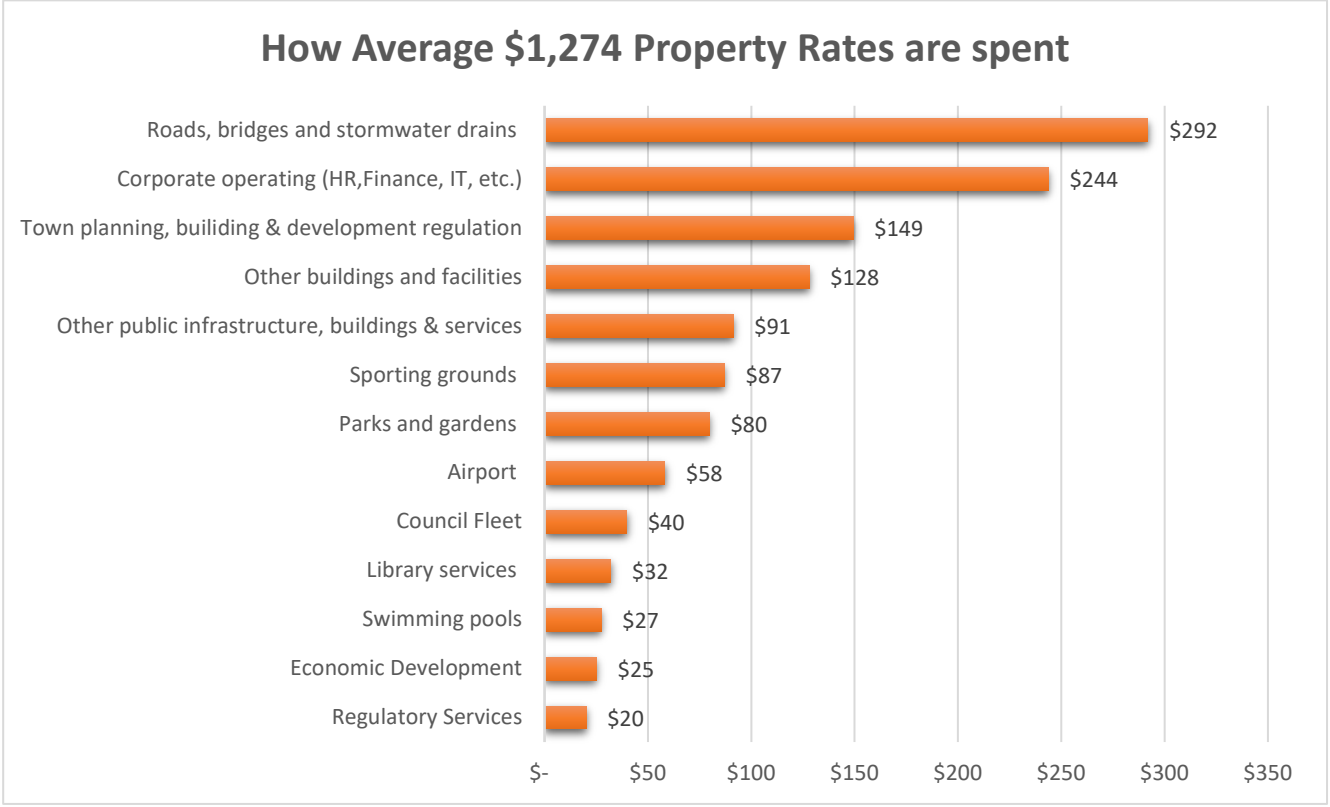


FACT SHEET 5: **What will change if we pay more in rates?**

The average residential general fund rate charge for 2023-24 is $1,274. This does not include the separate charges for water, sewer and waste that are included on the same bill. That general fund income is used to provide services that meet legislative requirements, support the community expectations and allow for the delivery of the annual Operational Plan.

The table below shows the breakdown of how that average residential rate of $1,274 is spent across the core services.





Asset maintenance and renewal

Council is required to produce and adopt a 10-year Strategic Asset Management Plan (SAMP) as part of the Integrated Planning and Reporting framework. The SAMP provides a way to review and plan for how Council can meet the objectives of our Asset Management Policy and address the community's expectations according to the Community Strategic Plan, within the context of the overall operational activities and capacity.

Kempsey Shire Council is responsible for acquiring, maintaining, and renewing, $1.2 billion of assets, including infrastructure assets for:

- Transport (roads and bridges)
- Sewer
- Plant and Equipment
- Stormwater & Flood Mitigation
- Open Space and Recreation
- Buildings
- Water

For the audited financial statements Council is required to calculate a ratio for the level of asset maintenance achieved. The NSW Government industry benchmark for Asset Maintenance is greater than 100% - basically all identified works are supposed to be completed. KSC result for 2021-22 was 96.5% which is in line with averages for other Councils of our size.

As part of the Financial Sustainability Program, Council has invested in improving the asset maintenance systems and collecting better data so that we can more accurately identify and cost those assets that require repair and or replacement, and more accurately forecast achieving the required benchmark. This analysis is collectively called "Asset Backlog".

What the SRV would mean for Asset Management

An SRV won't mean we can afford new facilities or mass upgrades to roads. It means:

- Financial sustainability is achieved to ensure the ongoing operations and service levels of Council remain as close to current levels as possible.
- Afford to put money away for future asset renewal, achieving intergenerational equity.
- May reduce the reliance on external grant funding.
- Avoid having to borrow funds to continue funding similar levels of asset maintenance to current.



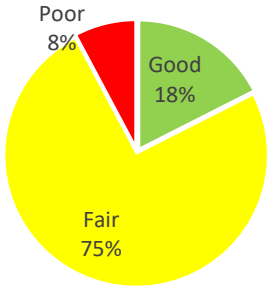
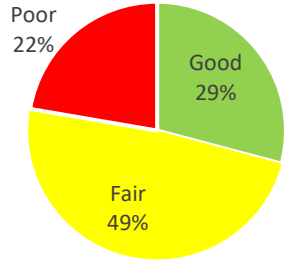
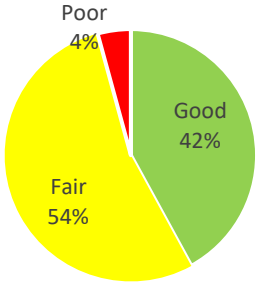
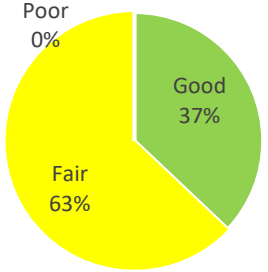
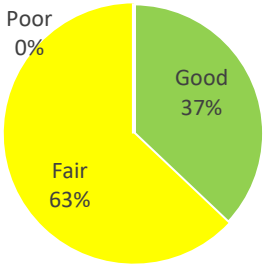
OUR FINANCIAL FUTURE

Understand the issues & have a say on Council's rating options

KEMPSEY Shire Council

Sealed Roads Asset Condition Modelling – replacement cost of sealed road network is estimated at $254 million

Good Fair Poor

Current Condition (pre-floods)	Condition in 10 years No Income Change	Condition in 10 years with Option 1	Condition in 10 years with Option 2	Condition in 10 years with Option 3
Data recorded prior to 2021 floods, so it likely there are more poor roads due to flood damage.	A greater proportion of roads will be in poor condition.	Significantly reduce roads in poor condition from "no income change. "	Roads mostly in fair condition	Roads replaced with more durable materials which last longer and cost less long term. Graph doesn't change.
				







OUR FINANCIAL FUTURE

Understand the issues & have a say on Council's rating options

KEMPSEY Shire Council

Unsealed Roads Asset Condition Modelling – replacement cost of unsealed network is estimated at $26.9 million

Good Fair Poor

Current Condition (pre-floods)	Condition in 10 years No income change	Condition in 10 years with Option 1	Condition in 10 years with Option 2	Condition in 10 years with Option 3
Data recorded prior to 2021 floods, so it likely there are more poor roads due to flood damage.	Current levels of spend will continue, some roads will get better but the poor roads will get even worse.	Address the worst of the poor condition roads and continue with more maintenance on good roads.	Almost 80% of unsealed roads in fair to good condition.	Not applicable to unsealed roads. Graph doesn't change.
