

Long Term Financial Plan 2021-22 to 2030-31

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Council

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Executive Summary

Purpose of the Long Term Financial Plan

The Long Term Financial Plan (LTFP) is designed to ensure prudent, effective and efficient financial management of the organisation. This document underpins the sound financial management of Council's operations by providing information on key financial matters that require Council decisions.

The LTFP covers a 10 year period from 2021-22 to 2030-31. The LTFP is a decision making tool and is not intended to be a document that specifically indicates what services/proposals or funds should be allocated; rather it identifies Council's current and projected financial capacity to continue delivering high quality services, facilities and infrastructure, whilst living within our means.

The LTFP exists primarily to provide the following outcomes for the City of Boroondara (Council):

1. Establish a prudent and sound financial framework, combining and integrating financial strategies to achieve a planned outcome.
2. Establish a financial framework against which Council's strategies, policies and financial performance can be measured against.
3. Ensure that Council complies with sound financial management principles, as required by the *Local Government Act 2020* and plan for the long-term financial sustainability of Council (section 101).
4. Allow Council to meet the objectives of the *Local Government Act 2020* to promote the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks (section 9(2)(c) and that the ongoing financial viability of the Council is to be ensured (section 9(2)(g)).
5. Develop, adopt and keep in force a Financial Plan for at least the next 10 financial years in accordance with its deliberative engagement practices (section 91).

Objectives of the Long Term Financial Plan

The key objective is financial sustainability in the medium and long-term, whilst still achieving Council's strategic objectives, underlines the development of the Plan.

The objectives and assumptions of this LTFP (not prioritised) are as follows:

- 1) Existing range and level of services maintained subject to any changes in government policy, legislation or community need.
- 2) Allowance for known new commitments plus minimum level of funding for new initiatives (both operational and capital) to enable Council to respond to the changing needs and wants of the community.
- 3) Surplus on operations growing to fund the renewal and enhancement of infrastructure and services.
- 4) Commit sufficient funds to asset renewal in accordance with Asset Management Plans to preserve community assets for the future and to diminish risk and liability for current and future Boroondara communities.
- 5) Maintain a responsible cash position.
- 6) Maximise Council's financial position each year in view of the rate cap constraint.
- 7) Financial sustainability is a fundamental principal underlying the LTFP.

Key Outcomes/Challenges of this Long Term Financial Plan

COVID-19

Generally, Council assumes overall service levels will remain largely unchanged throughout the 10 year forward projection period. This Plan has been developed on the most current and best available information but is subject to change due to the dynamic health and economic crisis created by the global COVID-19.

The longer-term impact of COVID-19 on our community and on our operations is still uncertain with restrictions continuing to impact Council's services and impacting Council's operational budgets. As such, we recognise Council's proposed financial direction for future years may require changes.

Council's LTFP and impact of rate capping

The State Government Rate Capping System, introduced in 2016-17, restricts Council from increasing rate income above a capped amount. Each year the Minister for Local Government (the Minister) will set the rate cap that will specify the maximum increase in Councils' rates and charges for the forthcoming financial year. In circumstances where the rate cap is insufficient for a specific council's needs, Council can apply to the Essential Services Commission for a higher cap.

In December 2020 the Minister for Local Government announced that Victorian council rate rises would be capped at the forecast rate of inflation of 1.50 per cent in the 2021-22 financial year. 1.75 per cent is also forecast for 2022-23, followed by annual assumed rate increases from 2023-24 at a forecast Consumer Price Index (CPI) of 2.00 per cent.

Forecast rate increases

Financial Plan	Adopted Budget 2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
CPI Forecast	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

The LTFP seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community.

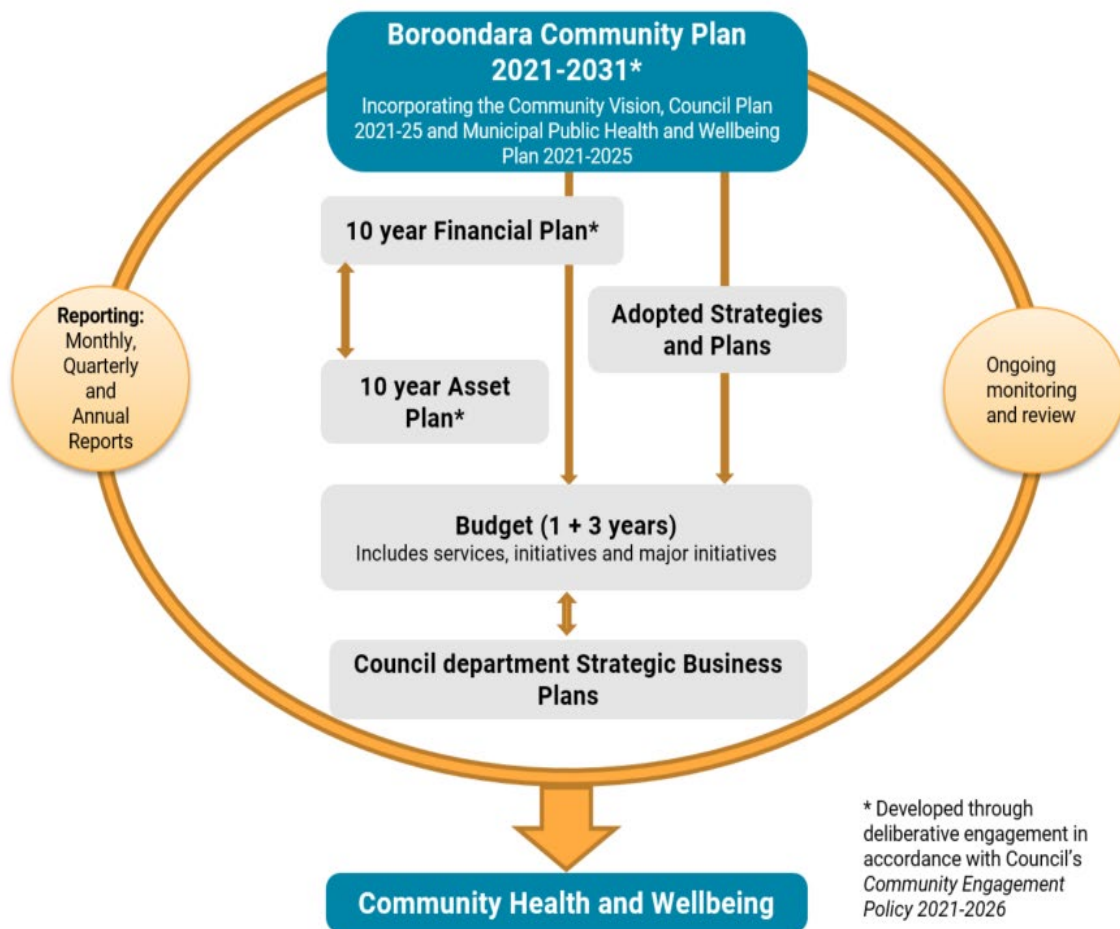
Despite Council being in a sound financial position with satisfactory liquidity requirements, cash flow and reserve balances, rate capping combined with the recent COVID-19 impacts presents a challenge to Council's longer term financial sustainability.

Link to the Integrated Planning and Reporting Framework

The Boroondara Community Plan (BCP) sets the community vision and long-term strategic direction for Council based on the values, aspirations and priorities the Boroondara community told us were important to them. Council has undertaken a deliberative engagement process to refresh the BCP which was adopted by Council in October 2021.

As shown in the following diagram, the BCP directly informs the Council Plan, the 10 year Financial Plan (LTFP), 10 year Asset Plan, Budget (1+3 years), and Council strategies, plans and initiatives.

The LTFP fits into an overall Strategic Planning framework as outlined below:



The LTFP is the key tool that assists the strategic planning and decision-making process for Council's financial resource allocation over a 10 year period. The LTFP provides the mechanism to inform the Boroondara community of the long-term viability and financial health of the city.

Legislative Requirements

Financial Plan

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. 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:

- A Council must develop, adopt and keep in force a Financial Plan in accordance with its deliberative engagement practices.
- The scope of a Financial Plan is a period of at least the next 10 financial years.
- 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 10 Year Financial Plan;
 - d) any other matters prescribed by the regulations.
- A Council must develop or review the 10 Year Financial Plan in accordance with its deliberative engagement practices and adopt the 10 Year Financial Plan by 31 October in the year following a general election.
- The LTFP 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.

Strategic Planning Principles

The LTFP provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision. As per section 89 of the *Local Government Act 2020*, the LTFP is developed in the context of the following strategic planning principles:

- Council has an integrated approach to planning, monitoring and performance reporting.
- Council's financial plan addresses the Community Vision by funding the aspirations of the Council Plan.
- The LTFP 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 must identify and address the risks to effective implementation of the LTFP. The financial risks are included at **Section 2.4 Financial Management Principles**.
- The LTFP provides for the strategic planning principles of status monitoring of progress and reviews to identify and adapt to changing circumstances.

It is important to note that beyond these requirements of the Local Government Act 2020, Council has also established a range of financial and strategic planning principles which it applies to all financial management considerations. These principles are:

- **Sustainable Budgeting Principle** - Council will implement a sustainable budget and financial plan that caters for short and long-term planning responsibilities.
- **Rating Revenue Principle** - Council will comply with the Victorian Government's rate capping legislation which limits rate increased to an amount set by the relevant Minister.
- **Pricing of Services Principle** - Council will set fees and charges for services having regard to Council's Pricing Policy.
- **Waste Management Principle** - Council will use waste management pricing strategies that encourage waste avoidance, minimisation and recycling
- **Intergovernment Funding Principle** - Council supports the Intergovernmental Agreement that requires other levels of government to fully fund services delivered on their behalf. Council will maximise the level of grants and subsidies received from Victorian and Australian Governments to achieve a better share of government taxes for the Boroondara community.
- **Employee Costs Principle** - Council will attract and retain suitable staff through remuneration levels and workplace policies, while ensuring that there is effective and efficient management of staff costs and number of employees.
- **Priority Projects Expenditure Principle** - Council will separately fund projects of a non-recurring operating nature.
- **Management of Expenditure Principle** - Council will review all Council expenditure.
- **Amended Budget Principle** - Council will amend the Budget for internal management reporting purposes to ensure prudent and transparent budgeting and financial planning.
- **Asset Management Principle** - Council will provide well-maintained community assets that are fit for their purpose and provide best possible community benefit.
- **Creating Community Assets Principle** - Council will ensure that the community has access to required community infrastructure, located to meet community needs and city wide priorities and designed with regard to current and future needs.
- **Property Holdings Principle** - Council will manage, acquire and dispose of property in the best interest of the Boroondara community.
- **Council Reserves Principle** - Council will maintain a series of cash backed reserves for use in predefined circumstances.
- **Concept Master Plan Principle** - Council will ensure that the short and long-term interests of the community are appropriately addressed.
- **Financial Principle** - Council will fund all operating and capital expenditure in a prudent, ethical and responsible manner. Council will seek and accept external funding contributions to a project where the acceptance of the funding will not compromise Council's principles or objectives.
- **Cash Management Principle** - Council will monitor its Working Capital Ratio (current assets/current liabilities) to ensure the maintenance of the required level of cash to meet operational requirements.

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.

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

- Services are provided in an equitable manner and are responsive to the diverse needs of the community. The draft BCP 2021-31 incorporating the Council Plan 2021-25 is designed to identify the key services and projects to be delivered to the community. The LTFP provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- Services are accessible to the relevant users within the community.
- 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.
- Councils integrated planning and reporting framework highlights the measures required to achieve our strategic objectives. Service delivery improvements are informed through a variety of measures. Performance of these measures is reviewed by the Executive team and/or Councillors on a quarterly/annual basis.
- Council is currently developing a complaints policy for adoption prior to 31 December 2021 that considers and responds to community feedback and complaints in regards to service provision.

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 and the LTFP demonstrates the following financial management principles:

- Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- Financial policies and strategic plans (including the Revenue and Rating Plan) are designed to provide financial sustainability and envisages the community outcomes of the BCP 2017-27.
- Council maintains accounts and records that explain its financial operations and financial position (refer **Section 4 - Financial Statements**).

Management of the following financial risks:

- the financial viability of the Council (refer **Section 5 - Financial Performance Indicators** and **Section 3.1 Financial Sustainability**)
- the management of current and future liabilities of the Council. The estimated 10 year liabilities are disclosed on page 16 - **Balance Sheet**.

Community Engagement Principles

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.

During 2020-21, Council undertook a deliberative engagement process to assist in developing Council's key strategic documents including the draft BCP which incorporates the 10 year Community Vision, Council Plan 2021-25, the Municipal Public Health and Wellbeing Plan 2021-25, and informs the LTFP.

The deliberative engagement process aligns with Council's Community Engagement Policy 2021-26 and involved two stages of community consultation.

The aggregated results from the two-stage community consultation informed Council's draft BCP and LTFP as required under the *Local Government Act 2020*.

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 LTFP.

The LTFP 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 LTFP is to include:

- financial statements for next the 10 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 noncurrent 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 10 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.

Financial Plan Context

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

Financial Sustainability

The key objective, which underlines the development of this LTFP is financial sustainability, while still achieving Council's strategic objectives as specified in the Council Plan.

Council has continued to build upon the commitment to sustainable budgeting and responsible financial management.

An important indicator of financial sustainability is the Underlying Result. This excludes capital income and developer contributions income (cash and non-cash) and proceeds from asset sales from the operating surplus. A positive underlying result is an indication of financial stability. A strong adjusted underlying surplus is required to fund Council's extensive capital works program and to ensure that it has sufficient reserves to meet financial challenges that may arise in the future.

The adjusted underlying result for 2020-21 is forecast at a deficit of (\$26.20) million due to actual and estimated impacts of COVID-19 and the resulting impacts on revenue and expenditure streams. From 2021-22 the underlying result forecasts improvement over the LTFP projections returning to positive underlying results. The 2021-22 budget underlying result includes priority project forward commitments from 2020-21.

Below is a snapshot of the operating and underlying result over the 10 year plan.

Indicator	Forecast		Projections								
	Actual	Budget									
	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	\$'001	\$'002	\$'003	\$'004	\$'005	\$'006
Result for the year	(7,914)	9,012	19,209	22,060	27,237	30,399	32,371	33,768	34,901	37,268	38,856
Adjusted underlying result	(26,207)	(3,295)	12,740	16,769	21,339	24,894	26,755	28,040	29,059	31,309	32,778

Council's working capital ratio (current assets/current liabilities) will remain well over the minimum VAGO threshold of 1:1 during the life of this LTFP.

The working capital levels are required to be maintained in the current LTFP as Council has also committed further current assets to specific and restricted purposes, represented by the strategic acquisition fund, cash contingency - emergency response works provision, defined benefits superannuation call up fund, open space development fund and forward commitments which are internal allocations and do not meet the accounting definition of a liability.

Financial Inputs and Assumptions to the Financial Plan Statements

This section presents information regarding the assumptions that impact and influence Council's Financial Statements for the 10 years from 2021-22 to 2030-31.

The LTFP is updated in April and October each year in accordance with Council's budget and planning timetable. A process of consultation with Council departments, assessment of economic indicators and a sensitivity analysis is undertaken to achieve the objectives articulated in **Section 1**.

Parameters used in developing this Long Term Financial Plan

Consumer Price Index (CPI) forecast

Council accesses a range of economic indicators and estimates to assist with the prediction of the long term financial position of Council. The Plan forecasts Consumer Price Index (CPI) over the 10 year period. The CPI forecast takes into account a number of sources including the Victorian Department of Treasury and Finance medium term forecasts and is then extrapolated over the 10 year period. Changes to these economic indicators will impact on the overall position described in the Financial Plan.

Financial Plan	Four Year Budget projections				Long term projections					
	Adopted Budget 2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
CPI Forecast	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Revenue assumptions

Rates and charges

Planning for future rate increases is an important component of the financial planning process. Rates for the 2021-22 year are based on the forecast CPI of 1.50% as set out by the Minister Local Government under the State Government Fair Go Rates System (FGRS). The cap applies to both general rates and municipal charges and is calculated on the basis of Council's average rates and charges. For the remaining years of the LTFP, base rate increases have been aligned to a rate cap of the forecast consumer price. Note that the Minister for Local Government announces the actual rate cap in December of the preceding year. This leaves very little time for budget preparation as a core element determining income is not available earlier in the budget preparation process.

The waste fees are charged at differential levels in accordance with Council's Waste Management Strategy. Council's waste fees are calculated to fully offset the costs of waste service provision.

Fees and charges

Council has considered that where cost recovery principles are adopted, fees and charges that have a substantial labour component in the delivery of the service be increased by the expected increase in labour costs. In 2021-22 this means that many fees and charges are increased by an average of 1.55%. This attempts to maintain the relationship of funding between user fees and general rate subsidy for each service. Where fees do not contain a labour component to deliver the service, the CPI forecast may be used instead.

Fees and charges set for the ensuing years are 2.05% in 2022-23 and then 2.30% for years thereafter.

Statutory fees and fines

The LTFP indexes statutory fees, set by State Government statute, according to 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.

Grants - Operating and Capital

Grant revenue represents income usually received from other levels of government, such as the Victorian Local Government Grants Commission (VLGGC) and funding for specific projects from state or federal governments. Some grants are singular and attached to the delivery of specific projects, whilst others can be of a recurrent nature and may or may not

be linked to the delivery of projects. Grant funding for recurrent expenses associated with capital projects is uncommon.

When preparing the LTFP, Council considers its project proposal pipeline, advocacy priorities, upcoming grant program opportunities, and co-funding options to determine what grants to apply for.

For the life of this plan, it has been assumed that recurrent specific purpose grant funding will increase by the forecast CPI.

Contributions

Contributions represent funds received by Council, usually from non-government sources, and are usually linked to projects. Contributions can be made to Council in the form of either cash payments or asset hand-overs.

Council receives funding from developers towards the creation of open space within the community in accordance with legislative requirements. Council receives these funds as part of its planning process. An annual acquittal process assesses Council's expenditure on open space meets its legislative obligations. As Council proactively spends more rate funds on development of open space assets within the city than received from developers in any year, no ongoing obligation is created.

Other income (including interest on investments income)

Interest on Investments income will also be one of Council's risks due to the significant financial impact it represents for the budget and forecast. We are already experiencing a low interest rate market. The fallout from COVID-19 and the continued impact that it is having on the Australian economy will continue to put greater pressure on investment income for Council and the local government sector.

Given the continued low interest rate environment, it is difficult for Council to ascertain with any certainty what actual investment returns are likely to be over the 10 years of the plan. With this in mind, it has become apparent that Council can no longer continue to rely on additional investment income over the life of the LTFP. Interest income is estimated to average around \$862,000 per annum over the 10 years of the Plan, and comprises interest earned from cash invested with financial institutions.

Also included under this category is income relating to a range of items such as lease and rental income from Council owned properties and miscellaneous items such as income for right of way sales which are forecast to increase by CPI.

Expenditure assumptions

Employee costs and superannuation

Employee costs are largely driven by Council's Enterprise and Local Area Work Place Agreements (EA and LAWA) and align with the annual rate cap.

The Superannuation Guarantee Charge rate will increase from 9.50% to 10.00% and then incremented 0.5% each year until reaching 12% per cent by 1 July 2025. Should the Government revise the planned superannuation increases, the Plan will be amended at that point.

Council separately funds projects of a non-recurring operating nature identified in the Council Plan as Priority Projects. A number of Priority Projects expenditure is categorised under the employee costs category.

Materials and Services

Materials and services costs (including Priority Projects) represents an average of 35% of expenditure across the LTFP. The assumption in materials and services is for an increase tied to CPI or similar.

This category is primarily made up of contracts to service providers. Where Council has existing contracts, all are negotiated to be as close to CPI as possible. Some of the larger contracts include insurances, mowing contractors, street lighting, waste tipping fees, recyclable waste, household and Food Organics Green Organics waste.

Council separately funds projects of a non-recurring operating nature identified in the Council Plan as Priority Projects and may be categorised under the materials and services category.

Net loss on disposal of assets

Net loss of disposal of assets include written down value of assets sold/disposed (non-cash) and comprise of asset sales for 1 Cherry Road, Balwyn scheduled to be sold in 2021-22 (\$1.57 million) and sale of "Chambly" 405 Camberwell Road, Camberwell (\$3.15 million); Disposals include the carrying amounts of various infrastructure asset classes, including footpath, drains and road replacement works completed and capitalised during the financial year.

The sale of assets will be considered in line with Council's Financial Strategy Principle **"Property Holdings Principle"** - *Council will manage, acquire and dispose of property in the best interest of the Boroondara community. Council recognises the importance of property holdings over the long term to community wellbeing.*

Bad and doubtful debts

Bad and doubtful debts are expected to increase marginally over the life of the LTFP and primarily relates to parking fines forwarded to the Infringements Court for collection and a consequent reduction in collection rates. This item may be further impacted by COVID-19 over the period of the LTFP.

Depreciation and amortisation

Depreciation estimates have been based on the projected capital spending contained within this LTFP document. Depreciation estimates may be influenced by future recognition and disposal of assets and how Council expends its capital works program.

Amortisation – right of use assets

Represents the estimated amortisation of leased (right-of-use) assets in accordance with the new Accounting Standard AASB 16 'Leases'. Leased assets primarily include Council's fleet vehicles.

Borrowing costs

Section 6.1 - Borrowing Strategy details Council's projected level of borrowings and finance costs. Council's projected loan indebtedness at 30 June 2021 is \$23.21 million.

Finance costs (interest on borrowings) are forecast at \$2.12 million in 2021-22. After an increase in year 2023, finance costs are estimated to decrease from 2024 due to retiring existing debt. In 2021-22, \$70 million in proposed new borrowings is to be drawn down to fund significant major projects including Kew Recreation Centre and Canterbury Community Precinct.

Finance costs

Represents the estimated interest component of capitalised leases.

Other expenditure

Other expenses relate to a range of unclassified items including bank charges, audit fees, special rates and charges, community grants & contributions, low value assets and short term leases and is forecast to increase in line with CPI.

Reserves

Councils in Victorian Local Government have traditionally operated with reserve funds that are amounts of money set aside for specific purposes in later years. In general these funds do not have bank accounts of their own but are a theoretical split up of the cash surplus that Council has on hand. The following sections provide a picture of what reserve funds Council holds and their purpose. **Refer Section 4.8 - Projected Reserve Balances.**

Nature and purpose of current reserves

The following summary outlines the purpose of each current reserve and its typical inflows and outflows. The current reserve funds and contingency utilised by the City of Boroondara:

- Strategic acquisition fund
- Open Space Development Fund
- Defined Benefits Superannuation call up fund

Strategic Acquisition Fund

A fund for the purpose of acquiring new assets.

As strategic parcels of land may become available at short notice, Council has created a Strategic Acquisition Fund. This fund allows for the acquisition of strategic assets within the municipality as they become available.

The Strategic Acquisition Fund will be available for the purpose of acquiring new strategic assets where they are required for the provision of community services or for additional public open space.

Open Space Development Fund

A fund for the purpose of acquiring land for use as public open space.

The LTFP has forecast \$800,000 to be allocated each year over the life of the LTFP to the Open Space Development Fund.

As strategic parcels of land may become available at short notice, Council has created an Open Space Development Fund. This fund allows for the acquisition of land within the municipality for conversion to public open space as it becomes available.

Defined Benefit Superannuation Fund

A fund for the purpose of meeting potential defined benefit superannuation calls as they arise.

All councils in Victoria have a legal obligation to provide additional funds to the Local Government Defined Benefit Superannuation Fund (LGDBF) should a shortfall in the superannuation funds vested benefit index occur.

To ensure that services to the community are not otherwise affected and in order for Council to meet its obligations, Council has established its own Defined Benefit Superannuation Reserve for use should a call be made by the LGDBF trustee. The LTFP has forecast \$1 million to be allocated each year over the life of the LTFP.

Financial Plan Statements

This section presents information regarding the LTFP 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
- Reserve Projections.

The following financial statements portray the projected financial position of Council over the next ten years.

The statements are prepared based on current knowledge and service levels and will no doubt be affected by various events which will occur in future years. It is important that the long-term financial outlook be revisited and updated on an annual basis. It should be noted that final decisions on the allocation of funds are undertaken through Council's Annual Budget process in accordance with the *Local Government Act 2020* (Section 94).

Comprehensive Income Statement

	Forecast	Budget	Financial Plan Projections								
	Actual		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
Income											
Rates and charges	192,503	199,247	204,717	209,884	215,155	220,530	226,013	231,606	237,311	243,130	249,065
Statutory fees and fines	6,692	16,516	16,788	16,876	17,150	17,493	17,843	18,200	18,564	18,935	19,314
User fees	8,197	15,750	16,426	17,506	18,281	18,285	18,688	19,529	19,520	19,950	20,389
Grants - operating	15,379	13,460	14,345	14,551	14,761	14,709	15,003	15,303	15,609	15,921	16,240
Grants - capital	13,486	7,935	1,874	594	500	-	-	-	-	-	-
Contributions - monetary	5,582	5,150	5,376	5,484	5,593	5,705	5,819	5,936	6,054	6,175	6,299
Other income	4,365	5,605	6,434	6,234	6,393	6,515	6,722	6,831	6,987	7,236	7,406
Total income	246,204	263,663	265,961	271,128	277,834	283,237	290,089	297,406	304,045	311,348	318,713
Expenses											
Employee costs	104,161	103,469	101,782	104,520	102,573	105,214	108,123	111,113	114,186	117,343	120,636
Materials and services	89,783	94,991	85,327	86,150	88,817	88,090	90,147	92,005	93,975	95,796	97,652
Depreciation and amortisation	35,740	37,023	38,889	39,201	39,503	39,809	40,209	40,745	41,157	41,594	42,171
Amortisation - right of use assets	3,640	4,108	4,177	3,639	4,123	4,177	3,639	4,123	4,177	3,639	3,639
Bad and doubtful debts	1,822	1,790	1,821	1,858	1,895	1,933	1,971	2,011	2,051	2,092	2,134
Borrowing costs	1,342	2,121	2,781	1,542	1,350	1,152	973	797	617	432	243
Finance costs - leases	326	342	304	327	343	304	327	343	304	327	343
Other expenses	8,007	8,044	7,971	8,131	8,293	8,459	8,628	8,801	8,977	9,156	9,339
Net loss on disposal of property, plant and equipment, infrastructure	9,297	2,763	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Total expenses	254,118	254,651	246,752	249,067	250,597	252,837	257,718	263,638	269,144	274,079	279,857
Surplus/(Deficit) for the year	(7,914)	9,012	19,209	22,060	27,237	30,399	32,371	33,768	34,901	37,268	38,856
Other comprehensive income items that will not be reclassified to surplus or deficit in future periods:											
Other	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive result	(7,914)	9,012	19,209	22,060	27,237	30,399	32,371	33,768	34,901	37,268	38,856

Balance Sheet

	Forecast	Budget	Financial Plan Projections								
	Actual 2020-21 \$'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
Current assets											
Cash and cash equivalents	68,950	103,728	72,941	77,902	78,798	88,130	87,328	90,964	103,743	108,346	114,037
Trade and other receivables	26,343	21,211	19,439	19,593	19,750	19,910	20,073	20,240	20,410	20,584	20,761
Other assets	1,883	2,083	2,093	2,103	2,113	2,123	2,133	2,143	2,153	2,163	2,173
Total current assets	97,176	127,022	94,473	99,598	100,661	110,163	109,534	113,347	126,306	131,093	136,971
Non-current assets											
Trade and other receivables	4	4	4	4	4	4	4	4	4	4	4
Property, infrastructure, plant and equipment	3,585,946	3,638,526	3,665,291	3,677,378	3,699,700	3,715,308	3,742,794	3,767,696	3,784,482	3,811,058	3,838,183
Investment property	8,915	8,915	8,756	8,600	8,446	8,295	8,147	8,002	7,859	7,719	7,581
Right-of-use assets	10,947	9,394	6,529	7,890	9,267	6,402	7,081	6,758	6,881	7,560	6,476
Intangible assets	348	348	246	198	148	115	88	68	52	40	31
Total non-current assets	3,606,160	3,657,187	3,680,826	3,694,070	3,717,565	3,730,124	3,758,114	3,782,528	3,799,278	3,826,381	3,852,275
Total assets	3,703,336	3,784,208	3,775,299	3,793,668	3,818,226	3,840,287	3,867,648	3,895,875	3,925,584	3,957,474	3,989,246
Current liabilities											
Trade and other payables	17,684	22,184	22,550	22,975	24,283	24,647	25,017	25,394	25,778	26,170	26,568
Trust funds and deposits	5,852	5,952	6,052	6,152	6,252	6,352	6,452	6,552	6,652	6,752	6,852
Provisions	21,446	21,822	22,364	22,974	23,601	24,246	24,909	25,590	26,290	27,010	27,750
Interest-bearing liabilities	1,675	26,363	6,847	7,035	7,230	6,896	7,069	7,247	7,430	7,617	7,808
Lease liabilities	4,035	4,133	4,148	4,043	4,043	4,141	4,160	4,060	3,960	4,058	4,077
Total current liabilities	50,692	80,454	61,961	63,179	65,409	66,282	67,607	68,843	70,110	71,607	73,055
Non-current liabilities											
Provisions	2,132	2,170	2,225	2,287	2,351	2,417	2,485	2,555	2,627	2,701	2,777
Provision for investments in joint ventures	2,974	2,974	2,974	2,974	2,974	2,974	2,974	2,974	2,974	2,974	2,974
Interest-bearing liabilities	21,539	65,177	58,332	51,298	44,067	37,171	30,101	22,854	15,424	7,808	-
Lease liabilities	7,018	5,441	2,605	4,669	6,927	4,547	5,213	5,613	6,513	7,179	6,379
Total non-current liabilities	33,663	75,762	66,136	61,228	56,319	47,109	40,773	33,996	27,538	20,662	12,130
Total liabilities	84,355	156,216	128,097	124,407	121,728	113,391	108,380	102,839	97,648	92,269	85,185
Net assets	3,618,981	3,627,993	3,647,202	3,669,262	3,696,498	3,726,897	3,759,268	3,793,036	3,827,937	3,865,205	3,904,061

Statement of Changes in Equity

	Total \$'000	Accumulated surplus \$'000	Revaluation reserve \$'000	Other reserves
2021 FORECAST ACTUAL				
Balance at beginning of the financial year	3,626,895	939,324	2,668,868	18,703
Surplus (deficit) for the year	(7,914)	(7,914)	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(2,183)	-	2,183
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,618,981	929,227	2,668,868	20,886
2022				
Balance at beginning of the financial year	3,618,981	929,227	2,668,868	20,886
Surplus (deficit) for the year	9,012	9,012	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,627,993	936,439	2,668,868	22,686
2023				
Balance at beginning of the financial year	3,627,993	936,439	2,668,868	22,686
Surplus (deficit) for the year	19,209	19,209	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,647,202	953,848	2,668,868	24,486
2024				
Balance at beginning of the financial year	3,647,202	953,848	2,668,868	24,486
Surplus (deficit) for the year	22,060	22,060	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,669,262	974,108	2,668,868	26,286
2025				
Balance at beginning of the financial year	3,669,262	974,108	2,668,868	26,286
Surplus (deficit) for the year	27,237	27,237	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,696,498	999,544	2,668,868	28,086
2026				
Balance at beginning of the financial year	3,696,498	999,544	2,668,868	28,086
Surplus (deficit) for the year	30,399	30,399	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,726,897	1,028,143	2,668,868	29,886

Statement of Changes in Equity (cont.)

	Total \$'000	Accumulated surplus \$'000	Revaluation reserve \$'000	Other reserves
2027				
Balance at beginning of the financial year	3,726,897	1,028,143	2,668,868	29,886
Surplus (deficit) for the year	32,371	32,371	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,759,268	1,058,714	2,668,868	31,686
2028				
Balance at beginning of the financial year	3,759,268	1,058,714	2,668,868	31,686
Surplus (deficit) for the year	33,768	33,768	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,793,036	1,090,682	2,668,868	33,486
2029				
Balance at beginning of the financial year	3,793,036	1,090,682	2,668,868	33,486
Surplus (deficit) for the year	34,901	34,901	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,827,937	1,123,783	2,668,868	35,286
2030				
Balance at beginning of the financial year	3,827,937	1,123,783	2,668,868	35,286
Surplus (deficit) for the year	37,268	37,268	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,865,205	1,159,251	2,668,868	37,086
2031				
Balance at beginning of the financial year	3,865,205	1,159,251	2,668,868	37,086
Surplus (deficit) for the year	38,856	38,856	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Transfer to other reserves	-	(1,800)	-	1,800
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	3,904,061	1,196,307	2,668,868	38,886

Statement of Cash Flows

	Forecast	Budget	Financial Plan Projections								
	Actual										
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities											
Rates and charges	188,973	205,549	206,409	209,730	214,998	220,370	225,850	231,439	237,141	242,956	248,888
Statutory fees and fines	3,373	13,556	15,047	15,018	15,255	15,560	15,872	16,189	16,513	16,843	17,180
User charges and other fines	9,017	17,325	18,069	19,257	20,109	20,114	20,557	21,482	21,472	21,945	22,428
Grants - operating	16,442	14,567	15,298	15,515	15,736	15,668	15,981	16,301	16,627	16,959	17,299
Grants - capital	13,486	7,935	1,874	594	500	-	-	-	-	-	-
Contributions - monetary	5,582	5,150	5,376	5,484	5,593	5,705	5,819	5,936	6,054	6,175	6,299
Interest received	500	500	1,037	729	779	788	881	873	910	1,037	1,083
Trust fund and deposits taken	20,775	20,875	20,975	21,075	21,175	21,275	21,375	21,475	21,575	21,675	21,775
Other receipts	4,252	5,616	5,936	6,054	6,175	6,300	6,425	6,554	6,685	6,819	6,955
Net GST refund / payment	15,659	16,615	13,415	11,962	13,211	12,519	13,909	13,793	13,259	14,398	14,647
Employee costs	(101,989)	(103,055)	(101,185)	(103,848)	(101,882)	(104,503)	(107,392)	(110,362)	(113,414)	(116,549)	(119,820)
Materials and services	(105,143)	(104,969)	(95,894)	(95,228)	(100,901)	(99,457)	(103,943)	(105,777)	(107,168)	(111,188)	(113,335)
Short term, low value and variable lease payments	(1,014)	(597)	(608)	(620)	(633)	(645)	(658)	(671)	(684)	(699)	(712)
Trust fund and deposits repaid	(20,675)	(20,775)	(20,875)	(20,975)	(21,075)	(21,175)	(21,275)	(21,375)	(21,475)	(21,575)	(21,675)
Other payments	(7,641)	(8,073)	(8,001)	(8,160)	(8,323)	(8,491)	(8,660)	(8,833)	(9,073)	(9,254)	(9,438)
Net cash provided by operating activities	41,597	70,219	76,875	76,588	80,717	84,028	84,742	87,025	88,422	89,543	91,574
Cash flows from investing activities											
Payments for property, plant and equipment	(79,857)	(101,586)	(73,669)	(59,455)	(68,322)	(61,934)	(73,220)	(71,181)	(63,485)	(72,716)	(73,849)
Proceeds from sale of property, plant and equipment	3	4,720	-	-	-	-	-	-	-	-	-
Proceeds (payments) for investments	15,078	-	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) investing activities	(64,776)	(96,866)	(73,669)	(59,455)	(68,322)	(61,934)	(73,220)	(71,181)	(63,485)	(72,716)	(73,849)
Cash flows from financing activities											
Finance costs	(1,342)	(2,121)	(2,781)	(1,542)	(475)	(1,230)	(1,053)	(879)	(701)	(518)	(331)
Proceeds from borrowings	-	70,000	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(1,572)	(1,674)	(26,362)	(6,847)	(7,035)	(7,230)	(6,896)	(7,069)	(7,247)	(7,430)	(7,617)
Interest paid - lease liability	(326)	(342)	(304)	(327)	(343)	(304)	(327)	(343)	(304)	(327)	(343)
Repayment of lease liabilities	(3,890)	(4,438)	(4,546)	(3,456)	(3,646)	(3,998)	(4,047)	(3,916)	(3,906)	(3,951)	(3,742)
Net cash provided by/(used in) investing activities	(7,130)	61,425	(33,993)	(12,172)	(11,499)	(12,762)	(12,323)	(12,207)	(12,158)	(12,226)	(12,033)
Net increase (decrease) in cash and cash equivalents	(30,309)	34,778	(30,787)	4,961	896	9,332	(802)	3,637	12,779	4,602	5,692
Cash and cash equivalents at beginning of year	99,259	68,950	103,728	72,941	77,902	78,798	88,130	87,328	90,965	103,744	108,346
Cash and cash equivalents at end of year	68,950	103,728	72,941	77,902	78,798	88,130	87,328	90,965	103,744	108,346	114,037

Statement of Capital Works

	Forecast	Budget	Financial Plan Projections								
	Actual										
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Buildings	36,671	62,610	42,333	25,826	33,937	33,115	43,705	40,953	32,525	41,007	41,373
Building improvements	332	57	58	59	61						
Total buildings	37,003	62,667	42,391	25,885	33,998	33,115	43,705	40,953	32,525	41,007	41,373
Total property	37,003	62,667	42,391	25,885	33,998	33,115	43,705	40,953	32,525	41,007	41,373
Plant and equipment											
Plant, machinery and equipment	2,783	1,338	1,158	1,099	1,120	1,025	1,051	1,077	1,104	1,132	1,160
Fixtures, fittings and furniture	1,685	1,187	1,173	970	874	826	846	868	889	912	934
Computers and telecommunications	1,460	1,381	925	946	915	805	825	846	867	888	911
Library books	835	990	995	1,000	1,050	985	985	985	985	985	985
Total plant and equipment	6,763	4,896	4,251	4,015	3,959	3,641	3,707	3,775	3,845	3,917	3,990
Infrastructure											
Roads	12,520	11,196	11,433	11,901	12,058	11,928	12,226	12,532	12,845	13,166	13,495
Bridges	36	2,461	66	67	69	70	72	74	76	78	80
Footpaths and cycleways	3,187	3,110	2,448	2,639	2,660	1,771	1,816	1,861	1,908	1,955	2,004
Drainage	5,461	4,539	4,001	5,531	5,905	5,701	5,843	5,989	6,139	6,292	6,450
Recreational, leisure and community facilities	6,323	3,721	3,670	2,206	2,637	2,391	2,451	2,512	2,575	2,639	2,705
Parks, open space and streetscapes	7,634	6,486	4,888	6,679	6,490	2,758	2,827	2,898	2,970	3,044	3,120
Off street car parks	930	2,510	521	532	545	559	573	587	602	617	632
Total infrastructure	36,091	34,023	27,027	29,555	30,364	25,178	25,808	26,453	27,114	27,792	28,487
Total capital works expenditure	79,857	101,586	73,669	59,455	68,322	61,934	73,220	71,181	63,485	72,716	73,849
Represented by:											
New asset expenditure	13,820	18,108	19,949	13,864	17,288	7,009	8,044	12,599	9,538	17,621	17,986
Asset renewal expenditure	52,885	64,144	46,810	43,388	45,864	44,316	53,731	49,115	46,947	48,095	48,863
Asset upgrade expenditure	4,279	5,152	223	781	4,869	9,709	10,594	8,467	6,000	6,000	6,000
Asset expansion expenditure	8,873	14,182	6,687	1,422	300	900	850	1,000	1,000	1,000	1,000
Total capital works expenditure	79,857	101,586	73,669	59,455	68,322	61,934	73,220	71,181	63,485	72,716	73,849
Funding Sources represented by:											
Grants	13,882	7,935	1,874	594	500	-	-	-	-	-	-
Asset Sales	-	4,720	-	-	-	-	-	-	-	-	-
Council Cash	65,975	18,931	71,795	58,861	67,822	61,934	73,220	71,181	63,485	72,716	73,849
Borrowings	-	70,000	-	-	-	-	-	-	-	-	-
Total capital works expenditure	79,857	101,586	73,669	59,455	68,322	61,934	73,220	71,181	63,485	72,716	73,849

Statement of Human Resources (\$)

	Forecast Actual 2020-21 \$'000	Budget 2021-22 \$'000	Projections								
			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
Chief Executive Office*											
Permanent full time	1,665	1,610	1,669	1,725	1,783	1,844	1,895	1,949	2,003	2,059	2,117
Female	648	632	655	677	700	724	744	765	786	809	831
Male	1,017	978	1,014	1,048	1,083	1,120	1,151	1,183	1,217	1,251	1,286
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	299	296	307	317	328	339	349	359	369	379	389
Female	299	296	307	317	328	339	349	359	369	379	389
Male	-	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Office	1,964	1,906	1,976	2,042	2,111	2,183	2,244	2,308	2,372	2,438	2,506
Urban Living											
Permanent full time	12,981	13,890	14,402	14,883	15,386	15,911	16,356	16,814	17,285	17,769	18,266
Female	5,699	6,098	6,323	6,534	6,754	6,985	7,180	7,382	7,588	7,801	8,019
Male	7,282	7,792	8,079	8,349	8,631	8,926	9,176	9,432	9,697	9,968	10,247
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	2,869	3,070	3,049	3,034	3,236	3,150	3,231	3,313	3,398	3,485	3,584
Female	2,065	2,210	2,195	2,184	2,330	2,268	2,326	2,385	2,446	2,508	2,580
Male	804	860	854	850	906	882	905	928	952	976	1,004
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Urban Living	15,850	16,960	17,451	17,917	18,622	19,061	19,587	20,127	20,683	21,254	21,850

Statement of Human Resources (\$) (cont.)

	Forecast Actual 2020-21 \$'000	Budget 2021-22 \$'000	Projections								
			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
Places and Spaces											
Permanent full time	20,784	21,264	21,563	22,156	22,760	23,200	23,846	24,510	25,192	25,893	26,619
Female	3,311	3,403	3,306	3,396	3,450	3,422	3,517	3,615	3,716	3,819	3,926
Male	17,473	17,860	18,257	18,760	19,310	19,778	20,328	20,894	21,476	22,074	22,692
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	1,243	1,219	1,110	1,121	1,237	926	949	971	995	1,018	1,048
Female	1,177	1,152	1,048	1,058	1,165	862	882	903	925	947	974
Male	66	67	63	64	72	65	66	68	70	71	73
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Places and Spaces	22,027	22,483	22,673	23,277	23,997	24,126	24,795	25,481	26,187	26,911	27,667
Community Support											
Permanent full time	16,998	16,428	16,524	17,074	17,753	18,209	18,715	19,235	19,770	20,319	20,889
Female	13,427	13,392	13,681	14,136	14,699	15,076	15,495	15,926	16,368	16,823	17,295
Male	3,571	3,036	2,843	2,937	3,054	3,133	3,220	3,309	3,401	3,496	3,594
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	10,021	10,355	10,600	10,822	11,194	11,506	11,823	12,149	12,484	12,828	13,188
Female	9,220	9,494	9,711	9,914	10,255	10,541	10,831	11,130	11,436	11,752	12,082
Male	800	860	889	908	939	965	992	1,019	1,048	1,076	1,107
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Community Support	27,019	26,783	27,124	27,896	28,947	29,715	30,538	31,384	32,254	33,147	34,077
Customer and Transformation											
Permanent full time	18,395	22,592	20,305	20,790	15,939	16,861	17,326	17,803	18,294	18,798	19,326
Female	8,468	10,291	9,568	9,803	8,129	8,599	8,836	9,080	9,330	9,587	9,856
Male	9,927	12,301	10,737	10,987	7,810	8,262	8,490	8,724	8,964	9,211	9,470
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	2,801	2,531	2,527	2,548	2,569	2,523	2,589	2,657	2,726	2,797	2,876
Female	2,522	2,204	2,200	2,219	2,218	2,179	2,236	2,295	2,354	2,416	2,484
Male	278	327	326	329	350	344	353	362	372	381	392
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Customer and Transformation	21,196	25,123	22,832	23,338	18,508	19,384	19,915	20,460	21,020	21,595	22,202

Statement of Human Resources (\$) (cont.)

	Forecast	Budget	Projections								
	Actual		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
Chief Financial Office											
Permanent full time	3,010	2,875	2,981	3,081	3,185	3,293	3,386	3,480	3,578	3,678	3,781
Female	2,176	2,078	2,155	2,227	2,302	2,381	2,448	2,516	2,586	2,659	2,733
Male	834	797	826	854	882	912	938	964	991	1,019	1,048
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	823	786	815	843	871	901	926	952	979	1,006	1,034
Female	725	693	718	742	767	794	816	839	862	886	911
Male	98	94	97	100	104	107	110	113	116	120	123
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Chief Financial Office	3,833	3,661	3,796	3,924	4,056	4,194	4,312	4,432	4,557	4,684	4,815
People Culture and Development											
Permanent full time	2,438	2,247	2,033	2,101	2,172	2,246	2,309	2,374	2,441	2,509	2,579
Female	1,643	1,543	1,441	1,489	1,539	1,592	1,637	1,682	1,730	1,778	1,828
Male	795	704	592	612	633	654	673	692	711	731	751
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	1,062	709	602	622	643	665	683	703	722	742	763
Female	961	607	496	513	530	548	563	579	595	612	629
Male	101	102	106	109	113	117	120	123	127	130	134
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total People Culture and Development	3,500	2,956	2,635	2,723	2,815	2,911	2,992	3,077	3,163	3,251	3,342
Total casuals temporary and other expenditure	8,772	3,597	3,295	3,403	3,517	3,640	3,740	3,844	3,950	4,063	4,177
Total staff expenditure	104,161	103,469	101,782	104,520	102,573	105,214	108,123	111,113	114,186	117,343	120,636

Statement of Human Resources (EFT)

	Forecast Actual 2020-21	Budget 2021-22	Projections								
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Chief Executive Office*											
Permanent full time	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Female	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Male	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Female	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Male	-	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Office	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
Urban Living											
Permanent full time	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0	112.0
Female	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Male	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	41.8	42.2	41.1	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2
Female	28.3	28.6	27.9	27.3	27.3	27.3	27.3	27.3	27.3	27.3	27.3
Male	13.4	13.6	13.2	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Urban Living	153.8	154.2	153.1	152.2	152.2	152.2	152.2	152.2	152.2	152.2	152.2

Statement of Human Resources (EFT) (cont.)

	Forecast Actual 2020-21	Budget 2021-22	Projections								
			2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Places and Spaces											
Permanent full time	196.0	195.0	192.0	190.0	189.0	188.0	188.0	188.0	188.0	188.0	188.0
Female	30.0	30.0	28.0	28.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
Male	166.0	165.0	164.0	162.0	162.0	161.0	161.0	161.0	161.0	161.0	161.0
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	12.6	12.0	9.1	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9
Female	11.7	11.1	8.2	8.1	8.1	8.1	8.1	8.1	8.1	8.1	8.1
Male	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Places and Spaces	208.6	207.0	201.1	198.9	197.9	196.9	196.9	196.9	196.9	196.9	196.9
Community Support											
Permanent full time	149.0	136.0	134.0	134.0	134.0	134.0	134.0	134.0	134.0	134.0	134.0
Female	121.0	115.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0	113.0
Male	28.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	113.4	109.8	108.9	107.9	107.9	107.9	107.9	107.9	107.9	107.9	107.9
Female	102.6	99.0	98.1	97.1	97.1	97.1	97.1	97.1	97.1	97.1	97.1
Male	10.8	10.8	10.8	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Community Support	262.4	245.8	242.9	241.9	241.9	241.9	241.9	241.9	241.9	241.9	241.9
Customer and Transformation											
Permanent full time	168.0	171.0	170.0	169.0	121.0	121.0	121.0	121.0	121.0	121.0	121.0
Female	84.0	85.0	84.0	82.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0
Male	84.0	86.0	86.0	87.0	58.0	58.0	58.0	58.0	58.0	58.0	58.0
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	26.6	22.7	21.9	21.5	20.7	20.7	20.7	20.7	20.7	20.7	20.7
Female	23.8	20.0	19.3	18.8	18.1	18.1	18.1	18.1	18.1	18.1	18.1
Male	2.8	2.8	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Customer and Transformation	194.6	193.7	191.9	190.5	141.7	141.7	141.7	141.7	141.7	141.7	141.7

Statement of Human Resources (EFT) (cont.)

	Forecast Actual 2020-21	Budget 2021-22	Projections								
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Chief Financial Office											
Permanent full time	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Female	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Male	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Female	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Male	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total Chief Financial Office	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
People Culture and Development											
Permanent full time	27.0	16.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Female	17.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Male	10.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Permanent part time	13.2	4.9	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Female	12.2	3.9	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Male	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Total People Culture and Development	40.2	20.9	18.1	18.1	18.1	18.1	18.1	18.1	18.1	18.1	18.1
Total casual and temporary full time equivalent	33.9	32.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6	28.6
Total staff numbers	936.1	897.0	878.5	872.8	823.0	822.0	822.0	822.0	822.0	822.0	822.0

4.8 Reserve Projections

	Forecast Actual 2020-21 \$'000	Budget 2021-22 \$'000	Financial Plan Projections								
			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
Strategic Acquisition Fund Reserve											
Opening Balance	434	434	434	434	434	434	434	434	434	434	434
Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	434	434	434	434	434	434	434	434	434	434	434
Defined Benefit future call up fund Reserve											
Opening Balance	7,000	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000
Transfer to reserve	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000	18,000
Open Space Development Fund Reserve											
Opening Balance	11,269	12,452	13,252	14,052	14,852	15,652	16,452	17,252	18,052	18,852	19,652
Transfer to reserve	1,183	800	800	800	800	800	800	800	800	800	800
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	12,452	13,252	14,052	14,852	15,652	16,452	17,252	18,052	18,852	19,652	20,452
Reserve Summary											
Opening Balance	18,703	20,886	22,686	24,486	26,286	28,086	29,886	31,686	33,486	35,286	37,086
Transfer to reserve	2,183	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	20,886	22,686	24,486	26,286	28,086	29,886	31,686	33,486	35,286	37,086	38,886

Local Government Performance Reporting Framework (LGPRF)

Financial Performance Indicators

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

The financial performance indicators below are the prescribed financial performance indicators contained in *Local Government (Planning and Reporting) Regulations 2020*. These indicators provide a useful analysis of Council's financial position and performance and should be interpreted in the context of the organisation's objectives

Indicator	Measure	Forecast	Budget	Projections									Trend +/-
		Actual 2020-21		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Operating position													
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	-11.5%	-1.3%	4.9%	6.3%	7.8%	9.0%	9.4%	9.6%	9.7%	10.3%	10.5%	+
Liquidity													
Working capital	Current assets / current liabilities	191.7%	157.9%	152.5%	157.6%	153.9%	166.2%	162.0%	164.6%	180.2%	183.1%	187.5%	o
Unrestricted cash	Unrestricted cash / current liabilities	89.2%	105.1%	85.3%	90.1%	87.0%	98.6%	94.1%	96.4%	111.6%	114.4%	118.7%	o
Obligations													
Loans and borrowings	Interest-bearing loans and borrowings / rate revenue	12.2%	46.3%	32.1%	28.0%	24.0%	20.1%	16.6%	13.1%	9.7%	6.4%	3.2%	+
Loans and borrowings repayments	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	1.5%	1.9%	14.3%	4.0%	3.5%	3.9%	3.5%	3.5%	3.4%	3.3%	3.2%	o
Indebtedness	Non-current liabilities / own source revenue	15.9%	32.0%	27.1%	24.4%	21.9%	17.9%	15.1%	12.3%	9.8%	7.1%	4.1%	+
Asset renewal and upgrade	Asset renewal and upgrade expense / Asset depreciation	159.9%	187.2%	120.9%	112.7%	128.4%	111.3%	133.6%	120.5%	114.1%	115.6%	115.9%	-
Stability													
Rates concentration	Rate revenue / adjusted underlying revenue	83.8%	78.6%	78.3%	78.3%	78.5%	78.8%	78.8%	78.8%	79.0%	79.0%	79.1%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.16%	0.16%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	o
Efficiency													
Expenditure level	Total expenses / number of property assessments	\$3,237	\$3,224	\$3,105	\$3,114	\$3,114	\$3,122	\$3,163	\$3,216	\$3,263	\$3,303	\$3,352	o
Revenue level	Total rate revenue / Number of property assessments	\$2,061	\$2,097	\$2,134	\$2,176	\$2,220	\$2,263	\$2,308	\$2,353	\$2,399	\$2,445	\$2,492	o

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

- Forecasts deterioration in Council's financial performance/financial position indicator

Notes to Financial Performance Indicators (LGPRF)

The financial performance indicators are the prescribed financial performance indicators contained in Part 3 of Schedule 3 of the Local Government (Planning and Reporting) Regulations 2020. Results against these indicators will be reported in Council's Performance Statement included in the Annual Report.

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. The adjusted underlying result for 2020-21 is due to actual and estimated impacts of COVID-19 and the resulting impacts on revenue and expenditure streams. From 2021-22 the underlying result forecasts improvement over the 10-year Financial Plan projections. The 2021-22 budget includes forward commitments from 2020-21 primarily due to the impacts of COVID-19 affecting the timing and delay of some projects.
2. **Working capital:** The working capital ratio expresses Council's short term ability to meet its liquidity requirements within the current financial year. Ratios below or nearing 100% indicate that Council may not be able to meet short term liabilities. Current assets to liabilities continue to remain at a healthy level across all years indicating sufficient liquidity.
3. **Loans and borrowings:** Reflects the extent of reliance on rate revenue to fund all Council's ongoing services. The forecast trend indicates Council's take up of borrowings in 2021-22 to fund significant major projects.
4. **Indebtedness:** This indicator compares non-current liabilities to own source revenue. Own Source revenue is defined as adjusted underlying revenue that is not under the control of Council (excluding government grants).
5. **Asset renewal and upgrade:** This percentage indicates the extent of Council's capital renewal expenditure against total depreciation expenditure, which represents the decline in value of existing capital assets. A percentage greater than 100 indicates Council is renewing and maintaining existing assets, whilst a percentage less than 100 indicates assets are deteriorating faster than they are being renewed and will require future capital expenditure to renew assets back to their existing condition.

Strategies and Plans

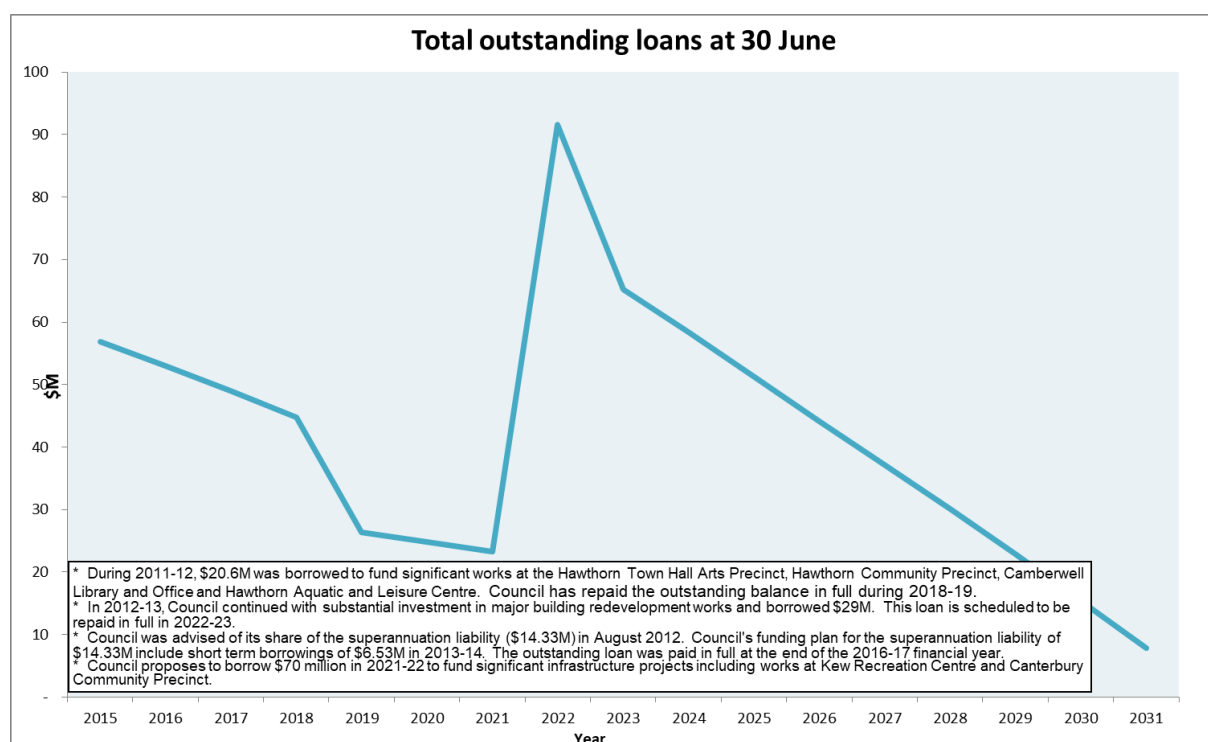
This section describes the strategies and plans that support the 10 year financial projections included in the LTFP.

Borrowing Strategy

Background to Council's current debt portfolio

The below table highlights Council's current position in respect of all interest-bearing liabilities and the movements that have occurred during the past three financial years, as well as the forecast borrowings balance at 30 June 2021.

	Actual Balance 30 June 2018 \$'000	Actual Balance 30 June 2019 \$'000	Actual Balance 30 June 2020 \$'000	Forecast Actual 30 June 2021 \$'000
Interest-bearing liabilities	44,712	26,280	24,786	23,214



Existing borrowings

In 2014-2015, Council reviewed its existing loan portfolio and took the opportunity to refinance long term debt to a four year loan. This provided decreased interest rates and interest savings to the community as well as providing increased financial capacity to enable future infrastructure programs.

During the 2020-21 year \$1.57 million in principal repayments on existing borrowings have been made. The outstanding amount borrowed is \$23.21 million as at 30 June 2021.

The following table sets out future proposed borrowings, based on the forecast position of Council as at 30 June 2021.

Council is projected to be at low risk as defined by VAGO's financial sustainability risk indicator of Indebtedness and Liquidity through the entire period of the LTFP as shown below:

	\$'000's				Council Policy > 1.2 to 1	VAGO FINANCIAL SUSTAINABILITY RISK INDICATORS		
Financial year ending	New borrowings	Principal paid	Interest expense	Balance 30 June	Adjusted Liquidity (Current assets/ Current liabilities)	LIQUIDITY	INTERNAL FINANCING	INDEBTEDNESS
2021	-	1,572	1,342	23,214	1.49	1.92	62.7%	15.9%
2022	70,000	1,674	2,121	91,540	1.29	1.58	79.0%	32.0%
2023	-	26,362	2,781	65,179	1.12	1.52	107.1%	27.1%
2024	-	6,847	1,542	58,333	1.15	1.58	130.1%	24.4%
2025	-	7,035	1,350	51,297	1.10	1.54	119.0%	21.9%
2026	-	7,230	1,152	44,067	1.20	1.66	135.7%	17.9%
2027	-	6,896	973	37,170	1.14	1.62	115.7%	15.1%
2028	-	7,069	797	30,101	1.15	1.65	122.3%	12.3%
2029	-	7,247	617	22,854	1.28	1.80	139.3%	9.8%
2030	-	7,430	432	15,425	1.30	1.83	123.1%	7.1%
2031	-	7,617	243	7,808	1.33	1.87	124.0%	4.1%
Total	70,000	86,979	13,350					

The forecast Internal Financing indicator for 2021 and 2022 are primarily due to the impacts of COVID-19 on revenue and expenditure streams.

Council targets an adjusted working capital ratio of 1.2 to 1. The adjusted working capital ratio excludes Council adopted reserves which are funds held for a specific purpose and as such are not available for normal business operations (refer **Section 4.8 - Reserve Projections** for further details). Where operational or investment imperatives require, in a particular year(s), that the ratio falls below the target, Council's LTFP must demonstrate future capacity to recover to the target level. The above table projects, that Council will achieve this outcome by 2031.

Future Borrowing Strategy

City of Boroondara has accessed debt funding in the past years to complete a range of major infrastructure projects including Boroondara Sports Complex, buildings works and Kew and Hawthorn Aquatic and Leisure Centres, Hawthorn Community Precinct, Hawthorn Town Hall Arts Precinct and the Camberwell Library and Office. Loan borrowings were also accessed to pay for the Local Government Defined Benefit Superannuation Fund call.

Council's financial strategy principles do not allow borrowings to fund operational activities, rather debt is to be considered for the purchase of new or major renewal of long term community assets.

The current borrowing strategy is to retire existing debt over time to free up capacity to undertake new borrowings for significant infrastructure projects for the community. The repayment of outstanding debt competes for the same funding as Capital Works

expenditure. Boroondara Council will consider debt for major community assets in accordance with its financial strategy principles.

Council proposes to borrow \$70 million in 2021-22 to fund significant infrastructure projects including works at Kew Recreation Centre and Canterbury Community Precinct.

Asset Management Plan

Council will plan and appropriately resource the necessary work on infrastructure to ensure that all assets are maintained fit for purpose. Accurate asset data and condition assessments will be drawn upon to inform the annual budgeting and works programs.

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 Management Plan is designed to inform the LTFP 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.

The Local Government Act 2020 Section 92 requires Council to develop, adopt and keep in force an Asset Plan in accordance with its deliberative engagement practices. Council must adopt an Asset Plan under Section 92 by 30 June 2022.