

Financial Plan 2023/24 to 2032/33



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Introduction

1.1 Financial Plan

The *Local Government Act 2020* introduced a requirement for councils to prepare a rolling 10-year Financial Plan. The Financial Plan provides a strategic overview of the financial resources available to Council over the next 10 years and sets out how the resources will be used to implement the actions of the Council Plan and achieve the Community Vision.

The purpose of the Financial Plan is to provide stability, predictability and to establish a framework for the effective mitigation and management of strategic financial risk. Importantly, the Plan should show how the viability and financial sustainability of Council will be achieved and maintained over the 10-year period.

1.2 Strategic Planning Principles

The Financial Plan is developed in the context of the following strategic planning principles:

- Council has an integrated approach to planning, monitoring and performance reporting;
- The Financial Plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision;
- The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision;
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 2.4 below;
- The Financial Plan provides for the strategic planning principles of progress monitoring and reviews to identify and adapt to changing circumstances.

1.3 Financial Management Principles

Council manages significant funds on behalf of its community. The responsible management of these finances is essential for Council to continue meeting its legislative responsibilities and to keep providing services and facilities needed by the community.

Section 101 of the *Local Government Act 2020* provides four principles of sound financial management, which all councils are required to implement within their financial planning and reporting frameworks. They are:

- Revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with Council's financial policies and strategic plans;
- Financial risks must be monitored and managed prudently, having regard to economic circumstances;
- Financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community;
- Accounts and records that explain the financial operations and financial position of the Council must be kept.

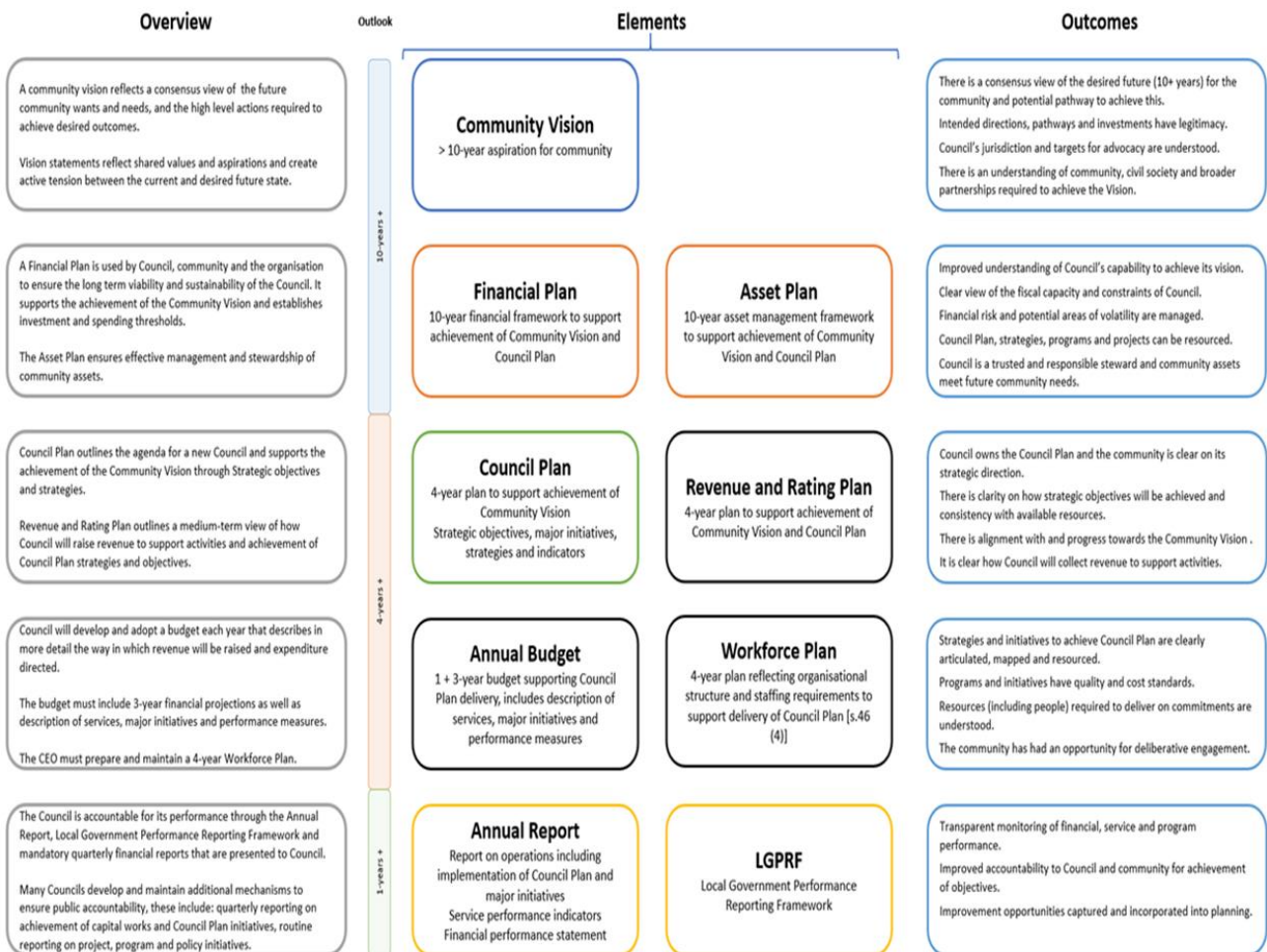
For the purposes of the financial management principles, financial risk includes any risk relating to the following:

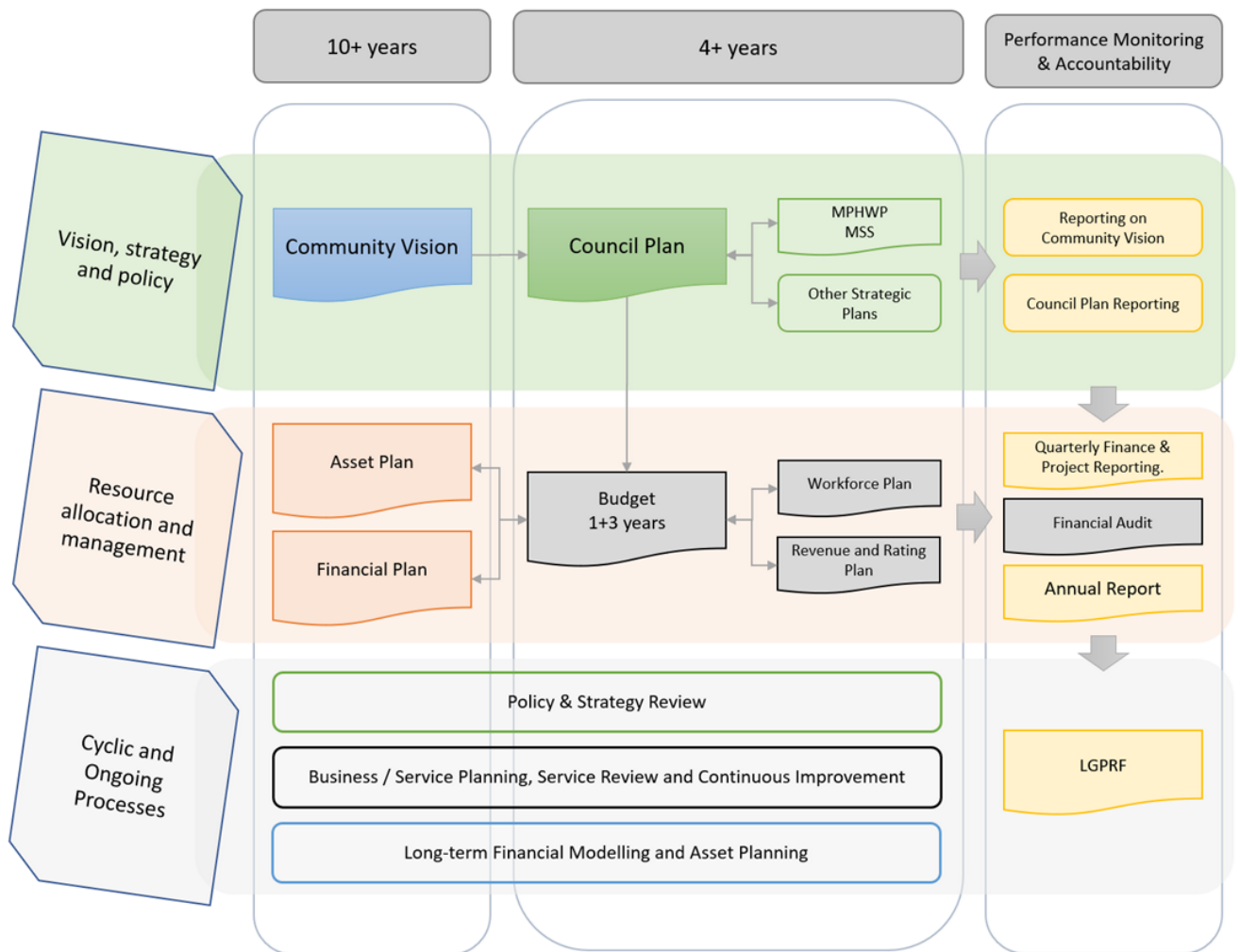
- the financial viability of the Council;
- the management of current and future liabilities of the Council;
- the beneficial enterprises of the Council.

1.4 Legislative Requirements

This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the integrated strategic planning and reporting framework. This framework guides the Borough of Queenscliffe in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Budget) and then holding itself accountable (Annual Report).

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





1.5 Service Performance Principles

Council services are designed to have purpose, to provide value for money and be targeted to community needs. 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 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;
- 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;
- Council has a performance monitoring framework to continuously improve its service delivery standards;
- Council does not have a comprehensive Service Level Plan and resources have been allocated in the financial plan for assumed service standards (based on past service levels, community satisfaction survey results, various strategies and plans etc.)

1.6 Asset Plan Integration

Reciprocal integration between the Asset Plan and the Financial Plan is a key principle of Council's strategic financial planning principles. The purpose of this integration is to ensure that future funding is allocated in a manner that supports service delivery for 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, provides 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 allocated 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 financial resources and budgets.

Council has developed an Asset Plan in line with the requirements of the *Local Government Act 2020*.

Asset renewal demand projections included in this Financial Plan generally reflect the expenditure identified in the following asset management documents:

- Roads expenditure follows the recommendations in the 2019 Road Condition and Renewal Modelling Report and the Roads Footpath and Kerb Asset Management Plan 2019;
- Buildings expenditure reflect the 2018 Building Condition Assessment Modelling Report and the Buildings Asset Management Plan 2019;
- Storm water drainage reflects the Urban Stormwater Drainage Asset Management Plan 2019;
- Open space reflects the Open Space Asset Management Plan 2019 in combination with the playground works schedule.

The Council has a rolling schedule to review and update its Asset Management Plans and as part of this process, the Council will seek feedback from the community in terms of the service expectations.

1.7 Engagement Principles

Council has developed and will engage with the community on the Financial Plan in accordance with the requirements of the Local Government Act. Councillors and officers have worked together over many months in developing the Draft Financial Plan to ensure it meets the needs and aspirations of our community.

- Councillors and officers considered development of proposed Financial Plan at nine (9) briefings November 2022 to June 2023;
- Proposed draft Financial Plan submitted to Council for consideration 26 April 2023;
- Draft Financial Plan available for public inspection and comment 27 April 2023;
- Public submission process undertaken April/May 2022;
- Submissions period closed 25 May 2023;
- Submissions considered by Council 31 May 2023; and
- Final Financial Plan presented to Council for adoption 28 June 2023.

Financial Plan Context

2.1 Financial Policy Statement (Financial Sustainability Indicators)

The Council Plan has specified the following measures to demonstrate Council’s ability to fund the aspirations of the Community Vision and the Council Plan in a financially sustainable manner.

Policy Statement	Measure	BoQ Target	Comment
Consistent operating results	Our adjusted underlying result: The difference between recurrent income and recurrent expenses	Greater than \$0	Adjusted for the timing of recurring operating grants, one-off operating projects (including operating grants if applicable), assets write-offs and any other non-recurrent transactions
Ensure Council maintains sufficient working capital to meet its obligations as they fall due	Current assets vs current liabilities: The value of our current assets divided by our current liabilities	Greater than 1	Excludes non-current assets classified as held for sale
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required	Level of unrestricted cash reserve against current liabilities: Our current liabilities as a percentage of our unrestricted cash reserves (based on the remaining maturity)	Greater than 100%	Cash and cash equivalents include all items at call and short-term deposits with remaining maturity of less than three months
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality	Total borrowings against rate revenue: Our total borrowings as a percentage of our rate revenue	Less than 15%	Target is in line with Council Policy CP040: Borrowings
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 against depreciation: The financial investment in asset renewal and upgrade work divided by the cost of depreciation (based on a three-year rolling average)	Greater than 100%	Three years rolling average takes into the consideration BoQ’S dependency on external funding for major capital projects
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for renewal capital	Council’s contribution to asset renewal and upgrade: Council’s contribution to asset renewal and upgrade expenses as a percentage of own-source revenue	Greater than 10%	Based on the net contribution from Council for asset renewal and upgrade work

2.2 Strategic Actions

Council has identified the following strategic actions that will support the aspirations of the Council Plan.

The Financial Plan has been developed based on these strategic actions:

- Prioritise capital expenditure for investment in renewal capital to reduce the escalating risk and maintenance costs of aging infrastructure;
- Avoid or minimise capital projects that will create new assets resulting in additional asset renewal requirements in the future;
- Only applying proceeds from asset sales to invest in projects that will generate additional revenue streams;
- Debt funding to be applied only to projects that will generate additional revenue streams;
- Additional funding to address actions that mitigate, or adapt to, the impacts of climate change;
- Manage salaries and wages growth in line with the rate cap, subject to any Council decisions;
- Emphasis on innovation, productivity and efficiencies that lead to reduced costs or the minimisation of waste and duplication (invest to save, e.g.; ICT transformation project);
- Maintaining current service levels until Council completes a full review of its service delivery programs;
- Council needs to preserve the income generating capacity of its tourist parks and make further investments to enhance it (tourist parks provide the primary income source where Council can make a direct influence).

2.3 Assumptions to the Financial Plan Statements

The Financial Plan is updated annually as a part of the annual budget process following a review of internal financial results and changes in the external environment. The financial information used for 2023–24 (the base year) is based on the 2023–24 financial budget.

The following table provides a detailed explanation of planning assumptions. The Financial Plan outcomes are disclosed in the Financial Statements section.

Key Elements	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Consumer Price Index (CPI)	5.20	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Based on the Reserve Bank Australia (RBA) Statement on Monetary Policy – February 2023. The average CPI for 2023–24 is based on the beginning (6.75) and the end (3.5) of the year CPI projections. For the remaining period CPI is based on the RBA long term expectation.									
Rates cap – ESC recommended methodology	3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	For the purposes of the Financial Plan, Council has linked rates cap to the CPI forecast. However, there remains some uncertainty regarding the level of the rates cap in future years.									
Growth in the rate base	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
	No material growth in population is expected for the next 10 years. Predominantly, BoQ has a stagnated rate base. Potential property developments based on development applications have been factored in.									
User fees and charges – Tourist parks income	3.50	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Council adopts a market-based pricing strategy in conjunction with CPI projections.									
User fees and charges – Others										
	Other user fees and charges are linked to the CPI.									
Interest income	3.6	3.0	2.75	2.75	2.75	2.5	2.5	2.5	2.5	2.5
	Council expects interest rates to be stable at pre-COVID levels.									
Employee costs	3.5	3.25	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
	Based on the Council’s Enterprise Bargaining Agreement (EBA)									
Insurance	5.0	3.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
	Insurance premium is predominantly influenced by the performance of the overall insurance industry. Financial Plan is based on historical increases and is linked to CPI.									

Key Elements	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Other operating cost (key contracted services)	5.20	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	Expenses linked to grow in line with CPI.									
Waste management charges (residential property)	6.25	6.96	5.17	4.95	4.82	1.63	-0.68	2.87	2.88	2.88
	Continue with the full cost recovery strategy. The increase in charges is due to the implementation of kerbside waste management transition initiatives and the recovery of direct staff costs. The full recovery of the additional costs will be phased out over a period of 5 years.									
Government Grants	Ongoing grants are steady with CPI indexation. Capital grants are estimated based on funding requirements of major capital renewal/upgrade projects.									
Borrowing	Zero borrowings; new borrowing (if any) in the future only for projects that will generate additional revenue streams.									
Capital projects	Prioritised renewal and upgrade work. The exact scope and timing of capital projects will be finalised after community consultations as appropriate.									
Asset sales/proceeds	No new property sale is planned except for the annual replacement of motor vehicles. Sales proceeds from the sale of Murray Road land will be used for investment opportunities that will generate at minimum the interest income the Council could have otherwise earned.									

Note to waste management cost/charges assumptions:

The following assumptions have been used in determining waste management costs:

- The kerbside transition plan was implemented with Food Organics & Garden Organics (FOGO) collection operational on 1 August in 2022–23. The glass collection service will be operational in 2024–25;
- Diversion of 70% of the organics in the waste bin to the FOGO service will be achieved;
- A 20% increase of garden organics collected due to an increased frequency of collection;
- State Government Landfill Levy will increase by only CPI from 2024–25 onward;
- Diversion of 80% of glass from the commingled recycling bin to the new glass service is achieved from 2024–25 onward;
- Kerbside material disposal and processing costs are based on historic volumes and 2021 waste audits;
- The contamination rates within the organics and recycling waste streams remain consistent with long term averages.
- The Barwon Water led Regional Organic Network Project will be operational by July 2024.
- Impacts of a Container Deposit Scheme (CDS) have not been incorporated into this Plan.

2.4 Financial Risk

There are many financial risks that Council must mitigate to remain financially sustainable. One of the most significant financial risks is the impact of rate capping. Our sound financial position – zero debt and a healthy reserve balance – will enable Council to respond to these financial risks over the rolling 10-year period. The following table highlights the financial risks and their impact to Council.

Risk	Level of Risk	Mitigation
<p>Financial Sustainability of the Borough and Council:</p> <p>Income losses, unemployment and business closures in the Borough due to the drop in visitors (BoQ has a tourism focused economy).</p> <p>Lower rate cap (rate cap lesser than the CPI) and stagnated rate base leading to not sustaining long term financial sustainability of Council</p>	<p>High</p>	<ul style="list-style-type: none"> - Continuous advocacy and engagement with operators and state government and targeted actions and programs to promote tourism in the Borough (allocate resources via the annual financial budget) - Maintain an updated financial plan to provide direction to Council and continuous monitoring against the financial budget (quarterly report to Council)
<p>Government Political and Policy Changes:</p> <p>Commonwealth and state governments transfer program or service responsibilities to local government with insufficient funding, or provide grants that don't keep pace with the actual delivery costs incurred by councils</p> <p>Council's sensitivity to income from caravan parks</p> <p>Council loses ability to manage and control coastal Crown land (state government takes over control of coastal crown land)</p>	<p>Medium</p>	<ul style="list-style-type: none"> - Continue to lobby and work with state government to ensure Council's ability to continue to manage coastal Crown land. - Continuous lobbying and actively working with other government agencies to achieve financial sustainability of relevant activities/projects
<p>Failure to close asset management gap:</p> <p>Deteriorating service capacity of Council's asset base, due to the asset management gap.</p>	<p>Medium</p>	<ul style="list-style-type: none"> - High level asset management plan for key assets categories (except for open space assets). - Asset renewal programs (linked to conditional assessments) for road and building assets validated by 3rd party subject matter experts. - Asset renewal reserve funds to meet future asset renewal funding requirements. - Continue to explore grant funding opportunities for significant asset renewal and upgrade work. - An asset plan in line with the LG Act 2020.
<p>Future unfunded defined benefits superannuation call occurring</p>	<p>Low</p>	<ul style="list-style-type: none"> - Monitors the Vested Benefits index on a quarterly basis to avoid material shortfall calls. Maintain a separate reserve to manage any potential impact

Financial snapshot

Our decision-making reflects the principles of sound financial management. This Financial Plan assesses our financial performance using key financial indicators specified in the Council Plan. Refer to the Financial Policy Statement section (2.1) for more details about the indicators used to assess the financial outcome of the Borough over the planning period covered in this Financial Plan.

Cash surplus/deficit

This is a measure of the cash inflows from all sources of revenue and the cash outflows for all expenditure (capital and operating expenditure). The Financial Plan presents a balanced budget over the 10-year horizon after transferring excess funds to the general reserve.

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 underlying result is calculated by deducting non-recurrent capital funding (grants and contributions) from the operating surplus/(deficit) for the year.

The Local **Government Performance Reporting Framework (LGPRF) based measure is projecting an average annual underlying surplus of \$26,000 over the 10-year planning horizon** despite Council has earmarked a couple of non-recurring operating projects for future years.

Council is projecting **an average annual underlying surplus excluding the impact of non-recurring transactions (based on the Council Plan measure) of \$95,000 over the 10-year planning horizon** which is an improvement from the 10-year average underlying deficit of \$204,000 recorded in the 2022–2032 Financial Plan.

Despite the increase in recurring expenses, the improvement in the underlying result can be attributable to:

- Ongoing operational grant support confirmed by Better Boating Victoria for maintenance and upkeep of upgrade boat ramp;
- Notional recurrent interest income included in the Financial Plan based on the budget assumption that sales proceeds from the sale of Murray Road will be used for investment opportunities that will generate at minimum the interest income the Council could have otherwise earned; and
- Recovery of direct employee costs of waste management operations via waste management charges.

The above items have contributed positively, in excess of \$300,000 annually to the Council Financial Plan.

There may also be additional opportunities for Council to achieve operational efficiencies and additional ongoing income as a result of ongoing initiatives and projects (new operating model to manage tourist parks, BoQ ICT transformation, future investment in amenities in tourist parks to enhance visitor experience, etc.). Details of cost efficiencies and additional income figures are not possible to estimate until project plans and operational requirements are further developed.

Council needs to be careful about creating or acquiring new and significantly upgraded assets which will result in significant additional ongoing cost commitments, without supporting income.

The long-term outlook for Council will depend on careful and prudent planning, in particular when considering the need and ongoing management of new assets. The impacts of rate capping, limited opportunities for rate income growth, community expectations about service levels and the ongoing management of existing assets will continue to provide financial challenges for the Borough in the coming years.

Working capital

This is a measure of current assets to current liabilities (our ability to pay existing liabilities that fall within the next 12 months). The Financial Plan expects this measure to stay well above 1 (100 percent) over the 10-year horizon.

Borrowings

No borrowings are planned over the 10-year horizon.

Asset renewal and upgrade expenses (Capital projects)

Asset renewal and upgrade expenses against depreciation, a ratio of 100 per cent or higher shows that spending on existing assets is moving at a faster rate than asset deterioration. The Financial Plan forecasts significant investment in existing assets over the next 10 years, subject to external grant funding. Key asset renewal and upgrade projects considered over the 10-year horizon are listed below. However, only high-level cost estimates have been used in the Plan and the scope and timing of these projects are subject to community consultations and detailed feasibility assessments.

Capital projects included in the 2023–24 Budget

- ICT transformation project (3 to 4 year project)
- Safety improvement work at Narrows Beach
- Toch H toilet renewal
- New bike track – concept design
- Point Lonsdale Maritime & Defence Precinct development
- Upgrade of Town Hall – heating and cooling
- Queenscliffe Rec Reserve – lighting upgrade
- Murray Road Shared Path – concept design
- Installation of bike racks throughout the Borough (multi-year project)

Potential priority capital projects considered in the Financial Plan

- Princess Park toilet facilities
- Queenscliffe CBD 24-hour toilet
- Royal Park oval and changing rooms facility upgrade
- Weeroona Parade toilet facilities renewal
- Bull Ring infrastructure upgrades
- Ocean Road wombat crossing garden bed
- Paths and walking tracks (based on the Active Transport Strategy)
- Neighbourhood battery initiative
- Construction stage – New skate and bike park
- Construction stage – Murray Road shared path
- Golightly capital works
- Upgrade of Town Hall
- Soak pit upgrade and ocean outfall improvements (ongoing)

Financial sustainability indicators – Council Plan

Council’s projected financial performance against the financial sustainability indicators identified in the Council Plan is summarised below. Overall, based on the 10-year average, Council’s financial plan 2023–24 to 2032–33 satisfies all financial sustainability indicators except for the adjusted underlying result.

Indicator	Target	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	Average 10-year horizon
Sustainable operating result												
Our adjusted underlying result	> \$0	\$139	-\$31	-\$82	\$29	\$38	\$67	\$87	\$137	\$221	\$343	\$95
Working capital												
Current assets vs current liabilities	> 1.0	4.57	4.23	3.48	2.46	2.51	2.50	2.43	2.56	2.66	2.67	3.01
Level of unrestricted cash reserve against current liabilities	> 100%	434%	405%	330%	227%	228%	226%	220%	233%	242%	244%	279%
Borrowings												
Total borrowings against rate revenue	< 15%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Commitment for asset renewals												
Asset renewal and upgrade expenses against depreciation	> 100%	319%	179%	253%	234%	209%	183%	195%	122%	214%	166%	207%
Council’s contribution to asset renewal and upgrade	> 10%	12%	14%	24%	28%	12%	11%	12%	10%	11%	11%	15%

Crown land management

Except for very few assets, all buildings and infrastructure assets (including roads) managed by Council to provide various services to the community are located or built on Crown land.

Based on the value of land Council manages, 59% is Crown land and 18% is land under roads. Only 23% of land is owned freehold by the Borough.

Council's current record-keeping and accounting systems are not designed to separate the expenditure associated with Crown land and other land types. However, indicative values provided below satisfy the requirement that revenue generated from Crown land is applied in full to meet expenditure requirements for managing Crown land.

Description	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Net contribution from Crown land										
Surplus projected from tourist parks	697	718	741	765	789	816	843	870	899	929
Lease income projected from Crown land properties	127	131	135	139	143	148	152	157	161	166
Net contribution from Crown land	824	850	876	905	933	964	995	1,026	1,060	1,095
Used to fund services in Crown land										
Net projected net expenditure on asset management and appearance of public places on Crown land	(853)	(880)	(927)	(954)	(1,082)	(1,113)	(1,146)	(1,180)	(1,264)	(1,402)
Net expenditure on coastal protection	(377)	(368)	(378)	(387)	(397)	(408)	(418)	(429)	(440)	(452)
Net deficit funded via rates and operating grant	(406)	(398)	(428)	(437)	(546)	(557)	(569)	(583)	(644)	(759)

The projected surplus from tourist parks includes the net contribution from Golightly Park as well. Council's current financial system is not designed to record the operating expenses of Golightly Park separately to ascertain the net contribution from Golightly Park alone. However, if apportioned based on the gross income, 23% of the projected surplus can be attributable to Golightly Park for 2023–24.

Projected net expenditure on asset management and appearance of public places on Crown land does not include any non-recurrent operational cost, asset renewal and upgrade expenditure. Further, the projected net expenditure does not include any expenditure associated with road, drainage and footpath infrastructure.

Financial statements

3.1 Comprehensive Income Statement

Comprehensive Income Statement	2023–24 Budget	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income / Revenue										
Rates and charges	8,528	8,863	9,171	9,478	9,796	10,090	10,363	10,690	11,028	11,376
Statutory fees and fines	138	142	146	151	155	160	165	170	175	180
User fees	2,143	2,213	2,279	2,347	2,418	2,490	2,565	2,642	2,721	2,803
Grants – operating	1,692	1,275	1,349	1,352	1,393	1,435	1,478	1,522	1,568	1,615
Grants – capital	1,417	1,071	125	0	956	1,313	1,313	1,125	0	0
Other income	534	441	403	382	419	399	406	414	425	436
Net gain on disposal of PPE and infrastructure	35	0	0	0	0	0	0	0	0	0
Total income / revenue	14,487	14,004	13,474	13,711	15,138	15,887	16,289	16,563	15,916	16,410
Expenses										
Employee costs	5,289	5,461	5,625	5,766	5,910	6,058	6,210	6,366	6,525	6,688
Materials and services	6,366	6,134	5,957	6,068	6,370	6,557	6,760	6,951	7,204	7,494
Depreciation	1,372	1,379	1,398	1,403	1,387	1,418	1,477	1,530	1,497	1,402
Bad and doubtful debts – allowance for impairment losses	3	3	3	3	3	3	3	3	3	3
Other expenses	370	382	394	405	417	429	441	454	467	481
Total expenses	13,401	13,360	13,377	13,645	14,087	14,465	14,892	15,303	15,697	16,068
Surplus / (deficit) for the year	1,085	644	97	65	1,051	1,422	1,398	1,260	220	342
Other comprehensive income	0	0	0	0	0	0	0	0	0	0
Total comprehensive result	1,085	644	97	65	1,051	1,422	1,398	1,260	220	342

3.2 Balance Sheet

Balance Sheet	2023–24 Budget \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000	2027–28 \$'000	2028–29 \$'000	2029–30 \$'000	2030–31 \$'000	2031–32 \$'000	2032–33 \$'000
Assets										
Current assets										
Cash and cash equivalents	6,403	5,704	4,259	2,346	2,336	2,512	2,527	2,830	2,945	3,148
Other financial assets	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Trade and other receivables	300	300	300	300	300	300	300	300	300	300
Inventories	4	4	4	4	4	4	4	4	4	4
Prepayments	150	150	150	150	150	150	150	150	150	150
Other assets	75	75	75	75	75	75	75	75	75	75
Total current assets	9,432	8,732	7,288	5,375	5,365	5,541	5,556	5,859	5,973	6,177
Non-current assets										
Investments in associates	160	160	160	160	160	160	160	160	160	160
Property, infrastructure, plant and equipment	178,481	179,826	181,401	183,470	184,491	185,819	187,275	188,235	188,308	188,514
Total non-current assets	178,641	179,986	181,561	183,630	184,651	185,979	187,435	188,395	188,468	188,674
Total assets	188,073	188,719	188,849	189,005	190,015	191,519	192,992	194,254	194,441	194,850
Liabilities										
Current liabilities										
Trade and other payables	953	927	933	995	925	976	1,020	990	924	959
Trust funds and deposits	50	50	50	50	50	50	50	50	50	50
Provisions	981	1,005	1,030	1,056	1,083	1,110	1,137	1,166	1,195	1,225
Unearned income	80	80	80	80	80	80	80	80	80	80
Total current liabilities	2,064	2,063	2,093	2,181	2,137	2,216	2,287	2,286	2,250	2,314
Non-current liabilities										
Provisions	119	122	125	128	131	135	138	141	145	149
Total non-current liabilities	119	122	125	128	131	135	138	141	145	149
Total liabilities	2,183	2,185	2,218	2,309	2,269	2,350	2,425	2,427	2,395	2,462
Net assets	185,890	186,534	186,631	186,696	187,747	189,169	190,567	191,827	192,047	192,388
Equity										
Accumulated surplus	101,973	103,322	104,899	106,972	107,995	109,326	110,786	111,748	111,824	112,033
Revaluation Reserve	76,675	76,675	76,675	76,675	76,675	76,675	76,675	76,675	76,675	76,675
Other reserves	7,241	6,537	5,057	3,049	3,077	3,168	3,106	3,404	3,548	3,680
Total equity	185,890	186,534	186,631	186,696	187,747	189,169	190,567	191,827	192,047	192,388

3.3 Statement of Changes in Equity

Statement of Changes in Equity	2023–24 Budget \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000	2027–28 \$'000	2028–29 \$'000	2029–30 \$'000	2030–31 \$'000	2031–32 \$'000	2032–33 \$'000
Accumulated Surplus										
Opening Balance 1st July	100,777	101,973	103,322	104,899	106,972	107,995	109,326	110,786	111,748	111,824
Surplus / (deficit) for the year	1,085	644	97	65	1,051	1,422	1,398	1,260	220	342
Transfer to other reserves	(261)	(217)	(221)	(264)	(269)	(260)	(195)	(298)	(144)	(133)
Transfer from other reserves	372	921	1,702	2,271	242	169	257	0	0	0
Closing Balance 30th June – Accumulated Surplus	101,973	103,322	104,899	106,972	107,995	109,326	110,786	111,748	111,824	112,033
Revaluation Reserve										
Opening Balance 1st July	76,675	76,675	76,675	76,675	76,675	76,675	76,675	76,675	76,675	76,675
Closing Balance 30th June – Revaluation Reserve	76,675	76,675	76,675	76,675	76,675	76,675	76,675	76,675	76,675	76,675
Other Reserves										
Opening Balance 1st July	7,353	7,241	6,537	5,057	3,049	3,077	3,168	3,106	3,404	3,548
Transfer to other reserves	261	217	221	264	269	260	195	298	144	133
Transfer from other reserves	(372)	(921)	(1,702)	(2,271)	(242)	(169)	(257)	0	0	0
Closing Balance 30th June – Other Reserves	7,241	6,537	5,057	3,049	3,077	3,168	3,106	3,404	3,548	3,680
Total Equity										
Opening Balance 1st July	184,805	185,890	186,534	186,631	186,696	187,747	189,169	190,567	191,827	192,047
Surplus / (deficit) for the year	1,085	644	97	65	1,051	1,422	1,398	1,260	220	342
Closing Balance 30th June – Total Equity	185,890	186,534	186,631	186,696	187,747	189,169	190,567	191,827	192,047	192,388

3.4 Statement of Cash Flows

Statement of Cash Flows	2023–24 Budget \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000	2027–28 \$'000	2028–29 \$'000	2029–30 \$'000	2030–31 \$'000	2031–32 \$'000	2032–33 \$'000
Cash flows from operating activities										
Receipts										
Rates and charges	8,508	8,863	9,171	9,478	9,796	10,090	10,363	10,690	11,028	11,376
Statutory fees and fines	138	142	146	151	155	160	165	170	175	180
User fees	2,153	2,213	2,279	2,347	2,418	2,490	2,565	2,642	2,721	2,803
Grants – Operating	1,642	1,275	1,349	1,352	1,393	1,435	1,478	1,522	1,568	1,615
Grants – Capital	1,417	1,071	125	0	956	1,313	1,313	1,125	0	0
Interest received	298	196	151	123	153	125	124	124	127	129
Other receipts	237	245	252	259	267	274	282	290	298	307
Total receipts	14,392	14,004	13,474	13,711	15,138	15,887	16,289	16,563	15,916	16,410
Payments										
Employee costs	(5,263)	(5,434)	(5,597)	(5,737)	(5,881)	(6,028)	(6,179)	(6,334)	(6,492)	(6,655)
Materials and services	(6,291)	(6,138)	(5,955)	(6,037)	(6,319)	(6,516)	(6,717)	(6,909)	(7,156)	(7,441)
Short-term, low value and variable lease payments	(18)	(19)	(20)	(20)	(21)	(21)	(22)	(23)	(23)	(24)
Other payments	(371)	(381)	(393)	(404)	(416)	(428)	(440)	(453)	(466)	(480)
Total payments	(11,942)	(11,972)	(11,965)	(12,198)	(12,636)	(12,994)	(13,359)	(13,718)	(14,138)	(14,600)
Net cash provided by operating activities	2,449	2,032	1,509	1,512	2,502	2,893	2,930	2,845	1,779	1,810
Cash flows from investing activities										
Payments for property, infrastructure, plant and equipment	(3,015)	(2,761)	(2,954)	(3,425)	(2,561)	(2,742)	(2,972)	(2,543)	(1,665)	(1,607)
Proceeds from sale of property, infrastructure, plant and equipment	75	30	0	0	49	25	58	0	0	0
Proceeds from sale of investments	4,000	0	0	0	0	0	0	0	0	0
Net cash provided by / (used in) investing activities	1,060	(2,732)	(2,954)	(3,425)	(2,512)	(2,717)	(2,915)	(2,543)	(1,665)	(1,607)
Cash flows from financing activities										
Net cash provided by / (used in) financing activities	0	0	0	0	0	0	0	0	0	0
Net increase / (decrease) in cash and cash equivalents	3,509	(700)	(1,444)	(1,913)	(10)	176	16	303	114	203
Cash and cash equivalents at the beginning of the financial year	2,894	6,403	5,704	4,259	2,346	2,336	2,512	2,527	2,830	2,945
Cash and cash equivalents at the end of the financial year	6,403	5,704	4,259	2,346	2,336	2,512	2,527	2,830	2,945	3,148

3.5 Statement of Capital Works

Statement of Capital Works	2023–24 Budget \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000	2027–28 \$'000	2028–29 \$'000	2029–30 \$'000	2030–31 \$'000	2031–32 \$'000	2032–33 \$'000
Property										
Buildings	573	522	905	663	296	1,055	1,063	1,823	632	641
Total buildings	573	522	905	663	296	1,055	1,063	1,823	632	641
Total property	573	522	905	663	296	1,055	1,063	1,823	632	641
Plant and equipment										
Plant, machinery and equipment	210	130	11	11	207	112	242	13	13	13
Fixtures, fittings and furniture	5	5	5	6	6	6	6	6	7	7
Computers and telecommunications	193	105	49	51	52	54	55	57	59	60
Total plant and equipment	408	240	66	68	265	172	304	76	78	81
Infrastructure										
Roads	113	117	120	124	128	131	135	139	344	348
Footpaths and cycleways	71	705	301	128	23	24	119	72	126	127
Drainage	103	206	159	113	236	149	123	127	130	134
Recreational, leisure and community facilities	1,423	611	1,130	2,283	1,411	1,139	1,142	146	149	162
Parks, open space and streetscapes	95	147	84	87	89	92	95	98	100	103
Other infrastructure	10	211	211	11	12	12	12	13	13	13
Total infrastructure	1,815	1,996	2,005	2,745	1,898	1,548	1,627	594	863	888
Total capital works expenditure	2,797	2,757	2,975	3,475	2,459	2,774	2,994	2,492	1,573	1,610
Represented by:										
New asset expenditure	1,664	854	1,374	1,146	988	917	1,071	866	1,391	1,418
Asset renewal expenditure	304	1,006	253	54	55	56	57	57	58	69
Asset upgrade expenditure	829	897	1,349	2,276	1,416	1,801	1,867	1,569	123	124
Total capital works expenditure	2,797	2,757	2,975	3,475	2,459	2,774	2,994	2,492	1,573	1,610
Funding sources represented by:										
Grants	1,417	1,071	125	0	956	1,313	1,313	1,125	0	0
Contributions	0	0	0	0	0	0	0	0	0	0
Council reserves	556	1,382	727	121	956	1,364	1,576	1,054	68	105
Council cash	824	305	2,123	3,354	547	98	106	313	1,504	1,505
Total capital works expenditure	2,797	2,757	2,975	3,475	2,459	2,774	2,994	2,492	1,573	1,610

3.6 Statement of Human Resources

Staff expenditure	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
	\$'000	\$'000	\$'000	\$'000	\$'001	\$'002	\$'003	\$'004	\$'005	\$'006
Staff expenditure										
Employee costs – operating	5,289	5,461	5,625	5,766	5,910	6,058	6,209	6,364	6,523	6,686
Employee costs – capital	124	128	132	136	139	142	146	150	153	157
Total staff expenditure	5,414	5,590	5,757	5,902	6,049	6,200	6,355	6,514	6,677	6,844
Staff numbers										
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Staff numbers										
Employees	46.3	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2
Total staff numbers	46.3	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Department	Budget 2023-24 \$'000	Comprises			
		Permanent		Casual \$'000	Temporary \$'000
		Full Time \$'000	Part time \$'000		
Health and Wellbeing	1,011	224	771	15	-
Environment	296	198	98	-	-
Local Economy	976	579	308	89	-
Heritage, Planning and Infrastructure	1,017	818	157	42	-
Governance and Finance	1,943	1,230	649	53	10
Total permanent staff expenditure	5,243	3,049	1,984	200	10
Other employee related expenditure	47				
Capitalised labour costs	124				
Total staff expenditure	5,414				

3.6 Statement of Human Resources – cont.

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Budget 2023-24 FTE	Comprises				Temporary FTE
		Permanent		Casual FTE		
		Full Time FTE	Part time FTE			
Health and Wellbeing	10.5	2.0	8.4	0.1	-	
Environment	2.6	1.0	1.6	-	-	
Local Economy	8.9	4.9	3.1	0.9	-	
Heritage, Planning and Infrastructure	7.5	6.0	1.2	0.3	-	
Governance and Finance	15.7	9.0	6.1	0.6	0.1	
Capitalised labour	1.0	1.0				
Total staff	46.3	23.9	20.4	1.9	0.1	

3.7 Planned Human Resource Expenditure

Description	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000	2027–28 \$'000	2028–29 \$'000	2029–30 \$'000	2030–31 \$'000	2031–32 \$'000	2032–33 \$'000
Health and Wellbeing										
Permanent – Full time	224	231	238	244	250	256	263	269	276	283
Women	0	0	0	0	0	0	0	0	0	0
Men	224	231	238	244	250	256	263	269	276	283
Vacant/new positions	0	0	0	0	0	0	0	0	0	0
Permanent – Part time	771	797	820	841	862	883	906	928	951	975
Women	569	588	605	621	636	652	668	685	702	720
Men	26	27	28	28	29	30	31	31	32	33
Vacant/new positions	176	182	187	192	197	202	207	212	217	223
Total Health and Wellbeing	995	1,028	1,059	1,085	1,112	1,140	1,168	1,198	1,228	1,258
Environment										
Permanent – Full time	198	205	211	216	221	227	233	238	244	250
Women	110	113	117	120	123	126	129	132	135	139
Men	0	0	0	0	0	0	0	0	0	0
Vacant/new positions	88	91	94	96	99	101	104	106	109	112
Permanent – Part time	98	101	104	107	110	112	115	118	121	124
Women	98	101	104	107	110	112	115	118	121	124
Men	0	0	0	0	0	0	0	0	0	0
Vacant/new positions	0	0	0	0	0	0	0	0	0	0
Total Environment	296	306	315	323	331	339	348	356	365	374
Local Economy										
Permanent – Full time	579	597	615	631	646	663	679	696	714	731
Women	452	467	481	493	505	518	531	544	558	572
Men	126	130	134	138	141	145	148	152	156	160
Vacant/new positions	0	0	0	0	0	0	0	0	0	0
Permanent – Part time	308	318	328	336	344	353	362	371	380	389
Women	245	253	260	267	273	280	287	294	302	309
Men	63	65	67	69	71	72	74	76	78	80
Vacant/new positions	0	0	0	0	0	0	0	0	0	0
Total Local Economy	887	915	943	966	991	1,015	1,041	1,067	1,093	1,121

Description	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000	2027–28 \$'000	2028–29 \$'000	2029–30 \$'000	2030–31 \$'000	2031–32 \$'000	2032–33 \$'000
Heritage, Planning and Infrastructure										
Permanent – Full time	818	845	870	892	914	937	960	984	1,009	1,034
Women	141	145	150	154	157	161	165	169	174	178
Men	459	474	489	501	513	526	539	553	567	581
Vacant/new positions	218	225	232	237	243	249	256	262	269	275
Permanent – Part time	157	162	167	171	176	180	185	189	194	199
Women	74	77	79	81	83	85	87	89	91	94
Men	83	86	88	91	93	95	97	100	102	105
Vacant/new positions	0	0	0	0	0	0	0	0	0	0
Total Heritage, Planning and Infrastructure	975	1,007	1,037	1,063	1,090	1,117	1,145	1,173	1,203	1,233
Governance and Finance										
Permanent – Full time	1,230	1,270	1,308	1,340	1,374	1,408	1,443	1,480	1,517	1,554
Women	662	684	704	722	740	758	777	797	817	837
Men	463	478	493	505	518	531	544	557	571	586
Vacant/new positions	104	108	111	114	117	120	123	126	129	132
Permanent – Part time	649	670	690	708	725	743	762	781	801	821
Women	649	670	690	708	725	743	762	781	801	821
Men	0	0	0	0	0	0	0	0	0	0
Vacant/new positions	0	0	0	0	0	0	0	0	0	0
Total Governance and Finance	1,879	1,940	1,998	2,048	2,099	2,152	2,206	2,261	2,317	2,375
Casuals, temporary and other expenditure	257	266	274	280	287	295	302	310	317	325
Capitalised labour costs	124	128	132	136	139	142	146	150	153	157
Total staff expenditure	5,414	5,590	5,757	5,902	6,049	6,200	6,355	6,514	6,677	6,844

* Council currently do not have any staff members identified as a person of self-described gender.

3.7 Planned Human Resource Expenditure – cont.

Staff numbers	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Health and Wellbeing										
Permanent – Full time	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Women	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Men	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Vacant/new positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent – Part time	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Women	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Men	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Vacant/new positions	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total Health and Wellbeing	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4
Environment										
Permanent – Full time	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Women	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Men	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vacant/new positions	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Permanent – Part time	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Women	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Men	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vacant/new positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Environment	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Local Economy										
Permanent – Full time	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Women	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Men	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Vacant/new positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent – Part time	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Women	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Men	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Vacant/new positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Local Economy	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0

Staff numbers	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Heritage, Planning and Infrastructure										
Permanent – Full time	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Women	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Men	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Vacant/new positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Permanent – Part time	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Women	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Men	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Vacant/new positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Heritage, Planning and Infrastructure	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Governance and Finance										
Permanent – Full time	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Women	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Men	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Vacant/new positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Permanent – Part time	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Women	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Men	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vacant/new positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Governance and Finance	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.1	15.1
Casuals, temporary staff	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Capitalised labour	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total staff numbers	46.3	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2	46.2

* Council currently do not have any staff members identified as a person of self-described gender.

Financial Performance Indicators

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

Indicator	Measure	Note	Expected Range	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Trend +/-
				Budget										
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Operating position														
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-20% to 20%	-2.54%	-3.30%	-0.21%	0.48%	0.67%	0.75%	0.57%	0.88%	1.38%	2.08%	+
Liquidity														
Working capital	Current assets / current liabilities		100% to 400%	456.90%	423.31%	348.16%	246.41%	250.99%	250.04%	242.93%	256.33%	265.53%	266.97%	-
Unrestricted cash	Unrestricted cash / current liabilities	2	10% to 300%	93.68%	84.18%	66.51%	74.68%	87.05%	97.24%	94.90%	108.20%	115.02%	120.63%	+
Obligations														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue		0% to 70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0% to 20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	o
Indebtedness	Non-current liabilities / own source revenue		2% to 70%	1.05%	1.05%	1.04%	1.04%	1.03%	1.02%	1.02%	1.02%	1.01%	1.00%	o
Asset renewal and upgrade	Non-current liabilities / own source revenue		40% to 130%	181.66%	126.97%	194.73%	243.89%	173.34%	191.73%	198.88%	159.17%	101.17%	109.96%	-
Stability														
Rates concentration	Rate revenue / adjusted underlying revenue		30% to 80%	65.25%	68.53%	68.71%	69.13%	69.08%	69.23%	69.20%	69.25%	69.29%	69.33%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.15% to 0.75%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	o
Efficiency														
Expenditure level	Total expenses/ no. of property assessments	3	\$2,000 to \$5,000	\$4,304	\$4,290	\$4,296	\$4,382	\$4,524	\$4,645	\$4,782	\$4,914	\$5,041	\$5,160	-
Revenue level	Total rate revenue / no. of property assessments	4	\$700 to \$2,000	\$2,325	\$2,406	\$2,483	\$2,563	\$2,645	\$2,729	\$2,817	\$2,907	\$3,000	\$3,097	+

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 and “-” Forecasts deterioration in Council’s financial performance / financial position indicator

Notes to indicators

1. **Adjusted underlying result** – This is an important measure of financial sustainability and an indicator of the operating result required to enable Council to continue to provide core services and meet its objectives.

In most instances, the reported underlying result is impacted by the timing of recurrent operating grants (especially FAGs), non-recurrent operating grants and non-recurrent operating projects included in the budget of a particular year. As a result, the underlying result is more meaningful when it is assessed excluding the impact of non-recurrent operating income and expense items, and adjusted for the timing of recurrent operating grants where applicable as defined in the Council Plan of the Borough.

Council is projecting an average annual **underlying surplus** (based on the Council Plan measure) of **\$95,000** over the 10-year planning horizon which is an improvement from the 10-year average underlying deficit of \$204,000 recorded in the 2022–2032 Financial Plan. Despite the increase in recurrent expenses, this improvement in the underlying deficit can be attributable to:

- Ongoing operational grant support confirmed by Better Boating Victoria for maintenance and upkeep of upgrade boat ramp;
- Notional recurrent interest income included in the Financial Plan based on the budget assumption that sales proceeds from the sale of Murray Road will be used for investment opportunities that will generate at minimum the interest income the Council could have otherwise earned; and
- Recovery of direct employee costs of waste management operations via waste management charges.

The above items have contributed positively, in excess of \$300,000 annually to the Council Financial Plan.

2. **Unrestricted cash** – Term deposits with original maturities of more than 90 days, are considered restricted cash. However, the Financial Plan indicates that Council will have sufficient cash not restricted by any external obligation to cover its current liabilities. The Financial Plan is prepared based on the assumption that Council will invest in term deposits with original maturities of more than 90 days to optimise interest income in line with Council Policy CP011: Investment of Available Funds.
3. **Expenditure level** – The majority of expenditure incurred by Queenscliffe is non-discretionary and part of managing the services expected of a local council. Given the very small ratepayer base, this translates into a level of expenditure per property assessment which is higher than the outcome for most of the other local councils.
4. **Revenue level** – Rate revenue represents a high proportion of Queenscliffe’s revenue. Given the very small ratepayer base, this translates into a level of rate revenue per property assessment which is higher than the outcome for most other local councils.

Strategies and Plans

5.1 Borrowing Strategy

[Council Policy CP040: Borrowings](#) establishes objectives and principles that outline when it is appropriate for Council to undertake borrowing.

Any new borrowings to be considered by Council will be used for:

- Investing in specific major infrastructure, which is inter-generational (long-term);
- Investing in projects which generate income; and/or
- Matching government grants for priority capital projects.

To ensure the overall sustainability of Council, total borrowings of Council will be subject to the following limits (ratios):

Indicator	Measure	BoQ target
Indebtedness (%)	Non-current liabilities / own sourced revenue	10% or less
Loans and borrowings compared to rates (%)	Interest bearing loans and borrowings / Rate revenue	15% or less
Loans and borrowings repayments compared to rates	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue	2% or less

Council currently has no borrowings, and no new borrowings are planned during the 10-year planning horizon covered in this Plan.

5.2 Reserves Strategy

[Council Policy CP039: Discretionary Reserves](#) provides for responsible financial management of general revenue allocations for specific reserves, as well as tied government grants and community contributions that have not been utilised in the year of receipt.

The Borough of Queenscliffe holds a range of discretionary reserves within Equity on its Balance Sheet.

Carry forward reserves

The bulk of funds held in discretionary reserves each financial year is with respect to operating and capital projects to be carried forward for completion in future years.

Asset replacement reserve (allocated)

Funds are held in this reserve to meet future asset renewal requirements for specific projects earmarked by Council. Although the financial plan indicates that asset replacement reserves will be fully utilised during the 10 year period, there will be grant funding opportunities in the future which have not yet been considered in the financial plan.

General/unallocated cash reserve

This reserve comprises of the cash surpluses achieved in previous financial years that have not yet been allocated by Council to specific projects within the Annual Budget. Council aims to hold a minimum of \$500,000 (approximately 5% of annual cash operating expenses) in this reserve.

Waste management reserves

For each of the kerbside and public waste streams, the costs incurred by Council, net of any income received with respect to the particular waste service, is compared with the waste charges collected from ratepayers for that waste service. The resulting net surplus/ (deficit) calculated at the end of each financial year and is adjusted against existing waste reserve balances.

Council will consider the year-end forecast balance of each waste management reserve as part of its annual budget preparation process, to determine what (if any) balance will be transferred from waste reserves to offset the costs of each waste service, before providing direction to officers regarding the amount of waste management charges to be applied in the next financial year to ensure achievement of full cost recovery of each of the three waste services provided by Council to its ratepayers.

Unfunded superannuation liability reserve

Council set aside \$20,000 in each of the 2014–15 and 2015–16 budget years as a hedge against future calls which may be made by Vision Super on the unfunded superannuation liability (defined benefits scheme).

Council monitors the likelihood of a call on this scheme via quarterly finance reports. The current balance held in this reserve totals \$40,000 (the last call on the fund was \$218,000 in 2011–12).

Sales Proceeds – Murray Road land

Proceeds from the sale of the Murray Road land is kept in this reserve until Council identify potential investment opportunities in line with [Council Policy CP044: Sale, Exchange or Transfer of Council Land](#).

Reserve Usage Projections

The table below discloses the balance and annual movement for each reserve over the 10-year life of the Financial Plan.

Reserves	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Discretionary Reserves										
Carry Forward Reserves										
Opening balance	1,383	1,376	874	774	774	532	414	414	414	414
Transfer to reserve	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(6)	(502)	(100)	0	(242)	(118)	0	0	0	0
Closing balance	1,376	874	774	774	532	414	414	414	414	414
Asset Replacement Reserve (Allocated)										
Opening balance	1,342	1,342	1,031	429	308	308	257	(0)	(0)	(0)
Transfer to reserve	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	0	(311)	(602)	(121)	0	(51)	(257)	0	0	0
Closing balance	1,342	1,031	429	308	308	257	(0)	(0)	(0)	(0)
Unallocated Cash (General) Reserve										
Opening balance	1,124	1,383	1,600	1,802	2,029	2,241	2,457	2,652	2,950	3,094
Transfer to reserve	259	217	202	227	212	217	195	298	144	133
Transfer from reserve	0	0	0	0	0	0	0	0	0	0
Closing balance	1,383	1,600	1,802	2,029	2,241	2,457	2,652	2,950	3,094	3,227
Discretionary Reserves Summary										
Opening balance	3,848	3,801	3,205	2,705	2,811	2,781	2,828	2,766	3,064	3,208
Transfer to reserve	259	217	202	227	212	217	195	298	144	133
Transfer from reserve	(306)	(813)	(702)	(121)	(242)	(169)	(257)	0	0	0
Closing balance	3,801	3,205	2,705	2,811	2,781	2,828	2,766	3,064	3,208	3,341

	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33
Reserves	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Restricted Reserves										
Waste Management Reserves										
Opening balance	(35)	(50)	(158)	(139)	(101)	(44)	0	0	0	0
Transfer to reserve	2	0	19	37	58	44	0	0	0	0
Transfer from reserve	(16)	(108)	0	0	0	0	0	0	0	0
Closing balance	(50)	(158)	(139)	(101)	(44)	0	0	0	0	0
Unfunded Superannuation Liability Reserve										
Opening balance	40	40	40	40	40	40	40	40	40	40
Transfer to reserve	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	0	0	0	0	0	0	0	0	0	0
Closing balance	40	40	40	40	40	40	40	40	40	40
Sales Proceeds – Murray Road Land										
Opening balance	3,500	3,450	3,450	2,450	300	300	300	300	300	300
Transfer to reserve	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(50)	0	(1,000)	(2,150)	0	0	0	0	0	0
Closing balance	3,450	3,450	2,450	300	300	300	300	300	300	300
Restricted Reserves Summary										
Opening balance	3,505	3,440	3,332	2,351	239	296	340	340	340	340
Transfer to reserve	2	0	19	37	58	44	0	0	0	0
Transfer from reserve	(66)	(108)	(1,000)	(2,150)	0	0	0	0	0	0
Closing balance	3,440	3,332	2,351	239	296	340	340	340	340	340
Discretionary and Restricted Reserves Summary										
Opening balance	7,353	7,242	6,538	5,057	3,050	3,077	3,168	3,106	3,404	3,548
Transfer to reserve	261	217	221	264	269	260	195	298	144	133
Transfer from reserve	(372)	(921)	(1,702)	(2,271)	(242)	(169)	(257)	0	0	0
Closing balance	7,242	6,538	5,057	3,050	3,077	3,168	3,106	3,404	3,548	3,681

5.3 Revenue and Rating Plan

The [Revenue and Rating Plan](#) determines the most appropriate and affordable revenue and rating approach for the Borough of Queenscliffe, which in conjunction with other income sources will adequately finance the objectives in the Council Plan.

Taking into consideration the impact on the ratepayers in the municipality, Council will always endeavour to maintain future rates increases at or within the capped rate as determined by the Minister for Local Government.

With the introduction of State Government rate-capping legislation from 1 July 2016, capped rate increases as determined by the Minister for Local Government have been applied to Borough of Queenscliffe rate budgets. The rate cap has a significant impact on the resources available to fund operating budgets, major projects and capital works.

The challenge faced by the Borough, as with many small rural councils, is the low growth in rateable properties (and therefore rate income), and unavoidable increases in costs related to meeting legislative compliance requirements, increasing expectations and demand for Council services and the challenge of meeting infrastructure renewal needs.

Council's annual rate setting objective is developed within a framework that takes into account the projects and services that implement the strategic objectives set out in the Council Plan, and the resources required to deliver statutory services. The rate setting also considers the objectives of the Financial Plan, and the resources required to manage and renew our assets and infrastructure.

5.4 Waste Management Strategy

[Council Policy CP038: Waste Management](#) outlines the arrangements for waste management services provided to properties in the Borough of Queenscliffe that are entitled to receive such services and to raise revenue in an equitable manner, to fully recover the cost of Council's kerbside, green and public waste services.

5.5 Workforce Plan

Council has developed a Workforce Plan in line with the requirements of the *Local Government Act 2020*. The Workforce Plan is an operational document used by Council's administration. The Workforce Plan responds to and is informed by the objectives set out in the documents that make up Council's Integrated Strategic Framework Plan. The Workforce Plan identifies the staff resources required to deliver these objectives.

End of the Financial Plan document.