

Draft 10 Year Financial Plan

2021 - 2031



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1. Executive Summary

In the MV2040 Strategy, Moonee Valley Council's vision is: *a great place to live, work and visit, strengthened by a network of 20-minute neighbourhoods.*

A key part of this vision is the notion of fairness and equity in the decisions that Council makes. This is particularly relevant to the way in which Council raises income and allocates expenditure to fund the many services it delivers and infrastructure that it maintains and upgrades. The principles of fairness and equity guide the actions of Council and underpin the development of this Financial Plan. This is the first year a 10 Year Financial Plan has been prepared. Each year, when the budget is prepared, the Financial Plan will be reviewed and a forecast for the next 10 years provided.

The Financial Plan supports Council achieving its goals within a framework of financial sustainability. Financial sustainability in the longer term means that planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

The key objectives set out in this plan are:

Service levels	We will maintain the scope and standard of ongoing services provided to the Moonee Valley community and be flexible to address changing community needs with innovative services and facilities.
Capital works asset renewal	We will focus on renewing community assets such as roads, footpaths, open space and buildings to ensure they are maintained at an appropriate standard to meet required service levels.
Operating performance	We will ensure that Council generates sufficient ongoing income to fund its services and capital works commitments over the longer term.
Cash and liquidity	We will ensure Council holds sufficient cash and other assets in order to meet payment obligations to suppliers and employees.

The objectives are each measured with specific financial indicators. Collectively, they indicate the financial sustainability of the Council.

A review of the indicators show that the Council is insolvent by 2023/24 if the current level of revenue and expenditure is maintained. One reason the Council's financial position has deteriorated in recent years, is the introduction of rate capping by the Victorian Government in 2016. The rate cap is set each year by the Minister for Local Government and since 2016 has been set at 1.5% p.a.

To address the Council's deteriorating financial position, the Council will review all services, service levels and the capital works program by understanding the expectations and future needs of the Moonee Valley community. This work will inform the services provided by the Council and ensure the Council remains financially sustainable.

2. Links to MV2040

The MV2040 Strategy (the Strategy) is Moonee Valley City Council's long-term plan for improving the health, vibrancy and resilience of our city over the next two decades. It has been prepared to shape the type of city and neighbourhoods we want to live in.

Vision Statement

In 2040 Moonee Valley is a great place to live, work and visit, strengthened by a network of 20-minute neighbourhoods. Our neighbourhoods allow all people, at all stages of life, to live locally, accessing most of their needs close to their home. Our neighbourhoods are beautiful, sustainable and hold strong community connections which enable citizens and the environment to be healthy and resilient.

Building Blocks for a Healthy City

Moonee Valley will engage in partnership with the community to lead and develop:

- A **fair** city that values diversity, where everyone feels safe, is included, and has access to services and housing.
- A **thriving** city with access to jobs, lifelong learning, vibrant and dynamic activity centres.
- A **connected** city of accessible, active and sustainable transport choices.
- A **green** city that is ecologically healthy and environmentally responsible.
- A **beautiful** city that celebrates its identity, heritage and open spaces.

Principles

The Strategy outlines a framework for Moonee Valley to become a healthy city by 2040. The following principles will guide all decisions and actions by Council in the delivery of the Strategy.

1. 20-Minute Neighbourhood Planning
2. Access, Inclusion and Equity
3. Sustainability
4. Effective and Transparent Governance

Financial sustainability will be crucial. Delivering to expectations with an increasingly ageing Community, and a growing population living more proximate to one another will place additional pressures on Council assets and services. Council must continue to engage with our community to understand their priorities for expenditure and to ensure quality, value outcomes are achieved.

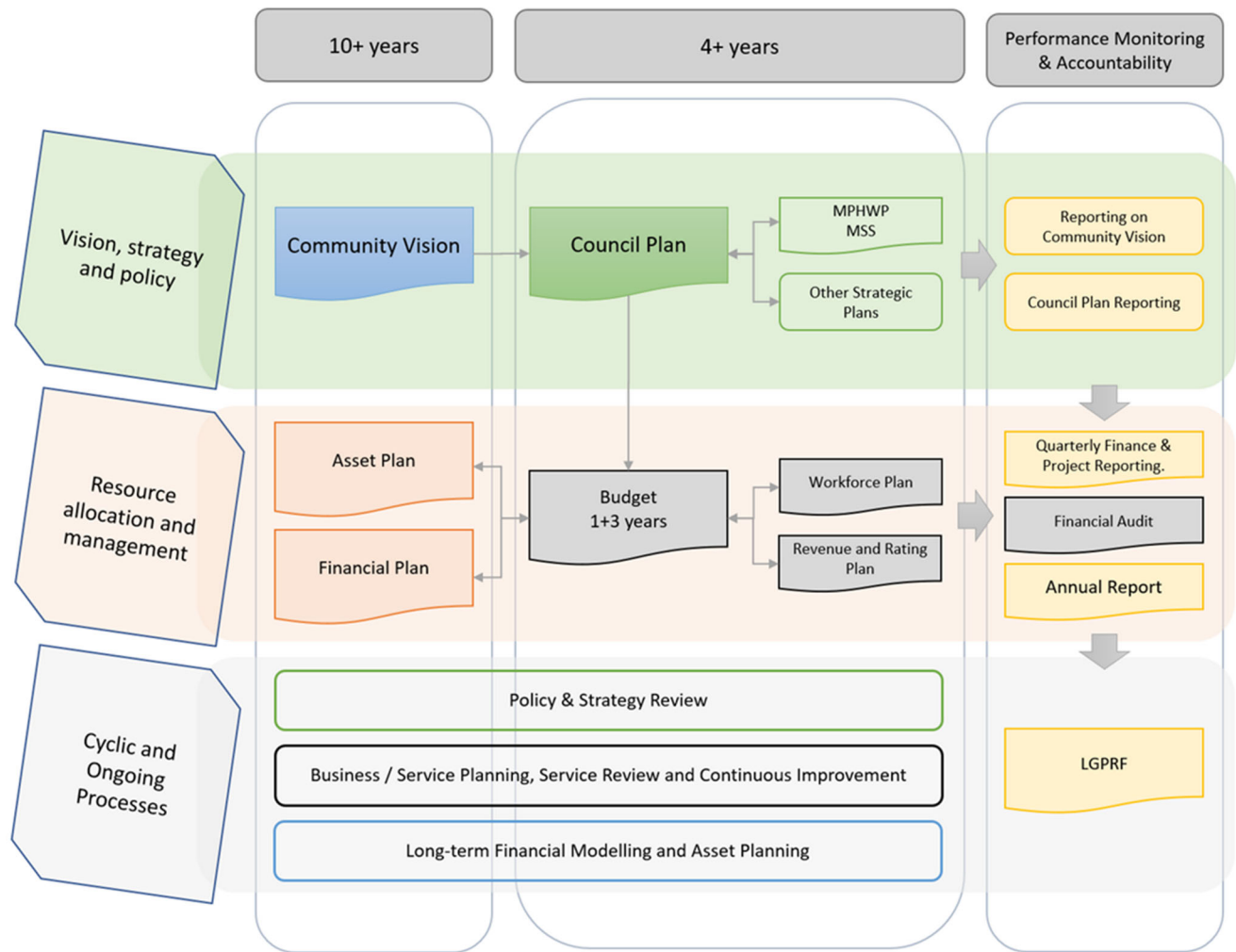
2. Legislative Requirements

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 the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

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



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



1.1 Strategic Planning Principles

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

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

1.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

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

1.3 Engagement Principles

Council has developed a comprehensive community engagement framework and has implemented the following engagement process to ensure due consideration and feedback is received from relevant stakeholders.

- a) Extensive community engagement program to test Community Vision and develop the Council and Financial Plans including online surveys, neighbourhood events, community workshops and hosted conversations. (June-July)
- b) Moonee Valley Community Assembly deliberates on service priorities for the budget. (July)
- c) The Draft Council and Financial Plans prepared by management (July-August);
- d) The Draft Council and Financial Plans are put out for community consultation for 19 days on Your Say Moonee Valley for feedback (September)
- e) Hearing of public submissions to the Council and Financial Plans (September);
- f) The Draft Council and Financial Plans, including any revisions, presented to (October) Council meeting for adoption.

1.4 Service Performance Principles

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

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.

- b) Services are accessible to the relevant users within the community.
- c) Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate council's performance regarding the provision of quality and efficient services.
- d) Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- e) Council is developing a service delivery framework that considers and responds to community feedback and complaints regards service provision.

1.5 Asset Plan Integration

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

3. Financial Plan Context

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

2.1 Financial Policy Statements

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

The following measures need to be read in conjunction with each other as no single indicator can be taken as the sole indicator of financial sustainability.

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	
Operating position														
Consistent underlying surplus results	Adjusted underlying result greater than \$0	\$0	\$5,846	\$2,286	\$7,730	\$7,127	\$7,331	\$6,534	\$5,687	\$5,230	\$5,116	\$4,994	\$4,865	
Liquidity														
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities greater than 1.25	1.25	1.55	1.55	1.33	0.96	0.91	0.63	0.32	-0.18	-0.32	-0.66	-0.86	
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Unrestricted cash / current liabilities to be maintained above 80%	80%	115%	114%	91%	53%	48%	20%	-13%	-63%	-79%	-115%	-136%	
Obligations														
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Asset renewal and upgrade expenses / Depreciation above 100%	100%	36%	72%	115%	139%	118%	101%	92%	93%	91%	100%	89%	
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings / Rate revenue to remain below 60%	60%	0%	8%	14%	21%	26%	36%	47%	50%	46%	41%	37%	
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for new and renewal capital.	Capital Outlays as a % of Own Source Revenue to remain above 30%	30%	30%	25%	37%	36%	29%	38%	32%	32%	22%	29%	24%	

2.2 Strategic Actions

Following a series of community engagement activities, Council has identified the following strategic actions that will support the aspirations of the Council Plan.

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

- Increase investment in renewal capital to reduce the escalating risk and maintenance of aging infrastructure.
- Additional funding to address climate change.
- Debt funding to be applied to growth infrastructure where necessary.
- Maintaining current service levels for the next 3 years to enable Council sufficient time to complete a full review of its service delivery programs.
- That council adopt the budgeted statement of financial performance (Comprehensive Income Statement) as an integral part of the budget setting process for current and future budgets.
- That Council targets funding of the annual capital works program from own source revenue and planned borrowings within 3 years.
- That Council adopt the budgeted statement of financial position (balance sheet) as being an integral part of the budget setting process for current and future budgets.
- That the working capital ratio be targeted to remain above a ratio of 1.25.
- That budgeted transfers to reserves be matched by an equivalent budgeted surplus in the statement of financial performance so as to preserve the accumulated surplus position of the Council.
- That Council adopt the budgeted statement of cash flows as being an integral part of the budget setting process for current and future budgets.
- That the budgeted 'cash at the end of year' position be targeted to be above the statutory reserves and provisions in annual and forward financial plans pending further detailed analysis of budgeted cash inflows and outflows.
- That capital expenditure on asset renewal projects (and upgrades that have a significant renewal component) be given priority over capital expenditure on new assets until the sustainability index consistently exceeds 95%.
- That any new projects that require loan funding be considered only if the projects will have proven cash flows in future periods to 'repay' the cash outlays required in the initial periods and / or that the capital evaluation guidelines be used to evaluate costing impacts on the forward budgets.
- That Council consider the most appropriate fees and charges strategy so that adequate funds are recovered to offset operational expenses in annual and future budgets.

2.3 Assumptions to the financial plan statements

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

Escalation Factors % movement	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CPI	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Growth - Rates	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Rates and charges	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Statutory fees and fines	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
User fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Grants - Operating	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Grants - Capital	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions - monetary	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
Contributions - non-monetary	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other income	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Employee costs	1.15%	1.15%	1.15%	1.15%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Materials and services	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Depreciation & Amortisation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other expenses	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

2.3.1 Rates and charges

Base rate revenue will increase by 1.5% for the 2021/22 year, based on the state government rate cap, with estimated future annual increases of 1.5% per annum for the ensuing years of the long-term financial plan. In addition, it is expected that during the 2021/22 year a further increase of 0.5% per annum will be received for growth (additional properties) as a result of supplementary rates.

Waste charges are proposed to increase by 25.4% compared to 2020/21 levels in order to defray the total costs of waste management incurred across the municipal district. Future years waste charges are estimated to increase in line with the growth % increase to ensure Council continues to recover the full costs of providing waste services.

2.3.2 Statutory fees and fines

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

2.3.3 User fees

Revenue from user fees is expected to increase by 1.0% for the 2021/22 year. 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 budget.

Revenue increases for the ensuing years are based on a conservative annual rate of increase of 1.0% to reflect, as a minimum, annual increases in line with the state government rate cap.

2.3.4 Grants

Council currently receives grants for tied (specific purpose grants) and un-tied Financial Assistance grant funding received via the Victorian Local Government Grants Commission (VLGGC). Operating grants are expected to increase on an annual basis by approximately 2.0%.

2.3.5 Contributions

Council receives contributions from developers. These contributions represent funds to enable council to provide the necessary infrastructure and infrastructure improvements to accommodate development growth. 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.

2.3.6 Other income

Revenue from other income mainly comprises investment income plus the recovery income from a variety of sources and rental income received from the hire of Council buildings as well as interest on investments.

2.3.7 Employee costs

The 2021/22 year includes a 1.15% increase for employee costs that mainly reflects the salary increase for all staff pursuant to the Enterprise Bargaining Agreement.

The ensuing years, from 2022/23 to 2030/31, reflect annual increases of 1.15% per annum to provide for annual EBA increases.

2.3.8 Materials and services

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

2.3.9 Depreciation & amortisation

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

2.3.10 Borrowing costs

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

2.3.11 Other expenses

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

2.4 Other Matters impacting the 10-year financial projections

Description of the current challenges and expected future events likely to impact the Financial Plan projections.

- Long term effect of COVID19
- Long term impacts on service and capital works delivery from the decrease in the rates cap.
- Aspirational nature of the Long-Term Capital Works Program (LTCWP) which needs to be reviewed for affordability and deliverability.

4. 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

3.1 Comprehensive Income Statement

Comprehensive Income Statement	Forecast										
	Actual 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Income											
Rates and charges	123,326	129,961	131,518	133,503	135,517	137,550	139,613	141,708	143,833	145,991	148,181
Statutory fees and fines	5,241	8,113	8,099	8,260	8,441	8,525	8,610	8,696	8,783	8,871	8,960
User fees	16,744	27,462	30,660	31,555	32,509	33,159	33,822	34,499	35,189	35,893	36,610
Grants - Operating	20,667	19,879	19,190	18,822	18,957	19,336	19,723	20,118	20,520	20,930	21,349
Grants - Capital	1,183	5,095	5,768	368	1,000	368	368	368	368	368	368
Contributions - monetary	4,701	5,758	9,067	8,639	8,419	8,569	8,696	8,880	9,005	9,193	9,434
Contributions - non-monetary											
Fair value adjustments for investment property											
Other income	1,067	1,275	1,710	1,721	2,703	2,405	2,180	2,027	2,067	2,109	2,151
Total income	172,928	197,542	206,012	202,868	207,546	209,913	213,013	216,296	219,766	223,354	227,053
Expenses											
Employee costs	85,375	95,077	95,581	96,586	98,334	99,809	101,306	102,826	104,368	105,934	107,523
Materials and services	49,143	61,745	59,707	61,075	62,824	64,080	65,362	66,669	68,003	69,363	70,750
Depreciation	24,828	24,997	25,325	25,713	25,738	26,381	27,041	27,717	28,410	29,120	29,848
Bad and doubtful debts	1,002	1,005	1,025	1,046	1,067	1,088	1,110	1,132	1,154	1,178	1,201
Borrowing costs	105	425	729	1,081	1,560	1,783	2,118	2,121	1,962	1,798	1,629
Other expenses	571	673	687	702	717	732	746	761	777	792	808
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	173	482	393	531	557	568	580	591	603	615	627
Total expenses	161,198	184,404	183,448	186,734	190,797	194,442	198,263	201,817	205,277	208,799	212,386
Surplus/(deficit) for the year	11,730	13,138	22,565	16,134	16,750	15,471	14,751	14,478	14,489	14,555	14,667
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods											
Net asset revaluation increment /(decrement)	-	22,001	-	23,102	-	24,257	-	25,469	-	26,743	-
Total comprehensive result	11,730	35,140	22,565	39,235	16,750	39,728	14,751	39,948	14,489	41,298	14,667

Strategic Actions

- Additional funding to address climate change.
- Maintaining current service levels for the next 3 years to enable Council sufficient time to complete a full review of its service delivery programs.
- That Council consider the most appropriate fees and charges strategy so that adequate funds are recovered to offset operational expenses in annual and future budgets.

3.2 Balance Sheet

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	\$'000
Current assets												
Cash and cash equivalents	54,750	55,714	45,662	27,468	25,399	10,716	(7,251)	(35,980)	(45,732)	(66,886)	(80,334)	
Trade and other receivables	18,521	19,495	20,482	21,483	22,499	23,531	24,578	25,641	26,720	27,815	28,926	
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	407	407	407	407	407	407	407	407	407	407	407	407
Total current assets	73,677	75,616	66,551	49,358	48,306	34,655	17,734	(9,931)	(18,605)	(38,664)	(51,001)	
Non-current assets												
Other financial assets	425	425	425	425	425	425	425	425	425	425	425	425
Property, infrastructure, plant & equipment	2,463,757	2,506,951	2,547,974	2,613,220	2,645,089	2,715,493	2,753,273	2,816,581	2,835,280	2,892,008	2,914,215	
Investment property	3,724	3,724	3,724	3,724	3,724	3,724	3,724	3,724	3,724	3,724	3,724	3,724
Intangible assets	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222	3,222
Total non-current assets	2,471,129	2,514,323	2,555,345	2,620,592	2,652,460	2,722,865	2,760,644	2,823,953	2,842,651	2,899,379	2,921,586	
Total assets	2,544,806	2,589,939	2,621,896	2,669,949	2,700,766	2,757,519	2,778,379	2,814,021	2,824,046	2,860,716	2,870,585	
Current liabilities												
Trade and other payables	19,860	19,860	19,860	19,860	19,860	19,860	19,860	19,860	19,860	19,860	19,860	19,860
Trust funds and deposits	9,483	9,483	9,483	9,483	9,483	9,483	9,483	9,483	9,483	9,483	9,483	9,483
Provisions	17,484	18,154	18,824	19,494	20,164	20,834	21,504	22,174	22,844	23,514	24,184	
Interest-bearing liabilities	757	1,357	1,932	2,683	3,724	4,641	5,055	5,214	5,378	5,547	5,722	
Lease liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	47,584	48,854	50,099	51,520	53,231	54,818	55,902	56,731	57,565	58,404	59,249	
Non-current liabilities												
Provisions	1,729	1,809	1,889	1,969	2,049	2,129	2,209	2,289	2,369	2,449	2,529	
Interest-bearing liabilities	9,067	17,710	25,778	33,095	45,371	60,730	65,674	60,460	55,082	49,534	43,812	
Lease liabilities	795	795	795	795	795	795	795	795	795	795	795	795
Total non-current liabilities	11,591	20,314	28,462	35,859	48,215	63,653	68,678	63,544	58,245	52,778	47,136	
Total liabilities	59,175	69,168	78,560	87,379	101,445	118,471	124,580	120,275	115,810	111,182	106,385	
Net assets	2,485,631	2,520,771	2,543,336	2,582,571	2,599,320	2,639,048	2,653,799	2,693,747	2,708,235	2,749,534	2,764,200	
Equity												
Accumulated surplus	528,274	539,932	563,310	580,823	598,091	610,323	621,820	631,746	641,620	650,234	659,632	
Other reserves	35,875	37,355	36,542	35,163	34,644	37,883	41,137	45,689	50,304	56,245	61,514	
Asset revaluation reserve	1,921,482	1,943,484	1,943,484	1,966,585	1,966,585	1,990,842	1,990,842	2,016,312	2,016,312	2,043,054	2,043,054	
Total equity	2,485,631	2,520,771	2,543,336	2,582,571	2,599,320	2,639,048	2,653,799	2,693,747	2,708,235	2,749,534	2,764,200	

Strategic Actions

- That the working capital ratio be targeted to remain above a ratio of 1.25.
- That budgeted transfers to reserves be matched by an equivalent budgeted surplus in the statement of financial performance so as to preserve the accumulated surplus position of the Council.
- That the budgeted 'cash at the end of year' position be targeted to be above the statutory reserves and provisions in annual and forward financial plans pending further detailed analysis of budgeted cash inflows and outflows.

3.3 Statement of Changes in Equity

	Total \$'000	Accum Surplus \$'000	Reval Reserve \$'000	Other Reserves \$'000
2021 Forecast Actual				
Balance at beginning of the financial year	2,473,902	519,635	1,921,482	32,784
Surplus/(deficit) for the year	11,730	11,730	-	-
Net asset revaluation increment/(decrement)	0	-	0	-
Transfers to other reserves	0	(4,120)	0	4,120
Transfers from other reserves	0	1,029	0	(1,029)
Balance at end of the financial year	2,485,631	528,274	1,921,482	35,875
2022				
Balance at beginning of the financial year	2,485,631	528,274	1,921,482	35,875
Surplus/(deficit) for the year	13,138	13,138	0	0
Net asset revaluation increment/(decrement)	22,001	0	22,001	0
Transfers to other reserves	-	(8,692)	0	8,692
Transfers from other reserves	-	7,211	0	(7,211)
Balance at end of the financial year	2,520,771	539,932	1,943,484	37,355
2023				
Balance at beginning of the financial year	2,520,771	539,932	1,943,484	37,355
Surplus/(deficit) for the year	22,565	22,565	0	0
Net asset revaluation increment/(decrement)	-	0	0	0
Transfers to other reserves	-	(8,642)	0	8,642
Transfers from other reserves	-	9,455	0	(9,455)
Balance at end of the financial year	2,543,336	563,310	1,943,484	36,542
2024				
Balance at beginning of the financial year	2,543,336	563,310	1,943,484	36,542
Surplus/(deficit) for the year	16,134	16,134	0	0
Net asset revaluation increment/(decrement)	23,102	0	23,102	0
Transfers to other reserves	-	(8,214)	0	8,214
Transfers from other reserves	-	9,593	0	(9,593)
Balance at end of the financial year	2,582,571	580,823	1,966,585	35,163
2025				
Balance at beginning of the financial year	2,582,571	580,823	1,966,585	35,163
Surplus/(deficit) for the year	16,750	16,750	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfers to other reserves	0	(8,001)	0	8,001
Transfers from other reserves	0	8,520	0	(8,520)
Balance at end of the financial year	2,599,320	598,091	1,966,585	34,644
2026				
Balance at beginning of the financial year	2,599,320	598,091	1,966,585	34,644
Surplus/(deficit) for the year	15,471	15,471	0	0
Net asset revaluation increment/(decrement)	24,257	-	24,257	-
Transfers to other reserves	-	(8,136)	0	8,136
Transfers from other reserves	-	4,898	0	(4,898)
Balance at end of the financial year	2,639,048	610,323	1,990,842	37,883
2027				
Balance at beginning of the financial year	2,639,048	610,323	1,990,842	37,883
Surplus/(deficit) for the year	14,751	14,751	0	0
Net asset revaluation increment/(decrement)	-	0	0	0
Transfers to other reserves	-	(8,248)	0	8,248
Transfers from other reserves	-	4,994	0	(4,994)
Balance at end of the financial year	2,653,799	621,820	1,990,842	41,137
2028				
Balance at beginning of the financial year	2,653,799	621,820	1,990,842	41,137
Surplus/(deficit) for the year	14,478	14,478	0	0
Net asset revaluation increment/(decrement)	25,469	0	25,469	0
Transfers to other reserves	-	(8,417)	0	8,417
Transfers from other reserves	-	3,865	0	(3,865)
Balance at end of the financial year	2,693,747	631,746	2,016,312	45,689
2029				
Balance at beginning of the financial year	2,693,747	631,746	2,016,312	45,689
Surplus/(deficit) for the year	14,489	14,489	0	0
Net asset revaluation increment/(decrement)	-	0	0	0
Transfers to other reserves	-	(8,526)	0	8,526
Transfers from other reserves	-	3,911	0	(3,911)
Balance at end of the financial year	2,708,235	641,620	2,016,312	50,304
2030				
Balance at beginning of the financial year	2,708,235	641,620	2,016,312	50,304
Surplus/(deficit) for the year	14,555	14,555	0	0
Net asset revaluation increment/(decrement)	26,743	0	26,743	0
Transfers to other reserves	-	(8,698)	0	8,698
Transfers from other reserves	-	2,756	0	(2,756)
Balance at end of the financial year	2,749,534	650,234	2,043,054	56,245
2031				
Balance at beginning of the financial year	2,749,534	650,234	2,043,054	56,245
Surplus/(deficit) for the year	14,667	14,667	0	0
Net asset revaluation increment/(decrement)	-	0	-	0
Transfers to other reserves	-	(8,922)	0	8,922
Transfers from other reserves	-	3,653	0	(3,653)
Balance at end of the financial year	2,764,200	659,632	2,043,054	61,514

3.4 Statement of Cash Flows

Statement of Cashflows	Forecast Actual										
	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities											
<i>Receipts</i>											
Rates and charges	121,401	128,987	130,531	132,501	134,501	136,519	138,566	140,645	142,755	144,896	147,069
Statutory fees and fines	5,241	8,113	8,099	8,260	8,441	8,525	8,610	8,696	8,783	8,871	8,960
User fees	18,419	30,208	33,726	34,711	35,760	36,475	37,205	37,949	38,708	39,482	40,271
Grants - operating	20,667	19,879	19,190	18,822	18,957	19,336	19,723	20,118	20,520	20,930	21,349
Grants - capital	1,183	5,095	5,768	368	1,000	368	368	368	368	368	368
Contributions - monetary	4,701	5,758	9,067	8,639	8,419	8,569	8,696	8,880	9,005	9,193	9,434
Interest received	559	637	677	724	793	457	193	0	0	0	0
Other receipts	508	638	1,033	997	1,910	1,948	1,987	2,027	2,067	2,109	2,151
Net GST refund / payment	7,960	8,344	9,836	10,041	9,101	10,660	9,958	10,101	8,327	9,599	8,968
Employee costs	(84,625)	(94,327)	(94,831)	(95,836)	(97,584)	(99,059)	(100,556)	(102,076)	(103,618)	(105,184)	(106,773)
Materials and services	(55,788)	(69,765)	(67,562)	(69,105)	(71,069)	(72,490)	(73,940)	(75,419)	(76,927)	(78,466)	(80,035)
Net cash provided by/(used in) operating activities	40,223	43,566	55,535	50,122	50,229	51,309	50,810	51,289	49,987	51,798	51,762
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(50,187)	(52,230)	(74,364)	(76,054)	(64,804)	(81,249)	(72,799)	(73,637)	(53,375)	(66,603)	(58,879)
Proceeds from sale of property, infrastructure, plant and equipment	532	810	863	750	750	765	780	796	812	828	845
Net movement other financial assets	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by/ (used in) investing activities	(49,655)	(51,420)	(73,501)	(75,304)	(64,054)	(80,484)	(72,018)	(72,841)	(52,564)	(65,775)	(58,035)
Cash flows from financing activities											
Finance costs	(105)	(425)	(729)	(1,081)	(1,560)	(1,783)	(2,118)	(2,121)	(1,962)	(1,798)	(1,629)
Proceeds from borrowings	10,000	10,000	10,000	10,000	16,000	20,000	10,000	0	0	0	0
Repayment of borrowings	(176)	(757)	(1,357)	(1,932)	(2,683)	(3,724)	(4,641)	(5,055)	(5,214)	(5,378)	(5,547)
Net cash provided by/(used in) financing activities	9,719	8,818	7,914	6,987	11,757	14,492	3,241	(7,177)	(7,177)	(7,177)	(7,177)
Net increase/(decrease) in cash & cash equivalents	288	964	(10,051)	(18,195)	(2,068)	(14,683)	(17,967)	(28,729)	(9,753)	(21,153)	(13,449)
Cash and cash equivalents at the beginning of the financial year	54,462	54,750	55,714	45,662	27,468	25,399	10,716	(7,251)	(35,980)	(45,732)	(66,886)
Cash and cash equivalents at the end of the financial year	54,750	55,714	45,662	27,468	25,399	10,716	(7,251)	(35,980)	(45,732)	(66,886)	(80,334)

3.5 Statement of Capital Works

Statement of Capital Works	Forecast										
	Actual	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	2020/21	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Land	1,501	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,375	1,375
Land improvements	-	910	900	900	900	-	-	-	-	-	-
Total land	1,501	910	2,900	2,900	2,900	2,000	2,000	2,000	2,000	1,375	1,375
Buildings	26,658	12,650	24,336	12,205	6,462	11,857	10,717	27,030	6,720	13,299	12,880
Building improvements	2,098	2,977	9,777	7,339	7,154	6,658	6,739	7,012	7,162	7,098	7,357
Total buildings	28,756	15,627	34,113	19,543	13,617	18,515	17,457	34,043	13,882	20,397	20,237
Total property	30,257	16,537	37,013	22,443	16,517	20,515	19,457	36,043	15,882	21,772	21,612
Plant and equipment											
Plant, machinery and equipment	2,190	2,820	2,716	2,352	2,385	1,919	1,935	1,962	1,982	1,854	1,883
Fixtures, fittings and furniture	140	485	963	991	1,089	1,474	1,064	1,099	1,116	1,136	1,310
Computers and telecommunications	4,354	5,315	1,270	578	1,033	669	608	1,905	847	750	882
Library books	608	610	693	947	1,071	1,108	1,120	1,153	1,172	1,194	1,227
Total plant and equipment	7,292	9,230	5,642	4,867	5,579	5,169	4,727	6,118	5,117	4,934	5,302
Infrastructure											
Roads	5,012	7,509	4,855	8,632	10,590	9,911	7,394	6,304	6,336	6,652	6,949
Bridges	279	115	65	150	164	171	172	178	181	184	190
Footpaths and cycleways	1,180	1,840	3,343	6,140	5,983	6,430	4,360	2,724	2,887	5,134	4,148
Drainage	2,152	1,798	2,668	5,944	4,132	5,771	4,486	5,082	4,874	10,246	5,673
Recreational, leisure and community facilities	1,956	2,923	2,488	4,561	1,135	3,888	1,743	2,248	2,365	2,505	1,927
Waste management	80	100	2,961	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	1,461	5,777	7,793	14,313	12,466	21,627	21,759	8,305	5,829	6,581	6,621
Off street car parks	330	962	2,518	1,390	591	2,030	893	-	2,839	3,960	-
Other infrastructure	694	334	532	617	630	137	137	142	144	146	152
Total infrastructure	13,144	21,357	27,224	41,747	35,691	49,965	40,944	24,984	25,455	35,408	25,658
Total capital works expenditure	50,694	47,124	69,879	69,058	57,786	75,649	65,128	67,144	46,454	62,114	52,572
Represented by:											
New asset expenditure	9,863	21,477	28,656	14,233	12,394	26,776	22,741	30,198	9,529	20,767	13,872
Asset renewal expenditure	8,972	17,292	25,363	28,555	28,719	25,023	24,969	25,740	24,980	25,342	26,521
Asset expansion expenditure	59	820	3,716	7,106	1,739	1,688	-	-	751	3,838	-
Asset upgrade expenditure	31,800	7,536	12,144	19,164	14,934	22,162	17,419	11,205	11,194	12,168	12,179
Total capital works expenditure	50,694	47,124	69,879	69,058	57,786	75,649	65,128	67,144	46,454	62,114	52,572
Funding sources represented by:											
Grants	1,183	5,095	5,768	368	1,000	368	368	368	368	368	368
Contributions	1,270	8,049	10,319	10,343	9,270	5,663	5,775	4,661	4,723	3,585	4,498
Council cash	38,241	23,981	43,792	48,347	31,516	49,618	48,986	62,115	41,363	58,162	47,706
Borrowings	10,000	10,000	10,000	10,000	16,000	20,000	10,000	0	0	0	0
Total capital works expenditure	50,694	47,124	69,879	69,058	57,786	75,649	65,128	67,144	46,454	62,114	52,572

Strategic Actions

- Increase investment in renewal capital to reduce the escalating risk and maintenance of aging infrastructure.
- Additional funding to address climate change.
- Debt funding to be applied to growth infrastructure where necessary.
- That capital expenditure on asset renewal projects (and upgrades that have a significant renewal component) be given priority over capital expenditure on new assets until the sustainability index consistently exceeds 95%.
- That any new projects that require loan funding be considered only if the projects will have proven cash flows in future periods to 'repay' the cash outlays required in the initial periods and / or that the capital evaluation guidelines be used to evaluate costing impacts on the forward budgets.
- That Council targets funding of the annual capital works program from own source revenue and planned borrowings within 3 years.

Funding Position

The following funding position has been prepared to demonstrate the amount of rates funding required to deliver the capital works program.

Funding Position	Forecast Actual										
	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Accounting Surplus	11,730	13,138	22,565	16,134	16,750	15,471	14,751	14,478	14,489	14,555	14,667
Less Capital Grants	(1,183)	(5,095)	(5,768)	(368)	(1,000)	(368)	(368)	(368)	(368)	(368)	(368)
Add Depreciation	24,828	24,997	25,325	25,713	25,738	26,381	27,041	27,717	28,410	29,120	29,848
Less Contribution to DCP Reserve	0	(2,022)	(3,522)	(3,094)	(2,878)	(2,878)	(2,852)	(2,878)	(2,841)	(2,862)	(2,933)
Less Contribution to Other Reserves	(4,120)	(6,670)	(5,120)	(5,120)	(5,123)	(5,258)	(5,397)	(5,539)	(5,685)	(5,835)	(5,990)
Less Net (Gain) / Loss on disposal of PPE	173	482	393	531	557	568	580	591	603	615	627
Repayment of Borrowings	(176)	(757)	(1,357)	(1,932)	(2,683)	(3,724)	(4,641)	(5,055)	(5,214)	(5,378)	(5,547)
Rates Funding Available for Capital Works	31,253	24,074	32,515	31,864	31,360	30,192	29,113	28,946	29,393	29,846	30,304
Capital Works											
Funded by Borrowings	10,000	10,000	10,000	10,000	16,000	20,000	10,000	0	0	0	0
Funded by DCP Reserve	0	1,908	3,520	2,828	2,626	0	130	0	47	0	0
Funded by Other Reserves	1,029	5,303	5,935	6,765	5,894	4,898	4,994	3,865	3,911	2,756	3,653
Funded by Grants	1,183	5,095	5,768	368	1,000	368	368	368	368	368	368
Funded by Contributions	532	838	863	750	750	765	780	796	812	828	845
Funds Required from Rates	37,950	23,981	43,792	48,347	31,516	49,618	48,856	62,115	41,316	58,162	47,706
Total Capital Works	50,694	47,124	69,879	69,058	57,786	75,649	65,128	67,144	46,454	62,114	52,572
Rates Funding Shortfall/(Surplus)	6,698	(93)	11,277	16,482	156	19,426	19,743	33,170	11,923	28,316	17,402

3.6 Statement of Human Resources

Staff expenditure	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
Permanent full time											
Male	23,853	30,472	31,167	31,800	32,369	32,854	29,614	30,059	30,510	30,967	31,432
Female	30,024	36,702	37,568	38,329	39,035	39,620	38,152	38,725	39,306	39,895	40,494
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total staff expenditure	53,878	67,174	68,735	70,129	71,404	72,475	67,767	68,783	69,815	70,862	71,925
Permanent part time											
Male	2,691	2,964	3,060	3,113	3,182	3,230	2,579	2,618	2,657	2,697	2,737
Female	17,473	16,709	17,236	17,612	17,949	18,218	16,519	16,767	17,018	17,274	17,533
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total staff expenditure	20,164	19,674	20,297	20,725	21,131	21,448	19,098	19,384	19,675	19,970	20,270
Total staff permanent expenditure											
Male	26,544	33,436	34,227	34,913	35,551	36,084	32,193	32,676	33,167	33,664	34,169
Female	47,498	53,412	54,805	55,941	56,984	57,838	54,671	55,491	56,324	57,169	58,026
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total staff permanent expenditure	74,042	86,848	89,032	90,854	92,534	93,922	86,865	88,168	89,490	90,833	92,195
Casuals, temporary and other expenditure	10,678	7,555	5,509	4,609	4,694	4,764	4,835	4,908	4,982	5,056	5,132
Capitalised labour costs	(1,461)	(1,426)	(685)	(536)	(545)	(553)	(561)	(569)	(578)	(587)	(595)
Other employee related expenditure	2,117	2,100	1,725	1,659	1,651	1,675	1,701	1,726	1,752	1,778	1,805
Total staff expenditure	85,375	95,077	95,581	96,586	98,334	99,809	92,840	94,232	95,646	97,081	98,537

Staff numbers	Forecast											
	Actual	2020/21	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	FTE	FTE
Permanent full time												
Male		266	267	267	267	267	267	267	267	267	267	267
Female		334	336	336	336	336	336	336	336	336	336	336
Self-described gender		-	-	-	-	-	-	-	-	-	-	-
Total staff numbers		600	603	603	603	603	603	603	603	603	603	603
Permanent part time												
Male		30	36	36	36	36	36	36	36	36	36	36
Female		195	185	187	187	187	187	187	187	187	187	187
Self-described gender		-	-	-	-	-	-	-	-	-	-	-
Total staff numbers		225	221	223	223	223	223	223	223	223	223	223
Total permanent staff numbers												
Male		296	302	303	303	303	303	303	303	303	303	303
Female		529	522	523	523	523	523	523	523	523	523	523
Self-described gender		-	-	-	-	-	-	-	-	-	-	-
Total permanent staff numbers		825	824	826	826	826	826	826	826	826	826	826
Casuals, temporary and other expenditure		119	47	34	26	26	26	26	26	26	26	26
Capitalised labour costs		(14)	(13)	(7)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
Total staff numbers		930	858	853	847	846	846	846	846	846	846	846

Budget 2021/22 by Directorate	Permanent Full Time				Permanent Part Time			
	Male	Female	Self-described	Total	Male	Female	Self-described	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	483	2,926	-	3,408	124	893	-	1,017
Director Service Delivery	18,650	22,371	-	41,020	1,652	12,668	-	14,320
Director Strategy and Planning	4,004	4,817	-	8,821	284	708	-	992
Director Enabling Services	7,335	6,589	-	13,925	904	2,441	-	3,344
Total permanent staff expenditure	30,472	36,702	-	67,174	2,964	16,709	-	19,674
Casuals, temporary and other expenditure	5,126							
Other employee related expenditure	4,529							
Capitalised labour costs	(1,426)							
Total staff	95,077							

The four-year Human Resources Plan is currently being developed and will be incorporated into next year's ten-year Financial Plan.

There is a decline in staff numbers from 2020/21 as positions associated with the delivery of 1 to 3 years government funded projects are no longer required.

3.7 Planned Human Resource Expenditure

Staff Expenditure	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Office of the Chief Executive Officer										
Permanent - Full time										
Female	2,926	2,991	3,055	3,113	3,160	3,207	3,255	3,304	3,353	3,404
Male	483	496	502	510	518	525	533	541	549	558
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Female	893	909	924	939	954	968	982	997	1,012	1,027
Male	124	126	128	131	133	135	137	139	141	143
Self-described gender	0	0	0	0	0	0	0	0	0	0
Total Office of the Chief Executive Officer	4,425	4,521	4,609	4,693	4,763	4,835	4,907	4,981	5,056	5,131
Service Delivery										
Permanent - Full time										
Female	22,371	22,858	23,274	23,685	24,041	24,401	24,767	25,139	25,516	25,899
Male	18,650	19,039	19,440	19,786	20,083	20,384	20,690	21,000	21,315	21,635
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Female	12,668	13,085	13,354	13,591	13,795	14,002	14,212	14,425	14,642	14,861
Male	1,652	1,706	1,721	1,752	1,779	1,805	1,832	1,860	1,888	1,916
Self-described gender	0	0	0	0	0	0	0	0	0	0
Total Strategy & Planning	55,341	56,688	57,789	58,815	59,697	60,592	61,501	62,424	63,360	64,310
Strategy & Planning										
Permanent - Full time										
Female	4,817	4,934	5,040	5,126	5,203	5,281	5,360	5,441	5,522	5,605
Male	4,004	4,093	4,161	4,232	4,296	4,360	4,426	4,492	4,559	4,628
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Female	708	726	739	753	764	776	788	799	811	824
Male	284	293	303	311	315	320	325	330	335	340
Self-described gender	0	0	0	0	0	0	0	0	0	0
Total Strategy & Planning	9,813	10,046	10,244	10,422	10,579	10,737	10,898	11,062	11,228	11,396
Enabling Services										
Permanent - Full time										
Female	6,589	6,785	6,959	7,110	7,217	7,263	7,342	7,422	7,503	7,586
Male	7,335	7,539	7,697	7,841	7,959	8,045	8,126	8,207	8,288	8,369
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Female	2,441	2,517	2,595	2,665	2,705	2,773	2,855	2,937	3,019	3,101
Male	904	936	961	988	1,003	1,019	1,034	1,049	1,064	1,079
Self-described gender	0	0	0	0	0	0	0	0	0	0
Total Enabling Services	17,269	17,777	18,212	18,604	18,884	19,090	19,299	19,511	19,726	19,945
Casuals and temporary	7,555	5,509	4,609	4,694	4,764	4,835	4,908	4,982	5,056	5,132
Capitalised labour	(1,426)	(685)	(536)	(545)	(553)	(561)	(569)	(578)	(587)	(595)
Other employee related expenditure	2,100	1,725	1,659	1,651	1,675	1,701	1,726	1,752	1,778	1,805
Total staff expenditure	95,077	95,581	96,586	98,334	99,809	101,240	102,632	104,024	105,416	106,807

Staff Numbers	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE
Chief Executive Officer										
Permanent - Full time										
Female	21.7	21.7	21.7	21.7	21.7	21.7	21.7	21.7	21.7	21.7
Male	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7
Male	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Officer	37.1	37.1	37.1	37.1	37.1	37.1	37.1	37.1	37.1	37.1
Service Delivery										
Permanent - Full time										
Female	214.9	214.9	214.9	214.9	214.9	214.9	214.9	214.9	214.9	214.9
Male	171.5	171.5	171.5	171.5	171.5	171.5	171.5	171.5	171.5	171.5
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	139.9	141.7	141.7	141.7	141.7	141.7	141.7	141.7	141.7	141.7
Male	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8	18.8
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Service Delivery	545.2	547.0	547.0	547.0	547.0	547.0	547.0	547.0	547.0	547.0
Strategy & Planning										
Permanent - Full time										
Female	40.4	40.4	40.4	40.4	40.4	40.4	40.4	40.4	40.4	40.4
Male	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6	30.6
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Male	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Strategy & Planning	79.9	79.9	79.9	79.9	79.9	79.9	79.9	79.9	79.9	79.9
Enabling Services										
Permanent - Full time										
Female	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2	59.2
Male	60.4	60.6	60.6	60.6	60.6	60.6	60.6	60.6	60.6	60.6
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	29.9	29.9	29.9	29.9	29.9	29.9	29.9	29.9	29.9	29.9
Male	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Enabling Services	162.0	162.2	162.2	162.2	162.2	162.2	162.2	162.2	162.2	162.2
Casuals and temporary	47.2	33.8	26.5	26.3	26.3	26.3	26.3	26.3	26.3	26.3
Capitalised labour	(13.0)	(7.2)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Total staff numbers	858.3	852.8	846.6	846.4	846.4	846.4	846.4	846.4	846.4	846.4

5. 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	Trend +/-
Operating position														
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	3%	1%	4%	4%	4%	3%	3%	3%	2%	2%	2%	o
Liquidity														
Working Capital	Current assets / current liabilities	2	155%	155%	133%	96%	91%	63%	32%	-18%	-32%	-66%	-86%	-
Unrestricted cash	Unrestricted cash / current liabilities	3	115%	114%	91%	53%	48%	20%	-13%	-63%	-79%	-115%	-136%	-
Obligations														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	0%	8%	14%	21%	26%	36%	47%	50%	46%	41%	37%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0%	1%	2%	2%	3%	4%	5%	5%	5%	5%	5%	-
Indebtedness	Non-current liabilities / own source revenue		7%	11%	15%	18%	24%	32%	34%	31%	28%	25%	22%	-
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	5	164%	99%	148%	186%	170%	179%	157%	133%	127%	129%	130%	-
Stability														
Rates concentration	Rate revenue / adjusted underlying revenue	6	74%	70%	69%	69%	68%	68%	68%	68%	68%	68%	68%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	o
Efficiency														
Expenditure level	Total expenses/ no. of property assessments		\$2,773	\$3,344	\$3,327	\$3,386	\$3,460	\$3,526	\$3,595	\$3,660	\$3,722	\$3,786	\$3,851	+
Revenue level	Total rate revenue / no. of property assessments		\$2,121	\$2,357	\$2,385	\$2,421	\$2,457	\$2,494	\$2,532	\$2,570	\$2,608	\$2,647	\$2,687	+

Key to Forecast Trend:

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

Notes to Indicators

- Adjusted underlying result**
Slightly declining performance is expected over the period. Continued profit means a reduced reliance on council's cash reserves.
- Working capital**
The proportion of current liabilities represented by current assets. Working capital is forecast to decrease over the nine-year period due to a decrease in cash reserves. In 2023/24, the ratio dips below 100%, indicating the Council does not have sufficient current assets to pay their debts when then are due.
- Unrestricted cash**
The proportion of unrestricted cash as a percentage of current liabilities. The trend indicates that cash reserves are being fully used to fund the capital works program over the ten-year period.
- Loans and borrowings**
Trend indicates Council is budgeting to increase its reliance on debt against its annual rate revenue to fund the capital works program.
- Asset renewal**
This percentage indicates the extent of Council's renewals & upgrades against the depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Operational budgets also include maintenance allocations for Council assets (buildings/ roads/ drains/ footpaths etc.). These items are not capitalised and not captured in this ratio.

6. Rates concentration

Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will maintain reliance on rate revenue when compared to all other revenue sources.

6. Strategies and Plans

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

5.1 Borrowing Strategy

5.1.1 Current Debt Position

The total amount borrowed as at 30 June 2021 is \$10.0 million.

Council has accessed debt funding to complete the East Keilor Leisure Centre Re-development. Debt funding is also planned in future years to complete a range of major infrastructure projects including; Flemington Community hub, Local Road Network Renewal and Clifton Park & Maribyrnong Park Pavilions.

5.1.2 Future Borrowing Requirements

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

	Forecast / Actual 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Opening balance	-	9,824	19,067	27,710	35,778	49,095	65,371	70,730	65,674	60,460	55,082
Plus New loans	10,000	10,000	10,000	10,000	16,000	20,000	10,000	-	-	-	-
Less Principal repayment	(176)	(757)	(1,357)	(1,932)	(2,683)	(3,724)	(4,641)	(5,055)	(5,214)	(5,378)	(5,547)
Closing balance	9,824	19,067	27,710	35,778	49,095	65,371	70,730	65,674	60,460	55,082	49,534
Interest payment	105	425	729	1,081	1,560	1,783	2,118	2,121	1,962	1,798	1,629

5.1.3 Performance Indicators

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

Performance Indicator	Target	Forecast / Actual 2020/21 %	2021/22 %	2022/23 %	2023/24 %	2024/25 %	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %	2030/31 %
Total borrowings / Rate revenue	Below 60%	8%	15%	21%	27%	36%	48%	51%	46%	42%	38%	33%
Debt servicing / Rate revenue	Below 5%	0%	0%	1%	1%	1%	1%	2%	1%	1%	1%	1%
Debt commitment / Rate revenue	Below 10%	1%	1%	1%	2%	3%	3%	4%	4%	4%	4%	4%
Indebtedness / Own source revenue	Below 60%	6%	11%	15%	18%	24%	32%	34%	31%	28%	25%	22%

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

Total borrowings / Rate revenue

Initially increasing for the first 6 years of the plan and decreasing over the last four years. Future borrowings have been maintained at sustainable levels and reflect the planned delivery of large infrastructure projects over the next six years.

Debt servicing / Rate revenue

This indicator measures what portion of Rate Revenue is required to cover borrowing costs. Over the life of the plan it is maintained at 2% or below, which is less than the target and sustainable over the ten year period.

Debt commitment / Rate revenue

This ratio measures the percentage of Rate Revenue required to re-pay the annual debt repayments. This indicator steadily rises to 4% in 2026/27 and is maintained below target levels throughout the life of the plan.

Indebtedness / Own source revenue

This measure assesses the ability to pay the principal and interest on its borrowings when they are due from the funds it generates. Over the life of the plan this measure reflects the increase in borrowing to fund capital works and is maintained below the target of 60%.

5.2 Reserves Strategy

5.2.1 Current Reserves

Public Open Space Reserve

- Purpose - The Open Space Reserve holds funds contributed by developers for works associated with developing and improved public open space and recreational facilities within Council. Funds are contributed in accordance with Section 18 of the Subdivision Act and transfers are restricted to the purpose of creating open space such as parks, playgrounds, pavilions and other such items where it is deemed that these works should occur at a later point than the initial development.
- Movements - transfers to the reserve (inflows) comprise contribution income from subdividers in lieu of the 5.0% Public Open Space requirement. Transfers from the reserve (outflows) are applied to fund Open Space capital projects on an annual basis.

Development Contributions Reserve

- Purpose – This reserve retains funds received from developers for infrastructure provision related to Council's Development Contributions Plans.
- Movements – Transfers from this reserve will be for nominated capital works for Development Infrastructure projects and Community Infrastructure projects. These funds are tied directly to the income received or cash funds refunded to developers for capital works completed directly by the developer.

Stormwater Quality Reserve

- Purpose - Funds received as part of the Water Sensitive Urban Design (WSUD) Voluntary Contribution Scheme (VCS) will be used for the delivery of large scale WUSD projects. These projects will deliver an equivalent storm water quality benefit to the planning requirement that the contribution has offset.
- Movements – Transfers to the reserve (inflows) comprise contributions income from planning applicants. Transfers from the reserve (outflows) are applied to fund the administration of the WSUD VCS, the design, construction and large scale WSUD capital projects on an annual basis.

Defined Benefits Reserve

- Purpose - The defined benefits reserve will be used to provide funding for any future calls as a result of a shortfall in the defined benefits scheme.
- Movements - Transfer to the reserve (inflows) are required to be made by resolution of Council. Transfers from reserves (outflows) will be in response to a funding call by Vision Super and will also be made by resolution of Council.

Property Sales Reserve

- Purpose - The property sales reserve is used to provide funding for future development of Council owned properties.

- Movements - Transfer to the reserve (inflows) as well as expenditure (outflows) are required to be made by resolution of Council.

Sporting Grounds Infrastructure Reserve

- Purpose – This reserve was created during 2021/22 budget development and will be used to fund turf and playing surfaces, lighting and other sports related infrastructure across the municipality. Decisions are yet to be made about future funding levels.
- Movements – Transfer to the reserve (inflows) as well as expenditure (outflows) are required to be made by resolution of Council. Officers are working to establish a process to identify projects for funding form the Long-Term Capital Works Program.

Community Climate Emissions Reduction Reserve

- Purpose – This reserve was created during 2021/22 budget development to fund actions to reduce community carbon emissions to mitigate risks of climate change. Decisions are yet to be made about future funding levels.
- Movements – Transfer to the reserve (inflows) as well as expenditure (outflows) are required to be made by resolution of Council. Officers are working to establish a process to identify projects for funding form the Long-Term Capital Works Program.

Pavilion Development Planning Reserve

- Purpose – This reserve was created during 2021/22 budget development to fund to support for planning and designs for all or some of pavilions at a number of parks and reserves across the municipality. Decisions are yet to be made about future funding levels.
- Movements – Expenditure of funds are required to be made by resolution of Council having due consideration to officer recommendations, community needs and Council's planning and policy documents including MV2040 and the Community Facilities Action Plan. Officers are working to establish a process to identify projects for funding form the Long-Term Capital Works Program.

5.2.2 Reserve Usage Projections

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

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

Reserves	Restricted / Discretionary	2020-21 \$000's	2021-22 \$000's	2022-23 \$000's	2023-24 \$000's	2024-25 \$000's	2025-26 \$000's	2026-27 \$000's	2027-28 \$000's	2028-29 \$000's	2029-30 \$000's	2030-31 \$000's
Public Open Space Restricted												
Opening balance		25,761	28,732	28,429	27,494	25,729	24,835	25,073	25,482	27,033	28,730	31,686
Transfer to reserve		4,000	5,000	5,000	5,000	5,000	5,135	5,274	5,416	5,562	5,712	5,867
Transfer from reserve		(1,029)	(5,303)	(5,935)	(6,765)	(5,894)	(4,898)	(4,865)	(3,865)	(3,865)	(2,756)	(3,653)
Closing balance		28,732	28,429	27,494	25,729	24,835	25,073	25,482	27,033	28,730	31,686	33,900
Development Contributions Reserve Restricted												
Opening balance		0	0	113	115	381	633	3,511	6,233	9,111	11,905	14,768
Transfer to reserve		0	2,022	3,522	3,094	2,878	2,878	2,852	2,878	2,841	2,862	2,933
Transfer from reserve		0	(1,908)	(3,520)	(2,828)	(2,626)	0	(130)	0	(47)	0	0
Closing balance		0	113	115	381	633	3,511	6,233	9,111	11,905	14,768	17,700
Reserves Summary Total Restricted												
Opening balance		25,761	28,732	28,542	27,609	26,110	25,468	28,584	31,715	36,144	40,636	46,454
Transfer to reserve		4,000	7,022	8,522	8,094	7,878	8,013	8,125	8,294	8,403	8,575	8,799
Transfer from reserve		(1,029)	(7,211)	(9,455)	(9,593)	(8,520)	(4,898)	(4,994)	(3,865)	(3,911)	(2,756)	(3,653)
Closing balance		28,732	28,542	27,609	26,110	25,468	28,584	31,715	36,144	40,636	46,454	51,600
Stormwater Quality Reserve Discretionary												
Opening balance		141	261	381	501	621	744	867	990	1,113	1,236	1,359
Transfer to reserve		120	120	120	120	123	123	123	123	123	123	123
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		261	381	501	621	744	867	990	1,113	1,236	1,359	1,482
Defined Benefits Discretionary												
Opening balance		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Property Sales Discretionary												
Opening balance		2,882	2,882	2,882	2,882	2,882	2,882	2,882	2,882	2,882	2,882	2,882
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		2,882	2,882	2,882	2,882	2,882	2,882	2,882	2,882	2,882	2,882	2,882
Sporting Grounds Infrastructure Discretionary												
Opening balance		0	0	300	300	300	300	300	300	300	300	300
Transfer to reserve		0	300	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		0	300	300	300	300	300	300	300	300	300	300
Community Climate Emissions Reduction Discretionary												
Opening balance		0	0	250	250	250	250	250	250	250	250	250
Transfer to reserve		0	250	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		0	250	250	250	250	250	250	250	250	250	250
Pavilion Development Planning Discretionary												
Opening balance		0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Transfer to reserve		0	1,000	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Reserves Summary Total Discretionary												
Opening balance		7,023	7,143	8,813	8,933	9,053	9,176	9,299	9,422	9,545	9,668	9,791
Transfer to reserve		120	1,670	120	120	123	123	123	123	123	123	123
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		7,143	8,813	8,933	9,053	9,176	9,299	9,422	9,545	9,668	9,791	9,914
Reserves Summary Restricted & Discretionary												
Opening balance		32,784	35,875	37,355	36,542	35,163	34,644	37,883	41,137	45,689	50,304	56,245
Transfer to reserve		4,120	8,692	8,642	8,214	8,001	8,136	8,248	8,417	8,526	8,698	8,922
Transfer from reserve		(1,029)	(7,211)	(9,455)	(9,593)	(8,520)	(4,898)	(4,994)	(3,865)	(3,911)	(2,756)	(3,653)
Closing balance		35,875	37,355	36,542	35,163	34,644	37,883	41,137	45,689	50,304	56,245	61,514