

Financial Plan 2024/25 to 2033/34



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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:

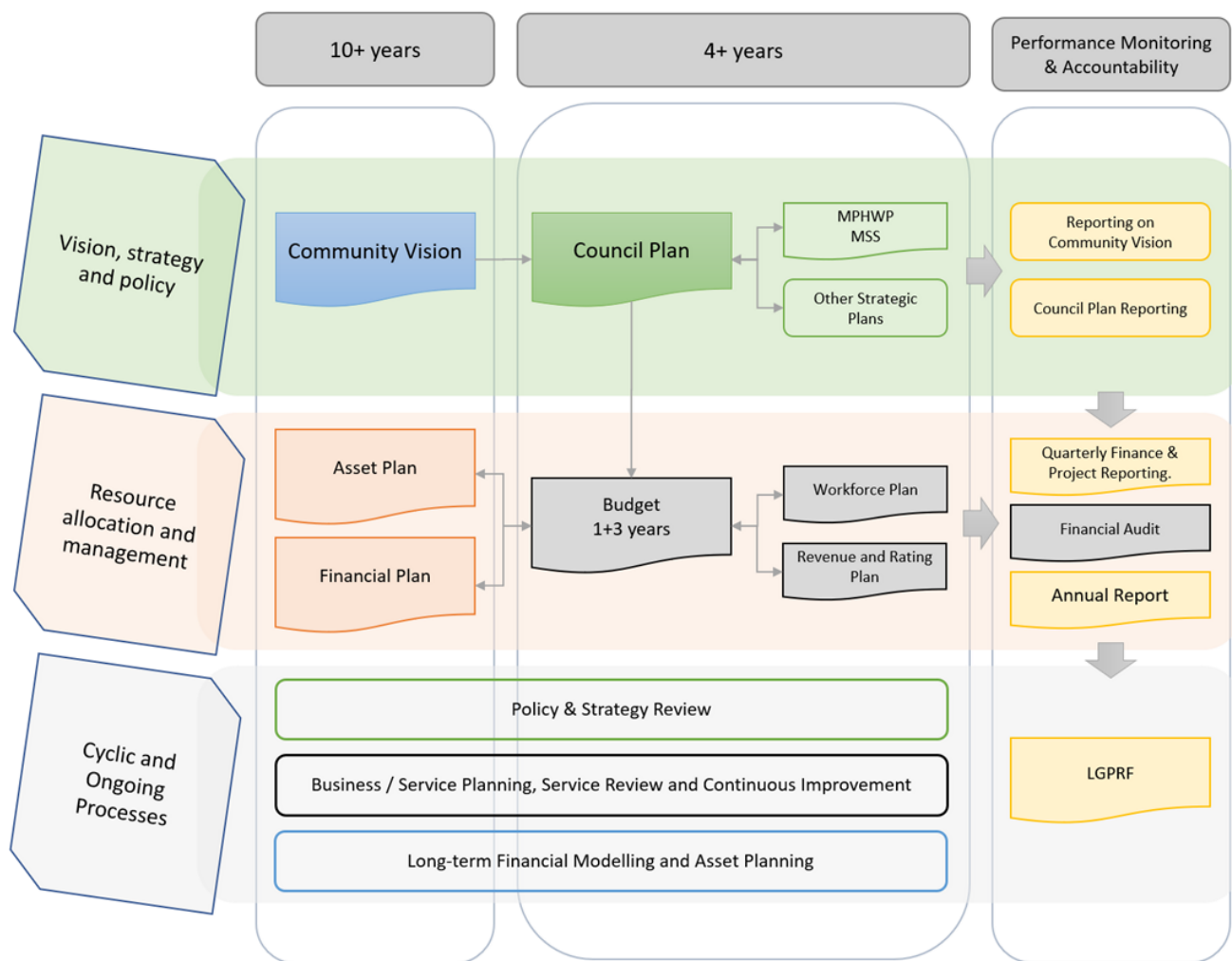
- the financial viability of the Council;
- the management of current and future liabilities of the Council;
- the beneficial enterprises of the Council.

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 2023 Road Condition and Renewal Modelling Report and the Roads Footpath and Kerb Asset Management Plan 2019;
- Buildings expenditure reflect the 2022 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 annual playground safety standard audit inspections.

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 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 2023 to June 2024;
- Proposed draft Financial Plan submitted to Council for consideration 24 April 2024;
- Draft Financial Plan available for public inspection and comment 25 April 2024;
- Public submission process undertaken April/May 2024;
- Submissions period closed 24 May 2024;
- Submissions considered by Council 03 June 2024; and
- Final Financial Plan presented to Council for adoption 26 June 2024.

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 2024–25 (the base year) is based on the 2024–25 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	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
Consumer Price Index (CPI)	3.20	2.85	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
	Based on the Reserve Bank Australia (RBA) Statement on Monetary Policy – February 2024. The average CPI for 2024–25 is based on the beginning (3.3) and the end (3.1) of the year CPI projections. For the remaining period CPI is based on the RBA long term expectation.									
Rates cap – ESC recommended methodology	2.75	2.85	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
	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	0.05	0.05	0.05	0.05	0.01	0.01	0.01	0.01	0.01
	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	3.20	2.85	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
	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	3.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	Based on average interest rate for term deposits									
Employee costs	2.75	2.85	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
	Based on the Council’s Enterprise Bargaining Agreement (EBA)									
Insurance	4.80	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Insurance premium is predominantly influenced by the performance of the overall insurance industry. Financial Plan is based on historical increases.									

Key Elements	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
Operating costs	3.20	2.85	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
	Expenses linked to grow in line with CPI.									
Key contract costs	Expenses linked to grow in line with CPI plus cost escalation for future contract renewal.									
Waste management expenses	3.20	2.85	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
	Expenses linked to grow in line with CPI.									
Waste management charges	Continue with the full cost recovery strategy.									
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 2027–28;
- Diversion of 70% of the organics in the waste bin to the FOGO service will be achieved by 2026–27;
- State Government Landfill Levy will increase by only CPI from 2025–26 onward;
- Diversion of 80% of glass from the commingled recycling bin to the new glass service is achieved from 2027–28 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 now operational by June 2026.
- Impacts of a Container Deposit Scheme (CDS) have not yet been incorporated into this Plan due to limited data availability following the November 2023 commencement.

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>Limited/constrained revenue sources (lower rate cap (rate cap lesser than the CPI), stagnated rate base, Financial Assistance Grants not being directly linked to inflation and socio-economic factors specific to the Borough (e.g. having significant proportion of non-residential rate payers who are not included in population calculations for distribution of Grants)</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) - Continue to invest in cost efficiencies (ICT transformation projects) - The Council will continue to pursue full cost recovery for all waste management expenses. Required adjustments to adhere to the Minister’s Good Practice Guidelines regarding service rates and charges will be incorporated into future budgets, ensuring the Council’s financial sustainability.
<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.

Risk	Level of Risk	Mitigation
		<ul style="list-style-type: none"> - 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.
Future unfunded defined benefits superannuation call occurring	Low	<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 \$116,000 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 \$143,000 over the 10-year planning horizon.**

As part of proposing sustainable operating result, Council is committed to undergoing a value management process for its key contracts. However, such a process and the projected reduction in staff resources might affect the current service levels provided by the Council.

The current financial plan does not yet reflect Council’s strategy for aligning with the Minister’s Good Practice Guidelines on service rates and charges. However, Council remains committed to achieving full cost recovery for all waste management expenditures. Adjustments necessary to comply with the Minister’s Guidelines will be integrated into the next iteration of the 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.

Potential priority capital projects considered in the Financial Plan

- Queenscliff CBD 24-hour toilet
- Royal Park oval and changing rooms facility upgrade
- Weeroona Parade toilet facilities renewal
- Bull Ring restoration and landscaping
- Ocean Road wombat crossing garden bed
- Paths and walking tracks (based on the Active Transport Strategy)
- Construction stage – upgraded skate and new bike park
- Construction stage – Murray Road shared path
- Town Hall restoration and renewal works
- Soak pit upgrade and ocean outfall improvements (ongoing)
- ICT transformation project (3-to-4-year project)
- Installation of bike racks throughout the Borough (multi-year project)
- Princess Park toilet facilities renewal

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 2024–25 to 2033–34 satisfies all financial sustainability indicators except for the adjusted underlying result.

Indicator	Target	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	Average 10-year horizon
Sustainable operating result												
Our adjusted underlying result	> \$0	\$17	\$38	\$48	\$138	-\$76	\$185	\$266	\$312	\$182	\$319	\$143
Working capital												
Current assets vs current liabilities	> 1.0	5.80	5.16	5.06	4.93	4.85	4.99	5.01	5.01	5.00	5.04	5.09
Level of unrestricted cash reserve against current liabilities	> 100%	282%	489%	478%	467%	459%	473%	476%	476%	475%	479%	455%
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%	155%	169%	176%	177%	180%	178%	183%	191%	181%	174%	176%
Council’s contribution to asset renewal and upgrade	> 10%	8%	14%	14%	13%	11%	10%	11%	10%	10%	10%	11.0%

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.

Currently the Council manages all its tourist parks as one business unit and as a result the current operating model is not designed to separate the expenditure associated with Crown land and other land types where parks are situated. 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	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
Net contribution from Crown land										
Surplus projected from tourist parks	803	830	854	878	901	928	954	979	1,008	1,036
Lease income projected from Crown land properties	131	135	138	142	146	149	153	157	161	166
Net contribution from Crown land	934	964	992	1,020	1,047	1,077	1,107	1,137	1,169	1,201
Used to fund services in Crown land										
Net projected net expenditure on asset management and appearance of public places on Crown land	(886)	(918)	(942)	(966)	(999)	(1,045)	(1,094)	(1,165)	(1,241)	(1,323)
Net expenditure on coastal protection	(396)	(409)	(418)	(427)	(438)	(451)	(463)	(479)	(495)	(512)
Net deficit funded via rates and operating grant	(348)	(362)	(367)	(374)	(390)	(419)	(450)	(508)	(567)	(634)

The projected surplus from tourist parks includes the net contribution from Golightly Park. Currently Council manages all its tourist parks as one business unit and as a result the current operating model 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, 22% of the projected surplus can be attributable to Golightly Park for 2024–25.

Projected net expenditure on asset management and appearance of public places on Crown land does not include any depreciation, non-recurrent operational cost, or 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	2024–25 Budget	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income / Revenue										
Rates and charges	8,974	9,154	9,428	9,570	9,835	10,098	10,365	10,645	10,932	11,227
Statutory fees and fines	120	124	127	130	134	137	141	144	148	152
User fees	2,134	2,194	2,252	2,310	2,370	2,432	2,495	2,560	2,626	2,695
Grants – operating	1,244	1,279	1,312	1,346	1,381	1,417	1,454	1,492	1,531	1,571
Grants – capital	0	620	300	375	825	825	825	919	563	375
Other income	576	493	485	489	491	493	500	507	515	523
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	0	0	0	0	0	0	0	0	0	0
Total income / revenue	13,047	13,864	13,904	14,220	15,037	15,401	15,780	16,267	16,314	16,542
Expenses										
Employee costs	5,375	5,473	5,623	5,705	5,863	5,929	6,045	6,214	6,303	6,436
Materials and services	5,644	5,858	5,859	5,905	6,120	6,274	6,450	6,757	7,019	7,264
Depreciation	1,350	1,385	1,468	1,478	1,515	1,503	1,494	1,351	1,372	1,400
Allowance for impairment losses	3	3	3	3	3	3	3	3	3	3
Other expenses	716	625	639	653	787	682	697	712	873	744
Total expenses	13,088	13,344	13,591	13,743	14,288	14,391	14,689	15,036	15,570	15,848
Surplus / (deficit) for the year	(41)	520	313	477	749	1,010	1,091	1,231	744	694
Other comprehensive income										
Net asset revaluation increment / (decrement)	0	0	0	0	0	0	0	0	0	0
Total comprehensive result	(41)	520	313	477	749	1,010	1,091	1,231	744	694

3.2 Balance Sheet

Balance Sheet	2024–25 Budget \$'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	2033–34 \$'000
Assets										
Current assets										
Cash and cash equivalents	7,142	6,961	6,743	6,685	6,832	7,284	7,649	7,969	8,085	8,367
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	141	146	146	148	153	157	161	169	175	182
Other assets	75	75	75	75	75	75	75	75	75	75
Total current assets	10,162	9,986	9,768	9,711	9,864	10,319	10,689	11,017	11,140	11,428
Non-current assets										
Investments in associates	160	160	160	160	160	160	160	160	160	160
Property, infrastructure, plant and equipment	174,170	175,053	175,584	176,157	176,820	177,413	178,203	179,175	179,830	180,277
Total non-current assets	174,330	175,213	175,745	176,318	176,981	177,573	178,363	179,335	179,990	180,437
Total assets	184,492	185,199	185,513	186,029	186,844	187,892	189,052	190,352	191,130	191,865
Liabilities										
Current liabilities										
Trade and other payables	718	877	851	861	899	907	945	983	984	991
Trust funds and deposits	50	50	50	50	50	50	50	50	50	50
Provisions	983	1,007	1,032	1,058	1,085	1,112	1,140	1,168	1,197	1,227
Unearned income	0	0	0	0	0	0	0	0	0	0
Total current liabilities	1,751	1,935	1,933	1,970	2,034	2,069	2,135	2,201	2,231	2,269
Non-current liabilities										
Provisions	102	105	108	110	113	116	119	122	125	128
Total non-current liabilities	102	105	108	110	113	116	119	122	125	128
Total liabilities	1,853	2,040	2,041	2,080	2,147	2,184	2,253	2,323	2,356	2,397
Net assets	182,639	183,159	183,472	183,949	184,697	185,708	186,799	188,030	188,774	189,468
Equity										
Accumulated surplus	100,039	100,904	101,409	101,982	102,644	103,215	103,994	104,922	105,555	105,989
Revaluation Reserve	74,278	74,278	74,278	74,278	74,278	74,278	74,278	74,278	74,278	74,278
Other reserves	8,322	7,977	7,785	7,689	7,775	8,215	8,527	8,829	8,941	9,201
Total equity	182,639	183,159	183,472	183,949	184,697	185,707	186,799	188,030	188,774	189,468

3.3 Statement of Changes in Equity

Statement of Changes in Equity	2024–25 Budget \$'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	2033–34 \$'000
Accumulated Surplus										
Opening Balance 1st July	100,736	100,039	100,904	101,409	101,982	102,644	103,215	103,994	104,922	105,555
Surplus / (deficit) for the year	(41)	520	313	477	749	1,010	1,091	1,231	744	694
Transfer to other reserves	(743)	(209)	57	(65)	(321)	(440)	(312)	(302)	(111)	(260)
Transfer from other reserves	87	554	135	161	235	0	0	0	0	0
Closing Balance 30th June – Accumulated Surplus	100,039	100,904	101,409	101,982	102,644	103,215	103,994	104,922	105,555	105,989
Revaluation Reserve										
Opening Balance 1st July	74,278	74,278	74,278	74,278	74,278	74,278	74,278	74,278	74,278	74,278
Net asset revaluation increment/(decrement)	0	0	0	0	0	0	0	0	0	0
Closing Balance 30th June – Revaluation Reserve	74,278	74,278	74,278	74,278	74,278	74,278	74,278	74,278	74,278	74,278
Other Reserves										
Opening Balance 1st July	7,665	8,322	7,977	7,785	7,689	7,775	8,215	8,527	8,829	8,941
Transfer to other reserves	743	209	(57)	65	321	440	312	302	111	260
Transfer from other reserves	(87)	(554)	(135)	(161)	(235)	0	0	0	0	0
Closing Balance 30th June – Other Reserves	8,322	7,977	7,785	7,689	7,775	8,215	8,527	8,829	8,941	9,201
Total Equity										
Opening Balance 1st July	182,679	182,639	183,159	183,472	183,949	184,697	185,707	186,799	188,030	188,774
Surplus / (deficit) for the year	(41)	520	313	477	749	1,010	1,091	1,231	744	694
Closing Balance 30th June – Total Equity	182,639	183,159	183,472	183,949	184,697	185,707	186,799	188,030	188,774	189,468

3.4 Statement of Cash Flows

Statement of Cash Flows	2024–25 Budget \$'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	2033–34 \$'000
Cash flows from operating activities										
<i>Receipts</i>										
Rates and charges	8,974	9,154	9,428	9,570	9,835	10,098	10,365	10,645	10,932	11,227
Statutory fees and fines	120	124	127	130	134	137	141	144	148	152
User fees	2,134	2,194	2,252	2,310	2,370	2,432	2,495	2,560	2,626	2,695
Grants – Operating	1,244	1,279	1,312	1,346	1,381	1,417	1,454	1,492	1,531	1,571
Grants – Capital	0	620	300	375	825	825	825	919	563	375
Interest received	333	242	242	242	242	242	242	242	242	242
Other receipts	244	251	243	247	249	251	258	265	273	281
Total receipts	13,047	13,864	13,904	14,220	15,037	15,401	15,780	16,267	16,314	16,542
<i>Payments</i>										
Employee costs	(5,349)	(5,446)	(5,595)	(5,677)	(5,834)	(5,899)	(6,015)	(6,182)	(6,271)	(6,403)
Materials and services	(5,734)	(5,841)	(5,858)	(5,901)	(6,100)	(6,262)	(6,435)	(6,730)	(6,995)	(7,245)
Short-term, low value and variable lease payments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other payments	(748)	(645)	(668)	(655)	(789)	(706)	(710)	(759)	(897)	(760)
Total payments	(11,831)	(11,933)	(12,122)	(12,233)	(12,724)	(12,868)	(13,160)	(13,672)	(14,164)	(14,408)
Net cash provided by operating activities	1,216	1,931	1,782	1,987	2,313	2,533	2,620	2,595	2,151	2,134
Cash flows from investing activities										
Payments for property, infrastructure, plant and equipment	(1,158)	(2,131)	(2,026)	(2,046)	(2,165)	(2,104)	(2,265)	(2,319)	(2,057)	(1,865)
Proceeds from sale of property, infrastructure, plant and equipment	30	18	27	0	0	22	11	44	22	13
Proceeds from sale of investments	0	0	0	0	0	0	0	0	0	0
Net cash provided by / (used in) investing activities	(1,128)	(2,113)	(1,999)	(2,046)	(2,165)	(2,082)	(2,254)	(2,275)	(2,035)	(1,852)
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	89	(182)	(218)	(58)	148	451	366	320	116	282
Cash and cash equivalents at the beginning of the financial year	7,054	7,142	6,961	6,743	6,685	6,832	7,284	7,649	7,969	8,085
Cash and cash equivalents at the end of the financial year	7,142	6,961	6,743	6,685	6,832	7,284	7,649	7,969	8,085	8,367

3.5 Statement of Capital Works

Statement of Capital Works	2024–25 Budget \$'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	2033–34 \$'000
Property										
Buildings	207	463	843	599	230	736	742	998	1,005	761
Total buildings	207	463	843	599	230	736	742	998	1,005	761
Total property	207	463	843	599	230	736	742	998	1,005	761
Plant and equipment										
Plant, machinery and equipment	100	146	11	11	121	67	232	122	78	13
Fixtures, fittings and furniture	10	10	11	11	11	12	12	12	13	13
Computers and telecommunications	46	148	49	50	52	53	54	56	57	59
Total plant and equipment	157	304	70	72	184	131	298	190	147	84
Infrastructure										
Roads	124	127	130	134	137	141	145	148	152	156
Footpaths and cycleways	25	356	476	157	28	29	29	30	231	332
Drainage	100	103	106	108	111	114	117	120	123	126
Recreational, leisure and community facilities	42	44	45	546	1,147	648	650	526	52	53
Parks, open space and streetscapes	110	128	116	169	122	125	129	132	135	139
Off street car parks	5	5	5	6	6	6	6	6	6	7
Other infrastructure	0	604	70	120	70	20	20	20	20	30
Other Assets	131	135	137	140	143	146	149	152	156	159
Total infrastructure	537	1,501	1,086	1,380	1,764	1,229	1,244	1,134	875	1,002
Total capital works expenditure	900	2,267	1,999	2,051	2,178	2,096	2,284	2,323	2,027	1,847
Represented by:										
New asset expenditure	0	823	92	88	56	57	57	58	109	145
Asset renewal expenditure	900	930	1,462	1,227	951	1,167	1,354	1,392	1,420	1,279
Asset upgrade expenditure	0	515	446	736	1,171	872	872	873	498	424
Total capital works expenditure	900	2,267	1,999	2,051	2,178	2,096	2,284	2,323	2,027	1,847
Funding sources represented by:										
Grants	0	620	300	375	825	825	825	919	563	375
Council reserves	0	516	100	125	235	0	0	0	0	0
Council cash	900	1,132	1,599	1,551	1,118	1,271	1,459	1,404	1,465	1,472
Total capital works expenditure	900	2,267	1,999	2,051	2,178	2,096	2,284	2,323	2,027	1,847

3.6 Statement of Human Resources

Staff expenditure	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
	\$'000	\$'000	\$'000	\$'000	\$'001	\$'002	\$'003	\$'004	\$'005	\$'006
Staff expenditure										
Employee costs – operating	5,375	5,472	5,624	5,705	5,863	5,930	6,046	6,214	6,303	6,436
Employee costs – capital	131	135	137	140	143	146	149	152	155	159
Total staff expenditure	5,506	5,607	5,761	5,845	6,006	6,076	6,195	6,366	6,459	6,595
Staff numbers	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Staff numbers										
Employees	44.35	43.55	43.55	43.55	43.55	43.55	43.55	43.55	43.55	43.55
Total staff numbers	44.35	43.55	43.55	43.55	43.55	43.55	43.55	43.55	43.55	43.55

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

Department	Comprises				
	2024-25	Permanent		Casual	Temporary
		Full Time	Part time		
	\$'000	\$'000	\$'000	\$'000	\$'000
Health and Wellbeing	1,025	373	652	8	
Environment	313	115	198		
Local Economy	748	453	202	93	
Heritage, Planning and Infrastructure	1,063	843	166	46	
Governance and Finance	2,093	1,400	611	20	62
Total department wise expenditure	5,242	3,184	1,829	167	62
Other employee related expenditure	133				
Capitalised labour costs	131				
Total expenditure	5,506				

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 2024–25	Comprises			
		Permanent Full Time	Part time	Casual	Temporary
Health and Wellbeing	10.08	3.00	7.03	0.05	
Environment	2.65	1.00	1.65		
Local Economy	7.12	4.00	2.12	1.00	
Heritage, Planning and Infrastructure	7.53	6.00	1.21	0.32	
Governance and Finance	15.97	9.00	5.97	0.20	0.80
Capitalised labour	1.00	1.00		1.57	
Total staff	44.35	24.00	17.98	1.57	0.80

3.7 Planned Human Resource Expenditure

Description	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Health and Wellbeing										
Permanent – Full time	373	384	392	400	408	417	426	435	444	453
Men	373	384	392	400	408	417	426	435	444	453
Permanent – Part time	652	671	685	699	714	729	744	760	776	792
Women	625	643	657	671	685	699	714	729	744	760
Men	27	28	28	29	30	30	31	32	32	33
Total Health and Wellbeing	1,025	1,055	1,077	1,099	1,122	1,146	1,170	1,194	1,219	1,245
Environment										
Permanent – Full time	115	118	120	123	126	128	131	134	136	139
Women	115	118	120	123	126	128	131	134	136	139
Permanent – Part time	198	203	207	212	216	221	226	230	235	240
Women	198	203	207	212	216	221	226	230	235	240
Total Environment	313	321	327	335	342	349	357	364	372	379
Local Economy										
Permanent – Full time	453	466	476	486	496	507	517	528	539	551
Women	318	327	334	341	348	355	363	371	378	386
Men	135	139	142	145	148	151	154	158	161	164
Permanent – Part time	202	208	213	217	222	226	231	236	241	246
Women	137	141	144	147	150	153	156	160	163	167
Men	65	67	69	70	71	73	75	76	78	79
Total Local Economy	655	674	689	703	718	733	748	764	780	796
Heritage, Planning and Infrastructure										
Permanent – Full time	843	867	886	904	923	942	962	982	1,003	1,024
Women	146	150	153	156	159	163	166	170	173	177

Description	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Men	633	651	664	678	692	707	722	737	752	768
Vacant/new positions	65	67	68	70	71	73	75	76	78	79
Permanent – Part time	166	170	174	177	181	185	188	192	196	201
Women	80	82	84	85	87	89	90	92	94	96
Men	86	88	90	92	94	96	98	100	102	104
Total Heritage, Planning and Infrastructure	1,009	1,037	1,060	1,081	1,104	1,127	1,151	1,175	1,199	1,225
Governance and Finance										
Permanent – Full time	1,400	1,417	1,447	1,477	1,507	1,521	1,544	1,576	1,609	1,643
Women	772	772	788	804	820	819	827	845	862	881
Men	627	645	659	673	687	702	716	731	747	762
Permanent – Part time	611	628	641	655	669	683	697	712	727	742
Women	400	411	420	429	438	447	457	466	476	486
Men	89	91	93	95	97	99	101	103	105	108
Vacant/new positions	122	126	128	131	134	137	139	142	145	148
Total Governance and Finance	2,011	2,045	2,088	2,132	2,176	2,203	2,241	2,288	2,336	2,385
Casuals, temporary and other expenditure	229	236	241	246	251	256	262	267	273	279
Capitalised labour costs	131	135	137	140	143	146	149	152	155	159
Other employee related expenditure	133	104	142	109	150	115	118	162	124	128
Total staff expenditure	5,506	5,607	5,761	5,845	6,006	6,076	6,195	6,366	6,459	6,595

* Council currently does not have any staff member who identify as a person of self-described gender.

3.7 Planned Human Resource Expenditure – cont.

Description	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Health and Wellbeing										
Permanent – Full time	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Men	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Permanent – Part time	7.03	7.03	7.03	7.03	7.03	7.03	7.03	7.03	7.03	7.03
Women	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68
Men	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Total Health and Wellbeing	10.03	10.03	10.03	10.03	10.03	10.03	10.03	10.03	10.03	10.03
Environment										
Permanent – Full time	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Women	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Permanent – Part time	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65
Women	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65
Total Environment	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65
Local Economy										
Permanent – Full time	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Women	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Men	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Permanent – Part time	2.12	2.12	2.12	2.12	2.12	2.12	2.12	2.12	2.12	2.12
Women	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32	1.32
Men	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Total Local Economy	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12	6.12
Heritage, Planning and Infrastructure										
Permanent – Full time	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Women	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Men	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Vacant/new positions	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Permanent – Part time	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21
Women	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Men	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

Description	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Total Heritage, Planning and Infrastructure	7.21	7.21	7.21	7.21	7.21	7.21	7.21	7.21	7.21	7.21
Governance and Finance										
Permanent – Full time	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Women	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Men	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Permanent – Part time	5.97	5.97	5.97	5.97	5.97	5.97	5.97	5.97	5.97	5.97
Women	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15
Men	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Vacant/new positions	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Total Governance and Finance	14.97	14.97	14.97	14.97	14.97	14.97	14.97	14.97	14.97	14.97
Casuals, temporary and other expenditure	2.37	1.57	1.57	1.57	1.57	1.57	1.57	1.57	1.57	1.57
Capitalised labour costs	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total staff expenditure	44.35	43.55	43.55	43.55	43.55	43.55	43.55	43.55	43.55	43.55

* Council currently does not have any staff member who identify 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	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	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%	-0.3%	-0.8%	0.1%	0.7%	-0.5%	1.3%	1.8%	2.0%	1.2%	2.0%	+
Liquidity														
Working capital	Current assets / current liabilities		100% to 400%	580.37%	516.09%	505.23%	493.04%	485.00%	498.85%	500.75%	500.56%	499.30%	503.71%	+
Unrestricted cash	Unrestricted cash / current liabilities	2	10% to 300%	341.63%	326.43%	320.60%	318.08%	326.86%	343.18%	349.69%	353.70%	354.13%	360.68%	+
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%	0.87%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	o
Asset renewal and upgrade	Non-current liabilities / own source revenue		40% to 130%	64%	104%	130%	133%	140%	136%	149%	168%	140%	122%	o
Stability														
Rates concentration	Rate revenue / adjusted underlying revenue		30% to 80%	69%	69%	69%	69%	69%	69%	69%	69%	69%	69%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.15% to 0.75%	0.18%	0.19%	0.19%	0.20%	0.20%	0.21%	0.21%	0.22%	0.22%	0.23%	-
Efficiency														
Expenditure level	Total expenses/ no. of property assessments	3	\$2,000 to \$5,000	\$4,193	\$4,275	\$4,355	\$4,404	\$4,578	\$4,611	\$4,706	\$4,818	\$4,989	\$5,078	-
Revenue level	Total rate revenue / no. of property assessments	4	\$700 to \$2,000	\$2,393	\$2,466	\$2,531	\$2,598	\$2,667	\$2,738	\$2,809	\$2,882	\$2,958	\$3,035	-

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.

The Local Government Performance Reporting Framework (LGPRF) based measure is projecting an average annual underlying surplus of \$116,000 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 \$143,000 over the 10-year planning horizon.

As part of proposing sustainable operating result, Council is committed to undergoing a value management process for its key contracts. However, such a process and the projected reduction in staff resources might affect the current service levels provided by the Council.

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.

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	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Discretionary Reserves										
Carry Forward Reserves										
Opening balance	1,308	1,221	668	533	371	136	136	136	136	136
Transfer to reserve	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(87)	(554)	(135)	(161)	(235)	0	0	0	0	0
Closing balance	1,221	668	533	371	136	136	136	136	136	136
Asset Replacement Reserve (Allocated)										
Opening balance	1,573	2,154	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194
Transfer to reserve	580	41	0	0	0	0	0	0	0	0
Transfer from reserve	0	0	0	0	0	0	0	0	0	0
Closing balance	2,154	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194	2,194
Unallocated Cash (General) Reserve										
Opening balance	1,383	1,452	1,620	1,563	1,628	1,949	2,389	2,701	3,004	3,115
Transfer to reserve	69	169	0	65	321	440	312	302	111	260
Transfer from reserve	0	0	(57)	0	0	0	0	0	0	0
Closing balance	1,452	1,620	1,563	1,628	1,949	2,389	2,701	3,004	3,115	3,375
Discretionary Reserves Summary										
Opening balance	4,265	4,827	4,483	4,291	4,194	4,280	4,720	5,032	5,334	5,446
Transfer to reserve	649	209	0	65	321	440	312	302	111	260
Transfer from reserve	(87)	(554)	(192)	(161)	(235)	0	0	0	0	0
Closing balance	4,827	4,483	4,291	4,194	4,280	4,720	5,032	5,334	5,446	5,706

	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34
Reserves	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Restricted Reserves										
Waste Management Reserves										
Opening balance	(94)	0	0	0	0	0	0	0	0	0
Transfer to reserve	94	0	0	0	0	0	0	0	0	0
Transfer from reserve	0	0	0	0	0	0	0	0	0	0
Closing balance	0	0	0	0	0	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	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450
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	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450
Restricted Reserves Summary										
Opening balance	3,396	3,490	3,490	3,490	3,490	3,490	3,490	3,490	3,490	3,490
Transfer to reserve	94	0	0	0	0	0	0	0	0	0
Transfer from reserve	0	0	0	0	0	0	0	0	0	0
Closing balance	3,490	3,490	3,490	3,490	3,490	3,490	3,490	3,490	3,490	3,490
Discretionary and Restricted Reserves Summary										
Opening balance	7,666	8,322	7,977	7,785	7,689	7,775	8,215	8,527	8,829	8,941
Transfer to reserve	743	209	0	65	321	440	312	302	111	260
Transfer from reserve	(87)	(554)	(192)	(161)	(235)	0	0	0	0	0
Closing balance	8,322	7,977	7,785	7,689	7,775	8,215	8,527	8,829	8,941	9,201

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, as well as 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.