

# Financial Plan

## 2022-23 to 2031-32

# CONTENTS

1	Legislative Requirements	8
2	Financial Plan Context	7
3	Financial Plan Statements	15
4	Financial Performance Indicators	25
5	Strategies and Plans	27

# 1 Legislative Requirements

## 1.1 Purpose of the 10 year Financial Plan

The Local Government Act 2020 requires each council to prepare a Financial Plan covering a minimum period of 10 years following each Council election. Council's 10-Year Financial Plan provides the financial management framework upon which sound financial decisions are made. The 10-Year Financial Plan covers the period 2022-23 to 2031-32.

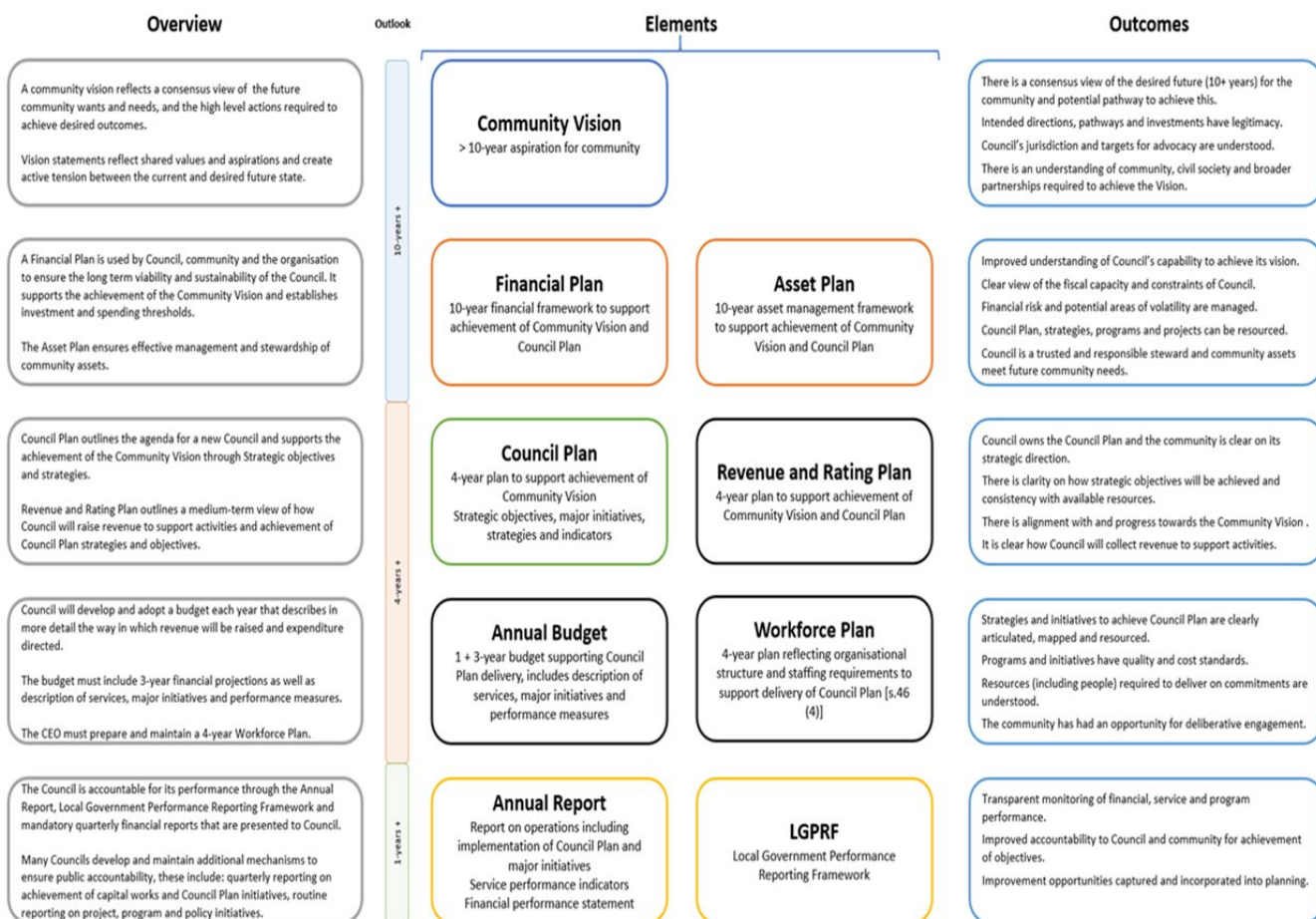
The Plan is a decision making tool to identify Council's current and projected financial capacity to meet Council's future needs in providing services and facilities to the community based on the goals and aspirations of the Council Plan and to achieve the Community Vision.

Each year the 10-Year Financial Plan is reviewed and updated to reflect the current circumstances of Council. The Plan effectively takes the assumptions and budget parameters that have been applied to the 2022-23 budget (which covers a four year period) and extends these out into years 5-10 to give a longer term view of Council's financial viability and outcomes.

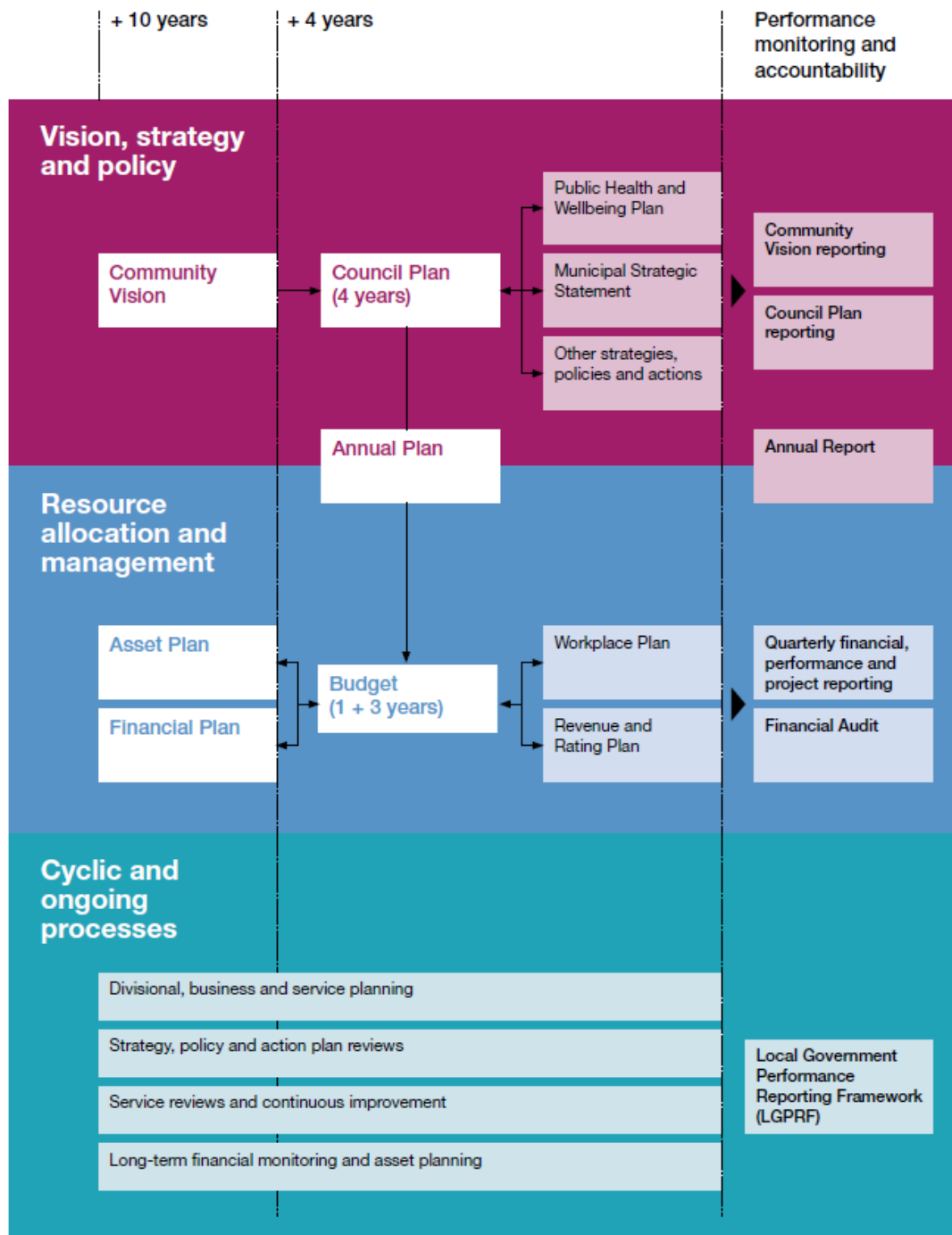
## 1.2 Link between the 10-Year Financial Plan and Council's Integrated Planning and Performance Framework

This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Planning and Performance 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 following diagram 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.



## 1.1 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.

- b) Council 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.
- c) 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.
- d) Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 1.2.2 below.
- e) The Financial Plan provides for the strategic planning principles of progress monitoring of progress and reviews to identify and adapt to changing circumstances.

## **1.2 Financial Management Principles**

The Financial Plan demonstrates the following financial management principles:

- 1.2.1 Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 1.2.2 Management of the following financial risks:
  - a) the financial viability of the Council (refer to section 2.1 Financial Policy Statements).
  - b) the management of current and future liabilities of the Council. The estimated 10 year-liabilities are disclosed in section 3.2 Balance Sheet projections.
- 1.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 1.2.4 Council maintains accounts and records that explain its financial operations and financial position (refer section 3 Financial Statements)

## **1.3 Engagement Principles**

Council adopted 2021-22 Financial Plan on 4 October 2021 Council meeting, in accordance with Local Government Act 2020. Council refreshed assumptions for 2022-23 budget year and reflected them in 2022-23 Financial Plan. It is presented, including any revisions, to 14 June 2022 Council meeting for adoption.

## **1.4 Service Performance Principles**

Council services are designed to be targeted to community need and provide 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 are proposed to 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 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.

## **1.5 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 Councils approved / adopted plans and policies that will ensure effective management of 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 and risks 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.

The Asset Plan will be adopted before 30 June 2022 in line with Local Government Act 2020.

## 2 Financial Plan Context

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

### 2.1 Financial Policy Statements

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

Policy Statement*	Measure	Target	Forecast											Trend
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	+/-
Net result margin (%) =Net result/Total revenue	Low Risk: More than 0% Generating surpluses consistently.	>0%	13%	17%	16%	16%	16%	17%	17%	18%	18%	19%	20%	+
Internal financing (%) Net operating cashflow/Net capital expenditure	Low Risk:More than 100% Generating enough cash from operations to fund new assets.	100%	78%	54%	81%	81%	115%	106%	108%	150%	146%	148%	146%	+
Rates allocated to capital works Rate revenue applied to fund the capital program compared to prior year	Rates allocated to capital works	32,073	44,694	21,792	43,620	35,817	36,061	39,900	43,403	32,793	36,670	31,680	42,430	+
Capital replacement (ratio) =Cash outflows for the addition of new infrastructure, property, plant and equipment/ Depreciation	Low Risk:More than 1.5 Low risk of insufficient spending on asset renewal	>150%	293%	551%	361%	375%	287%	323%	320%	229%	242%	246%	257%	-
New Asset Budgeted/ Projected Spend Total New Capital Works Budgeted or Projected Expenditure	Greater than \$5 million annually over the forward estimates	>\$5,000	14,440	45,025	17,892	31,364	17,493	14,752	16,624	13,303	10,918	11,053	10,918	-
Unrestricted Cash	Cash and Investments Less All Statutory Reserve Funds, Trust Liabilities, and Long Service Leave Provisions	>\$0	66,309	55,888	38,943	21,201	27,031	33,595	38,568	56,405	74,326	94,325	115,042	+
Annual renewal spending / Depreciation	Asset renewal project spend each year/Depreciation Expense	>100%	130%	133%	136%	156%	146%	124%	117%	116%	113%	95%	93%	-

\* In addition to financial performance indicators displayed in Section4 and 5



## 2.2 Strategic Actions

A robust community engagement process was undertaken between September 2020 and May 2021 to develop the Stonnington Community Vision 2040. This was adopted by Council on 28 June 2021.

The community aspirations and priorities for the future of Stonnington have been grouped into six principles and provide the areas of focus for the Council Plan 2021-2025. These community outcome areas comprise:

- Stonnington is a modern city that maintains heritage sites and its cultural identity whilst embracing progressive development, which supports its local businesses and encourages creative initiatives.
- Protect biodiversity, take climate action and pursue eco-friendly ways of living, guided by the United Nations Sustainable Development Goals.
- Stonnington's ambition is to be a caring, compassionate and supportive city for all members of the community.
- Stonnington will have strong governance and diverse representative leadership, which enhances open two-way communication.
- Stonnington's public spaces will provide the ability for all members of the community to experience and enjoy the natural environment.
- We provide access to a variety of quality services and amenities for everyone within 20 minutes.

To ensure Council has the capacity to work towards the achievement of the Stonnington Community Vision 2040, a Financial Plan has been prepared to guide the financial resources of Council over the next 10 years. This plan is updated annually.

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

- A financially sustainable Council – improving financial sustainability to enable Council to respond to financial challenges now and into the future.
- Prioritised funding – align resources to Council Plan priorities and fund projects based on demonstrated need.
- Focused program of service reviews and building efficiencies with a focus on developing new revenue sources and containing cost increases in business operations.
- Rate funds applied to the capital works program to increase each year.
- Increase investment in capital works renewal to reduce the escalating risk and maintenance of aging infrastructure.
- Additional funding to address climate change.
- Debt funding to be applied to growth infrastructure where applicable.
- Allocate consistent funding for technology and innovation to enhance customer service and create efficiencies.
- At a minimum, adherence to the projected State Government annual rate cap.

## 2.3 Assumptions to the financial plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2022-23 to 2031-32. The assumptions comprise the annual escalations / movement for each line item of the Comprehensive Income Statement.

Escalation Factors %/\$'000 movement	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
CPI	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.25%	3.25%
Growth	0.80%	0.79%	0.93%	1.01%	1.00%	0.99%	0.98%	0.97%	0.96%	0.95%
Rates and charges	1.75%	2.00%	2.00%	2.25%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Statutory fees and fines	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.25%	3.25%
User fees	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.25%	3.25%
Grants - Operating	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Grants - Capital	\$ 10,215	\$ 2,198	\$ 2,298	\$ 1,498	\$ 2,298	\$ 1,498	\$ 1,498	\$ 1,498	\$ 1,498	\$ 1,498
Contributions - monetary	\$ 13,889	\$ 13,889	\$ 13,889	\$ 13,889	\$ 13,889	\$ 13,889	\$ 13,889	\$ 13,889	\$ 13,889	\$ 13,889
Contributions - non-monetary	0	0	0	0	0	0	0	0	0	0
Other income	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.25%	3.25%
Employee costs	2.50%	2.72%	2.72%	2.81%	2.76%	2.71%	3.16%	3.11%	3.11%	3.36%
Materials and services	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.25%	3.25%
Depreciation & Amortisation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other expenses	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.25%	3.25%

### **2.3.1 Rates and charges**

Planning for future rate increases has been an important component of the Financial Plan process. The State Government introduced the *Fair Go Rates System* in 2016-17 which sets out the maximum amount councils may increase rates in a year. The Financial Plan assumes a rate increase of 1.75% in 2022-23 increasing to 3.0% by 2031-32 in line with future interest rate assumptions.

In addition, it is expected that during the 2022-23 year a further increase of 0.8% per annum will be received as a result of growth in the rate base due to supplementary rates (additional properties and / or valuation).

Waste management charges are levied on the basis of cost recovery and the Financial Plan reflects both an increase in Waste and Recycling Charges as well as increased contractor expenses. Future years waste charges are estimated to increase in line with CPI growth of 2.5% plus the landfill levy and recycling increases, to ensure Council continues to recover the full costs of providing waste services.

*More information can be found in Council's Revenue and Rating Plan 2021 to 2025*

### **2.3.2 Statutory fees and fines**

The Financial Plan indexes statutory fees, set by state legislation, according on the estimated annual rate of CPI. These fees are outside the control of Council and therefore can be subject to increases less than CPI depending on the decision determined by the State Government each year.

The use of CPI assumptions reflects the need for these revenue streams to increase in line with Councils projected costs in order not to impact operating surplus requirements that are used to fund the capital works program.

### **2.3.3 User fees and Charges**

User fees and charges assist Council to offset the cost of some service delivery directly with the user rather than funding through rate income. Revenue raised from Council's fees and charges for the provision of services and the use of facilities can be divided into two categories:

- a) Statutory and Regulatory Fees and Charges - which are set by regulation or another authority (e.g. Development Application fees) and which Council has no discretion to increase; and
- b) Other Fees and Charges - which are set by Council and which Council has the discretion to increase.

The pricing principle factors that determine Council's user fees and charges are equity, user-pays, cost recovery and market rates. As a general guide, user fees and charges are escalated in the 10-Year Financial Plan in line with forecast CPI which assists in offsetting the cost increases to Council for the provision of these services.

*More information can be found in Council's Revenue and Rating Plan 2021 to 2025*

### **2.3.4 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 2.25%.

The level of capital grants are determined based on the nature and level of projects included in the Capital Works Program, and vary widely. Capital grants have therefore been forecast to the level of known committed grants over the forward estimates.

### **2.3.5 Contributions**

Council receives contributions from developers which are expected to be around \$14 million each year. These contributions include Developer Contribution and Open Space contribution. They represent funds to enable council to provide the necessary open space and community infrastructure and infrastructure improvements to accommodate development growth and improved community outcomes. The contributions are for specific purposes and often require Council to outlay funds for infrastructure works often before receipt of this income source. These contributions are statutory contributions and are transferred to a restricted reserve until utilised for a specific purpose through the capital works program.

### **2.3.6 Other income**

Revenue from other income mainly comprises investment income plus the recovery income from a variety of sources and rental income received from the hire of Council buildings and property investment portfolio (rent). As a general guide, other income are escalated in the 10-Year Financial Plan in line with forecast CPI.

### **2.3.7 Employee costs**

Council provides services to the community by a combination of employees and through contracted service providers. Employee costs are one of the largest expenditure items which represent approximately 44% of total expenses. Total employee costs are a combination of direct wages and salaries, overheads that include workers compensation, superannuation, training and advertising and agency staff engaged on temporary assignments

The 2022-23 year includes a 3.57% increase for employee costs that reflects:

- Expectation to resume services from the COVID-19 lockdowns experienced in 2021-22.
- Salary increase for staff pursuant to the Enterprise Bargaining Agreement and associated provision growth.
- Legislated superannuation guarantee increase from 1 July 2022 by 0.5% (10 % to 10.5%).
- Further increased staff resources in the areas of Waste Strategy & Engagement, Transfer Station operation and Aquatic centre.

From 2023/24 to 2031/32, reflect annual increases between 2.72% to 2.36% per annum to provide for annual EBA increases, other required increases to staff salaries (i.e. legislated superannuation changes), as well as a projected increase to the delivery of existing services inclusive of a marginal increase in headcount.

### **2.3.8 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 the outcomes from competitive tendering than CPI. 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. Council continues to monitor costs in line with CPI levels year on year by engaging the market via best practice procurement processes.

### **2.3.9 Depreciation & amortisation**

Depreciation & amortisation of Council's infrastructure, intangible (software) and right of use of assets is determined from information contained within their various asset management plans and strategies. The projections of depreciation in the 10-Year Financial Plan is based on the Capital Works Program. It is critical that Council continues to renew existing assets in the capital works program, as failure to do so may reduce the service potential of assets and increase whole of life costs.

Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets.

### **2.3.10 Borrowing costs**

Borrowing costs comprise the interest expense to service Council's loan portfolio that is described in Section 5.1 Borrowing Plan.

### **2.3.11 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. These are projected to increase in line with CPI.

## 2.4 Other Matters impacting the 10-year financial projections

Council continues to face challenges which impact the Financial Plan projections. Some of the main factors are:

- **Impacts to cost-base:** In determining the assumptions that impact Councils cost base and associated revenue requirements, the following factors must be considered:
  - Service growth which includes both growth in population and service demand / expectation
  - New services and asset demands
  - Cost pressures from wages and construction costs
  - General inflation (an example of this is CPI)
- **CPI Volatility:** Council's CPI forecast is in line with Victoria State Government with reference to the RBA trimmed mean inflation forecast and is based on the long-term trend of CPI movement. Current market and CPI volatility is caused by one-off events like Russia & Ukraine War for oil price increase and supply chain distribution issues caused by COVID. It is reasonable to expect these events will conclude in the near future and the market and CPI will return to the long-term trend. Council will monitor the market and CPI movement closely and will reflect any changes in the annual Budget and Financial Plan preparation.
- **Labour and Material shortage impacting project delivery:** The economic output delivered through our Capital Program has borne the brunt of several stages of restrictions over the last few financial years and is now experiencing challenges with contractor availability, supply chain issues with materials and labour shortages.
- **Evolving interest rate environment:** The overall financial impact of COVID has led Council to review its services and capital works program and to source alternative funding. As interest rates continue to increase, Council will manage borrowing capacity accordingly, and will strategically look to mitigate any interest rate costs against medium term investments in term deposits.
- **Enterprise Bargaining Agreement:** The negotiations are currently underway. Should the final agreement be different to what has been factored into the current assumptions, future projections will be adjusted in the next iteration of the Financial Plan.
- **New Local Government Act 2020:** The new deliberative engagement requirement for Asset Management Planning will ensure that this Plan is better informed by the community to meet their expectations. A possible re-defining of service demand and service levels in respect of community assets and infrastructure may increase asset maintenance and renewal expenditure.
- **COVID-19 impact:** Statutory fees and fines and various User fees and charges have not fully recovered to pre-COVID revenue levels. These assumptions have been built into the forward outlooks.
- **Technology expectations:** We are learning different ways of working and making council facilities more flexible to provide a hybrid work environment and move services electronically. Our innovative ways of working and advances in IT infrastructure has supported us to work through the pandemic and we will need to continue to build our IT infrastructure to meet the changing expectations of our community.

- **Cost shifting:** This occurs where Local Government provides a service to the community on behalf of the State or Federal Government. Over time the funds received by Local Governments do not increase in line with real cost increases. An example of this is Maternal & Child Health, where the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community and therefore will require rate funding.
- **Public infrastructure maintenance:** Councils across Australia raise approximately 3% of the total taxation collected by all levels of Government in Australia. In addition, Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- **Population growth** will continue to place significant stress on Council's resources.
- **Climate action** will continue to evolve and require additional Council resources.
- **Service Review Framework and Transformation Program:** During 2021-22 Council has developed a service review framework to complement the Transformation (One Stonnington) program of works. This draft framework incorporates a methodology for performing consistent service reviews across Council that consider the cost, quality, level and efficiency of Council services, and assesses whether the current mode of delivery provides the best value to the community. Council intends to conduct regular reviews to ensure services continue to achieve their objectives and meet the needs of the Community. Review types will incorporate outcomes such as:
  - **Improved Process / Service:** Deliver more or better quality of services or outputs/outcomes for the same cost.
  - **Minimising Service Cost Growth:** Reduce cost increases above inflation or other external factors via competitive tendering and/or service or process review-redesign.
  - **Change in Delivery Model:** Delivery of a service via a different Operating/Commercial model.
  - **Change in Service Levels:** Determine community service need and adjust levels in accordance with these assessed requirements.
  - **Rationalisation of Services:** Service delivery determined/assessed to no longer be required and/or can be provided by an active private market.

Once this framework is adopted, any net financial efficiencies and operating savings will be factored within the forward outlook of our 10-Year Financial Plan.

### 3 Financial Plan Statements

This section presents information regarding the Financial Plan Statements for the 10 years from 2022-23 to 2031-32.

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



### 3.1 Comprehensive Income Statement

	Forecast										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>											
Rates and charges	126,231	132,448	136,602	141,079	146,110	151,596	156,752	162,909	169,291	176,241	183,457
Statutory fees and fines	16,016	21,604	25,059	26,865	28,715	29,433	30,169	30,923	31,696	32,488	33,300
User fees	17,225	22,238	24,193	25,576	26,279	27,002	27,811	28,645	29,504	30,462	31,452
Grants - Operating	9,833	9,318	9,528	9,742	9,962	10,186	10,415	10,649	10,889	11,134	11,384
Grants - Capital	8,945	10,215	2,198	2,298	1,498	2,298	1,498	1,498	1,498	1,498	1,498
Contributions - monetary	9,000	13,889	13,889	13,889	13,889	13,889	13,889	13,889	13,889	13,889	13,889
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	163	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)
Share of net profits/(losses) of associates and joint ventures	(266)	-	-	-	-	-	-	-	-	-	-
Other income	6,920	6,816	8,247	8,648	8,483	8,784	9,471	10,272	10,640	11,737	12,919
<b>Total income</b>	<b>194,068</b>	<b>216,489</b>	<b>219,677</b>	<b>228,057</b>	<b>234,895</b>	<b>243,146</b>	<b>249,964</b>	<b>258,745</b>	<b>267,367</b>	<b>277,409</b>	<b>287,859</b>
<b>Expenses</b>											
Employee costs	77,378	80,086	80,478	82,483	84,208	86,532	88,877	91,687	94,537	97,479	100,753
Materials and services	65,439	72,116	72,199	75,572	77,006	79,099	81,437	84,465	86,355	89,122	91,982
Depreciation	20,258	20,632	21,044	22,281	22,727	23,181	23,645	24,118	24,600	25,092	25,594
Amortisation - intangible assets	741	1,270	3,304	4,142	4,719	4,742	4,772	4,795	4,822	4,845	4,875
Amortisation - right of use assets	606	439	257	203	195	-	-	-	-	-	-
Bad and doubtful debts	20	20	21	21	22	22	23	24	24	25	26
Borrowing costs	149	373	1,234	1,443	1,675	1,808	2,098	2,134	1,936	1,895	1,679
Finance Costs - leases	218	124	36	25	-	-	-	-	-	-	-
Other expenses	4,768	5,202	5,333	5,479	5,630	5,785	5,958	6,137	6,321	6,527	6,739
<b>Total expenses</b>	<b>169,576</b>	<b>180,263</b>	<b>183,905</b>	<b>191,649</b>	<b>196,181</b>	<b>201,170</b>	<b>206,811</b>	<b>213,360</b>	<b>218,595</b>	<b>224,985</b>	<b>231,648</b>
<b>Surplus/(deficit) for the year</b>	<b>24,492</b>	<b>36,226</b>	<b>35,772</b>	<b>36,408</b>	<b>38,714</b>	<b>41,977</b>	<b>43,153</b>	<b>45,385</b>	<b>48,772</b>	<b>52,424</b>	<b>56,211</b>
<b>Total comprehensive result</b>	<b>24,492</b>	<b>36,226</b>	<b>35,772</b>	<b>36,408</b>	<b>38,714</b>	<b>41,977</b>	<b>43,153</b>	<b>45,385</b>	<b>48,772</b>	<b>52,424</b>	<b>56,211</b>

## 3.2 Balance Sheet

	Forecast										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents	85,355	74,977	58,283	40,831	46,965	53,855	59,159	77,334	95,675	116,103	137,267
Trade and other receivables	14,011	13,337	11,617	11,881	12,167	12,475	12,804	13,174	13,554	13,946	14,383
Other assets	751	770	789	809	831	854	877	904	931	959	990
<b>Total current assets</b>	<b>100,117</b>	<b>89,083</b>	<b>70,689</b>	<b>53,521</b>	<b>59,963</b>	<b>67,184</b>	<b>72,840</b>	<b>91,412</b>	<b>110,160</b>	<b>131,007</b>	<b>152,640</b>
<b>Non-current assets</b>											
Other financial assets	15	15	23	31	39	47	55	63	71	79	87
Investments in associates, joint arrangement and subsidiaries	2,089	2,088	2,088	2,088	2,088	2,088	2,088	2,088	2,088	2,088	2,088
Property, infrastructure, plant & equipment	3,131,283	3,213,260	3,260,772	3,314,046	3,350,119	3,394,577	3,439,273	3,464,887	3,493,896	3,524,422	3,558,197
Right-of-use assets	1,094	655	398	195	0	0	0	0	0	0	0
Investment property	6,450	6,450	6,450	6,450	6,450	6,450	6,450	6,450	6,450	6,450	6,450
Intangible assets	21,879	35,429	44,694	49,217	44,846	40,549	36,124	31,725	27,250	22,864	18,408
<b>Total non-current assets</b>	<b>3,162,810</b>	<b>3,257,897</b>	<b>3,314,426</b>	<b>3,372,027</b>	<b>3,403,542</b>	<b>3,443,712</b>	<b>3,483,991</b>	<b>3,505,213</b>	<b>3,529,756</b>	<b>3,555,904</b>	<b>3,585,230</b>
<b>Total assets</b>	<b>3,262,928</b>	<b>3,346,981</b>	<b>3,385,115</b>	<b>3,425,548</b>	<b>3,463,505</b>	<b>3,510,896</b>	<b>3,556,831</b>	<b>3,596,625</b>	<b>3,639,916</b>	<b>3,686,911</b>	<b>3,737,871</b>
<b>Liabilities</b>											
<b>Current liabilities</b>											
Trade and other payables	37,355	38,094	38,851	40,529	41,429	42,353	43,301	44,369	45,464	46,593	47,856
Trust funds and deposits	6,081	5,800	5,719	5,639	5,561	5,484	5,408	5,334	5,262	5,190	5,121
Provisions	15,804	14,569	14,996	15,456	15,936	16,437	16,946	17,497	18,110	18,739	19,410
Interest-bearing liabilities	1,000	1,000	4,333	4,733	7,933	6,013	6,680	7,213	7,213	7,213	7,213
Lease liabilities	473	473	370	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>60,713</b>	<b>59,935</b>	<b>64,269</b>	<b>66,356</b>	<b>70,859</b>	<b>70,287</b>	<b>72,335</b>	<b>74,413</b>	<b>76,048</b>	<b>77,734</b>	<b>79,600</b>
<b>Non-current liabilities</b>											
Provisions	2,330	2,409	2,473	2,545	2,618	2,696	2,779	2,855	2,952	3,049	3,146
Interest-bearing liabilities	20,500	69,500	67,834	69,701	64,368	70,275	70,928	63,182	55,969	48,756	41,543
Lease liabilities	843	370	-	-	-	-	-	-	-	-	-
Other liabilities	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525
<b>Total non-current liabilities</b>	<b>26,198</b>	<b>74,804</b>	<b>72,832</b>	<b>74,771</b>	<b>69,511</b>	<b>75,496</b>	<b>76,232</b>	<b>68,562</b>	<b>61,446</b>	<b>54,330</b>	<b>47,214</b>
<b>Total liabilities</b>	<b>86,911</b>	<b>134,739</b>	<b>137,101</b>	<b>141,127</b>	<b>140,370</b>	<b>145,784</b>	<b>148,568</b>	<b>142,976</b>	<b>137,494</b>	<b>132,065</b>	<b>126,814</b>
<b>Net assets</b>	<b>3,176,017</b>	<b>3,212,241</b>	<b>3,248,013</b>	<b>3,284,421</b>	<b>3,323,135</b>	<b>3,365,112</b>	<b>3,408,263</b>	<b>3,453,649</b>	<b>3,502,422</b>	<b>3,554,846</b>	<b>3,611,057</b>
<b>Equity</b>											
Accumulated surplus	1,164,826	1,205,512	1,242,929	1,293,805	1,332,221	1,373,898	1,416,705	1,461,775	1,510,264	1,562,373	1,618,301
Reserves	2,011,191	2,006,728	2,005,083	1,990,616	1,990,913	1,991,213	1,991,560	1,991,874	1,992,157	1,992,474	1,992,756
<b>Total equity</b>	<b>3,176,017</b>	<b>3,212,241</b>	<b>3,248,013</b>	<b>3,284,421</b>	<b>3,323,135</b>	<b>3,365,112</b>	<b>3,408,263</b>	<b>3,453,649</b>	<b>3,502,422</b>	<b>3,554,846</b>	<b>3,611,057</b>

### 3.3 Statement of Changes in Equity

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
<b>2022 Forecast Actual</b>				
Balance at beginning of the financial year	3,151,525	1,135,420	1,949,661	66,443
Surplus/(deficit) for the year	24,492	24,492	-	-
Transfers to other reserves	-	(10,747)	-	10,747
Transfers from other reserves	-	15,661	-	(15,661)
<b>Balance at end of the financial year</b>	<b>3,176,017</b>	<b>1,164,826</b>	<b>1,949,661</b>	<b>61,529</b>
<b>2023</b>				
Balance at beginning of the financial year	3,176,017	1,164,826	1,949,660	61,531
Surplus/(deficit) for the year	36,222	36,222	-	-
Transfers to other reserves	-	(19,182)	-	19,182
Transfers from other reserves	-	23,645	-	(23,645)
<b>Balance at end of the financial year</b>	<b>3,212,241</b>	<b>1,205,510</b>	<b>1,949,660</b>	<b>57,068</b>
<b>2024</b>				
Balance at beginning of the financial year	3,212,240	1,205,510	1,949,660	57,068
Surplus/(deficit) for the year	35,773	35,773	-	-
Transfers to other reserves	-	(17,244)	-	17,244
Transfers from other reserves	-	18,889	-	(18,889)
<b>Balance at end of the financial year</b>	<b>3,248,013</b>	<b>1,242,928</b>	<b>1,949,660</b>	<b>55,423</b>
<b>2025</b>				
Balance at beginning of the financial year	3,248,014	1,242,928	1,949,660	55,423
Surplus/(deficit) for the year	36,407	36,407	-	-
Transfers to other reserves	-	(16,422)	-	16,422
Transfers from other reserves	-	30,889	-	(30,889)
<b>Balance at end of the financial year</b>	<b>3,284,421</b>	<b>1,293,803</b>	<b>1,949,660</b>	<b>40,956</b>
<b>2026</b>				
Balance at beginning of the financial year	3,284,422	1,293,804	1,949,660	40,956
Surplus/(deficit) for the year	38,713	38,713	-	-
Transfers to other reserves	-	(16,186)	-	16,186
Transfers from other reserves	-	15,889	-	(15,889)
<b>Balance at end of the financial year</b>	<b>3,323,135</b>	<b>1,332,220</b>	<b>1,949,660</b>	<b>41,253</b>

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2027</b>				
Balance at beginning of the financial year	3,323,135	1,332,220	1,949,660	41,253
Surplus/(deficit) for the year	41,976	41,976	-	-
Transfers to other reserves	-	(16,189)	-	16,189
Transfers from other reserves	-	15,889	-	(15,889)
<b>Balance at end of the financial year</b>	<b>3,365,111</b>	<b>1,373,897</b>	<b>1,949,660</b>	<b>41,553</b>
<b>2028</b>				
Balance at beginning of the financial year	3,365,111	1,373,897	1,949,660	41,553
Surplus/(deficit) for the year	43,151	43,151	-	-
Transfers to other reserves	-	(16,236)	-	16,236
Transfers from other reserves	-	15,889	-	(15,889)
<b>Balance at end of the financial year</b>	<b>3,408,263</b>	<b>1,416,701</b>	<b>1,949,660</b>	<b>41,900</b>
<b>2029</b>				
Balance at beginning of the financial year	3,408,263	1,416,701	1,949,660	41,900
Surplus/(deficit) for the year	45,387	45,387	-	-
Transfers to other reserves	-	(16,204)	-	16,204
Transfers from other reserves	-	15,889	-	(15,889)
<b>Balance at end of the financial year</b>	<b>3,453,649</b>	<b>1,461,773</b>	<b>1,949,660</b>	<b>42,215</b>
<b>2030</b>				
Balance at beginning of the financial year	3,453,649	1,461,773	1,949,660	42,215
Surplus/(deficit) for the year	48,773	48,773	-	-
Transfers to other reserves	-	(16,172)	-	16,172
Transfers from other reserves	-	15,889	-	(15,889)
<b>Balance at end of the financial year</b>	<b>3,502,421</b>	<b>1,510,264</b>	<b>1,949,660</b>	<b>42,497</b>
<b>2031</b>				
Balance at beginning of the financial year	3,502,421	1,510,264	1,949,660	42,497
Surplus/(deficit) for the year	52,424	52,424	-	-
Transfers to other reserves	-	(16,206)	-	16,206
Transfers from other reserves	-	15,889	-	(15,889)
<b>Balance at end of the financial year</b>	<b>3,554,845</b>	<b>1,562,371</b>	<b>1,949,660</b>	<b>42,814</b>
<b>2032</b>				
Balance at beginning of the financial year	3,554,845	1,562,371	1,949,660	42,814
Surplus/(deficit) for the year	56,212	56,212	-	-
Transfers to other reserves	-	(16,171)	-	16,171
Transfers from other reserves	-	15,889	-	(15,889)
<b>Balance at end of the financial year</b>	<b>3,611,057</b>	<b>1,618,301</b>	<b>1,949,660</b>	<b>43,096</b>

### 3.4 Statement of Cash Flows

	Forecast										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	In/(Out)	In/(Out)	In/(Out)	In/(Out)	In/(Out)	In/(Out)	In/(Out)	In/(Out)	In/(Out)	In/(Out)	In/(Out)
<b>Cash flows from operating activities</b>											
Rates and charges	127,229	132,444	138,477	140,974	146,002	151,473	156,612	162,751	169,129	176,074	183,270
Statutory fees and fines	17,240	22,263	25,014	26,820	28,663	29,382	30,113	30,861	31,632	32,423	33,227
User fees	17,143	22,775	24,786	25,872	27,073	27,865	28,754	29,662	30,605	31,656	32,734
Grants - operating	10,302	9,799	9,814	10,036	10,239	10,489	10,703	10,943	11,188	11,439	11,694
Grants - capital	8,945	10,215	2,198	2,298	1,498	2,298	1,498	1,498	1,498	1,498	1,498
Contributions - monetary	9,900	15,278	15,278	15,278	15,278	15,278	15,278	15,278	15,278	15,278	15,278
Interest received	304	360	1,121	1,090	1,122	1,345	1,661	1,998	2,527	3,488	4,260
Trust funds and deposits taken/(repaid)	(1,178)	(281)	(81)	(80)	(78)	(77)	(76)	(74)	(73)	(72)	(69)
Other receipts	7,279	7,101	7,830	8,305	8,089	8,174	8,582	9,092	8,916	9,065	9,516
Net GST refund / payment	9,732	14,665	11,000	11,381	9,075	10,086	10,292	8,611	9,123	9,514	10,035
Employee costs	(77,423)	(81,192)	(79,935)	(81,900)	(83,603)	(85,902)	(88,238)	(91,005)	(93,779)	(96,702)	(99,931)
Materials and services	(64,430)	(82,247)	(82,254)	(84,235)	(86,402)	(88,808)	(91,475)	(94,834)	(97,017)	(100,196)	(103,370)
Other payments	(1,696)	(1,813)	(1,798)	(1,852)	(1,898)	(1,951)	(2,011)	(2,070)	(2,131)	(2,201)	(2,272)
<b>Net cash provided by/(used in) operating activities</b>	<b>63,349</b>	<b>69,367</b>	<b>71,450</b>	<b>73,986</b>	<b>75,058</b>	<b>79,652</b>	<b>81,693</b>	<b>82,712</b>	<b>86,896</b>	<b>91,263</b>	<b>95,871</b>
<b>Cash flows from investing activities</b>											
Payments for property, infrastructure, plant and equipment	(80,853)	(128,229)	(88,521)	(92,315)	(65,568)	(75,389)	(76,062)	(55,641)	(59,857)	(62,179)	(66,265)
Proceeds from sale of property, infrastructure, plant and equipment	360	451	451	451	451	451	451	451	451	451	451
Advances to Subsidiary	(266)	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by/ (used in) investing activities</b>	<b>(80,759)</b>	<b>(127,778)</b>	<b>(88,070)</b>	<b>(91,864)</b>	<b>(65,117)</b>	<b>(74,938)</b>	<b>(75,611)</b>	<b>(55,190)</b>	<b>(59,406)</b>	<b>(61,728)</b>	<b>(65,814)</b>
<b>Cash flows from financing activities</b>											
Finance costs	(149)	(373)	(1,234)	(1,443)	(1,675)	(1,808)	(2,098)	(2,134)	(1,936)	(1,895)	(1,679)
Proceeds from borrowings	-	50,000	6,000	7,000	5,800	10,000	8,000	-	-	-	-
Repayment of borrowings	(1,000)	(1,000)	(4,333)	(4,733)	(7,933)	(6,013)	(6,680)	(7,213)	(7,213)	(7,213)	(7,213)
Interest paid - lease liability	(218)	(124)	(36)	(25)	-	-	-	-	-	-	-
Repayment of lease liabilities	(473)	(473)	(473)	(370)	-	-	-	-	-	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>(1,840)</b>	<b>48,030</b>	<b>(76)</b>	<b>429</b>	<b>(3,808)</b>	<b>2,179</b>	<b>(778)</b>	<b>(9,347)</b>	<b>(9,149)</b>	<b>(9,108)</b>	<b>(8,892)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(19,250)</b>	<b>(10,381)</b>	<b>(16,696)</b>	<b>(17,449)</b>	<b>6,132</b>	<b>6,894</b>	<b>5,305</b>	<b>18,176</b>	<b>18,341</b>	<b>20,428</b>	<b>21,165</b>
Cash and cash equivalents at the beginning of the financial year	104,606	85,355	74,976	58,283	40,831	46,964	53,854	59,158	77,333	95,675	116,102
<b>Cash and cash equivalents at the end of the financial year</b>	<b>85,355</b>	<b>74,977</b>	<b>58,283</b>	<b>40,831</b>	<b>46,964</b>	<b>53,855</b>	<b>59,159</b>	<b>77,334</b>	<b>95,675</b>	<b>116,103</b>	<b>137,267</b>

### 3.5 Statement of Capital Works

	Forecast 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	2031/32 \$'000
<b>Property</b>											
Land	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Total land</b>	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Buildings	6,525	6,942	6,867	6,755	9,342	8,522	5,086	5,405	5,449	5,251	5,188
Heritage buildings	431	4,749	4,110	2,865	619	14,129	15,819	635	6,485	10,094	14,144
<b>Total buildings</b>	6,956	11,691	10,977	9,619	9,961	22,651	20,905	6,040	11,933	15,344	19,331
<b>Total property</b>	6,956	21,691	20,977	19,619	19,961	32,651	30,905	16,040	21,933	25,344	29,331
<b>Plant and equipment</b>											
Computers and telecommunications	4,470	2,659	861	1,745	868	872	1,255	1,232	877	884	888
Fixtures, fittings and furniture	284	253	224	509	285	220	208	204	291	230	207
Heritage plant and equipment	257	359	342	2,124	2,138	338	342	347	347	347	347
Library books	1,057	985	900	999	957	912	921	939	948	939	939
Plant, machinery and equipment	3,114	4,609	3,213	3,215	3,179	2,990	3,128	2,867	2,985	3,128	3,038
<b>Total plant and equipment</b>	9,182	8,865	5,540	8,591	7,426	5,331	5,853	5,588	5,447	5,526	5,418
<b>Infrastructure</b>											
Bridges	45	91	85	86	89	92	94	96	99	102	69
Drainage	1,734	2,701	2,526	2,953	3,116	3,060	3,193	3,281	2,983	2,632	2,636
Footpaths and cycleways	2,511	2,417	3,384	4,322	3,801	3,914	4,043	4,157	4,027	3,804	3,858
Other infrastructure	4,756	13,575	7,812	21,233	6,048	6,040	5,953	6,241	6,717	6,002	5,866
Parks, open space and streetscapes	9,578	15,327	14,478	5,807	9,437	9,118	11,192	7,484	5,261	4,924	4,861
Recreational, leisure and community facilities	10,250	31,336	8,960	6,950	1,184	1,922	1,779	909	941	973	1,018
Roads	8,625	7,056	5,244	6,442	8,186	5,960	5,779	6,384	6,650	6,760	6,760
<b>Total infrastructure</b>	37,500	72,504	42,489	47,793	31,861	30,105	32,032	28,552	26,677	25,196	25,068
<b>Total capital works expenditure</b>	53,639	103,059	69,007	76,004	59,248	68,087	68,790	50,180	54,057	56,067	59,817
<b>Represented by:</b>											
New asset expenditure	14,440	45,025	17,892	31,364	17,493	14,752	16,624	13,303	10,918	11,053	10,918
Asset renewal expenditure	26,318	27,360	28,636	34,822	33,258	28,820	27,610	27,997	27,703	23,937	23,746
Asset expansion expenditure	11	159	72	45	225	2,745	45	45	45	45	45
Asset upgrade expenditure	12,870	30,516	22,407	9,774	8,273	21,770	24,510	8,835	15,391	21,031	25,108
<b>Total capital works expenditure</b>	53,639	103,059	69,007	76,004	59,248	68,087	68,790	50,180	54,057	56,067	59,817
<b>Funding sources represented by:</b>											
Grants	8,945	10,215	1,998	2,298	1,498	2,298	1,498	1,498	1,498	1,498	1,498
Contributions	-	-	-	-	-	-	-	-	-	-	-
Council cash	44,694	42,844	61,009	66,706	51,950	55,789	59,292	48,682	52,559	47,569	58,319
Borrowings		50,000	6,000	7,000	5,800	10,000	8,000	-	-	7,000	-
<b>Total capital works expenditure</b>	53,639	103,059	69,007	76,004	59,248	68,087	68,790	50,180	54,057	56,067	59,817

### 3.6 Statement of Human Resources

Staff expenditure	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff expenditure</b>											
Employee costs - operating	77,378	80,086	80,478	82,483	84,208	86,532	88,877	91,687	94,537	97,479	100,753
Employee costs - capital	5,986	9,126	8,655	8,655	6,624	6,806	6,991	7,212	7,436	7,667	7,925
<b>Total staff expenditure</b>	<b>83,364</b>	<b>89,212</b>	<b>89,132</b>	<b>91,138</b>	<b>90,831</b>	<b>93,338</b>	<b>95,868</b>	<b>98,899</b>	<b>101,973</b>	<b>105,146</b>	<b>108,678</b>

Staff numbers	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
<b>Staff numbers</b>											
Permanent Employees	690	697	697	697	697	697	697	697	697	697	697
Casuals and temporary	93	85	61	59	41	41	41	41	41	41	41
<b>Total staff numbers</b>	<b>783</b>	<b>782</b>	<b>758</b>	<b>756</b>	<b>738</b>	<b>738</b>	<b>738</b>	<b>738</b>	<b>738</b>	<b>738</b>	<b>738</b>

A summary of human resources expenditure categorised according to the organisational structure of Council is included below: □

	Total	Permanent			
	Budget	Full Time	Part Time	Casual	Temporary
	2022-23				
	\$'000	\$'000	\$'000	\$'000	\$'000
CEO Division	2,783	2,629	52	-	102
Community and Wellbeing	28,424	14,069	10,557	2,880	918
Planning and Place	11,943	10,315	951	184	493
Chief Customer & Transformation Office	9,600	6,073	504	264	2,759
Organisation Capability	9,750	8,837	795	-	119
Environment and Infrastructure	22,040	19,971	760	420	889
<b>Total permanent staff expenditure</b>	<b>84,540</b>	<b>61,894</b>	<b>13,620</b>	<b>3,748</b>	<b>5,279</b>
Other employee related expenditure	4,672				
Capitalised labour costs	(9,126)				
<b>Total staff</b>	<b>80,086</b>				

	Total	Permanent			
	Budget	Full Time	Part Time	Casual	Temporary
	2022-23				
	FTE	FTE	FTE	FTE	FTE
CEO Division	20	19	0	-	1
Community and Wellbeing	292	133	119	31	9
Planning and Place	106	89	9	2	6
Chief Customer & Transformation Office	75	48	6	3	18
Organisation Capability	77	69	7	-	1
Environment and Infrastructure	212	190	8	5	9
<b>Total staff</b>	<b>782</b>	<b>548</b>	<b>149</b>	<b>42</b>	<b>43</b>

### 3.7 Planned Human Resource Expenditure

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CEO</b>										
Permanent - Full time	2,629	2,701	2,774	2,852	2,931	3,010	3,105	3,202	3,301	3,412
Female	1,720	1,767	1,815	1,866	1,918	1,970	2,032	2,095	2,160	2,233
Male	787	809	831	854	878	901	930	959	989	1,022
TBA	122	125	128	132	136	139	144	148	153	158
Permanent - Part time	52	54	55	57	58	60	62	64	66	68
Female	-	-	-	-	-	-	-	-	-	-
Male	52	54	55	57	58	60	62	64	66	68
TBA	-	-	-	-	-	-	-	-	-	-
<b>Total CEO</b>	<b>2,681</b>	<b>2,754</b>	<b>2,829</b>	<b>2,909</b>	<b>2,989</b>	<b>3,070</b>	<b>3,167</b>	<b>3,265</b>	<b>3,367</b>	<b>3,480</b>
<b>Community and Wellbeing</b>										
Permanent - Full time	14,069	14,452	14,845	15,262	15,683	16,109	16,618	17,134	17,667	18,261
Female	9,560	9,820	10,087	10,370	10,657	10,945	11,291	11,642	12,004	12,408
Male	3,632	3,731	3,832	3,940	4,049	4,158	4,290	4,423	4,561	4,714
TBA	878	902	926	952	978	1,005	1,037	1,069	1,102	1,139
Permanent - Part time	10,557	10,844	11,139	11,452	11,768	12,087	12,469	12,857	13,257	13,702
Female	6,127	6,294	6,465	6,646	6,830	7,015	7,237	7,462	7,694	7,952
Male	2,694	2,768	2,843	2,923	3,004	3,085	3,182	3,281	3,383	3,497
TBA	1,736	1,783	1,831	1,883	1,935	1,987	2,050	2,114	2,180	2,253
<b>Total Community and Wellbeing</b>	<b>24,626</b>	<b>25,296</b>	<b>25,984</b>	<b>26,714</b>	<b>27,452</b>	<b>28,196</b>	<b>29,087</b>	<b>29,991</b>	<b>30,924</b>	<b>31,963</b>
<b>Planning and Place</b>										
Permanent - Full time	10,315	10,595	10,883	11,189	11,498	11,810	12,183	12,562	12,952	13,387
Female	5,386	5,532	5,683	5,842	6,004	6,166	6,361	6,559	6,763	6,990
Male	4,024	4,133	4,246	4,365	4,486	4,607	4,753	4,901	5,053	5,223
TBA	905	929	955	981	1,009	1,036	1,069	1,102	1,136	1,174
Permanent - Part time	951	977	1,004	1,032	1,061	1,089	1,124	1,159	1,195	1,235
Female	824	846	869	894	918	943	973	1,003	1,035	1,069
Male	49	51	52	54	55	57	58	60	62	64
TBA	78	80	83	85	87	90	92	95	98	101
<b>Total Planning and Place</b>	<b>11,266</b>	<b>11,572</b>	<b>11,887</b>	<b>12,221</b>	<b>12,559</b>	<b>12,899</b>	<b>13,307</b>	<b>13,720</b>	<b>14,147</b>	<b>14,622</b>
<b>Chief Customer &amp; Transformation Office</b>										
Permanent - Full time	6,073	6,238	6,408	6,588	6,770	6,953	7,173	7,396	7,626	7,882
Female	1,803	1,852	1,903	1,956	2,010	2,065	2,130	2,196	2,264	2,340
Male	3,071	3,154	3,240	3,331	3,423	3,516	3,627	3,740	3,856	3,986
TBA	1,199	1,232	1,265	1,301	1,337	1,373	1,416	1,460	1,506	1,556
Permanent - Part time	504	518	532	547	562	577	596	614	633	655
Female	340	349	359	369	379	389	401	414	427	441
Male	75	77	79	82	84	86	89	92	94	98
TBA	89	92	94	97	99	102	105	109	112	116
<b>Total Chief Customer &amp; Transformation Office</b>	<b>6,577</b>	<b>6,756</b>	<b>6,940</b>	<b>7,135</b>	<b>7,332</b>	<b>7,531</b>	<b>7,769</b>	<b>8,010</b>	<b>8,259</b>	<b>8,537</b>
<b>Organisation Capability</b>										
Permanent - Full time	8,837	9,077	9,324	9,586	9,851	10,118	10,437	10,762	11,097	11,470
Female	5,102	5,240	5,383	5,534	5,687	5,841	6,026	6,213	6,406	6,622
Male	2,505	2,573	2,643	2,717	2,792	2,868	2,958	3,050	3,145	3,251
TBA	1,231	1,264	1,298	1,335	1,372	1,409	1,453	1,499	1,545	1,597
Permanent - Part time	795	816	839	862	886	910	939	968	998	1,032
Female	758	779	800	822	845	868	895	923	952	984
Male	3	3	3	3	3	3	3	3	3	3
TBA	34	35	36	37	38	39	40	42	43	44
<b>Total Organisation Capability</b>	<b>9,632</b>	<b>9,894</b>	<b>10,163</b>	<b>10,448</b>	<b>10,737</b>	<b>11,028</b>	<b>11,376</b>	<b>11,730</b>	<b>12,095</b>	<b>12,501</b>
<b>Environment and Infrastructure</b>										
Permanent - Full time	19,971	20,515	21,073	21,665	22,263	22,866	23,589	24,322	25,079	25,921
Female	4,137	4,250	4,365	4,488	4,612	4,737	4,886	5,038	5,195	5,370
Male	13,689	14,061	14,443	14,849	15,259	15,673	16,168	16,671	17,189	17,767
TBA	2,146	2,204	2,264	2,328	2,392	2,457	2,534	2,613	2,694	2,785
Permanent - Part time	760	780	802	824	847	870	897	925	954	986
Female	96	98	101	104	107	110	113	117	120	124
Male	486	499	513	527	542	557	574	592	610	631
TBA	178	183	188	193	198	204	210	217	223	231
<b>Total Environment and Infrastructure</b>	<b>20,731</b>	<b>21,295</b>	<b>21,874</b>	<b>22,489</b>	<b>23,110</b>	<b>23,736</b>	<b>24,486</b>	<b>25,248</b>	<b>26,033</b>	<b>26,907</b>
<b>Casuals, temporary and other expense</b>	<b>13,699</b>	<b>11,564</b>	<b>11,461</b>	<b>8,916</b>	<b>9,162</b>	<b>9,410</b>	<b>9,708</b>	<b>10,009</b>	<b>10,321</b>	<b>10,668</b>
<b>Less Capitalised labour costs</b>	<b>(9,126)</b>	<b>(8,655)</b>	<b>(8,655)</b>	<b>(6,624)</b>	<b>(6,806)</b>	<b>(6,991)</b>	<b>(7,212)</b>	<b>(7,436)</b>	<b>(7,667)</b>	<b>(7,925)</b>
<b>Total operating staff expenditure</b>	<b>80,086</b>	<b>80,477</b>	<b>82,483</b>	<b>84,209</b>	<b>86,533</b>	<b>88,878</b>	<b>91,687</b>	<b>94,538</b>	<b>97,478</b>	<b>100,753</b>



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
<b>CEO</b>										
Permanent - Full time	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>
Female	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Male	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
TBA	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Permanent - Part time	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
Female	-	-	-	-	-	-	-	-	-	-
Male	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
TBA	-	-	-	-	-	-	-	-	-	-
<b>Total CEO</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>	<b>19.4</b>
<b>Community and Wellbeing</b>										
Permanent - Full time	<b>133.0</b>	<b>133.0</b>	<b>133.0</b>	<b>133.0</b>	<b>133.0</b>	<b>133.0</b>	<b>133.0</b>	<b>133.0</b>	<b>133.0</b>	<b>133.0</b>
Female	88.0	88.0	88.0	88.0	88.0	88.0	88.0	88.0	88.0	88.0
Male	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
TBA	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Permanent - Part time	<b>119.1</b>	<b>119.1</b>	<b>119.1</b>	<b>119.1</b>	<b>119.1</b>	<b>119.1</b>	<b>119.1</b>	<b>119.1</b>	<b>119.1</b>	<b>119.1</b>
Female	64.3	64.3	64.3	64.3	64.3	64.3	64.3	64.3	64.3	64.3
Male	32.8	32.8	32.8	32.8	32.8	32.8	32.8	32.8	32.8	32.8
TBA	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9	21.9
<b>Total Community and Wellbeing</b>	<b>252.1</b>	<b>252.1</b>	<b>252.1</b>	<b>252.1</b>	<b>252.1</b>	<b>252.1</b>	<b>252.1</b>	<b>252.1</b>	<b>252.1</b>	<b>252.1</b>
<b>Planning and Place</b>										
Permanent - Full time	<b>89.0</b>	<b>89.0</b>	<b>89.0</b>	<b>89.0</b>	<b>89.0</b>	<b>89.0</b>	<b>89.0</b>	<b>89.0</b>	<b>89.0</b>	<b>89.0</b>
Female	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0	47.0
Male	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
TBA	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Permanent - Part time	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>
Female	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Male	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
TBA	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
<b>Total Planning and Place</b>	<b>97.8</b>	<b>97.8</b>	<b>97.8</b>	<b>97.8</b>	<b>97.8</b>	<b>97.8</b>	<b>97.8</b>	<b>97.8</b>	<b>97.8</b>	<b>97.8</b>
<b>Chief Customer &amp; Transformation Office</b>										
Permanent - Full time	<b>48.0</b>	<b>48.0</b>	<b>48.0</b>	<b>48.0</b>	<b>48.0</b>	<b>48.0</b>	<b>48.0</b>	<b>48.0</b>	<b>48.0</b>	<b>48.0</b>
Female	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Male	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
TBA	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Permanent - Part time	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>
Female	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Male	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
TBA	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total Chief Customer &amp; Transformation Office</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>	<b>53.7</b>
<b>Organisation Capability</b>										
Permanent - Full time	<b>69.0</b>	<b>69.0</b>	<b>69.0</b>	<b>69.0</b>	<b>69.0</b>	<b>69.0</b>	<b>69.0</b>	<b>69.0</b>	<b>69.0</b>	<b>69.0</b>
Female	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0
Male	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
TBA	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Permanent - Part time	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>
Female	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TBA	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
<b>Total Organisation Capability</b>	<b>76.4</b>	<b>76.4</b>	<b>76.4</b>	<b>76.4</b>	<b>76.4</b>	<b>76.4</b>	<b>76.4</b>	<b>76.4</b>	<b>76.4</b>	<b>76.4</b>
<b>Environment and Infrastructure</b>										
Permanent - Full time	<b>190.0</b>	<b>190.0</b>	<b>190.0</b>	<b>190.0</b>	<b>190.0</b>	<b>190.0</b>	<b>190.0</b>	<b>190.0</b>	<b>190.0</b>	<b>190.0</b>
Female	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Male	131.0	131.0	131.0	131.0	131.0	131.0	131.0	131.0	131.0	131.0
TBA	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Permanent - Part time	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>	<b>7.7</b>
Female	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Male	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
TBA	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
<b>Total Environment and Infrastructure</b>	<b>197.7</b>	<b>197.7</b>	<b>197.7</b>	<b>197.7</b>	<b>197.7</b>	<b>197.7</b>	<b>197.7</b>	<b>197.7</b>	<b>197.7</b>	<b>197.7</b>
<b>Casuals and temporary</b>	<b>84.8</b>	<b>61.3</b>	<b>59.1</b>	<b>41.1</b>	<b>41.1</b>	<b>41.1</b>	<b>41.1</b>	<b>41.1</b>	<b>41.1</b>	<b>41.1</b>
<b>Total staff numbers</b>	<b>781.9</b>	<b>758.4</b>	<b>756.2</b>	<b>738.2</b>	<b>738.2</b>	<b>738.2</b>	<b>738.2</b>	<b>738.2</b>	<b>738.2</b>	<b>738.2</b>

## 4 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	Notes	Target	Forecast Actual												Trend
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	+/-	
Operating position																
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	>5%	3.7%	6.3%	9.7%	9.5%	10.6%	11.4%	11.8%	12.3%	13.2%	14.1%	15.0%	+	
Liquidity																
Working Capital	Current assets / current liabilities	2	>1	164.9%	148.6%	110.0%	80.7%	84.6%	95.6%	100.7%	122.8%	144.9%	168.5%	191.8%	+	
Unrestricted cash	Unrestricted cash / current liabilities	3	>0	87.4%	115.4%	81.8%	53.0%	58.4%	68.8%	74.3%	96.8%	118.9%	142.7%	166.0%	+	
Obligations																
Loans and borrow ings	Interest bearing loans and borrow ings / rate revenue	4	<40%	17.3%	54.0%	53.6%	53.5%	50.2%	51.0%	50.2%	43.8%	37.8%	32.2%	26.9%	+	
Loans and borrow ings	Interest and principal repayments on interest bearing loans and borrow ings / rate revenue		<10%	0.92%	1.05%	4.14%	4.44%	6.67%	5.23%	5.68%	5.82%	5.48%	5.24%	4.91%	-	
Indebtedness	Non-current liabilities / ow n source revenue		<40%	15.8%	40.9%	37.5%	37.0%	33.2%	34.8%	34.0%	29.5%	25.5%	21.7%	18.1%	+	
Asset renew al	Asset renew al and upgrade expense / Asset depreciation	5	>100%	193.4%	280.5%	242.5%	200.1%	182.7%	218.2%	220.4%	152.7%	175.2%	179.2%	190.9%	-	
Stability																
Rates concentration	Rate revenue / adjusted underlying revenue	6	Note 1	70.6%	67.8%	66.1%	65.6%	65.6%	65.9%	65.9%	66.0%	66.3%	66.4%	66.4%	+	
Rates effort	Rate revenue / CIV of rateable properties in the municipality		Note 1	0.130%	0.137%	0.141%	0.146%	0.151%	0.157%	0.162%	0.169%	0.175%	0.182%	0.190%	+	

Indicator	Measure	Notes	Target	Forecast											Trend	
				Actual	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	+/-
Efficiency																
Expenditure level	Total expenses/ no. of property assessments		Note 1	\$2,535	\$2,689	\$2,718	\$2,801	\$2,832	\$2,870	\$2,915	\$2,973	\$3,010	\$3,063	\$3,118	-	
Revenue level	Total rate revenue / no. of property assessments		Note 1	\$1,495	\$1,533	\$1,560	\$1,588	\$1,620	\$1,657	\$1,699	\$1,742	\$1,786	\$1,835	\$1,886	+	

**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

**Notes to indicators****1. Adjusted underlying result**

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Financial Performance is expected to improve from 2022/23 due to the recovery from the impact of the COVID-19 pandemic. This will stabilise from 2023/24 through modest user fee income increases, operational efficiencies and cost control measures and assumed rate cap stability. Financial performance will be at risk should future reductions in the rate cap occur.

**2. Working Capital**

The proportion of current liabilities represented by current assets. Working capital is forecast to decrease from 2021/22 levels due to continued use of cash reserves to fund the extensive capital program and increased borrowings forecast.

**3. Unrestricted Cash**

Reflects the broad objective that sufficient cash which is free of restrictions is available to pay bills as and when they fall due. The ratio starts to reduce from 2022/23 to 2028/29 as cash is utilised for significant capital works program during the period.

**4. Debt compared to rates**

Trend indicates Council's new long term borrowings to part fund major capital works over the next four years.

**5. Asset renewal**

This percentage indicates the extent of Council's renewal and upgrade works compared against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

**6. Rates concentration**

Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates a relatively stable level over the outlook period. Following the impact of the COVID-19 pandemic in 2020/21, Council is projecting to have a lower reliance on rates as other income streams returned to pre-pandemic levels.

**Calculation of Adjusted Underlying surplus / (deficit)**

The following table shows how the adjusted underlying result has been calculated.

**Adjusted Underlying Result**

	Forecast										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total Income	194,068	216,489	219,677	228,057	234,895	243,146	249,964	258,745	267,367	277,409	287,859
Total expenses	169,576	180,263	183,905	191,649	196,181	201,170	206,811	213,360	218,595	224,985	231,648
<b>Surplus/(deficit) for the year</b>	<b>24,492</b>	<b>36,226</b>	<b>35,772</b>	<b>36,408</b>	<b>38,714</b>	<b>41,977</b>	<b>43,153</b>	<b>45,385</b>	<b>48,772</b>	<b>52,424</b>	<b>56,211</b>
<b>Less non-operating income and expenses</b>											
Grants - Capital (non-recurrent)	(8,945)	(10,215)	(2,198)	(2,298)	(1,498)	(2,298)	(1,498)	(1,498)	(1,498)	(1,498)	(1,498)
Contributions - monetary (capital)	(9,000)	(13,889)	(13,889)	(13,889)	(13,889)	(13,889)	(13,889)	(13,889)	(13,889)	(13,889)	(13,889)
Contributions - non-monetary	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted underlying surplus/(deficit)</b>	<b>6,547</b>	<b>12,122</b>	<b>19,685</b>	<b>20,221</b>	<b>23,327</b>	<b>25,790</b>	<b>27,766</b>	<b>29,998</b>	<b>33,385</b>	<b>37,037</b>	<b>40,824</b>

## 5 Strategies and Plans

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

### 5.1 Borrowing Strategy

#### 5.1.1 Current Debt Position

The total proposed amount borrowed as at 30 June 2022 is \$21.5 million. Council will determine the final end of year borrowing levels based on project delivery outcomes for the 2021/22 Financial Year.

Council may access debt funding in 2021/22 to undertake a range of major infrastructure projects including implementation of Percy Treyvaud Master Plan and Gardiners Creek (KooyongKoot) Masterplan.

#### 5.1.2 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 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	2031/32 \$'000
<b>Opening balance</b>	22,500	21,500	70,500	72,167	74,434	72,301	76,288	77,608	70,395	63,182	55,969
Plus New loans	-	50,000	6,000	7,000	5,800	10,000	8,000	0	0	0	0
Less Principal repayment	( 1,000 )	(1,000)	(4,333)	(4,733)	(7,933)	(6,013)	(6,680)	(7,213)	(7,213)	(7,213)	(7,213)
<b>Closing balance</b>	21,500	70,500	72,167	74,434	72,301	76,288	77,608	70,395	63,182	55,969	48,756
Interest payment	149	373	1,234	1,443	1,675	1,808	2,098	2,134	1,936	1,895	1,679

#### 5.1.3 Performance Indicators

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

Performance Indicator	Target	Forecast										
		2021/22 %	2022/23 %	2023/24 %	2024/25 %	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %	2030/31 %	2031/32 %
Total borrowings / Rate revenue	Below 40%	17.3%	54.0%	53.6%	53.5%	50.2%	51.0%	50.2%	43.8%	37.8%	32.2%	26.9%
Debt servicing / Rate revenue	Below 5%	0.12%	0.29%	0.92%	1.04%	1.16%	1.21%	1.36%	1.33%	1.16%	1.09%	0.93%
Debt commitment / Rate revenue	Below 10%	0.92%	1.05%	4.14%	4.44%	6.67%	5.23%	5.68%	5.82%	5.48%	5.24%	4.91%
Indebtedness / Own source revenue	Below 40%	15.8%	40.9%	37.5%	37.0%	33.2%	34.8%	34.0%	29.5%	25.5%	21.7%	18.1%

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

**Total borrowings / Rate revenue**

Performance – from 2022/23 to 2028/29, Council is utilising the borrowing facility to deliver major capital works programs for intergenerational community benefit. This ratio returns to the low-risk target (below 40%) from 2029/30.

**Debt servicing / Rate revenue**

Performance – this ratio remains well within the low-risk target (below 5%) over the life of the Financial Plan.

**Debt commitment / Rate revenue**

Performance – this ratio remains well within the low-risk target (below 10%) over the life of the Financial Plan.

**Indebtedness / Own source revenue**

Performance – this ratio remains well within the low-risk target (below 40%) over the life of the Financial Plan except minor variation in 2022/23.

## 5.2 Reserves Strategy

### 5.2.1 Current Reserves

#### Public Open Space Reserve

- Purpose - The Open Space Reserve holds funds contributed by developers for works associated with developing and improved public open space and recreational facilities within Council. Funds are contributed in accordance with Section 18 of the Subdivision Act and transfers are restricted to the purpose of creating open space such as parks, playgrounds, pavilions and other such items where it is deemed that these works should occur at a later point than the initial development.
- Movements - transfers to the reserve (inflows) comprise contribution income from subdividers in lieu of an 8% levy on all non-exempt subdivisions for South Yarra, Windsor, Prahran and Armadale, and 5% for all other suburbs Public Open Space requirement. Transfers from the reserve (outflows) are applied to fund Open Space capital projects on an annual basis.

#### Development Contributions Reserve

- Purpose – This reserve retains funds received from developers for infrastructure provision related to Council's Development Contributions Plans. Council is going to have one Development Contribution Plan with one future reserve to be established to manage levy income contributed by developers.
- Movements – Transfers from this reserve will be for nominated capital works for Development Infrastructure projects and Community Infrastructure projects. These funds are tied directly to the income received or cash funds refunded to developers for capital works completed directly by the developer.

#### Future Fund Reserve

- Purpose – This reserve was created to assist Council when making strategic property acquisitions, for major community infrastructure development opportunities and other specific one-off purposes.
- Movements – Inflows to the reserve are mainly sourced from surpluses generated from Council operation. Transfers from the reserve are aligned to approved Council capital works allocation.

#### Infrastructure - Roads Damaged Reserve

- Purpose – This reserve was created to enable Council to utilise forfeited road asset protection and work zones maintenance bonds on road and infrastructure repair and maintenance.
- Movements – Forfeited road asset protection and work zones maintenance bonds if not spent during the year, will be transferred into this reserve and relevant roads and infrastructure repair and maintenance will be funded by it.

### 5.2.2 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.

Restricted reserves are to be included to the disclosure of restricted cash assets.

<b>Reserves</b>	<b>Restricted / Discretionary</b>	<b>2021/22 \$000's</b>	<b>2022/23 \$000's</b>	<b>2023/24 \$000's</b>	<b>2024/25 \$000's</b>	<b>2025/26 \$000's</b>	<b>2026/27 \$000's</b>	<b>2027/28 \$000's</b>	<b>2028/29 \$000's</b>	<b>2029/30 \$000's</b>	<b>2030/31 \$000's</b>	<b>2031/32 \$000's</b>
<b>Development Contributions Reserve</b>	<b>Restricted</b>											
Opening balance		-	-	-	-	0	-	0	-	0	0	0
Transfer to reserve		-	3,889	3,889	3,889	3,889	3,889	3,889	3,889	3,889	3,889	3,889
Transfer from reserve		-	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )
Closing balance		-	-	-	-	-	-	-	-	-	-	-
<b>Reserves Summary</b>	<b>Total Restricted</b>											
Opening balance		-	-	-	-	0	-	0	-	0	0	0
Transfer to reserve		-	3,889	3,889	3,889	3,889	3,889	3,889	3,889	3,889	3,889	3,889
Transfer from reserve		-	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )	( 3,889 )
Closing balance		-	-	-	-	-	-	-	-	-	-	-
<b>Future Fund</b>	<b>Discretionary</b>											
Opening balance		16,752	2,593	5,000	6,000	7,500	9,000	10,500	12,000	13,500	15,000	16,500
Transfer to reserve		1,500	5,000	2,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Transfer from reserve		(15,659)	(2,593)	(1,500)	0	0	0	0	0	0	0	0
Closing balance		2,593	5,000	6,000	7,500	9,000	10,500	12,000	13,500	15,000	16,500	18,000
<b>Public Open Space Reserve</b>	<b>Discretionary</b>											
Opening balance		49,441	58,688	51,818	49,173	33,206	32,003	30,803	29,650	28,465	27,248	26,065
Transfer to reserve		9,247	10,293	10,855	11,033	10,797	10,800	10,847	10,815	10,783	10,817	10,782
Transfer from reserve		-	( 17,163 )	(13,500)	(27,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Closing balance		58,688	51,818	49,173	33,206	32,003	30,803	29,650	28,465	27,248	26,065	24,847
<b>Infrastructure - Roads Damaged Reserve</b>	<b>Discretionary</b>											
Opening balance		250	250	250	250	250	250	250	250	250	250	250
Transfer to reserve		-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-
Closing balance		250	250	250	250	250	250	250	250	250	250	250

<b>Reserves</b>	<b>Restricted / Discretionary</b>	<b>2021/22 \$000's</b>	<b>2022/23 \$000's</b>	<b>2023/24 \$000's</b>	<b>2024/25 \$000's</b>	<b>2025/26 \$000's</b>	<b>2026/27 \$000's</b>	<b>2027/28 \$000's</b>	<b>2028/29 \$000's</b>	<b>2029/30 \$000's</b>	<b>2030/31 \$000's</b>	<b>2031/32 \$000's</b>
<b>Reserves Summary</b>	<b>Total Discretionary</b>											
<b>Opening balance</b>		66,443	61,531	57,068	55,423	40,956	41,253	41,553	41,900	42,215	42,498	42,815
Transfer to reserve		10,747	15,293	13,355	12,533	12,297	12,300	12,347	12,315	12,283	12,317	12,282
Transfer from reserve		(15,659)	(19,756)	(15,000)	(27,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
<b>Closing balance</b>		<b>61,531</b>	<b>57,068</b>	<b>55,423</b>	<b>40,956</b>	<b>41,253</b>	<b>41,553</b>	<b>41,900</b>	<b>42,215</b>	<b>42,498</b>	<b>42,815</b>	<b>43,097</b>
<b>Reserves Summary</b>	<b>Restricted &amp; Discretionary</b>											
<b>Opening balance</b>		66,443	61,531	57,068	55,423	40,956	41,253	41,553	41,901	42,215	42,498	42,815
Transfer to reserve		10,747	19,182	17,244	16,422	16,186	16,189	16,236	16,204	16,172	16,206	16,171
Transfer from reserve		(15,659)	(23,645)	(18,889)	(30,889)	(15,889)	(15,889)	(15,889)	(15,889)	(15,889)	(15,889)	(15,889)
<b>Closing balance</b>		<b>61,531</b>	<b>57,068</b>	<b>55,423</b>	<b>40,956</b>	<b>41,253</b>	<b>41,553</b>	<b>41,900</b>	<b>42,215</b>	<b>42,498</b>	<b>42,815</b>	<b>43,097</b>