

MOORABOOL SHIRE COUNCIL

Long Term Financial Plan

2021 - 2031

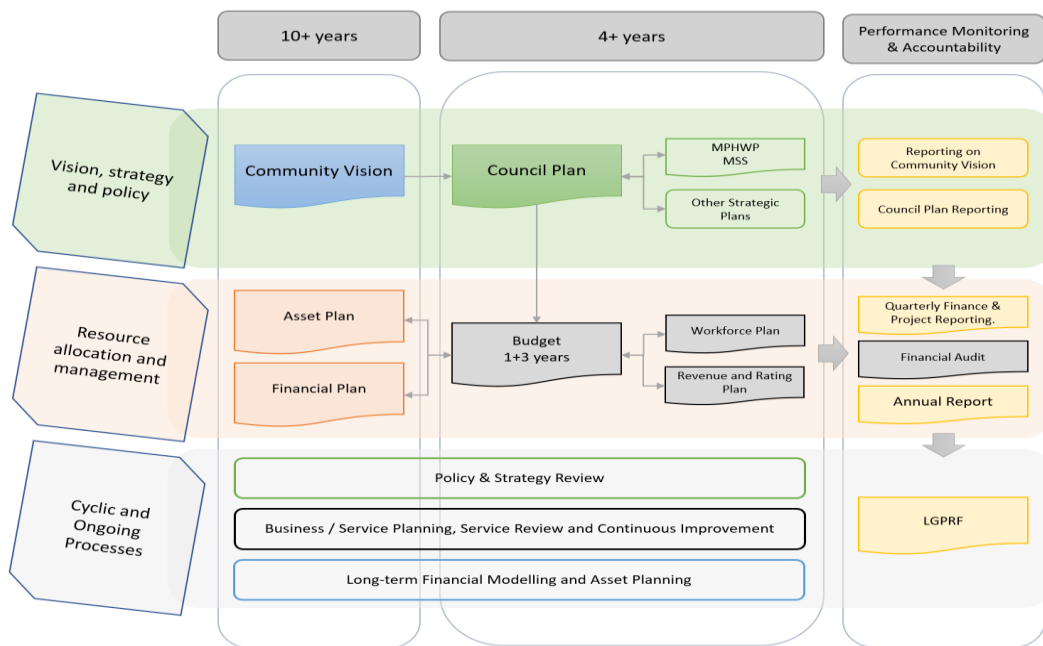
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1. The Purpose of the Long Term Financial Plan

The Local Government Act 2020 requires Council to take an integrated approach to strategic planning and reporting. As a part of this integrated strategic reporting and planning framework, a Council must develop, adopt, and keep in force a Financial Plan with an outlook of at least 10 years. The illustration below describes how the Financial Plan links to the Community Vision and the Council Plan within the Integrated Strategic Planning and Reporting framework. This framework guides Moorabool Shire Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Budget) and then holding itself accountable (Annual Report).

The Financial Plan is a key indicator of Council capability and will govern the establishment of high-level quality standards and implementation planning for services, major initiatives and policy and strategy development.

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



The Long-term financial plan at Moorabool Shire Council serves as the key ten-year financial planning document providing a long-term view of the resources that are expected to be available to Council and the proposed/predicted application/use of those resources. This Plan contains a series of financial strategies and accompanying performance indicators that council considers when making significant strategic decisions about resource allocation. This Plan supports the council in its endeavours towards the vision of Embracing our natural environment and lifestyle options to create an inspiring place for everyone to live, work and play.

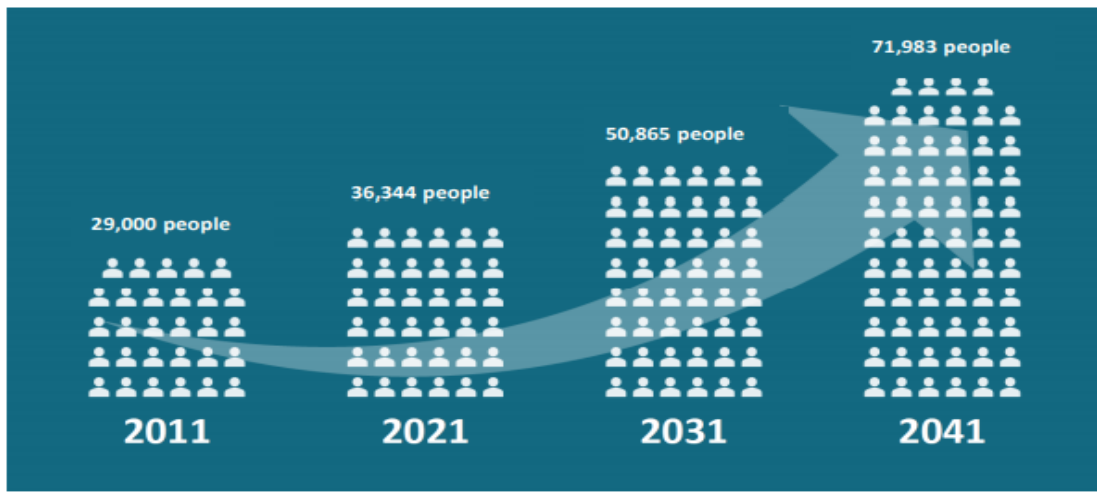
The Long-Term Financial Plan is integral to the strategic planning process and will drive future Annual Budgets.

2. Background

Moorabool Shire is an increasingly popular choice for those seeking rural tranquillity with a mix of an urban lifestyle. Moorabool Shire is positioned along the major road and rail transport corridors between Melbourne and Adelaide. Its eastern boundary is located just 40km west of Melbourne’s CBD and extends westwards to the City of Ballarat municipal boundary

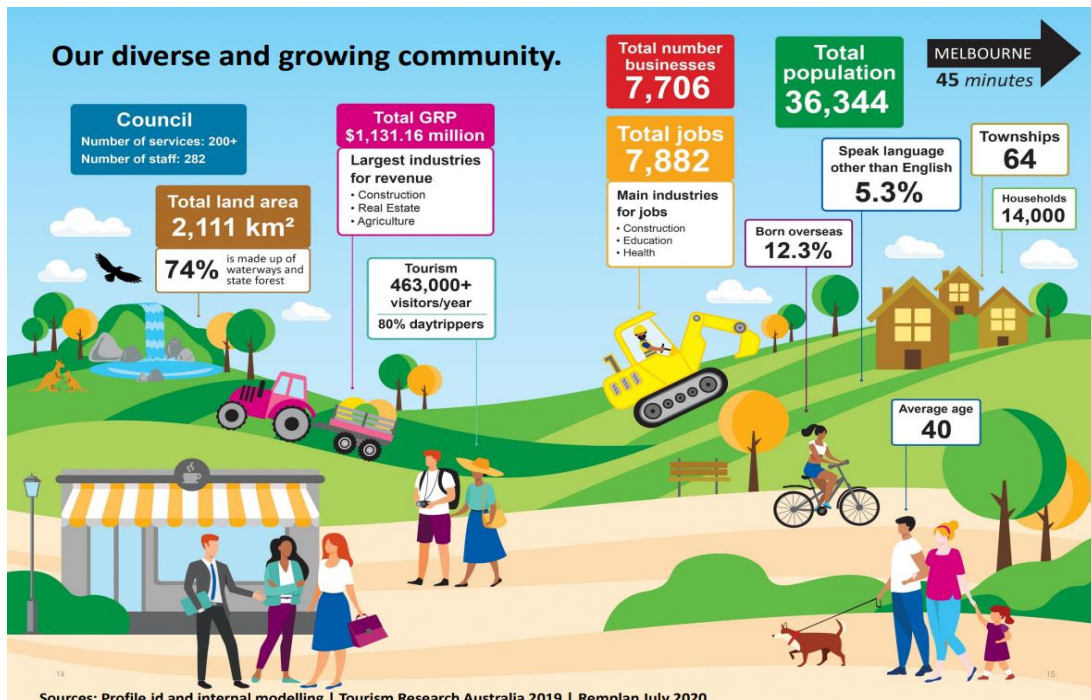
The Shire straddles Victoria’s Western Highway and has excellent transport access to Melbourne, Ballarat and Geelong. Bacchus Marsh is equidistant to Melbourne and Avalon airports and close to the sea-ports of Geelong and Melbourne.

The Shire’s unprecedented and sustained growth presents significant infrastructure challenges for both existing gap funding and new infrastructure to cater to the growing population’s needs and expectations. The current population of 36,344 is forecast to double in the next 20 years. This has been a material consideration for reference in preparation of this plan.



Our population is growing and is forecast to double in the next 20 years.

The municipality contains 64 settlements of varying sizes. The demographics of the Moorabool Shire also provides the context to assumptions for this plan and are illustrated in the diagram below:



Moorabool Shire has a significant portfolio of assets of approximately \$641 million in replacement value that support the delivery of council's products and services. Asset management costs, including planning, design, construction, maintenance, operating expenditure, renewal and disposal, are significant and are a material component of the Long-Term Financial Plan.

3. Our Integrated strategic planning framework

Our planning framework illustrates how we link the operational functions of our services to resource and finance the ongoing delivery of the Council Plan.

The Local Government Act 2020 requires councils to take an integrated approach to strategic planning and reporting. This new approach recognises that planning must be holistic and driven by the community. The Financial Plan is informed by and informs the Council Plan, the Asset Plan, the Budget, Rating and Revenue Plan, Workforce Plan and all other adopted major strategies and plans. The Financial Plan and Asset Plan have a strong symbiotic two-way relationship and the interdependencies should be transparently recognised.

It ensures we share a clear vision to guide collaborative working, partnerships and advocacy opportunities. It helps Council build accountability and demonstrate value back to the community on an annual basis.

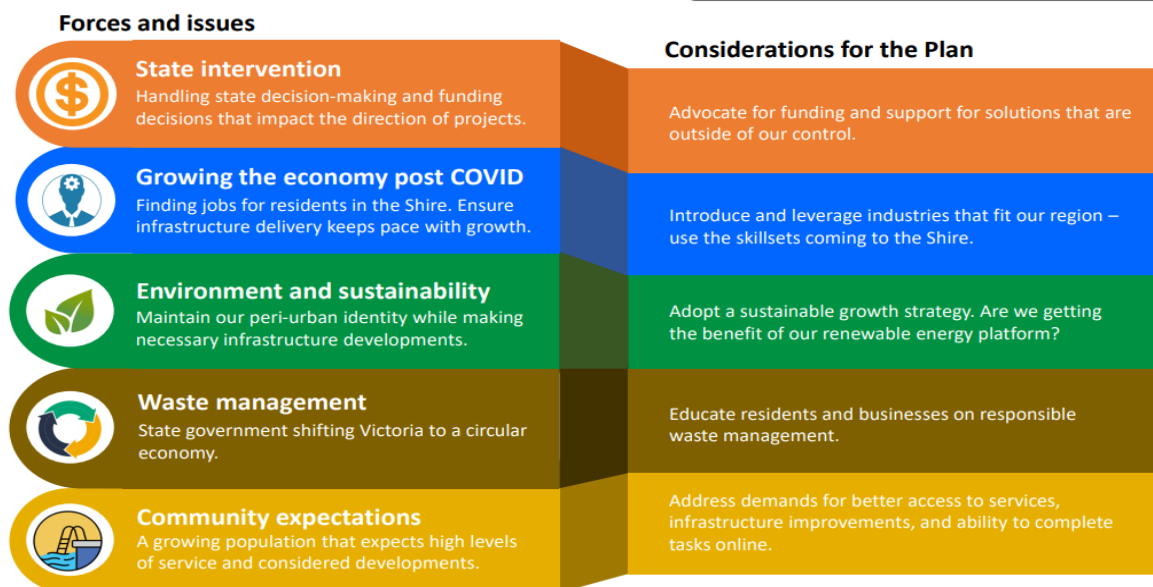
The following diagram depicts our framework:



4. Financial Model Development

The purpose of the Long-Term Financial Plan is to outline how financially sustainable the council is over the long term and to also allow for early identification of financial issues. This Plan is underpinned by a detailed Long-Term Financial Model. The Model commences with a base year (the 2020/2021 Forecast for current financial year) and projects data over ten years based on financial assumptions. The financial assumptions used are a combination of long-range averages from relevant indices published by the Australian Bureau of Statistics (ABS), historical trends derived from the Council's records and other long-term informing documents (including Asset Management Plans).

This plan has a strong alignment with the Council Vision and the Council Plan for the Moorabool Shire. The key forces and issues for Moorabool Shire that have the potential to materially impact long term financial projections are listed in the illustration below along with their considerations in the Council Plan:



As a peri-urban Council, Moorabool Shire faces a significant financial challenge in funding the growing aspirations and population growth from its current rates base. For instance, Moorabool Shire is responsible for maintaining and building a road network that stretches the equivalent distance from Melbourne to Newcastle. However, it has less than one third of the rates revenue that regional city Council can access to fund its road construction and maintenance requirements. The financial challenge will be exacerbated in peri-urban Shires like Moorabool, as the burden of service provision will fall disproportionately on them in the future. To 2031, the peri-urban region is forecast to grow by an average of 45.3%. By way of comparison, other better funded regional councils, with larger revenue streams, will experience growth of 26.7%.
(Ref: Council plan 2021-2025)

5. Guiding Principles:

5.1 Strategic Planning Principles

The Financial Plan provides a 10-year financial 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's 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 provide the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to support the Community Vision.
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan.
- The Financial Plan provides for the strategic planning principles of monitoring progress and reviews to identify and adapt to changing circumstances.

5.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- Revenue, expenses, assets, liabilities, investments, and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- Management of the following financial risks:
 - the financial viability of the Council
 - the management of current and future liabilities of the Council. The estimated 10-year liabilities are disclosed in section 7.2 Balance Sheet projections
 - the beneficial enterprises of Council (where appropriate)
- Financial policies and strategic plans are designed to provide financial stability and predictability to the community
- Council maintains accounts and records that explain its financial operations and financial position.

5.3 Engagement Principles

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

- Community engagement undertaken to inform the budget development process.
- Draft Financial Plan prepared by management, incorporating community engagement and input.
- Community engagement is conducted using the Engaging online portal, local news outlets and social media.
- The Financial Plan, including any revisions, presented to the October Council meeting for adoption.

5.4 Service Performance Principles

Council services are provided on a community needs and value for money basis. The service performance principles are listed below:

- 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.
- Services are accessible to the relevant users within the community.
- 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.
- Council has a performance monitoring framework to continuously improve its service delivery standards.
- Council has a service delivery framework that considers and responds to community feedback and complaints regards service provision.

5.5 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 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.

6. Financial Plan Context

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

6.1 Assumptions to the financial plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2021-2022 to 2030-2031.

Each year these assumptions will be assessed for validity and updated accordingly.

Assumptions	Forecast	Budget	Projections									11 years Trend
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	
Rate Cap Increase	2.00%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Waste Charges Increase	8.71%	9.91%	1.20%	1.57%	1.42%	1.80%	2.02%	3.72%	3.72%	3.73%	3.74%	
Supplementary Rates (\$'000)	\$ 342	\$ 477	\$ 683	\$ 657	\$ 783	\$ 942	\$ 1,110	\$ 1,297	\$ 1,255	\$ 1,191	\$ 1,079	
Population Growth	2.98%	1.81%	2.12%	2.08%	2.65%	2.99%	3.12%	3.27%	3.44%	3.40%	3.41%	
Investment Interest Rate	0.60%	0.60%	0.75%	1.00%	1.25%	2.00%	2.25%	2.50%	3.00%	3.00%	3.00%	
Borrowing Interest Rate	0.50%	0.55%	0.55%	0.80%	1.05%	1.80%	3.25%	3.50%	4.00%	4.00%	4.00%	
Finance Costs (\$'000)	519	430	355	393	424	439	263	234	194	155	115	
Consumer Price Index (CPI)	2.00%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
User Fees *	3.00%	3.31%	4.12%	4.33%	5.15%	5.49%	5.62%	5.77%	5.94%	5.90%	5.91%	
Statutory Fees	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Operating Grants - Recurrent	4.23%	3.31%	3.87%	4.08%	4.90%	5.49%	5.62%	5.77%	5.94%	5.90%	5.91%	
Monetary Contributions (\$'000)	5,958	5,946	1,942	1,378	244	2,750	2,756	3,263	3,269	3,276	3,283	
Non-Monetary Contributions (\$'000)	7,948	7,500	7,500	11,416	7,500	10,232	9,151	7,500	7,500	7,500	7,500	
Proceeds from sale of assets (\$'000)	503	515	841	419	450	846	852	888	733	437	671	
Other Revenue *	2.00%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Employee Costs	1.60%	1.45%	1.85%	2.05%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	
Contactors, consultants and materials	2.00%	1.50%	1.40%	1.85%	1.75%	2.25%	2.50%	4.50%	4.50%	4.50%	4.50%	
Utilities	4.23%	3.31%	3.87%	4.08%	4.90%	5.49%	5.62%	5.77%	5.94%	5.90%	5.91%	
Insurances	2.00%	1.50%	1.40%	1.85%	1.75%	2.25%	2.50%	4.50%	4.50%	4.50%	4.50%	
Depreciation (\$'000)	11,385	12,094	13,461	14,351	15,590	16,206	17,493	17,896	19,116	19,541	20,865	

Notes to Assumptions:

6.1.1 Rate Cap, Waste Charges, Supplementary rates, and Consumer Price Index

Base rate revenue will increase by 1.50% for the 2021-2022 year based on the state government rate cap, with estimated future annual increases per annum for the period of the Financial Plan.

In addition, it is expected that during the 2021-2022 financial year \$0.477 M will be received for growth (additional properties) as a result of supplementary rates. This amount is expected to incrementally increase as we progress through the growth phase of the municipality.

Waste charges are proposed to increase by 9.91% compared to 2020-2021 levels in order to cover the total costs of waste management incurred across the municipality. Future years waste charges are estimated to increase between 1.2% to 3.74 % per annum to ensure Council continues to recover the full costs of providing waste services over the period of the Financial Plan.

* User Fees and Other Revenue annual increases are forecasted to be indexed in line with the state government rate cap / consumer price index with an allowance for population growth.

6.1.2 Population growth

Moorabool Shire is the fastest growing local government in Victoria and has a current population of 36,344. By 2041, over 72,688 people are expected to call Moorabool Shire as a home.

Based on current data, Moorabool Shire is growing between 1.81% to 3.41% per annum, which has been used as the assumption over the period of the Financial Plan.

6.1.3 Investment interest rate

In order to maximise income, Council invests unspent capital works and reserve funds into term deposits to earn interest income.

Since the COVID-19 pandemic interest rates on investments have declined. Council are estimating interest rates to be at 0.60% for year 2021-2022, with a progression to improve over the period of the Financial Plan, back to a rate of 2.50% per annum by 2027-2028 and 3% per annum by 2030-2031.

6.1.4 Borrowing interest rate and finance costs

Borrowing rates are sought at the time Council intend to take out a new loan. Council has set the borrowing interest rate of 0.55% based on recent borrowing interest rates and market trends.

6.1.5 Statutory fees

Statutory fees are set by the State Government each year, however for Financial year 2021-2022 the increase in fee is estimated to increase by 1.50 % per annum. Council has set the annual increase at 0.25% per annum till year Financial year 2025-26. After that the fee is assumed to be constant at 2.5 % per annum.

6.1.6 Operating grants - recurrent

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 by 3.31% per annum in 2021-2022 and gradually increase every year which will reach till 5.91% by 2030-2031.

6.1.7 Monetary contributions

Monetary contributions are mostly related to contributions received 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.

Future projections are based on forecasted timings in line with gazetted Development Contribution and Infrastructure Contribution Plans.

6.1.8 Non-monetary contributions

Non-monetary contributions are assets that form part of new development that are given to Council at handover for ongoing maintenance (e.g. roads, drainage, and open space).

Non-monetary contributions are forecast to be \$7.5M for 2021-2022 which will gradually increase to \$11.416 M in 2023-2024 and then remains constant at \$7.5 M from year 2027-28 onwards.

6.1.9 Employee costs

The 2021-2022 year includes a 1.45% increase for employee costs that reflects the salary and banding increases for all staff in line with the Enterprise Agreement (EA).

The following years, from 2026-2027 to 2030-2031, reflect annual increases of 2.50% per annum to provide for annual enterprise agreement and banding movements.

New positions are excluded from this percentage increase, with new positions being shown separately in the Statement of Human Resources in section 7.6.

6.1.10 Contractors, consultants, and materials

Contractors, consultants, and material costs include requirements for the maintenance and repairs of Council buildings, roads, drains and footpaths which are more influenced by market forces. Other associated costs included under this category are external providers for a range of services, including legal services and labour hire.

Over the period of the Financial Plan it is expected that these costs will be 1.50% per annum, recognising that this type of expenditure does not necessarily only increase by the rate cap or CPI. The rate will gradually increase every year and reach 4.5% in year 2027-28 and then remain constant at the same rate thereafter till 2030-2031. These expenses are impacted by a range of factors including CPI population and infrastructure growth.

6.1.11 Utilities

Utilities include electricity, water, gas, and telecommunications expenses incurred to run our buildings and services.

It is common for utility costs to increase greater than CPI which is reflected in projected annual increases of 3.30% in year 2021-22. This is due to both cost escalation and the increasing number of assets owned and operated by Council.

6.1.12 Insurances

There are many factors that can influence insurance premiums including, but not limited to, level of coverage, level of risk, history of claims, and therefore insurances do not necessarily increase by CPI.

The insurance rate is assumed to increase by 1.5% in 2021-22. This rate will gradually increase each year and reach 4.5% till 2027-28 and then remain constant thereafter till year 2030-2031.

6.1.13 Depreciation

Depreciation is an accounting measure which attempts to allocate the value of assets over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains.

Depreciation estimates have been based on the projected capital spending contained within the Financial Plan.

7. Financial Statements

This section presents information regarding the Financial Statements and Statement of Human Resources for the years 2021-2022 to 2030-2021.

This section includes the following financial statements in accordance with the *Local Government Act 2020* and the Local Government Model Financial Plan:

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

**7.1 Comprehensive Income Statement
For the 10 years ending 30 June 2031**

	Forecast		Draft Budget				Projections				
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income											
Rates and charges	38,691	40,440	42,693	44,967	47,480	50,369	53,674	57,529	61,632	65,735	69,767
Statutory fees and fines	1,159	1,312	1,338	1,368	1,402	1,442	1,483	1,525	1,570	1,615	1,662
User fees	2,480	3,171	3,299	3,578	3,758	4,116	4,343	4,598	4,867	5,150	5,450
Grants - Operating	13,876	10,714	10,892	11,337	11,893	12,546	13,251	14,016	14,849	15,725	16,655
Grants - Capital	15,208	15,872	33,130	22,530	8,780	12,280	9,780	2,280	2,280	2,280	2,280
Contributions - monetary	5,958	5,946	1,942	1,378	244	2,750	2,756	3,263	3,269	3,276	3,283
Contributions - non-monetary	7,948	7,500	7,500	11,416	7,500	10,232	9,151	7,500	7,500	7,500	7,500
Other income	1,733	1,570	1,562	1,552	1,613	1,792	1,962	2,229	2,537	2,630	2,726
Total income	87,053	86,524	102,356	98,125	82,671	95,528	96,401	92,940	98,503	103,912	109,323
Expenses											
Employee costs	25,749	25,450	26,302	27,404	28,393	29,733	30,875	32,463	34,109	35,815	37,656
Materials and services	20,751	18,179	18,569	19,441	20,938	22,872	24,874	27,666	30,284	33,321	35,881
Bad and doubtful debts	0	0	0	0	0	0	0	0	0	0	0
Depreciation	11,385	12,094	13,461	14,351	15,590	16,206	17,493	17,896	19,116	19,541	20,865
Amortisation - right of use assets	224	224	224	224	0	0	0	0	0	0	0
Borrowing costs	479	401	337	387	424	439	263	234	194	155	115
Finance Costs - leases	40	29	18	6	0	0	0	0	0	0	0
Other expenses	462	541	550	561	573	587	602	618	634	651	668
Net gain (loss) on disposal of property, infrastructure, plant and equipment	1333	1560	1500	1500	1500	1500	1500	1500	1500	1500	1500
Total expenses	60,423	58,478	60,961	63,874	67,418	71,338	75,607	80,377	85,838	90,984	96,685
Surplus/(deficit) for the year	26,630	28,046	41,395	34,251	15,252	24,189	20,794	12,564	12,665	12,928	12,638
Other comprehensive income items that will not be reclassified to surplus or deficit:											
Net asset revaluation increment/(decrement)	43,417	0	30,228	0	44,117	0	56,313	0	62,088	0	67,909
Total comprehensive result	70,047	28,046	71,623	34,251	59,370	24,189	77,107	12,564	74,753	12,928	80,547

7.2 Balance Sheet Statement
For the 10 years ending 30 June 2031

	Forecast	Draft Budget		Projections							
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	30,355	26,505	26,151	25,825	26,925	24,784	25,632	26,901	28,123	29,222	30,538
Trade and other receivables	6,528	6,528	5,712	5,946	6,206	6,533	6,882	7,291	7,724	8,131	8,528
Other assets	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061	2,061
Total current assets	38,944	35,094	33,924	33,832	35,193	33,378	34,575	36,253	37,908	39,414	41,127
Non-current assets											
Trade and other receivables	100	100	100	100	100	100	100	100	100	100	100
Property, infrastructure, plant & equipment	641,077	679,731	757,965	802,159	860,312	881,823	954,472	961,903	1,031,455	1,039,111	1,114,315
Right of Use assets	672	448	224	0	0	0	0	0	0	0	0
Total non-current assets	641,849	680,278	758,288	802,259	860,411	881,923	954,572	962,003	1,031,555	1,039,211	1,114,415
Total assets	680,793	715,373	792,213	836,091	895,604	915,301	989,147	998,256	1,069,463	1,078,625	1,155,542
Liabilities											
Current liabilities											
Trade and other payables	5,176	5,176	5,544	5,800	6,238	6,803	7,133	7,919	8,657	9,172	9,868
Trust funds and deposits	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008
Provisions	4,636	4,636	5,070	5,417	5,764	6,111	6,371	6,631	6,892	7,195	7,499
Interest-bearing loans and borrowings	5,665	2,177	3,124	3,904	8,719	4,459	4,527	4,570	4,570	4,659	4,038
Lease liabilities	223	235	246	0	0	0	0	0	0	0	0
Total current liabilities	16,709	13,233	14,993	16,129	21,729	18,381	19,039	20,129	21,127	22,035	22,413
Non-current liabilities											
Provisions	954	954	997	1,031	1,065	1,100	1,125	1,151	1,177	1,207	1,237
Interest-bearing loans and borrowings	11,364	21,610	25,271	33,727	28,236	27,056	23,112	18,541	13,926	9,267	5,229
Lease liabilities	481	246	0	0	0	0	0	0	0	0	0
Total non-current liabilities	12,799	22,810	26,267	34,757	29,302	28,156	24,237	19,692	15,103	10,474	6,466
Total liabilities	29,508	36,042	41,260	50,887	51,030	46,537	43,276	39,821	36,230	32,509	28,879
Net assets	651,285	679,330	750,953	785,204	844,574	868,763	945,871	958,434	1,033,232	1,046,116	1,126,663
Equity											
Accumulated surplus	222,759	256,532	300,347	334,073	348,783	376,888	397,100	409,059	421,092	433,363	445,317
Asset revaluation reserve	411,505	411,505	441,733	441,733	485,850	485,850	542,163	542,163	604,252	604,252	672,161
Statutory and other reserves	17,020	11,293	8,874	9,399	9,940	6,025	6,607	7,213	7,844	8,501	9,185
Total equity	651,285	679,330	750,953	785,204	844,574	868,763	945,871	958,434	1,033,188	1,046,116	1,126,663

FINANCIAL PLAN 2021 - 2031

MOORABOOL SHIRE COUNCIL

7.3 Statement of Changes in Equity For the 10 years ending 30 June 2031

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020-2021 Forecast				
Balance at beginning of the financial year	591,400	198,847	378,249	14,304
Surplus (deficit) for the year	70,047	70,047	0	0
Net asset revaluation increment (decrement)	0	(43,417)	43,417	0
Impairment losses on revalued assets	(10,161)	0	(10,161)	0
Transfer to other reserves	0	(6,190)	0	6,190
Transfer from other reserves	0	3,474	0	(3,474)
Balance at end of the financial year	651,286	222,761	411,505	17,020

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021-2022 Forecast				
Balance at beginning of the financial year	651,286	222,761	411,505	17,020
Surplus (deficit) for the year	28,046	28,046	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(6,211)	0	6,211
Transfer from other reserves	0	11,938	0	(11,938)
Balance at end of the financial year	679,332	256,533	411,505	11,293

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022-2023 Forecast				
Balance at beginning of the financial year	679,332	256,533	411,505	11,293
Surplus (deficit) for the year	71,623	71,623	0	0
Net asset revaluation increment (decrement)	0	(30,228)	30,228	0
Transfer to other reserves	0	(2,217)	0	2,217
Transfer from other reserves	0	4,637	0	(4,637)
Balance at end of the financial year	750,955	300,348	441,733	8,874

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2023-2024 Forecast				
Balance at beginning of the financial year	750,955	300,348	441,733	8,874
Surplus (deficit) for the year	34,251	34,251	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(1,665)	0	1,665
Transfer from other reserves	0	1,140	0	(1,140)
Balance at end of the financial year	785,206	334,074	441,733	9,399

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024-2025 Forecast				
Balance at beginning of the financial year	785,206	334,074	441,733	9,399
Surplus (deficit) for the year	59,370	59,370	0	0
Net asset revaluation increment (decrement)	0	(44,117)	44,117	0
Transfer to other reserves	0	(542)	0	542
Transfer from other reserves	0	0	0	0
Balance at end of the financial year	844,576	348,785	485,850	9,940

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	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2025-2026 Forecast				
Balance at beginning of the financial year	844,576	348,785	485,850	9,940
Surplus (deficit) for the year	24,189	24,189	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(3,061)	0	3,061
Transfer from other reserves	0	6,976	0	(6,976)
Balance at end of the financial year	868,765	376,890	485,850	6,025

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2026-2027 Forecast				
Balance at beginning of the financial year	868,765	376,890	485,850	6,025
Surplus (deficit) for the year	77,107	77,107	0	0
Net asset revaluation increment (decrement)	0	(56,313)	56,313	0
Transfer to other reserves	0	(3,061)	0	3,061
Transfer from other reserves	0	6,976	0	(6,976)
Balance at end of the financial year	945,873	401,599	542,163	2,111

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2027-2028 Forecast				
Balance at beginning of the financial year	945,873	401,599	542,163	2,111
Surplus (deficit) for the year	12,564	12,564	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(10,213)	0	10,213
Transfer from other reserves	0	3,000	0	(3,000)
Balance at end of the financial year	958,436	406,950	542,163	9,323

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2028-2029 Forecast				
Balance at beginning of the financial year	958,436	406,950	542,163	9,323
Surplus (deficit) for the year	74,753	74,753	0	0
Net asset revaluation increment (decrement)	0	(62,088)	62,088	0
Transfer to other reserves	0	(3,631)	0	3,631
Transfer from other reserves	0	3,000	0	(3,000)
Balance at end of the financial year	1,033,190	418,984	604,252	9,954

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2029-2030 Forecast				
Balance at beginning of the financial year	1,033,190	418,984	604,252	9,954
Surplus (deficit) for the year	12,928	12,928	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(3,657)	0	3,657
Transfer from other reserves	0	3,000	0	(3,000)
Balance at end of the financial year	1,046,118	431,254	604,252	10,612

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2030-2031 Forecast				
Balance at beginning of the financial year	1,046,118	431,254	604,252	10,612
Surplus (deficit) for the year	80,547	80,547	0	0
Net asset revaluation increment (decrement)	0	(67,909)	67,909	0
Transfer to other reserves	0	(3,684)	0	3,684
Transfer from other reserves	0	3,000	0	(3,000)
Balance at end of the financial year	1,126,665	443,208	672,161	11,295

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7.4 Statement of Cash Flows

For the 10 years ending 30 June 2031

	Forecast	Draft Budget					Projections				
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'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)
Cash flows from operating activities											
Rates and charges	38,691	40,440	43,509	44,732	47,220	50,043	53,325	57,120	61,199	65,328	69,370
Statutory fees and fines	1,159	1,312	1,338	1,368	1,402	1,442	1,483	1,525	1,570	1,615	1,662
User fees	2,480	3,171	3,299	3,578	3,758	4,116	4,343	4,598	4,867	5,150	5,450
Grants - operating	13,876	10,714	10,892	11,337	11,893	12,546	13,251	14,016	14,849	15,725	16,655
Grants - capital	15,208	15,872	33,130	22,530	8,780	12,280	9,780	2,280	2,280	2,280	2,280
Contributions - monetary	5,958	5,946	1,942	1,378	244	2,750	2,756	3,263	3,269	3,276	3,283
Interest received	347	441	475	443	479	630	770	1,008	1,285	1,347	1,411
Other receipts	1,387	1,129	1,087	1,109	1,134	1,162	1,191	1,221	1,252	1,283	1,315
Employee costs	(25,749)	(25,450)	(25,825)	(27,023)	(28,012)	(29,352)	(30,589)	(32,177)	(33,823)	(35,482)	(37,322)
Materials and services	(20,538)	(18,179)	(18,201)	(19,185)	(20,500)	(22,307)	(24,544)	(26,879)	(29,546)	(32,806)	(35,185)
Other payments	(462)	(541)	(550)	(561)	(573)	(587)	(602)	(618)	(634)	(651)	(668)
Net cash provided by/(used in) operating activities	32,355	34,854	51,096	39,706	25,826	32,722	31,166	25,357	26,567	27,066	28,250
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(26,213)	(45,323)	(56,308)	(49,049)	(24,075)	(29,831)	(27,029)	(20,216)	(21,313)	(21,634)	(22,831)
Proceeds from sale of property, infrastructure, plant and equipment	503	515	841	419	450	846	852	888	733	437	671
Net cash provided by/ (used in) investing activities	(25,710)	(44,808)	(55,467)	(48,629)	(23,625)	(28,985)	(26,177)	(19,328)	(20,579)	(21,197)	(22,160)
Cash flows from financing activities											
Finance costs	(479)	(401)	(337)	(387)	(424)	(439)	(263)	(234)	(194)	(155)	(115)
Proceeds from borrowings	0	12,778	6,785	12,360	3,229	3,279	582	0	0	0	0
Repayment of borrowings	(1,585)	(6,021)	(2,177)	(3,124)	(3,904)	(8,719)	(4,459)	(4,527)	(4,570)	(4,615)	(4,659)
Repayment of Finance Lease Liabilities	(213)	(223)	(235)	(246)	0	0	0	0	0	0	0
Interest paid - lease liability	(39)	(29)	(18)	(6)	0	0	0	0	0	0	0
Net cash provided by/(used in) financing activities	(2,316)	6,104	4,017	8,597	(1,100)	(5,879)	(4,140)	(4,760)	(4,765)	(4,769)	(4,774)
Net increase/(decrease) in cash and cash equivalents	4,328	(3,849)	(354)	(327)	1,101	(2,142)	848	1,269	1,222	1,099	1,316
Cash and cash equivalents at the beginning of the financial year	26,027	30,354	26,505	26,151	25,825	26,925	24,784	25,632	26,901	28,123	29,222
Cash and cash equivalents at the end of the financial year	30,355	26,505	26,151	25,825	26,925	24,784	25,632	26,901	28,123	29,222	30,538

7.5 Statement of Capital Works

For the 10 years ending 30 June 2031

	Forecast	Draft Budget		Projections							
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Land	0	3,235	0	0	0	0	0	0	0	0	0
Buildings	4044	27,625	28,085	23,869	1,178	1,235	1,131	1,218	1,290	1,341	1,386
Total property	4,044	30,860	28,085	23,869	1,178	1,235	1,131	1,218	1,290	1,341	1,386
Plant and equipment											
Plant, machinery and equipment	1,289	2,546	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005
Computers and telecommunications	576	1,035	967	802	653	310	1,110	373	654	445	1,110
Library books	108	111	115	118	122	125	164	133	172	141	180
Total plant and equipment	1,973	3,692	3,087	2,925	2,780	2,440	3,279	2,511	2,831	2,591	3,295
Infrastructure											
Roads	9,790	8,697	8,852	8,212	9,015	9,442	8,881	9,317	9,842	10,223	10,556
Bridges	744	762	584	748	824	865	792	853	903	939	970
Footpaths and cycleways	515	809	467	585	639	668	827	659	695	720	743
Drainage	254	787	83	107	118	124	113	122	129	134	139
Recreational, leisure and community facilities	7,805	16,109	9,479	10,998	4,151	16,954	12,823	4,701	4,789	4,852	4,908
Parks, open space and streetscapes	775	1,459	5,550	4,750	4,750	750	750	750	750	750	750
Other infrastructure	312	590	120	770	620	85	85	85	85	85	85
Total infrastructure	20,196	29,213	25,137	26,170	20,118	28,887	24,271	16,487	17,193	17,703	18,151
Total capital works expenditure	26,213	63,765	56,308	52,965	24,076	32,563	28,681	20,217	21,313	21,635	22,832
Represented by:											
New asset expenditure	9,862	36,831	40,300	37,526	7,361	15,492	11,961	3,340	3,370	3,410	3,460
Asset renewal expenditure	13,044	15,878	11,808	14,054	15,330	15,686	15,335	15,492	16,558	16,840	17,987
Asset upgrade expenditure	3,307	11,056	4,200	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385
Total capital works expenditure	26,213	63,765	56,308	52,965	24,076	32,563	28,681	20,217	21,313	21,635	22,832
Funding sources represented by:											
Grants	10,102	15,871	33,130	22,530	8,780	9,780	2,280	2,280	2,280	2,280	2,280
Contributions	748	6,150	3,480	3,916	0	2,732	1,651	0	0	0	3,000
Council Cash	13,763	28,966	12,913	14,159	12,067	20,051	24,750	17,937	19,033	19,355	17,552
Borrowings	1,600	12,778	6,785	12,360	3,229	0	0	0	0	0	0
Total capital works expenditure	26,213	63,765	56,308	52,965	24,076	32,563	28,681	20,217	21,313	21,635	22,832

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**7.6 Statement of Human Resources
For the 10 years ending 30 June 2031**

	Forecast	Draft Budget					Projections				
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure											
Employee costs - operating	24,557	24,070	24,876	25,918	26,854	28,121	29,201	30,703	32,260	33,873	35,614
Employee costs - capital	1,192	1,380	1,426	1,486	1,540	1,612	1,674	1,760	1,850	1,942	2,042
Total staff expenditure	25,749	25,450	26,302	27,404	28,393	29,733	30,875	32,463	34,109	35,815	37,656
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Staff numbers											
Employee	266	273	275	278	282	287	293	300	308	317	327
Total staff numbers	266	273	275	278	282	287	293	300	308	317	327

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Department	Forecast		Draft Budget				Projections					
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
CEO's Office												
Permanent Full Time												
Female	111	113	115	118	120	122	125	127	130	132	135	
Male	242	247	252	257	262	267	273	278	284	289	295	
Total CEO's Office	353	360	367	375	382	390	397	405	414	422	430	
Community Assets and Infrastructure												
Permanent Full Time												
Female	1218	1,242	1,267	1,342	1,314	1,340	1,367	1,394	1,422	1,451	1,480	
Male	6139	5,956	6,075	6,254	6,364	6,554	6,686	6,820	6,957	7,096	7,458	
Permanent Part Time												
Female	104	106	108	110	112	115	117	119	122	124	127	
Male	125	127	130	132	135	137	140	143	146	149	152	
Total Community Assets and Infrastructure	7585	7431	7579	7839	7925	8147	8310	8477	8647	8820	9216	
Community Planning and Economic Development												
Permanent Full Time												
Female	1284	1,106	1,128	1,151	1,174	1,197	1,221	1,246	1,270	1,296	1,322	
Male	1697	1,629	1,662	1,695	1,729	1,763	1,799	1,835	1,871	1,909	1,947	
Permanent Part Time												
Female	61	62	63	65	66	67	68	70	71	73	74	
Male	162	165	168	172	175	179	182	186	190	193	197	
Total Community Planning and Economic Development	3,204	2,962	3,021	3,082	3,143	3,206	3,270	3,336	3,402	3,470	3,540	
Community Strengthening												
Permanent Full Time												
Female	2569	2,416	2,464	2,514	2,564	2,615	2,667	2,721	2,775	2,831	2,887	
Male	820	836	853	870	887	905	923	941	960	980	999	
Permanent Part Time												
Female	3210	3,274	3,339	3,406	3,474	3,544	3,615	3,687	3,761	3,836	3,913	
Male	492	502	512	522	533	543	554	565	577	588	600	
Total Community Strengthening	7,090	7,028	7,169	7,312	7,458	7,607	7,759	7,915	8,073	8,234	8,399	
Customer Care and Advocacy												
Permanent Full Time												
Female	2068	2,007	2,366	2,882	3,451	4,228	4,860	5,926	7,040	8,205	9,274	
Male	2238	2,181	2,225	2,269	2,314	2,361	2,408	2,456	2,505	2,555	2,606	
Permanent Part Time												
Female	584	596	608	620	632	645	658	671	685	698	712	
Total Customer Care and Advocacy	4,890	4,784	5,199	5,772	6,398	7,234	7,926	9,053	10,230	11,459	12,593	

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People and Culture

Permanent Full Time

Female 721 725 765 780 795 811 828 844 861 878 896

Male 95 97 99 101 103 105 107 109 111 114 116

Permanent Part Time

Female 120 122 124 127 129 132 135 137 140 143 146

Total People and Culture**935 944 988 1,008 1,028 1,048 1,069 1,091 1,113 1,135 1,157****Total Casuals, Temporary and Other Expenditure**

550 561 571 583 594 606 618 631 643 656 669

Capitalised Labour Costs

1142 1,380 1,408 1,436 1,464 1,495 1,525 1,555 1,587 1,619 1,651

Total Staff Expenditure**25,750 25,450 26,302 27,405 28,394 29,734 30,875 32,463 34,109 35,815 37,656**

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Department	Forecast	Draft Budget		Projections								
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	
CEO's Office												
Permanent Full Time	2	2	2	2	2	2	2	2	2	2	2	
Female	1	1	1	1	1	1	1	1	1	1	1	
Male	1	1	1	1	1	1	1	1	1	1	1	
Total CEO's Office	2	2	2	2	2	2	2	2	2	2	2	
Community Assets and Infrastructure												
Permanent Full Time	85	85	86	86	86	88	88	89	89	89	89	
Female	13	13	13	13	13	13	13	13	13	13	13	
Male	72	72	73	73	73	75	75	76	76	76	76	
Permanent Part Time	3	3	3	3	3	3	3	3	3	3	3	
Female	1	1	1	1	1	1	1	1	1	1	1	
Male	2	2	2	2	2	2	2	2	2	2	2	
Total Community Assets and Infrastructure	88	88	89	89	89	91	91	92	92	92	92	
Community Planning and Economic Development												
Permanent Full Time	28	28	29	29	31	32	34	36	36	36	36	
Female	12	12	12	12	12	12	12	14	14	14	14	
Male	16	16	17	17	19	20	22	22	22	22	22	
Permanent Part Time	2	2	2	2	2	2	2	2	2	2	2	
Female	1	1	1	1	1	1	1	1	1	1	1	
Male	2	2	2	2	2	2	2	2	2	2	2	
Total Community Planning and Economic Development	30	30	31	31	33	34	36	38	38	38	38	
Community Strengthening												
Permanent Full Time	26	31	31	31	31	31	31	31	33	33	33	
Female	18	23	23	23	23	23	23	23	25	25	25	
Male	8	8	8	8	8	8	8	8	8	8	8	
Permanent Part Time	48	48	48	48	48	48	48	48	48	48	48	
Female	42	42	42	42	42	42	42	42	42	42	42	
Male	7	7	7	7	7	7	7	7	7	7	7	
Total Community Strengthening	75	80	80	80	80	80	80	80	82	82	82	
Customer Care and Advocacy												
Permanent Full Time	35	37	37	38	38	39	39	40	40	40	41	
Female	18	20	20	21	21	22	22	23	23	23	24	
Male	17	17	17	17	17	17	17	17	17	17	17	
Permanent Part Time	8	8	8	8	8	8	8	8	8	8	8	
Female	8	8	8	8	8	8	8	8	8	8	8	
Total Customer Care and Advocacy	43	45	45	46	46	47	47	48	48	48	49	
People and Culture												

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Permanent Full Time	8	8	8	8	8	8	8	8	8	8	8
Female	7	7	7	7	7	7	7	7	7	7	7
Male	1	1	1	1	1	1	1	1	1	1	1
Permanent Part Time	2	2	2	2	2	2	2	2	2	2	2
Female	2	2	2	2	2	2	2	2	2	2	2
Total People and Culture	9	9	9	9	9	9	9	9	9	9	9
Total Casuals, Temporary and Other Expenditure	6	6	6	6	6	6	6	6	6	6	6
Capitalised Labour Costs	12	13	13	15	17	18	22	25	31	40	49
Total Staff Expenditure	266	273	275	278	282	287	293	300	308	317	327

8. Financial performance Indicators

8.1 Financial Performance Indicators

For the 10 years ending 30 June 2031

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives and financial management principles.

Indicators	Measure	Forecast	Draft Budget		Projections							11 years Trend	
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030		2030-2031
Operating position													
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	-2.08%	0.02%	0.17%	0.33%	0.01%	0.30%	0.52%	1.00%	1.05%	1.27%	0.89%	
Liquidity													
Working capital	Current assets / current liabilities	233.07%	265.21%	226.27%	209.75%	161.97%	181.59%	181.60%	180.10%	179.43%	178.87%	183.50%	
Unrestricted cash	Unrestricted cash / current liabilities	56.35%	164.59%	157.91%	149.31%	115.90%	125.36%	125.48%	124.99%	124.87%	124.71%	128.48%	
Obligations													
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	44.02%	58.82%	66.51%	83.69%	77.83%	62.57%	51.49%	40.17%	30.01%	21.19%	13.28%	
Loans and borrowings	Interest and principal repayments / rate revenue	5.34%	15.88%	5.78%	7.85%	9.17%	18.30%	8.86%	8.33%	7.79%	7.30%	6.88%	
Indebtedness	Non-current liabilities / own source revenue	29.05%	49.06%	53.72%	67.54%	54.01%	48.78%	39.43%	29.89%	21.39%	13.94%	8.12%	
Asset renewal	Asset renewal and upgrade expenditure / depreciation	115.67%	395.96%	330.59%	271.14%	56.10%	104.14%	76.29%	26.40%	24.87%	24.54%	23.22%	
Stability													
Rates concentration	Rate revenue / adjusted underlying revenue	66.84%	71.04%	71.68%	71.85%	72.02%	71.91%	72.05%	72.20%	72.31%	72.53%	72.64%	
Efficiency													
Expenditure level	Total expenditure / no. of assessments	\$ 3,348	\$ 3,143	\$ 3,161	\$ 3,192	\$ 3,258	\$ 3,335	\$ 3,419	\$ 3,516	\$ 3,633	\$ 3,724	\$ 3,827	
Expenditure level	Specific purpose grants expended / Specific purpose grants received	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Revenue level	Total rate revenue / No. of property assessments	\$ 2,192	\$ 2,233	\$ 2,270	\$ 2,301	\$ 2,347	\$ 2,405	\$ 2,477	\$ 2,565	\$ 2,655	\$ 2,736	\$ 2,805	

8.2 Notes to Performance Indicators:

8.1 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to goal of the longterm financial provide core services and meet its objectives. The trend in later years is to remain at an acceptable level. A key plan is to maintain an adjusted underlying surplus. The adjusted underlying result increased from the 2020-2021 forecast in 2021-2022 and steadily increases into the future.

8.2 Working capital – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in the 2020/21 year. The trend in later years is to remain at an acceptable level.

8.3 Unrestricted cash – Unrestricted cash is expected to increase in 2021-2022 and is on a declining trend over the following year of the Financial Plan, with a steady increase thereafter. This is a result of necessary increased costs in service and infrastructure delivery required for our existing, growing, and new communities. Council will be proactive in delivering best value services whilst improving this indicator.

8.4 Debt compared to rates - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt. Council's current plan includes borrowings for capital expenditure. Council's indebtedness ratio will peak in 2023-2024 at 67.54%, however this ratio will fluctuate dependent upon Council's borrowing and capital works requirements and will be refined each year as further borrowings are identified and utilised to deliver infrastructure to the community.

8.5 Asset renewal - This percentage indicates the extent of Council's renewals 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. Being a Council balancing the needs of growth, interface, and rural adds pressure for new and renewal as Council strives to balance individual town needs. Council will renew assets where resources are available and seek grant funding to increase new and upgrade opportunities.

8.6 Rates concentration - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources. It is important that Council's own source revenue is able to fund ongoing operations. Additional funding helps fund key services in addition to enhancing and advancing service improvements.

9. Strategies and Plans

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

9.1 Borrowing Strategy

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

	Forecast	Draft Budget	Projections								
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	18,615	17,030	23,787	28,395	37,631	36,955	31,515	27,638	23,112	18,541	13,926
Plus New loans	-	12,778	6,785	12,360	3,229	3,279	582	-	-	-	-
Less Principal repayment	1,585	6,021	2,177	3,124	3,904	8,719	4,459	4,527	4,570	4,615	4,659
Closing balance	17,030	23,787	28,395	37,631	36,955	31,515	27,638	23,112	18,541	13,926	9,267
Interest payment	479	457	337	387	424	439	263	234	194	155	115

9.2 Reserve Strategy

The table below discloses the balance and annual movement for each reserve over the 10-year period of the Financial Plan. Total amount of reserves, for each year, align with the Statement of Changes in Equity.

Reserves	Restricted / Discretionary	Forecast	Draft Budget	Projections								
		2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Developer Contributions Reserve	Restricted											
Opening Balance		1360	3844	2547	(148)	91	335	585	841	1104	1374	1650
Transfer to Reserve		5958	5946	1942	1378	244	2750	2756	3263	3269	3276	3283
Transfer from Reserve		(3,474)	(7,243)	(4,637)	(1,140)	0	(2,500)	(2,500)	(3,000)	(3,000)	(3,000)	(3,000)
Closing Balance		3844	2547	(148)	91	335	585	841	1104	1374	1650	1933
Other Reserves	Discretionary											
Opening Balance												
Transfer to Reserve		12944	13176	8746	9022	9308	9606	5441	5766	6109	6470	6852
Transfer from Reserve		232	265	275	286	298	311	325	343	362	381	401
Closing Balance		0	(4,695)	0	0	0	(4,476)	0	0	0	0	0
		13176	8746	9022	9308	9606	5441	5766	6109	6470	6852	7252
Reserve Summary	Restricted & Discretionary											
Opening Balance												
Transfer to Reserve		14304	17020	11293	8874	9399	9940	6025	6607	7213	7844	8501
Transfer from Reserve		6190	6211	2217	1665	542	3061	3082	3605	3631	3657	3684
Closing Balance		(3,474)	(11,938)	(4,637)	(1,140)	0	(6,976)	(2,500)	(3,000)	(3,000)	(3,000)	(3,000)
		17020	11293	8874	9399	9940	6025	6607	7213	7844	8501	9185



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