



Rural City of
Wangaratta

Financial Plan 2021-2031

October 2021



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1. Welcome to the Financial Plan

Welcome to our Financial Plan 2021-2031.

The *Local Government Act of 2020* requires all councils to publish a plan setting out Council's financial outlook for the next 10 years.

The Financial Plan is a long-term plan to finance projects, initiatives and programs that our community thinks are most important to the Rural City of Wangaratta. It funds delivery of the priorities and actions identified in the Community Vision 2033 and Council Plan 2021-25, which were developed in collaboration with our community.

The Financial Plan also ensures that ongoing funding is in place for essential services that Council provides on a daily basis, such as roads maintenance, waste, and Children's and Aged Care services.

1.1 What are the Community Vision and Council Plan?

The Community Vision is a long-term plan for the community, by the community. It paints a picture of what we want the future to look like and outlines strategies on how we are going to get there.

The Council Plan is a key medium-term strategic plan that describes the strategic objectives, actions to achieve the objectives, indicators for measuring progress and the resources required to implement the plan for the next four years.

1.2 How does the Financial Plan connect to these?

The Council Plan contains more than 200 actions and is a valuable list of all the things we will do over the next four years. Delivery of these actions is funded via our Financial Plan.

Our Community Vision 2033 identifies the key themes and focus areas – our Financial Plan seeks to balance these priorities in a financially sustainable way.

It's vital our planning framework is integrated to ensure we are making decisions now and into the future that are appropriately funded, and we can afford.

The Financial Plan also works together with our Annual Budget, our Revenue & Rating Plan and Asset Plan (due 2022).



2. Legislative requirements

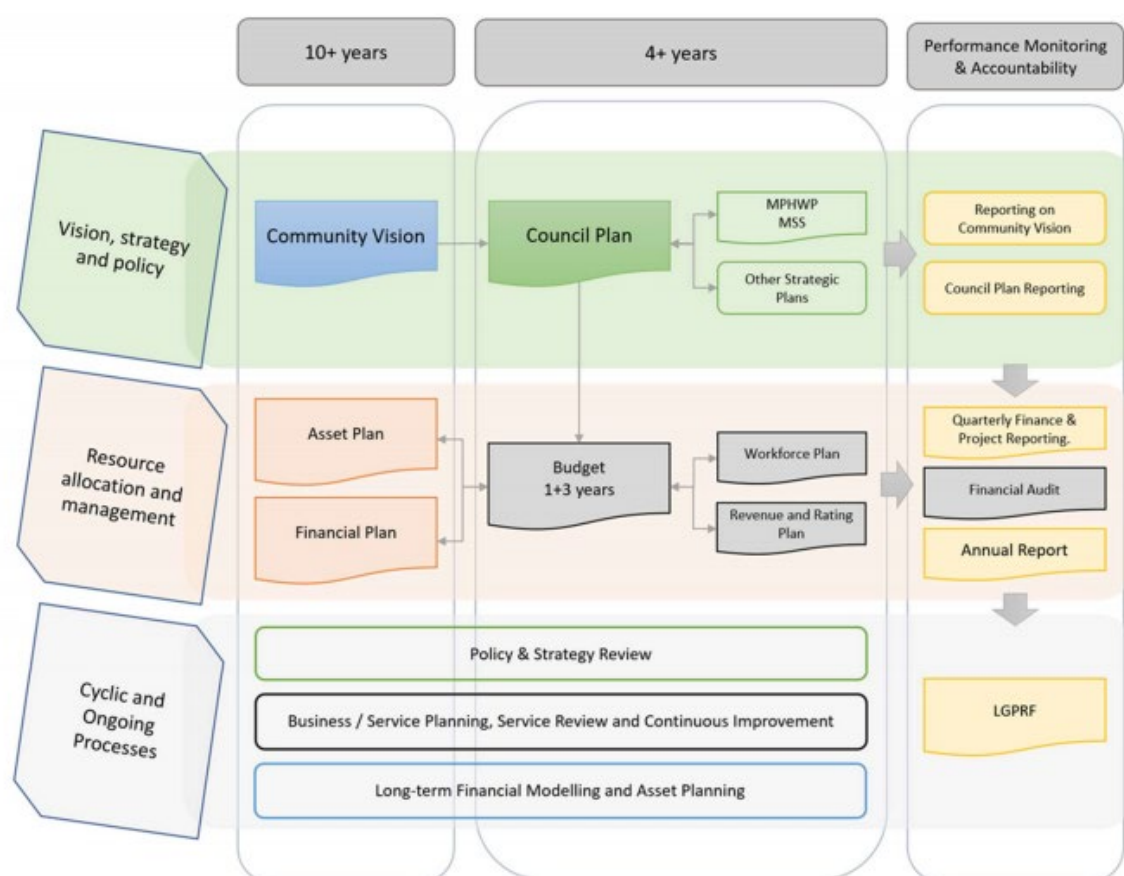
This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & Reporting framework. This framework guides Council in identifying community needs and aspirations over the long term (Community Vision), medium 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 our integrated strategic planning and reporting framework and outcomes.



Source: Financial Plan, Better Practice Guide, Department of Jobs, Precincts and Regions

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



Source: Financial Plan, Better Practice Guide, Department of Jobs, Precincts and Regions

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:

1. Council has an integrated approach to planning, monitoring and performance reporting.
2. Council's 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.
3. 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.
4. Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 3.3 below.

5. The Financial Plan provides for the strategic planning principles and progress monitoring and reviews to identify and adapt to changing circumstances.

2.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

1. Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
2. Management of the following financial risks:
 - the financial viability of Council (refer to section 3.1 Financial Policy Statements).
 - the management of current and future liabilities of the Council. The estimated 10 year-liabilities are disclosed (refer to section 7.2 Balance Sheet projections).
 - the beneficial enterprises of Council (where appropriate).
3. Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
4. Council maintains accounts and records that explain its financial operations and financial position (refer section 7 Financial Statements).

2.3 Service Performance Principles

Council services are designed to address community needs and provide value for money outcomes for our community. The service performance principles are listed below:

1. Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan and Annual Budget 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.
2. Services are accessible to the relevant users within the community.
3. 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.
4. Council has a program of financial sustainability reviews to continually improve the efficiency and performance of service delivery and meet value for money outcomes for our community.

2.4 Asset Plan Integration

Integration to the Asset Plan is a key principle of 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 Council's assets into the future.

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

The Asset Plan will be designed to inform the 10-year Financial Plan by identifying the amount of capital renewal, backlog and maintenance funding that will be 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 will quantify the asset portfolio and the financial implications of those practices. Together the Financial Plan and Asset Plan will seek to balance projected investment requirements against projected budgets.

3. Financial Plan Context

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

3.1 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.

Financial Policy Statements

For the ten years ending 30 June 2031

Policy Statement	Measure	Target	Forecast Actual 2021	Budget 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Consistent underlying surplus results	Adjusted underlying surplus result		677	(173)	(1,006)	(452)	13	1,674	2,722	3,447	4,107	5,255	6,578
5 year Average Adjusted underlying surplus result		> 0	(188)	11	590	1,481	2,393	3,441	4,422	N/A	N/A	N/A	N/A
Ensure Council maintains sufficient working capital to meet its obligations as they fall due	Net current assets of at least \$4 million	> \$4million	18,957	15,794	13,066	11,252	5,305	8,891	8,144	13,551	17,445	23,537	38,991
	Liquidity ratio above 100%	> 100%	229%	212%	177%	172%	123%	163%	153%	188%	210%	275%	459%
Ensure Council maintains sufficient working capital to meet immediate expenses without additional cash inflow	Cash expense cover ratio exceeds 3 months	> 3	4.08	3.93	4.21	3.01	3.40	1.82	2.30	3.23	3.92	4.41	7.02
Council maintains cash balances to meet restricted funds and reserve fund obligations	Cash balances exceed total of Restricted funds and Reserve balances	> 0	(8,788)	(14,584)	(17,030)	(18,626)	(16,102)	(21,137)	(23,975)	(19,648)	(15,985)	(13,484)	(4,543)
Ensure Council borrowings are within affordable limits	Non-current liability / Own source revenue below 60%	< 60%	99%	93%	84%	72%	50%	42%	37%	29%	20%	14%	13%
Ensure Council borrowings are within affordable limits in line with primary revenue source	Interest and repayments / Rate revenue 10 year Average interest and repayments / Rate revenue below 7%	< 7%	5%	9%	9%	8%	8%	24%	8%	8%	7%	7%	5%
Allocate adequate funds towards renewal/upgrade capital in order to replace assets and infrastructure as they reach the end of their service life.	Renewal gap ratio between 80% and 110%	80% < Target > 110%	84%	93%	145%	75%	70%	64%	76%	65%	78%	73%	52%
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for new, upgrade and renewal capital	10 year Average Renewal gap ratio between 90% to 105%	90% < Target > 105%	80%	79%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Capital works expenditure does not exceed Net cash provided by operating activities	> 0	(13,929)	(1,882)	3,712	131	4,002	1,696	2,865	8,875	7,670	7,081	15,202

Note:
N/A means the result is not available. This is because the result is a 5 or 10 year target which can not be determined within the period of the 10 year Financial Plan. The result for every year is provided in addition to the rolling 10 year (or 5 year) average. 5 or 10 year average results are often more effective and appropriate to assess financial performance due to the variability of results year on year. The use of averages allows us to normalise our performance against short-term fluctuations, cyclical impacts or multi-year projects.

We are not achieving our targets in some instances. These exceptions are identified below and an assessment of the risk to our financial sustainability is also provided.

Description of target not achieved	Assessment of risk to financial sustainability
Cash expense over ratio does not exceed 3 months in 2025/26 and 2026/27	Low – short term reduction in ratio to allow for \$7 million repayment of interest only loan. Subsequent years see return to above 3 months.
Our cash balances do not exceed the total of our restricted funds and reserve balances in any year of the Financial Plan	Low to Medium – net current assets remain above \$4 million across the 10-year plan and liquidity ratios remain strong. Council does not strictly need to maintain cash backed reserves given the phased and long-term use of the reserves to fund plant replacement and waste management activities. However, it is noted that this is in breach of our Reserve Accounting Policy and measures will be put in place to work towards achieving this objective.
Our borrowings are more than 60% of our own-source revenue in the short term	Low – substantial headroom exists post \$7 million principal repayment. Ratio improves and meets target range by 2024/25.
Our 10-year Average interest and repayments exceed more than 7% rate revenue until 2028/29	Low – average result impacted by interest only loan repayment. Ratio will improve and meet target range from 2028/29.
Our renewal gap ratio targets are not met in all years – and on balance are deteriorating over the 10 years of this Financial Plan	Medium – risk of unfavourable movement in target measure if we decrease spending on asset renewal and upgrades to manage other financial targets (i.e., cash reserves). Changes to this ratio will occur due to the routine revaluation of assets, assessment of asset condition and development of Asset Plans. This measure will change in the next 12 months as each of these three inputs are reviewed and updated.
Capital works expenditure exceeds net cash provided by operating activities in 2021/22	Very low – target ratio achieved within 12 months.

3.2 Strategic Actions

Following community engagement, Council has identified the following strategic actions that will support the aspirations of the Council Plan:

1. Council adopts the budgeted statement of financial performance (Comprehensive Income Statement); statement of financial position (Balance Sheet); statement of cash flows (Cash Flow) and statement of capital works (Capital Works) as an integral part of the budget setting process for current and future budgets.

2. Council to maximise income from grant funding from the Commonwealth and State Governments to fund required infrastructure.
3. Council adopts and maintains a Revenue & Rating Plan to ensure equity and fairness in the imposition of rates and fees and charges for Council services.
4. Council progressively reviews all of its services to ensure they are financially sustainability and the community is receiving value for money.
5. Council invests in continuous improvement, delivery of its Information, Communication and Technology (ICT) Strategy and other enablers to drive efficiency and enhanced customer outcomes.

The strategic actions are referenced throughout this Financial Plan, where appropriate.

3.3 Financial Risks

Our Financial Plan, and in particular our key assumptions, are developed having regard to our strategic and operating risks. The current risks that we are monitoring and managing in the context of the Financial Plan are:

1. Rate cap below 2%
2. Freezing of indexation on operating grants
3. Removal or reduction of grant funding from State and Commonwealth Governments
4. Shortfall in the defined benefit plan of Vision Super
5. Changes to waste management regulatory requirements and associated increase in costs
6. Financial impacts of natural disasters, including COVID-19 or other substantial global events
7. Financial impact of recession on local community
8. Expansion of asset base with unbudgeted asset renewal
9. Increase in cost of borrowing through increases in interest rates.

3.4 How do we compare?

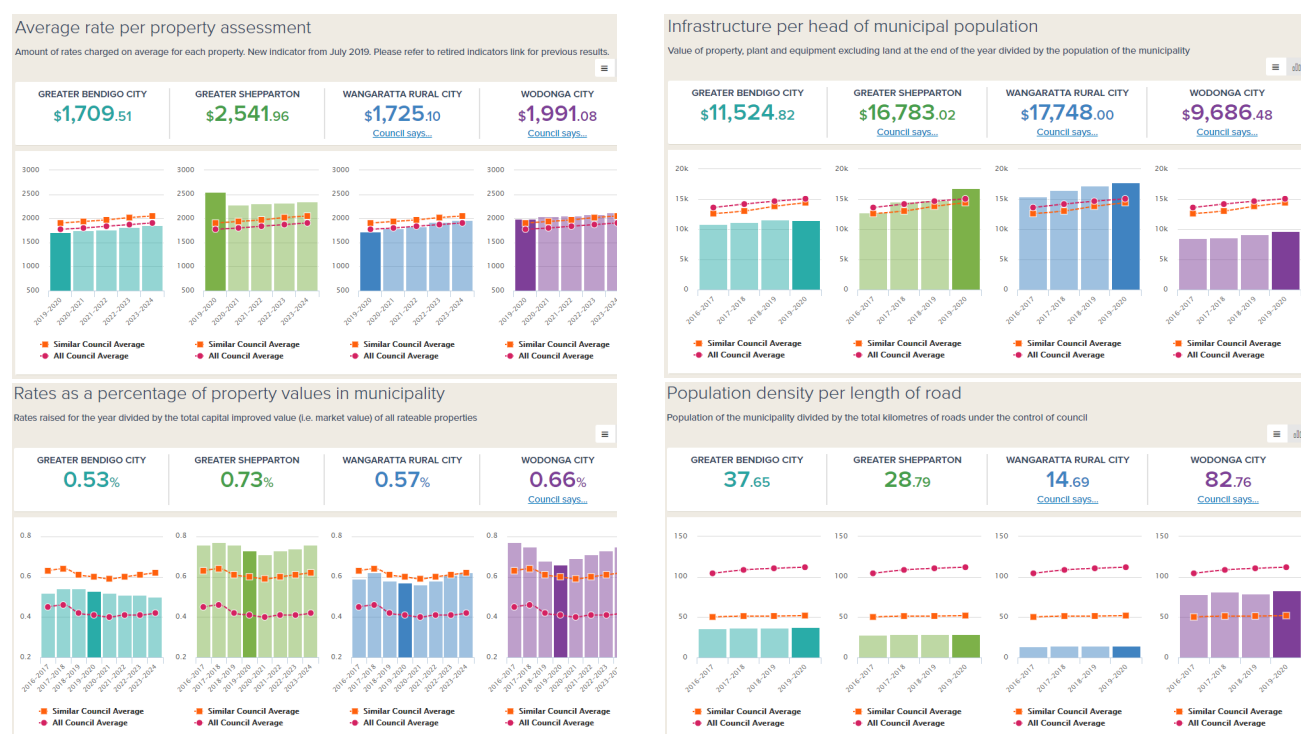
The Victorian Government developed the Know Your Council website to improve the transparency and accountability of council performance to ratepayers. Our community can compare our performance against the other 78 councils.

A handful of the over 50 performance measures are shown below. These demonstrate:

1. Our rates are in keeping with the State average
2. Our average rates are cheaper when compared to key neighbouring regional Councils – Shepparton and Wodonga
3. Similar Councils to us (not Melbourne Metro Councils who have relatively high density living) have around the same or higher rates as a percentage of property values
4. The value of our infrastructure per person is relatively high and we have a lot of kilometres of roads in our network when compared to similar councils. This is partly due to our geographic location, low density living and recent large-scale capital expenditure spending.

Just as our community might use the Know Your Council information to understand our performance, we use it to provide a valuable source of benchmarking data. We want to ensure our rates are reasonable and reflective of the services we deliver. The below indicators give us reassurance that we are meeting the needs of our community and our rates are appropriate.

Our Rating Strategy will be reviewed in the next 12 months. This will provide an opportunity to assess these performance measures in the context of our local economy and industries and the various property types within the municipality.



4. Community Engagement

The Local Government Act Victoria (2020) has introduced new requirements for Victorian Councils. Among these reforms is the focus on embedding community and deliberative engagement into the strategic planning and decision making of Council.

Section 55 of the Act states that Council must adopt a Community Engagement Policy that includes deliberative engagement practices that will be applied to the development of the Community Vision, Council Plan, Financial Plan and Asset Plan.

The key characteristics of strong deliberative community engagement are authentic engagement; good community representation; consideration of all views; accessible and relevant information; and transparency across all stages of the engagement. Deliberative engagement seeks to better engage our community in the decision-making process to achieve long-term and sustainable outcomes, processes, relationships, discourse and implementation.

4.1 Community Engagement Methods

Council has established a community panel called 'Shape Wangaratta' to support Council with the discovery of new ideas, projects and solutions, and to ensure broader representation of the community in decision making. The panel is a diverse group of 126 people of all ages and backgrounds. They will provide insight into the community needs and priorities to help inform Council's plans, strategies and budgets. The panel has given members the opportunity to share their views on specific topics by participating in activities like surveys, focus groups, workshops or interviews. Each member was able to decide how much they participate and what they share their thoughts and opinions about.

The Shape Wangaratta panel has formed a vital part of the development of the Community Vision, Council Plan and budget. 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 Council Plan engagement saw:

- More than 1,100 responses to our Shape Your Community survey;
- 12 pop-up engagement sessions;
- 3 face to face workshops at primary schools and 216 survey responses from children under 12 years; and
- 35 submissions to the Draft Council Plan and Community Vision.

We leveraged the contributions from our community in the above activities and supplemented these with:

- Responses to our Shape Our Financial Future survey;
- Accessible website material to support community feedback and participation in the Shape Our Financial Future survey; and
- Presentations to our advisory groups, where possible.

4.2 Shape Our Financial Future Survey

We had 89 responses to our survey, with representation from business, residential and agriculture ratepayers. Our engagement was conducted online given the changing COVID Safe Settings, and the feedback Council had already received from the Shape Wangaratta Panel following engagements already conducted for the Community Vision and Council Plan in the last six months.

To ensure we heard from as many local voices as possible, we utilised a number of supporting community engagement methods; with the main one being our 'Shape Our Financial Future Survey'.

The survey was shared online via social media, including Facebook, Instagram, and the Council website. Additionally, Council offices attended a number of advisory and committee groups to ensure their contributions were sought.

Due to the changing COVID Safe settings hardcopy surveys and face to face engagement was not possible at this time.

4.3 What people said

Our community responded by telling us:

1. We should focus our efforts on securing grant money or establishing partnerships to fund new projects, services or programs.
2. There is a need to improve environmental sustainability and reduce our carbon footprint - with 56% of respondents saying they would pay more rates to ensure this was secured. Footpath and cycle path networks were also popular, whereas spending on marketing and brand development was the least supported.
3. Asset disposal and rationalisation of community assets and increasing borrowings were generally more supported compared to increasing rates, fees and charges or reducing Council services.
4. There was strong support for the expansion of the organics processing plant with ratepayer's money. Whereas the upgrade of tennis courts or the enhancement of the gallery and performing arts and convention centre were least preferred to be funded by rates.
5. There was majority support for the reduction in new asset expenditure (53%). However, 29% of respondents did not support the reduction in spending, with a strong preference again for grant money and borrowings to be used to fund a sustained level of new investment.
6. More than 75% of respondents supported a fixed percentage of our annual operating costs to respond to climate change, with 34% not wanting that to come at the expense of existing services.
7. 21% of respondents were not comfortable with any rate rise, but all other respondents were comfortable with rate rises of anywhere between 1% and 5%.

4.4 What was decided

The survey responses informed the following decisions:

1. We will seek funding and grant opportunities for our strategic priorities and report annually on our success rates to our community.
2. We will develop a detailed plan of actions that council will take to respond to climate change, and will identify appropriate funding to implement these actions.
3. Will carefully and thoughtfully consider any increases to user fees or rates and charges (beyond reasonable indexation and the rate cap) to deliver our Community Vision focus areas and Council Plan initiatives and actions. Council will apply the principles of equity, benefit, capacity to pay, simplicity and sustainability to the assessment of increases in these income sources.
4. We will monitor our Council Plan actions and requirements for increased operating costs or capital investment to deliver on those actions. The Council Plan was adopted in June 2021 and the Financial Plan will be updated as we work through the projects, initiatives and services that will achieve our strategic objectives.

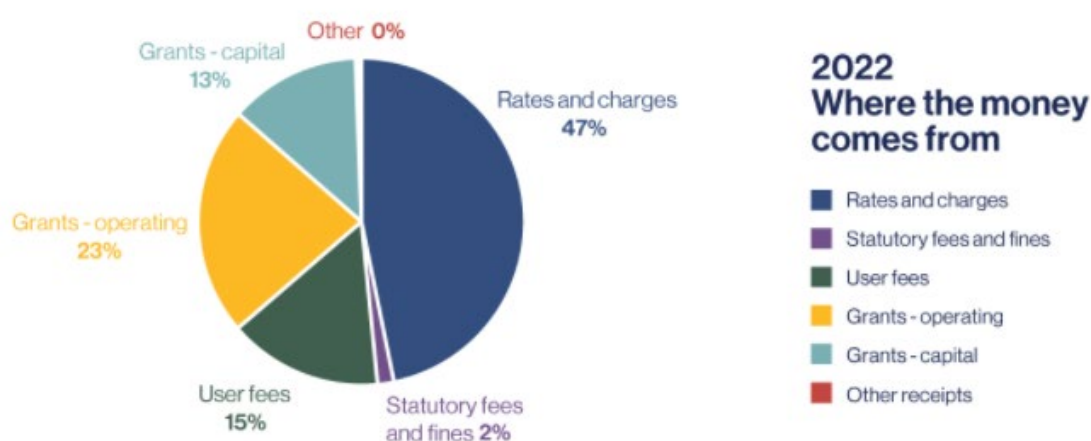
5. Our Financial Plan

Our website contained a range of accessible content on our Financial Plan to support community feedback and participation in the Shape Our Financial Future survey. This information provided a snapshot of the financial position of Council and sought to inform our community on the key components of our Financial Plan. Some of this published information is provided below to assist readers understand the Financial Plan Statements (refer to section 6).

References to 2022 in this section are to the 2021/22 Budget year.

5.1 Where does the money come from?

The money for operating expenses comes mainly from rates, fees, and charges from those using the services.



5.2 How do we grow the pie?

We can increase the size of the pie by:

1. Growing the local economy – encouraging and supporting new residential development, business growth, starting new businesses
2. Increasing user fees – increasing fees above price inflation and removing any pricing subsidies
3. Increasing grant funding – securing all possible State and Commonwealth grant opportunities for service delivery and asset development and renewal
4. Decreasing operating and capital expenditure – reducing the frequency or quality of services to our community or disposing of community assets
5. Increasing borrowings – using debt to fund new infrastructure and development and not to cover operational costs.

Our Financial Plan balances items 1, 2 and 5. We have a continued focus on productivity and efficiency, which allows us to maintain our current service delivery standards, increase levels of service in our focus areas where necessary, and meet our asset management obligations.

No service level reductions or disposal of community assets are specifically factored into our Financial Plan.

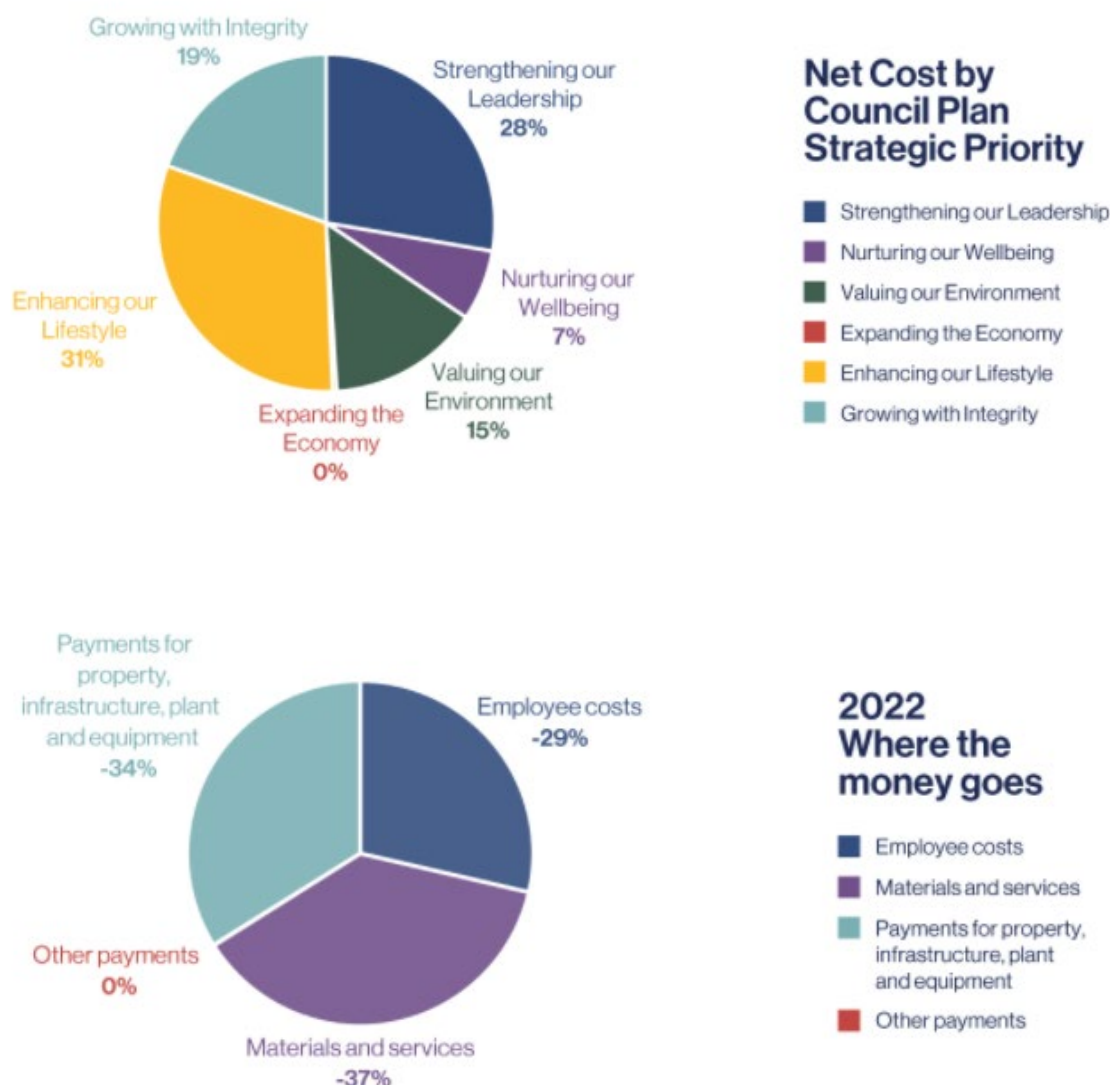
5.3 Where does the money go?

Our Financial Plan doesn't include service level reductions. But we do plan for the impact of inflation. The money we have now needs to increase to ensure we can afford to provide the same level of services in the future.

We plan to spend over \$800 million over the next 10 years, \$593 million in operating costs and \$207 million in capital expenditure.

The below graphic shows the 2021/22 funding for the service areas we provide per \$100 of rates. It includes both operating costs and capital expenditure. The size and focus of our capital works expenditure changes each year and we prepare this graphic each year as part of our Annual Budget. The relative proportions of each spending category therefore change over the life of our 10-year Financial Plan.





5.4 Balanced Budget

Council maintains a balanced budget over the 10-year Financial Plan. That means our operating income is greater than operating expenditure. Council's income and expenses fluctuate each year and therefore we assess our performance of achieving a balanced budget by using the average result for 5 years. Pleasingly we achieve this result in all years from 2021/22.

The global COVID-19 pandemic has resulted in the temporary closure or reduction of service delivery to comply with the directions issued by Victoria's Chief Health Officer. Most notably revenue from user fees has reduced due to these closures and restrictions. Our Financial Plan is based on our best estimates of the short and medium term impacts of COVID-19. Our financial

modelling and assumptions are updated twice a year to ensure we are flexible to changes in the COVID-19 recovery.

6. Financial Plan Forecast Assumptions

The Financial Plan is based on key assumptions about what might happen in the future. It is also sensitive to changes in these key assumptions.

We think about these assumptions in three ways:



We seek to have a **balanced** approach to financial opportunities and risks. We provide services to a diverse community and we need to balance tendencies of **cautiousness** with **growth** for our community.

We have an obligation to future generations, and we want to ensure we can respond to future events, opportunities and pressures.

To assess our assumptions, we use a range of information: historical trends, State or Commonwealth Government sources, consensus data and projected cost estimates. Our confidence in the accuracy of our assumptions is greatest in the near-future and decreases as we approach 10 years.

We use our Risk Management Framework to formulate and assess our key forecasting assumptions and identify the likelihood and consequence of changes. For example, this could be changes brought by the COVID-19 pandemic.

In this section you can see what our key assumptions are and the sensitivity we have to movements in them. Our sensitivity to these assumptions helps us allocate into the buckets of Cautious, Balanced and Growth.

Assumptions Financial Plan

For the ten years ending 30 June 2031

	Budget		Projections							
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rates (ie Rate Cap)	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Growth in properties	0.50%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Waste fee increases - kerbside general waste	8.00%	8.00%	8.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
CPI Cost escalation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Wage growth	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Grant indexation (recurrent operating)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest rate on new borrowings	2.14%	2.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.50%	4.00%

6.1 Sensitivity to changes in assumptions

	Cautious	Balanced	Growth	Impact of a 1% Change
Rate Cap	1.00%	2.00%	2.50%	\$290,000
Growth in Properties	0.50%	1.25%	2.50%	\$290,000
Waste Fees	2.00%	6.00%	8.00%	\$75,000
CPI Cost Escalation	1.00%	2.00%	3.50%	\$228,000
Wage Growth	1.00%	2.00%	3.50%	\$288,000
Grant Indexation (operating recurrent)	1.00%	2.00%	3.50%	\$165,000
Interest Rates on Borrowings	1.50%	3.00%	5.00%	\$50,000

In addition to these key financial assumptions, our Financial Plan assumes the frequency and severity of natural disasters will increase. We have assumed an average annual cost associated of responding to disasters and restoring assets of \$250,000 (after funding from Commonwealth and State Governments). This is greater than the median cost observed of \$100,000 per annum over the last 10 years.

As noted in section 5.3, our spending can be cut up in roughly three equal parts – employee costs, materials and services and capital assets. These three expenditure categories could be funded by a mixture of income sources with varying degrees of probability:

- certain – rates and charges and Victorian Local Government Grants Commission grants

- likely – user fees, capital grants and sale of assets etc

The 10-year Financial Plan does not incorporate unlikely or impossible funding sources as the probability of these occurring is considered too low and would lead to an unrealistic 10-year view of our financial position.

Importantly, if there are changes to the sources of income we would also review the expenditure categories and reduce fixed or variable operating or capital costs as necessary.

6.2 What is the plan for rates?

Our Financial Plan has a long-term assumption that the annual Rate Cap will be 2%. We expect a 1.25% growth in our rating base due to new residential development, subdivisions or capital improvements across the local economy. The growth in our rating base of 1.25% aligns with our Council Plan Strategic Indicator of annual population growth of 1.2%.

We are currently undertaking a Financial Sustainability Program in order to strengthen our long-term financial outlook. Through this program, Council will make every possible effort to generate its own savings and benefits and avoid the need for a higher rate cap. A rate cap variation is an option we may need to consider in the future; however, it is not a feature of our 10-year Financial Plan.

In response to the pressures of COVID-19 we put in place rate deferrals, waiver of interest and pausing of debt collection for our ratepayers during the 2020 calendar year. We recognised that many households and businesses were in uncertain times because of COVID-19, and we put in place measures to support our community in the face of forced closures.

The below table illustrates the 21/22 median rates for our most common rating differentials and demonstrates the impact that a 2% rate rise has.

Category	Capital Improved Value \$	Annual Rates (21/22) \$	Annual impact of a 2% increase in rates \$
General	284,000	1,295	25.90
Rural Residential	380,000	1,733	34.65
Rural	526,500	1,679	33.58
Rural 2	730,000	2,162	43.24
Commercial	336,000	2,111	42.22
Industrial	313,000	1,966	39.33

6.3 What is the plan for waste charges?

Council's waste charges allow for the collection, processing and disposal of kerbside general waste, recycling and organics. Our waste charges also cover the operation of our transfer stations, bins in public spaces, education programs and eventual rehabilitation of landfill and transfer stations. Managing our waste is a big job – and one that is so important to the health and wellbeing of our community and the environment.

Disposing of our waste takes tens of years in the stages of planning, construction, operating and rehabilitation. We need to ensure that the bin charges cover the costs of each of these stages and that we can meet our rehabilitation requirements in the future. The regulatory landscape is ever changing, and the Victorian Government announced increases to the waste levy from 2021/22. These increases result in the doubling of the waste levy on our kerbside general waste.

The Environment Protection Authority has oversight of the management of our active and closed landfills. Our rehabilitation plans and the associated financial provision are based on meeting our legislative responsibilities and obligations. The regulatory and community expectations associated with operating and rehabilitating landfills have increased over the last 10 years and will undoubtedly continue to do so in the coming years. We review our provision for rehabilitation every year to ensure we are able to meet these future obligations and increases in waste charges are forecast to cater for these inevitable increases in costs.

Council has a provision of almost \$20 million for future rehabilitation costs associated with the Bowser landfill and a number of rural transfer stations or closed landfill sites. Our Financial Plan includes planned expenditure on rehabilitation activities over the next 10 years of more than \$12 million.

The Financial Plan therefore forecasts an increase in annual waste charges of 8% per annum in the short term (next 3 years) and reducing to 6% per annum in the medium to long term. Our assumption is that any lesser increases will be financially unviable and lead to a risk of Council not being able to meet its rehabilitation obligations in the future.

6.4 What is the plan for increasing employee costs?

Our employees are paid under two different Enterprise Agreements – one specific for the Wangaratta Sports and Aquatic Centre and the other for all other employees.

The Enterprise Agreement for the Wangaratta Sports and Aquatic Centre has a notional expiry date of September 2024. Our main Enterprise Agreement is due for negotiation in the next 12 months.

Our Financial Plan allows for an increase in employee benefits in line with recent industry increases and the broader wage growth across Victoria. We plan for the continued increases in the superannuation thresholds as announced by the Commonwealth Government. Our forecast increase in employee benefits year on year is 2 per cent per annum.

6.5 What is the plan for increasing expenses?

Material and service costs include items required for the maintenance and repairs of Council buildings, parks, roads, drains and footpaths. Other costs included under this category are waste collection and disposal, payments to family day care providers, supply of community meals and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audits. Cost increases for these items are governed by market forces based on availability rather than CPI alone. These costs have been projected to increase on average at 2 per cent year on year.

We are currently undertaking a Financial Sustainability Program in order to strengthen our long-term financial outlook. Through this program, Council will make every possible effort to generate

its own savings. Productivity gains are critical to this and we have plans in place to ensure we are optimising our supply chains, utilising available technologies and systems and delivering the services our community needs.

6.6 How do we forecast changes to operating grants?

Operating grant funding received from State and Commonwealth sources is assumed to increase at 2 per cent per annum. We receive a range of recurrent operating grants and many of these are critical to our service delivery in areas such as the Library, Gallery, Performing Arts and Convention Centre, Maternal and Child Health and Aged and Disability.

The removal (also known as freezing) of indexation by State or Commonwealth Governments would have a very significant impact on our 10-year Financial Plan. For example, if our largest grant (allocated by the Victorian Local Government Grants Commission) was to be frozen and did not increase by our forecast of 2% per annum this would have a total unfavourable impact of more than \$8.5 million over 10 years. The decision to freeze the indexation just one year would have a total unfavourable impact of more than \$1.6 million over the 10 years.

It is possible the Commonwealth Government could freeze the indexation given the unprecedented social, health and economic impacts of COVID-19. All levels of Government are challenged with managing their budgets and a similar response was taken during the Global Financial Crisis.

Non-recurrent grants

Our Financial Plan differentiates between recurrent and non-recurrent operating grants. We don't forecast any non-recurrent operating grants beyond the end of their known term. This is because the amount and nature of these operating grants changes in response to the priorities of the State and Commonwealth Governments.

These non-recurrent operating grants allow us to extend our existing service delivery or provide one-off services such as bushfire recovery and resilience programs or pest and weed support for communities impacted by drought. Inevitably we do receive a number of non-recurrent operating grants each year. These typically have obligations to increase or match spending on materials and services or employee benefits. Our Financial Plan includes these financial inflows and outflows when they are reasonably certain.

6.7 What is the plan for capital expenditure and grants?

In setting this plan there are significant choices we have made to ensure that Council finances remain within sensible financial limits and are affordable for everyone.

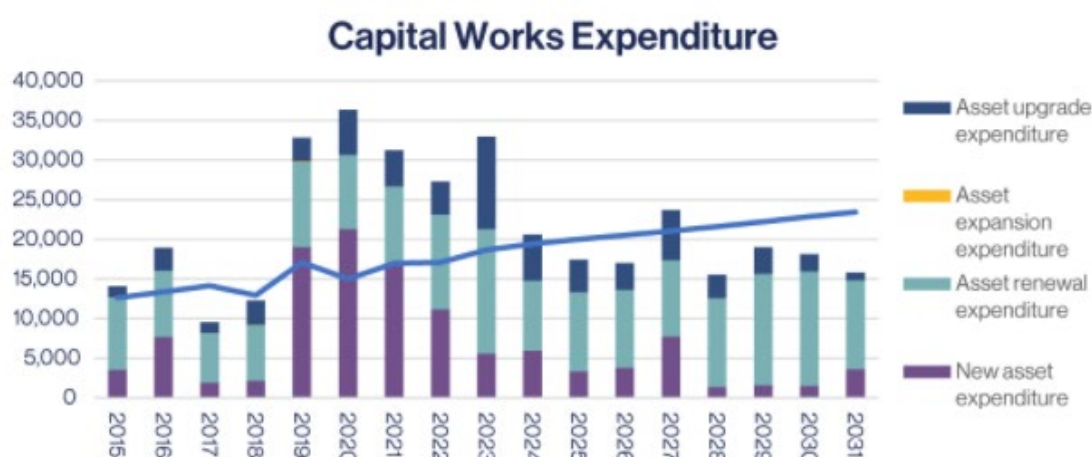
Our financial plan sees a decrease in capital spending compared to 2020. Since 2020 we've seen the largest investments we have ever made in our assets. Investment in new assets leads to increased ongoing operating costs and our Financial Plan seeks to meet the community demands for new and improved assets.

In 2020 we spent \$21.3 million on new capital assets. Our Financial Plan in some years has us spending less than \$2 million on new capital assets, whereas our renewal and upgrade capital expenditure are on average increasing over the Financial Plan. If we maintained high levels of spending on new capital assets, we would experience serious financial strain and in fact run out of

money. We all want to ensure the assets we use today will be here in the future. That's why replacing and upgrading our existing assets is a significant portion of our capital projects each year. Our teams work hard to maintain our network of assets and plan for their continued replacement and upgrade. We plan to build, improve and care for our assets – that means responding to changes in demand as well as building climate-resilient infrastructure.

Our community will participate in the development of the Asset Plan in the coming 12 months. The outcome of that work will reshape our Financial Plan to ensure we reflect the financial needs for the maintenance, renewal and upgrade of our assets. The Asset Plan is a key input into the Financial Plan and we will seek to balance projected investment requirements against projected budgets.

Our Asset Plan will include how we identify, plan and decommission building assets that are no longer safe or functional, where a viable alternative is available. We will consult with you on all proposals to decommission our building assets.



Capital projects can be funded from a range of sources:

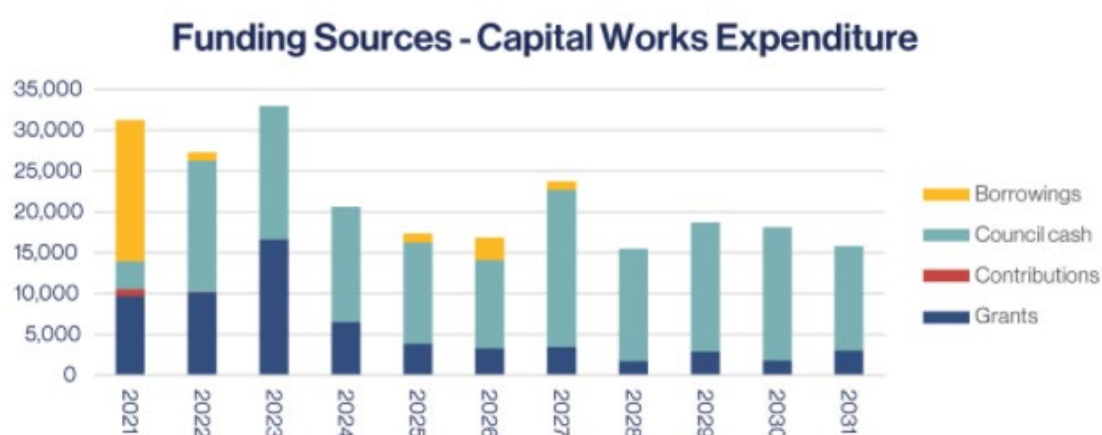
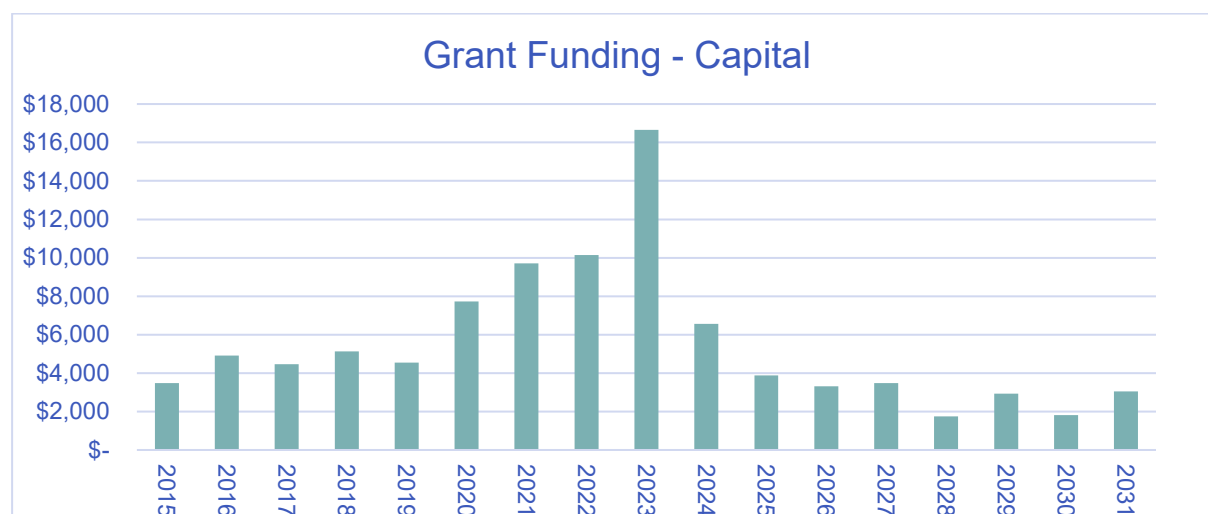
1. Rates
2. Commonwealth Government grants – e.g., Roads to Recovery
3. State Government grants – e.g., Regional Roads Victoria
4. Development contributions
5. Community group contributions
6. Borrowings

The Financial Plan assumes a number of capital grants from State and Commonwealth Governments. These assumptions are informed based on previous experience with funding ratios and priority infrastructure areas.

Importantly, capital grants available to us from State and Commonwealth Governments often come with a requirement for Council to match the funding. As such, it's critical we align our priority programs and infrastructure needs with the available grant money. Securing grant money is a

positive outcome for us, but not if it means we don't have the money available to pursue our strategic priorities.

Our Financial Plan identifies whether securing the grant funding is contingent on the capital works expenditure occurring. Council has achieved great success in securing capital grants, with a noticeable increase since 2020. The below chart illustrates these achievements. Given the challenges in forecasting the availability of State and Commonwealth grant programs the later years of our Financial Plan are cautious and reflect an easing of the availability of these grants. These assumptions are reviewed frequently and in particular around election periods and any change in Government.



You can view details of our capital investments in 21/22 in the Annual Budget.

Our Financial Plan includes allocations for a number of significant investments from 22/23 and beyond – see the table below. Some projects have started in 21/22 and also have design or capital construction costs set out in the 21/22 Budget. The table also identifies if there is an external

funding source and whether we have secured some or all of this forecast grant funding. There are some projects where grant programs are not currently available, but we expect these to become available based on our understanding of State and Commonwealth priorities.

We plan to spend \$6 million on new infrastructure assets to support the development of the North West Wangaratta and South Wangaratta residential areas. In addition to this Council expenditure, developers will construct assets such as footpaths and local roads and will hand these over for Council to maintain. We estimate developers will hand over more than \$18 million of contributed assets over the ten years of the Financial Plan.

Project Name	Capital Expenditure (2023-2031) \$'000	External Funding Source
Wangaratta Parklands Precinct Master Plan	\$14,500	Yes – partially announced
CBD Masterplan	\$7,950	
Wareena Park Masterplan	\$5,900	Yes
Drainage Infrastructure Upgrades	\$5,400	
South Wangaratta Growth Area	\$5,000	
Creative Precinct	\$4,600	Yes
Bowser Landfill Cell 5 Construction	\$4,000	
Township Infrastructure Improvements	\$2,790	
Transfer Station Redevelopment	\$2,500	
King Valley Prosecco Road Masterplan	\$2,000	Yes – announced
Expansion of Organics Processing Plant	\$2,000	Yes
Walking and Cycling Projects	\$1,550	
Information Communication & Technology Strategy	\$1,439	
Footpath Projects	\$1,350	
Recreation Oval Drainage Upgrade	\$1,100	
North West Growth Area	\$1,000	
Tennis Court Upgrades	\$830	Yes
Female Friendly Changerooms	\$800	Yes
Play Space Strategy Implementation	\$800	

These projects are just some of the many and varied capital investments we plan to make over the next 10 years.

As mentioned above, some capital investments are subject to securing State or Government grant funding and some will be funded partly by council cash and new borrowings. Our infrastructure planning is based on a range of factors and our plans can and will change if our key assumptions and inputs change.

6.8 What is the plan for borrowings?

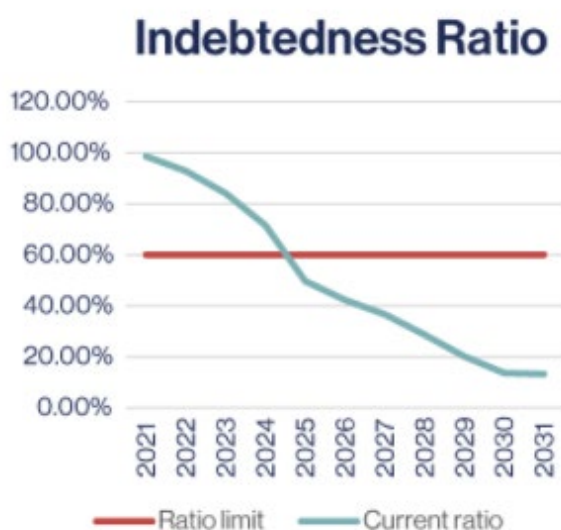
Borrowing money to fund investments in assets is a critical part of how we fund our activities, in particular our new capital investments. We would be unable to meet the needs and preferences for growth of the municipality without borrowing. Borrowing enables us to smooth the cost out over the next few years and balance it across generations.

Affordability of borrowings is important, and our most recent borrowing has a 10-year fixed interest rate of 0.69%. This means our cost of servicing the debt is very low, especially given price inflation will likely exceed the cost of this debt.

Keeping some ability to borrow in the future is referred to as “headroom” – it’s the difference between our proposed debt limit and the debt limit adopted in our Borrowings Policy (indebtedness ratio of 60%).

It is important we have sensible limits on our borrowing to ensure that the impact on affordability of rates is maintained and leaves enough ‘headroom’ to ensure we can repay our debt, and respond to future events, opportunities and pressures. The headroom is required to cover unknown costs from unexpected future events. For example, another COVID-19 lockdown, increasing frequency and severity of natural disasters, or any other event or issue that future generations may have to grapple with, especially ones that impact our revenue streams.

We also need to leave room for future cost risks that are known – insurance, water reform, interest rate changes, the price of carbon, and the need to adapt to climate change. Other known risks are projects for which alternative funding sources have been identified, but not confirmed. Uncertainty of these funding sources means there remains a risk to Council’s financial position and therefore it makes sense to leave some headroom should alternative funding models fail to be secured. Without headroom they would not be able to be progressed



The indebtedness ratio is only one of three indicators we review and manage when assessing our ability to borrow and meet our operating and capital cash flow requirements. Councils typically have a low-risk profile for financing indicators, which means the 60% ratio reflects an overall conservatism. Our current borrowings exceed the 60% ratio following our delivery of some major capital projects, such as the Railway Precinct regeneration and Aquatics Centre Expansion program. We are assessed as low risk on the other two indicators.

Council will repay a \$7 million interest only loan in 2026 and our headroom substantially increases after this.

The Financial Plan proposes new borrowings of \$4.4 million to help fund CBD Masterplan works, Wareena Park Masterplan improvements and new infrastructure to support the residential growth areas of North West Wangaratta. The borrowings for these projects will be confirmed (or amended) as part of Council’s annual budget process as we get closer to spending the money. In considering whether we will utilise borrowings to fund capital projects we first assess our sustainable debt levels and subsequently allocate to specific projects in line with our strategic objectives. The 10-year Financial Plan incorporates affordable debt levels within the boundaries of our adopted Borrowings Policy.

6.9 How do we monitor and respond to changes in assumptions?

Our Financial Plan will be updated internally twice a year through our annual planning process. Our economic assumptions will be closely monitored and any resulting updates to our long-term plans will be made through this process and the adoption of the Annual Budget. We have higher levels of certainty for the assumptions we make within the next 3 years. We have lower levels of confidence in the later years which is to be expected. If there are unfavourable changes to our assumptions, we have time to put in place mitigating actions in the short to medium term.

7. Financial Plan Statements

This section presents the key statements comprising the Financial Plan for the 10 years to 2030/31:

- Comprehensive Income Statement
- Adjusted Underlying Result
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources
- Planned Human Resource Expenditure

7.1 Comprehensive Income Statement

Comprehensive Income Statement
 For the ten years ending 30 June 2031

	Forecast Actual 2021	Budget 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income											
Rates and charges	35,336	36,783	38,634	40,188	41,734	43,343	45,020	46,767	48,588	50,486	52,466
Statutory fees and fines	1,009	1,264	1,289	1,315	1,371	1,398	1,395	1,423	1,481	1,511	1,510
User fees	10,169	11,949	12,680	12,432	12,680	12,934	13,193	13,456	13,726	14,000	14,280
Grants - Operating	20,623	17,783	16,770	17,106	17,448	17,797	18,153	18,516	18,886	19,264	19,649
Grants - Capital	9,706	10,147	16,661	6,559	3,878	3,306	3,482	1,750	2,934	1,821	3,052
Contributions - monetary	1,067	174	0	0	0	0	0	0	0	0	0
Contributions - non-monetary	1,824	1,700	1,703	1,738	1,772	1,808	1,844	1,881	1,918	1,957	1,996
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	204	181	0	0	0	0	0	0	0	0	0
Fair value adjustments for investment property	0	0	0	0	0	0	0	0	0	0	0
Share of net profits/(losses) of associates and joint ventures	0	0	0	0	0	0	0	0	0	0	0
Other income	2,649	292	398	404	393	408	384	392	425	452	476
Total income	82,596	80,273	87,643	79,741	79,276	80,993	83,470	84,185	87,958	89,490	93,429
Expenses											
Employee costs	26,371	28,778	29,283	29,868	30,466	31,075	31,696	32,330	32,977	33,636	34,309
Materials and services	26,288	22,841	22,465	22,880	23,569	23,176	23,524	24,095	24,833	25,077	25,277
Depreciation	16,984	17,099	18,664	19,436	20,002	20,525	21,058	21,607	22,213	22,869	23,438
Amortisation - intangible assets	0	0	0	0	0	0	0	0	0	0	0
Amortisation - right of use assets	243	256	218	144	95	0	0	0	0	0	0
Bad and doubtful debts	0	0	0	0	0	0	0	0	0	0	0
Borrowing costs	689	669	781	724	667	640	378	334	261	185	115
Finance costs - leases	33	24	14	7	2	0	0	0	0	0	0
Other expenses	435	436	444	453	462	472	481	491	501	511	521
Total expenses	71,042	70,103	71,870	73,513	75,263	75,987	77,138	78,857	80,784	82,279	83,660
Surplus/(deficit) for the year	11,544	10,170	15,773	6,227	4,014	5,106	6,332	5,328	7,174	7,211	9,769
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods:											
Net asset revaluation increment											
Share of other comprehensive income of											
Items that may be reclassified to surplus or deficit in future periods											
(detail as appropriate)											
Total comprehensive result	11,544	10,170	15,773	6,227	4,014	5,106	6,332	5,328	7,174	7,211	9,769

7.2 Adjusted Underlying Result

Adjusted Underlying Result For the ten years ending 30 June 2031

	Forecast	Budget		Projections									
	Actual	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Total income	82,586	80,273	87,643	79,741	79,264	80,968	83,431	84,132	87,891	89,409	93,332		
Total expenses	71,042	70,103	71,870	73,539	75,341	76,019	77,324	79,099	81,084	82,636	84,076		
Surplus(deficit) for the year	11,544	10,170	15,773	6,201	3,923	4,948	6,107	5,033	6,807	6,772	9,256		
Less non-operating income and													
Grants - Capital (non-recurrent)	(8,152)	(8,593)	(15,076)	(4,942)	(2,229)	(1,624)	(1,767)	0	(1,149)	0	(1,195)		
Contributions - monetary (capital)	(891)	(50)	0	0	0	0	0	0	0	0	0		
Contributions - non-monetary	(1,824)	(1,700)	(1,703)	(1,738)	(1,772)	(1,808)	(1,844)	(1,881)	(1,918)	(1,957)	(1,996)		
Adjusted Underlying surplus/(deficit)	677	(173)	(1,006)	(478)	(78)	1,517	2,496	3,152	3,740	4,815	6,065		

7.3 Balance Sheet

Balance Sheet

For the ten years ending 30 June 2031

	Forecast		Budget		Projections									
	Actual		2022		2023	2024	2025	2026	2027	2028	2029	2030	2031	
	\$'000		\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Assets														
Current assets														
Cash and cash equivalents	21,432	18,411	18,492	15,174	16,833	10,769	11,179	16,490	20,595	24,109	36,745			
Trade and other receivables	9,281	9,460	9,632	9,822	10,010	10,206	10,410	10,623	10,845	11,076	11,318			
Other financial assets	1,546	1,516	1,485	1,455	1,426	1,398	1,370	1,343	1,316	1,289	1,264			
Inventories	0	0	0	0	0	0	0	0	0	0	0			
Non-current assets classified as held for sale	979	105	105	105	105	105	105	105	105	105	105			
Other assets	426	426	426	426	426	426	426	426	426	426	426			
Total current assets	33,665	29,918	30,140	26,982	28,800	22,904	23,490	28,987	33,286	37,006	49,857			
Non-current assets														
Trade and other receivables	10	10	10	10	10	10	10	10	10	10	10			
Other financial assets	0	0	0	0	0	0	0	0	0	0	0			
Investments in associates and joint ventures	0	0	0	0	0	0	0	0	0	0	0			
Property, infrastructure, plant & equipment	591,927	602,824	618,825	621,730	620,849	618,979	623,485	619,226	617,648	614,883	609,256			
Right of use assets	713	457	239	95	0	0	0	0	0	0	0			
Investment property	0	0	0	0	0	0	0	0	0	0	0			
Intangible assets	2,501	2,501	2,501	2,501	2,501	2,501	2,501	2,501	2,501	2,501	2,501			
Total non-current assets	595,151	605,792	621,575	624,336	623,360	621,490	625,996	621,737	620,159	617,394	611,767			
Total assets	628,816	635,709	651,715	651,318	652,160	644,394	649,486	650,724	653,445	654,400	661,624			
Liabilities														
Current liabilities														
Trade and other payables	4,788	4,179	4,611	3,624	3,409	3,328	3,923	3,292	3,621	3,595	3,420			
Trust funds and deposits	1,546	1,516	1,485	1,455	1,426	1,398	1,370	1,343	1,316	1,289	1,264			
Provisions	5,500	5,563	8,211	7,886	8,805	6,187	6,796	7,469	7,498	6,107	6,182			
Interest-bearing loans and borrowings	2,634	2,643	2,596	2,653	9,854	3,099	3,257	3,331	3,407	2,477	0			
Lease liabilities	240	223	151	112	0	0	0	0	0	0	0			
Total current liabilities	14,708	14,124	17,054	15,730	23,495	14,013	15,346	15,435	15,842	13,469	10,866			
Non-current liabilities														
Provisions	17,981	18,029	18,078	15,543	13,399	10,403	10,093	9,244	7,793	6,386	6,443			
Interest-bearing loans and borrowings	30,215	28,572	25,976	23,323	14,530	14,137	11,873	8,542	5,135	2,658	2,658			
Lease liabilities	486	263	112	0	0	0	0	0	0	0	0			
Total non-current liabilities	48,683	46,864	44,166	38,867	27,929	24,540	21,967	17,786	12,928	9,044	9,101			
Total liabilities	63,391	60,988	61,220	54,597	51,425	38,552	37,312	33,222	28,770	22,513	19,967			
Net assets														
	565,425	574,721	590,494	596,722	600,736	605,841	612,174	617,502	624,676	631,887	641,657			
Equity														
Accumulated surplus	184,260	191,016	208,399	219,065	227,435	237,194	244,580	251,999	262,768	272,648	282,257			
Reserves	381,165	383,705	382,096	377,657	373,301	368,647	367,594	365,502	361,907	359,239	359,399			
Total equity	565,425	574,721	590,494	596,722	600,736	605,841	612,174	617,502	624,676	631,887	641,656			

7.4 Statement of Change in Equity

Statement of Changes in Equity

For the ten years ending 30 June 2031

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021				
Balance at beginning of the financial year	555,288	177,106	358,686	19,496
Impact of adoption of new accounting standards				
Adjusted opening balance				
Surplus/(deficit) for the year	11,544	11,544	0	0
Net asset revaluation increment/(decrement)	(1,407)	0	(1,407)	0
Transfer to other reserves	0	839	0	(839)
Transfer from other reserves	0	(5,229)	0	5,229
Balance at end of the financial year	565,425	184,260	357,279	23,886
2022				
Balance at beginning of the financial year	565,425	184,260	357,279	23,886
Surplus/(deficit) for the year	10,170	10,170	0	0
Net asset revaluation increment/(decrement)	(874)	0	(874)	0
Transfer to other reserves	0	1,068	0	(1,068)
Transfer from other reserves	0	(4,482)	0	4,482
Balance at end of the financial year	574,721	191,016	356,405	27,300
2023				
Balance at beginning of the financial year	574,721	191,016	356,405	27,300
Surplus/(deficit) for the year	15,773	15,773	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	809	0	(809)
Transfer from other reserves	0	801	0	(801)
Balance at end of the financial year	590,494	208,399	356,405	25,691
2024				
Balance at beginning of the financial year	590,494	208,399	356,405	25,691
Surplus/(deficit) for the year	6,227	6,227	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	530	0	(530)
Transfer from other reserves	0	3,908	0	(3,908)
Balance at end of the financial year	596,722	219,065	356,405	21,252
2025				
Balance at beginning of the financial year	596,722	219,065	356,405	21,252
Surplus/(deficit) for the year	4,014	4,014	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	273	0	(273)
Transfer from other reserves	0	4,083	0	(4,083)
Balance at end of the financial year	600,736	227,435	356,405	16,896

2026

Balance at beginning of the financial year	600,736	227,435	356,405	16,896
Surplus/(deficit) for the year	5,106	5,106	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	1	0	(1)
Transfer from other reserves	0	4,653	0	(4,653)
Balance at end of the financial year	605,841	237,194	356,405	12,242

2027

Balance at beginning of the financial year	605,841	237,194	356,405	12,242
Surplus/(deficit) for the year	6,332	6,332	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(288)	0	288
Transfer from other reserves	0	1,342	0	(1,342)
Balance at end of the financial year	612,174	244,580	356,405	11,189

2028

Balance at beginning of the financial year	612,174	244,580	356,405	11,189
Surplus/(deficit) for the year	5,328	5,328	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(595)	0	595
Transfer from other reserves	0	2,686	0	(2,686)
Balance at end of the financial year	617,502	251,999	356,405	9,097

2029

Balance at beginning of the financial year	617,502	251,999	356,405	9,097
Surplus/(deficit) for the year	7,174	7,174	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(920)	0	920
Transfer from other reserves	0	4,515	0	(4,515)
Balance at end of the financial year	624,676	262,768	356,405	5,503

2030

Balance at beginning of the financial year	624,676	262,768	356,405	5,503
Surplus/(deficit) for the year	7,211	7,211	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(1,264)	0	1,264
Transfer from other reserves	0	3,932	0	(3,932)
Balance at end of the financial year	631,887	272,648	356,405	2,834

2031

Balance at beginning of the financial year	631,887	272,648	356,405	2,834
Surplus/(deficit) for the year	9,769	9,769	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(1,629)	0	1,629
Transfer from other reserves	0	1,469	0	(1,469)
Balance at end of the financial year	641,656	282,257	356,405	2,994

7.5 Statement of Cash Flows

Statement of Cash Flows

For the ten years ending 30 June 2031

	Forecast		Budget		Projections									
	Actual	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
	Inflows	\$'000	Inflows	\$'000	Inflows	\$'000	Inflows	\$'000	Inflows	\$'000	Inflows	\$'000	Inflows	\$'000
	(Outflows)		(Outflows)		(Outflows)		(Outflows)		(Outflows)		(Outflows)		(Outflows)	
Cash flows from operating activities														
Rates and charges	33,036		36,604	38,462	39,999	41,546	43,147	44,816	46,554	48,366	50,255	52,224		
Statutory fees and fines	1,009		1,264	1,289	1,315	1,371	1,398	1,395	1,423	1,481	1,511	1,510		
User fees	10,169		11,949	12,188	12,432	12,680	12,934	13,193	13,456	13,726	14,000	14,280		
Grants - operating	20,623		17,783	16,770	17,106	17,448	17,797	18,153	18,516	18,886	19,264	19,649		
Grants - capital	9,706		10,147	16,661	6,559	3,878	3,306	3,482	1,750	2,934	1,821	3,052		
Contributions - monetary	1,067		174	0	0	0	0	0	0	0	0	0		
Interest received	0		0	100	100	83	91	61	63	89	110	127		
Dividends received	0		0	0	0	0	0	0	0	0	0	0		
Trust funds and deposits taken	0		0	0	0	0	0	0	0	0	0	0		
Other receipts	2,649		292	298	304	310	317	323	329	336	343	349		
Net GST refund / payment	0		0	0	0	0	0	0	0	0	0	0		
Employee costs	(26,371)		(28,668)	(29,170)	(29,754)	(30,349)	(30,956)	(31,575)	(32,206)	(32,850)	(33,507)	(34,178)		
Materials and services	(34,521)		(23,916)	(19,923)	(27,325)	(25,617)	(29,491)	(23,261)	(25,543)	(26,581)	(28,567)	(25,998)		
Short-term, low value and variable lease payments	0		0	0	0	0	0	0	0	0	0	0		
Trust funds and deposits repaid	0		0	0	0	0	0	0	0	0	0	0		
Other payments	(44)		(20)	0	0	0	0	0	0	0	0	0		
Net cash provided by/(used in) operating activities	17,322	25,610	36,674	36,674	20,735	21,350	18,542	26,586	24,342	26,387	25,228	31,017		
Cash flows from investing activities														
Payments for property, infrastructure, plant and equipment	(31,251)		(27,292)	(32,962)	(20,604)	(17,348)	(16,846)	(23,721)	(15,466)	(18,716)	(18,147)	(15,815)		
Proceeds from sale of property, infrastructure, plant and equipment	1,985		1,197	0	0	0	0	0	0	0	0	0		
Payments for investments	0		0	0	0	0	0	0	0	0	0	0		
Proceeds from sale of investments	0		0	0	0	0	0	0	0	0	0	0		
Loan and advances made	0		0	0	0	0	0	0	0	0	0	0		
Payments of loans and advances	0		0	0	0	0	0	0	0	0	0	0		
Net cash provided by/(used in) investing activities	(29,266)	(26,095)	(32,962)	(32,962)	(20,604)	(17,348)	(16,846)	(23,721)	(15,466)	(18,716)	(18,147)	(15,815)		
Cash flows from financing activities														
Finance costs	(689)		(669)	(781)	(724)	(667)	(640)	(378)	(334)	(261)	(185)	(115)		
Proceeds from borrowings	17,292		1,000	0	0	1,061	2,706	994	0	0	0	0		
Repayment of borrowings	(1,170)		(2,634)	(2,643)	(2,596)	(2,653)	(9,854)	(3,099)	(3,257)	(3,331)	(3,407)	(2,477)		
Interest paid - lease liability	(33)		(24)	(14)	(7)	(2)	0	0	0	0	0	0		
Repayment of lease liabilities	(231)		(240)	(223)	(151)	(112)	0	0	0	0	0	0		
Net cash provided by/(used in) financing activities	15,169	(2,567)	(3,662)	(3,662)	(3,478)	(2,373)	(7,788)	(2,484)	(3,591)	(3,592)	(3,592)	(2,592)		
Net increase/(decrease) in cash & cash equivalents	3,225	(3,052)	50	50	(3,347)	1,629	(6,092)	381	5,284	4,078	3,488	12,610		
Cash and cash equivalents at the beginning of the financial year	19,754	22,979	19,927	19,927	19,977	16,630	18,259	12,167	12,548	17,833	21,910	25,399		
Cash and cash equivalents at the end of the financial year	22,979	19,927	19,977	19,977	16,630	18,259	12,167	12,548	17,833	21,910	25,399	38,008		

7.6 Statement of Capital Works

Statement of Capital Works

For the ten years ending 30 June 2031

	Forecast		Budget		Projections									
	Actual				2023	2024	2025	2026	2027	2028	2029	2030	2031	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Property														
Land	0	0	0	0	0	0	0	0	0	0	0	0	0	
Land improvements	4,348	286	0	0	0	0	0	0	0	0	0	0	0	
Total land	4,348	286	0	0	0	0	0	0	0	0	0	0	0	
Buildings	1,310	3,598	1,487	1,248	1,125	1,248	1,356	2,004	1,143	1,149	1,149	1,172	1,195	
Heritage buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	
Building improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	
Leasehold improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total buildings	1,310	3,598	1,487	1,248	1,125	1,248	1,356	2,004	1,143	1,149	1,149	1,172	1,195	
Total property	5,658	3,884	1,487	1,248	1,125	1,248	1,356	2,004	1,143	1,149	1,149	1,172	1,195	
Plant and equipment														
Heritage plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plant, machinery and equipment	1,746	1,706	2,765	1,060	1,951	1,720	1,087	2,504	3,398	2,699	1,863	2,699	1,863	
Fixtures, fittings and furniture	66	116	82	52	53	54	55	56	57	59	60	59	60	
Computers and telecommunications	855	988	867	987	440	271	276	282	287	293	299	287	299	
Art Collection	9	7	7	7	7	7	7	7	7	7	8	7	8	
Library books	190	193	204	208	212	216	221	225	230	234	239	234	239	
Total plant and equipment	2,865	3,009	3,924	2,314	2,664	2,268	1,646	3,075	3,980	3,292	2,468	3,292	2,468	
Infrastructure														
Roads	3,967	5,174	4,262	7,387	6,398	7,391	12,740	7,296	5,604	6,888	5,771	6,888	5,771	
Bridges	965	859	989	468	832	487	718	507	1,264	527	1,374	527	1,374	
Footpaths and cycleways	430	463	612	520	424	433	442	450	459	469	478	469	478	
Drainage	1,682	423	6,870	1,301	775	898	1,358	1,104	839	855	872	855	872	
Recreational, leisure and community	8,599	2,241	8,752	52	4,086	2,594	3,257	619	2,470	105	2,450	105	2,450	
Waste management	2,754	2,451	2,091	52	96	54	55	56	103	59	60	59	60	
Parks, open space and streetscapes	2,172	4,412	357	1,144	0	108	110	113	115	117	120	117	120	
Aerodromes	501	415	153	333	0	0	0	0	1,723	3,515	0	3,515	0	
Off street car parks	0	0	255	104	37	325	442	135	23	141	0	141	0	
Other infrastructure	1,658	3,960	3,210	5,681	913	931	950	968	988	1,008	1,028	1,008	1,028	
Total infrastructure	22,728	20,399	27,551	17,042	13,560	13,222	20,071	11,249	13,587	13,683	12,152	13,683	12,152	
Total capital works expenditure														
	31,251	27,292	32,962	20,604	17,348	16,846	23,721	15,466	18,716	18,147	15,815	18,147	15,815	
Represented by:														
New asset expenditure	16,817	11,159	5,614	5,958	3,275	3,662	7,752	1,319	1,317	1,531	3,629	1,531	3,629	
Asset renewal expenditure	9,881	11,993	15,680	8,834	9,977	9,815	9,598	11,208	14,057	14,449	11,219	14,449	11,219	
Asset expansion expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	
Asset upgrade expenditure	4,553	4,140	11,669	5,812	4,096	3,370	6,371	2,939	3,343	2,168	968	2,168	968	
Total capital works expenditure	31,251	27,292	32,962	20,604	17,348	16,846	23,721	15,466	18,716	18,147	15,815	18,147	15,815	
Funding sources represented by:														
Grants	9,706	10,147	16,661	6,559	3,878	3,306	3,482	1,750	2,934	1,821	3,052	1,821	3,052	
Contributions	857	50	0	0	0	0	0	0	0	0	0	0	0	
Council cash	3,396	16,094	16,301	14,045	12,409	10,834	19,245	13,716	15,783	16,327	12,763	16,327	12,763	
Borrowings	17,292	1,000	0	0	1,061	2,706	994	0	0	0	0	0	0	
Total capital works expenditure	31,251	27,292	32,962	20,604	17,348	16,846	23,721	15,466	18,716	18,147	15,815	18,147	15,815	

7.7 Statement of Human Resources

Statement of Human Resources
 For the ten years ending 30 June 2031

Staff expenditure	Budget		Projections									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Total staff expenditure	15,740	16,016	16,336	16,663	16,663	16,663	16,663	16,663	16,663	16,663		
Female	13,038	13,266	13,532	13,802	13,802	13,802	13,802	13,802	13,802	13,802		
Male	0	0	0	0	0	0	0	0	0	0		
Self-described gender	0	0	0	0	0	0	0	0	0	0		
Total staff expenditure	28,778	29,283	29,668	30,466	30,466	30,466	30,466	30,466	30,466	30,466		
Permanent full time	7,023	7,146	7,289	7,435	7,435	7,435	7,435	7,435	7,435	7,435		
Female	11,300	11,498	11,728	11,962	11,962	11,962	11,962	11,962	11,962	11,962		
Male	0	0	0	0	0	0	0	0	0	0		
Self-described gender	0	0	0	0	0	0	0	0	0	0		
Total	18,323	18,644	19,017	19,397	19,397	19,397	19,397	19,397	19,397	19,397		
Permanent part time	5,223	5,314	5,420	5,529	5,529	5,529	5,529	5,529	5,529	5,529		
Female	780	794	809	826	826	826	826	826	826	826		
Male	0	0	0	0	0	0	0	0	0	0		
Self-described gender	0	0	0	0	0	0	0	0	0	0		
Total	6,003	6,108	6,230	6,354	6,354	6,354	6,354	6,354	6,354	6,354		
Casual and temporary	3,494	3,556	3,627	3,699	3,699	3,699	3,699	3,699	3,699	3,699		
Female	958	975	995	1,015	1,015	1,015	1,015	1,015	1,015	1,015		
Male	0	0	0	0	0	0	0	0	0	0		
Self-described gender	0	0	0	0	0	0	0	0	0	0		
Total	4,453	4,531	4,621	4,714	4,714	4,714	4,714	4,714	4,714	4,714		

Staff numbers	Budget		Projections									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE		
Total staff numbers	176	176	176	176	176	176	176	176	176	176		
Female	141	141	141	141	141	141	141	141	141	141		
Male	0	0	0	0	0	0	0	0	0	0		
Self-described gender	0	0	0	0	0	0	0	0	0	0		
Total staff numbers	317	317	317	317	317	317	317	317	317	317		
Permanent full time	68	68	68	68	68	68	68	68	68	68		
Female	118	118	118	118	118	118	118	118	118	118		
Male	0	0	0	0	0	0	0	0	0	0		
Self-described gender	0	0	0	0	0	0	0	0	0	0		
Total	186	186	186	186	186	186	186	186	186	186		
Permanent part time	64	64	64	64	64	64	64	64	64	64		
Female	9	9	9	9	9	9	9	9	9	9		
Male	0	0	0	0	0	0	0	0	0	0		
Self-described gender	0	0	0	0	0	0	0	0	0	0		
Total	73	73	73	73	73	73	73	73	73	73		
Casual and temporary	44	44	44	44	44	44	44	44	44	44		
Female	14	14	14	14	14	14	14	14	14	14		
Male	0	0	0	0	0	0	0	0	0	0		
Self-described gender	0	0	0	0	0	0	0	0	0	0		
Total	58	58	58	58	58	58	58	58	58	58		

7.8 Planned Human Resource Expenditure

Planned Human Resource Expenditure For the four years ended 30 June 2022

	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000
Executive										
Permanent - Full time										
Female	102	104	106	108	108	108	108	108	108	108
Male	287	292	297	303	303	303	303	303	303	303
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Female	70	71	73	74	74	74	74	74	74	74
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Casual and temporary										
Female	147	149	152	155	155	155	155	155	155	155
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Total Executive	605	615	628	640	640	640	640	640	640	640
Corporate Services										
Permanent - Full time										
Female	1,464	1,490	1,520	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Male	1,233	1,254	1,279	1,305	1,305	1,305	1,305	1,305	1,305	1,305
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Female	789	803	819	835	835	835	835	835	835	835
Male	57	58	59	60	60	60	60	60	60	60
Self-described gender	0	0	0	0	0	0	0	0	0	0
Casual and temporary										
Female	160	163	166	170	170	170	170	170	170	170
Male	135	137	140	143	143	143	143	143	143	143
Self-described gender	0	0	0	0	0	0	0	0	0	0
Total Corporate Services	3,838	3,905	3,983	4,063	4,063	4,063	4,063	4,063	4,063	4,063
Infrastructure Services										
Permanent - Full time										
Female	1,331	1,355	1,382	1,410	1,410	1,410	1,410	1,410	1,410	1,410
Male	7,703	7,838	7,994	8,154	8,154	8,154	8,154	8,154	8,154	8,154
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Female	75	77	78	80	80	80	80	80	80	80
Male	116	118	120	123	123	123	123	123	123	123
Self-described gender	0	0	0	0	0	0	0	0	0	0
Casual and temporary										
Female	35	35	36	37	37	37	37	37	37	37
Male	300	305	311	317	317	317	317	317	317	317
Self-described gender	0	0	0	0	0	0	0	0	0	0
Total Infrastructure Services	9,560	9,727	9,922	10,120	10,120	10,120	10,120	10,120	10,120	10,120
Community Wellbeing										
Permanent - Full time										
Female	2,883	2,934	2,993	3,052	3,052	3,052	3,052	3,052	3,052	3,052
Male	710	723	737	752	752	752	752	752	752	752
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Female	3,765	3,831	3,908	3,986	3,986	3,986	3,986	3,986	3,986	3,986
Male	333	338	345	352	352	352	352	352	352	352
Self-described gender	0	0	0	0	0	0	0	0	0	0
Casual and temporary										
Female	2,835	2,885	2,942	3,001	3,001	3,001	3,001	3,001	3,001	3,001
Male	489	498	508	518	518	518	518	518	518	518
Self-described gender	0	0	0	0	0	0	0	0	0	0
Total Community Wellbeing	11,016	11,209	11,433	11,661	11,661	11,661	11,661	11,661	11,661	11,661
Development Services										
Permanent - Full time										
Female	1,243	1,264	1,290	1,315	1,315	1,315	1,315	1,315	1,315	1,315
Male	1,368	1,392	1,420	1,448	1,448	1,448	1,448	1,448	1,448	1,448
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Female	523	532	543	554	554	554	554	554	554	554
Male	275	279	285	291	291	291	291	291	291	291
Self-described gender	0	0	0	0	0	0	0	0	0	0
Casual and temporary										
Female	318	324	330	337	337	337	337	337	337	337
Male	35	35	36	37	37	37	37	37	37	37
Self-described gender	0	0	0	0	0	0	0	0	0	0
Total Development Services	3,760	3,826	3,903	3,981	3,981	3,981	3,981	3,981	3,981	3,981
Total staff expenditure	28,778	29,283	29,868	30,466	30,466	30,466	30,466	30,466	30,466	30,466


















Planned Human Resource Expenditure

For the four years ended 30 June 2022

	2022 FTE	2023 FTE	2024 FTE	2025 FTE	2026 FTE	2027 FTE	2028 FTE	2029 FTE	2030 FTE	2031 FTE
Executive										
Permanent - Full time										
Female	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Male	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent - Part time										
Female	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
Male	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual and temporary										
Female	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Male	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Executive	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84	3.84
Corporate Services										
Permanent - Full time										
Female	14.44	14.44	14.44	14.44	14.44	14.44	14.44	14.44	14.44	14.44
Male	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent - Part time										
Female	10.56	10.56	10.56	10.56	10.56	10.56	10.56	10.56	10.56	10.56
Male	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual and temporary										
Female	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Male	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Corporate Services	41.87	41.87	41.87	41.87	41.87	41.87	41.87	41.87	41.87	41.87
Infrastructure Services										
Permanent - Full time										
Female	11.03	11.03	11.03	11.03	11.03	11.03	11.03	11.03	11.03	11.03
Male	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent - Part time										
Female	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
Male	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual and temporary										
Female	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Male	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Infrastructure Services	104.38	104.38	104.38	104.38	104.38	104.38	104.38	104.38	104.38	104.38
Community Wellbeing										
Permanent - Full time										
Female	29.70	29.70	29.70	29.70	29.70	29.70	29.70	29.70	29.70	29.70
Male	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent - Part time										
Female	45.66	45.66	45.66	45.66	45.66	45.66	45.66	45.66	45.66	45.66
Male	4.04	4.04	4.04	4.04	4.04	4.04	4.04	4.04	4.04	4.04
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual and temporary										
Female	35.64	35.64	35.64	35.64	35.64	35.64	35.64	35.64	35.64	35.64
Male	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Community Wellbeing	129.64	129.64	129.64	129.64	129.64	129.64	129.64	129.64	129.64	129.64
Development Services										
Permanent - Full time										
Female	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Male	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent - Part time										
Female	6.04	6.04	6.04	6.04	6.04	6.04	6.04	6.04	6.04	6.04
Male	2.62	2.62	2.62	2.62	2.62	2.62	2.62	2.62	2.62	2.62
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual and temporary										
Female	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03	4.03
Male	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41
Self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Development Services	37.10	37.10	37.10	37.10	37.10	37.10	37.10	37.10	37.10	37.10
Total staff numbers	316.83	316.83	316.83	316.83	316.83	316.83	316.83	316.83	316.83	316.83

8. Financial Performance Indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Indicator	Measure	Notes	Actual 2020	Forecast Actual 2021	Budget 2022	Strategic Resource Plan Projections							Trend				
						2023	2024	2025	2026	2027	2028	2029		2030	2031	+/-	
Operating position	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-4.2%	0.72%	-0.19%	-0.96%	-0.52%	0.02%	1.98%	3.13%	4.01%	4.51%	5.75%	6.81%	+		
Liquidity	Current assets / current liabilities	2	140.9%	228.89%	211.82%	177%	171.53%	122.58%	163.45%	153.07%	187.79%	210.12%	274.75%	458.84%	+		
	Unrestricted cash / current liabilities		52.4%	145.72%	130.36%	108.43%	96.47%	71.64%	76.85%	72.84%	106.83%	130.00%	179.00%	338.16%	+		
Obligations	Interest bearing loans and borrowings / rate revenue	3	49.4%	92.96%	84.86%	73.95%	64.64%	58.43%	39.77%	33.61%	25.39%	17.58%	10.17%	5.07%	+		
	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	4	2.4%	5.26%	8.98%	8.86%	8.26%	7.96%	24.21%	7.72%	7.68%	7.39%	7.12%	4.94%	+		
	Non-current liabilities / own source revenue	5	68.7%	98.61%	92.86%	84.11%	71.53%	49.72%	42.25%	36.62%	28.67%	20.13%	13.61%	13.24%	+		
Asset renewal expenditure / depreciation	6	100.3%	57.36%	69.10%	83.04%	45.12%	49.64%	47.82%	45.58%	51.87%	63.28%	63.18%	47.86%	-			
Stability	Rate revenue / adjusted underlying revenue	7	49.3%	43.25%	45.85%	44.08%	50.40%	52.64%	53.51%	53.94%	55.55%	55.24%	56.42%	56.16%	o		
	Rate revenue / CIV of rateable properties in the municipality	8	0.6%	0.45%	0.43%	0.44%	0.45%	0.46%	0.47%	0.47%	0.48%	0.49%	0.50%	0.51%	o		
Efficiency	Total expenditure / no. of property assessments	9	\$ 4,565	\$ 4,485	\$ 4,373	\$ 4,473	\$ 4,563	\$ 4,661	\$ 4,688	\$ 4,753	\$ 4,847	\$ 4,953	\$ 5,033	\$ 5,105	-		
Revenue level	Residential rate revenue / No. of residential property assessments	10	\$ 1,725	\$ 1,612	\$ 1,646	\$ 1,691	\$ 1,737	\$ 1,784	\$ 1,833	\$ 1,883	\$ 1,934	\$ 1,987	\$ 2,041	\$ 2,097	o		
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	11	10.0%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	o	
Sustainable Capacity	Total expenses/ Municipal population	12	\$ 2,450	\$ 2,434	\$ 2,402	\$ 2,462	\$ 2,519	\$ 2,579	\$ 2,600	\$ 2,643	\$ 2,702	\$ 2,768	\$ 2,819	\$ 2,866	o		
	Value of property, infrastructure and plant & equipment / Municipal population	13	\$ 17,748	\$ 20,281	\$ 20,654	\$ 21,202	\$ 21,302	\$ 21,271	\$ 21,207	\$ 21,362	\$ 21,216	\$ 21,162	\$ 21,067	\$ 20,874	o		
	Municipal population / Kilometres of local roads	14	14.69	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	o	
Own-source revenue	Own source revenue / Municipal population	15	\$ 1,711	\$ 1,691	\$ 1,729	\$ 1,799	\$ 1,862	\$ 1,925	\$ 1,990	\$ 2,055	\$ 2,126	\$ 2,200	\$ 2,277	\$ 2,355	o		
Recurrent grants	Recurrent grants / Municipal population	16	\$ 593	\$ 589	\$ 617	\$ 629	\$ 641	\$ 654	\$ 667	\$ 681	\$ 694	\$ 708	\$ 722	\$ 737	o		

9. Strategies and Plans

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

9.1 Borrowing Strategy

Council's Borrowings Policy was adopted in June 2021. The Borrowings Policy explains that the assessment of borrowings will be performed with a focus on sustainable debt levels, whereby:

- Availability of capital for investment is first determined; and
- Capital is subsequently allocated in line with strategic objectives.

All borrowings must meet the following requirements:

- Council will not borrow to fund operating expenditure. Operating expenditure will be funded from operating revenue sources. Any exception to this requires a Council resolution and is likely to occur in exceptional circumstances beyond the control of Council. For example, a shortfall in the defined benefit plan of Vision Super compelling Council to make an unbudgeted contribution.
- Council will not borrow to fund renewal capital works.
- Borrowings must be linked to the financing of capital expenditure.
- The term of any borrowing must not exceed the economic life of the asset to which it relates.
- Borrowings will fall within the below target debt range:
 - New borrowings must not exceed VAGO's high risk rating for Indebtedness, being more than 60% non-current liability to own-source revenue.
 - Borrowings must maintain an average forecast 10-year target debt ratio of less than 7%.

Further details of our planned borrowings can be found in section 6.8.

9.1.1 Current debt position

The total amount borrowed at 30 June 2021 is \$32.846 million. These borrowings almost exclusively relate to capital projects which have been completed since 2012. A small portion of our current borrowings relate to the shortfall in the Vision Super Defined Benefit Superannuation Fund.

9.1.2 Future debt position

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		Budget		Projections																		
	2021	\$'000	2022	\$'000	2023	\$'000	2024	\$'000	2025	\$'000	2026	\$'000	2027	\$'000	2028	\$'000	2029	\$'000	2030	\$'000	2031	\$'000	
Opening balance	16,728		32,849		31,215		28,572		25,976		24,384		17,236		15,130		11,873		8,542		5,135		
Plus New loans	17,292		1,000		0		0		1,061		2,706		994		0		0		0		0		
Less Principal repayments	(1,170)		(2,634)		(2,643)		(2,596)		(2,653)		(9,854)		(3,099)		(3,257)		(3,331)		(3,407)		(2,477)		
Closing balance	32,849		31,215		28,572		25,976		24,384		17,236		15,130		11,873		8,542		5,135		2,658		
Interest payment	(722)		(693)		(795)		(731)		(669)		(640)		(378)		(334)		(261)		(185)		(115)		
Performance indicator	Target	Forecast Actual	Budget	Projections																			
		2021	%	2022	%	2023	%	2024	%	2025	%	2026	%	2027	%	2028	%	2029	%	2030	%	2031	%
Non-current liability / Rate revenue	Below 60%	98.61%		92.86%		84.11%		71.53%		49.72%		42.25%		36.62%		28.67%		20.13%		13.61%		13.24%	
Interest and repayments / Rate revenue ^	Below 7%	5.26%		8.98%		8.86%		8.26%		7.96%		24.21%		7.72%		7.68%		7.39%		7.12%		4.94%	

Note:
[^] This performance indicator and the target of below 7% is based on a 10 year average and not based on the result for a single year. Council has an Interest Only principal repayment of \$7 million in 2025/26 and this indicator will substantially improve, and be within the target range after this repayment.

9.2 Reserves Strategy

Council maintains both Statutory and Discretionary Reserves that acknowledge the receipt of funds from particular sources to be applied on programs that are consistent with the purpose of that Reserve fund. Council's Reserve Accounting Policy was adopted in June 2021 and notes that the creation of new Reserves should be a last resort after due consideration of the effectiveness of long-term financial planning and management for the future obligations.

Reserve Account	Purpose	Movements
Cemetery	This reserve will assist in funding perpetual maintenance for Wangaratta Cemetery.	Transfer from the reserve (outflows) are aligned to operational requirements of the Cemetery.
Plant replacement	This reserve will fund the replacement of Council's plant and equipment at the end of the service life.	Inflows to the reserve are sourced from internal plant hire charges based on kilometres or hours of usage. Transfer from the reserve (outflows) are aligned to Council's replacement schedule to fund plant acquisitions on an annual basis.
Redevelopment of assets	This reserve supports Council's acquisition, development and sale of industrial and commercial land within the municipality.	Inflows to the reserve are mainly sourced from the sale of land (and buildings). Transfers from the reserve (outflows) are aligned with Council's long-term strategy for developing Council owned land and further progressing the availability of commercial and industrial land within the municipality.
Waste	This reserve retains funds collected for the collection and disposal of waste (under section 162(1)(b) of the Local Government Act 1989.	Inflows to the reserve are sourced from the operation of Council's waste services. Transfers from the reserve (outflows) are for operating, capital and rehabilitation costs associated with the delivery of Council's current and future waste services.
Statutory Planning & Environment & Subdivisions	– This reserve retains funds collected from developers associated with the subdivision of land for the provision and delivery of infrastructure in accordance with the Planning and Environment Act 1987 and Subdivision Act 1988. Development Contribution Plans and Infrastructure Contribution Plans were established to manage the proceeds contributed by developers.	Transfers to the reserve (inflows) comprise of monetary levies and in-kind associated with developments. Transfers from the reserve (outflows) are applied to fund capital works for development infrastructure projects and community infrastructure projects and funds refunded to developers for capital works completed directly by the developer.

Reserve Usage Projections

For the ten years ending 30 June 2031

Reserves			Statutory / Discretionary		Forecast Actual		Budget		Strategic Resource Plan Projections										
			2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031						
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000						
Cemetery	Discretionary																		
	Opening balance		59	114	129	144	159	174	188	203	218	233	247						
	Transfer to reserve		55	15	15	15	15	15	15	15	15	15	15						
	Transfer from reserve																		
	Closing balance		114	129	144	159	174	188	203	218	233	247	262						
Plant replacement	Discretionary																		
	Opening balance		3,450	4,612	5,607	7,138	8,145	8,628	9,608	10,959	11,507	10,869	11,632						
	Transfer to reserve		2,627	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231	2,231						
	Transfer from reserve		1,465	1,236	701	1,224	1,749	1,252	880	1,684	2,869	1,469	1,469						
	Closing balance		4,612	5,607	7,138	8,145	8,628	9,608	10,959	11,507	10,869	11,632	12,395						
Redevelopment of assets	Discretionary																		
	Opening balance		(496)	812	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672						
	Transfer to reserve		1,308	860															
	Transfer from reserve																		
	Closing balance		812	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672	1,672						
Waste	Discretionary																		
	Opening balance		13,745	15,450	16,919	17,423	15,622	14,427	12,439	12,007	13,012	13,699	13,913						
	Transfer to reserve		6,888	7,483	605	883	1,140	1,413	30	2,008	2,333	2,677	3,042						
	Transfer from reserve		5,184	6,014	100	2,685	2,335	3,401	462	1,003	1,646	2,463	0						
	Closing balance		15,450	16,919	17,423	15,622	14,427	12,439	12,007	13,012	13,699	13,913	16,955						
Statutory - Planning and Environment & Subdivisions	Statutory																		
	Opening balance		169	329	404	479	554	629	704	779	854	929	1,004						
	Transfer to reserve		160	75	75	75	75	75	75	75	75	75	75						
	Transfer from reserve																		
	Closing balance		329	404	479	554	629	704	779	854	929	1,004	1,079						



Rural City of
Wangaratta