



FINANCIAL PLAN

2021/22 TO 2030/31

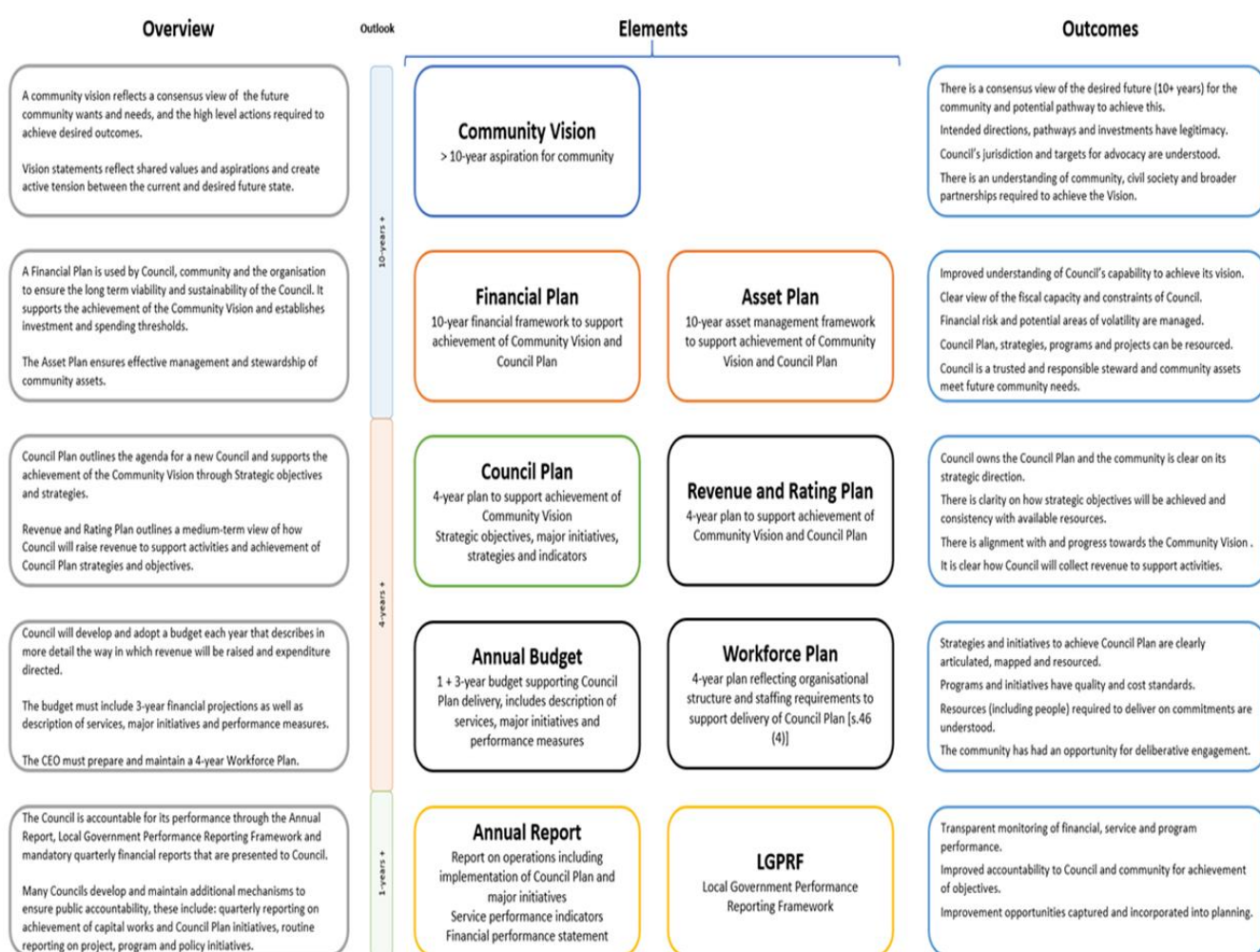
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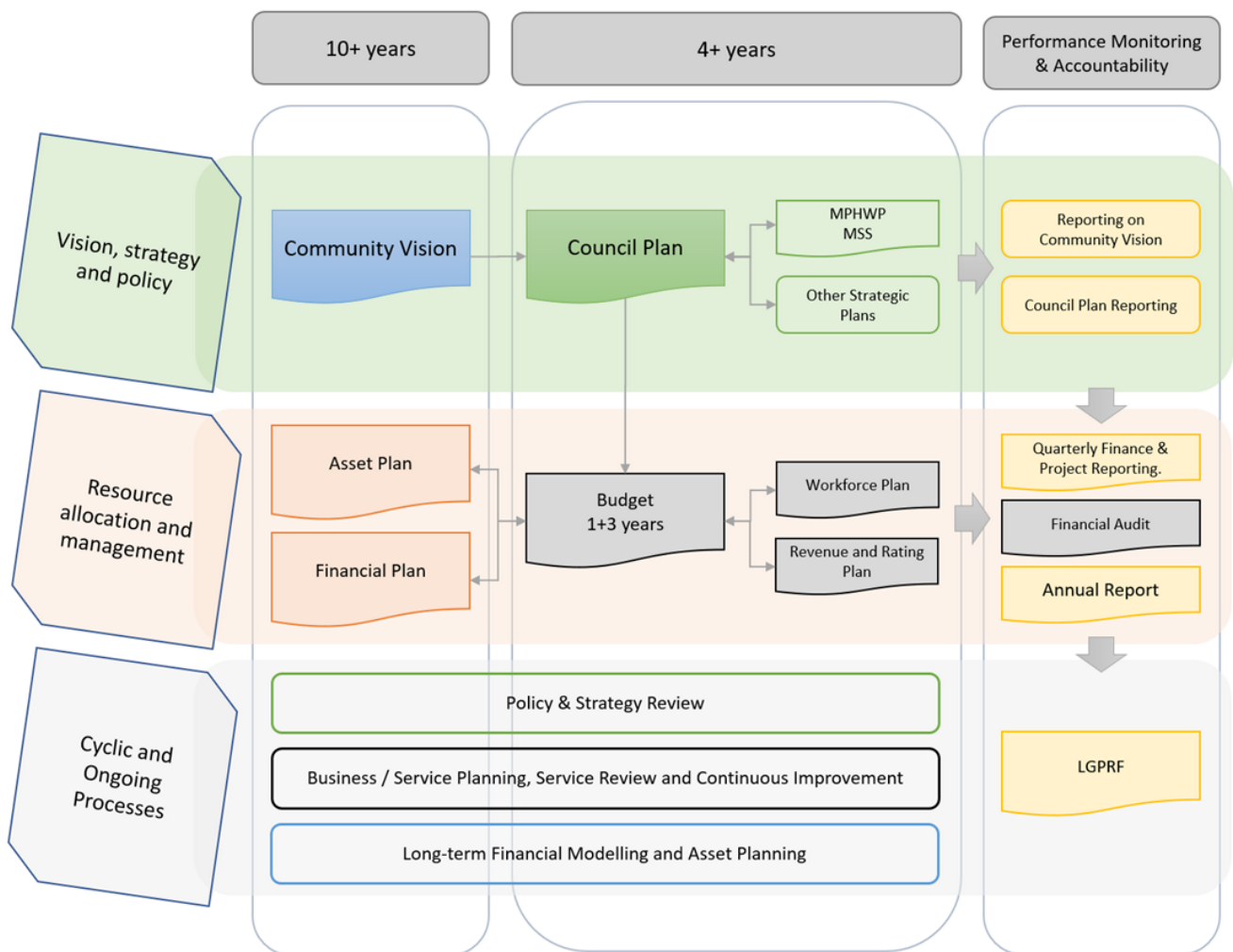
1 Legislative Requirements

This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & Reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

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



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



Acronyms that appear in the above diagram:

MPHWP	Municipal Public Health and Wellbeing Plan
MSS	Municipal Strategic Statement
LGPRF	Local Government Performance Reporting 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.

- b) 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.
- c) The Financial Plan statements describes the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- d) Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 1.2.2 below.
- e) The Financial Plan provides another means of monitoring 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 to section 3 Financial Statements.
- 1.2.5 Council effectively and efficiently uses its resources to deliver the best outcomes for the community whilst ensuring ongoing future financial sustainability.
- 1.2.6 Council maintains an operating surplus over a four-year period (current year and three forward years). Refer to section 2.1 Financial Policy Statements.
- 1.2.7 Council meets current service levels prior to the allocation of resources for new or expanded service levels or one-off operating projects.
- 1.2.8 Council will consider the use of borrowings to fund significant capital projects when there is a demonstrated benefit to future generations and council has the capacity to service the debt.
- 1.2.9 Council will seek a balance between service delivery and a cost recovery model having regard to capacity to pay.
- 1.2.10 Council will consider the financial resources required for the implementation of the endorsed Council Plan and other strategic plans of council.

- 1.2.11 Before approving new or upgrade capital projects or the acquisition of new assets, council will consider its asset renewal obligations.
- 1.2.12 Before approving the acquisition of new assets, council will have regard to the financial and social impacts along with service needs of the community.
- 1.2.13 Council will not seek a rate cap variation while it maintains a sustainable financial position.

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 was placed on public exhibition for a period of 28 days, calling for public feedback;
- c) Feedback opportunities promoted through local news outlets, Council's website and social media;

At the conclusion of the consultation period, no feedback was received. As there was no feedback, the Financial Plan is presented for Council adoption at the October Council meeting.

1.4 Service Performance Principles

Council services are targeted to community needs based on the Community Vision and Council Plan. Services are delivered giving regard to achieving value for money for the community. 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 describes the financial resources required to give effect to the Council Plan and other strategic plans.
- 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 and results can be found at [Know Your Council website](#).
- d) Council continuously monitors its service delivery standards and seeks to implement improvements when these are identified.
- e) Council considers and responds to community feedback and complaints regards service provision as defined in its Complaint Handling Policy.

1.5 Asset Plan Integration

Council has not yet adopted an Asset Plan but has adopted a 10 year capital works program which has informed the Finance Plan. When the Asset Plan has been adopted it will inform future Finance Plans.

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.

2 Financial Plan Context

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

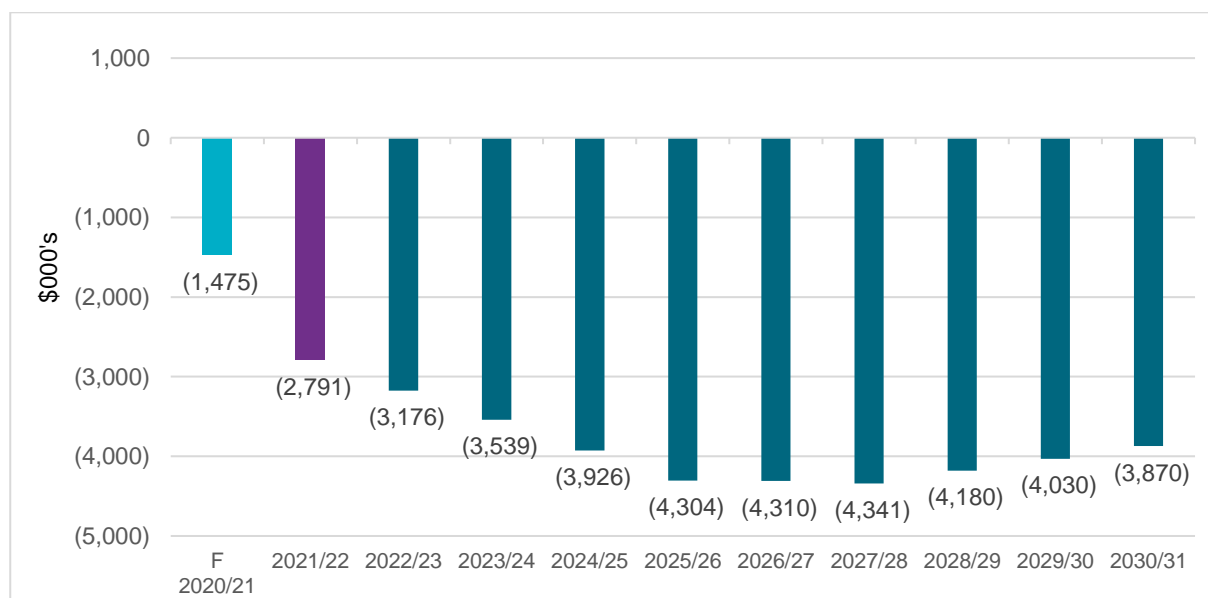
2.1 Financial Policy Statements

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										
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Consistent underlying surplus results	Adjusted underlying result greater than \$0	\$0	(1,475)	(2,501)	(3,176)	(3,539)	(3,926)	(4,304)	(4,310)	(4,341)	(4,180)	(4,030)	(3,870)
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities greater than 1.25	1.25	3.73	3.48	2.88	2.58	2.47	2.56	2.48	2.66	2.49	2.34	2.41
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Asset renewal and upgrade expenses / Depreciation above 100%	100%	92.70%	103.87%	104.52%	100.45%	94.64%	80.06%	90.04%	89.96%	99.29%	92.35%	81.26%
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings / Rate revenue to remain below 40%	40%	8.60%	25.28%	22.27%	18.28%	14.32%	11.58%	9.17%	7.03%	4.95%	2.93%	0.97%
Council maintains revenue from rates at or below 55% of total revenue.	Rate Revenue to remain at or below 55% of total revenue	55.00%	48.00%	48.00%	50.00%	50.00%	50.00%	50.00%	50.00%	51.00%	51.00%	51.00%	51.00%

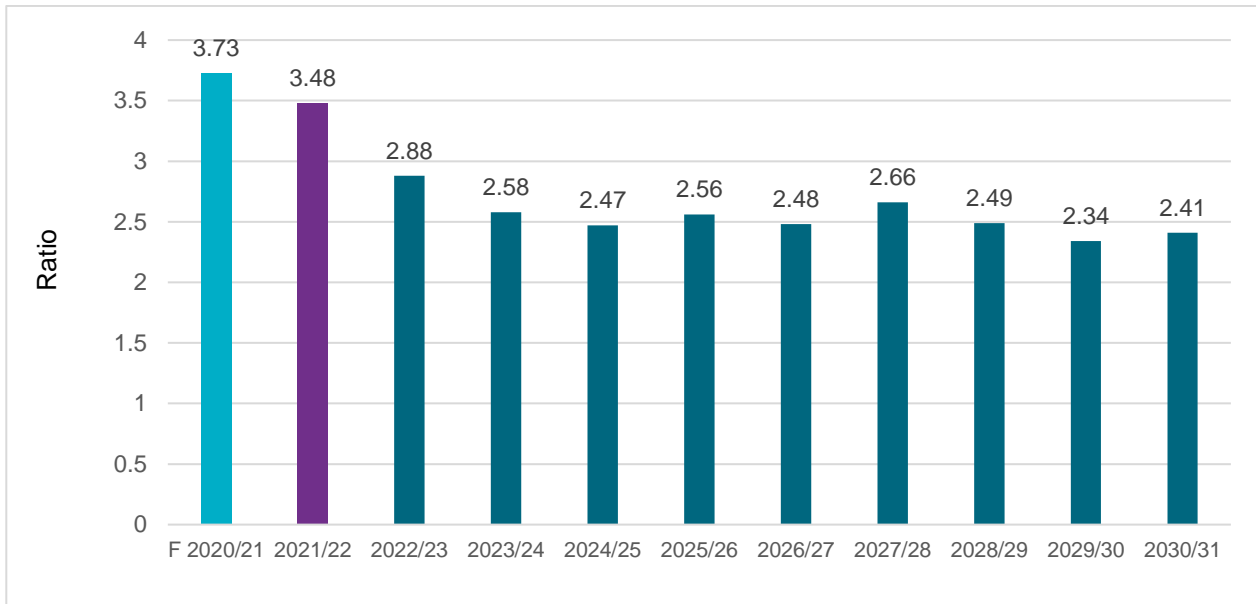
2.1.1 Policy Statement Graphs

Adjusted underling surplus



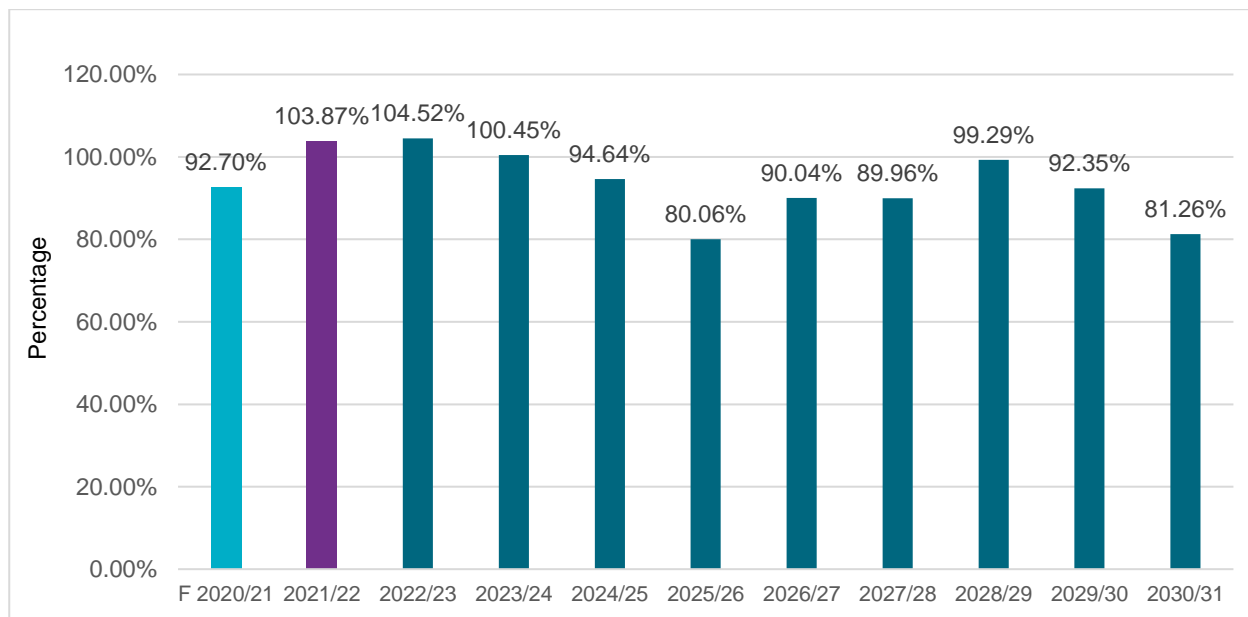
The projected result of this policy statement is below the target set by Council. Council is focussed on reviewing the current services and service levels it provides to its communities and identifying efficiencies to improve this result over the next three years.

Current ratio (Current assets / Current liabilities)



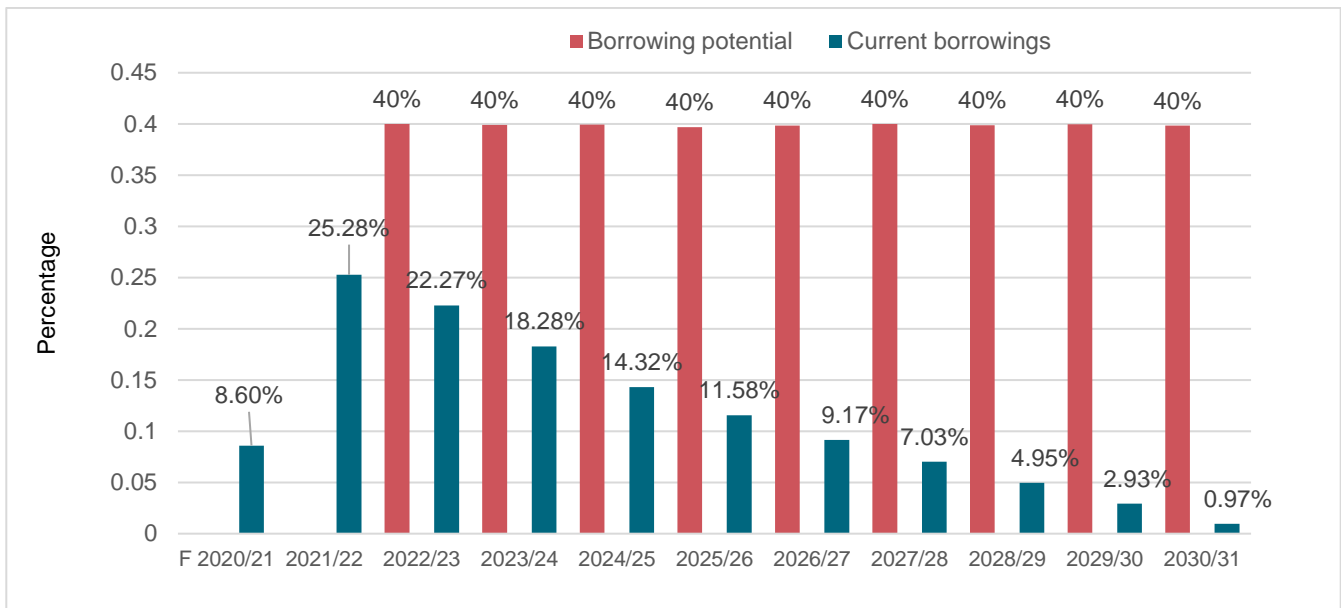
The projected result of this policy statement is above the target set by Council. This shows that Council will continue to be well placed to meet its obligations over the life of the plan.

Asset renewal



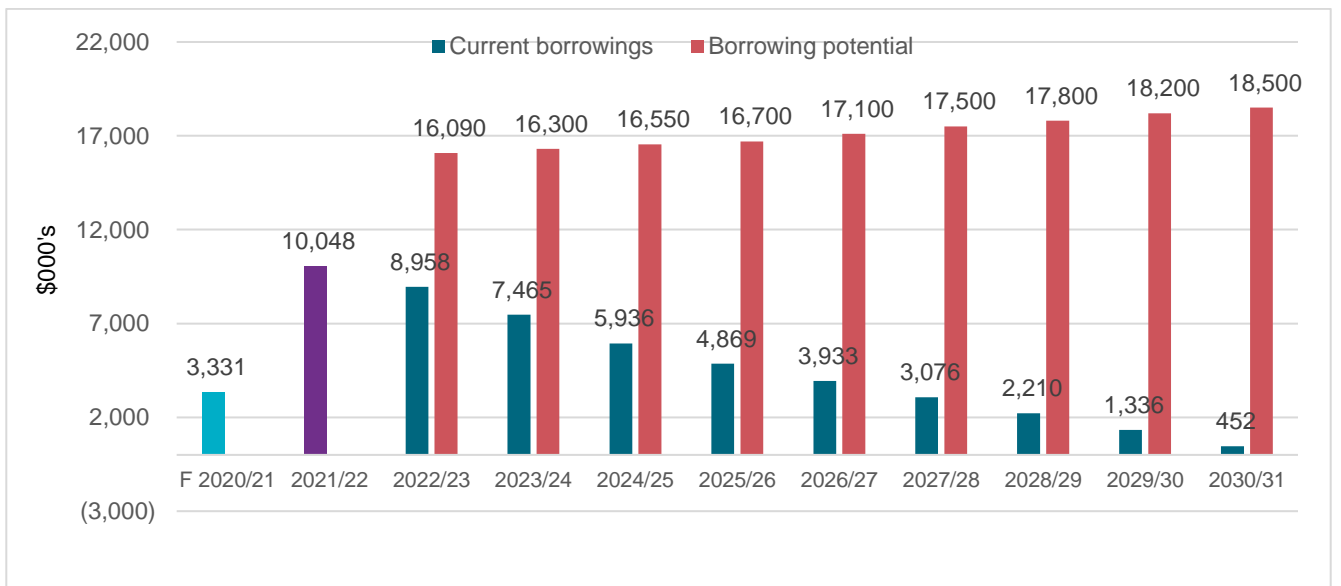
The projected results of this policy statement are based on Council's adopted 10-year Capital Works Plan. For the years 2021/22 to 2023/24 the projected result is above the performance target set by Council. For the years 2024/25 and beyond the projected result is below the performance target. This policy statement will be further informed by the development of the Asset Plan that is currently in development.

Borrowings as a percentage of rate revenue



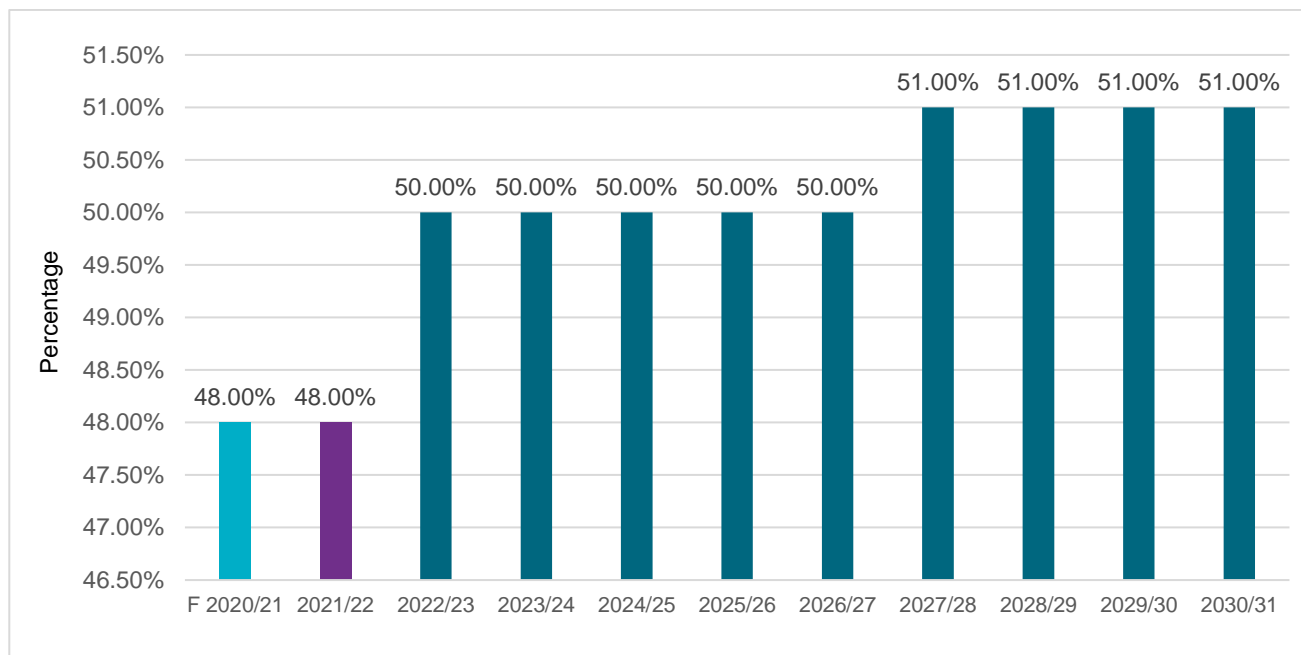
Council has set a target of borrowings not to be more than forty percent of rate revenue. To maintain this target, it would be possible for borrowings to be as much as \$16.0 million in 2022/23 increasing to \$18.5 million in 2030/30 as rate revenue increases.

Borrowings current and potential (\$)



The identification of proposed future borrowings will be considered during the development of the Asset Plan.

Own source revenue (Percentage of rate revenue of overall income)



The projected result of this policy statement is above the target set by Council. This shows that Council will continue to generate over the life of the plan up to 51% from rates with the remainder of income received through user fees, fines and grants.

2.2 Strategic Actions

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

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

- Work with communities to identify the best use of Council assets to progress Placed Based Plans.
- Finalise Council's Asset Plan, identifying future investment in the renewal and maintenance of Council assets to reduce the escalating risk of ageing infrastructure. This will also include the identification of potential future borrowings for investment in the renewal or upgrade of assets.
- Maintaining current service levels for the next 4 years to enable Council sufficient time to complete a full review of its services and service levels provided to the community.

2.3 Assumptions to the financial plan statements

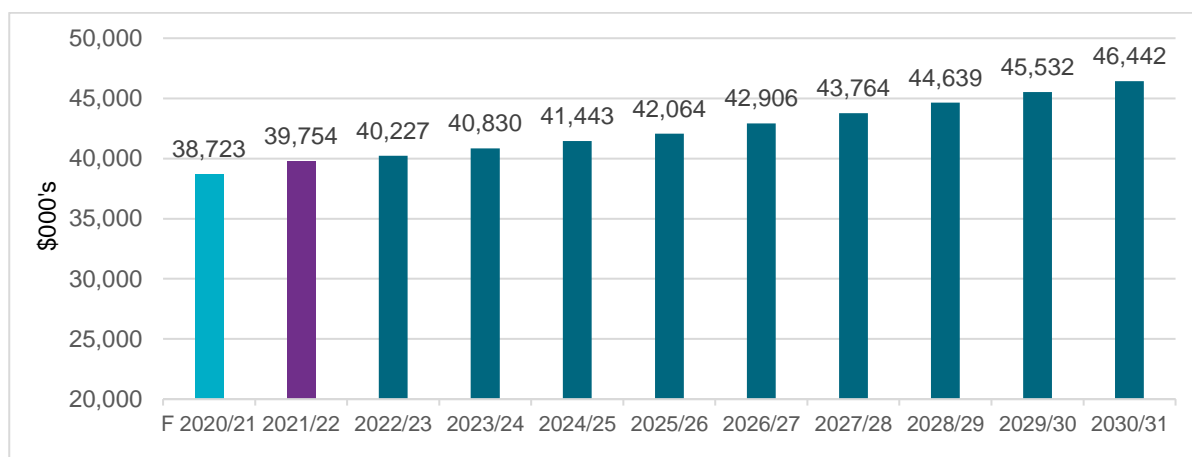
This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2021/22 to 2030/31. The assumptions comprise the annual escalations / movement for each line item of the Comprehensive Income Statement.

Escalation Factors movement	%	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CPI		0.7%	0.7%	0.90%	1.00%	1.00%	1.50%	1.50%	1.50%	2.00%	2.00%
Rates and charges		1.50%	1.50%	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%
Statutory fees and fines		1.00%	1.00%	1.00%	1.00%	1.00%	1.50%	1.50%	2.00%	2.00%	2.00%
User fees		1.00%	1.00%	1.00%	1.00%	1.00%	1.50%	1.50%	2.00%	2.00%	2.00%
Operating grants		1.00%	1.00%	1.00%	1.00%	1.00%	1.50%	1.50%	2.00%	2.00%	2.00%
Interest income		0.50%	0.50%	0.50%	0.50%	1.00%	1.00%	1.50%	1.50%	2.00%	2.00%
Other Income		1.00%	1.00%	1.00%	1.00%	1.00%	1.50%	1.50%	2.00%	2.00%	2.00%
Employee Costs		1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Materials & Services		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Materials & Services - contract pay		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials & Services - consultants		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Materials & Services - utilities		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Materials & Services - insurance		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Depreciation		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other Expenses		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

2.3.1 Rates and charges

Base rate revenue will increase by 1.5% for the 2021/22 year, based on the state government rate cap, with estimated future annual increases of 1.5% per annum for the next four years, increasing to 2.00% the remaining years of the long-term financial plan. In addition, it is expected that during the 2021/22 year a further increase of 0.40% per annum will be received for growth (additional properties) as a result of supplementary rates.

Waste charges for the 2021/22 year remain unchanged compared to 2020/21 levels to fund the total costs of waste management incurred across the municipal district. Future years waste charges will be increased as required to ensure Council continues to recover the full costs of providing waste services. The waste and recycling service is continually evolving and subject to changes in State Government legislation, which Council has no control over.



2.3.2 Statutory fees and fines

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

2.3.3 User fees

Revenue from user fees is budgeted to increase by 1.5% for the 2021/22 year. Details of user fees for the 2021/22 budget year can be found in Council's schedule of Fees and Charges that is adopted in conjunction with the budget.

Revenue increases for the ensuing years are based on a conservative annual rate of increase of 1.5% to reflect, as a minimum, annual increases in line with the state government rate cap.

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%. Council has taken a conservative approach when setting the escalation factor for grants as past experience has shown that these could be frozen.

2.3.5 Contributions

Council receives contributions from developers. These contributions represent funds to enable council to provide the necessary infrastructure and infrastructure improvements to accommodate development growth. The contributions are for specific purposes and often require Council to outlay funds for infrastructure works often before receipt of this income source. These contributions are statutory

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

2.3.6 Other income

Revenue from other income mainly comprises investment income and rental income received from the hire of Council buildings.

2.3.7 Employee costs

The 2021/22 year includes a 1.5% increase for employee costs that mainly reflects the salary increase for all staff pursuant to the Enterprise Bargaining Agreement (EBA).

The ensuing years, from 2022/23 to 2030/31, reflect annual increases of 1.5% per annum to provide for annual EBA increases and movement within salary ranges. There has been no allowance made for any changes that may occur as a result of service reviews.

2.3.8 Materials and services

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

2.3.9 Depreciation & amortisation

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

2.3.11 Other expenses

Other expenses include administration costs such as Councillor allowances, election costs, community grants, audit costs and other costs associated with the day to day running of Council.

2.3.12 Other Matters impacting the 10-year financial projections

While a modest increase in growth of rateable properties has been identified per annum in the Financial Plan, it does not forecast any significant development that may arise from the proposed planning scheme amendment (C117) Echuca West Precinct Plan.

3 Financial Plan Statements

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

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

3.1 Comprehensive Income Statement

Statement of income and expenditure.

	Forecast										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income											
Rates income	38,723	39,754	40,227	40,830	41,443	42,064	42,906	43,764	44,639	45,532	46,442
Waste charges	5,905	6,018	6,108	6,200	6,293	6,387	6,515	6,645	6,778	6,914	7,052
Statutory fees and fines	1,618	1,553	1,568	1,584	1,600	1,616	1,640	1,665	1,698	1,732	1,766
User fees	12,770	14,441	14,699	14,846	14,995	15,145	15,372	15,603	15,915	16,233	16,558
Grants - Operating	14,948	14,471	14,547	14,691	14,836	14,983	15,206	15,432	15,738	16,050	16,369
Grants - Capital	5,692	5,965	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(57)	290	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)	(310)
Other income	1,002	1,024	1,031	1,039	1,047	1,057	1,070	1,086	1,105	1,127	1,150
Total income	80,600	83,515	80,493	81,502	82,525	83,565	85,021	86,507	88,185	89,900	91,649
Expenses											
Employee costs	29,304	30,896	31,374	31,859	32,362	32,852	33,360	33,891	34,400	34,933	35,473
Materials and services	21,493	22,889	23,223	23,662	24,113	24,574	25,047	25,531	26,027	26,536	27,057
Depreciation	20,418	21,010	21,430	21,859	22,296	22,742	23,197	23,661	24,134	24,617	25,109
Amortisation - intangible assets	-	-	-	-	-	-	-	-	-	-	-
Amortisation - right of use assets	-	558	558	558	558	558	558	558	558	558	558
Bad and doubtful debts	-	-	-	-	-	-	-	-	-	-	-
Borrowing costs	125	130	150	122	91	65	44	35	27	18	9
Finance Costs - leases	-	-	8	9	13	12	11	10	9	10	5
Other expenses	5,100	4,568	4,614	4,660	4,706	4,754	4,801	4,849	4,898	4,947	4,996
Total expenses	76,441	80,051	81,356	82,728	84,138	85,556	87,018	88,536	90,053	91,617	93,207
Surplus/(deficit) for the year	4,159	3,464	(863)	(1,226)	(1,613)	(1,991)	(1,997)	(2,029)	(1,867)	(1,717)	(1,558)
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods											
Net asset revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive result	4,159	3,464	(863)	(1,226)	(1,613)	(1,991)	(1,997)	(2,029)	(1,867)	(1,717)	(1,558)

3.2 Balance Sheet

Statement of current and non current assets and liabilities.

	Forecast / Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	12,965	15,830	10,750	9,524	10,109	15,563	14,601	19,173	18,118	16,146	19,003
Trade and other receivables	3,119	3,197	3,211	3,249	3,288	3,330	3,386	3,446	3,512	3,581	3,653
Other financial assets	45,903	42,171	38,439	34,707	30,975	27,243	26,497	25,750	23,884	23,138	19,406
Inventories	806	831	841	855	869	884	899	914	929	945	961
Other assets	1,096	1,178	1,196	1,211	1,227	1,243	1,263	1,283	1,308	1,333	1,359
Total current assets	63,889	63,206	54,438	49,547	46,468	48,262	46,645	50,567	47,751	45,143	44,381
Non-current assets											
Trade and other receivables	21	22	22	23	23	23	24	24	25	25	26
Other financial assets	15,597	14,329	13,061	11,793	10,525	9,257	9,003	8,750	8,116	7,862	6,594
Property, infrastructure, plant & equipment	705,515	718,316	726,442	729,963	730,986	727,317	726,165	719,632	720,380	720,668	720,463
Right-of-use assets	1,125	1,567	1,010	952	1,194	1,237	1,179	1,221	1,164	1,106	549
Investment property	7,312	7,312	7,312	7,312	7,312	7,312	7,312	7,312	7,312	7,312	7,312
Intangible assets	3,811	3,811	3,811	3,811	3,811	3,811	3,811	3,811	3,811	3,811	3,811
Total non-current assets	733,381	745,357	751,657	753,853	753,851	748,957	747,494	740,750	740,807	740,784	738,754
Total assets	797,270	808,564	806,095	803,400	800,319	797,219	794,140	791,317	788,558	785,928	783,135
Liabilities											
Current liabilities											
Trade and other payables	6,875	7,098	7,196	7,322	7,451	7,582	7,717	7,854	7,995	8,139	8,287
Trust funds and deposits	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171
Unearned income	492	497	348	350	352	355	358	362	366	371	376
Provisions	6,559	6,541	6,526	6,516	6,518	6,502	6,490	6,498	6,483	6,472	6,463
Interest-bearing liabilities	1,009	1,090	1,493	1,529	1,067	936	857	866	875	883	452
Lease liabilities	-	778	1,157	1,335	1,275	1,333	1,248	1,252	1,257	1,235	635
Total current liabilities	17,106	18,174	18,891	19,223	18,834	18,878	18,842	19,003	19,148	19,271	18,384
Non-current liabilities											
Trust funds and deposits	20	20	20	20	20	20	20	20	20	20	20
Provisions	2,316	2,219	2,100	1,990	1,863	1,719	1,581	1,467	1,347	1,204	1,061
Interest-bearing liabilities	2,322	8,958	7,465	5,936	4,869	3,933	3,076	2,210	1,336	452	0
Lease liabilities	1,239	1,461	752	589	705	632	582	606	564	553	801
Total non-current liabilities	5,877	12,639	10,318	8,516	7,437	6,284	5,238	4,283	3,246	2,209	1,862
Total liabilities	22,983	30,813	29,208	27,739	26,271	25,162	24,080	23,286	22,394	21,480	20,246
Net assets	774,286	777,750	776,887	775,661	774,048	772,057	770,060	768,031	766,164	764,447	762,890
Equity											
Accumulated surplus	330,022	333,486	332,623	331,397	329,784	327,793	325,796	323,767	321,900	320,183	318,626
Reserves	444,244	444,244	444,244	444,244	444,244	444,244	444,244	444,244	444,244	444,244	444,244
Total equity	774,266	777,730	776,867	775,641	774,028	772,037	770,040	768,011	766,144	764,427	762,870

3.3 Statement of Changes in Equity

Statement of changes in funds and reserves.

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021 Forecast Actual				
Balance at beginning of the financial year	770,107	325,863	420,739	23,505
Surplus/(deficit) for the year	4,159	4,159	-	-
Balance at end of the financial year	774,266	330,022	420,739	23,505
2022				
Balance at beginning of the financial year	774,266	330,022	420,739	23,505
Surplus/(deficit) for the year	3,464	3,464	-	-
Balance at end of the financial year	777,730	333,486	420,739	23,505
2023				
Balance at beginning of the financial year	777,730	333,486	420,739	23,505
Surplus/(deficit) for the year	(863)	(863)	-	-
Balance at end of the financial year	776,867	332,623	420,739	23,505
2024				
Balance at beginning of the financial year	776,867	332,623	420,739	23,505
Surplus/(deficit) for the year	(1,226)	(1,226)	-	-
Balance at end of the financial year	775,641	331,397	420,739	23,505
2025				
Balance at beginning of the financial year	775,641	331,397	420,739	23,505
Surplus/(deficit) for the year	(1,613)	(1,613)	-	-
Balance at end of the financial year	774,028	329,784	420,739	23,505

3.3 Statement of Changes in Equity (cont.)

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2026				
Balance at beginning of the financial year	774,028	329,784	420,739	23,505
Surplus/(deficit) for the year	(1,991)	(1,991)	-	-
Balance at end of the financial year	772,037	327,793	420,739	23,505
2027				
Balance at beginning of the financial year	772,037	327,793	420,739	23,505
Surplus/(deficit) for the year	(1,997)	(1,997)	-	-
Balance at end of the financial year	770,040	325,796	420,739	23,505
2028				
Balance at beginning of the financial year	770,040	325,796	420,739	23,505
Surplus/(deficit) for the year	(2,029)	(2,029)	-	-
Balance at end of the financial year	768,011	323,767	420,739	23,505
2029				
Balance at beginning of the financial year	768,011	323,767	420,739	23,505
Surplus/(deficit) for the year	(1,867)	(1,867)	-	-
Balance at end of the financial year	766,144	321,900	420,739	23,505
2030				
Balance at beginning of the financial year	766,144	321,900	420,739	23,505
Surplus/(deficit) for the year	(1,717)	(1,717)	-	-
Balance at end of the financial year	764,427	320,183	420,739	23,505
2031				
Balance at beginning of the financial year	764,427	320,183	420,739	23,505
Surplus/(deficit) for the year	(1,558)	(1,558)	-	-
Balance at end of the financial year	762,870	318,626	420,739	23,505

3.4 Statement of Cash Flows

Statement of cash inflows and outflows of operating, investing and finance activities.

	Forecast										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)
Cash flows from operating activities											
Rates and charges	44,770	45,723	46,311	47,000	47,705	48,421	49,379	50,366	51,374	52,401	53,449
Statutory fees and fines	2,727	1,553	1,568	1,584	1,600	1,616	1,640	1,665	1,698	1,732	1,766
User fees	12,770	14,441	14,699	14,846	14,995	15,145	15,372	15,603	15,915	16,233	16,558
Grants - operating	14,915	14,463	14,548	14,693	14,839	14,986	15,210	15,436	15,743	16,055	16,374
Grants - capital	5,648	5,977	2,472	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623
Interest received	661	535	538	540	543	548	554	562	571	582	594
Other receipts	729	392	492	483	488	490	490	494	497	503	514
Employee costs	(29,324)	(30,911)	(31,384)	(31,864)	(32,352)	(32,862)	(33,365)	(33,876)	(34,410)	(34,938)	(35,475)
Materials and services	(22,978)	(22,805)	(23,266)	(23,674)	(24,142)	(24,616)	(25,082)	(25,539)	(26,037)	(26,567)	(27,085)
Other payments	(5,100)	(4,568)	(4,614)	(4,660)	(4,706)	(4,754)	(4,801)	(4,849)	(4,898)	(4,947)	(4,996)
Net cash provided by/(used in) operating activities	24,819	24,800	21,365	21,572	21,592	21,596	22,020	22,485	23,075	23,678	24,320
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(24,384)	(33,522)	(29,866)	(25,690)	(23,629)	(19,383)	(22,355)	(17,437)	(25,192)	(25,214)	(25,214)
Payments for investments	(2,500)	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	-	5,000	5,000	5,000	5,000	5,000	1,000	1,000	2,500	1,000	5,000
Net cash provided by/ (used in) investing activities	(26,884)	(28,522)	(24,866)	(20,690)	(18,629)	(14,383)	(21,355)	(16,437)	(22,692)	(24,214)	(20,214)
Cash flows from financing activities											
Finance costs	(125)	(130)	(150)	(122)	(91)	(65)	(44)	(35)	(27)	(18)	(9)
Interest paid - lease liability	-	-	(8)	(9)	(13)	(12)	(11)	(10)	(9)	(10)	(5)
Proceeds from borrowings	-	7,758	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(1,064)	(1,041)	(1,090)	(1,493)	(1,529)	(1,067)	(936)	(857)	(866)	(875)	(883)
Repayment of lease liabilities	-	-	(330)	(485)	(744)	(616)	(634)	(572)	(537)	(533)	(352)
Net cash provided by/(used in) financing activities	(1,189)	6,586	(1,578)	(2,108)	(2,377)	(1,759)	(1,626)	(1,475)	(1,438)	(1,436)	(1,249)
Net increase/(decrease) in cash & cash equivalents	(3,254)	2,865	(5,079)	(1,226)	585	5,453	(961)	4,572	(1,056)	(1,972)	2,857
Cash and cash equivalents at the beginning of the financial year	16,219	12,965	15,830	10,750	9,524	10,109	15,563	14,601	19,173	18,118	16,146
Cash and cash equivalents at the end of the financial year	12,965	15,830	10,750	9,524	10,109	15,563	14,601	19,173	18,118	16,146	19,003

3.5 Statement of Capital Works

Statement of expenditure on asset renewal and upgrades by asset type.

	Forecast										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Land	-	-	-	345	450	313	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-
Total land	-	-	-	345	450	313	-	-	-	-	-
Buildings	4,734	7,613	1,805	1,660	981	1,335	1,027	1,192	1,240	70	1,767
Total buildings	4,734	7,613	1,805	1,660	981	1,335	1,027	1,192	1,240	70	1,767
Total property	4,734	7,613	1,805	2,005	1,431	1,648	1,027	1,192	1,240	70	1,767
Plant and equipment											
Heritage plant and equipment	147	205	180	180	180	180	180	180	180	180	287
Plant, machinery and equipment	1,899	1,794	3,571	1,815	2,372	1,780	809	1,103	1,914	2,239	2,373
Computers and telecommunications	229	465	270	-	120	170	500	5,070	95	320	-
Total plant and equipment	2,274	2,464	4,021	1,995	2,672	2,130	1,489	6,353	2,189	2,739	2,660
Infrastructure											
Roads	10,883	14,607	18,452	13,351	11,397	10,703	11,120	7,366	12,896	13,407	9,800
Bridges	1,112	2,800	1,424	1,450	1,384	1,238	1,238	1,238	1,238	1,238	1,563
Footpaths and cycleways	1,472	3,144	1,439	1,307	1,427	509	1,527	450	864	408	594
Drainage	5,813	3,108	1,750	3,561	3,658	2,291	4,950	5,009	5,202	5,036	3,788
Recreational, leisure and community facilities	123	907	1,171	1,805	1,889	927	1,115	920	1,948	2,207	64
Waste management	-	-	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	266	845	160	160	160	205	160	160	160	160	169
Aerodromes	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure	330	-	25	-	-	-	510	-	-	-	-
Total infrastructure	19,998	25,412	24,422	21,634	19,916	15,873	20,620	15,143	22,308	22,456	15,977
Total capital works expenditure	27,007	35,489	30,249	25,634	24,018	19,652	23,135	22,688	25,737	25,264	20,404
Represented by:											
New asset expenditure	802	3,190	1,390	493	550	401	567	324	300	300	-
Asset renewal expenditure	18,927	21,823	22,400	21,958	21,101	18,207	20,885	21,285	23,962	22,732	20,404
Asset upgrade expenditure	7,278	10,476	6,459	3,183	2,367	1,044	1,683	1,079	1,475	2,232	-
Total capital works expenditure	27,007	35,489	30,249	25,634	24,018	19,652	23,135	22,688	25,737	25,264	20,404
by:											
Grants	3,053	6,887	3,488	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,623
Contributions	-	-	-	-	-	-	-	-	-	-	-
Council cash	23,955	28,602	26,761	22,711	21,095	16,729	20,212	19,765	22,814	22,341	17,781
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Total capital works expenditure	27,007	35,489	30,249	25,634	24,018	19,652	23,135	22,688	25,737	25,264	20,404

3.6 Statement of Human Resource and Planned Expenditure

Staff expenditure	Forecast										
	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Office of CEO											
Permanent full time											
Male	-	505	515	525	536	540	548	557	565	574	583
Female	-	350	357	364	371	374	380	386	391	398	404
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
All genders	1,199										
Permanent part time											
Male	-	59	60	61	63	63	64	65	66	67	68
Female	-	162	165	169	172	173	176	178	181	184	187
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
All genders	187										
Total Office of CEO	1,386	1,076	1,098	1,119	1,142	1,150	1,167	1,186	1,203	1,222	1,241
Corporate											
Permanent full time											
Male		1,261	1,286	1,312	1,338	1,348	1,368	1,390	1,411	1,432	1,455
Female		3,167	3,230	3,295	3,361	3,384	3,435	3,490	3,542	3,597	3,653
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	4,161										
Permanent part time											
Male		-	-	-	-	-	-	-	-	-	-
Female		643	656	669	682	687	697	709	719	730	742
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	468										
Total Corporate	4,629	5,071	5,172	5,276	5,381	5,419	5,500	5,588	5,672	5,760	5,849
Community											
Permanent full time											
Male		1,632	1,665	1,698	1,732	1,744	1,772	1,800	1,827	1,856	1,884
Female		1,910	1,948	1,987	2,027	2,041	2,074	2,107	2,138	2,171	2,205
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	1,723										
Permanent part time											
Male		172	175	179	183	184	187	190	193	196	199
Female		204	208	212	216	218	221	225	228	232	235
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	338										
Total Community	2,061	3,918	3,996	4,076	4,158	4,187	4,254	4,322	4,386	4,454	4,523
Development											
Permanent full time											
Male		1,490	1,520	1,550	1,581	1,591	1,616	1,642	1,667	1,692	1,719
Female		3,526	3,597	3,668	3,742	3,764	3,824	3,885	3,943	4,005	4,067
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	8,374										
Permanent part time											
Male		-	-	-	-	-	-	-	-	-	-
Female		2,281	2,327	2,373	2,421	2,435	2,474	2,513	2,551	2,591	2,631
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	3,231										
Total Development	11,605	7,297	7,443	7,592	7,744	7,790	7,915	8,041	8,161	8,288	8,416
Infrastructure											
Permanent full time											
Male		8,388	8,556	8,727	8,901	8,955	9,092	9,237	9,375	9,521	9,668
Female		1,758	1,793	1,829	1,866	1,877	1,905	1,936	1,965	1,995	2,026
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	4,310										
Permanent part time											
Male		197	201	205	209	210	213	216	219	223	226
Female		102	104	106	108	109	111	113	114	116	118
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	202										
Total Infrastructure	4,512	10,445	10,654	10,867	11,084	11,151	11,321	11,501	11,674	11,855	12,039
Total staff expenditure											
Male	-	13,704	13,978	14,258	14,543	14,636	14,862	15,099	15,325	15,563	15,803
Female	-	14,103	14,385	14,673	14,966	15,063	15,296	15,539	15,773	16,017	16,265
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	7,612	2,036	1,937	1,833	1,735	2,027	2,058	2,091	2,123	2,155	2,189
Capitalised labour costs	1,053	1,053	1,074	1,096	1,117	1,127	1,144	1,162	1,180	1,198	1,217
Total staff expenditure	32,858	30,896	31,374	31,859	32,362	32,852	33,360	33,891	34,400	34,933	35,473

3.7 Planned Staffing

Staff numbers	Forecast										
	2020/21 FTE	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE
Office of CEO											
Permanent full time											
Male		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Female		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	13.0										
Permanent part time											
Male		0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Female		1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	2.9										
Total Office of CEO	15.9	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Corporate											
Permanent full time											
Male		10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Female		28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	42.0										
Permanent part time											
Male		-	-	-	-	-	-	-	-	-	-
Female		7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	3.2										
Total Corporate	45.2	45.6	45.6	45.6	45.6	45.6	45.6	45.6	45.6	45.6	45.6
Community											
Permanent full time											
Male		14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Female		18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	15.0										
Permanent part time											
Male		2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Female		2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	3.7										
Total Community	18.7	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5
Development											
Permanent full time											
Male		12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Female		37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	110.0										
Permanent part time											
Male		-	-	-	-	-	-	-	-	-	-
Female		24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	43.0										
Total Development	153.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0	73.0
Infrastructure											
Permanent full time											
Male		97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0	97.0
Female		19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	74.0										
Permanent part time											
Male		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Female		1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Self-described gender		-	-	-	-	-	-	-	-	-	-
All genders	1.8										
Total Infrastructure	75.8	119.6	119.6	119.6	119.6	119.6	119.6	119.6	119.6	119.6	119.6
Staff											
Male		139.7	139.7	139.7	139.7	139.7	139.7	139.7	139.7	139.7	139.7
Female		142.2	142.2	142.2	142.2	142.2	142.2	142.2	142.2	142.2	142.2
Self-described gender		-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	60.1	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6	54.6
Capitalised labour costs	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Total Staff	376.7	344.5	344.5	344.5	344.5	344.5	344.5	344.5	344.5	344.5	344.5

4 Financial Performance Indicators

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

Indicator	Measure	Notes	Forecast											Trend	
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	+/-	
Operating position															
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	(10.77%)	(3.24%)	(4.46%)	(4.86%)	(5.28%)	(5.68%)	(5.59%)	(5.52%)	(5.23%)	(4.95%)	(4.68%)	-	
Liquidity															
Working Capital	Current assets / current liabilities	2	373.49%	347.78%	288.17%	257.75%	246.73%	179.80%	180.74%	179.82%	179.13%	178.69%	188.07%	o	
Unrestricted cash	Unrestricted cash / current liabilities		258.20%	235.50%	203.74%	174.43%	161.32%	94.21%	94.50%	93.81%	93.22%	92.76%	97.37%	-	
Obligations															
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	8.60%	25.28%	22.27%	18.28%	14.32%	11.58%	9.17%	7.03%	4.95%	2.93%	0.97%	+	
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.07%	2.95%	3.08%	3.95%	3.91%	2.69%	2.28%	2.04%	2.00%	1.96%	1.92%	+	
Indebtedness	Non-current liabilities / own source revenue		10.90%	20.16%	16.25%	13.23%	11.41%	9.51%	7.79%	6.26%	4.66%	3.12%	2.58%	+	
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	4	92.70%	103.87%	104.52%	100.45%	94.64%	80.06%	90.04%	89.96%	99.29%	92.35%	81.26%	o	
Stability															
Rates concentration	Rate revenue / adjusted underlying revenue	5	56.07%	51.46%	51.45%	51.56%	51.67%	51.77%	51.88%	51.98%	51.98%	51.98%	51.99%	o	
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.49%	0.49%	0.47%	0.46%	0.44%	0.43%	0.42%	0.41%	0.40%	0.39%	0.38%	o	
Efficiency															
Expenditure level	Total expenses/ no. of property assessments		\$3,685.76	\$3,780.70	\$3,827.10	\$3,847.76	\$3,869.70	\$3,891.51	\$3,914.83	\$3,940.29	\$3,965.01	\$3,991.46	\$4,018.26	o	
Revenue level	Total rate revenue / no. of property assessments		\$2,023.46	\$2,040.99	\$2,040.00	\$2,045.60	\$2,051.51	\$2,057.74	\$2,074.43	\$2,091.55	\$2,109.09	\$2,127.05	\$2,145.44	o	

Key to forecast trend:

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

Notes to indicators:

- 1 Adjusted underlying result – An indicator of the sustainable operating result required to enable council to continue to provide core services and meet its objectives. Financial performance is expected to deteriorate over the period, continued operating losses means reliance on council's cash reserves or increased debt to maintain services.
- 2 Working capital and Unrestricted cash – The proportion of current liabilities represented by current assets. Working capital forecast trend is to decline in the forecast period due to additional borrowings increasing current liabilities.
- 3 Debt compared to rates - Trend indicates council's reducing reliance on debt against its annual rate revenue through redemption of long-term debt. Council has the ability to fund future borrowings within its set performance targets.
- 4 Asset renewal - This percentage indicates the extent of council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A

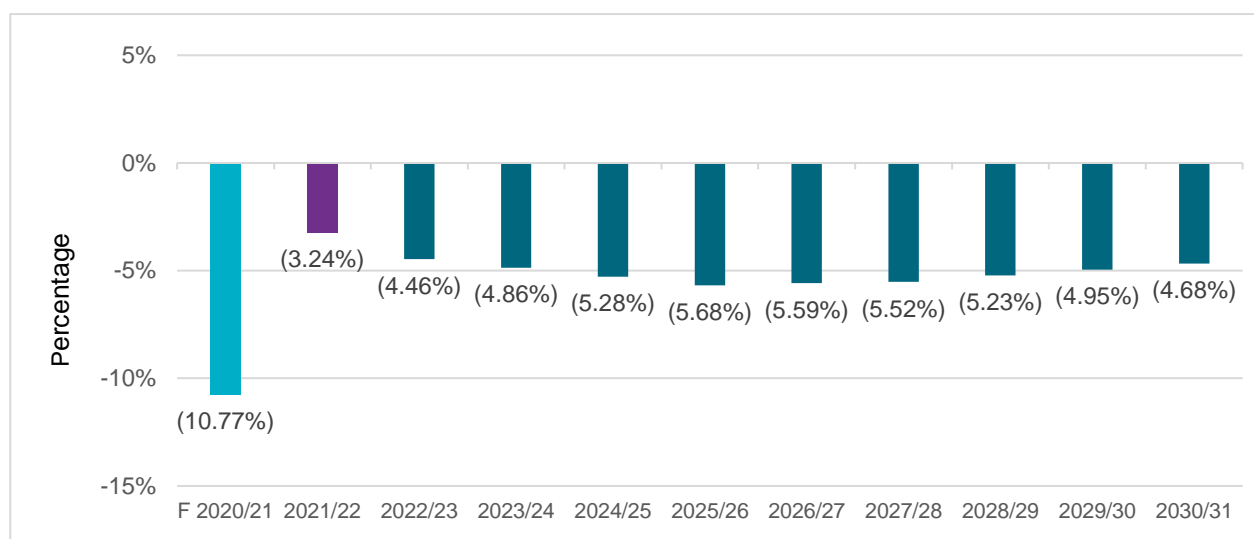
percentage greater than 100 indicates council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

- 5 Rates concentration - Reflects extent of reliance on rate revenues to fund all of council's ongoing services. Trend indicates that council's reliance on rate revenue will remain steady compared to other sources of revenue. This is due to the constraints of rate capping.

4.1 Graphical representation of performance indicators

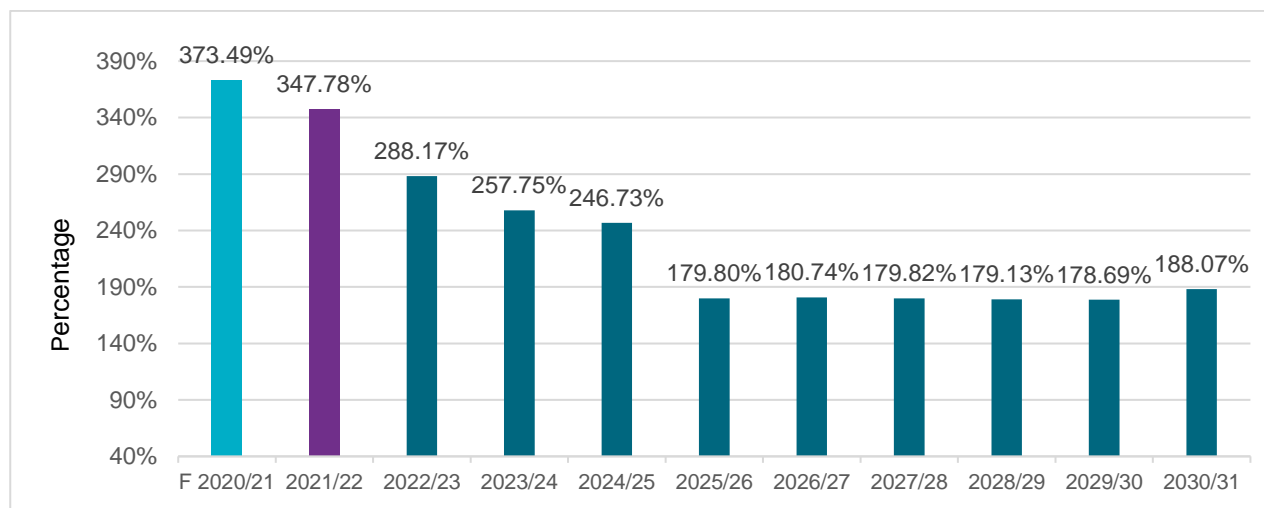
Adjusted underlying surplus

An indicator of the sustainable operating result required to enable council to continue to provide core services and meet its objectives. This does not include income or expenditure on asset renewal or upgrade. Financial performance is expected to deteriorate over the period. Continued operating losses means reliance on council's cash reserves or increased debt to maintain services and service levels. Council will continue to review its services and service levels to identify improved efficiency, modify services or service levels or identify alternative revenue through grants and user fees over the next three years to improve the result of this performance indicator.



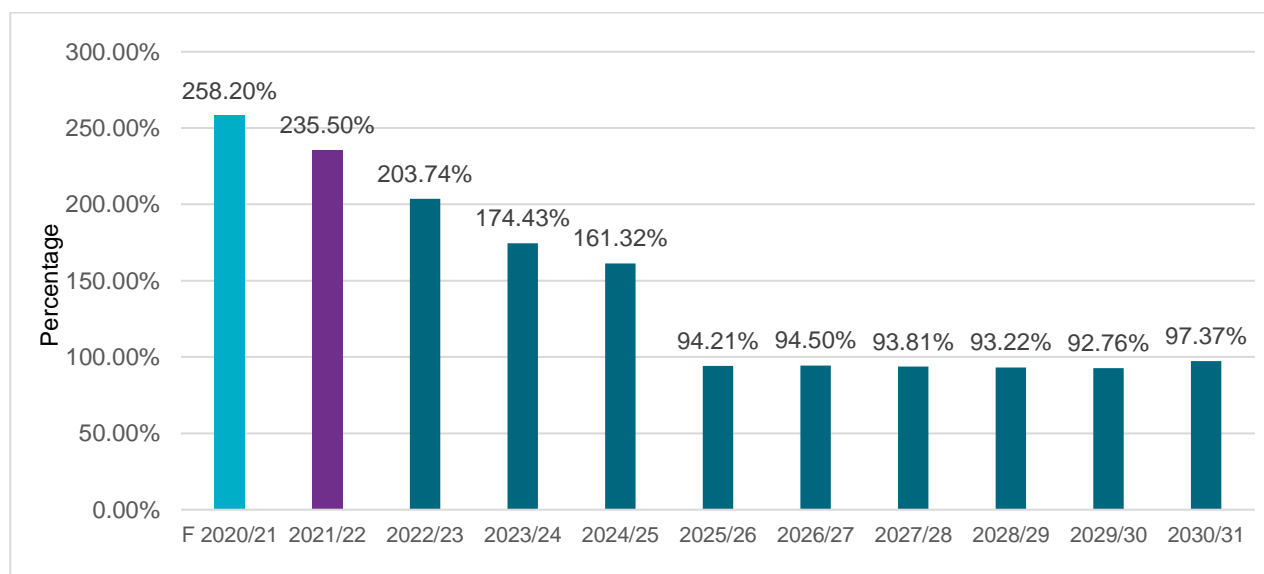
Working capital

The proportion of current liabilities represented by current assets. Working capital forecast trend will decline in the forecast period due to additional borrowings increasing our current liabilities.



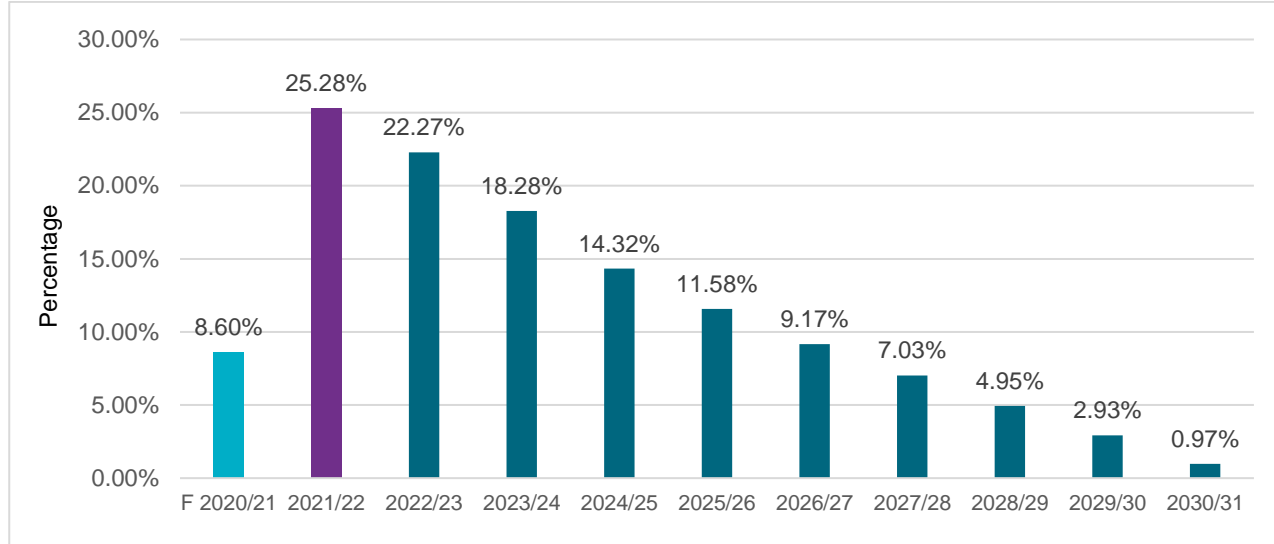
Unrestricted cash

The proportion of cash that is unrestricted cash compared to current liabilities. Unrestricted cash is expected to decline in the forecast years as reserves are used to fund capital works.



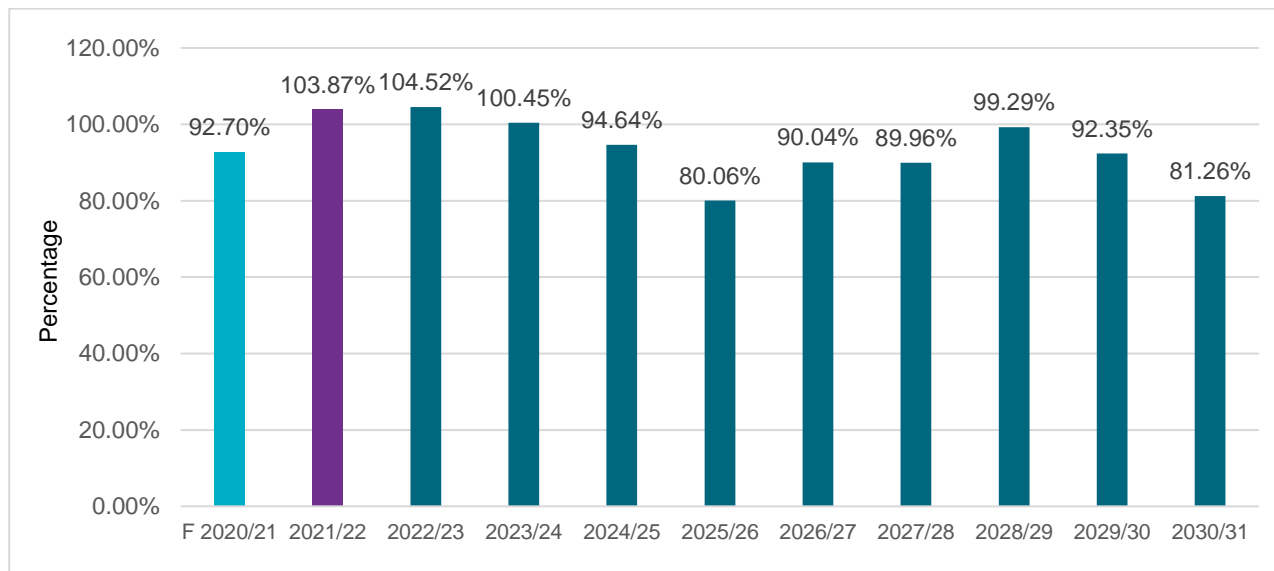
Loans and borrowings

Trend indicates council's reducing reliance on debt against its annual rate revenue through redemption of long-term debt. Council has the ability to fund future borrowings within its set performance targets



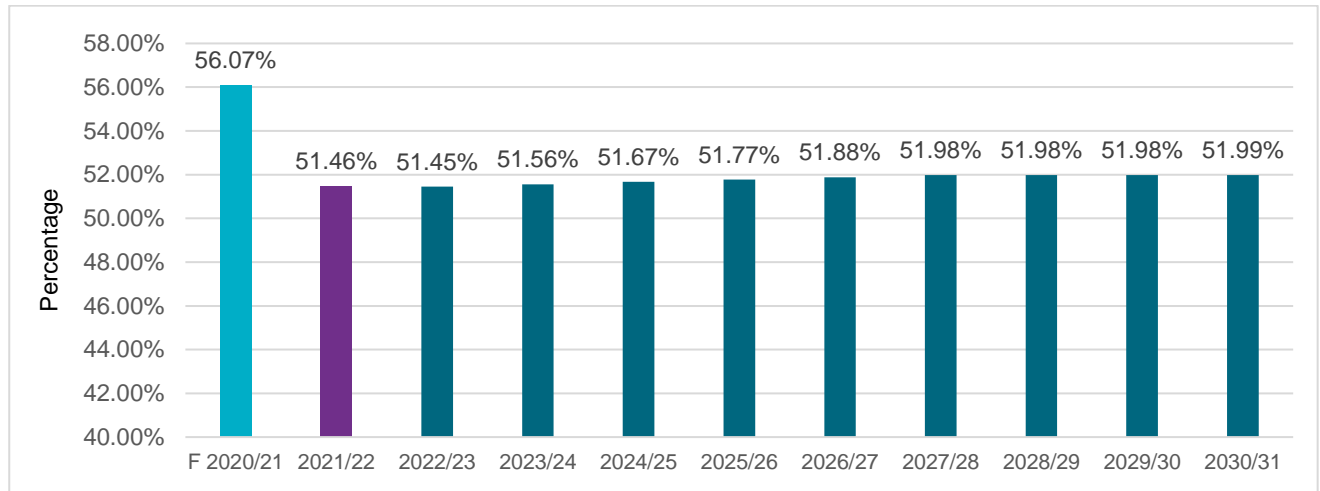
Asset Renewal

This percentage indicates the extent of council's renewal of assets 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.



Rates Concentration

Reflects extent of reliance on rate revenues to fund all of council's ongoing services. Trend indicates that council's reliance on rate revenue will remain steady compared to other sources of revenue. This is due to the constraints of rate capping



5 Strategies and Plans

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

.1 Reserves Strategy

5.1.1 Current Reserves

Restricted Reserves - Must be cash backed at all times and relate to funds received that must be used by Council for a specific purpose

Recreational Land

The purpose of this reserve is to provide improved recreational facilities for the Campaspe Shire Council, both of an active and passive nature. This reserve is funded solely from subdivision developer contributions in lieu of the 5% public open space requirement. Outflows are limited to capital works on parks and playgrounds, recreation reserves and other outdoor sporting activities including swimming pool development. The call on the reserve has to be directly connected to the residential catchments for which the contribution has been made.

Car parking

The purpose of this reserve is to capture funds that are received by Council either from developer contributions for lieu of parking or from the sale of car parking land, and also to establish funding for future development of car parking spaces in accordance with the Echuca CBD and Heritage Parking Strategies. This reserve is funded principally from developer contributions and used to provide parking development.

Unrestricted Reserves - Must be cashed back at year end but can be used throughout the year to fund Council's working capital requirements.

Accumulated Unallocated Cash

The purpose of this reserve is to separately identify Council's unallocated cash and is funded from the year end unallocated cash result.

Asset renewal/upgrade

The purpose of this reserve is to isolate funds identified for asset renewal that has not been expended in the budget year and any savings from completed capital projects for future capital works. These funds are used to support the delivery of the adopted 10 year capital works program.

Asset renewal - Plant replacement

The purpose of this reserve is to provide for the replacement of fleet, major and minor plant and is funded by a 100% budgeted depreciation allocation of these assets.

Capital Works Contingency

The purpose of this reserve is to hold funds to cover unforeseeable additional costs associated with capital works projects. The reserve is funded from the capital works allocation and will maintain a balance of \$1.0 million.

Commercial Investment - Echuca Holiday Park

The purpose of this reserve is to allocate funds for investment in the Echuca Holiday Park to maintain and grow revenue and is funded from operations or the resale of assets on the site.

Community Plan Implementation

The purpose of this reserve is to allocate funds for implementation of community plans in line with Council strategy and is funded from operations

Disability Discrimination Act reserve

The purpose of this reserve is to allocate funds to upgrade community facilities in line with the Disability Discrimination Act when it is deemed necessary and is funded from operations.

Industrial land

The purpose of this reserve is to develop industrial land that can facilitate the growth, expansion and attraction of business across the Shire. This reserve is funded solely from sales of industrial land and must be used for the establishment of industrial estates.

Policy 130 reserve

The purpose of this reserve is to provide a funding mechanism to allow Council to consider contributing to works by developers where there is a measurable or clearly defined benefit to Council.

Rochester water rights reserve

The purpose of this reserve is to manage the funds from the sale of water rights in Rochester to ensure these funds are spent back in the community.

Waste reserve

The purpose of this reserve is to provide funding in line with the approved waste strategy as adopted by Council. It is funded from the surplus or deficit of the waste service.

5.1.2 Investment Policy

Council invests surplus funds, not required to service current financial commitments, to generate interest revenue. All investment decisions are in line with section 103 of the Local Government Act 2020 and the requirements of the policy.

Council's investment portfolio is split across credit ratings, institutions, and durations to diversify and spread risk within the portfolio. Durations are chosen based on when cash is expected to be required to meet commitments.

Projected investment profile

