



# Financial Plan 2021-31

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## 1 The Financial Plan Story

The Financial Plan reports what Council is projecting to spend over the course of the next ten years to continue to deliver services, maintain and renew existing assets as well as build new infrastructure.

Every dollar spent over the next ten years will need to be matched by an equivalent income source. Sourcing sufficient income to fund the projected expenditure is important to demonstrate that the Financial Plan is sustainable over the ten-year period.

Not surprisingly there is generally more demand for expenditure than there are available sources of income. So, the issue becomes how to prioritise the demand for expenditure within the limited income streams.

Local Government has three major income streams that are available to fund ongoing service delivery. The three key income streams are:

- Rates and Charges – income from the ratepayers
- Government Grants – income from Commonwealth and State Government
- User Fees, Rentals and Fines – income from service users and the community

While there are a number of additional income streams these are either one off or less reliable in nature and generally designed to fund one off expenditure projects rather than ongoing service delivery.

### 1.1 Expenditure – where and how much to spend

A key objective is to deliver each service in the most cost-effective way while noting there are certain services and functions every Council is required to fund by legislation. So, one of the challenges for Local Government is to remain as efficient as possible while having to perform statutory functions and some required services that absorb part of the limited income that is therefore unable to be directed to increasing demand for other services and for community infrastructure.

While Council's role is to look for savings and efficiencies across all its functions and services, expenditure continues to be a significant challenge that often requires a series of trade-offs and the need to prioritise where the limited income streams are then directed.

The impact of these trade-offs is to limit our ability to fund all existing services as well as new initiatives that we would like to deliver to our community.

Council currently spends over \$28 million to deliver in the order of 40 services and functions that includes a number of legislative activities of local government. There is ongoing demand to increase some of the external services either by expansion of existing services or introduction of new services.

On behalf of the community, Council also manages over \$500 million worth of community assets mainly consisting of roads, drains, footpaths, buildings, sporting facilities, recreation reserves and streetscapes. Ideally, Council would need to spend over \$10 million each year just to replace these community assets. Due to income constraints, Council is only able to fund in the order of \$6 million each year that is well below the target spend of \$10 million to maintain and renew these community assets in a serviceable condition.

Council's total capital works spend in the order of \$14 million each year to renew, upgrade and construct new infrastructure that includes the \$6 million of renewal works discussed above.

Therefore, Council proposes to seek engagement with the community regarding where to prioritise spending over the next ten years:

1. Do we continue to deliver all the existing services and if so, should we spend more money on any one service to either increase the existing standard or even expand the scope of a service?
2. How do we ensure that services are delivered in line with the needs of a changing community in an equitable and accessible way?
3. Do we spend more money to replace our ageing infrastructure assets or alternatively allocate these funds to creating new multi-use facilities in response to service demands?
4. Would the community be willing to incur a small increase in rates (above the state government rate cap) to respond to these service demands?

By sharing these challenges with the community, Council proposes to inform and engage residents to assist in providing feedback into its long-term planning.

In 2020 the Victorian State Government passed a new Local Government Act that highlighted Council's role in making decisions that will achieve the best outcomes for the community, including future generations, informed by community consultation. The new legislation sets out the following principles:

- Services should be provided in a fair manner and be responsive to the diverse needs of the municipal community.
- Services should be accessible to the members of the community for whom the services are intended.
- Quality and cost standards for services set by the Council should provide good value to the community.
- A Council should seek to continuously improve service delivery to the community in response to performance monitoring.
- Service delivery must include a fair and effective process for considering and responding to complaints about service provision.

## 1.2 Income – where from and how much

In the 2021/22 Budget, the income received by Council was budgeted to be \$45 million. The main source of this income comes from rates and charges, representing 51 per cent. Council also receives grants from State and Federal governments that fully or partially fund a range of services and programs including aged care support, maternal and child health, our early learning centre, planning and building services.

Some of our services are provided at full cost recovery that requires Council to charge user fees to the community as a trade-off to allocating ratepayer dollars. While the objective is to maximise the allocation from government grants, many services also require funding from either or both rates subsidy or fee income from community members who use each service.

Where possible external income is sought from each service, usually in the form of a government grant and/or the levy of user fees and charges. However, these income sources are generally insufficient to fully offset the service expenditure resulting in a net cost to Council. This net cost to Council is funded by a mix of:

- Rates – \$15 million rate income per annum; plus
- Financial Assistance Grants – \$8 million that is received each year that is untied and not allocated to one specific service or project).

## 1.3 A question of balance

Council has a responsibility to deliver a Financial Plan designed to fund the necessary services and functions of the council as well as to replace and build new infrastructure assets. The balancing exercise is therefore to prioritise, in a financially sustainable way, the demands of current and future communities including:

- Higher expectations of a growing community for new and upgraded services.
- The number, scope, and standard of services that Council delivers.
- Creating new infrastructure facilities at the expense of increased renewal funding.
- The community appetite to accept an increase in rates (above the rate cap) and/or increases to user fees as a source of additional funding to achieve these objectives.

## 2 Expenditure Priorities

This section provides the reader with a breakdown of where Council allocates its expenditure to address the service demands and the needs of the community. Expenditure is allocated across the following two budget expenditure categories:

- Operating Budget – the day to day discretionary and core services as well as internal enabling functions; plus
- Capital Budget – the investment of renewal, upgrade and construction or purchase of community infrastructure.

The Financial Plan comprises these operating and capital expenditure sections. Council's adopted Budget reflects year one of the Financial Plan that is then reviewed and updated on an annual basis.

**Operating** - The Financial Plan is a ten-year view of the annual budget. The budget is year one of the Financial Plan with future years generally increasing by a series of annual escalation factors with known adjustments over the ten-year period.

**Capital** - The Financial Plan is based on Council's ten-year capital works program split between renewal works, upgrade works and new projects.

Income sources are then included to demonstrate that the Financial Plan is sustainable – meaning there is sufficient income in each of the ten years to fund the operating expenditure and the capital expenditure. The Financial Plan also includes a series of financial performance ratios that measure sustainability.

### 2.1 Operating Budget

This section provides the reader with Council's current external discretionary and core services as well as enabling internal functions as a basis to assess preferred priorities. Each service shows gross expenditure per annum that is then reduced by any grant income and user fees to report a net cost to Council. The net cost to Council is then subsidies from rates plus the financial assistance grants.

The financial objective of each service is to minimise the rate subsidy or net cost to Council. Some services, such as childcare and aged care attract ongoing government grants as well as receive income from user fees. However, there are a number of Council services and functions, including core services and enabling functions of a statutory nature that do not attract external income.

Core services and enabling functions while they are unable to be removed, Council aims to operate these activities as efficiently as possible. Enabling functions are activities that support the organisation rather than directly targeted to service the community.

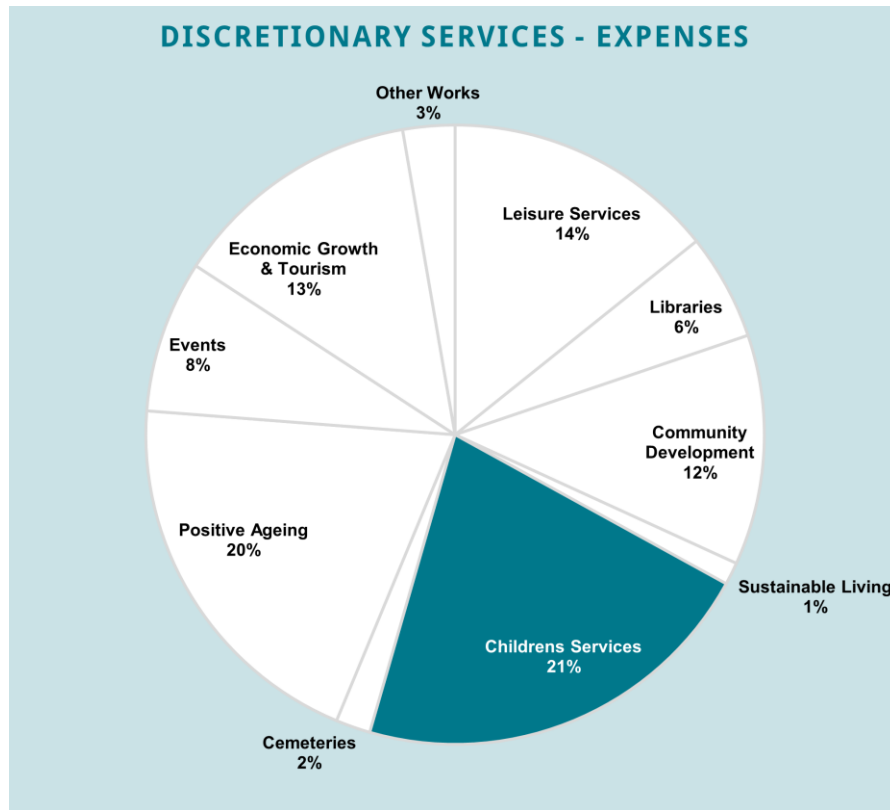
External services are those day-to-day operational activities that provide direct support to the community. External services comprise both discretionary and core services.

### 2.2 Discretionary Services

Discretionary services are day to day activities that Council has the discretion to either scale up, scale down or even remove. Scaling up means to either:

- increase the extent of an existing service by providing the service to additional users; or
- increase the service standard by providing a higher quality service to the current users; or
- increase to both the extent and the service standard by providing a higher quality service to both the current users and to new users.

An increase in either the extent of a service or an increase to the service standard would require additional expenditure and most likely an increase to the amount of rates subsidy required to fund the service. While Council may attract additional government grant income plus receive further income from user fees, both these income sources will often be insufficient to fund the proposed cost increases in their entirety. The pie chart below shows the relative expenditure of each discretionary service.



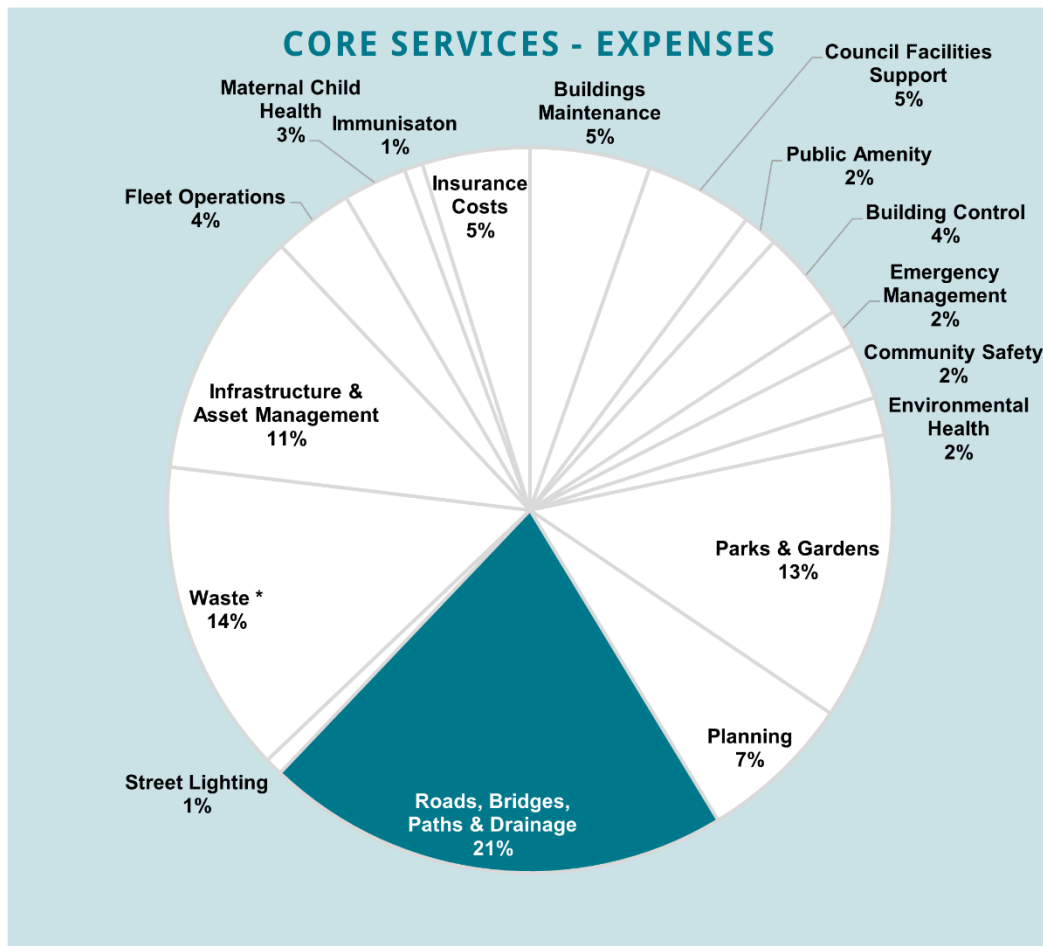
The table below reports the gross expense that, after deducting grant income and user fees, results in the amount of rates subsidy (allocation from ratepayers). The final column, rate subsidy per ratepayer, reflects the average amount allocated to each service by an individual ratepayer. Discretionary services are services that Council may choose to deliver or not to deliver. Discretionary services total \$7.2 million of expenses with \$3.4 million total rate subsidy.

Discretionary Services	Expense	Grants - Tied	Fees & other income	Current Strategy	
	\$000's	\$000's	\$000's	Rate Subsidy total	Rate Subsidy per capita
Leisure Services	1,036	0	(698)	\$338,425	\$29.69
Libraries	403	(146)	(7)	\$250,177	\$21.95
Community Development	874	(108)		\$766,243	\$67.21
Sustainable Living	85	(75)		\$10,171	\$0.89
Childrens Services	1,560	(1,030)	(276)	\$253,214	\$22.21
Cemeteries	132		(99)	\$32,997	\$2.89
Positive Ageing	1,451	(908)	(382)	\$161,121	\$14.13
Events	578		(12)	\$566,040	\$49.65
Economic Growth & Tourism	952			\$952,244	\$83.53
Other Works	198		(57)	\$140,821	\$12.35
<b>Total - Discretionary</b>	<b>7,269</b>	<b>(2,267)</b>	<b>(1,530)</b>	<b>3,471,453</b>	<b>\$304.51</b>



## 2.3 Core Services

Core services may be scaled up or scaled down however are deemed to be necessary activities of local government and therefore cannot be removed from Council's operations. The pie chart below displays the external services that are considered as a requirement for delivery. While not all services in this chart are statutory in nature, they are services that are generally expected by the community.



The table overleaf reports the gross expense that, after deducting grant income and user fees, results in the amount of rates subsidy (allocation from ratepayers). The final column, Rate subsidy per ratepayer, reflects the average amount allocated to each service by an individual ratepayer.

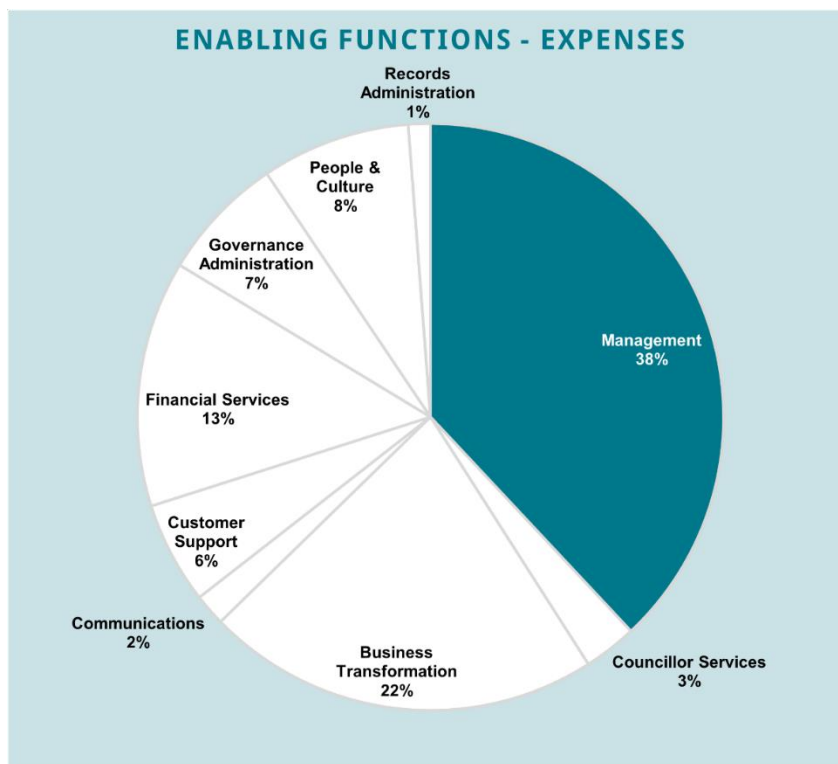
Core services are required services of Council and, while they may be scaled up or scaled down, cannot be removed from operations. Core services total \$12.6 million of expenses with \$9.5 million total rate subsidy.



Core Services	Expense	Grants - Tied	Fees & Other Income	Current Strategy	
	\$000's	\$000's	\$000's	Rates Subsidy total	Rate Subsidy per capita
Buildings Maintenance	677			\$676,683	\$59.36
Council Facilities Support	608		(103)	\$505,777	\$44.37
Public Amenity	197			\$197,000	\$17.28
Building Control	509	(75)	(285)	\$149,598	\$13.12
Emergency Management	214	(120)	(13)	\$80,970	\$7.10
Community Safety	315		(119)	\$195,859	\$17.18
Environmental Health	214		(92)	\$121,433	\$10.65
Parks & Gardens	1,615			\$1,615,078	\$141.67
Planning	865		(137)	\$728,897	\$63.94
Roads, Bridges, Paths & Drainage	2,623			\$2,623,038	\$230.09
Street Lighting	101			\$101,000	\$8.86
Waste *	1,767	(8)	(1,759)	\$0	\$0.00
Infrastructure & Asset Management	1,397		(102)	\$1,295,247	\$113.62
Fleet Operations	449			\$449,100	\$39.39
Maternal Child Health	359	(302)		57,000	\$5.00
Immunisation	104	(3)		\$101,000	\$8.86
Insurance Costs	606		(12)	\$593,705	\$52.08
<b>Total Core Services</b>	<b>12,620</b>	<b>(508)</b>	<b>(2,621)</b>	<b>\$9,491,385</b>	<b>\$832.58</b>

## 2.4 Enabling Functions

The pie chart displays the eight internal functions that are mainly back of office activities designed to support the external services (the discretionary and core services). Many of these functions are mandatory in nature and necessary activities to comply with Council's legislative requirements in order to operate a local government authority.



The table reflects the expense and income details for each of these internal functions totalling \$8.4 million in expenses with a \$8.1 million net cost to Council. In many cases, the enabling functions of Council attract less external revenue either from government grants or from user fee income.

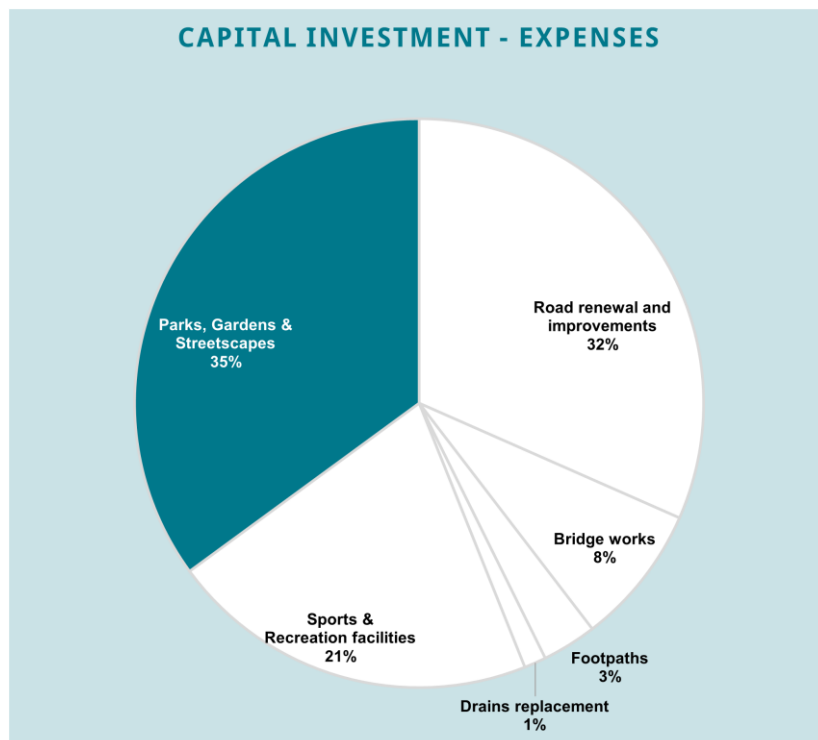
While Council continues to address opportunities for cost efficiencies, the mandatory nature of these functions, in conjunction with the limited available income streams, means that Council is obliged to allocate funds to maintain these activities.

Enabling Functions	Expense	Grants - Tied	Fees & Other Income	Net Cost \$'000's
Management	3187			\$3,187
Councillor Services	246			\$246
Business Transformation	1824			\$1,824
Communications	147			\$147
Customer Support	472		(9)	\$463
Financial Services	1138		(265)	\$873
Governance Administration	579			\$579
People & Culture	689			\$689
Records Administration	102			\$102
<b>Total</b>	<b>8383</b>	<b>0</b>	<b>(273)</b>	<b>\$8,109</b>

## 2.5 Capital Investment

Capital expenditure is required to renew existing assets and build new community infrastructure. The rates subsidy reflects the gross expenditure less external funding mainly from government grants and third-party contributions.

The following pie chart displays the six key areas of capital investment comprising both the renewal of existing infrastructure as well as the investment in new and improved assets expected by the community.



The table overleaf reports the gross expense that, after deducting grant income, results in the amount of rates subsidy (allocation from ratepayers).

The Current Strategy – Rate cap reports the total rates subsidy of \$6.1 million and average rate subsidy, for an individual ratepayer, of \$533.77.

The investment in capital works is dissected between:

- Renewal and maintenance works – the total expense of \$4.0 million is well below the preferred allocation for renewal capital works meaning that Council does not have sufficient funding to replace its ageing infrastructure as it reaches the end of useful life. The contribution from each ratepayer is, on average \$187.28. To allocate more rate dollars, either a corresponding reduction would be required from an alternate service (either new and improved capital, discretionary service or core service) or an increase in one or more funding sources such as rates or government grants.
- New and improved works – the total expense is \$9.1 million however the rate subsidy is only \$3.9 million due to the significantly higher funding contribution from government grants. The contribution from each ratepayer is, on average \$346.49.

Capital Investment	Expense		Grants - Tied		Current Strategy - Rate cap			Renewal and maintenance			New and improved					
	\$000's		\$000's		Rate Subsidy Total	Rate Subsidy per capita		Expense \$000's	Grants - Tied \$000's	Rate Subsidy Total	Rate Subsidy per capita		Expense \$000's	Grants - Tied \$000's	Rate Subsidy Total	Rate Subsidy per capita
Road renewal and improvements	4,154	(1,902)			2,252,000	\$ 197.54		2,944	(1,698)	1,246,000	\$ 109.30		1,210	(204)	1,006,000	\$ 88.25
Bridge works	1,049	(160)			889,000	\$ 77.98		1,049	(160)	889,000	\$ 77.98					
Footpaths	408	(184)			224,000	\$ 19.65							408	(184)	224,000	\$ 19.65
Drains replacement	164	(88)			76,000	\$ 6.67							164	(88)	76,000	\$ 6.67
Sports & Recreation facilities	2,760	(835)			1,925,000	\$ 168.86							2,760	(835)	1,925,000	\$ 168.86
Parks, Gardens & Streetscapes	4,608	(3,889)			719,000	\$ 63.07							4,608	(3,889)	719,000	\$ 63.07
Total	13,143	(7,058)			6,085,000	\$ 533.77		3,993	(1,858)	2,135,000	\$ 187.28		9,150	(5,200)	3,950,000	\$ 346.49

## 2.6 Total Expenditure

The table below reflects the total expenditure of \$41.4 million across the four categories discussed earlier in this report. The expenditure of \$41.4 million is partly funded from \$9.8 million tied government grants \$4.4 million in fees and other income with the balance of \$27.2 million funded from a combination of rates, waste levies, untied financial assistance grants and cash reserves as follows:

- \$16.0 million - Rates and municipal charge
- \$ 2.8 million – Waste levies
- \$ 8.2 million – Financial assistance (Victoria Grants Commission)
- \$ 0.2 million – Cash reserves

Financial Plan	Expense \$000's	Grants - Tied \$000's	Fees & Other Income \$000's	Net Cost \$000's
<b>Discretionary Services</b>	7,269	(2,267)	(1,530)	3,471
<b>Core Services</b>	12,620	(508)	(2,621)	9,491
<b>Capital Investment</b>	13,143	(7,058)	0	6,085
<b>Total</b>	<b>33,032</b>	<b>(9,833)</b>	<b>(4,151)</b>	<b>19,048</b>
<b>Enabling Functions</b>	8,383	0	(273)	8,109
<b>Total</b>	<b>41,415</b>	<b>(9,833)</b>	<b>(4,425)</b>	<b>27,157</b>

## 2.7 Prioritising Service Expenditure

One of the challenges for local government is to identify funding sources that can then be used to increase spending to expand or scale up either or both the discretionary services and the core services. These funding sources would generally need to derive from either:

- A reduction or removal of an existing discretionary service; and/or
- Increasing income from user fees by adopting a user pays principle; and/or
- A rate increase in excess of the rate cap noting that the rates cap increase is already applied to fund the increased cost of existing services; and/or
- Efficiencies from existing services and functions noting that, while Council targets continuous improvement, this is a short-term solution due to the impact of diminishing returns from regular service reviews.

In prioritising services, Council also needs to consider the extent it wishes to recover the expenditure by increasing the charge for user fees. There are two principles either:

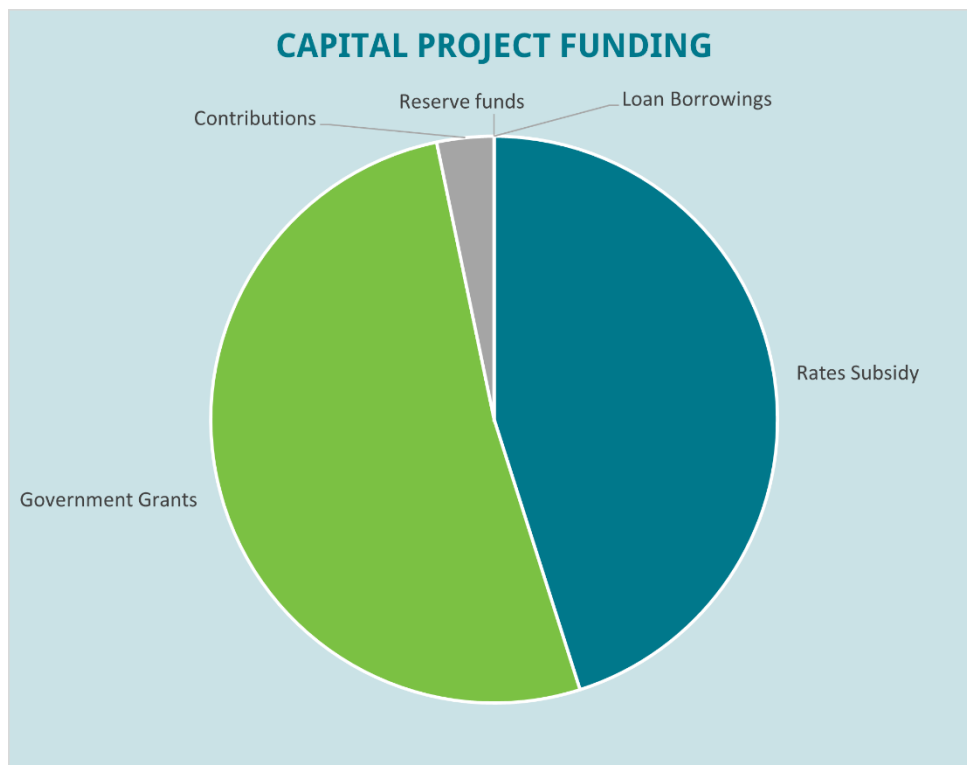
- Full cost recovery – maximise fees to eliminate any rates subsidy; or
- Partial cost recovery – provide a subsidy to the user (eg 50% fee) where the subsidised amount would need to be funded from an increase in rates subsidy.

## 2.8 Prioritising Capital Investment

The capital budget is funded from a mix of:

- Rates subsidy – allocation from Council rates
- Government grants – federal and state funding allocated to specific capital projects
- Contributions – external funding from a third-party excluding government (e.g. sporting club)
- Reserve funds – allocation from cash reserve funds
- Borrowings – funding from loan borrowings.

The majority of capital is funded from either rates subsidy or government grants as displayed by the pie chart below (source Budget 2021/22).



Council is heavily reliant on government grants to fund its capital program and particularly funding for new and improved projects.

In principle, funding from the operating surplus (rates subsidy) is limited by the extensive range of external services and enabling functions that require rates money to fund their net cost to Council. To redirect additional rates subsidy to capital, Council would need to either:

- Increase rates income by a variation to the state government rate cap; and/or
- Remove or reduce a discretionary service; and/or
- Continue to find efficiencies in the use of core services and the enabling functions.

The alternatives to grant funding and rates subsidy are:

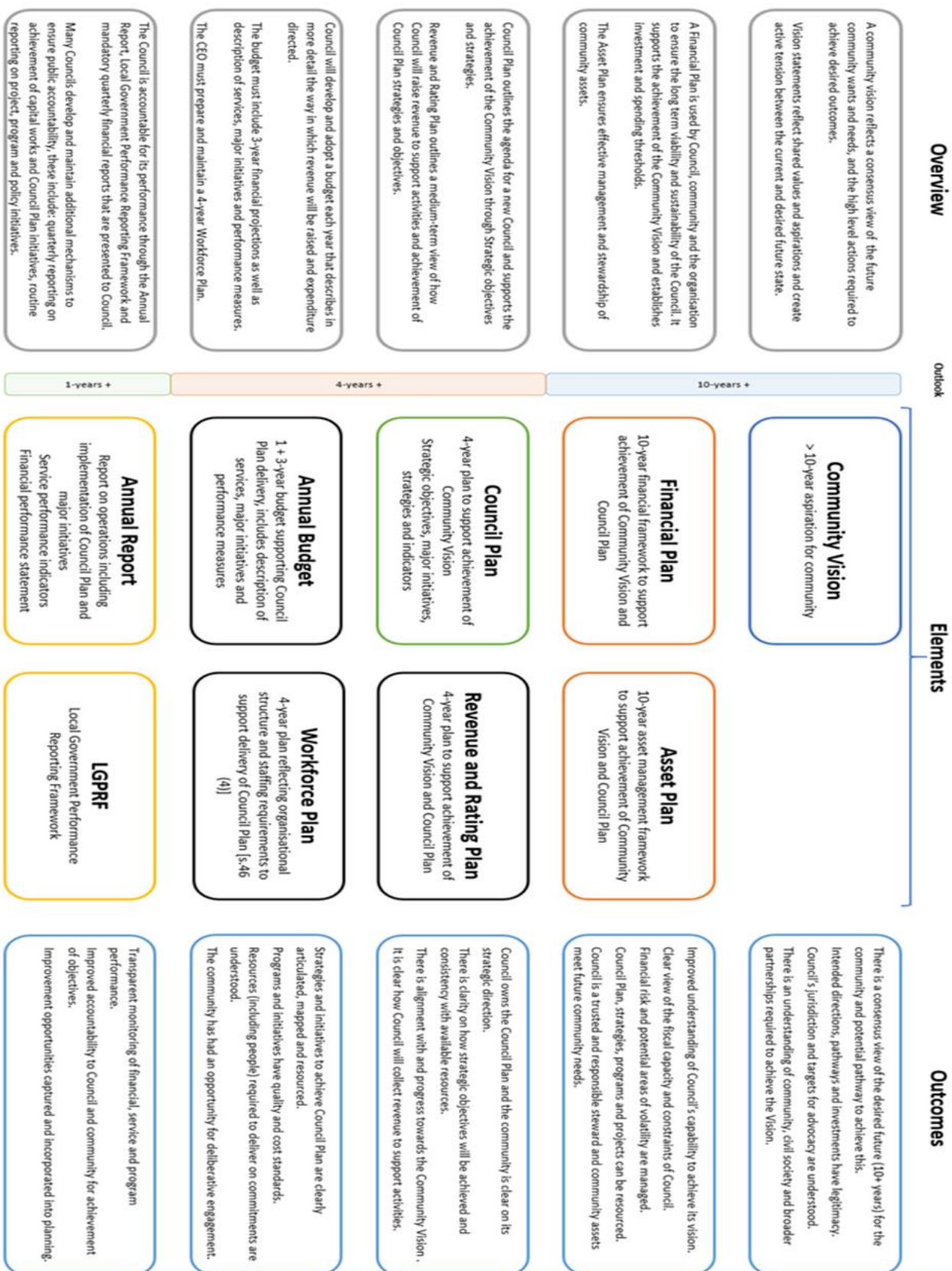
- Loan borrowing noting that Council's loan capacity is limited to, as a guide, 40% of total rates or approximately \$7 million based on the current loan portfolio; and/or
- One off funding from reserve funds noting that some reserves are restricted to specific types of capital projects and would therefore need to be assessed on a case-by-case basis.

## 3 Legislative Requirements

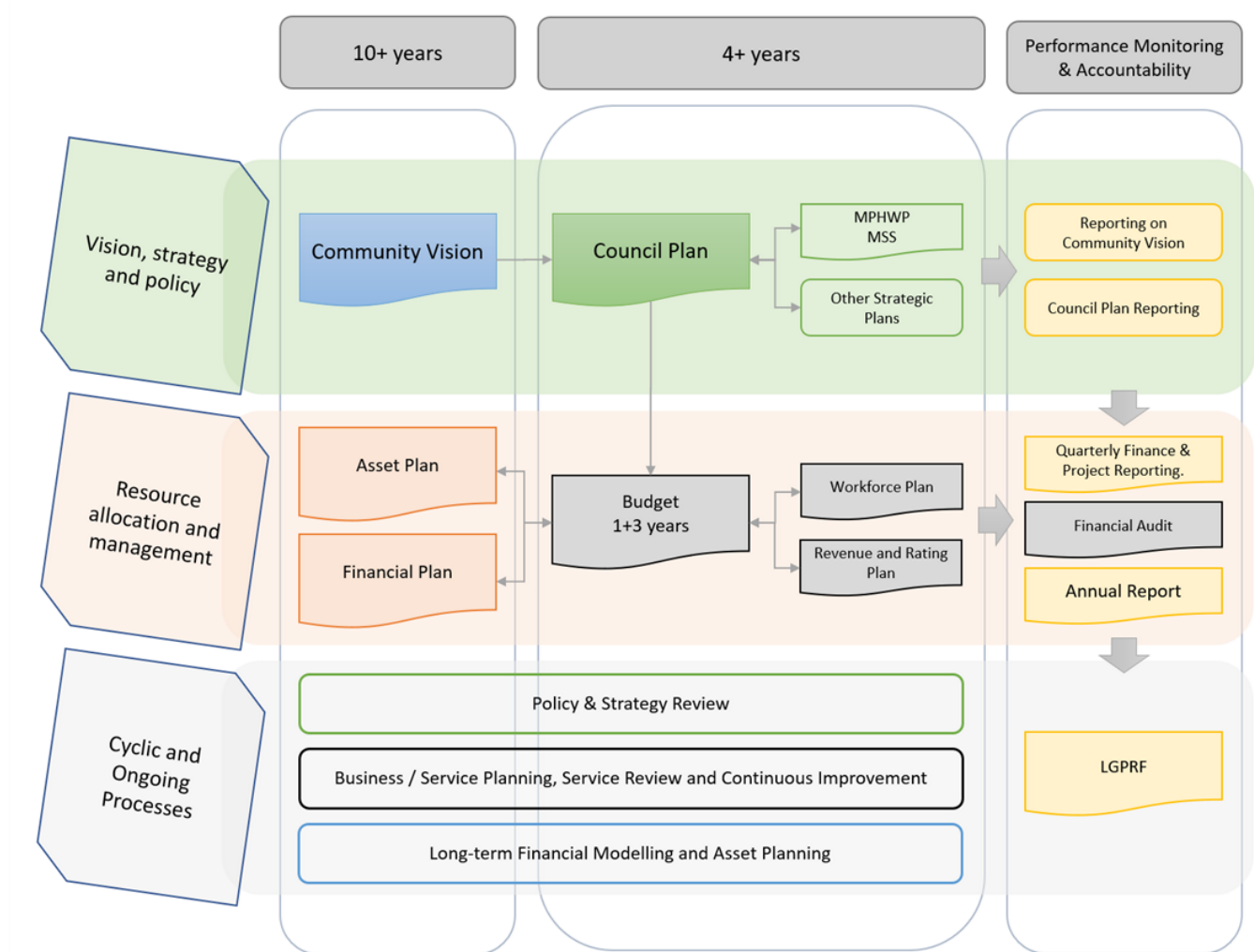
This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning and Reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

The diagram that follows provides an overview of the core legislated elements of an integrated strategic planning and reporting framework and outcomes.





The following figure demonstrates how each element might inform or be informed by other parts of the integrated framework.



## 3.1 Strategic Planning Principles

The Financial Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision. The Financial Plan is developed in the context of the following strategic planning principles:

- Council has an integrated approach to planning, monitoring and performance reporting.
- The Financial Plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included in section 1.2.2 below.
- The Financial Plan provides for the strategic planning principles of progress monitoring and reviews to identify and adapt to changing circumstances.

## 3.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- 3.2.1 Revenue, expenses, assets, liabilities, investments, and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 3.2.2 Management of the following financial risks:
  - the financial viability of the Council (refer to section 4.1 Financial Policy Statements).
  - the management of current and future liabilities of the Council. The estimated 10 year-liabilities are disclosed in section 5.2 Balance Sheet projections.
  - the beneficial enterprises of Council (where appropriate).
- 3.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 3.2.4 Council maintains accounts and records that explain its financial operations and financial position (refer to section 4 Financial Statements)

## 3.3 Community Engagement

### FIRST STAGE – AUGUST 2021

The first stage of our engagement approach to the Financial Plan 2021-31 was launched on the NGSC website on Monday 23 August. We provided information about what the Financial Plan is and what it is meant to do. This was accompanied by a short eight question online survey on the Plan to enable our community to provide their initial feedback on key areas of expenditure quickly and easily.

We advertised the survey in print and social media until its closing date on 22 September. In total, 38 responses were received.

### SECOND STAGE - SEPTEMBER 2021

The community was given more detailed financial information during the second stage of our community engagement at information sessions which ran from 5pm to 6pm on Tuesday 14 September and 6.30pm and 7.30pm on Wednesday 15 September. Unfortunately, due to the Coronavirus restrictions and exposures in St Arnaud, in person information sessions scheduled for 17 September (Stawell) and 18 September (St Arnaud) had to be cancelled

Our Information Sessions were designed to increase understanding of what a Financial Plan is, help our community to understand how money is currently spent, present some of the community's thoughts on how money should be spent (as received through the survey), and hear thoughts from the community about how spending might need to change over the next 10 years.

The information sessions were communicated in print, social media and on local AM and FM radio. We had two attendees at our first information session, and one attendee at our second information session. Our Councillors, CEO and Directors responded to the attendees' questions in-session and a copy of their questions were made available on our Financial Plan 'Have Your Say' webpage for community members to read.

### THIRD STAGE - OCTOBER 2021

We continued to inform the community about how to stay involved through community updates in social and print media in advance of our third and final engagement stage, our review session. The review session was held online on Wednesday 6 October from 5pm to 6pm. The aim of the session was:

- to provide a short summary of the Financial Plan
- present feedback received from our community
- identify areas where community feedback informed aspects of the Financial Plan
- give a final opportunity to our community to ask questions of our panel (comprising Councillors, CEO and Directors) on the draft Financial Plan.

After this, a final draft of the Financial Plan, incorporating community feedback received from earlier engagement sessions, was made available to our community on our website for any final submissions to be received before scheduled adoption by 31 October 2021.

## 3.4 Service Performance Principles

Council services are designed to be targeted to community needs and value for money. The service performance principles are listed below:

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- b) Services are accessible to the relevant users within the community.
- c) Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate the council's performance regarding the provision of quality and efficient services.
- d) Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- e) Council is developing a service delivery framework that considers and responds to community feedback and complaints regards service provision.

## 3.5 Asset Plan Integration

Integration to the Asset Plan is a key principle of the Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery in terms of the plans and the effective management of the council's assets into the future.

The Asset Plan identifies the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan, and associated asset management policies, provide council with a sound base to understand the risk associated with managing its assets for the community's benefit.

The Asset Plan is designed to inform the 10-year Financial Plan by identifying the amount of capital renewal, backlog and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, the risk assessment issues as well as the impact of reviewing and setting intervention and service levels for each asset class.

In addition to identifying the operational and strategic practices that ensure that Council manages assets across their life cycle in a financially sustainable manner, the Asset Plan quantifies the asset portfolio and the financial implications of those practices. Together the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets.

## 4 Financial Plan Context

This section describes the context and external / internal environment and consideration in determining the 10-year financial projections and assumptions.

### 4.1 Financial Policy Statements

This section defines the policy statements, and associated measures, that demonstrate Council's financial sustainability to fund the aspirations of the Community Vision and the Council Plan.

The financial policy statements address:

- Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.
- Address the current underlying deficit with a view to achieving an underlying surplus result.
- Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.
- That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.
- That Council generates sufficient cash surplus from operations to fund the renewal Infrastructure Program and replacement of Heavy Plant.

Policy Statement	Measure	Target	Forecast Actual 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Asset renewal and upgrade expenses / Depreciation above 100%	100%	170.0%	102.7%	78.5%	46.0%	121.8%	49.1%	54.8%	44.3%	43.9%	46.8%	43.9%
Address the current underlying deficit with a view to achieving an underlying surplus result.	Adjusted underlying result greater than \$0	\$0	(\$7,270)	(\$6,988)	(\$8,112)	(\$7,907)	(\$8,292)	(\$8,827)	(\$8,263)	(\$9,051)	(\$8,934)	(\$9,009)	(\$9,408)
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities greater than 1.25	1.25	2.15	1.87	1.60	1.48	1.24	1.08	0.99	0.90	0.91	0.91	0.92
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings / Rate revenue to remain below 60%	60%	11.9%	5.8%	5.2%	5.1%	7.3%	2.2%	2.7%	2.7%	2.6%	2.6%	2.5%
That Council generates sufficient cash surplus from operations to fund the renewal Infrastructure Program and replacement of Heavy Plant.	Cash from operating activities less Capital Grants	\$4,500	\$1,758	\$4,796	\$4,056	\$4,545	\$4,390	\$4,139	\$4,968	\$4,485	\$4,908	\$5,147	\$5,068

### 4.2 Strategic Actions

Council has identified the following strategic actions that will support the aspirations of the Council Plan.

The strategic actions are included in the 10-year Financial Plan and, where appropriate, referenced in the commentary associated with the 10-year Comprehensive Income Statement and the 10-year Statement of Capital Works.

#### 4.2.1 Infrastructure Renewal

Ideally Council would aim to allocate adequate funds towards renewal capital to replace assets and infrastructure as they reach the end of their service life.



Council currently has insufficient funding to allocate to renewal capital to reduce the escalating risk and maintenance of aging infrastructure.

Council invests in the order of \$6 million towards its replacement infrastructure program that comprising roads, bridges, drains and footpaths. The infrastructure program is funded by \$2 million from external grant funding and the remaining \$4 million from rates subsidy.

In contrast Council's annual depreciation is approaching a total of \$14 million of which \$11 million accounts for infrastructure program assets (roads, bridges, drains and footpaths).

Ideally the investment in capital renewal (infrastructure program) should be targeted to either match or provide a significant contribution towards the level of depreciation. The current \$6 million allocation to infrastructure renewal is considered inadequate to address the \$11 million annual depreciation expense.

- Strategic Action 1 – target increased grant funding to be applied to Council's infrastructure renewal program.
- Strategic Action 2 – target a minimum allocation of Council cash contribution (rate subsidy) towards Infrastructure renewal.

## 4.2.2 Underlying Deficit

The Financial Policy statement reports ongoing underlying deficits in excess of \$7 million per annum.

While it may not be feasible to eliminate this deficit in the short term, for long term financial sustainability it is important that Council works towards reducing the underlying deficit. Ideally the underlying would reflect a breakeven or ideally a surplus result, however this position is not realistic for Council based on current expenditure needs and revenue constraints.

The underlying deficit also reinforces Council's inability to fund its infrastructure renewal needs as discussed at 4.2.1 Infrastructure Renewal.

- Strategic Action 3 – target a reduction to Council's underlying deficit (currently in excess of \$7 million per annum) by:
  - Ongoing service reviews to optimise the current cost of service delivery.
  - Where possible advocating for increased operating grants to offset the Council cost of service delivery from rate subsidy.

## 4.2.3 Working Capital

Council currently prepares a 10-year Financial Plan and funding model to ensure that the amount of cash available for capital is equal to or greater than the net capital spend (capital required from Council contribution/rates subsidy).

This measure is used to maintain sufficient working capital by ensuring the net capital spend does not exceed the amount of cash available for capital, after funding of operations and after setting aside restricted cash including Council reserves.

- Strategic Action 4 – That Council targets sufficient cash surplus from operations to ensure the cash available for capital is equal to or greater than the net capital spend.

## 4.2.4 Debt Funding

Council has limited surplus from operations (rate subsidy) to apply to new capital works. To supplement external grant funding, which is the primary revenue source for new works, additional loan borrowings are required to be included in the 10-year Financial Plan.

- Strategic Action 5 – That Council where necessary applies debt funding towards new (including expansion) infrastructure projects.



## 4.2.5 Waste Reserve Fund

Council currently generates a surplus from the waste operations that is allocated to a discretionary waste reserve on an annual basis. To respond to the increased pressures of recycling, the 10-year Financial Plan includes operating and capital expenditure to fund a waste action plan. It is expected that the majority of the waste reserve will be expended over the course of the next 10 years.

- Strategic Action 6 – That Council applies the annual surplus from waste management to fund the Waste Action Plan.

The following additional strategic actions are included as a result of community engagement:

- Strategic Action 7 – That Council will, where possible, optimising income received from user fees and charges.
- Strategic Action 8 - Where appropriate Council will investigate additional revenue options, including the sale of surplus assets, to partly offset the cost of capital investment and/or the cost-of-service delivery.

## 4.3 Assumptions to the Financial Plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2021/22 to 2030/31. The assumptions comprise the annual escalations / movement for each line item of the Comprehensive Income Statement.

Escalation Factors % movement	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CPI	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Growth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rates and Municipal charge	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Waste charge	0.6%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Statutory fees and fines	6.0%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
User fees	37.3%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
Grants - Operating	34.0%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
Other income	25.8%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
Employee costs	6.7%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Materials and services	(2.3%)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Depreciation & Amortisation	21.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other expenses	22.2%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

### 4.3.1 Rates and charges

Base rate revenue will increase by 1.5% for the 2021/22 year, based on the state government rate cap, with estimated future annual increases of 2.0% per annum for the ensuing years of the long term Financial Plan. There is no allowance for increased revenue from growth (additional properties) as a result of supplementary rates.

Waste charges are proposed to increase by 2.0% compared to 2020/21 levels in order to defray the total costs of waste management incurred across the municipal district. Future years waste charges are estimated to increase in line with the growth % increase to ensure Council continues to recover the full costs of providing waste services.

### 4.3.2 Statutory fees and fines

The Financial Plan indexes statutory fees, set by legislation, according to the estimated annual rate of CPI. This is often a best case scenario given some fees are outside the control of Council and therefore may be subject to increases less than CPI.

### 4.3.3 User fees

Revenue increases for the ensuing years are based on a conservative annual rate of increase of 2.2% to reflect, as a minimum, annual increases in line with the state government rate cap.

#### **4.3.4 Grants**

Council currently receives grants for tied (specific purpose grants) and un-tied Financial Assistance Grant funding received via the Victorian Local Government Grants Commission (VLGGC). Operating grants are expected to increase on an annual basis by approximately 2.2%.

#### **4.3.5 Contributions**

Council receives contributions from community groups mainly for capital works funding purposes and developers.

#### **4.3.6 Other income**

Revenue from other income mainly comprising investment income plus the recovery income from a variety of sources and rental income received from the hire of Council buildings.

#### **4.3.7 Employee costs**

The 2021/22 year includes a 6.7% increase for employee costs that mainly reflects the salary increase for all staff pursuant to the Enterprise Bargaining Agreement as well as a fund increased staff resources based on community demand.

The ensuing years, from 2022/23 to 2030/31, reflect annual increases of 2.0% per annum to provide for annual EBA increases, some required increases to staff salaries as well as a marginal increase to the delivery of existing services.

#### **4.3.8 Materials and services**

Material costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are more governed by market forces based on availability than CPI. Council's payments to family day carers are also included under this category. Other associated costs included under this category are utilities, materials for the supply of meals on wheels and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit. These costs are kept to within CPI levels year on year.

#### **4.3.9 Depreciation and amortisation**

Depreciation estimates have been based on the projected capital spending contained within this document. Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets.

#### **4.3.10 Borrowing costs**

Borrowing costs comprise the interest expense to service Council's loan portfolio that is described in Section 7.1 Borrowing Strategy.

#### **4.3.11 Other expenses**

Other expenses include administration costs such as Councillor allowances, election costs, sponsorships, partnerships, community grants, lease expenditure, fire services property levy, audit costs and other costs associated with the day to day running of Council.

## 5 Financial Plan Statements

This section presents information regarding the Financial Plan Statements for the 10 years from 2021/22 to 2030/31.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources

### 5.1 Comprehensive Income Statement

	Forecast / Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>												
Rates and charges	18,374	18,812	19,188	19,572	19,963	20,462	20,871	21,289	21,715	22,249	22,794	
Statutory fees and fines	438	455	465	475	485	496	507	518	530	541	553	
User fees	1,317	1,813	1,903	1,945	1,987	2,031	2,076	2,121	2,168	2,216	2,265	
Grants - Operating	7,671	10,493	10,723	10,959	11,201	11,447	11,699	11,956	12,219	12,488	12,763	
Grants - Capital	9,348	8,081	6,289	3,070	12,624	2,328	2,702	2,096	2,101	2,377	2,111	
Contributions - monetary	298	560	86	120	63	64	55	56	58	59	60	
Contributions - non-monetary	-	-	-	-	-	-	-	-	-	-	-	
Other income	702	827	902	922	943	963	985	1,006	1,028	1,051	1,074	
<b>Total income</b>	<b>38,148</b>	<b>41,041</b>	<b>39,556</b>	<b>37,063</b>	<b>47,266</b>	<b>37,791</b>	<b>38,895</b>	<b>39,042</b>	<b>39,819</b>	<b>40,981</b>	<b>41,620</b>	
<b>Expenses</b>												
Employee costs	(16,094)	(17,166)	(17,510)	(17,860)	(18,218)	(18,582)	(18,953)	(19,331)	(19,718)	(20,113)	(20,515)	
Materials and services	(9,633)	(9,438)	(10,109)	(9,963)	(10,379)	(11,054)	(10,549)	(11,373)	(11,298)	(11,515)	(12,060)	
Depreciation	(11,378)	(13,818)	(14,094)	(14,376)	(14,664)	(14,957)	(15,256)	(15,561)	(15,873)	(16,190)	(16,514)	
Amortisation - right of use assets	(99)	(86)	(24)	-	-	-	-	-	-	-	-	
Borrowing costs	(102)	(75)	(43)	(40)	(40)	(34)	(14)	(17)	(17)	(17)	(17)	
Finance Costs - leases												
Other expenses	(1,316)	(1,608)	(1,640)	(1,673)	(1,707)	(1,741)	(1,776)	(1,811)	(1,847)	(1,884)	(1,922)	
<b>Total expenses</b>	<b>(38,622)</b>	<b>(42,191)</b>	<b>(43,420)</b>	<b>(43,912)</b>	<b>(45,008)</b>	<b>(46,368)</b>	<b>(46,548)</b>	<b>(48,093)</b>	<b>(48,753)</b>	<b>(49,719)</b>	<b>(51,028)</b>	
<b>Surplus/(deficit) for the year</b>	<b>(474)</b>	<b>(1,150)</b>	<b>(3,864)</b>	<b>(6,849)</b>	<b>2,258</b>	<b>(8,577)</b>	<b>(7,653)</b>	<b>(9,051)</b>	<b>(8,934)</b>	<b>(8,738)</b>	<b>(9,408)</b>	
<b>Other comprehensive income</b>												
Items that will not be reclassified to surplus or deficit in future periods												
Net asset revaluation increment /(decrement)	-	-	-	-	-	-	-	-	-	-	-	
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-	
<b>Total comprehensive result</b>	<b>(474)</b>	<b>(1,150)</b>	<b>(3,864)</b>	<b>(6,849)</b>	<b>2,258</b>	<b>(8,577)</b>	<b>(7,653)</b>	<b>(9,051)</b>	<b>(8,934)</b>	<b>(8,738)</b>	<b>(9,408)</b>	

## 5.2 Balance Sheet

	Forecast / Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents	15,451	11,642	9,850	9,289	8,957	6,544	5,846	5,097	5,288	5,344	5,477
Trade and other receivables	2,042	1,988	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979	1,979
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	58	58	58	58	58	58	58	58	58	58	58
Non-current assets classified as held for sale	66	66	66	66	66	66	66	66	66	66	66
Other assets	212	212	212	212	212	212	212	212	212	212	212
<b>Total current assets</b>	<b>17,829</b>	<b>13,966</b>	<b>12,165</b>	<b>11,604</b>	<b>11,272</b>	<b>8,859</b>	<b>8,161</b>	<b>7,412</b>	<b>7,603</b>	<b>7,659</b>	<b>7,792</b>
<b>Non-current assets</b>											
Trade and other receivables	9	-	-	-	-	-	-	-	-	-	-
Investments in associates, joint arrangement and subsidiaries	197	197	197	197	197	197	197	197	197	197	197
Property, infrastructure, plant & equipment	446,213	447,889	445,801	439,560	442,652	435,542	428,759	420,511	411,440	402,701	393,216
Right-of-use assets	110	24	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>446,529</b>	<b>448,110</b>	<b>445,998</b>	<b>439,757</b>	<b>442,849</b>	<b>435,739</b>	<b>428,956</b>	<b>420,708</b>	<b>411,637</b>	<b>402,898</b>	<b>393,413</b>
<b>Total assets</b>	<b>464,358</b>	<b>462,076</b>	<b>458,163</b>	<b>451,361</b>	<b>454,121</b>	<b>444,598</b>	<b>437,117</b>	<b>428,120</b>	<b>419,240</b>	<b>410,557</b>	<b>401,205</b>
<b>Liabilities</b>											
<b>Current liabilities</b>											
Trade and other payables	2,374	2,422	2,470	2,518	2,569	2,621	2,673	2,725	2,781	2,838	2,893
Trust funds and deposits	123	123	123	123	123	123	123	123	123	123	123
Unearned income	1,752	1,952	2,152	2,352	2,552	2,552	2,552	2,552	2,552	2,552	2,552
Provisions	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874
Interest-bearing liabilities	1,092	97	-	-	1,000	-	-	-	-	-	-
Lease liabilities	87	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>8,302</b>	<b>7,468</b>	<b>7,619</b>	<b>7,867</b>	<b>9,118</b>	<b>8,170</b>	<b>8,222</b>	<b>8,274</b>	<b>8,330</b>	<b>8,387</b>	<b>8,442</b>
<b>Non-current liabilities</b>											
Provisions	313	313	313	313	313	313	313	313	313	313	313
Interest-bearing liabilities	1,097	1,000	1,000	1,000	450	450	570	570	570	570	570
Unearned income	800	600	400	200	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>2,210</b>	<b>1,913</b>	<b>1,713</b>	<b>1,513</b>	<b>763</b>	<b>763</b>	<b>883</b>	<b>883</b>	<b>883</b>	<b>883</b>	<b>883</b>
<b>Total liabilities</b>	<b>10,512</b>	<b>9,381</b>	<b>9,332</b>	<b>9,380</b>	<b>9,881</b>	<b>8,933</b>	<b>9,105</b>	<b>9,157</b>	<b>9,213</b>	<b>9,270</b>	<b>9,325</b>
<b>Net assets</b>	<b>453,846</b>	<b>452,695</b>	<b>448,831</b>	<b>441,981</b>	<b>444,240</b>	<b>435,665</b>	<b>428,012</b>	<b>418,963</b>	<b>410,027</b>	<b>401,287</b>	<b>391,880</b>
<b>Equity</b>											
Accumulated surplus	133,451	132,527	129,201	122,323	124,118	117,663	110,074	101,898	92,946	84,068	74,538
Reserves	320,395	320,168	319,630	319,658	320,122	318,002	317,938	317,065	317,081	317,219	317,342
<b>Total equity</b>	<b>453,846</b>	<b>452,695</b>	<b>448,831</b>	<b>441,981</b>	<b>444,240</b>	<b>435,665</b>	<b>428,012</b>	<b>418,963</b>	<b>410,027</b>	<b>401,287</b>	<b>391,880</b>

## 5.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2021 Forecast Actual</b>				
Balance at beginning of the financial year	454,321	134,212	314,487	5,622
Surplus/(deficit) for the year	(474)	(474)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	302	-	(302)
Transfers from other reserves	-	(587)	-	587
<b>Balance at end of the financial year</b>	<b>453,847</b>	<b>133,453</b>	<b>314,487</b>	<b>5,907</b>
<b>2022</b>				
Balance at beginning of the financial year	453,847	133,453	314,487	5,907
Surplus/(deficit) for the year	(1,150)	(1,150)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	1,000	-	(1,000)
Transfers from other reserves	-	(773)	-	773
<b>Balance at end of the financial year</b>	<b>452,697</b>	<b>132,530</b>	<b>314,487</b>	<b>5,680</b>
<b>2023</b>				
Balance at beginning of the financial year	452,697	132,530	314,487	5,680
Surplus/(deficit) for the year	(3,864)	(3,864)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	1,314	-	(1,314)
Transfers from other reserves	-	(776)	-	776
<b>Balance at end of the financial year</b>	<b>448,833</b>	<b>129,204</b>	<b>314,487</b>	<b>5,142</b>
<b>2024</b>				
Balance at beginning of the financial year	448,833	129,204	314,487	5,142
Surplus/(deficit) for the year	(6,849)	(6,849)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	762	-	(762)
Transfers from other reserves	-	(790)	-	790
<b>Balance at end of the financial year</b>	<b>441,984</b>	<b>122,327</b>	<b>314,487</b>	<b>5,170</b>
<b>2025</b>				
Balance at beginning of the financial year	441,984	122,327	314,487	5,170
Surplus/(deficit) for the year	2,258	2,258	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	560	-	(560)
Transfers from other reserves	-	(1,024)	-	1,024
<b>Balance at end of the financial year</b>	<b>444,242</b>	<b>124,121</b>	<b>314,487</b>	<b>5,634</b>

## 5.3 Statement of Changes in Equity (cont.)

<b>2026</b>				
Balance at beginning of the financial year	444,242	124,121	314,487	5,634
Surplus/(deficit) for the year	(8,577)	(8,577)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	2,811	-	(2,811)
Transfers from other reserves	-	(691)	-	691
<b>Balance at end of the financial year</b>	<b>435,665</b>	<b>117,664</b>	<b>314,487</b>	<b>3,514</b>
<b>2027</b>				
Balance at beginning of the financial year	435,665	117,664	314,487	3,514
Surplus/(deficit) for the year	(7,653)	(7,653)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	769	-	(769)
Transfers from other reserves	-	(705)	-	705
<b>Balance at end of the financial year</b>	<b>428,012</b>	<b>110,075</b>	<b>314,487</b>	<b>3,450</b>
<b>2028</b>				
Balance at beginning of the financial year	428,012	110,075	314,487	3,450
Surplus/(deficit) for the year	(9,051)	(9,051)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	1,592	-	(1,592)
Transfers from other reserves	-	(719)	-	719
<b>Balance at end of the financial year</b>	<b>418,961</b>	<b>101,897</b>	<b>314,487</b>	<b>2,577</b>
<b>2029</b>				
Balance at beginning of the financial year	418,961	101,897	314,487	2,577
Surplus/(deficit) for the year	(8,934)	(8,934)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	717	-	(717)
Transfers from other reserves	-	(734)	-	734
<b>Balance at end of the financial year</b>	<b>410,027</b>	<b>92,946</b>	<b>314,487</b>	<b>2,594</b>
<b>2030</b>				
Balance at beginning of the financial year	410,027	92,946	314,487	2,594
Surplus/(deficit) for the year	(8,738)	(8,738)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	722	-	(722)
Transfers from other reserves	-	(860)	-	860
<b>Balance at end of the financial year</b>	<b>401,289</b>	<b>84,070</b>	<b>314,487</b>	<b>2,732</b>
<b>2031</b>				
Balance at beginning of the financial year	401,289	84,070	314,487	2,732
Surplus/(deficit) for the year	(9,408)	(9,408)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	752	-	(752)
Transfers from other reserves	-	(875)	-	875
<b>Balance at end of the financial year</b>	<b>391,881</b>	<b>74,539</b>	<b>314,487</b>	<b>2,855</b>



## 5.4 Statement of Cash Flows

	Forecast / Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>											
Rates and charges	18,374	18,812	19,188	19,572	19,963	20,462	20,871	21,289	21,715	22,249	22,794
Statutory fees and fines	438	455	465	475	485	496	507	518	530	541	553
User fees	1,317	1,813	1,903	1,945	1,987	2,031	2,076	2,121	2,168	2,216	2,265
Grants - operating	7,671	10,493	10,723	10,959	11,201	11,447	11,699	11,956	12,219	12,488	12,763
Grants - capital	9,348	8,081	6,289	3,070	12,624	2,328	2,702	2,096	2,101	2,377	2,111
Contributions - monetary	298	560	86	120	63	64	55	56	58	59	60
Interest received	174	230	230	230	230	230	230	230	230	230	230
Other receipts	528	597	672	692	713	733	755	776	798	821	844
Employee costs	(16,094)	(17,166)	(17,510)	(17,860)	(18,218)	(18,582)	(18,953)	(19,331)	(19,718)	(20,113)	(20,515)
Materials and services	(9,632)	(9,390)	(10,061)	(9,915)	(10,327)	(11,001)	(10,496)	(11,319)	(11,245)	(11,460)	(12,004)
Other payments	(1,316)	(1,608)	(1,640)	(1,673)	(1,707)	(1,741)	(1,776)	(1,811)	(1,847)	(1,884)	(1,922)
<b>Net cash provided by/(used in) operating activities</b>	<b>11,106</b>	<b>12,877</b>	<b>10,345</b>	<b>7,615</b>	<b>17,014</b>	<b>6,467</b>	<b>7,670</b>	<b>6,581</b>	<b>7,009</b>	<b>7,524</b>	<b>7,179</b>
<b>Cash flows from investing activities</b>											
Payments for property, infrastructure, plant and equipment	(22,435)	(15,649)	(12,108)	(8,323)	(17,956)	(8,039)	(8,578)	(7,452)	(6,976)	(7,588)	(7,247)
Proceeds from sale of property, infrastructure, plant and equipment	70	155	102	187	200	193	104	139	175	137	218
Loan and advances made	(64)	-	-	-	-	-	-	-	-	-	-
Payments of loans and advances	-	63	9	-	-	-	-	-	-	-	-
<b>Net cash provided by/ (used in) investing activities</b>	<b>(22,429)</b>	<b>(15,431)</b>	<b>(11,997)</b>	<b>(8,136)</b>	<b>(17,756)</b>	<b>(7,846)</b>	<b>(8,474)</b>	<b>(7,313)</b>	<b>(6,801)</b>	<b>(7,451)</b>	<b>(7,029)</b>
<b>Cash flows from financing activities</b>											
Finance costs	(102)	(75)	(43)	(40)	(40)	(34)	(14)	(17)	(17)	(17)	(17)
Proceeds from borrowings	-	-	-	-	450	-	120	-	-	-	-
Repayment of borrowings	(218)	(1,092)	(97)	-	-	(1,000)	-	-	-	-	-
Interest paid - lease liability	-	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities	(114)	(87)	-	-	-	-	-	-	-	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(434)</b>	<b>(1,254)</b>	<b>(140)</b>	<b>(40)</b>	<b>410</b>	<b>(1,034)</b>	<b>106</b>	<b>(17)</b>	<b>(17)</b>	<b>(17)</b>	<b>(17)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(11,757)</b>	<b>(3,808)</b>	<b>(1,792)</b>	<b>(561)</b>	<b>(332)</b>	<b>(2,413)</b>	<b>(698)</b>	<b>(749)</b>	<b>191</b>	<b>56</b>	<b>133</b>
Cash and cash equivalents at the beginning of the financial year	27,208	15,451	11,642	9,850	9,289	8,957	6,544	5,846	5,097	5,288	5,344
<b>Cash and cash equivalents at the end of the financial year</b>	<b>15,451</b>	<b>11,642</b>	<b>9,850</b>	<b>9,289</b>	<b>8,957</b>	<b>6,544</b>	<b>5,846</b>	<b>5,097</b>	<b>5,288</b>	<b>5,344</b>	<b>5,477</b>

## 5.5 Statement of Capital Works

	Forecast / Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>											
Land	-	-	-	-	-	-	-	-	-	-	-
Land improvements	605	600	-	-	-	-	-	-	-	-	-
<b>Total land</b>	<b>605</b>	<b>600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings	2,295	3,311	450	-	-	-	30	-	-	-	-
<b>Total buildings</b>	<b>2,295</b>	<b>3,311</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total property</b>	<b>2,901</b>	<b>3,911</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plant and equipment</b>											
Plant, machinery and equipment	839	810	803	858	930	936	851	925	917	902	1,032
Computers and telecommunications	90	-	-	-	-	-	-	-	-	-	-
<b>Total plant and equipment</b>	<b>929</b>	<b>810</b>	<b>803</b>	<b>858</b>	<b>930</b>	<b>936</b>	<b>851</b>	<b>925</b>	<b>917</b>	<b>902</b>	<b>1,032</b>
<b>Infrastructure</b>											
Roads	6,685	4,154	4,925	4,254	4,305	4,386	4,446	4,506	4,569	4,634	4,699
Bridges	2,232	1,049	1,086	1,084	1,103	1,099	1,118	1,137	1,157	1,177	1,198
Footpaths and cycleways	167	408	228	232	236	236	236	236	236	236	236
Drainage	65	164	78	80	82	82	82	82	82	82	82
Recreational, leisure and community facilities	-	-	-	-	-	700	315	566	15	15	-
Waste management	300	205	900	215	100	-	-	-	-	-	-
Parks, open space and streetscapes	8,716	4,648	3,658	1,600	11,200	600	1,500	-	-	541	-
Aerodromes	440	300	-	-	-	-	-	-	-	-	-
<b>Total infrastructure</b>	<b>18,605</b>	<b>10,928</b>	<b>10,855</b>	<b>7,465</b>	<b>17,026</b>	<b>7,103</b>	<b>7,697</b>	<b>6,527</b>	<b>6,059</b>	<b>6,685</b>	<b>6,215</b>
<b>Total capital works expenditure</b>	<b>22,435</b>	<b>15,649</b>	<b>12,108</b>	<b>8,323</b>	<b>17,956</b>	<b>8,039</b>	<b>8,578</b>	<b>7,452</b>	<b>6,976</b>	<b>7,587</b>	<b>7,247</b>
<b>Represented by:</b>											
New asset expenditure	2,922	1,458	1,050	1,715	100	700	215	566	15	15	-
Asset renewal expenditure	8,113	5,277	5,645	5,168	5,289	5,345	5,311	5,436	5,481	5,520	5,705
Asset expansion expenditure	167	-	-	-	-	-	-	-	-	-	-
Asset upgrade expenditure	11,233	8,915	5,413	1,440	12,567	1,994	3,052	1,450	1,480	2,052	1,542
<b>Total capital works expenditure</b>	<b>22,435</b>	<b>15,649</b>	<b>12,108</b>	<b>8,323</b>	<b>17,956</b>	<b>8,039</b>	<b>8,578</b>	<b>7,452</b>	<b>6,976</b>	<b>7,587</b>	<b>7,247</b>
<b>Funding sources represented by:</b>											
Grants	9,348	8,081	6,290	3,070	12,574	2,328	2,632	2,086	2,091	2,367	2,101
Contributions	246	510	35	68	60	203	144	149	185	147	228
Council cash	12,841	7,058	5,783	5,185	4,872	5,508	5,802	5,217	4,700	5,073	4,918
Borrowings	-	-	-	-	450	-	120	-	-	-	-
<b>Total capital works expenditure</b>	<b>22,435</b>	<b>15,649</b>	<b>12,108</b>	<b>8,323</b>	<b>17,956</b>	<b>8,039</b>	<b>8,698</b>	<b>7,452</b>	<b>6,976</b>	<b>7,587</b>	<b>7,247</b>

## 5.6 Statement of Human Resources

Staff expenditure	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Total staff expenditure</b>											
Male	6,810	7,264	7,410	7,558	7,710	7,864	8,022	8,182	8,346	8,513	8,683
Female	8,773	9,358	9,545	9,736	9,931	10,129	10,332	10,538	10,749	10,964	11,183
Self-described gender											
Casuals, temporary and other expenditure	510	544	555	566	578	589	601	613	625	638	650
<b>Total staff expenditure</b>	<b>16,094</b>	<b>17,166</b>	<b>17,510</b>	<b>17,860</b>	<b>18,218</b>	<b>18,583</b>	<b>18,954</b>	<b>19,333</b>	<b>19,720</b>	<b>20,114</b>	<b>20,517</b>
<b>Permanent full time</b>											
Male	6,635	7,077	7,267	7,413	7,562	7,713	7,867	8,025	8,185	8,349	8,516
Female	5,917	6,312	6,438	6,567	6,698	6,832	6,968	7,108	7,250	7,395	7,543
Self-described gender											
<b>Total</b>	<b>12,552</b>	<b>13,388</b>	<b>13,705</b>	<b>13,979</b>	<b>14,260</b>	<b>14,545</b>	<b>14,836</b>	<b>15,133</b>	<b>15,435</b>	<b>15,744</b>	<b>16,059</b>
<b>Permanent part time</b>											
Male	175	187	143	145	148	151	154	157	161	164	167
Female	2,856	3,046	3,107	3,169	3,233	3,297	3,363	3,431	3,499	3,569	3,641
Self-described gender											
<b>Total</b>	<b>3,031</b>	<b>3,233</b>	<b>3,250</b>	<b>3,315</b>	<b>3,381</b>	<b>3,449</b>	<b>3,518</b>	<b>3,588</b>	<b>3,660</b>	<b>3,733</b>	<b>3,808</b>

Staff numbers	2020/21 FTE	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE
<b>Total staff numbers</b>											
Male	84	91	92	96	97	97	97	97	97	97	97
Female	91	100	101	104	105	105	105	105	105	105	105
Self-described gender											
<b>Total staff numbers</b>	<b>175</b>	<b>191</b>	<b>194</b>	<b>200</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>201</b>	<b>201</b>
<b>Permanent full time</b>											
Male	81	89	90	93	94	94	94	94	94	94	94
Female	59	64	65	67	67	67	67	67	67	67	67
Self-described gender											
<b>Total</b>	<b>140</b>	<b>153</b>	<b>155</b>	<b>160</b>	<b>161</b>	<b>161</b>	<b>161</b>	<b>161</b>	<b>161</b>	<b>161</b>	<b>161</b>
<b>Permanent part time</b>											
Male	2	2	2	3	3	3	3	3	3	3	3
Female	33	36	36	37	38	38	38	38	38	38	38
Self-described gender											
<b>Total</b>	<b>35</b>	<b>38</b>	<b>39</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
Casual Employees	6.1	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8
<b>Total staff numbers</b>	<b>181.1</b>	<b>198.1</b>	<b>200.8</b>	<b>206.5</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>

2021/22 Directorate	Permanent Full Time				Permanent Part Time			
	Male	Female	Self-described	Total	Male	Female	Self-described	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CEO Office	160	450		610	-	-		-
Corporate Services	1,013	2,098		3,112	47	560		608
Communities	524	2,357		2,881	28	2,300		2,327
Infrastructure and Environment	5,380	1,406		6,785	112	186		298
<b>Total permanent staff expenditure</b>	<b>7,077</b>	<b>6,312</b>	<b>-</b>	<b>13,388</b>	<b>187</b>	<b>3,046</b>	<b>-</b>	<b>3,233</b>
Casuals, temporary and other expenditure								
Capitalised labour costs								
<b>Total staff</b>	<b>7,077</b>	<b>6,312</b>	<b>-</b>	<b>13,388</b>	<b>187</b>	<b>3,046</b>	<b>-</b>	<b>3,233</b>

## 5.7 Planned Human Resource Expenditure

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CEO Office</b>										
Permanent - Full time	610	622	635	647	660	674	687	701	715	729
Female	450	459	468	478	487	497	507	517	527	538
Male	160	163	166	170	173	177	180	184	187	191
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total CEO Office</b>	<b>610</b>	<b>622</b>	<b>635</b>	<b>647</b>	<b>660</b>	<b>674</b>	<b>687</b>	<b>701</b>	<b>715</b>	<b>729</b>
<b>Corporate Services</b>										
Permanent - Full time	3,112	3,174	3,237	3,302	3,368	3,435	3,504	3,574	3,646	3,719
Female	2,098	2,140	2,183	2,227	2,271	2,317	2,363	2,410	2,459	2,508
Male	1,013	1,033	1,054	1,075	1,097	1,119	1,141	1,164	1,187	1,211
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	608	572	583	595	607	619	631	644	657	670
Female	560	572	583	595	607	619	631	644	657	670
Male	47	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total Corporate Services</b>	<b>3,719</b>	<b>3,745</b>	<b>3,820</b>	<b>3,897</b>	<b>3,975</b>	<b>4,054</b>	<b>4,135</b>	<b>4,218</b>	<b>4,302</b>	<b>4,388</b>
<b>Communities</b>										
Permanent - Full time	2,881	2,939	2,998	3,058	3,119	3,181	3,245	3,310	3,376	3,443
Female	2,357	2,405	2,453	2,502	2,552	2,603	2,655	2,708	2,762	2,817
Male	524	534	545	556	567	578	590	602	614	626
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	2,327	2,374	2,421	2,470	2,519	2,569	2,621	2,673	2,727	2,781
Female	2,300	2,346	2,392	2,440	2,489	2,539	2,590	2,641	2,694	2,748
Male	28	28	29	29	30	30	31	32	32	33
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total Communities</b>	<b>5,208</b>	<b>5,313</b>	<b>5,419</b>	<b>5,527</b>	<b>5,638</b>	<b>5,751</b>	<b>5,866</b>	<b>5,983</b>	<b>6,102</b>	<b>6,225</b>
<b>Infrastructure and Environment</b>										
Permanent - Full time	6,785	6,970	7,110	7,253	7,398	7,546	7,697	7,851	8,008	8,168
Female	1,406	1,434	1,462	1,492	1,522	1,552	1,583	1,615	1,647	1,680
Male	5,380	5,536	5,647	5,761	5,876	5,994	6,114	6,236	6,361	6,488
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	298	304	311	317	323	330	336	343	350	357
Female	186	190	194	198	202	206	210	214	218	223
Male	112	114	117	119	121	124	126	129	131	134
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total Infrastructure and Environment</b>	<b>7,084</b>	<b>7,275</b>	<b>7,420</b>	<b>7,570</b>	<b>7,721</b>	<b>7,875</b>	<b>8,033</b>	<b>8,193</b>	<b>8,357</b>	<b>8,525</b>
<b>Casuals, temporary and other expenditure</b>	<b>544</b>	<b>555</b>	<b>566</b>	<b>578</b>	<b>589</b>	<b>601</b>	<b>613</b>	<b>625</b>	<b>638</b>	<b>650</b>
<b>Capitalised labour costs</b>	<b>1,016</b>	<b>1,036</b>	<b>1,057</b>	<b>1,078</b>	<b>1,099</b>	<b>1,121</b>	<b>1,144</b>	<b>1,167</b>	<b>1,190</b>	<b>1,214</b>
<b>Total staff expenditure</b>	<b>17,166</b>	<b>17,510</b>	<b>17,860</b>	<b>18,218</b>	<b>18,583</b>	<b>18,954</b>	<b>19,333</b>	<b>19,720</b>	<b>20,114</b>	<b>20,517</b>

## 5.7 Planned Human Resource Expenditure (cont.)

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
<b>CEO Office</b>										
Permanent - Full time	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Female	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Male	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total CEO Office</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
<b>Corporate Services</b>										
Permanent - Full time	31.0	31.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
Female	22.0	22.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Male	9.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	6.3	6.4	6.5	6.7	6.7	6.7	6.7	6.7	6.7	6.7
Female	5.7	5.8	5.9	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Male	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Corporate Services</b>	<b>37.3</b>	<b>37.4</b>	<b>39.5</b>	<b>39.7</b>	<b>39.7</b>	<b>39.7</b>	<b>39.7</b>	<b>39.7</b>	<b>39.7</b>	<b>39.7</b>
<b>Communities</b>										
Permanent - Full time	29.0	30.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Female	24.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Male	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	28.3	28.9	29.5	30.1	30.1	30.1	30.1	30.1	30.1	30.1
Female	27.9	28.5	29.1	29.6	29.6	29.6	29.6	29.6	29.6	29.6
Male	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Communities</b>	<b>57.3</b>	<b>58.9</b>	<b>60.5</b>	<b>61.1</b>	<b>61.1</b>	<b>61.1</b>	<b>61.1</b>	<b>61.1</b>	<b>61.1</b>	<b>61.1</b>
<b>Infrastructure and Environment</b>										
Permanent - Full time	89.0	90.0	92.0	93.0	93.0	93.0	93.0	93.0	93.0	93.0
Female	15.0	15.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Male	74.0	75.0	76.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Female	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Male	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Infrastructure and Environment</b>	<b>92.6</b>	<b>93.6</b>	<b>95.6</b>	<b>96.6</b>	<b>96.6</b>	<b>96.6</b>	<b>96.6</b>	<b>96.6</b>	<b>96.6</b>	<b>96.6</b>
<b>Casuals, temporary and other expenditure</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>
<b>Total staff numbers</b>	<b>198.1</b>	<b>200.8</b>	<b>206.5</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>	<b>208.2</b>

## 6 Financial Performance Indicators

The following table highlights Council's projected performance across a range of key financial performance indicators. These indicators provide an analysis of Council's 10-year financial projections and should be interpreted in the context of the organisation's objectives and financial management principles.

Indicator	Measure	Forecast											Trend	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31		
Operating position														
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	(23.2%)	(19.9%)	(23.0%)	(22.0%)	(22.6%)	(23.5%)	(21.6%)	(23.2%)	(22.4%)	(22.1%)	(22.6%)	o	
Liquidity														
Working Capital	Current assets / current liabilities	214.8%	187.0%	159.7%	147.5%	123.6%	108.4%	99.3%	89.6%	91.3%	91.3%	92.3%	-	
Unrestricted cash	Unrestricted cash / current liabilities	113.5%	78.2%	60.2%	50.8%	35.1%	35.6%	27.6%	29.0%	30.9%	29.7%	29.6%	-	
Obligations														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	11.9%	5.8%	5.2%	5.1%	7.3%	2.2%	2.7%	2.7%	2.6%	2.6%	2.5%	+	
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	1.7%	6.2%	0.7%	0.2%	0.2%	5.1%	0.1%	0.1%	0.1%	0.1%	0.1%	+	
Indebtedness	Non-current liabilities / own source revenue	10.6%	8.7%	7.6%	6.6%	3.3%	3.2%	3.6%	3.5%	3.5%	3.4%	3.3%	+	
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	170.0%	102.7%	78.5%	46.0%	121.8%	49.1%	54.8%	44.3%	43.9%	46.8%	43.9%	-	
Stability														
Rates concentration	Rate revenue / adjusted underlying revenue	58.6%	53.4%	54.3%	54.4%	54.4%	54.5%	54.5%	54.5%	54.5%	54.7%	54.8%	o	
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	o	
Indicator	Measure	Forecast											Trend	
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31		
Efficiency														
Expenditure level	Total expenses/ no. of property assessments	\$4,134	\$4,500	\$4,617	\$4,654	\$4,755	\$4,883	\$4,886	\$5,033	\$5,085	\$5,170	\$5,289	o	
Revenue level	Total rate revenue / no. of property assessments	\$1,967	\$2,007	\$2,040	\$2,074	\$2,109	\$2,155	\$2,191	\$2,228	\$2,265	\$2,313	\$2,362	o	
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	16.6%	10.1%	10.0%	9.9%	9.8%	9.7%	9.6%	9.5%	9.4%	9.3%	9.3%	o	

### Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

## 7 Strategies and Plans

This section describes the strategies and plans that support the 10-year financial projections included in the Financial Plan.

### 7.1 Borrowing Strategy

#### 7.1.1 Current Debt Position

The total amount of borrowings remaining on existing loans, as at 30 June 2022, is \$2.19 million.

#### 7.1.2 Future Borrowing Requirements

The following table highlights Council's projected loan balance, including new loans and loan repayments for the 10 years of the Financial Plan.

	Forecast / Actual										
	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Opening balance	2,408	2,190	1,097	1,000	1,000	1,450	450	570	570	570	570
Plus New loans	-	-	-	-	450	-	120	-	-	-	-
Less Principal repayment	(218)	(1,092)	(97)	-	-	(1,000)	-	-	-	-	-
Closing balance	2,190	1,097	1,000	1,000	1,450	450	570	570	570	570	570
Interest payment	102	72	43	40	40	33	14	17	17	17	17

#### 7.1.3 Performance Indicators

The following table highlights Council's projected performance across a range of debt management performance indicators.

	Target	Forecast / Actual										
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		%	%	%	%	%	%	%	%	%	%	%
Total borrowings / Rate revenue	Below 60%	11.9%	5.8%	5.2%	5.1%	7.3%	2.2%	2.7%	2.7%	2.6%	2.6%	2.5%
Debt servicing / Rate revenue	Below 5%	0.6%	0.4%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Debt commitment / Rate revenue	Below 10%	1.7%	6.2%	0.7%	0.2%	0.2%	5.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Indebtedness / Own source revenue	Below 60%	10.6%	8.7%	7.6%	6.6%	3.3%	3.2%	3.6%	3.5%	3.5%	3.4%	3.3%

Council maintains its loan borrowing well within prudent management limits as demonstrated by the following performance indicators.

#### Total borrowings/Rate revenue

Over the course of the 10 years, Council's performance indicator ranges between a low of 2.5% to a high of 11.9% that is well within the target measure of 60%.



## **Debt servicing / Rate revenue**

The target for this measure is 10% with Council's projected result ranging from a low of 0.1% and a high of 0.6%.

## **Debt commitment / Rate revenue**

The target for this measure is 5% with Council's projected result ranging between a low of 0.1% and a high of 6.2%.

## **Indebtedness / Own source revenue**

The target for this measure is 60% with Council's projection being a favourable result ranging between a low of 3.2% and a high of 10.6%.

## 7.2 Reserves Strategy

### 7.2.1 Current Reserves

#### Development Fund Reserve

- Purpose – This reserve is to set aside funds generated from Council's rates in lieu of activities mainly comprising revenue from wind farms.
- Movements – Inflows to the reserve are mainly sourced from rates in lieu activity. Transfers from the reserve are designed to partly fund the investment in community assets that may include land acquisitions.

#### Community Loan Reserve

- Purpose – The Community Loan Reserve is for the provision of loan to community members wishing to restore and rehabilitate for the good of the community. The maximum to be held in this reserve is \$150,000. The loan balance comprises the \$150,000 less the amount of loans that are currently outstanding.
- Movements – The reserve movements comprise the provision of new loans less the repayment of the outstanding loan balance owed by community members to Council.

#### Waste Program Reserve

- Purpose – Revenue from waste levies currently exceed the total cost of managing the waste function. The excess levy amount (surplus on operations) is allocated to the Waste Program Reserve on an annual basis.
- Movements – Following the adoption of the Waste Action Plan, Council will be required to utilise the current surplus on waste operations as well as utilise the proceeds from the waste reserve. This investment will start to result in a reduction of the waste reserve, effective from 2022/23, with further reductions from the 2025/26 year. The increased investment in waste services is in response to the current recycling crisis with expense initiatives identified in Council's adopted Waste Action Plan.

#### Defined Benefits Superannuation Reserve

- Purpose – Funds set aside in the event Vision Super advised Council of an additional call triggered by an Actuary review where insufficient funds are held in the superannuation fund to meet staff obligations.
- Movements – This reserve has reached its agreed maximum of \$300,000 so there is expected to be minimal movement to this reserve pending an additional call from Vision Super.

#### Loan Repayment Reserve

- Purpose – The Loan Repayment reserve is discretionary in nature and designed to hold funds for the repayment of interest only loans.
- Movements – The annual contributions are equal to the deemed principle repayment so sufficient funds will be available to fund the future repayment of interest only loans.

## 7.2.2 Reserve Usage Projections

The table below discloses the balance and annual movement for each reserve over the 10-year life of the Financial Plan. Total amount of reserves, for each year, is to align with the Statement of Changes in Equity.

All Council reserves are classed as discretionary so the proactive of holding reserve funds is pursuant to Council's policy position rather than a legislative requirement.

Reserves	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Development Fund</b>											
Opening balance	304	329	329	329	149	495	495	495	495	495	495
Transfer to reserve	25				346						
Transfer from reserve				(180)							
<b>Closing balance</b>	<b>329</b>	<b>329</b>	<b>329</b>	<b>149</b>	<b>495</b>	<b>495</b>	<b>495</b>	<b>495</b>	<b>495</b>	<b>495</b>	<b>495</b>
<b>Community Loans</b>											
Opening balance	42	107	116	116	116	116	116	116	116	116	116
Transfer to reserve	65	9									
Transfer from reserve											
<b>Closing balance</b>	<b>107</b>	<b>116</b>	<b>116</b>	<b>116</b>	<b>116</b>	<b>116</b>	<b>116</b>	<b>116</b>	<b>116</b>	<b>116</b>	<b>116</b>
<b>Waste program</b>											
Opening balance	3,175	3,775	4,185	3,522	3,605	3,723	2,558	2,449	1,519	1,479	1,560
Transfer to reserve	600	410	651	665	678	604	570	619	677	803	818
Transfer from reserve	0	0	(1,314)	(582)	(560)	(1,769)	(679)	(1,549)	(717)	(722)	(752)
<b>Closing balance</b>	<b>3,775</b>	<b>4,185</b>	<b>3,522</b>	<b>3,605</b>	<b>3,723</b>	<b>2,558</b>	<b>2,449</b>	<b>1,519</b>	<b>1,479</b>	<b>1,560</b>	<b>1,626</b>
<b>Defined Benefits call</b>											
Opening balance	300	300	300	300	300	300	300	300	300	300	300
Transfer to reserve											
Transfer from reserve											
<b>Closing balance</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Loan Repayment</b>											
Opening balance	1,500	1,625	750	875	1,000	1,000	45	90	147	204	261
Transfer to reserve	125	125	125	125		45	45	57	57	57	57
Transfer from reserve		(1,000)				(1,000)					
<b>Closing balance</b>	<b>1,625</b>	<b>750</b>	<b>875</b>	<b>1,000</b>	<b>1,000</b>	<b>45</b>	<b>90</b>	<b>147</b>	<b>204</b>	<b>261</b>	<b>318</b>
<b>Reserves Summary</b>											
Opening balance	5,321	6,136	5,680	5,142	5,170	5,634	3,514	3,450	2,577	2,594	2,732
Transfer to reserve	815	544	776	790	1,024	649	615	676	734	860	875
Transfer from reserve	0	(1,000)	(1,314)	(762)	(560)	(2,769)	(679)	(1,549)	(717)	(722)	(752)
<b>Closing balance</b>	<b>6,136</b>	<b>5,680</b>	<b>5,142</b>	<b>5,170</b>	<b>5,634</b>	<b>3,514</b>	<b>3,450</b>	<b>2,577</b>	<b>2,594</b>	<b>2,732</b>	<b>2,855</b>