

Resourcing Strategy 2025-2029



Acknowledgement of Country

Muswellbrook Shire Council would like to respectfully acknowledge the local Aboriginal People who are the Traditional Owners and Custodians of the land.

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Message from the General Manager

The Resourcing Strategy supports the community's aspirations expressed in the Community Strategic Plan and articulates how Council will resource and implement the community's vision.

Effective resource planning ensures Council will focus not only on short-term issues and the range of service delivery identified in the one-year Operational Plan, but also on the medium and long-term objectives articulated in the Delivery Program.

The Resourcing Strategy consists of three inter-related elements:

Long Term Financial Planning;

Workforce Management Planning; and

Asset Management Planning.

Each element of the Resourcing Strategy plays a crucial role in resourcing the achievement of the four-year Delivery Program and annual Operational Plan. The actions and plans contained within the Resourcing Strategy ensure that Muswellbrook Shire Council has the necessary resources to carry out its planned activities, maintain its assets to sustain their useful life, and to meet our community's priorities now and into the future.

The Community Strategic Plan can only be achieved with sufficient resources. Council's Resourcing Strategy supports the Community Strategic Plan, Delivery Program, and Operational Plan by detailing how Council can help achieve the community's vision in terms of time, finances, assets, and people. The management of Council's resources is a matter we take very seriously, and, on behalf of Council and the Executive Leadership Team, I am proud to present this strategy to you.

Derek Finnigan

General Manager
Muswellbrook Shire Council

Executive Leadership Team

Derek Finnigan

General Manager

Derek was appointed as General Manager in March 2023 after serving in a variety of roles with Council, including as Deputy General Manager, over a career spanning more than 30 years, focusing primarily on infrastructure services and operational sustainability. Derek has a profound commitment to working positively with the community, Council, and colleagues to ensure Council's financial sustainability, the Shire's economic growth, prosperity, and environmental health, and to continue to improve and promote Muswellbrook Shire as a wonderful place to live, work, and play.

Matthew Lysaught

Director Infrastructure and Property

Matthew joined Council in 2011 and is responsible for Council's Infrastructure and Property directorate which includes Council's asset and operational teams. He works with a dedicated team responsible for the management, renewal, and construction of community assets, maintenance and operations. Matthew has a Bachelor of Economics, graduate and postgraduate degrees in visual arts, and qualifications in Property Services.

Sharon Pope PSM

Director Environment and Planning

Sharon is a Fellow of the Planning Institute of Australia, has a degree in Urban and Regional Planning and has vast experience in Local Government having started her career as a Trainee Town Planner at Greater Taree City Council. Her broad range of experience in strategic land use planning, the development assessment process and community collaboration makes her an invaluable member of Muswellbrook Shire Council leadership team.

Shaelee Richards

Director Community and Economy

Shaelee has 25 years' experience in local government in Queensland and NSW. She is focused on delivering economic and community development outcomes for the Shire and brings to the role diverse skills in infrastructure, industrial and urban precinct development, investment and business attraction, jobs growth and diversification strategies.

Josh Hogan

Chief Financial Officer

Josh leads Council's Financial Services team, leveraging extensive experience garnered from diverse industries in Australia and internationally. As a Certified Practising Accountant with a Master's in Accounting and a Bachelor's in Forensic and Analytical Chemistry, his interdisciplinary expertise informs strategic financial management across sectors.

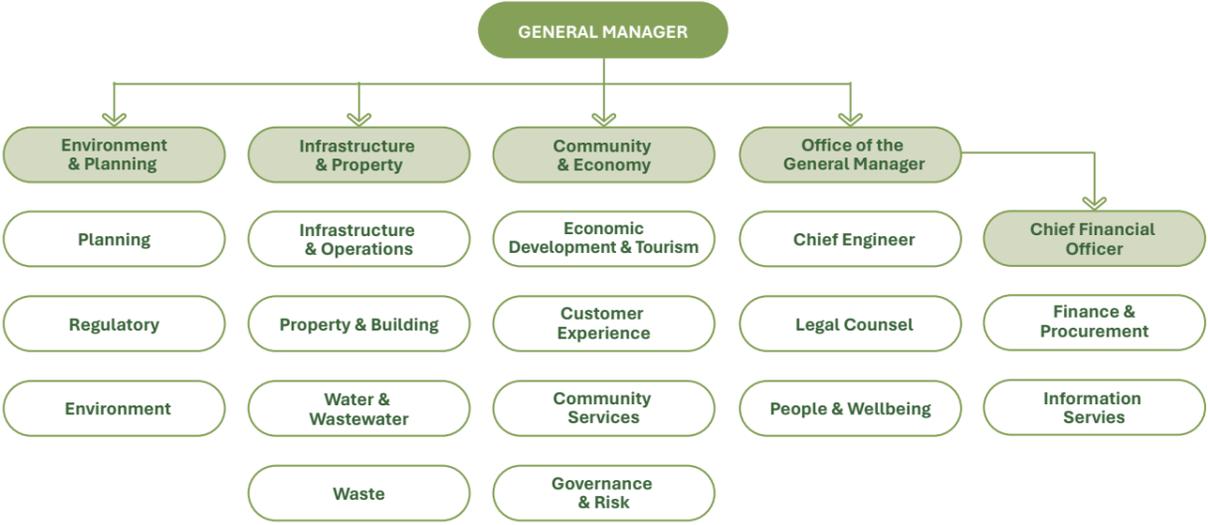
Alexandra Hathway

Legal Counsel

Alexandra is an accomplished solicitor with extensive experience in both private practice and government sectors. Admitted to practice law in the Supreme Court of New South Wales, Alexandra holds a Bachelor of Laws and a Bachelor of Psychological Science. With a deep commitment to community service, Alexandra has volunteered at various free community legal centres, offering legal advice and support to those in need.



Organisational Structure



Vision

Our Shire is powered by opportunity, with space to grow and shape a thriving future.



Themes



We are a...
strong community



We are a...
regional centre



We are a...
thriving economy



We are a...
great place to live



We are...
working together

Introduction

The Resourcing Strategy is made up of 3 components:

- 1. Workforce Management Plan**
- 2. Asset Management Plan**
- 3. Long-term Financial Plan**

The resourcing strategy supports Council to work towards achieving the Community Strategic Plan 2025-2035, the Delivery Program 2025-2029, and the yearly Operational Plans.

Workforce Management Plan 2025-2029

The Workforce Management Strategy shapes the capacity and capability of the workforce to achieve Council's strategic objectives and actions. It considers what people, with what capabilities, experiences and expertise are required to implement Council's four year Delivery Program, and ultimately, the long-term aspirations in the Community Strategic Plan

Asset Management Plan 2025-2035

Council is the custodian of more than \$984m of infrastructure, community, operational and commercial assets, including roads, drains, footpaths, community facilities, recreational facilities, parks, buildings, and works depots.

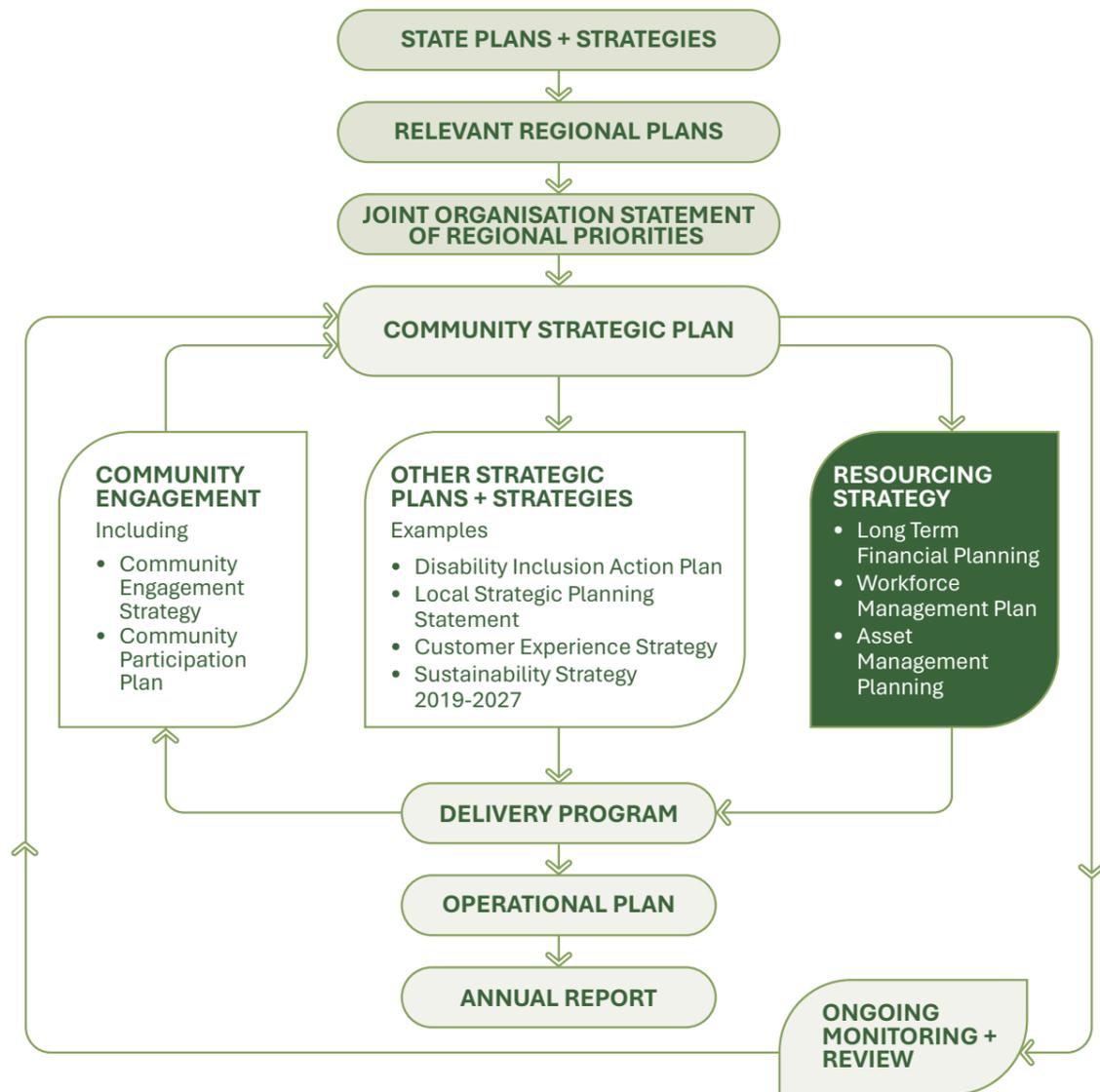
The Asset Management Framework includes an Asset Management Policy and an Asset Management Strategy. Also included in the framework, and published as a separate attachment, is an Asset Management Plan that covers our 8 asset categories:

- Recreation, Land Improvements and Other Structures
- Water
- Buildings and Community Land
- Wastewater
- Transport (Roads, Bridges, Footpaths)
- Landfill Waste
- Stormwater Drainage and Flood Structures
- Other Minor Classes

Long-Term Financial Plan 2025-2035

The Long-Term Financial Plan is a 10-year rolling plan that informs decision-making and demonstrates how the aspirations of the Community Strategic Plan and objectives of the Delivery Program and Operational Plan will be resourced and funded. It includes the financial implications of asset management and workforce planning, and outlines Council's ability to deliver cost-effective services to our community into the future, with a focus on financial sustainability.

Integrated Planning & Reporting Framework



Community Strategic Plan

The Community Strategic Plan provides a strong base for long-term planning for both Council and the community. The Plan includes a shared vision for the future, connecting the community's goals with Council's decisions over the next 10 years. It will guide Council's plans, strategies, and policies, such as the Resourcing Strategy, Delivery Program and Operational Plan, this community vision will also be shared with other agencies, government departments, and stakeholders to help guide their long-term planning.

Delivery Program

The Delivery Program is a 4-year plan that matches the term of the elected Council. It is based on the Community Strategic Plan and the Resourcing Strategy and outlines what can be achieved during the Council's term. The program is reviewed every year to make sure it still aligns with the community's aspirations.

Resourcing Strategy

The Resourcing Strategy is reviewed every year. It shows the time, money, assets and people needed in the long term to achieve the community's aspirations in the Community Strategic Plan. It consists of three components:

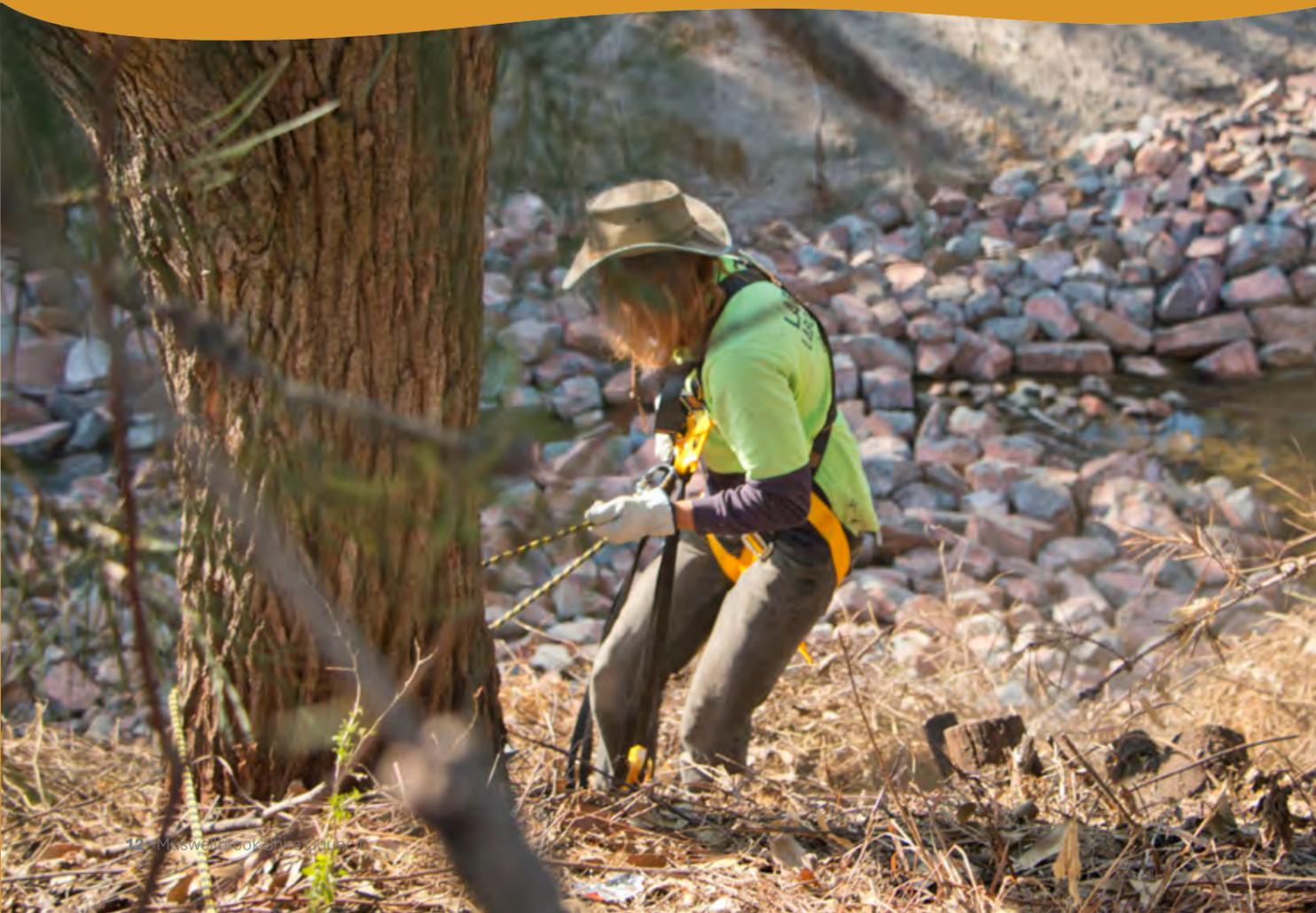
- Long-term Financial Plan (10 year)
- Asset Management Plan (10 year)
- Workforce Management Plan (4 year)
- Delivery Program (4 year)

Operational Plan

The Operational Plan lists the actions Council will take each year to achieve the priorities in the 4-year Delivery Program. It also shows how each priority will be funded. Council staff give regular updates to the elected Council on how the plan is progressing.



Workforce Management Planning



Introduction

The Workforce Management Plan will ensure Muswellbrook Shire Council has a positive and proactive workforce with the right resources to achieve what is outlined in the Community Strategic Plan. Muswellbrook Shire Council will continue to focus on developing a culture that is consistent with Council's SPIRIT values and an organisation that our employees are proud to work for. The Workforce Management Plan provides a snapshot of what actions and improvements are required in the workforce to meet future needs.

The Workforce Management Plan will be reviewed on an annual basis to ensure Muswellbrook Shire Council is achieving its operational requirements, and to evaluate progress and amend accordingly. By embedding a structured review process, Muswellbrook Shire Council ensures that its workforce strategy remains proactive and responsive.

Context

As of July 2024, the Council's workforce consists of 221 employees across a diverse range of roles and disciplines. A key focus in developing our Workforce Management Plan is understanding the evolving demographics of our workforce. This ensures that we have the necessary skills and capabilities to effectively implement our Community Strategic Plan.

To guide this process, we begin by analysing the current composition of our workforce. This analysis enables us to identify emerging trends and anticipate potential challenges, providing the Council with a comprehensive overview of its workforce at the time of this strategy's development.

Employment Type Across Council

Permanent employees (full time and part time) make up 77% of council's workforce. Temporary/Term Contract, trainee and casual employees make up an additional 8%, 4% and 16% of the workforce respectively.

This distribution aligns with the broader employment trends seen across NSW. Notably, 65% of casual employees are employed within the Community Services Directorate. The majority of these roles are seasonal or subject to fluctuating demand, including positions at the pools, library, animal shelter, and in customer service and administration.



Situation	%
Full Time	61
Casual	16
Part Time	11
Temporary / Term Contract	8
Trainee	4

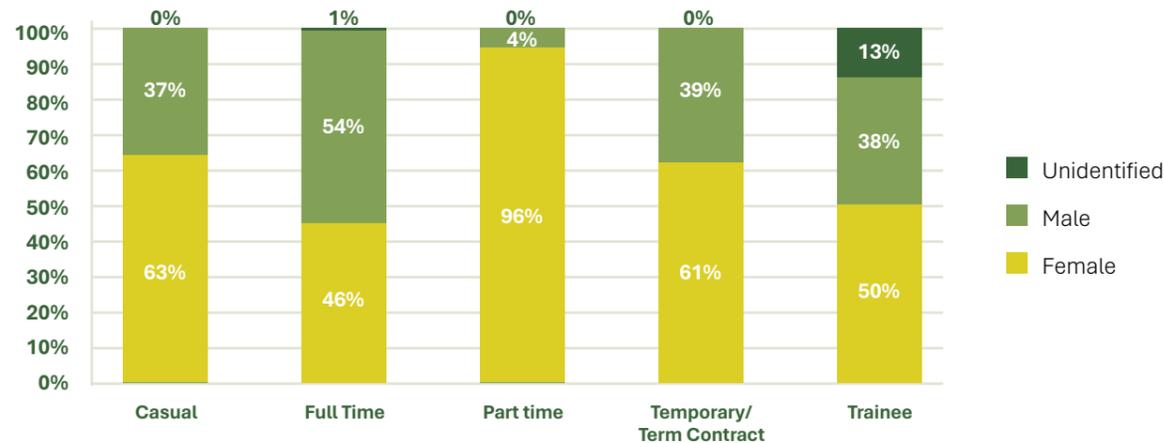
Gender Split Across Council

Women currently make up 55% of the Council's workforce, which is slightly higher than the 52.3% reported in the 2022 gender breakdown for other local councils.

Women hold 52% of leadership positions within Council. However, an analysis of employment types by gender reveals notable disparities in the distribution of full-time, part-time, and casual roles. Notably, 96% of part-time employees at the Council are female, which aligns with the findings of the 2022 Local Government survey, which highlighted a lower proportion of male part-time employees in rural councils.

Further analysis of the gender split across different sectors of the workforce shows that 70% of employees in outdoor and labour-intensive roles are male. In contrast, 76% of employees in indoor administrative and customer service roles are female.

Employment Category by Gender

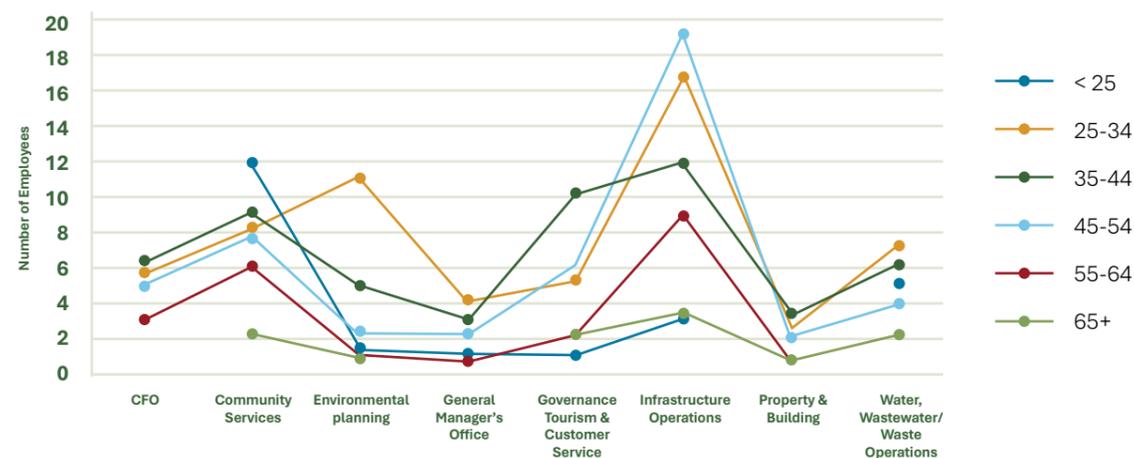


Aged-Based Analysis

The average age of Council employees is 41, which is slightly lower than the industry average of 43 years. A notable 29.9% of the workforce is aged 50 or over, with 10.4% nearing retirement within the next five years. In contrast, 26.7% of employees are 30 or younger, presenting an opportunity for Council to focus on attracting younger talent to the workforce.

A significant proportion of employees aged 45 and over are employed as works and waste operators within the Infrastructure and Operations Department. Given the physically demanding nature of many of these roles, Council may need to consider options for role modifications or retraining as these employees progress towards retirement. Effective succession planning will be crucial to preserve the expertise of long-serving staff. This is particularly important, as over 90% of councils across Australia are facing skills shortages, further emphasising the need for targeted recruitment, retention, and development strategies to overcome these challenges.

Age Representation across Departments



Tenure Across Council

64% of the workforce has up to 5 years of service, while 24% have less than 1 year of service. In contrast, 22% have between 10 and 20 years of service, and 9% have more than 20 years of service. The median length of service within the Council is 6 years.

Despite this, the turnover rate stands at 25%, which is notably higher than the rural council industry average of 18%. With local councils losing 1.3-1.5% of staff annually due to retirements and involuntary exits, this data highlights a need for targeted strategies to improve retention, and to support the professional development of less experienced staff.



Years	%
< 1	24
1-3	31
4-5	9
6-10	14
11-15	9
16-20	4
21-30	6
30+	3

Location of our Workforce

Council is committed to supporting local employment and attracting talent to the Muswellbrook Shire LGA. Currently, 70% of our workforce resides within the Muswellbrook LGA, while 19% live in the broader Hunter region. Only 11% of our workforce resides outside the Hunter region. However, it should be noted that at the time of this analysis, there were 32 vacant permanent positions, which indicates challenges in attracting candidates to Muswellbrook Shire.

This analysis offers valuable insights to help shape our future employment propositions and retention strategies.



Location	%
Muswellbrook LGA	70
Hunter Region (outside LGA)	19
Outside Hunter Region	11

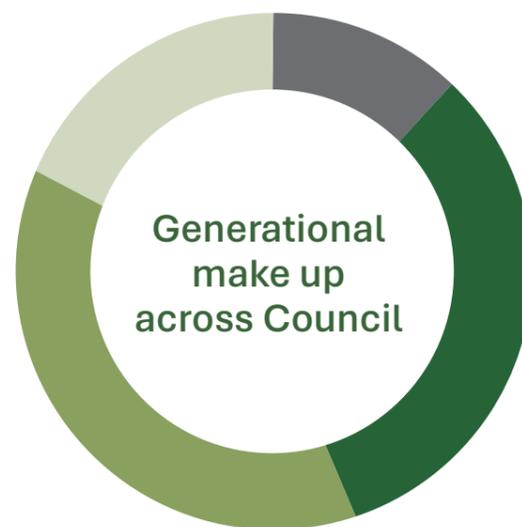
Muswellbrook Shire's population has increased steadily from 2011 (13,239) to 13,647 (2016) to 16,357 (2021) according to the Australian Bureau of Statistics. This poses as an opportunity for Muswellbrook Shire Council and how Council may present itself as an employer of choice for an increasing population. However, due to the 19.9% of the Muswellbrook Shire's population employed in the coal mining industry and Council not been able to compete with the coal mining salary, initiatives must be developed focusing on work life balance and employee wellbeing. A recent report completed by Lock the Gate Alliance, states the Hunter region has 17 mines closing over the next 20 years. This is something that Muswellbrook Shire Council will need to acknowledge as a potential opportunity for members of the community to training and offer job opportunities for them to remain in the Local Government area.

Muswellbrook Shire Council employees will receive 3% increase in rates of pay in compliance with the Local Government Award 2023.

Total Number of Employees as at 1 July 2024	221 Employees
Average Workforce Age	41
Average Length of Service (Years)	6
Number of new employees in FY2023/24	53
Number of employee departures in FY2023/24	48
Workforce Turnover rate (%)	25
Number of Volunteers as of March 2025	9
Percentage of workforce aged between 40-65+	50%
Percentage of workforce aged <30	24%



Gender	Number	%
Female	122	55
Male	97	44
Unidentified	2	1
Total	221	100



Generation	Number	%
Baby Boomers	26	12
Gen X	71	32
Millennials	86	39
Gen Z	38	17
Total	221	100

Engagement

Directorate Leadership Group (DLG)

The Directorate Leadership Group (DLG) is established to assist the General Manager in the leadership and management of Muswellbrook Shire Council and any related corporate bodies ('Council').

DLG has responsibility for setting operational goals in line with the Integrated Planning Framework, the Local Government Act and other relevant Statutory Requirements including Council's Policies and Procedures. DLG has responsibility for achieving results and developing people and system capacity, motivating, embodying and communicating values. DLG meetings aim to facilitate discussion and collaborative decision making.

The DLG will:

- discuss strategic application of financial and human resources across Council
- address enterprise risks and improve performance and service delivery
- exchange information and encourage innovation and idea sharing
- review Business Papers ahead of the Ordinary and Extraordinary Meetings of Council
- review Annual and Quarterly reports, including Budgets, Delivery Programmes and Operational Plans before formal submission to Council
- advise on the implications of policies, strategies, industry standards and changes to statutory requirements
- promote and endorse Council's Values in all aspects that affect Council's operations
- discuss matters that may affect the operations of Council, its people and reputation and make balanced decisions in the best interest of Council, its people and its communities
- provide a decision-making forum to which employees feel they can direct appropriate issues for consideration, review, discussion and be notified of outcomes.

Management Leadership Group (MLG)

The Management Leadership Group (MLG) is established to assist the General Manager and Directorate Leadership Group (DLG) in the leadership and management of Muswellbrook Shire Council by representing the interest of community, staff and the Organisation, Business Improvement.

The MLG will:

- develop, review, endorse and implement policies and procedures
- address enterprise risks and improve performance and service delivery
- exchange information and encourage innovation and idea sharing
- review Annual and Quarterly reports, including Budgets, Delivery Programmes and Operational Plans before formal submission to Council
- advise on the implications of policies, strategies, industry standards and changes to statutory requirements
- promote and endorse Council's Values in all aspects that affect Council's operations
- discuss matters that may affect the operations of Council, its people and reputation and make balanced decisions in the best interest of Council, its people and its communities
- provide a forum to which employees feel they can direct appropriate issues for consideration, review, discussion and be notified of outcomes.

Muswellbrook Shire Council values employee engagement and are consistently including employees in the decision making process to ensure their ideas and recommendations are incorporated into Council operations. A number of committees and working groups

Staff Consultative Committee

The aim of the Staff Consultative Committee is to provide a forum for consultation between Council and its employees; positively co-operate in workplace reform to enhance the efficiency and productivity of the Council and to provide employees with access to career opportunities and more fulfilling, varied and better paid work.

WHS Committee

The WHS Committee is one of Council's main mechanisms for communication and consultation with its Workers on health and safety matters. The WHS Committee creates a forum for frank and open discussion between HSRs and management. The WHS Committee will support Council's continuous improvement of its safety management system and assist in creating a safe working environment for all Workers of Council. Staff Engagement Working Group

The Staff Engagement Working Group was formed after the staff satisfaction survey was completed in July 2024.

Council shared the results of this survey with all staff, however, the working group looked more closely at the results and how Council can improve their operations to assist employees. Corrective actions were completed by the working group and communicated to staff via a General Manager's forum. Council will continue to utilise staff engagement surveys to ensure employees are happy and satisfied with their employment at Muswellbrook Shire Council.

Induction/ Onboarding Working Group

The Induction/ Onboarding Working Group was formed in 2024 to review Council's onboarding processes. All departments that are involved in the induction process is included in the working group, to ensure processes are efficient and consistently improved upon. The induction process is critical in ensuring new employees feel welcomed, are well informed with Council operations and understand the required legalisation and internal procedures.

Spirit Values

Council staff members work by Council's Code of Conduct and Organisational Values, which provide a framework for how staff should treat each other, our customers and other stakeholders at work.

We use the word **SPiRiT** to identify the six values that we consider to be meaningful and important. The six values are **Safety, Pride, Integrity, Respect, Innovation** and **Teamwork**.





Muswellbrook Shire Council has a strong commitment towards being a high performing employer of choice, attracting and retaining great people who care deeply about their workplace and their community. Council’s SPIRIT values describe the behaviours Council holds close to its heart to ensure that our organisational culture embraces a supportive and caring workplace, in a safe environment where everyone is respected and encouraged in their professional development.

We know that a great workplace must demonstrate honest and transparent communication and collaboration, and this is a central pillar of our workplace. We are a workplace who treasures fairness and equity, pride and belonging. A core element of our workplace is providing flexible working arrangements, so that our colleagues are supported in providing carer and family responsibilities and in ensuring a positive work life balance. We are a workplace that is always seeking to improve as one team. We are a workplace that prioritises safety, both physical and psychosocial, above all else. We will always be striving to provide the best possible working environment and excellent leadership that can be relied upon to provide guidance and the highest level of integrity, empathy, and support.

The Workforce Management Plan connects to the Community Strategic Plan, ensuring Council are able to meet long term aspirations with the appropriate level of staff who are trained and experienced to meet these

objectives. This can be placed into smaller deliverables through the Delivery Program and Operational Plan, which identifies how staff can measure the success of objectives identified. The Director Leadership Group may review the organisational structure ensure Council has an effective workforce to meet the future service needs.

As mentioned in the Asset Management Strategy, Council must investigate training opportunities for staff to enable effective asset management across asset portfolios. It has been an increasingly difficult challenge for Local Government to overcome attracting qualified Engineers due to market competitiveness, remuneration and a limited talent pool to draw from.

The Workforce Management Plan will also ensure legislation is met, in particular:

- *Multicultural NSW Act 2000*
- *Disability Inclusion Act 2014*
- *Public Interest Disclosures Act 1994*
- *Anti-Discrimination Act 1977*
- *Carers (Recognition) Act 2010*
- *Work Health and Safety Act 2011.*

The Workforce Management Plan will ensure it achieves what is outlined in the Community Strategic Plan, playing particular focus on “we are working together”.

Key Themes

The key themes for the 2025 – 2029 Workforce Management Plan are:

- Reviewing Fundamentals
- Training and Professional Development
- Employee Wellbeing
- Attracting the Right Candidates

Reviewing Fundamentals

It is critical to ensure processes and systems are continually reviewed to ensure they are technologically sound and effective. Technology is evolving rapidly, and opportunities may arise to make processes simplified and effective. This also presents as an opportunity to enhance Council’s collection of data and metrics that can assist with forecasting workforce needs. A staff engagement survey completed in July 2024 stated employees would like to become more aware of Council operations and decision making. To improve communication, Muswellbrook Shire Council will investigate opportunities that employees can access internal systems easier, such as via mobile friendly apps to continually be kept up to date with Council operations. It is important that processes may be utilised on different platforms of technology, to ensure all employees are able to access information easily and are engaged in Council operations.

Training and Professional Development

Muswellbrook Shire Council will continue to ensure employees feel supported to enhance their training and professional development. LGNSW Workforce Insights 2022-2023 states when employees feel supported by their organization to grow their careers, their likelihood of being a high performer increases by up to 39 percentage points, their willingness to stay at the organization increases by up to 19 percentage points, and their engagement increases by up to 61 percentage points. Ensuring Muswellbrook Shire Council has a training and professional framework will allow for equity across the organisation for employees to participate in professional development. The training and professional framework, alongside the performance management framework will create career progression and pathways for Council employees. This framework will assist with Council’s ageing workforce and cross over of skills and knowledge to occur.

Muswellbrook Shire Council will continue to investigate opportunities for the youth and entry level positions through Traineeships, Apprenticeships and Cadetships for the local community.

Employee wellbeing

Employee wellbeing, including psychosocial wellbeing, is at the forefront of Council’s operations and is supported by implementing health and wellbeing programs, reviewing staff incentives and introducing a rewards/ recognition program. Muswellbrook Shire Council will continue to complete staff engagement surveys which is valuable data into employee insights. The 2024 LGEA Remuneration Report stated that respondents intended to progress to a more senior position at the same Council they were currently employed by. Similarly, the most commonly held career goal was to obtain a broad range of experience in their field. To ensure Muswellbrook Shire Council are able to have highly engaged workforce, Council must consider avenues of cross training and skill development to lower the turnover rate. Due to the market competitiveness, Council must consider ways in which they can be an employer of choice through flexibility and work/ life balance.

Attracting the Right Candidates

It is crucial that Council continue to offer attractive employment opportunities to ensure effective recruitment, while also providing support services, such as our Welcome Experience Team, to facilitate a smooth relocation process for employees and their families. The recent Regional Australia Institute report on ‘Rebalancing the Nation’ (RAI, 2022) identifies the importance of strengthening liveability has emerged as key to the quality of life in regional Australia, including the availability of housing, services and infrastructure. This theme will link closely to Council’s Delivery Program and Asset Management Plan, ensuring members of the community have the adequate housing, services and infrastructure available to enjoy living in Muswellbrook Shire.

Measuring success

Reviewing Fundamentals

What we will do	Why we will do it	How we will do it	How progress will be measured
Review and update Council's Onboarding module	Ensure streamlined approach for potential employees, to ensure the induction process is thorough, well understood and engaging	Review current processes and identify areas of improvement if required	Incorporate inductions feedback through probationary reviews Capture data through induction software
Identify potential Human Resource Information Systems opportunities to ensure streamlined HR processes within employee life cycle and improvements in the collection of data to assist with future forecasting	Create a Human Resource platform for employees to access easily leading to high levels of employee engagement and participation	Review current systems and investigate opportunities which will create efficiency and integration, with particular interest of systems that integrate with mobile apps. Upgrade workforce communication tools to enhance collaboration and knowledge sharing	Feedback from staff and managers on ease of use and system benefits Improved tracking of training, career development, and workforce performance Regularly conduct research of 'best practice' in HR and WHS areas
Review of performance management program	To ensure all employees have constructive conversations with their Manager's to ensure their short term and long term learning aspirations may be met	Develop an automated system for managers and employees to access, complete and manage centralised reporting of learning and professional development needs	Training attendance for staff to be made aware of revised performance management program Participation rates of performance management program Staff feedback
Continue to review processes and the use of technology in the collection of data to ensure improved forecasting and decision making	To streamline processes, decreasing the administration time spent on tasks and improve ease of use for all employees.	Further training for Human Resources Unit on technology improvements and enhancements	Feedback from staff and managers on ease of use and system benefits Comparison of completion rate compared to previous program

Training and Professional Development

What we will do	Why we will do it	How we will do it	How progress will be measured
Develop and implement a Council-wide Training Policy and Procedure	Ensure all employees meet compliance, safety, and role-specific training requirements Enhance workforce skills, knowledge, and professional development Improve employee engagement Align training priorities with Council budgets and workforce plans	Review position description training and accreditation requirements Outline mandatory training for each position description Develop Training Guidelines to ensure equity for employee's opportunity to participate in Learning and Development	Data captured through training completion records Data captured through annual Engagement Surveys in relation to employees' overall satisfaction of Learning and Development Opportunities Annual evaluation of training budgets to ensure alignment with Council priorities
Professional Development Opportunities	To combat the concerns with an ageing-workforce and allow for information handover to ensure operational requirement can consistently be met Enhance staff skills to improve service delivery	Identify cross skilling and succession planning opportunities Introduce succession planning framework Provide upskilling opportunities through accredited training and professional development programs Develop a workforce ageing strategy	Participation rates in leadership and upskilling programs Data captured of employees promoted internally due to structured career development Feedback from employees on career progression opportunities (via engagement surveys) Detailed forecasting to ensure future requirements may be met with staffing levels
Encourage Apprenticeships, Traineeships and Cadetships job opportunities	These programs assist individuals to gain the hands on experience and qualification required for the future	Apply for grant funding where applicable, to encourage job opportunities for the youth, i.e. Fresh Start Program Continue to attend Careers Day in the local community Ongoing communication with schools and tertiary education facilities	Number of new apprentices, trainees, and cadets employed Attendance in Careers Days

Employee Wellbeing

What we will do	Why we will do it	How we will do it	How progress will be measured
Implement, Monitor and Review Council's Health and Wellbeing Program	A Health and Wellbeing Program will positively impact employees physical, mental and emotional health.	Examine the results from the Health and Wellbeing Survey in consultation with StateCover and update the Health and Wellbeing Program in line with results. This will be presented to the Staff Consultative Committee and circulated to all staff.	Participation in wellbeing and engagement programs Incorporation of health and wellbeing initiatives in annual staff engagement survey
Introduce Rewards and Recognition Program	A Rewards and Recognition Program will acknowledge the achievements of employees and/ or Units and reinforce Council's values, whilst also boosting employee morale.	Investigate rewards and recognition programs and consult with potential working group of cross-sectional employees of Council.	The success of participation and nominations.
Continue to review capacity to provide workplace flexibility that meets organisational and employee needs	Providing a workplace that offers flexibility can have a significant impact on overall employee satisfaction, retention and potentially reach a larger market of candidates.	Review Working from Home Procedure. Investigate other flexible working arrangement opportunities for staff.	Include flexible working arrangement questions in staff engagement surveys to determine staff satisfaction with availability of flexible working arrangements.
Conduct annual staff engagement surveys	Allow employees to provide feedback regarding current processes, procedures and what it is like to work for Muswellbrook Shire Council	Council has a three year contract with a third party which allows Council to conduct surveys and compare results.	By conducting annual reviews, data will be captured and comparison can be made if improvements are effective or
Continue to develop and strengthen Council's safety culture	To ensure all staff operate in a safe manner and prioritise their health and wellbeing	Educate staff on Council's incident and reporting system	Reported incidents, near misses and hazards via Council's systems
Ensure a proactive approach to Psychosocial Hazards	Addressing psychosocial hazards is critical in maintaining a healthy, safe and supportive workplace.	Training Manager's on the signs and importance of psychosocial hazards in the workplace Offer support and flexible working arrangements	Conduct risk assessments Evaluate policy and procedure Review data such as incidents of stress, absenteeism and turnover

Attracting the Right Candidates

What we will do	Why we will do it	How we will do it	How progress will be measured
Ongoing review of Recruitment Processes	To ensure we compete with the market and become an employer of choice Attract skilled and experienced candidates	Regular Monitoring of current systems and processes compared to the market	Data captured through Onboarding module
Enhance Council's employer brand to attract quality candidates	To ensure Council can respond quickly to changing market conditions and reaching a larger candidate market	Larger presence on social media platforms	Number of applicants per position Data collated from recruitment program, i.e. how the candidate found the job
Strengthen workplace diversity and inclusion strategies to attract talent from underrepresented groups	Creates a dynamic and innovative workplace	Review recruitment processes to ensure inclusive employment opportunities Facilitate opportunities to increase the diversity of Council's workforce	Diversity metrics (increased representation of women, Aboriginal and Torres Strait Islander employees, and young workers).
Investigate opportunities on how to meet skill shortages, such as Engineers and Planning Professionals.	To ensure Council have the appropriately skilled staff to ensure operational requirements are able to be met	Investigate opportunities and grants to assist with training programs Continue to work alongside the "The Welcome Experience Program" to ensure family's unique requirements are met when moving to the area Engage with external recruitment stakeholders to discuss industry trends	Data collection from advertise to hire and vacancy rates Review of strategies implemented to address skill shortages

Asset Management Planning

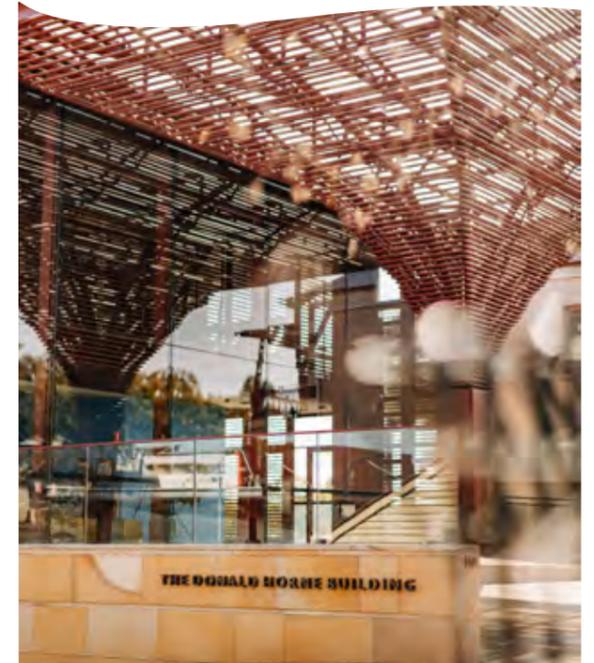


Introduction

Muswellbrook Shire Council (MSC) is responsible for a diverse range of public assets valued at almost \$1 billion. The assets deliver reliable services to our community, providing a healthy, clean environment, safe movement and accessibility, and facilities for health and wellbeing.

The average condition of assets as listed in MSC's financial statements are in good to satisfactory condition, however, we continue to be focused on improving the reliability of our asset management data. Our current focus is to continue to update the corporate asset register with accurate and current information, and to develop robust processes and procedures to ensure assets are recognised at their current value. The actions in the business improvement program will develop mechanisms for a whole of lifecycle management system to provide value and assurance for the community.

MSC will provide well planned and maintained infrastructure in a cost-effective way. It is important to increase infrastructure resilience to achieve sustainable development, including systems and structures designed to withstand, adapt to, and recover from adverse conditions such as natural disasters and other unanticipated adverse events.



The MSC Community Strategic Plan 2025 - 2035 outlines a vision and key priorities for Muswellbrook over a 10-year period. Managing assets is a key part of the plan to provide value to the community.

The Strategic Asset Management Plan documents:

- An overview of MSC's assets;
- What MSC will deliver;
- Achievement of objectives whilst balancing risk, resources, and financial capacity;
- How MSC will maximise the long-term functionality and value of its assets; and
- How MSC can make sound asset management decisions.

The Strategic Asset Management Plan (SAMP) is based on the NSW Government Integrated and Reporting (IP&R) Framework, the International Standards (ISO) for asset management, risk and quality management; the International Infrastructure Management Manual (IIMM) published by the Institute of Public Works, Engineering, Australasia (IPWEA) and AM Council AMBoK.

Our Shire is powered by opportunity, with space to grow and shape a thriving future

Vision: Muswellbrook Community Strategic Plan 2025 - 2035

Key Asset Management

elements identified in council's Community Strategic Plan

Theme	Outcome	Strategy	Indicator
 <p>We are a... strong community</p>	<p>Our community contributes to community life, is safe and has access to services and facilities</p>	<p>Provide opportunities for all residents to participate in community life and feel a part of the community.</p>	<p>Council's facilities, service and programs.</p>
		<p>Provide accessible and well-maintained sport, leisure, and recreation infrastructure for community use.</p>	<p>Satisfaction with Council's facilities, service and programs.</p>
		<p>Deliver programs, campaigns, facilities, and infrastructure which improve community safety</p>	<p>Sense of personal safety during the day and at night for all ages and genders</p>
 <p>We are a... great place to live</p>	<p>Our community offers a great lifestyle in a healthy natural environment.</p>	<p>Protect and enhance Council-managed water infrastructure and mitigate environmental and manufactured impacts</p>	<p>Household and Council's water consumption</p>
		<p>Manage the use of water and waste wisely, efficiently, and sustainably to facilitate growth and economic opportunity.</p>	<p>Uptake of FOGO and recycling, reuse and landfill diversion rates</p>
		<p>Reduce emissions of Council owned assets to reach Net Zero targets</p>	<p>Satisfaction with protection of the natural environment</p>
 <p>We are... working together</p>	<p>Our community is involved in our decision making and we manage our resources to align with our communities' values and priorities.</p>	<p>Deliver sustainable projects, services, and programs through sound financial management.</p>	<p>Increase overall satisfaction with the performance of Council across all areas and functions</p>
		<p>Ensure Council has long-term financial sustainability</p>	<p>Financial</p>
		<p>Improve efficiency of Council systems</p>	<p>Improve efficiency of Council systems</p>
		<p>Maintain and enhance our open and public spaces and natural areas</p>	<p>Improve efficiency of Council systems</p>

Asset Management Framework

The Integrated Planning and Reporting Framework guides asset management practices to align with Council's strategic objectives and plans, as well as the long term financial plan, to provide value and a high level of service to the community.

The Asset Management Policy defines MSC's approach and principles to enable effective asset management. All policies are reviewed in line with Council's Policies framework.

This Strategy is supported by 10-year Asset Management Plans which detail asset service levels and the level of investment required to maintain the assets to agreed service levels. New assets are identified through strategic plans and Council resolutions.

The SAMP and associated Asset Management Plans are live documents updated annually and reviewed every 4 years or at the beginning of a Council term.

Asset Management Plans require operational plans and work programs to enable delivery of maintenance and works defined through the asset planning process.



Figure 2: Asset Management Framework

Assets Provide Value to the Community

In order to ensure that Council provides a high level of asset management on behalf of the community, the following strategies and practices have been identified to support the management of Council's asset portfolios.

Strategies to manage asset portfolios:

- Develop and maintain Asset Management Plans for all asset groups;
- Develop and administer a centralised online asset register;
- Integrate the asset management system and the finance system;
- Provide data and analysis to inform risk-based decisions;
- Manage risk and maintain emergency management plans;
- Engage with the community to agree on the desired levels of service, understanding that this must be managed within Council's approved budgets;
- Provide whole-of-life asset management;

- Manage documents to ensure transparency, availability and currency;
- Identify and increase required skills, training, resourcing, and support to enable effective asset management across asset portfolios;
- Develop and maintain a suite of documentation informing and supporting asset management processes;
- Conduct regular reviews and performance assessments to report progress and update improvement plans;
- Manage resources – balance performance, risk and cost;
- Provide sustainable infrastructure to minimise social, environment, and economic costs;
- Build resilience (increasing the capacity of the community to withstand external shocks and adapt to changing circumstances);
- Provide quality assurance by following legislated and non-legislated standards and guidelines; and
- Provide reliable, accessible, and consistent service levels with operations and maintenance programs.

State of our Assets



Muswellbrook Shire Council owns and manages a large range of assets with fair value of \$931M. This includes, but is not limited to, roads, footpaths, bridges, buildings, stormwater management assets, water, sewer, and recreational facilities. The assets provide an agreed level of service to the community such as clean water, transport corridors, flood prevention, and facilities for community activities. The Asset Management system aims to balance cost, risk, and performance to provide the agreed levels of service.

Data Completeness and Reliability	Last Valuation	Fair Value 2024 \$000	Inventory	Condition	Age	Reliability	Work Program
Implement, Monitor and Review Council's Health and Wellbeing Program	FYE 2021	\$27,833	Uncertain	Uncertain	Acceptable	Uncertain	Uncertain
Buildings, Operational and Community Land	FYE 2023	\$124,583	Acceptable	Uncertain	Acceptable	Acceptable	Uncertain
Transport (Roads, Bridges, Footpaths)	FYE 2020	\$518,525	Reliable	Acceptable	Reliable	Reliable	Acceptable
Stormwater Drainage and Flood Structures	FYE 2020	\$73,996	Acceptable	Acceptable	Acceptable	Uncertain	Uncertain
Water	FYE 2022	\$67,548	Acceptable	Uncertain	Acceptable	Uncertain	Uncertain
Wastewater	FYE 2022	\$108,587	Acceptable	Uncertain	Acceptable	Uncertain	Uncertain
Landfill Waste	FYE 2024	\$4,681	Reliable	Reliable	Reliable	Reliable	Reliable
Other Minor Classes		\$5,751					
Total		\$931,459					

As is the case with most rural and regional councils, Muswellbrook Shire Council manages a large and diverse range of assets, which includes ageing infrastructure and a significant backlog of renewals and repairs. Council will continue to manage its budgets, including opportunities for State and Federal grant funding, in order to progressively improve its funding of asset and infrastructure management. It is understood there are significant risks associated with underinvestment in infrastructure, including reduced asset lives which can increase capital.

Asset Condition and Cost Data

The following charts are based on the Muswellbrook Financial Statements 2024:



Figure 3: Overall asset condition

Figure 4: Replacement cost of asset groups

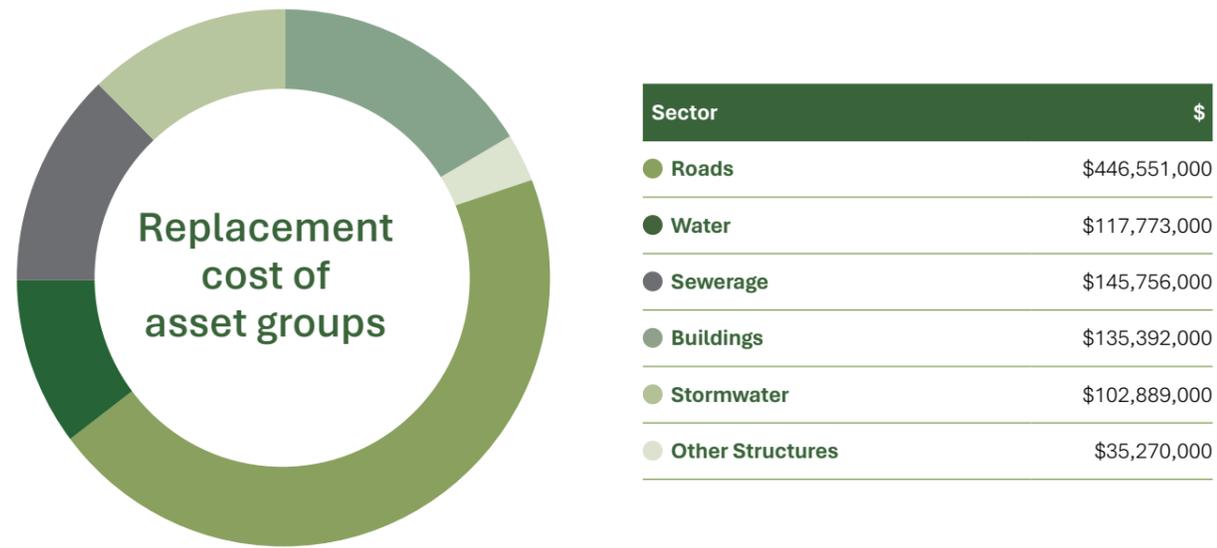
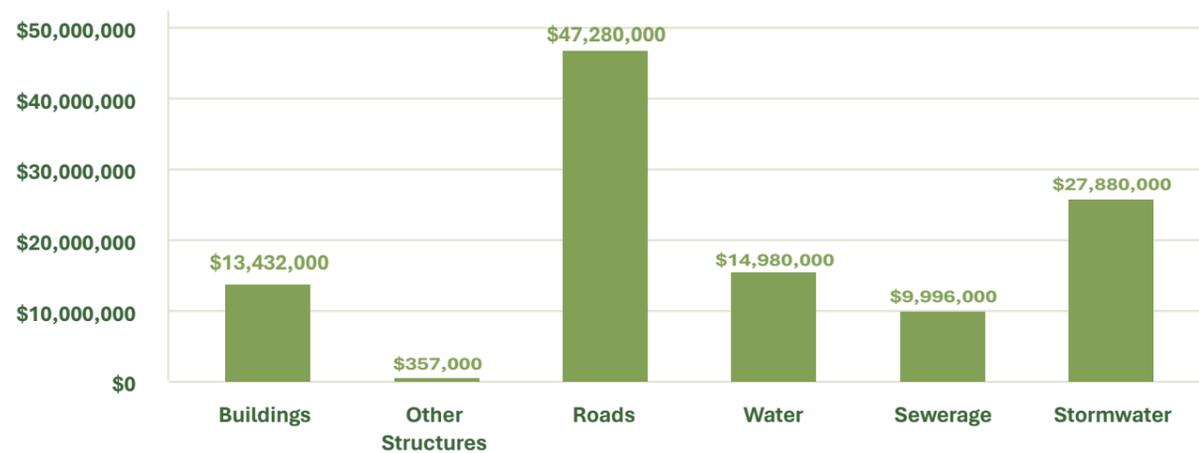


Figure 5: Cost to bring assets in poor condition to satisfactory condition



Mega-Trends

There are several mega-trends that have the potential to impact asset management planning and practices. In particular, the impacts of climate change, a growing focus on environmental sustainability, evolving technologies, and changes to legislation are all likely to have an impact on asset provision and management.

Evolving Economy

Muswellbrook Shire has a long history in energy generation, with 2 of the State's base load power generators and, by production, Muswellbrook Shire is the largest coal mining area in Australia, exporting 25% of NSW's thermal coal. AGL's Liddell Power Plant and Muswellbrook Coal closed in 2023, with 2 further mines scheduled to close before 2035. Muswellbrook Shire will transition to a centre of renewable energy production, clean technology, and advanced manufacturing, in partnership with the State and Federal Governments.

Closures

Muswellbrook's mining Industry will contract and energy generation is in transition. Planning for future industries need to happen now so that the community can see a future.



Climate Change

Severe weather events associated with climate change are becoming more common, affecting the longevity and management of assets. However, “asset management, when undertaken according to best practice, is already one of the most significant climate adaptation strategies” (World Bank Group). Improvements in the asset management system will build resilience and predict required changes because of climate change.

Environmental Sustainability

The NSW Government has a target to deliver a 70% cut in emissions by 2035 compared to 2005 levels. They have legislated a whole-of-government climate action in the Climate Change (Net Zero Future) Act 2023. Local government asset management will contribute to this target by implementing water and energy efficiency, use of renewables, waste reduction, recycling, circular procurement, and protection of natural areas. Designers should foster a regenerative approach to infrastructure by regenerating planetary health and delivering positive outcomes for people and the planet.

Evolving Technology

Council has a large asset portfolio and maintenance budgets. Technology has a growing and significant role in asset management. Asset Management software can streamline business processes, track assets, ensure they are well maintained and operational, and inform risk-based decisions. The reliance on technology also requires increased cybersecurity to protect software, systems, and networks from threats, including theft, damage, disruption, misdirection, or offline incidents.

Economic Resilience And Wellbeing

The area is in a transition phase as fossil fuel industries are phased out and renewable energy infrastructure opportunities emerge. MSC will need to provide supporting infrastructure for new industry and housing developments, including green, connected infrastructure, and quality public spaces.

Best Practice vs Current Practice

Muswellbrook Shire Council conducted an internal “lite” Asset Management Maturity Assessment (AMMA) in October 2024. The maturity of MSC’s asset management system was assessed against the IP&R guidelines and ISO 55000 suite of Asset Management standards. NSW Public Works conducted the assessment and provided recommendations in relation to continuous improvement opportunities. The results of the assessment are summarised below.

ISO Section	Scores	Target
Organisation	32%	100%
Leadership	71%	100%
Planning	30%	100%
Support	19%	100%
Operation	0%	100%
Performance Evaluation	0%	100%
Improvement	25%	100%
Average	25%	100%
Weighted Average	31%	

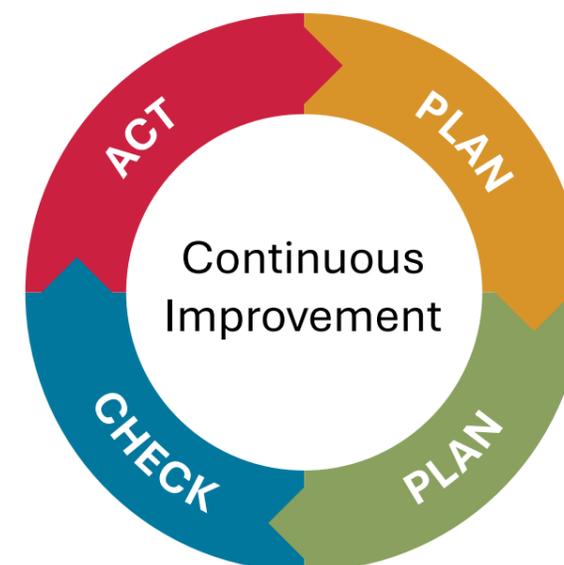
How we will deliver on this strategy

Action	Comments	Responsible Person	Timeline
1. Review SAMP and prepare for inclusion in the Resourcing Strategy – to be approved by Council	Check SAMP complies with IP&R Guidelines; revision will include updates and adjustments to reflect changes within Council; changes in any other corporate documents, drivers, internal/ external factors; any revised levels of service, resources, benchmarks etc.	Chief Engineer / Asset Manager	June 2025
2. Review AM Policy and prepare for inclusion in the Resourcing Strategy – to be approved by Council	The Asset Management Policy forms part of the suite of IP&R documents contained in the Resourcing Strategy. It forms a framework for managing non-current assets and setting objectives. All Council policies should be reviewed and updated within 12 months of a Council election.	Chief Engineer / Asset Manager	June 2025
3. Governance and leadership of the AM system	It will be clear to the organisation that leaders own and support the asset management system by governance, leadership and raising awareness of the AM purpose across the organisation.	Management Leadership Group	On-going
4. Prepare or revise a set of Asset Management Plans for main non-current assets. Prepare for including in the Resourcing Strategy – to be approved by Council	Councils are required to prepare an AMP for all the non-current assets to support the CSP and the Delivery Program. It is up to Council to structure their AMPs for each class of asset, but there are guides available. AMPs are living documents that should reflect changes in asset condition or service level, and should contain details of critical risks.	Asset Owners / Asset Manager	December 2025
5. Develop a centralised online asset register	A plan to continuously improve data collection is required to gain a single source of truth. An Asset Management Information System comprises centralised software to capture data, regular revaluations and updates, links with finance, GIS, and work management. Asset register completed either in spreadsheets or in Authority	Asset Owners / Asset Manager	On-going
6. Develop an asset condition and performance monitoring strategy which can be implemented and audited.	The strategy should review the asset hierarchy and systems of recording, including metadata to assist with traceability, and the level of detail required for the different function, compliance and risk management	Chief Engineer / Asset Manager	June 2026

Action	Comments	Responsible Person	Timeline
7. Review roles and responsibilities for asset management	<p>Gap analysis of positions with asset management responsibilities</p> <p>Develop a RACI matrix (Responsible, Accountable, Consulted, Informed)</p> <p>Position descriptions incorporate AM roles.</p> <p>Processes are embedded for AM coordination.</p> <p>A training program for AM staff is implemented</p> <p>Performance assessment incorporates achievement of AM objectives.</p> <p>Strategies to be included in the Workforce Management Plan.</p>	Human Resources Manager / Asset Owners	February 2026
8. Develop an Asset Accounting Policy	Develop an asset accounting policy, consulting key stakeholders.	Property and Place / Asset Manager / Chief Financial Officers	20th December 2024
9. Develop and implement a community engagement plan to review community levels of service	Assets exist to provide a service to the Community. Councils are required to prepare a Community Engagement Strategy. The process of community engagement for the preparation of the 10-year CSP will ascertain the desired outcomes. The outputs Council decide to deliver based on the CSP are detailed in the DP and broken down into annual deliverables in the Operational Plan. Levels of service can be fine-tuned considering more detailed community consultation, legislation, regulations and strategic goals. A level of service review could be conducted every few years if the organisation has been able to provide information about their current levels of service.	Manager Governance and Risk	July 2026
10. Develop and maintain a critical risk register	<p>Council to determine its risk appetite, and resource availability to determine an appropriate level of maturity - to be reviewed on a regular basis.</p> <p>Regular risk assessments at all levels of Council are important for decision-making, determining levels of service, budget allocation and community outcomes.</p>	Manager Governance and Risk	ongoing
11. Asset Management Steering Committee (AMSC)	<p>The role of the AMSC is to oversee the implementation and improvement of the asset management system.</p> <p>Fine-tune the membership of the AMSC – including senior staff.</p> <p>A report from every meeting to be tabled at an ARIC meeting</p>	Chief Engineer / Director Property and Place	On-going – meeting every 6-8 weeks

Action	Comments	Responsible Person	Timeline
12. Develop demand management plans	<p>Develop demand management plans from projections of drivers such as demographics, technology, climate change etc.</p> <p>Risks should be considered and documented in the asset management plans</p>	Asset Manager	January 2026
13. Review objectives annually	<p>Conduct a gap analysis of asset performance annually and update strategic plans to drive the improvement actions.</p> <p>Improvement plans should identify objectives, timeframes, deliverables, resource requirements, cost, and responsibilities</p>	Asset Manager	Annually
14. Ensure affordability of new asset investment	A business plan to be approved for all new acquisitions detailing life-cycle costs to be approved by the Chief Financial Officer and Management Leadership Group	Director Property and Place	When required
15. Develop performance modelling systems	Once the asset register is populated and centralised, predictive modelling can be developed	Asset Manager	2027
16. Ensure asset values are current	Develop a schedule of asset valuations to ensure fair value.	Asset Manager	February 2025 & on-going

Figure 6: Business improvement plan



Regular formal and informal reviews of processes and systems will acknowledge progress, and plan for efficiencies and improvements. The Plan-Do-Check-Act cycle is recommended for good governance

Appendix 1 – Asset Management Information Register

Key documents for each asset class are listed below with sources of asset information.

Buildings and Recreation

- Asset register;
- Asset Management Plan;
- GIS layer for buildings;
- GIS layer for other structures and depreciable land improvements;
- Condition assessment inspection records; and
- Maintenance Management System for Playgrounds.

Finance

- Fixed asset register.

Roads

- Asset register for roads, bridges, stormwater and drainage, footpaths, other transport assets;
- Asset Management Plan;
- Automated condition data for sealed roads;
- Condition rating and future works programs for transport assets;
- Pavement management system; and
- Maintenance management system.

Water and wastewater

- Asset registers;
- Asset Management Plan;
- Financial modelling of future water supply infrastructure needs and operations (FINMOD);
- GIS backend database;
- Service request management system;
- Condition assessment inspection records; and
- Development Servicing Plan.

Waste Management

- Waste management strategy;
- Closure Plan;
- Asset Management Plan; and
- Maintenance Management system

Appendix 2 – Charter of the Asset

The Corporate Asset Management Steering Committee (the “Committee”) provides strategic, practical leadership in all facets of asset management. The committee ensures the ongoing development and improvement of appropriate asset management systems, procedures and practice that will provide consistent sound standards of asset management throughout Council’s operations and activities. Council’s Chief Engineer is the Chair of Council’s Corporate Asset Management Steering Committee.

Primary responsibilities of the Asset Management Steering Committee

1. Develop and implement an asset management improvement strategy and action plan.
2. Report to the ARIC committee.
3. Report quarterly to the Management Leadership Group regarding the progress of prioritised, funded elements of the action plan.
4. Progressively develop and implement best practice asset management policies, procedures, and practice.
5. Oversee integration of asset management with other business systems, particularly finance, IT, and reporting.
6. Oversee development of standard asset management plans for all classes.
7. Oversee the regular review of Council’s asset management plans.
8. Oversee the integration of the asset management plans into Integrated Planning and Reporting Documents and the Long-Term Financial Plan.
9. Provide leadership and expert guidance to the development of the asset management system.



Long-Term Financial Planning

Introduction

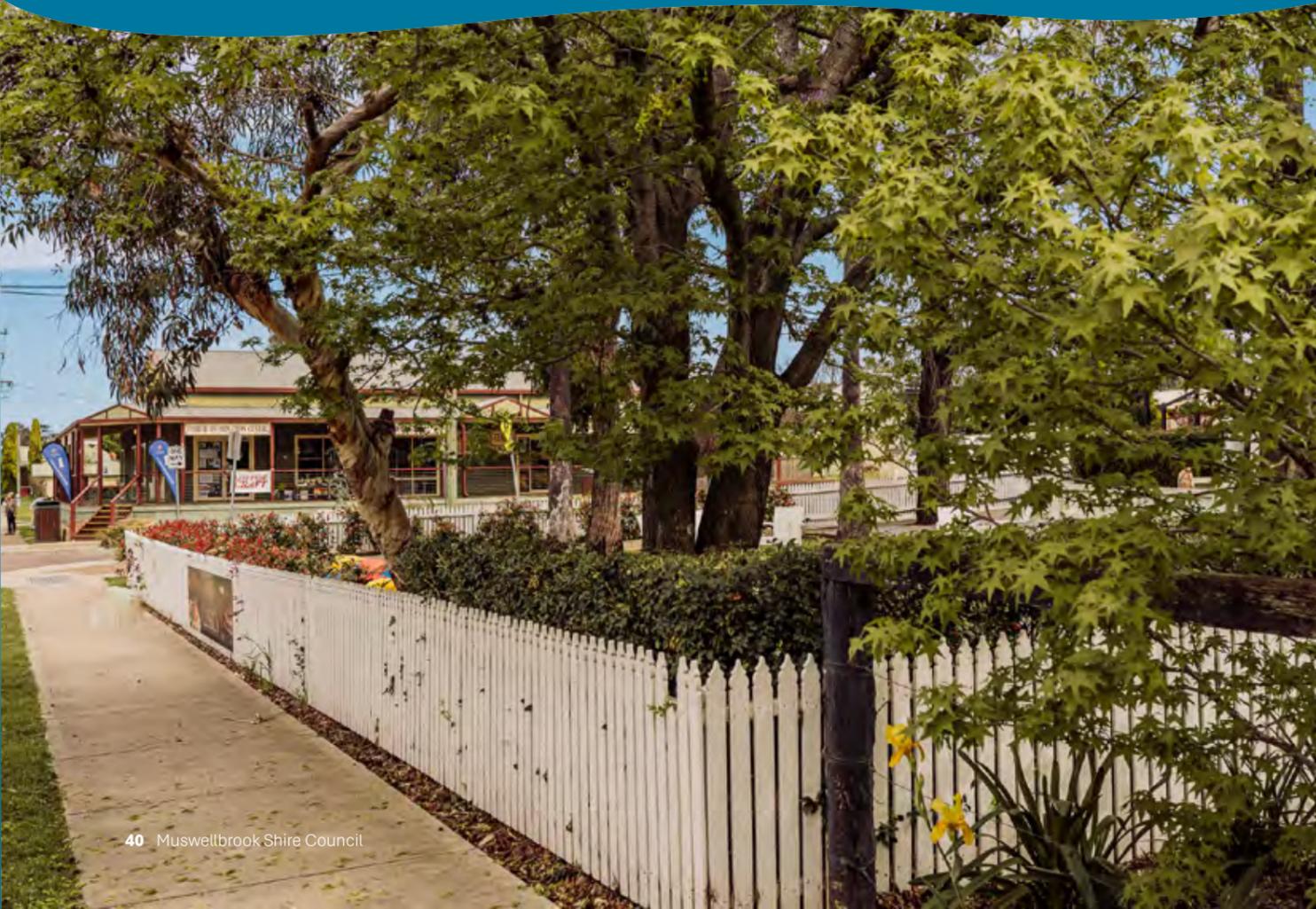
This Long-Term Financial Plan (LTFP) is designed to ensure the financial sustainability of the Council over the next decade. With the anticipated closure of coal mines, the plan carefully considers the impact on rates revenue and identifies strategies to mitigate financial risks. By exploring alternative revenue sources and implementing effective cost-management strategies, the Council aims to maintain essential services and infrastructure. Furthermore, the LTFP is aligned with the Community Strategic Plan (CSP) and other key planning frameworks, including the Strategic Asset Management Plan and the Workforce Management Plan, ensuring a cohesive approach to long-term financial resilience. A comprehensive risk management framework is also incorporated to safeguard the Council's financial stability in an evolving economic landscape.

The LTFP is an essential part of the Integrated Planning and Reporting (IP&R) framework, guiding the Council's financial decisions to support service delivery and infrastructure management. It provides a structured approach to long-term budgeting, ensuring that financial planning aligns with community needs and expectations. The plan also assists in identifying funding gaps, evaluating investment opportunities, and prioritising

capital works projects to maintain infrastructure and essential services. Additionally, it helps Council adapt to economic shifts, particularly in response to industry changes such as the transition away from coal mining.

The LTFP will be reviewed annually in conjunction with the Delivery Program and Operational Plan and comprehensively updated every four years, or as required due to significant financial or policy changes.

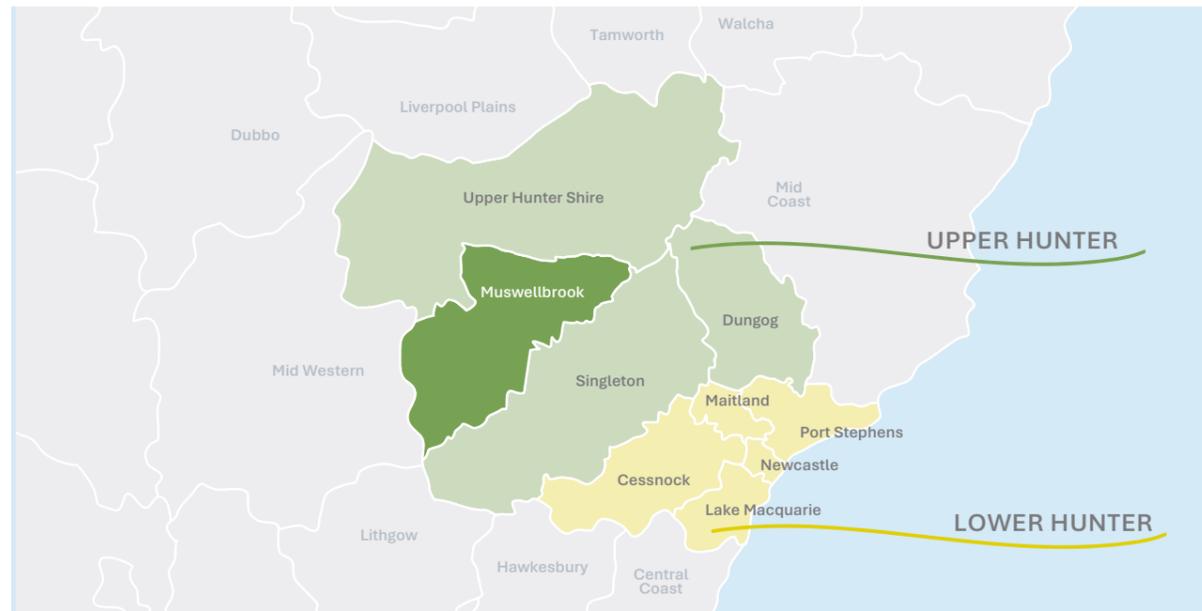
The LTFP provides a comprehensive framework for managing the Council's financial sustainability over the next decade. It details key financial assumptions, identifies potential risks, and outlines strategies to maintain fiscal stability. The plan incorporates financial statements that illustrate projected revenues and expenditures, as well as capital works plans that guide infrastructure investment. Additionally, it includes sensitivity analyses to evaluate the impact of economic fluctuations and external pressures, helping to ensure informed decision-making in an evolving financial landscape.



Context

Muswellbrook Shire is located in the Hunter Region of New South Wales, Australia. It is a lively and diverse area known for its rich history, beautiful landscapes and strong industries. Muswellbrook, approximately 130km north-west of Newcastle. The Shire consists of two large towns, Muswellbrook and Denman, and outlying rural communities including Sandy Hollow, Wybong, Baerami, Martindale, Widden, McCullys Gap and Muscle Creek.

Our Shire



Population break down by age group



Main industry

Muswellbrook Shire is the main centre for New South Wales' power generation capacity.



Council Services





Strategic Alignment

As part of Council’s Resourcing Strategy within the Integrated Planning and Reporting Framework, the LTFP ties into the other key strategic plans to keep Council financially stable and services running smoothly. The LTFP connects the Community Strategic Plan (CSP), which sets long-term aspirations for economic and community resilience, with the more detailed Delivery Program (DP) and Operational Plan (OP), which outline in more detail the steps needed to achieve them, and how that will be measured. The Asset Management Plan (AM Plan) feeds into this by identifying infrastructure priorities and guiding responsible investment, while the Workforce Plan ensures staffing strategies are aligned with future service needs. The Annual Budget includes more granular detail, translating these interlinked plans into practical, year-to-year financial decisions that support long-term sustainability.

LTFP Assumptions

Revenue

- **Rates and Charges:** Forecast annual Rate Peg of 3%; Projected decreases in Mining rate revenue due to closures; partially offset by other increases due to economic diversification.
- **User Charges and Fees:** Adjusted annually for inflation and demand changes; projected average increase of 3%.
- **Interest and Investment Revenue:** Fluctuating with market conditions; forecast average return of 3.5%.
- **Operating Grants and Contributions:** Evolving with economic conditions; forecast annual growth of 3%.
- **Developer Contributions (Section 7.11):** Influenced by a range of factors including economic environment, population growth, etc; forecast at 3% growth.

Expenditure

- **Employee Costs:** Forecast stable organisational structure and 2.5% annual Award increase beyond 2026/27.
- **Materials and Contracts:** Adjusted based on service delivery needs and efficiency measures; forecast 2.5% annual increase in line with CPI.
- **Debt Servicing:** Managed within sustainable limits; forecast 4.5% rate on any new borrowings.
- **Depreciation:** Reflecting asset management plans and capital investments.
- **Other Operating Expenses:** Subject to cost-control measures; forecast annual increase of 2.5%.

Future and ongoing financial challenges

Council is navigating the complex transition away from an economy reliant heavily on the coal industry, which is expected to have significant impacts on its financial base. As mining rates revenue declines due to falling mining property values and economic shifts, the challenge of addressing a longstanding infrastructure backlog becomes more pronounced. At the same time, maintaining current service levels with fewer resources will require innovative thinking, careful prioritisation, and robust community engagement. The LTFP is designed to support Council in meeting these challenges through strategic planning, financial discipline, and a proactive approach to economic transformation.



Council’s Role

Council is responsible for the management and maintenance of an extensive network of infrastructure and services that support the community’s daily needs. This includes the construction and upkeep of roads and bridges, the maintenance of public parks and open spaces, and the provision of essential water and sewer infrastructure to ensure reliable supply of high-quality water and effective wastewater management.

Additionally, the Council oversees a range of community facilities such as libraries, recreational centres, and public halls, which serve as vital hubs for social and cultural activities. Waste management services, including garbage collection, recycling programs, and landfill operations, are also a core responsibility. Beyond physical infrastructure, the Council plays a crucial role in regulatory oversight, urban and regional planning, and fostering community development initiatives to enhance the quality of life for residents and promote sustainable growth.

Key stakeholders include residents, businesses, government agencies, neighbouring councils, and community organisations. Residents and businesses contribute to the local economy, while government agencies provide funding and policy direction. Neighbouring councils support regional initiatives, and community organisations help drive local projects. Strong partnerships will be essential for securing funding and promoting economic diversification to sustain the region’s future.

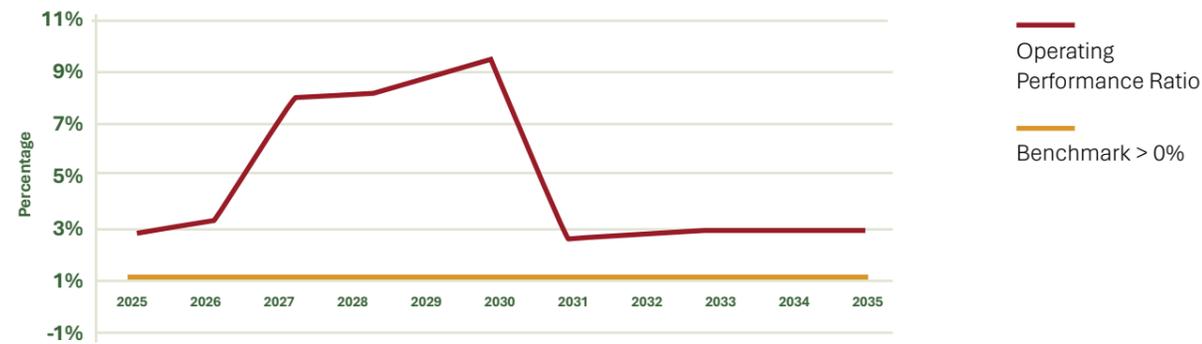
The anticipated closure of coal mines is expected to lead to a decline in rates revenue and Voluntary Planning Agreement contributions as mining property values decrease. This reduction in revenue poses a financial challenge for Council, impacting its ability to maintain infrastructure and essential services. Council is proactively fostering economic diversification and alternative revenue streams to mitigate these effects and ensure long-term financial sustainability.

State and federal grants are also expected to decrease, reducing a key funding source for infrastructure and services. At the same time, infrastructure maintenance costs are rising due to aging assets and increasing material costs. To sustain employment and essential services, economic diversification efforts will be necessary, including investment in new industries and regional development initiatives.

Council's Current Financial Position and Forward Strategy

Council is committed to maintaining a sustainable operating performance ratio to ensure it can cover its day-to-day costs without relying on reserves. Addressing the infrastructure backlog will be done carefully within available funding, balancing the need for asset renewal with limited resources. At the same time, Council will monitor its liquidity and debt service coverage ratios to make sure it can meet short-term obligations and repay debt comfortably, staying within established benchmarks to safeguard financial stability.

Operating Performance Ratio

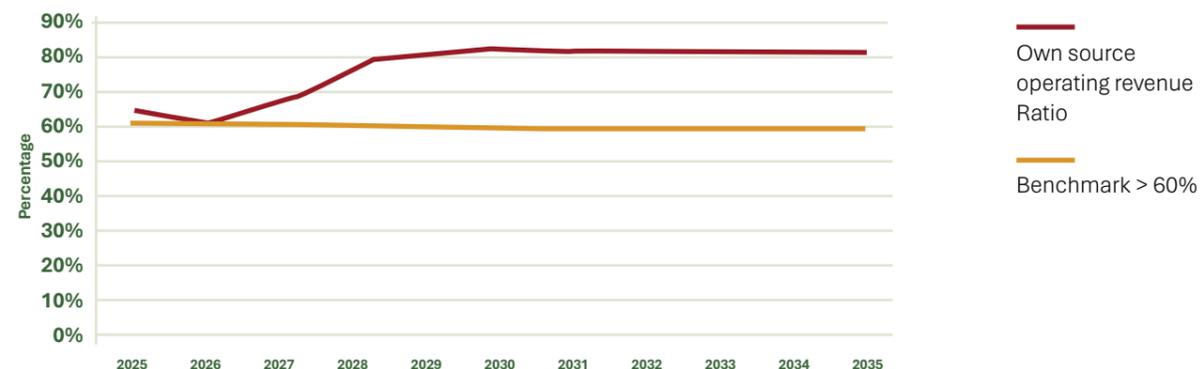


Note: The Operating Result is measured on the axis on the right-hand side.

The Operating Performance Ratio is a key financial performance measure used by NSW councils. It assesses a council's ability to cover its operating expenses (excluding capital items) with its operating revenue (excluding capital grants and contributions).

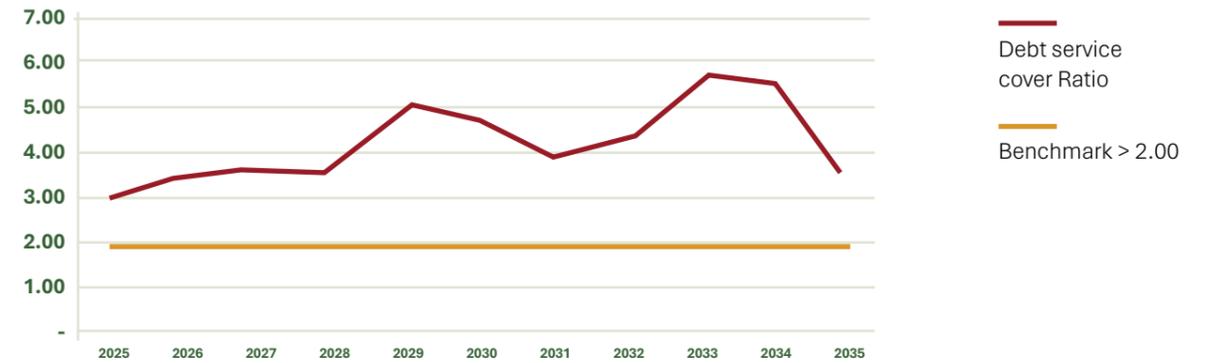
A positive ratio indicates that a council is generating enough revenue to meet its operating costs, which is critical for financial sustainability. The benchmark set by the NSW Office of Local Government is a ratio greater than 0%, meaning councils should at least break even on their operating activities. Under this scenario, Council exceeds the benchmark.

Own-source operating revenue ratio



The Own-Source Revenue Ratio indicates the proportion of revenue generated from sources other than grants and contributions.

Debt Service Cover Ratio



Note: The Operating Result is measured on the axis on the right-hand side.

Financial Management Strategies

Efficiency and Productivity: Council will continue to focus on improving internal processes and service delivery models to ensure the best use of available resources. This includes adopting digital solutions, streamlining operations, and regularly reviewing performance to drive better outcomes with optimal use of resources.

Rating Revenue: Council is exploring the use of differential and special rates to ensure an equitable distribution of the rating burden, particularly in response to shifting land values, economic conditions and the diversification of the economy.

Fees and Charges: All fees and charges are reviewed annually to ensure they remain competitive, reflect the cost of service delivery, and respond to changing demand from the community and local businesses.

Alternative Revenue Sources: Council is looking beyond traditional income. The Muswellbrook Shire Future Fund plays a strategic role by investing in projects that deliver consistent financial returns and support long-term community and economic outcomes. Council is also exploring opportunities in industries like renewables, tourism, agribusiness, and education to support the local economy as coal-related revenue declines. Teaming up with community partners is a critical part of this.

Pursuit of Grants: Council will actively seek federal, state, and private sector grants to support infrastructure upgrades, economic development projects, and community programs, leveraging partnerships to strengthen applications and align with broader policy goals.

Reserves and Debt Funding: Reserves and borrowing will be used prudently, prioritising long-term infrastructure projects that provide broad community benefits and align with asset management and strategic plans.

Asset Disposal: Surplus and under-utilised assets will be reviewed regularly to identify opportunities for sale or adaptive reuse, unlocking value to reinvest in priority projects and services.

Investment Policy: Council will maintain and grow its conservative and diversified investment portfolio that balances risk and return, with a focus on preserving capital while supporting sustainable financial outcomes.

Financial Modelling

Base Scenario

Consolidated Operating Performance 2025-2035

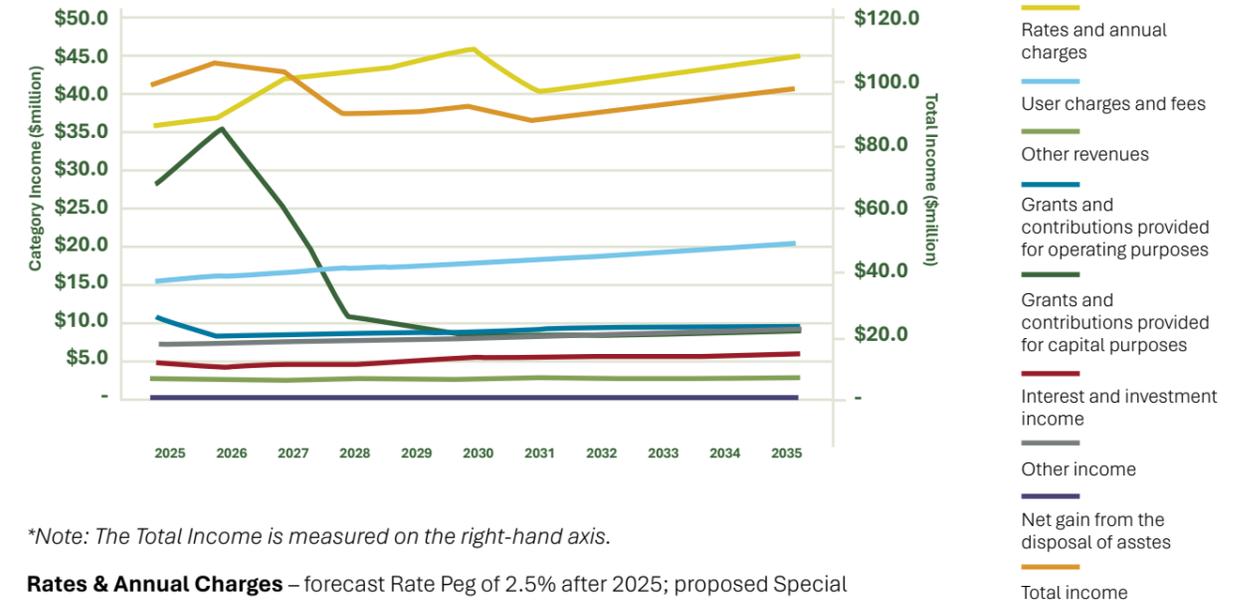


*Note: The Operating Result is measured on the right-hand axis.

The forecast 2030 closure of two large coal mines in Muswellbrook Shire will result in a significant decline in rates and other income for Council. To help support the transition while the economy diversifies, a temporary Special Rate Variation (20%, levied on the mining properties only) is proposed for the 2026/27 financial year. The additional funds generated by the SRV would be invested in a mix of commercial and financial assets to generate returns to help bridge the funding gap between the revenue lost due to mine closures and all the other initiatives Council is engaged in to diversify the local economy and its own revenue sources.

The operating surplus shown outside of 2026-2031 relates to Council's Future Fund – a separate division established to generate financial returns and help ensure Council's financial sustainability into the future.

Consolidated Income

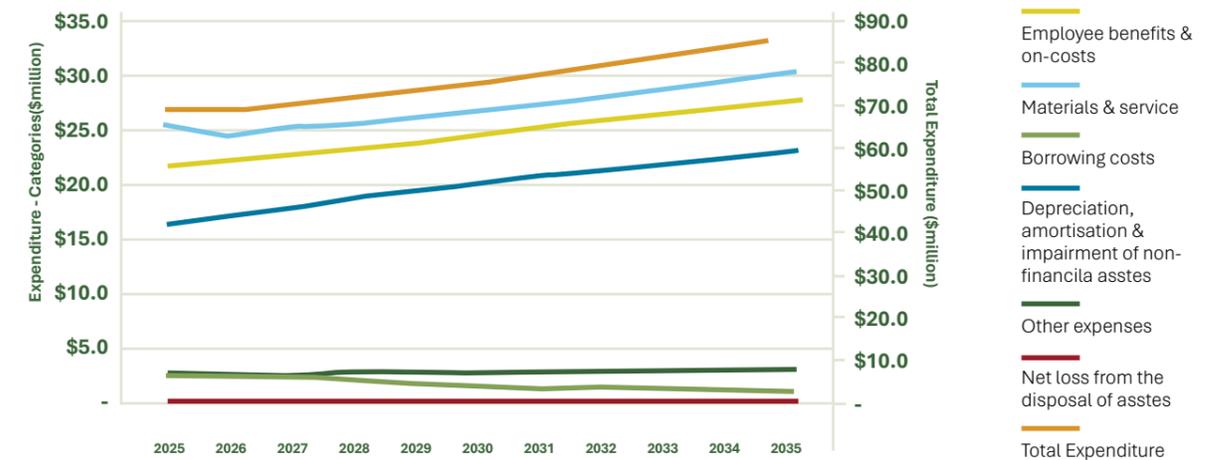


*Note: The Total Income is measured on the right-hand axis.

Rates & Annual Charges – forecast Rate Peg of 2.5% after 2025; proposed Special Rate Variation (mines only) for FY 2025/26 results in the larger rise; forecast rates revenue drop after mine closures in 2030.

Grants & Contributions Provided for Capital Purposes – Confirmed grants are included for the 2025-2028 projections; only modest projections for capital grants (and associated capital projects) are included past 2027/28, which shows the steep decline.

Consolidated Operating Expenditure



*Note: The Total Expenditure is measured on the right-hand axis.

Employee Benefits – forecast stable organisational structure and annual Award increase of 2.5%.

Materials and Contracts - Adjusted based on service delivery needs and efficiency measures; forecast 2.5% annual increase in line with CPI.

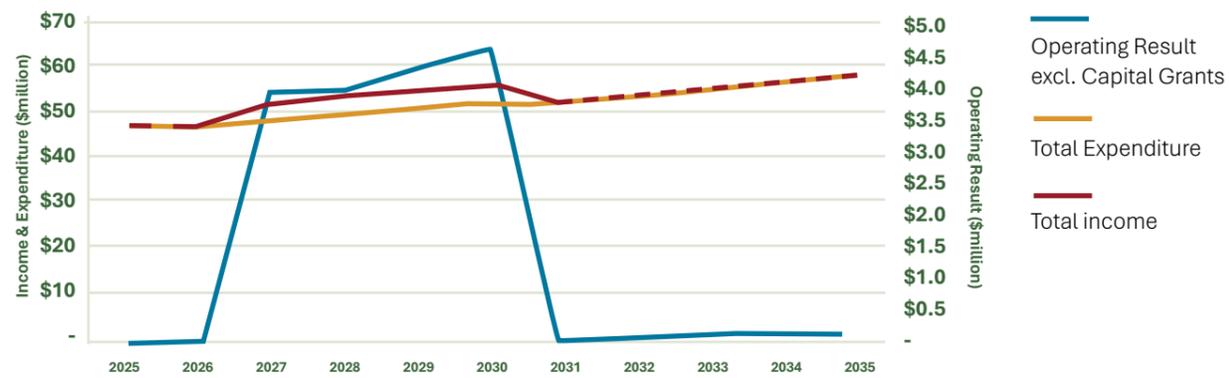
Depreciation: Reflecting asset management plans and capital investments.

Other Operating Expenses: Subject to cost-control measures; forecast annual increase of 2.5%.

Operating Performance by Fund

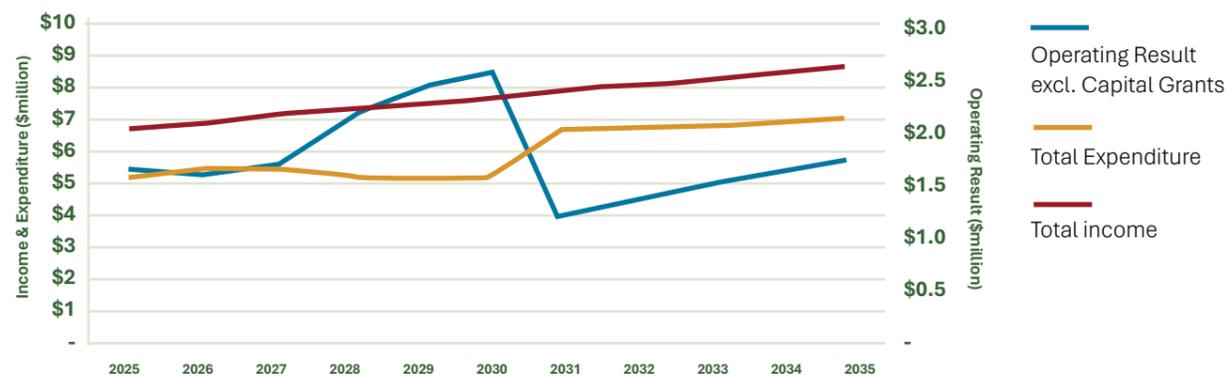
Muswellbrook Shire Council operates four separate funds to manage its operations. Each fund is maintained independently to ensure transparency and accountability in how council services are funded and delivered. In accordance with Council's Financial Management Policy, Council has prepared a 2025/26 Budget with a minimum of a break-even bottom line in each of the four Funds. The General Fund has a break-even bottom line. The Water and Sewer Funds show small surpluses to help build reserves for future infrastructure investment. In line, with its growth objectives, the Future Fund shows a surplus.

General Fund



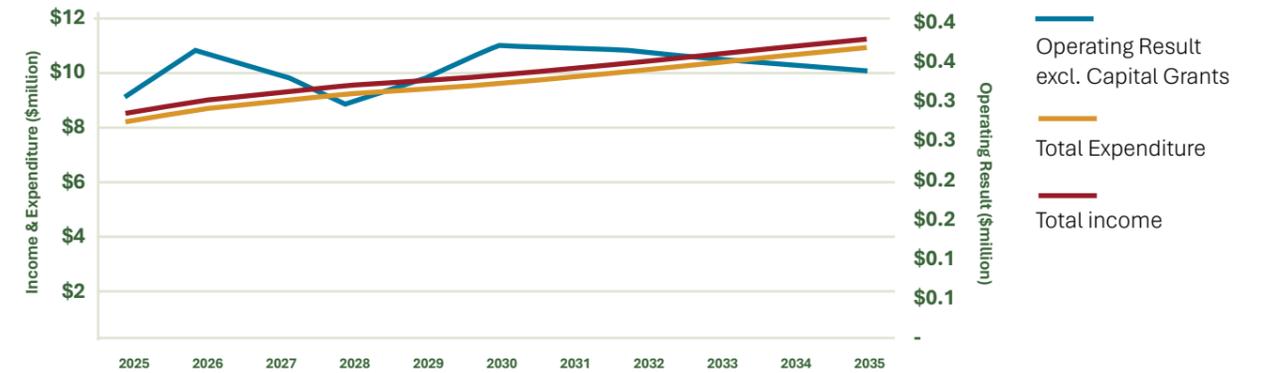
Note: The Operating Result is measured on the axis on the right-hand side.

Future Fund



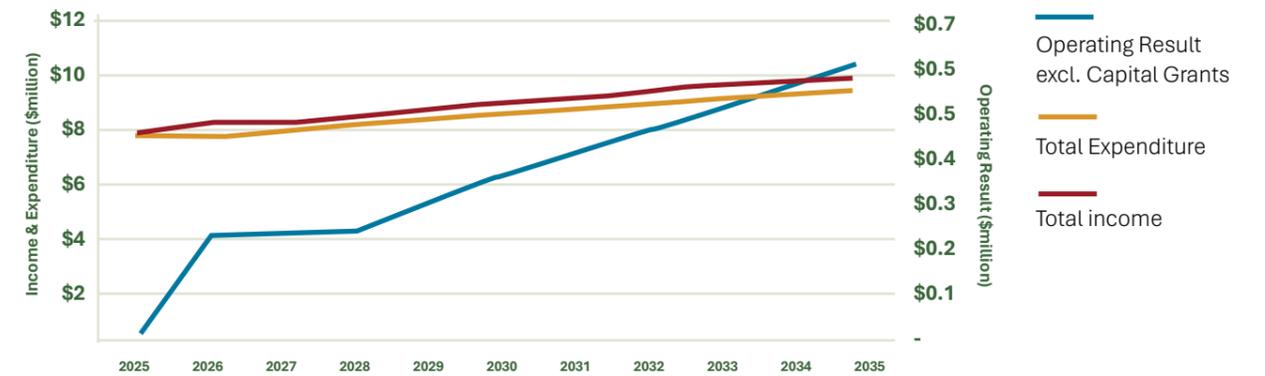
Note: The Operating Result is measured on the axis on the right-hand side.

Water Fund



Note: The Operating Result is measured on the axis on the right-hand side.

Sewer Fund



Note: The Operating Result is measured on the axis on the right-hand side.

The financial statements, including Income Statement, Balance Sheet and Statement of Cash Flows, for the 10 years of the LTFP, are included as an appendix to this document.

Alternative Scenarios

Alternate Scenario 1 – No SRV; Other assumptions remain constant

This scenario assumes that the SRV included in the Base Scenario is not implemented.

The coal mine closures cause a significant and sudden decline in rates revenue, triggering difficult decisions around reducing services and selling underutilised assets.

Despite Council’s extensive efforts to promote and support economic diversification and develop new income streams, the scale of the revenue loss from mine closures is too substantial to bridge through these measures alone. This scenario underscores the need for the proposed Special Rate Variation (mines only). Without it, difficult decisions would need to be made around reducing services for the community.

Alternate Scenario 1 – Consolidated Operating Performance



This scenario shows a steep decline in the operating result with the closure of mines in 2030. Significant reductions in services would need to be implemented if alternative revenue sources couldn’t be realised.

Alternate Scenario 2 - Accelerated Diversification of Revenue Sources; No SRV

This scenario also assumes that the SRV included in the Base Scenario is not implemented, but the diversification of the local economy and Council’s revenue sources is accelerated (very optimistic, 12% annually).

Even in this scenario, Council’s extensive efforts to promote and support economic diversification and develop new income streams, would not be enough to offset the decline in rates revenue due to coal mine closures. Again, difficult decisions would need to be made around reducing services for the community.

Despite Council’s extensive efforts to promote and support economic diversification and develop new income streams, the scale of the revenue loss from mine closures is too substantial to bridge through these measures alone. This scenario underscores the need for the proposed Special Rate Variation (mines only).

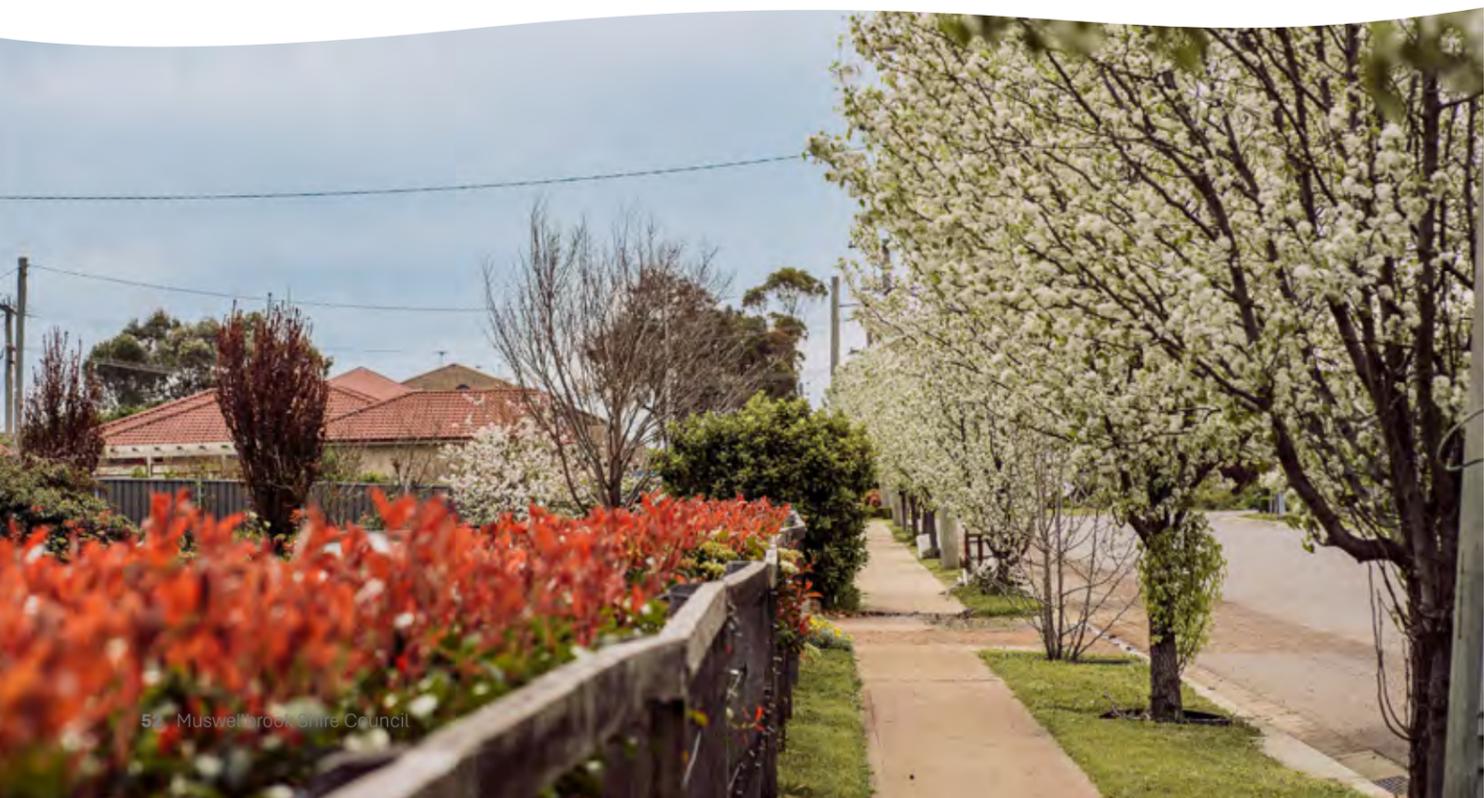
Alternate Scenario 2 – Consolidated Operating Performance



Despite Council’s extensive initiatives to diversify the local economy and its own revenue sources, this scenario also shows a steep decline in the operating result with the closure of mines in 2030. Significant reductions in services would need to be implemented if alternative revenue sources couldn’t be realised.

Performance Monitoring

Council is committed to regularly monitoring the performance of the Long-Term Financial Plan to ensure it remains responsive to changing financial conditions and community needs. Key financial indicators will be reviewed annually alongside the Delivery Program and Operational Plan to assess progress and identify any emerging risks or variances. The LTFP will also be formally updated annually, or in response to major changes in economic circumstances, funding arrangements, or strategic priorities. This ongoing review process ensures the plan continues to provide a reliable foundation for sustainable financial management and informed decision-making.



Risk Management

Revenue Decline: The anticipated reduction in rates revenue from coal mining properties is a major financial risk. Council is working to mitigate this by accelerating efforts to diversify the local economy, attract new industries such as renewable energy, agribusiness, and tourism, and engage in regional economic development partnerships.

Expenditure Increases: Rising costs of materials, services, and employee wages place pressure on Council's budget. Strategies to manage this include streamlining operations, investing in technology to improve efficiency, and identifying opportunities to share services or costs with neighbouring councils.

Project Risks: Key capital and economic development projects carry risks related to delivery, cost overruns, and community support. Council will continue to improve its rigorous project planning and feasibility studies, establish clear governance structures, and maintain transparent communication to minimise risks.

Investment Risks: Market fluctuations can impact Council's investment returns. Council's conservative investment policy will continue to guide investment decisions, prioritising capital preservation and legislative compliance, while balancing opportunities for optimal returns.

Legal and Financial Liabilities: The complexity of service delivery, contract management, and regulatory obligations increases exposure to potential legal and financial risks. Council will continue to strengthen governance practices, conduct regular internal audits, and ensure risk assessments are embedded in all major initiatives to protect public funds and uphold accountability.

Sensitivity Analysis

The LTFP is based on a set of financial assumptions that are subject to change. Analysis has been conducted on the impact of changes in key variables including:

- Changes in interest rates and inflation, which can significantly affect both revenue (e.g. investment income) and expenditure (e.g. construction and wage costs).
- Adjustments to fees and charges, which may be affected by legislation, demand, or cost recovery policies.
- Availability and timing of grants, which are often influenced by state or federal government policy.
- Assumptions around growth and development, which impact developer contributions and service demand.
- The annual rate peg limit set by IPART, which constrains potential rate revenue increases.
- Changes to staffing levels, which can alter service delivery capacity and expenditure.
- Borrowing assumptions, including interest rates, terms, and accessibility of credit.

Adjustments to the LTFP will be made as changes in these and other variables arise.



Summary

This Long-Term Financial Plan (LTFP) outlines Council's financial outlook over the next ten years, in the context of significant structural changes to the local economy. A key challenge facing the community is the progressive closure of coal mines within the region, which will result in a material decline in rate revenue—Council's most stable and reliable source of income.

Council recognises the need for proactive and strategic planning to manage this transition. In response, it has already commenced a range of initiatives aimed at supporting economic diversification, attracting investment in emerging industries, and growing alternative revenue streams. These actions are essential to building long-term resilience, both for the local economy and for Council's financial position.

However, despite these efforts, modelling demonstrates that a significant revenue shortfall is forecast over the coming decade. To maintain service levels, renew ageing infrastructure, and continue delivering critical community outcomes, Council will require additional financial support. Accordingly, Council proposes to apply for a Special Rate Variation (SRV) specifically targeted at mining properties. This approach ensures that the sector contributing most significantly to the forecast revenue decline also contributes to the transition, in a way that supports the broader community's sustainability and wellbeing. The SRV will provide a temporary but essential buffer, allowing Council to continue its planned investment in the region's future while managing the impacts of declining mining-related income.

Council remains committed to transparent financial management, ongoing community engagement, and exploring every opportunity to strengthen its financial sustainability without placing an undue burden on residents. This LTFP provides the strategic framework to guide those efforts in the years ahead.





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