A picture containing text, grass, sign

Description automatically generated

Contents

[Executive summary 3](#_Toc80963780)

[1. Legislative requirements 4](#_Toc80963781)

[1.1 Strategic planning principles 5](#_Toc80963782)

[1.2 Financial management principles 5](#_Toc80963783)

[1.3 Engagement principles 6](#_Toc80963784)

[1.4 Service performance principles 7](#_Toc80963785)

[1.5 Asset plan integration 7](#_Toc80963786)

[2. Financial plan context setting 8](#_Toc80963787)

[2.1 Financial policy statements 9](#_Toc80963788)

[2.2 Strategic financial objectives 10](#_Toc80963789)

[2.3 Assumptions to the financial plan statements 11](#_Toc80963790)

[2.3.1 Consumer price index (CPI) 12](#_Toc80963791)

[2.3.2 Rates and charges 12](#_Toc80963792)

[2.3.3 Statutory fees and fines 12](#_Toc80963793)

[2.3.4 User fees 12](#_Toc80963794)

[2.3.5 Grants - operating 13](#_Toc80963795)

[2.3.6 Grants – capital 13](#_Toc80963796)

[2.3.7 Contributions 13](#_Toc80963797)

[2.3.8 Other income 13](#_Toc80963798)

[2.3.9 Employee costs 14](#_Toc80963799)

[2.3.10 Materials and services 14](#_Toc80963800)

[2.3.11 Depreciation and amortisation 14](#_Toc80963801)

[2.3.12 Borrowing costs 14](#_Toc80963802)

[2.3.13 Other expenses 15](#_Toc80963803)

[2.4 Other matters impacting the 10-year financial projections 15](#_Toc80963804)

[2.4.1 Challenges that rate capping poses on Council finances 15](#_Toc80963805)

[2.4.2 Increasing employee cost projections 15](#_Toc80963806)

[2.4.3 Uncertainty of defined benefits call 15](#_Toc80963807)

[2.4.4 Responding to a global pandemic and major storm event 16](#_Toc80963808)

[3. Financial plan statements 18](#_Toc80963809)

[3.1 Comprehensive income statement 19](#_Toc80963810)

[3.2 Balance sheet 21](#_Toc80963811)

[3.3 Statement of changes in equity 23](#_Toc80963812)

[3.4 Statement of cash flows 26](#_Toc80963813)

[3.5 Statement of capital works 28](#_Toc80963814)

[3.6 Statement of human resources 30](#_Toc80963815)

[3.7 Planned human resource expenditure 32](#_Toc80963816)

[4. Financial performance indicators 36](#_Toc80963817)

[5. Strategies and plans 40](#_Toc80963818)

[5.1 Borrowing strategy 40](#_Toc80963819)

[5.1.1 Current debt position 40](#_Toc80963820)

[5.1.2 Future borrowing requirements 41](#_Toc80963821)

[5.1.3 Performance indicators 42](#_Toc80963822)

[5.2 Reserves strategy 42](#_Toc80963823)

[5.2.1 Current reserves 42](#_Toc80963824)

[5.2.2 Reserve usage projections 43](#_Toc80963825)

## **Executive summary**

Yarra Ranges Council’s Financial Plan is the key financial planning document that is governed by a series of financial strategies and accompanying performance indicators that Council considers and adopts. It establishes the financial framework upon which sound financial decisions are made.

This 10-year Financial Plan from 2021-22 to 2030-31 has been prepared taking into consideration the longer term impact that the COVID-19 pandemic is anticipated to have on the economy and Yarra Ranges Council.

On top of the global pandemic, on 9 June 2021 Victoria experienced its most severe storm in history, with Yarra Ranges as its epicentre. The relief effort has already been significant, and the clean-up and ongoing community response will require years of focus and resources from Council as well as several other key agencies. Council will not be able to lead this response on its own, nor will it be able to cover the enormous costs of recovery by itself. Significant assistance is being requested from both State and Federal Governments to contribute to the costs of this event.

At the time of preparing this Financial Plan, complete details of these material costs and the associated funding sources were still being finalised and were not available to include in the detailed financial statements. However, in order to demonstrate what the high level impact would be to Council’s financial sustainability, the impact on the key financial indicators is included at Section 2.4.4.

Council expects to prepare a revised 4-year Budget in early 2022 which will incorporate the detailed costs and the level of confirmed funding of the recovery effort and its impact on Council’s financial position.

Rate capping was introduced on 1 July 2016. Currently, the rate cap is largely linked to CPI and there are no longer term projections from the State Government as to what the rate cap may be in future years. As rates are Council’s primary source of revenue, this makes Council’s financial planning for the future quite challenging.

For the purpose of this Financial Plan, Council is assuming a commitment to apply a rate cap of 1.5% annual rates growth in years 1-5 and 2.0% in years 6-10.

Council generally bases its longer term rate increase projections based on advice from the Department of Treasury and Finance (DTF). The estimates released in May 2021, had CPI projecting at 1.5% in 2021-22 with increases of 0.25% through to 2024-25 (Victorian Department of Treasury and Finance 2021-22 Budget). While this does consider the impacts that COVID-19 may have on the economy, Council has used a conservative approach to estimate the future years’ rate income. If the State Government changes the structure of the rate cap, or CPI is different to what is projected, Council’s future financial outcomes may be significantly affected.

In addition, Council has obligations under a defined benefit superannuation scheme (operated by Vision Super) that may result in the need to make additional contributions to ensure that the liabilities of the fund are covered by its assets.

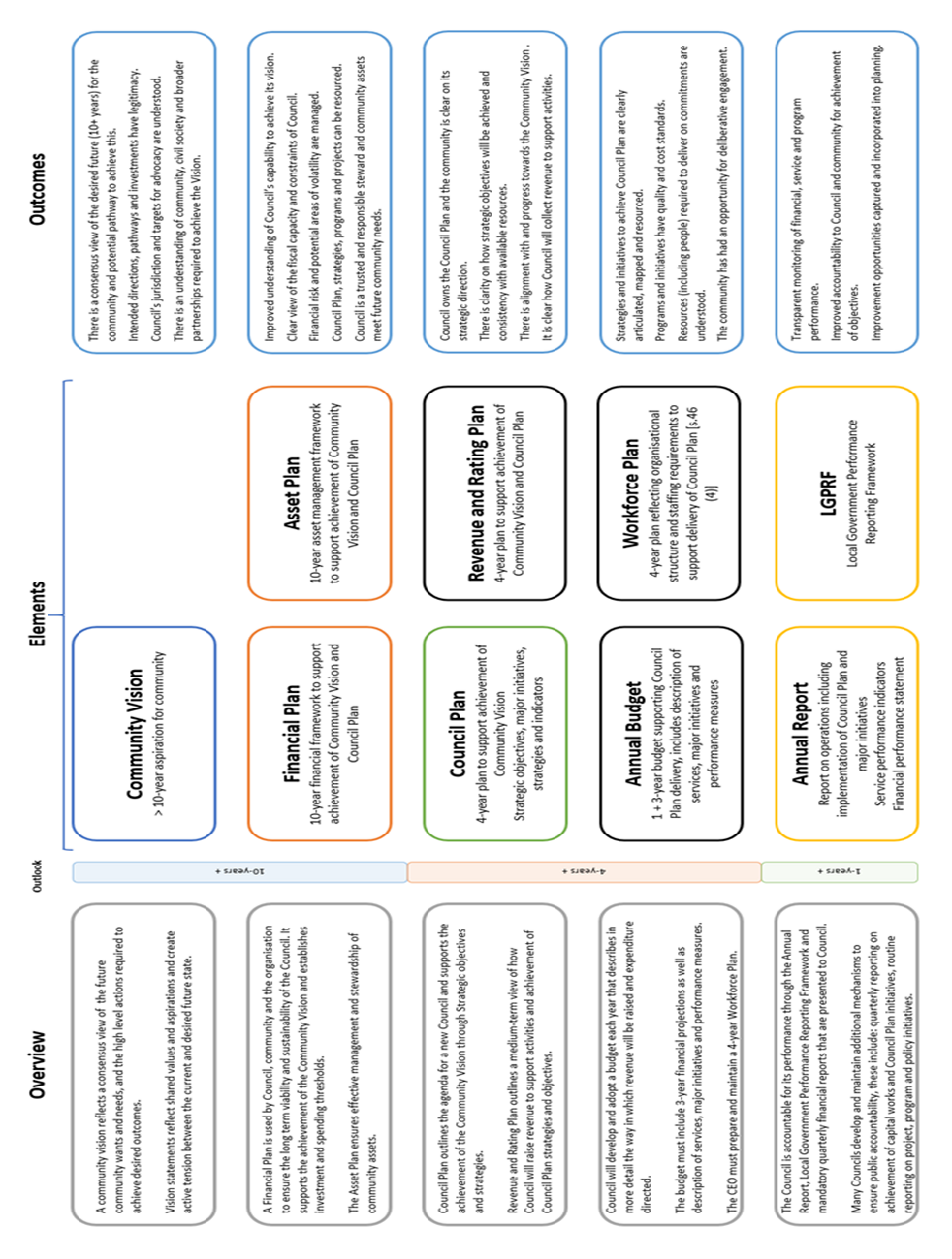
In the midst of very uncertain times, Council remains in a healthy financial position to be able to respond to the growing and changing needs of our community. We will continue to adapt and change as needed to ensure the best outcomes for our community and the long term sustainability of Council.

1. Legislative requirements

The *Local Government Act 2020* (the Act) addresses planning and financial management requirements including the development of strategic planning, budgeting and annual reporting documents.

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 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:

Graphical user interface

Description automatically generated

Further details on the framework can be found at [Engage Vic](https://engage.vic.gov.au/download_file/37979/4340).

* 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:

1. Council has an integrated approach to planning, monitoring and performance reporting.
2. 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.
3. The Financial Plan’s financial statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan.
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 1.2 below.
5. The Financial Plan provides for the strategic planning principles of progress monitoring and reviews to identify and adapt to changing circumstances.
   1. Financial management principles

The Financial Plan is based on the following financial management principles:

* Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council’s financial policies and strategic plans.
* Management of the following financial risks:

1. the financial viability of the Council (refer to section 2.1 Financial Policy Statements)
2. the management of current and future liabilities of Council. The estimated 10-year liabilities are disclosed in section 3.2 Balance Sheet Projections.
3. the beneficial enterprises of Council (where appropriate).

* Financial policies and strategic plans are designed to provide financial sustainability and predictability to the community.
* Council maintains accounts and records that explain its financial operations and financial position (refer section 3 Financial Statements).
  1. Engagement principles

Council adopted its community engagement policy in April 2021.

Council engaged a community panel to provide input and inform the development of the following strategic documents:

* Council Plan 2021-2025
* Community Vision 2036
* Financial Plan 2021-22 to 2030-31
* Council Budget 2021-22 to 2024-25
* Revenue and Rating Plan 2021-2025

The community panel brought together 60 residents, who were representative of the community, and reflected a diversity of locations, ages, and backgrounds across the municipality. The community panel was key to ensuring the community’s voice was at the heart of Council’s strategic planning. It was an exciting approach to engaging with the community and forms part of Council’s deliberative engagement requirements under the *Local Government Act 2020.*

The panel came together to deliberate on Council’s proposed strategic objectives as outlined below.

|  |  |
| --- | --- |
| **Strategic Objective** | **Description** |
| Connected and healthy communities | Communities are safe, resilient, healthy, inclusive and socially well connected. Quality services are accessible to everyone. |
| Quality infrastructure and liveable places | Quality facilities and infrastructure meet current and future needs. Places are well planned hubs of activity that foster wellbeing, creativity and innovation. |
| Protected and enhanced natural environment | A healthier environment for future generations. |
| Vibrant economy, agriculture, and tourism | Our tourism, agriculture, health, manufacturing and other industries are leading and dynamic. Strong investment and attraction underpin sustainable economic growth and job creation. |
| High performing organisation | An innovative, responsive organisation that listens and delivers quality, value for money services to our community. |

To inform the development of the Financial Plan, the community panel were invited to participate in some scenario testing to understand how spending could be prioritised and their attitudes to the role of Council in service provision.

The inputs and recommendations from this panel have informed the Financial Plan, Council Plan 2021-2025, the four-year budget and will also inform a range of Council’s strategic work, projects and service delivery.

* 1. Service performance principles

Council services are designed to be targeted to community needs and value for money. 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 is designed to identify the key services and projects to be delivery 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 is developing a performance monitoring framework to continuously improve its service delivery standards.
5. Council is developing a service delivery framework that considers and responds to community feedback and complaints regarding service provision.
   1. 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 identifies the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan, and associated asset management policies, provide Council with a sound base to understand the risk associated with managing its assets for the community’s benefit.

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

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

Council currently manages assets in line with its current Asset Management Policy and Strategic Asset Management Plan. Council will have formalised its new Asset Plan as part of its compliance with the *Local Government Act 2020* by June 2022.

1. Financial plan context setting

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

The 10-year Financial Plan is based on several key assumptions and financial principles about what might happen in the future. While every care has been taken in assessing these, the information is sensitive to changes that are often outside the control of Council.

* 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 Actual** |  |  |  |  |  |  |  |  |  |  |
| **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
| Achieve positive adjusted underlying result over the medium to long term | Adjusted underlying result greater than 0% | > 0% | -3.9% | -2.4% | 1.7% | 3.7% | 2.1% | 2.4% | 2.5% | 2.7% | 2.9% | 3.1% | 3.4% |
| Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due. | Current Assets / Current Liabilities greater than 1.10 | > 1.10 | 1.50 | 1.11 | 1.21 | 1.09 | 1.02 | 1.12 | 1.29 | 1.24 | 1.16 | 1.22 | 1.32 |
| Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as the reach the end of their service life. | Asset renewal and upgrade expenditure / Depreciation above 100% | > 100% | 149.4% | 162.0% | 215.7% | 255.3% | 233.8% | 237.6% | 223.0% | 218.8% | 131.8% | 110.9% | 107.6% |
| Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality. | Total borrowings / Rate revenue to remain below 65% | < 65% | 21.0% | 16.5% | 26.6% | 32.3% | 42.7% | 53.6% | 60.1% | 62.2% | 63.0% | 62.8% | 62.6% |
| Council maintains sufficient unrestricted cash (per LGPRF definition) to ensure ongoing liquidity as well as to address unforeseen cash imposts if required. | Unrestricted cash / current liabilities to be maintained above 15% (LGPRF indicator) | > 15% | 81.0% | 49.3% | 38.9% | 22.6% | 17.6% | 24.9% | 38.5% | 31.8% | 23.4% | 26.1% | 33.1% |
| Council generates revenue from a range of sources | Rate revenue / Adjusted underlying revenue < 80% | < 80% | 75.1% | 80.6% | 77.9% | 76.6% | 77.9% | 77.9% | 77.9% | 77.9% | 77.9% | 77.9% | 77.9% |

* 1. Strategic financial objectives

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

The strategic objectives are included to the 10-year financial plan and, where appropriate, referenced in the commentary associated with the 10-year Comprehensive Income Statement and the 10-year Statement of Capital Works.

Some of Council’s key strategic objectives include:

* Set rate increases in accordance with the Fair Go Rates System (FGRS) and Council’s Revenue and Rating Plan 2021-2025.
* Identify efficiency gains in the operating budget to promote achievement of a financially sustainable operating surplus in a rate cap environment.
* Differential rates will be applied to ensure appropriate allocation of rates considering the use of land and will include; residential land, vacant sub-standard land, farm land, commercial land and industrial land.
* Ensure service users make a reasonable contribution to the cost of services through appropriate fees and charges consistent with adopted pricing strategies and principles within the Revenue and Rating Plan 2021-2025.
* Seek alternative revenue streams and external funding opportunities to reduce over reliance on rate revenue.
* Council maximise income from grant funding from the Commonwealth and State Governments to fund required infrastructure.
* Council will continue to strongly advocate for a more equitable distribution of Commonwealth and State Government funding, particularly for funding currently only available to rural designated Councils.
* Apply new debt funding to growth infrastructure where necessary and based on a sound business case and demonstrated community benefit.
* To deliver better value for our community, we will support developing policy and practice in the workplace to increase organisation innovation, effectiveness and efficiency.
* Undertake strategic procurement activities which analyse and benchmark contract costs to identify opportunities for savings.
* Asset renewal gap will be managed towards closure over the forecast period through dedication and allocation of sufficient resources to renew the existing asset base over the long term.
  1. Assumptions to the financial plan statements

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

The annual escalations are based on information from various sources including Australian Bureau of Statistics (ABS), Victorian Department of Treasury and Finance (DTF), the Victorian State Budget 2020-21, and other economic updates across the sector.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Escalation Factors % movement** | **Note** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
| Consumer Price Index (CPI) | 2.3.1 | 1.50% | 1.75% | 2.00% | 2.25% | 2.50% | 2.60% | 2.70% | 2.80% | 2.90% | 3.00% |
| Rates and charges | 2.3.2 | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Statutory fees and fines | 2.3.3 | 1.50% | 1.75% | 2.00% | 2.25% | 2.50% | 2.60% | 2.70% | 2.80% | 2.90% | 3.00% |
| User fees | 2.3.4 | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Grants - Operating | 2.3.5 | 1.50% | 1.75% | 2.00% | 2.25% | 2.50% | 2.60% | 2.70% | 2.80% | 2.90% | 3.00% |
| Contributions - monetary | 2.3.7 | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Contributions - non-monetary |  | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Other income | 2.3.8 | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Employee costs | 2.3.9 | 3.01% | 1.61% | 2.13% | 1.50% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% |
| Materials and services | 2.3.10 | 0.00% | 1.50% | 1.50% | 1.50% | 1.50% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Depreciation & Amortisation | 2.3.10 | 2.49% | 2.40% | 2.33% | 2.27% | 2.22% | 2.18% | 2.15% | 2.13% | 2.10% | 2.08% |
| Other expenses | 2.3.13 | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |

* + 1. Consumer price index (CPI)

Consumer price index for the first four years is consistent with the Victorian State Government’s CPI outlook as the economic forecasts in the 2021-22 State Budget. A conservative approach has been adopted for the remainder of the forecast period.

* + 1. Rates and charges

Planning for future rate increases has been a key component of the Financial Plan development process. The State Government introduced the Fair Go Rates System (FGRS) on 1 July 2016, which sets out the maximum amount councils may increase rates in any one year.

The Financial Plan assumes a rate increase of 1.5% being adopted in years 1-5 and 2.0% in years 6-10.

More information on Council’s rating principles can be found in the Revenue and Rating Plan 2021-2025.

Waste management charges are levied on a full cost recovery basis. This is consistent with the position of most councils given that waste charges are outside the rate cap. Projections reflect both increases in waste and recycling charges as well as increased contractor expenses.

Yarra Ranges Council does not apply a municipal charge.

* + 1. Statutory fees and fines

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

* + 1. User fees

User fees mainly relate to the recovery of service delivery costs through the charging of fees to use Council’s services. Council increased some fees and charges by 1.5% (in line with the rate cap) for the 2021-22 year, with some fees for services to vulnerable community members having no increase to ease the burden on the community due to COVID-19.

Fees and charges will be reviewed annually for appropriateness as part of Council’s budget process. This review will usually involve consideration of the cost of the service, the price charged by comparable service-providers (where applicable), and the extent to which Council is prepared to invest in the service at less than full-cost recovery to reflect community and social benefits.

Revenue increases for the ensuing years are based on annual increases in line with the State Government rate cap.

Details of user fees for the 2021-22 budget year can be found in Council’s schedule of Fees and Charges that is adopted in conjunction with the annual budget.

* + 1. Grants - operating

Council currently receives grants for tied (specific purpose grants) and untied Financial Assistance grant funding received via the Victorian Local Government Grans Commission (VLGGC), with these funds being used for the purpose of funding the delivery of services to rate payers.

Recurrent operating grants are expected to increase on an annual basis by approximately the estimated rate of CPI for future years.

* + 1. Grants – capital

Council has assumed that grant revenue will come from already identified funding sources for specific projects that have been identified in Council’s Capital Expenditure Program, including the Roads for the Community Initiative being funded by the Commonwealth through to 2027-28. In the outer years, Council has assumed that 35% of the projected capital program will be funded through capital grants.

* + 1. Contributions

Council receives contributions from developers which represent funds to enable Council to provide the necessary infrastructure and infrastructure improvements to accommodate development growth in the municipality. 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 or delivered as works in kind by developers.

User group contributions include monies received from community sources or other non-government bodies towards the delivery of Council’s services to ratepayers (operating) and capital works program.

* + 1. Other income

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

* + 1. Employee costs

Employee costs is one of the largest operational expenses for Council to support the community and meet organisational commitments. Employee costs constitute a combination of direct wages and salaries, including on-costs such as superannuation, WorkCover, leave entitlements, training and temporary staff arrangements.

Increases for employee costs mainly reflect the salary increases for all staff pursuant to Council’s Enterprise Agreement. The changes to the superannuation guarantee levy to move the rate from 1 July 2021 to 10% and progressively increasing the rate to 12% by 2025-26 have also been included.

While maintaining the current staffing levels, total employment costs are forecast to increase over the life of the plan considering movement between salary banding and banding increases.

* + 1. Materials and services

Material costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are largely subject to market forces based on availability rather 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.

Basic indexation on controllable expenses has been set at 0% for 2021-22 and then linked to the rate cap for the remaining years (with the exception of major contracts, insurances and utilities). This is a reflection of Council’s commitment to continuous improvement and finding efficiencies to continue delivering Council’s services within the restricted rate cap environment.

* + 1. Depreciation and amortisation

Depreciation estimates have been based on the projected capital spending contained within the Financial Plan. Depreciation has been further increased by the indexing of the replacement costs of Council’s fixed assets.

* + 1. Borrowing costs

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

* + 1. Other expenses

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

* 1. Other matters impacting the 10-year financial projections

Council continues to face challenges, which may impact future events likely to impact the Financial Plan projections. Some of the main factors that may impact the 10-year financial projections are:

* + 1. Challenges that rate capping poses on Council finances

Before 31 December each year, the Minister for Local Government sets the local council rate cap for the next financial year. The rate cap is the maximum amount a council can increase general rates. Projections for future rate cap rates have been outlined in Section 2.3, but the long term financial sustainability of Council is at risk if the rate cap is below the growth in Council’s expense profile.

* + 1. Increasing employee cost projections

Future negotiation of Enterprise Agreements (EA) will affect the increase of the employee costs projections. The current EA has a nominal expiry date of 30 September 2021 and a new EA is required every three years.

* + 1. Uncertainty of defined benefits call

Council has obligations under a defined benefit superannuation scheme (operated by Vision Super) that may result in the need to make additional contributions to ensure that the liabilities of the fund are covered by its assets. The call for additional contributions would be made by Vision Super based on the performance of its Vested Benefits Index (VBI) which is linked to the performance of the financial markets, especially the share market. The latest advice from Vision Super is that it is unlikely a call will be made within the next 12 months; however, Council has included a defined benefits call in 2023-24 of $14 million.

* + 1. Responding to a global pandemic and major storm event

In response to the COVID-19 pandemic, Council developed a comprehensive COVID-19 Community Recovery Framework covering the next three (3) years which guided Council’s response to meet our community’s rapidly changing and often urgent needs. This Recovery Framework is now being adjusted to also support recovery following the devastating June 2021 storm which will also require substantial support and action from Council.

While this Financial Plan incorporates Council’s anticipated activities and related costs relating to the COVID-19 response, at the time of publishing there is insufficient information available to fully capture the detailed impact on the organisation and its finances of the June 2021 storm event and the costs and potential funding related to the relief and recovery effort. Very early high level projections on the recovery and restoration work are indicating that the costs will be in excess of $55m, with it mainly being incurred during the 2021-22 and 2022-23 financial years.

The tables below demonstrate the impact of the recovery effort to the Council’s key financial indicators. Assumptions have been made in relation to what funding Council may receive to support these efforts, however it clearly indicates the significant impact to Council’s financial position if we cannot secure further funding support from the State and Commonwealth governments.

**Table 1: Financial indicators not including storm estimates**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Period start** |  | **1 Jul 20** | **1 Jul 21** | **1 Jul 22** | **1 Jul 23** | **1 Jul 24** | **1 Jul 25** | **1 Jul 26** | **1 Jul 27** | **1 Jul 28** | **1 Jul 29** | **1 Jul 30** |
| **Period end** |  | **30 Jun 21** | **30 Jun 22** | **30 Jun 23** | **30 Jun 24** | **30 Jun 25** | **30 Jun 26** | **30 Jun 27** | **30 Jun 28** | **30 Jun 29** | **30 Jun 30** | **30 Jun 31** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net result | % | 7.9% | 15.5% | 17.2% | 16.6% | 14.1% | 15.1% | 16.7% | 15.5% | 12.4% | 13.0% | 13.0% |
| Adjusted underlying result | % | (3.9%) | (2.4%) | 1.7% | 3.7% | 2.1% | 2.4% | 2.5% | 2.7% | 2.9% | 3.1% | 3.4% |
| Liquidity | x | 1.50 | 1.11 | 1.21 | 1.09 | 1.02 | 1.12 | 1.29 | 1.24 | 1.16 | 1.22 | 1.32 |
| Internal financing | % | 67.3% | 86.5% | 83.6% | 91.4% | 88.3% | 91.4% | 102.5% | 101.4% | 103.8% | 113.6% | 117.3% |
| Indebtedness | % | 19.8% | 12.4% | 25.2% | 29.7% | 38.0% | 46.9% | 52.1% | 53.5% | 53.7% | 53.1% | 52.5% |

**Table 2: Financial indicators including storm estimates**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Period start** |  | **1 Jul 20** | **1 Jul 21** | **1 Jul 22** | **1 Jul 23** | **1 Jul 24** | **1 Jul 25** | **1 Jul 26** | **1 Jul 27** | **1 Jul 28** | **1 Jul 29** | **1 Jul 30** |
| **Period end** |  | **30 Jun 21** | **30 Jun 22** | **30 Jun 23** | **30 Jun 24** | **30 Jun 25** | **30 Jun 26** | **30 Jun 27** | **30 Jun 28** | **30 Jun 29** | **30 Jun 30** | **30 Jun 31** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net result | % | 7.9% | 8.8% | 11.8% | 11.2% | 8.7% | 9.7% | 11.3% | 10.2% | 7.1% | 7.7% | 7.7% |
| Adjusted underlying result | % | (3.9%) | (8.8%) | (4.0%) | (1.9%) | (3.5%) | (3.2%) | (3.1%) | (2.8%) | (2.6%) | (2.3%) | (2.0%) |
| Liquidity | x | 1.50 | 0.79 | 0.49 | 0.07 | (0.23) | (0.37) | (0.44) | (0.72) | (1.01) | (1.16) | (1.28) |
| Internal financing | % | 67.3% | 71.6% | 71.7% | 78.3% | 74.6% | 77.4% | 87.8% | 86.4% | 86.6% | 94.9% | 98.1% |
| Indebtedness | % | 19.8% | 11.1% | 23.7% | 28.0% | 35.8% | 44.2% | 49.0% | 50.4% | 50.6% | 50.0% | 49.5% |

Council expects to undertake a mid-year budget review in January 2022 and prepare a revised 4-year budget once more information is available regarding the storm recovery and restoration.

1. Financial plan statements

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

* Comprehensive Income Statement
* Balance Sheet
* Statement of Changes in Equity
* Statement of Cash Flows
* Statement of Capital Works
* Statement of Human Resources
  1. Comprehensive income statement

|  | **Forecast / Actual** |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
| **Income** |  |  |  |  |  |  |  |  |  |  |  |
| Rates and charges | 146,545 | 155,539 | 165,905 | 173,106 | 172,981 | 175,576 | 179,087 | 182,669 | 186,322 | 190,049 | 193,850 |
| Statutory fees and fines | 3,082 | 3,096 | 3,040 | 3,085 | 3,132 | 3,179 | 3,242 | 3,307 | 3,373 | 3,441 | 3,509 |
| User fees | 5,499 | 6,727 | 6,814 | 6,916 | 7,020 | 7,125 | 7,268 | 7,413 | 7,561 | 7,712 | 7,867 |
| Grants - Operating | 38,190 | 25,825 | 26,262 | 26,655 | 27,053 | 27,459 | 28,008 | 28,569 | 29,140 | 29,723 | 30,317 |
| Grants - Capital | 20,563 | 36,424 | 33,587 | 28,506 | 25,214 | 27,861 | 32,863 | 29,520 | 20,180 | 21,685 | 21,375 |
| Contributions - monetary | 2,118 | 1,898 | 2,304 | 1,852 | 1,880 | 1,908 | 1,947 | 1,985 | 2,025 | 2,066 | 2,107 |
| Contributions - non-monetary | 2,500 | 2,538 | 2,576 | 2,614 | 2,653 | 2,693 | 2,734 | 2,775 | 2,816 | 2,858 | 2,901 |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | (2,179) | (2,550) | (2,588) | (2,627) | (2,666) | (2,706) | (2,747) | (2,788) | (2,830) | (2,873) | (2,916) |
| Fair value adjustments for investment property | - | - | - | - | - | - | - | - | - | - | - |
| Share of net profits/(losses) of associates and joint ventures | - | - | - | - | - | - | - | - | - | - | - |
| Other income | 3,644 | 3,032 | 2,674 | 2,696 | 2,717 | 2,758 | 2,813 | 2,869 | 2,927 | 2,985 | 3,045 |
| **Total income** | 219,962 | 232,529 | 240,573 | 242,803 | 239,984 | 245,852 | 255,214 | 256,319 | 251,515 | 257,646 | 262,056 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Expenses** |  |  |  |  |  |  |  |  |  |  |  |
| Employee costs | 72,241 | 71,353 | 72,500 | 74,047 | 75,159 | 76,737 | 78,348 | 79,994 | 81,674 | 83,389 | 85,140 |
| Materials and services | 88,720 | 83,224 | 84,288 | 85,330 | 86,419 | 87,715 | 89,031 | 90,366 | 91,722 | 93,098 | 94,494 |
| Depreciation | 29,444 | 29,687 | 30,133 | 30,584 | 31,043 | 31,509 | 31,982 | 32,461 | 32,948 | 33,442 | 33,944 |
| Amortisation - intangible assets | 525 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 | 48 |
| Amortisation - right of use assets | 1,738 | 1,738 | 1,764 | 1,790 | 1,817 | 118 | 43 | 3 | 4 | 4 | 4 |
| Bad and doubtful debts | 311 | 311 | 316 | 321 | 325 | 97 | 101 | 105 | 105 | 103 | 106 |
| Borrowing costs | 1,203 | 1,625 | 1,425 | 1,612 | 2,403 | 3,238 | 3,817 | 4,109 | 4,310 | 4,453 | 4,593 |
| Finance Costs - leases | 116 | 116 | 117 | 119 | 121 | 121 | 121 | 121 | 121 | 121 | 121 |
| Other expenses | 8,024 | 8,080 | 8,175 | 8,298 | 8,422 | 8,614 | 8,743 | 8,874 | 9,008 | 9,143 | 9,280 |
| **Total expenses** | 202,322 | 196,183 | 198,766 | 202,149 | 205,757 | 208,198 | 212,234 | 216,082 | 219,940 | 223,801 | 227,730 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Surplus/(deficit) for the year** | 17,640 | 36,347 | 41,807 | 40,653 | 34,227 | 37,654 | 42,980 | 40,236 | 31,575 | 33,845 | 34,326 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Other comprehensive income** |  |  |  |  |  |  |  |  |  |  |  |
| **Items that will not be reclassified to surplus or deficit in future periods** |  |  |  |  |  |  |  |  |  |  |  |
| Net asset revaluation increment /(decrement) | - | - | - | - | - | - | - | - | - | - | - |
| Share of other comprehensive income of associates and joint ventures | - | - | - | - | - | - | - | - | - | - | - |
| **Items that may be reclassified to surplus or deficit in future periods** (detail as appropriate) | - | - | - | - | - | - | - | - | - | - | - |
| **Total comprehensive result** | 17,640 | 36,347 | 41,807 | 40,653 | 34,227 | 37,654 | 42,980 | 40,236 | 31,575 | 33,845 | 34,326 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Adjusted Underlying Surplus (Deficit)** | (7,541) | (4,513) | 3,340 | 7,681 | 4,479 | 5,192 | 5,437 | 5,956 | 6,553 | 7,236 | 7,942 |
|  |  |  |  |  |  |  |  |  |  |  |  |

* 1. Balance sheet

|  | **Forecast Actual** |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
| **Assets** |  |  |  |  |  |  |  |  |  |  |  |
| **Current assets** |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | 46,589 | 23,389 | 17,372 | 14,356 | 14,956 | 20,089 | 28,033 | 27,672 | 26,400 | 29,983 | 35,667 |
| Trade and other receivables | 33,385 | 20,127 | 20,907 | 20,970 | 20,780 | 21,496 | 22,244 | 22,280 | 21,877 | 22,356 | 22,717 |
| Other financial assets | - | - | - | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - | - |
| Non-current assets classified as held for sale | - | - | - | - | - | - | - | - | - | - | - |
| Other assets | 2,872 | 2,872 | 2,872 | 2,872 | 2,872 | 2,872 | 2,872 | 2,872 | 2,872 | 2,872 | 2,872 |
| **Total current assets** | 82,846 | 46,389 | 41,151 | 38,198 | 38,608 | 44,456 | 53,149 | 52,824 | 51,149 | 55,211 | 61,256 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Non-current assets** |  |  |  |  |  |  |  |  |  |  |  |
| Trade and other receivables | 1,711 | 1,737 | 1,763 | 1,789 | 1,816 | 1,843 | 1,871 | 1,899 | 1,927 | 1,956 | 1,986 |
| Other financial assets | - | - | - | - | - | - | - | - | - | - | - |
| Investments in associates, joint arrangement and subsidiaries | 5,447 | 5,447 | 5,447 | 5,447 | 5,447 | 5,447 | 5,447 | 5,447 | 5,447 | 5,447 | 5,447 |
| Property, infrastructure, plant & equipment | 1,143,404 | 1,198,926 | 1,267,809 | 1,327,948 | 1,385,426 | 1,441,915 | 1,494,649 | 1,546,658 | 1,589,206 | 1,626,855 | 1,663,004 |
| Right-of-use assets | 3,332 | 1,737 | 933 | 598 | 351 | 351 | 351 | 351 | 351 | 351 | 351 |
| Investment property | - | - | - | - | - | - | - | - | - | - | - |
| Intangible assets | 967 | 919 | 870 | 822 | 774 | 725 | 677 | 629 | 580 | 532 | 484 |
| **Total non-current assets** | 1,154,861 | 1,208,766 | 1,276,822 | 1,336,604 | 1,393,813 | 1,450,281 | 1,502,995 | 1,554,984 | 1,597,511 | 1,635,141 | 1,671,271 |
| **Total assets** | 1,237,707 | 1,255,154 | 1,317,973 | 1,374,802 | 1,432,422 | 1,494,738 | 1,556,144 | 1,607,808 | 1,648,660 | 1,690,352 | 1,732,527 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |  |  |  |  |  |  |
| Trade and other payables | 27,875 | 10,992 | 11,141 | 11,274 | 11,457 | 11,647 | 11,839 | 12,002 | 12,234 | 12,436 | 12,642 |
| Trust funds and deposits | 1,940 | 1,969 | 1,999 | 2,029 | 2,059 | 2,090 | 2,121 | 2,153 | 2,185 | 2,218 | 2,251 |
| Provisions | 17,713 | 17,713 | 17,713 | 17,713 | 17,713 | 17,713 | 17,713 | 17,713 | 17,713 | 17,713 | 17,713 |
| Interest-bearing liabilities | 5,802 | 10,302 | 2,731 | 3,608 | 5,000 | 6,586 | 7,958 | 9,049 | 10,113 | 11,194 | 12,219 |
| Lease liabilities | 1,769 | 733 | 335 | 261 | 1,684 | 1,684 | 1,684 | 1,684 | 1,684 | 1,684 | 1,684 |
| **Total current liabilities** | 55,099 | 41,709 | 33,918 | 34,885 | 37,913 | 39,720 | 41,315 | 42,601 | 43,929 | 45,245 | 46,509 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |  |  |  |  |  |  |  |
| Provisions | 4,361 | 4,361 | 4,361 | 4,361 | 4,361 | 4,426 | 4,493 | 4,560 | 4,629 | 4,698 | 4,769 |
| Interest-bearing liabilities | 24,945 | 15,147 | 39,183 | 48,204 | 64,972 | 82,520 | 93,965 | 98,639 | 101,040 | 101,937 | 102,806 |
| Lease liabilities | 1,633 | 983 | 738 | 1,837 | 269 | 269 | 269 | 269 | 269 | 269 | 269 |
| **Total non-current liabilities** | 30,939 | 20,491 | 44,282 | 54,402 | 69,602 | 87,216 | 98,727 | 103,468 | 105,937 | 106,904 | 107,844 |
| **Total liabilities** | 86,038 | 62,200 | 78,200 | 89,287 | 107,516 | 126,936 | 140,042 | 146,069 | 149,866 | 152,149 | 154,353 |
| **Net assets** | 1,151,669 | 1,192,954 | 1,239,774 | 1,285,515 | 1,324,906 | 1,367,802 | 1,416,102 | 1,461,738 | 1,498,794 | 1,538,202 | 1,578,175 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Equity** |  |  |  |  |  |  |  |  |  |  |  |
| Accumulated surplus | 555,545 | 591,036 | 631,519 | 669,920 | 702,357 | 738,132 | 779,203 | 817,493 | 847,083 | 878,902 | 911,162 |
| Reserves | 596,124 | 601,919 | 608,255 | 615,595 | 622,548 | 629,670 | 636,899 | 644,245 | 651,712 | 659,300 | 667,012 |
| **Total equity** | 1,151,669 | 1,192,954 | 1,239,774 | 1,285,515 | 1,324,906 | 1,367,802 | 1,416,102 | 1,461,738 | 1,498,794 | 1,538,202 | 1,578,175 |

* 1. Statement of changes in equity

|  | **Total** | **Accumulated Surplus** | **Revaluation Reserve** | **Other Reserves** |
| --- | --- | --- | --- | --- |
|  | **$’000** | **$’000** | **$’000** | **$’000** |
| **2021 Actual** |  |  |  |  |
| Balance at beginning of the financial year | 1,112,762 | 546,621 | 557,255 | 8,886 |
| Surplus/(deficit) for the year | 17,640 | 17,640 | - | - |
| Net asset revaluation increment/(decrement) | 30,012 | - | 30,012 | - |
| Transfers (to)/from other reserves | (8,745) | (8,716) | - | (29) |
| **Balance at end of the financial year** | **1,151,669** | **555,545** | **587,267** | **8,857** |
|  |  |  |  |  |
| **2022** |  |  |  |  |
| Balance at beginning of the financial year | 1,151,669 | 555,545 | 587,267 | 8,857 |
| Surplus/(deficit) for the year | 36,347 | 36,347 | - | - |
| Net asset revaluation increment/(decrement) | 4,939 | - | 4,939 | - |
| Transfers (to)/from other reserves | - | (856) | - | 856 |
| **Balance at end of the financial year** | **1,192,954** | **591,036** | **592,206** | **9,713** |
|  |  |  |  |  |
| **2023** |  |  |  |  |
| Balance at beginning of the financial year | 1,192,954 | 591,036 | 592,206 | 9,713 |
| Surplus/(deficit) for the year | 41,807 | 41,807 | - | - |
| Net asset revaluation increment/(decrement) | 5,013 | - | 5,013 | - |
| Transfers (to)/from other reserves | (0) | (1,324) | - | 1,324 |
| **Balance at end of the financial year** | **1,239,774** | **631,519** | **597,218** | **11,037** |
|  |  |  |  |  |
| **2024** |  |  |  |  |
| Balance at beginning of the financial year | 1,239,774 | 631,519 | 597,218 | 11,037 |
| Surplus/(deficit) for the year | 40,653 | 40,653 | - | - |
| Net asset revaluation increment/(decrement) | 5,088 | - | 5,088 | - |
| Transfers (to)/from other reserves | 0 | (2,252) | - | 2,252 |
| **Balance at end of the financial year** | **1,285,515** | **669,920** | **602,306** | **13,289** |
|  |  |  |  |  |
| **2025** |  |  |  |  |
| Balance at beginning of the financial year | 1,285,515 | 669,920 | 602,306 | 13,289 |
| Surplus/(deficit) for the year | 34,227 | 34,227 | - | - |
| Net asset revaluation increment/(decrement) | 5,164 | - | 5,164 | - |
| Transfers (to)/from other reserves | 0 | (1,789) | - | 1,789 |
| **Balance at end of the financial year** | **1,324,906** | **702,357** | **607,470** | **15,078** |
|  |  |  |  |  |
| **2026** |  |  |  |  |
| Balance at beginning of the financial year | 1,324,906 | 702,357 | 607,470 | 15,078 |
| Surplus/(deficit) for the year | 37,654 | 37,654 | - | - |
| Net asset revaluation increment/(decrement) | 5,242 | - | 5,242 | - |
| Transfers (to)/from other reserves | (0) | (1,880) | - | 1,880 |
| **Balance at end of the financial year** | **1,367,802** | **738,132** | **612,712** | **16,958** |
|  |  |  |  |  |
| **2027** |  |  |  |  |
| Balance at beginning of the financial year | 1,367,802 | 738,132 | 612,712 | 16,958 |
| Surplus/(deficit) for the year | 42,980 | 42,980 | - | - |
| Net asset revaluation increment/(decrement) | 5,320 | - | 5,320 | - |
| Transfers (to)/from other reserves | (0) | (1,908) | - | 1,908 |
| **Balance at end of the financial year** | **1,416,102** | **779,203** | **618,032** | **18,867** |
|  |  |  |  |  |
| **2028** |  |  |  |  |
| Balance at beginning of the financial year | 1,416,102 | 779,203 | 618,032 | 18,867 |
| Surplus/(deficit) for the year | 40,236 | 40,236 | - | - |
| Net asset revaluation increment/(decrement) | 5,400 | - | 5,400 | - |
| Transfers (to)/from other reserves | 0 | (1,947) | - | 1,947 |
| **Balance at end of the financial year** | **1,461,738** | **817,493** | **623,432** | **20,813** |
|  |  |  |  |  |
| **2029** |  |  |  |  |
| Balance at beginning of the financial year | 1,461,738 | 817,493 | 623,432 | 20,813 |
| Surplus/(deficit) for the year | 31,575 | 31,575 | - | - |
| Net asset revaluation increment/(decrement) | 5,481 | - | 5,481 | - |
| Transfers (to)/from other reserves | 0 | (1,985) | - | 1,985 |
| **Balance at end of the financial year** | **1,498,794** | **847,083** | **628,913** | **22,799** |
|  |  |  |  |  |
| **2030** |  |  |  |  |
| Balance at beginning of the financial year | 1,498,794 | 847,083 | 628,913 | 22,799 |
| Surplus/(deficit) for the year | 33,845 | 33,845 | - | - |
| Net asset revaluation increment/(decrement) | 5,563 | - | 5,563 | - |
| Transfers (to)/from other reserves | 0 | (2,025) | - | 2,025 |
| **Balance at end of the financial year** | **1,538,202** | **878,902** | **634,476** | **24,824** |
|  |  |  |  |  |
| **2031** |  |  |  |  |
| Balance at beginning of the financial year | 1,538,202 | 878,902 | 634,476 | 24,824 |
| Surplus/(deficit) for the year | 34,326 | 34,326 | - | - |
| Net asset revaluation increment/(decrement) | 5,647 | - | 5,647 | - |
| Transfers (to)/from other reserves | (0) | (2,066) | - | 2,066 |
| **Balance at end of the financial year** | **1,578,175** | **911,162** | **640,123** | **26,889** |

* 1. Statement of cash flows

|  | **Forecast / Actual** |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
|  | Inflows | Inflows | Inflows | Inflows | Inflows | Inflows | Inflows | Inflows | Inflows | Inflows | Inflows |
|  | (Outflows) | (Outflows) | (Outflows) | (Outflows) | (Outflows) | (Outflows) | (Outflows) | (Outflows) | (Outflows) | (Outflows) | (Outflows) |
| **Cash flows from operating activities** |  |  |  |  |  |  |  |  |  |  |  |
| Rates and charges | 143,621 | 165,163 | 165,608 | 173,529 | 173,644 | 176,034 | 179,653 | 183,288 | 186,867 | 190,645 | 194,461 |
| Statutory fees and fines | 3,077 | 3,614 | 3,344 | 3,386 | 3,435 | 3,487 | 3,559 | 3,631 | 3,702 | 3,777 | 3,852 |
| User fees | 5,715 | 7,852 | 7,477 | 7,590 | 7,700 | 7,817 | 7,978 | 8,139 | 8,298 | 8,466 | 8,635 |
| Grants - operating | 19,626 | 27,404 | 26,188 | 26,591 | 26,977 | 27,386 | 27,949 | 28,515 | 29,072 | 29,659 | 30,253 |
| Grants - capital | 32,023 | 38,651 | 33,768 | 28,883 | 25,438 | 27,606 | 32,437 | 29,785 | 20,927 | 21,551 | 21,389 |
| Contributions - monetary | 2,118 | 1,898 | 2,304 | 1,852 | 1,880 | 1,908 | 1,947 | 1,985 | 2,025 | 2,066 | 2,107 |
| Interest received | 292 | 1,251 | 1,251 | 1,251 | 1,251 | 1,270 | 1,295 | 1,321 | 1,348 | 1,375 | 1,402 |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - |
| Trust funds and deposits taken | 5,534 | 29 | 30 | 30 | 30 | 31 | 31 | 32 | 32 | 33 | 33 |
| Other receipts | 14,319 | 2,396 | 1,786 | 1,808 | 1,790 | 1,818 | 1,856 | 1,894 | 1,930 | 1,970 | 2,009 |
| Net GST refund / payment | - | 14,392 | 16,386 | 15,443 | 15,541 | 15,602 | 15,389 | 15,430 | 14,698 | 14,314 | 14,281 |
| Employee costs | (70,302) | (75,557) | (72,456) | (73,996) | (75,108) | (76,676) | (78,287) | (79,939) | (81,601) | (83,323) | (85,073) |
| Materials and services | (104,318) | (103,104) | (92,621) | (93,790) | (94,941) | (96,370) | (97,815) | (99,305) | (100,749) | (102,283) | (103,817) |
| Short-term, low value and variable lease payments | - | - | - | - | - | - | - | - | - | - | - |
| Trust funds and deposits repaid | - | - | - | - | - | - | - | - | - | - | - |
| Other payments | (11,025) | (10,010) | (8,984) | (9,119) | (9,251) | (9,392) | (9,533) | (9,678) | (9,819) | (9,968) | (10,118) |
| **Net cash provided by/(used in) operating activities** | 40,680 | 73,979 | 84,081 | 83,459 | 78,386 | 80,521 | 86,460 | 85,099 | 76,730 | 78,279 | 79,415 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from investing activities** |  |  |  |  |  |  |  |  |  |  |  |
| Payments for property, infrastructure, plant and equipment | (60,408) | (85,506) | (100,570) | (91,323) | (88,774) | (88,069) | (84,328) | (83,926) | (73,918) | (68,937) | (67,700) |
| Proceeds from sale of property, infrastructure, plant and equipment | 397 | (2,805) | (2,847) | (2,890) | (2,933) | (2,977) | (3,022) | (3,067) | (3,113) | (3,160) | (3,207) |
| Payments for investments | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds from sale of investments | - | - | - | - | - | - | - | - | - | - | - |
| Loan and advances made | - | - | - | - | - | - | - | - | - | - | - |
| Payments of loans and advances | - | - | - | - | - | - | - | - | - | - | - |
| **Net cash provided by/ (used in) investing activities** | (60,011) | (88,311) | (103,417) | (94,213) | (91,708) | (91,046) | (87,350) | (86,993) | (77,031) | (72,097) | (70,907) |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Cash flows from financing activities** |  |  |  |  |  |  |  |  |  |  |  |
| Finance costs | (1,087) | (1,625) | (1,425) | (1,612) | (2,403) | (3,238) | (3,817) | (4,109) | (4,310) | (4,453) | (4,593) |
| Proceeds from borrowings | 22,050 | 17,150 | 28,400 | 13,400 | 23,000 | 25,500 | 20,500 | 14,500 | 13,222 | 12,776 | 13,677 |
| Repayment of borrowings | (5,089) | (22,448) | (11,936) | (3,501) | (4,840) | (6,365) | (7,684) | (8,734) | (9,758) | (10,797) | (11,783) |
| Interest paid - lease liability | (116) | (116) | (117) | (119) | (121) | (121) | (121) | (121) | (121) | (121) | (121) |
| Repayment of lease liabilities | (498) | (1,829) | (1,603) | (430) | (1,715) | (118) | (43) | (3) | (4) | (4) | (4) |
| **Net cash provided by/(used in) financing activities** | 15,260 | (8,867) | 13,319 | 7,738 | 13,922 | 15,658 | 8,835 | 1,532 | (971) | (2,599) | (2,824) |
| **Net increase/(decrease) in cash & cash equivalents** | (4,071) | (23,200) | (6,017) | (3,016) | 600 | 5,133 | 7,945 | (362) | (1,272) | 3,583 | 5,684 |
| Cash and cash equivalents at the beginning of the financial year | 50,660 | 46,589 | 23,389 | 17,372 | 14,356 | 14,956 | 20,089 | 28,033 | 27,672 | 26,400 | 29,983 |
| **Cash and cash equivalents at the end of the financial year** | 46,589 | 23,389 | 17,372 | 14,356 | 14,956 | 20,089 | 28,033 | 27,672 | 26,400 | 29,983 | 35,667 |

* 1. Statement of capital works

|  | **Forecast / Actual** |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
| **Property** |  |  |  |  |  |  |  |  |  |  |  |
| Land | 1,971 | - | - | - | - | - | - | - | - | - | - |
| Land improvements | - | - | - | - | - | - | - | - | - | - | - |
| **Total land** | 1,971 | - | - | - | - | - | - | - | - | - | - |
| Buildings | 15,494 | 18,529 | 16,370 | 4,724 | 7,352 | 4,232 | 4,297 | 4,640 | 4,710 | 4,780 | 4,851 |
| Heritage buildings | - | - | - | - | - | - | - | - | - | - | - |
| Building improvements | 3,105 | - | - | - | - | - | - | - | - | - | - |
| Leasehold improvements | - | - | - | - | - | - | - | - | - | - | - |
| **Total buildings** | 18,599 | 18,529 | 16,370 | 4,724 | 7,352 | 4,232 | 4,297 | 4,640 | 4,710 | 4,780 | 4,851 |
| **Total property** | 20,570 | 18,529 | 16,370 | 4,724 | 7,352 | 4,232 | 4,297 | 4,640 | 4,710 | 4,780 | 4,851 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Plant and equipment** |  |  |  |  |  |  |  |  |  |  |  |
| Heritage plant and equipment | - | - | - | - | - | - | - | - | - | - | - |
| Plant, machinery and equipment | 2,782 | 3,957 | 3,084 | 2,371 | 2,435 | 2,503 | 2,610 | 2,650 | 2,689 | 2,730 | 2,771 |
| Fixtures, fittings and furniture | 24 | 18 | 18 | 18 | 18 | 19 | 19 | 19 | 20 | 20 | 20 |
| Computers and telecommunications | 2,842 | 917 | 508 | 363 | 802 | 387 | 399 | 580 | 538 | 784 | 454 |
| Library books | - | - | - | - | - | - | - | - | - | - | - |
| **Total plant and equipment** | 5,648 | 4,892 | 3,610 | 2,752 | 3,255 | 2,909 | 3,028 | 3,249 | 3,247 | 3,534 | 3,245 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Infrastructure** |  |  |  |  |  |  |  |  |  |  |  |
| Roads | 14,621 | 18,868 | 37,139 | 52,146 | 43,225 | 43,166 | 40,080 | 36,846 | 9,136 | 9,247 | 9,361 |
| Bridges | 415 | 1,794 | 465 | 472 | 479 | 486 | 494 | 501 | 509 | 516 | 524 |
| Footpaths and cycleways | 4,373 | 2,106 | 3,084 | 2,123 | 1,970 | 1,386 | 1,406 | 1,427 | 1,449 | 1,470 | 1,493 |
| Drainage | 962 | 1,347 | 1,934 | 1,581 | 1,605 | 1,030 | 1,112 | 512 | 520 | 527 | 535 |
| Recreational, leisure and community facilities | 5,652 | 8,830 | 4,596 | 3,392 | 2,679 | 2,085 | 2,210 | 2,244 | 2,279 | 2,309 | 2,344 |
| Waste management | - | - | - | - | - | - | - | - | - | - | - |
| Parks, open space and streetscapes | 7,629 | 15,915 | 11,819 | 2,339 | 2,592 | 1,740 | 1,766 | 1,791 | 1,818 | 1,845 | 1,872 |
| Aerodromes | - | - | - | - | - | - | - | - | - | - | - |
| Off street car parks | 1,021 | 505 | 441 | 484 | 491 | 499 | 506 | 514 | 521 | 529 | 537 |
| Other infrastructure | 6,226 | 4,947 | 11,969 | 13,008 | 17,056 | 22,530 | 21,763 | 24,572 | 43,009 | 37,913 | 36,783 |
| **Total infrastructure** | 40,899 | 54,312 | 71,447 | 75,545 | 70,097 | 72,922 | 69,337 | 68,407 | 59,241 | 54,356 | 53,449 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Total capital works expenditure** | 67,117 | 77,733 | 91,427 | 83,021 | 80,704 | 80,063 | 76,662 | 76,296 | 67,198 | 62,670 | 61,545 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Represented by:** |  |  |  |  |  |  |  |  |  |  |  |
| New asset expenditure | 15,125 | 25,728 | 13,861 | 2,387 | 2,957 | 2,648 | 2,723 | 2,225 | 2,997 | 3,077 | 3,100 |
| Asset renewal expenditure | 20,615 | 27,752 | 36,088 | 33,549 | 36,500 | 33,859 | 33,584 | 36,193 | 32,748 | 35,991 | 35,418 |
| Asset expansion expenditure | 7,994 | 10,127 | 4,514 | 1,789 | 1,838 | 2,093 | 2,093 | 2,202 | 2,973 | 3,053 | 3,074 |
| Asset upgrade expenditure | 23,383 | 26,032 | 36,964 | 45,296 | 39,409 | 41,463 | 38,262 | 35,676 | 28,480 | 20,549 | 19,953 |
| **Total capital works expenditure** | 67,117 | 89,638 | 91,427 | 83,021 | 80,704 | 80,063 | 76,662 | 76,296 | 67,198 | 62,670 | 61,545 |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Funding sources represented by:** |  |  |  |  |  |  |  |  |  |  |  |
| Grants | 20,563 | 36,424 | 33,692 | 28,512 | 25,212 | 27,860 | 25,887 | 24,114 | 20,180 | 21,685 | 21,375 |
| Contributions | 631 | 1,178 | 8,912 | 12,459 | 9,133 | 8,194 | 6,976 | 5,406 | - | - | - |
| Council cash | 23,873 | 34,886 | 20,423 | 28,650 | 23,359 | 18,509 | 23,299 | 24,276 | 33,796 | 28,209 | 26,493 |
| Borrowings | 22,050 | 17,150 | 28,400 | 13,400 | 23,000 | 25,500 | 20,500 | 22,500 | 13,222 | 12,776 | 13,677 |
| **Total capital works expenditure** | 67,117 | 89,638 | 91,427 | 83,021 | 80,704 | 80,063 | 76,662 | 76,296 | 67,198 | 62,670 | 61,545 |

* 1. Statement of human resources

The *Gender Equality Act 2020* (which took effect from 31 March 2021) will improve workplace gender equality across the Victorian public sector, universities and local councils. The legislation requires organisations to regularly collect and report data on gender equity in the workplace by doing workplace gender audits. Council is currently undertaking a gender audit and collecting data on gender categories. These categories will be disclosed in future iterations of the Annual Budget and Financial Plan.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |
| **Expenditure summary** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
| **Total staff expenditure** |  |  |  |  |  |  |  |  |  |  |
| Female | 34,172 | 34,686 | 35,207 | 35,735 | 36,485 | 37,251 | 38,034 | 38,832 | 39,648 | 40,480 |
| Male | 23,874 | 24,348 | 25,174 | 25,551 | 26,088 | 26,636 | 27,195 | 27,766 | 28,349 | 28,944 |
| Self-described gender | 47 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 |
| Casual, temporary or other | 13,260 | 13,419 | 13,620 | 13,826 | 14,096 | 14,007 | 13,911 | 13,808 | 13,696 | 13,577 |
| **Total staff expenditure** | 71,353 | 72,500 | 74,047 | 75,159 | 76,717 | 77,943 | 79,190 | 80,458 | 81,745 | 83,056 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Permanent full time** |  |  |  |  |  |  |  |  |  |  |
| Female | 24,445 | 24,926 | 25,300 | 25,679 | 26,218 | 26,769 | 27,331 | 27,905 | 28,491 | 29,089 |
| Male | 22,801 | 23,276 | 24,085 | 24,447 | 24,960 | 25,484 | 26,019 | 26,566 | 27,124 | 27,693 |
| **Total** | 47,246 | 48,202 | 49,385 | 50,126 | 51,178 | 52,253 | 53,350 | 54,471 | 55,615 | 56,783 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Permanent part time** |  |  |  |  |  |  |  |  |  |  |
| Female | 9,726 | 9,761 | 9,907 | 10,056 | 10,267 | 10,482 | 10,703 | 10,927 | 11,157 | 11,391 |
| Male | 1,074 | 1,072 | 1,088 | 1,105 | 1,128 | 1,151 | 1,176 | 1,200 | 1,226 | 1,251 |
| **Total** | 10,800 | 10,833 | 10,995 | 11,160 | 11,395 | 11,634 | 11,878 | 12,128 | 12,382 | 12,642 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |
| **FTE Summary** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|  | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** |
| **Total staff numbers** |  |  |  |  |  |  |  |  |  |  |
| Female | 328.5 | 327.7 | 327.7 | 327.7 | 327.7 | 327.7 | 327.7 | 327.7 | 327.7 | 327.7 |
| Male | 222.6 | 226.6 | 226.6 | 226.6 | 226.6 | 226.6 | 226.6 | 226.6 | 226.6 | 226.6 |
| Self-described gender | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Casual, temporary or other | 150.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 |
| **Total staff numbers** | 702.5 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Permanent full time** |  |  |  |  |  |  |  |  |  |  |
| Female | 225.1 | 224.3 | 224.3 | 224.3 | 224.3 | 224.3 | 224.3 | 224.3 | 224.3 | 224.3 |
| Male | 209.4 | 213.4 | 213.4 | 213.4 | 213.4 | 213.4 | 213.4 | 213.4 | 213.4 | 213.4 |
| **Total** | 434.5 | 437.7 | 437.7 | 437.7 | 437.7 | 437.7 | 437.7 | 437.7 | 437.7 | 437.7 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Permanent part time** |  |  |  |  |  |  |  |  |  |  |
| Female | 103.4 | 103.4 | 103.4 | 103.4 | 103.4 | 103.4 | 103.4 | 103.4 | 103.4 | 103.4 |
| Male | 13.1 | 13.1 | 13.1 | 13.1 | 13.1 | 13.1 | 13.1 | 13.1 | 13.1 | 13.1 |
| **Total** | 116.5 | 116.5 | 116.5 | 116.5 | 116.5 | 116.5 | 116.5 | 116.5 | 116.5 | 116.5 |
|  |  |  |  |  |  |  |  |  |  |  |
| Employees | 702.5 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 |
| Total staff numbers | 702.5 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 | 698.6 |

* 1. Planned human resource expenditure

| **Expenditure by department** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Communities** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 11,023 | 10,921 | 11,084 | 11,251 | 11,487 | 11,728 | 11,974 | 12,226 | 12,483 | 12,745 |
| Female | 8,815 | 8,733 | 8,864 | 8,997 | 9,186 | 9,379 | 9,576 | 9,777 | 9,982 | 10,192 |
| Male | 2,208 | 2,188 | 2,220 | 2,254 | 2,301 | 2,349 | 2,399 | 2,449 | 2,501 | 2,553 |
| Permanent - Part time | 7,376 | 7,308 | 7,417 | 7,528 | 7,687 | 7,848 | 8,013 | 8,181 | 8,353 | 8,528 |
| Female | 6,657 | 6,596 | 6,695 | 6,795 | 6,938 | 7,083 | 7,232 | 7,384 | 7,539 | 7,697 |
| Male | 719 | 712 | 723 | 733 | 749 | 765 | 781 | 797 | 814 | 831 |
| **Total Environment & Infrastructure** | 18,399 | 18,228 | 18,502 | 18,779 | 19,173 | 19,576 | 19,987 | 20,407 | 20,835 | 21,273 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Corporate Services** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 9,728 | 10,314 | 10,469 | 10,626 | 10,849 | 11,077 | 11,310 | 11,547 | 11,790 | 12,037 |
| Female | 5,713 | 6,059 | 6,149 | 6,242 | 6,373 | 6,507 | 6,643 | 6,783 | 6,925 | 7,071 |
| Male | 4,015 | 4,256 | 4,320 | 4,384 | 4,476 | 4,570 | 4,666 | 4,764 | 4,864 | 4,967 |
| Permanent - Part time | 1,465 | 1,551 | 1,575 | 1,598 | 1,632 | 1,666 | 1,701 | 1,737 | 1,773 | 1,810 |
| Female | 1,349 | 1,428 | 1,450 | 1,471 | 1,502 | 1,534 | 1,566 | 1,599 | 1,632 | 1,667 |
| Male | 116 | 123 | 125 | 127 | 129 | 132 | 135 | 138 | 141 | 144 |
| **Total Communities** | 11,193 | 11,866 | 12,044 | 12,224 | 12,481 | 12,743 | 13,011 | 13,284 | 13,563 | 13,848 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Environment & Infrastructure** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 16,118 | 16,546 | 17,255 | 17,513 | 17,881 | 18,257 | 18,640 | 19,031 | 19,431 | 19,839 |
| Female | 3,700 | 3,843 | 3,901 | 3,959 | 4,042 | 4,127 | 4,214 | 4,302 | 4,393 | 4,485 |
| Male | 12,418 | 12,703 | 13,354 | 13,554 | 13,839 | 14,130 | 14,426 | 14,729 | 15,039 | 15,354 |
| Permanent - Part time | 809 | 821 | 833 | 846 | 863 | 882 | 900 | 919 | 938 | 958 |
| Female | 763 | 774 | 785 | 797 | 814 | 831 | 848 | 866 | 884 | 903 |
| Male | 47 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 |
| **Total Corporate Services** | 16,928 | 17,367 | 18,088 | 18,359 | 18,745 | 19,138 | 19,540 | 19,950 | 20,369 | 20,797 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Planning, Design and Development** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 7,864 | 7,766 | 7,883 | 8,001 | 8,169 | 8,341 | 8,516 | 8,695 | 8,877 | 9,064 |
| Female | 4,036 | 3,987 | 4,046 | 4,107 | 4,193 | 4,281 | 4,371 | 4,463 | 4,557 | 4,652 |
| Male | 3,828 | 3,780 | 3,836 | 3,894 | 3,976 | 4,059 | 4,144 | 4,231 | 4,320 | 4,411 |
| Permanent - Part time | 895 | 884 | 897 | 911 | 930 | 950 | 969 | 990 | 1,011 | 1,032 |
| Female | 703 | 694 | 705 | 715 | 730 | 746 | 761 | 777 | 794 | 810 |
| Male | 192 | 190 | 193 | 196 | 200 | 204 | 208 | 212 | 217 | 222 |
| **Total Planning, Design & Development** | 8,759 | 8,650 | 8,780 | 8,912 | 9,099 | 9,290 | 9,485 | 9,684 | 9,888 | 10,095 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Office of the CEO** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 2,513 | 2,654 | 2,694 | 2,735 | 2,792 | 2,851 | 2,911 | 2,972 | 3,034 | 3,098 |
| Female | 2,182 | 2,305 | 2,339 | 2,374 | 2,424 | 2,475 | 2,527 | 2,580 | 2,634 | 2,690 |
| Male | 331 | 350 | 355 | 360 | 368 | 375 | 383 | 391 | 400 | 408 |
| Permanent - Part time | 255 | 269 | 273 | 277 | 283 | 289 | 295 | 301 | 307 | 314 |
| Female | 255 | 269 | 273 | 277 | 283 | 289 | 295 | 301 | 307 | 314 |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Office of the CEO** | 2,767 | 2,923 | 2,967 | 3,012 | 3,075 | 3,139 | 3,205 | 3,273 | 3,341 | 3,412 |
| **Casuals, temporary or other** | 13,260 | 13,419 | 13,620 | 13,826 | 14,096 | 14,007 | 13,911 | 13,808 | 13,696 | 13,577 |
| **Self-described gender** | 47 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 |
| **Total staff expenditure** | **71,353** | **72,500** | **74,047** | **75,159** | **76,717** | **77,943** | **79,190** | **80,458** | **81,745** | **83,056** |

| **FTE by department** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** | **FTE** |
| **Communities** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 103.1 | 102.3 | 102.3 | 102.3 | 102.3 | 102.3 | 102.3 | 102.3 | 102.3 | 102.3 |
| Female | 84.1 | 83.3 | 83.3 | 83.3 | 83.3 | 83.3 | 83.3 | 83.3 | 83.3 | 83.3 |
| Male | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 |
| Permanent - Part time | 83.2 | 83.2 | 83.2 | 83.2 | 83.2 | 83.2 | 83.2 | 83.2 | 83.2 | 83.2 |
| Female | 73.7 | 73.7 | 73.7 | 73.7 | 73.7 | 73.7 | 73.7 | 73.7 | 73.7 | 73.7 |
| Male | 9.6 | 9.6 | 9.6 | 9.6 | 9.6 | 9.6 | 9.6 | 9.6 | 9.6 | 9.6 |
| **Total Communities** | 186.3 | 185.5 | 185.5 | 185.5 | 185.5 | 185.5 | 185.5 | 185.5 | 185.5 | 185.5 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Corporate Services** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 86.8 | 86.8 | 86.8 | 86.8 | 86.8 | 86.8 | 86.8 | 86.8 | 86.8 | 86.8 |
| Female | 55.0 | 55.0 | 55.0 | 55.0 | 55.0 | 55.0 | 55.0 | 55.0 | 55.0 | 55.0 |
| Male | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 |
| Permanent - Part time | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 | 14.8 |
| Female | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 |
| Male | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| **Total Corporate Services** | 101.6 | 101.6 | 101.6 | 101.6 | 101.6 | 101.6 | 101.6 | 101.6 | 101.6 | 101.6 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Environment & Infrastructure** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 158.6 | 164.4 | 164.4 | 164.4 | 164.4 | 164.4 | 164.4 | 164.4 | 164.4 | 164.4 |
| Female | 34.2 | 35.0 | 35.0 | 35.0 | 35.0 | 35.0 | 35.0 | 35.0 | 35.0 | 35.0 |
| Male | 124.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 | 129.5 |
| Permanent - Part time | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 |
| Female | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 |
| Male | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **Total Environment & Infrastructure** | 166.1 | 171.9 | 171.9 | 171.9 | 171.9 | 171.9 | 171.9 | 171.9 | 171.9 | 171.9 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Planning, Design & Development** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 67.5 | 65.7 | 65.7 | 65.7 | 65.7 | 65.7 | 65.7 | 65.7 | 65.7 | 65.7 |
| Female | 36.3 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 |
| Male | 31.2 | 30.2 | 30.2 | 30.2 | 30.2 | 30.2 | 30.2 | 30.2 | 30.2 | 30.2 |
| Permanent - Part time | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| Female | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 | 7.1 |
| Male | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| **Total Planning, Design & Development** | 76.5 | 74.7 | 74.7 | 74.7 | 74.7 | 74.7 | 74.7 | 74.7 | 74.7 | 74.7 |
|  |  |  |  |  |  |  |  |  |  |  |
| **Office of the CEO** |  |  |  |  |  |  |  |  |  |  |
| Permanent - Full time | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 |
| Female | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 | 15.5 |
| Male | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Permanent - Part time | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Female | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Male | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total Office of the CEO** | 20.5 | 20.5 | 20.5 | 20.5 | 20.5 | 20.5 | 20.5 | 20.5 | 20.5 | 20.5 |
| **Casuals, temporary and other expenditure** | 150.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 | 143.8 |
| **Self-described gender** | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| **Total staff numbers** | **702.5** | **698.6** | **698.6** | **698.6** | **698.6** | **698.6** | **698.6** | **698.6** | **698.6** | **698.6** |

1. 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** | **Forecast Actual** |  |  |  |  |  |  |  |  |  |  |
| **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
| ***Operating position*** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Adjusted underlying result | Adjusted underlying surplus (deficit) / Adjusted underlying revenue | 1 | -3.9% | -2.4% | 1.7% | 3.7% | 2.1% | 2.4% | 2.5% | 2.7% | 2.9% | 3.1% | 3.4% |
| ***Liquidity*** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Working Capital | Current assets / current liabilities | 2 | 150.4% | 111.2% | 121.3% | 109.5% | 101.8% | 111.9% | 128.6% | 124.0% | 116.4% | 122.0% | 131.7% |
| Unrestricted cash | Unrestricted cash / current liabilities | 3 | 81.0% | 49.3% | 38.9% | 22.6% | 17.6% | 24.9% | 38.5% | 31.8% | 23.4% | 26.1% | 33.1% |
| ***Obligations*** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loans and borrowings | Interest bearing loans and borrowings / rate revenue | 4 | 21.0% | 16.5% | 26.6% | 32.3% | 42.7% | 53.6% | 60.1% | 62.2% | 63.0% | 62.8% | 62.6% |
| Loans and borrowings | Interest and principal repayments on interest bearing loans and borrowings / rate revenue |  | 4.2% | 15.6% | 8.5% | 3.2% | 4.4% | 5.8% | 6.8% | 7.4% | 8.0% | 8.5% | 8.9% |
| Indebtedness | Non-current liabilities / own source revenue |  | 19.8% | 12.4% | 25.2% | 29.7% | 38.0% | 46.9% | 52.1% | 53.5% | 53.7% | 53.1% | 52.5% |
| Asset renewal | Asset renewal and upgrade expense / Asset depreciation | 5 | 149.4% | 162.0% | 215.7% | 255.3% | 233.8% | 237.6% | 223.0% | 218.8% | 131.8% | 110.9% | 107.6% |
| ***Stability*** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rates concentration | Rate revenue / adjusted underlying revenue | 6 | 75.1% | 80.6% | 77.9% | 76.6% | 77.9% | 77.9% | 77.9% | 77.9% | 77.9% | 77.9% | 77.9% |
| Rates effort | Rate revenue / CIV of rateable properties in the municipality |  | 0.3% | 0.4% | 0.3% | 0.3% | 0.3% | 0.3% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Measure** | **Notes** | **Forecast Actual** |  |  |  |  |  |  |  |  |  |  |
|  |  |  | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
| ***Efficiency*** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Expenditure level | Total expenses/ no. of property assessments |  | $3,080 | $2,985 | $3,024 | $3,074 | $3,128 | $3,165 | $3,226 | $3,285 | $3,344 | $3,402 | $3,462 |
| Revenue level | Total rate revenue / no. of property assessments |  | $2,231 | $2,367 | $2,524 | $2,632 | $2,630 | $2,669 | $2,723 | $2,777 | $2,833 | $2,889 | $2,947 |

#### 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. A key goal of the long term financial plan is to maintain a positive adjusted underlying surplus. The adjusted underlying result is expected to improve from its current deficit position in 2020-21 and 2021-22 and steadily increases into the future.

The following table shows how the adjusted underlying result is calculated

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Forecast / Actual** |  |  |  |  |  |  |  |  |  |  |
|  | |  | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|  | |  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Income | |  | 219,962 | 232,529 | 240,573 | 242,803 | 239,984 | 245,852 | 255,214 | 256,319 | 251,515 | 257,646 | 262,056 |
| Total expenses | |  | 202,322 | 196,183 | 198,766 | 202,149 | 205,757 | 208,198 | 212,234 | 216,082 | 219,940 | 223,801 | 227,730 |
| **Surplus/(deficit) for the year** | |  | **17,640** | **36,347** | **41,807** | **40,653** | **34,227** | **37,654** | **42,980** | **40,236** | **31,575** | **33,845** | **34,326** |
|  | |  |  |  |  |  |  |  |  |  |  |  |  |
| **Less non-operating income and expenses** | |  |  |  |  |  |  |  |  |  |  |  |  |
| Grants - Capital (non-recurrent) | |  | (20,563) | (36,424) | (33,587) | (28,506) | (25,214) | (27,861) | (32,863) | (29,520) | (20,180) | (21,685) | (21,375) |
| Contributions - monetary (capital) | |  | (2,118) | (1,898) | (2,304) | (1,852) | (1,880) | (1,908) | (1,947) | (1,985) | (2,025) | (2,066) | (2,107) |
| Contributions - non-monetary | |  | (2,500) | (2,538) | (2,576) | (2,614) | (2,653) | (2,693) | (2,734) | (2,775) | (2,816) | (2,858) | (2,901) |
| **Adjusted underlying surplus/(deficit)** | |  | **(7,541)** | **(4,513)** | **3,340** | **7,681** | **4,479** | **5,192** | **5,437** | **5,956** | **6,553** | **7,236** | **7,942** |
|  |  |  | **-3.9%** | **-2.4%** | **1.7%** | **3.7%** | **2.1%** | **2.4%** | **2.5%** | **2.7%** | **2.9%** | **3.1%** | **3.4%** |

1. **Working capital**

The proportion of current liabilities represented by current assets. This measures the ability to pay existing liabilities in the next 12 months. A percentage greater than 100% means there are more short term assets than short term liabilities. Council needs to ensure working capital is maintained such that sufficient cash reserves are available to meet normal cash flow requirements.

Council will be investing heavily in its capital works program by fully utilising cash reserves and taking advantage of the low interest rate environment through borrowings.

1. **Unrestricted cash**

Unrestricted cash relates to funds that are readily available and is not tied to any particular purpose and is primarily used for meeting liquidity needs and to fund unanticipated items. Council forecasts a decline in this ratio as it increases borrowings to fund the capital works program.

1. **Loans and borrowings**

Council’s current plan includes borrowings for capital expenditure. Council’s indebtedness ratio will increase over the forecast period, with the trend indicating Council’s reliance on debt against its annual rate revenue. This will be refined each year as borrowings requirements become clearer and are utilised to deliver infrastructure to the community.

Council has factored in additional borrowings to support the work being carried out sealing Council’s unsealed road network, for which owners will contribute through a special charge scheme. The repayment of the special charge scheme is over 10 years.

1. **Asset renewal**

This percentage indicates the extent of Council’s investment in renewal and upgrade capital works against its depreciation (an indication of the decline in value of its existing 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 or upgraded, with considerable future capital investment required to retain these assets in working condition.

Yarra Ranges has previously identified its intention to work towards closing the asset renewal gap, and the increased percentage in the next few years reflects that commitment. The decline of this percentage from its peak of 237.6% in 2025/26 recognises the closing of the gap and the decrease in investment required. Council will continue to balance the need for new, renewal and upgrade works, and ensure renewal projects are prioritised to ensure funds are directed where needed the most.

1. **Rates concentration**

This ratio reflects the reliance on rate revenue to fund all of Council’s ongoing services. The trend indicates Council will still be consistently reliant on rate revenue compared to all other revenue sources.

1. Strategies and plans

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

* 1. Borrowing strategy

Borrowings will be considered as an option to fund the acquisition of assets where a detailed business case analysis factoring in actual and opportunity costs indicates that borrowing is the most economical funding method and that recurrent operating and maintenance costs can be met in the operating budget.

The cost of capital works under Resident Special Charge Schemes will be funded through borrowings (if required) to the extent that property owners are responsible for the cost of repayment.

Borrowing will not be utilised as an option to fund ongoing operational expenditure but will be undertaken to support funding of capital items identified as part of the approved extended 10-year capital works program that could not otherwise be funded from ongoing income sources.

* + 1. Current debt position

Council currently has a low level of indebtedness; however, this is expected to change due to Council continuing to deliver on its capital works program despite the restrictions on the growth of its rate revenue due to the rate cap. Council has factored in additional borrowings to fund a portion of a significant road sealing program, which will be paid by the benefiting property owners through a special charge scheme that will be recovered over a period of 10 years.

Borrowings can be accommodated within the financial model without compromising the overall financial sustainability of the organisation. At forecast levels, Council’s borrowing profile remains low-to-medium risk over the 10-year period.

* + 1. 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.

Council has separately identified borrowings which are attributable to delivering the Roads for the Community Initiative (RCI). Borrowings for this program are repayable by residents through a Special Charge Scheme (included in their rates notice) and therefore carry a lower risk profile than other borrowings.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Forecast / Actual** |  |  |  |  |  |  |  |  |  |  |
|  | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |
| **Opening balance** | 36,549 | 30,747 | 25,449 | 41,913 | 51,812 | 69,972 | 89,107 | 101,923 | 107,688 | 111,153 | 113,131 |
| Plus New loans |  |  |  |  |  |  |  |  |  |  |  |
| - Roads for the Community Initiative (RCI) | - | - | 8,410 | 6,119 | 8,880 | 8,193 | - | - | - | - | - |
| - All others | - | 17,150 | 19,990 | 7,281 | 14,120 | 17,307 | 20,500 | 14,500 | 13,222 | 12,776 | 13,677 |
| Less Principal repayment | (5,802) | (22,448) | (11,936) | (3,501) | (4,840) | (6,365) | (7,684) | (8,734) | (9,758) | (10,797) | (11,783) |
| **Closing balance** | 30,747 | 25,449 | 41,913 | 51,812 | 69,972 | 89,107 | 101,923 | 107,688 | 111,153 | 113,131 | 115,025 |
| Interest payment | 1,203 | 1,625 | 1,425 | 1,612 | 2,403 | 3,238 | 3,817 | 4,109 | 4,310 | 4,453 | 4,593 |

* + 1. Performance indicators

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Performance Indicator** | **Target** | **Forecast / Actual** |  |  |  |  |  |  |  |  |  |  |
|  | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** | **2030/31** |
|  | **%** | **%** | **%** | **%** | **%** | **%** | **%** | **%** | **%** | **%** | **%** |
| Total borrowings / Rate revenue | Below 65% | 21.0% | 16.5% | 26.6% | 32.3% | 42.7% | 53.6% | 60.1% | 62.2% | 63.0% | 62.8% | 62.6% |
| Total borrowings (excl RCI) / Rate revenue | Below 65% | 21.0% | 16.5% | 21.3% | 23.2% | 28.4% | 34.6% | 41.5% | 44.0% | 45.1% | 45.3% | 45.4% |
| Debt servicing / Rate revenue | Below 5% | 0.5% | 0.7% | 0.6% | 0.7% | 1.0% | 1.3% | 1.5% | 1.6% | 1.7% | 1.7% | 1.7% |
| Debt commitment / Rate revenue | Below 10% | 4.1% | 14.8% | 7.7% | 2.8% | 4.0% | 5.3% | 6.2% | 6.8% | 7.3% | 7.7% | 8.1% |
| Indebtedness / Own source revenue | Below 60% | 19.6% | 15.3% | 23.8% | 28.3% | 38.2% | 47.9% | 53.7% | 55.7% | 56.3% | 56.2% | 56.0% |

* 1. Reserves strategy
     1. Current reserves

Public Open Space Reserve

Purpose – The Public 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 according 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) compromise contribution income from subdividers in lieu of the 5.0% Public Open Space requirement. Transfers from the reserve (outflows) are applied to Open Space capital projects on an annual basis.

* + 1. 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 is to align with the Statement of Changes in Equity.

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

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Reserves** | **2020-21** | **2021-22** | **2022-23** | **2023-24** | **2024-25** | **2025-26** | **2026-27** | **2027-28** | **2028-29** | **2029-30** | **2030-31** |
| **$000's** | **$000's** | **$000's** | **$000's** | **$000's** | **$000's** | **$000's** | **$000's** | **$000's** | **$000's** | **$000's** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Public Open Space Reserve** |  |  |  |  |  |  |  |  |  |  |  |
| **Opening balance** | 8,857 | 8,857 | 9,713 | 11,037 | 13,289 | 15,078 | 16,958 | 18,867 | 20,813 | 22,799 | 24,824 |
| Transfer to reserve |  | 2,118 | 1,898 | 2,304 | 1,852 | 1,880 | 1,908 | 1,947 | 1,985 | 2,025 | 2,066 |
| Transfer from reserve |  | (1,262) | (574) | (52) | (63) | - | - | - | - | - | - |
| **Closing balance** | **8,857** | **9,713** | **11,037** | **13,289** | **15,078** | **16,958** | **18,867** | **20,813** | **22,799** | **24,824** | **26,889** |

A picture containing shape

Description automatically generated