



FINANCIAL MANAGEMENT STRATEGY 2022 / 2032

28 June 2022



Community Coast Country

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Executive Summary

Sorell Council's Financial Management Strategy ("FMS") is critical to Council's strategic planning process. It underpins Council's long-term financial sustainability while meeting the needs and expectations of our communities in delivering Council's strategic priorities.

Council is currently in a sound financial position with strong liquidity and cash flow, low debt levels, assets that are in good condition, and an ability to satisfactorily fund its current asset renewal requirements. Council's operating position has also improved in recent years and is sustainable with its recurrent expenses able to be fully met by its recurrent revenue streams.

The document includes Council's Financial Management Strategies and Long-Term Financial Plan ("LTFP") for the next 10-year period.

The FMS is pivotal in setting the high-level financial parameters that guide the development and refinement of Council's annual plan and budget estimates, and generates information that assists decisions about the mix, timing and affordability of future capital and operational outlays. More particularly, for new and upgraded assets and their associated operational costs. This has been the principle limitation with the LTFP to date by not generating a sustainable amount of required capital funding.

The FMS sets out to achieve the following:

- A financially sustainable operating position across all years.
- A minimum cash balance of \$4m at 30 June each year.
- A sustainable financial position with Council being able to comfortably meet its financial obligations as and when they fall due.
- Transparent rating strategy per head of population commensurate with level of Council services and asset provision and performance.

The key challenges ahead for Council in a 10-year planning horizon are meeting the asset and service needs and expectations of our rapidly growing communities and providing capacity to deal with unexpected events.

The FMS highlights the need for Council to self-fund additional new/upgrade capital projects of approximately \$5.0m and ongoing recurrent costs associated with the projects over the next five years. This can be achieved by way of decreasing expenditure or increasing revenue streams (by way of development and user fees, population growth and rate increases).

If Council continues to generate an operating surplus consistent with the LTFP when setting its annual plan and budget, the LTFP will model an improving financial position and financial sustainability into the future.

Strategic Projects

Council has adopted a range of masterplans and strategies in consultation with the community, government and private sector outlining future community aspirations which, if implemented by Council, require a capital investment of more than \$30m over the next 10 years. In addition to the capital outlays, additional recurrent costs will be incurred and will need to be planned for and carefully managed.

The modelling guides Council in how much it is likely to have at its discretion to allocate in future years and the extent and type of capital funding required for new and upgraded assets i.e. State and Federal grants, borrowings or from operating surplus.

Capital and operational outlays in the immediate years are known with greater certainty. Projects that are planned to be delivered over the next 5 years require \$14.9m in new / upgrade capital spending of which \$5.0m is self-funded and includes:

- South East Regional Jobs Hub and Community Cultural Precinct Stage 1
- Pembroke Park Function Centre
- Sorell and Southern Beaches Flood Mitigation Works
- Sorell Streetscape Upgrades Stage 4
- Recreational and Open Space upgrades – paths, tracks, playgrounds and associated community utilities

In addition to the above projects there are a range of medium to long term projects that must also be planned for. For these projects, the FMS is not about determining what and when Council will spend on individual projects with many dependent on grant funding. The FMS sets the various financial strategies that will effectively determine the amount of funds Council will have at its discretion to allocate in future years including the extent to which Council may be required to co-contribute to grant funding. These projects include:

- Community Cultural Precinct Stage 2
- Sport and Recreation masterplans for Pembroke Park including:
 - Tennis courts and clubroom complex;
 - Additional soccer pitch and spectator/club facilities;
- Sorell Streetscape Master Plan Stage 5 and Dodges Ferry Streetscape upgrades
- Stormwater and coastal outfall upgrades
- Unsealed road upgrades to sealed standard
- Community Building and carpark upgrades
- Recreational and Open Space upgrades – paths, tracks, playgrounds and associated community utilities

Operational costs for these projects in later years are not included in the modelling (assumed in the order of 5% of the project capital cost). Budgetary decision making will need to be guided by affordability of proposals having regard to Council's long-term financial sustainability (ability to afford additional operational costs) and be carefully planned and managed to ensure that rate increases are maintained at a reasonable level.

Grant funding opportunities will be actively pursued and will be an important funding source for Council to deliver on the above projects in future years.

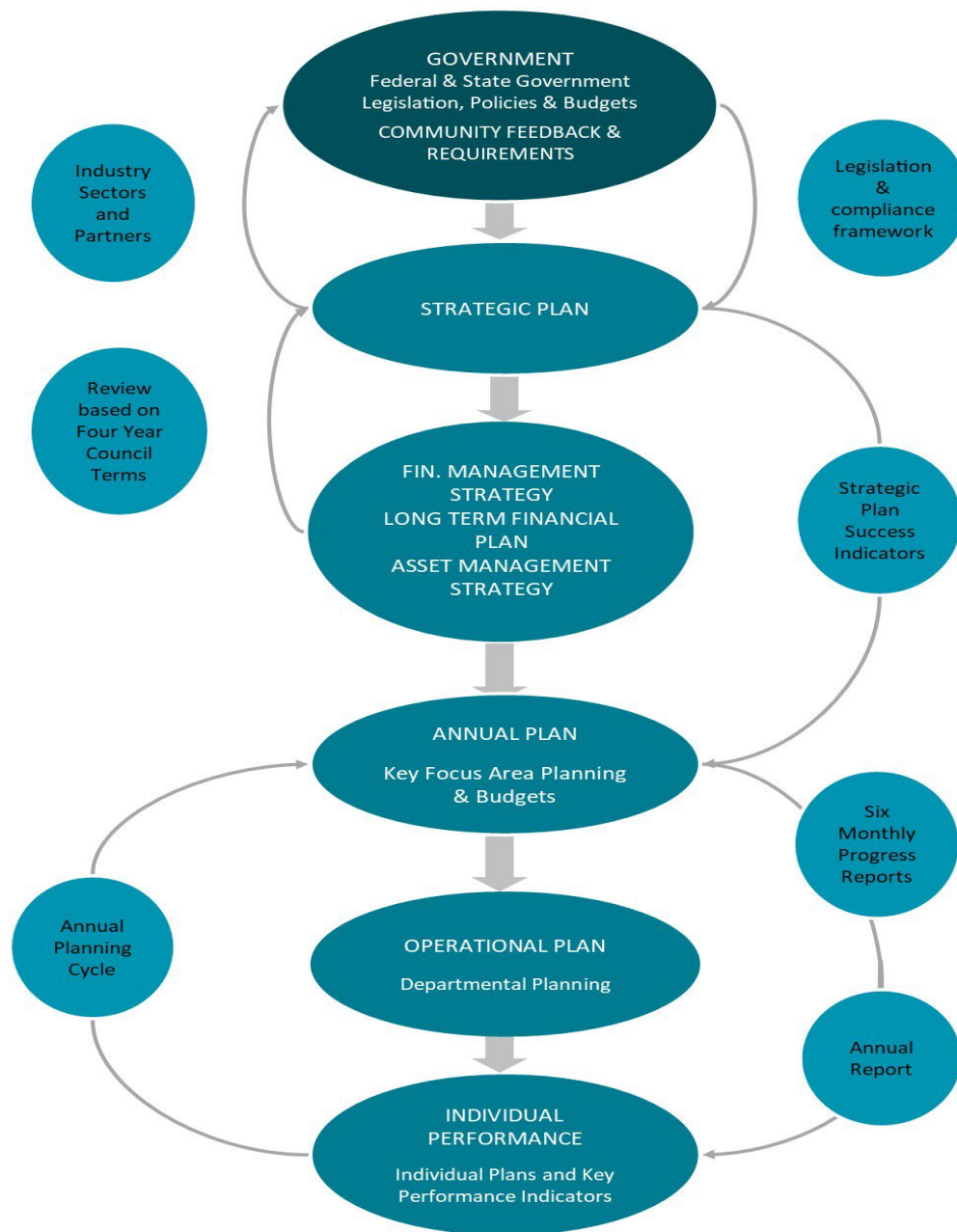
The FMS will be updated on an annual basis to account for changes to Councils operating environment and guide Council decision making.

Strategic Context

Linkages with the Strategic Plan

Council's strategic planning framework guides Council in identifying community needs and aspirations over the long term (10 year Strategic Plan), medium term (4 year Strategic Plan review) and short term (Annual Plan and Budget Estimates) and is accountable and transparent through the Audited Financial Statements and Annual Report.

The Strategic Plan embodies the aspirations of our community and is a shared vision that informs Councils actions over a 10-year period. It gives Council a strong foundation to create and deliver more detailed service and management strategies.



This FMS is aligned with the following Objectives and Outcomes set out in the Strategic Plan:

Objective 1 – To facilitate Regional Growth

Outcomes:

- 1.1 Provision of necessary infrastructure and management of assets.
- 1.2 Increased business investment.
- 1.3 Increased employment opportunities, with local jobs for local people.
- 1.4 A regional centre for quality education with improved educational capacity and training outcomes.

Objective 2 – Responsible Stewardship and a Sustainable Organisation

Outcomes:

- 2.1 Long-term financial sustainability.
- 2.6 Delivering the services our community requires.

Objective 3 – To Ensure a Liveable and Inclusive Community

Outcomes:

- 3.1 Maintaining the ‘Community, Coast and Country’ lifestyle.
- 3.2 Sustained community health and wellbeing.
- 3.3 Improved access to regional services.
- 3.4 Increased connectivity within and between townships.
- 3.6 Increased recreational opportunities and participation levels.
- 3.7 Enhanced community capacity for local arts, culture and history.
- 3.8 Sustainable access to our natural environment.

Objective 4 – Increased Community Confidence in Council

Outcomes:

- 4.1 Consistent and contemporary Council leadership.
- 4.4 A well informed community that is engaged with Council.

Legislative Requirements

The *Local Government (Miscellaneous Amendments) Act 2013* mandates Tasmanian Councils to adopt and maintain a long-term financial management plan and strategy. The following sections set out the requirements under the Act: -

70. Long-term financial management plans

- (1) *A council is to prepare a long-term financial management plan for the municipal area.*
- (2) *A long-term financial management plan is to be in respect of at least a 10-year period.*

- (3) *A long-term financial management plan for a municipal area is to –*
 - (a) *be consistent with the strategic plan for the municipal area; and*
 - (b) *refer to the long-term strategic asset management plan for the municipal area; and*
 - (c) *contain at least the matters that are specified in an order made under section 70F as required to be included in a long-term financial management plan.*

70A. *Financial management strategies*

- (1) *A council is to prepare a financial management strategy for the municipal area.*
- (2) *A financial management strategy for a municipal area is to –*
 - (a) *be consistent with the strategic plan for the municipal area; and*
 - (b) *contain at least the matters that are specified in an order made under section 70F as required to be included in a financial management strategy.*

The *Local Government (Contents of Plans and Strategies) Order 2014* under Section 70F of the Act outlines the minimum requirements of long-term financial management plans and strategies. This strategy complies with the disclosure requirements of the Order.

Financial Principles

The following principles serve to guide Council in setting its financial management strategies.

Principle 1: Managing the community's finances responsibly enables Council to invest more and enhance community wellbeing.

Council will ensure it only raises the revenue it needs and will do so in the most efficient and equitable manner possible. Council will manage community funds according to best practice standards and ensure information regarding its financial management decisions is accessible to the community. Council will ensure it only delivers those services that cannot be delivered more efficiently and effectively by other providers.

Principle 2: Council will maintain community wealth to ensure the wealth enjoyed by today's generation may also be enjoyed by tomorrow's generation.

Council will seek to achieve equity across generations by recognising that each generation must pay its way with respect to recurrent expenses being met from recurrent revenue (the full cost of the service it consumes.)

Principle 3: Council will apply user pays principles where it is appropriate to do so and there is a clearly identifiable cohort benefit from using those facilities and services.

Council will ensure that the user pays approach continues as Council's preferred revenue collection method.

Principle 4: Council's financial position will be robust enough to recover from unanticipated events and absorb the volatility inherent in revenues and expense.

Council will ensure it accumulates and maintains enough financial resource and has the borrowing capacity to deal with volatility and unexpected events. Council's operational budget will be flexible enough to ensure volatility in revenues and expenses resulting from a changing economic environment can be absorbed.

Principle 5: Resources will be allocated to those activities that generate community benefit.

Council will ensure robust and transparent processes are in place for the allocation and prioritisation of resources through budgetary decision-making, as well as choosing the most effective methods for delivering specific services and projects. Strategies will include a cost-benefit analysis in preparing and assessing proposals that require significant funding. Council recognises its service obligations to the community in its decision-making.

Key Financial Strategies & Targets

Rating Strategy

Council ensures it only raises the revenue it needs and does so in the most efficient and equitable manner possible. Council must balance its service levels with the needs and expectations of the community and set appropriate levels of tax to adequately fulfil its role and responsibilities.

The following factors influence the level of rates and charges:

- Distribution and level of Commonwealth and State funding
- Socio-economic profile of the area (capacity to pay)
- Limited commercial/industrial land with reliance on residential and rural land
- User-pays policies
- Level and range of services including the level of regional responsibility
- Current economic environment

In determining its rates each year Council considers the current economic climate and capacity to pay for services and will always minimise any increase in rates and charges by managing costs where possible throughout the annual budget deliberation process.

The aim of rates and charges decision-making is to spread the burden fairly across the community with those that have the greatest capacity to pay paying more than those with a lesser capacity to pay.

When considering how the rate burden will be distributed, Council must balance capacity to pay with the benefit principle acknowledging there are some groups of the community that have more access to and benefit from specific services.

More information regarding how Council determines Rates and Charges is contained in Council's Rates and Charges Policy.

	Financial Strategy	Target
Operating Margin	Council will seek to achieve equity across generations by ensuring that rates are set at a level that ensures each generation pays its way with respect to recurrent expenses being met from recurrent revenue (the full cost of the service it consumes.)	Operating Margin Ratio = Greater than 1.0.
Underlying Surplus	Council will seek to achieve an appropriate positive result that assists meeting the key sustainability benchmarks of the LTFP.	Underlying Surplus Ratio = > 0

Cash Management Strategy

Cash reserves require careful management to achieve optimum investment income and to ensure cash is available when required. Council will accordingly manage its finances holistically and in accordance with its FMS, policy and risk appetite.

Council's Annual Plan and Budget Estimates will be used to provide direction on the term of investments to be placed, to ensure enough funds are on hand to meet all current liabilities. An assessment of Council's cash flow requirements up until the next investment maturity will be completed before new investments are purchased.

Council will ensure its investment portfolio maximises its return on investments while maintaining an acceptable level of risk and retaining flexibility in accessing funds.

Where current borrowing costs exceed the return otherwise able to be achieved on investment of funds, surplus funds may be applied to reduce the loan portfolio or to defer and/or reduce the level of new borrowings that would otherwise be required.

More information regarding how Council's decision-making regarding investment is contained in Council's Investment Policy.

	Financial Strategy	Target
Current Ratio	Council will maintain liquidity to ensure that it can meet its financial obligations as and when they fall due. It will do so by ensuring its short-term assets held are greater than its short-term liabilities as at 30 June each year.	Current Ratio = Greater than 1.0
Net Financial Liabilities	Council will seek to maintain its capacity to meet its financial obligations (net liabilities) from operating income.	Net Financial Liabilities Ratio = 0 – (50%)
Cash Reserves	Council will ensure it accumulates and maintains enough financial resources to deal with volatility, unexpected events and new / upgrade capital projects.	Cash of at least \$4m as at 30 June each year.

Borrowing Strategy

Council manages the financing and funding of future wants and needs through forward financial planning included in its long-term FMS (updated annually).

In considering new debt Council will consider the impact of borrowing costs on the sustainability of operating positions and capacity to repay debt.

Council's operating and capital expenditure decisions are made based on:

- (a) Identified community need and benefit relative to other expenditure options;
- (b) Cost effectiveness of the proposed means of service delivery; and
- (c) Affordability of proposals having regard to Council's long-term financial sustainability.

Council will ensure it maintains sufficient borrowing capacity to ensure it can respond to significant unexpected events.

Council recognises that borrowings are an important funding source as it provides the opportunity to bring unfunded projects forward and ensures that the full cost of infrastructure is not borne entirely by present-day ratepayers.

Borrowings may be used as an effective mechanism of linking the payment for long-term assets (i.e. debt repayments) to the populations who receive benefits over the life of the asset. This matching concept is frequently referred to as 'inter-generational equity'.

Surplus funds not immediately required to cover approved expenditure may be applied to reduce the loan portfolio where possible or to defer and-or reduce the level of new borrowings that would otherwise be required.

Council shall raise all external borrowings at the most competitive rates available including when the State Government offers interest free loans.

Asset Management Strategy

A key objective of Council's Asset Management is to maintain Council's existing assets at desired condition levels. If funding is not sufficiently allocated to asset renewal, then Council's investment in those assets will reduce along with the capacity to deliver services to the community. Asset management involves the balancing of costs, opportunities and risks against the desired performance of the asset to achieve organisational objectives.

Council's Asset Management Strategy (adopted Sep 2018) outlines Council's approach to improve the way it delivers services from its infrastructure and shows how its asset portfolio will meet service delivery needs into the future. The strategy shows how Council's asset management policy and plans will be achieved and integrated into Council's long-term planning.

Council's Asset Management Policy (adopted Sep 2018) ensures that adequate provision is made for the long-term replacement of major assets by:

- Ensuring Council's services and infrastructure are provided reliably, with the appropriate quality levels of service to residents, visitors and the environment.
- Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial treatment of those assets.
- Creating an environment where all Council employees will take an integral part in overall management of Council assets (creating an asset management awareness throughout Council.)
- Meeting legislative compliance for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes aligned with demonstrated best practice utilising condition and age base driver appropriately.

	Financial Strategy	Benchmark
Asset Renewals	<p>Council will replace assets as they are wearing out and will fund its asset renewal program through cash provided from operating activities.</p> <p>Council will complete a new suite of asset management plans in 2022/23 with the predicted 'required capital expenditure' over a 10 year period based on asset condition, will be available to calculate a more representative asset renewal funding ratio.</p>	Asset Renewal Funding Ratio = At Least 90%
Asset Consumption	Council will maintain sufficient and proportional 'as new' condition capability across the depreciable asset base through maintenance practices, frequency based inspections and 5-10 year renewal program. # Refer below.	Asset Consumption Ratio = > 60%

Key Outcomes

Financial Strategy Targets

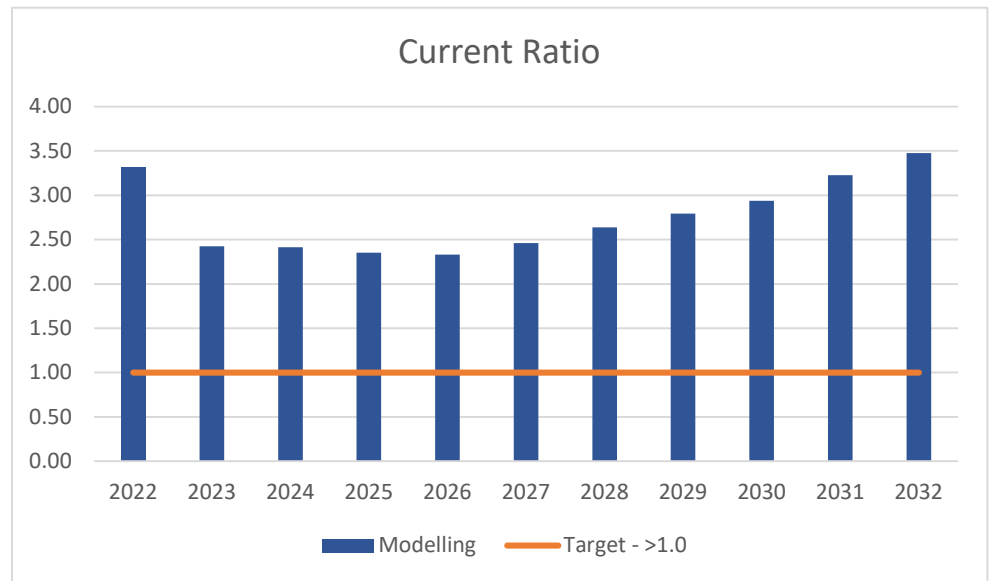
The following table provides a summary of the key targets and whether or not the financial modelling achieves each of Councils identified targets. Explanatory notes on each of the targets is provided below.

Financial Strategy	Modelling Results																																				
<div>Operating Margin</div> <div>Council will seek to achieve equity across generations by ensuring that rates are set at a level that ensures each generation pays its way with respect to recurrent expenses being met from recurrent revenue (the full cost of the service it consumes.)</div> <div>Target = Greater than 1.0</div>	<div><div>Operating Margin Ratio</div><table><thead><tr><th>Year</th><th>Modelling</th><th>Target</th></tr></thead><tbody><tr><td>2022</td><td>1.05</td><td>>1.00</td></tr><tr><td>2023</td><td>0.92</td><td>>1.00</td></tr><tr><td>2024</td><td>1.02</td><td>>1.00</td></tr><tr><td>2025</td><td>1.03</td><td>>1.00</td></tr><tr><td>2026</td><td>1.03</td><td>>1.00</td></tr><tr><td>2027</td><td>1.02</td><td>>1.00</td></tr><tr><td>2028</td><td>1.02</td><td>>1.00</td></tr><tr><td>2029</td><td>1.01</td><td>>1.00</td></tr><tr><td>2030</td><td>1.01</td><td>>1.00</td></tr><tr><td>2031</td><td>1.02</td><td>>1.00</td></tr><tr><td>2032</td><td>1.02</td><td>>1.00</td></tr></tbody></table></div>	Year	Modelling	Target	2022	1.05	>1.00	2023	0.92	>1.00	2024	1.02	>1.00	2025	1.03	>1.00	2026	1.03	>1.00	2027	1.02	>1.00	2028	1.02	>1.00	2029	1.01	>1.00	2030	1.01	>1.00	2031	1.02	>1.00	2032	1.02	>1.00
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<div>Underlying Surplus</div> <div>Council will seek to achieve an appropriate positive result that assists meeting the key sustainability benchmarks of the LTFP without unduly disadvantaging ratepayers.</div> <div>Target = > 0</div>	<div><div>Underlying Surplus Ratio</div><table><thead><tr><th>Year</th><th>Modelling</th><th>Target</th></tr></thead><tbody><tr><td>2022</td><td>0.00%</td><td>>0.00</td></tr><tr><td>2023</td><td>0.00%</td><td>>0.00</td></tr><tr><td>2024</td><td>0.02%</td><td>>0.00</td></tr><tr><td>2025</td><td>0.03%</td><td>>0.00</td></tr><tr><td>2026</td><td>0.03%</td><td>>0.00</td></tr><tr><td>2027</td><td>0.03%</td><td>>0.00</td></tr><tr><td>2028</td><td>0.02%</td><td>>0.00</td></tr><tr><td>2029</td><td>0.02%</td><td>>0.00</td></tr><tr><td>2030</td><td>0.02%</td><td>>0.00</td></tr><tr><td>2031</td><td>0.02%</td><td>>0.00</td></tr><tr><td>2032</td><td>0.03%</td><td>>0.00</td></tr></tbody></table></div>	Year	Modelling	Target	2022	0.00%	>0.00	2023	0.00%	>0.00	2024	0.02%	>0.00	2025	0.03%	>0.00	2026	0.03%	>0.00	2027	0.03%	>0.00	2028	0.02%	>0.00	2029	0.02%	>0.00	2030	0.02%	>0.00	2031	0.02%	>0.00	2032	0.03%	>0.00
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Current Ratio

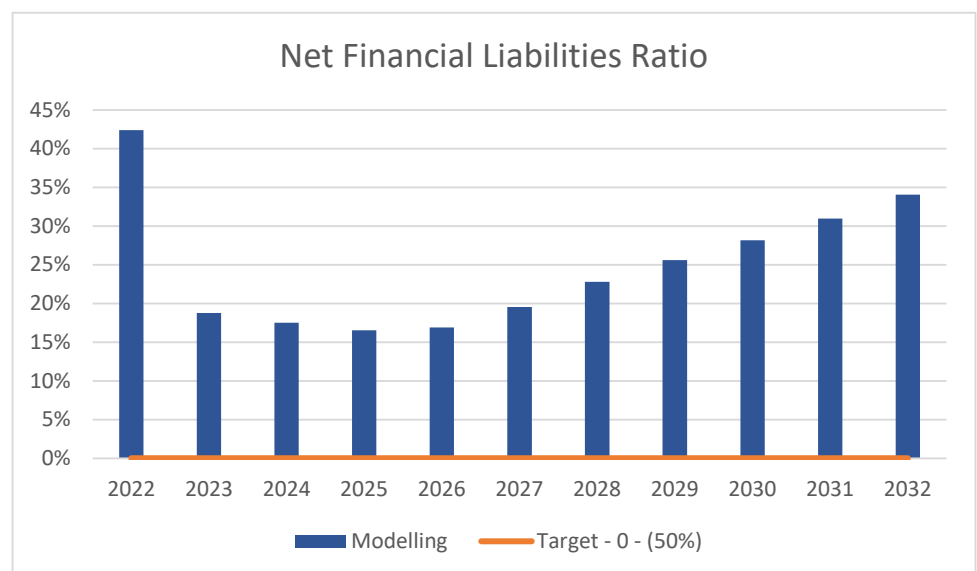
Council will maintain liquidity to ensure that it can meet its financial obligations as and when they fall due. It will do so by ensuring its short-term assets held are greater than its short-term liabilities as at 30 June each year.

Target = Greater than 1.0

**Net Financial Liabilities**

Council will seek to strengthen its capacity to meet its financial obligations (net liabilities) from operating income.

Target = 0 – (50%)

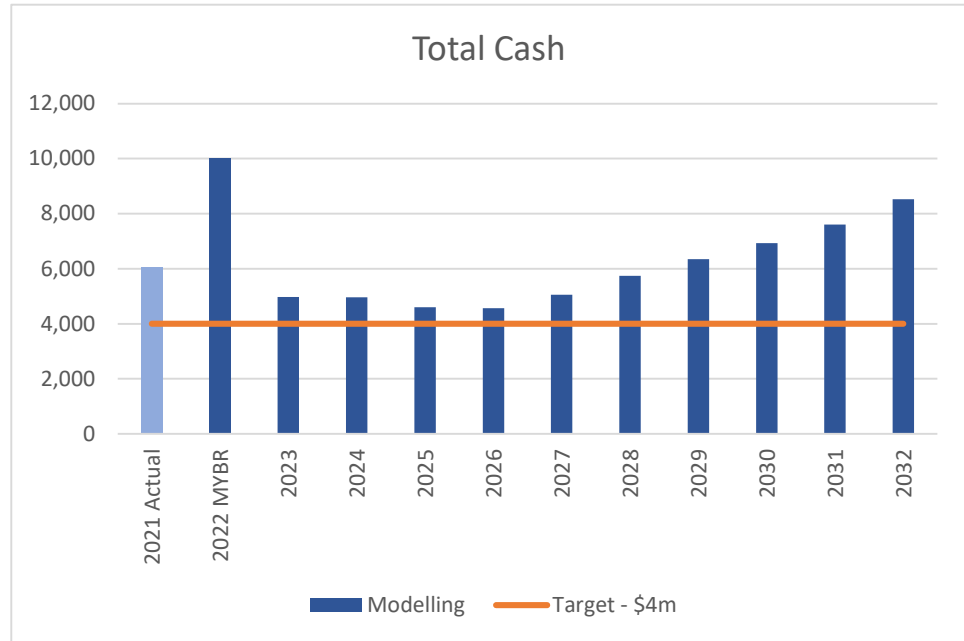


Minimum Cash

Council will ensure it retains enough cash in reserve to respond to volatility.

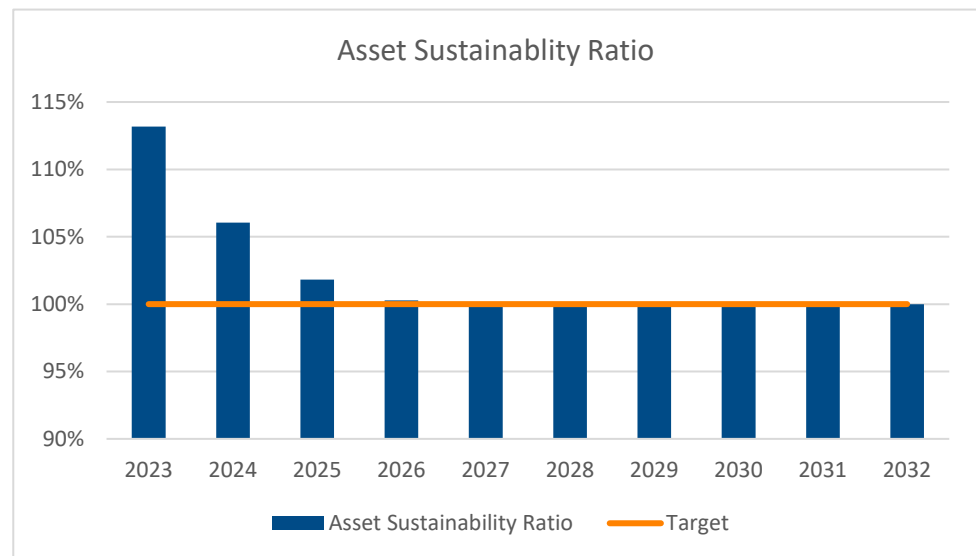
Council will ensure it accumulates and maintains enough financial resources to deal with volatility and unexpected events.

Target = Cash of at least \$4m as at 30 June each year

**Asset Sustainability Funding****Asset Sustainability**

Council will maintain a balanced asset renewal investment program across all asset classes.

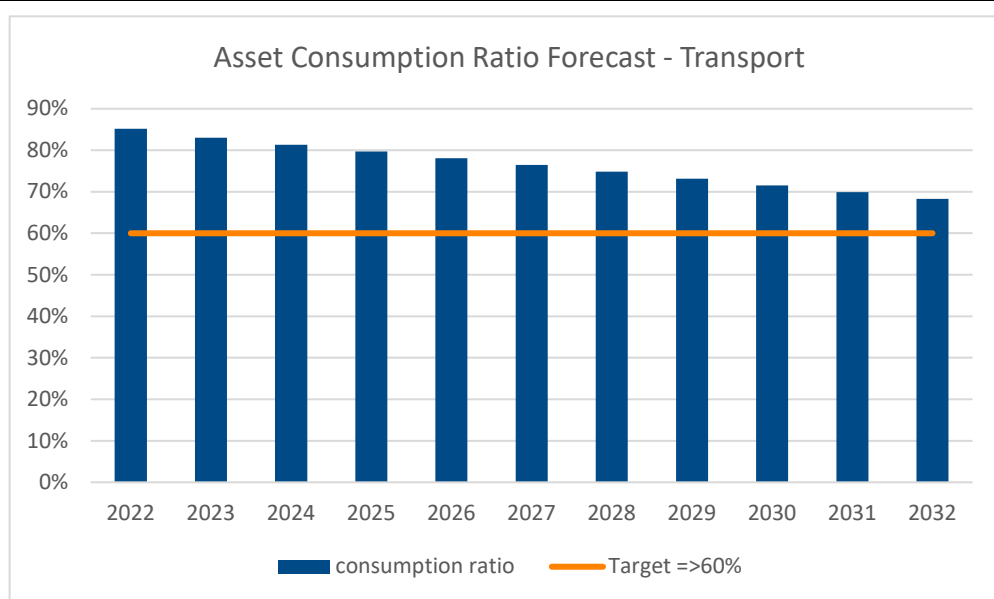
Target = > 100%



Asset Consumption

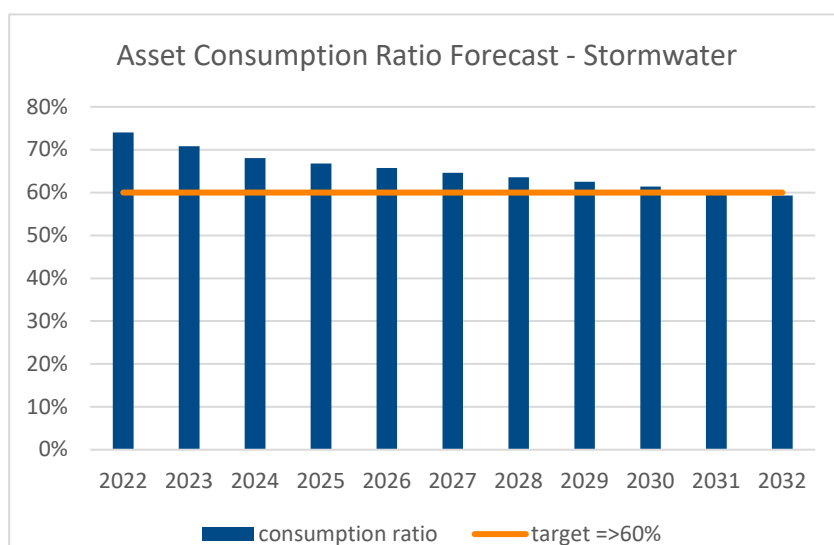
Council will maintain sufficient and proportional 'as new' condition capability across the depreciable asset base through maintenance practices, frequency based inspections and 5-10 year renewal program.

Target = > 60%

**Asset Consumption**

Council will maintain sufficient and proportional 'as new' condition capability across the depreciable asset base through maintenance practices, frequency based inspections and 5-10 year renewal program.

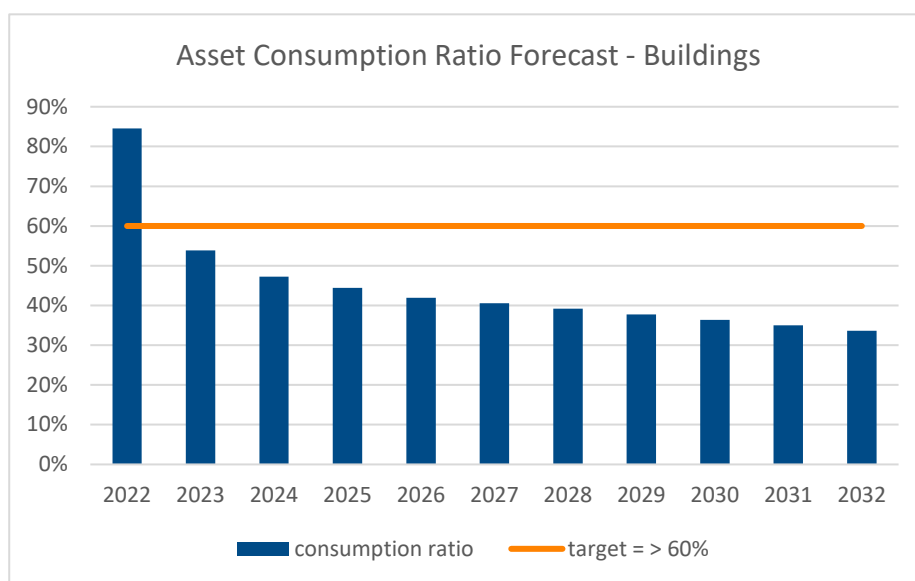
Target = > 60%



Asset Consumption

Council will maintain sufficient and proportional 'as new' condition capability across the depreciable asset base through maintenance practices, frequency based inspections and 5-10 year renewal program.

Target = > 60%

**# Asset Consumption Ratio:**

This ratio is a financial representation of the average proportion of assets remaining in 'as new' condition. It is intended to highlight the extent to which depreciated assets have been consumed by comparing their current written down value to their 'as new' or current replacement cost.

Council's Building asset class demonstrates a significant decline in this ratio between 2022 and 2023 due to a principal addition to Council's asset base in excess of \$10m in 2023. The ratio decline over 10 years is a product of the predicted depreciation expense on the new building asset along with Council's current depreciation expense on the remaining small ageing asset class.

The consumption ratio for buildings in particular, should be read and understood alongside the Building Asset Management Plan whereby condition based audits have taken place to provide Council with a better understanding for Council's renewal requirements.

Basis of Preparation Modelling

The financial statements included in the FMS portray the projected long-term financial position and performance of the Council over the next ten years in the form of the following statements:

Comprehensive Income Statement

The projected Comprehensive Income Statement shows the expected operating result over the next 10-year period reflecting Council's known recurrent income and recurrent expenditure.

Statement of Financial Position

The projected statement of financial position shows the expected net current asset, net non-current asset and net asset positions over the next 10-year period.

The statements are prepared on current knowledge and will be affected by various events that will likely occur in future years. It is important that the long-term financial projections in this strategy be revisited and updated on an annual basis.

The model is a guiding document to be used during the budget deliberation process. If the general thrust of the document is followed Council will maintain financial sustainability.

Key Influences and Risks

There are a number of risks inherent in the long-term financial modelling. In order to manage these risks Council reviews and updates this strategy on a regular basis and ensures that the most recent economic data and forecasts are used as the basis for developing Council's LTFP.

External Influences – items outside of Council's control

This section sets out the key estimate influences arising from the external environment within which the Council operates.

1. Unforeseen economic changes or circumstances such as:
 - a) interest rates fluctuations;
 - b) localised economic growth – residential development & new business;
 - c) inflation;
 - d) civil and building construction markets; and
 - e) changes in specific programs such as Federal Assistance Grants.
2. Unforeseen political changes or circumstances such as:
 - a) cost of natural resources and utilities such as fuel, power and water including waste management;
 - b) a change in the level of legislative compliance; and,
 - c) changes to government policy as it affects local government other than fiscal measures.

3. Variable Climatic Conditions such as:

- a) storm events;
- b) flooding;
- c) bushfire; and,
- d) drought.

4. Community needs and expectations.

5. Dividends paid by Tas Water.

Impact of COVID-19 Pandemic

There remains a degree of uncertainty about the continuing impact of the COVID-19 pandemic on the Council's financial position and expenditures.

Continuation of the pandemic will influence Councils service levels and associated operational expenditures and influence Councils capacity to complete design and construction work within planned timelines and budget allocations over the forward estimates period.

Governments currently have a strong focus on covid recovery infrastructure funding which will impact fiscal outcomes, including:

- The timing of project expenditure due to the availability of skills and resources and associated price risks.
- The ability to align construction ready projects with funding opportunities.
- The timing of operational impacts of new project expenditure on Council's recurrent operational budget.

Waste and Resource Recovery Bill

The state government will introduce a waste levy in Tasmania which will come into effect during 2022-2023.

It is proposed that the introduction of the levy be staggered over four years, starting at \$20 per tonne in 2022-23 and rising to \$60 after four years. The level of waste service charges on the Sorell community will increase to recover the additional cost to Council.

The financial projections currently include the increase.

Internal Influences – items that Council can control

This section sets out the key estimates' influences arising from the internal environment within which the Council operates.

1. agreed service level review outcomes (both customer/regulatory service and asset condition);
2. infrastructure asset management including depreciation (valuations can be considered an external influence);

3. requests to Council to support climate change adaptation for public and private property and assets;
4. rate increases and other financial influences;
5. performance management;
6. efficiencies in service delivery and administrative support; and
7. salaries and wages.

Modelling Methodology

Following each statement are descriptions of the assumptions specifically applied to produce the long-term estimates. Broad percentages have not been applied universally in the modelling.

The forecast results as at 30 June 2022 have been used as the base point for the long-term modelling. The COVID-19 pandemic has had both recurrent and non-recurrent operational budget impacts. Adjustments have been made to the baseline forecast for impacts that are one-off in nature and not expected to be ongoing including economic recovery grants / targeted capital grants.

Consumer Price Index (CPI)

Price indexes published by the Australian Bureau of Statistics (ABS) provide summary measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis. The CPI reflects the general movement in costs in terms of groceries and other consumables.

Consumer Price Index (CPI)	
All Groups Hobart	
July 2015 to June 2016	1.20%
July 2016 to June 2017	2.30%
July 2017 to June 2018	2.40%
July 2018 to June 2019	2.30%
July 2019 to June 2020	1.30%
July 2020 to June 2021	3.60%
July 2021 to June 2022	5.80%
5 year average	3.08%

Council Cost Index (CCI)

While CPI is a useful guide to understand shifts in the price of consumables such as groceries and organisational costs, it does not tell the full story around a council's costs.

The Local Government Association Tasmania calculate a Council Cost Index (CCI) each year. The CCI enables councils to consider the specific nature and costs of the services they provide and is affected by factors such as the costs of construction for roads and bridges.

It applies to many of the activity's Council undertake across the municipal area: from community services to general construction of roads, bridges, parks and community facilities as well as ongoing maintenance.

The Council Cost Index (CCI) differs from the CPI in that it provides an indication of how council expenditure might change over a period even though what Council is spending money on has not changed.

The CCI is based on ABS data. The CCI formula comprises: wage price index (WPI) (50%), road and bridge construction index (30%) and the consumer price index (CPI) for Hobart (20%).

Council Cost Index (CCI)	
July 2015 to June 2016	1.87%
July 2016 to June 2017	1.50%
July 2017 to June 2018	2.42%
July 2018 to June 2019	3.38%
July 2019 to June 2020	2.18%
July 2020 to June 2021	0.95%
July 2021 to June 2022	4.06%
5 year average	2.60%

Wage Price Index (WPI)

Price indexes published by the Australian Bureau of Statistics (ABS) provide summary measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis.

The Wage Price Index measures changes in the price of labour services resulting from market pressures and is unaffected by changes in the quality or quantity of work performed. It is unaffected by changes in the composition of the labour force, hours worked, or changes in characteristics of employees (e.g. work performance).

Wage Price Index	
July 2016 to June 2017	2.40%
July 2017 to June 2018	2.30%
July 2018 to June 2019	2.50%
July 2019 to June 2020	2.10%
July 2020 to June 2021	1.30%
5 year average	2.12%

Financial Modelling

Statement of Comprehensive Income

The Comprehensive Income Statement has been prepared by setting percentage increases for the various classes of expenditure and income and then reviewing each general ledger account for areas where a variance to this pattern is likely to occur.

	Forecast 2022 \$	Strategic Projections									
		2023 \$	2024 \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030 \$	2031 \$	2032 \$
Recurrent income											
Rates & charges	15,459	16,334	17,137	17,979	18,501	19,039	19,592	20,162	20,748	21,352	21,973
User charges	1,346	1,312	1,371	1,433	1,469	1,505	1,543	1,581	1,621	1,662	1,703
Grants	3,456	667	2,654	2,707	2,761	2,817	2,873	2,931	2,989	3,049	3,110
Distributions from water corporation	162	363	363	363	363	302	302	302	302	302	302
Interest	155	142	154	77	76	71	70	78	88	98	107
Other income	960	569	595	621	637	653	669	686	703	721	739
	21,538	19,387	22,273	23,179	23,807	24,387	25,050	25,740	26,452	27,183	27,934
Recurrent expenses											
Employee costs	6,924	7,052	7,334	7,591	7,818	8,053	8,295	8,543	8,800	9,064	9,336
Materials & services	6,184	6,419	6,733	7,044	7,305	7,725	8,174	8,634	9,054	9,354	9,658
Asset impairment	0	0	0	0	0	0	0	0	0	0	0
Depreciation & amortisation	5,139	5,617	5,820	5,925	5,935	5,934	5,932	5,932	5,932	5,932	5,932
Finance costs	91	61	101	103	96	88	80	72	63	53	44
Other	1,595	1,708	1,776	1,838	1,894	1,950	2,009	2,069	2,131	2,195	2,261
	19,933	20,857	21,763	22,502	23,049	23,751	24,490	25,251	25,980	26,598	27,231
Underlying surplus/(Deficit)	1,605	-1,470	510	678	759	636	559	489	472	585	703
Capital Income											
Capital grants	8,517	5,490	5,657	387	387	387	387	387	387	387	387
Other	1,161	0	0	0	0	0	0	0	0	0	0
	9,678	5,490	5,657	387	387	387	387	387	387	387	387
Comprehensive result	11,283	4,020	6,167	1,065	1,146	1,023	947	876	860	972	1,090

Recurrent Income

Rates and Charges

Rates & Charges are an important source of revenue for Council representing some 79% of the total revenue estimated to be received by Council in 2022-23.

Council must balance its service levels with the needs and expectations of the community and set appropriate levels of tax to adequately fulfil its roles and responsibilities. Rates must be set in the context of a council's Strategic Plan, reflecting community needs and decisions about the level of services.

It is necessary to balance the importance of rate revenue as a funding source and increase rates in line with rising costs to be financially sustainable. The FMS recognises that the price of delivering services to the community over time will increase. This is the case even where the level of service provided remains unchanged.

It has been modelled that rates and charges will be required to increase by 4.5% for 2022-23, 2023-24 and 2024-25 then an average LTFP forecast of 2.5%.

Fire levies are set by the State government and are outside the control of Council. It has been assumed that levies will increase in line with the 5-year average Consumer Price Index (all Groups) Hobart. It should be noted however that in recent years the increase to the community has been higher.

The state government introduction of a waste levy in Tasmania will come into effect 2022-2023 and be staggered over four years, starting at \$20 per tonne and rising to \$60 after four years. The level of waste service charge increase to offset this has been included in the overall revenue indexation in the LTFP.

An allowance of 0.5% has been made for rate growth in line with prior LTFP's over the past 5+ years.

User Charges

User charges relate to the recovery of service delivery costs through the charging of fees to users of Council's services. Some charges are levied in accordance with legislative requirements. They include building and planning fees, animal registrations, and the hire of public halls, facilities and sporting grounds.

It has been modelled that user charges will increase by 3.5% for 2022-23 then as per the average LTFP overall revenue indexation forecast.

Grants

The main source of recurrent grant revenue is from the State Grants Commission (SGC) in the form of Financial Assistance Grants (FAG). FAG funding levels can increase or decrease with population growth, development sector activity and Council's financial performance. Based on ABS data and Dept. of Treasury forecasts, it has been assumed that the population growth will remain constant over the FMS 10 year period and the current base funding will continue.

Recurrent grants (principally FAGs) have been indexed at a 2% increase.

Interest

Interest on investments has been calculated based on the estimated average level of investments held during the year. A rate of 1.54% has been used which is consistent with Council's return on its investment portfolio and Council's current weighted average interest rate as at 30 June 2021.

Dividends from Water Corporation

Council owns a 1.51% equity interest in the Tasmanian Water & Sewerage Corporation (Tas Water).

Tas Water's Corporate Plan indicates that Councils can expect to receive dividends in the order of \$20m per annum. Based on Council's equity interest in the entity the estimated distribution for the 2022-23 financial year is \$363k.

The modelling assumes that the dividend stream will return in line with the 2019-20 distribution, however, the level of distribution is outside the control of Council and there is some risk that dividends will not be paid in line with the entity's Corporate Plan.

Council relies on this revenue stream as a funding source for recurrent expenditure and therefore if material changes to the distributions occur, Council will need to review its reliance on the dividends as a funding source.

Recurrent Expenses

Employee Costs

Council's current Enterprise Agreement (EA) is effective until EOY 2021/22. An increase of 4.0% has been allowed for in 2022/23, 3.5% in 2023/24 and 3.5% or CPI in 2024/25 in line with the current proposed agreement.

Employment wage increases beyond 2025 are unknown but have been incorporated into the overall expenditure (materials and contracts and employee costs) indexation of 3% between 2025 and 2035 with current staffing levels generally remaining constant.

The Superannuation Guarantee Scheme (SGC) rate is currently 10.0%. The compulsory contribution rates for employers is scheduled to increase to 10.5% on 1 July 2022, and 11.0% on 1 July 2023. Existing Council contribution rate is 14.5% (in existence since pre-2012 EBA) and has been modelled at 14.75% 23/24 and 15% 24/25 in line with the proposed agreement.

Materials and Contracts

It has been assumed that materials and contracts will increase in line with the LTFP of 5.8% (22/23), 4% (23/24), 3.5% (24/25) then 3% through to 35/36.

Depreciation and amortisation

Depreciation is an accounting measure which allocates the value of an asset over its useful life. It is the financial representation of the consumption of the service potential inherent in Council's assets.

The modelling allows for additional operational costs including depreciation for projects expected to be completed over the next 4-year period and that are funded. These projects cover all four major asset classes with an estimated value of \$14.9m and generally comprise:

- Pembroke Park Function Centre - \$2.75m

- SE Regional Jobs Hub - \$2.2m
- Sorell Memorial Hall extension - \$500k
- Flood Mitigation Works - \$3.0m
- Sorell Streetscape Upgrades Stage 2 - \$775k
- Recreational and Open Space upgrades – tracks, trails, playgrounds and associated community utilities - \$4.31m

The factors affecting the 'consumption' of an asset are:

- the quality of the original asset;
- the wear and tear to which the asset is subjected;
- the environment in which the asset is operated or constructed;
- the maintenance provided to the asset;
- technical obsolescence; and
- commercial obsolescence.

State Levies

State levies include levies paid to the state government for land tax and fire levies. It has been assumed that state levies will increase by CPI each year.

Borrowing Costs

Borrowing Costs relate to interest charged by financial institutions on funds borrowed. The level of borrowings and the level of interest rates influence borrowing costs.

Costs have been allowed for in line with the terms and conditions for existing loans. The Strategy includes new borrowings for nominated stormwater new / upgrade capital projects.

Remissions and Discounts

Council provided a higher level of remissions and discounts in 2020-21 and 2021-22 as a measure to support the community in response to the COVID-19 pandemic. There was limited take up with an assumption that the level of remissions and discounts will remain consistent with any increases in rates and charges each year.

Other Expenses

Other expenses include elected member expenses, audit costs and operational grant expenditure. It has been assumed that other expenses will increase by CPI each year.

Statement of Financial Position

The projected statement of financial position shows the expected net current asset, net non-current asset and net asset positions over the next 10-year period.

	Forecast	Strategic Projections									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current assets											
Cash and cash equivalents	10,027	4,977	4,962	4,607	4,564	5,057	5,746	6,352	6,929	7,606	8,524
Receivables	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950
Inventories	52	52	52	52	52	52	52	52	52	52	52
Other	999	999	999	999	999	999	999	999	999	999	999
	15,028	9,978	9,963	9,608	9,565	10,058	10,747	11,353	11,930	12,607	13,525
Non-current assets											
Property, plant & equipment	278,246	287,372	293,278	294,411	295,365	295,648	295,648	295,648	295,648	295,648	295,648
Investment property	403	403	403	403	403	403	403	403	403	403	403
Other	27,535	27,535	27,535	27,535	27,535	27,535	27,535	27,535	27,535	27,535	27,535
	306,184	315,310	321,216	322,349	323,303	323,586	323,586	323,586	323,586	323,586	323,586
Total Assets	321,212	325,288	331,179	331,957	332,868	333,644	334,333	334,939	335,516	336,193	337,111
Current Liabilities											
Payables	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305
Borrowings	426	277	287	236	246	258	270	283	295	171	177
Provisions	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321	1,321
Trust funds & deposits	792	792	792	792	792	792	792	792	792	792	792
Liabilities	388	8	8	8	8	8	8	8	8	8	8
	4,232	3,703	3,713	3,662	3,672	3,684	3,696	3,709	3,721	3,597	3,603
Non-current liabilities											
Borrowings	2,328	2,913	2,627	2,391	2,145	1,887	1,617	1,334	1,039	868	691
Provisions	289	289	289	289	289	289	289	289	289	289	289
Other Non-current Liabilities	27	27	27	27	27	27	27	27	27	27	27
	2,644	3,229	2,943	2,707	2,461	2,203	1,933	1,650	1,355	1,184	1,007
Total liabilities	6,876	6,932	6,656	6,369	6,133	5,887	5,629	5,359	5,076	4,781	4,610
Net Assets	314,336	318,356	324,523	325,589	326,735	327,757	328,704	329,580	330,440	331,412	332,501
Equity											
Accumulated surplus	118,996	123,016	129,183	130,249	131,395	132,417	133,364	134,240	135,100	136,072	137,161
Reserves	195,340	195,340	195,340	195,340	195,340	195,340	195,340	195,340	195,340	195,340	195,340
Total Equity	314,336	318,356	324,523	325,589	326,735	327,757	328,704	329,580	330,440	331,412	332,501

Appendix - Table Assumptions

The following tables provides a summary of all assumptions used in determining Councils recurrent income and expenditures in the financial modelling.

Assumptions	Strategic Projections									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Recurrent Income										
Rates & charges	4.50%	4.50%	4.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
User charges	3.50%	4.50%	4.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Waste	5.80%	4.50%	4.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Growth	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Interest	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%
Recurrent Expenses										
Employee Costs	4.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Materials and Services	5.80%	0.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Emp. Costs & Materials and Services		4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Appendix – Five Year Upgrade / New Capital Projects 22/23 – 26/27

Legend -

Green cells = grant or alt funded

Green text = grant or alt funding required / sought

Blue cells = loan funded

Yellow cells = \$ estimate required

TBC column = project is grant dependent and/or TBC if and when proceeding

<u>Location</u>	<u>Job Detail - Upgrade/New Capital</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>	<u>25/26</u>	<u>26/27</u>	<u>TBC</u>
	TRANSPORT ASSETS							
	Roads-							
Kellevie Road - segs 15/16 & Bream Creek Rd seg 1	Lime stabilise (TBC) 100mm base, drainage & 14/7 seal	\$ 491,674.00						
Bream Creek Road - seg	Lime stabilise (TBC), drainage & 14/7 seal	\$ 186,154.00						
Delmore Road - seg 25	Widening, culvert & acquisition - 22/23 carry fwd subject to scope & cost	\$ 71,000.00						
Bay Road, Boomer Bay - seg?	Guard rail	\$ 34,003.00						
White Hill Road - seg 12	Guard rail	\$ 43,676.00						
Marion Bay & Bay Rds	Works associated with SW upgrade		\$ 54,877.00					
Parnella Rd	Works associated with SW upgrade		\$ 136,132.00					

FINANCIAL MANAGEMENT STRATEGY

CAC access road	emergency vehicle egress and ped access only		\$ 100,000.00					
Nugent Road - seg 27-30 & 32-33	Lime stabilise, 100mm base, drainage & 14/7 seal - seg 27-30 only		\$ 684,666.00					\$ 600,000.00
Three St - Dodges Ferry	Improve width, sub-grade and seal			\$ 194,566.00				
Wiggins Rd - seg 11 & 10	Widen 750m from White Hill Rd junction incl. passing bays & acquisition costs							\$ -
Marion Bay Road - seg 18, 19 & 20	Lime stabilise, 100mm base, drainage & 14/7 seal							\$ 504,470.00
Shark Point Road - seg 18	Seal 170m from end of original seal to # 641, plus Armco rail							\$ 200,000.00
Lewisham Road - seg 2 & 3	Widen shoulder pavement and seal							\$ -
Urban/Rural sealing program	Urban fringe - e.g Gillingbrook, Valleyfield, Alomes, Heatherbell, Orielton, Branders, Tullamore							\$ -
Urban Street Seal sites	remaining from existing USS list - 6.826klm over 45 roads							\$ -
Urban Street Seal sites	additional to USS list - 14.866klm over 84 roads & 10 non-road segments							\$ -
	Footpaths & Kerbs -							
Pennington Dve/Weston Hill Rd	VRU	\$ 78,700.00						
Main Road, Sorell	VRU	\$ 36,760.00						
First Ave & from Carlton Beach Rd	VRU	\$ 224,000.00						
The Circle & Taylor Drive	VRU	\$ 77,000.00						

FINANCIAL MANAGEMENT STRATEGY

First Ave/Jetty Rd/Carlton Beach Rd to bakery	concrete path @ 1.5m wide x 190m & k&c & other grant elements	\$ 167,200.00						
Arthur Hwy - Pawleena Rd to Bridge	concrete path @ 2.0m wide x 150m			\$ 52,500.00				
Gatehouse Drive - Weston Hill Dve to #38	concrete path @ 1.80m wide x 430m & k&c x 430m				\$ 211,850.00			
Weston Hill Rd - missing link Gatehouse Dve	concrete path @ 2.00m wide x 100m & 2 x ramps				\$ 35,000.00			
Walker Street - seg 6 & 7	concrete path @ 2.0m wide & k&c on western side x 120m - path impact on trees and heritage properties/streetscape from #31 to Somerville St TBC					\$ 63,600.00		
Shark Point Rd - seg 13 b/w #475 & 479	cantilever culvert crossing x 50m							\$ 200,000.00
Lewisham Scenic Drive - #124 to Gary Street	multi-use path link							\$ -
Burnett Street - seg 1 & 2	k&c on southern side 220m plus grated pits or SEPs x 2							\$ 39,600.00
Shark Point Road	New concrete path 1.8m wide x 2.2klms long - no provision for culverts, cantilevers, earthworks							\$ 693,000.00
	Bridges & Marine Structures -							
Marion Bay Rd - BC100048	Install guard rail and widen approaches	\$ 32,000.00						

FINANCIAL MANAGEMENT STRATEGY

	STORMWATER ASSETS							
Lewis Court, Lewisham	Drill SW connection from LS Drive to coast #229, reshape drain on RHS from #224	\$ 80,000.00						
Shark Point Rd #585	Install pipe from road culvert SC112262 and extend to foreshore	\$ 50,000.00						
Main Rd to Stores Lane	SW infra tied into DSG bypass	\$ 47,000.00						
81-83 Main Rd, Sorell	Capacity upgrade	\$ 45,000.00						
Kannah St - Blue Lagoon	Road drainage and permanent lagoon ocean outfall - 22/23 carry fwd	\$ 140,000.00						
Lateena Street, Dodges Ferry	Outfall upgrade on PWS foreshore at SE115409 - 22/23 carry fwd	\$ 50,000.00						
Riviera/Shamrock	Connection from SC111895 to SC112203 then outfall from end of culdesac into SC POS - 22/23 carry fwd	\$ 20,000.00						
250 Lewisham Scenic Drive	pipe 34m and pit connecting to SP110419	\$ 10,225.00						
Lloyd St, Carlton - segment 1	K&C and pit into SW system at SD106763- culdesac head #31	\$ 40,000.00						
Kestrel Street, Primrose Sands	K&C and 4 x SEP's connecting to table drain	\$ 30,000.00						
5 Valley View Close	Detention basin - for Tarbook to Devenish system		\$ 250,000.00					
Devenish Dve to CAC	SSMP stage 2 - open channel and road culvert		\$ 875,000.00					
Parnella Road, Dodges Ferry	Road sheet flow control - Part 1 - #37/39 to #21 and Part 2 - Warrentena road reserve to #7		\$ 57,500.00					
Bay & Marion Bay Road	Upgrade road culvert capacities with 1050 and 375, wingwalls and re-direct Bay Rd culvert		\$ 43,784.00					
First Ave	Connect atlantic cells (pipe and pit) direct to creek on DoE land		\$ 30,000.00					

FINANCIAL MANAGEMENT STRATEGY

17 Robinia St & 5 Rowan Ave	verge treatment to control sheet flow from #21/23 Robinia to Rowan and connect to existing pipe		\$ 35,000.00					
189 Lewisham Scenic Drive	Design for outlet extension over foreshore		\$ 10,000.00					
Three Street, Dodges Ferry	Drainage associated with road upgrade job			\$ 49,946.00				
Seventh Ave, Dodges Ferry	SSMP reco - tie in with 20/21 works in Fifth and Eighth Ave			\$ 1,400,000.00				
Jacob Crt	Installation of downstream SW infrastructure TBC to 7th Ave or Signal Hill Rd		\$ 30,000.00	\$ -				
Gatehouse Drive	SW infrastructure for footpath and k&c job				\$ 150,000.00			
Blue Lagoon SW catchment	Further upgrades TBC							\$ -
SW outfalls - various	SW outfall upgrades with Fed Grant sought							\$ 2,500,000.00
Providence Drive - seg 3 & 4	Install road verge drainage to protect road pavement							\$ -
Wattle Rd - seg 3	Upgrade drain into SD106967 to stop ponding							\$ 37,000.00
Paneminner St	Extend k&c from CB Road along #88 to protect road pavement							\$ 52,000.00
Pendell Drive, Forcett	Feasibility assessment/scope required from Pendell Dve to 294 Old Forcett Rd							\$ -
	BUILDING ASSETS							
Pembroke Park	Stadium	\$ 4,000,000.00						
Lewisham Boat Ramp	Single Toilet - 22/23 carry fwd	\$ 80,000.00						
Pembroke Park	Stadium - dividing net - 22/23 carry fwd	\$ 40,000.00						
Pembroke Park	Function Centre above club rooms		\$ 1,250,000.00	\$ 1,250,000.00				
CAC	SE Jobs Hub - SERDA/BEST & training facility		\$ 750,000.00	\$ 750,000.00				

FINANCIAL MANAGEMENT STRATEGY

Pembroke Park	Stadium - additional seating x 4 bays			\$ 36,000.00	\$ 36,000.00			
Sorell Memorial Hall	New Historical Society storage to NE corner - including change rooms/toilet			\$ 500,000.00				
Primrose Sands	Single Cubicle Toilet at northern end of beach				\$ 150,000.00			
Pembroke Park	Multi-use BMX building/shed for timing, registration, repair space							\$ -
Pembroke Park	Repurpose netball toilet block							\$ -
Pembroke Park	Stadium - window tinting on upper north windows x 34							\$ 30,000.00
Park & Ride Sorell	Additional Shelter and upgraded shelters							\$ 100,000.00
Pembroke Park	Roofed connection between club rooms and changerooms							\$ 75,000.00
Pembroke Park	Tennis facility clubhouse							\$ 720,000.00
Pembroke Park	Soccer grandstand - 360 person capacity							\$ 915,000.00
Pembroke Park	Soccer clubrooms							\$ 2,831,000.00
Pembroke Park	Indoor Equestrian Facility							\$ 500,000.00
Pembroke Park	Central waste collection facility/compound for users							\$ -
Pembroke Park	PCYC insulation & heating							\$ 45,000.00
Miena Park	Men's Shed multi use facility incl. DF Horse Riding Club, Lions, etc							\$ 1,200,000.00
Sorell Memorial Hall	Airconditioning / heating / alarm							\$ 150,000.00
Sorell Memorial Hall	RSL extension and upgrade incl. outdoor eating area							\$ 1,500,000.00
CAC	Community Hub Project - multi-use facility							\$ 3,400,000.00

FINANCIAL MANAGEMENT STRATEGY

	LAND IMPROVEMENT ASSETS							
	Paths / Tracks -							
Park Beach - Dodges Ferry	Path and beach access upgrades x 2	\$ 40,000.00						
Moomere St - Carlton Beach Rd - Raprinner St	gravel path connecting Carlton River Rd to Park Beach	\$ 24,705.00						
Railway Line reserve	Gravel path @ 2.0m wide		\$ 175,000.00					
Railway Line reserve	Gravel path @ 2.0m wide		\$ 27,000.00					
Primrose Sands - Tamarix Rd	Gravel path @ 1.5m wide x 580m Nerine St to Carlton Bluff Rd		\$ 90,500.00					
Red Ochre Beach	foreshore access steps - requires long term PWS lease with road maintenance		\$ 20,000.00					
Dodges Ferry Reserve	MTB tracks			\$ 140,000.00				
Penna Lagoons	Link track across TW land to existing car park track incl. bridge			\$ 52,370.00				
Midway Point - Toongabbie to Brady foreshore	Gravel path @ 2.0m wide x 605m - past eastern side of scout hall to Brady St				\$ 96,800.00			
Miena Park - Chromy Sub	gravel path @ 1.5m wide x 210m				\$ 18,000.00			
Miena Park - Chromy Sub	gravel path @ 1.5m wide links to existing @ 25m & 15m				\$ 4,800.00			
Miena Park - Chromy Sub	gravel path @ 1.5m wide link to Wolstenholme Dve - plus 6.0m bridge				\$ 18,000.00			
Lewisham Scenic Drive - Quarry Rd to Gregory St	gravel path @ 1.5m wide x 780m				\$ 93,600.00			

FINANCIAL MANAGEMENT STRATEGY

Arthur Hwy - Nugent Rd to Pawleena Rd	gravel path @ 1.8m wide x 560m					\$ 80,640.00		
Nugent Rd - Arthur Hwy to Lynch Sub	gravel path @ 1.8m wide x 250m					\$ 36,000.00		
Quarry Rd - Edith Close to Lewisham Scenic Dve	gravel path @ 1.5m wide x 875m					\$105,000.00		
Arthur Hwy - Pawleena Rd to #27	gravel path @ 1.2m x 210m						\$ 20,160.00	
Carlton Beach Rd - Raprinner to East St	gravel path @ 1.5m wide x 1800m						\$ 259,200.00	
Southern Beaches - connecting gravel paths	Various POS links to Crown foreshore or between roads - i.e Carlton River Road - Gate Five Rd to #346 CR Rd @ 1.5m & 220m							\$ 26,400.00
Carlton Beach Rd	Snake Canyon to Moomere St - 210m							\$ 25,200.00
Shark Point Road	New gravel path 1.5m wide x 2.2klms long - no provision for culverts, cantilevers, earthworks							\$ 264,000.00
Sorell to Lewisham Drive	Gravel path @ 2.0m wide - staged approx 6.5k							\$ 1,170,000.00
	Parks / Reserves							
Pembroke Park	Extend height of cricket nets rear fence/roofs & 2 x additional pitches	\$ 45,000.00						
Pembroke Park	2 x netball courts	\$ 384,000.00						
Pembroke Park	BMX facility - club to provide start gates/timing/light poles x 6		\$ 938,000.00					\$ 150,000.00
Midway Point	Hoffman St - park upgrade		\$ 100,000.00					
Sorell Memorial Hall	RSL memorial wall		\$ 12,000.00					

FINANCIAL MANAGEMENT STRATEGY

Pembroke Park	Entrance signs x 2 locations incl. provision for club names		\$ 10,000.00					
Carlton Park SLSC	Seating / tables / viewing platform @ S/W corner of carpark with disabled access			\$ 50,000.00				
Dodges Ferry Boat Ramp/Park	additional table/chairs			\$ 10,000.00				
Pembroke Park	Soccer perimeter fence			\$ 71,250.00				
Pembroke Park	Playground north of Netball Facility - connected to Attunga Dve			\$ 500,000.00				
Primrose Sands Hall	Additional BBQ and shelter and/or extra playground equipment with re-aligned fencing			\$ 35,000.00				
Midway Point	Kessarious Park - upgraded play equipment				\$ 20,000.00			
Primrose Sands	Playground at northern end of beach and/or seating/BBQ facilities				\$ -			
Pembroke Park	Goal nets behind senior oval x 2					\$ 50,000.00		
Pembroke Park	Goal nets behind soccer oval x 1 - southern end					\$ 18,000.00		
Pembroke Park	Seating around Senior Oval							\$ 31,805.00
Vancouver Park	Further stages - TBC							\$ -
Pembroke Park	Additional senior soccer pitch and reconfigure training pitch incl. lighting							\$ 1,250,000.00
Pembroke Park	Tennis facility - 6 x full courts, 2 x hot shot courts							\$ 1,175,000.00
Pembroke Park	Electronic Scoreboard for Senior Oval							\$ 40,000.00
Dodges Ferry Rec Ground	Electronic Scoreboard							\$ 40,000.00
	Carparks							
Pembroke Park	Access road and carpark for Stadium	\$ 900,000.00						

FINANCIAL MANAGEMENT STRATEGY

Pembroke Park	Carpark sealing for Function Centre			\$ 250,000.00				
CAC	SE Jobs Hub - SERDA/BEST & training facility - single row behind building			\$ 93,600.00				
Payeena St	near Carlton Beach Rd junction - formalise verge parking - seal, line mark, drain				\$ 75,000.00			
Primrose Sands	Carpark upgrade at northern end of beach				\$ -			
Vancouver Park carpark off Singapore St	Needs DA				\$ 120,000.00			
Carlton Beach SLSC	Seal & line mark @ existing size 650sqm - dune impacts TBD if increasing size					\$ 84,500.00		
Neil Davis Carpark	construct, drain, seal stage 2 - 745sqm							\$ 125,000.00
Miena Park	Access road and carpark for Men's Shed							\$ 350,000.00
Old Forcett Rd-seg 23/Carlton Beach Rd opp. Blue Lagoon	Park & Ride facility - south of Centenary Dve junction or between Mongana & Paneminner							\$ -
Midway Point Scout Hall	Modify and upgrade rear area for yacht club parking							\$ -
	Streetscape							
Sorell Streetscape upgrades	Stage 4 - sig intersection and other sites - scope TBD and limited to LRCIP funds		\$ 775,000.00					
CAC	SE Jobs Hub - SERDA/BEST & training facility - forecourt/civic space			\$ 600,000.00				
Dodges Ferry	Townscape upgrades to shopping area				\$ -			

FINANCIAL MANAGEMENT STRATEGY

Sorell Streetscape upgrades	Stage 5 - Station Lane / Dubs & Co Drive					\$390,000.00		
Sorell Entrance	Town entrance - after causeways done							\$ -
Midway Entrance	Town entrance - after causeways done							\$ -
Southern Beaches	Town entrance treatment upgrades x 3							\$ -
	PLANT							
Tipper Truck	Parks			\$ 65,000.00				
	IT ASSETS							
Mobile DGPS Unit	3-4 year pay off plus operational efficiencies	\$ 11,500.00						
Pembroke Park	Stadium - 'switches' to enable new hardware to connect to system		\$ 6,534.00					
CAC to Emergency Services Hub	Fibre connection for direct CCTV access by Police		\$ 5,000.00					
	sub-total per year	\$ 7,479,597.00	\$ 6,465,993.00	\$6,100,232.00	\$1,029,050.00	\$827,740.00	\$279,360.00	\$ 20,939,475.00
	grant/loan/land sale funded	\$ 4,891,247.00	\$ 4,961,500.00	\$ 4,903,600.00				
	Required Council funding	\$ 2,588,350.00	\$ 1,504,493.00	\$ 1,196,632.00	\$ 1,029,050.00	\$827,740.00	\$ 279,360.00	