

Long Term Financial Plan

2022 – 2032



Southern Grampians
SHIRE COUNCIL

Contents

1.	Foreword	3	4.8.5	Loan Funds	23
2.	Statutory & Regulatory Requirements	4	5.	Financial Plan – Sustainable Model - Discussion	24
2.1	Local Government Act 2020	4	5.1	Level of Service Discussion.....	24
2.1.1	Strategic planning.....	4	5.1.1	General Assumptions.....	24
2.1.2	Financial management principles.....	5	5.1.2	Specific Assumptions.....	24
2.1.3	Service performance principles	5	5.2	Capital Works & Funding.....	25
2.1.4	Community engagement and public transparency	6	5.2.1	Asset Renewal, Upgrade & Expansion	25
2.2	Local Government (Planning and Reporting) Regulations 2020.....	6	5.2.2	Major Multi Year Projects & New Assets	25
3.	Integrated Strategic Planning and Reporting Framework.....	8	5.2.3	Asset Maintenance	25
4.	Southern Grampians Strategic Planning & Reporting Framework	10	5.3	Summary of Financial Assumptions	26
4.1	Overview & Principles.....	10	5.4	Financial Indicators/Parameter Goals	27
4.1.1	Strategic Planning Principles.....	10	6.	Summary.....	28
4.1.2	Financial Management Principles	10	7.	Financial Plan – Statements & Graphs	29
4.1.3	Engagement Principles	10	7.1	Model Financial Statements	29
4.1.4	Service Performance Principles	11	7.1.1	Comprehensive Income Statement.....	29
4.1.5	Asset Plan Integration	11	7.1.2	Balance Sheet	30
4.2	Council Plan 2021-2025.....	12	7.1.3	Statement of Changes in Equity	31
4.3	Southern Grampians 2041 – Community Vision Framework.....	14	7.1.4	Statement of Cash Flows.....	32
4.3.1	Key Challenges for Southern Grampians as identified in SG2041.....	15	7.1.5	Statement of Capital Works	33
4.3.2	Key Opportunities for Southern Grampians as identified in SG2041	16	7.1.6	Statement of Human Resources.....	34
4.4	MPHWP 2021-2025.....	17	7.1.7	Financial Indicators (Ratios)	35
4.5	Asset Plan 2022-2032.....	19	7.2	Graphs.....	36
4.6	Workforce Plan 2021-2025	20	7.2.1	Net Operating Result	36
4.7	Budget (4 Year Budget)	21	7.2.2	Capital Expenditure by Type.....	37
4.8	Revenue and Rating Plan 2021/22-2024/25.....	23	7.2.3	Capital Expenditure compared to Depreciation Expense	38
4.8.1	Revenue Planning	23	7.2.4	Working Capital Ratio	39
4.8.2	Rate Revenue	23	7.2.5	Net Funds Available.....	40
4.8.3	Operating Grants.....	23	7.2.6	Debt Levels	41
4.8.4	Other Revenue	23	7.2.7	Debt Servicing.....	42

1. Foreword

Council prepared its first formal Long Term Financial Plan (LTFP) in late 2021 to ensure compliance with the Local Government Act 2020 and supporting Regulations.

This new version of the Long Term Financial Plan has been developed to take into consideration known changes which have occurred since the initial Plan was adopted.

The Long Term Financial Plan is a key document to support Council's long term visions and aspirations for its community outlined in the Southern Grampians 2041 Community Vision Framework. This is underpinned by 4 Year Council Plans, Health and Wellbeing Plans, Budgets, Workforce Plans and other key supporting strategies and documents.

The "Integrated Strategic Planning and Reporting Framework" set out in the Local Government Act 2020 provides a basis for Council to build information systems to support mature modelling processes, projections and resulting reports.

Council is committed to updating this longer term document on shorter timeframes whilst it develops more robust practices for data collection and projections.

2. Statutory & Regulatory Requirements

2.1 Local Government Act 2020

2.1.1 Strategic planning

Part 4 of the Local Government Act 2020 addresses planning and financial management and Division 1 covers strategic planning. The Financial Plan is one of the strategic plans subject to the Strategic planning principles. Section 89 of the Act sets out the Strategic planning principles as follows:

89 Strategic planning principles

- (1) *A Council must undertake the preparation of its Council Plan and other strategic plans in accordance with the strategic planning principles.*
- (2) *The following are the strategic planning principles —*
 - (a) *an integrated approach to planning, monitoring and performance reporting is to be adopted;*
 - (b) *strategic planning must address the Community Vision;*
 - (c) *strategic planning must take into account the resources needed for effective implementation;*
 - (d) *strategic planning must identify and address the risks to effective implementation;*
 - (e) *strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.*

The Local Government Act 2020 introduces a requirement for Victorian councils to develop, adopt and keep in force a Financial Plan covering at least the next 10 financial years. Many councils already prepare long-term financial plans for internal management purposes. The requirements under the new Act mean councils must develop a Financial Plan that is publicly accessible. The specific legislative requirements for a Financial Plan are set out in section 91 of the Act as follows:

91 Financial Plan

- (1) *A Council must develop, adopt and keep in force a Financial Plan in accordance with its deliberative engagement practices.*
- (2) *The scope of a Financial Plan is a period of at least the next 10 financial years.*
- (3) *A Financial Plan must include the following in the manner and form prescribed by the regulations—*
 - (a) *statements describing the financial resources required to give effect to the Council Plan and other strategic plans of the Council;*
 - (b) *information about the decisions and assumptions that underpin the forecasts in the statements specified in paragraph (a);*
 - (c) *statements describing any other resource requirements that the Council considers appropriate to include in the Financial Plan;*
 - (d) *any other matters prescribed by the regulations.*
- (4) *A Council must develop or review the Financial Plan in accordance with its deliberative engagement practices and adopt the Financial Plan by 31 October in the year following a general election.*
- (5) *The Financial Plan adopted under subsection (4) has effect from 1 July in the year following a general election.*

Section 91(1) and section 91(4) refer to deliberative engagement practices. The Act requires deliberative engagement practices to be incorporated into a council's community engagement policy.

2.1.2 Financial management principles

Division 4 of Part 4 of the Local Government Act 2020 addresses financial management. Section 101 of the Act sets out the financial management principles as follows:

101 Financial management principles

- (1) *The following are the financial management principles—*
- (a) revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans;*
 - (b) financial risks must be monitored and managed prudently having regard to economic circumstances;*
 - (c) 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;*
 - (d) accounts and records that explain the financial operations and financial position of the Council must be kept.*
- (2) *For the purposes of the financial management principles, financial risk includes any risk relating to the following—*
- (a) the financial viability of the Council;*
 - (b) the management of current and future liabilities of the Council;*
 - (c) the beneficial enterprises of the Council.*

2.1.3 Service performance principles

The Local Government Act 2020 requires Victorian councils to plan and deliver services in accordance with the service performance principles. Part 5 of the Act addresses council operations. Section 106 of the Act sets out the service performance principles as follows:

106 Service performance principles

- (1) *A Council must plan and deliver services to the municipal community in accordance with the service performance principles.*
- (2) *The following are the service performance principles—*
- (a) services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;*
 - (b) services should be accessible to the members of the municipal community for whom the services are intended;*
 - (c) quality and costs standards for services set by the Council should provide good value to the municipal community;*
 - (d) a Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring;*
 - (e) service delivery must include a fair and effective process for considering and responding to complaints about service provision.*

2.1.4 Community engagement and public transparency

The Local Government Act 2020 includes community engagement principles (section 56) and public transparency principles (section 58). The Act requires Victorian councils to adopt and maintain a public transparency policy (section 57) and to adopt and maintain a community engagement policy (section 55).

The Financial Plan is specifically referenced in section 55(2)(g) of the Act which requires (amongst other provisions) that a community engagement policy must:

(g) Include deliberative engagement practices which must include and address any matters prescribed by the regulations for the purposes of this paragraph and be capable of being applied to the development of the Community Vision, Council Plan, Financial Plan and Asset Plan...

2.2 Local Government (Planning and Reporting) Regulations 2020

The Local Government (Planning and Reporting) Regulations 2020 (the regulations) came into operation on 24 October 2020. Part 2 of the regulations prescribe the information to be included in a Financial Plan as follows:

5 Statements describing financial resources

(1) For the purposes of section 91(3)(a) of the Act, the statements describing the financial resources must be in the form set out in the Local Government Model Financial Report.

(2) For the purposes of section 91(3)(d) of the Act, the prescribed matters include a statement of capital works for the financial years to which the statements describing the financial resources referred to in section 91(3)(a) of the Act relate.

6 Statements describing other resource requirements

For the purposes of section 91(3)(d) of the Act, the prescribed matters include the following—

(a) a statement of human resources;

(b) a summary of planned expenditure in relation to the human resources referred to in the statement of human resources, categorised according to the organisational structure of the Council and classified separately as—

(i) permanent full time who are—

(A) women; or

(B) men; or

(C) persons of self-described gender; or

(ii) permanent part time staff who are—

(A) women; or

(B) men; or

(C) persons of self-described gender;

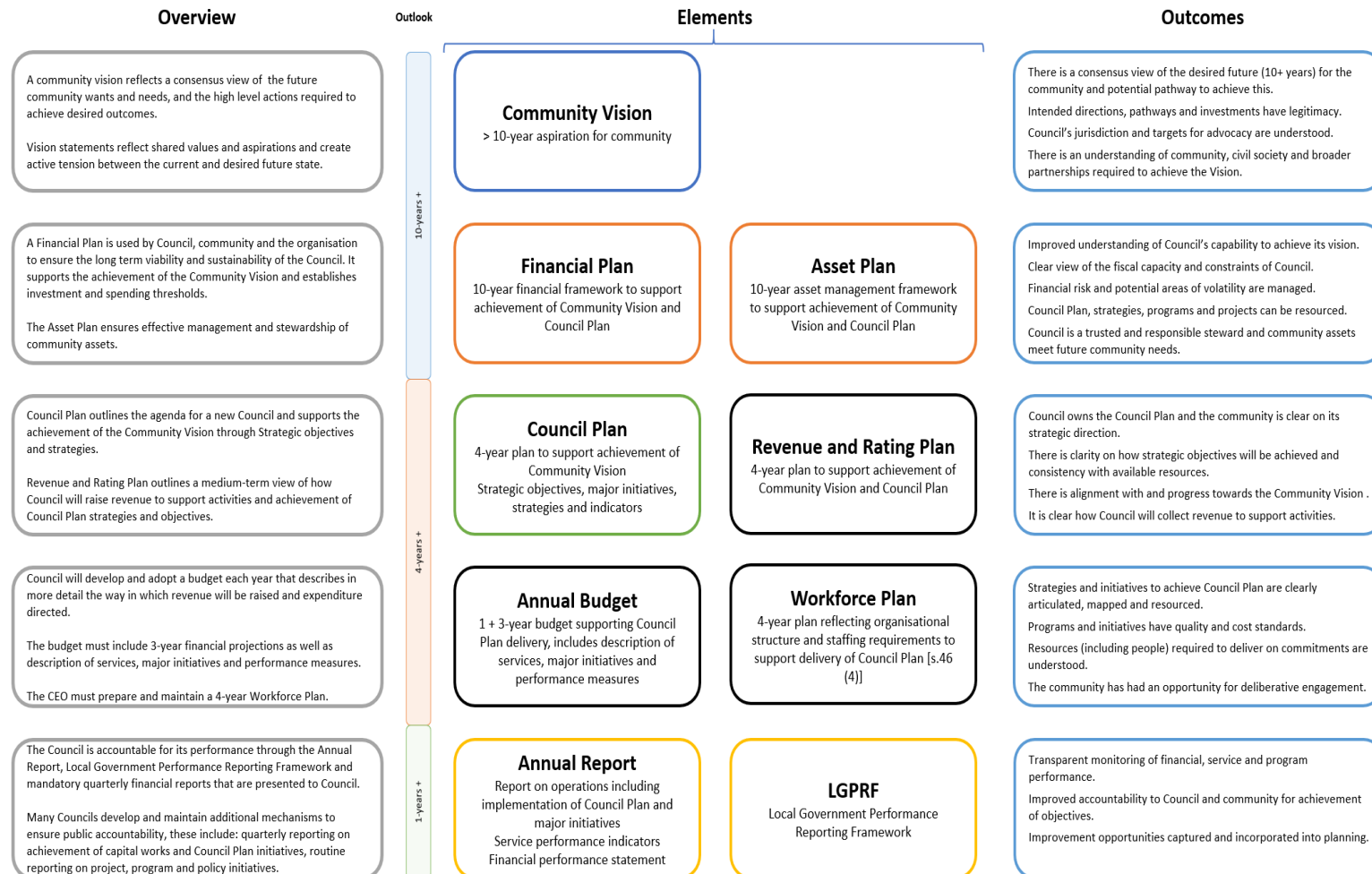
(c) a summary of the planned number of full time equivalent Council staff referred to in the statement of human resources, categorised according to the organisational structure of the Council and classified separately as—

- (i) permanent full time staff who are—
 - (A) women; or
 - (B) men; or
 - (C) persons of self-described gender; or
- (ii) permanent part time staff who are—
 - (A) women; or
 - (B) men; or
 - (C) persons of self-described gender.

3. Integrated Strategic Planning and Reporting Framework

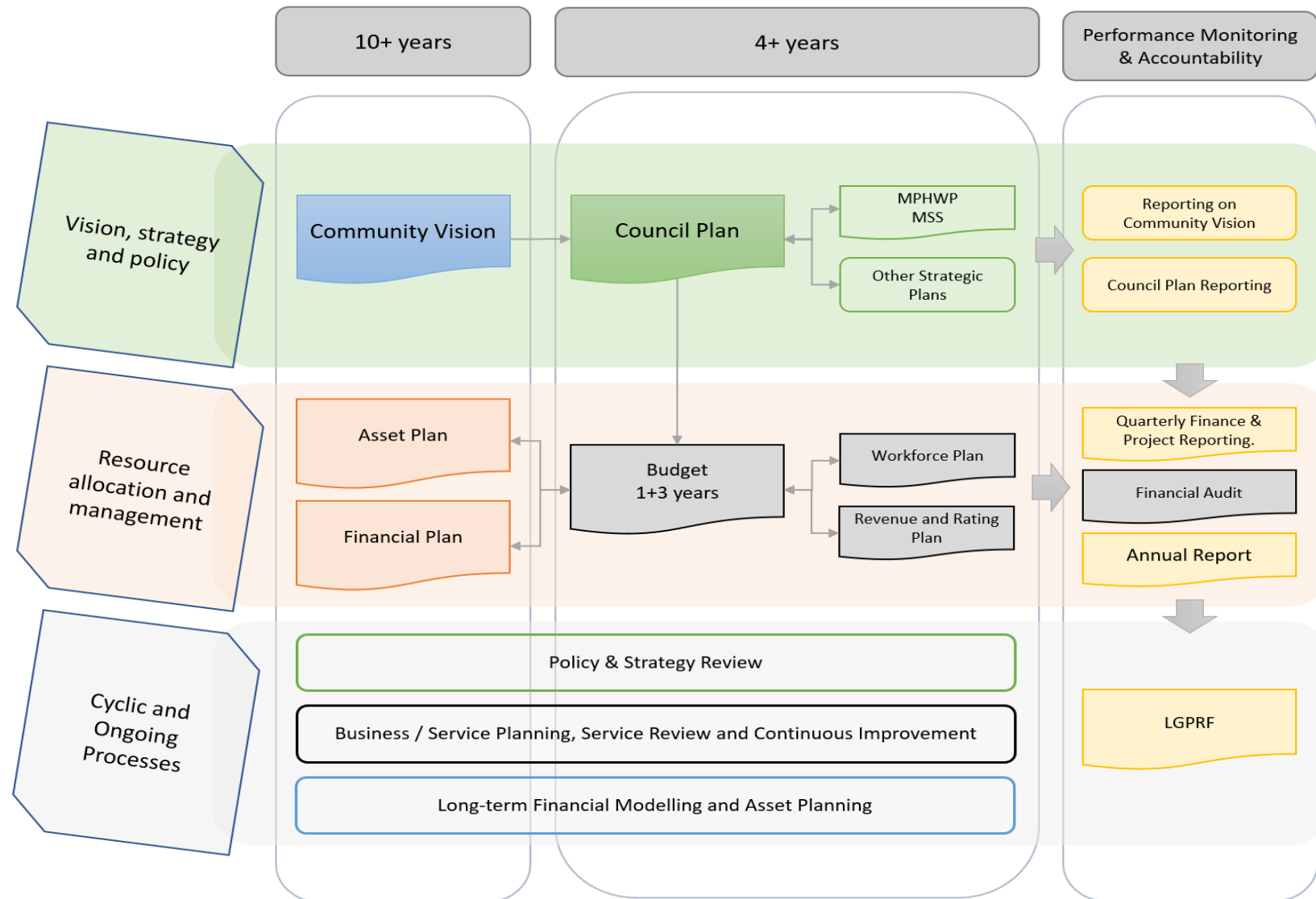
This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & Reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium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

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



Source: Department of Jobs, Precincts and Regions

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



Source: Department of Jobs, Precincts and Regions

4. Southern Grampians Strategic Planning & Reporting Framework

4.1 Overview & Principles

4.1.1 Strategic Planning Principles

The Financial Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision. Two other models have been prepared at a high level only to provide Council with guidance about what “levers” are available to Council to develop different models, all of which have strengths and weaknesses. A “middle ground” or “Sustainable” approach has then been taken to develop a more detailed model (underpinned by the basic assumptions) to develop the detailed Financial Plan.

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

- a) Council has an integrated approach to planning, monitoring and performance reporting.
- b) Council financial plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- c) The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision where possible taking into consideration preliminary findings of the 2021-2025 Plan and 2041 Community Vision.
- d) Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 3.2.2 below.
- e) The Financial Plan provides for the strategic planning principles of progress monitoring and reviews to identify and adapt to changing circumstances.

4.1.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- 3.2.1 Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 3.2.2 Management of the following financial risks:
 - a) the financial viability of the Council
 - b) the management of current and future liabilities of the Council.
 - c) the beneficial enterprises of Council (where appropriate).
- 3.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 3.2.4 Council maintains accounts and records that explain its financial operations and financial position

4.1.3 Engagement Principles

Council has developed a Community Engagement Policy in February 2021 with the purpose to outline the principles and Council's commitment to engaging with Southern Grampians Shire's many communities and stakeholders in a way that is purposeful, representative, inclusive and easy to be involved in. The policy recognises the importance of designing community engagement methods to support maximum engagement and meet the specific outcomes of a particular initiative or project.

Principle 1: A community engagement process must have a clearly defined objective and scope

Principle 2: Participants in community engagement must have access to objective, relevant and timely information to inform their participation

Principle 3: Participants in community engagement must be representative of the persons and groups affected by the matter that is the subject of the community engagement

Principle 4: Participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement

Principle 5: Participants in community engagement are informed of the ways in which the community engagement process will influence Council decision-making

Council will implement robust and comprehensive community engagement practices to facilitate a dialogue that builds relationships and informs and improves decision-making. It will continually improve its capacity and performance in community engagement through ongoing training, resource development, and review and evaluation. Council will also work with communities to identify the most appropriate and effective engagement methods in order to continually improve relationships and understanding between all parties.

Council will undertake community engagement activities:

- ✓ When community input can enhance decision making or project outcomes
- ✓ To gain new information about community needs, aspirations and concerns
- ✓ When there will be a real or perceived change to existing services, programs or the use of public space and facilities
- ✓ When community members, business communities or other groups would have a particular interest in the outcome of a decision, project or development
- ✓ When council resolves to engage the community
- ✓ When legislation, policy or other agreement mandates Council will seek participant feedback to evaluate engagement processes, and continue to adapt and improve our processes.

4.1.4 Service Performance Principles

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

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- b) Services are accessible to the relevant users within the community.
- c) Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate council's performance regarding the provision of quality and efficient services.
- d) Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- e) Council is developing a service delivery framework that considers and responds to community feedback and complaints regards service provision.

4.1.5 Asset Plan Integration

Integration to the Asset Plan is a key principle of the Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery and the effective management of Council's assets into the future. Whilst Council does not have a mature Asset Plan, it has utilised existing data together with operational information to develop several individual asset management plans, to underpin the development of the high level Asset Plan.

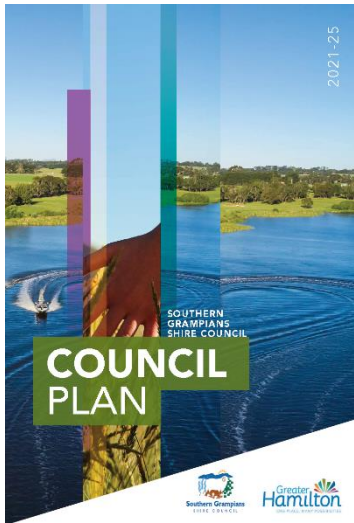
An Asset Plan which meets current legislation, integration framework and supporting principles is being developed, with a view to adoption by 30 June 2022.

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

The Asset Plan is designed to inform the 10-year Financial Plan by identifying the amount of capital renewal gap and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, risk assessments as well as the impact of intervention and service levels for each asset class. The intervention levels can be adjusted and adopted across a range of scenarios in light of the longer term financial capacity.

The Asset Plan quantifies the asset portfolio and the financial implications together with the Financial Plan seeks to balance projected investment requirements against projected budgets. The Plan will also guide the development of Council's advocacy focus.

4.2 Council Plan 2021-2025



The Council Plan is the key document that drives Council's strategic direction. It outlines where Council and the community will aspire to be by 2025 and how Council will achieve those outcomes.

Under the Local Government Act 2020, Council must prepare and adopt a Council Plan for a period of at least the next four financial years after a general election, in accordance with its deliberative engagement processes.

A Council Plan must include:

- + the strategic direction of the Council
- + strategic objectives for achieving the strategic direction
- + strategies for achieving the objectives for the next four financial years
- + strategic indicators for monitoring the achievement of the objectives
- + a description of the Council's initiatives and priorities for services, infrastructure and amenity.

Progress and outcomes will be reported through the Southern Grampians Shire Council Annual Report and quarterly business reports. Our work is measured annually against the Performance Statement in the Annual Report and the community rates our performance through the annual Community Satisfaction Survey.

Council undertook an extensive and inclusive engagement process with the community to develop the Council Plan with common issues identified as:

✓ Digital Connectivity	✓ Support for community events and family activities
✓ Education pathways	✓ Transport connectivity
✓ Footpaths	✓ Volunteer Support
✓ Housing	✓ Walking & Cycling trails
✓ Inclusive and connected community	✓ Waste management
✓ Increased promotion of region and assets	✓ Youth Focus
✓ Road maintenance	

The Council Plan identifies Council's five priority areas to be addressed over the next four years. These priorities have shaped the themes of the Council Plan. Under each theme, Councillors, Council staff and the community have identified objectives and strategies to measure and guide progress of achievement of the plan.

Themes	Key Priority	Objectives
1 Support our Community	An empowered community that is healthy, inclusive and connected	An empowered and connected community Support and promote a health community Grow a diverse and inclusive community A safe Community
2 Grow our Regional Economy	A growing and diverse local and regional economy that supports our local businesses	Drive economic growth Increase our regional profile Continue to support the development of a skilled workforce Support local business and industry
3 Maintain and Renew our Infrastructure	Provide access to a high-quality built environment and infrastructure that meets community needs.	Plan and maintain sustainable assets and infrastructure Safe and well-maintained transport routes and infrastructure Attractive Council-owned and managed community and open spaces
4 Protect Our Natural Environment	Act as community leaders to promote and enhance a clean, green and sustainable environment	Protect and enhance biodiversity including the health of waterways, wetlands, soil and air Balance environmental protection with Council's support for growth Sustainable waste management services Mitigate against and adopt to climate change
5 Provide Strong Governance and Leadership	Strong Leadership, good governance and effective service delivery	Transparent and accountable governance Effective Advocacy Committed and skilled staff Customer-focused services

4.3 Southern Grampians 2041 – Community Vision Framework

Southern Grampians 2041 - Community Vision Framework (SG2041) is in essence a community vision, comprising a twenty-year strategic direction, together with suggested opportunities for advocacy and partnership with stakeholders.

It is ambitious in nature as our community expects us to have a longer-term view of how we shape our world. For consistency purposes, the key themes or pillars behind the workplan are the same themes found in the Council Plan 2021-25 (in preparation) – namely community, economy, building and infrastructure, environment and governance.

The assumptions built into SG2041 are:

1. Our limited funding requires us to collaborate with others to make our investments extend further.
2. We needed a longer-term work plan linked to a ten-year financial plan.
3. We must work smarter with decisions based on clearer understanding of how changes in technology, community needs and demographic shifts (ageing etc.) will affect our service and asset management delivery.

To determine priorities, input was obtained from a wide range of stakeholders. A significant deep dive into regional relationships, challenges and opportunities has occurred. A crystal ball view of the next twenty-years drives the thinking on challenges and how we respond as a community. One thing will be clear – the next two decades will not be the same as the last and together we must address a range of issues from climate change to ageing populations, the digital economy, meaningful reconciliation with the indigenous community and supporting each other.

We must start this strategic planning by recognising that we have a number of regionally significant assets and services, some of which are maintained by Council and others are not. These drive the liveability or 'attractiveness' of Southern Grampians. Investment and support of these assets protects our points of difference, the jobs they deliver, the services they offer are what make our Shire worth investing and living in.

The landscape itself, the volcanic grasslands and plains as well as Grampians National Park make our area State and nationally significant (as are our wind resources).

We need to manage all key assets, regardless of who owns them, but do so sensibly and with financial accountability, based on data confirming the value they deliver and what we can afford. Council cannot do this work alone and it must therefore reach out to organisations, as well as State and Federal Government agencies on the services and facilities the community needs, the quality of the infrastructure that connects us and how beyond being an agricultural powerhouse, the community is supported to achieve its needs.

Tourism will be a key emerging platform in the next twenty-years. Ongoing infrastructure investment in the tourism sector allied to a genuine need to better connect our Shire within the region (rail, road, air, digital) will be the drivers of the next decade and beyond.











SG2041 will be a living document, as it was in this case, developed concurrently with the Council Plan (in preparation). In this way it will remain relevant and a proper reflection of the views of its community and their vision.

The key themes and opportunities identified in SG2041 are set out as Strategic Directions in E2 of the document and are closely linked with the Council Plan 2021-25 and Community Health and Wellbeing Plan 2021-25.



Whilst the entire document is relevant to the development and maintenance of Council's Long Term Financial Plan, key themes outlined in 4.3.1 and 4.3.2 below effectively summarise the challenges and the opportunities, in the context of financial planning for the future. These matters may not be always under the control of Council, but in a world increasingly where we must partner with others to deliver services and opportunities, it must be considered in the fabric of the Southern Grampians Financial Planning Framework.

4.3.1 Key Challenges for Southern Grampians as identified in SG2041

	The population demographic: Respondents noted the ageing population and need for services to support them, the loss of younger people and the need to attract more youth and young families to the area, noting that services need to support an increased population too.
	The need for improved public transport and increased availability: The quality of linkages between local towns and regional centres was a recurrent theme. All forms of transport were discussed, including road, rail and air.
	More opportunities for employment, and diversity of employment: This was frequently discussed and included more job opportunities for young people, more opportunities for women including the over 50 years age bracket, and roles that are more skilled rather than offering predominantly traditional employment such as agriculture.
	The lack of educational opportunities for youth: Participants frequently noted the loss of students to larger centres for tertiary education, both university and other training, as well as the lack of suitable employment for their qualifications for them to return to the Shire. There were also several references to improving the local schools, and one reference to the need for day care.
	The need to invest and improve in local infrastructure: Investment in roads, power and building and asset maintenance is an ongoing expectation.
	The local economy (financial resources) and funding: Securing funding from all levels of government was noted as a challenge. This included securing funding for new projects.
	Attracting new and more diverse businesses and industries: Opportunities are identified in many industries including the renewables sector, timber sector, horticulture industry and allied health services.
	Housing supply, affordability and rising living costs: Rental shortages leading to challenges in securing housing for new residents including key workers is a noted concern.
	Climate change and environmental challenges: Climate change will require adaptation strategies, which may include climate appropriate crops renewed focus on water grids for reliable supply for a more diversified agricultural sector, and mitigation strategies including more efficient transport systems, focus on renewable energy and vegetation conservation.
	Local health services: Additional services required to support the needs of the community, including mental health and aged care support.

4.3.2 Key Opportunities for Southern Grampians as identified in SG2041

Natural environment and wildlife: Better management and maintenance of the natural environment habit and wildlife were identified as significant opportunities when attracting new residents and tourists.



Tourism: Strategic investment into tourism, especially eco and nature-based tourism are opportunities to be pursued.



Location: Hamilton is situated at the intersection of three key highways. The Henty Highway connects Hamilton and the Municipality with Horsham and Portland. The Hamilton Highway links to Ballarat and the Glenelg Highway is the most direct east-west route from Melbourne to Mount Gambier and the Limestone Coast.



Agriculture: The agriculture sector is, and will likely remain, the cornerstone of the Shire's economy. Opportunities to improve farming practices will consolidate this strength.



Residents: The talent and skills of the existing community and their sense of community was a recurring theme.



Education: Participants acknowledged the high quality schools in the area, providing early learning to Year 12 schooling, as well as the opportunity to provide tertiary education options locally. See also technical training (e.g. SW TAFE) and agricultural college (RIST) training opportunities. The independent education sector is also strong across the Shire.



Liveability: The Shire scores highly with respect to liveability in areas including climate, community volunteering, median house price, use of active transport (walking, cycling) and sport participation.



Parks, gardens, sport facilities: Including bike/hike trails and sporting opportunities.



Cultural arts and local events: Including the existing Hamilton Art Gallery, Hamilton Performing Arts Centre and cultural facilities and the opportunity to create a cultural scene as a tourist attractor.



Hospital facilities: Existing hospital services were noted as an asset; however, this was coupled with the growing need for additional health services to cater for the community more fully.



4.4 MPHWP 2021-2025



The Public Health and Wellbeing Act 2008 (PHWA) requires local government to develop a Municipal Public Health and Wellbeing Plan (MPHWP) every 4 years. It is a legislative requirement for councils to play a role in protecting and promoting the health and wellbeing of its community members, including the following objectives

- Protecting public health and preventing disease, illness, injury, disability or premature death;
- Promoting conditions in which persons can be healthy; and
- Reducing inequalities in the state of public health and wellbeing.

Southern Grampians Shire Council is committed to improving the health and wellbeing of residents by maintaining and creating supportive environments through working with partners and the community. The plan recognises that health and wellbeing is a whole of community responsibility and that Council must show leadership, provide support and work alongside partners and community members to combine effort.

The Plan is focused on delivering long-term health outcomes and recognises that behavioural change and impact takes a sustained effort over time with incremental results. It brings together the key objectives of existing Council policies, plans, strategies and external partnerships, which contribute to improving the health and wellbeing of the Southern Grampians community. As well as acknowledging the significant role that our Key Partners' play in facilitating our Community to be well and healthy.

Southern Grampians takes a population-level approach and supports residents to make choices that lead to healthy behaviours. Enhancing liveability is also a key focus of the Plan to make sure that Southern Grampians is a place where people want to live, now and into the future.

To identify the key focus areas and outcomes for the Southern Grampians community we have considered the current health and wellbeing of our community.

Evidence presented in the Great South Coast Rural and Regional Framework, on collated of data sets which have been selected as measures to illustrate how the municipalities of the Great South Coast are faring in relation to health and wellbeing of the community.

A reflection on the priorities and outcomes Southern Grampians Shire Council Health and Wellbeing Plan 2017-2021 has also informed the development of this plan and demonstrates that change of behaviours and factors that influence health is continuous.

A review and reflection upon the issues identified from the engagement undertaken in the Southern Grampians Shire Community Vision Framework 2041 has been undertaken to inform SGCPHWP 2021-2025.

Principles of the Southern Grampians Community Health and Wellbeing Plan (SGCPHWP) 2021-2025:

Accessibility - Incorporating affordability, appropriateness, availability, approachability, and access for all.

Sustainability - Efficient & effective use of resources to ensure long-term effort thereby meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Connectivity - The way people, networks, services, facilities, and information link.

Flexibility - The ability to adapt to changing circumstances, and according to needs.

Equity - Fairness, impartiality, and making adjustments to support opportunities for all.

The Southern Grampians Community Public Health and Wellbeing plan has two focus areas – Healthy Communities and Liveable Communities which align with the strategic objectives of the Council Plan 2021-2025, the State Governments Health and Wellbeing Plan 2019-2023 and VicHealth Action Agenda for Health Promotion 2019-2023.

Focus Area 1	Healthy Communities	Council will continue to play a central role in leading and shaping a healthy community that promotes and supports healthy lifestyles.
	Outcomes <ol style="list-style-type: none"> 1. Southern Grampians residents live in communities that support their mental wellbeing. 2. Southern Grampians residents have access to and are eating nutritious food. 3. Southern Grampians residents participate in community life, are socially connected and connected to culture. 4. Southern Grampians residents are safe and part of a resilient community. 5. Harm caused by alcohol and other drugs (AOD) is reduced across the Municipality. 6. Southern Grampians residents have access to and participate in lifelong learning opportunities. 7. Southern Grampians residents are physically active at all stages of life. 	

Focus Area 2	Liveable Communities	Council will continue to enhance the liveability of our community to make sure that Southern Grampians is a place where people want to live now and into the future.
	Outcomes <ol style="list-style-type: none"> 1. Southern Grampians residents have access to 'everyday' needs. 2. Southern Grampians has a growing economy that promotes diversity of local jobs. 3. Southern Grampians has a range of housing which meets community needs. 4. Southern Grampians residents have access to technology, buildings and public spaces that are well designed, and encourage community connections. 5. Southern Grampians residents have access to open spaces, pathways and trails that encourages physical activity. 6. Southern Grampians encourages sustainable practices that promote a healthy environment. 	

Monitoring, reporting and evaluation are required to understand effectiveness, identify areas for improvement and learning and enhancing the evidence-base for current and future work in this space. Council has developed an annual Action Plan to support staff and partner organisations through ongoing monitoring and advice for initiatives related to health and wellbeing.

The Monitoring and Reporting Framework will outline the outcomes, measures, baseline data, monitoring and reporting processes and deliverables over the 4-year period. The baseline data will establish the current situation across the broad outcome areas, and provide Council a starting point from which to compare future achievements.

Council is committed to effective implementation of the *SGCPHWP* and ensuring that the health and wellbeing benefits are realised at the individual and community level.

4.5 Asset Plan 2022-2032

Council is currently developing its first Asset Plan under the new Integrated Strategic Planning and Reporting Framework (See Section 2). Local Government Victoria have provided guidance around what should be included in this Plan and is re-produced here for information. Once the Plan is adopted, this section will be re-written with a summary and explanation of the linkages and relationships between the two documents.

Council must develop, adopt, and keep in force an Asset Plan. The Asset Plan has an outlook of at least 10 years. The first Asset Plan under this section must be adopted by 30 June 2022 and has effect from 1 July 2022.

The Asset Plan must include:

- information about maintenance, renewal, acquisition, expansion, upgrade, disposal, and decommissioning of each class of infrastructure under its control, and
- outline any other resource requirements considered appropriate

The Plan has a longer-term outlook (10+ years). It provides a view (both strategic and in financial terms) of how the Council proposes to manage the whole portfolio of assets that it owns and controls. The Plan will establish a strategic framework outlining the resources required and activities to be commissioned to ensure assets under Council's stewardship are developed, renewed, or maintained to deliver the required service potential.

The Asset Plan and Financial Plan have a strong reciprocal relationship and must transparently recognise the interdependencies.

The Asset Plan will consider regional, state, and national plans and policies and the potential for regional partnerships and collaboration.

Effective stewardship of assets assumes that assets exist to support the delivery of service outcomes to the community. Therefore, as a core part of its Asset Plan, Council should develop and adopt functional service level standards across all classes of assets. The Asset Plan should define these functional performance standards for each asset class/type, as well as the necessary investments that will be required to achieve this (i.e. maintenance, renewals, new investment).

The Asset Plan will be based on and clearly connected to the Financial Plan and underlying budgets and projections. Assumptions underpinning the Asset Plan should be transparent and linked to preparation of the Financial Plan, budgets, service standards, and major capital initiatives.

Underpinning the 10 Year Asset Plan, will be a number of Asset Management Plans. The Asset Management Plans will identify strategic objectives together with operational practices which will guide Councils future management of its assets across their life cycle in a financially sustainable manner. The Asset Management Plans will also define assets which are beyond their useful life, redundant or no longer required. Asset Management Plans, and the respective policies, will provide council with a sound base to understand the risks and opportunities associated with managing its assets for the community's benefit.

Council has utilised existing data together with operational information to develop individual asset management plans specifically for roads, footpaths, playgrounds and some swimming pool infrastructure to inform this version of the Financial Plan.

Council's infrastructure department is currently implementing a Project Management Office which will effectively bring the protocols in place to avoid multi-year project carry overs. This will be only achieved where robust project planning is completed before budget allocations are made and project works commence. To ensure robust project planning asset management knowledge is imperative.

The full document can be accessed here: <https://engage.vic.gov.au/local-government-act-2020/integrated-strategic-planning-and-reporting-framework-workbook>



4.6 Workforce Plan 2021-2025

The Chief Executive Officer is responsible for establishing and maintaining an organisation structure for the Council and is also responsible for all staffing matters, including appointing, directing, managing and dismissing members of Council staff under s46(3)(a) and (b).

Under s 46(4) the Chief Executive Officer must develop and maintain a workforce plan that:

- describes the organisational structure of the Council
- specifies the projected staffing requirements for a period of at least 4-years, and
- sets out measures to seek to ensure gender equality, diversity, and inclusiveness.

The full document can be accessed here: <https://engage.vic.gov.au/local-government-act-2020/integrated-strategic-planning-and-reporting-framework-workbook>

Council revised its Workforce Plan under the new Integrated Strategic Planning and Reporting Framework (See Section 2) in late 2021. The plan is an internal document and as such is not adopted by Council, however Councillors, the Executive and staff were all participatory in its development and have access to the document.



Council is committed to deriving the following benefits from workforce planning:

- ✓ Recruiting, developing and deploying a highly skilled and diverse workforce to meet our future needs
- ✓ Positioning Council to be innovative, creative and outcome focused
- ✓ Improving productivity through better job design and resourcing decisions
- ✓ Reducing staff turnover and retaining top talent
- ✓ Building workforce capacity and capability
- ✓ Embedding a culture of diversity and inclusion.

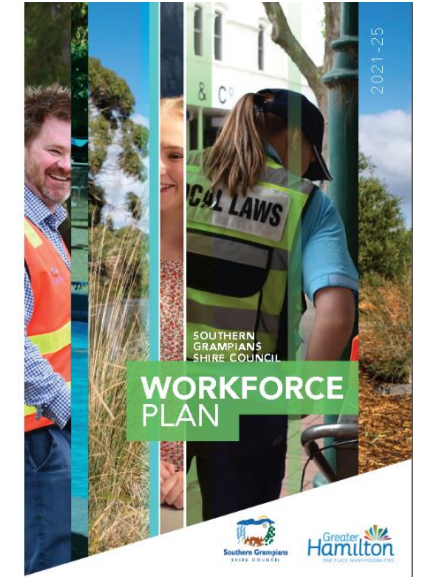
The overall objective of the Workforce Plan is to identify current and future workforce development trends and requirements to enable proactive strategies that allow Council to deliver efficient services in the future.

The plan has a particular focus on strategies that relate to our aging workforce, workplace diversity, succession planning and the development of programs that address these challenges through education, training and development.

Through this Workforce Plan, Council is adopting a future-focused approach to the management of its people to ensure it is well positioned to meet future workforce requirements.

The challenges and pressures faced by local government as we transition to the workplace of the future will:

- Significantly impact how we communicate, collaborate and organise our workforce
- Require a major shift in management practices and skillsets
- Require significant workplace relations and HR policy reform;
- Require a different approach to attracting, retaining and engaging talent
- Require capacity building of the core workforce and flexibility in accessing alternate resourcing options



4.7 Budget (4 Year Budget)

Council adopted its 4 year Budget for the 2021/22 year on 23 June 2021 and is currently developing its 2022/23 in conjunction with this document. This budget has been framed utilising the following parameters and assumptions:

- ✓ **Council Plan** – funding, initiatives and indicators are aligned with the 2021-2025 plan. Section 4.2 of this document provides a summary of the Plan.
- ✓ **Community Vision 2041** – this new piece of work was adopted in late 2021. This document helps to frame future directions and therefore budgets, which underpin this Long Term Financial Plan. Section 4.3 of this document provides a summary of the Vision.
- ✓ **Health and Wellbeing Plan** – this revised document was also adopted in late 2021. The themes and areas of action are incorporated into budgets and supported by goals, strategies and initiatives. Section 4.4 of this document provides a summary of the Plan.
- ✓ **The Workforce Plan** – this document has been in place for a number of years and was most recently updated in December 2021. It provides an organisational roadmap for the workforce. It details the challenges and actions required to meeting future requirements, enabling delivery of programs and services set out in the Council Plan. Section 4.6 of this document provides a summary of the Plan.



This Long Term Financial Plan has been built on the assumptions used for the development of the 2022/23 4 Year Budget and it is recognised that this requires continual review as Council's maturity of data gathering and interpretation increases. Whilst the plan has a 10 year outlook, Council's approach is to review annually to capture new information as it becomes available or is refined to provide a more accurate basis for decision making.

Council continues on its path of amending and identifying strategies, initiatives and indicators to provide new parameters (where necessary) to guide both the Long Term Financial Plan and subsequent 4 year budgets.

In future years, and as maturity develops, the 4 Year Budget will be based on the assumptions for the Long Term Financial Plan rather than the current reverse practice.

The 2022/23 Budget published the following 5 Themes and relevant strategic objectives from the 2021-2025 Council Plan:

Theme	Strategic Objectives
1. Support our Community	1.1 An empowered and connected community. 1.2 Support and promote a healthy community. 1.3 Grow a diverse and inclusive community. 1.4 A safe community.
2. Grow our Regional Economy	2.1 Drive economic growth. 2.2 Increase our regional profile. 2.3 Continue to support the development of a skilled workforce 2.4 Support local business and community.
3. Maintain and Renew our Infrastructure	3.1 Plan and maintain sustainable assets and infrastructure. 3.2 Safe and well-maintained transport routes and infrastructure for all modes of travel. 3.3 Attractive Council-owned and managed community and open spaces.
4. Protect our Natural Environment	4.1 Protect and enhance biodiversity including the health of waterways, wetlands, soil and air. 4.2 Balance environmental protection with Council's support for growth. 4.3 Sustainable waste management services. 4.4 Mitigate against and adapt to climate change.
5. Provide Strong Governance and Leadership	5.1 Transparent and accountable governance. 5.2 Effective advocacy. 5.3 Committed and skilled staff. 5.4 Customer focused services.

For the 2022/23 year, there are 38 Major and Minor initiatives identified through this review process to guide the delivery of Council services.

4.8 Revenue and Rating Plan 2021/22-2024/25

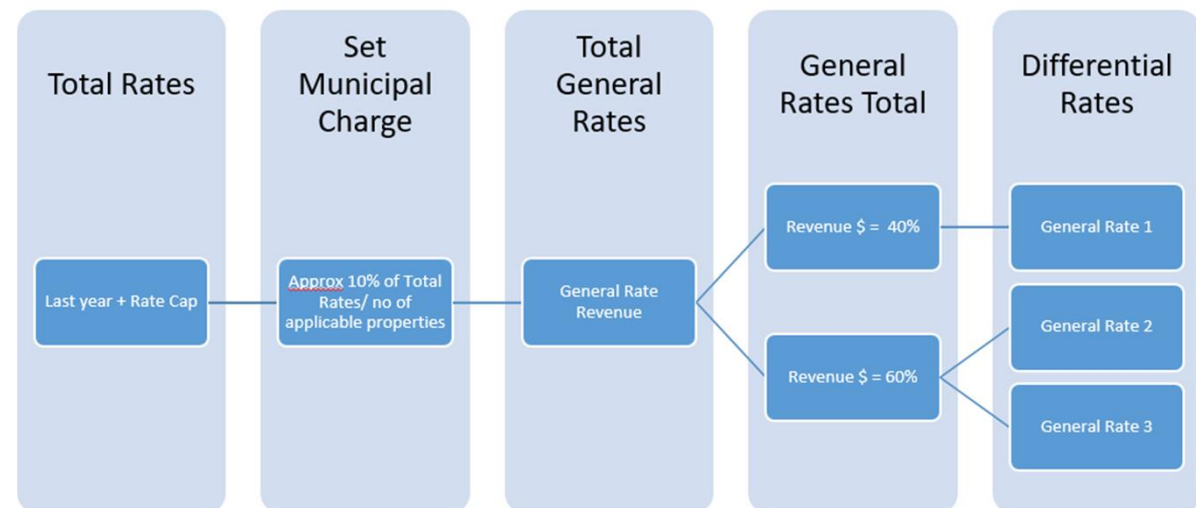
4.8.1 Revenue Planning

Council adopted a Revenue and Rating Plan on 23 June 2021 with a view to reviewing this plan prior to the next budget cycle. The plan was presented again on 8 December 2021 and adopted for a further year (2022/23) with it returning for consideration prior to the 2023/24 financial year. The main purpose behind this was a change in rating policy for the 2021/22 financial year which was different to the model which had been used since amalgamation in 1994. Allowing the Plan to proceed for a further year allowed for data to be comparable between years.

4.8.2 Rate Revenue

Rate Revenue makes up approximately 48% of Council revenue. Until the 2021/22, Council had a rating model which (generally speaking) saw properties outside the parishes of North and South Hamilton having a differential rate at 80% of the properties within those parishes.

The change in rating policy in 2021/22 meant that the properties (generally speaking) within the parishes of North and South Hamilton would contribute 40% of the total rate revenue required by Council and those properties (generally speaking) outside the parishes of North and South Hamilton would contribute 60% of the total rate revenue required by Council.



4.8.3 Operating Grants

Operating grants are the next highest source of funding making up approximately 27% of total revenue. These grants are set by other levels of government and Council has no real input into these amounts. Generally speaking the rate at which operating grants increase is around 2% whilst most expenditure relating to the delivery of these services is escalating at 4-5%.

4.8.4 Other Revenue

Other items of revenue include User Fees (13%), Capital Grants (variable from year to year but approx. 10%) and Asset sales, statutory fees and other income around 1% each.

4.8.5 Loan Funds

Council maintains a conservative loan portfolio at the current point in time, however with low interest rates and an ambitious capital works program, Council will need to leverage more funding to assist with funding long term inter-generational assets.

5. Financial Plan – Sustainable Model - Discussion

5.1 Level of Service Discussion

5.1.1 General Assumptions

Council provides in excess of 70 services to the community and they all come at a varying cost to Council. Balancing which service and at what cost is extremely difficult and different people, groups of people, organisations, etc all have individual view points on what this mix should be.

Once the mix of services is agreed, the decision about the mode, quantity and quality of the service has to be decided and costed. Funding and contributions to costs have to be examined as well as assets required to deliver the service.

The ever changing environment we live in also impacts on preferences, functionality and accessibility of these services – never more so that in the past few years where every service offered by Council has had some form of change to the way it is delivered and communicated to the community.

Decisions about each service impacts on the culmination of budget allocations over both short and long term. Some services evolve and grow over time whilst others diminish or are only required in the short term to fill a gap not provided by another level of government.

Council must ensure that all services provided are in alignment with their long term plans and hence the development of Vision 2041, the Council Plan and Health and Wellbeing plan. Whilst these plans might not mention specific services in them, the services themselves need to be able to link to these plans and support or grow these long term visions, otherwise the question needs to be: why is the service being provided if not to support the common vision?

5.1.2 Specific Assumptions

Both this LTFP and the adopted 2021/22 Budget have assumed a set level of service and determined budgets in accordance with these levels of service. Assets are utilised in assisting with achieving the service outcomes and modelling of asset renewal has been based on these existing levels of service.

As Council matures along the Integrated Planning and Reporting Framework journey, these levels of service, alignment to the Vision with supporting budgets and asset plans will also become more informative and insightful, guiding robust decisions backed by evidence.

Council is also aware that whilst some services may show cash surpluses, when overlaid with the true cost of corporate overheads and the assets required to deliver the service, these cash surpluses are actually operational deficits.

Whilst each year during budget development, each service is reviewed at a high level, there are number of “triggers” that lead to more in depth service reviews. Triggers include factors such as legislative change, external funding changes, ability to deliver the service (absence of workforce skill/availability), and asset deterioration/obsolescence, to name a few. These are critical points to question whether Council is actually best placed to deliver this service to the community. Would exiting the service stimulate the local economy in a different way and eliminate Council expenditure?

Council is committed to reviewing all services as opportunities arise.

5.2 Capital Works & Funding

5.2.1 Asset Renewal, Upgrade & Expansion

Council has long been working on the underlying assumption and planning that to maintain all of its existing assets in a safe and reliable state and renewing their condition at or prior to their agreed intervention levels, would require approximately \$11m per annum. This amount excludes any improvements to the asset.

Bearing in mind, that many assets are renewed to a “better” condition than their original state (eg roads are widened, timber bridges become steel and concrete, iron roof’s become colour bond) and that if Council were to maintain this 100% renewal formulae, no other works could be afforded.

Instead Council has compromised and maintained “pure renewal” targeted at 80% with the remaining 20% being either captured in major funding opportunities or assets that will be renewed at a lower level than originally commissioned.

Unfortunately, external funding is almost always **only** available for new, upgraded or expanded assets. This creates difficulty for Council in two financial areas:

1. There is a funding gap between what Council would have allocated for the renewal of the asset and the cost of the upgrade work less any grant funding,
2. A new/expanded asset might offer some financial saving initially, but later in its life cycle, may cost more to maintain and more to renew – generally without any external funding assistance.

This gap between what Council **should** be spending on renewing their assets and what they are **actually** spending on renewing their assets is called the renewal gap.

5.2.2 Major Multi Year Projects & New Assets

Council has already committed to a number of large multi-year projects which are currently under construction.

Council has also carried out substantial investigative work with the community to develop strategic plans to guide what assets the community uses and values as part of their lifestyle. These plans are then translated in to work plans and incorporated into future budgets.

The key to this work is prioritising these projects across the longer term and ensuring that the best possible funding scenario is developed to minimise the impact on Council’s bottom line. All projects need to be thoroughly supported by an evidence based business case that demonstrates both the costs and benefits to the community.

In a perfect world, an underlying assumption of all business cases would be that the investment in the asset would be outweighed by not only the imminent establishment expenditure but also the ongoing cost of maintaining the asset and ultimate renewal or removal at the end of its life. In Council’s world, this would mean that very rarely would any asset be constructed. Instead Council must overlay what the “intangible” benefit will be to the community and make prudent financial decisions based on balance affordability with community desire.

5.2.3 Asset Maintenance

All assets have to be maintained. Some have little maintenance in early years and increase in later years, others have a more average profile. In either situation, the cost of maintaining the asset must be added to the other costs of delivering a service.

5.3 Summary of Financial Assumptions

The following table details the assumptions used in the preparation of this version of the LTFP. It should be noted that these are a snapshot as at a particular point in time and that these assumptions will be amended as more articulate data is available.

Lever	Current Model
Revenue	
Rate & Charges Increase	1.75% Current Rate Cap
Statutory Fees & Charges	1.0% Not under control of Council
User Fees	4.0% as per Rating & Revenue Plan
Grants – Operating	2.0% approximate level of increase from other levels of government
Grants – Capital	Roads To Recovery recurring grant – others tied to specific projects
Contributions – Monetary	As per committed projects
Contributions – non-monetary	Not Modelled
Other Income	CPI
Expenses	
Employee Costs	3% on base level (actually 2% increase + oncosts)
Materials & Services	2.5%
Depreciation & Amortisation	As per asset portfolio
Other Expenses	2.5%
Capital Works	
Average Annual Asset Renewal – Infrastructure	80% renewal with an assumption that the remaining 20% is incorporated in specific upgrade or expansion projects
Average Annual Asset Renewal – Buildings	50% renewal with an assumption that the remaining 50% is incorporated in specific upgrade or expansion projects (25/26 onwards)

5.4 Financial Indicators/Parameter Goals

Section 7.1.7 sets out the current Financial Indicators utilising the set of financial assumptions in Section 5.3. These indicators are seen as a way to monitor the financial health of Council's financial position at a high level without having to understand the complexity of the detailed financial statements.

When reviewing this plan, Council has reviewed these indicators and has set its own set of indicators and parameter as goals when setting the next Long Term Financial Plan and underpinning the 2022/23 Budget.

Indicator	Parameter/Goal
1	Work towards an underlying surplus in our Income Statement every year
2	Maintain Liquidity Ratio above 100% each year
3	Borrowings to rate revenue not to exceed 30% during the 10 years
4	Loan and Borrowings payments as a percent of rate revenue not to exceed 5% of rate revenue during the 10 years
5	Demonstrated capacity to repay debt over the 10 years

6. Summary

Council have reviewed all the preceding documents, their status, assumptions and outputs to develop its first LTFP and then revise as part of the 2022/23 budget process.

The following pages represent a set of financial statements for the coming 10 years based on the current financial assumptions – Section 5.3.

The first four years of these statements and the details of the underlying assumptions are clearly set out in the 2022/23 Budget.

Now that the framework is almost complete, Council will analyse the outputs, set new parameters to guide financial sustainability (Section 5.4) and then reprioritise and re-work plans to fit into these new longer term parameters.

This evolutionary cycle has been challenging, however it has served the purpose of highlighting gaps in assumptions and plans, and paves a way forward to refine each of the individual plans to improve alignment and consistency throughout the whole suite of documents available to the community.

7. Financial Plan – Statements & Graphs

7.1 Model Financial Statements

7.1.1 Comprehensive Income Statement

	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Income										
Rates and charges	22,229	22,618	23,014	23,417	23,826	24,243	24,668	25,099	25,538	25,985
Statutory fees and fines	546	557	568	579	591	603	615	627	640	653
User fees	6,106	6,350	6,604	6,868	7,143	7,429	7,726	8,035	8,356	8,691
Grants - Operating	5,039	11,595	11,827	12,063	12,304	12,550	12,801	13,057	13,319	13,585
Grants - Capital	12,206	4,028	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985
Contributions - monetary	247	260	266	273	279	286	294	301	308	316
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(4)	(4)	(196)	(213)	(231)	(249)	(268)	(287)	(307)
Other income	230	242	248	254	260	267	273	280	287	294
Total Income	46,603	45,646	44,507	45,243	46,176	47,133	48,113	49,117	50,147	51,202
Expenses										
Employee costs	(20,062)	(20,463)	(20,873)	(21,290)	(21,716)	(22,150)	(22,593)	(23,045)	(23,506)	(23,976)
Materials and services	(11,735)	(10,815)	(10,565)	(10,882)	(11,208)	(11,545)	(11,891)	(12,248)	(12,615)	(12,994)
Depreciation	(11,976)	(11,975)	(11,975)	(11,822)	(11,822)	(11,822)	(11,822)	(11,822)	(11,822)	(11,822)
Borrowing costs	(72)	(172)	(186)	(160)	(180)	(154)	(166)	(132)	(145)	(125)
Other expenses	(4,628)	(5,217)	(5,334)	(5,229)	(5,229)	(5,235)	(5,365)	(5,235)	(5,235)	(5,235)
Total Expenses	(48,473)	(48,643)	(48,933)	(49,383)	(50,155)	(50,905)	(51,837)	(52,481)	(53,323)	(54,152)
Surplus/(deficit) for the year	(1,870)	(2,997)	(4,426)	(4,140)	(3,979)	(3,773)	(3,725)	(3,364)	(3,176)	(2,950)
Other comprehensive income										
Items that will not be reclassified to surplus or deficit in future periods:										
Items that may be reclassified to surplus or deficit in future periods	-	-	-	-	-	-	-	-	-	-
Total comprehensive result	(1,870)	(2,997)	(4,426)	(4,140)	(3,979)	(3,773)	(3,725)	(3,364)	(3,176)	(2,950)

7.1.2 Balance Sheet

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets										
Current assets										
Cash and cash equivalents	4,229	2,182	1,693	3,230	1,762	2,080	1,056	2,113	1,908	4,531
Trade and other receivables	3,716	3,427	3,351	3,408	3,467	3,518	3,588	3,651	3,715	3,771
Inventories	556	562	567	573	579	584	590	596	602	608
Non-current assets classified as held for sale	3,200	1,993	1,090	649	649	649	649	649	649	649
Other assets	-	-	-	-	-	-	-	-	-	-
Total current assets	11,701	8,164	6,702	7,860	6,456	6,831	5,883	7,008	6,873	9,560
Non-current assets										
Trade and other receivables	40	38	36	34	33	31	29	28	27	25
Property, infrastructure, plant & equipment	399,941	401,730	398,052	394,226	390,945	388,042	384,340	380,845	376,883	372,283
Investment property	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Total non-current assets	403,231	405,018	401,338	397,510	394,228	391,322	387,620	384,123	380,160	375,558
Total assets	414,932	413,182	408,040	405,370	400,684	398,154	393,502	391,131	387,033	385,117
Liabilities										
Current liabilities										
Trade and other payables	2,699	2,488	2,508	2,549	2,600	2,646	2,718	2,763	2,820	2,870
Trust funds and deposits	373	377	380	384	388	392	396	400	404	408
Provisions	5,653	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378	5,378
Interest-bearing loans and borrowings	763	739	560	763	793	1,003	1,041	982	1,006	1,209
Total current liabilities	9,488	8,982	8,826	9,074	9,159	9,419	9,533	9,523	9,607	9,865
Non-current liabilities										
Provisions	2,051	2,326	2,326	2,326	2,326	2,326	2,326	2,326	2,326	2,326
Interest-bearing loans and borrowings	3,066	4,544	3,984	5,207	4,414	5,396	4,355	5,359	4,353	5,129
Total non-current liabilities	5,117	6,870	6,310	7,533	6,740	7,722	6,681	7,685	6,679	7,455
Total liabilities	14,605	15,852	15,136	16,607	15,899	17,141	16,214	17,207	16,286	17,320
Net assets	400,327	397,330	392,904	388,764	384,785	381,012	377,288	373,924	370,747	367,798
Equity										
Accumulated surplus	147,098	144,101	139,675	135,535	131,556	127,783	124,059	120,695	117,518	114,569
Reserves	253,229	253,229	253,229	253,229	253,229	253,229	253,229	253,229	253,229	253,229
Total equity	400,327	397,330	392,904	388,764	384,785	381,012	377,288	373,924	370,747	367,798

7.1.3 Statement of Changes in Equity

	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022/23			
Balance at beginning of the financial year	146,973	253,094	541
Surplus/(deficit) for the year	(1,870)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	1,995	-	(406)
Balance at end of financial year	147,098	253,094	135
2023/24			
Balance at beginning of the financial year	147,098	253,094	135
Surplus/(deficit) for the year	(2,997)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	144,101	253,094	135
2024/25			
Balance at beginning of the financial year	144,101	253,094	135
Surplus/(deficit) for the year	(4,426)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	139,675	253,094	135
2025/26			
Balance at beginning of the financial year	139,675	253,094	135
Surplus/(deficit) for the year	(4,140)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	135,535	253,094	135
2026/27			
Balance at beginning of the financial year	135,535	253,094	135
Surplus/(deficit) for the year	(3,979)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	131,556	253,094	135

	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2027/28			
Balance at beginning of the financial year	131,556	253,094	135
Surplus/(deficit) for the year	(3,773)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	127,783	253,094	135
2028/29			
Balance at beginning of the financial year	127,783	253,094	135
Surplus/(deficit) for the year	(3,725)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	124,059	253,094	135
2029/30			
Balance at beginning of the financial year	124,059	253,094	135
Surplus/(deficit) for the year	(3,364)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	120,695	253,094	135
2030/31			
Balance at beginning of the financial year	120,695	253,094	135
Surplus/(deficit) for the year	(3,176)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	117,518	253,094	135
2031/32			
Balance at beginning of the financial year	117,518	253,094	135
Surplus/(deficit) for the year	(2,950)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	114,569	253,094	135

7.1.4 Statement of Cash Flows

	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities										
Rates and charges	22,229	22,770	22,983	23,390	23,799	24,220	24,635	25,070	25,509	25,960
Statutory fees and fines	546	559	567	579	590	602	614	627	639	652
User fees	6,106	6,379	6,592	6,856	7,131	7,417	7,712	8,021	8,342	8,677
Grants - operating	5,038	11,673	11,809	12,047	12,288	12,536	12,782	13,040	13,301	13,570
Grants - capital	12,206	4,055	2,124	1,985	1,985	1,985	1,985	1,985	1,985	1,985
Contributions - monetary	247	260	266	273	279	286	294	301	308	316
Interest received	123	129	132	136	139	143	146	150	154	157
Dividends received	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits taken	-	4	4	4	4	4	4	4	4	4
Other receipts	195	115	115	118	120	124	126	130	133	136
Net GST refund / payment	-	-	-	-	-	-	-	-	-	-
Employee costs	(20,062)	(20,563)	(20,846)	(21,266)	(21,691)	(22,129)	(22,564)	(23,019)	(23,479)	(23,953)
Materials and services	(11,735)	(10,896)	(10,589)	(10,862)	(11,187)	(11,525)	(11,866)	(12,224)	(12,591)	(12,971)
Short-term, low value and variable lease payments	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits repaid	-	-	-	-	-	-	-	-	-	-
Other payments	(4,628)	(5,254)	(5,324)	(5,238)	(5,229)	(5,235)	(5,353)	(5,245)	(5,235)	(5,236)
Net cash provided by/(used in) operating activities	10,265	9,232	7,835	8,022	8,229	8,428	8,514	8,839	9,070	9,298
Cash flows from investing activities										
Payments for property, infrastructure, plant and equipment	(29,403)	(14,427)	(8,976)	(8,692)	(9,255)	(9,649)	(8,870)	(9,095)	(8,648)	(8,028)
Proceeds from sale of property, infrastructure, plant and equipment	1,650	1,866	1,577	942	500	500	500	500	500	500
Net cash provided by/(used in) investing activities	(27,753)	(12,561)	(7,399)	(7,750)	(8,755)	(9,149)	(8,370)	(8,595)	(8,148)	(7,528)
Cash flows from financing activities										
Finance costs	(72)	(172)	(186)	(160)	(180)	(154)	(166)	(132)	(145)	(125)
Proceeds from borrowings	2,000	2,000	-	2,000	-	2,000	-	2,000	-	2,000
Repayment of borrowings	(556)	(546)	(739)	(575)	(763)	(807)	(1,003)	(1,056)	(982)	(1,021)
Net cash provided by/(used in) financing activities	1,372	1,282	(925)	1,265	(942)	1,039	(1,169)	812	(1,127)	854
Net increase/(decrease) in cash & cash equivalents	(16,116)	(2,047)	(489)	1,537	(1,468)	318	(1,024)	1,057	(205)	2,624
Cash and cash equivalents at the beginning of the financial year	20,345	4,229	2,182	1,693	3,230	1,762	2,080	1,056	2,113	1,908
Cash and cash equivalents at the end of the financial year	4,229	2,182	1,693	3,230	1,762	2,080	1,056	2,113	1,908	4,531

7.1.5 Statement of Capital Works

	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Property										
Land	1,200	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-
Total land	1,200	-	-	-	-	-	-	-	-	-
Buildings	3,807	790	850	1,050	750	750	750	750	760	750
Total buildings	3,807	790	850	1,050	750	750	750	750	760	750
Total property	5,007	790	850	1,050	750	750	750	750	760	750
Plant and equipment										
Plant, machinery and equipment	1,820	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Fixtures, fittings and furniture	95	-	-	-	-	-	-	-	-	-
Computers and telecommunications	10	75	146	45	40	85	50	55	20	20
Library books	85	85	85	85	85	85	85	85	85	85
Total plant and equipment	2,010	1,160	1,231	1,130	1,125	1,170	1,135	1,140	1,105	1,105
Infrastructure										
Roads	6,205	5,187	5,187	5,187	5,187	5,187	5,187	5,187	5,187	5,187
Bridges	765	490	475	450	450	450	450	450	450	450
Footpaths and cycleways	596	101	151	51	51	51	51	51	51	51
Drainage	-	400	400	400	400	400	400	400	400	400
Recreational, leisure and community facilities	5,790	5,427	487	364	1,182	1,591	797	942	525	40
Waste management	1,637	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	6,548	792	140	60	60	50	50	90	70	45
Aerodromes	240	-	25	-	-	-	-	60	100	-
Off street car parks	185	80	30	-	50	-	50	25	-	-
Other infrastructure	420	-	-	-	-	-	-	-	-	-
Total infrastructure	22,386	12,477	6,895	6,512	7,380	7,729	6,985	7,205	6,783	6,173
Total capital works expenditure	29,403	14,427	8,976	8,692	9,255	9,649	8,870	9,095	8,648	8,028
Represented by:										
New asset expenditure	2,901	25	-	-	-	-	-	-	-	-
Asset renewal expenditure	14,394	10,770	8,776	8,392	9,255	9,349	8,870	9,095	8,638	8,028
Asset expansion expenditure	-	-	-	-	-	-	-	-	-	-
Asset upgrade expenditure	12,108	3,632	200	300	-	300	-	-	10	-
Total capital works	29,403	14,427	8,976	8,692	9,255	9,649	8,870	9,095	8,648	8,028
Funding sources represented by:										
Grants	5,760	4,028	-	-	-	-	-	-	-	-
Contributions	953	-	-	-	-	-	-	-	-	-
Council Cash	22,690	10,398	8,976	8,692	9,255	9,649	8,870	9,095	8,648	8,028
Borrowings	-	-	-	-	-	-	-	-	-	-
Total capital works expenditure	29,403	14,427	8,976	8,692	9,255	9,649	8,870	9,095	8,648	8,028

7.1.6 Statement of Human Resources

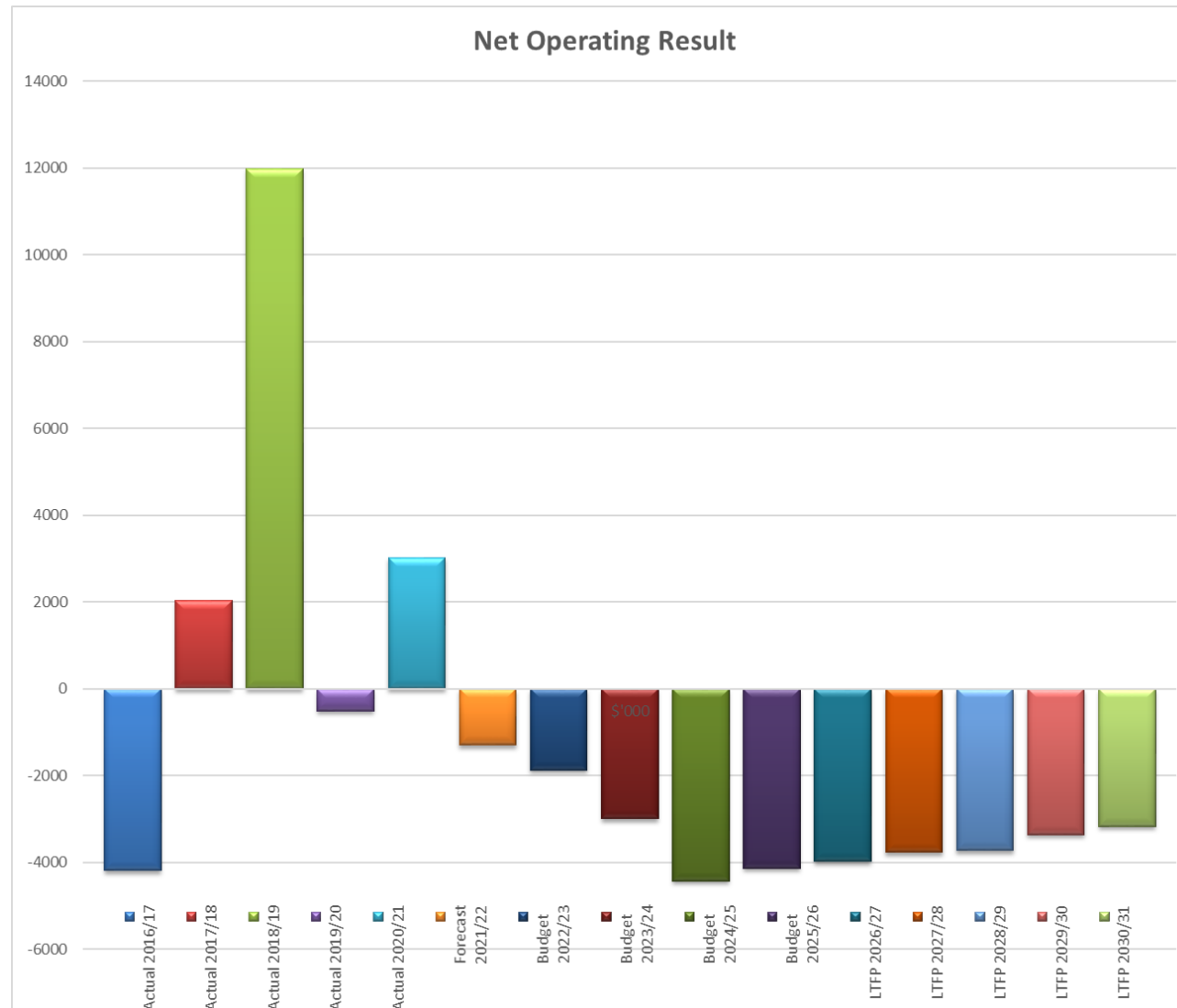
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Employee Costs - Operating	20,511	20,062	20,463	20,873	21,290	21,716	22,150	22,593	23,045	23,506	23,976
Employee Costs - Capital	2,818	2,218	2,258	2,098	2,140	2,183	2,226	2,271	2,316	2,363	2,410
Total Employee Costs	23,329	22,280	22,721	22,971	23,430	23,899	24,377	24,864	25,361	25,869	26,386
Staff Numbers - Full Time Equivalent	233	249	249	249	249	249	249	249	249	249	249

7.1.7 Financial Indicators (Ratios)

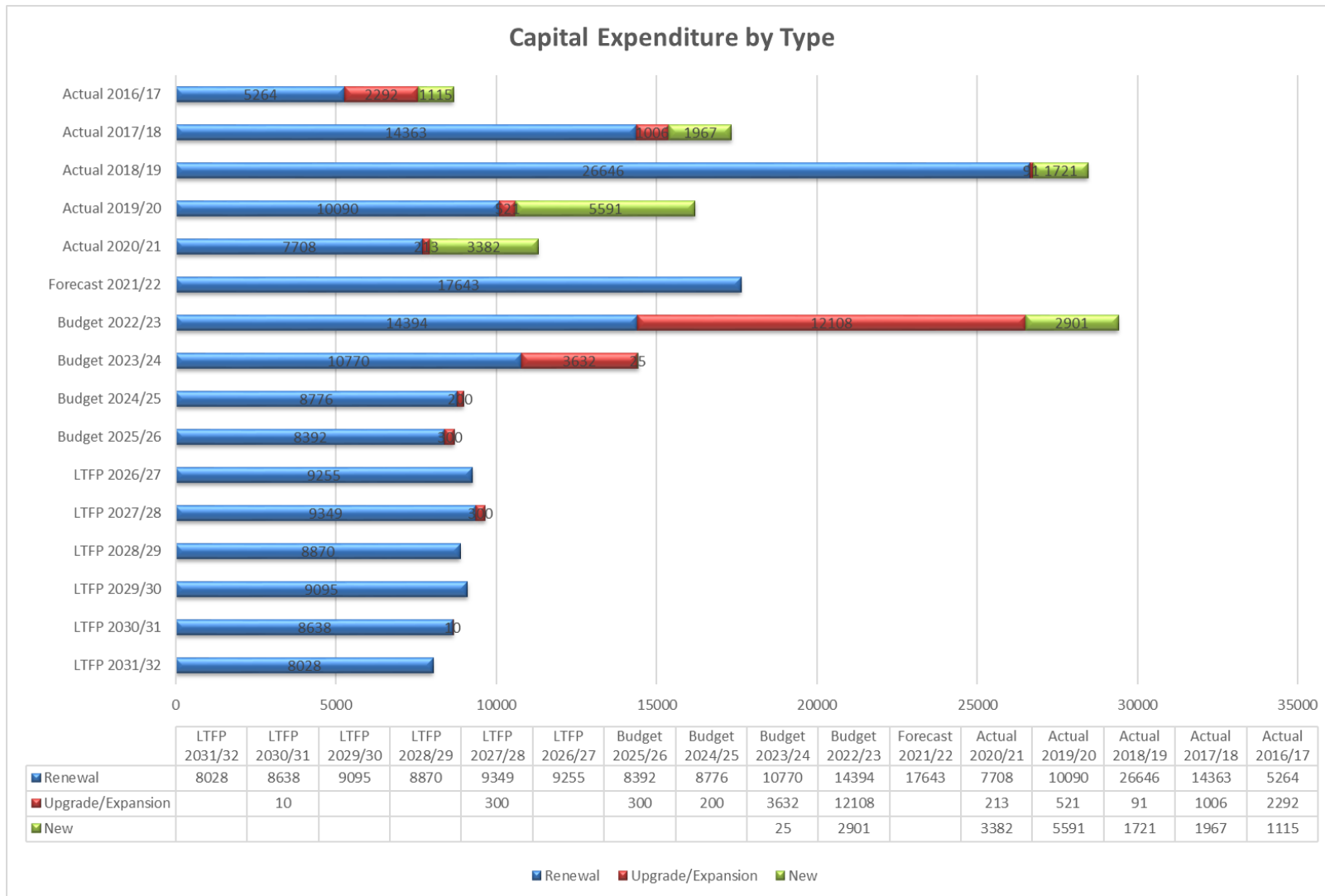
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Operating position											
Adjusted underlying result	%	-15.2%	-12.2%	-10.6%	-9.8%	-9.3%	-8.7%	-8.4%	-7.5%	-7.0%	-6.4%
Liquidity											
Working capital (current assets as a percentage of current liabilities)	%	123.3%	90.9%	75.9%	86.6%	70.5%	72.5%	61.7%	73.6%	71.5%	96.9%
Unrestricted cash (unrestricted cash compared to current liabilities)	%	40.6%	20.1%	14.9%	31.4%	15.0%	17.9%	6.9%	18.0%	15.7%	41.8%
Obligations											
Loans and borrowings (as a percentage of rate revenue)	%	17.2%	23.4%	19.7%	25.5%	21.9%	26.4%	21.9%	25.3%	21.0%	24.4%
Loans and borrowings payments (as a percentage of rate revenue)	%	2.8%	3.2%	4.0%	3.1%	4.0%	4.0%	4.7%	4.7%	4.4%	4.4%
Indebtedness (Non-current liabilities compared to own-source revenue)	%	17.6%	23.1%	20.7%	24.4%	21.3%	23.9%	20.2%	22.8%	19.3%	21.1%
Asset renewal and upgrade (compared to depreciation)	%	221.3%	120.3%	75.0%	73.5%	78.3%	81.6%	75.0%	76.9%	73.1%	67.9%
Stability											
Rates concentration (Rates compared to adjusted underlying revenue)	%	52.8%	52.2%	52.0%	52.1%	51.9%	51.8%	51.6%	51.4%	51.2%	51.1%
Rates effort (Rates compared to property values)	%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%
Efficiency											
Expenditure level (expenditure per property assessment)	\$ / assessment	\$ 4,342.29	\$ 4,357.52	\$ 4,383.49	\$ 4,423.84	\$ 4,492.97	\$ 4,560.18	\$ 4,643.66	\$ 4,701.36	\$ 4,776.78	\$ 4,851.02
Revenue level (average rate per property assessment)	\$ / assessment	\$ 1,991.31	\$ 2,026.16	\$ 2,061.62	\$ 2,097.69	\$ 2,134.40	\$ 2,171.76	\$ 2,209.76	\$ 2,248.43	\$ 2,287.78	\$ 2,327.82
Sustainable capacity indicators											
Own source revenue (per capita)	\$ / capita	\$ 1.83	\$ 1.87	\$ 1.91	\$ 1.94	\$ 1.98	\$ 2.03	\$ 2.07	\$ 2.12	\$ 2.17	\$ 2.22
Recurrent grants (per capita)	\$ / capita	\$ 0.55	\$ 0.59	\$ 0.60	\$ 0.61	\$ 0.62	\$ 0.63	\$ 0.64	\$ 0.65	\$ 0.66	\$ 0.67
Total expenditure (per capita)	\$ / capita	\$ 3.04	\$ 3.05	\$ 3.07	\$ 3.10	\$ 3.15	\$ 3.19	\$ 3.25	\$ 3.29	\$ 3.34	\$ 3.40
Infrastructure (per capita)	\$ / capita	\$ 19.36	\$ 19.60	\$ 19.49	\$ 19.37	\$ 19.29	\$ 19.23	\$ 19.13	\$ 19.03	\$ 18.91	\$ 18.76
Population density per KM of road	Population / km	5,787	5,787	5,787	5,787	5,787	5,787	5,787	5,787	5,787	5,787
Relative socio-economic disadvantage	Decile	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

7.2 Graphs

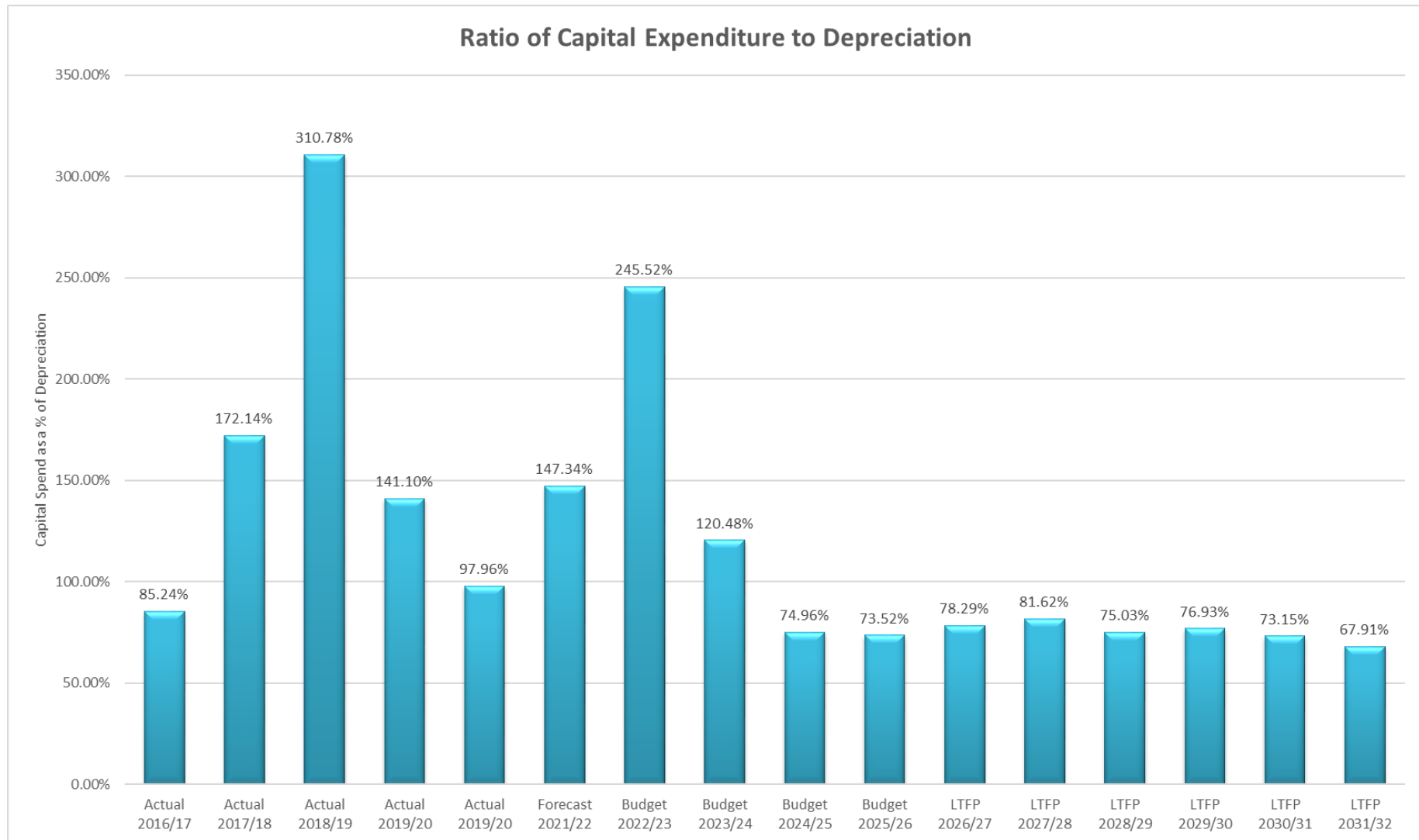
7.2.1 Net Operating Result



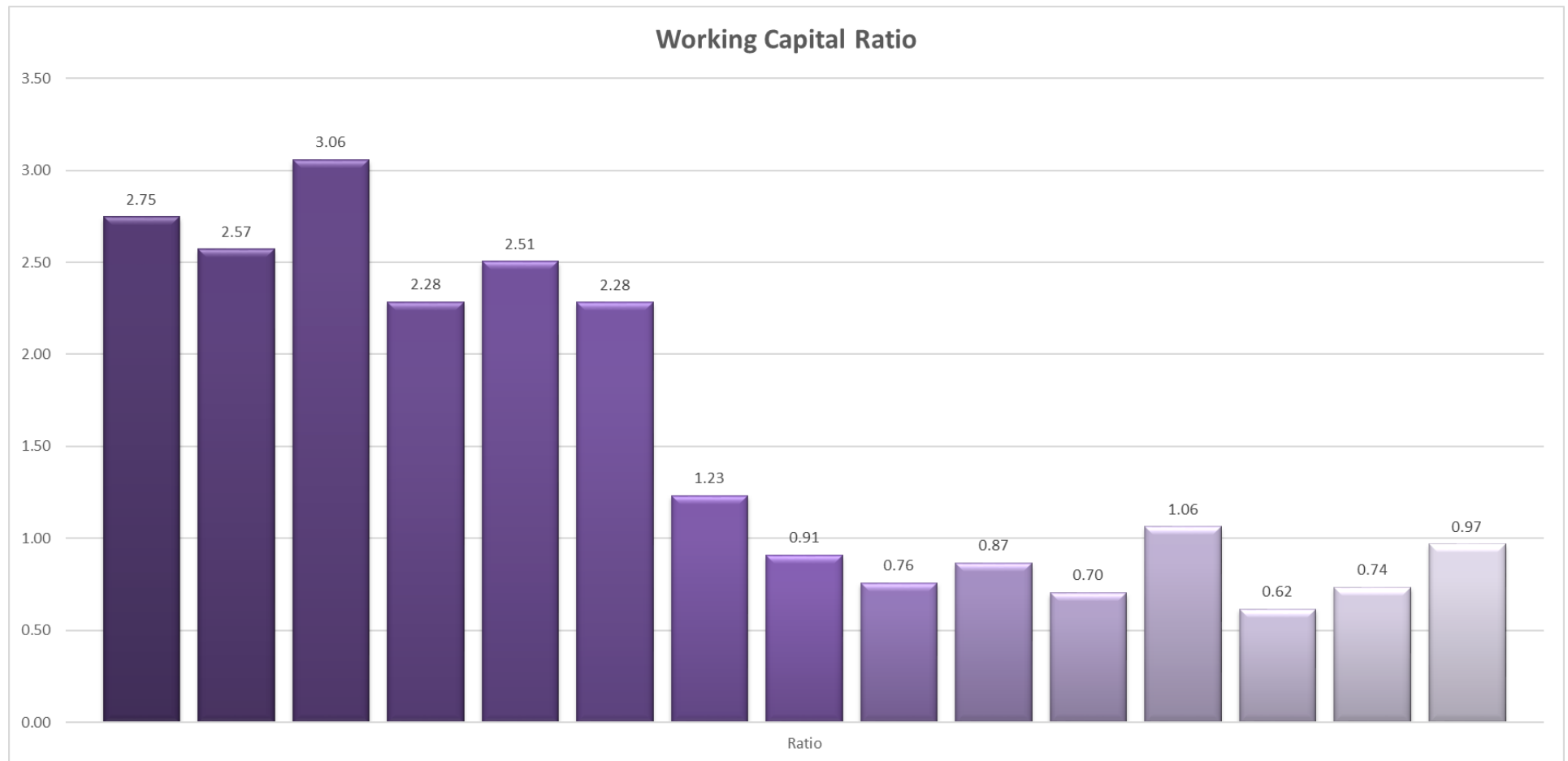
7.2.2 Capital Expenditure by Type



7.2.3 Capital Expenditure compared to Depreciation Expense



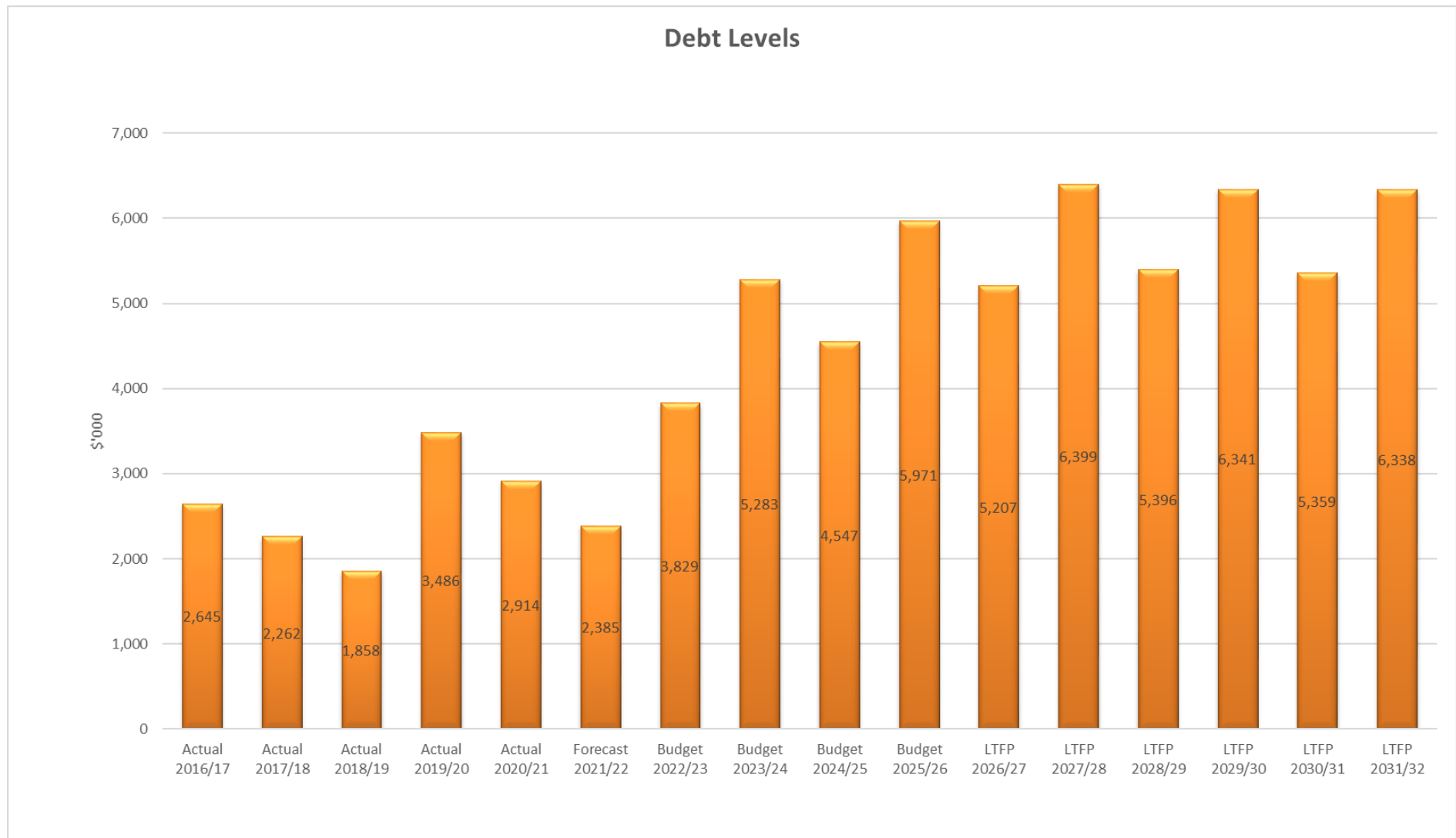
7.2.4 Working Capital Ratio



7.2.5 Net Funds Available



7.2.6 Debt Levels



7.2.7 Debt Servicing

