



DRAFT Financial Plan

2022/23 – 2031/32

Strathbogie Shire Council

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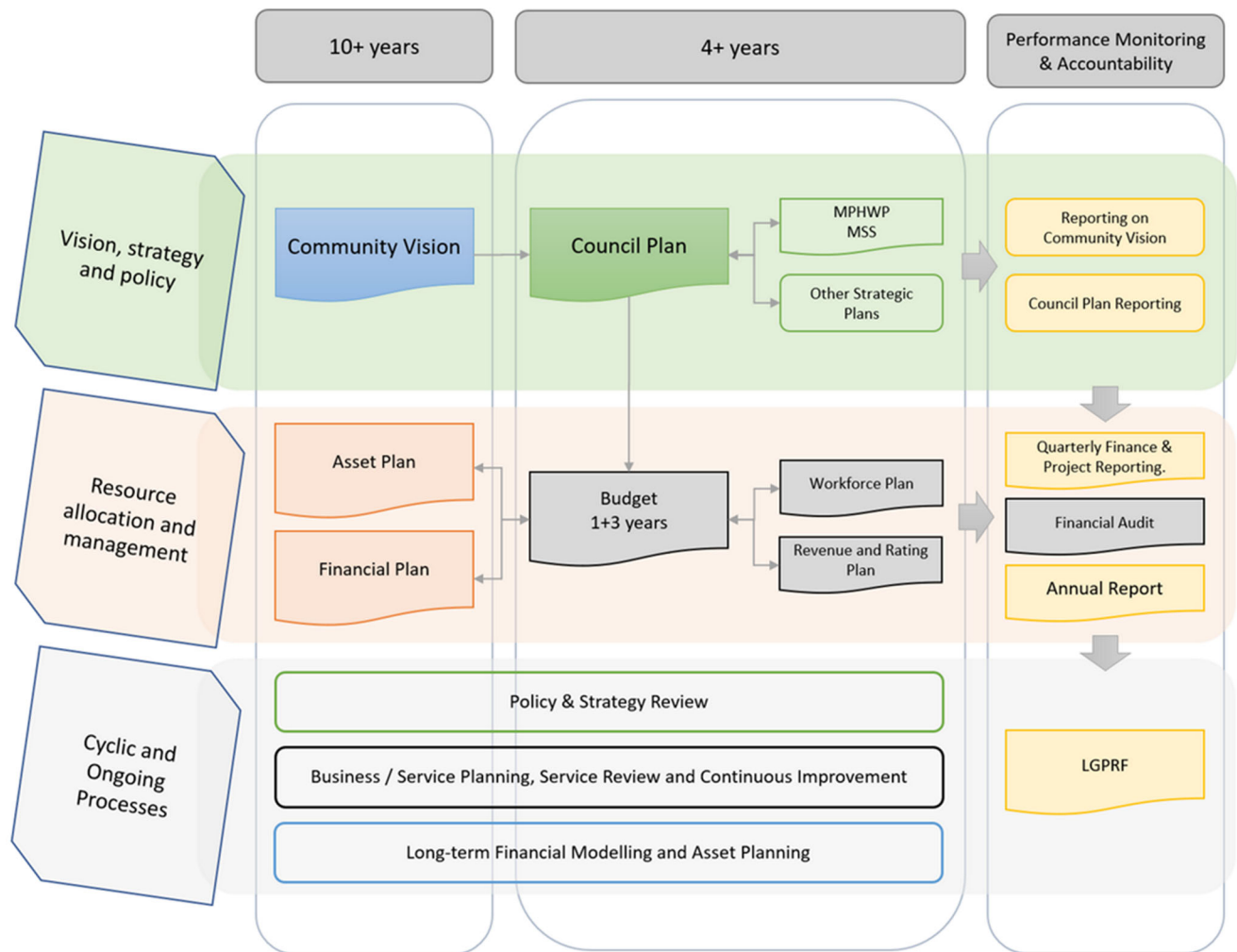
1. Legislative Requirements

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 has developed a comprehensive community engagement framework.

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 at (April) Council meeting for a period of 28 day and calling for public submissions;
- c) Community engagement is conducted using local news outlets and social media;
- d) Hearing of public submissions to the Financial Plan (June);
- e) Draft Financial Plan, including any revisions, presented to (June) 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	Forecast	Budget									
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Consistent underlying surplus result	Adjusted underlying result greater than \$0 (amount in thousands)	>\$0	(\$356)	(\$827)	(\$1,872)	(\$1,039)	(\$38)	(\$986)	(\$769)	(\$1,004)	(\$1,010)	(\$1,136)	(\$1,798)
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	2.07	1.19	1.11	1.15	1.17	1.18	1.24	1.21	1.26	1.24	1.28
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%	98%	259%	108%	86%	97%	85%	94%	108%	96%	95%	95%
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%	3%	20%	17%	15%	13%	12%	10%	8%	6%	5%	3%
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%	178%	75%	63%	68%	70%	71%	77%	75%	80%	78%	82%
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%	59%	124%	45%	35%	38%	36%	34%	36%	33%	36%	32%

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 2022/23 to 2031/32. The assumptions comprise the annual escalations / movement for each line item of the Comprehensive Income Statement.

Escalation Factors % movement	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
CPI	1.50%	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Supplementary Rates Growth	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Rates & Garbage Charges	2.76%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
Statutory Fees & Fines	2.69%	3.05%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
User Fees	27.64%	0.35%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Grants - Operating	-7.64%	0.24%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Grants - Capital	-51.69%	-20.94%	-37.04%	27.04%	-14.18%	0.00%	-5.75%	0.00%	0.00%	-28.11%
Contribution-Monetary	-5.71%	5.08%	4.77%	5.44%	5.00%	5.00%	4.62%	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	-8.47%	-20.19%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Employee Cost	2.29%	1.46%	0.74%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Material and Services	-1.95%	-3.45%	1.50%	2.01%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Depreciation & Amortisation	3.93%	2.49%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other Expenses	9.60%	19.34%	6.76%	47.91%	2.77%	2.77%	2.78%	2.78%	2.77%	2.78%

Sensitivity Analysis

1% of Rates and Charges equals	\$210,000
0.5% Supplementary Growth equals	\$105,000
1% Operating Grants equals	\$67,000
1% Labour cost equals	\$120,000
1% Materials and Services cost equals	\$132,000

Additional Sensitivity Analysis

2022/23 Financial year

Costs	
CPI is 3% not 1.5%	(\$198,000)
Labour costs locked in	\$0
Total Cost	(\$198,000)
Revenue	
Supplementary levy growth .75% not .5%	\$52,500
Operating grants 3% not 1%	\$134,000
Total Revenue	\$186,500
Net Cost	(\$11,500)

Ongoing

Labour costs 3% not 2%	(\$120,000)
Materials 3% not 1.5%	(\$198,000)
Rate Cap 3% not 1.75%	\$262,500
Supplementary .75% not .5%	\$52,500
Operating grants 3% not 1%	\$134,000
Net Income	\$131,000

2.3.1 Rates and charges

Rates per assessment will increase by 1.75% for the 2022/23 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 2022/23 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 3.0% compared to 2021/22 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 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

Revenue from user fees is expected to increase by 27.64% for the 2022/23 year. Details of user fees for the 2022/23 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 2022/23 year includes a 2.29% increase for employee costs that mainly reflects the EBA increase, creation of inhouse ranger positions and increased superannuation guarantee charge rate.

The ensuing years, 2023/24 and 2024/25 reflect annual increases of 1.46% and 0.74% respectively and from 2025/26 to 2031/32, 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. The reason for variable annual increases is the impact of fixed term roles finishing up.

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 LTFP 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

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3. Financial Plan Statements

This section presents information regarding the Financial Plan Statements for the 10 years from 2022/23 to 2031/32.

- 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 2021/22 \$'000	Budget	Financial Plan Projections								
		2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Income											
Rates and charges	20,496	21,061	21,492	21,932	22,382	22,841	23,309	23,787	24,274	24,772	25,280
Statutory fees and fines	670	688	709	730	752	775	798	822	847	872	898
User fees	445	568	570	593	617	641	667	693	721	750	780
Grants - Operating	7,293	6,736	6,752	6,820	6,888	6,957	7,026	7,096	7,167	7,239	7,311
Grants - Capital	7,690	3,715	2,937	1,849	2,349	2,016	2,016	1,900	1,900	1,900	1,366
Contributions - monetary	438	413	434	455	479	503	529	553	581	610	640
Contributions - non-monetary	-	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	238	50	52	49	51	49	49	49	49	49	49
Other income	590	540	431	431	431	431	431	431	431	431	431
Total Income	37,860	33,771	33,377	32,859	33,949	34,213	34,825	35,332	35,971	36,623	36,756
Expenses											
Employee costs	(11,696)	(11,964)	(12,139)	(12,229)	(12,473)	(12,723)	(12,977)	(13,237)	(13,501)	(13,771)	(14,047)
Materials and services	(13,468)	(13,205)	(12,749)	(12,940)	(13,200)	(13,464)	(13,734)	(14,008)	(14,288)	(14,574)	(14,866)
Bad and doubtful debts	(6)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Depreciation and amortisation	(5,846)	(6,076)	(6,227)	(6,389)	(6,548)	(6,712)	(6,880)	(7,052)	(7,228)	(7,409)	(7,594)
Borrowing costs	(16)	(134)	(92)	(80)	(73)	(67)	(61)	(54)	(47)	(40)	(33)
Amortisation - right of use assets	(178)	(184)	(182)	(179)	-	-	-	-	-	-	-
Finance Costs - leases	(16)	(11)	(13)	(7)	-	-	-	-	-	-	-
Other expenses	(302)	(331)	(395)	(422)	(624)	(641)	(659)	(677)	(696)	(715)	(735)
Total Expenses	(31,528)	(31,910)	(31,802)	(32,249)	(32,924)	(33,612)	(34,315)	(35,033)	(35,766)	(36,515)	(37,280)
Surplus/(deficit) for the year	6,332	1,861	1,575	610	1,025	600	510	299	204	108	(524)
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 associate	-	-	-	-	-	-	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive result	6,332	1,861	1,575	610	1,025	600	510	299	204	108	(524)

3.2 Balance Sheet

	Forecast/ Actual 2021/22 \$'000	Budget 2022/23 \$'000	Financial Plan Projections								
			2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Assets											
Current assets											
Cash and cash equivalents	18,541	6,071	5,113	5,403	5,596	5,702	6,176	6,042	6,404	6,295	6,599
Trade and other receivables	2,329	2,694	2,915	2,831	2,791	2,800	2,809	2,818	2,827	2,836	2,845
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	115	115	115	115	115	115	115	115	115	115	115
Total current assets	20,990	8,885	8,148	8,354	8,507	8,621	9,105	8,980	9,351	9,251	9,564
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	291,027	310,075	312,274	312,685	313,553	314,127	314,284	314,878	314,919	315,364	314,856
Other Financial Assets	-	-	-	-	-	-	-	-	-	-	-
Intangible asset	120	120	120	120	120	120	120	120	120	120	120
Rights of use assets	474	291	112	6	-	-	-	-	-	-	-
Landfill rehabilitation intangible asset	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	291,864	310,729	312,749	313,054	313,916	314,490	314,647	315,241	315,282	315,727	315,219
Total assets	312,854	319,614	320,896	321,408	322,423	323,112	323,752	324,222	324,633	324,978	324,783
Liabilities											
Current liabilities											
Trade and other payables	2,983	3,071	3,081	3,091	3,101	3,111	3,121	3,131	3,141	3,151	3,161
Trust funds and deposits	477	477	477	477	477	477	477	477	477	477	477
Provisions - Employee benefits	3,331	3,341	3,351	3,362	3,374	3,387	3,401	3,416	3,432	3,449	3,467
Provisions - Other	2,984	84	84	84	84	84	84	84	84	84	84
Lease liabilities	160	178	106	6	-	-	-	-	-	-	-
Unearned income	-	-	-	-	-	-	-	-	-	-	-
Interest-bearing loans and borrowings	192	332	244	252	259	267	275	284	292	301	310
Total current liabilities	10,127	7,483	7,343	7,272	7,295	7,326	7,358	7,392	7,426	7,462	7,499
Non-current liabilities											
Provisions - Employee benefits	240	298	358	419	480	542	606	671	737	804	873
Provisions - Other	2,360	2,111	1,862	1,797	1,730	1,662	1,593	1,522	1,450	1,377	1,302
Lease liabilities	314	112	6	-	-	-	-	-	-	-	-
Interest-bearing loans and borrowings	483	3,816	3,451	3,088	2,725	2,362	1,999	1,635	1,271	907	542
Total non-current liabilities	3,397	6,337	5,676	5,303	4,935	4,566	4,197	3,827	3,458	3,088	2,718
Total liabilities	13,524	13,820	13,020	12,575	12,230	11,892	11,555	11,219	10,884	10,550	10,217
Net assets	299,330	305,794	307,877	308,833	310,193	311,220	312,197	313,003	313,749	314,428	314,566
Equity											
Accumulated surplus	111,797	113,658	115,233	115,843	116,868	117,468	117,978	118,277	118,481	118,589	118,065
Reserves	187,533	192,136	192,644	192,990	193,325	193,752	194,219	194,726	195,268	195,839	196,501
Total equity	299,330	305,794	307,877	308,833	310,193	311,220	312,197	313,003	313,749	314,428	314,566

3.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022 Forecast Actual				
Balance at beginning of the financial year	292,998	105,465	187,533	0
Surplus/(Deficit) for the year	6,332	6,332		
Net assets revaluation increment/(decrement)	0			
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	299,330	111,797	187,533	0
2023				
Balance at beginning of the financial year	299,330	111,797	187,533	0
Surplus/(Deficit) for the year	1,861	1,861		
Net assets revaluation increment/(decrement)	4,603		4,603	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	305,794	113,658	192,136	0
2024				
Balance at beginning of the financial year	305,794	113,658	192,136	0
Surplus/(Deficit) for the year	1,575	1,575		
Net assets revaluation increment/(decrement)	508		508	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	307,877	115,233	192,644	0
2025				
Balance at beginning of the financial year	307,877	115,233	192,644	0
Surplus/(Deficit) for the year	610	610		
Net assets revaluation increment/(decrement)	346		346	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	308,833	115,843	192,990	0
2026				
Balance at beginning of the financial year	308,833	115,843	192,990	0
Surplus/(Deficit) for the year	1,025	1,025		
Net assets revaluation increment/(decrement)	335		335	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	310,193	116,868	193,325	0
2027				
Balance at beginning of the financial year	310,193	116,868	193,325	0
Surplus/(Deficit) for the year	600	600		
Net assets revaluation increment/(decrement)	427		427	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	311,220	117,468	193,752	0
2028				
Balance at beginning of the financial year	311,220	117,468	193,752	0
Surplus/(Deficit) for the year	510	510		
Net assets revaluation increment/(decrement)	467		467	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	312,197	117,978	194,219	0
2029				
Balance at beginning of the financial year	312,197	117,978	194,219	0
Surplus/(Deficit) for the year	299	299		
Net assets revaluation increment/(decrement)	507		507	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	313,003	118,277	194,726	0
2030				
Balance at beginning of the financial year	313,003	118,277	194,726	0
Surplus/(Deficit) for the year	204	204		
Net assets revaluation increment/(decrement)	542		542	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	313,749	118,481	195,268	0
2031				
Balance at beginning of the financial year	313,749	118,481	195,268	0
Surplus/(Deficit) for the year	108	108		
Net assets revaluation increment/(decrement)	570		570	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	314,428	118,589	195,839	0
2032				
Balance at beginning of the financial year	314,428	118,589	195,839	0
Surplus/(Deficit) for the year	(524)	(524)		
Net assets revaluation increment/(decrement)	662		662	
Transfer to other reserves	0			
Transfer from other reserves	0			
Balance at the end of the financial year	314,566	118,065	196,501	0

3.4 Statement of Cash Flows

	Forecast Actual	Budget	Strategic Resource Plan Projections								
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities											
Rates and charges	20,784	21,061	21,492	21,932	22,382	22,841	23,309	23,787	24,274	24,772	25,280
Statutory fees and fines	683	688	709	730	752	775	798	822	847	872	898
User fees	470	568	570	593	616	641	667	693	721	750	780
Grants - operating	4,025	6,736	6,752	6,819	6,887	6,956	7,026	7,096	7,167	7,239	7,311
Grants - capital	4,373	3,715	2,937	1,849	2,349	2,016	2,016	1,900	1,900	1,900	1,366
Contributions - monetary	359	413	434	455	479	503	529	553	581	610	640
Interest received	140	181	180	180	180	180	180	180	180	180	180
Other receipts	439	(235)	250	251	250	251	251	250	251	249	249
Net GST refund / payment	1,125	2,425	894	703	774	749	724	785	747	806	729
Employee costs	(11,573)	(11,725)	(11,896)	(11,984)	(12,224)	(12,468)	(12,718)	(12,972)	(13,231)	(13,496)	(13,766)
Materials and services	(13,066)	(12,545)	(12,749)	(12,940)	(13,200)	(13,464)	(13,734)	(14,008)	(14,288)	(14,574)	(14,801)
Trust funds and deposits repaid	-	-	-	-	-	-	-	-	-	-	-
Other payments	(429)	(331)	(338)	(344)	(351)	(358)	(365)	(373)	(380)	(388)	(396)
Net cash provided by/(used in) operating activities	7,330	10,951	9,235	8,244	8,895	8,622	8,682	8,714	8,768	8,919	8,471
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(12,378)	(26,671)	(9,833)	(7,737)	(8,514)	(8,237)	(7,961)	(8,632)	(8,217)	(8,861)	(8,021)
Proceeds from sale of property, infrastructure, plant and equipment	565	240	353	375	375	250	250	250	250	250	255
Proceeds from intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for investments	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) investing activities	(11,813)	(26,431)	(9,480)	(7,362)	(8,139)	(7,987)	(7,711)	(8,382)	(7,967)	(8,611)	(7,766)
Cash flows from financing activities											
Finance costs	(75)	(134)	(86)	(80)	(73)	(67)	(61)	(54)	(47)	(40)	(33)
Proceeds from borrowings	500	3,787	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(107)	(459)	(453)	(355)	(355)	(355)	(355)	(355)	(355)	(355)	(355)
Interest paid - lease liability	-	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities	(194)	(184)	(175)	(157)	(134)	(107)	(80)	(56)	(37)	(22)	(12)
Net cash provided by/(used in) financing activities	124	3,010	(714)	(592)	(562)	(529)	(496)	(465)	(439)	(418)	(401)
Net increase/(decrease) in cash & cash equivalents	(4,359)	(12,470)	(958)	290	194	105	475	(134)	362	(110)	304
Cash and cash equivalents at the beginning of the financial year	22,900	18,541	6,071	5,113	5,403	5,596	5,702	6,176	6,042	6,404	6,295
Cash and cash equivalents at the end of the financial year	18,541	6,071	5,113	5,403	5,596	5,702	6,176	6,042	6,404	6,295	6,599

3.5 Statement of Capital Works

	Forecast Actual 2021/22	Budget 2022/23	Financial Plan Projections								
	\$'000	\$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Property											
Buildings	894	1,367	407	130	612	165	106	97	98	60	60
Total buildings	894	1,367	407	130	612	165	106	97	98	60	60
Total property	894	1,367	407	130	612	165	106	97	98	60	60
Plant and equipment											
Plant, machinery and equipment	679	2,071	857	805	1,102	919	919	919	900	900	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	482	748	529	460	271	329	336	344	500	350	-
Library books	-	-	-	-	-	-	-	-	-	-	-
Total plant and equipment	1,161	2,819	1,386	1,265	1,373	1,248	1,255	1,263	1,400	1,250	-
Infrastructure											
Roads	3,597	7,450	3,058	3,134	2,868	3,675	4,132	5,064	4,611	4,556	6,700
Bridges	400	1,200	300	500	550	550	250	300	300	300	-
Footpaths and cycleways	3,905	1,310	388	319	251	378	567	135	45	58	66
Drainage	551	1,388	1,368	76	883	999	433	72	392	500	-
Recreational, leisure and community facilities	72	2,807	682	1,378	1,049	268	258	774	427	1,303	354
Waste management	100	4,444	144	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	573	2,145	364	176	194	190	224	175	175	60	70
Other infrastructure	-	-	-	-	-	-	-	-	-	-	-
Total infrastructure	9,198	20,744	6,304	5,583	5,795	6,060	5,864	6,520	5,950	6,777	7,190
Total capital works expenditure	11,253	24,930	8,097	6,978	7,780	7,473	7,225	7,880	7,448	8,087	7,250
Represented by:											
New asset expenditure	3,762	1,128	260	260	60	60	60	60	60	60	60
Asset renewal expenditure	5,728	15,748	6,697	5,526	6,347	5,690	6,488	7,646	6,967	7,026	7,189
Asset expansion expenditure	1,504	556	-	-	-	-	-	-	-	-	-
Asset upgrade expenditure	259	7,498	1,140	1,192	1,373	1,723	677	174	421	1,001	1
Total capital works	11,253	24,930	8,097	6,978	7,780	7,473	7,225	7,880	7,448	8,087	7,250
Funding sources represented by:											
Grants	(2,135)	3,715	2,937	1,849	2,349	2,016	2,016	1,900	1,900	1,900	1,366
Contributions	-	-	553	375	375	250	250	250	250	250	-
Council Cash	12,888	16,715	4,607	4,754	5,056	5,207	4,959	5,730	5,298	5,937	5,884
Borrowings	500	4,500	-	-	-	-	-	-	-	-	-
Total capital works expenditure	11,253	24,930	8,097	6,978	7,780	7,473	7,225	7,880	7,448	8,087	7,250

3.6 Statement of Human Resources

Staff expenditure	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Staff expenditure										
Employee costs - operating	11,964	12,139	12,229	12,473	12,723	12,977	13,237	13,501	13,771	14,047
Employee costs - Capital										
Total staff expenditure	11,964	12,139	12,229	12,473	12,723	12,977	13,237	13,501	13,771	14,047

Staff expenditure	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	2031/32 EFT
Staff numbers										
Employees	127.4	127.7	128.1	128.5	128.9	129.3	129.7	130.1	130.4	130.8
Total staff numbers	127.36	127.74	128.13	128.51	128.90	129.28	129.67	130.06	130.45	130.84

2022/23 Department	Total	Comprises			
		Permanent Full Time	Part Time	Casual	Temporary
People & Governance	2,007	1,228	759	20	
Corporate Operations	6,520	5,896	604	20	
Corporate Leadership	947	700	228	20	
Community & Planning	2,490	1,915	554	21	
Total permanent staff expenditure	11,964	9,738	2,145	81	-
Other employee related expenditure	-				
Capitalised labour costs	-				
Total staff expenditure	11,964	9,738	2,145	81	-

2022/23 Department	Total	Comprises			
		Permanent Full Time	Part Time	Casual	Temporary
People & Governance	19.6	11.0	8.3	0.3	-
Corporate Operations	75.3	66.0	9.0	0.3	-
Corporate Leadership	7.7	5.0	2.4	0.3	-
Community & Planning	24.7	16.0	8.4	0.3	-
Total staff	127.4	98.0	28.1	1.3	-

3.7 Planned Human Resource Expenditure

	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
People & Governance										
Permanent - Full time	1,228	1,246	1,255	1,280	1,306	1,332	1,359	1,386	1,414	1,442
Female	745	756	761	776	792	808	824	840	857	874
Male	231	234	236	240	245	250	255	260	265	271
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	253	256	258	263	269	274	280	285	291	297
Permanent - Part time	759	770	776	791	807	823	840	857	874	891
Female	720	731	736	751	766	781	797	813	829	845
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	39	40	40	41	42	42	43	44	45	46
Total - People & Governance	1,987	2,016	2,031	2,072	2,113	2,156	2,199	2,243	2,287	2,333
Corporate Operations										
Permanent - Full time	5,896	5,982	6,027	6,147	6,270	6,396	6,523	6,654	6,787	6,923
Female	1,166	1,183	1,192	1,215	1,240	1,265	1,290	1,316	1,342	1,369
Male	4,386	4,450	4,483	4,572	4,664	4,757	4,852	4,949	5,048	5,149
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	345	350	352	359	366	374	381	389	397	405
Permanent - Part time	604	613	617	629	642	655	668	681	695	709
Female	322	327	329	336	342	349	356	363	370	378
Male	149	151	152	155	159	162	165	168	172	175
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	133	135	136	139	141	144	147	150	153	156
Total - Corporate Operations	6,500	6,595	6,644	6,777	6,912	7,050	7,191	7,335	7,482	7,632
Corporate Leadership										
Permanent - Full time	700	710	715	729	744	759	774	789	805	821
Female	700	710	715	729	744	759	774	789	805	821
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
Permanent - Part time	228	231	233	238	242	247	252	257	262	267
Female	228	231	233	238	242	247	252	257	262	267
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	927	941	948	967	986	1,006	1,026	1,047	1,067	1,089
Community & Planning										
Permanent - Full time	1,915	1,943	1,957	1,996	2,036	2,077	2,119	2,161	2,204	2,248
Female	830	842	848	865	883	900	918	937	955	974
Male	966	980	988	1,007	1,027	1,048	1,069	1,090	1,112	1,134
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	119	120	121	124	126	129	131	134	137	139
Permanent - Part time	554	562	566	577	589	601	613	625	638	650
Female	406	412	415	423	431	440	449	458	467	476
Male	85	87	87	89	91	92	94	96	98	100
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant Positions	63	64	64	66	67	68	70	71	72	74
Total - Community & Planning	2,469	2,505	2,523	2,574	2,625	2,678	2,731	2,786	2,842	2,899
Casuals, temporary and other expend	81	82	82	84	86	87	89	91	93	95
Capitalised labour costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total staff expenditure	11,964	12,139	12,229	12,473	12,723	12,977	13,237	13,501	13,771	14,047

	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	2031/32 EFT
People & Governance										
Permanent - Full time	11.0	11.0	11.1	11.1	11.1	11.2	11.2	11.2	11.3	11.3
Female	7.0	7.0	7.0	7.1	7.1	7.1	7.1	7.1	7.2	7.2
Male	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1
Permanent - Part time	8.3	8.3	8.4	8.4	8.4	8.4	8.5	8.5	8.5	8.5
Female	7.9	7.9	7.9	8.0	8.0	8.0	8.0	8.1	8.1	8.1
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total - People & Governance	19.3	19.4	19.4	19.5	19.6	19.6	19.7	19.7	19.8	19.8
Corporate Operations										
Permanent - Full time	66.0	66.2	66.4	66.6	66.8	67.0	67.2	67.4	67.6	67.8
Female	12.3	12.3	12.3	12.4	12.4	12.4	12.5	12.5	12.5	12.6
Male	49.8	49.9	50.0	50.2	50.3	50.5	50.7	50.8	51.0	51.1
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1
Permanent - Part time	9.0	9.0	9.0	9.0	9.1	9.1	9.1	9.2	9.2	9.2
Female	5.3	5.3	5.3	5.3	5.3	5.3	5.4	5.4	5.4	5.4
Male	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7
Total - Corporate Operations	75.0	75.2	75.4	75.6	75.9	76.1	76.3	76.6	76.8	77.0
Corporate Leadership										
Permanent - Full time	5.0	5.0	5.0	5.0	5.1	5.1	5.1	5.1	5.1	5.1
Female	5.0	5.0	5.0	5.0	5.1	5.1	5.1	5.1	5.1	5.1
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Female	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	-	-	-	-	-	-	-	-	-	-
Total - Corporate Leadership	7.4	7.5	7.5	7.5	7.5	7.5	7.6	7.6	7.6	7.6
Community & Planning										
Permanent - Full time	16.0	16.0	16.1	16.1	16.2	16.2	16.3	16.3	16.4	16.4
Female	7.0	7.0	7.0	7.1	7.1	7.1	7.1	7.1	7.2	7.2
Male	8.0	8.0	8.0	8.1	8.1	8.1	8.1	8.2	8.2	8.2
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Permanent - Part time	8.4	8.4	8.4	8.5	8.5	8.5	8.5	8.6	8.6	8.6
Female	6.3	6.3	6.4	6.4	6.4	6.4	6.4	6.5	6.5	6.5
Male	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant Positions	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total - Community & Planning	24.4	24.5	24.5	24.6	24.7	24.8	24.8	24.9	25.0	25.1
Casuals, temporary and other Capitalised labour	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Total staff	127.4	127.7	128.1	128.5	128.9	129.3	129.7	130.1	130.4	130.8

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 2021/22	2022/23	2023/24	2024/25	2025/26	Budget 2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Trend +/-
Operating Position														
Adjusted underlying result	Adjusted underlying surplus (deficit)/Adjusted underlying revenue		-1%	-3%	-6%	-3%	0%	-3%	-2%	-3%	-3%	-3%	-5%	0
Liquidity														
Working capital	Current assets/Current liabilities		2.07	1.19	1.11	1.15	1.17	1.18	1.24	1.21	1.26	1.24	1.28	-
Unrestricted cash	Unrestricted cash/Current liabilities		178%	75%	63%	68%	70%	71%	77%	75%	80%	78%	82%	-
Obligations														
Loans and borrowings	Interest bearing loans and borrowings/Rate revenue		3%	20%	17%	15%	13%	12%	10%	8%	6%	5%	3%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings/Rate revenue		1%	3%	3%	2%	2%	2%	2%	2%	2%	2%	2%	0
Indebtedness	Non-current liabilities/Own source revenue		15%	27%	24%	22%	20%	18%	16%	15%	13%	11%	10%	-
Assets renewal	Assets renewal and upgrade expense/Assets depreciation		102%	383%	126%	105%	118%	110%	104%	111%	102%	108%	95%	-
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		\$ 4,091	\$ 4,138	\$ 4,121	\$ 4,176	\$ 4,260	\$ 4,346	\$ 4,433	\$ 4,523	\$ 4,614	\$ 4,707	\$ 4,802	+
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		3,090	3,109	3,080	3,105	3,151	3,198	3,244	3,292	3,340	3,388	3,438	+
Population	Value of infrastructure/Municipal population		21,680	21,859	21,766	21,651	21,544	21,436	21,324	21,212	21,101	20,990	20,881	-
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		779	720	793	795	780	782	784	786	787	789	791	-

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 2023 is expected to be \$4.0 million. New borrowings of \$0.5 million and \$3.8 million that are proposed in 2021/22 and 2022/23 are to fund rehabilitation of the Violet Town landfill site and upgrade of Euroa saleyard truck wash facility. 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									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Opening Balance	282	675	4,003	3,549	3,194	2,838	2,483	2,128	1,772	1,417	1,062
Plus new loans	500	3,787	0	0	0	0	0	0	0	0	0
Less Principal repayment	(107)	(459)	(454)	(355)	(355)	(355)	(355)	(355)	(355)	(355)	(355)
Closing balance	675	4,003	3,549	3,194	2,838	2,483	2,128	1,772	1,417	1,062	707
Interest payment	(16)	(134)	(92)	(80)	(73)	(67)	(61)	(54)	(47)	(40)	(33)

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									
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Total borrowings/Rate revenue	Below 60%	3.3%	19.7%	17.2%	15.2%	13.3%	11.5%	9.8%	8.1%	6.4%	4.9%	3.4%
Debt servicing/Rate revenue	Below 5%	0.1%	0.6%	0.4%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%
Debt commitment/Rate revenue	Below 10%	0.6%	0.5%	2.2%	2.2%	2.1%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%
Indebtedness/ Own source revenue	Below 60%	15.0%	27.2%	24.0%	22.0%	20.0%	18.1%	16.3%	14.6%	12.9%	11.3%	9.7%

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 19.7% in 2022/23 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.