



WODONGA COUNCIL

Draft
Financial Plan
2023-2024 to
2032-2033

Table of Contents

- 1 Legislative Requirements4**
- 1.1 Strategic Planning Principles6**
- 1.2 Financial Management Principles6**
- 1.3 Engagement Principles7**
- 1.4 Service Performance Principles7**
- 1.5 Asset Plan8**
- 2 Financial Plan Context.....9**
- 2.1 Financial Policy Statements9**
- 2.2 Assumptions to the financial plan statements 10**
- 2.2.1 Rates and charges 11**
- 2.2.2 Statutory fees and fines 11**
- 2.2.3 User fees 11**
- 2.2.4 Grants..... 12**
- 2.2.5 Contributions..... 12**
- 2.2.6 Employee costs 12**
- 2.2.7 Materials and services 12**
- 2.2.8 Utilities..... 13**
- 3 Financial Plan Statements 14**
- 3.1 Comprehensive Income Statement..... 15**
- 3.2 Balance Sheet 16**

3.3	Statement of Changes in Equity.....	17
3.4	Statement of Cash Flows	19
3.5	Statement of Capital Works	20
3.6	Statement of Human Resources	21
3.7	Summary of Planned Human Resources Expenditure	22
4	Financial performance indicators	26
4.1	Borrowing.....	27
4.1.1	Current Debt Position	27
4.1.2	Future Borrowing Requirements	28
4.2	Reserves	29
4.2.1	Current Reserves.....	29
4.2.2	Reserve Usage Projections	30

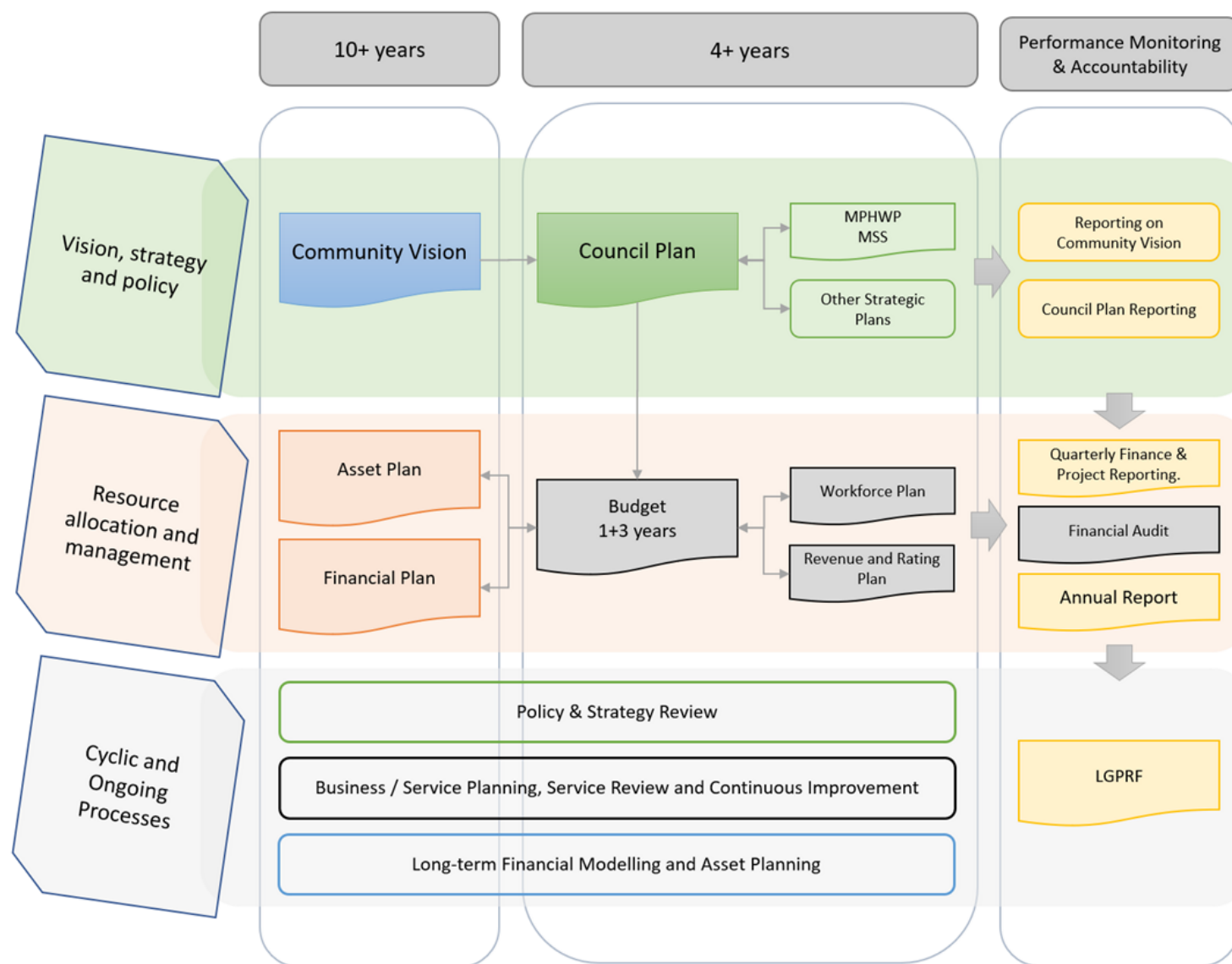
1 Legislative Requirements

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).

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



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



1.1 Strategic Planning Principles

The Financial Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision. The Financial Plan is developed in the context of the following strategic planning principles:

- a) Council has an integrated approach to planning, monitoring and performance reporting.
- b) Council financial plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- c) The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- d) Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 1.2.2 below.
- e) The Financial Plan provides for the strategic planning principles of progress monitoring of progress and reviews to identify and adapt to changing circumstances.

1.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

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

1.3 Engagement Principles

The Community Engagement Policy outlines Council's approach to community engagement to assist with transparency, understanding and trust in Council's decision making process. The Community Engagement Policy was adopted by Council at its meeting on April 17, 2023. Council has implemented the following consultation process to ensure due consideration and feedback is received from relevant stakeholders.

- a) Community engagement undertaken during February and March 2023, in the form of Community Budget Conversations and an interactive budget allocator on the makewodongayours.com.au website;
- b) Draft Budget and Draft Financial Plan prepared by management;
- c) Draft Budget together with the Draft Financial Plan to be placed on public exhibition at May 15, 2023 Council meeting. Public exhibition and calling for public submissions will be for a period of 21 days;
- d) Community engagement on the Draft Budget and Draft Financial Plan to be conducted using local news outlets and social media;
- e) Draft Budget including revisions, to be adopted at the June 26, 2023 Council meeting; and
- f) Draft Financial Plan to be updated with any changes made to the Draft Budget and to be adopted at the June 26, 2023 Council Meeting;

1.4 Service Performance Principles

Council services are designed to be fit for purpose, targeted to community needs and value for money. The service performance principles are listed below:

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- b) Services are accessible to the relevant users within the community.
- c) Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate council's performance regarding the provision of quality and efficient services.
- d) Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- e) Council is developing a service delivery framework that considers and responds to community feedback and complaints regarding service provision.

1.5 Asset Plan

The Asset Plan provides transparency around Council's responsible stewardship of community assets. The Asset Plan includes establishing quality, cost, and provision standards as well as engagement on policy, strategy and major initiatives. The Asset Plan was adopted by Council at its meeting on June 27, 2022. Following the adoption of the initial Asset Plan, the community must be consulted and involved through deliberative consultation processes in the development of subsequent Asset Plans.

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 Actual										
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Consistent underlying surplus results	Adjusted underlying result greater than \$0	\$0	(\$3,574)	\$518	\$626	\$115	(\$629)	(\$1,198)	(\$1,881)	(\$1,965)	(\$2,404)	(\$2,951)	(\$2,671)
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities greater than 1.25	1.25	2.75	2.64	1.54	0.97	0.60	0.07	(0.50)	(0.90)	(1.37)	(1.91)	(2.53)
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%	242%	109%	123%	88%	75%	74%	76%	70%	76%	83%	88%
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings / Rate revenue to remain below 60%	60%	35%	40%	35%	30%	25%	20%	15%	10%	6%	3%	1%
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Unrestricted cash / current liabilities to be maintained above 80%	80%	138%	134%	23%	(33%)	(68%)	(120%)	(178%)	(223%)	(276%)	(335%)	(405%)
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for new and renewal capital.	Capital Outlays as a % of Own Source Revenue to remain above 30%	30%	107%	29%	44%	30%	22%	24%	23%	18%	18%	19%	19%

2.2 Assumptions to the financial plan statements

This section presents information regarding the assumptions to the major items in the Comprehensive Income Statement for the 10 years from 2023-2024 to 2032-2033. Increases in Employee costs, Materials and Services and Utilities include provision for both growth and CPI increments.

Escalation Factors % movement	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
CPI	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Rates and charges	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Employee costs	3.5%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Materials and services	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Utilities	2.0%	10.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Other expenses	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Key Assumptions

There are a number of assumptions underlying the forecasts for income, expenditure, assets, liabilities, equity, cash, capital works expenditure and human resources included in the financial plan. These assumptions have been derived from the following sources:

- assessment of the current financial position
- scan of the external economic environment
- forecast changes in population and demographics
- advice from officers responsible for service and capital works planning and delivery
- services and initiatives contained in plans adopted or proposed to be adopted by council.

The key assumptions underlying the financial plan are set out below.

Consumer price index

The annual consumer price index (CPI) for the March 2023 quarter for Melbourne was 6.8 per cent (ABS release 26 April 2023). For the purposes of developing the financial plan, CPI has traditionally been set at 2.0 percent, in line with the RBA low end inflation forecast of between 2 and 3 percent. In contrast to lower CPI projections used in the 2021-2022 to 2030-2031 Financial Plan because of the economic downturn as a result of the COVID-19 related restrictions, the CPI rate used for future rate cap projections has remained steady to take into account the current economic environment. CPI rates have therefore remained at the historical static setting of 2.0 per cent over the 10 year plan.

2.2.1 Rates and charges

Base rate revenue will increase by 2.0 per cent for the 2023-2024 year, which is below the recommended state government rate cap of 3.5 per cent, however it is in line with the forecast included in the 2022-2023 to 2031-2032 Financial Plan. Estimated future annual increases are a conservative 2.0 per cent per annum from year 2 to year 10 of the plan, being the lower range of the Reserve Bank of Australia CPI range of 2-3 percent. In addition, it is expected that during the 2023-2024 year a further increase of 1.3 per cent will be received for growth (additional properties) as a result of supplementary rates.

Kerbside waste collection charges are proposed to increase by 3.19 per cent compared to 2022-2023 levels, based on the scheduled contract price increase and actual bin weights throughout the 2022-2023 year. The Waste Management Levy is proposed to increase by 3.57 per cent compared to 2022-2023 levels to reflect the estimated costs of managing the city's public waste services. Overall, this amounts to a net increase of \$11.20 per residential ratepayer from the previous year. Future year's waste charges are estimated to increase in line with the CPI percentages used over the 10 year plan to ensure Council continues to recover the full costs of providing waste services.

2.2.2 Statutory fees and fines

The Financial Plan takes a conservative approach with statutory fees and fines set by legislation, by not indexing the estimated revenue. This is often a worst case scenario due to some fees and demand being outside of the control by Council and therefore may be subject to fluctuation resulting in revenue increases less than CPI and in some cases revenue reductions.

2.2.3 User fees

Council raises approximately \$4.7 million in User fees, which are imposed in line with legislation governing local government activities such as animal registrations and in line with Council's schedule of User Charges. Future increases in User fees have been set at the estimated rate of CPI where possible in all years, noting some fees are linked to third party costs. Details of user fees for the 2023-2024 budget year can be found in Council's schedule of Fees and Charges that is adopted in conjunction with the budget.

2.2.4 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 2.0 per cent.

An additional grant has been awarded for the Brockley Street bridge renewal project for \$3.7 million over a three year period commencing in 2024-2025. This amount will cover approximately 80% of the proposed expenditure. Council does not usually budget for capital grants unless they are guaranteed to be received. Accordingly, there is limited non-recurrent capital grant revenue included in the budget past 2023-2024.

2.2.5 Contributions

Council does not budget for monetary or non-monetary contributions.

Council receives contributions from developers. Monetary 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. Non-monetary contributions represent infrastructure assets gifted to Council at no cost, such as roads and footpaths, at the conclusion of a new property development.

It is expected that council will receive monetary and non-monetary contributions during the ten-year period. As the timing and value of new development contributions cannot be reliably measured at this time no allowance has been made.

2.2.6 Employee costs

The Financial Plan includes a 3.5 per cent increase for employee costs for 2023-2024 and 3.4 per cent for years 2 to 10 years in the plan. This reflects the salary increase for all staff pursuant to the Enterprise Bargaining Agreement, banding increment increases within staff levels (e.g. staff progressing from band 6A to 6B), growth in demand for service delivery necessitating additional staff and estimated increases to staff related costs, including learning and development, workers compensation insurance and other related costs.

2.2.7 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 consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit. The annual increase in these costs of 4.5 per cent reflects the higher than CPI increases incurred by Council as well as an allowance for growth in services required, in particular the increase in parks, reserves and sporting grounds maintained by Council.

2.2.8 Utilities

Wodonga Council electricity contracts changed on July 1, 2021 to VECO Green energy, with fixed price rates for the first 3 years of the contract. Accordingly, energy cost increases have therefore been included at 2 per cent for 2023-2024 to account for growth in the street lighting network and other Council facilities. A 10 per cent increase has been included for the 2024-2025 year to account for a market re-set in the VECO contract prices. Due to the growth in the number of street lights and other lighting that Council manages on behalf of the community, and the increase in the number of parks and reserves that are being irrigated for improved amenity for the community, the increase in Utility costs for years 2025-2026 to 2032-2033 are included at 4 per cent per year.

3 Financial Plan Statements

This section presents information regarding the Financial Plan Statements for the 10 years from 2023-2024 to 2032-2033.

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

3.1 Comprehensive Income Statement

	Forecast										
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue											
Rates and charges	50,104	52,302	53,954	55,645	57,376	59,148	60,961	62,817	64,717	66,661	68,644
Statutory fees and fines	594	541	541	541	541	541	541	541	541	541	541
User fees	5,640	4,695	4,813	4,933	5,056	5,183	5,312	5,445	5,581	5,721	5,864
Grants - operating	8,163	13,808	14,084	14,366	14,653	14,947	15,245	15,550	15,861	16,179	16,502
Grants - capital	11,215	948	2,050	2,050	1,295	541	541	541	541	541	541
Contributions - monetary	45	-	123	-	-	-	-	-	-	-	-
Contributions - non-monetary	-	-	-	-	-	-	-	-	-	-	-
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	415	-	-	-	-	-	-	-	-	-	-
Other income	765	1,123	1,145	1,168	1,192	1,215	1,240	1,264	1,290	1,316	1,342
Total revenue	76,942	73,416	76,709	78,702	80,113	81,574	83,840	86,159	88,531	90,957	93,433
Expenses											
Employee costs	32,383	34,888	35,827	37,045	38,305	39,607	40,954	42,346	43,786	45,275	46,814
Materials and services	25,851	22,926	24,877	26,178	27,788	29,236	30,811	31,801	33,151	34,556	36,022
Depreciation	10,250	11,370	10,270	10,365	10,460	10,555	10,650	10,745	10,840	10,935	10,800
Amortisation - intangible assets	-	-	-	-	-	-	-	-	-	-	-
Amortisation - right of use assets	1,095	1,041	1,072	1,104	1,138	1,172	1,207	1,243	1,280	1,319	1,358
Borrowing costs	1,040	1,166	1,305	1,269	1,164	1,053	933	805	676	605	(127)
Finance Costs - leases	95	115	100	100	100	100	100	100	100	100	100
Other expenses	1,194	985	1,000	1,016	1,033	1,049	1,066	1,084	1,101	1,119	1,138
Total expenses	71,908	72,491	74,451	77,078	79,987	82,772	85,721	88,124	90,934	93,908	96,105
Surplus/(deficit) for the year	5,034	925	2,258	1,624	125	(1,198)	(1,881)	(1,965)	(2,404)	(2,951)	(2,671)
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods											
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	2,111	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods (detail as appropriate)	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	2,111	-	-	-	-	-	-	-	-	-	-
Total comprehensive result	7,145	925	2,258	1,624	125	(1,198)	(1,881)	(1,965)	(2,404)	(2,951)	(2,671)

3.2 Balance Sheet

	Forecast										
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	25,293	25,815	12,417	5,520	1,014	(6,001)	(13,841)	(18,926)	(24,710)	(31,111)	(37,427)
Trade and other receivables	3,100	3,100	3,238	3,318	3,365	3,405	3,507	3,602	3,698	3,787	3,899
Inventories	50	50	50	50	50	50	50	50	50	50	50
Non-current assets classified as held for sale	2,205	-	-	-	-	-	-	-	-	-	-
Other assets	1,267	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472
Total current assets	31,915	32,437	19,177	12,360	7,901	926	(6,812)	(11,803)	(17,489)	(23,802)	(30,006)
Non-current assets											
Property, infrastructure, plant & equipment	800,468	804,206	817,760	824,112	826,498	829,914	833,071	833,396	834,489	836,191	838,536
Right-of-use assets	1,614	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666	1,666
Total non-current assets	802,082	805,872	819,426	825,778	828,164	831,580	834,737	835,062	836,155	837,857	840,202
Total assets	833,997	838,309	838,603	838,138	836,065	832,506	827,925	823,259	818,666	814,055	810,196
Liabilities											
Current liabilities											
Trade and other payables	3,300	3,300	3,465	3,628	3,815	3,978	3,950	4,079	4,241	4,397	4,525
Trust funds and deposits	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Provisions	4,800	4,800	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Interest-bearing liabilities	1,469	2,129	2,253	2,385	2,524	2,672	2,830	2,351	1,816	1,315	599
Lease liabilities	755	755	755	755	755	755	755	755	755	755	755
Total current liabilities	11,624	12,284	12,473	12,768	13,094	13,405	13,535	13,186	12,812	12,467	11,879
Non-current liabilities											
Provisions	2,000	2,000	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Interest-bearing liabilities	15,874	18,745	16,492	14,108	11,584	8,911	6,081	3,730	1,914	599	-
Lease liabilities	1,055	911	911	911	911	911	911	911	911	911	911
Total non-current liabilities	18,929	21,656	19,503	17,119	14,595	11,922	9,092	6,741	4,925	3,610	3,011
Total liabilities	30,553	33,940	31,976	29,887	27,689	25,327	22,628	19,927	17,737	16,078	14,890
Net assets	803,444	804,369	806,627	808,251	808,376	807,179	805,297	803,332	800,929	797,978	795,306
Equity											
Accumulated surplus	472,127	472,852	474,910	476,334	476,259	474,862	472,780	470,615	468,012	465,061	462,389
Reserves	331,317	331,517	331,717	331,917	332,117	332,317	332,517	332,717	332,917	332,917	332,917
Total equity	803,444	804,369	806,627	808,251	808,376	807,179	805,297	803,332	800,929	797,978	795,306

3.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2023 Forecast Actual				
Balance at beginning of the financial year	796,299	465,182	326,560	4,557
Surplus/(deficit) for the year	7,145	7,145	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(200)	-	200
Balance at end of the financial year	803,444	472,127	326,560	4,757
2024				
Balance at beginning of the financial year	803,444	472,127	326,560	4,757
Surplus/(deficit) for the year	925	925	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(200)	-	200
Balance at end of the financial year	804,369	472,852	326,560	4,957
2025				
Balance at beginning of the financial year	804,369	472,852	326,560	4,957
Surplus/(deficit) for the year	2,258	2,258	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(200)	-	200
Balance at end of the financial year	806,627	474,910	326,560	5,157
2026				
Balance at beginning of the financial year	806,627	474,910	326,560	5,157
Surplus/(deficit) for the year	1,624	1,624	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers from other reserves	-	(200)	-	200
Balance at end of the financial year	808,251	476,334	326,560	5,357
2027				
Balance at beginning of the financial year	808,251	476,334	326,560	5,357
Surplus/(deficit) for the year	125	125	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(200)	-	200
Balance at end of the financial year	808,376	476,259	326,560	5,557

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2028				
Balance at beginning of the financial year	808,376	476,259	326,560	5,557
Surplus/(deficit) for the year	(1,198)	(1,198)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(200)	-	200
Balance at end of the financial year	807,178	474,861	326,560	5,757
2029				
Balance at beginning of the financial year	807,178	474,861	326,560	5,757
Surplus/(deficit) for the year	(1,881)	(1,881)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(200)	-	200
Balance at end of the financial year	805,297	472,780	326,560	5,957
2030				
Balance at beginning of the financial year	805,297	472,780	326,560	5,957
Surplus/(deficit) for the year	(1,965)	(1,965)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(200)	-	200
Balance at end of the financial year	803,332	470,615	326,560	6,157
2031				
Balance at beginning of the financial year	803,332	470,615	326,560	6,157
Surplus/(deficit) for the year	(2,404)	(2,404)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(200)	-	200
Balance at end of the financial year	800,928	468,011	326,560	6,357
2032				
Balance at beginning of the financial year	800,928	468,011	326,560	6,357
Surplus/(deficit) for the year	(2,951)	(2,951)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Balance at end of the financial year	797,977	465,060	326,560	6,357
2033				
Balance at beginning of the financial year	797,977	465,060	326,560	6,357
Surplus/(deficit) for the year	(2,671)	(2,671)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Balance at end of the financial year	795,306	462,389	326,560	6,357

3.4 Statement of Cash Flows

	Forecast										
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'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	50,104	52,301	53,865	55,580	57,309	59,086	60,885	62,746	64,644	66,593	68,561
Statutory fees and fines	594	541	540	541	541	541	541	541	541	541	541
User fees	6,055	4,696	4,803	4,927	5,050	5,177	5,305	5,439	5,575	5,715	5,856
Grants - operating	8,163	13,808	14,052	14,351	14,638	14,933	15,227	15,534	15,844	16,164	16,482
Grants - capital	11,215	948	2,045	2,050	1,336	582	541	541	541	541	541
Contributions - monetary	-	-	-	-	-	-	-	-	-	-	-
Interest received	115	610	622	635	647	660	673	687	701	715	729
Other receipts	695	513	645	540	544	555	565	577	588	600	612
Net GST refund / payment	-	-	-	-	-	-	-	-	-	-	-
Employee costs	(32,383)	(34,889)	(35,771)	(37,005)	(38,263)	(39,568)	(41,130)	(42,308)	(43,746)	(45,237)	(46,768)
Materials and services	(26,148)	(23,122)	(22,975)	(24,013)	(25,087)	(26,215)	(27,375)	(28,605)	(29,885)	(31,229)	(32,610)
Short-term, low value and variable lease payments	-	-	(1,072)	(1,104)	(1,138)	(1,172)	(1,207)	(1,243)	(1,280)	(1,319)	(1,358)
Other payments	(994)	(985)	(3,005)	(3,359)	(3,916)	(4,302)	(4,738)	(4,602)	(4,687)	(4,800)	(4,287)
Net cash provided by/(used in) operating activities	17,416	14,421	13,748	13,142	11,662	10,278	9,289	9,306	8,835	8,284	8,298
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(53,531)	(15,108)	(23,824)	(16,716)	(12,846)	(13,971)	(13,807)	(11,069)	(11,933)	(12,637)	(13,145)
Proceeds from sale of property, infrastructure, plant and equipment	10,050	-	-	-	-	-	-	-	-	-	-
Net cash provided by/ (used in) investing activities	(43,481)	(15,108)	(23,824)	(16,716)	(12,846)	(13,971)	(13,807)	(11,069)	(11,933)	(12,637)	(13,145)
Cash flows from financing activities											
Finance costs	(1,040)	(1,166)	(1,093)	(969)	(837)	(698)	(549)	(392)	(234)	(133)	(54)
Proceeds from borrowings	5,000	5,000	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(2,264)	(1,469)	(2,129)	(2,253)	(2,385)	(2,524)	(2,672)	(2,830)	(2,351)	(1,816)	(1,315)
Interest paid - lease liability	(95)	(115)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Repayment of lease liabilities	(1,095)	(1,041)	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) financing activities	506	1,209	(3,322)	(3,322)	(3,322)	(3,322)	(3,322)	(3,322)	(2,685)	(2,049)	(1,468)
Net increase/(decrease) in cash & cash equivalents	(25,559)	522	(13,398)	(6,896)	(4,506)	(7,016)	(7,840)	(5,085)	(5,783)	(6,401)	(6,316)
Cash and cash equivalents at the beginning of the financial year	50,852	25,293	25,815	12,417	5,520	1,014	(6,001)	(13,841)	(18,926)	(24,710)	(31,111)
Cash and cash equivalents at the end of the financial year	25,293	25,815	12,417	5,520	1,014	(6,001)	(13,841)	(18,926)	(24,710)	(31,111)	(37,427)

3.5 Statement of Capital Works

	Forecast										
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Land	-	-	-	-	-	-	-	-	-	-	-
Land improvements	3,100	500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total land	3,100	500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Buildings	12,001	3,446	4,324	4,886	2,078	1,520	2,470	1,151	1,484	1,837	1,929
Heritage buildings	-	-	-	-	-	-	-	-	-	-	-
Building improvements	2,125	-	120	-	500	-	-	-	-	-	-
Total buildings	14,126	3,446	4,444	4,886	2,578	1,520	2,470	1,151	1,484	1,837	1,929
Total property	17,226	3,946	6,944	7,386	5,078	4,020	4,970	3,651	3,984	4,337	4,429
Plant and equipment											
Plant, machinery and equipment	1,728	730	350	860	370	380	390	400	410	420	430
Fixtures, fittings and furniture	207	320	135	95	123	115	130	130	115	115	115
Computers and telecommunications	1,317	630	650	680	710	740	775	810	851	893	910
Library books	-	-	-	-	-	-	-	-	-	-	-
Total plant and equipment	3,252	1,680	1,135	1,635	1,203	1,235	1,295	1,340	1,376	1,428	1,455
Infrastructure											
Roads	5,214	3,994	5,917	4,782	3,974	3,625	4,236	3,779	3,992	4,324	4,605
Bridges	600	3,156	2,438	404	372	374	476	479	533	541	598
Footpaths and cycleways	931	322	714	672	839	773	731	750	802	848	880
Drainage	511	260	704	214	229	252	276	300	325	351	353
Recreational, leisure and community facilities	23,679	936	524	366	121	1,535	134	140	293	146	150
Waste management	-	-	110	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	2,046	739	4,131	701	719	2,042	499	536	533	565	576
Off street car parks	72	74	407	557	311	115	1,189	94	96	98	100
Other infrastructure	-	-	800	-	-	-	-	-	-	-	-
Total infrastructure	33,053	9,481	15,746	7,695	6,565	8,717	7,542	6,079	6,574	6,872	7,262
Total capital works expenditure	53,531	15,108	23,824	16,716	12,846	13,971	13,807	11,069	11,933	12,637	13,145
Represented by:											
New asset expenditure	28,768	1,899	10,819	5,074	5,036	6,209	5,675	3,502	3,689	3,598	3,617
Asset renewal expenditure	12,267	11,764	11,685	8,592	7,810	7,642	8,132	7,567	8,244	9,039	9,528
Asset expansion expenditure	-	865	370	2,500	-	-	-	-	-	-	-
Asset upgrade expenditure	12,496	580	950	550	-	120	-	-	-	-	-
Total capital works expenditure	53,531	15,108	23,824	16,716	12,846	13,971	13,807	11,069	11,933	12,637	13,145
Funding sources represented by:											
Grants	11,215	948	2,050	2,050	1,295	541	541	541	541	541	541
Contributions	45	-	123	-	-	-	-	-	-	-	-
Council cash	37,271	9,160	21,651	14,666	11,551	13,430	13,266	10,528	11,392	12,096	12,604
Borrowings	5,000	5,000	-	-	-	-	-	-	-	-	-
Total capital works expenditure	53,531	15,108	23,824	16,716	12,846	13,971	13,807	11,069	11,933	12,637	13,145

3.6 Statement of Human Resources

	Forecast	Budget	Projections								
	Actual										
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure											
Employee costs - operating	32,383	34,888	35,827	37,045	38,305	39,607	40,954	42,346	43,786	45,275	46,814
Employee costs - capital	0	-	0	0	0	0	0	0	0	0	0
Total staff expenditure	32,383	34,888	35,827	37,045	38,305	39,607	40,954	42,346	43,786	45,275	46,814

	Forecast	Budget	Projections								
	Actual										
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Staff numbers											
Employees	299	301	304	307	311	314	317	321	324	328	331
Total staff numbers	299	301	304	307	311	314	317	321	324	328	331

Department	Budget	Comprises			
		Permanent		Casual	Temporary
	2023/24	Full Time	Part time		
	\$'000	\$'000	\$'000	\$'000	\$'000
Planning & Infrastructure	14,670	11,952	2,718	-	-
Corporate Services	6,346	5,711	635	-	-
Community Development	11,998	5,819	6,179	-	-
Executive Governance	1,525	1,525	-	-	-
Total permanent staff expenditure	34,539	25,007	9,532	-	-
Casuals, temporary and other expenditure	349				
Capitalised labour costs	-				
Total expenditure	34,888				

Department	Budget	Comprises			
		Permanent		Casual	Temporary
	2023/24	Full Time	Part time		
Planning & Infrastructure	136.8	112.00	24.78	-	-
Corporate Services	45.4	41.00	4.45	-	-
Community Development	110.1	51.00	59.10	-	-
City Growth, Engagement and People	-	-	-	-	-
Executive Governance	5.0	5.00	-	-	-
Total permanent staff	297.3	209.00	88.33	-	-
Casuals, temporary and other expenditure	3.9				
Capitalised labour costs	-				
Total staff	301.2				

3.7 Summary of Planned Human Resources Expenditure

	Budget		Projections							
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Planning & Infrastructure										
<i>Permanent – Full time</i>	11,952	12,274	12,691	13,123	13,569	14,030	14,507	15,000	15,510	16,038
Female	2,369	2,411	2,583	2,648	2,832	2,903	3,100	3,178	3,389	3,475
Male	9,583	9,863	10,108	10,475	10,737	11,127	11,407	11,822	12,121	12,563
Self-described gender	-	-	-	-	-	-	-	-	-	-
<i>Permanent – Part time</i>	2,718	2,791	2,886	2,984	3,086	3,191	3,299	3,411	3,527	3,647
Female	1,533	1,575	1,628	1,683	1,741	1,800	1,861	1,924	1,990	2,057
Male	1,185	1,217	1,258	1,301	1,345	1,391	1,438	1,487	1,537	1,590
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Planning & Infrastructure	14,670	15,065	15,577	16,107	16,654	17,221	17,806	18,411	19,037	19,685
Corporate Services										
<i>Permanent – Full time</i>	5,711	5,865	6,064	6,270	6,483	6,704	6,932	7,168	7,411	7,663
Female	3,127	3,273	3,308	3,484	3,524	3,709	3,755	3,949	4,002	4,207
Male	2,584	2,591	2,756	2,787	2,960	2,995	3,177	3,218	3,409	3,456
Self-described gender	-	-	-	-	-	-	-	-	-	-
<i>Permanent – Part time</i>	635	652	674	697	721	745	771	797	824	852
Female	635	652	674	697	721	745	771	797	824	852
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Corporate Services	6,346	6,517	6,738	6,967	7,204	7,449	7,703	7,965	8,235	8,515

	Budget		Projections							
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Community Development										
<i>Permanent – Full time</i>	5,819	5,976	6,179	6,389	6,606	6,831	7,063	7,303	7,551	7,808
Female	4,678	4,712	4,896	4,969	5,165	5,245	5,452	5,540	5,760	5,856
Male	1,141	1,264	1,282	1,420	1,441	1,586	1,611	1,763	1,792	1,952
Self-described gender	-	-	-	-	-	-	-	-	-	-
<i>Permanent – Part time</i>	6,179	6,345	6,561	6,784	7,015	7,253	7,500	7,755	8,019	8,291
Female	5,847	6,004	6,208	6,419	6,638	6,863	7,097	7,338	7,587	7,845
Male	332	341	353	365	377	390	403	417	431	446
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Community Development	11,998	12,321	12,740	13,173	13,621	14,084	14,563	15,058	15,570	16,099
Executive Governance										
<i>Permanent – Full time</i>	1,525	1,544	1,561	1,564	1,550	1,519	1,469	1,398	1,303	1,184
Female	1,220	1,253	1,260	1,303	1,280	1,324	1,267	1,310	1,213	1,254
Male	305	292	302	261	270	195	202	88	91	70
Self-described gender	-	-	-	-	-	-	-	-	-	-
<i>Permanent – Part time</i>	-	22	58	111	181	271	382	516	676	862
Female	-	-	36	37	105	108	214	221	371	383
Male	-	22	22	74	76	163	168	295	305	479
Self-described gender	-	-	-	-	-	-	-	-	-	-
Total Executive Governance	1,525	1,566	1,619	1,674	1,731	1,790	1,851	1,914	1,979	2,046
Casuals, temporary and other expenditure	349	358	370	383	396	410	423	438	453	468
Capitalised labour costs	-	-	-	-	-	-	-	-	-	-
Total staff expenditure	34,888	35,827	37,045	38,305	39,607	40,954	42,346	43,786	45,275	46,814

Summary of Planned Human Resources

For the four years ending 30 June 2027

	NOTES	Budget		Projections							
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
		FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Planning & Infrastructure											
Permanent – Full time		112.0	113.0	114.0	115.0	116.0	117.0	118.0	119.0	120.0	121.0
Female		23.0	23.0	24.0	24.0	25.0	25.0	26.0	26.0	27.0	27.0
Male		89.0	90.0	90.0	91.0	91.0	92.0	92.0	93.0	93.0	94.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
Permanent – Part time		24.8	24.8	24.8	24.8	24.8	24.8	24.8	24.8	24.8	24.8
Female		14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Male		10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8
Self-described gender		-	-	-	-	-	-	-	-	-	-
Total Planning & Infrastructure		136.8	137.8	138.8	139.8	140.8	141.8	142.8	143.8	144.8	145.8
Corporate Services											
Permanent – Full time		41.0	42.0	43.0	44.0	45.0	46.0	47.0	48.0	49.0	50.0
Female		23.0	24.0	24.0	25.0	25.0	26.0	26.0	27.0	27.0	28.0
Male		18.0	18.0	19.0	19.0	20.0	20.0	21.0	21.0	22.0	22.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
Permanent – Part time		4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Female		4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Male		-	-	-	-	-	-	-	-	-	-
Self-described gender		-	-	-	-	-	-	-	-	-	-
Total Corporate Services		45.4	46.4	47.4	48.4	49.4	50.4	51.4	52.4	53.4	54.4

Summary of Planned Human Resources

For the four years ending 30 June 2027

	NOTES	Budget		Projections							
		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
		FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Community Development											
Permanent – Full time		51.0	52.0	53.0	54.0	55.0	56.0	57.0	58.0	59.0	60.0
Female		41.0	41.0	42.0	42.0	43.0	43.0	44.0	44.0	45.0	45.0
Male		10.0	11.0	11.0	12.0	12.0	13.0	13.0	14.0	14.0	15.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
Permanent – Part time		59.1	59.1	59.1	59.1	59.1	59.1	59.1	59.1	59.1	59.1
Female		55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9	55.9
Male		3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Self-described gender		-	-	-	-	-	-	-	-	-	-
Total Community Development		110.1	111.1	112.1	113.1	114.1	115.1	116.1	117.1	118.1	119.1
Executive Governance											
Permanent – Full time		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Female		4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Male		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Self-described gender		-	-	-	-	-	-	-	-	-	-
Permanent – Part time		-	0.1	0.3	0.5	0.8	1.1	1.5	2.0	2.5	3.1
Female		-	-	0.2	0.2	0.4	0.4	0.8	0.8	1.4	1.4
Male		-	0.1	0.1	0.3	0.3	0.7	0.7	1.1	1.1	1.7
Self-described gender		-	-	-	-	-	-	-	-	-	-
Total Executive Governance		5.0	5.1	5.3	5.5	5.8	6.1	6.5	7.0	7.5	8.1
Casuals, temporary and other expenditure		3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Capitalised labour costs		-	-	-	-	-	-	-	-	-	-
Total staff numbers		301.2	304.3	307.5	310.7	314.0	317.3	320.7	324.2	327.7	331.3

4 Financial performance indicators

Indicator	Measure	Forecast											Trend
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	+o/-
Operating position													
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	(5%)	1%	1%	0%	(1%)	(1%)	(2%)	(2%)	(3%)	(3%)	(3%)	-
Liquidity													
Working Capital	Current assets / current liabilities	275%	264%	154%	97%	60%	7%	(50%)	(90%)	(137%)	(191%)	(253%)	-
Unrestricted cash	Unrestricted cash / current liabilities	138%	134%	23%	(33%)	(68%)	(120%)	(178%)	(223%)	(276%)	(335%)	(405%)	-
Obligations													
Loans and borrow ings	Interest bearing loans and borrow ings / rate revenue	35%	40%	35%	30%	25%	20%	15%	10%	6%	3%	1%	-
Loans and borrow ings	Interest and principal repayments on interest bearing loans and borrow ings / rate revenue	7%	5%	6%	6%	6%	6%	5%	5%	4%	3%	2%	-
Indebtedness	Non-current liabilities / ow n source revenue	32%	37%	32%	27%	23%	18%	13%	10%	7%	5%	4%	-
Asset renew al	Asset renew al and upgrade expense / Asset depreciation	242%	109%	123%	88%	75%	74%	76%	70%	76%	83%	88%	o
Stability													
Rates concentration	Rate revenue / adjusted underlying revenue	72%	71%	71%	71%	72%	72%	72%	72%	72%	73%	73%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	o

Indicator	Measure	Forecast											Trend
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
Efficiency													
Expenditure level	Total expenses/ no. of property assessments	\$3,486	\$3,452	\$3,485	\$3,545	\$3,616	\$3,677	\$3,742	\$3,780	\$3,832	\$3,888	\$3,910	o
Revenue level	General rates and municipal charges / no. of property assessments	\$2,429	\$2,491	\$2,525	\$2,560	\$2,594	\$2,627	\$2,661	\$2,694	\$2,727	\$2,760	\$2,793	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

4.1 Borrowing

The use of borrowings to partially fund the construction of large scale multi-generational infrastructure assets is a prudent financial policy. Unlike operating expenses that relate specifically to the current day operations of a council, capital costs incurred now benefit future generations. A key principle in financial management is that of debt versus equity to finance expansion or capital development. The use of debt for large multi-generational infrastructure developments allows for the future users of the infrastructure to contribute towards the cost of providing that infrastructure, which results in a more equitable outcome.

The use of borrowings is also considered in projects where there is an attractive rate of return on the investment, which makes for a compelling case to undertake the capital project.

4.1.1 Current Debt Position

The total forecast amount borrowed as at 30 June 2023 is \$17.3 million.

Council has previously accessed debt funding to complete a range of major infrastructure projects including The Cube and WAVES. New borrowings included in the 2022-2023 budget have not yet been drawn down due to Council funding current capital works and the purchase of the Council Depot, via Council funds. For 2023-2024 there is provision for \$5 million of new borrowings, should the option to purchase strategic land and building assets be exercised or if the requirement for funds to be utilised as bridging finance as a result of the timing of when funds are received from land sales.

4.1.2 Future Borrowing Requirements

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

	Forecast										
	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000
Opening balance	14,607	17,343	20,874	18,745	16,492	14,108	11,584	8,911	6,081	3,730	1,914
Plus New loans	5,000	5,000	-	-	-	-	-	-	-	-	-
Less Principal repayment	(2,264)	(1,469)	(2,129)	(2,253)	(2,385)	(2,524)	(2,672)	(2,830)	(2,351)	(1,816)	(1,315)
Closing balance	17,343	20,874	18,745	16,492	14,108	11,584	8,911	6,081	3,730	1,914	599
Interest payment											

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

Performance Indicator	Target	Forecast / Actual	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
		2022/23										
		%	%	%	%	%	%	%	%	%	%	%
Total borrowings / Rate revenue	Below 60%	35%	40%	35%	30%	25%	20%	15%	10%	6%	3%	1%
Debt servicing / Rate revenue	Below 5%	7%	5%	6%	6%	6%	6%	5%	5%	4%	3%	2%
Debt commitment / Rate revenue	Below 10%	6%	5%	5%	5%	5%	5%	5%	5%	4%	3%	2%
Indebtedness / Own source revenue	Below 60%	32%	37%	32%	27%	23%	18%	13%	10%	7%	5%	4%

Council maintains its loan borrowing within prudent and management limits as demonstrated by the performance indicators in the table above. Wodonga Council's new borrowing limit set by the Treasury Corporation of Victorian in December 2022 is \$22.65 million.

4.2 Reserves

4.2.1 Current Reserves

Development Contributions Reserve

- Purpose – This reserve retains funds received from developers for infrastructure provision related to Council’s Section 173 Agreements and the Leneva and Baranduda Development Contributions Plan.
- Movements - transfers to the reserve (inflows) comprise contribution income from developers in line with their Section 173 agreements or the Leneva and Baranduda Development Contribution Plan. Transfers from this reserve (outflows) will be for nominated capital works for Development Infrastructure projects and Community Infrastructure projects. These funds are tied directly to the income received or cash funds refunded to developers for capital works completed directly by the developer.

Waste Management Reserve

- Purpose - The Waste Management Reserve holds any actual surplus funds generated from Council’s waste related activities, for which a Kerbside Garbage Charge or Waste Management Levy has been collected in excess of the actual expenditure incurred. The Waste Management Reserve Policy determines how these funds may be used and advises that the reserve can only be applied for waste related purposes, to either reduce the next year’s annual waste charges, to fund waste related capital projects or to offset against a future or past waste deficit.
- Movements - transfers to the reserve (inflows) comprise of any surplus generated from the previous years’ actual to budget comparison. Transfers from the reserve (outflows) are applied to fund waste related capital projects or operating expenditures in line with the Waste Management Reserve Policy, or to cover an actual to budget deficit.

Defined Benefits Superannuation future Call-up Reserve

- Purpose – Wodonga Council is an employer with the Local Government Defined Benefits Superannuation scheme. A future call-up is inevitable for employers and to remove the impact of a substantial call-up in a future year this reserve has been established. This is a voluntary reserve.
- Movements - transfers to the reserve (inflows) comprise of contributions Council has set aside to fund a future Defined Benefits Superannuation Call-up. Transfers from the reserve (outflows) are applied to fund a future Superannuation Call-up.

4.2.2 Reserve Usage Projections

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

Restricted reserves are to be included to the disclosure of restricted cash assets.

Reserves	Restricted / Discretionary	2022/23 \$000's	2023/24 \$000's	2024/25 \$000's	2025/26 \$000's	2026/27 \$000's	2027/28 \$000's	2028/29 \$000's	2029/30 \$000's	2030/31 \$000's	2031/32 \$000's	2032/33 \$000's
Development Contributions Reserve	Restricted											
Opening balance		2,100	2,300	2,500	2,700	2,900	3,100	3,300	3,500	3,700	3,900	4,100
Transfer to reserve		200	200	200	200	200	200	200	200	200	200	200
Transfer from reserve												
Closing balance		2,300	2,500	2,700	2,900	3,100	3,300	3,500	3,700	3,900	4,100	4,300
Waste Management Reserve	Restricted											
Opening balance		457	457	457	457	457	457	457	457	457	457	457
Transfer to reserve												
Transfer from reserve												
Closing balance		457	457	457	457	457	457	457	457	457	457	457
Reserves Summary	Total Restricted											
Opening balance		2,557	2,757	2,957	3,157	3,357	3,557	3,757	3,957	4,157	4,357	4,557
Transfer to reserve		200	200	200	200	200	200	200	200	200	200	200
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		2,757	2,957	3,157	3,357	3,557	3,757	3,957	4,157	4,357	4,557	4,757

Reserves	Restricted / Discretionary	2022/23 \$000's	2023/24 \$000's	2024/25 \$000's	2025/26 \$000's	2026/27 \$000's	2027/28 \$000's	2028/29 \$000's	2029/30 \$000's	2030/31 \$000's	2031/32 \$000's	2032/33 \$000's
Defined Benefits Superannuation Call up reserve	Discretionary											
Opening balance		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer to reserve												
Transfer from reserve												
Closing balance		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Reserves Summary	Total Discretionary											
Opening balance		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Reserves Summary	Restricted & Discretionary											
Opening balance		4,557	4,757	4,957	5,157	5,357	5,557	5,757	5,957	6,157	6,357	6,557
Transfer to reserve		200	200	200	200	200	200	200	200	200	200	200
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		4,757	4,957	5,157	5,357	5,557	5,757	5,957	6,157	6,357	6,557	6,757