

SURF COAST SHIRE COUNCIL

Financial Plan 2021 – 2031



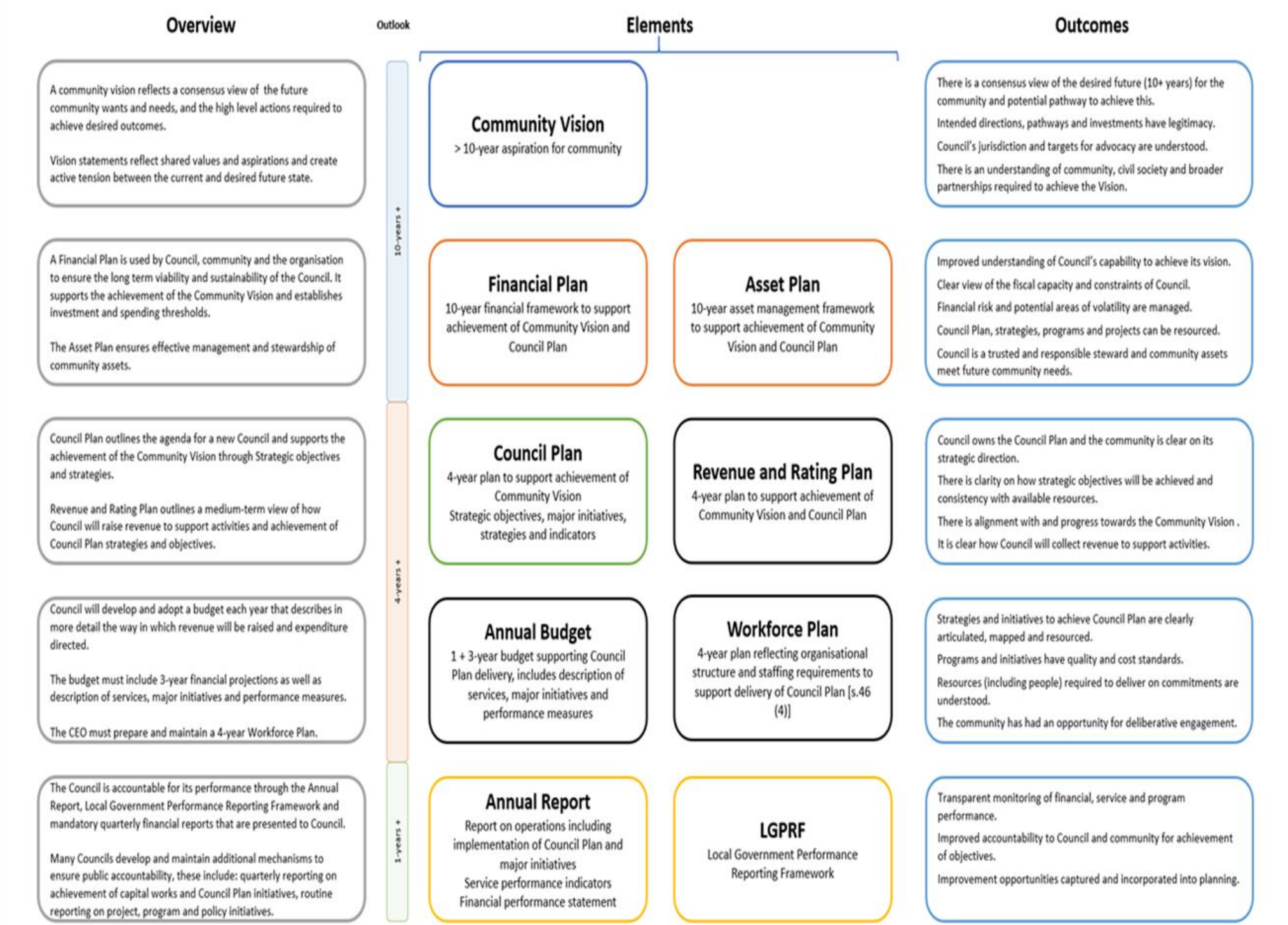
Contents

Contents.....	1
1. Legislative Requirements.....	2
1.1 Strategic Planning Principles.....	3
1.2 Financial Management Principles.....	4
1.3 Engagement Principles.....	4
1.4 Service Performance Principles.....	4
1.5 Asset Plan Integration.....	5
2. Financial Plan Context.....	6
2.1 Financial Policy Statements.....	7
2.2 Strategic Actions.....	8
2.3 Assumptions to the financial plan statements.....	9
2.4 Other Matters impacting the 10-year financial projections.....	11
2.5 Financial Plan Model Explained.....	12
3. Financial Plan Statements.....	14
3.1 Comprehensive Income Statement.....	15
3.2 Balance Sheet.....	16
3.3 Statement of Changes in Equity.....	17
3.4 Statement of Cash Flows.....	18
3.5 Statement of Capital Works.....	19
3.6 Statement of Human Resources.....	20
3.7 Planned Human Resource Expenditure.....	22
3.8 Financial Plan Model.....	24
4. Financial Performance Indicators.....	26
Notes to Indicators.....	27
5. Strategies and Plans.....	28
5.1 Borrowing Strategy.....	28
5.2 Reserves Strategy.....	30

1. Legislative Requirements

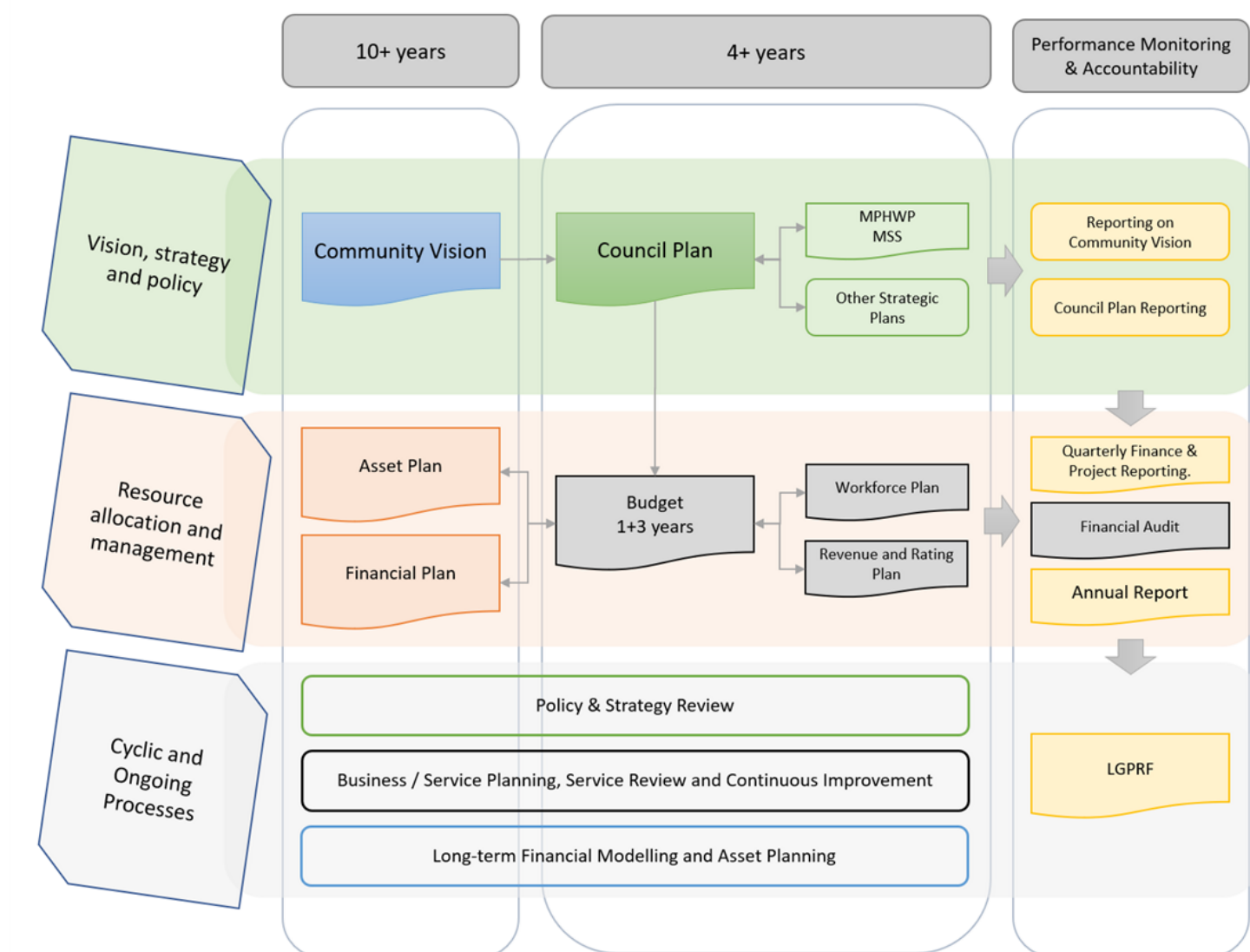
This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & Reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium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



Source: Department of Jobs, Precincts and Regions

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



Source: Department of Jobs, Precincts and Regions

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 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 Aim to maintain existing service levels with optimal resources and emphasis on innovation and efficiency.
- 1.2.5 Council maintains accounts and records that explain its financial operations and financial position (refer section 3 Financial Statements)

1.3 Engagement Principles

Council has engaged with the community via People Places Future project, including deliberative engagement on council priorities via a People's Panel. The outcome of this collaboration is the development of a fresh Community Vision that will inform all of Council's strategic planning. The following consultation activities have been undertaken to ensure due consideration and feedback for the Financial Plan is received from key stakeholders.

- a) Participatory engagement between 20 January and 28 February via online and face to face consultations.
- b) Deliberative engagement between 15 March and 19 May via a People's Panel, randomly selected for gender, age and location.
- c) Draft Financial Plan prepared by management in consultation with Councillors.
- d) Draft Financial Plan placed on public exhibition at a Special Council meeting on 3 August for a period of 21 days for public comment closing 24 August.
- e) Consideration of public comments to be undertaken by officers and councillors with a rationale of submission incorporation or exclusion to be included in the Council meeting report for adoption of the plan.
- f) Proposed Financial Plan, including any revisions, presented to Council for adoption on the 28 September.

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 uses a performance monitoring framework to continuously improve its service delivery standards.
- e) Council service delivery framework considers and responds to community feedback and complaints regards service provision.

1.5 Asset Plan Integration

Integration to the Asset Plan, and supporting documents, 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 investment required for the renewal and upgrade of existing assets and planned assets where known, in addition to the 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.

Our Challenges and Opportunities

- Tackling climate change and its impact on our environment, economy and people
- COVID-19 pandemic and economic recovery
- Meeting the changing needs and expectations of a growing and diverse community
- Developing a prosperous local economy that is the right fit for Surf Coast Shire
- Increasing Asset Renewal demands to maintain a growing and aging asset base
- Balancing constraints of the Fair Go Rates system with affordability of services for the community

Surf Coast Shire Vision 2021

From the hinterland to the coast, from the first peoples to the children of the future, we are an active, diverse community that lives creatively to value, protect and enhance the natural environment and our unique neighbourhoods. We will leave the Surf Coast better than we found it.

Council Plan Themes



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.

Notes	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
1	A minimum balance of \$50,000 must be retained in the Accumulated Unallocated Cash Reserve to provide for unexpected demands.	Accumulated Unallocated Cash Reserve Balance	\$50,000	\$3,298,555	\$2,884,239	\$3,348,503	\$4,059,141	\$2,143,386	\$1,044,347	\$923,722	\$250,000	\$250,000	\$250,000	\$1,856,616
2	An unallocated cash deficit in any year must be funded by a reserve allocation; however this is only an interim solution with a strategy required to return to an ongoing surplus.	Unallocated Cash Result must be greater than or equal to zero	>= \$0	\$924,057	\$50,378	\$179,569	\$710,639	(\$1,915,755)	(\$1,099,039)	(\$1,120,625)	(\$1,359,553)	(\$621,543)	\$724,292	\$2,189,698
	New borrowings will only be taken where there is capacity to fund debt servicing costs for every year of the loan and will not be taken out to fund deficits or asset renewal requirements.	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	< 5%	4.52%	4.29%	4.12%	4.16%	4.15%	3.96%	3.77%	3.08%	2.92%	0.36%	0.12%
	That Council applies loan funding to new capital or to fund a defined benefit call and maintains total borrowings in line with rate income and growth of the municipality.	Interest bearing loans and borrowings/rate revenue	< 40%	33.50%	28.62%	24.29%	27.63%	23.12%	18.82%	14.78%	10.97%	7.88%	4.99%	4.62%
	Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities greater than 1.25	> 125%	275%	208%	211%	178%	182%	181%	179%	185%	168%	202%	218%
	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 between 75% and 110%	> 75% & < 110%	108.33%	108.61%	76.81%	80.59%	66.39%	62.98%	75.02%	67.75%	74.22%	75.58%	80.66%
3	Recurrent EBITDA (excluding waste) is required to fund increases in obligations and discretionary allocations.	Recurrent EBITDA (excluding waste) growth year on year	Positive %	4.04%	-1.65%	2.51%	2.83%	-0.18%	2.13%	5.75%	5.04%	5.05%	5.06%	4.90%

Notes to Policy Statement Targets

1. The Accumulated Unallocated Cash Reserve balance would not meet the target balance in years 2026-27 to 2029-30 if it were not for reserve transfers from the Gherang Gravel Pit Reserve (\$1.0m) and the Adopted Strategy Reserve (\$1.3m).
2. The unallocated cash results in years 2024-25 to 2028-29 are deficits. In terms of funding this Financial Plan:

i. The Accumulated Unallocated Cash Reserve holds sufficient funds to cover years the 2024-25 and 2025-26 deficits.

ii. Deficits from 2026-27 to 2028-29 are funded using surplus cash from the Gherang Gravel Pits Reserve which has a \$1.0 m spare capacity and by temporarily reassigning cash in the Adopted Strategy Reserve which holds funds that are not expended in this plan.

iii. This strategy requires discipline in coming years not to reallocate funds needed during 2024-25 to 2029-30 unless an alternative solution is in place.

iv. The Adopted Strategy Reserve funds are replaced using future surpluses which begin from the 2029-30 year onwards as loans are fully repaid and the funding requirements for the Torquay Jan Juc DCP are fully met.
3. The final measure of recurrent EBITDA (excluding waste) growth target is not met in the 2021-22 and in the 2024-25 year due to growth with approved budgeted new recurrent expenditure in 2021-22 and the operating costs of running the new Surf Coast Aquatic and Health Centre in 2024-25.

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.

- Prioritise the ongoing review of service delivery programs (including review of asset requirements, fees and charges in respect to subsidised, cost recovery or profit making; shared services and collaborative procurement).
- Prior to introducing any new or expanded services, Council will affirm that there is an external funding source, or identify the reduction or cessation of services/activities required to allow existing resources to be redirect to the new service.
- Apply a best value service/supply contract pricing approach to achieve quality and cost effective inputs to the delivery of Council services to the community (climate change to be considered in approach).
- Set rate revenue at the maximum increase permitted under the Fair Go Rates framework and Revenue and Rating Plan.
- Apply new debt funding to growth infrastructure where necessary and based on a sound business case and demonstrated community benefit.
- Implement the asset renewal funding strategy to maintain fit-for-purpose assets for the community as well as reduce the increasing risk and maintenance associated with aging infrastructure.
- Establish a policy around retiring/transferring/divesting/consolidating assets depending on viability of use and utilisation (to be informed by Social Infrastructure planning).
- Incorporate additional funding to address impacts of climate change on Council's operations and assets.
- Maintain practice of returning unexpended project funds 'to source' or to the Accumulated Unallocated Cash Reserve where no source.
- Land sales and interest revenue to be included in cash available for allocation, except for land sales relating to open space, then to be transferred to Open Space Reserve.
- Discretionary allocation to projects above that which allowed for in the Financial Plan Model need to be funded by proactively growing the increase to recurrent EBITDA greater than what is shown in the plan, or through project savings from discretionary projects where funds are not to be returned to source.
- Establish policy to provide avenues for philanthropic and community based contributions to support programs and projects.

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 Increase	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Average Rate Increase (Rate Cap)	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Supplementary Rates & Charges \$'000	450	458	467	478	489	502	514	527	540	554
Garbage Collection Urban	1.41%	1.75%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Garbage Collection Rural	1.50%	11.20%	12.47%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Statutory fees and fines	*	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
User fees	2.50%	2.75%	3.00%	3.25%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Waste Disposal Fees	1.33%	1.15%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%
Grants - Operating	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Contributions - Monetary	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Contributions - non-monetary volunteers	2.25%	2.33%	2.58%	2.83%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Other income	0.50%	0.60%	0.60%	0.70%	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%
Employee costs	3.03%	2.33%	2.58%	2.83%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Materials and services	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other expenses	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

*Current year based on actual statutory fees and fines

2.3.1 Rates and charges

The Victorian Government introduced rate capping from 2016 as a part of the *Fair Go Rates* system, requiring all Local Councils to limit their annual increase on rates. The rate cap applies to general rates and municipal charges. It does not apply to waste charges or the State's fire services property levy.

The rate cap for 2021-22 has been set at 1.5% as approved by the Minister for Local Government, in comparison to 2% prescribed for 2020-21. Financial plan forecasts are based on Council complying with the expected rate cap. The annual rate increase for future years is based on state treasury's budgeted CPI forecasts. .

The actual rate cap is announced by the Minister for Local Government in December of the preceding year of the budget.

In addition, it is expected that an additional \$450,000 per annum plus the rate cap increase will be driven by growth (additional properties and development) through receipt of supplementary rates.

Waste charges are set to defray the total costs of waste management incurred across the municipal district. Future years' waste charges have been calculated to ensure Council continues to recover the full costs of providing waste services. With the changes to the waste services over the last couple of years, the cost for providing the rural and urban services now align. The fee for rural collections have a step change in years 2022-23 and 2023-24 which will align the garbage collection charges for rural and urban.

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 2.5% 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 CPI to reflect, as a minimum, annual increases in line with the state government rate cap. A growth factor of 1% has been added on top of the CPI rate. The 2024-25 year includes an increase associated with the commencement of the Surf Coast Aquatic and Health Centre operations.

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 in line with CPI to reflect, as a minimum, annual increases in line with the state government rate cap.

Council only allows for confirmed capital grant funding in budget allocations. Capital grants are essential for Council to deliver projects that will have intergenerational benefits and actively pursues grant funding opportunities where there is a sound business case and demonstrated community benefit.

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. The Torquay Jan Juc Developer Contribution Plan contributions are budgeted for based on modelling of the scheme.

Other contribution increases are based on CPI.

2.3.6 Other income

Revenue from other income mainly comprises investment income.

2.3.7 Employee costs

Employee costs is one of the largest expenditure items and is required to deliver services supporting the community and meeting organisation commitments. Employee costs include a combination of direct wages and salaries, on-costs such as superannuation, WorkCover, leave entitlements, training and temporary staff arrangements. As well as recurrent employees, employee costs relating to operating projects and expensed capital projects are included.

The 2021-22 year includes an enterprise agreement increase of 2.25%, increase to the superannuation guarantee of 0.5% and an allowance for level increments. Employee costs that were reduced in the 2020-21 year are back to normal levels such as volunteers and training. An additional 1.6% relates to increased staff resources in the areas of waste, stadium operations (full 12 months), engaging with traditional owners, health and administration due to service demands.

The ensuing years, from 2022-23 to 2030-31 annual increases reflect an enterprise agreement based on CPI, level increments and Superannuation Guarantee increase to 12% by 2024-25. An allowance for new compliance and non-discretionary employees, net of recurrent savings of \$150k per annum is included from 2022-23 onwards.

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, 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. An allowance for new compliance and non-discretionary employees, net of recurrent savings of \$150k per annum is included from 2022-23 onwards. The 2024-25 year includes an increase associated with the commencement of the Surf Coast Aquatic and Health Centre operations.

2.3.9 Depreciation & amortisation

Depreciation estimates have been based on Council's asset base and the projected capital spending contained within this plan.

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, lease expenditure, lease interest and audit costs. These costs are kept to within CPI levels year on year.

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.

- Lower rate environment: The overall financial impact of the lower rate environment is impacting Council's discretionary project allocations and has required Council to implement a financial savings program which includes service reviews and business case investments.
- New Local Government Act 2020: The requirement for Asset Management Planning will be better informed by new deliberative community engagement. A possible re-defining of service demand and service levels in respect of community assets and infrastructure may affect asset maintenance and renewal expenditure.
- COVID-19 impact: As the economy recovers from this pandemic, our community will continue to recover from these challenges. Council will continue to support the community and businesses where possible and provide assistance. We are learning different ways of working and making council facilities more akin to provide hybrid work environment and more services to move electronically. Our innovative ways of working and advanced use of technology supported us to work through the pandemic and we will need to continue to build our IT infrastructure to grow the organisation.

- **Natural Disasters:** These are occurrences of unknown timing. Whilst Council does significant work on prevention and recovery, these events impact on Council's resources. The most recent of these was the flooding in 2016 at Lorne. Council continues to invest money in Climate strategy projects and increased focus for generations to come.
- **Cost Shifting:** This occurs where Local Government provides a service to the community on behalf of the State or Federal Government. Over time the funds received by Local Governments do not increase in line with real cost increases. An example of this is Maternal & Child Health, where the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community. Council still plays a role in maintaining crown land reserves and has some exposure to infrastructure owned by other State authorities.
- **Public infrastructure maintenance:** Councils across Australia raise approximately 3% of the total taxation collected by all levels of Government in Australia. In addition, Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- **Population growth** will continue to place stress on Council's resources.
- The value of developer contributed assets and completed capital works, together with an increase in the value of existing assets, are significantly increasing depreciation and maintenance expenditure.

2.5 Financial Plan Model Explained

1. **Recurrent EBITDA:** EBITDA stands for 'Earnings before Interest, Tax, Depreciation and Amortisation' and is a measure of normal operations without the impact of one-off revenue and expenses. It allows a clear focus on Council's recurrent operational performance without the impact of one-off revenue and expenses. This is important as Recurrent EBITDA provides the funding to allocate to, commitments and discretionary allocations. It includes a modest recurrent financial savings target of \$300k per year underpinned by investments in technology and service reviews. The last five years of the program have proven it to be a steady achievable target. It also includes an allowance for compliance costs and non-discretionary growth both at \$300k per year.
2. **Cash Adjustments:** Account for balance sheet adjustments not related to projects, interest revenue, asset sales and an adjustment for Grants Commission funds received early. Balance sheet adjustments are part of working capital movements and are included as the model reconciles back to cash. Interest revenue is excluded from operational performance as returns on investments are outside management's control and variability on returns would skew performance results. The Grants Commission funds have been budgeted to be received 50% in advance over the life of the plan. These funds are ring fenced and transferred into the adopted strategy reserve. If in any year the funds are not paid in advance, the shortfall in recurrent EBITDA will be offset by the transfer from the adopted strategy reserve. Funds from asset sales, with the exception of open space (which is to be transferred to the open space reserve), are made available for allocations. Recurrent EBITDA and Cash adjustments provide cash available for distribution to allocation.
3. **Allocations to Commitments:** Includes Council's funding priorities which often Council has no discretion on funding. Components of commitments include:
 - Debt interest and principal allocations to meet our current and planned debt financing commitments.
 - Development allocations including the Torquay/Jan Juc Developer Plan which will receive its final allocation in 2028-29; and the Winchelsea Infrastructure Plan.
 - Waste allocation which is the surplus from the recurrent Waste EBITDA and is used solely to meet Council's waste obligations, including the landfill rehabilitation.
 - Towards Environmental Leadership allocation to support Council's Climate Emergency Corporate Response Action Plan and other environmental initiatives.
 - Business case investments allocations to fund business case proposals which have a return on investment over five years as a minimum. The savings made on business cases are included in the financial savings targets in recurrent EBITDA.
 - Council election year allocations to funds the cost of elections every four years.
 - Aireys Inlet aged units' allocations that represent the surplus from the service which is ring fenced for future maintenance and capital expenditure required on the units.

- Growth and compliance cost allocations fund one off projects that have gone through a rigorous project proposal process culminating with Council ratification prior to proceeding through to the draft annual budget on display.

Any balance of cash available for distribution once all allocations to commitments are funded, is available to fund discretionary cash allocations.

4. **Discretionary Cash Allocations:** Are determined annually and affirmed through the budget process depending on cash availability. Proposed discretionary projects that create new or improved assets must be assessed for the impact on Council's future Recurrent EBITDA and renewal requirements, and the ability for this to be afforded in the Financial Plan. If there is no discretionary cash available in any year, Council may choose to fund discretionary allocations from the accumulated unallocated cash reserve if sufficient funds are available. If not, temporary funding from an unrestricted cash reserve may be an option provided a viable plan for future return of funds is put in place.
The balance of cash once allocations to discretionary cash is made is the unallocated cash surplus/(deficit), this is added to the opening balance of the Accumulated Unallocated Cash Reserve to give the closing balance of the reserve for the year.
5. **Accumulated Unallocated Cash Reserve:** Identifies Council's unallocated cash which can only be drawn upon by Council resolution. Surpluses for the year are transferred to the reserve as well as project savings not funded by any other reserve (as these savings are returned to the reserve that funded the project).

3. Financial Plan Statements

This section presents information regarding the Financial Plan Statements for the 10 years from 2021-22 to 2030-2031.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources
- Planned Human Resources expenditure
- Financial Plan Model (non-statutory)

3.1 Comprehensive Income Statement

	2020-21 Forecast \$'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	56,771	58,950	60,563	62,569	64,738	67,113	69,566	72,100	74,717	77,420	80,211
Statutory fees and fines	1,927	2,041	2,076	2,118	2,166	2,220	2,275	2,332	2,390	2,450	2,511
User charges	5,343	7,207	7,629	7,836	11,193	11,641	12,180	12,591	13,017	13,457	13,871
Grants - Operating	9,518	7,999	8,086	8,003	8,183	8,388	8,597	8,812	9,032	9,258	9,490
Grants - Capital	12,829	4,501	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Contributions - monetary	2,593	2,697	2,838	2,723	2,810	2,885	2,354	2,434	2,017	3,434	2,354
Contributions - non-monetary	6,251	11,401	6,235	4,520	5,040	5,140	2,121	2,941	552	563	9,875
Net gain/(loss) on disposal of property infrastructure, plant and equipment	431	236	-	281	-	-	-	-	-	-	-
Other Income	449	460	533	496	529	565	590	614	615	640	747
Total Income	96,113	95,491	89,012	89,597	95,709	99,002	98,734	102,876	103,392	108,274	120,110
Expenses											
Employee costs	33,615	35,539	35,650	36,703	37,867	38,978	40,114	41,275	42,463	43,678	44,920
Materials and services	29,248	28,434	28,480	28,387	33,225	34,558	35,511	36,499	38,008	39,244	39,589
Depreciation	16,586	18,328	19,373	20,325	21,131	21,872	22,575	23,373	24,171	24,963	25,790
Amortisation - intangible assets	5,639	5,639	5,639	5,639	5,639	5,639	-	-	-	-	-
Amortisation - right of use assets	526	379	387	394	402	410	418	427	435	444	453
Bad and doubtful debts	87	111	112	114	117	120	123	126	129	132	135
Borrowing costs	417	371	326	281	351	302	251	200	155	117	95
Finance costs leases	22	24	24	24	24	34	33	32	31	30	29
Other Expenses	2,825	4,426	1,970	1,982	2,146	2,486	2,689	2,993	3,136	3,331	3,072
Total expenses	88,965	93,250	91,960	93,849	100,903	104,398	101,715	104,925	108,529	111,939	114,083
Surplus/(deficit) for the year	7,148	2,241	(2,947)	(4,252)	(5,193)	(5,397)	(2,982)	(2,049)	(5,137)	(3,665)	6,028
Other Comprehensive Income											
Items that will not be reclassified to surplus or deficit in future periods											
Net asset revaluation increment/(decrement)	8,554	7,259	19,431	4,700	13,166	15,812	10,409	8,513	22,325	5,670	14,583
Total Comprehensive Result	15,702	9,500	16,483	448	7,973	10,415	7,428	6,463	17,189	2,004	20,611

3.2 Balance Sheet

	2020-21 Forecast \$'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
Assets											
Current assets											
Cash and cash equivalents	9,733	5,109	5,607	6,112	5,667	6,646	6,541	6,711	7,318	7,954	9,157
Trade and other receivables	6,304	6,156	6,172	6,203	6,238	6,279	6,323	6,369	6,418	6,469	6,523
Other financial assets	50,000	45,000	39,000	31,000	33,000	32,000	32,000	33,000	33,000	33,000	36,000
Inventories	300	306	306	306	306	306	306	306	306	306	306
Non-current assets classified as held for sale	-	-	519	-	-	-	-	-	-	-	-
Other assets	800	816	832	849	866	883	901	919	937	956	975
Total current assets	67,137	57,387	52,436	44,470	46,077	46,114	46,071	47,305	47,980	48,686	52,961
Non-current assets											
Trade and other receivables	38	13	4	-	-	-	-	-	-	-	-
Property, infrastructure plant & equipment	815,127	838,109	860,317	877,158	887,139	901,122	906,548	909,722	924,536	921,434	937,940
Investments in associates and joint ventures	538	538	538	538	538	538	538	538	538	538	538
Right of use assets	495	506	267	22	224	389	130	121	(149)	(424)	(444)
Intangible assets	28,193	22,554	16,916	11,277	5,639						
Total non-current assets	844,390	861,720	878,041	888,995	893,539	902,049	907,216	910,381	924,924	921,548	938,033
Total assets	911,527	919,107	930,477	933,465	939,615	948,163	953,287	957,686	972,904	970,234	990,994
Liabilities											
Current liabilities											
Trade and other payables	6,627	6,504	6,620	6,739	6,862	6,987	7,114	7,245	7,378	7,514	7,653
Trust funds and deposits	8,020	8,336	8,336	8,336	8,336	8,336	8,336	8,336	8,336	8,336	8,336
Provisions	7,196	10,243	7,402	7,389	7,463	7,537	7,613	7,689	10,466	7,843	7,922
Interest bearing liabilities	2,150	2,160	2,171	2,322	2,337	2,353	2,369	2,021	2,024	161	-
Lease Liabilities	408	297	293	140	315	321	328	334	341	281	355
Total current liabilities	24,401	27,541	24,822	24,925	25,312	25,534	25,760	25,625	28,545	24,136	24,266
Non-current liabilities											
Provisions	11,516	8,524	8,446	8,454	8,462	8,471	8,479	8,488	5,796	5,805	5,814
Lease Liabilities	53	146	-	-	119	374	205	288	113	-	12
Interest bearing liabilities	16,871	14,711	12,539	14,968	12,631	10,278	7,909	5,889	3,864	3,703	3,703
Total non-current liabilities	28,440	23,380	20,985	23,422	21,213	19,123	16,593	14,665	9,773	9,508	9,529
Total liabilities	52,841	50,921	45,807	48,347	46,525	44,657	42,354	40,290	38,319	33,644	33,794
Net assets	858,686	868,186	884,670	885,117	893,090	903,505	910,933	917,397	934,585	936,589	957,200
Equity											
Accumulated surplus	475,143	487,007	489,562	492,805	486,057	480,682	477,805	474,585	468,842	464,540	466,366
Asset revaluation reserve	325,243	332,502	351,933	356,633	369,799	385,610	396,020	404,533	426,858	432,527	447,110
Other reserves	58,301	48,677	43,175	35,680	37,235	37,213	37,109	38,279	38,886	39,522	43,724
Total equity	858,686	868,186	884,670	885,117	893,090	903,505	910,933	917,397	934,585	936,589	957,200

3.3 Statement of Changes in Equity

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
2020-21 Forecast				
Balance at beginning of the financial year	842,984	470,461	316,689	55,835
Surplus/(deficit) for the year	7,148	7,148	-	-
Net asset revaluation increment/(decrement)	8,554	-	8,554	-
Transfers to other reserves	-	(35,017)	-	35,017
Transfers from other reserves	-	42,050	-	(42,050)
Balance at end of the financial year	858,686	484,641	325,243	48,802
2021-22				
Balance at beginning of the financial year	858,686	484,641	325,243	48,802
Surplus/(deficit) for the year	2,241	2,241	-	-
Net asset revaluation increment/(decrement)	7,259	-	7,259	-
Transfers to other reserves	-	(22,157)	-	22,157
Transfers from other reserves	-	31,780	-	(31,780)
Balance at end of the financial year	868,186	496,506	332,502	39,179
2022-23				
Balance at beginning of the financial year	868,186	496,506	332,502	39,179
Surplus/(deficit) for the year	(2,947)	(2,947)	-	-
Net asset revaluation increment/(decrement)	19,431	-	19,431	-
Transfers to other reserves	-	(16,300)	-	16,300
Transfers from other reserves	-	21,802	-	(21,802)
Balance at end of the financial year	884,670	499,060	351,933	33,677
2023-24				
Balance at beginning of the financial year	884,670	499,060	351,933	33,677
Surplus/(deficit) for the year	(4,252)	(4,252)	-	-
Net asset revaluation increment/(decrement)	4,700	-	4,700	-
Transfers to other reserves	-	(17,709)	-	17,709
Transfers from other reserves	-	25,204	-	(25,204)
Balance at end of the financial year	885,117	502,303	356,633	26,182
2024-25				
Balance at beginning of the financial year	885,117	502,303	356,633	26,182
Surplus/(deficit) for the year	(5,193)	(5,193)	-	-
Net asset revaluation increment/(decrement)	13,166	-	13,166	-
Transfers to other reserves	-	(15,291)	-	15,291
Transfers from other reserves	-	13,736	-	(13,736)
Balance at end of the financial year	893,090	495,555	369,799	27,737
2025-26				
Balance at beginning of the financial year	893,090	495,555	369,799	27,737
Surplus/(deficit) for the year	(5,397)	(5,397)	-	-
Net asset revaluation increment/(decrement)	15,812	-	15,812	-
Transfers to other reserves	-	(17,697)	-	17,697
Transfers from other reserves	-	(52)	-	52
Balance at end of the financial year	903,505	472,409	385,610	45,486
2026-27				
Balance at beginning of the financial year	903,505	472,409	385,610	45,486
Impact of adoption of new accounting standi	-	-	-	-
Adjusted opening balance	903,505	472,409	385,610	45,486
Surplus/(deficit) for the year	(2,982)	(2,982)	-	-
Net asset revaluation increment/(decrement)	10,409	-	10,409	-
Transfers to other reserves	-	(17,857)	-	17,857
Transfers from other reserves	-	17,962	-	(17,962)
Balance at end of the financial year	910,933	469,532	396,020	45,381
2027-28				
Balance at beginning of the financial year	910,933	469,532	396,020	45,381
Surplus/(deficit) for the year	(2,049)	(2,049)	-	-
Net asset revaluation increment/(decrement)	8,513	-	8,513	-
Transfers to other reserves	-	(18,930)	-	18,930
Transfers from other reserves	-	17,760	-	(17,760)
Balance at end of the financial year	917,397	466,313	404,533	46,552
2028-29				
Balance at beginning of the financial year	917,397	466,313	404,533	46,552
Surplus/(deficit) for the year	(5,137)	(5,137)	-	-
Net asset revaluation increment/(decrement)	22,325	-	22,325	-
Transfers to other reserves	-	(19,160)	-	19,160
Transfers from other reserves	-	18,553	-	(18,553)
Balance at end of the financial year	934,585	460,569	426,858	47,159
2029-30				
Balance at beginning of the financial year	934,585	460,569	426,858	47,159
Surplus/(deficit) for the year	(3,665)	(3,665)	-	-
Net asset revaluation increment/(decrement)	5,670	-	5,670	-
Transfers to other reserves	-	(22,476)	-	22,476
Transfers from other reserves	-	21,840	-	(21,840)
Balance at end of the financial year	936,589	456,267	432,527	47,795
2030-31				
Balance at beginning of the financial year	936,589	456,267	432,527	47,795
Surplus/(deficit) for the year	6,028	6,028	-	-
Net asset revaluation increment/(decrement)	14,583	-	14,583	-
Transfers to other reserves	-	(24,234)	-	24,234
Transfers from other reserves	-	20,032	-	(20,032)
Balance at end of the financial year	957,200	458,093	447,110	51,997

3.4 Statement of Cash Flows

	2020-21 Forecast \$'000	2021-22 Budget \$'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
Cash flow from operating activities											
Rates and charges	57,618	58,938	60,539	62,527	64,690	67,061	69,513	72,045	74,661	77,363	80,153
Statutory fees and fines	2,036	1,991	2,076	2,118	2,166	2,220	2,275	2,332	2,390	2,450	2,511
User charges	5,532	7,456	7,893	8,107	11,583	12,046	12,604	13,030	13,470	13,926	14,355
Grants - operating	9,854	8,281	8,371	8,285	8,471	8,683	8,900	9,123	9,351	9,585	9,824
Grants - capital	12,830	4,521	1,071	1,071	1,072	1,072	1,073	1,073	1,074	1,075	1,075
Contributions - monetary	2,593	2,697	2,838	2,723	2,810	2,885	2,354	2,434	2,017	3,434	2,354
Interest received	439	450	523	486	518	554	579	603	603	628	735
Trust funds and deposits taken/(repaid)	(1,478)	316	-	-	-	-	-	-	-	-	-
Net GST refund/payment	5,375	4,990	4,400	5,228	4,117	4,453	4,596	4,664	4,902	5,236	5,175
Employee costs	(33,313)	(34,800)	(35,050)	(36,095)	(37,250)	(38,352)	(39,478)	(40,629)	(41,807)	(43,010)	(44,241)
Materials and Services	(36,071)	(35,224)	(34,346)	(35,103)	(38,976)	(40,693)	(41,840)	(42,943)	(44,740)	(46,360)	(46,694)
Net cash provided from operating activities	25,415	19,616	18,314	19,346	19,199	19,928	20,575	21,732	21,923	24,327	25,248
Cash Flows from investing activities											
Proceeds from sale of property, plant & equipment	878	664	390	1,190	390	390	390	390	390	390	390
Payments for property, plant, equipment & infrastructure assets	(30,163)	(26,950)	(21,398)	(30,000)	(15,028)	(17,352)	(18,111)	(18,022)	(19,165)	(21,568)	(20,803)
Cash flows from investments	16,546	5,000	6,000	8,000	(2,000)	1,000	-	(1,000)	-	-	(3,000)
Net cash used in investing activities	(12,740)	(21,285)	(15,008)	(20,810)	(16,638)	(15,962)	(17,721)	(18,632)	(18,775)	(21,178)	(23,413)
Cash flows from financing activities											
Finance costs	(418)	(372)	(327)	(282)	(351)	(302)	(251)	(200)	(155)	(117)	(95)
Repayment of lease liabilities	(573)	(408)	(297)	(303)	(309)	(315)	(321)	(328)	(334)	(341)	(348)
Interest paid - lease liabilities	(22)	(24)	(24)	(24)	(24)	(34)	(33)	(32)	(31)	(30)	(29)
Proceeds from borrowings	-	-	-	4,750	-	-	-	-	-	-	-
Repayment of borrowings	(2,149)	(2,150)	(2,160)	(2,171)	(2,322)	(2,337)	(2,353)	(2,369)	(2,021)	(2,024)	(161)
Net cash provided from financing activities	(3,162)	(2,954)	(2,809)	1,969	(3,006)	(2,988)	(2,958)	(2,930)	(2,541)	(2,513)	(633)
Net increase/(decrease) in cash & cash equivalents held	9,513	(4,624)	498	505	(445)	979	(105)	170	607	636	1,202
Cash & cash equivalents at the beginning of the period	220	9,733	5,109	5,607	6,112	5,667	6,646	6,541	6,711	7,318	7,954
Cash & cash equivalents at the end of the period	9,733	5,109	5,607	6,112	5,667	6,646	6,541	6,711	7,318	7,954	9,157
Investments (current and non-current financial assets)	50,000	45,000	39,000	31,000	33,000	32,000	32,000	33,000	33,000	33,000	36,000
Total cash & investments at the end of the period	59,733	50,109	44,607	37,112	38,667	38,646	38,541	39,711	40,318	40,954	45,157

3.5 Statement of Capital Works

	2020-21 Forecast \$'000	2021-22 Budget \$'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
Land	77	-	-	-	-	-	-	-	-	-	-
Buildings	8,692	4,991	2,708	9,221	386	914	1,500	2,000	2,500	3,000	4,050
Total Property	8,769	4,991	2,708	9,221	386	914	1,500	2,000	2,500	3,000	4,050
Plant and Equipment											
Plant, Machinery & Equipment	1,760	2,289	1,943	1,135	2,866	1,815	1,775	1,175	1,775	2,163	1,019
Fixtures, Fitting & Furniture	23	380	-	-	-	-	-	-	-	-	-
Computers & Telecomms	973	1,859	150	200	300	350	500	5,000	5,000	5,000	520
Total Plant and Equipment	2,756	4,528	2,093	1,335	3,166	2,165	2,275	6,175	6,775	7,163	1,539
Infrastructure											
Bridges	324	-	-	2,500	-	-	-	-	-	-	-
Drainage & Sewerage	540	371	205	205	205	205	205	205	205	205	315
Footpaths & Cycleways	1,680	568	573	1,074	875	2,561	1,002	2,601	1,377	1,227	1,020
Parks, Open Space & Streetscapes	1,566	1,443	723	265	282	1,005	1,408	333	1,460	543	354
Recreation, Leisure & Communities	4,813	3,744	3,712	1,458	1,556	2,302	590	1,372	624	913	5,200
Roads	9,395	8,315	8,384	10,170	6,566	8,001	9,331	5,124	6,005	5,817	7,400
Offstreet Car Parks	55	203	-	-	-	-	-	-	-	-	-
Waste	211	2,762	-	3,686	1,992	199	1,800	212	219	-	925
Expensed Capital Works	1,728	1,399	1,360	780	680	1,066	680	680	680	1,384	680
Landfill Provision	55	25	3,000	86	-	-	-	-	-	2,700	-
Total Infrastructure	20,367	18,831	17,956	20,224	12,156	15,339	15,016	10,527	10,570	12,789	15,894
Total Capital Works Expenditure	31,892	28,349	22,757	30,780	15,708	18,418	18,791	18,702	19,845	22,952	21,483
Represented By:											
New Asset Expenditure	11,932	5,263	3,083	13,100	500	3,577	1,174	2,187	1,225	-	-
Asset Renewal Expenditure	11,841	11,236	10,984	14,552	12,024	13,087	14,046	15,524	16,918	18,216	19,674
Asset Expansion Expenditure	210	1,757	435	435	500	-	-	-	-	-	-
Asset Upgrade Expenditure	6,127	8,669	3,897	1,828	2,004	688	2,891	311	1,022	652	1,129
Expensed Capital Works	1,728	1,399	1,360	780	680	1,066	680	680	680	1,384	680
Landfill Provision Works	55	25	3,000	86	-	-	-	-	-	2,700	-
Total Capital Works Expenditure	31,892	28,349	22,757	30,780	15,708	18,418	18,791	18,702	19,845	22,952	21,483
Funding Sources Represented By:											
External											
Capital Grants	12,829	4,501	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Contributions	150	50	-	-	-	-	-	-	-	-	-
Borrowings	3,275	-	-	4,750	-	-	-	-	-	-	-
Council Cash	15,638	23,797	21,706	24,979	14,657	17,367	17,740	17,651	18,794	21,901	20,432
Total Capital Works Funding Sources	31,892	28,349	22,757	30,780	15,708	18,418	18,791	18,702	19,845	22,952	21,483

3.6 Statement of Human Resources

	2021-22									
	Budget	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Staff Expenditure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Staff Expenditure										
Female	16,314	16,693	17,123	17,607	18,065	18,535	19,017	19,511	20,019	20,539
Male	16,723	17,112	17,553	18,049	18,518	19,000	19,494	20,001	20,521	21,054
Vacant Role	1,157	1,184	1,214	1,249	1,281	1,315	1,349	1,384	1,420	1,457
Total Staff Expenditure	34,193	34,989	35,891	36,905	37,865	38,849	39,859	40,896	41,959	43,050
Full Time										
Female	8,190	8,381	8,596	8,839	9,069	9,305	9,547	9,795	10,050	10,311
Male	15,522	15,884	16,293	16,753	17,189	17,636	18,095	18,565	19,048	19,543
Vacant Role	465	475	488	502	515	528	542	556	570	585
Total Full Time	24,177	24,740	25,377	26,095	26,773	27,469	28,183	28,916	29,668	30,439
Part Time										
Female	8,124	8,313	8,527	8,768	8,996	9,230	9,470	9,716	9,969	10,228
Male	1,200	1,228	1,260	1,295	1,329	1,364	1,399	1,436	1,473	1,511
Vacant Role	692	708	727	747	767	787	807	828	850	872
Total Part Time	10,016	10,249	10,513	10,811	11,092	11,380	11,676	11,980	12,291	12,611
Staff Expenditure Reconciled to Income Statement										
Total Staff Expenditure	34,193	34,989	35,891	36,905	37,865	38,849	39,859	40,896	41,959	43,050
Casuals	497	509	522	536	550	565	579	594	610	626
Volunteers	481	492	505	519	532	546	560	575	590	605
Capitalised Operational Employee Costs	(2,010)	(2,057)	(2,110)	(2,170)	(2,226)	(2,284)	(2,343)	(2,404)	(2,467)	(2,531)
Other Employee Costs and Project Staff	2,378	1,567	1,596	1,626	1,657	1,688	1,720	1,752	1,786	1,820
Unallocated New Compliance and Non Discretionary Employee		150	300	450	600	750	900	1,050	1,200	1,350
Employee Costs as per Income Statement	35,539	35,650	36,703	37,867	38,978	40,114	41,275	42,463	43,678	44,920

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Staff Numbers	Budget FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Staff Expenditure										
Female	159.6	159.6	159.6	159.6	159.6	159.6	159.6	159.6	159.6	159.6
Male	151.3	151.3	151.3	151.3	151.3	151.3	151.3	151.3	151.3	151.3
Vacant Role	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4
Total Staff Expenditure	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4
Full Time										
Female	72.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0
Male	139.0	139.0	139.0	139.0	139.0	139.0	139.0	139.0	139.0	139.0
Vacant Role	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Full Time	216.0	216.0	216.0	216.0	216.0	216.0	216.0	216.0	216.0	216.0
Part Time										
Female	87.6	87.6	87.6	87.6	87.6	87.6	87.6	87.6	87.6	87.6
Male	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3	12.3
Vacant Role	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4
Total Part Time	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4
Staff Numbers included in Income Statement										
Total Staff Expenditure	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4
Casuals	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Volunteers	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8
Capitalised Operational Employee Costs	(16.1)	(16.1)	(16.1)	(16.1)	(16.1)	(16.1)	(16.1)	(16.1)	(16.1)	(16.1)
Other Employee Costs and Project Staff	8.9	4.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Unallocated New Compliance and Non Discretionary Emplo	-	1.4	2.7	4.0	5.2	6.3	7.4	8.4	9.4	10.3
Total Staff Numbers included in Income Statement	328.2	325.2	325.5	326.8	328.0	329.1	330.2	331.2	332.2	333.1

2021-22	Permanent Full Time				Permanent Part time			
Staff Expenditure	Female	Male	Vacant	Total	Female	Male	Vacant	Total
Division	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office	559			559	101			101
Culture and Community	2,560	4,267	69	6,897	4,404	281	308	4,992
Environment and Development	3,335	4,923	215	8,472	1,958	361	103	2,422
Governance and Infrastructure	1,736	6,333	180	8,249	1,661	559	282	2,502
Total Staff Expenditure	8,190	15,522	465	24,177	8,124	1,200	692	10,016

3.7 Planned Human Resource Expenditure

	2021-22 Budget	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Staff Expenditure by Division	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office										
Full Time										
Female	559	572	587	603	619	635	652	668	686	704
Male	-	-	-	-	-	-	-	-	-	-
Vacant Role	-	-	-	-	-	-	-	-	-	-
Part Time										
Female	101	103	106	109	112	115	118	121	124	127
Male	-	-	-	-	-	-	-	-	-	-
Vacant Role	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Office	660	675	693	712	731	750	769	789	810	831
Culture and Community										
Full Time										
Female	2,560	2,620	2,687	2,763	2,835	2,909	2,985	3,062	3,142	3,223
Male	4,267	4,367	4,479	4,606	4,726	4,848	4,975	5,104	5,237	5,373
Vacant Role	69	71	73	75	77	79	81	83	85	87
Part Time										
Female	4,404	4,506	4,622	4,753	4,877	5,003	5,134	5,267	5,404	5,544
Male	281	287	295	303	311	319	327	336	344	353
Vacant Role	308	315	323	332	341	349	359	368	377	387
Total Culture and Community	11,889	12,166	12,479	12,832	13,166	13,508	13,859	14,220	14,589	14,969
Environment and Development										
Full Time										
Female	3,335	3,412	3,500	3,599	3,693	3,789	3,887	3,989	4,092	4,199
Male	4,923	5,037	5,167	5,313	5,451	5,593	5,738	5,887	6,040	6,197
Vacant Role	215	220	226	232	238	244	251	257	264	271
Part Time										
Female	1,958	2,004	2,055	2,113	2,168	2,225	2,283	2,342	2,403	2,465
Male	361	369	378	389	399	410	420	431	442	454
Vacant Role	103	105	108	111	114	117	120	123	126	130
Total Environment and Development	10,894	11,147	11,435	11,758	12,064	12,377	12,699	13,029	13,368	13,716
Governance and Infrastructure										
Full Time										
Female	1,736	1,776	1,822	1,874	1,922	1,972	2,023	2,076	2,130	2,185
Male	6,333	6,480	6,647	6,835	7,012	7,195	7,382	7,574	7,771	7,973
Vacant Role	180	184	189	194	199	205	210	215	221	227
Part Time										
Female	1,661	1,699	1,743	1,792	1,839	1,887	1,936	1,986	2,038	2,091
Male	559	572	587	604	619	635	652	669	686	704
Vacant Role	282	288	296	304	312	320	328	337	346	355
Total Governance and Infrastructure	10,750	11,000	11,284	11,603	11,904	12,214	12,531	12,857	13,192	13,534
Total Staff Expenditure	34,193	34,989	35,891	36,905	37,865	38,849	39,859	40,896	41,959	43,050

	2021-22 Budget	2022-23	2023-24	2024-25	2025-26	2026-27 Projections	2027-28	2028-29	2029-30	2030-31
Staff Number by Division	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Chief Executive Office										
Full Time										
Female	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Male	-	-	-	-	-	-	-	-	-	-
Vacant Role	-	-	-	-	-	-	-	-	-	-
Part Time										
Female	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Male	-	-	-	-	-	-	-	-	-	-
Vacant Role	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Office	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Culture and Community										
Full Time										
Female	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4
Male	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Vacant Role	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Part Time										
Female	47.7	47.7	47.7	47.7	47.7	47.7	47.7	47.7	47.7	47.7
Male	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Vacant Role	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Total Culture and Community	119.0	119.0	119.0	119.0	119.0	119.0	119.0	119.0	119.0	119.0
Environment and Development										
Full Time										
Female	29.6	29.6	29.6	29.6	29.6	29.6	29.6	29.6	29.6	29.6
Male	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Vacant Role	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Part Time										
Female	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8
Male	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Vacant Role	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Total Environment and Development	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9
Governance and Infrastructure										
Full Time										
Female	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Male	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0
Vacant Role	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Part Time										
Female	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
Male	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2
Vacant Role	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Total Governance and Infrastructure	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2	103.2
Total Staff Numbers by Division	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4	323.4

3.8 Financial Plan Model

Refer to Section 2.5 for an explanation on the Financial Plan Model

Financial Plan Model 2021-22 to 2030-31	2020-21 Forecast \$'000	2021-22 Budget \$'000	2022-23 Projection \$'000	2023-24 Projection \$'000	2024-25 Projection \$'000	2025-26 Projection \$'000	2026-27 Projection \$'000	2027-28 Projection \$'000	2028-29 Projection \$'000	2029-30 Projection \$'000	2030-31 Projection \$'000
Recurrent EBITDA less Waste and Other Special Purposes											
Property Rates and Charges	48,125	49,765	50,636	51,649	52,811	54,131	55,485	56,872	58,294	59,751	61,245
Property Rates and Charges Rebate	(250)	-	-	-	-	-	-	-	-	-	-
Supplementary Property Rates and Charges	600	450	1,030	1,635	2,268	2,937	3,637	4,371	5,139	5,943	6,784
Grants	7,890	7,665	7,799	7,955	8,134	8,338	8,546	8,760	8,979	9,203	9,433
Other Revenue	5,531	6,874	7,030	7,208	7,408	7,633	7,865	8,104	8,350	8,604	8,866
Total Recurrent Income	61,896	64,754	66,496	68,447	70,622	73,039	75,533	78,106	80,762	83,501	86,328
Employee Benefits	30,978	32,485	33,240	34,097	35,061	35,972	36,908	37,867	38,852	39,862	40,898
Materials and Services	14,870	15,425	15,695	16,009	16,370	16,779	17,198	17,628	18,069	18,521	18,984
Total Expenditure - Existing Operations	45,848	47,910	48,936	50,106	51,430	52,751	54,106	55,495	56,921	58,383	59,882
Financial Recurrent Savings Target	-	-	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700
Compliance Costs (Recurrent)	-	34	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700
Non-Discretionary Growth	-	543	300	600	1,456	2,172	2,308	2,560	2,810	3,057	3,336
Recurrent Growth Budget Year	-	-	1,080	1,103	1,128	1,155	1,183	1,211	1,240	1,269	1,300
Discretionary Service Growth	-	483									
Total Expenditure - New Operations	-	1,060	1,680	2,303	3,484	4,527	4,991	5,571	6,150	6,726	7,336
Recurrent EBITDA less Waste and Other Special Purposes	16,048	15,784	16,180	16,638	16,607	16,960	17,936	18,840	19,791	20,792	21,810
Recurrent EBITDA Waste											
Garbage Charges	8,296	8,554	8,897	9,286	9,659	10,045	10,444	10,857	11,284	11,725	12,182
Other Revenue	2,816	3,267	3,584	3,673	3,765	3,859	3,956	4,055	4,156	4,260	4,366
Total Recurrent Income	11,112	11,821	12,480	12,959	13,424	13,904	14,400	14,912	15,440	15,985	16,548
Employee Benefits	776	820	840	861	883	905	928	951	975	999	1,024
Materials and Services	8,045	10,207	10,971	11,246	11,527	11,815	12,469	12,781	13,101	13,428	13,764
Total Expenditure - Existing Operations	8,821	11,027	11,812	12,107	12,410	12,720	13,397	13,732	14,075	14,427	14,788
Discretionary Growth	-	59	61	63	65	66	68	70	72	74	76
Total Expenditure - New Operations	-	59	61	63	65	66	68	70	72	74	76
Recurrent EBITDA Waste	2,291	735	608	789	950	1,118	935	1,110	1,293	1,484	1,685
Recurrent EBITDA Other Special Purposes											
Other Revenue	23	24	24	25	25	26	27	28	29	29	30
Materials and Services	16	17	17	17	18	18	18	19	19	20	20
Recurrent EBITDA Other Special Purposes	7	7	7	8	8	8	9	9	9	10	10
Total Recurrent EBITDA	18,347	16,526	16,795	17,435	17,565	18,086	18,879	19,958	21,093	22,286	23,505

Financial Plan Model 2021-22 to 2030-31	2020-21 Forecast \$'000	2021-22 Budget \$'000	2022-23 Projection \$'000	2023-24 Projection \$'000	2024-25 Projection \$'000	2025-26 Projection \$'000	2026-27 Projection \$'000	2027-28 Projection \$'000	2028-29 Projection \$'000	2029-30 Projection \$'000	2030-31 Projection \$'000
Total Recurrent EBITDA	18,347	16,526	16,795	17,435	17,565	18,086	18,879	19,958	21,093	22,286	23,505
Cash Adjustments:-											
Balance Sheet Movements	905	(2)	183	167	164	162	163	165	167	169	171
Interest Revenue	449	640	533	496	529	565	590	614	615	640	747
Grants Commission funds received early adjust	(173)	-	-	(49)	(51)	(52)	(54)	(56)	(57)	(59)	(61)
Asset sales - Plant/Fleet	709	451	390	390	390	390	390	390	390	390	390
Asset sales - Land	382	-	-	800	-	-	-	-	-	-	-
Total Cash Adjustments	2,273	1,089	1,106	1,803	1,031	1,064	1,089	1,113	1,114	1,139	1,247
Total Cash Available for Allocation	20,619	17,615	17,902	19,238	18,596	19,150	19,968	21,071	22,207	23,426	24,753
Allocations to Commitments											
Debt Interest & Principal	2,207	2,162	2,127	2,093	2,314	2,279	2,245	2,211	2,176	2,141	256
Torquay/Jan Juc Developer Plan Allocation	2,448	2,551	2,658	2,770	2,770	2,770	2,770	2,770	1,211	-	-
Winchelsea Infrastructure Plan Allocation	212	219	225	232	239	246	253	261	269	277	285
Developer Contribution Interest Allocation	-	-	-	-	1	-	2	-	-	3	-
Waste Allocation	2,291	735	608	789	950	1,118	935	1,110	1,293	1,484	1,685
Asset Renewal Allocation	7,775	8,724	9,482	10,305	11,400	12,498	13,596	14,791	16,091	17,507	19,047
Towards Environmental Leadership	250	280	280	280	280	280	280	280	280	280	280
Business Case Investments	500	500	500	500	500	500	500	500	500	500	500
Council Election Year	472	-	-	-	500	-	-	-	500	-	-
Aireys Inlet Aged Units	7	7	7	8	8	8	9	9	9	10	10
Growth and Compliance Costs (Non-Recurrent)	326	383	500	500	500	500	500	500	500	500	500
Total Allocations to Commitments	16,488	15,560	16,387	17,477	19,462	20,199	21,089	22,431	22,829	22,702	22,563
Discretionary Cash Available	4,131	2,055	1,514	1,761	(866)	(1,049)	(1,121)	(1,360)	(622)	724	2,190
Discretionary Cash Allocations											
Discretionary Capital & Operating Works	2,157	1,955	1,285	1,000	1,000	-	-	-	-	-	-
Defined Benefits Superannuation Allocation	50	50	50	50	50	50	-	-	-	-	-
Future Infrastructure Plan Allocation	-	-	-	-	-	-	-	-	-	-	-
Pathways	-	-	-	-	-	-	-	-	-	-	-
COVID-19 Support Allocation	1,000	-	-	-	-	-	-	-	-	-	-
Total Discretionary Allocations	3,207	2,005	1,335	1,050	1,050	50	-	-	-	-	-
Unallocated Cash Surplus / (Deficit)	924	50	180	711	(1,916)	(1,099)	(1,121)	(1,360)	(622)	724	2,190
Accumulated Unallocated Cash											
Opening Balance	2,434	3,299	2,884	3,349	4,059	2,143	1,044	924	250	250	250
Annual Surplus/(Deficit)	924	50	180	711	(1,916)	(1,099)	(1,121)	(1,360)	(622)	724	2,190
Reserve Transfer *							1,000	686	622	(724)	(583)
Transfers for Project Funding	234	(465)	285	-	-	-	-	-	-	-	-
Closing Balance Accumulated Unallocated Cash Reserve	3,299	2,884	3,349	4,059	2,143	1,044	924	250	250	250	1,857

* Refer to notes on the Financial Policy Statements section 2.1 and Strategic Actions section 2.2 to understand how the deficits will be managed and potential for increases to discretionary allocations will be made.

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	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Trend + / o / -
Operating Position													
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-15.71%	-11.09%	-10.31%	-11.29%	-11.23%	-5.28%	-4.99%	-5.53%	-3.93%	-3.49%	+
Liquidity													
Working Capital	Current assets / current liabilities	2	208.37%	211.25%	178.41%	182.03%	180.60%	178.84%	184.61%	168.08%	201.72%	218.25%	o
Unrestricted Cash	Unrestricted cash/current liabilities	3	-51.20%	-49.59%	-50.71%	-54.54%	-54.13%	-57.41%	-59.98%	-54.38%	-65.58%	-62.74%	-
Unrestricted Cash (VAGO)	Unrestricted cash/current liabilities	3	112.19%	107.53%	73.66%	75.83%	71.20%	66.81%	68.80%	61.23%	71.15%	85.61%	-
Obligations													
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	28.62%	24.29%	27.63%	23.12%	18.82%	14.78%	10.97%	7.88%	4.99%	4.62%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		4.29%	4.12%	4.16%	4.15%	3.96%	3.77%	3.08%	2.92%	0.36%	0.12%	+
Indebtedness	Non-current liabilities / own source revenue		33.83%	29.48%	31.56%	26.85%	23.34%	19.52%	16.66%	10.72%	10.08%	9.75%	+
Asset renewal	Asset renewal and upgrade expenses / Asset depreciation	5	108.61%	76.81%	80.59%	66.39%	62.98%	75.02%	67.75%	74.22%	75.58%	80.66%	o
Stability													
Rates concentration	Rate revenue / adjusted underlying revenue	6	62.31%	62.42%	62.63%	60.75%	60.80%	61.20%	61.28%	61.68%	60.99%	61.71%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.23%	0.24%	0.24%	0.24%	0.25%	0.25%	0.26%	0.26%	0.27%	0.27%	+
Efficiency													
Expenditure level	Total expenses / number of property assessments		\$3,983	\$3,862	\$3,876	\$4,097	\$4,167	\$3,991	\$4,046	\$4,113	\$4,169	\$4,174	+
Revenue level	Total rate revenue / Number of property assessments		\$2,145	\$2,170	\$2,200	\$2,236	\$2,278	\$2,320	\$2,362	\$2,404	\$2,446	\$2,489	+
Workforce turnover	Number of permanent staff resignations & terminations / average number of permanent staff for the financial year		9.10%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	-

Notes to Indicators

1. Adjusted Underlying Result – an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. This indicator is improving with a notable step change in the 2026-27 year due to the closure of the tip and the \$5.6m amortisation expense no longer being incurred. The negative result indicates a deficit. This indicator includes expensed capital expenditure and asset write off, if these and the amortisation for the landfill are excluded from the calculation the ratio would be considered a medium risk over the life of the plan under the Victorian Auditor General's Office risk assessment criteria for financial sustainability indicators.
2. Working Capital - the proportion of current liabilities represented by current assets. A ratio of higher than 150% indicates no issues with repaying short-term liabilities as they fall due.
3. Unrestricted cash equals cash and cash equivalents less trust deposits, carried forward capital works and restricted cash reserves. A negative result indicates that unrestricted cash is a deficit. The LGPRF ratio excludes long term investments from unrestricted cash, hence the difference to the VAGO indicator. Long term investments are appropriately managed to be available to cover commitments when required.
4. Loans and borrowings ratios are within Council's targeted range of below 40% and 10% respectively.
5. Asset renewal is indicating a medium risk over the life of the plan under VAGO's risk assessment criteria for financial sustainability indicators. Council has developed an asset renewal funding strategy that takes into account asset usage and condition data. Based on the modelling Council's backlog will grow over the next ten years (noting that our backlog is a low 0.62% of our asset base in 2021-22), then in the following ten years the backlog will reduce as less renewal will fall due.
6. Rates Concentration – Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Generally, this ratio indicates Council will become more reliant on rate revenue compared to all other revenue sources. Note the decrease in 2024-25 is related to the new Aquatic Centre budgeted to be operational increasing the adjusted underlying revenue.

5. Strategies and Plans

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

5.1 Borrowing Strategy

5.1.1 Current Debt Position

The total amount borrowed as at 30 June 2022 is \$16.9 million.

Council has accessed debt funding to complete a range of major projects including the civic precinct, Kurrambee Myaring Community Centre and Stribling Reserve 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. In 2023-24 Council plans to take out \$4.8 million of new borrowings to help fund the Surf Coast Aquatic and Health Centre.

	Forecast										
	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	21,170	19,021	16,871	14,711	17,289	14,968	12,631	10,278	7,909	5,889	3,864
Plus New loans	-	-	-	4,750	-	-	-	-	-	-	-
Less Principal repayment	(2,149)	(2,150)	(2,160)	(2,171)	(2,322)	(2,337)	(2,353)	(2,369)	(2,021)	(2,024)	(161)
Closing balance	19,021	16,871	14,711	17,289	14,968	12,631	10,278	7,909	5,889	3,864	3,703
Interest payment	417	371	326	281	351	302	251	200	155	117	95

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										
		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 40%	34%	29%	24%	28%	23%	19%	15%	11%	8%	5%	5%
Debt servicing / Rate revenue	Below 5%	0.7%	0.6%	0.5%	0.4%	0.5%	0.4%	0.4%	0.3%	0.2%	0.2%	0.1%
Debt commitment / Rate revenue	Below 10%	4%	4%	4%	3%	4%	3%	3%	3%	3%	3%	0.2%
Indebtedness / Own source revenue	Below 45%	43%	34%	29%	32%	27%	23%	20%	17%	11%	10%	10%

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

Total borrowings / Rate revenue

Total borrowings as a percentage of rate revenue Loans balance is well within the target level of below 40% to meet Council's targets over the ten year period.

Debt servicing / Rate revenue

Debt servicing (interest payments) as a percentage of rates revenue is well within the target level of below 5% to meet Council's targets over the ten year period.

Debt commitment / Rate revenue

Debt commitment (principal repayments) as a percentage of rate revenue is well within the target level of below 10% to meet Council's targets over the ten year period.

Indebtedness / Own source revenue

Indebtedness (total non-current liabilities) as a percentage of own source revenue is well within the target level of below 45% to meet Council's targets over the ten year period. A point of difference to many other councils if comparing this ratio, is that Council has a landfill provision which is included in non-current liabilities. Over the life of the plan the provision ranges from \$7.7m to \$4.9m. Council sets aside funds in the waste reserve to fund this provision.

5.2 Reserves Strategy

5.2.1 Current Reserves

Accumulated Unallocated Cash Reserve

Purpose

The purpose of this reserve is to separately identify Council's unallocated cash.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated by Council based on operational savings or unallocated sources of funding. Outflows from this reserve will be allocations based solely on Council resolutions.

Adopted Strategy Implementation Reserve

Purpose

The purpose of this reserve is to provide funding for projects in line with approved strategies adopted by Council and is funded from operations or grants received.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated via Council resolution. Outflows will be funds allocated to specific projects by Council resolution.

Aireys Inlet Units Reserve (legislative)

Purpose

The purpose of this reserve is as the funding source for the maintenance of social housing for disadvantaged low income earners. Four social housing units currently exist in Aireys Inlet.

Typical Sources of Inflows and Outflows:

Inflows are received by way of rent. Outflows cover future maintenance and capital expenditure related to the units.

Asset Renewal Reserve

Purpose

The purpose of this reserve is to provide funding based on the Asset Renewal Funding Strategy.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated on a straight line basis increasing year on year at a predetermined rate as set by Council. Funds from renewal projects completed under budget will also be returned to this reserve. Outflows from this reserve will be spent on renewal of Council assets including Council's heavy plant (graders, trucks, etc.) and fleet previously funded from the now closed Plant Reserve.

Carried Forward Capital Works Reserve (restricted)

Purpose

The purpose of this reserve is to act as a mechanism to carry over funding for capital works that are still in progress at year end.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated at end of financial year relating to incomplete projects. Outflows will be funds allocated in the new financial year to complete the projects in progress.

Carried Forward Operational Projects Reserve

Purpose

The purpose of this reserve is to act as a mechanism to carry over funding for operational projects that are still in progress at year end.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated at end of financial year relating to incomplete projects. Outflows will be funds allocated in the new financial year to complete the projects in progress.

Defined Benefits Superannuation Reserve

Purpose

The purpose of this reserve is to provide funding for future defined benefits superannuation fund shortfalls.

Typical Sources of Inflows and Outflows:

Inflows to this reserve are at the discretion of Council, set via the Annual Budget process. Council will make an estimate on the future defined benefits superannuation funding shortfalls and build a reserve in order to meet the shortfall.

Outflows from this reserve will fund defined benefit funding calls from Council's superannuation provider.

Developer Contributions Reserve (restricted)

Purpose

The purpose of this reserve is to hold funds contributed by developers for specific works associated with subdivisions (except for funds in relation to Torquay Jan Juc DCP and Winchelsea Infrastructure Plan which have their own separate reserves). Funds are contributed for works such as footpaths, fencing, streetscape works, lighting and other such items where it is deemed that these works should occur at a later point than the initial development. Funds collected are very specific and tied to particular projects.

Typical Sources of Inflows and Outflows:

Inflows are from contributions collected from developers and outflows are on the works specified.

Future Infrastructure Plan Allocation Reserve

Purpose

The purpose of this reserve is to provide funding for projects in line with strategies yet to be approved and adopted by Council and is funded from operations or grants received.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated on a straight line basis at a predetermined rate as set by Council.

Funds from Winchelsea Infrastructure Plan projects completed under budget will also be returned to this reserve.

Outflows from this reserve will be spent on the delivery of Winchelsea Infrastructure Plan Allocation projects that are yet to be defined.

Gherang Gravel Pits Reserve

Purpose

The purpose of this reserve is to provide funding for rehabilitation of the gravel pits reserve site. The balance of funds exceeds this requirement over the life of this plan.

Typical Sources of Inflows and Outflows:

Inflows to this reserve have accrued from surpluses from the Gravel Pits Reserve Operations. If further inflows are required to fund rehabilitation of the gravel pits reserve site, they will be transferred from the Accumulated Unallocated Cash Reserve.

Outflows from this reserve are for rehabilitation of the gravel pits reserve site and, given the balance exceeds the expected rehabilitation requirements, a portion may be used for Council's discretionary requirements.

Main Drainage Reserve (restricted)

Purpose

The purpose of this reserve is to hold developer contributions for main drainage works at a later point than the initial development. As such they are also tied to works within the catchment area from which funds were derived.

Typical Sources of Inflows and Outflows:

Inflows are from contributions collected from developers and outflows are on the works specified.

Open Space Reserve (restricted)

Purpose

The purpose of this reserve is to provide improved recreational facilities for the Surf Coast Shire, both of an active and a passive nature.

Typical Sources of Inflows and Outflows:

Inflows to the open space reserve are solely composed of contributions from subdividers in lieu of the provision of land for public open space. It is noteworthy that substantial income flows into this reserve annually, and these funds will be critical in delivering key outcomes of the Open Space Strategy.

Outflows have been limited to capital works on parks, playgrounds, and both active and passive recreation reserves.

Torquay Jan Juc DCP Contributions

Purpose

The purpose of this reserve is to provide funding based on the Torquay/Jan Juc Developer Plan.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated on a straight line basis at a predetermined rate as set by Council and contributions from developers and community levies. Funds from Torquay/Jan Juc DCP projects completed under budget will also be returned to this reserve. Outflows from this reserve will be spent on the delivery of DCP projects.

Trust and Deposits Reserve (restricted)

Purpose

Whilst not technically a reserve, Trust and Deposits represent cash that Council holds under a contractual agreement, and therefore should be considered part of restricted cash holdings. Some examples of use of this reserve include subdividers holding deposits, fire services levy and contractors retention. Council has decided to utilise a reserve for this purpose to provide clarity.

Typical Sources of Inflows and Outflows:

Cash inflows and to the Trust and Deposits Reserve will arise from contractual agreements between Council and other parties. Outflows generally occur when the agreement expires.

Waste Reserve

Purpose

The purpose of this reserve is to ensure that the full cost of the waste function is met by the waste charges (garbage charge and fee income from landfill) and that surpluses and deficits on an annual basis can be covered without any adverse impact on the balance of Council's budget. This facet is particularly relevant in terms of Council meeting its long-term obligations for landfill rehabilitation where funds need to be set aside in the interim to plan for large-scale costs in the future. The rehabilitation of the Anglesea Landfill is expected to take place in 2022-23 to 2029-30.

Typical Sources of Inflows and Outflows:

Cash inflows to the reserve arise from any surplus funds remaining from the combined income from garbage charges and landfill fees, less the cost of operating the landfills, waste administration, kerbside collection, recycling and other associated waste costs. Outflows are due to waste capital expenditures.

Winchelsea Infrastructure Plan Allocation Reserve

Purpose

The purpose of this reserve is to provide funding for projects in line with strategies yet to be approved and adopted by Council and is funded from operations or grants received.

Typical Sources of Inflows and Outflows:

Inflows into this reserve will be funds allocated on a straight line basis at a predetermined rate as set by Council.

Funds from Winchelsea Infrastructure Plan projects completed under budget will also be returned to this reserve.

Outflows from this reserve will be spent on the delivery of Winchelsea Infrastructure Plan Allocation projects that are yet to be defined.

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	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
Restricted Reserves											
Carried Forward Capital Works Reserve (restricted)											
Opening balance	18,281	17,513	8,075	6,281	6,616	6,836	7,329	7,692	7,942	8,201	8,640
Transfer to reserve	17,513	8,075	1,206	1,335	220	493	363	250	259	439	100
Transfer from reserve	(18,281)	(17,513)	(3,000)	(1,000)	-	-	-	-	-	-	-
Closing balance	17,513	8,075	6,281	6,616	6,836	7,329	7,692	7,942	8,201	8,640	8,740
Developer Contributions Reserve (restricted)											
Opening balance	690	445	487	487	487	488	488	490	490	490	493
Transfer to reserve	61	42	-	-	1	-	2	-	-	3	-
Transfer from reserve	(306)	-	-	-	-	-	-	-	-	-	-
Closing balance	445	487	487	487	488	488	490	490	490	493	493
Main Drainage Reserve (restricted)											
Opening balance	210	210	210	210	210	210	210	210	210	210	210
Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	210	210	210	210	210	210	210	210	210	210	210
Open Space Reserve (restricted)											
Opening balance	2,496	2,253	2,103	2,603	3,103	3,603	4,103	4,603	5,103	5,603	6,103
Transfer to reserve	264	-	500	500	500	500	500	500	500	500	500
Transfer from reserve	(508)	(150)	-	-	-	-	-	-	-	-	-
Closing balance	2,253	2,103	2,603	3,103	3,603	4,103	4,603	5,103	5,603	6,103	6,603
Trust and Deposits Reserve (restricted)											
Opening balance	9,498	8,020	8,336	8,336	8,336	8,336	8,336	8,336	8,336	8,336	8,336
Transfer to reserve	-	316	-	-	-	-	-	-	-	-	-
Transfer from reserve	(1,478)	-	-	-	-	-	-	-	-	-	-
Closing balance	8,020	8,336	8,336	8,336	8,336	8,336	8,336	8,336	8,336	8,336	8,336
Total Restricted Reserves											
Opening balance	31,176	28,441	19,211	17,917	18,752	19,473	20,466	21,331	22,081	22,840	23,782
Transfer to reserve	17,838	8,433	1,706	1,835	721	993	865	750	759	942	600
Transfer from reserve	(20,573)	(17,663)	(3,000)	(1,000)	-	-	-	-	-	-	-
Closing balance	28,441	19,211	17,917	18,752	19,473	20,466	21,331	22,081	22,840	23,782	24,382

Reserves	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
Unrestricted Reserves											
Accumulated Unallocated Cash Reserve											
Opening balance	2,434	3,299	2,884	3,349	4,059	2,143	1,044	924	250	250	250
Transfer to reserve	1,268	50	464	711	(1,916)	(1,099)	(121)	(674)	0	724	2,190
Transfer from reserve	(404)	(465)	-	-	-	-	-	-	-	(724)	(583)
Closing balance	3,299	2,884	3,349	4,059	2,143	1,044	924	250	250	250	1,857
Adopted Strategy Implementation Reserve											
Opening balance	5,876	5,277	5,277	5,277	5,326	5,377	5,429	5,483	4,853	4,289	5,072
Transfer to reserve	335	-	-	49	51	52	54	56	57	783	644
Transfer from reserve	(935)	-	-	-	-	-	-	(686)	(622)	-	-
Closing balance	5,277	5,277	5,277	5,326	5,377	5,429	5,483	4,853	4,289	5,072	5,716
Aireys Inlet Units Reserve											
Opening balance	312	319	326	333	341	349	357	366	374	384	393
Transfer to reserve	7	7	7	8	8	8	9	9	9	10	10
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	319	326	333	341	349	357	366	374	384	393	403
Asset Renewal Reserve											
Opening balance	2,363	2,511	2,306	2,471	77	312	588	805	951	1,010	968
Transfer to reserve	8,301	8,724	9,482	10,305	11,400	12,498	13,596	14,791	16,091	17,507	19,047
Transfer from reserve	(8,153)	(8,930)	(9,317)	(12,699)	(11,165)	(12,222)	(13,379)	(14,645)	(16,032)	(17,549)	(19,007)
Closing balance	2,511	2,306	2,471	77	312	588	805	951	1,010	968	1,008
Carried Forward Operational Projects Reserve											
Opening balance	4,151	1,155	-	-	-	-	-	-	-	-	-
Transfer to reserve	1,155	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	(4,151)	(1,155)	-	-	-	-	-	-	-	-	-
Closing balance	1,155	-	-	-	-	-	-	-	-	-	-
Defined Benefits Superannuation Reserve											
Opening balance	1,124	1,174	1,224	1,274	1,324	1,374	1,424	1,424	1,424	1,424	1,424
Transfer to reserve	50	50	50	50	50	50	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	1,174	1,224	1,274	1,324	1,374	1,424	1,424	1,424	1,424	1,424	1,424

Reserves	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
Gherang Gravel Pits Reserve											
Opening balance	2,650	2,469	1,389	1,389	1,389	1,389	1,389	389	389	389	389
Transfer to reserve	144	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	(325)	(1,080)	-	-	-	-	(1,000)	-	-	-	-
Closing balance	2,469	1,389	1,389	1,389	1,389	1,389	389	389	389	389	389
Torquay Jan Juc DCP Contributions Reserve											
Opening balance	4,907	3,905	6,409	3,972	459	3,888	2,441	3,125	3,556	2,577	2,759
Transfer to reserve	3,406	3,564	3,448	3,686	3,788	3,831	3,267	3,314	1,303	1,473	357
Transfer from reserve	(4,408)	(1,059)	(5,885)	(7,199)	(359)	(5,278)	(2,583)	(2,883)	(2,282)	(1,291)	-
Closing balance	3,905	6,409	3,972	459	3,888	2,441	3,125	3,556	2,577	2,759	3,116
Waste Reserve											
Opening balance	9,470	8,663	7,969	4,977	1,460	198	1,097	31	909	1,963	447
Transfer to reserve	2,295	735	608	789	950	1,118	935	1,110	1,293	1,484	1,685
Transfer from reserve	(3,101)	(1,429)	(3,600)	(4,306)	(2,212)	(219)	(2,000)	(232)	(239)	(3,000)	(1,025)
Closing balance	8,663	7,969	4,977	1,460	198	1,097	31	909	1,963	447	1,107
Winchelsea Infrastructure Plan Allocation Reserve											
Opening balance	870	1,089	1,682	2,217	2,493	2,732	2,978	3,231	3,492	3,761	4,038
Transfer to reserve	218	593	535	276	239	246	253	261	269	277	285
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	1,089	1,682	2,217	2,493	2,732	2,978	3,231	3,492	3,761	4,038	4,323
Total Unrestricted Reserves											
Opening balance	34,157	29,859	29,466	25,258	16,928	17,761	16,747	15,778	16,198	16,046	15,740
Transfer to reserve	17,179	13,723	14,594	15,874	14,570	16,704	17,993	18,866	19,022	22,259	24,217
Transfer from reserve	(21,477)	(14,117)	(18,802)	(24,204)	(13,736)	(17,719)	(18,962)	(18,446)	(19,174)	(22,564)	(20,615)
Closing balance	29,859	29,466	25,258	16,928	17,761	16,747	15,778	16,198	16,046	15,740	19,342
Reserves Summary											
Opening balance	65,333	58,301	48,677	43,175	35,680	37,235	37,213	37,109	38,279	38,886	39,522
Transfer to reserve	35,017	22,157	16,300	17,709	15,291	17,697	18,857	19,616	19,781	23,200	24,817
Transfer from reserve	(42,050)	(31,780)	(21,802)	(25,204)	(13,736)	(17,719)	(18,962)	(18,446)	(19,174)	(22,564)	(20,615)
Closing balance	58,301	48,677	43,175	35,680	37,235	37,213	37,109	38,279	38,886	39,522	43,724