



WEST WIMMERA SHIRE COUNCIL

# Long Term Financial Plan 2021/22 - 2030/31

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October 2021



# Table of Contents

2.....	Introduction
2.....	Purpose
2.....	Scope
2.....	Objectives
3.....	Community Engagement
4.....	Link to Council's Planning Framework
5.....	Executive Summary
6.....	Projected Comprehensive Income Statement
7.....	Projected Comprehensive Income Statement Commentary
12.....	Projected Balance Sheet
13.....	Projected Balance Sheet Commentary
14.....	Projected Cash Flow Statement
15.....	Projected Cash Flow Statement Commentary
16.....	Projected Statement of Capital Works
17.....	Projected Statement of Capital Works Commentary
18.....	Projected Statement of Human Resources
19.....	Key Financial Indicators

# Introduction

Council has developed a Long Term Financial Plan to provide the financial management framework upon which sound financial decisions are made. Section 91 of the *Local Government Act 2020* requires Council to develop, adopt and keep in force a Long Term Financial Plan.

## Purpose

The Long Term Financial Plan (the Financial Plan) is a high-level, informing strategy.

The purpose of the Financial Plan is to;

- Aid in decision-making for West Wimmera Shire Council's approach to delivering infrastructure and services to the community in a financially sustainable manner.
- Establish a framework for the next 10 years to plan for the achievement of the goals and objectives outlined in the Council Plan.
- To assess and plan for the financial sustainability of Council into the future.

## Scope

In accordance with section 91(2) of the Act, the scope of the Financial Plan is for a period of 10 financial years. The Financial Plan covers the years 2021/22 to 2030/31.

A range of conservative assumptions and estimates have been used in projecting Council's long-term financial position. These assumptions are outlined in further sections of the document.

The plan will be reviewed and updated annually to reflect the current circumstances of Council.



# Objectives

The Financial Plan objectives include:

- To ensure Council maintains a sound financial position whilst meeting the service needs of the community now and into the future.
- To enable adequate investment in capital works and meet the asset renewal requirements of Council's infrastructure as outlined in asset management planning.
- To meet the financial requirements of the goals, objectives and initiatives outlined in the Council Plan.

# Community Engagement

In accordance with section 55(1)(g) of the Local Government Act 2020, the Financial Plan has been developed using deliberative engagement principles consistent with Council's Community Engagement Policy.

Community consultation has been conducted in conjunction with the development of the Council Plan 2021-2025 to ensure a strong link between Council's strategic objectives, community vision and the Financial Plan.

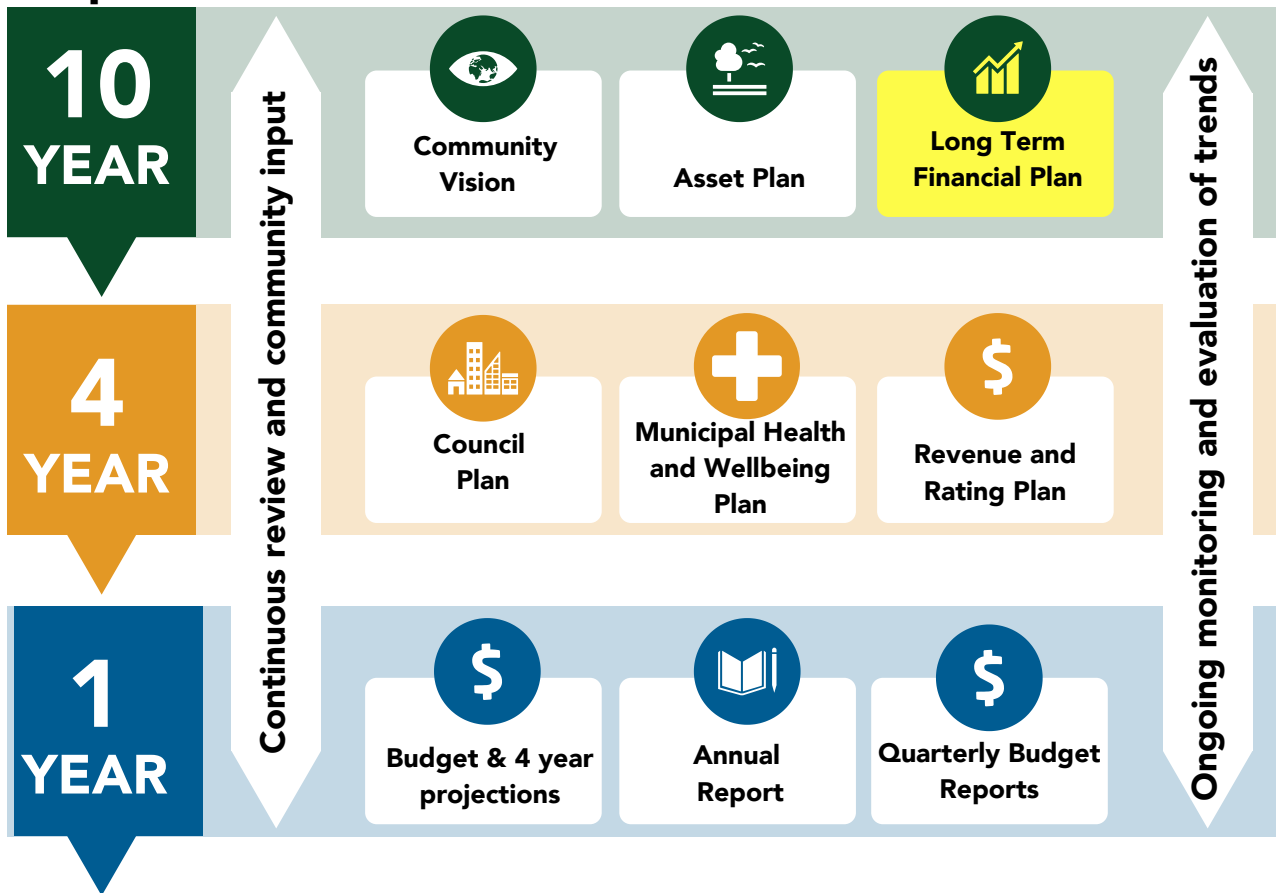


# Link between the Long Term Financial Plan and Council's Planning Framework

Council's planning framework comprises the key plans that guide our work and decision making and connects the long term community needs and aspirations. The Council Plan is aligned with the 2041 Community Vision. The purpose of the Financial Plan is to ensure the financial sustainability of West Wimmera Shire Council and to provide the appropriate level of resources to meet Council's future needs in providing services, infrastructure and facilities to the community.

The key elements of our planning framework are:

## Scope



### Community Vision

The Community Vision describes the community's main priorities and aspirations over the next 20 years.



### Long Term Financial Plan

The Financial Plan defines the broad financial framework for Council over the next ten years. The Financial Plan identifies council's current and projected financial capacity to continue delivering services, facilities and infrastructure to the community, whilst maintaining sound financial management principles.

# Executive Summary

The Financial Plan will guide the future strategies and actions of Council to ensure that it continues to operate in a sustainable manner. It is not intended to specifically indicate what services/proposals Council should allocate funds to, rather it identifies Council's current and projected financial capacity to continue delivering high quality services, facilities and infrastructure, whilst living within its means.

The financial forecast is for Council to be in a strong financial position for the year ended 30 June 2022, with net assets of \$226.65 million, including \$13.82 million in cash. Of this balance, approximately \$5 million is restricted or subject to intended allocations, leaving an unrestricted cash balance of around \$8.82 million. In applying the assumptions detailed in this document, the Financial Plan forecasts continuing modest cash surpluses as a means to steadily improve Council's long term financial sustainability and to meet demand for services and infrastructure. Council currently does not have any borrowings and no new borrowings are proposed in this plan. The Financial Plan projects a continued very strong working capital level.

As outlined in the below projected financial statements, Council is forecasting a continued operating deficit over the life of the Financial Plan, with a surplus total comprehensive result in the outer years once asset revaluations are considered. Conservative assumptions have been made with regards to non-recurrent grant funding as these can fluctuate greatly and are largely unknown from year-to-year.

This Financial Plan highlights the ongoing challenges facing Council into the future. With a very low rates effort when compared with other Councils and the current rate-capping environment, Council's ability to raise own-source revenue is limited. Therefore, external funding for both operational and capital requirements remains vitally important for the future sustainability of Council. In accordance with the Revenue and Rating Plan, Council will continue to actively seek external funding from all available avenues. Council will also continue to focus on improving operating efficiencies in business operations.

Council's largest asset class is our infrastructure and road network, and it is integral to long-term sustainability that Council continue to meet renewal demands of these assets in accordance with asset management plans. Community support and assistance remains Council's top priority, particularly as the ongoing effects of Covid-19 are felt throughout the whole community.



# Projected Comprehensive Income Statement

For the 10 years ending 30 June 2031

	Forecast	Budget	Projections								
	Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>											
Rates and charges	7,958	8,080	8,201	8,324	8,449	8,661	8,877	9,099	9,372	9,653	9,943
Statutory fees and fines	121	131	133	135	137	140	143	145	148	151	154
User fees	689	714	725	736	747	762	777	792	808	824	841
Grants - Operating	7,611	7,623	7,690	7,805	7,922	8,081	8,242	8,407	8,575	8,747	8,922
Grants - Capital	3,475	3,692	3,747	3,804	3,861	3,861	3,861	3,861	3,861	3,861	3,861
Contributions - monetary	182	6	6	6	6	6	6	6	6	6	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	95	100	102	103	105	107	109	111	113	115	118
Other income	1,828	1,681	1,706	1,732	1,758	1,775	1,793	1,811	1,829	1,847	1,866
<b>Total income</b>	<b>21,959</b>	<b>22,027</b>	<b>22,310</b>	<b>22,644</b>	<b>22,984</b>	<b>23,391</b>	<b>23,807</b>	<b>24,232</b>	<b>24,712</b>	<b>25,205</b>	<b>25,710</b>
<b>Expenses</b>											
Employee costs	7,891	8,152	8,323	8,498	8,676	8,980	9,250	9,527	9,813	10,107	10,410
Materials and services	5,681	5,992	6,060	6,150	6,243	6,368	6,495	6,625	6,758	6,893	7,031
Depreciation	7,998	8,019	8,099	8,180	8,262	8,345	8,428	8,512	8,597	8,683	8,770
Other expenses	275	297	300	303	306	312	318	325	331	338	345
<b>Total expenses</b>	<b>21,845</b>	<b>22,460</b>	<b>22,782</b>	<b>23,131</b>	<b>23,487</b>	<b>24,005</b>	<b>24,491</b>	<b>24,989</b>	<b>25,499</b>	<b>26,021</b>	<b>26,556</b>
<b>Surplus/(deficit) for the year</b>	<b>114</b>	<b>(433)</b>	<b>(472)</b>	<b>(487)</b>	<b>(503)</b>	<b>(614)</b>	<b>(684)</b>	<b>(757)</b>	<b>(787)</b>	<b>(816)</b>	<b>(846)</b>
<b>Other comprehensive income</b>											
<b>Items that will not be reclassified to surplus or deficit in future periods</b>											
Net asset revaluation increment/(decrement)	19,828	-	-	-	-	1,960	1,960	1,960	1,960	1,960	1,960
<b>Total comprehensive result</b>	<b>19,942</b>	<b>(433)</b>	<b>(472)</b>	<b>(487)</b>	<b>(503)</b>	<b>1,346</b>	<b>1,276</b>	<b>1,203</b>	<b>1,173</b>	<b>1,144</b>	<b>1,114</b>



## Projected Comprehensive Income Statement Commentary

This section outlines the various components of the Projected Comprehensive Income Statement and the financial assumptions which have been used in the development of the Financial Plan.

### Income

- Rates and Charges

Rates and Charges income is the amount that Council will receive as a result of property rates and kerbside waste and recycling collection charges. The Victorian State Government introduced the Fair Go Rates System in 2017 which stipulates Councils must adhere to an annual rate cap unless they receive an exemption from the Minister. The annual rate cap for 2021/22 was 1.5%. Council must also levy rates in accordance with its Revenue and Rating Plan.

Assumptions:

- 1.5% rate cap projected for the first 4 years, with an increase to 2.5% in year 5 and 3% in year 8
- Waste collection charges to be in line with rate increases

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Rates and charges	1.5%	1.5%	1.5%	1.5%	2.5%	2.5%	2.5%	3.0%	3.0%	3.0%

- Statutory Fees and Fines

Statutory Fees and Fines comprise income generated for Council as a result of Federal or State legislation or Council by-laws, including planning fees, building fees and animal registrations.

Assumptions:

- 1.5% increase in line with rates and charges each year for the first 4 years, then increase in line with Consumer Price Increase (CPI)

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Statutory fees and fines	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%





• User Fees

User Fees comprise income in relation to the provision of Council services and facilities, including venue hire, home and community care fees and waste transfer station fees.

Assumptions:

- 1.5% increase in line with rates and charges each year for the first 4 years, then increase in line with CPI

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
User fees	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

• Grants - Operating

Operating Grants are Federal and State Government grants received for operational purposes. To be considered recurrent, the grant funding agreement must be for a term greater than two years. Included within this category is the Grants Commission Financial Assistance funding, Commonwealth Home Support Program funding and funding for aged care, maternal health, children’s services and other funding for various Council services. The majority of Council's operating grants a recurrent (meaning the funding is for a period of at least 2 years).

Assumptions:

- Operating Grants are projected to increase at 1.5% each year for the first 4 years, then increase in line with CPI

• Grants - Capital

Capital Grants are those received by Federal and State Government, along with other funding bodies for the purpose of capital works/projects, such as the Roads to Recovery Program funding. As most capital funding programs are non-recurrent, Council traditionally sees significant fluctuations in capital funding levels from year-to-year and uncertainty around future funding availability presents a challenge for financial forecasting.

Assumptions:

- Capital Grants are projected to increase at 1.5% each year for the first 4 years
- Total value of capital funding received is spent on capital works projects
- From year 5, no escalation factor has been applied to capital grants

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Grants - Operating	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Grants - Capital	1.5%	1.5%	1.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



- Contributions - Monetary

Contributions are funds received by Council from community groups, funding bodies and other sources generally in relation to contributions towards specific projects.

Assumptions:

- No escalation factor has been applied to monetary contributions for the period of the Financial Plan

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Contributions - monetary	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

- Net Gain (Loss) on Sale of Property, Infrastructure, Plant & Equipment

Each year, Council replaces a range of vehicles and items of plant as part of a planned and ongoing replacement program. This is governed through Council's asset management strategies and policies.

Assumptions:

- An escalation factor of 1.5% has been applied to the net gain (loss) on sale of assets for each year

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%

- Other Income

Other income comprises income that cannot be classed into the above categories, and includes items such as reimbursements, investment interest and lease income.

Assumptions:

- Other income is projected to increase at 1.5% each year for the first 4 years, then increase in line with CPI

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Other income	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%



## Expenses

### • Employee Costs

Employee costs include salaries, wages and other costs of employing staff such as WorkCover, superannuation, leave entitlements and Fringe Benefits Tax. Staff are integral to the successful delivery of Council's services and programs to the community. Council has an Enterprise Agreement in place which governs the annual wage increase for employees. At the time of writing this Plan, a new Enterprise Agreement was in negotiation.

Assumptions:

- 2.1% increase in Employee costs for the first 4 years of the Financial Plan whilst maintaining current staffing levels, with an increase of 3.5% in year 5 to reflect a proposed increase in human resources, 3% annual increase estimated thereafter

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Employee costs	2.1%	2.1%	2.1%	2.1%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%

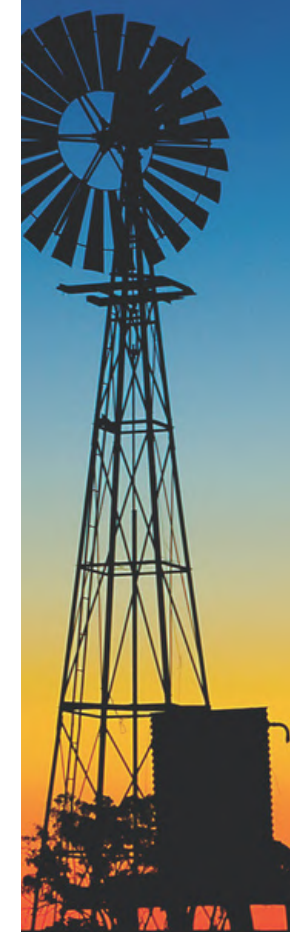
### • Materials and Services

Materials and services expenses comprise goods and services purchased for the general operations and activities of Council and the cost of non-recurrent operational items funded through Council's major projects budget process. Examples of Council's materials and services include contractor payments, maintenance expenditure, administration, insurance, utilities, IT services and consultants.

Assumptions:

- 1.5% increase in line with rates and charges each year for the first 4 years, then annual increase in line with Consumer Price Increase (CPI)

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Materials and services	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%





- Depreciation

The value of an asset decreases over time due to use, wear and tear or obsolescence. This decrease is measured as depreciation. Depreciation provides an annual allocation of the current replacement cost of Council assets over their remaining useful lives.

Assumptions:

- Depreciation is projected to increase by 1% each year of the Financial Plan
- It is critical that Council continues to renew existing assets in the capital works program, as failure to do so may reduce the service potential of assets and increase whole of life costs

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Depreciation	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

- Other Expenses

Other expenses relate to a range of costs incurred to support the wide range of community services delivered by Council that are not classed in the above categories, such as audit fees, elected member allowances and bank fees.

Assumptions:

- Other expenses are projected to increase by 1% annually for the first 4 years, then increase by CPI for the outer years

Escalation factor % increase	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Other expenses	1.0%	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%



# Projected Balance Sheet

For the 10 years ending 30 June 2031

	Forecast	Budget	Projections								
	Actual		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	2020/21	2021/22	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents	14,225	13,821	13,516	13,159	12,744	13,062	13,275	13,581	13,823	14,203	14,521
Trade and other receivables	385	391	397	403	409	415	421	427	434	440	447
Inventories	205	208	211	214	218	218	218	218	218	218	218
Other assets	356	356	356	356	356	356	356	356	356	356	356
<b>Total current assets</b>	<b>15,171</b>	<b>14,776</b>	<b>14,480</b>	<b>14,131</b>	<b>13,726</b>	<b>14,050</b>	<b>14,269</b>	<b>14,581</b>	<b>14,831</b>	<b>15,217</b>	<b>15,541</b>
<b>Non-current assets</b>											
Trade and other receivables	160	140	120	100	80	-	-	-	-	-	-
Investments in associates, joint arrangement and subsidiaries	436	436	436	436	436	436	436	436	436	436	436
Property, infrastructure, plant & equipment	214,925	214,981	214,899	214,857	214,855	215,977	217,135	218,129	219,158	220,023	220,922
<b>Total non-current assets</b>	<b>215,521</b>	<b>215,557</b>	<b>215,455</b>	<b>215,393</b>	<b>215,371</b>	<b>216,413</b>	<b>217,571</b>	<b>218,565</b>	<b>219,594</b>	<b>220,459</b>	<b>221,358</b>
<b>Total assets</b>	<b>230,692</b>	<b>230,333</b>	<b>229,935</b>	<b>229,524</b>	<b>229,097</b>	<b>230,463</b>	<b>231,840</b>	<b>233,146</b>	<b>234,425</b>	<b>235,676</b>	<b>236,899</b>
<b>Liabilities</b>											
<b>Current liabilities</b>											
Trade and other payables	718	729	740	751	762	762	762	762	762	762	762
Trust funds and deposits	232	232	232	232	232	232	232	232	232	232	232
Provisions	2,009	2,058	2,108	2,159	2,209	2,213	2,296	2,381	2,467	2,556	2,647
Lease liabilities	19	19	19	19	19	19	19	19	19	19	19
<b>Total current liabilities</b>	<b>2,978</b>	<b>3,038</b>	<b>3,099</b>	<b>3,161</b>	<b>3,222</b>	<b>3,226</b>	<b>3,309</b>	<b>3,394</b>	<b>3,480</b>	<b>3,569</b>	<b>3,660</b>
<b>Non-current liabilities</b>											
Provisions	633	646	660	674	688	705	723	741	759	778	798
<b>Total non-current liabilities</b>	<b>633</b>	<b>646</b>	<b>660</b>	<b>674</b>	<b>688</b>	<b>705</b>	<b>723</b>	<b>741</b>	<b>759</b>	<b>778</b>	<b>798</b>
<b>Total liabilities</b>	<b>3,611</b>	<b>3,684</b>	<b>3,759</b>	<b>3,835</b>	<b>3,910</b>	<b>3,931</b>	<b>4,031</b>	<b>4,135</b>	<b>4,240</b>	<b>4,347</b>	<b>4,458</b>
<b>Net assets</b>	<b>227,081</b>	<b>226,649</b>	<b>226,176</b>	<b>225,690</b>	<b>225,187</b>	<b>226,533</b>	<b>227,809</b>	<b>229,012</b>	<b>230,185</b>	<b>231,329</b>	<b>232,443</b>
<b>Equity</b>											
Accumulated surplus	45,664	44,764	44,115	43,451	42,871	44,217	45,493	46,696	47,870	49,014	50,127
Reserves	181,418	181,885	182,062	182,239	182,316	182,316	182,316	182,316	182,316	182,316	182,316
<b>Total equity</b>	<b>227,082</b>	<b>226,649</b>	<b>226,177</b>	<b>225,690</b>	<b>225,187</b>	<b>226,533</b>	<b>227,809</b>	<b>229,012</b>	<b>230,186</b>	<b>231,330</b>	<b>232,443</b>

## Projected Balance Sheet Commentary

This section outlines the various components of the Projected Balance Sheet.

### Assets

Current assets refer to Council 'liquid' assets - cash and cash equivalents include cash held in the bank, petty cash and the value of investments in term deposits.

Trade and other receivables are monies owed to council by ratepayers and other debtors.

Inventories refers to Council's stock on hand, including fuel, culverts and quarry stocks.

Other Assets includes items such as prepayments for expenses that Council had paid in advance of service delivery, and accrued income.

Investments in associates, joint arrangement and subsidiaries refers to the fair value of Council's investment in the Wimmera Library Corporation and the Wimmera Development Association.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the fair value of Council's property, infrastructure and plant assets as well as capital work in progress.

### Liabilities

Current liabilities refers to the financial obligations of Council which are due to be settled within 12 months.

Trade and other payables are those to whom Council owes monies as at 30 June each year.

Trust funds and deposits refer to funds Council is holding as deposit, in trust or on behalf of another entity.

Provisions refer to future employee entitlements and include accrued long service leave, annual leave and other leave entitlements.

### Equity

Reserves contain both discretionary reserves and an asset revaluation reserve. Council maintains several discretionary reserves for which funds are allocated each year to plan for anticipated future expenditure. Council's reserves include quarry restoration, election expenditure, plant replacement, capital improvement, rates revaluation and carried-forward capital projects. The asset revaluation reserve represents the difference between the previously recorded value of assets and their current valuations. Asset valuations are required to be considered annually and formally revalued if there is a material change.



# Projected Cash Flow Statement

For the 10 years ending 30 June 2031

	Forecast	Budget	Projections								
	Actual		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	2020/21	2021/22	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>											
Rates and charges	7,827	8,074	8,196	8,319	8,443	8,650	8,866	9,088	9,361	9,642	9,931
Statutory fees and fines	133	144	146	148	151	154	157	160	163	166	170
User fees	689	714	725	736	747	762	777	792	808	824	841
Grants - operating	7,611	7,623	7,690	7,805	7,922	8,081	8,242	8,407	8,575	8,747	8,922
Grants - capital	3,475	3,692	3,747	3,804	3,861	3,861	3,861	3,861	3,861	3,861	3,861
Contributions - monetary	182	6	6	6	6	6	6	6	6	6	6
Interest received	120	100	101	101	102	104	106	108	110	112	114
Other receipts	1,828	2,279	2,311	2,346	2,381	2,412	2,443	2,474	2,505	2,537	2,569
Employee costs	(7,891)	(8,152)	(8,323)	(8,498)	(8,676)	(8,980)	(9,250)	(9,527)	(9,813)	(10,107)	(10,410)
Materials and services	(6,078)	(6,580)	(6,655)	(6,754)	(6,856)	(7,005)	(7,145)	(7,288)	(7,433)	(7,582)	(7,734)
Trust funds and deposits repaid	(3)	-	-	-	-	-	-	-	-	-	-
Other payments	(287)	(310)	(313)	(316)	(320)	(326)	(333)	(339)	(346)	(353)	(360)
<b>Net cash provided by/(used in) operating activities</b>	<b>7,607</b>	<b>7,590</b>	<b>7,630</b>	<b>7,696</b>	<b>7,760</b>	<b>7,717</b>	<b>7,730</b>	<b>7,741</b>	<b>7,796</b>	<b>7,852</b>	<b>7,909</b>
<b>Cash flows from investing activities</b>											
Payments for property, infrastructure, plant and equipment	(8,131)	(8,075)	(8,017)	(8,138)	(8,260)	(7,506)	(7,626)	(7,546)	(7,667)	(7,588)	(7,709)
Proceeds from sale of property, infrastructure, plant and equipment	95	100	102	103	105	107	109	111	113	115	118
<b>Net cash provided by/ (used in) investing activities</b>	<b>(8,036)</b>	<b>(7,975)</b>	<b>(7,915)</b>	<b>(8,035)</b>	<b>(8,155)</b>	<b>(7,399)</b>	<b>(7,517)</b>	<b>(7,435)</b>	<b>(7,554)</b>	<b>(7,473)</b>	<b>(7,591)</b>
<b>Cash flows from financing activities</b>											
Repayment of lease liabilities	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)
<b>Net cash provided by/(used in) financing activities</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(448)</b>	<b>(404)</b>	<b>(304)</b>	<b>(359)</b>	<b>(415)</b>	<b>318</b>	<b>213</b>	<b>306</b>	<b>243</b>	<b>380</b>	<b>318</b>
Cash and cash equivalents at the beginning of the financial year	14,674	14,225	13,821	13,516	13,159	12,744	13,062	13,275	13,581	13,823	14,203
<b>Cash and cash equivalents at the end of the financial year</b>	<b>14,225</b>	<b>13,821</b>	<b>13,516</b>	<b>13,159</b>	<b>12,744</b>	<b>13,062</b>	<b>13,275</b>	<b>13,581</b>	<b>13,823</b>	<b>14,203</b>	<b>14,521</b>



## Projected Cash Flow Statement Commentary

This section outlines the various components of the Projected Cash Flow Statement.

### Net cash flows provided by/used in operating activities

Operating activities refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works. The net cash flows from operating activities does not equal the operating result for the year, as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cashflow Statement.

### Net cash flows provided by/used in investing activities

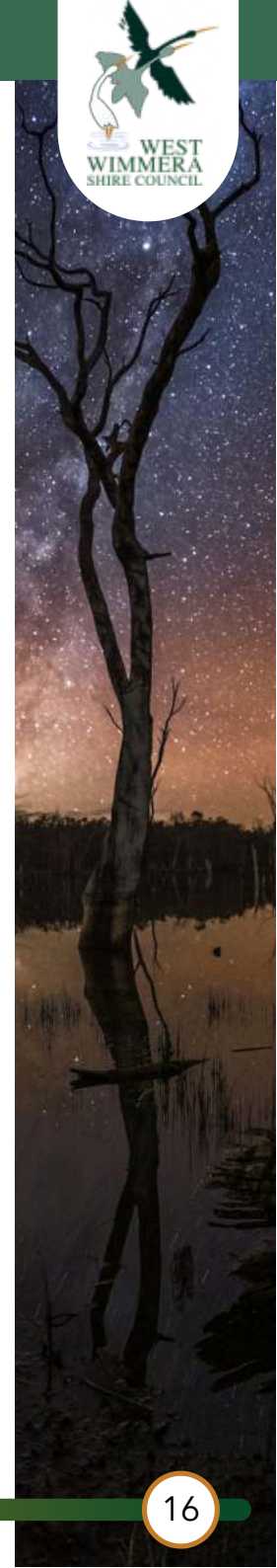
Investing activities refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property, and equipment.

### Net cash flows provided by/used in financing activities

Financing activities refers to cash generated or used in the financing of Council's functions and include borrowings from financial institutions and advancing or repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

Council does not currently have borrowings, nor does the Financial Plan propose any new borrowings.





# Projected Statement of Capital Works

For the 10 years ending 30 June 2031

	Forecast	Budget	Projections								
	Actual		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	2020/21										
<b>Property</b>											
Land	-	23	-	-	-	-	-	-	-	-	-
Land improvements	-	29	-	-	-	20	20	20	20	20	20
<b>Total land</b>	-	52	-	-	-	20	20	20	20	20	20
Buildings	724	138	140	142	144	350	355	361	366	371	377
<b>Total buildings</b>	724	138	140	142	144	350	355	361	366	371	377
<b>Total property</b>	724	190	140	142	144	370	375	381	386	391	397
<b>Plant and equipment</b>											
Plant, machinery and equipment	828	1,247	1,266	1,285	1,304	986	1,001	1,016	1,031	1,047	1,062
Computers and telecommunications	50	175	51	53	54	50	50	50	50	50	50
<b>Total plant and equipment</b>	878	1,422	1,317	1,338	1,358	1,036	1,051	1,066	1,081	1,097	1,112
<b>Infrastructure</b>											
Roads	5,865	5,916	6,005	6,095	6,186	5,800	5,800	5,800	5,800	5,800	5,800
Bridges	400	110	112	113	115	-	100	-	100	-	100
Footpaths and cycleways	140	192	195	198	201	100	100	100	100	100	100
Drainage	65	65	66	67	68	50	50	50	50	50	50
Parks, open space and streetscapes	60	180	183	185	188	150	150	150	150	150	150
<b>Total infrastructure</b>	6,530	6,463	6,560	6,658	6,758	6,100	6,200	6,100	6,200	6,100	6,200
<b>Total capital works expenditure</b>	8,131	8,075	8,017	8,138	8,260	7,506	7,626	7,546	7,667	7,588	7,709
<b>Represented by:</b>											
New asset expenditure	418	467	99	100	102	92	94	93	94	93	95
Asset renewal expenditure	7,386	6,755	7,117	7,225	7,334	6,664	6,770	6,700	6,807	6,737	6,844
Asset upgrade expenditure	327	853	801	813	825	750	762	754	766	758	770
<b>Total capital works expenditure</b>	8,131	8,075	8,017	8,138	8,260	7,506	7,626	7,546	7,667	7,588	7,709
<b>Funding sources represented by:</b>											
Grants	3,640	3,713	3,747	3,804	3,861	3,861	3,861	3,861	3,861	3,861	3,861
Contributions	201	229	264	268	272	247	251	248	252	250	254
Council cash	4,290	4,133	4,006	4,067	4,128	3,398	3,514	3,437	3,554	3,477	3,595
<b>Total capital works expenditure</b>	8,131	8,075	8,017	8,138	8,260	7,506	7,626	7,546	7,667	7,588	7,709

## Projected Statement of Capital Works Commentary

The Financial Plan forecasts to exceed the minimum renewal requirements for road assets as outlined in the most recent revaluation and condition assessment conducted in October 2020. This report identifies the degradation curve of Council's road assets and is used for the long term planning of renewal requirements. It is important to ensure existing assets and infrastructure are maintained at appropriate levels to service the community's needs. During this revaluation, it was noted that overall, Council's road network is in excellent condition, reflecting the significant renewal work which has been conducted by Council in prior years.

Expenditure on new and expanded assets is being driven by a number of regular programs derived from strategies and plans, including new footpaths, improved drainage and open space enhancements.

Section 92 of the Local Government Act 2020 requires Council to develop a 10-year Asset Plan for adoption by 1 July 2022. Information from the Asset Plan, in conjunction with Council's existing asset management plans, policies and strategies, will inform Council's capital expenditure priorities. In the absence of the Asset Plan at the time of developing the Financial Plan, estimates and assumptions have been made with regards to longer term projections for buildings and asset classes other than roads. Similarly, as the 2021-25 Council Plan actions and initiatives are yet to be determined, it is assumed capital works in relation to this will be integrated into the Financial Plan in the future.

External capital funding services include capital grants and contributions. Forecast assumptions for capital funding sources are conservative.

Council's capital works program underpins the needs and priorities as determined by Council's capital evaluation process. It is imperative that Council continue to maintain and improve asset management plans that ensure the community's levels of service are met through the delivery of efficient and effective services.







# Projected Statement of Human Resources

For the 10 years ending 30 June 2031

	Forecast	Budget	Projections								
	Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff expenditure</b>											
Employee costs - operating	7,891	8,152	8,323	8,498	8,676	8,980	9,250	9,527	9,813	10,107	10,410
Employee costs - capital	1,179	1,115	1,138	1,162	1,187	1,212	1,237	1,263	1,290	1,317	1,344
<b>Total staff expenditure</b>	<b>9,070</b>	<b>9,267</b>	<b>9,462</b>	<b>9,660</b>	<b>9,863</b>	<b>10,192</b>	<b>10,487</b>	<b>10,790</b>	<b>11,102</b>	<b>11,424</b>	<b>11,755</b>
<b>Staff numbers</b>	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Employees	96.8	96.8	96.8	96.8	96.8	100.0	100.0	100.0	100.0	100.0	100.0
Total staff numbers	96.8	96.8	96.8	96.8	96.8	100.0	100.0	100.0	100.0	100.0	100.0

## Key Financial Indicators

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

The financial performance indicators below are the prescribed financial performance indicators contained in Part 3 of Schedule 3 of the Local Government (Planning and Reporting) Regulations 2020. Results against these indicators will be reported in Council's Performance Statement included in the Annual Report.

Indicator	Measure	Forecast	Budget		Projections								Trend
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	+/-
<b>Operating position</b>													
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	-9.17%	-7.07%	-7.16%	-7.12%	-7.08%	-7.45%	-7.62%	-7.79%	-7.76%	-7.73%	-7.69%	+
<b>Liquidity</b>													
Working Capital	Current assets / current liabilities	509.43%	486.41%	467.29%	447.09%	426.00%	435.50%	431.28%	429.63%	426.11%	426.34%	424.61%	-
Unrestricted cash	Unrestricted cash / current liabilities	325.88%	288.76%	265.47%	241.29%	219.45%	228.36%	226.09%	226.37%	224.70%	226.74%	226.77%	-
<b>Obligations</b>													
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	o
Indebtedness	Non-current liabilities / own source revenue	5.92%	6.04%	6.07%	6.11%	6.14%	6.16%	6.18%	6.19%	6.19%	6.18%	6.17%	-
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	96.44%	94.87%	97.76%	98.26%	98.75%	88.84%	89.37%	87.56%	88.08%	86.31%	86.82%	-
<b>Stability</b>													
Rates concentration	Rate revenue / adjusted underlying revenue	39.77%	38.52%	38.58%	38.55%	38.52%	38.77%	39.01%	39.25%	39.61%	39.96%	40.32%	+
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.26%	0.22%	0.21%	0.21%	0.20%	0.19%	0.19%	0.19%	0.18%	0.18%	0.18%	-
<b>Efficiency</b>													
Expenditure level	Total expenses/ no. of property assessments	\$4,597.90	\$4,678.59	\$4,750.31	\$4,823.23	\$4,897.39	\$5,052.62	\$5,154.91	\$5,259.73	\$5,367.08	\$5,476.95	\$5,589.56	-
Revenue level	Total rate revenue / no. of property assessments	\$1,675.05	\$1,700.74	\$1,726.26	\$1,752.15	\$1,778.43	\$1,822.89	\$1,868.47	\$1,915.18	\$1,972.63	\$2,031.81	\$2,092.77	+

### 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





# Key Financial Indicators Commentary

## Adjusted Underlying Result

An indicator of the sustainable operating required to enable Council to continue to provide core services and meet its objectives. A steady trend projected over the long-term.

## Working Capital

The proportion of current liabilities represented by current assets. Working capital is slightly in decline due to increasing current liabilities (provisions).

## Unrestricted Cash

This indicator represents unrestricted cash as a percentage of current liabilities. Slight decrease over time projected due to slightly increasing current liabilities.

## Loans and Borrowings

Council does not currently have borrowings and none are projected in the Financial Plan.

## Indebtedness

This indicator looks at non-current liabilities as a percentage of Council's own-sourced revenue. The trend is slightly increasing over time indicating a higher rate of increase in liabilities than that of rate and other internal income.

## Asset Renewal

An indicator to demonstrate if asset renewals and upgrades are in line with annual depreciation. Long-term trend is in slight decline however it is noted that Council is still exceeding the minimum renewal requirements per asset management plans.

## Rates Concentration

Rates concentration is projected to increase slightly over time, predominantly due to no increase to capital grants being projected in years 5-10. The trend indicates that Council will become more reliant on rate revenue compared to all other revenue sources.

## Rates Effort

This indicator shows rate revenue as a percentage of Capital Improved Value (CIV) of rateable properties. The long-range decline projected is due to the historic rise in CIV of properties significantly outweighing the increase in property rates.

## Expenditure Level

Expenditure when compared to number of property assessments is increasing over time, noting the number of property assessments is projected to remain constant for the life of the Financial Plan.

## Revenue Level

Revenue level is projected to increase over time, again, noting the number of property assessments is projected to remain constant for the life of the Financial Plan.





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