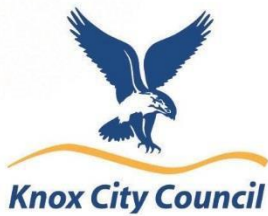


# KNOX

your city



## Financial Plan 2022 - 2032

# Contents

1. Executive Summary .....	3
2. Legislative Requirements .....	4
2.1. Strategic Planning Principles .....	5
2.2. Financial Planning Principles .....	5
2.3. Community Engagement .....	5
2.4. Service Performance Principles .....	6
2.5. Asset Plan Integration .....	6
2.6. Financial Risk Management .....	7
3. Financial Plan Context .....	8
3.1. Financial Policy Statements .....	8
3.2. Strategic Actions .....	9
3.3. Assumptions to the Financial Plan Statements .....	9
4. Financial Plan Statements .....	13
4.1. Comprehensive Income Statement .....	14
4.2. Balance Sheet .....	15
4.3. Statement of Changes in Equity .....	16
4.4. Statement of Cash Flows .....	18
4.5. Statement of Capital Works .....	20
4.6. Statement of Human Resources .....	22
4.7. Planned Human Resources Expenditure .....	23
5. Financial Performance Indicators .....	27
6. Strategies and Plans .....	30
6.1. Borrowing Strategy .....	30
6.2. Reserves Strategy .....	30

# 1. Executive Summary

## Purpose of the Long Term Financial Plan

Knox City Council's Long Term Financial Plan (LTFP) is the key financial planning document that is governed by a series of financial strategies and accompanying performance indicators that Council considers and adopts. It establishes the financial framework upon which sound financial decisions are made.

The LTFP covers a 10-year period from 2022-23 to 2031-32. 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 quality services, facilities and infrastructure, whilst living within our means.

This document outlines the key performance indicators, key assumptions and an overview of each key element of the Plan. Each year the 10-Year Financial is reviewed and updated to reflect the current circumstances of Council.

The Plan effectively takes the assumptions and budget parameters that have been applied to the 2022-23 budget (which covers a four-year period) and extends these out into years 5-10 to give a longer term view of Council's financial viability and outcomes.

## Key Financial Challenges

The introduction of rate capping in the 2016-17 rating year by the State Government was a major change to the way that councils were able to raise rate revenue. For Knox City Council rate revenue represents approximately 65% of our total revenue. The State Government rate cap has a compounding impact on Council's rate revenue annually.

A major challenge Council faces is the need to renew existing and ageing infrastructure and at the same time invest in new infrastructure assets such as road improvements, drainage upgrades, better parks and recreational and community assets and establishing footpaths in areas where none currently exist. Council's capital works plan allocates money to these activities on a prioritised basis.

For Council's finances to remain sustainable and our services to remain affordable for the community, Council will need to continually assess the performance and future for current services to understand whether they are relevant and whether Council needs to continue to deliver them or whether there is a role for an alternative delivery model.

A further financial challenge comes from increased demand (and change in the service mix) arising from a growing and more diverse population. A growing population leads to increased service demand, placing a greater load on existing services and assets, resulting in more wear and tear and adding to the cost of service provision.

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

In summary, from a financial perspective Council has the same dilemma as most individuals - it has a limited budget yet many and competing demands on where to allocate its scarce resources.

## 2. Legislative Requirements

Knox's integrated strategic planning and reporting framework (pictured below) illustrates the medium and long term plans that guide and manage our city.

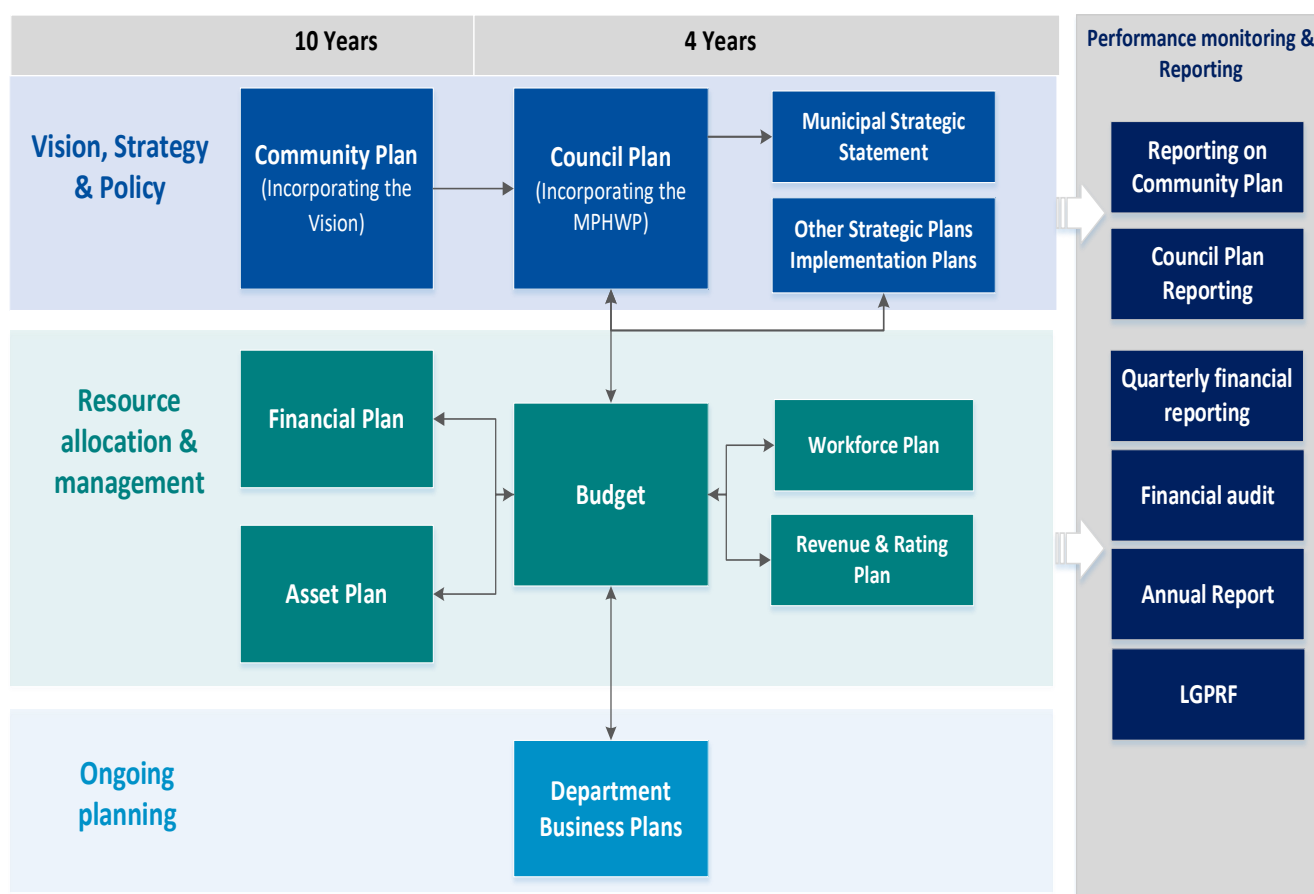
The Knox Community Plan 2021-2031 incorporates a Community Vision statement and describes our community's aspirations for the future. It sets out Key Directions which articulate what we, as a collective, need to focus on to achieve our vision.

Knox's Council Plan 2021-2025 provides direction to our organisation, describes how we're going to contribute to the achievement of the Community Vision and shows how we're going to measure our success. It also demonstrates our commitment to the health and wellbeing of our community by incorporating Knox's Municipal Public Health & Wellbeing Plan (MPHWP).

There are also a number of other plans that guide our work. They include plans about how we're going to manage our financial resources (the Financial Plan, Budget and Revenue and Rating Plan), how we're going to manage and maintain our assets (the Asset Plan) and how we can make sure we have the right staff to deliver our services and initiatives (the Workforce Plan).

This plan was a new requirement of the *Local Government Act 2020*, and is an important part of Council's integrated planning framework, all of which is created to help Council achieve its community vision:

***"Knox: where we connect with our people and our environment, ensuring they are safe, supported and have every opportunity to thrive".***



## 2.1 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:

- a) Council has an integrated approach to planning, monitoring and performance reporting.
- b) Council's 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.
- c) 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.
- d) 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.
- e) The Financial Plan provides for the strategic planning principles of progress, monitoring of progress and reviews to identify and adapt to changing circumstances.

## 2.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- 2.2.1 Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 2.2.2 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.
- 2.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 2.2.4 Council maintains accounts and records that explain its financial operations and financial position.

## 2.3 Community Engagement

During 2020-21 Council undertook a large research and engagement project to shape the future of Knox and inform the development of its new plans.

Almost 4,500 community members and organisations, businesses, stakeholders, partners and members of Council's Advisory Committees took part in various engagement activities to:

- gain an understanding of the community's aspirations for the future of Knox;
- test the data gathered through research;
- gain feedback on the goals in the current plan; and
- identify priority areas for the community and Council.

Based on the information gathered through the engagement, five Key Directions were established to provide the framework for our plans and guide the work of Council.

Council and the community will work together, focusing on these Key Directions over the next 10 years to achieve our vision:





**Opportunity and Innovation** - Knox strives to be a city of opportunity, embracing innovation and change, and providing local learning and employment opportunities. It's a place where people and business can thrive.



**Neighbourhoods, Housing and Innovation** - Building on what's great about our city, Knox's housing and infrastructure will meet the changing needs of our community.



**Natural Environment and Sustainability** - Knox's natural environment is protected and enhanced to ensure sustainability for future generations.



**Connection, Resilience and Wellbeing** - Knox is a place to call home. Our community is strong, healthy and we support and respect each other.



**Civic Engagement and Integrity** - Knox Council is a trusted and respected leader in our community, acting appropriately and ensuring all voices are heard.

In addition to the community engagement activities undertaken above, in early 2022, we asked our community to share their thoughts on the services and assets they think Council should prioritise. This information will help Council make important decisions about finances and assets, balance current and future community need, and ensure we achieve our Community Vision by delivering on our plans.

## 2.4 Service Performance Principles

Council services are designed to be purposeful, 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.

## 2.5 Asset Plan Integration

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

The Asset Plan identifies the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan, and associated asset management policies, provide council with a sound base to understand the risk associated with managing its assets for the community's benefit.

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

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

## 2.6 Financial Risk Management

Knox City Council uses the VAGO sustainability ratios and other ratios specific to Councils operating environment to assess risk whilst also utilising a Risk Management framework to document strategic and operational risks. Through the assessment of the internal and external environment that impacts the Council, Financial Sustainability has been assessed as a strategic risk. There are a number in controls in place to manage this risk.

Below is a summary of causes and controls around the City's financial sustainability strategic risk.

*Strategic Risk: Unable to fund services and capital investment initiatives of the type / quality expected by the community.*

### Risk causes

- Change in fiscal policy (State or Federal grants)
- Inability to be resilient when faced with a disaster
- Inability to sufficiently fund the renewal of the asset base or reduce the asset base
- Inability to scale operational capability / reduce costs within funding envelope
- Lack of ongoing reviews for service effectiveness, or introduction of transformational efficiencies
- Interest rate rises; labour costs are not controlled; further rate capping
- Increasing and mixed expectations from Community. There are conflicting demands; some seeking increased and diverse services, others seeking a return to more traditional services
- Poor financial and/ or resource management, poor project management, poor compliance.

### Controls in place

- 10 year financial plan and 4 year Revenue & Rating Plan which focuses on maintaining good working capital; appropriate reserves and surplus positions
- Procurement and delegations framework
- Advocacy and long term relationships across government and Local Government sector
- Service reviews where appropriate
- Strong focus on Asset Management and funding of renewals
- Relevant training and inductions for staff and Councillors

## 3. Financial Plan Context

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

### 3.1 Financial Policy Statements

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

Policy Statement	Measure	Target	Forecast 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32
Consistent underlying surplus results	Adjusted underlying result greater than 2.50%	>2.50%	-25.19%	2.19%	3.72%	4.40%	6.41%	7.41%	8.03%	7.90%	8.06%	8.80%	9.84%
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due	Current Assets / Current Liabilities greater than 1.00	>1.00	1.70	1.37	1.13	1.11	1.04	1.11	1.11	1.18	1.26	1.22	1.32
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life	Asset Renewal and Upgrade Expenses / Depreciation above 1.00	>1.00	2.04	2.65	2.50	2.35	1.89	1.90	1.51	1.06	1.37	1.35	1.34
That Council applies loan funding to new capital and maintains total borrowings in line with rate and fee income and growth of the municipality	Total Interest Bearing Liabilities/Own Source Revenue (excluding Open Space) to remain below 60.00%	<60.00%	32.88%	48.64%	48.57%	58.01%	55.52%	59.80%	59.22%	54.76%	52.30%	43.67%	35.47%
Council can repay interest on outstanding interest bearing loans and borrowings	EBITDA / Interest Expense greater than 2.00	>2.00	10.91	17.79	17.50	17.12	15.03	16.12	15.06	14.65	15.62	16.53	20.17
Council could repay its borrowings commitment from the rate income	Interest and Principal Repayments on Interest Bearing Loans / Rate Revenue is less than 10.00%	<10.00%	1.70%	6.17%	6.83%	7.51%	9.39%	9.77%	11.23%	12.10%	12.53%	13.25%	12.05%
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required	(Current Assets less Restricted Reserves) / Current Liabilities greater than 1.00	>1.00	1.36	1.06	0.83	0.89	0.86	0.93	0.93	1.04	1.14	1.09	1.17



## 3.2 Strategic Actions

Following a series of community engagement activities, Council has identified the following strategic actions that will support the community's aspirations identified in the Community Plan 2021-2031 and delivery of the Council Plan 2021-2025.

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.

- That council adopt the budgeted statement of financial performance (Comprehensive Income Statement) as an integral part of the budget setting process for current and future budgets.
- That Council adopt the budgeted statement of financial position (Balance Sheet) as being an integral part of the budget setting process for current and future budgets.
- That Council adopt the budgeted statement of cash flows as being an integral part of the budget setting process for current and future budgets.
- That the working capital ratio be targeted to remain above a ratio of 1.0.
- That capital expenditure on asset renewal projects (and upgrades that have a significant renewal component) to exceed depreciation expense, and that the asset renewal gap be reduced.
- That debt funding be applied to growth infrastructure where necessary.
- That Council consider the most appropriate fees and charges strategy so that adequate funds are recovered to offset operational expenses in annual and future budgets.

## 3.3 Assumptions to the Financial Plan Statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2022-23 to 2031-32. The assumptions comprise the annual escalations / movement for each item of the Comprehensive Income Statement.

Escalation Factors % Movements	Budget 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
CPI	1.50%	1.75%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Growth in Properties (number)	600	600	600	600	600	600	600	600	600	600	600
Rates and Charges	1.50%	1.75%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Supplementary Rates (\$'000)	250	250	250	250	250	250	250	250	250	250	250
Statutory Fees and Fines	1.50%	1.75%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
User Fees	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Grants - Operating (excluding VGC)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Grants - Operating (VGC)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Grants - Capital (excluding VGC)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grants - Capital (VGC and Roads to Recovery)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Contributions - Monetary	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Contributions - Non-Monetary (\$'000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Other Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Employee Costs	2.61%	2.61%	2.61%	2.61%	2.61%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Materials and Services	0.50%	1.75%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Utilities	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Contributions and Donations	1.50%	1.75%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other Expenses	1.50%	1.75%	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

### 3.3.1 Rates and Charges

Planning for future rate increases has been an important component of the Financial Plan process. The State Government has introduced the *Fair Go Rates System* which sets out the maximum amount councils may increase rates in a year. The Financial Plan assumes a rate increase of 1.75 percent in 2022-23. The rates in 2023-24 (2.00 percent) and 2024-25 (2.5 percent) have been based on the Department of Treasury and Finance CPI estimates in December 2021. Increases from 2025-26 onwards are estimated to be 2.5%.

The Financial Plan assumes an additional 600 property assessments per annum, while supplementary rates are anticipated to be \$0.250 million per annum. The average Rates per Assessment for 2022-23 is estimated at \$1,632.

Waste management charges are levied on the basis of cost recovery. This is consistent with the position of the majority of councils given that waste charges are outside the Minister's Rate Cap. The budget reflects both an increase in Waste and Recycling Charges as well as increased contractor expenses.

More information can be found in Council's *Revenue and Rating Plan 2021-2025*.

### 3.3.2 User Fees

User fees relate mainly to the recovery of service delivery costs from Council's extensive and highly diversified range of services provided to the community. Examples of user fees include:

- Kindergarten and Childcare fees
- Waste Management fees
- Aged and Health Care service fees
- Leases, recreational reserve and facility hire fees

Council endeavours, as much as possible, to be a full cost recovery service provider.

### 3.3.3 Statutory Fees and Fines

Statutory fees are fees and fines levied in accordance with legislation. Examples of statutory fees and fines include:

- Planning and subdivision fees
- Building and Inspection fees
- Infringements and fines
- Land Information Certificate fees

Increases in the Financial Plan have been based on the projected CPI.

### 3.3.4 Grants

Council receives tied operating grant funding from State and Federal sources, with these operating grants budgeted to increase by 2 percent per annum.

Council receives untied Financial Assistance Grants via the Victorian Local Government Grants Commission. These grants are composed of an operating and capital component, and are anticipated to increase by 1 percent per annum. The Roads to Recovery grant is also anticipated to increase by 1 percent.

Council does not budget for capital grants for specific projects that have not been confirmed. However Council will pro-actively advocate to other levels of government for grant funding support to deliver important infrastructure and service outcomes for the community. Council may use its own funds to leverage higher grant funding and maximise external funding opportunities.

### 3.3.5 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.

Examples of contributions include:

- Monies collected from developers under planning and development agreements;
- Monies collected under developer contribution plans and infrastructure contribution plans;
- Contributions from user groups towards the upgrade of facilities;
- Assets handed over to council from developers at the completion of a subdivision, such as roads, drainage, and streetlights.

Contributions linked to developments can be received well before any council expenditure occurs. In this situation, the funds will be identified and held separately for the specific works identified in the agreements.

Developer 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. Income of this nature is unpredictable and is directly contingent on developer activities in the municipality.

### 3.3.6 Other Income

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

### 3.3.7 Employee Costs

Increases for employee costs reflect the salary increase for all staff pursuant to Council's Enterprise Bargaining Agreement. The increase in the Superannuation Guarantee of 0.5 percent each year through to 2025-26 has been factored in to the employee cost increases. No provision or allowance has been made for any call from the Defined Benefits fund.

### **3.3.8 Materials and Services**

Material costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are governed more by market forces based on availability rather than CPI. Other associated costs included under this category are utilities, waste management, materials for the supply of community meals, and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit. Discretionary material costs are budgeted to increase by CPI. Non-discretionary costs such as utility costs are budgeted to increase by 5 percent.

### **3.3.9 Contributions and Donations**

Contributions and donations includes Council's annual contribution to the Eastern Regional Libraries Corporation. Council also offer a range of grants and funding to community members, organisations and businesses across a range of areas.

#### **3.3.10 Depreciation and Amortisation**

Depreciation estimates have been based on the projected life of Council's existing property, infrastructure, plant and equipment, together with the projected capital spending contained in this Financial Plan.

#### **3.3.11 Borrowing Costs**

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

#### **3.3.12 Other Expenses**

Other expenses includes administration costs such as Councillor allowances, operating lease rentals and audit expenses.

## 4. Financial Plan Statements

This section presents information regarding the budgeted Financial Plan Statements for the 10 years from 2022-23 to 2031-32.

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

## 4.1 Comprehensive Income Statement

	Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>INCOME</b>											
Rates and charges	126,607	133,468	143,832	147,702	152,765	159,236	164,670	170,280	176,072	182,053	188,228
User fees	14,757	16,566	12,314	12,723	13,055	13,599	14,165	14,956	15,571	16,012	16,680
Statutory fees and fines	3,114	4,306	4,397	4,796	4,770	4,889	5,011	5,136	5,264	5,396	5,531
Grants - operating	26,960	21,924	24,817	25,053	25,501	25,943	26,394	26,852	27,319	27,755	28,238
Grants - capital	24,002	3,478	2,519	1,968	1,989	2,009	2,829	2,050	2,071	2,092	2,113
Contributions - monetary	11,564	8,313	9,308	8,827	8,916	8,953	8,991	9,029	9,068	9,108	9,149
Contributions - non-monetary	2,000	2,000	2,000	2,020	2,040	2,000	2,000	2,000	2,000	2,000	2,000
Share of net profits (losses) of associates	0	0	0	0	0	0	0	0	0	0	0
Other income	1,028	901	859	822	829	1,038	1,042	1,032	1,003	991	996
<b>TOTAL INCOME</b>	<b>210,032</b>	<b>190,956</b>	<b>200,046</b>	<b>203,911</b>	<b>209,865</b>	<b>217,667</b>	<b>225,102</b>	<b>231,335</b>	<b>238,368</b>	<b>245,407</b>	<b>252,935</b>
<b>EXPENSES</b>											
Employee costs	75,221	79,480	82,377	84,205	86,076	87,970	89,905	91,883	93,904	95,970	98,081
Materials and services	70,429	75,449	78,047	76,650	75,886	76,159	77,015	77,630	77,944	79,212	80,509
Contributions and donations	33,132	5,835	5,918	5,998	6,080	6,232	6,388	6,548	6,712	6,880	7,052
Depreciation	22,748	23,625	25,255	26,528	27,750	28,857	30,142	31,293	32,319	33,451	34,604
Amortisation - intangible assets	893	893	893	893	893	893	893	893	893	893	893
Amortisation - right of use assets	1,311	739	1,069	1,086	1,096	1,096	1,096	1,096	1,096	1,096	1,096
Borrowing costs	597	1,948	2,223	2,388	3,155	3,172	3,695	3,855	3,728	3,733	3,243
Finance costs - leases	69	39	56	57	58	58	58	58	58	58	58
Bad and doubtful debts	224	308	311	314	317	325	333	341	350	359	368
Net loss (gain) on disposal of property, infrastructure, plant and equipment	23,071	(6,080)	(7,133)	(5,761)	(7,461)	(5,761)	(5,761)	(3,089)	(417)	(417)	(417)
Other expense	686	624	638	650	661	678	695	712	730	748	767
<b>TOTAL EXPENSES</b>	<b>228,381</b>	<b>182,860</b>	<b>189,654</b>	<b>193,008</b>	<b>194,511</b>	<b>199,679</b>	<b>204,459</b>	<b>211,220</b>	<b>217,317</b>	<b>221,983</b>	<b>226,254</b>
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>(18,349)</b>	<b>8,096</b>	<b>10,392</b>	<b>10,903</b>	<b>15,354</b>	<b>17,988</b>	<b>20,643</b>	<b>20,115</b>	<b>21,051</b>	<b>23,424</b>	<b>26,681</b>
<b>TOTAL COMPREHENSIVE RESULT</b>	<b>(18,349)</b>	<b>8,096</b>	<b>10,392</b>	<b>10,903</b>	<b>15,354</b>	<b>17,988</b>	<b>20,643</b>	<b>20,115</b>	<b>21,051</b>	<b>23,424</b>	<b>26,681</b>
<b>LESS</b>											
Grants - capital - non recurrent	21,644	2,008	570	0	0	0	800	0	0	0	0
Contributions and donations - capital	3,965	0	500	0	0	0	0	0	0	0	0
Contributions - non-monetary	2,000	2,000	2,000	2,020	2,040	2,000	2,000	2,000	2,000	2,000	2,000
<b>UNDERLYING SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(45,958)</b>	<b>4,088</b>	<b>7,322</b>	<b>8,883</b>	<b>13,314</b>	<b>15,988</b>	<b>17,843</b>	<b>18,115</b>	<b>19,051</b>	<b>21,424</b>	<b>24,681</b>



## 4.2 Balance Sheet

	Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>CURRENT ASSETS</b>											
Cash and cash equivalents	47,924	39,135	29,397	31,340	29,381	35,699	38,302	44,789	52,225	49,053	49,156
Other financial assets	0	0	0	0	0	0	0	0	0	0	0
Trade and other receivables	19,585	20,491	21,795	22,476	23,286	23,994	24,723	25,477	26,254	27,057	27,885
Non-current assets classified as held for sale	0	0	0	0	0	0	0	0	0	0	0
Other assets	1,295	1,318	1,344	1,378	1,412	1,447	1,483	1,520	1,558	1,597	1,637
Inventories	11	11	11	11	11	11	11	11	11	11	11
<b>TOTAL CURRENT ASSETS</b>	<b>68,815</b>	<b>60,955</b>	<b>52,547</b>	<b>55,205</b>	<b>54,090</b>	<b>61,151</b>	<b>64,519</b>	<b>71,797</b>	<b>80,048</b>	<b>77,718</b>	<b>78,689</b>
<b>NON CURRENT ASSETS</b>											
Investments in associates	3,074	3,074	3,074	3,074	3,074	3,074	3,074	3,074	3,074	3,074	3,074
Property, infrastructure, plant and equipment	2,003,127	2,047,916	2,070,465	2,097,763	2,113,997	2,137,670	2,158,494	2,167,552	2,180,016	2,192,402	2,204,712
Right-of-use assets	1,371	1,371	1,371	1,371	1,371	1,371	1,371	1,371	1,371	1,371	1,371
Intangible assets	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533
<b>TOTAL NON CURRENT ASSETS</b>	<b>2,009,105</b>	<b>2,053,894</b>	<b>2,076,443</b>	<b>2,103,741</b>	<b>2,119,975</b>	<b>2,143,648</b>	<b>2,164,472</b>	<b>2,173,530</b>	<b>2,185,994</b>	<b>2,198,380</b>	<b>2,210,690</b>
<b>TOTAL ASSETS</b>	<b>2,077,920</b>	<b>2,114,849</b>	<b>2,128,990</b>	<b>2,158,946</b>	<b>2,174,065</b>	<b>2,204,799</b>	<b>2,228,991</b>	<b>2,245,327</b>	<b>2,266,042</b>	<b>2,276,098</b>	<b>2,289,379</b>
<b>CURRENT LIABILITIES</b>											
Trade and other payables	14,142	14,383	14,659	14,998	15,324	15,700	16,085	16,480	16,884	17,298	17,727
Trust funds and deposits	1,885	1,918	1,956	2,005	2,055	2,106	2,159	2,213	2,268	2,325	2,383
Unearned income	0	0	0	0	0	0	0	0	0	0	0
Provisions	19,505	20,004	20,516	21,041	21,580	22,046	22,522	23,009	23,507	24,016	24,536
Interest-bearing loans and borrowings	4,443	7,590	8,695	11,185	12,378	14,796	16,746	18,325	20,381	19,441	14,483
Lease liabilities	605	605	605	605	605	605	605	605	605	605	605
<b>TOTAL CURRENT LIABILITIES</b>	<b>40,580</b>	<b>44,500</b>	<b>46,431</b>	<b>49,834</b>	<b>51,942</b>	<b>55,253</b>	<b>58,117</b>	<b>60,632</b>	<b>63,645</b>	<b>63,685</b>	<b>59,734</b>
<b>NON CURRENT LIABILITIES</b>											
Provisions	3,640	3,672	3,706	3,740	3,775	3,805	3,836	3,868	3,900	3,933	3,967
Interest-bearing loans and borrowings	43,919	68,800	70,584	86,200	83,822	93,227	93,881	87,555	84,174	70,733	61,250
Lease liabilities	934	934	934	934	934	934	934	934	934	934	934
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>48,493</b>	<b>73,406</b>	<b>75,224</b>	<b>90,874</b>	<b>88,531</b>	<b>97,966</b>	<b>98,651</b>	<b>92,357</b>	<b>89,008</b>	<b>75,600</b>	<b>66,151</b>
<b>TOTAL LIABILITIES</b>	<b>89,073</b>	<b>117,906</b>	<b>121,655</b>	<b>140,708</b>	<b>140,473</b>	<b>153,219</b>	<b>156,768</b>	<b>152,989</b>	<b>152,653</b>	<b>139,285</b>	<b>125,885</b>
<b>NET ASSETS</b>	<b>1,988,847</b>	<b>1,996,943</b>	<b>2,007,335</b>	<b>2,018,238</b>	<b>2,033,592</b>	<b>2,051,580</b>	<b>2,072,223</b>	<b>2,092,338</b>	<b>2,113,389</b>	<b>2,136,813</b>	<b>2,163,494</b>
<b>EQUITY</b>											
Accumulated surplus	695,879	714,809	725,616	739,940	756,644	773,981	793,972	815,434	837,831	860,600	886,625
Reserves	1,292,968	1,282,134	1,281,719	1,278,298	1,276,948	1,277,599	1,278,251	1,276,904	1,275,558	1,276,213	1,276,869
<b>TOTAL EQUITY</b>	<b>1,988,847</b>	<b>1,996,943</b>	<b>2,007,335</b>	<b>2,018,238</b>	<b>2,033,592</b>	<b>2,051,580</b>	<b>2,072,223</b>	<b>2,092,338</b>	<b>2,113,389</b>	<b>2,136,813</b>	<b>2,163,494</b>

### 4.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2022 FORECAST</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,007,196</b>	<b>706,532</b>	<b>1,261,516</b>	<b>39,148</b>
Surplus/(deficit) for the year	(18,349)	(18,349)	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(13,920)	0	13,920
Transfer from other reserves	0	19,616	0	(19,616)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>1,988,847</b>	<b>693,879</b>	<b>1,261,516</b>	<b>33,452</b>
<b>2023 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,988,847</b>	<b>693,879</b>	<b>1,261,516</b>	<b>33,452</b>
Surplus/(deficit) for the year	8,096	8,096	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(6,578)	0	6,578
Transfer from other reserves	0	19,412	0	(19,412)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>1,996,943</b>	<b>714,809</b>	<b>1,261,516</b>	<b>20,618</b>
<b>2024 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,996,943</b>	<b>714,809</b>	<b>1,261,516</b>	<b>20,618</b>
Surplus/(deficit) for the year	10,392	10,392	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(7,079)	0	7,079
Transfer from other reserves	0	7,494	0	(7,494)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>2,007,335</b>	<b>725,616</b>	<b>1,261,516</b>	<b>20,203</b>
<b>2025 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,007,335</b>	<b>725,616</b>	<b>1,261,516</b>	<b>20,203</b>
Surplus/(deficit) for the year	10,903	10,903	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(7,079)	0	7,079
Transfer from other reserves	0	10,500	0	(10,500)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>2,018,238</b>	<b>739,940</b>	<b>1,261,516</b>	<b>16,782</b>
<b>2026 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,018,238</b>	<b>739,940</b>	<b>1,261,516</b>	<b>16,782</b>
Surplus/(deficit) for the year	15,354	15,354	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(7,150)	0	7,150
Transfer from other reserves	0	8,500	0	(8,500)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>2,033,592</b>	<b>756,644</b>	<b>1,261,516</b>	<b>15,432</b>
<b>2027 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,033,592</b>	<b>756,644</b>	<b>1,261,516</b>	<b>15,432</b>
Surplus/(deficit) for the year	17,988	17,988	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(7,151)	0	7,151
Transfer from other reserves	0	6,500	0	(6,500)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>2,051,580</b>	<b>773,981</b>	<b>1,261,516</b>	<b>16,083</b>

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2028 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,051,580</b>	<b>773,981</b>	<b>1,261,516</b>	<b>16,083</b>
Surplus/(deficit) for the year	20,643	20,643	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(7,152)	0	7,152
Transfer from other reserves	0	6,500	0	(6,500)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>2,072,223</b>	<b>793,972</b>	<b>1,261,516</b>	<b>16,735</b>
<b>2029 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,072,223</b>	<b>793,972</b>	<b>1,261,516</b>	<b>16,735</b>
Surplus/(deficit) for the year	20,115	20,115	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(7,153)	0	7,153
Transfer from other reserves	0	8,500	0	(8,500)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>2,092,338</b>	<b>815,434</b>	<b>1,261,516</b>	<b>15,388</b>
<b>2030 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,092,338</b>	<b>815,434</b>	<b>1,261,516</b>	<b>15,388</b>
Surplus/(deficit) for the year	21,051	21,051	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(7,154)	0	7,154
Transfer from other reserves	0	8,500	0	(8,500)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>2,113,389</b>	<b>837,831</b>	<b>1,261,516</b>	<b>14,042</b>
<b>2031 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,113,389</b>	<b>837,831</b>	<b>1,261,516</b>	<b>14,042</b>
Surplus/(deficit) for the year	23,424	23,424	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(7,155)	0	7,155
Transfer from other reserves	0	6,500	0	(6,500)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>2,136,813</b>	<b>860,600</b>	<b>1,261,516</b>	<b>14,697</b>
<b>2032 BUDGET</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>2,136,813</b>	<b>860,600</b>	<b>1,261,516</b>	<b>14,697</b>
Surplus/(deficit) for the year	26,681	26,681	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(7,156)	0	7,156
Transfer from other reserves	0	6,500	0	(6,500)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>2,163,494</b>	<b>886,625</b>	<b>1,261,516</b>	<b>15,353</b>

## 4.4 Statement of Cash Flows

	Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
	Inflows (Outflows)	<b>Inflows (Outflows)</b>	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
Rates and charges	126,274	132,838	142,815	147,323	152,268	158,862	164,287	169,887	175,670	181,641	187,805
User fees	17,683	16,373	12,113	12,512	12,836	13,366	13,922	14,704	15,309	15,739	16,397
Statutory fees and fines	4,368	4,223	4,311	4,706	4,676	4,789	4,907	5,028	5,152	5,279	5,409
Grants - operating	25,378	21,924	24,817	25,053	25,501	25,943	26,394	26,852	27,319	27,755	28,238
Grants - capital	13,927	3,478	2,519	1,968	1,989	2,009	2,829	2,050	2,071	2,092	2,113
Contributions - monetary	13,564	8,313	9,308	8,827	8,916	8,953	8,991	9,029	9,068	9,108	9,149
Interest received	16	20	20	20	20	229	233	223	194	182	187
Other receipts	1,012	881	839	802	809	809	809	809	809	809	809
Net movement in trust deposits	28	33	38	49	50	51	53	54	55	57	58
Employee costs	(74,703)	(78,949)	(81,832)	(83,646)	(85,502)	(87,474)	(89,398)	(91,364)	(93,374)	(95,428)	(97,527)
Materials and services	(74,908)	(75,533)	(78,098)	(76,633)	(75,863)	(76,136)	(76,990)	(77,605)	(77,921)	(79,187)	(80,483)
Contributions and donations	(33,132)	(5,835)	(5,918)	(5,998)	(6,080)	(6,232)	(6,388)	(6,548)	(6,712)	(6,880)	(7,052)
Short-term, low value and variable lease payments	(75)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
Other payments	(611)	(616)	(630)	(642)	(653)	(670)	(687)	(704)	(722)	(740)	(759)
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	<b>18,821</b>	<b>27,142</b>	<b>30,294</b>	<b>34,333</b>	<b>38,959</b>	<b>44,491</b>	<b>48,954</b>	<b>52,407</b>	<b>56,910</b>	<b>60,419</b>	<b>64,336</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Proceeds from sale of property, infrastructure, plant and equipment	3,332	12,447	17,932	13,167	14,867	13,167	13,167	7,167	1,167	1,167	1,167
Payments for property, infrastructure, plant and equipment	(66,291)	(73,674)	(57,496)	(60,125)	(50,283)	(58,829)	(57,265)	(43,322)	(44,426)	(45,480)	(46,557)
Payments for investments	0	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of investments	0	0	0	0	0	0	0	0	0	0	0
<b>NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES</b>	<b>(62,959)</b>	<b>(61,227)</b>	<b>(39,564)</b>	<b>(46,958)</b>	<b>(35,416)</b>	<b>(45,662)</b>	<b>(44,098)</b>	<b>(36,155)</b>	<b>(43,259)</b>	<b>(44,313)</b>	<b>(45,390)</b>

	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	<b>Inflows (Outflows)</b>	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Finance costs	(518)	(1,954)	(2,232)	(2,395)	(3,163)	(3,180)	(3,703)	(3,864)	(3,737)	(3,743)	(3,248)
Proceeds from borrowings	50,000	34,312	10,480	26,800	10,000	24,200	17,400	12,000	17,000	6,000	5,000
Repayment of borrowings	(1,638)	(6,284)	(7,591)	(8,694)	(11,185)	(12,377)	(14,796)	(16,747)	(18,325)	(20,381)	(19,441)
Interest paid - lease liability	(69)	(39)	(56)	(57)	(58)	(58)	(58)	(58)	(58)	(58)	(58)
Repayment of lease liabilities	(1,311)	(739)	(1,069)	(1,086)	(1,096)	(1,096)	(1,096)	(1,096)	(1,096)	(1,096)	(1,096)
<b>NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES</b>	<b>46,464</b>	<b>25,296</b>	<b>(468)</b>	<b>14,568</b>	<b>(5,502)</b>	<b>7,489</b>	<b>(2,253)</b>	<b>(9,765)</b>	<b>(6,216)</b>	<b>(19,278)</b>	<b>(18,843)</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>2,326</b>	<b>(8,789)</b>	<b>(9,738)</b>	<b>1,943</b>	<b>(1,959)</b>	<b>6,318</b>	<b>2,603</b>	<b>6,487</b>	<b>7,435</b>	<b>(3,172)</b>	<b>103</b>
Cash and cash equivalents at the beginning of the financial year	45,598	47,924	39,135	29,397	31,340	29,381	35,699	38,302	44,789	52,225	49,053
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>47,924</b>	<b>39,135</b>	<b>29,397</b>	<b>31,340</b>	<b>29,381</b>	<b>35,699</b>	<b>38,302</b>	<b>44,789</b>	<b>52,225</b>	<b>49,053</b>	<b>49,156</b>

## 4.5 Statement of Capital Works

	Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>PROPERTY</b>											
Land and Buildings	33,997	20,909	10,180	11,425	10,120	13,841	22,850	11,171	7,774	7,968	8,167
<b>TOTAL PROPERTY</b>	<b>33,997</b>	<b>20,909</b>	<b>10,180</b>	<b>11,425</b>	<b>10,120</b>	<b>13,841</b>	<b>22,850</b>	<b>11,171</b>	<b>7,774</b>	<b>7,968</b>	<b>8,167</b>
<b>PLANT AND EQUIPMENT</b>											
Plant, machinery and equipment	2,707	1,976	862	1,576	1,654	1,775	1,819	1,864	1,911	1,959	2,008
Computers and telecommunications	3,325	6,713	6,846	6,475	5,692	5,975	5,024	5,075	5,127	5,180	5,235
Artworks	187	317	292	303	315	328	361	370	379	388	397
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>6,219</b>	<b>9,006</b>	<b>8,000</b>	<b>8,354</b>	<b>7,661</b>	<b>8,078</b>	<b>7,204</b>	<b>7,309</b>	<b>7,417</b>	<b>7,527</b>	<b>7,640</b>
<b>INFRASTRUCTURE</b>											
Roads	10,007	9,229	11,584	14,501	14,666	12,146	10,469	9,232	11,000	11,275	11,557
Bridges	715	545	340	385	397	407	417	427	438	449	460
Footpaths and cycleways	5,370	4,358	5,151	6,258	5,064	8,192	7,602	7,792	7,986	8,186	8,391
Drainage	3,651	4,962	3,994	4,359	3,468	4,384	3,449	3,536	3,624	3,715	3,808
Recreational, leisure and community facilities	11,974	31,447	22,152	18,813	12,817	15,430	9,357	6,404	8,703	8,921	9,143
Off street car parks	1,294	968	1,987	1,768	905	1,268	1,300	1,333	1,366	1,400	1,435
Other infrastructure	416	402	4,251	2,088	675	1,002	282	289	296	303	310
<b>TOTAL INFRASTRUCTURE</b>	<b>33,427</b>	<b>51,911</b>	<b>49,459</b>	<b>48,172</b>	<b>37,992</b>	<b>42,829</b>	<b>32,876</b>	<b>29,013</b>	<b>33,413</b>	<b>34,249</b>	<b>35,104</b>
<b>TOTAL CAPITAL WORKS EXPENDITURE</b>	<b>73,643</b>	<b>81,826</b>	<b>67,639</b>	<b>67,951</b>	<b>55,773</b>	<b>64,748</b>	<b>62,930</b>	<b>47,493</b>	<b>48,604</b>	<b>49,744</b>	<b>50,911</b>
<b>REPRESENTED BY</b>											
Asset renewal	36,991	39,727	34,989	38,853	35,788	37,420	32,753	25,660	34,411	35,271	36,151
Asset upgrade	9,427	22,776	28,056	23,441	16,599	17,332	12,821	7,574	9,828	9,998	10,173
Asset new	23,123	12,443	3,733	5,592	3,131	9,856	17,356	14,259	4,365	4,475	4,587
Asset expansion	4,102	6,880	861	65	255	140	0	0	0	0	0
<b>TOTAL CAPITAL WORKS EXPENDITURE</b>	<b>73,643</b>	<b>81,826</b>	<b>67,639</b>	<b>67,951</b>	<b>55,773</b>	<b>64,748</b>	<b>62,930</b>	<b>47,493</b>	<b>48,604</b>	<b>49,744</b>	<b>50,911</b>



	Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>CAPITAL WORKS FUNDING SOURCE</b>											
<b>EXTERNAL</b>											
Loan proceeds	25,000	34,312	10,480	26,800	10,000	24,200	17,400	12,000	17,000	6,000	5,000
Grants - capital	24,002	3,478	2,519	1,968	1,989	2,009	2,829	2,050	2,071	2,092	2,113
Contributions - capital	3,965	0	500	0	0	0	0	0	0	0	0
<b>TOTAL EXTERNAL FUNDING</b>	<b>52,967</b>	<b>37,790</b>	<b>13,499</b>	<b>28,768</b>	<b>11,989</b>	<b>26,209</b>	<b>20,229</b>	<b>14,050</b>	<b>19,071</b>	<b>8,092</b>	<b>7,113</b>
<b>INTERNAL</b>											
Proceeds from sale of fixed assets	1,260	12,447	17,932	13,167	14,867	13,167	13,167	7,167	1,167	1,167	1,167
Movement in reserve funds	15,678	14,555	7,494	10,500	8,500	6,500	6,500	8,500	8,500	6,500	6,500
Rate funding	3,738	17,034	28,714	15,516	20,417	18,872	23,034	17,776	19,866	33,985	36,131
<b>TOTAL INTERNAL FUNDING</b>	<b>20,676</b>	<b>44,036</b>	<b>54,140</b>	<b>39,183</b>	<b>43,784</b>	<b>38,539</b>	<b>42,701</b>	<b>33,443</b>	<b>29,533</b>	<b>41,652</b>	<b>43,798</b>
<b>TOTAL CAPITAL WORKS FUNDING SOURCES</b>	<b>73,643</b>	<b>81,826</b>	<b>67,639</b>	<b>67,951</b>	<b>55,773</b>	<b>64,748</b>	<b>62,930</b>	<b>47,493</b>	<b>48,604</b>	<b>49,744</b>	<b>50,911</b>
<b>LESS OPERATING PROJECTS EXPENDITURE</b>											
Operating Projects Expenditure	7,359	8,147	10,143	7,826	5,490	5,919	5,665	4,171	4,178	4,264	4,354
<b>NET CAPITAL WORKS (CAPITALISED EXPENDITURE EXCLUDING OPERATING PROJECTS EXPENDITURE)</b>	<b>66,284</b>	<b>73,679</b>	<b>57,496</b>	<b>60,125</b>	<b>50,283</b>	<b>58,829</b>	<b>57,265</b>	<b>43,322</b>	<b>44,426</b>	<b>45,480</b>	<b>46,557</b>

## 4.6 Statement of Human Resources

	Budget 2022-23 \$'000 FTE	Budget 2023-24 \$'000 FTE	Budget 2024-25 \$'000 FTE	Budget 2025-26 \$'000 FTE	Budget 2026-27 \$'000 FTE	Budget 2027-28 \$'000 FTE	Budget 2028-29 \$'000 FTE	Budget 2029-30 \$'000 FTE	Budget 2030-31 \$'000 FTE	Budget 2031-32 \$'000 FTE
<b>STAFF EXPENDITURE</b>										
Employee costs - operating	79,480	82,377	84,205	86,076	87,970	89,905	91,883	93,904	95,970	98,081
Employee costs - capital	3,835	3,799	3,894	3,992	4,080	4,170	4,261	4,355	4,451	4,549
<b>TOTAL STAFF EXPENDITURE</b>	<b>83,315</b>	<b>86,176</b>	<b>88,099</b>	<b>90,068</b>	<b>92,050</b>	<b>94,075</b>	<b>96,144</b>	<b>98,259</b>	<b>100,421</b>	<b>102,630</b>
<b>STAFF NUMBERS</b>										
Full time equivalent (FTE) employees	744.06	762.14	760.64	760.64	760.64	760.64	760.64	760.64	760.64	760.64
<b>TOTAL STAFF NUMBERS</b>	<b>744.06</b>	<b>762.14</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>

## 4.7 Planned Human Resource Expenditure

	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>CEO</b>										
<b>Permanent - Full Time</b>	2,874	2,897	2,972	3,049	3,116	3,185	3,255	3,327	3,400	3,475
Female	2,420	2,439	2,503	2,568	2,624	2,682	2,741	2,801	2,863	2,926
Male	454	457	469	481	492	503	514	525	537	549
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Permanent - Part Time</b>	296	299	306	314	321	328	335	343	350	358
Female	262	265	271	279	285	291	297	304	311	317
Male	34	34	35	36	37	37	38	39	40	41
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CEO</b>	<b>3,170</b>	<b>3,195</b>	<b>3,278</b>	<b>3,364</b>	<b>3,438</b>	<b>3,513</b>	<b>3,591</b>	<b>3,670</b>	<b>3,750</b>	<b>3,833</b>
<b>CITY CENTRE</b>										
<b>Permanent - Full Time</b>	3,290	3,371	3,457	3,545	3,623	3,703	3,784	3,867	3,952	4,039
Female	2,193	2,247	2,305	2,363	2,415	2,468	2,523	2,578	2,635	2,693
Male	1,097	1,124	1,152	1,182	1,208	1,234	1,261	1,289	1,317	1,346
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Permanent - Part Time</b>	1,013	1,038	1,064	1,091	1,115	1,140	1,165	1,190	1,217	1,243
Female	1,013	1,038	1,064	1,091	1,115	1,140	1,165	1,190	1,217	1,243
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CITY CENTRE</b>	<b>4,302</b>	<b>4,409</b>	<b>4,521</b>	<b>4,636</b>	<b>4,738</b>	<b>4,842</b>	<b>4,949</b>	<b>5,058</b>	<b>5,169</b>	<b>5,283</b>
<b>CITY STRATEGY AND INTEGRITY</b>										
<b>Permanent - Full Time</b>	14,017	14,158	14,431	14,804	15,130	15,462	15,803	16,150	16,506	16,869
Female	6,833	6,902	7,035	7,217	7,376	7,538	7,704	7,873	8,046	8,224
Male	7,184	7,256	7,396	7,587	7,754	7,925	8,099	8,277	8,459	8,645
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Permanent - Part Time</b>	3,179	3,211	3,273	3,357	3,431	3,506	3,584	3,662	3,743	3,825
Female	2,346	2,369	2,415	2,477	2,532	2,588	2,645	2,703	2,762	2,823
Male	833	841	858	880	899	919	939	960	981	1,002
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CITY STRATEGY AND INTEGRITY</b>	<b>17,195</b>	<b>17,368</b>	<b>17,704</b>	<b>18,161</b>	<b>18,561</b>	<b>18,969</b>	<b>19,386</b>	<b>19,813</b>	<b>20,249</b>	<b>20,694</b>

	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>CONNECTED COMMUNITIES</b>										
<b>Permanent - Full Time</b>	14,643	15,690	16,002	16,261	16,619	16,984	17,358	17,740	18,130	18,529
Female	13,119	14,059	14,338	14,570	14,891	15,218	15,553	15,895	16,245	16,602
Male	1,524	1,631	1,664	1,691	1,728	1,766	1,805	1,845	1,885	1,927
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Permanent - Part Time</b>	13,392	14,333	14,619	14,859	15,186	15,520	15,861	16,210	16,567	16,931
Female	13,055	13,972	14,251	14,485	14,804	15,129	15,462	15,802	16,150	16,505
Male	337	360	368	374	382	390	399	408	417	426
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CONNECTED COMMUNITIES</b>	<b>28,034</b>	<b>30,023</b>	<b>30,621</b>	<b>31,120</b>	<b>31,804</b>	<b>32,504</b>	<b>33,219</b>	<b>33,950</b>	<b>34,697</b>	<b>35,460</b>
<b>INFRASTRUCTURE</b>										
<b>Permanent - Full Time</b>	14,960	15,310	15,710	16,120	16,474	16,837	17,207	17,586	17,973	18,368
Female	2,602	2,663	2,732	2,803	2,865	2,928	2,993	3,058	3,126	3,194
Male	12,359	12,647	12,977	13,316	13,609	13,909	14,215	14,527	14,847	15,174
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Permanent - Part Time</b>	359	367	377	386	395	404	412	421	431	440
Female	343	351	360	369	378	386	394	403	412	421
Male	16	16	16	17	17	18	18	18	19	19
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL INFRASTRUCTURE</b>	<b>15,319</b>	<b>15,677</b>	<b>16,086</b>	<b>16,506</b>	<b>16,869</b>	<b>17,240</b>	<b>17,620</b>	<b>18,007</b>	<b>18,403</b>	<b>18,808</b>
<b>PEOPLE AND INNOVATION</b>										
<b>Permanent - Full Time</b>	6,393	6,465	6,634	6,807	6,957	7,110	7,266	7,426	7,589	7,756
Female	4,262	4,310	4,423	4,538	4,638	4,740	4,844	4,951	5,060	5,171
Male	2,131	2,155	2,211	2,269	2,319	2,370	2,422	2,475	2,530	2,585
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Permanent - Part Time</b>	1,392	1,408	1,444	1,482	1,515	1,548	1,582	1,617	1,652	1,689
Female	1,392	1,408	1,444	1,482	1,515	1,548	1,582	1,617	1,652	1,689
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PEOPLE AND INNOVATION</b>	<b>7,785</b>	<b>7,873</b>	<b>8,078</b>	<b>8,289</b>	<b>8,471</b>	<b>8,658</b>	<b>8,848</b>	<b>9,043</b>	<b>9,242</b>	<b>9,445</b>
Casuals, temporary and other expenditure	3,674	3,832	3,917	4,001	4,089	4,179	4,271	4,364	4,460	4,558
Capitalised labour costs	3,835	3,799	3,894	3,992	4,080	4,170	4,261	4,355	4,451	4,549
<b>TOTAL STAFF EXPENDITURE</b>	<b>83,315</b>	<b>86,176</b>	<b>88,099</b>	<b>90,068</b>	<b>92,050</b>	<b>94,075</b>	<b>96,145</b>	<b>98,259</b>	<b>100,421</b>	<b>102,630</b>

	Budget 2022-23 FTE	Budget 2023-24 FTE	Budget 2024-25 FTE	Budget 2025-26 FTE	Budget 2026-27 FTE	Budget 2027-28 FTE	Budget 2028-29 FTE	Budget 2029-30 FTE	Budget 2030-31 FTE	Budget 2031-32 FTE
<b>CEO</b>										
<b>Permanent - Full Time</b>	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Female	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Male	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Permanent - Part Time</b>	3.28	3.28	3.28	3.28	3.28	3.28	3.28	3.28	3.28	3.28
Female	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Male	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CEO</b>	<b>21.28</b>	<b>21.28</b>	<b>21.28</b>	<b>21.28</b>	<b>21.28</b>	<b>21.28</b>	<b>21.28</b>	<b>21.28</b>	<b>21.28</b>	<b>21.28</b>
<b>CITY CENTRE</b>										
<b>Permanent - Full Time</b>	30.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Female	20.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Male	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Permanent - Part Time</b>	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82
Female	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82	10.82
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CITY CENTRE</b>	<b>40.82</b>	<b>41.82</b>	<b>41.82</b>	<b>41.82</b>	<b>41.82</b>	<b>41.82</b>	<b>41.82</b>	<b>41.82</b>	<b>41.82</b>	<b>41.82</b>
<b>CITY STRATEGY AND INTEGRITY</b>										
<b>Permanent - Full Time</b>	114.00	118.00	118.00	118.00	118.00	118.00	118.00	118.00	118.00	118.00
Female	56.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00
Male	58.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Permanent - Part Time</b>	37.21	37.21	37.21	37.21	37.21	37.21	37.21	37.21	37.21	37.21
Female	27.46	27.46	27.46	27.46	27.46	27.46	27.46	27.46	27.46	27.46
Male	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CITY STRATEGY AND INTEGRITY</b>	<b>151.21</b>	<b>155.21</b>	<b>155.21</b>	<b>155.21</b>	<b>155.21</b>	<b>155.21</b>	<b>155.21</b>	<b>155.21</b>	<b>155.21</b>	<b>155.21</b>

	Budget 2022-23 FTE	Budget 2023-24 FTE	Budget 2024-25 FTE	Budget 2025-26 FTE	Budget 2026-27 FTE	Budget 2027-28 FTE	Budget 2028-29 FTE	Budget 2029-30 FTE	Budget 2030-31 FTE	Budget 2031-32 FTE
<b>CONNECTED COMMUNITIES</b>										
<b><i>Permanent - Full Time</i></b>	145.00	152.00	151.00	151.00	151.00	151.00	151.00	151.00	151.00	151.00
Female	130.00	136.00	135.00	135.00	135.00	135.00	135.00	135.00	135.00	135.00
Male	15.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b><i>Permanent - Part Time</i></b>	136.91	136.99	136.49	136.49	136.49	136.49	136.49	136.49	136.49	136.49
Female	133.46	133.54	133.04	133.04	133.04	133.04	133.04	133.04	133.04	133.04
Male	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44	3.44
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CONNECTED COMMUNITIES</b>	<b>281.91</b>	<b>288.99</b>	<b>287.49</b>	<b>287.49</b>	<b>287.49</b>	<b>287.49</b>	<b>287.49</b>	<b>287.49</b>	<b>287.49</b>	<b>287.49</b>
<b>INFRASTRUCTURE</b>										
<b><i>Permanent - Full Time</i></b>	162.00	166.00	166.00	166.00	166.00	166.00	166.00	166.00	166.00	166.00
Female	28.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Male	134.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b><i>Permanent - Part Time</i></b>	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74
Female	3.57	3.57	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74
Male	0.16	0.16	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL INFRASTRUCTURE</b>	<b>165.74</b>	<b>169.74</b>	<b>169.74</b>	<b>169.74</b>	<b>169.74</b>	<b>169.74</b>	<b>169.74</b>	<b>169.74</b>	<b>169.74</b>	<b>169.74</b>
<b>PEOPLE AND INNOVATION</b>										
<b><i>Permanent - Full Time</i></b>	53.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
Female	35.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00
Male	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b><i>Permanent - Part Time</i></b>	11.83	11.83	11.83	11.83	11.83	11.83	11.83	11.83	11.83	11.83
Female	11.83	11.83	11.83	11.83	11.83	11.83	11.83	11.83	11.83	11.83
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PEOPLE AND INNOVATION</b>	<b>64.83</b>	<b>66.83</b>	<b>66.83</b>	<b>66.83</b>	<b>66.83</b>	<b>66.83</b>	<b>66.83</b>	<b>66.83</b>	<b>66.83</b>	<b>66.83</b>
Casuals, temporary and other expenditure	18.27	18.27	18.27	18.27	18.27	18.27	18.27	18.27	18.27	18.27
<b>TOTAL STAFF NUMBERS</b>	<b>744.06</b>	<b>762.14</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>	<b>760.64</b>



## 5. Financial Performance Indictators

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

Indicator	Measure	Notes	Forecast 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Trend + / o / -
<b>Operating Position (measures whether a council is able to generate an underlying surplus)</b>														
Adjusted Underlying Result	Adjusted Underlying Surplus (Deficit) Adjusted Underlying Revenue	1	(25.19%)	2.19%	3.72%	4.40%	6.41%	7.41%	8.03%	7.90%	8.06%	8.80%	9.84%	+
<b>Liquidity (measures whether a council is able to generate sufficient cash to pay bills on time)</b>														
Working Capital	Current Assets Current Liabilities	2	1.70	1.37	1.13	1.11	1.04	1.11	1.11	1.18	1.26	1.22	1.32	o
Unrestricted Cash	Unrestricted Cash Current Liabilities	3	83.68%	55.32%	29.86%	39.05%	36.27%	44.77%	46.06%	57.58%	69.16%	62.99%	81.56%	+
<b>Obligations (measures whether the level of debt and other long term obligations is appropriate to the size and nature of the Council's activities)</b>														
Loans and Borrowings	Interest Bearing Loans and Borrowings Rate Revenue	4	38.20%	57.23%	55.12%	65.93%	62.97%	67.84%	67.18%	62.18%	59.38%	49.53%	40.23%	+
Loans and borrowings	Interest and Principal Repayments Rate Revenue	4	1.70%	6.17%	6.83%	7.51%	9.39%	9.77%	11.23%	12.10%	12.53%	13.25%	12.05%	-
Indebtedness	Non Current Liabilities Own Source Revenue(Excluding Open Space)	5	32.88%	48.64%	48.57%	58.01%	55.52%	59.80%	59.22%	54.76%	52.30%	43.67%	35.47%	+
Asset Renewal	Asset Renewal and Upgrade Expenditure Depreciation	6	2.04	2.65	2.50	2.35	1.89	1.90	1.51	1.06	1.37	1.35	1.34	o
<b>Stability (measures whether a council is able to generate revenue from a range of sources)</b>														
Rates Concentration	Rate Revenue Adjusted Underlying Revenue	7	69.40%	71.39%	73.02%	73.16%	73.51%	73.83%	74.07%	74.25%	74.49%	74.79%	75.01%	o
Rates Effort	Rate Revenue Property Values (CIV)	8	0.24%	0.22%	0.23%	0.24%	0.24%	0.25%	0.26%	0.27%	0.27%	0.28%	0.29%	o
<b>Efficiency (measures whether a council is using resources efficiently)</b>														
Expenditure Level	Total Expenditure No. of Assessments		\$3,343	\$2,660	\$2,734	\$2,759	\$2,757	\$2,806	\$2,849	\$2,919	\$2,979	\$3,018	\$3,051	o
Revenue Level	Residential Rate Revenue No. of Residential Assessments		\$1,633	\$1,768	\$1,803	\$1,843	\$1,892	\$1,943	\$1,987	\$2,031	\$2,077	\$2,125	\$2,174	o
Workforce Turnover	No. of Resignations & Terminations Average No. of Staff		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	o

#### Key to Forecast Trend

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

#### Notes on indicators

##### 5.1 Adjusted underlying results

Adjusted underlying result is the net surplus or deficit for the year (per Australian Accounting Standards) adjusted for non-recurrent grants used to fund capital expenditure, non-monetary asset contributions, and contributions to fund capital expenditure other than grants and non-monetary asset contributions. It is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance is expected over the period. The significant decrease in 2021-22 is largely driven by the net loss anticipated on the disposal of property, infrastructure, plant and equipment, in particular the transfer of the Knox Regional Sports Park assets to the State Government. This transfer will be carried forward from the 2020-21 financial year.

##### 5.2 Working capital

Working capital (current assets / current liabilities) is the proportion of current liabilities represented by current assets. It is a general measure of the organisation's liquidity and its ability to meet its commitments as and when they fall due. The working capital ratio is anticipated to remain around 1.00 for the ten-year period, with an increase in the current year forecast due the carry-forward of capital works and the early payment of Victorian Grants Commission funding.

##### 5.3 Unrestricted cash

Unrestricted cash means all cash and cash equivalents other than restricted cash, including cash that will be used to fund capital expenditure from the previous financial year. Restricted cash means cash and cash equivalents, within the meaning of Accounting Standard *AASB 107 Statement of Cash Flows*, that are not available for use other than for a purpose for which it is restricted. The decline from the current year forecast demonstrates a reduction of cash and cash equivalents together with the utilisation of interest-bearing loans and borrowings to fund the Capital Works Program. Council will continue to review and strengthen this position in future budgets.

##### 5.4 Debt compared to rates

Loans and borrowings means interest bearing loans and borrowings compared to rates and charges revenue. The balance of interest bearing loans and borrowings is shown as a percentage of rates revenue. Loans and borrowings also refers to interest and principal repayments compared to rate revenue. The ratio describes Council's cash flow debt repayment capacity through the inclusion of interest and principal repayments on interest bearing loans and borrowings as a percentage of rate revenue. The trend indicates an increased reliance on debt against annual rate revenue over to fund major initiatives in the Capital Works Program, with this debt then being progressively paid down over the ten-year period.

## **5.5 Indebtedness**

Indebtedness compares non-current liabilities to own source revenue (excluding open space reserve). Own source revenue is defined as adjusted underlying revenue other than revenue that is not under the control of Council (including government grants). Interest-bearing borrowings will increase between 2021-22 to 2027-28 followed by decreases for the remainder of the ten-year period, funding a component of the Capital Works Program.

## **5.6 Asset renewal**

Asset renewal is calculated as asset renewal expenditure as a percentage of depreciation. This indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). An greater than 1.00 indicates Council is maintaining its existing assets, while a percentage less than 1.00 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Council's asset renewal indicator is greater than 1.00 through the ten-year outlook.

Council will continue to improve asset renewal and upgrade decisions based on asset performance (condition, risk-criticality, utilisation, capacity and maintenance history) when better data becomes available.

Through asset management improvement actions, we will progressively improve the selection and timing of renew and upgrade options of our assets as they reach the end of their useful lives. We will continue to improve decision-making capability and transparency of decisions through use of tools and robust processes.

Annual renewal programs are prioritised by condition and remaining life, with consideration to functional hierarchy.

## **5.7 Rates concentration**

Rates concentration is measured as rate revenue compared to adjusted underlying revenue. Adjusted underlying revenue is defined as total income excluding non-recurrent grants used to fund capital expenditure, non-monetary asset contributions, and contributions to fund capital expenditure from sources other than grants and non-monetary contributions. Rates concentration reflects the extent of reliance on rate revenues to fund all of Council's on-going services. The trend is relatively steady for rates concentration.

## **5.8 Rates effort**

Rates effort, which is intended to examine the community's capacity to pay, presents rate revenue as a percentage of the capital improved value of rateable properties in the municipality. The trend is relatively steady for rates effort.

## 6. Strategies and Plans

### 6.1 Borrowing Strategy

#### 6.1.1 Current Debt Position

Council is expecting to have borrowings of \$48.362M as at 30 June 2022.

Council has budgeted to access further debt funding to complete a range of major infrastructure projects.

#### 6.1.2 Future Borrowing Requirements

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

	Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>OPENING BALANCE</b>	<b>0</b>	<b>48,362</b>	<b>76,390</b>	<b>79,279</b>	<b>97,385</b>	<b>96,200</b>	<b>108,023</b>	<b>110,627</b>	<b>105,880</b>	<b>104,555</b>	<b>90,174</b>
Plus new loans	50,000	34,312	10,480	26,800	10,000	24,200	17,400	12,000	17,000	6,000	5,000
Less principal repayment	(1,638)	(6,284)	(7,591)	(8,694)	(11,185)	(12,377)	(14,796)	(16,747)	(18,325)	(20,381)	(19,441)
<b>CLOSING BALANCE</b>	<b>48,362</b>	<b>76,390</b>	<b>79,279</b>	<b>97,385</b>	<b>96,200</b>	<b>108,023</b>	<b>110,627</b>	<b>105,880</b>	<b>104,555</b>	<b>90,174</b>	<b>75,733</b>
Interest payment	518	1,954	2,232	2,395	3,163	3,180	3,703	3,864	3,737	3,743	3,248

#### 6.1.3 Performance Indicators

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

		Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>Performance Indicator</b>	<b>Target</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Total Borrowings / Rate Revenue	Below 80%	38.20%	57.23%	55.12%	65.93%	62.97%	67.84%	67.18%	62.18%	59.38%	49.53%	40.23%
Debt Servicing / Rate Revenue	Below 5%	0.41%	1.46%	1.55%	1.62%	2.07%	2.00%	2.25%	2.27%	2.12%	2.06%	1.73%
Debt Commitment / Rate Revenue	Below 10%	1.70%	6.17%	6.83%	7.51%	9.39%	9.77%	11.23%	12.10%	12.53%	13.25%	12.05%
Indebtedness / Own Source Revenue	Below 80%	31.67%	44.88%	44.19%	51.97%	49.09%	52.19%	50.88%	46.08%	43.00%	35.40%	29.99%

### 6.2 Reserves Strategy

#### 6.2.1 Current Reserves

##### HACC capital grant reserve

The purpose of this reserve is to refurbish, upgrade and maintain minor capital within the Home and Community Care funded programs.

##### Open space reserve

The Open Space Reserve is used to provide funding for future purchases and improvements of open space. Funding is provided from developer's contributions for open space which is initially recognised in the comprehensive income statement and then transferred to the reserve from accumulated surplus to facilitate separate tracking of the total funds received but not yet spent.

#### **Aged care reserve**

The purpose of this reserve is to set aside the proceeds from the divestment of the Amaroo Gardens Aged Care Facility by Council on 2 November 2011 for aged services and infrastructure within the Knox municipality.

#### **Basketball stadium infrastructure reserve**

The purpose of this reserve is to improve basketball stadium facilities within the Knox municipality.

#### **Blue Hills reserve**

The purpose of this reserve is to construct the Early Years Hubs facilities for the benefit of the Knox Community.

#### **City futures fund**

The purpose of this reserve is to construct major facilities within the Knox municipality.

#### **Knox Regional Sports Park - Football pitch replacement fund**

The purpose of this reserve is to provide for future football pitch replacement at Knox Regional Sports Park.

#### **Library reserve**

The purpose of this reserve is for major capital expenditure for acquiring, refurbishing or redeveloping library premises as standalone premises or as part of community hubs for Knox Library branches.

#### **Mountain Gate reserve**

The purpose of this reserve is to enhance community facilities within Mountain Gate.

#### **Revegetation net gain reserve**

The purpose of this reserve is to ensure any loss of vegetation through development is re-established in a sustainable location.

#### **Revolving energy fund**

The purpose of this reserve is to re-invest savings in energy costs to be invested in further works to minimise energy consumption.

#### **Scoresby Recreation reserve**

The purpose of this reserve is to invest the income derived from lease of this site into the Scoresby Recreation Reserve.

#### **Stamford Park reserve**

The purpose of this reserve is to develop the Stamford Park site for the benefit of the Knox Community.

#### **State basketball centre asset renewal fund**

The purpose of this reserve is to provide for asset renewal works at the State Basketball Centre (Knox Regional Sports Park).

#### **Unexpended grants reserve**

The purpose of this reserve is to quarantine early payment of Victoria Grants Commission General Purpose and Local Roads Federal Grant funding for use in the following year.

## 6.2.2 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.

Reserves	Statutory / Discretionary	Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>HACC Capital Reserve</b>	<b>Statutory</b>											
Opening balance		635	635	635	635	635	635	635	635	635	635	635
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>635</b>	<b>635</b>	<b>635</b>	<b>635</b>	<b>635</b>	<b>635</b>	<b>635</b>	<b>635</b>	<b>635</b>	<b>635</b>	<b>635</b>
<b>Open Space Reserve</b>	<b>Statutory</b>											
Opening balance		15,630	13,025	13,025	13,525	10,025	8,595	9,165	9,735	8,305	6,875	7,445
Transfer to reserve		6,000	6,500	7,000	7,000	7,070	7,070	7,070	7,070	7,070	7,070	7,070
Transfer from reserve		(8,605)	(6,500)	(6,500)	(10,500)	(8,500)	(6,500)	(6,500)	(8,500)	(8,500)	(6,500)	(6,500)
<b>Closing balance</b>		<b>13,025</b>	<b>13,025</b>	<b>13,525</b>	<b>10,025</b>	<b>8,595</b>	<b>9,165</b>	<b>9,735</b>	<b>8,305</b>	<b>6,875</b>	<b>7,445</b>	<b>8,015</b>
<b>Statutory Reserves Summary</b>	<b>Total Statutory</b>											
Opening balance		16,265	13,660	13,660	14,160	10,660	9,230	9,800	10,370	8,940	7,510	8,080
Transfer to reserve		6,000	6,500	7,000	7,000	7,070	7,070	7,070	7,070	7,070	7,070	7,070
Transfer from reserve		(8,605)	(6,500)	(6,500)	(10,500)	(8,500)	(6,500)	(6,500)	(8,500)	(8,500)	(6,500)	(6,500)
<b>Closing balance</b>		<b>13,660</b>	<b>13,660</b>	<b>14,160</b>	<b>10,660</b>	<b>9,230</b>	<b>9,800</b>	<b>10,370</b>	<b>8,940</b>	<b>7,510</b>	<b>8,080</b>	<b>8,650</b>
<b>Aged Care Reserve</b>	<b>Discretionary</b>											
Opening balance		4,891	3,317	3,248	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		(1,574)	(69)	(71)	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>3,317</b>	<b>3,248</b>	<b>3,177</b>	<b>3,177</b>	<b>3,177</b>	<b>3,177</b>	<b>3,177</b>	<b>3,177</b>	<b>3,177</b>	<b>3,177</b>	<b>3,177</b>
<b>Basketball Stadium Infrastructure Reserve</b>	<b>Discretionary</b>											
Opening balance		100	100	100	100	100	100	100	100	100	100	100
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Blue Hills Reserve</b>	<b>Discretionary</b>											
Opening balance		3	3	3	3	3	3	3	3	3	3	3
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>City Futures Reserve</b>	<b>Discretionary</b>											
Opening balance		2,915	247	247	247	247	247	247	247	247	247	247
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		(2,668)	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>	<b>247</b>



Reserves	Statutory / Discretionary	Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>Knox Regional Sports Park - Football Renewal</b>	<b>Discretionary</b>											
Opening balance		612	0	0	0	0	0	0	0	0	0	0
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		(612)	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Library Reserve</b>	<b>Discretionary</b>											
Opening balance		0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer to reserve		2,000	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>Mountain Gate Reserve</b>	<b>Discretionary</b>											
Opening balance		140	140	140	140	140	140	140	140	140	140	140
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>140</b>
<b>Revegetation Net Gain Reserve</b>	<b>Discretionary</b>											
Opening balance		461	11	61	111	161	211	261	311	361	411	461
Transfer to reserve		50	50	50	50	50	50	50	50	50	50	50
Transfer from reserve		(500)	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>11</b>	<b>61</b>	<b>111</b>	<b>161</b>	<b>211</b>	<b>261</b>	<b>311</b>	<b>361</b>	<b>411</b>	<b>461</b>	<b>511</b>
<b>Revolving Energy Fund</b>	<b>Discretionary</b>											
Opening balance		60	37	37	37	37	37	37	37	37	37	37
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		(23)	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>
<b>Scoresby Recreational Reserve</b>	<b>Discretionary</b>											
Opening balance		144	171	199	228	257	287	318	350	383	417	452
Transfer to reserve		27	28	29	29	30	31	32	33	34	35	36
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>171</b>	<b>199</b>	<b>228</b>	<b>257</b>	<b>287</b>	<b>318</b>	<b>350</b>	<b>383</b>	<b>417</b>	<b>452</b>	<b>488</b>
<b>Stamford Park Reserve</b>	<b>Discretionary</b>											
Opening balance		8,923	7,923	923	0	0	0	0	0	0	0	0
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		(1,000)	(7,000)	(923)	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>7,923</b>	<b>923</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>State Basketball Centre Asset Renewal</b>	<b>Discretionary</b>											
Opening balance		597	0	0	0	0	0	0	0	0	0	0
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		(597)	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Reserves	Statutory / Discretionary	Forecast 2021-22 \$'000	Budget 2022-23 \$'000	Budget 2023-24 \$'000	Budget 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000
<b>Unexpended Grants Reserve</b>	<b>Discretionary</b>											
<b>Opening balance</b>		4,038	5,843	0	0	0	0	0	0	0	0	0
Transfer to reserve		5,843	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		(4,038)	(5,843)	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		5,843	0	0	0	0	0	0	0	0	0	0
<b>Discretionary Reserves Summary</b>	<b>Total Discretionary</b>											
<b>Opening balance</b>		22,884	19,792	6,958	6,043	6,122	6,202	6,283	6,365	6,448	6,532	6,617
Transfer to reserve		7,920	78	79	79	80	81	82	83	84	85	86
Transfer from reserve		(11,012)	(12,912)	(994)	0	0	0	0	0	0	0	0
<b>Closing balance</b>		19,792	6,958	6,043	6,122	6,202	6,283	6,365	6,448	6,532	6,617	6,703
<b>Total Reserves Summary</b>	<b>Statutory &amp; Discretionary</b>											
<b>Opening balance</b>		39,149	33,452	20,618	20,203	16,782	15,432	16,083	16,735	15,388	14,042	14,697
Transfer to reserve		13,920	6,578	7,079	7,079	7,150	7,151	7,152	7,153	7,154	7,155	7,156
Transfer from reserve		(19,617)	(19,412)	(7,494)	(10,500)	(8,500)	(6,500)	(6,500)	(8,500)	(8,500)	(6,500)	(6,500)
<b>Closing balance</b>		33,452	20,618	20,203	16,782	15,432	16,083	16,735	15,388	14,042	14,697	15,353