

Long Term Financial Plan

2021 – 2031



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	17	7.1.7 Financial Indicators (Ratios)	35
4.5 Asset Plan.....	19	7.2 Graphs.....	36
4.6 Workforce Plan	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	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 has prepared this first Long Term Financial Plan (LTFP) to ensure compliance with the Local Government Act 2020 and supporting Regulations.

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.

This new "Integrated Strategic Planning and Reporting Framework" set out in the new Act has numerous implementation and adoption dates of which this Council has been able to meet.

However, the timeframes for this new framework has meant that the sequence and linkage of all these documents has not always been as clear and concise as desired. Some documents have still been in draft format when other linked documents have been required to be adopted or multiple documents are being prepared concurrently rather than in sequence.

The result is that full linkage of the documents has not been possible and some documents (such as the LTFP) will be required to be re-written following adoption of other documents in the framework.

For example, the 2021/22 Budget was adopted prior to the preparation of the 2021/22 LTFP (this document) resulting in some inconsistencies and less than desirable outcomes over the longer term.

*Due to this, the next development cycle will see this document re-written as the 2022/23 LTFP with the 2022/23 Budget developed **at the same time**. This will allow full alignment in Years 1-4, sustainable financial indicators to be reviewed and incorporate the soon to be adopted Vision 2041, Council Plan and Public Health and Wellbeing Plan with their Strategies, Initiatives and Indicators.*

This new framework and development cycle will see the setting of financial ratios and indicators play a key role to provide an LTFP which is financially responsible and sustainable into the longer term and guide the financial level of incorporation of the strategies and activities from other plans.

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;

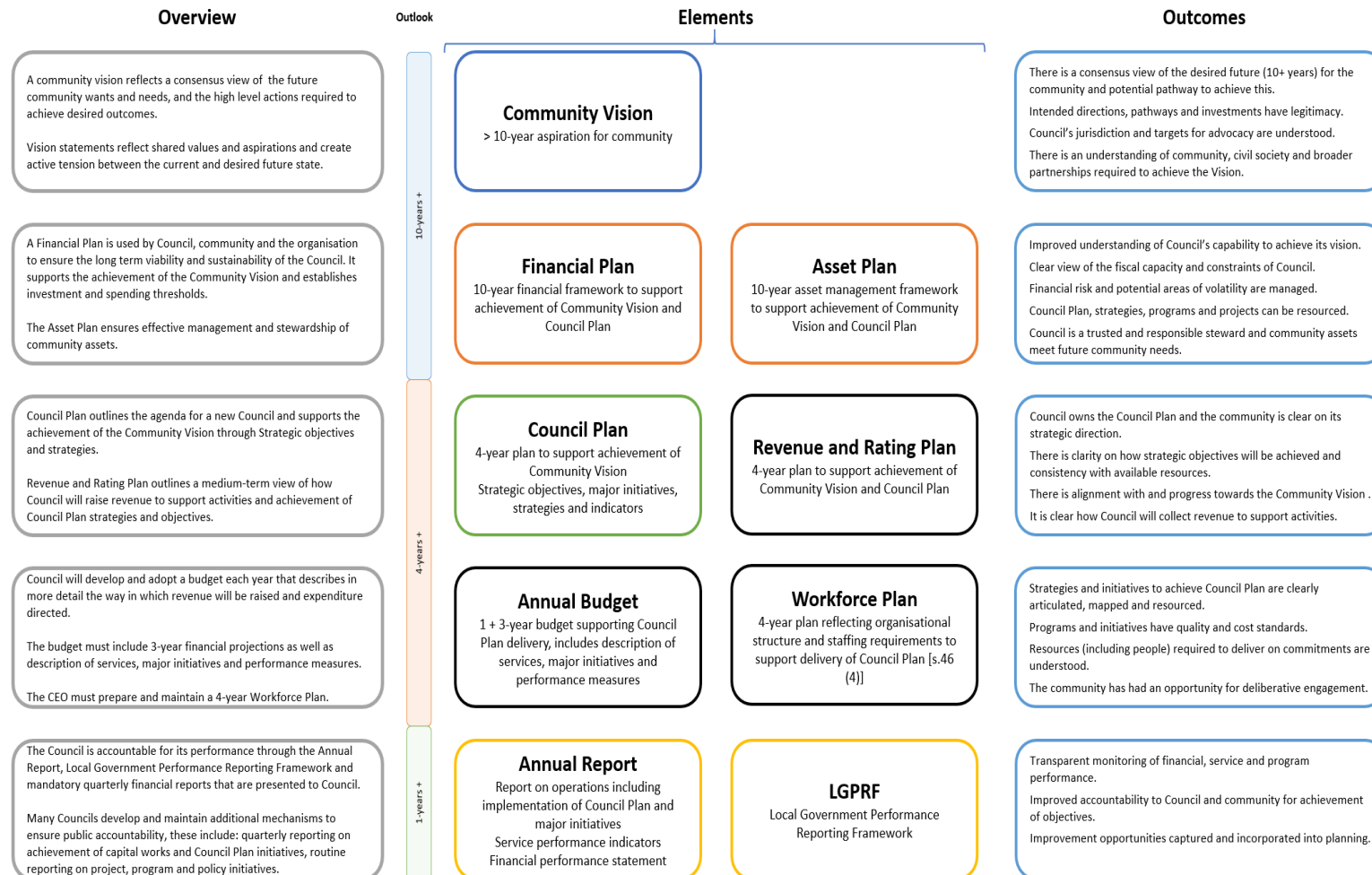
(c) a summary of the planned number of full time equivalent Council staff referred to in the statement of human resources, categorised according to the organisational structure of the Council and classified separately as—

- (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

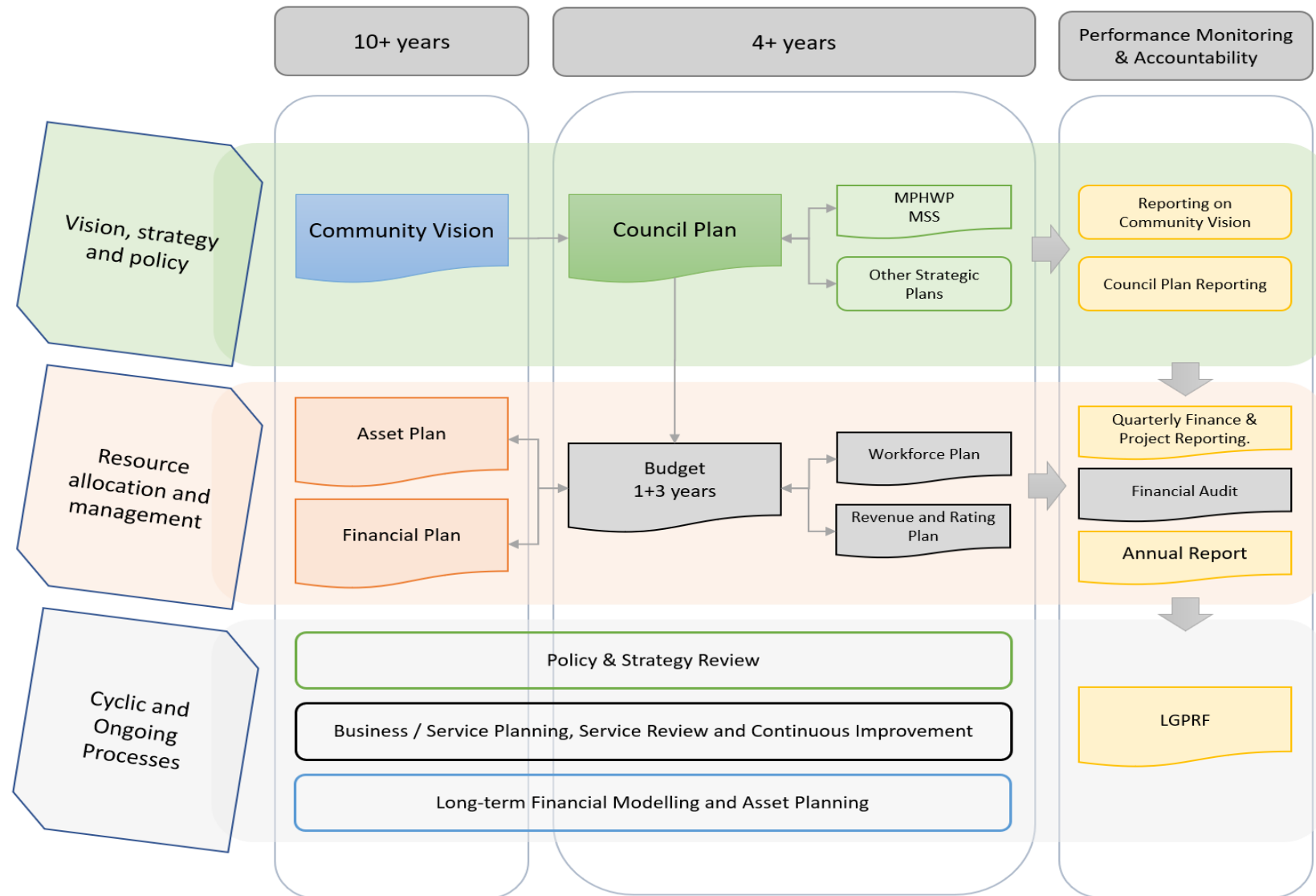
This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & Reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium 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. This financial plan takes into consideration that it is the first Plan of its type and the Community Vision and Council Plan (and Municipal Health and Wellbeing Plan) are not yet finalised. This means the Financial Plan will be reviewed and amended early in 2022.
- 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 Draft 2021-2025 Plan and Draft 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.

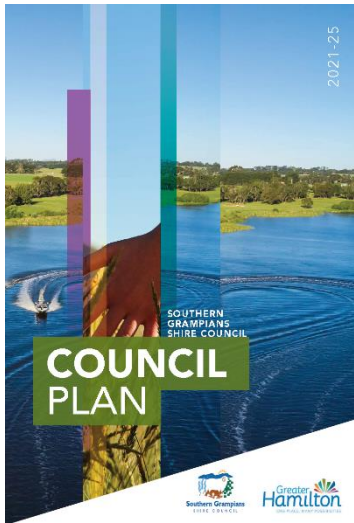
An Asset Plan which meets current legislation, integration framework and supporting principles is being developed over coming months, with a view to adoption before the end of the 2021/22 financial year.

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



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.
	<p>Outcomes</p> <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.
	<p>Outcomes</p> <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's approach will be to develop an annual Action Plan and support staff and partner organisations through ongoing monitoring and advice for initiatives related to health and wellbeing. Council will develop a Monitoring and Reporting Framework and an Evaluation Plan by the end of January 2022.

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

Council has not yet adopted an Asset Plan under the new Integrated Strategic Planning and Reporting Framework (See Section 2) however work has commenced on the project which reviews previously adopted policies and documents. 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 developed, 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

Council has not yet revised its Workforce Plan under the new Integrated Strategic Planning and Reporting Framework (See Section 2) however the organisation has had a mature plan in place since 2017. 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.

Once the Plan is reviewed, this section will be updated with a summary and explanation of the linkages and relationships between the Workforce Plan and the Long Term Financial Plan.

Local Government Victoria have provided guidance around what should be included in this Plan and is re-produced here for information.

The Chief Executive Officer is responsible for establishing and maintaining an organisation structure for the Council and is also responsible 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.

Under these provisions the Chief Executive Officer must also inform the Council and consult members of Council staff affected before implementing an organisational restructure that will affect the capacity of the Council to deliver the Council Plan.

The Mayor, Councillors and members of Council Staff must have access to the workforce plan.

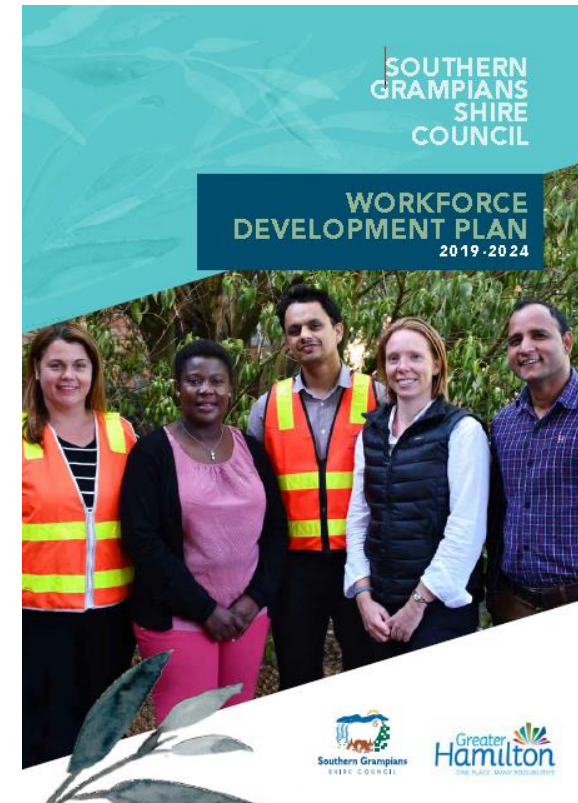
Employee related costs are usually the largest single cost category for Councils and therefore the Workforce Plan should reflect:

- the human resources required to implement strategic objectives, strategies, and major initiatives of the Council Plan
- the workforce requirements outlined in the 4-year Council budget
- the way in which policy objectives established for gender equity and inclusiveness will be achieved
- any other requirements prescribed by regulations

The requirement to establish a Workforce Plan will require a Chief Executive (and potentially Council) to consider and determine on the following matters:

- gender equity, diversity, and inclusiveness policy objectives for the Council
- defining what 'will affect the capacity of the Council to deliver the Council Plan' means
- establishing thresholds for notification of a restructure to the Mayor, Deputy Mayor, Councillors, and initiation of consultation with staff?
- how transparency provisions related to the Workforce Plan will work whilst protecting the individual privacy and workplace rights of employees?
- how this provision works or integrates with industrial obligations under relevant awards or enterprise agreements

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



for

4.7 Budget (4 Year Budget)

Council adopted its 4 year Budget on 23 June 2021. This budget was framed utilising the following parameters and assumptions:

- ✓ **Council Plan** – funding, initiatives and indicators were aligned with the 2017-2021 Council Plan as the 2021-2025 plan was still being developed. It was assumed that whilst the development of the new Plan would have new strategic goals, the under lying themes would be very similar. Any changes or new themes would be linked to the future versions of the Budget.
- ✓ **Community Vision 2041** – this new piece of work was only in its infancy state and therefore a high level scan of the emerging information was undertaken to ascertain if there were any new areas that needed immediate priority – at that point – none were apparent. Once adopted, this document will help to frame future budgets, which underpin this Long Term Financial Plan.
- ✓ **Health and Wellbeing Plan** – similar to the Council Plan and Vision 2041 – early community discussions and areas of interest were considered, but only from the point of overarching assumptions of continuing current work. New themes or areas would come through the formal plan and then be incorporated into future budgets when able to be supported by goals, strategies and initiatives.
- ✓ **The Workforce Plan** – this document has been in place for a number of years. It reflects current assumptions encompassed in previous budgets as adopted. As Council starts to make new decisions about strategic direction and services to support the direction, this plan will need to be reviewed, along with its staff number projections.



This Long Term Financial Plan has been built on the assumptions used for the development of the 2021/22 4 Year Budget and it is recognised that this requires substantial review and is ideally not how a long term financial plan should be developed, however the incredible workload for all Councils associated with the implementation of the 2020 Local Government Act, has meant that documents have either had to be prepared concurrently or out of the desired sequencing to meet legislatively imposed timeframes. The result is that full linkage of the documents has not been possible and some documents (such as the LTFP) will be required to be re-written following adoption of other documents in the framework.

Following adoption of the 2041 Vision and supporting 2021-25 Council Plan and Health & Wellbeing Plans, work will commence on amending and identifying strategies, initiatives and indicators to provide a new set of parameters to guide both the Long Term Financial Plan and subsequent 4 year budget commencing 2022/23. i.e. this Long Term Financial Plan will be reviewed and amended in the early 2022 calendar year to support the new suite of plans.

In future years the 4 Year Budget will be based on the assumptions for the Long Term Financial Plan. Both these documents for the 2022/23 financial year will be commenced prior to the end of the 2021 financial year.

The 2021/22 Budget published the following 5 Themes and relevant strategic objectives from the 2017-2021 Council Plan (which are very similar to the 5 themes in the 2021-25 Council Plan):

Theme	Strategic Objectives
1. Support our Community	1.1 An empowered and resilient community. 1.2 A healthy and vibrant community. 1.3 A growing, diverse and inclusive community. 1.4 A safe community.
2. Develop our Regional Economy and Businesses	2.1 Attract, support and encourage industries that propel economic growth throughout the Shire. 2.2 Increase the profile of Greater Hamilton regionally and globally. 2.3 Continue to support the development of a skilled workforce and sustainable businesses in all towns in the Shire. 2.4 Support, encourage and promote a strong, innovative and distinctive tourism sector that grows the visitor economy.
3. Plan for our Built Environment	3.1 Plan and provide for sustainable assets and infrastructure. 3.2 Plan, advocate and provide for safe and well maintained transport routes and infrastructure. 3.3 Develop and maintain attractive and vibrant Council owned and managed open spaces and streetscapes. 3.4 Encourage and support infrastructure for social inclusion and economic growth.
4. Promote our Natural Environment	4.1 Promote and support improved biodiversity and the health of waterways, wetlands, soil and air. 4.2 Balance environmental protection with Council's support for growth. 4.3 Promote and provide sustainable waste management services. 4.4 Develop and implement climate change adaptation strategies to prepare for climate change, especially extreme weather events.
5. Provide Governance and Leadership	5.1 Provide transparent and responsible governance. 5.2 Deliver effective advocacy. 5.3 Create an environment that supports committed and skilled staff. 5.4 Deliver efficient and customer focused services.

For the 2021/22 year, there are 36 Major and Minor initiatives identified through this review process to guide the delivery of Council services.

4.8 Revenue and Rating Plan

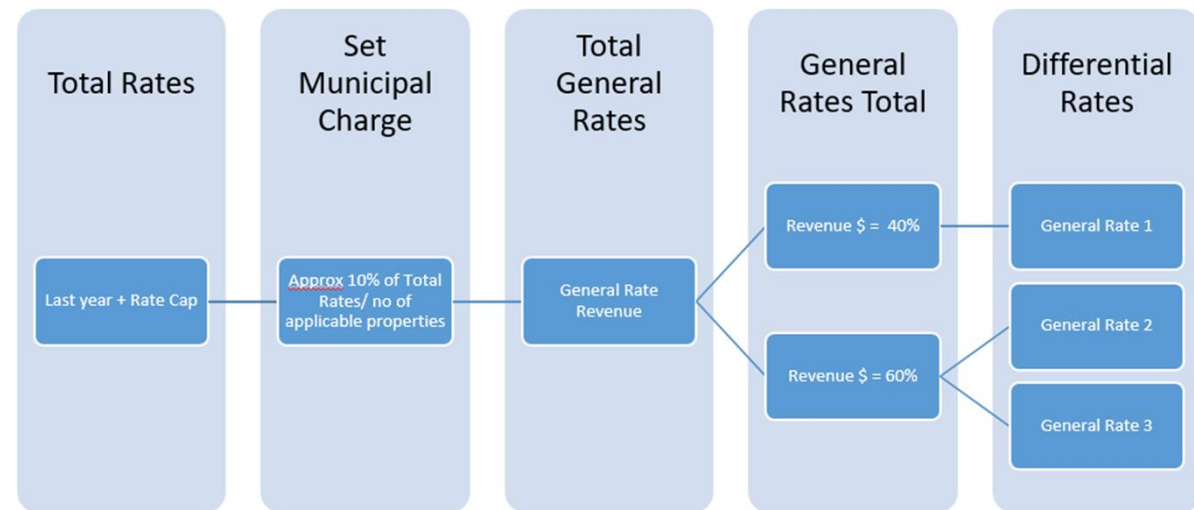
4.8.1 Revenue Planning

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 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. Council want to review the impact of this change before committing to this model further.

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 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 2 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	Mid Leverage Model (Current Model)
Revenue	
Rate & Charges Increase	1.5% 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% (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.

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 2021/22 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

	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
Income										
Rates and charges	21,800	22,127	22,459	22,796	23,138	23,485	23,837	24,195	24,558	24,926
Statutory fees and fines	556	562	567	573	579	584	590	596	602	608
User fees	6,207	6,455	6,713	6,982	7,261	7,552	7,854	8,168	8,495	8,834
Grants - Operating	8,695	11,030	11,251	11,476	11,705	11,939	12,178	12,422	12,670	12,923
Grants - Capital	4,162	5,292	3,055	2,125	2,235	1,985	1,985	1,985	1,985	1,985
Contributions - monetary	-	-	-	2	50	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(0)	0	(0)	(196)	(213)	(231)	(249)	(268)	(287)
Other income	665	699	716	734	752	771	790	810	830	851
Total Income	42,085	46,164	44,762	44,688	45,525	46,103	47,004	47,927	48,872	49,841
Expenses										
Employee costs	(19,096)	(19,669)	(20,259)	(20,867)	(21,493)	(22,137)	(22,802)	(23,486)	(24,190)	(24,916)
Materials and services	(10,053)	(10,304)	(10,562)	(10,826)	(11,097)	(11,374)	(11,658)	(11,950)	(12,249)	(12,555)
Depreciation	(10,907)	(11,052)	(11,052)	(11,052)	(11,052)	(11,052)	(11,052)	(11,052)	(11,052)	(11,052)
Borrowing costs	(99)	(206)	(209)	(177)	(197)	(174)	(209)	(176)	(200)	(166)
Other expenses	(4,164)	(4,535)	(4,722)	(4,967)	(4,972)	(5,096)	(5,223)	(5,486)	(5,485)	(5,620)
Total Expenses	(44,319)	(45,767)	(46,803)	(47,889)	(48,811)	(49,834)	(50,943)	(52,149)	(53,175)	(54,309)
Total comprehensive result	(2,234)	398	(2,041)	(3,201)	(3,286)	(3,730)	(3,939)	(4,223)	(4,303)	(4,468)

7.1.2 Balance Sheet

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets										
Current assets										
Cash and cash equivalents	7,357	7,409	4,390	3,671	2,931	4,813	3,156	4,287	1,960	2,844
Trade and other receivables	4,432	2,990	2,880	2,876	2,940	2,974	3,021	3,086	3,145	3,204
Inventories	634	640	647	653	660	666	673	680	687	693
Non-current assets classified as held for sale	4,185	2,965	1,728	803	350	350	350	350	350	350
Other assets	382	382	382	382	382	382	382	382	382	382
Total current assets	16,990	14,387	10,026	8,385	7,263	9,186	7,583	8,785	6,524	7,473
Non-current assets										
Trade and other receivables	62	59	56	53	50	48	46	43	41	39
Property, infrastructure, plant & equipment	363,081	368,458	369,968	369,980	367,174	363,841	360,540	357,125	353,777	350,279
Investment property	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Total non-current assets	365,443	370,817	372,324	372,334	369,525	366,189	362,885	359,468	356,118	352,618
Total assets	382,433	385,204	382,350	380,718	376,788	375,375	370,468	368,253	362,641	360,092
Liabilities										
Current liabilities										
Trade and other payables	2,565	3,645	3,744	3,871	3,971	4,083	4,187	4,329	4,440	4,566
Trust funds and deposits	1,478	1,486	1,494	1,502	1,510	1,518	1,526	1,534	1,543	1,551
Provisions	7,053	5,229	5,229	5,229	5,229	5,229	5,229	5,229	5,229	5,229
Interest-bearing loans and borrowings	529	919	550	752	781	1,080	1,119	1,428	1,194	1,491
Total current liabilities	11,625	11,279	11,017	11,354	11,491	11,910	12,061	12,520	12,406	12,837
Non-current liabilities										
Provisions	3,573	5,397	5,397	5,397	5,397	5,397	5,397	5,397	5,397	5,397
Interest-bearing loans and borrowings	3,855	4,750	4,200	5,433	4,652	6,549	5,430	6,980	5,786	7,273
Total non-current liabilities	7,428	10,147	9,597	10,830	10,049	11,946	10,827	12,377	11,183	12,670
Total liabilities	19,053	21,426	20,614	22,183	21,539	23,856	22,889	24,897	23,589	25,507
Net assets	363,380	363,778	361,736	358,535	355,249	351,518	347,579	343,356	339,053	334,585
Equity										
Accumulated surplus	141,922	142,320	140,278	137,077	133,791	130,060	126,121	121,898	117,595	113,127
Reserves	221,458	221,458	221,458	221,458	221,458	221,458	221,458	221,458	221,458	221,458
Total equity	363,380	363,778	361,736	358,535	355,249	351,518	347,579	343,356	339,053	334,585

7.1.3 Statement of Changes in Equity

	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021/22			
Balance at beginning of the financial year	144,156	220,976	482
Surplus/(deficit) for the year	(2,234)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	141,922	220,976	482
2022/23			
Balance at beginning of the financial year	141,922	220,976	482
Surplus/(deficit) for the year	398	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	142,320	220,976	482
2023/24			
Balance at beginning of the financial year	142,320	220,976	482
Surplus/(deficit) for the year	(2,041)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	140,278	220,976	482
2024/25			
Balance at beginning of the financial year	140,278	220,976	482
Surplus/(deficit) for the year	(3,201)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	137,077	220,976	482
2025/26			
Balance at beginning of the financial year	137,077	220,976	482
Surplus/(deficit) for the year	(3,286)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	133,791	220,976	482

	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2026/27			
Balance at beginning of the financial year	133,791	220,976	482
Surplus/(deficit) for the year	(3,730)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	130,060	220,976	482
2027/28			
Balance at beginning of the financial year	130,060	220,976	482
Surplus/(deficit) for the year	(3,939)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	126,121	220,976	482
2028/29			
Balance at beginning of the financial year	126,121	220,976	482
Surplus/(deficit) for the year	(4,223)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	121,898	220,976	482
2029/30			
Balance at beginning of the financial year	121,898	220,976	482
Surplus/(deficit) for the year	(4,303)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	117,595	220,976	482
2030/31			
Balance at beginning of the financial year	117,595	220,976	482
Surplus/(deficit) for the year	(4,468)	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfer (to)/from reserves	-	-	-
Balance at end of financial year	113,127	220,976	482

7.1.4 Statement of Cash Flows

	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	21,800	22,860	22,442	22,770	23,116	23,462	23,819	24,167	24,534	24,902
Statutory fees and fines	556	574	567	573	578	584	590	596	602	608
User fees	6,207	6,601	6,703	6,969	7,249	7,539	7,841	8,153	8,480	8,819
Grants - operating	8,695	11,395	11,238	11,459	11,690	11,924	12,165	12,403	12,654	12,907
Grants - capital	4,162	5,467	3,209	2,189	2,228	2,003	1,986	1,985	1,985	1,985
Contributions - monetary	-	-	-	2	50	-	-	-	-	-
Interest received	175	184	188	193	198	203	208	213	219	224
Trust funds and deposits taken	-	8	8	8	8	8	8	8	8	8
Other receipts	490	529	527	540	550	571	582	596	611	626
Employee costs	(19,096)	(18,951)	(20,193)	(20,785)	(21,416)	(22,058)	(22,727)	(23,394)	(24,103)	(24,826)
Materials and services	(10,053)	(10,060)	(10,550)	(10,808)	(11,081)	(11,358)	(11,644)	(11,930)	(12,231)	(12,537)
Other payments	(4,164)	(4,425)	(4,708)	(4,946)	(4,972)	(5,086)	(5,213)	(5,463)	(5,485)	(5,609)
Net cash provided by/(used in) operating activities	8,772	14,182	9,432	8,163	8,199	7,792	7,613	7,334	7,273	7,107
Cash flows from investing activities										
Payments for property, infrastructure, plant and equipment	(22,554)	(17,076)	(13,224)	(11,744)	(8,942)	(8,432)	(8,482)	(8,387)	(8,472)	(8,342)
Proceeds from sale of property, infrastructure, plant and equipment	1,925	1,866	1,900	1,604	953	500	500	500	500	500
Proceeds from investments	-	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) investing activities	(20,629)	(15,210)	(11,324)	(10,140)	(7,989)	(7,932)	(7,982)	(7,887)	(7,972)	(7,842)
Cash flows from financing activities										
Finance costs	(99)	(206)	(209)	(177)	(197)	(174)	(209)	(176)	(200)	(166)
Proceeds from borrowings	2,000	2,000	-	2,000	-	3,000	-	3,000	-	3,000
Repayment of borrowings	(529)	(714)	(919)	(565)	(752)	(803)	(1,080)	(1,141)	(1,428)	(1,216)
Net cash provided by/(used in) financing activities	1,372	1,080	(1,128)	1,258	(949)	2,022	(1,289)	1,683	(1,628)	1,618
Net increase/(decrease) in cash & cash equivalents	(10,485)	52	(3,019)	(719)	(740)	1,882	(1,657)	1,130	(2,326)	884
Cash and cash equivalents at the beginning of the financial year	17,842	7,357	7,409	4,390	3,671	2,931	4,813	3,156	4,287	1,960
Cash and cash equivalents at the end of the financial year	7,357	7,409	4,390	3,671	2,931	4,813	3,156	4,287	1,960	2,844

7.1.5 Statement of Capital Works

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property										
Land	-	-	-	-	-	-	-	-	-	-
Land improvements	1,210	-	-	-	-	-	-	-	-	-
Total land	1,210	-	-	-	-	-	-	-	-	-
Buildings	2,548	2,405	3,016	1,875	1,094	1,044	1,044	1,044	1,044	1,044
Heritage buildings	-	-	-	-	-	-	-	-	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-
Total buildings	2,548	2,405	3,016	1,875	1,094	1,044	1,044	1,044	1,044	1,044
Total property	3,758	2,405	3,016	1,875	1,094	1,044	1,044	1,044	1,044	1,044
Plant and equipment										
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	1,797	-	-	-	-	-	-	-	-	-
Fixtures, fittings and furniture	136	-	-	-	-	-	-	-	-	-
Computers and telecommunications	-	435	250	161	60	105	100	65	70	50
Library books	70	55	55	55	55	55	55	55	55	55
Total plant and equipment	2,003	490	305	216	115	160	155	120	125	105
Infrastructure										
Roads	7,755	5,582	5,582	5,582	5,582	5,582	5,582	5,582	5,582	5,582
Bridges	800	940	900	900	900	900	900	900	900	900
Footpaths and cycleways	51	51	101	151	51	51	101	51	51	51
Drainage	-	2,225	1,325	425	400	400	400	400	400	400
Recreational, leisure and community facilities	4,362	3,486	1,855	2,312	800	290	300	290	310	250
Waste management	-	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	20	100	25	-	-	-	-	-	-	-
Aerodromes	-	40	20	23	-	-	-	-	60	-
Off street car parks	-	220	50	30	-	-	-	-	-	-
Other infrastructure	3,805	1,537	45	230	-	5	-	-	-	10
Total infrastructure	16,793	14,181	9,903	9,653	7,733	7,228	7,283	7,223	7,303	7,193
Total capital works expenditure	22,554	17,076	13,224	11,744	8,942	8,432	8,482	8,387	8,472	8,342
Represented by:										
New asset expenditure	5,697	5,375	1,486	315	55	55	55	55	55	55
Asset renewal expenditure	16,073	11,601	11,738	11,129	8,887	8,377	8,427	8,332	8,417	8,287
Asset expansion expenditure	-	-	-	-	-	-	-	-	-	-
Asset upgrade expenditure	784	100	-	300	-	-	-	-	-	-
Total capital works	22,554	17,076	13,224	11,744	8,942	8,432	8,482	8,387	8,472	8,342
Funding sources represented by:										
Grants	4,162	5,292	3,055	2,125	2,235	1,985	1,985	1,985	1,985	1,985
Contributions	-	-	-	2	50	-	-	-	-	-
Council Cash	18,392	9,784	10,168	7,616	6,656	3,446	6,496	3,401	6,486	3,356
Borrowings	-	2,000	-	2,000	-	3,000	-	3,000	-	3,000
Total capital works expenditure	22,554	17,076	13,224	11,744	8,942	8,432	8,482	8,387	8,472	8,342

7.1.6 Statement of Human Resources

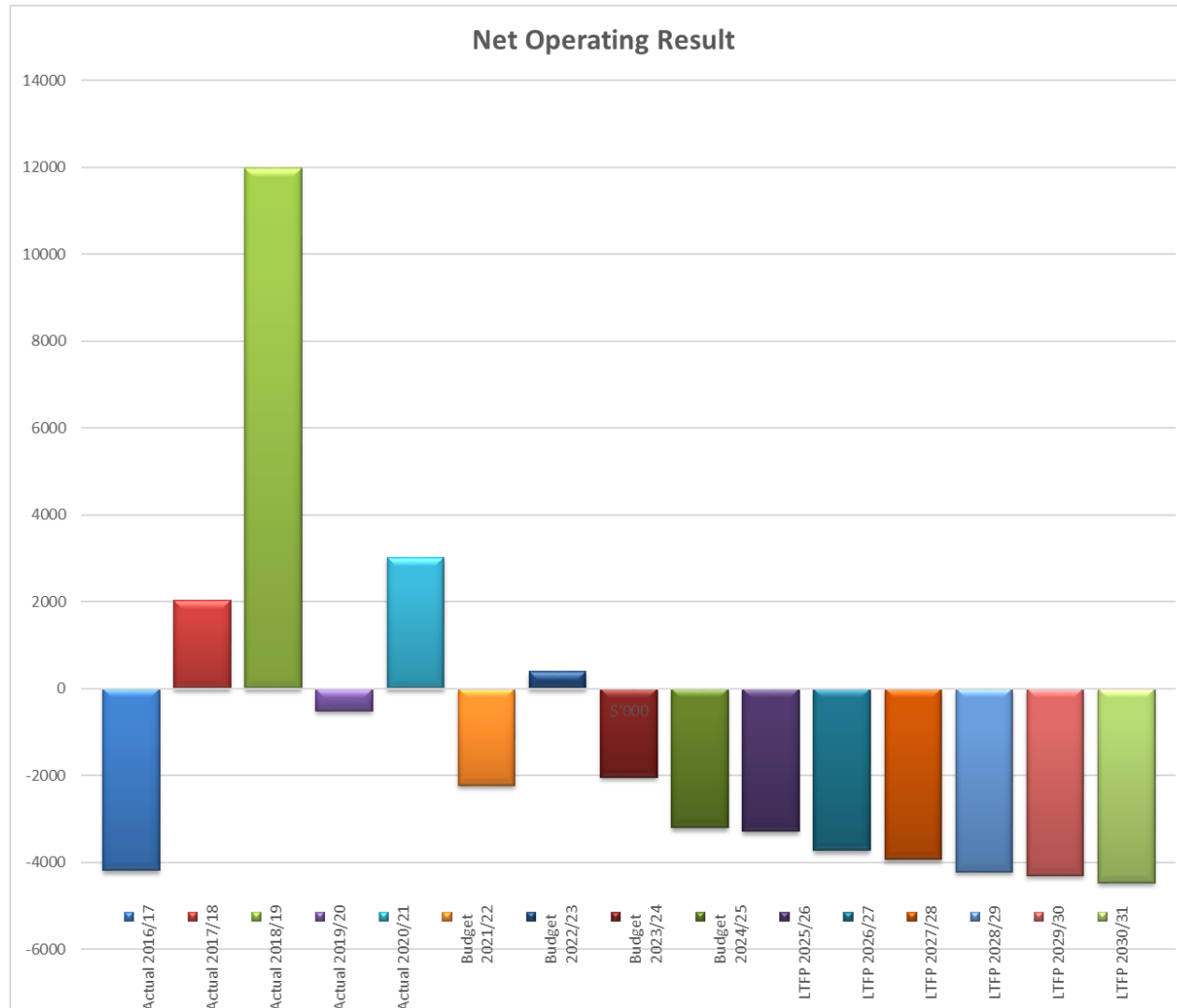
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Employee Costs - Operating	19,166	19,741	20,333	20,943	21,572	22,219	22,885	23,572	24,279	25,007
Employee Costs - Capital	2,069	2,131	2,195	2,261	2,329	2,399	2,470	2,545	2,621	2,700
Total Employee Costs	21,235	21,872	22,528	23,204	23,900	24,617	25,356	26,116	26,900	27,707
Staff Numbers - Full Time Equivalent	241	241	241	241	241	241	241	241	241	241

7.1.7 Financial Indicators (Ratios)

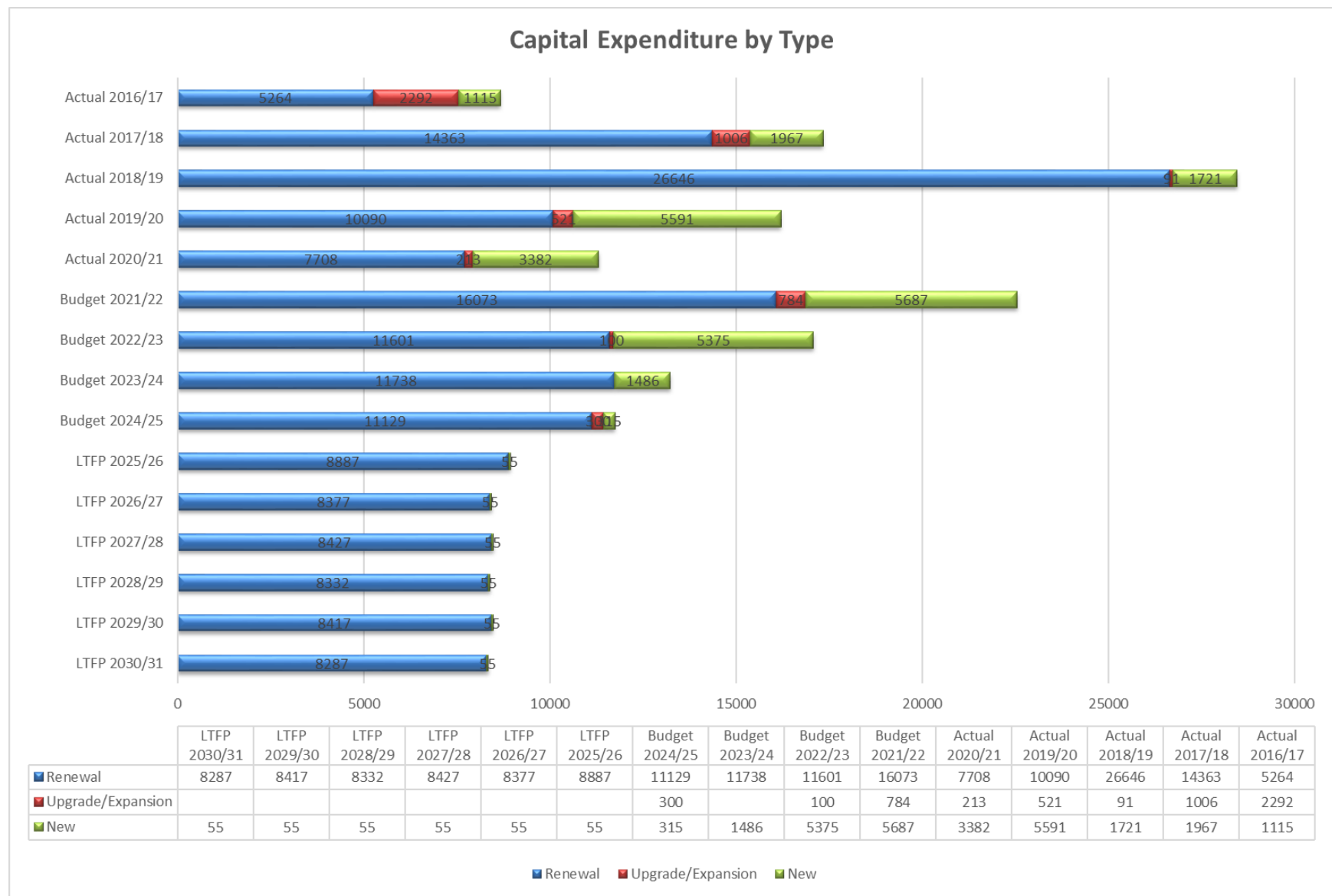
Period start		1 Jul 20	1 Jul 21	1 Jul 22	1 Jul 23	1 Jul 24	1 Jul 25	1 Jul 26	1 Jul 27	1 Jul 28	1 Jul 29	1 Jul 30
Period end		30 Jun 21	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26	30 Jun 27	30 Jun 28	30 Jun 29	30 Jun 30	30 Jun 31
Operating position												
Adjusted underlying result	%	-5.9%	-11.1%	-6.8%	-7.1%	-7.5%	-7.9%	-8.1%	-8.4%	-8.8%	-8.8%	-9.0%
Liquidity												
Working capital (current assets as a percentage of current liabilities)	%	201.2%	146.2%	127.6%	91.0%	73.9%	63.2%	77.1%	62.9%	70.2%	52.6%	58.2%
Unrestricted cash (unrestricted cash compared to current liabilities)	%	146.2%	56.6%	58.7%	32.6%	25.2%	18.4%	33.5%	19.3%	27.5%	9.0%	15.5%
Obligations												
Loans and borrowings (as a percentage of rate revenue)	%	13.4%	20.1%	25.6%	21.2%	27.1%	23.5%	32.5%	27.5%	34.8%	28.4%	35.2%
Loans and borrowings payments (as a percentage of rate revenue)	%	3.2%	2.9%	4.2%	5.0%	3.3%	4.1%	4.2%	5.4%	5.4%	6.6%	5.5%
Indebtedness (Non-current liabilities compared to own-source revenue)	%	21.0%	25.4%	34.0%	31.5%	34.8%	31.9%	37.1%	33.0%	36.9%	32.7%	36.3%
Asset renewal and upgrade (compared to depreciation)	%	99.1%	154.6%	105.9%	106.2%	103.4%	80.4%	75.8%	76.2%	75.4%	76.2%	75.0%
Stability												
Rates concentration (Rates compared to adjusted underlying revenue)	%	48.0%	54.6%	51.6%	51.4%	51.2%	51.2%	50.9%	50.7%	50.5%	50.2%	50.0%
Rates effort (Rates compared to property values)	%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%
Efficiency												
Expenditure level (expenditure per property assessment)	\$ / assessment	4,323.9	4,007.9	4,138.8	4,232.5	4,330.7	4,414.1	4,506.6	4,606.9	4,716.0	4,808.8	4,911.3
Revenue level (average rate per property assessment)	\$ / assessment	1,959,124.6	1,971,423.4	2,000,994.8	2,031,009.7	2,061,474.8	2,092,396.9	2,123,782.9	2,155,639.6	2,187,974.2	2,220,793.8	2,254,105.8
Workforce turnover (Resignations and terminations as a % of staff)	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sustainable capacity indicators												
Own source revenue (per capita)	\$ / capita	N/A	1.8	1.8	1.9	1.9	2.0	2.0	2.0	2.1	2.1	2.2
Recurrent grants (per capita)	\$ / capita	N/A	0.5	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9
Total expenditure (per capita)	\$ / capita	N/A	2.7	2.8	2.9	3.0	3.0	3.1	3.2	3.2	3.3	3.4
Infrastructure (per capita)	\$ / capita	N/A	17.3	17.8	18.1	18.3	18.3	18.3	18.3	18.3	18.3	18.3
Population density per KM of road	Population / km	N/A	5,856.3	5,856.3	5,856.3	5,856.3	5,856.3	5,856.3	5,856.3	5,856.3	5,856.3	5,856.3
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

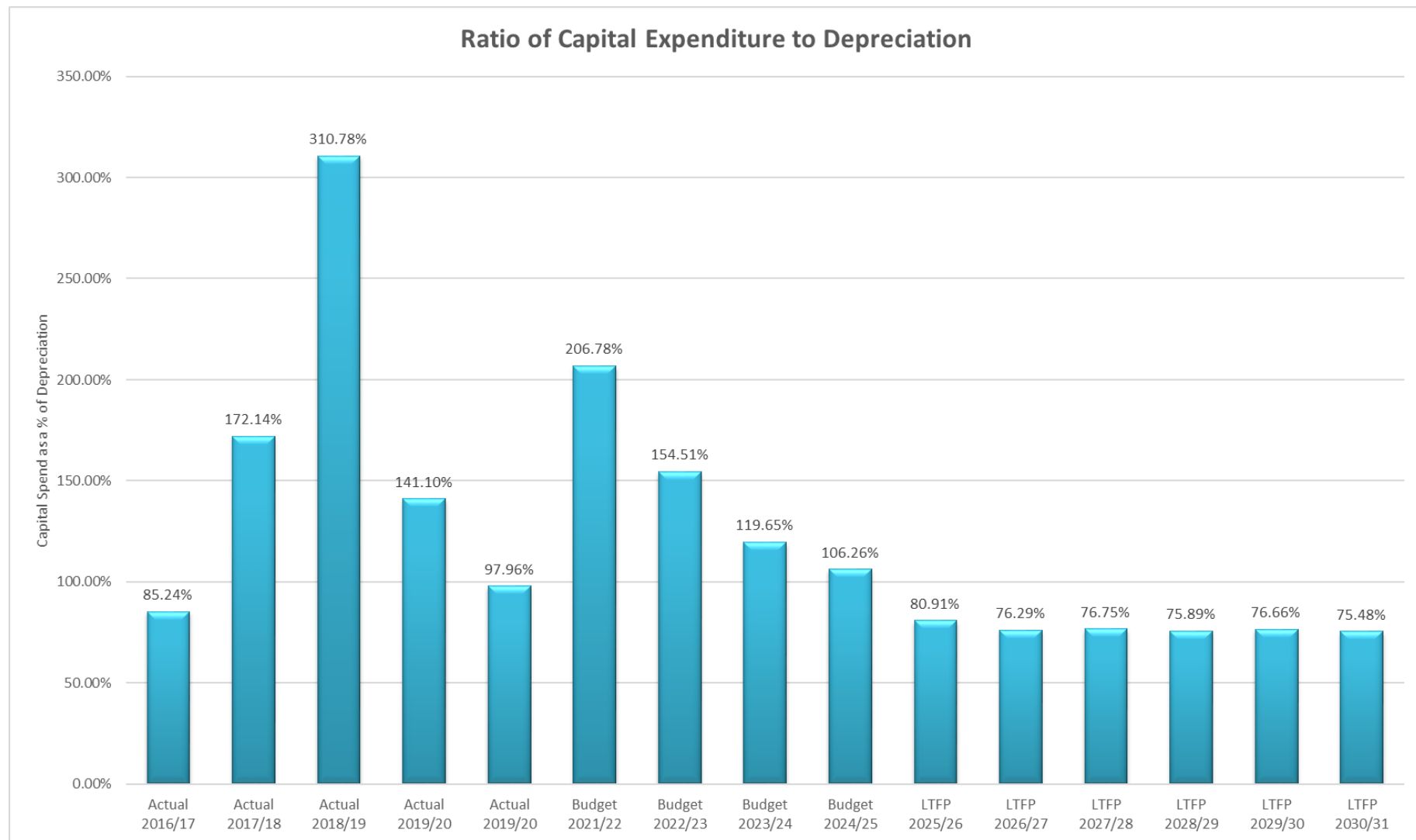
7.2.1 Net Operating Result



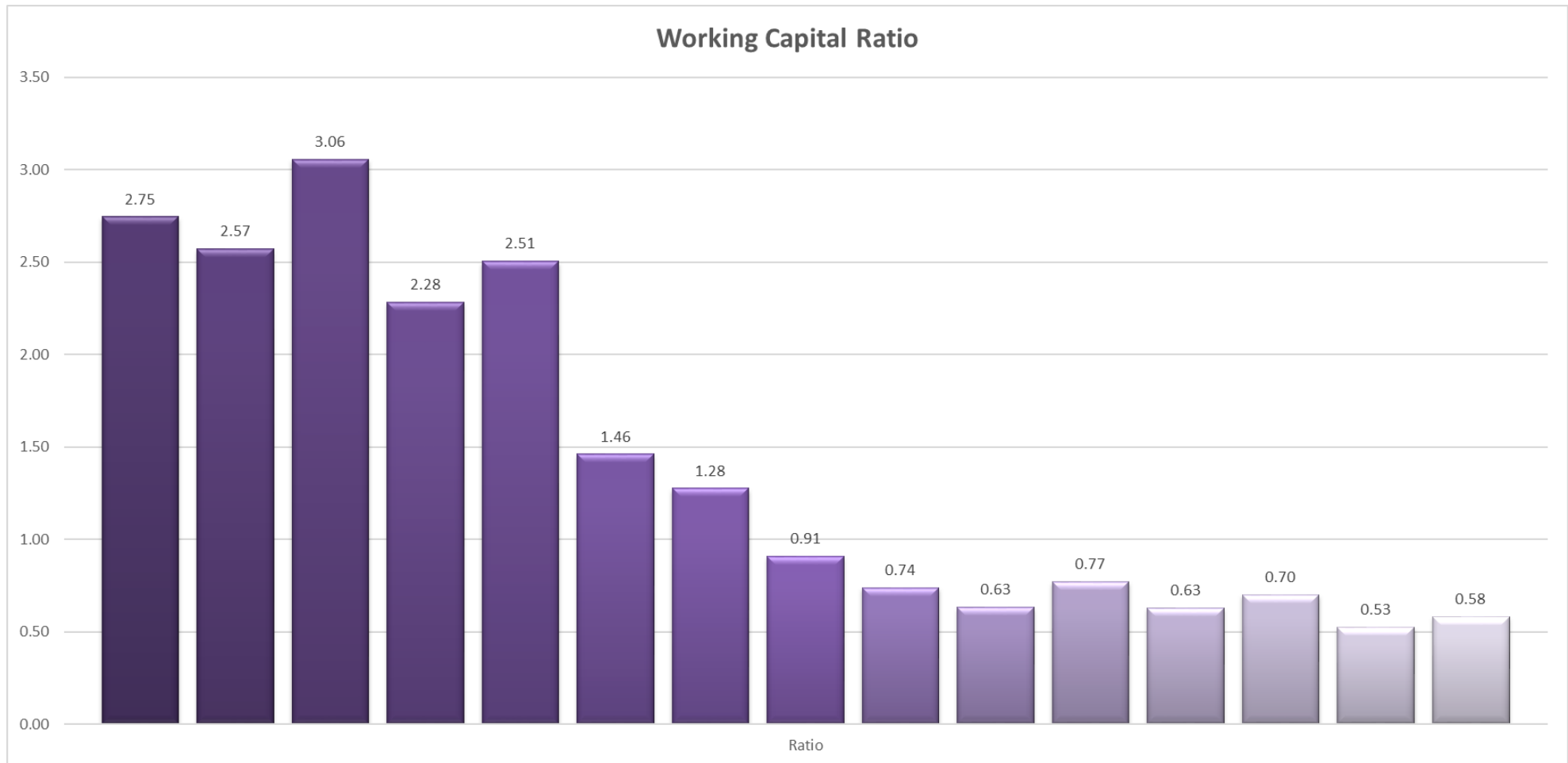
7.2.2 Capital Expenditure by Type



7.2.3 Capital Expenditure compared to Depreciation Expense



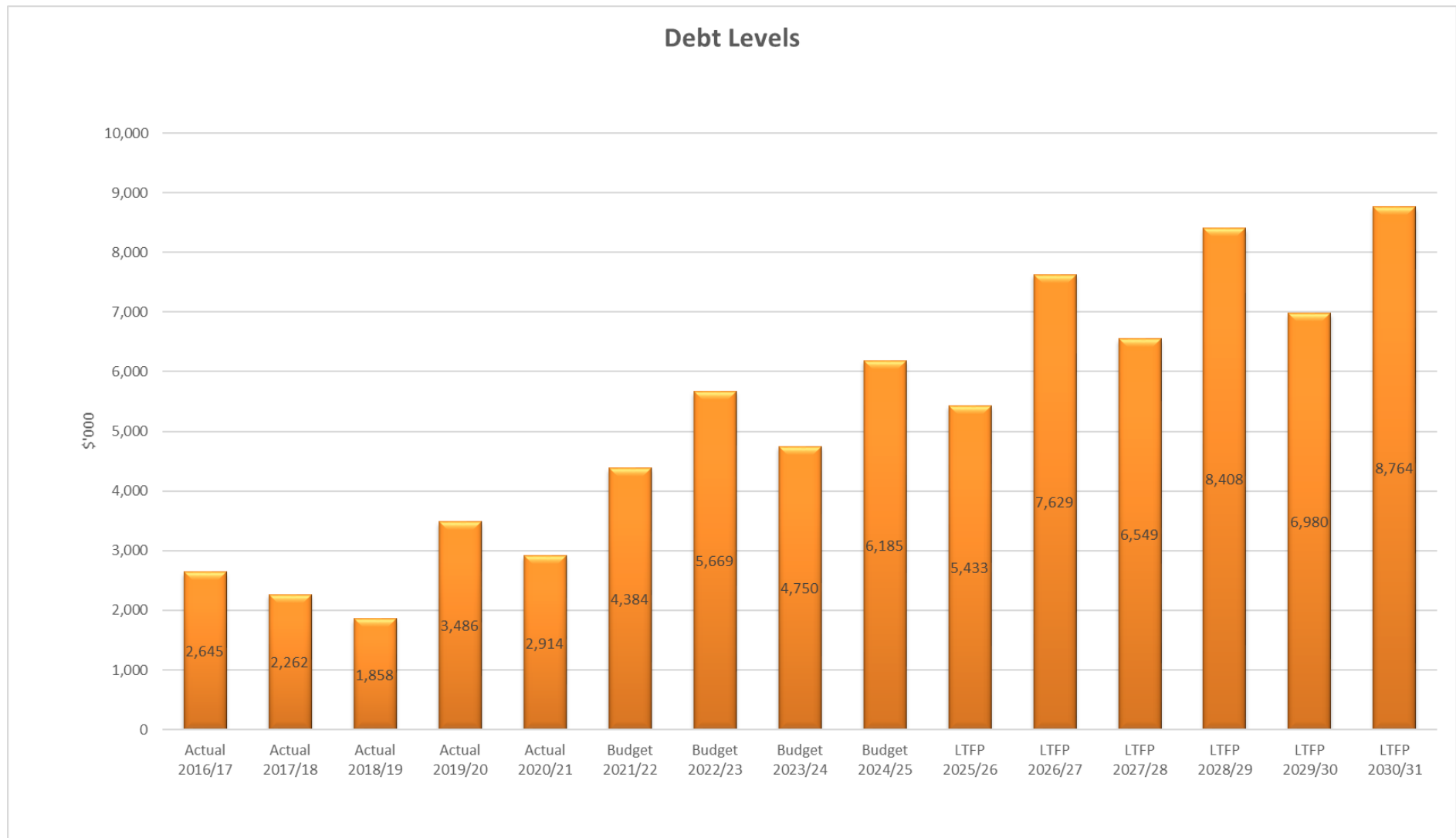
7.2.4 Working Capital Ratio



7.2.5 Net Funds Available



7.2.6 Debt Levels



7.2.7 Debt Servicing

