

Financial Plan

2021-22 to 2030-31



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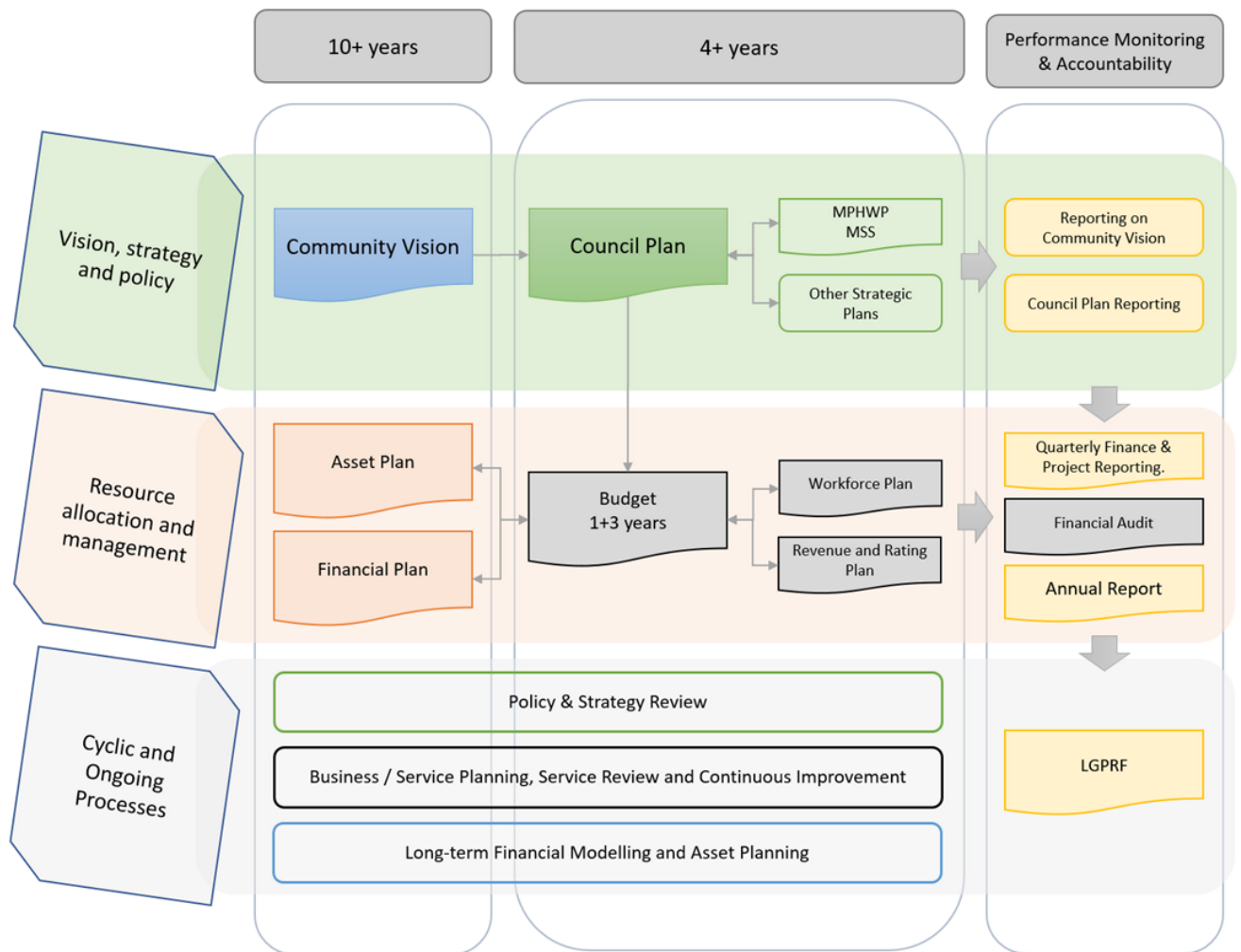
1. Legislative Requirements

This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & 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.



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



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

- Council has an integrated approach to planning, monitoring and performance reporting.
- 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.
- The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 1.2.2 below.
- The Financial Plan provides for the strategic planning principles of progress monitoring of progress and reviews to identify and adapt to changing circumstances.

1.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- 1.2.1 Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 1.2.2 Management of the following financial risks:
 - a) the financial viability of the Council (refer to section 2.1 Financial Policy Statements).
 - b) the management of current and future liabilities of the Council. The estimated 10 year-liabilities are disclosed in section 3.2 Balance Sheet projections.
- 1.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 1.2.4 Council maintains accounts and records that explain its financial operations and financial position (refer section 3 Financial Statements).

1.3 Engagement Principles

Council is in the process of developing a comprehensive community engagement framework. In the interim, Council has implemented the following consultation process to ensure due consideration and feedback is received from relevant stakeholders.

- a) Draft Financial Plan prepared by management;
- b) Draft Financial Plan placed on public exhibition following Special Council meeting on 31 August 2021 and calling for public submissions;
- c) Community engagement is conducted using local news outlets , Councils online engagement platform and social media channels ;
- d) Hearing of public submissions to the Financial Plan (September);
- e) Draft Financial Plan, including any revisions, presented to October Council meeting for adoption.

1.4 Service Performance Principles

Council services are designed to be fit for 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 regarding service provision.

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 in terms of the plans and the effective management of Council's assets into the future.

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

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

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

The Asset Plan is required to be adopted by 30 June 2022.

2. Financial Plan Context

This Financial Plan reflects the financial resources required to achieve the strategic objectives included in the Council Plan.

The Financial Plan is a rolling plan that is subject to an annual review. There are a number of dynamic variables that may influence the outcomes expressed in this Financial Plan. They include:

- Rating levels and supplementary rate income.
- Government grant revenue (both recurrent and capital).
- Granted assets / new and upgrade of assets.
- Renewal of assets to maintain services.
- Asset revaluations (major impact on fixed asset value and depreciation).
- Asset sales.
- Mix of funding between capital works/special projects (new initiatives) and
- Level of growth factor applied to expenditure items / rate of expenditure/activity level.

The long-term financial plan is determined using a base point; typically the current budget or forecast as the starting point with long term assumptions applied as indexation throughout the life of the plan. This ensures, as much as possible, the plan is realistic in its reflection of the future financial position of the Council.

It should be noted that even within the local government sector, specific councils are likely to face differing cost structures leading to different assumptions in estimates for long term planning.

It is important to note that when determining a cost index for local government it is not as simple as applying the Consumer Price Index (CPI), which measures the change in prices associated with household expenditure. CPI is a measure of changes, over time, in retail prices of a constant basket of goods and services representative of consumption expenditure by resident households in Australian metropolitan areas. However, council services are directed more towards providing infrastructure and social and community services.

2.1 Financial Policy Statements

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

Policy Statement	Measure	Target	Budget										
			Forecast 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Consistent underlying surplus result	Adjusted underlying result greater than \$0 (amount in thousands)	>\$0	(\$58)	(\$660)	(\$268)	(\$397)	(\$143)	(\$76)	(\$258)	(\$450)	(\$914)	(\$1,119)	(\$1,330)
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due	Current Assets/Current Liabilities greater than 1.1	>1.1	1.69	1.38	1.26	1.21	1.09	1.08	1.07	1.06	1.05	1.18	1.14
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life	Assets renewal and upgrade expense/Depreciation above 100%	>100%	102%	229%	103%	107%	105%	97%	101%	101%	93%	78%	70%
That Council applies loan funding to new capital and maintain total borrowings in line with rate income and growth of the municipality	Total borrowings/Rate revenue to remain below 60%	<60%	1%	24%	21%	19%	17%	16%	14%	12%	11%	9%	7%
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required	Unrestricted cash/current liabilities to be maintained above 80%	>80%	143%	96%	83%	78%	65%	65%	64%	63%	62%	75%	71%
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for new and renewal capital	Capital outlays as a % of own source revenue to remain above 30%	>30%	71%	121%	55%	37%	37%	34%	33%	33%	31%	26%	30%

2.2 Strategic Actions

Following a series of community engagement activities, Council has identified the following strategic focus areas that will support the aspirations of the Council Plan:

- Engage.Create.Unite
- Live.Access.Connect
- Protect.Enhance. Adapt
- Inclusive.Productive.Balanced
- Strong.Healthy.Safe
- Accountable.Transparent.Responsible

The 10-year financial plan allows for delivery on these focus areas within the following financial principles:

- Maintain investment in renewal of assets to reduce the escalating risk and maintenance of aging infrastructure.
- Provide reasonable stability in the level of the rate burden
- Prudently manage financial risks relating to debt, assets and liabilities.
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information
- Maintaining current service levels for the next 4 years to enable Council sufficient time to complete a full review of its service delivery programs.

2.3 Assumptions to the financial plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2021/22 to 2030/31. The assumptions comprise the annual escalations / movement for each line item of the Comprehensive Income Statement.

Escalation Factors % movement	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CPI	1.50%	1.50%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Growth	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Rates & Charges	2.41%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
Statutory Fees & Fines	12.44%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
User Fees	-8.11%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Grants - Operating	-12.97%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Grants - Capital	7.57%	-48.94%	-44.86%	-21.16%	14.16%	0.00%	0.00%	-13.20%	0.00%	0.00%
Contribution-Monetary	40.69%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Contribution-Non-monetary	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Income	-6.98%	-4.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Employee Cost	-2.43%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Material and Services	-1.04%	1.80%	2.15%	1.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Depreciation & Amortisation	0.10%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other Expenses	-0.66%	26.25%	3.95%	6.76%	47.91%	2.77%	2.77%	2.78%	2.78%	2.77%

2.3.1 Rates and charges

Rates per assessment will increase by 1.5% for the 2021/22 year, based on the state government rate cap, with estimated future annual increases of 2.0% per annum for the ensuing years of the long term financial plan. In addition, it is expected that during the 2021/22 year a further increase of 0.5% per annum will be received for growth (additional properties) as a result of supplementary rates.

Waste charges are proposed to increase by 2.0% compared to 2020/21 levels in order to defray the total costs of waste management incurred across the municipal district. Future years waste charges are estimated to increase in line with the growth to ensure Council continues to recover the full costs of providing waste services.

2.3.2 Statutory fees and fines

The Financial Plan indexes statutory fees, set by legislation, according to the estimated annual rate of CPI. This is often a best case scenario given some fees are outside of the control of Council and therefore may be subject to increases less than CPI.

2.3.3 User fees

Revenue from user fees is expected to decrease by 8.1% for the 2021/22 year. Details of user fees for the 2021/22 budget year can be found in Council's schedule of Fees and Charges that is adopted in conjunction with the budget.

Revenue increases for the ensuing years are based on a conservative annual rate of increase of 4.0%.

2.3.4 Grants

Council currently receives grants for tied (specific purpose grants) and un-tied Financial Assistance grant funding received via the Victorian Local Government Grants Commission (VLGGC). Operating grants are expected to increase on an annual basis by approximately 1.0%. Recurrent grants are included in the financial plan.

Council receives non-recurrent grants every year. However, receipts of such grants are unpredictable. Therefore, only the known non-recurrent grants have been included in the financial plan.

2.3.5 Contributions

Council receives contributions from developers. These contributions represent funds to enable council to provide the necessary infrastructure and infrastructure improvements to accommodate development growth. The contributions are for specific purposes and often require Council to outlay funds for infrastructure works often before receipt of this income source. These contributions are statutory contributions and utilised for a specific purpose through the capital works program or delivered as works in kind by developers.

2.3.6 Other income

Revenue from other income mainly comprises interest income plus the recovery income from a variety of sources and rental income received from the hire of Council properties.

2.3.7 Employee costs

The 2021/22 year includes a 2.6% decrease for employee costs that mainly reflects the conclusion of the 'Working for Victoria' program and its employee costs.

The ensuing years, 2022/23 reflect annual increases of 1.7% per annum and from 2023/24 to 2030/31, reflect annual increases of 2.0% per annum to provide for annual EA increases, some required increases to staff salaries as well as a marginal increase to the delivery of existing services.

2.3.8 Materials and services

Material costs include items required for the maintenance and repairs of community and Council buildings, roads, drains and footpaths which are more governed by market forces based on availability than CPI. Other associated costs included under this category are utilities, waste collection expenses, insurance, and swimming pool operation costs. Council also utilises external expertise on a range of matters, including legal services and professional services. These costs are kept to within CPI levels year on year.

2.3.9 Depreciation & amortisation

Depreciation estimates have been based on the projected capital spending contained within this LTFS document. Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets.

2.3.10 Borrowing costs

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

2.3.11 Other expenses

Other expenses include administration costs such as Councillor allowances and internal and external audit fees.

2.4 Other Matters impacting the 10-year financial projections

Description of the current challenges and expected future events likely to impact the Financial Plan projections.

- Maintenance of renewal spending
- Supplementary rate base growth
- Increase in population and demand for appropriate services and facilities

3. Financial Plan Statements

This section presents information regarding the Financial Plan Statements for the 10 years from 2021/22 to 2030/31.

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

3.1 Comprehensive Income Statement

	Forecast/ Actual	Budget	Financial Plan Projections								
	2020/21 \$'000	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	20,093	20,578	21,000	21,430	21,870	22,318	22,776	23,242	23,719	24,205	24,701
Statutory fees and fines	579	651	671	691	711	733	755	777	801	825	849
User fees	530	487	506	527	548	570	593	616	641	666	693
Grants - Operating	7,605	6,619	6,685	6,752	6,820	6,888	6,957	7,026	7,096	7,167	7,239
Grants - Capital	7,396	7,956	4,062	2,240	1,766	2,016	2,016	2,016	1,750	1,750	1,750
Contributions - monetary	290	408	428	450	472	496	521	547	574	603	633
Contributions - non-monetary	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure,	(839)	(591)	(79)	(82)	(77)	(81)	(77)	(77)	(77)	(77)	(77)
Other income	487	453	431	431	431	431	431	431	431	431	431
Total Income	36,141	36,561	33,705	32,439	32,541	33,371	33,971	34,579	34,935	35,571	36,220
Expenses											
Employee costs	(11,464)	(11,185)	(11,375)	(11,603)	(11,835)	(12,071)	(12,313)	(12,559)	(12,810)	(13,066)	(13,328)
Materials and services	(12,781)	(12,648)	(12,876)	(13,152)	(13,382)	(13,717)	(14,060)	(14,411)	(14,772)	(15,141)	(15,520)
Bad and doubtful debts	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Depreciation and amortisation	(5,847)	(5,853)	(5,999)	(6,149)	(6,303)	(6,461)	(6,622)	(6,788)	(6,957)	(7,131)	(7,310)
Borrowing costs	(20)	(111)	(92)	(86)	(80)	(73)	(67)	(61)	(54)	(47)	(40)
Amortisation - right of use assets	(226)	(178)	(176)	(182)	(179)	-	-	-	-	-	-
Finance Costs - leases	(26)	(16)	(19)	(13)	(7)	-	-	-	-	-	-
Other expenses	(303)	(301)	(380)	(395)	(422)	(624)	(641)	(659)	(677)	(696)	(715)
Total Expenses	(30,672)	(30,297)	(30,922)	(31,585)	(32,212)	(32,951)	(33,708)	(34,483)	(35,276)	(36,087)	(36,918)
Surplus/(deficit) for the year	5,469	6,264	2,783	854	330	420	263	97	(340)	(516)	(697)
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods:											
Net asset revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods											
Total comprehensive result	5,469	6,264	2,783	854	330	420	263	97	(340)	(516)	(697)

3.2 Balance Sheet

	Forecast/Actual	Budget	Financial Plan Projections								
	2020/21 \$'000	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
Assets											
Current assets											
Cash and cash equivalents	18,208	7,249	5,703	5,339	4,608	4,558	4,582	4,608	4,595	5,500	5,360
Trade and other receivables	2,635	2,329	2,094	2,102	2,162	2,166	2,198	2,239	2,275	2,303	2,345
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Inventories	5	5	5	5	5	5	5	5	5	5	5
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Other assets	113	115	115	115	115	115	115	115	115	115	115
Total current assets	20,961	9,698	7,918	7,561	6,890	6,844	6,900	6,967	6,990	7,923	7,826
Non-current assets											
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-
Investments in associates and joint ventures	243	243	243	243	243	243	243	243	243	243	243
Property, infrastructure, plant & equipment	309,369	314,409	314,502	315,097	315,306	316,140	316,454	316,768	316,793	317,169	315,922
Other Financial Assets	2	-	-	-	-	-	-	-	-	-	-
Intangible asset	120	120	120	120	120	120	120	120	120	120	120
Rights of use assets	649	474	473	290	112	-	-	-	-	-	-
Landfill rehabilitation intangible asset	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	310,383	315,246	315,338	315,750	315,781	316,503	316,817	317,131	317,156	317,532	316,285
Total assets	331,344	324,944	323,256	323,311	322,671	323,347	323,718	324,099	324,146	325,455	324,111
Liabilities											
Current liabilities											
Trade and other payables	2,732	2,983	2,618	2,628	2,703	2,708	2,748	2,799	2,844	2,883	2,936
Trust funds and deposits	468	477	477	477	477	477	477	477	477	477	477
Provisions - Employee benefits	2,266	2,310	2,370	2,437	2,506	2,577	2,649	2,723	2,750	2,778	2,869
Provisions - Other	1,084	700	240	240	240	240	240	240	240	240	240
Lease liabilities	176	160	182	179	106	-	-	-	-	-	-
Unearned income	5,598	-	-	-	-	-	-	-	-	-	-
Interest-bearing loans and borrowings	88	391	396	307	313	319	326	332	339	346	353
Total current liabilities	12,412	7,021	6,283	6,268	6,345	6,321	6,440	6,571	6,650	6,724	6,875
Non-current liabilities											
Provisions - Employee benefits	240	280	336	393	451	510	570	632	695	759	824
Provisions - Other	5,965	2,720	2,720	2,720	2,720	2,720	2,720	2,720	2,720	2,720	2,720
Lease liabilities	473	314	291	111	6	-	-	-	-	-	-
Interest-bearing loans and borrowings	191	4,512	4,116	3,810	3,497	3,178	2,853	2,520	2,182	1,836	1,483
Total non-current liabilities	6,869	7,826	7,463	7,034	6,674	6,408	6,143	5,872	5,596	5,315	5,027
Total liabilities	19,281	14,847	13,746	13,301	13,019	12,729	12,583	12,444	12,246	12,039	11,902
Net assets	312,063	310,097	309,510	310,010	309,652	310,618	311,135	311,655	311,899	313,417	312,209
Equity											
Accumulated surplus	106,398	112,662	115,445	116,299	116,628	117,048	117,311	117,407	117,067	116,551	115,854
Reserves	205,665	197,435	194,065	193,711	193,024	193,570	193,824	194,248	194,832	196,866	196,355
Total equity	312,063	310,097	309,510	310,010	309,652	310,618	311,135	311,655	311,899	313,417	312,209

3.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021 Forecast Actual				
Balance at beginning of the financial year	306,594	100,929	205,665	0
Surplus/(Deficit) for the year	5,469	5,469		
Net assets revaluation increment/(decrement)	0			
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	312,063	106,398	205,665	0
2022				
Balance at beginning of the financial year	312,063	106,398	205,665	0
Surplus/(Deficit) for the year	6,264	6,264		
Net assets revaluation increment/(decrement)	(8,230)		(8,230)	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	310,097	112,662	197,435	0
2023				
Balance at beginning of the financial year	310,097	112,662	197,435	0
Surplus/(Deficit) for the year	2,783	2,783		
Net assets revaluation increment/(decrement)	(3,370)		(3,370)	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	309,510	115,445	194,065	0
2024				
Balance at beginning of the financial year	309,510	115,445	194,065	0
Surplus/(Deficit) for the year	854	854		
Net assets revaluation increment/(decrement)	(354)		(354)	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	310,010	116,299	193,711	0
2025				
Balance at beginning of the financial year	310,010	116,299	193,711	0
Surplus/(Deficit) for the year	330	330		
Net assets revaluation increment/(decrement)	(687)		(687)	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	309,652	116,628	193,024	0
2026				
Balance at beginning of the financial year	309,652	116,628	193,024	0
Surplus/(Deficit) for the year	420	420		
Net assets revaluation increment/(decrement)	546		546	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	310,618	117,048	193,570	0
2027				
Balance at beginning of the financial year	310,618	117,048	193,570	0
Surplus/(Deficit) for the year	263	263		
Net assets revaluation increment/(decrement)	254		254	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	311,135	117,311	193,824	0
2028				
Balance at beginning of the financial year	311,135	117,311	193,824	0
Surplus/(Deficit) for the year	97	97		
Net assets revaluation increment/(decrement)	424		424	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	311,655	117,407	194,248	0
2029				
Balance at beginning of the financial year	311,655	117,407	194,248	0
Surplus/(Deficit) for the year	(340)	(340)		
Net assets revaluation increment/(decrement)	584		584	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	311,899	117,067	194,832	0
2030				
Balance at beginning of the financial year	311,899	117,067	194,832	0
Surplus/(Deficit) for the year	(516)	(516)		
Net assets revaluation increment/(decrement)	2,034		2,034	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	313,417	116,551	196,866	0
2031				
Balance at beginning of the financial year	313,417	116,551	196,866	0
Surplus/(Deficit) for the year	(697)	(697)		
Net assets revaluation increment/(decrement)	(511)		(511)	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	312,209	115,854	196,355	0

3.4 Statement of Cash Flows

	Forecast Actual	Budget	Strategic Resource Plan Projections								
	2020/21	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	\$'000
Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflow)	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	20,093	20,784	21,000	21,430	21,870	22,318	22,776	23,242	23,719	24,205	24,701
Statutory fees and fines	611	664	671	691	711	733	755	777	801	825	849
User fees	506	496	506	527	548	570	592	616	641	666	693
Grants - operating	6,852	3,701	6,685	6,752	6,819	6,888	6,956	7,026	7,096	7,167	7,239
Grants - capital	10,076	5,326	4,362	2,240	1,766	2,016	2,016	2,016	1,750	1,750	1,750
Contributions - monetary	359	408	428	450	472	496	521	547	574	603	633
Interest received	180	140	180	180	180	180	180	180	180	180	180
Other receipts	360	321	250	251	250	251	251	250	251	-	-
Net GST refund / payment	1,345	2,369	1,087	750	764	724	720	721	699	583	694
Employee costs	(11,471)	(11,185)	(11,196)	(11,461)	(11,687)	(11,917)	(12,153)	(12,393)	(12,637)	(12,886)	(13,147)
Materials and services	(12,756)	(12,467)	(12,825)	(13,152)	(13,383)	(13,717)	(14,060)	(14,411)	(14,771)	(15,141)	(15,452)
Trust funds and deposits repaid	-	-	-	-	-	-	-	-	-	-	-
Other payments	(321)	(428)	(437)	(445)	(454)	(463)	(473)	(482)	(492)	(501)	(511)
Net cash provided by/(used in) operating activities	15,834	10,129	10,712	8,213	7,857	8,078	8,081	8,090	7,810	7,450	7,629
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(14,800)	(26,059)	(11,958)	(8,253)	(8,401)	(7,960)	(7,921)	(7,928)	(7,688)	(6,409)	(7,632)
Proceeds from sale of property, infrastructure, plant and equipment	699	720	183	157	200	219	250	250	250	250	250
Net cash provided by/(used in) investing activities	(14,101)	(25,339)	(11,775)	(8,096)	(8,201)	(7,741)	(7,671)	(7,678)	(7,438)	(6,159)	(7,382)
Cash flows from financing activities											
Finance costs	(20)	(170)	(92)	(86)	(80)	(73)	(67)	(61)	(54)	(47)	(40)
Proceeds from borrowings	-	5,000	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(81)	(385)	(391)	(396)	(307)	(313)	(319)	(326)	(332)	(339)	(346)
Interest paid - lease liability	-	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities	-	(194)	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) financing activities	(101)	4,251	(482)	(481)	(386)	(386)	(386)	(386)	(386)	(386)	(386)
Net increase/(decrease) in cash & cash equivalents	1,632	(10,959)	(1,545)	(365)	(731)	(50)	24	26	(14)	905	(140)
Cash and cash equivalents at the beginning of the financial year	16,576	18,208	7,249	5,703	5,339	4,608	4,558	4,582	4,608	4,595	5,500
Cash and cash equivalents at the end of the financial year	18,208	7,249	5,703	5,339	4,608	4,558	4,582	4,608	4,595	5,500	5,360

3.5 Statement of Capital Works

	Forecast Actual	Budget	Financial Plan Projections								
	2020/21 \$'000	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
Property											
Buildings	1,087	1,143	478	947	65	111	65	36	37	38	900
Total buildings	1,087	1,143	478	947	65	111	65	36	37	38	900
Total property	1,087	1,143	478	947	65	111	65	36	37	38	900
Plant and equipment											
Plant, machinery and equipment	1,098	902	1,216	857	805	1,102	919	919	919	900	900
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	328	350	350	357	364	371	379	386	394	550	400
Library books	-	-	-	-	-	-	-	-	-	-	-
Total plant and equipment	1,426	1,252	1,566	1,214	1,169	1,473	1,298	1,305	1,313	1,450	1,300
Infrastructure											
Roads	5,526	3,855	4,013	3,675	4,845	4,079	4,524	4,618	4,323	3,274	2,150
Bridges	719	1,400	250	300	400	450	450	450	500	500	500
Footpaths and cycleways	681	3,989	408	308	455	271	189	251	273	131	150
Drainage	1,173	753	989	185	466	598	449	310	312	152	500
Recreational, leisure and community facilities	1,433	3,848	2,255	372	40	-	-	-	-	-	1,000
Waste management	10	5,000	144	144	-	-	-	-	-	-	-
Parks, open space and streetscapes	1,400	331	205	210	212	233	226	236	219	221	500
Other infrastructure	-	-	-	-	-	-	-	-	-	-	-
Total infrastructure	10,941	19,176	8,264	5,195	6,418	5,630	5,838	5,866	5,627	4,278	4,800
Total capital works expenditure	13,454	21,571	10,308	7,355	7,653	7,215	7,200	7,207	6,977	5,766	7,000
Represented by:											
New asset expenditure	1,785	3,208	-	-	-	-	-	-	-	-	-
Asset renewal expenditure	5,986	13,386	6,151	6,601	6,605	6,275	6,673	6,835	6,495	5,586	5,100
Asset expansion expenditure	1,072	1,170	1,123	-	-	-	-	-	-	-	-
Asset upgrade expenditure	4,612	3,807	3,035	754	1,047	940	527	372	483	180	1,900
Total capital works	13,454	21,571	10,308	7,355	7,653	7,215	7,200	7,207	6,977	5,766	7,000
Funding sources represented by:											
Grants	7,576	7,956	4,062	2,240	1,766	2,016	2,016	2,016	1,750	1,750	1,750
Contributions	-	-	-	-	-	-	-	-	-	-	-
Council Cash	5,878	8,615	6,246	5,115	5,886	5,199	5,184	5,191	5,227	4,016	5,250
Borrowings	-	5,000	-	-	-	-	-	-	-	-	-
Total capital works expenditure	13,454	21,571	10,308	7,355	7,653	7,215	7,200	7,207	6,977	5,766	7,000

3.6 Statement of Human Resources

Staff Expenditure	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
Total Staff expenditure										
Female	4,985	5,047	5,148	5,251	5,356	5,463	5,572	5,684	5,798	5,914
Male	5,281	5,347	5,454	5,563	5,674	5,788	5,903	6,021	6,142	6,265
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	565	572	583	595	607	619	632	644	657	670
Casuals and temporary staff	404	409	417	426	434	443	452	461	470	479
Capitalised labour	-50	0	0	0	0	0	0	0	0	0
Total Staff expenditure	11,185	11,375	11,603	11,835	12,071	12,313	12,559	12,810	13,066	13,328
Permanent - Full time										
Female	3,559	3,603	3,675	3,749	3,824	3,900	3,978	4,058	4,139	4,222
Male	5,142	5,206	5,310	5,416	5,525	5,635	5,748	5,863	5,980	6,100
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	320	324	330	337	344	351	358	365	372	380
Total	9,021	9,134	9,316	9,503	9,693	9,886	10,084	10,286	10,492	10,701
Permanent - Part time										
Female	1,426	1,444	1,473	1,502	1,532	1,563	1,594	1,626	1,658	1,692
Male	139	141	144	146	149	152	155	158	162	165
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	245	248	253	258	263	269	274	279	285	291
Total	1,810	1,833	1,869	1,907	1,945	1,984	2,023	2,064	2,105	2,147
Other										
Casuals and temporary staff	404	409	417	426	434	443	452	461	470	479
Capitalised labour	-50	0	0	0	0	0	0	0	0	0
Total	354	409	417	426	434	443	452	461	470	479

Staff Numbers	2021/22 EFT	2022/23 EFT	2023/24 EFT	2024/25 EFT	2025/26 EFT	2026/27 EFT	2027/28 EFT	2028/29 EFT	2029/30 EFT	2030/31 EFT
Total Staff expenditure										
Female	49.4	49.4	49.6	49.9	50.1	50.3	50.6	50.9	51.1	51.4
Male	58.7	58.7	59.0	59.2	59.5	59.8	60.1	60.4	60.7	61.0
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	7.0	7.0	7.1	7.1	7.1	7.2	7.2	7.2	7.3	7.3
Casuals and temporary staff	5.6	5.6	5.6	5.6	5.7	5.7	5.7	5.8	5.8	5.8
Total Staff expenditure	120.6	120.7	121.2	121.8	122.4	123.0	123.6	124.3	124.9	125.5
Permanent - Full time										
Female	33.0	33.0	33.2	33.3	33.5	33.7	33.8	34.0	34.2	34.3
Male	57.0	57.0	57.3	57.6	57.8	58.1	58.4	58.7	59.0	59.3
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.2
Total	94.0	94.0	94.5	94.9	95.4	95.9	96.3	96.8	97.3	97.8
Permanent - Part time										
Female	16.4	16.4	16.5	16.5	16.6	16.7	16.8	16.9	16.9	17.0
Male	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Total	21.1	21.1	21.2	21.3	21.4	21.5	21.6	21.7	21.8	21.9
Other										
Casuals and temporary staff	5.6	5.6	5.6	5.6	5.7	5.7	5.7	5.8	5.8	5.8

Department - 2020/21 Expenditure	Permanent - Full time					Permanent - Part time					Grand Total
	Female \$'000	Male \$'000	Self-described \$'000	Vacant \$'000	Total \$'000	Female \$'000	Male \$'000	Self-described \$'000	Vacant \$'000	Total \$'000	
Corporate Leadership	1,279	156	0	181	1,616	583	0	0	0	583	2,199
Corporate Operations	1,009	3,976	0	139	5,124	384	139	0	82	605	5,729
Community & Planning	1,271	1,010	0	0	2,281	459	0	0	163	622	2,903
Total Permanent Staff Expenditure	3,559	5,142	0	320	9,021	1,426	139	0	245	1,810	10,831
Casuals, temporary and other expenditure											404
Capitalised labour cost											(50)
Total Staff Expenditure	3,559	5,142	0	320	9,375	1,426	139	0	245	1,810	11,185

3.7 Planned Human Resource Expenditure

	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
Corporate Leadership										
Permanent - Full time	1,616	1,636	1,669	1,702	1,736	1,771	1,806	1,843	1,879	1,917
Female	1,279	1,295	1,321	1,347	1,374	1,402	1,430	1,458	1,487	1,517
Male	156	158	161	164	168	171	174	178	181	185
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	181	183	187	191	194	198	202	206	211	215
Permanent - Part time	583	590	602	614	626	639	652	665	678	692
Female	583	590	602	614	626	639	652	665	678	692
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	0	0	0	0	0	0	0	0	0	0
Total - Corporate Leadership	2,199	2,226	2,271	2,316	2,363	2,410	2,458	2,507	2,557	2,609
Corporate Operations										
Permanent - Full time	5,124	5,188	5,292	5,398	5,505	5,616	5,728	5,842	5,959	6,078
Female	1,009	1,022	1,042	1,063	1,084	1,106	1,128	1,150	1,173	1,197
Male	3,976	4,026	4,106	4,188	4,272	4,357	4,445	4,533	4,624	4,717
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	139	141	144	146	149	152	155	158	162	165
Permanent - Part time	605	613	625	637	650	663	676	690	704	718
Female	384	389	397	404	413	421	429	438	447	456
Male	139	141	144	146	149	152	155	158	162	165
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	82	83	85	86	88	90	92	93	95	97
Total Corporate Operations	5,729	5,800	5,916	6,035	6,155	6,279	6,404	6,532	6,663	6,796
Community & Planning										
Permanent - Full time	2,281	2,309	2,356	2,403	2,451	2,500	2,550	2,601	2,653	2,706
Female	1,271	1,287	1,313	1,339	1,366	1,393	1,421	1,449	1,478	1,508
Male	1,010	1,023	1,043	1,064	1,085	1,107	1,129	1,152	1,175	1,198
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	622	630	642	655	668	682	695	709	723	738
Female	459	465	474	484	493	503	513	523	534	545
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	163	165	168	172	175	179	182	186	190	193
Total Community & Planning	2,903	2,939	2,998	3,058	3,119	3,181	3,245	3,310	3,376	3,444
Casuals, temporary and other expenditure	404	409	417	426	434	443	452	461	470	479
Capitalised labour costs	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total staff expenditure	11,185	11,375	11,603	11,835	12,071	12,313	12,559	12,810	13,066	13,328

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Corporate Leadership										
Permanent - Full time	14.0	14.0	14.1	14.1	14.2	14.3	14.3	14.4	14.5	14.6
Female	11.0	11.0	11.1	11.1	11.2	11.2	11.3	11.3	11.4	11.4
Male	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1
Permanent - Part time	6.8	6.8	6.8	6.9	6.9	6.9	7.0	7.0	7.0	7.1
Female	6.8	6.8	6.8	6.9	6.9	6.9	7.0	7.0	7.0	7.1
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	-	-	-	-	-	-	-	-	-	-
Total - Corporate Leadership	20.8	20.8	20.9	21.0	21.1	21.2	21.3	21.4	21.5	21.6
Corporate Operations										
Permanent - Full time	60.0	60.0	60.3	60.6	60.9	61.2	61.5	61.8	62.1	62.4
Female	11.0	11.0	11.1	11.1	11.2	11.2	11.3	11.3	11.4	11.4
Male	47.0	47.0	47.2	47.5	47.7	47.9	48.2	48.4	48.7	48.9
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1
Permanent - Part time	7.4	7.4	7.5	7.5	7.5	7.6	7.6	7.6	7.7	7.7
Female	4.7	4.7	4.8	4.8	4.8	4.8	4.9	4.9	4.9	4.9
Male	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1
Total Corporate Operations	67.4	67.4	67.8	68.1	68.4	68.8	69.1	69.4	69.8	70.1
Community & Planning										
Permanent - Full time	20.0	20.0	20.1	20.2	20.3	20.4	20.5	20.6	20.7	20.8
Female	11.0	11.0	11.1	11.1	11.2	11.2	11.3	11.3	11.4	11.4
Male	9.0	9.0	9.0	9.1	9.1	9.2	9.2	9.3	9.3	9.4
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	6.8	6.8	6.9	6.9	6.9	7.0	7.0	7.0	7.1	7.1
Female	4.8	4.8	4.9	4.9	4.9	4.9	5.0	5.0	5.0	5.0
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1
Total Community & Planning	26.8	26.8	27.0	27.1	27.2	27.4	27.5	27.6	27.8	27.9
Casuals and temporary staff	5.6	5.6	5.6	5.6	5.7	5.7	5.7	5.8	5.8	5.8
Capitalised labour										
Total staff numbers	120.6	120.7	121.2	121.8	122.4	123.0	123.6	124.3	124.9	125.5

4. Financial Performance Indicators

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

Indicator	Measure	Notes	Forecast					Budget					Trend +/-	
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30		2030/31
Operating Position														
Adjusted underlying result	Adjusted underlying surplus (deficit)/Adjusted underlying revenue		0%	-2%	-1%	-1%	0%	0%	-1%	-1%	-3%	-3%	-4%	0
Liquidity														
Working capital	Current assets/Current liabilities		1.69	1.38	1.26	1.21	1.09	1.08	1.07	1.06	1.05	1.18	1.14	-
Unrestricted cash	Unrestricted cash/Current liabilities		143%	96%	83%	78%	65%	65%	64%	63%	62%	75%	71%	-
Obligations														
Loans and borrowings	Interest bearing loans and borrowings/Rate revenue		1%	24%	21%	19%	17%	16%	14%	12%	11%	9%	7%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings/Rate revenue		1%	3%	2%	2%	2%	2%	2%	2%	2%	2%	2%	0
Indebtedness	Non-current liabilities/Own source revenue		31%	35%	32%	30%	28%	26%	24%	23%	21%	20%	18%	-
Assets renewal	Assets renewal and upgrade expense/Assets depreciation		181%	294%	153%	120%	121%	112%	109%	106%	100%	81%	96%	-
Stability														
Rates concentration	Rate revenue/Adjusted underlying revenue		69%	71%	72%	72%	72%	72%	72%	72%	73%	73%	73%	0
Rates effort	Rate revenue/CIV of rateable properties in the municipality		0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0
Efficiency														
Expenditure level	Total expenses/ no. of property assessments		\$ 3,980	\$ 3,929	\$ 4,007	\$ 4,090	\$ 4,168	\$ 4,260	\$ 4,355	\$ 4,452	\$ 4,551	\$ 4,652	\$ 4,755	+
Revenue level	Total rate revenue/no. of property assessments		\$ 3,214	\$ 3,272	\$ 3,335	\$ 3,399	\$ 3,465	\$ 3,532	\$ 3,600	\$ 3,669	\$ 3,739	\$ 3,811	\$ 3,885	+
Workforce turnover	No. of permanent staff resignations & terminations /average no. of permanent staff for the year		4.4%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	0
Sustainable Capacity														
Population	Total expense/Municipal population		3,006	2,952	2,995	3,041	3,083	3,135	3,187	3,240	3,294	3,349	3,404	+
Population	Value of infrastructure/Municipal population		21,416	21,295	21,204	21,093	20,988	20,883	20,773	20,665	20,556	20,449	20,343	-
Population	Municipal population/Kilometres of local roads		5	5	5	5	5	5	5	5	5	5	5	0
Own-source revenue	Own source revenue/Municipal population		2,054	2,094	2,106	2,135	2,172	2,202	2,239	2,272	2,306	2,312	2,347	+
Recurrent grants	Recurrent grants/Municipal population		827	785	787	789	774	776	777	779	663	665	668	-

5. Strategies and Plans

This section describes the strategies and plans that support the 10-year financial projections included to the Financial Plan.

5.1 Borrowing Strategy

5.1.1 Current Debt Position

The total amount borrowed as at 30 June 2022 is expected to be \$4.7 million. New borrowings of \$5 million are proposed in 2021/22 to fund rehabilitation of the Violet Town landfill site. No further borrowings are projected in 10-year financial plan, although Council's debt levels remain conservative.

5.1.2 Future Borrowing Requirements

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

	Forecast	Budget									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Opening Balance	369	288	4,903	4,511	4,115	3,809	3,496	3,177	2,852	2,519	2,181
Plus new loans	0	5,000	0	0	0	0	0	0	0	0	0
Less Principal repayment	(81)	(385)	(392)	(396)	(307)	(313)	(319)	(326)	(332)	(339)	(346)
Closing balance	288	4,903	4,511	4,115	3,809	3,496	3,177	2,852	2,519	2,181	1,835
Interest payment	(20)	(111)	(92)	(86)	(80)	(73)	(67)	(61)	(54)	(47)	(40)

5.1.3 Performance Indicators

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

Performance Indicator	Target	Forecast	Budget									
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Total borrowings/Rate revenue	Below 60%	1.4%	23.8%	21.5%	19.2%	17.4%	15.7%	14.0%	12.3%	10.6%	9.0%	7.4%
Debt servicing/Rate revenue	Below 5%	0.1%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
Debt commitment/Rate revenue	Below 10%	0.5%	0.5%	2.3%	2.2%	2.2%	1.7%	1.7%	1.6%	1.6%	1.6%	1.5%
Indebtedness/ Own source revenue	Below 60%	31.3%	34.7%	32.4%	29.9%	27.8%	26.1%	24.5%	22.9%	21.4%	19.9%	18.4%

Council maintains its loan borrowing within prudent and management limits as demonstrated by the following performance indicators.

Total borrowings / Rate revenue

Council will apply loan funding for rehabilitation of Violet Town landfill site. Council maintains total borrowings in line with rate income and growth of the municipality. Total borrowing to rate revenue projected to be at 23% in 2021/22 and continue to decline over the life of the financial plan.

Debt servicing / Rate revenue

Debt servicing ratio remains well below the target level of 5% during the life of the financial plan.

Debt commitment / Rate revenue

Debt commitment ratio continues to decline over the life of the Financial Plan and remains well below the target level of 10%.

Indebtedness / Own source revenue

Indebtedness/Own source revenue ratio continue to decline over the life of the Financial Plan and remains well below the target level of 60%.

5.2 Reserves Strategy

5.2.1 Current Reserves

Open Space Reserve

- Purpose - The Open Space Reserve holds funds contributed by developers for works associated with developing and improved public open space and recreational facilities within Council. Funds are contributed in accordance with Section 18 of the Subdivision Act and transfers are restricted to the purpose of creating open space such as parks, playgrounds, pavilions and other such items where it is deemed that these works should occur at a later point than the initial development.

Development Contributions Reserve

- Purpose – This reserve retains funds received from developers for infrastructure provision.