

Department of Jobs,  
Precincts and Regions

Financial Plan

BETTER PRACTICE GUIDE

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# 1 Integrated Strategic Planning and Reporting Framework

## Introduction

The *Local Government Act 2020* (the Act) received Royal Assent on 24 March 2020 with proclamation to occur in stages. Part 4 of the Act addresses planning and financial management. The legislative requirements to develop strategic planning, budgeting and annual reporting documents in Part 4 came into operation on 24 October 2020.

The Act introduces strategic planning principles for Victorian councils which include an integrated approach to planning, monitoring and performance reporting.<sup>1</sup> This important shift from a more prescriptive form of legislation to a new Act that is principles-based is explored further in the *Integrated Strategic Planning and Reporting Discussion Paper* which is available at <https://engage.vic.gov.au/local-government-act-2020>.

A component of the new Integrated Strategic Planning and Reporting Framework (ISPRF) is the Financial Plan. By 31 October 2021 Victorian councils must develop (at a minimum) a 10-year Financial Plan for the period 1 July 2021 to 30 June 2031.

This better practice guide sets out the key legislative and regulatory provisions relevant to the Financial Plan. It also considers technical and better practice aspects of long-term financial planning and provides initial support and guidance in the first planning and reporting cycle under the new Act. It has been co-designed by the Local Government Finance Professionals (FinPro) and Local Government Victoria.

This guide should be read in conjunction with the Model Financial Plan 2021-22 to 2030-31 template (Microsoft Excel) and the example Model Financial Plan 2021-22 to 2030-31 (Appendix A).

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<sup>1</sup> Section 89(2)(a) of the *Local Government Act 2020*

## 2 Statutory and regulatory requirements

### 2.1 Local Government Act 2020

#### 2.1.1 Strategic planning

Part 4 of the *Local Government Act 2020* addresses planning and financial management and Division 1 covers strategic planning. The Financial Plan is one of the strategic plans subject to the Strategic planning principles. Section 89 of the Act sets out the Strategic planning principles as follows:

##### **89 Strategic planning principles**

**(1) A Council must undertake the preparation of its Council Plan and other strategic plans in accordance with the strategic planning principles.**

**(2) The following are the strategic planning principles —**

**a) an integrated approach to planning, monitoring and performance reporting is to be adopted;**

**(b) strategic planning must address the Community Vision;**

**(c) strategic planning must take into account the resources needed for effective implementation;**

**(d) strategic planning must identify and address the risks to effective implementation;**

**(e) strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.**

The *Local Government Act 2020* introduces a requirement for Victorian councils to develop, adopt and keep in force a Financial Plan covering at least the next 10 financial years. Many councils already prepare long-term financial plans for internal management purposes. The requirements under the new Act mean councils must develop a Financial Plan that is publicly accessible.

The specific legislative requirements for a Financial Plan are set out in section 91 of the Act as follows:

##### **91 Financial Plan**

**(1) A Council must develop, adopt and keep in force a Financial Plan in accordance with its deliberative engagement practices.**

**(2) The scope of a Financial Plan is a period of at least the next 10 financial years.**

**(3) A Financial Plan must include the following in the manner and form prescribed by the regulations—**

**(a) statements describing the financial resources required to give effect to the Council Plan and other strategic plans of the Council;**

**(b) information about the decisions and assumptions that underpin the forecasts in the statements specified in paragraph (a);**

**(c) statements describing any other resource requirements that the Council considers appropriate to include in the Financial Plan;**

**(d) any other matters prescribed by the regulations.**

**(4) A Council must develop or review the Financial Plan in accordance with its deliberative engagement practices and adopt the Financial Plan by 31 October in the year following a general election.**

**(5) The Financial Plan adopted under subsection (4) has effect from 1 July in the year following a general election.**

Section 91(1) and section 91(4) refer to **deliberative engagement practices**. The Act requires deliberative engagement practices to be incorporated into a council's community engagement policy.

## 2.1.2 Financial management principles

Division 4 of Part 4 of the *Local Government Act 2020* addresses financial management. Section 101 of the Act sets out the financial management principles as follows:

### **101 Financial management principles**

**(1) The following are the financial management principles—**

**(a) revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans;**

**(b) financial risks must be monitored and managed prudently having regard to economic circumstances;**

**(c) financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community;**

**(d) accounts and records that explain the financial operations and financial position of the Council must be kept.**

**(2) For the purposes of the financial management principles, financial risk includes any risk relating to the following—**

**(a) the financial viability of the Council;**

**(b) the management of current and future liabilities of the Council;**

**(c) the beneficial enterprises of the Council.**

## 2.1.3 Service performance principles

The *Local Government Act 2020* requires Victorian councils to plan and deliver services in accordance with the service performance principles. Part 5 of the Act addresses council operations. Section 106 of the Act sets out the service performance principles as follows:

### **106 Service performance principles**

**(1) A Council must plan and deliver services to the municipal community in accordance with the service performance principles.**

**(2) The following are the service performance principles—**

**(a) services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;**

**(b) services should be accessible to the members of the municipal community for whom the services are intended;**

**(c) quality and costs standards for services set by the Council should provide good value to the municipal community;**

**(d) a Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring;**

**(e) service delivery must include a fair and effective process for considering and responding to complaints about service provision.**

## 2.1.4 Community engagement and public transparency

The *Local Government Act 2020* includes community engagement principles (section 56) and public transparency principles (section 58). The Act requires Victorian councils to adopt and maintain a public transparency policy (section 57) and to adopt and maintain a community engagement policy (section 55).

The Financial Plan is specifically referenced in section 55(2)(g) of the Act which requires (amongst other provisions) that a community engagement policy must:

***(g) include deliberative engagement practices which must include and address any matters prescribed by the regulations for the purposes of this paragraph and be capable of being applied to the development of the Community Vision, Council Plan, Financial Plan and Asset Plan...***

## 2.2 Local Government (Planning and Reporting) Regulations 2020

The *Local Government (Planning and Reporting) Regulations 2020* (the regulations) came into operation on 24 October 2020. Part 2 of the regulations prescribe the information to be included in a Financial Plan as follows:

### 5 Statements describing financial resources

***(1) For the purposes of section 91(3)(a) of the Act, the statements describing the financial resources must be in the form set out in the Local Government Model Financial Report.***

***(2) For the purposes of section 91(3)(d) of the Act, the prescribed matters include a statement of capital works for the financial years to which the statements describing the financial resources referred to in section 91(3)(a) of the Act relate.***

### 6 Statements describing other resource requirements

***For the purposes of section 91(3)(d) of the Act, the prescribed matters include the following—***

***(a) a statement of human resources;***

***(b) a summary of planned expenditure in relation to the human resources referred to in the statement of human resources, categorised according to the organisational structure of the Council and classified separately as—***

***(i) permanent full time who are—***

***(A) women; or***

***(B) men; or***

***(C) persons of self-described gender;***

***or***

***(ii) permanent part time staff who are—***

***(A) women; or***

***(B) men; or***

***(C) persons of self-described gender;***

***(c) a summary of the planned number of full time equivalent Council staff referred to in the statement of human resources, categorised according to the organisational structure of the Council and classified separately as—***

***(i) permanent full time staff who are—***

***(A) women; or***

***(B) men; or***

***(C) persons of self-described gender;***

*or*

*(ii) permanent part time staff who are—*

*(A) women; or*

*(B) men; or*

*(C) persons of self-described gender.*

### 3 Long-term financial planning better practice guide

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.

At a minimum the Financial Plan is to include:

- financial statements for next the ten years that includes Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works.
- statement of capital works is to include ten year expenditure in relation to non-current assets, classified in accordance with the asset classes and asset expenditure types specified in the Local Government Model Financial Report and a summary of funding sources in relation to the planned capital works expenditure.
- a statement of human resources that includes a summary of planned expenditure for the next ten years in relation to permanent human resources and a summary of the planned number of permanent full time equivalent staff by organisational structure split between male, female and self-described gender.

The Model Financial Plan includes a number of examples, in numeric form, designed to disclose future year financial projections. Individual councils may choose to also report this information in graphic format to assist report users and particularly those users with a non-accounting background.

#### 3.1 Engagement Principles

The level of engagement will depend on each council’s appetite for community input and the extent this input will impact the decision-making process. The table below describes the community engagement spectrum from a low level engagement (inform) to a high level engagement (empower).

Community Engagement Framework				
Inform – 1	Consult – 2	Involve - 3	Collaborate - 4	Empower - 5
Low Level				High Level
Provide community awareness and keep them informed of the completion of the Financial Plan	Ask the community for feedback then inform them of how their input affected decision making.	Work directly with the community to ensure their views and aspirations are considered in the developing the Financial Plan.	Partner with the community to develop joint solutions and incorporate their advice to the Financial Plan.	Community decides what is implemented and included to the Financial Plan.

Each Council will be required to describe a level of engagement in the development of the Financial Plan.

## 3.2 Asset Plan Integration

It is essential that any approach towards strategic financial planning be integrated to the Asset Plan. This will 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 is designed to identify the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner.

The objective is for each council to confidently forecast its infrastructure investment needs and costs to ensure it can sustainably provide for current and future communities and ensure they are cost effectively managing asset associated risks and opportunities over the long term. Key considerations include:

- Decisions about assets have significant financial consequences.
- Asset related expenditure and risk form a significant proportion of the financial statements and overall performance of each council.
- Service delivery is often highly dependent upon the assets owned and controlled by each council.
- Council assets are long lived, commonly built to last for 50 – 100 years and as they age there is an increase in maintenance costs.

## 3.3 Financial Policy Statements

A list of policy statements designed to demonstrate councils financial sustainability over the life of the next ten years. The policy statements are to include:

- an explanation of the financial measure that underpins each financial policy statement.
- an agreed financial target that is assigned to each financial measure.
- ten year calculations of each financial measure that may be compared to the respective target in order to demonstrate financial sustainability.
- The Model Financial Plan includes target performance measures that are indicative only. Each Council may choose to amend the target performance measures to suit their individual circumstances.

## 3.4 Strategic Actions

A list of strategic actions that disclose councils key funding priorities over the next ten years. By adopting the strategic actions in conjunction with the annual adoption of the Financial Plan, council is demonstrating its key financial strategies in order to ensure ongoing financial sustainability.

The strategic actions 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.

Examples of key strategic actions:

- 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 to achieve a breakeven operating result in the statement of financial performance within x 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 1.5.
- 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 within the range of \$1.0 million to \$1.5 million 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.

### 3.5 Assumptions to the Comprehensive Income Statement

In order to inform the ten-year view of projected income and expenditure the Financial Plan should include:

- a table of annual percentage escalations for the next ten years comprising:
  - the major line items included to the ten-year Comprehensive Income Statement
  - the estimated annual CPI increases
  - the estimated annual percentage growth rate for the municipality
- an explanation of the reasons for the ten-year escalations for each major income and expense line item particularly where the annual escalations exceed the estimated annual CPI increase.
- Major income and expense line items are to comprise:
  - Rates and charges
  - Statutory fees and fines
  - User fees
  - Grants – operating
  - Grants – capital
  - Contributions
  - Other income
  - Employee costs
  - Materials and services
  - Depreciation and amortisation
  - Borrowing costs
  - Other expenses

CPI and wage inflation - individual councils may choose to source CPI and wage inflation rates from the Victorian budget or budget update published by the Department of Treasury and Finance (DTF).

Rate cap projections - it is preferable that each council applies consistent rate cap projections, based on available DTF projections or advice from LGV, unless there is a proposal to seek a variation from the rate cap.

For consistency the assumptions should align with the assumptions and escalation factors published in the 4 year budget document.

## 3.6 Financial Plan Statements

The Financial Plan Statements comprise the following statements for the ensuing 10 years:

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

Where possible the first 4 years of the 10-year Financial Plan Statements should align to the Budget as it relates to the same financial years. Alignment will ensure consistent financial year projections for both the Financial Plan and the Budget. However due to the differing completion dates, some councils may choose to adopt a Financial Plan (due 31 October) that includes further modifications to the 4-year Budget that is due for adoption on 30 June.

## 3.7 Financial Performance Indicators

A range of financial indicators should be used to demonstrate the financial sustainability of the ten year Financial Plan and allow the reader to gain a better understanding of key measures such as indebtedness and liquidity which are often hidden when financial information is presented in financial statement format. The use of indicators over a ten year horizon also allows trends to be assessed helping the reader to confirm the council's service delivery, infrastructure renewal, rating and debt strategies.

The financial performance indicators are also included in the Model Budget and are the prescribed financial performance indicators contained in the Regulations. Results against these indicators are also reported in council's performance statement included in the annual report.

The Act and regulations require councils to report actual results against these indicators, together with the other prescribed indicators contained in the regulations.

The Model Financial Plan includes a table of indicative performance indicators that are designed to align with the Model Budget. Individual councils may consider the inclusion of additional sustainable capacity indicators, such as indicators included in the Local Government Performance Reporting Framework (LGPRF).

## 3.8 Borrowing Strategy

A schedule and commentary of existing borrowings that comprise the current loan balance.

An explanation of the current debt position and a ten year projection that discloses the debt position at the end of each financial year comprising:

- new loan borrowings
- the amount of loan repayment
- the amount of interest payments
- the opening and closing debt balance

Financial performance indicators that disclose for each year of the ten year Financial Plan:

- the total borrowings divided by rate revenue
- total debt servicing (interest payments) divided by rate revenue
- total debt commitment (interest and principle repayments) divided by rate revenue
- total indebtedness divided by own source revenue

An explanation of the performance of each indicator over the life of the ten year plan. The Model Financial Plan includes target performance measures that are indicative only. Each Council may choose to amend the target performance measures to suit their individual circumstances.

## 3.9 Reserves Strategy

Reserves are allocations set aside for specific purposes in later years. Ideally reserves will be cash backed in order to form an important source of funding for the Financial Plan. The following disclosures are recommended.

A list of each reserve indicating if restricted or discretionary in nature.

A table that discloses the ten year reserve movements comprising:

- the opening balance of each reserve
- the value transferred into each reserve per annum
- the value transferred from each reserve per annum
- the closing balance of each reserve

Transfers into each reserve should include a description of the source and frequency of funding that may include either receipt of income from external sources or appropriation from council's existing cash funds.

Transfers out of each reserve should include an explanation of how each reserve is used to fund operating and capital expenditure within the Financial Plan.

The Reserves Strategy is to include a description of the nature and purpose of each reserve including any usage restrictions.

The total reserves are required to balance to the Other Reserves within the Statement of Changes in Equity.

The Model Financial Plan includes examples, by individual reserves, for both restricted and discretionary. Each council may choose to disclose reserves either by individual items or in aggregate. Aggregation would result in a single disclosure for the total of restricted (non-discretionary) reserves plus a single disclosure for the total of discretionary reserves.

## 4 Appendices

### 4.1 [Appendix A](#): Model Financial Plan 2021-22 to 2030-2031

# Financial Plan 2021-22 to 2030-31

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One City Council

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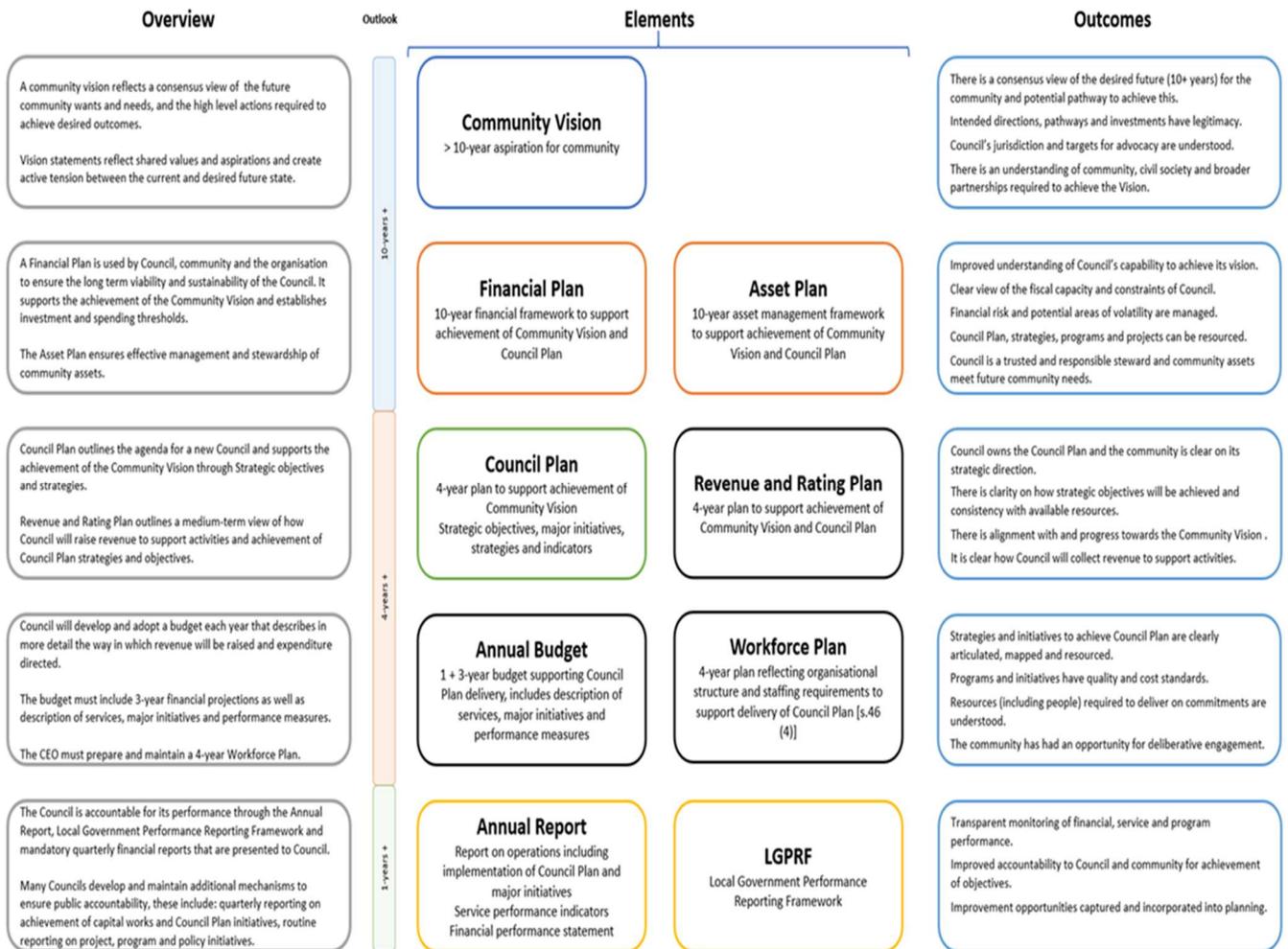
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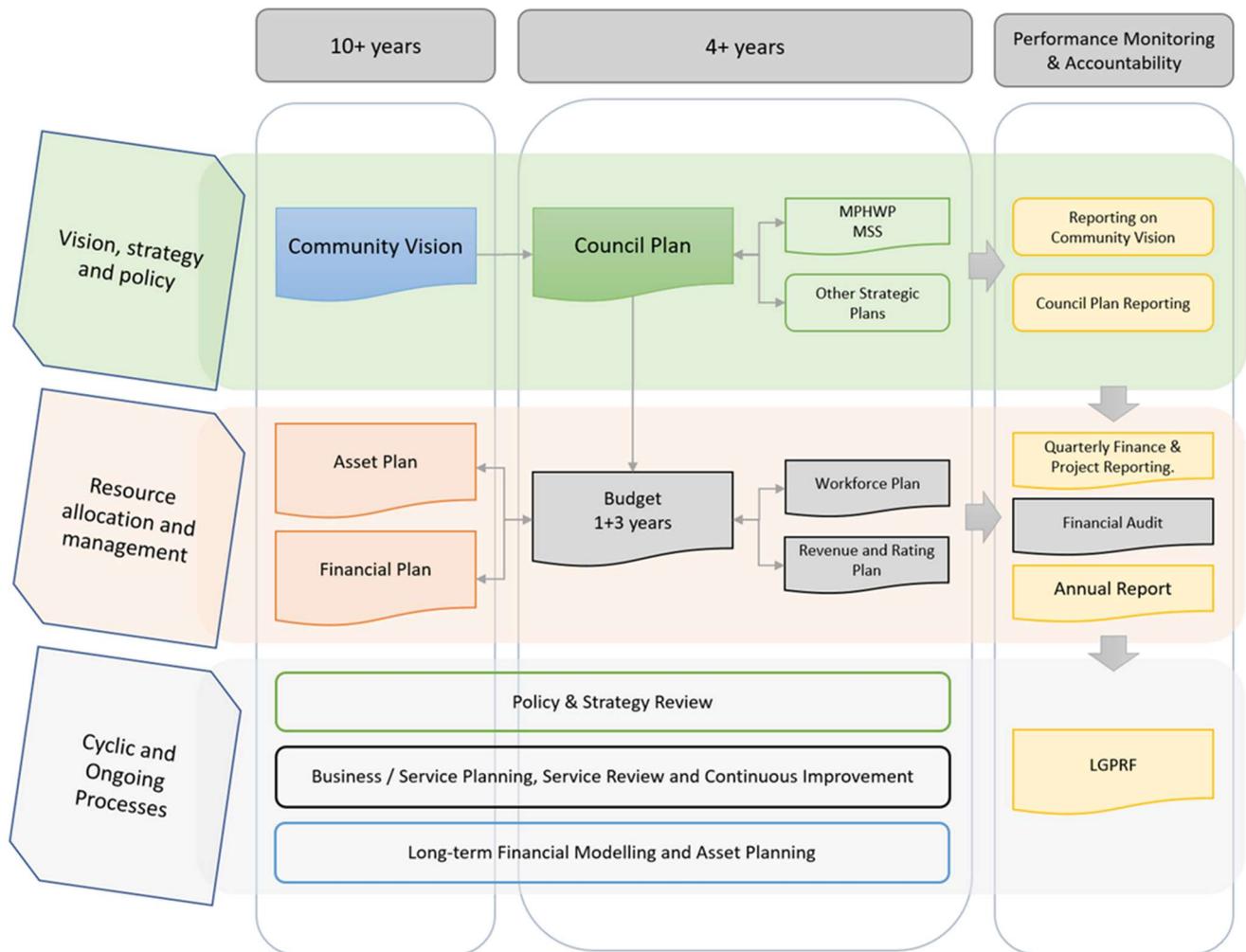
# 1. Legislative Requirements

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 is in the process of developing a comprehensive community engagement framework. In the interim, Council has implemented the following consultation process to ensure due consideration and feedback is received from relevant stakeholders.

- a) Draft Financial Plan prepared by management;
- b) Draft Financial Plan placed on public exhibition at (April) Council meeting for a period of 28 day and calling for public submissions;
- c) Community engagement is conducted using local news outlets and social media;
- d) Hearing of public submissions to the Financial Plan (June);
- e) Draft Financial Plan, including any revisions, presented to (June) 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.

## 2. 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.

#### Examples:

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
Examples:													
Consistent underlying surplus results	Adjusted underlying result greater than \$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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%	%	%	%	%	%	%	%	%	%	%	%
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%	%	%	%	%	%	%	%	%	%	%	%
Council's 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%	%	%	%	%	%	%	%	%	%	%	%
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%	%	%	%	%	%	%	%	%	%	%	%

### 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 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.

#### Examples:

- 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 4 years to enable Council sufficient time to complete a full review of its service delivery programs.

## 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	%	%	%	%	%	%	%	%	%	%
Growth	%	%	%	%	%	%	%	%	%	%
Rates and charges	%	%	%	%	%	%	%	%	%	%
Statutory fees and fines	%	%	%	%	%	%	%	%	%	%
User fees	%	%	%	%	%	%	%	%	%	%
Grants - Operating	%	%	%	%	%	%	%	%	%	%
Grants - Capital	%	%	%	%	%	%	%	%	%	%
Contributions - monetary	%	%	%	%	%	%	%	%	%	%
Contributions - non-monetary	%	%	%	%	%	%	%	%	%	%
Other income	%	%	%	%	%	%	%	%	%	%
Employee costs	%	%	%	%	%	%	%	%	%	%
Materials and services	%	%	%	%	%	%	%	%	%	%
Depreciation & Amortisation	%	%	%	%	%	%	%	%	%	%
Other expenses	%	%	%	%	%	%	%	%	%	%

### 2.3.1 Rates and charges

Example only:

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 x.x% 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 y.y% per annum will be received for growth (additional properties) as a result of supplementary rates.

Waste charges are proposed to increase by z.z% 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

Example only:

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

Example only:

Revenue from user fees is expected to increase by x.x% 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 x.x% to reflect, as a minimum, annual increases in line with the state government rate cap.

### 2.3.4 Grants

Example only:

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 x.x%.

### 2.3.5 Contributions

Example only:

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

Example only:

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.

### 2.3.7 Employee costs

Example only:

The 2021/22 year includes a x.x% increase for employee costs that mainly reflects the salary increase for all staff pursuant to the Enterprise Bargaining Agreement as well as a further y.y% to fund increased staff resources in the areas of planning and customer service due to service demands.

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

### **2.3.8 Materials and services**

Example only:

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

### **2.3.9 Depreciation & amortisation**

Example only:

Depreciation estimates have been based on the projected capital spending contained within this LTFS 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**

Example only:

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.

### 3. 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

	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	\$'000
<b>Income</b>											
Rates and charges	-	-	-	-	-	-	-	-	-	-	-
Statutory fees and fines	-	-	-	-	-	-	-	-	-	-	-
User fees	-	-	-	-	-	-	-	-	-	-	-
Grants - Operating	-	-	-	-	-	-	-	-	-	-	-
Grants - Capital	-	-	-	-	-	-	-	-	-	-	-
Contributions - monetary	-	-	-	-	-	-	-	-	-	-	-
Contributions - non-monetary	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustments for investment property	-	-	-	-	-	-	-	-	-	-	-
Share of net profits/(losses) of associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
<b>Total income</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Expenses</b>											
Employee costs	-	-	-	-	-	-	-	-	-	-	-
Materials and services	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Amortisation - intangible assets	-	-	-	-	-	-	-	-	-	-	-
Amortisation - right of use assets	-	-	-	-	-	-	-	-	-	-	-
Bad and doubtful debts	-	-	-	-	-	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-	-	-	-	-	-
Finance Costs - leases	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(deficit) for the year</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income</b>											
<b>Items that will not be reclassified to surplus or deficit in future periods</b>											
Net asset revaluation increment /(decrement)	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
<b>Items that may be reclassified to surplus or deficit in future periods (detail as appropriate)</b>											
<b>Total comprehensive result</b>	-	-	-	-	-	-	-	-	-	-	-

## 3.2 Balance Sheet

	Forecast / Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Non-current assets</b>											
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Investments in associates, joint arrangement and subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Property, infrastructure, plant & equipment	-	-	-	-	-	-	-	-	-	-	-
Right-of-use assets	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Liabilities</b>											
<b>Current liabilities</b>											
Trade and other payables	-	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
Interest-bearing liabilities	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Non-current liabilities</b>											
Provisions	-	-	-	-	-	-	-	-	-	-	-
Interest-bearing liabilities	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Equity</b>											
Accumulated surplus	-	-	-	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Total equity</b>	-	-	-	-	-	-	-	-	-	-	-

### 3.3 Statement of Changes in Equity

	Total	Accumulated	Revaluation	Other
	\$'000	Surplus	Reserve	Reserves
	\$'000	\$'000	\$'000	\$'000
<b>2021 Forecast Actual</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2022</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
<b>Transfers from other reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2024</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2025</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2026</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2027</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2028</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2029</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2030</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2031</b>				
Balance at beginning of the financial year	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 3.4 Statement of Cash Flows

	Forecast /											
	Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows											
	(Outflows)											
<b>Cash flows from operating activities</b>												
Rates and charges	-	-	-	-	-	-	-	-	-	-	-	-
Statutory fees and fines	-	-	-	-	-	-	-	-	-	-	-	-
User fees	-	-	-	-	-	-	-	-	-	-	-	-
Grants - operating	-	-	-	-	-	-	-	-	-	-	-	-
Grants - capital	-	-	-	-	-	-	-	-	-	-	-	-
Contributions - monetary	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits taken	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Net GST refund / payment	-	-	-	-	-	-	-	-	-	-	-	-
Employee costs	-	-	-	-	-	-	-	-	-	-	-	-
Materials and services	-	-	-	-	-	-	-	-	-	-	-	-
Short-term, low value and variable lease	-	-	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits repaid	-	-	-	-	-	-	-	-	-	-	-	-
Other payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flows from investing activities</b>												
Payments for property, infrastructure, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property, infrastructure, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Payments for investments	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-	-	-	-	-	-	-	-
Loan and advances made	-	-	-	-	-	-	-	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by/ (used in) investing activities</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flows from financing activities</b>												
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid - lease liability	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by/(used in) financing activities</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at the beginning of the financial year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	-	-	-	-	-	-	-	-	-	-	-	-

### 3.5 Statement of Capital Works

	Forecast											
	Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total land</b>	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total buildings</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total property</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Plant and equipment</b>												
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Library books	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total plant and equipment</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>												
Roads	-	-	-	-	-	-	-	-	-	-	-	-
Bridges	-	-	-	-	-	-	-	-	-	-	-	-
Footpaths and cycleways	-	-	-	-	-	-	-	-	-	-	-	-
Drainage	-	-	-	-	-	-	-	-	-	-	-	-
Recreational, leisure and community facilities	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	-	-	-	-	-	-	-	-	-	-	-	-
Aerodromes	-	-	-	-	-	-	-	-	-	-	-	-
Off street car parks	-	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total infrastructure</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total capital works expenditure</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Represented by:</b>												
New asset expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Asset renewal expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Asset expansion expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Asset upgrade expenditure	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total capital works expenditure</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Funding sources represented by:</b>												
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Council cash	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total capital works expenditure</b>	-	-	-	-	-	-	-	-	-	-	-	-

### 3.6 Statement of Human Resources

One City Council – to be dissected within the categories of the organisation structure.

Staff expenditure	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total staff expenditure</b>											
Male											
Female											
Self-described gender											
<b>Total staff expenditure</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Permanent full time</b>											
Male											
Female											
Self-described gender											
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Permanent part time</b>											
Male											
Female											
Self-described gender											
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-

Staff numbers	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	FTE										
<b>Total staff numbers</b>											
Male											
Female											
Self-described gender											
<b>Total staff numbers</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Permanet full time</b>											
Male											
Female											
Self-described gender											
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Permanent part time</b>											
Male											
Female											
Self-described gender											
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-
Employees											
<b>Total staff numbers</b>	-	-	-	-	-	-	-	-	-	-	-

Department	Permanent Full Time				Permanent Part Time			
	Male	Female	Self-described	Total	Full Time	Part time	Self-described	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Asset Management				-				-
City Services				-				-
Community Services				-				-
Corporate Services				-				-
Culture and Leisure				-				-
Environment and Amenity				-				-
Strategy and Governance				-				-
<b>Total permanent staff expenditure</b>	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure								
Capitalised labour costs								
<b>Total staff</b>	-	-	-	-	-	-	-	-

### 3.7 Planned Human Resource Expenditure

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<<detail organisation structure as appropriate>>										
Permanent - Full time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total &lt;&lt;detail organisational structure as appropriate&gt;&gt;</b>	<b>0</b>									
<<detail organisation structure as appropriate>>										
Permanent - Full time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total &lt;&lt;detail organisational structure as appropriate&gt;&gt;</b>	<b>0</b>									
<<detail organisation structure as appropriate>>										
Permanent - Full time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total &lt;&lt;detail organisational structure as appropriate&gt;&gt;</b>	<b>0</b>									
<<detail organisation structure as appropriate>>										
Permanent - Full time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total &lt;&lt;detail organisational structure as appropriate&gt;&gt;</b>	<b>0</b>									
<<detail organisation structure as appropriate>>										
Permanent - Full time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total &lt;&lt;detail organisational structure as appropriate&gt;&gt;</b>	<b>0</b>									
Casuals, temporary and other expenditure	0	0	0	0	1	2	3	4	5	6
<b>Total staff expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	FTE									
<<detail organisational structure as appropriate>>										
Permanent - Full time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total &lt;&lt;detail organisational structure as appropriate&gt;&gt;</b>	<b>0.0</b>									
<<detail organisational structure as appropriate>>										
Permanent - Full time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total &lt;&lt;detail organisational structure as appropriate&gt;&gt;</b>	<b>0.0</b>									
<<detail organisational structure as appropriate>>										
Permanent - Full time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total &lt;&lt;detail organisational structure as appropriate&gt;&gt;</b>	<b>0.0</b>									
<<detail organisational structure as appropriate>>										
Permanent - Full time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total &lt;&lt;detail organisational structure as appropriate&gt;&gt;</b>	<b>0.0</b>									
<b>Casuals, temporary and other expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>2.0</b>	<b>3.0</b>	<b>4.0</b>	<b>5.0</b>	<b>6.0</b>
<b>Total staff numbers</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>2.0</b>	<b>3.0</b>	<b>4.0</b>	<b>5.0</b>	<b>6.0</b>

## 4. Financial Performance Indicators

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

Indicator	Measure	Notes	Forecast										Trend		
			Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		2029/30	2030/31
<b>Operating position</b>															
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	%	%	%	%	%	%	%	%	%	%	%	%	+
<b>Liquidity</b>															
Working Capital	Current assets / current liabilities	2	%	%	%	%	%	%	%	%	%	%	%	%	o
Unrestricted cash	Unrestricted cash / current liabilities	3	%	%	%	%	%	%	%	%	%	%	%	%	o
<b>Obligations</b>															
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	%	%	%	%	%	%	%	%	%	%	%	%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		%	%	%	%	%	%	%	%	%	%	%	%	+
Indebtedness	Non-current liabilities / own source revenue		%	%	%	%	%	%	%	%	%	%	%	%	+
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	5	%	%	%	%	%	%	%	%	%	%	%	%	-
<b>Stability</b>															
Rates concentration	Rate revenue / adjusted underlying revenue	6	%	%	%	%	%	%	%	%	%	%	%	%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		%	%	%	%	%	%	%	%	%	%	%	%	o

Indicator	Measure	Notes	Forecast										Trend		
			Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		2029/30	2030/31
<b>Efficiency</b>															
Expenditure level	Total expenses/ no. of property assessments		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	+
Revenue level	Total rate revenue / no. of property assessments		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		%	%	%	%	%	%	%	%	%	%	%	%	+

(optional)

Indicator	Measure	Notes	Forecast										Trend		
			Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29		2029/30	2030/31
<b>Sustainable Capacity</b>															
Population	Total expenses/ Municipal population		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	o
Population	Value of infrastructure / Municipal population		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	o
Population	Municipal population / Kilometres of local roads		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	o
Own-source revenue	Own source revenue / Municipal population		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	o
Recurrent grants	Recurrent grants / Municipal population		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	o

(optional)

(optional)

(optional)

(optional)

(optional)

### 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

## 5. Strategies and Plans

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

### 5.1 Borrowing Strategy

#### 5.1.1 Current Debt Position

Example:

The total amount borrowed as at 30 June 2022 is \$x.x million.

Council has accessed debt funding to complete a range of major infrastructure projects including the construction of the ABC Community Hub (due for completion mid 2023), the XYZ Civic Centre and Library, as well as redevelopment of the One City Theatre, Market and Aquatic Centre.

#### 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	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		0	0	0	0	0	0	0	0	0	0
Plus New loans											
Less Principal repayment											
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest payment											

#### 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
		%	%	%	%	%	%	%	%	%	%
Total borrowings / Rate revenue	Below 60%	%	%	%	%	%	%	%	%	%	%
Debt servicing / Rate revenue	Below 5%	%	%	%	%	%	%	%	%	%	%
Debt commitment / Rate revenue	Below 10%	%	%	%	%	%	%	%	%	%	%
Indebtedness / Own source revenue	Below 60%	%	%	%	%	%	%	%	%	%	%

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

#### Total borrowings / Rate revenue

Performance – describe how the ratio performs against the target over the life of the Financial Plan.

### **Debt servicing / Rate revenue**

Performance – describe how the ratio performs against the target over the life of the Financial Plan.

### **Debt commitment / Rate revenue**

Performance – describe how the ratio performs against the target over the life of the Financial Plan.

### **Indebtedness / Own source revenue**

Performance – describe how the ratio performs against the target over the life of the Financial Plan.

## 5.2 Reserves Strategy

### 5.2.1 Current Reserves

*Examples:*

#### 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. Council has two (2) Development Contribution Plans with currently two reserves established to manage levy income contributed by developers. Development Contribution Plan reserves were introduced to manage proceeds from the recently adopted Precinct Structure Plans within the district A and district B within the municipality.
- 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.

#### Plant Replacement Reserve

- Purpose – This reserve is to set aside funds to replace Council's heavy plant and equipment at the end of the service life.
- Movements – Inflows to the reserve are mainly sourced from budget savings in depot maintenance and operations. Transfers from the reserve are aligned to Council's replacement schedule to fund plant acquisitions on an annual basis.

#### Loan Repayment Reserve

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

## 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.

*Example:*

Reserves	Restricted / Discretionary	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
		\$000's										
<b>Public Open Space Reserve</b>	Restricted											
Opening balance			0	0	0	0	0	0	0	0	0	0
Transfer to reserve												
Transfer from reserve												
<b>Closing balance</b>		<b>0</b>										
<b>Development Contributions Reserve</b>	Restricted											
Opening balance			0	0	0	0	0	0	0	0	0	0
Transfer to reserve												
Transfer from reserve												
<b>Closing balance</b>		<b>0</b>										
<b>Reserves Summary</b>	<b>Total Restricted</b>											
Opening balance		0	0	0	0	0	0	0	0	0	0	0
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
<b>Closing balance</b>		<b>0</b>										
<b>Plant Replacement Reserve</b>	Discretionary											
Opening balance			0	0	0	0	0	0	0	0	0	0
Transfer to reserve												
Transfer from reserve												
<b>Closing balance</b>		<b>0</b>										
<b>Loan Repayment Reserve</b>	Discretionary											
Opening balance			0	0	0	0	0	0	0	0	0	0
Transfer to reserve												
Transfer from reserve												
<b>Closing balance</b>		<b>0</b>										
<b>Reserves Summary</b>	<b>Total Discretionary</b>											
Opening balance		0	0	0	0	0	0	0	0	0	0	0
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
<b>Closing balance</b>		<b>0</b>										
<b>Reserves Summary</b>	<b>Restricted &amp; Discretionary</b>											
Opening balance		0	0	0	0	0	0	0	0	0	0	0
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
<b>Closing balance</b>		<b>0</b>										

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