



**Cardinia Shire Council**  
**Proposed Financial Plan for the period**  
**2021/22 to 2030/31**

# Cardinia Shire Council

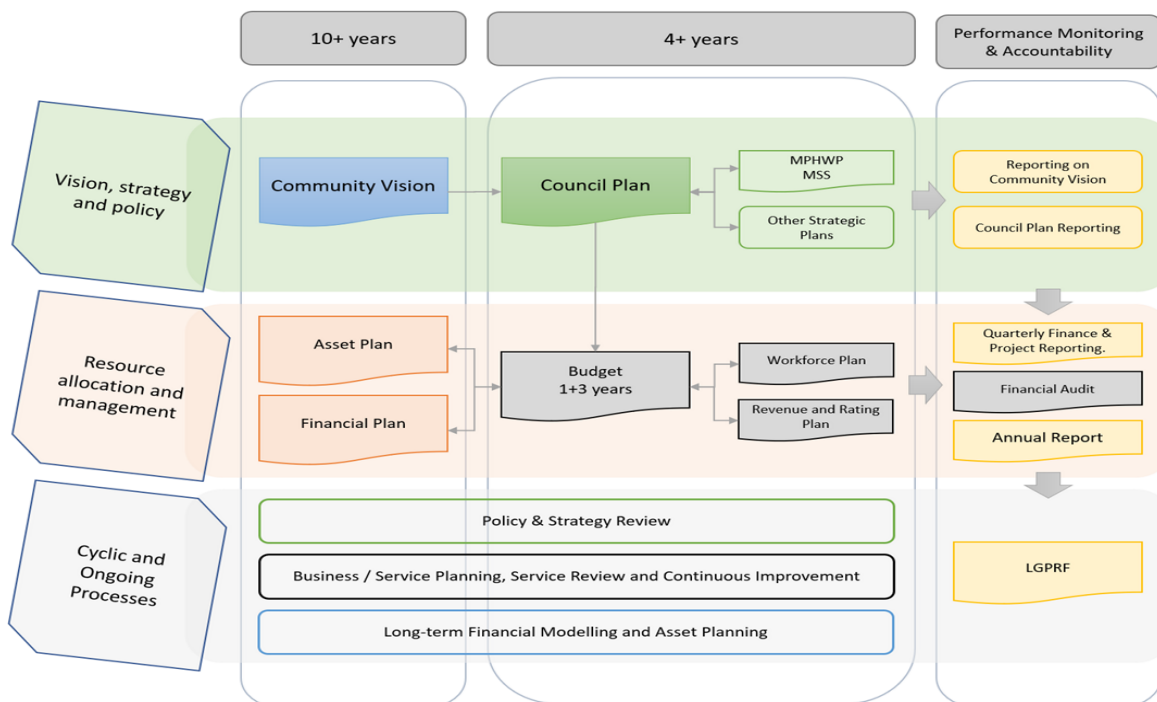
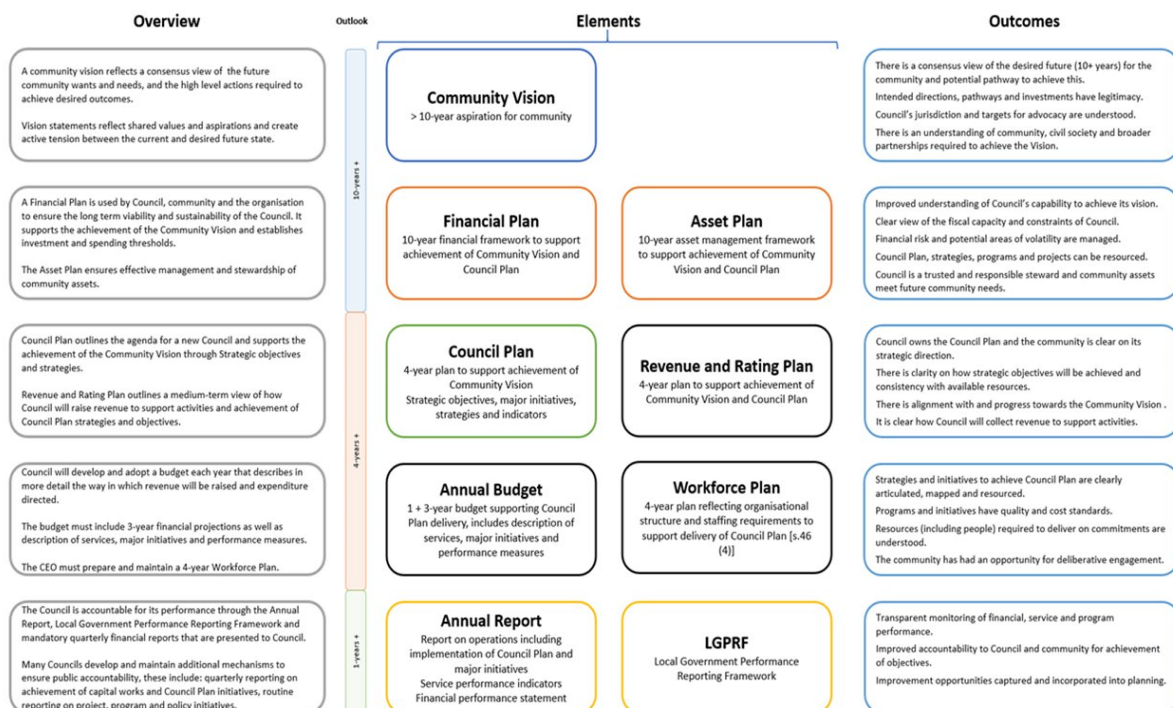
## Proposed Financial Plan 2021-2031

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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.



## 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:

- a) Council has an integrated approach to planning, monitoring and performance reporting.
- b) Council financial plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- c) The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- 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 1.2.2 below.
- e) 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.
  - c) the beneficial enterprises of Council (where appropriate).
- 1.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 1.2.4 Aim to maintain existing service levels with optimal resources and emphasis on innovation and efficiency.
- 1.2.5 Council maintains accounts and records that explain its financial operations and financial position (refer section 3 Financial Statements)

## 1.3 Engagement Principles

Council has engaged with the community via Imagine Cardinia since November 2020, followed by deliberative engagement on council priorities via a People's Panel. The outcome of this collaboration is the development of an inaugural Community Vision. The following principles were adopted during this engagement process:

- a) Draft Financial Plan prepared by management.
- b) Draft Financial Plan placed on public exhibition from 21 April for 4 weeks and seeking public feedback.
- c) Community engagement is conducted using local news outlets and social media.
- d) Review and consideration of public feedback on the Financial Plan in May.
- e) Proposed Financial Plan, including any revisions, presented to Council for adoption in June.

## 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 will 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 uses a performance monitoring framework to continuously improve its service delivery standards.
- e) Council's service delivery framework considers and responds to community feedback and complaints regarding service provision.

## 2. Financial Plan Context

This section describes the context and external / internal environment and consideration in determining the 10 year financial projections and assumptions.

### Our challenges and opportunities

While many of the challenges we face are similar to those of other Victorian councils, we are presented with some unique ones. The following are some of our most significant challenges and opportunities.

#### Tackling climate change and its impact on our environment, economy, and people

Climate change is one of the greatest challenges of our time. We already see its effects. There are more warm spells, frequent and intense downpours and longer fire seasons. It's impacting our biodiversity, water supplies, energy demand, and our health (particularly that of our more vulnerable community members). As outlined in our *Sustainable Environment Policy 2018–28*, we recognise that every action our community and Council takes influences our environment. We want to make that influence as positive as possible. How we adapt and mitigate climate change impacts will require a holistic approach, from how we drive sustainable development to how we grow our local industries.

#### COVID-19 pandemic and economic recovery

The global COVID-19 pandemic has impacted how we live, work, access important services and socially connect. The impacts and changes have been rapid. The effects will be long lasting.

The pandemic's economic impacts are some of the most significant, along with mental health impacts from isolation and uncertainty. We will need creative solutions to help businesses recover, manage our financial resources, and support individuals to get back on their feet.

We can learn from the pandemic. Through the pandemic, having access to everything you need locally become more important than ever. We want to continue supporting this and strengthening our financial and community resilience for the next challenge or natural disaster.

#### Meeting the changing needs and expectations of a growing and diverse community

Our population growth continues to be a challenge for providing critical services and assets in a timely way. While we strive to create liveable communities, this can mean different things to different people. Why someone chooses to live on a working farm is different from why someone buys their first home in the suburbs. We want to continue to work towards providing equitable access to important services and facilities. This includes attracting new services to our shire to help fill critical gaps and exploring innovative service models.

#### Developing a prosperous local economy that is the right fit for Cardinia Shire

When we think about supporting local industry development and creating local jobs, we need to consider what is the right fit for Cardinia Shire. We need a clear direction for leveraging our productive land and employment land to grow local industries, increase local jobs and keep our skilled workforce. This will help protect our agricultural land and improve Cardinia Shire's attractiveness as an employment hub for agri-business, supporting industries and tourism.

#### Addressing the safety, health and wellbeing challenges facing our community

We know that not everyone in our community is safe or feels safe. We have high rates of reported incidents of family violence, with four incidents reported across the shire each day.[1] Continuing to work with the community and its leaders, Victoria Police and the University of Melbourne on the Together We Can initiative to stop, prevent and end family violence in Cardinia Shire will remain an important initiative. We need to work towards building feelings of safety and inclusion for everyone.

On average, our residents are more obese and more overweight than the Victoria average. To combat this, we need to focus on prevention. Through our *Liveability Plan 2017–29*, we aim to keep our people well and prevent disease, illness, injury, disability or premature death. We build our community's capacity, use evidence-based decision-making, and focus on Cardinia Shire's liveability to create environments that enhance our community's health and wellbeing.

## 2. Financial Plan Context

### Council's vision 2021-25

The unique identity of our urban, hills and rural areas is strengthened. We meet the challenges we face together as a community. How we respond balances the needs of our people, businesses, our productive land and natural environments.

### Our priorities



## 2. Financial Plan Context

### 2.1 Financial Policy Statements

This section defines the measures that demonstrates Council's financial sustainability in order to fund the aspirations of the Community Vision and the Council Plan.

Policy Statement	Measure	Target	Forecast Actual											
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
1. Consistent underlying surplus results	Adjusted underlying result greater than \$0	\$0	\$2,144	(\$252)	\$392	\$1,290	\$1,625	\$3,262	\$3,501	\$3,759	\$4,009	\$5,253	\$6,221	
2. Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities greater than 1.25	1.25	2.94	2.13	2.14	2.01	2.29	2.34	2.34	2.68	3.00	3.18	3.41	
3. Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Asset renewal and upgrade expenses / Depreciation above 100%	100%	106%	155%	159%	166%	143%	148%	162%	126%	62%	87%	88%	
4. That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings / Rate revenue to remain below 60%	60%	31%	38%	34%	30%	26%	22%	19%	16%	13%	11%	10%	
5. Council maintains sufficient unrestricted cash (per LGPRF definition) to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Unrestricted cash / current liabilities to be maintained above 15% (LGPR indicator)	15%	17%	13%	(6%)	(16%)	(15%)	3%	14%	38%	53%	75%	103%	
5. Council maintains sufficient unrestricted cash (per VAGO definition) to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Unrestricted cash / current liabilities to be maintained above 50% (VAGO definition)	50%	102%	73%	60%	46%	51%	65%	74%	102%	121%	142%	170%	
6. 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 25%	25%	67%	79%	58%	65%	51%	55%	57%	47%	34%	32%	29%	

## 2. Financial Plan Context

### 2.2 Strategic Actions

Following a series of community engagement activities, Council has identified the following strategic actions that will support the aspirations of the Council Plan.

The strategic actions are included to the 10-year financial plan and, where appropriate, referenced in the commentary associated with the 10-year Comprehensive Income Statement and the 10-year Statement of Capital Works.

Some of Council's key strategic actions include:

- Set rate increases in accordance with the Fair Go Rates framework and Revenue and Rating Plan.
- Identify efficiency gains in the operating budget to promote achievement of a financially sustainable operating surplus in a rate cap environment.
- Ensure service users make a reasonable contribution to the cost of services through appropriate fees and charges consistent with adopted pricing strategies and principles within the Revenue and Rating Plan.
- Seek alternative revenue streams and external funding opportunities to reduce over reliance on rate revenue.
- Apply a best value service/supply contract pricing approach to achieve quality and cost effective inputs to the delivery of Council services to the community.
- Increase investment in renewal capital to reduce the increasing risk and maintenance of aging infrastructure.
- Allocate additional funding towards addressing climate change.
- Apply new debt funding to growth infrastructure where necessary and based on a sound business case and demonstrated community benefit.
- Maintain current service levels for the next four years to enable Council sufficient time to complete a full review of its service delivery programs.



## 2. Financial Plan Context

### 2.3 Assumptions to the financial plan statements

This section presents information in regard to the assumptions to the Comprehensive Income Statement for the 10 years 2021/22 to 2030/31.

The following table shows the description and annual escalations for each income and expenditure line item contained in the Comprehensive Income Statement for the 10 year period. Further information regarding the revenue sources is available in Revenue and Rating Plan. The annual escalations are based on research and information across various sources, mainly Australian Bureau of Statistics, Victorian Department of Treasury and Finance, State government budget, Forecast Id data, and general economic updates across the sector.

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%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
Growth	4.48%	4.45%	4.26%	3.91%	3.73%	3.63%	3.29%	3.00%	2.74%	2.50%
Rates and charges	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
Statutory fees and fines	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
User fees	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
Grants - Operating	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
Grants - Capital	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
Contributions - monetary	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
Contributions - non-monetary	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
Other income	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
Employee costs	2.30%	3.45%	3.50%	4.25%	4.50%	5.60%	5.70%	5.80%	5.90%	6.00%
Superannuation Guarantee	10.00%	10.50%	11.00%	11.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Materials and services	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%
Depreciation & Amortisation	2.28%	3.48%	3.51%	3.47%	2.71%	3.36%	3.18%	1.77%	0.89%	0.37%
Other expenses	1.50%	1.75%	2.00%	2.25%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%

### 2.3.1 Rates and Charges

The Victorian Government introduced rate capping from 2016 as a part of the *Fair Go Rates* system, requiring all Local Councils to limit their annual the rate cap applies to general rate and municipal charges. It does not apply to waste charges or the State's fire services property levy.

The rate cap for 2021/22 has been set at 1.5% as approved by Minister for Local Government, in comparison to 2% prescribed for 2020/21. Financial plan forecasts are based on Council complying with expected rate cap, annual rate increase for future years is aligned with Consumer Price Index (CPI).

The actual rate cap is announced by the Minister for Local Government in December of the preceding year of the budget.

In addition, it is expected that an additional \$1.1m per annum will be driven by growth (additional properties) through receipt of supplementary rates. An increase of 1,500 dwellings every year is factored to reflect the expected growth and development across the municipality.

Further information about rating principles can be found in Council's Revenue and Rating Plan 2021-25.

Waste charges are based on the actual cost of delivering the waste service, it's based on a cost recovery principle. Residential garbage rate is proposed to increase by 6% 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 CPI % increase to ensure Council continues to recover the full costs of providing waste services.

Waste service charge includes expected tonnages of waste collected, increase in State Government landfill levy coming in place from July 21 resulting in significant increase, general contract increase allowed for CPI and growth, also includes waste education and incentives as a part of future waste collection and disposal in the future. Residents may vary the waste service they receive and be charged according to the services they use and size of their bins.

### 2.3.2 Statutory fees and fines

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

### 2.3.3 User fees

User fees and charges are those that Council will charge for the delivery of services and use of community infrastructure.

The provision of infrastructure and services form a key part of Council's role in supporting the local community. In providing these, Council must consider a range of 'Best Value' principles including service cost and quality standards, value-for-money, and community expectations and values. Council must also balance the affordability and accessibility of infrastructure and services with its financial capacity and in the interests of long-term financial sustainability.

Councils must also comply with the Government's Competitive Neutrality Policy for significant business activities they provide and adjust their service prices to neutralise any competitive advantages when competing with the private sector.

In providing services to the community, council must determine the extent of cost recovery for particular services consistent with the level of both individual and collective benefit that the services provide and in line with the community's expectations.

Services are provided on the basis of one of the following pricing methods:

- a. Market Price
- b. Full Cost Recovery Price
- c. Subsidised Price

Revenue increase for user fees and charges for ten years is in line with CPI increase.

### 2.3.4 Grants

Council receives various grant funding and recognises the importance of actively pursuing grant funding to deliver significant projects and services to the community. Operating grants are expected to increase in line with CPI increase for future years.

Council only allows for confirmed capital grant funding in budget allocations, capital grants are essential for council to deliver projects that will have intergenerational benefits.

### 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 are transferred to a restricted reserve until utilised for a specific purpose through the capital works program or delivered as works in kind by developers.

Cardinia Shire Council currently have 4 DCP's, with a New Pakenham East Structure Plan (PSP) approved by the Minister for Planning in December 2020. These schemes prescribe statutory contribution rates.

### 2.3.6 Other Income

Revenue from other income mainly comprises recovery income from a variety of sources and rental income received from the hire of Council buildings and facilities.

### 2.3.7 Employee costs

Employee costs is one of the largest expenditure for council to support the community and meet organisation commitments. Employee costs constitute a combination of direct wages and salaries, including on-costs such as superannuation, WorkCover, leave entitlements, training and temporary staff arrangements.

The 2021/22 year includes a 4.6% increase for employee costs that mainly reflects the salary increase, banding movement for all staff pursuant to the Enterprise Bargaining Agreement as well as increased staff resources for development and planning team due to increased activity for Pakenham east and other development schemes.

The ensuing years, from 2022/23 to 2030/31, reflect annual increases of 1% for banding movement, 1% for growth and annual EBA increases, additional growth in staff movement is assumed for 2026/27 to 2030/31 for delivery of council services as council continues to grow.

Council has also allowed for additional costs for increased WorkCover premium due to the risk with current MAV Workcover scheme. The new superannuation guarantee rules coming in place from Jul 21 to move the SG rate to 10% with progressively moving the rate to 12% by 2025/26.

### **2.3.8 Materials and services**

Material costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are more governed by market forces based on availability than CPI. Cost of council maintenance contracts for parks and gardens are expected to exceed the CPI due to the continued growth in council assets and also the cost of raw materials like concrete, asphalt and other road items continue to exceed the CPI and hence have been set appropriately.

Waste costs, which are a part of cost recovery for council garbage charges are expected to increase in excess of 11% in 2021/22 due to increased tonnage, anticipated increase in landfill levy, with new State government levy to commence from July 21 and increase contractual costs for landfill charges.

Other associated costs included under this category are utilities, materials and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit. These costs are kept to within CPI levels year on year.

### **2.3.9 Depreciation and amortisation**

Depreciation estimates have been based on the projected capital spending contained within this LTFP document. Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets and as council continues to receive donated 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, election costs, court charges, lease expenditure, audit costs and other costs associated with the day to day running of Council.

## 2.4 Other Matters impacting the 10-year financial projections

Council continues to face challenges, which may impact future events likely to impact the Financial Plan projections. Some of the main factors that may impact the 10 year- financial projections are:

- **Lower rate environment:** The overall financial impact of the lower rate environment has lead Council to review it services and capital works program and to source alternative funding.
- **New Local Government Act 2020:** The requirement for Asset Management Planning will be better informed by new deliberative community engagement. A possible re-defining of service demand and service levels in respect of community assets and infrastructure may increase asset maintenance and renewal expenditure.
- **COVID-19 impact:** As the economy recovers from this pandemic, our community will continue to recover from these challenges. Council will continue to support the community and businesses where possible and provide assistance. We are learning different ways of working and making council facilities more akin to provide hybrid work environment and more services to move electronically. Our innovative ways of working and advance IT infrastructure supported us to work through the pandemic and we will need to continue to build our IT infrastructure to grow the organisation.
- **Natural Disasters:** These are occurrences of unknown timing. Whilst Council does significant work on prevention and recovery, these events have a significant impact on Council's resources. The most recent of these was the bushfire in March 2019 at Bunyip State Park. Council continues to invest money in Climate strategy projects and increased focus for generations to come.
- **Cost Shifting:** This occurs where Local Government provides a service to the community on behalf of the State or Federal Government. Over time the funds received by Local Governments do not increase in line with real Cost increases. An example of this is Maternal & Child Health, where the level of payment received by Council from the State Government does not reflect the real Cost of providing the service to the community. Council still plays a role in maintaining crown land reserves and has some exposure to infrastructure owned by other State authorities.
- **Public infrastructure maintenance:** Councils across Australia raise approximately 3% of the total taxation collected by all levels of Government in Australia. In addition, Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- **Population growth** will continue to place significant stress on Council's resources.
- **Increased costs** driven by Council's risk associated with Community Asset Committees and the management of the reserve surrounds.
- **The value of developer contributed assets and completed capital works**, together with an increase in the value of existing assets, are significantly increasing depreciation and maintenance expenditure.

### 3. Financial Plan Statements

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

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

#### 3.1 Comprehensive Income Statement

	Forecast / Actual										
	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
<b>Income</b>											
Rates and charges	100,404	105,915	109,977	114,386	119,170	124,361	129,806	135,524	141,532	147,849	154,499
Statutory fees and fines	4,270	5,847	5,174	5,277	5,389	5,511	5,638	5,771	5,911	6,057	6,209
User fees	1,969	2,797	2,834	2,876	2,925	2,980	3,039	3,102	3,169	3,241	3,316
Grants - Operating	18,813	14,738	14,770	15,065	15,404	15,789	16,200	16,637	17,103	17,599	18,127
Grants - Capital	34,616	21,736	18,694	27,211	26,380	27,300	27,346	27,393	2,441	2,490	2,540
Contributions - monetary	16,617	18,029	20,818	25,034	24,545	24,931	25,347	25,795	26,275	26,275	26,275
Contributions - non-monetary	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(156)	-	-	-	-	-	-	-	-	-	-
Other income	1,829	2,876	2,925	2,981	3,044	3,115	3,190	3,270	3,355	3,445	3,540
<b>Total income</b>	<b>223,361</b>	<b>216,940</b>	<b>220,192</b>	<b>237,831</b>	<b>241,857</b>	<b>248,988</b>	<b>255,567</b>	<b>262,493</b>	<b>244,786</b>	<b>251,955</b>	<b>259,507</b>
<b>Expenses</b>											
Employee costs	42,087	45,273	46,453	48,011	49,927	52,009	54,836	57,871	61,131	64,635	68,405
Materials and services	53,692	57,124	58,123	59,628	61,361	63,253	65,280	67,447	69,768	72,305	75,022
Depreciation	27,616	28,246	29,241	30,273	31,328	32,178	33,274	34,336	34,942	35,249	35,372
Amortisation - intangible assets	244	255	265	275	285	295	305	315	325	335	345
Amortisation - right of use assets	180	179	171	171	171	171	163	163	163	163	163
Bad and doubtful debts	125	210	182	182	182	182	182	182	182	182	182
Borrowing costs	1,560	1,604	1,394	1,315	1,228	992	928	834	756	678	593
Finance Costs - leases	58	53	49	44	39	33	28	23	18	12	7
Other expenses	2,134	2,005	1,980	2,011	2,447	2,088	2,131	2,177	2,626	2,279	2,335
<b>Total expenses</b>	<b>127,696</b>	<b>134,949</b>	<b>137,858</b>	<b>141,911</b>	<b>146,968</b>	<b>151,202</b>	<b>157,128</b>	<b>163,348</b>	<b>169,912</b>	<b>175,839</b>	<b>182,424</b>
<b>Surplus/(deficit) for the year</b>	<b>95,665</b>	<b>81,991</b>	<b>82,334</b>	<b>95,920</b>	<b>94,889</b>	<b>97,786</b>	<b>98,440</b>	<b>99,145</b>	<b>74,873</b>	<b>76,116</b>	<b>77,083</b>
<b>Total comprehensive result</b>	<b>95,665</b>	<b>81,991</b>	<b>82,334</b>	<b>95,920</b>	<b>94,889</b>	<b>97,786</b>	<b>98,440</b>	<b>99,145</b>	<b>74,873</b>	<b>76,116</b>	<b>77,083</b>
less Capital income & other abnormals	(95,682)	(84,420)	(84,162)	(96,895)	(95,575)	(96,881)	(97,343)	(97,838)	(73,366)	(73,415)	(73,465)
add back: Recurrent capital grants	2,161	2,178	2,221	2,266	2,311	2,357	2,404	2,452	2,501	2,551	2,602
<b>Adj Underlying results (excl. non-recur capital grants)</b>	<b>2,144</b>	<b>(252)</b>	<b>392</b>	<b>1,290</b>	<b>1,625</b>	<b>3,262</b>	<b>3,501</b>	<b>3,759</b>	<b>4,009</b>	<b>5,253</b>	<b>6,221</b>

### 3. Financial Plan Statements

#### 3.2 Balance Sheet

	Forecast / Actual											
	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	
<b>Assets</b>												
<b>Current assets</b>												
Cash and cash equivalents	64,055	62,547	51,103	50,101	58,037	66,678	70,466	83,376	89,008	100,530	114,956	
Trade and other receivables	21,812	25,572	25,661	26,493	27,401	28,391	29,431	30,524	31,674	32,884	34,158	
Other financial assets	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	
Inventories	11	11	11	11	11	11	11	11	11	11	11	
Non-current assets classified as held for sale	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	3,019	-	
Other assets	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	2,875	
<b>Total current assets</b>	<b>128,772</b>	<b>131,024</b>	<b>119,669</b>	<b>119,499</b>	<b>128,344</b>	<b>137,974</b>	<b>142,802</b>	<b>156,805</b>	<b>163,587</b>	<b>176,319</b>	<b>189,000</b>	
<b>Non-current assets</b>												
Trade and other receivables	12,658	10,091	10,091	10,091	10,091	10,091	10,091	10,091	10,091	10,091	10,091	
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	
Investments in associates, joint arrangement and subsidiaries	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	
Property, infrastructure, plant & equipment	1,872,210	1,981,837	2,067,206	2,163,785	2,243,338	2,331,117	2,423,490	2,503,699	2,565,070	2,626,253	2,684,751	
Right-of-use assets	1,787	1,611	1,462	1,291	1,120	949	842	679	516	353	190	
Investment property	-	-	-	-	-	-	-	-	-	-	-	
Intangible assets	377	377	377	377	377	377	377	377	377	377	377	
<b>Total non-current assets</b>	<b>1,888,398</b>	<b>1,995,283</b>	<b>2,080,502</b>	<b>2,176,911</b>	<b>2,256,293</b>	<b>2,343,900</b>	<b>2,436,166</b>	<b>2,516,212</b>	<b>2,577,421</b>	<b>2,638,441</b>	<b>2,696,775</b>	
<b>Total assets</b>	<b>2,017,171</b>	<b>2,126,306</b>	<b>2,200,171</b>	<b>2,296,410</b>	<b>2,384,636</b>	<b>2,481,875</b>	<b>2,578,969</b>	<b>2,673,017</b>	<b>2,741,007</b>	<b>2,814,759</b>	<b>2,885,775</b>	
<b>Liabilities</b>												
<b>Current liabilities</b>												
Trade and other payables	19,050	37,323	31,828	35,225	31,723	34,422	36,329	34,126	30,199	30,858	30,898	
Trust funds and deposits	12,467	12,467	12,467	12,467	12,467	12,467	12,467	12,467	12,467	12,467	12,467	
Provisions	8,426	8,477	8,528	8,579	8,630	8,682	8,734	8,787	8,839	8,892	8,946	
Interest-bearing liabilities	3,678	3,161	2,933	3,012	3,100	3,187	3,275	2,859	2,925	2,992	3,061	
Lease liabilities	158	156	161	166	172	166	171	177	182	187	128	
<b>Total current liabilities</b>	<b>43,780</b>	<b>61,584</b>	<b>55,917</b>	<b>59,450</b>	<b>56,092</b>	<b>58,924</b>	<b>60,977</b>	<b>58,415</b>	<b>54,613</b>	<b>55,396</b>	<b>55,500</b>	
<b>Non-current liabilities</b>												
Trade and other payables	19,908	19,911	19,933	19,933	19,933	19,933	19,989	19,989	19,989	19,989	13,909	
Provisions	1,186	1,213	1,255	1,299	1,354	1,415	1,495	1,580	1,671	1,770	1,876	
Interest-bearing liabilities	27,286	36,752	34,047	30,955	27,767	24,493	21,130	18,687	15,696	12,637	12,568	
Lease liabilities	1,666	1,510	1,350	1,183	1,012	845	674	497	315	128	0	
<b>Total non-current liabilities</b>	<b>50,046</b>	<b>59,387</b>	<b>56,584</b>	<b>53,371</b>	<b>50,066</b>	<b>46,687</b>	<b>43,288</b>	<b>40,754</b>	<b>37,672</b>	<b>34,524</b>	<b>28,353</b>	
<b>Total liabilities</b>	<b>93,826</b>	<b>120,970</b>	<b>112,501</b>	<b>112,821</b>	<b>106,158</b>	<b>105,611</b>	<b>104,264</b>	<b>99,168</b>	<b>92,285</b>	<b>89,921</b>	<b>83,853</b>	
<b>Net assets</b>	<b>1,923,345</b>	<b>2,005,336</b>	<b>2,087,670</b>	<b>2,183,590</b>	<b>2,278,479</b>	<b>2,376,264</b>	<b>2,474,704</b>	<b>2,573,849</b>	<b>2,648,722</b>	<b>2,724,838</b>	<b>2,801,922</b>	
<b>Equity</b>												
Accumulated surplus	1,177,319	1,256,255	1,330,248	1,415,600	1,516,265	1,615,807	1,713,731	1,823,374	1,894,942	1,964,230	2,043,450	
Reserves	746,026	749,081	757,422	767,989	762,213	760,457	760,973	750,475	753,780	760,609	758,472	
<b>Total equity</b>	<b>1,923,345</b>	<b>2,005,336</b>	<b>2,087,670</b>	<b>2,183,590</b>	<b>2,278,479</b>	<b>2,376,264</b>	<b>2,474,704</b>	<b>2,573,849</b>	<b>2,648,722</b>	<b>2,724,838</b>	<b>2,801,922</b>	



### 3. Financial Plan Statements

#### 3.3 Statement of Changes in Equity

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
<b>2021 Forecast Actual</b>				
Balance at beginning of the financial year	1,827,680	1,086,072	672,382	69,226
Surplus/(deficit) for the year	95,665	95,665	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(17,810)	-	17,810
Transfers from other reserves	-	13,391	-	(13,391)
<b>Balance at end of the financial year</b>	<b>1,923,345</b>	<b>1,177,319</b>	<b>672,382</b>	<b>73,645</b>
<b>2022</b>				
Balance at beginning of the financial year	1,923,345	1,177,319	672,382	73,645
Surplus/(deficit) for the year	81,990	81,991	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(19,834)	-	19,834
Transfers from other reserves	-	24,902	-	(24,902)
<b>Balance at end of the financial year</b>	<b>2,005,336</b>	<b>1,264,377</b>	<b>672,382</b>	<b>68,578</b>
<b>2023</b>				
Balance at beginning of the financial year	2,005,336	1,264,377	672,382	68,578
Surplus/(deficit) for the year	82,334	82,334	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(22,578)	-	22,578
Transfers from other reserves	-	17,111	-	(17,111)
<b>Balance at end of the financial year</b>	<b>2,087,670</b>	<b>1,341,243</b>	<b>672,382</b>	<b>74,045</b>
<b>2024</b>				
Balance at beginning of the financial year	2,087,670	1,341,243	672,382	74,045
Surplus/(deficit) for the year	95,920	95,920	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(26,779)	-	26,779
Transfers from other reserves	-	18,130	-	(18,130)
<b>Balance at end of the financial year</b>	<b>2,183,590</b>	<b>1,428,513</b>	<b>672,382</b>	<b>82,695</b>
<b>2025</b>				
Balance at beginning of the financial year	2,183,590	1,428,513	672,382	82,695
Surplus/(deficit) for the year	94,889	94,889	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(26,342)	-	26,342
Transfers from other reserves	-	17,472	-	(17,472)
<b>Balance at end of the financial year</b>	<b>2,278,479</b>	<b>1,514,531</b>	<b>672,382</b>	<b>91,565</b>

### 3. Financial Plan Statements

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2026</b>				
Balance at beginning of the financial year	2,278,479	1,514,531	672,382	91,565
Surplus/(deficit) for the year	97,785	97,785	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(26,774)	-	26,774
Transfers from other reserves	-	27,292	-	(27,292)
<b>Balance at end of the financial year</b>	<b>2,376,264</b>	<b>1,612,835</b>	<b>672,382</b>	<b>91,047</b>
<b>2027</b>				
Balance at beginning of the financial year	2,376,264	1,612,835	672,382	91,047
Surplus/(deficit) for the year	98,440	98,440	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(27,184)	-	27,184
Transfers from other reserves	-	23,258	-	(23,258)
<b>Balance at end of the financial year</b>	<b>2,474,704</b>	<b>1,707,348</b>	<b>672,382</b>	<b>94,974</b>
<b>2028</b>				
Balance at beginning of the financial year	2,474,704	1,707,348	672,382	94,974
Surplus/(deficit) for the year	99,145	99,145	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(27,617)	-	27,617
Transfers from other reserves	-	23,258	-	(23,258)
<b>Balance at end of the financial year</b>	<b>2,573,849</b>	<b>1,802,134</b>	<b>672,382</b>	<b>99,333</b>
<b>2029</b>				
Balance at beginning of the financial year	2,573,849	1,802,134	672,382	99,333
Surplus/(deficit) for the year	74,873	74,873	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(28,091)	-	28,091
Transfers from other reserves	-	34,649	-	(34,649)
<b>Balance at end of the financial year</b>	<b>2,648,722</b>	<b>1,883,567</b>	<b>672,382</b>	<b>92,774</b>
<b>2030</b>				
Balance at beginning of the financial year	2,648,722	1,883,567	672,382	92,774
Surplus/(deficit) for the year	76,116	76,116	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(28,086)	-	28,086
Transfers from other reserves	-	21,258	-	(21,258)
<b>Balance at end of the financial year</b>	<b>2,724,838</b>	<b>1,952,855</b>	<b>672,382</b>	<b>99,603</b>
<b>2031</b>				
Balance at beginning of the financial year	2,724,838	1,952,855	672,382	99,603
Surplus/(deficit) for the year	77,083	77,083	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(28,080)	-	28,080
Transfers from other reserves	-	30,216	-	(30,216)
<b>Balance at end of the financial year</b>	<b>2,801,922</b>	<b>2,032,075</b>	<b>672,382</b>	<b>97,466</b>

### 3. Financial Plan Statements

#### 3.4 Statement of Cash Flows

	Forecast / Actual										
	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	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
<b>Cash flows from operating activities</b>											
Rates and charges	99,627	105,089	109,368	113,725	118,452	123,582	128,990	134,666	140,630	146,902	153,502
Statutory fees and fines	4,270	5,847	5,174	5,277	5,389	5,511	5,638	5,771	5,911	6,057	6,209
User fees	4,885	2,431	3,354	2,705	2,735	2,769	2,816	2,867	2,921	2,978	3,039
Grants - operating	18,813	14,738	14,770	15,065	15,404	15,789	16,200	16,637	17,103	17,599	18,127
Grants - capital	34,616	21,736	18,694	27,211	26,380	27,300	27,346	27,393	2,441	2,490	2,540
Contributions - monetary	16,617	18,029	20,818	25,034	24,545	24,931	25,347	25,795	26,275	26,275	26,275
Interest received	350	450	456	463	469	476	482	489	496	503	510
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits taken/repaid	1,292	-	-	-	-	-	-	-	-	-	-
Other receipts	1,479	2,426	2,469	2,518	2,575	2,639	2,708	2,781	2,859	2,942	3,030
Net GST refund / payment	-	-	-	-	-	-	-	-	-	-	-
Employee costs	(42,030)	(45,195)	(46,361)	(47,916)	(49,820)	(51,896)	(54,705)	(57,733)	(60,986)	(64,483)	(68,245)
Materials and services	(66,499)	(41,067)	(65,780)	(58,424)	(67,493)	(62,825)	(65,686)	(72,010)	(76,503)	(74,108)	(77,499)
Short-term, low value and variable lease payments	(275)	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits repaid	-	-	-	-	-	-	-	-	-	-	-
Other payments	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>73,144</b>	<b>84,486</b>	<b>62,962</b>	<b>85,659</b>	<b>78,636</b>	<b>88,277</b>	<b>89,137</b>	<b>86,657</b>	<b>61,146</b>	<b>67,154</b>	<b>67,488</b>
<b>Cash flows from investing activities</b>											
Payments for property, infrastructure, plant and equipment	(73,309)	(94,028)	(70,774)	(83,028)	(67,110)	(76,147)	(81,846)	(70,756)	(52,534)	(52,662)	(50,109)
Proceeds from sale of property, infrastructure, plant and equipment	900	900	900	900	944	895	895	895	895	895	895
Payments for investments	(25,000)	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-	-	-	-	-	-	-
Loan and advances made	-	-	-	-	-	-	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash provided by/ (used in) investing activities</b>	<b>(97,409)</b>	<b>(93,128)</b>	<b>(69,874)</b>	<b>(82,128)</b>	<b>(66,166)</b>	<b>(75,252)</b>	<b>(80,951)</b>	<b>(69,861)</b>	<b>(51,639)</b>	<b>(51,767)</b>	<b>(49,214)</b>
<b>Cash flows from financing activities</b>											
Finance costs	(1,560)	(1,604)	(1,394)	(1,315)	(1,228)	(992)	(928)	(834)	(756)	(678)	(593)
Proceeds from borrowings	2,083	12,110	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(3,678)	(3,161)	(2,933)	(3,012)	(3,100)	(3,187)	(3,275)	(2,859)	(2,925)	(2,992)	(3,061)
Interest paid - lease liability	(58)	(53)	(49)	(44)	(39)	(33)	(28)	(23)	(18)	(12)	(7)
Repayment of lease liabilities	(214)	(158)	(156)	(161)	(166)	(172)	(166)	(171)	(177)	(182)	(187)
<b>Net cash provided by/(used in) financing activities</b>	<b>(3,428)</b>	<b>7,134</b>	<b>(4,532)</b>	<b>(4,532)</b>	<b>(4,533)</b>	<b>(4,384)</b>	<b>(4,397)</b>	<b>(3,887)</b>	<b>(3,876)</b>	<b>(3,865)</b>	<b>(3,848)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(27,693)</b>	<b>(1,509)</b>	<b>(11,444)</b>	<b>(1,002)</b>	<b>7,936</b>	<b>8,641</b>	<b>3,788</b>	<b>12,909</b>	<b>5,632</b>	<b>11,522</b>	<b>14,426</b>
Cash and cash equivalents at the beginning of the financial year	91,748	64,055	62,547	51,103	50,101	58,037	66,678	70,466	83,376	89,008	100,530
<b>Cash and cash equivalents at the end of the financial year</b>	<b>64,055</b>	<b>62,547</b>	<b>51,103</b>	<b>50,101</b>	<b>58,037</b>	<b>66,678</b>	<b>70,466</b>	<b>83,376</b>	<b>89,008</b>	<b>100,530</b>	<b>114,956</b>

### 3. Financial Plan Statements

#### 3.5 Statement of Capital Works

	Forecast / Actual										
	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
<b>Property</b>											
Land	9,079	9,558	2,735	1,459	1,439	1,419	1,400	1,381	1,362	1,363	1,365
<b>Total land</b>	<b>9,079</b>	<b>9,558</b>	<b>2,735</b>	<b>1,459</b>	<b>1,439</b>	<b>1,419</b>	<b>1,400</b>	<b>1,381</b>	<b>1,362</b>	<b>1,363</b>	<b>1,365</b>
Buildings	18,004	25,773	11,133	25,544	12,880	8,957	21,219	22,572	29,472	11,325	3,965
<b>Total buildings</b>	<b>18,004</b>	<b>25,773</b>	<b>11,133</b>	<b>25,544</b>	<b>12,880</b>	<b>8,957</b>	<b>21,219</b>	<b>22,572</b>	<b>29,472</b>	<b>11,325</b>	<b>3,965</b>
<b>Total property</b>	<b>27,083</b>	<b>35,331</b>	<b>13,868</b>	<b>27,004</b>	<b>14,319</b>	<b>10,376</b>	<b>22,619</b>	<b>23,953</b>	<b>30,834</b>	<b>12,688</b>	<b>5,330</b>
<b>Plant and equipment</b>											
Plant, machinery and equipment	2,251	3,665	2,792	3,045	2,916	2,698	2,588	2,643	2,500	2,502	2,505
Fixtures, fittings and furniture	35	132	144	139	145	146	158	159	160	160	160
Computers and telecommunications	775	1,610	1,006	516	519	522	526	529	532	532	533
<b>Total plant and equipment</b>	<b>3,061</b>	<b>5,407</b>	<b>3,942</b>	<b>3,701</b>	<b>3,581</b>	<b>3,366</b>	<b>3,272</b>	<b>3,331</b>	<b>3,191</b>	<b>3,195</b>	<b>3,198</b>
<b>Infrastructure</b>											
Roads	24,279	38,278	39,215	45,638	36,486	36,129	33,984	33,664	11,400	29,321	30,855
Bridges	609	430	400	406	415	692	550	337	363	364	364
Footpaths and cycleways	1,386	1,470	1,432	1,585	1,654	1,660	1,876	1,923	1,968	1,970	1,972
Drainage	450	952	963	974	985	995	1,006	1,017	1,028	1,035	1,041
Recreational, leisure and community facilities	13,298	8,433	8,456	1,816	7,385	21,305	16,822	4,882	1,982	2,422	5,680
Parks, open space and streetscapes	859	2,412	1,922	1,440	1,717	1,127	1,113	1,140	1,156	1,158	1,159
Off street car parks	699	959	125	128	131	134	140	142	141	141	141
Other infrastructure	1,585	356	450	335	436	360	462	365	468	368	369
<b>Total infrastructure</b>	<b>43,165</b>	<b>53,290</b>	<b>52,964</b>	<b>52,323</b>	<b>49,210</b>	<b>62,403</b>	<b>55,952</b>	<b>43,469</b>	<b>18,506</b>	<b>36,777</b>	<b>41,581</b>
<b>Total capital works expenditure</b>	<b>73,309</b>	<b>94,028</b>	<b>70,774</b>	<b>83,028</b>	<b>67,109</b>	<b>76,145</b>	<b>81,843</b>	<b>70,753</b>	<b>52,531</b>	<b>52,660</b>	<b>50,109</b>
<b>Represented by:</b>											
New asset expenditure	19,959	23,998	9,760	11,863	5,864	16,995	13,384	5,049	12,746	17,295	14,632
Asset renewal expenditure	16,527	22,573	24,925	25,027	23,347	23,914	27,250	23,563	19,151	28,132	28,919
Asset expansion expenditure	23,728	25,537	13,802	20,077	15,825	10,698	13,790	21,842	17,836	4,435	3,758
Asset upgrade expenditure	13,095	21,920	22,287	26,061	22,073	24,538	27,419	20,299	2,798	2,799	2,799
<b>Total capital works expenditure</b>	<b>73,309</b>	<b>94,028</b>	<b>70,774</b>	<b>83,028</b>	<b>67,109</b>	<b>76,145</b>	<b>81,843</b>	<b>70,753</b>	<b>52,531</b>	<b>52,660</b>	<b>50,109</b>
<b>Funding sources represented by:</b>											
Grants	33,876	21,737	18,438	26,470	25,309	25,833	25,521	25,214	2,216	2,230	2,243
Contributions	7,186	12,528	13,530	20,024	4,490	2,533	13,738	21,789	17,783	4,381	3,704
Council cash	32,248	47,654	38,807	36,534	37,310	47,780	42,584	23,749	32,533	46,050	44,161
Borrowings	-	12,110	-	-	-	-	-	-	-	-	-
<b>Total capital works expenditure</b>	<b>73,309</b>	<b>94,028</b>	<b>70,774</b>	<b>83,028</b>	<b>67,109</b>	<b>76,145</b>	<b>81,843</b>	<b>70,753</b>	<b>52,531</b>	<b>52,660</b>	<b>50,109</b>

\* 2021/2022 includes carryover figures

### 3. Financial Plan Statements

#### 3.6 Statement of Human Resources

Staff expenditure	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
<b>Total staff expenditure</b>											
Male	21,693	23,486	23,996	24,843	25,985	26,813	28,270	29,834	31,513	33,321	35,265
Female	20,394	21,788	22,457	23,168	23,943	25,196	26,566	28,037	29,616	31,314	33,140
Self-described gender											
<b>Total staff expenditure</b>	<b>42,087</b>	<b>45,273</b>	<b>46,453</b>	<b>48,011</b>	<b>49,927</b>	<b>52,009</b>	<b>54,836</b>	<b>57,871</b>	<b>61,129</b>	<b>64,635</b>	<b>68,405</b>
<b>Permanent full time</b>											
Male	18,322	19,407	20,184	21,065	21,938	22,647	23,878	25,200	26,617	28,145	29,787
Female	16,206	17,145	17,846	18,573	19,357	20,023	21,111	22,280	23,535	24,884	26,335
Self-described gender											
<b>Total</b>	<b>34,528</b>	<b>36,552</b>	<b>38,029</b>	<b>39,638</b>	<b>41,295</b>	<b>42,670</b>	<b>44,989</b>	<b>47,479</b>	<b>50,152</b>	<b>53,029</b>	<b>56,122</b>
<b>Permanent part time</b>											
Male	471	496	518	547	573	582	613	647	684	723	765
Female	6,219	6,591	6,848	7,170	7,462	7,683	8,101	8,549	9,031	9,548	10,105
Self-described gender											
<b>Total</b>	<b>6,689</b>	<b>7,087</b>	<b>7,366</b>	<b>7,717</b>	<b>8,034</b>	<b>8,265</b>	<b>8,714</b>	<b>9,196</b>	<b>9,714</b>	<b>10,271</b>	<b>10,870</b>
<b>Other</b>	<b>2,901</b>	<b>3,583</b>	<b>3,294</b>	<b>3,231</b>	<b>3,474</b>	<b>3,584</b>	<b>3,779</b>	<b>3,988</b>	<b>4,212</b>	<b>4,454</b>	<b>4,714</b>
<b>Salary Capitalisation</b>	<b>(2,031)</b>	<b>(1,949)</b>	<b>(2,236)</b>	<b>(2,575)</b>	<b>(2,876)</b>	<b>(2,509)</b>	<b>(2,646)</b>	<b>(2,792)</b>	<b>(2,949)</b>	<b>(3,118)</b>	<b>(3,300)</b>
<b>Total</b>	<b>870</b>	<b>1,634</b>	<b>1,058</b>	<b>656</b>	<b>598</b>	<b>1,074</b>	<b>1,133</b>	<b>1,196</b>	<b>1,263</b>	<b>1,335</b>	<b>1,413</b>

Staff numbers	2020/21	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	FTE
<b>Total staff numbers</b>											
Male	179	195	197	199	201	203	205	209	213	217	221
Female	227	232	234	236	238	240	242	246	250	254	258
Self-described gender											
<b>Total staff numbers</b>	<b>407</b>	<b>427</b>	<b>431</b>	<b>435</b>	<b>439</b>	<b>443</b>	<b>447</b>	<b>455</b>	<b>463</b>	<b>471</b>	<b>479</b>
<b>Permanent full time</b>											
Male	161	181	183	185	187	189	191	195	199	203	207
Female	157	154	156	158	160	162	164	168	172	176	180
Self-described gender											
<b>Total</b>	<b>317</b>	<b>335</b>	<b>339</b>	<b>343</b>	<b>347</b>	<b>351</b>	<b>355</b>	<b>363</b>	<b>371</b>	<b>379</b>	<b>387</b>
<b>Permanent part time</b>											
Male	8	5	5	5	5	5	5	5	5	5	5
Female	59	66	66	66	66	66	66	66	66	66	66
Self-described gender											
<b>Total</b>	<b>67</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>71</b>
<b>Other</b>											
Male	11	9	9	9	9	9	9	9	9	9	9
Female	12	12	12	12	12	12	12	12	12	12	12
Self-described gender											
<b>Total</b>	<b>23</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>

\*Excludes Working for Victoria Staff as they are not ongoing positions in Cardinia Shire Council

### 3. Financial Plan Statements

Department	Permanent Full Time				Permanent Part Time			
	Male	Female	Self-described	Total	Male	Female	Self-described	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Customer, People and Performance	1,961	3,098		5,059	26	1,430		1,456
Infrastructure & Environment	12,720	4,995		17,715	400	1,145		1,545
Liveable Communities	2,677	5,929		8,606	71	3,843		3,914
Office of the CEO	2,048	3,123		5,172	-	173		173
Total permanent staff expenditure	19,407	17,145	-	36,552	496	6,591	-	7,087
Casuals, temporary and other expenditure	1,831	1,752		3,583				-
Capitalised labour costs	(975)	(975)		(1,949)				-
<b>Total staff</b>	<b>20,263</b>	<b>17,923</b>	<b>-</b>	<b>38,186</b>	<b>496</b>	<b>6,591</b>	<b>-</b>	<b>7,087</b>

### 3. Financial Plan Statements

#### 3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2031

	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
<b>Customer, People and Performance</b>										
Permanent - Full time	5,059	5,261	5,524	5,754	5,812	6,127	6,467	6,831	7,222	7,644
Female	3,098	3,223	3,384	3,523	3,559	3,752	3,960	4,183	4,422	4,680
Male	1,961	2,038	2,140	2,231	2,253	2,375	2,507	2,648	2,800	2,963
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	1,456	1,521	1,598	1,667	1,672	1,763	1,861	1,965	2,078	2,199
Female	1,430	1,494	1,569	1,637	1,643	1,732	1,828	1,931	2,042	2,161
Male	26	27	29	31	29	31	33	35	36	39
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total Customer, People and Performance</b>	<b>6,514</b>	<b>6,781</b>	<b>7,122</b>	<b>7,422</b>	<b>7,484</b>	<b>7,890</b>	<b>8,327</b>	<b>8,796</b>	<b>9,300</b>	<b>9,843</b>
<b>Infrastructure &amp; Environment</b>										
Permanent - Full time	17,715	18,500	19,326	20,126	20,351	21,457	22,644	23,920	25,291	26,766
Female	4,995	5,247	5,511	5,753	5,738	6,050	6,385	6,745	7,131	7,547
Male	12,720	13,253	13,814	14,373	14,612	15,407	16,259	17,175	18,160	19,219
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	1,545	1,602	1,677	1,745	1,775	1,872	1,975	2,087	2,206	2,335
Female	1,145	1,186	1,239	1,289	1,316	1,387	1,464	1,546	1,635	1,730
Male	400	416	437	456	459	484	511	540	571	604
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total Infrastructure &amp; Environment</b>	<b>19,260</b>	<b>20,102</b>	<b>21,003</b>	<b>21,871</b>	<b>22,126</b>	<b>23,329</b>	<b>24,620</b>	<b>26,006</b>	<b>27,497</b>	<b>29,101</b>

### 3. Financial Plan Statements

#### 3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2031

	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
<b>Liveable Communities</b>										
Permanent - Full time	8,606	8,909	9,175	9,574	9,887	10,424	11,001	11,621	12,287	13,004
Female	5,929	6,135	6,283	6,546	6,811	7,182	7,579	8,006	8,465	8,959
Male	2,677	2,773	2,892	3,027	3,075	3,243	3,422	3,615	3,822	4,045
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	3,914	4,065	4,257	4,430	4,496	4,741	5,003	5,285	5,588	5,914
Female	3,843	3,990	4,177	4,344	4,415	4,655	4,913	5,190	5,487	5,807
Male	71	75	81	86	81	86	90	95	101	107
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total Liveable Communities</b>	<b>12,520</b>	<b>12,974</b>	<b>13,432</b>	<b>14,004</b>	<b>14,383</b>	<b>15,165</b>	<b>16,004</b>	<b>16,906</b>	<b>17,875</b>	<b>18,918</b>
<b>Office Of the CEO</b>										
Permanent - Full time	5,171	5,361	5,613	5,840	5,940	6,263	6,610	6,982	7,382	7,813
Female	3,123	3,241	3,395	3,534	3,588	3,783	3,992	4,217	4,459	4,719
Male	2,047	2,120	2,219	2,305	2,352	2,480	2,617	2,765	2,923	3,094
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	173	178	185	192	198	209	221	233	247	261
Female	173	178	185	192	198	209	221	233	247	261
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
<b>Total Office of the CEO</b>	<b>5,344</b>	<b>5,538</b>	<b>5,798</b>	<b>6,031</b>	<b>6,139</b>	<b>6,472</b>	<b>6,830</b>	<b>7,215</b>	<b>7,629</b>	<b>8,074</b>
<b>Casuals, temporary and other expenditure</b>	<b>1,635</b>	<b>1,058</b>	<b>656</b>	<b>599</b>	<b>1,878</b>	<b>1,980</b>	<b>2,090</b>	<b>2,205</b>	<b>2,334</b>	<b>2,470</b>
<b>Total staff expenditure</b>	<b>45,273</b>	<b>46,453</b>	<b>48,011</b>	<b>49,927</b>	<b>52,009</b>	<b>54,836</b>	<b>57,871</b>	<b>61,129</b>	<b>64,635</b>	<b>68,405</b>



### 3. Financial Plan Statements

#### 3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2031

	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
<b>Customer, People and Performance</b>										
Permanent - Full time	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0	43.0
Female	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
Male	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Female	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1
Male	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Customer, People and Performance</b>	<b>59.4</b>	<b>59.4</b>	<b>59.4</b>	<b>59.4</b>	<b>59.4</b>	<b>59.4</b>	<b>59.4</b>	<b>59.4</b>	<b>59.4</b>	<b>59.4</b>
<b>Infrastructure &amp; Environment</b>										
Permanent - Full time	178.0	182.0	186.0	190.0	194.0	198.0	206.0	214.0	222.0	230.0
Female	50.0	52.0	54.0	56.0	58.0	60.0	64.0	68.0	72.0	76.0
Male	128.0	130.0	132.0	134.0	136.0	138.0	142.0	146.0	150.0	154.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5
Female	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
Male	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Infrastructure &amp; Environment</b>	<b>196.5</b>	<b>200.5</b>	<b>204.5</b>	<b>208.5</b>	<b>212.5</b>	<b>216.5</b>	<b>224.5</b>	<b>232.5</b>	<b>240.5</b>	<b>248.5</b>

### 3. Financial Plan Statements

#### 3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2031

	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
<b>Liveable Communities</b>										
Permanent - Full time	72.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0	72.0
Female	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Male	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	34.9	34.9	34.9	34.9	34.9	34.9	34.9	34.9	34.9	34.9
Female	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1	34.1
Male	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Liveable Communities</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>	<b>106.9</b>
<b>Office of the CEO</b>										
Permanent - Full time	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Female	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Male	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Female	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Office of the CEO</b>	<b>43.7</b>	<b>43.7</b>	<b>43.7</b>	<b>43.7</b>	<b>43.7</b>	<b>43.7</b>	<b>43.7</b>	<b>43.7</b>	<b>43.7</b>	<b>43.7</b>
<b>Casuals, temporary and other expenditure</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>	<b>20.7</b>
<b>Total staff numbers</b>	<b>427.2</b>	<b>431.2</b>	<b>435.2</b>	<b>439.2</b>	<b>443.2</b>	<b>447.2</b>	<b>455.2</b>	<b>463.2</b>	<b>471.2</b>	<b>479.2</b>

## 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 Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Trend 2021-31 +/-
Operating position															
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	1.65%	(0.19%)		0.28%	0.90%	1.09%	2.11%	2.18%	2.25%	2.30%	2.90%	3.30%	+
Liquidity															
Working Capital	Current assets / current liabilities	2	294%	213%		214%	201%	229%	234%	234%	268%	300%	318%	341%	+
Unrestricted cash	Unrestricted cash / current liabilities	3	17%	13%	(6%)	(16%)	(15%)	3%	14%	38%	53%	75%	103%		+
Unrestricted cash (VAGO)	Unrestricted cash / current liabilities	3	102%	73%	60%	46%	51%	65%	74%	102%	121%	142%	170%		+
Obligations															
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	31%	38%		34%	30%	26%	22%	19%	16%	13%	11%	10%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.7%	3.0%		2.7%	2.6%	2.6%	2.6%	2.5%	2.1%	2.1%	2.0%	2.0%	+
Indebtedness	Non-current liabilities / own source revenue		46%	51%		47%	43%	38%	34%	31%	28%	24%	21%	17%	+
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	5	106%	155%		159%	166%	143%	148%	162%	126%	62%	87%	88%	-
Stability															
Rates concentration	Rate revenue / adjusted underlying revenue	6	76%	77%		78%	79%	79%	79%	80%	80%	80%	81%	81%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.31%	0.29%		0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.28%	0.28%	0.28%	o
Indicator	Measure	Notes	Forecast Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Trend +/-
Efficiency															
Expenditure level	Total expenses / no. of property assessments		\$2,635	\$2,698		\$2,676	\$2,677	\$2,696	\$2,699	\$2,732	\$2,768	\$2,808	\$2,835	\$2,872	-
Revenue level	Total rate revenue / no. of property assessments		\$1,733	\$1,747		\$1,769	\$1,795	\$1,826	\$1,861	\$1,899	\$1,938	\$1,980	\$2,024	\$2,071	+

## 4. Financial performance indicators

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### Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

### Notes to indicators

#### 1. Adjusted underlying result

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. A key goal of the Budget is to maintain an adjusted underlying surplus in the long term. The adjusted underlying result reduces to a deficit in 2021-22, but returns to a steadily increasing surplus thereafter into the future.

#### 2. Working Capital

The proportion of current liabilities represented by current assets. Working capital is forecast to steadily increase over the ten year period, with increasing operating cash flows building cash and cash equivalent balances greater than current liabilities.

#### 3. Unrestricted Cash

Restricted cash is impacted by funds set aside for Developers contribution and other trust funds. The LGPRF ratio excludes long term investments from unrestricted cash as well and hence the difference to the VAGO indicator. Long term investments are appropriately managed to be available to cover commitments if required.

#### 4. Debt compared to rates

Council's current plan includes borrowings for capital expenditure. The loans and borrowing balance decreases over the period due to repayments of existing loans being higher than the value of drawdown of new loans during the period

#### 5. Asset renewal and upgrade

This percentage indicates the extent of Council's renewals and upgrades against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Cardinia Shire offers urban and rural landscapes and strives to balance the needs of growth, interface, and rural. This adds pressure for new and renewal as Council strives to balance individual town needs. Although the renewal provision is strong for much of the ten year period, the decreasing trend forecast from 2027/28 highlights a focus for Council's Asset Management Planning process. Council will renew assets where resources are available and seek grant funding to increase new and upgrade opportunities. Council will need to prioritise renewal projects to direct limited renewal funds where they are most needed, and closely monitor the impacts of not achieving sufficient asset renewal.

#### 6. Rates concentration

Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Council strives to diversify its revenue sources in order to reduce the reliance on rates revenue. The trend over the period indicates a slightly increasing reliance on rate revenue.

## 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

The purpose of these guidelines is to provide for the effective management of the Council's debt in the short to medium term. Debt does not mean a Council is living beyond its means, debt merely provides an alternative and immediate form of capital to allow works to proceed in line with growth and other associated factors. A zero debt policy is often inappropriate for local government as it implies that current ratepayers are expected to meet the full cost of infrastructure assets, while in reality most of the benefit will actually be gained by future ratepayers.

These guidelines outline Cardinia Shire Council's Borrowing Strategy and its intent is to ensure the sound management of Council's existing and future debt. Whilst the preferred policy position of the Cardinia Shire Council is to reduce the existing debt (except for self supporting loans), the Council recognises that in order to ensure intergenerational equity in funding the acquisition, renewal or construction of assets, it may need to resort to the prudent use of loan borrowings from time to time.

Whilst not a source of income, borrowings can be an important cash management tool in appropriate circumstances. Loans can only be approved by council resolution. Council will continue to review its existing loans and look for opportunities to renegotiate where possible. The following financial sustainability principles must be adhered to with new borrowings:

- Borrowings must only be applied for where it can be proven that repayments can be met in the Long Term Financial Plan
- For extraordinary financial events (e.g. Defined Benefits Superannuation or Natural Disasters) genuine financial emergency hardship
- Borrowings must not be used to fund ongoing operations
- Borrowings are appropriate for funding large capital works where the benefits are provided to future generations
- Council will maintain its debt at levels which are sustainable, within the performance indicator ratios.

#### 5.1.1 Current Debt Position

The total amount borrowed as at 30 June 2020 is \$32.559m.

Council has accessed debt funding to complete a range of capital projects including the most significant loan for the purchase of Council Civic Centre building.

#### 5.1.2 Future Borrowing Requirements

	Forecast / Actual 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
<b>Opening balance</b>	32,559	39,913	36,980	33,967	30,867	27,680	24,405	21,546	18,621	15,629	12,568
Plus New loans	2,083	12,110	-	-	-	-	-	-	-	-	-
Less Principal repayment	3,678	3,161	2,933	3,012	3,100	3,187	3,275	2,859	2,925	2,992	3,061
<b>Closing balance</b>	38,321	55,184	39,913	36,980	33,967	30,867	27,680	24,405	21,546	18,621	15,629
Interest payment	1,625	1,436	1,172	1,079	977	730	624	528	446	364	278

## 5. Strategies and Plans

### 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 / Actual 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%	30.84%	37.68%	33.63%	29.70%	25.90%	22.26%	18.80%	15.90%	13.16%	10.57%	10.12%
Debt servicing / Rate revenue	Below 5%	1.62%	1.36%	1.07%	0.94%	0.82%	0.59%	0.48%	0.39%	0.32%	0.25%	0.18%
Debt commitment / Rate revenue	Below 10%	3.66%	2.98%	2.67%	2.63%	2.60%	2.56%	2.52%	2.11%	2.07%	2.02%	1.98%
Indebtedness / Own source revenue	Below 60%	46.14%	50.57%	46.80%	42.52%	38.36%	34.34%	30.55%	27.60%	24.47%	21.50%	16.92%

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

#### **Total borrowings / Rate revenue**

Loans balance is well within the target level of 60% to meet council targets over the ten year period.

#### **Debt servicing / Rate revenue**

Debt servicing (interest repayments) as a percentage of rates revenue should not exceed 5 per cent, ten year ratios are well within council target and improving over the ten years.

#### **Debt commitment / Rate revenue**

Debt Commitment Ratio measured as interest and principal repayments on interest bearing loans/rate revenue, this ratio is within council's 10% target level over the life of the plan.

#### **Indebtness / Own source revenue**

Comparison of non-current liabilities (mainly comprising borrowings) to own-sourced revenue. The higher % identifies council risk to cover non-current liabilities from the revenues the organisation generates itself. Own source revenue excludes grants and contributions. Council is within it's 60% target over the life of the plan.

## 5. Strategies and Plans

### 5.2 Reserves Strategy

#### 5.2.1 Current Reserves

##### **Non Discretionary Reserves**

###### Development contributions

When people develop land for any use, they often contribute to or cause the need for new or upgraded infrastructure. Development contributions are payments or works-in-kind towards the provision of infrastructure made by the proponent of a new development.

###### Development contributions plan (DCP)

The development contributions plan outlines the levies landowners and developers must pay to the State Government and council to fund infrastructure and facilities for the new community.

A development contributions plan (DCP) is a mechanism used to levy new development for contributions to planned infrastructure needed by the future community.

A council collects development contribution levies from new development through an approved DCP.

An approved DCP is a DCP that forms part of a planning scheme.

The Minister for Planning has to approve an amendment to the planning scheme in order to incorporate a DCP.

The DCP will assist Council to fund a range of new vital local infrastructure that is associated with new development. Council will fund the balance of the cost.

The DCP will be used to fund essential infrastructure including:

- Roads
- Drainage
- Footpaths
- Streetscape works
- Childcare centres
- Maternal and Child Health Centres
- Neighbourhood houses.

Here at Cardinia Shire Council currently there are 4 DCP's, with a New Pakenham East Structure Plan (PSP) approved by the Minister for Planning in December 2020

1. Pakenham Development Contribution Plan (DCP)
2. Officer Development Contribution Plan (DCP)
3. Cardinia Road Development Contribution Plan (DCP)
4. Cardinia Road Employment Precinct
5. Pakenham East Precinct Structure Plan

##### **Discretionary Reserves**

###### Public Open Space

The Public Open Space is mainly concerned with the land that is managed by Council for community recreation and leisure, and includes parks for passive recreation, sports and active activities, linear trails, and more natural areas.

With the expected significant growth and change, it is essential that high quality open space is accessible not just for existing residents, but also for the many new residents who will be living in the Shire. To ensure that there are adequate parks and gardens for our community, Council has to plan for our future public open space needs and the ongoing enhancement of these treasured community assets.

###### Community Infrastructure Levies (CIL)

The Community Infrastructure Levy is a one-off payment set by the State Government under the requirements of the Planning and Environment Act 1987. It is a levy paid by property owners in residential developments/estates in growth areas. Council is responsible for delivering new facilities funded by the levy.

Each growth area precinct has different and unique infrastructure requirements. The Development Contributions Plan (DCP) sets out which CIL payments fund which infrastructure projects for that growth area. A CIL will pay for Sporting pavilions, Recreation facilities, and Community facilities (as detailed in the relevant DCP).

###### Other Reserves

Council has also set up some discretionary reserves for Future Emergency Recovery, Environment Sustainability and a Defined Benefit Super shortfall, where council aims to allocate \$500k each year. This will allow the organisation to future proof itself and have resources available to support the community during a crisis.

## 5. Strategies and Plans

### 5.2.2 Reserve Usage Projections

10 Year projection of each reserve fund. Include restrictions to usage.

Reserves	Restricted / Discretionary	2020-21 \$000's	2021-22 \$000's	2022-23 \$000's	2023-24 \$000's	2024-25 \$000's	2025-26 \$000's	2026-27 \$000's	2027-28 \$000's	2028-29 \$000's	2029-30 \$000's	2030-31 \$000's
<b>Development Contributions Reserve</b>	<b>Restricted</b>											
Opening balance		(52,105)	(49,535)	(41,926)	(42,638)	(51,350)	(59,325)	(56,289)	(53,228)	(52,151)	(51,069)	(49,982)
Transfer to reserve		12,163	20,311	14,724	9,388	9,328	20,384	20,404	18,404	18,404	18,404	18,404
Transfer from reserve		(9,594)	(12,702)	(15,436)	(18,100)	(17,303)	(17,348)	(17,343)	(17,327)	(17,322)	(17,316)	(17,311)
Closing balance		(49,535)	(41,926)	(42,638)	(51,350)	(59,325)	(56,289)	(53,228)	(52,151)	(51,069)	(49,982)	(48,889)
<b>Reserves Summary</b>	<b>Total Restricted</b>											
Opening balance		(52,105)	(49,535)	(41,926)	(42,638)	(51,350)	(59,325)	(56,289)	(53,228)	(52,151)	(51,069)	(49,982)
Transfer to reserve		12,163	20,311	14,724	9,388	9,328	20,384	20,404	18,404	18,404	18,404	18,404
Transfer from reserve		(9,594)	(12,702)	(15,436)	(18,100)	(17,303)	(17,348)	(17,343)	(17,327)	(17,322)	(17,316)	(17,311)
Closing balance		(49,535)	(41,926)	(42,638)	(51,350)	(59,325)	(56,289)	(53,228)	(52,151)	(51,069)	(49,982)	(48,889)
<b>Public Open Space Reserve</b>	<b>Discretionary</b>											
Opening balance		(12,309)	(13,494)	(13,927)	(16,587)	(17,785)	(19,464)	(20,355)	(25,715)	(29,523)	(22,419)	(28,708)
Transfer to reserve		928	3,500	1,500	4,500	4,379	5,554	1,500	3,500	14,891	1,500	10,459
Transfer from reserve		(2,113)	(3,933)	(4,160)	(5,698)	(6,058)	(6,444)	(6,860)	(7,308)	(7,788)	(7,788)	(7,788)
Closing balance		(13,494)	(13,927)	(16,587)	(17,785)	(19,464)	(20,355)	(25,715)	(29,523)	(22,419)	(28,708)	(26,037)
<b>Community Infrastructure Levies</b>	<b>Discretionary</b>											
Opening balance		(3,171)	(4,347)	(4,830)	(5,298)	(2,410)	0	0	0	0	0	0
Transfer to reserve		-	790	586	3,942	3,464	1,054	1,054	1,054	1,054	1,054	1,054
Transfer from reserve		(1,176)	(1,273)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)	(1,054)
Closing balance		(4,347)	(4,830)	(5,298)	(2,410)	0	0	0	0	0	0	0
<b>Other Reserves</b>	<b>Discretionary</b>											
Opening balance		(1,641)	(6,269)	(7,896)	(9,523)	(11,150)	(12,777)	(14,404)	(16,031)	(17,659)	(19,286)	(20,913)
Transfer to reserve		300	300	300	300	300	300	300	300	300	300	300
Transfer from reserve		(4,927)	(1,927)	(1,927)	(1,927)	(1,927)	(1,927)	(1,927)	(1,927)	(1,927)	(1,927)	(1,927)
Closing balance		(6,269)	(7,896)	(9,523)	(11,150)	(12,777)	(14,404)	(16,031)	(17,659)	(19,286)	(20,913)	(22,540)
<b>Reserves Summary</b>	<b>Total Discretionary</b>											
Opening balance		(17,122)	(24,110)	(26,652)	(31,407)	(31,345)	(32,241)	(34,759)	(41,746)	(47,182)	(41,705)	(49,621)
Transfer to reserve		1,228	4,590	2,386	8,742	8,143	6,908	2,854	4,854	16,245	2,854	11,813
Transfer from reserve		(8,216)	(7,132)	(7,141)	(8,680)	(9,039)	(9,426)	(9,841)	(10,289)	(10,769)	(10,770)	(10,769)
Closing balance		(24,110)	(26,652)	(31,407)	(31,345)	(32,241)	(34,759)	(41,746)	(47,182)	(41,705)	(49,621)	(48,577)
<b>Reserves Summary</b>	<b>Restricted &amp; Discretionary</b>											
Opening balance		(69,226)	(73,645)	(68,578)	(74,045)	(82,695)	(91,566)	(91,048)	(94,974)	(99,333)	(92,775)	(99,603)
Transfer to reserve		13,391	24,901	17,110	18,130	17,471	27,292	23,258	23,258	34,649	21,258	30,216
Transfer from reserve		(17,810)	(19,834)	(22,578)	(26,779)	(26,342)	(26,774)	(27,184)	(27,617)	(28,091)	(28,086)	(28,080)
Closing balance		(73,645)	(68,578)	(74,045)	(82,695)	(91,566)	(91,048)	(94,974)	(99,333)	(92,775)	(99,603)	(97,466)