100 or so, requests for flexible employment in relation to female staff returning from maternity leave, male staff members for parenting related issues, as well as increasing transition to retirement requests. Flexible employment is one of the most important factors in dealing with any potential skills shortages, as reduced hours and days, is an incentive to keep working for both younger staff with carers responsibilities, older staff with carers responsibilities and also transitioning employees. Flexible employment options work well in relation to succession planning. Keeping the knowledge in the organisation so that older staff can pass on their knowledge to younger staff, is vitally important. In conducting the analysis of critical positions, most often the "skills gaps" identified, were experience and corporate knowledge, rather than basic technical skills.

Succession Planning

Succession planning is a strategic, systematic and deliberate activity to assist an organisations future capability to fill vacancies, consistent with the merit principle. It specifically focuses on assisting to provide availability and sustainability of a supply of capable staff that are ready to assume key or critical roles, as they may become available. Succession planning involves a planned and systematic effort geared towards responding to leadership requirements and technical specialist positions, now and in the future.

In 2011, all Directors and Managers we asked to identify the critical positions in their areas of responsibility; this data has been valuable in adding demand data to the equation of skills required and possible shortages.

One issue for us in Local Government in relation to succession planning, is the need to adhere to the requirements of the Local Government Act in relation to selection and promotion on merit. Local Government does not have the flexibility to just choose which staff member will be the next for promotion. Therefore, any succession plans must be seen as broad plans of which positions are critical and a set of strategies to try to equip prospective applicants with skills, knowledge and experience to be successful at an interview, whilst still being compliant with the legislation.

Critical Position Analysis and follow up plans

Subsequent to the critical position analysis, Managers identified training and development needs and have been requested to translate these into detailed personal and professional development plans for staff identified, the development of these plans plays a crucial role in succession planning. The process identified some technical skills training that were required, but overall experience and corporate knowledge outweighed any major technical skills issues identified. Any structural changes may have an impact on the number of critical positions, and any plans must therefore be fluid to accommodate changes emanating from structural change, and other unexpected staff changes.

Succession planning forms part of Workforce Planning, which seeks to ensure in general, that the right people, are in the right place, at the right time, to achieve the business outcomes in the delivery program linked to the elements that Council is responsible for in Community Strategic Plan,.

Emerging Leaders Program

In 2011, Council also embarked on developing an Emerging Leaders Program, which will form part of the succession planning processes at Council. Development activities and opportunities for staff nominating, will be coordinated to allow professional and personal development, as well as targeting Council needs. But it is recognised that the merit principle applies to all staff appointments and promotions, so any programs that are put in place to satisfy succession planning requirements, can only, at best, ‘groom’ potential applicants, and staff are still free to leave Councils employ, so any plans for particular staff must be viewed in this light.



Staff Numbers, Structure, Links to Delivery Program and Operational Plan

Directorates

Staff Numbers 2011*

| | |
|------------------------------|-----|
| General Manager & Staff | 10 |
| Corporate Business | 117 |
| City Planning | 125 |
| City Infrastructure Services | 249 |
| Community Development | 68 |

* Includes all staff on payroll including long term leave, maternity leave etc.

Staff Links to Delivery Program and Operational Plan

| Service Code | Service Name | Responsible Officer | Directorate | Strategy from reviewed Coffs Harbour 2030 Plan (2013) | Critical positions identified. Many can be filled now, but skills, experience gaps, identified. Plans by managers developed |
|--------------|-----------------------------------|--------------------------------------|------------------------------|---|---|
| S01 | Arts and Culture | Director Community Development | Community Development | LC1.1, LC1.6, LC4.1, LC4.2, LC4.3, LC4.4, LP5.1, LP5.2 | X |
| S02 | City Image - Cleaning | Manager - Asset Maintenance | City Infrastructure Services | LC1.1, LE4.2, PL2.2 | X |
| S03 | Community Services | Director Community Development | Community Development | LC1.1, LC1.3, LC1.4, LC1.5, LC1.6, LC3.2, LC4.2, LC4.3, LC4.4, LP5.2, PL2.2 | X |
| S04 | Regulatory Compliance Enforcement | | City Planning | LC1.3 | X |
| S05 | Customer Service | Coordinator - Plant Administration | Corporate Business | LC3.1 | X |
| S06 | Development Assessment | Manager Development Assessment | City Planning | LC3.1, LC3.1, PL1.2 | X |
| S07 | Economic Development | Director Community Development | Community Development | LC1.1, LC2.2, LC3.2, LP3.2, LP1.1, LP1.2, LP1.3, LP2.1, LP2.2, LP2.3, LP6.1, LP6.2, LP2.3, MA3.1, MA3.2, LP6.3, MA3.1, MA3.2, MA3.3, PL1.4, PL1.6 | X |
| S08 | Emergency Management | Executive Manager - Coffs City Works | City Infrastructure Services | LC1.2 | X |
| S09 | Environmental Management | Manager Environmental Services | City Planning | LC3.2, LE1.2, LE1.3, LE2.1, LE2.2, LE3.1, LE3.2, LE3.3, LE3.4, LE4.2, LE4.3, LE4.4, LE4.5, LE4.6, LP4.1 | X |
| S10 | Event Management | Manager - Sports Unit | Community Development | LC1.1, LC3.2, LC4.4, LP1.3 | X |
| S11 | Flooding and Coastal Management | Flooding & Drainage Engineer | City Infrastructure Services | LC3.2, LE2.1, LE3.2, LE4.1, PL1.2 | X |

| Service Code | Service Name | Responsible Officer | Directorate | Strategy from reviewed Coffs Harbour 2030 Plan (2013) | Critical positions identified. Many can be filled now, but skills, experience gaps, identified. Plans by managers developed |
|--------------|--------------------------|---|------------------------------|--|---|
| S12 | Footpaths and Cycleways | Manager Asset Maintenance | City Infrastructure Services | LE3.5, MA1.2, MA1.4, MA2.1 | X |
| S13 | Environmental Services | Manager Environmental Services | City Planning | LC1.3, LE4.2, LE4.4 | X |
| S14 | Building Services | Manager - Building Services | City Planning | LC3.2, LE2.1, LE3.1, LP3.1, MA1.4, PL1.1, PL1.3, PL1.5, PL1.6, PL2.2 | X |
| S15 | Library | Manager - Library Services | Community Development | LC4.2, LP5.1 | X |
| S16 | Lifeguards | Coordinator - Professional Lifeguards | City Planning | LC1.3 | X |
| S17 | Parks and Facilities | Manager - Recreational Services | City Infrastructure Services | LC1.1, LC1.2, LC1.4, LC1.5, LC1.6, LC3.1, LE1.2, LE1.3, LE3.4, LP5.2, PL2.2, PL2.3 | X |
| S18 | Property | Manager - Property | City Infrastructure Services | LC3.2, MA3.3, PL1.2, PL2.2 | X |
| S19 | Roads and Bridges | Manager - Asset Maintenance | City Infrastructure Services | LC1.2, MA1.2, MA2.1 | X |
| S20 | Sewer | Executive Manager - Coffs City Works | City Infrastructure Services | LC1.2, LC2.1, LC3.2, LE4.1, LE4.2, PL1.2 | X |
| S21 | Sport | Manager - Sports Unit | Community Development | LC1.6, LC3.2, LC4.4 | X |
| S22 | Stormwater | Manager - Strategic Infrastructure | City Infrastructure Services | LE3.2, LE4.1, LE4.2, PL1.2 | X |
| S23 | Tourism | Manager - Coffs Coast Tourism & Marketing | Community Development | LE1.1, LP1.1, LP1.2, LP1.3, LP2.1 | X |
| S24 | Waste Management | Manager - Waste | City Planning | LC3.2, LE4.2, LE4.4 | X |
| S25 | Water | Executive Manager - Coffs City Works | City Infrastructure Services | LC1.2, LC2.1, LC3.2, LE1.2, LE2.1, LE4.1, LE4.3, LE4.6, LP6.1, PL1.2 | X |
| S26 | Airport | Manager - Airport | Corporate Business | LC3.1, MA1.2 | X |
| S27 | Civil Contracting | Executive Manager - Coffs City Works | City Infrastructure Services | LC3.1 | X |
| S28 | Corporate Information | Chief Information Officer | Corporate Business | LC1.2, LC3.1 | X |
| S29 | Corporate Planning | Corporate Planner | General Manager | LC3.1, LC3.2 | X |
| S30 | Design | Executive Manager - Engineering Services | City Infrastructure Services | LC3.1, LE2.1, LP3.2, MA1.1, MA1.2, MA1.3, MA1.4, MA2.2, MA2.3, PL1.2, PL1.6, PL2.1, PL2.2, PL2.3 | X |
| S31 | Digital e-Leadership | Chief Information Officer | Corporate Business | LC1.4, LC3.1 | X |
| S32 | Environmental Laboratory | Manager - Environmental Laboratory | City Infrastructure Services | LC3.1, LE4.1 | X |
| S33 | Finance | Executive Manager - Finance | Corporate Business | LC3.1, LC3.2, LC3.4, LE3.5 | X |
| S34 | Governance | Manager - Governance Services | General Manager | LC3.1, LC3.2 | X |

| Service Code | Service Name | Responsible Officer | Directorate | Strategy from reviewed Coffs Harbour 2030 Plan (2013) | Critical positions identified. Many can be filled now, but skills, experience gaps, identified. Plans by managers developed |
|--------------|----------------------------|--|--------------------|---|---|
| S35 | Holiday Parks | Manager - Holiday Parks & Reserves | Corporate Business | LC3.1, LC3.2, LE3.4, PL1.2, PL2.2 | X |
| S36 | Human Resources | Executive Manager - Human Resources & Organisational Development | Corporate Business | LC3.1 | X |
| S37 | Media | Media Officer | General Manager | LC3.1, LC3.2 | X |
| S38 | Plant and Fleet Management | Corporate Plant Administrator | Corporate Business | LC3.1 | X |
| S39 | Procurement | Purchasing & Supply Manager | Corporate Business | LC3.1 | X |
| S40 | Strategic Asset Planning | Manager Strategic Asset Planning | C | LC3.1, MA1.1, MA2.1, PL1.2 | X |
| S41 | Telemetry and Optic Fibre | Telecommunications & New Technology Manager | Corporate Business | LC3.1 | X |

The above table has all the links to the Delivery Program and Operational Plan, which are derived from Council's direct responsibilities in addressing the Coffs Harbour 2030 Community Strategic Plan. It should be noted that there are objectives and strategies in the 2030 Plan, for which Council has a facilitative or advocacy role, rather than a direct role as a provider.

Conclusion

Taking into account the current delivery program and operational plan commitments, the current level and make up of Coffs Harbour City Councils staff, as shown in the staff numbers, organisational charts and links to programs above, is adequate to provide the necessary human resources to fulfil the demands. As mentioned earlier, in 2011, Council is conducting a Service Review, if this has major impacts on service delivery or levels of service which in turn impact staff numbers, then this will be taken into consideration in again reviewing the Workforce Management Plan to reflect those changes.

The Workforce Management Plan is a dynamic document, one that will need to be modified as changes described above, or any other potential changes occur. The succession planning aspects of this document, must also be reviewed on a regular basis, as staff leave, some planned and some unexpectedly, often due to external factors which Council has no control over. As direct changes are made to the delivery program and operational plan, the staff links will be modified as necessary.

Summary of Ongoing Human Resources & Organisational Development Initiatives to support Workforce Plan, Succession Planning & General HR Initiatives

| Strategies | Action | Timeframe | Responsible Person/s | |
|---|---|--|----------------------------------|--|
| Ensure Councils workforce is sustainable to achieve outcomes in the delivery program | | | | |
| | Develop and monitor succession planning initiatives | Development by end March monitoring is ongoing | Directors, Managers and EMRH&OD | Report to CDT quarterly |
| | Critical position analysis is undertaken | Completed July 2011 | EMHR&OD, Directors and Managers | |
| | Development Plans associated with critical positions are developed and implemented | In process of completion | Directors and Managers | |
| | Conduct a survey of retirement options and alternative strategies | To be completed in the first quarter of 2012 | EMHR&OD and HR Staff | |
| | Continue to support flexible working arrangements wherever possible to maximise all staff participation in the CHCC workforce | Ongoing | EMHR&OD and CDT | Record all arrangements, monitor and report to CDT |
| | Continue to support transition to retirement arrangements to maximise all staff participation in CHCC workforce. | Ongoing | EMHR&OD and CDT | Record all arrangements, monitor and report to CDT |
| | Develop Emerging Leaders program | By end of January 2012 | EMHR&OD and project team members | |
| | Seek nominations for Emerging Leaders program | By end of January 2012 | EMHR&OD | |
| | Facilitate conduct of initial Emerging Leaders program | Throughout 2012 | EMHR&OD and project team members | |
| | Facilitate ongoing Emerging Leaders program | Ongoing | EMHR&OD | |

| Strategies | Action | Timeframe | Responsible Person/s | |
|--|--|-------------------------|--|--|
| Attract and retain quality employees | Continue review of Position Descriptions | Ongoing 2 year cycle. | EMHR&OD, HR staff and Managers | |
| | Continue Online recruitment, monitor and review system and suggest changes | Ongoing | EMHR&OD and HR Staff | |
| | Coordinate the review of the Staff Core Values | By end of March 2012 | EMHR&OD and review team | |
| | Review, reward and recognition programs | | EMHR&OD | |
| | Ensure staff are aware of access to Employee Assistance Program | Ongoing | Managers and HR Staff | |
| | Monitor effectiveness of the EAP providers | Ongoing | EMHR&OD and HR Staff | |
| | Monitor new induction program and amend as required | Ongoing | EMHR&OD and HR staff | |
| Attract and retain a staff from diverse backgrounds | Review Equal Employment Opportunities related policies | By end June 2012 | EMHR&OD and HR Staff | |
| | EEO strategies are used to maximize the diversity of Councils workforce. | Ongoing | EMHR&OD and Managers | |
| | Review EEO (2010) Management Plan | By end of June 2012 | EMHR&OD and HR staff | |
| | Continue work of the Women's Development team | Ongoing | WDT members, CDT. | |
| | Survey focus groups to gather information on gender issues at Council | Completed November 2011 | WDT members | |
| | Produce action plans based on gender survey data. | | WDT members | |
| | Work towards achieving 50 / 50 Bronze accreditation | Ongoing until achieved | WDT members, Managers, CDT | |
| | Continue programs for youth employment, through work experience, apprenticeships and traineeships. | Ongoing | EMHR&OD, HR staff , Directors and Managers | |
| | Continue program of engineering cadetships | Ongoing | EMHR&OD, HR staff Director of City Infrastructure | |

| | | | Services | |
|---|---|---|---|--|
| Strategies | Action | Timeframe | Responsible Person/s | |
| Attract and retain a staff from diverse backgrounds – cont'd | Continue support to increase for ASTI employment in Council | Ongoing | EMHR&OD, EMC&CS, Aboriginal Development Officer, HR staff | |
| | Continue support for employment of people from culturally and linguistically diverse backgrounds. | Ongoing | EMHR&OD, Directors, Managers and CDT. | |
| Value and provide training and development opportunities for staff | Continue Development of Learning Management System | Report back by end June 2012 | Project Team | |
| | Skill gaps are identified and plans implemented to close the gaps | Ongoing as new staff start | | |
| | Professional, personal and skills development is available to all staff. | Ongoing | | |
| | Coordinate LGMA Management Challenge 2012 | 2012, application sent, follow up with candidates in early 2012. Then ongoing | Through 2012 EMHROD LGMA Mgt Challenge Mentor | |
| | Coordinate Supervisors Workshop 2011 and 2012 | November 2011 and early 2012 | EMHR&OD and HR staff | |
| | Coordinate Leadership Team Workshop 2012 | Early 2012 | EMHR&OD and HR Staff | |
| | Coordinate 360 degree assessment process and follow up in 2011 and 2012 | August 2011 onwards and into 2012 for follow up | EMHR&OD and CDT | |
| Provide best practice human resources framework | Monitor initiatives in HR Strategic Plan | Ongoing | EMHR&OD & HR Staff | |
| | Continue project for HR Platform conversion / transition | Ongoing | Project Team | |
| | Continue Review of Performance Management Framework | 2012 | EMHR&OD | |
| | Implement new Performance Management Framework | Throughout 2012 | EMHR&OD and HR Staff | |
| | Evaluate and report on new Performance Management Framework | 2012 | EMHR&OD | |
| | Conduct employee surveys | 2012 and ongoing | EMHR&OD and HR Staff | |

| Strategies | Action | Timeframe | Responsible Person/s |
|--|--|--------------------|---------------------------------|
| Provide best practice human resources framework - cont'd | Conduct HR Metrics Reporting | See table. Ongoing | EMHR&OD and HR Staff |
| | Conduct Health & Safety Metrics Reporting | See table. Ongoing | EMHR&OD, AMHR |
| | Continue policy review | Through 2012 | EMHR&OD and HR staff |
| High awareness and value is placed on Workplace Health & Safety | WHS Committee is convened and actively used to support initiatives | Ongoing. | EMHR&OD, AMHR and WHS Committee |
| | Training is provided where necessary | | EMHR &OD, L&D Coordinator |
| | Continue program of Health & well being | Ongoing | EMHR&OD and HR staff |

Summary of HR / OD / HS Metrics - Reports on an ongoing basis

| Item | Frequency / Responsible Officer |
|---------------------------|--|
| Employment status | Yearly / EMHROD |
| Demographics, age profile | Yearly / EMHROD |
| Gender profile | Yearly / EMHROD |
| ATSI profile | Yearly / EMHROD |
| CALD profile | Yearly / EMHROD |
| Disabilities profile | Yearly / EMHROD |
| Gross Salaries | Yearly / EMHROD |
| Overtime | Quarterly / EMHROD |
| Average Salary | Yearly / EMHROD |
| Terminations | Yearly / EMHROD |
| Turnover | Yearly / EMHROD |
| Recruitment results | Yearly / EMHROD |
| Workers Compensation | Quarterly / AMHR |
| Training | Yearly / L&D Coordinator |
| Sick leave | Quarterly / EMHROD |
| Leave liability | Quarterly / EMHROD |
| LTIFR | Quarterly / AMHR |
| Comparative WC statistics | Quarterly / AMHR |

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