

**DRAFT**

**Wyndham City**

**Long Term Financial Plan**

2021/22 to 2030/31



## **Acknowledgement of Country**

Wyndham City Council recognises Aboriginal and Torres Strait Islander peoples as the First Custodians of the lands on which Australia was founded. Council acknowledges the Wathaurong, Woiwurrung and Boonwurrung peoples of the Kulin Nation as the Traditional Owners of the lands on which Wyndham City is being built.

For tens of thousands of years, the Werribee River has been a significant meeting place for Aboriginal people to build community, exchange resources, and share responsibility for its lands.

Council pays respect for the wisdom and diversity of past and present Elders. We share commitment to nurturing future generations of Elders in Aboriginal and Torres Strait Islander communities.

# Long Term Financial Plan

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# 1. Introduction

## About Wyndham City

Located on the western edge of Melbourne, today, Wyndham is a growing municipality.

Currently covering an area of 542 square kilometres, residential land use has grown steadily since 2017 with an average of 5,200 new dwellings approved each year. Once described as ‘the country suburb’ Wyndham City has reinvented itself as a City of choice for many people choosing to live in the areas of residential growth.

Wyndham is one of the fastest growing municipalities in Victoria, experiencing a 4.7 per cent increase, or an additional 12,687 people in 2020. It is forecast that over the next 20 years, an extra 217,000 will call Wyndham home, taking the total population in 2040 to over 500,000.

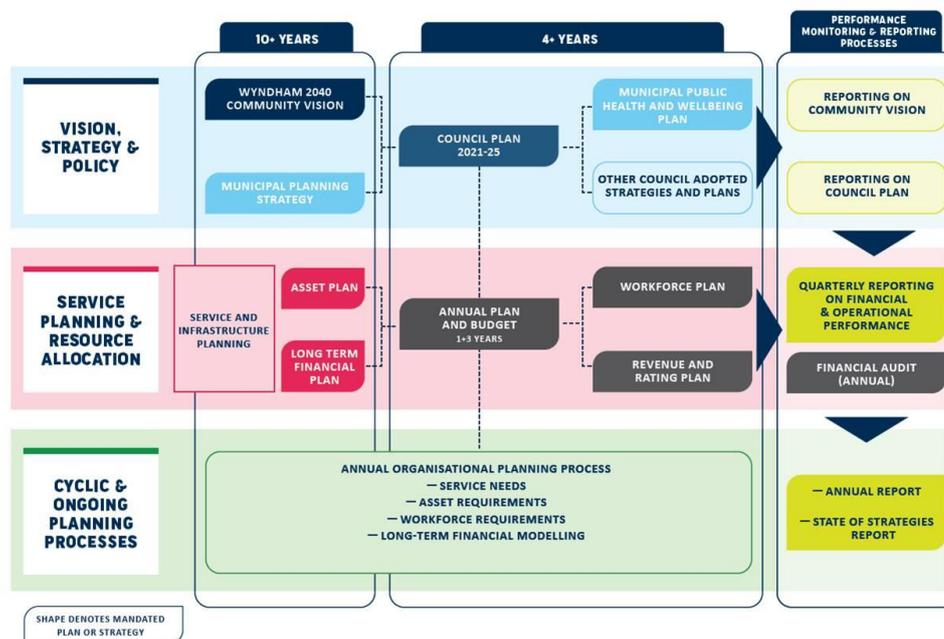
The role of a Council is to provide good governance for the benefit and wellbeing of the community including future generations. Council currently delivers over 60 different services to its community. It has responsibility for a range of areas including local roads, parks, waste, land use planning, local laws, urban planning, community and early years services, recreation, community development, health protection, emergency management, building and maintaining assets and advocating for community needs.

Municipal rates are the primary source of revenue for Council to fund the delivery of services and infrastructure. The introduction of rate capping significantly constrains Council’s ability to raise revenue. The years ahead will present many challenges for Council as we continue to manage growth within a constrained revenue environment. As such, the ongoing financial sustainability of the Council is essential to ensuring we can continue to deliver valued services to the community and look after our community assets.

The purpose of the 10-year Long Term Financial Plan (LTFP) is to set the financial parameters to guide decision making to ensure Council’s financial sustainability is secured into the future.

## Integrated Strategic Planning and Reporting Framework

To accomplish its responsibilities, Council’s integrated strategic planning and reporting framework gives effect to the strategic principles within the Local Government Act 2020 and allows the organisation to identify community needs and aspirations over the long term (through the Wyndham 2040 Community Vision), operationalise the required work in the medium term (through the Council Plan 2021-2025), and ensure the required resources are available (through the Annual Plan and Budget and LTFP).



Under the Local Government Act 2020, Council must develop a 10-year LTFP covering all aspects of Council's role including the delivery of programs and services, building new infrastructure, as well as the maintenance of roads, footpaths, bike paths, buildings, and parks. The LTFP gives effect to the Financial Management Principles in the Local Government Act 2020, which require Council's to ensure:

- a) Revenue, expenses, assets liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategies.
- b) Management of financial risks.
- c) Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- d) Council maintains accounts and records that explain its financial operations and financial position.

The following documents are integral to the development of the LTFP.

### **Wyndham 2040 Community Vision**

The Wyndham 2040 Community Vision describes the community's aspirations for the future of the municipality, and it guides Council's work to make Wyndham a healthier and more liveable community. As written by the community themselves, the community's Vision for Wyndham in 2040 is as follows:

*"A safe, connected and inclusive community. We respect, acknowledge, value and celebrate the First Nations people, our heritage, cultural diversity and multicultural strengths.*

*Our community has the infrastructure and services it needs to support holistic health and wellbeing for all. Local employment and education facilities are plentiful, and there are a variety of recreational, leisure, tourism, art and cultural opportunities for everyone to experience throughout the municipality.*

*We preserve our natural environment and rural lifestyle; we are able to get around easily and get to where we want to go efficiently. We are self-sufficient and pride ourselves on being green and sustainable."*

### **Council Plan**

The LTFP provides a 10- year financially sustainable projection regarding how the strategies of the Council Plan may be funded to achieve the Wyndham 2040 Community Vision.

The Council Plan describes how the currently elected Council will work towards delivering the community's priorities in line with the long-term aspirations described in the Wyndham 2040 Community Vision. It is structured around eight strategic areas and includes a range of strategies to describe what Council is working towards.

In following its LTFP, Council is managing risk and implementing the following Council Plan strategy:

*"Secure Council's financial sustainability into the future through responsible management of Council's annual budgets and long-term financial outlook."*

### **Asset Plan**

Integration of the LTFP with the Asset Plan is key to Council being able to give effect to the strategic financial planning principles set out in the Local Government Act, as it ensures that future funding is allocated in a way that supports service delivery and the effective management of Council's assets into the future.

The Asset Plan, (to be adopted by Council by June 2022) 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 LTFP by identifying the amount of capital investment required for new assets and asset renewal, as well as maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of service demands, asset condition, and risk 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 LTFP and Asset Plan seek to balance projected investment requirements against projected budgets.

#### **Workforce Plan**

Required to be developed by the CEO by January 2022 it shows structure and staffing requirements to support delivery of Council Plan.

#### **The Rating and Revenue Plan**

Outlines a medium-term view of how Council will raise revenue to support activities and achievement of Council Plan strategies and objectives.

## 2. Financial Plan Context

### Engaging with the Community

As a custodian of public funds, it is important that the choices Council makes are based on a range of factors including community priorities, needs and wants that aim to improve the liveability of the municipality. Council is committed to working with the community as an active partner to develop and make informed decisions in line with identified community needs and priorities.

To assist Council to do this, in 2021, the 'Help Shape Wyndham's Future' deliberative engagement process was undertaken to refresh the Wyndham 2040 Community Vision and gain an understanding of what the community wanted Council's priorities to be in order to inform its high level strategies, including the Council Plan and LTFP.

Through this engagement process, Council brought together over 100 randomly selected people from five distinct places across Wyndham to participate in a series of community conversations. Council heard that the following are priorities for the municipality:

- a) services and programs,
- b) public and active transport,
- c) infrastructure,
- d) safety,
- e) the natural environment / open spaces,
- f) growth and development,
- g) schools/educations,
- h) jobs/economy,
- i) general expectations for Council's role,
- j) improved community engagement and communication from Council, and
- k) strong advocacy from Council on improved provision of health services locally, including another hospital and local educational opportunities.

### Financial Challenges

There are a number of challenges Council will face as it works towards implementing its Council Plan strategy to remain financially sustainability. Some of these challenges apply broadly across the local government sector, others are specific to Wyndham in their nature and impact due to our geography and community demographic.

#### **Challenge 1: Population Growth**

Wyndham is a growing municipality. Designated as a growth corridor, residential land use has grown steadily since 2017 with an average of 5,200 new dwellings approved each year. Over the next 20 years an extra 220,000 people will call Wyndham home, taking the total population of Wyndham in 2040 to 505,822 (id, 2021). The area that is expecting to experience the highest rate of growth is Tarneit with an estimated population of 129,645 people, an increase of 93,263 people since 2016 (id, 2021).

Given the volume and speed of the growth occurring across Wyndham, it is a challenge for the Council to ensure that the right infrastructure and services our community needs to prosper, are up and running when they are needed. Out-of-sequence development happens when people are permitted to move into housing estates before infrastructure and services are properly in place.

In addition, Developer Contributions (DCs) used to build much needed community infrastructure in new areas are not necessarily calculated according to population densities that are being experienced today. Therefore, they are often inadequate as the sole funding source for growth infrastructure requiring Council to contribute capital to ensure the community assets are built.

Whilst the impacts of the COVID-19 pandemic over the last 12-18 months may have tempered growth through international migration or the shift from metro to regional areas, construction activity has remained strong and forward estimates suggest that population growth will rebound over the short term.

## **Challenge 2: Restricted Revenue and cost shifting**

The introduction of a yearly rate cap in 2015 limited Council's ability to generate revenue from rates and this creates a major challenge for Council in managing its financial position. In addition, Council has also needed to manage the impacts of cost shifting, and instances where funding from other levels of Government for co-funded services hasn't kept pace with growth e.g. Maternal and Child Health. This has placed additional funding burden on Council. As a result, Council's employee expense growth is outpacing revenue growth. At the same time, Council has seen its share of core Government Grants reduce in real terms such as Financial Assessment Grants (FAGs) and the Growing Suburbs Fund (GSF).

## **Challenge 3: Capital Investments and Renewal/Maintenance Gap**

Council is currently managing assets to the value of \$3.4 billion (excluding land) that are increasing by approximately \$300 million or almost 10 per cent each year. The asset stock mainly comprises long life infrastructure assets with an increasing demand for investment in renewal and maintenance works.

As Wyndham ages, the maintenance, renewal and replacement of assets will have a significant impact on Council's financial operations and long-term financial sustainability. Rapid population and asset growth are a challenge as both increase demand for services, which exceed available resources. The demand for capital to build the new infrastructure needed by growing communities in Wyndham is currently greater than what Council can afford.

In addition, due to Council contributing heavily to the capital investments, the current investment in renewal spend is, at best, barely adequate. This renewal spend within the ensuing four to five years will be insufficient to maintain current service standards and ensure upkeep of assets. Based on current levels of expenditure the asset renewal gap could be \$1 billion by 2045.

## **Financial Outlook and Assumptions**

The financial modelling undertaken to develop the LTFP tells us that Council is currently in a robust financial position. We know this because the operating margin which provides an indication of Council's ability to generate cash, continues to remain positive over the outlook period.

Aggregate cash holdings are increasing over the 10 years which is primarily due to the steady forecast inflow from Developer Contributions (DCs). The DC funds are required to be held for specific projects and are defined as restricted funds, held in reserve balances to meet future capital obligations.

Council maintains sufficient working capital to meet obligations as and when they fall due. The balance sheet highlights that sufficient unrestricted cash is maintained to ensure ongoing liquidity as well as providing capacity for unforeseen cash imposts.

However, this robust position will deteriorate unless we address our financial challenges through a series of actions/interventions that ensure Council services and assets are optimally planned and managed with continued focus on achieving productivity and efficiencies in the way we operate.

The outlook projected through the LTFP, as presented in the financial statements is based on the following assumptions:

- a) Population growth to average 3 per cent over the 10 year period.
- b) Consumer Price Index (CPI) gradually increases from current 1.5 per cent increasing to 1.75 per cent then 2 per cent from 2025/26 onwards.
- c) Rate cap increases aligned to CPI as an estimation of rate cap.
- d) Fees and Charges to increase based on demand (population growth) and price increases assumed in line with CPI.
- e) Employee costs increase in line with current Enterprise Bargaining Agreement (EBA) which expires in June 2022. Post this period, employee costs are assumed to increase in line with CPI, linking wages and salary growth to the expected year on year growth of rates revenue.
- f) Workforce numbers funded from rates are assumed to remain constant in the early years of the plan and increases assumed from 2025/26 reflective of population growth and increased service demand. Workforce assumptions as they relate to specific services will be further tested as part of developing Council's Workforce Plan.

- g) Monetary and Non-Monetary contributions ie. DCs and gifted assets, reflect the underlying precinct structure plans.
- h) Loan borrowings are considered for new assets (including land acquisition) that provide inter-generational equity where the asset life and benefit to the community is greater than one generation.
- i) The Capital Plan includes:
  - o asset renewal funded at a level recommended to maintain current service standards and ensure upkeep of assets
  - o DCs funded growth infrastructure being delivered to keep up with expected population growth
  - o delivery of other new and upgraded assets according to adopted Council strategies

The assumptions used to model the outlook exclude other proposed new and upgraded assets that are not part of current adopted projects or strategies.

These assumptions, and therefore the financial outlook projected via this LTFP will be revised annually to reflect changes in our operating environment.

## Assumptions to the financial plan statements

This section presents information in regard to the assumptions to the Comprehensive Income Statement for the 10 years from 2021/22 to 2030/31.

The table below lists key assumptions for the income and expenditure lines contained in 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
Rate Cap Increase		1.50%	1.75%	2.00%	2.00%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Population Growth		3.54%	3.72%	3.63%	3.28%	3.80%	3.25%	3.30%	2.76%	2.59%	2.65%
Investment Interest Rate		1.00%	0.98%	0.98%	0.98%	1.29%	1.39%	1.49%	1.60%	1.70%	1.80%
Borrowing Interest Rate		1.87%	2.08%	2.12%	2.16%	2.21%	2.49%	2.54%	2.61%	2.67%	2.82%
Finance Costs (\$'000)		3,290	3,714	3,773	3,914	3,991	4,501	3,900	3,420	3,524	2,870
Consumer Price Index (CPI)		1.50%	1.75%	2.00%	2.00%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
User Fees (Pop Growth + CPI)		5.04%	5.47%	5.63%	5.28%	6.05%	5.50%	5.55%	5.01%	4.84%	4.90%
Statutory Fees (Pop Growth + CPI)		5.04%	5.47%	5.63%	5.28%	6.05%	5.50%	5.55%	5.01%	4.84%	4.90%
Operating Grants Recurrent (CPI)		1.50%	1.75%	2.00%	2.00%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Monetary Contributions (\$000)		67,861	70,188	64,640	68,206	67,733	57,997	58,903	49,290	46,359	47,416
Non-Monetary Contributions (\$000)		123,843	129,957	126,907	114,474	132,680	113,508	115,278	96,346	90,564	92,628
Proceeds from sale of assets (\$000)		5,965	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Employee Costs (EBA)		2.30%	1.75%	2.00%	2.00%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Contactors, consultants and materials (CPI & Pop Growth )		5.04%	5.47%	5.63%	5.28%	6.05%	5.50%	5.55%	5.01%	4.84%	4.90%
Utilities (Pop Growth + CPI)		5.04%	5.47%	5.63%	5.28%	6.05%	5.50%	5.55%	5.01%	4.84%	4.90%
Depreciation (\$000)		110,488	113,985	118,476	126,094	129,799	137,088	140,051	142,007	144,867	152,380
Insurance (Pop Growth + CPI)		5.04%	5.47%	5.63%	5.28%	6.05%	5.50%	5.55%	5.01%	4.84%	4.90%
Other expenses (Pop Growth + CPI)		5.04%	5.47%	5.63%	5.28%	6.05%	5.50%	5.55%	5.01%	4.84%	4.90%

## Notes to assumptions

### 1. Rate Cap

Assumptions in line with Government rate cap. From 2022/23 onward in line with Victorian Government CPI outlook. There remains some uncertainty regarding the level of the rates cap in future years.

### 2. Population Growth

Assumption based on Forecast.id research data with adjustments made for COVID-19

### 3. Investment Interest Rate

Based on the weighted average interest rate of Council's term deposits. Outer years are based on the RBA benchmark cash rate.

### 4. Borrowing Interest Rate

Assumption reflects market outlook. Based on Australian Government Bond reference Rate.

### 5. CPI

Based on assumptions in Victorian Government State Budget 2020/21.

### 6. User Fees

User Fees & Charges is linked to the CPI representing cost recovery plus population growth from 2022/23 representing volume. Earlier year fluctuations due to the impact of the COVID-19 pandemic.

### 7. Grants - Recurrent

2021/22 is based on expected grants identified. Outer years based on CPI.

### 8. Employee Costs

Current enterprise agreement is due to expire in 2021-22. The plan assumes future EA's linked to the Rate cap. Superannuation Guarantee charge increases by 0.5% in 2021-22 and further increases which total 2% by 2025-26. Workforce numbers funded from rates are assumed to remain constant in the early years of the plan with subsequent increase reflective of population growth and increased service demand.

### 9. Depreciation

Depreciation will increase in response to new assets being created consistent with the planned capital program

### 10. Borrowing Costs

Existing loans refinanced based on Principal & Interest over 10 year term. New loans will be project specific in response to the Capital works program and will also be principal & interest over 10 years. Borrowing cost increases are a factor of the forecast loan program and a prolonged period of low interest rates averaging 2%.

### 11. Materials and Services and Other Expenses

In general costs are forecast to increase as a factor of CPI and growth. Insurance premiums are forecast to continue increase greater than CPI.

## 3. Overview - 10 Year Financial Plan

### Defining Financial Sustainability

Maintaining financial sustainability is a key objective for Council, as this is needed to allow Council to meet its responsibilities to the community in relation to service delivery and investment in building and maintenance of community assets. As such Council defines financial sustainability as:

*“The ability to fund ongoing service delivery and the renewal and replacement of assets without incurring excessive debt or rate increases, whilst also funding the capital investments required as a result of population growth.”*

Council's definition of financial sustainability can be further defined through the following financial sustainability principles:

- a) Achieve a consistent operating result, so that revenues are able to fund operational expenses and contribute towards the renewal of assets.
- b) Maintain sufficient funds available in the short term to ensure Council can meet all payment obligations (including debt) as they fall due.
- c) Allocate adequate capital funds towards the renewal of its assets and infrastructure, informed by services and asset plans.
- d) Consider loan borrowings for new assets (including land acquisition) that provide inter-generational equity where the asset life and benefit to the community is greater than one generation.
- e) Consider project specific financing where future repayments are serviced by the revenue generated by the project.
- f) Seek options to improve 'own sourced' revenue through its service-related fees and charges and special purpose rates.
- g) Manage developer contribution funds to ensure Council delivers against its long term Developer Contribution Plan (DCP) obligations.
- h) Create funding reserves for specific purposes of expenditure including minimum level of cash holdings to support any short-term unforeseen circumstances.

Council will use these financial principles to guide decision making towards addressing the challenges that threaten its robust financial position in the future. By adhering to these financial principles, Council will ensure that it can continue to operate effectively, provide sustainable funding for assets and have the capacity to absorb or manage the impact of any unexpected budget shocks.

### Financial Strategies

Wyndham's financial strategy is influenced by the challenges identified regarding growth of the City and prevailing economic climate. In order to address those challenges, and work towards financial sustainability the Council will implement the following strategies as outlined below.

#### **Revenue through Rates and Charges**

Council will aim to raise sufficient revenue to provide sustainable services to the community based on principles of intergenerational equity and deemed capacity of our residents to pay for these services.

Through its Revenue and Rating plan Council will outline the principles of municipal rates and will consider application of special rates and charges as well as other fees for Council provided services.

#### **Cash Flow Management**

Council will aim to achieve positive cashflows by prudent financial management. This is through the daily monitoring of cash holdings, cashflow forecasting to ensure adequate liquidity is achieved at all times and investment of any balances surplus to current needs within investment policy guidelines to maximise returns.

### **Use of borrowings and other financing options**

Council will consider loan borrowings to fund new assets that provide inter-generational equity where the asset life and benefit to the community is greater than one generation. This includes the acquisition of land, where the acquisition will have a long-term benefit to the community or where there is potential for commercial or other economic benefit i.e. capital appreciation from acquisition of assets that will flow to the community.

Council will not consider loan borrowings to fund recurrent operating expenditure other than meeting funding calls made on Council in relation to the Defined Benefit Superannuation Fund. Other external sources of structured funding through government and/or commercial partnership models will also be considered for specific projects.

### **Carefully prioritised capital and asset renewal expenditure**

Through improved service demand data analysis, service planning, asset management and capital allocation policy, Council will ensure focused and prioritised expenditure to ensure the most efficient use of funds for the build and maintenance of community assets.

### **Productivity and efficiency focus to achieve cost savings**

In modelling the LTFP, a cost efficiency factor is assumed each year. This factor recognises that delivering productivity in the way we operate is an important consideration for Council. It provides a starting point in terms of determining productivity targets for Council which can be further informed by strategic priorities. Areas of primary focus include realisation of benefits from investment in technology, workforce productivity through managing wages growth, continuous improvement in operational processes, discretionary cost containment and effective balance sheet management.

### **Targeted advocacy to Federal and State Governments**

Council will focus on targeted advocacy to the Federal and State Government that presents Wyndham's long-term priorities for funding. The advocacy approach will be implemented as per Council's strategic approach to advocacy and intergovernmental relations. This includes prosecuting long-term priorities as well as being responsive to the Governments of the day.

## Measuring Sustainability

The outcomes of the financial strategies will be measured primarily against key financial sustainability metrics as defined below:

### **Underlying operating results**

Achieving a consistent positive operating result, so that revenues are able to fund operational expenses including depreciation which contributes towards the renewal of assets.

The operating margin which provides an indication of Council's ability to generate cash, continues to remain positive over the 10 year period. On an underlying basis (excluding revenue from Capital grants, Developer contributions and transferred assets), the net operating result continues to reflect budget deficits each year. This is an indication that depreciation is not being fully funded and less internal financing is available for the capital works program.

The financial plan outcome reflects that consistent underlying deficits are maintained through the 10 year period. The Target is to pursue improvements to this result and reduce the underlying deficit through assessing 'own sourced' revenue & expenditure opportunities. Reduction in expenditure may be achieved through effective service and asset planning and productivity initiatives.

### **Working Capital**

Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.

Council aims to maintain sufficient working capital to meet all payment obligations (including debt repayments) as and when they fall due. The balance sheet highlights that sufficient unrestricted cash is maintained to ensure ongoing liquidity as well as providing capacity for unforeseen cash imposts.

The Financial Plan Outcome reflects that current Assets less developer contributions, Trusts, restricted borrowings relative to current liabilities are targeted at greater than 100%. This is maintained in all years of the plan.

### **Asset Renewal**

Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.

Allocate adequate capital funds towards the renewal of its assets and infrastructure, informed by services and asset plans.

The Financial Plan reflects that the Asset Renewal and upgrade expense relative to Depreciation is targeted at 50%. The plan highlights that renewal expenditure fluctuates from year to year in response to demand for new capital projects. The average ratio over the 10 years is 55.8% which is consistent with target.

### **Loans & Borrowings**

Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.

Borrowing strategy determines that Council will consider loan borrowings for new assets where:

- o The asset life and benefit to the community is greater than one generation (intergenerational equity).
- o The acquisition of land where the asset will have a long term benefit to the community
- o The asset will provide potential for commercial or other economic benefit to the community.
- o This could include project specific financing where future repayments are serviced by the revenue generated by the project.

In the Financial Plan the Total Borrowings relative to Rate revenue are targeted at less than 60%. This is achieved in every year of the plan and managed within a ratio of 50%. This ensures that Council maintains borrowings at a level that principal and interest payments do not excessively draw down on own sourced revenue.

## Financial Policy Statements, Actions and Measures

This section defines the measures that demonstrates Council's financial sustainability in order to fund the aspirations of the Community Vision and the Council Plan.

Policy Statement	Strategic Action	Measure	Target	UOM	Year End Forecast*										
					2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1. Underlying results breakeven or better	Council assessing opportunities to improve revenue streams and reduce expense through service and asset planning and productivity initiatives	Underlying result: Operating Result less Non Operating Revenue (Developer contributions and Capital grants)	\$0	\$000	(\$27,826)	(\$37,283)	(\$48,993)	(\$39,870)	(\$36,995)	(\$33,659)	(\$34,536)	(\$30,479)	(\$25,762)	(\$22,993)	(\$22,388)
2. Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Ongoing cash management to ensure adequate cash levels are maintained	Current assets less Developer contributions, Trusts, Restricted borrowings / Current liabilities	100%	%	115.10%	131.44%	117.91%	117.24%	115.22%	110.66%	111.84%	111.27%	113.69%	111.06%	108.99%
3. Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Council to prioritise renewal and upgrade as a priority	Asset renewal and upgrade expenses / Depreciation	50%	%	42.14%	57.59%	60.72%	63.30%	74.52%	52.92%	47.77%	49.00%	48.38%	53.71%	51.69%
4. That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Adherence to borrowing strategy	Total borrowings / Rate revenue	60%	%	23.60%	33.74%	49.69%	49.12%	48.68%	47.54%	47.00%	37.69%	30.12%	29.23%	21.21%
5. Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for new and renewal capital.	Council will raise rates each year in accordance with rate capping	Capital Outlays as a % of Own Source Revenue	30%	%	29.33%	51.74%	42.48%	37.00%	40.12%	26.62%	26.47%	20.83%	20.39%	22.40%	16.12%
6. Ensure Council maintains borrowings at a level that principal and interest payments do not excessively draw down on own sourced revenue	Adherence to borrowing strategy	Non-current liabilities/own-sourced revenue	50%	%	36.84%	40.02%	49.95%	48.54%	47.81%	45.75%	45.79%	38.05%	31.70%	30.50%	23.88%
7. Ensure Council maintains sufficient unrestricted cash to meet its debt obligations as they fall due.	Ongoing cash management to ensure adequate cash levels are maintained	Unrestricted Cash/ Current liabilities	80%	%	54.97%	97.10%	89.33%	87.46%	84.76%	80.22%	80.98%	80.09%	82.37%	79.67%	77.38%

\* The forecast numbers will be updated to reflect actual 2020-21 financial results prior to final adoption of this Financial Plan.

## 4. Financial Plan for the period 2021/22 to 2030/31

### 4.1 Financial Plan Statements

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

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

#### 4.1.1 Comprehensive Income Statement

The Comprehensive Income Statement represents all revenue and expenditure forecasts for the 10 years of the plan, based on the assumptions listed on pages 10 and 11. The surplus result highlights positive growth to the Balance sheet over the life of the plan.

The operating margin which excludes non-operating revenues such as Capital grants, contributions both monetary and non-monetary and also the non-cash Depreciation item provides an indication of councils ability to generate cash. This remains positive over the 10 year period.

The Adjusted Underlying result is when depreciation is included with the operating result and this highlights a net deficit in each year of the plan. This is an indication that depreciation is not being fully funded and less internal financing is available for the capital works program. This result is highlighted on page 27 of this financial plan.

	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
<b>Income</b>											
Rates and charges	233,032	251,939	261,682	277,540	294,506	313,188	332,476	352,017	371,743	391,942	412,618
Statutory fees and fines	16,265	19,186	19,972	21,097	22,210	23,553	24,848	26,227	27,540	28,873	30,288
User fees	49,682	50,850	59,416	61,398	59,967	63,453	66,690	70,092	73,547	77,128	80,933
Grants - Operating	52,316	47,669	48,384	49,352	50,339	51,471	52,629	53,813	55,024	56,262	57,528
Grants - Capital	18,547	28,458	13,886	8,659	11,341	9,072	6,700	7,500	7,500	4,500	2,000
Contributions - monetary	41,313	67,861	70,188	64,640	68,206	67,733	57,997	58,903	49,290	46,359	47,416
Contributions - non-monetary	155,000	123,843	129,957	126,907	114,474	132,680	113,508	115,278	96,346	90,564	92,628
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	1,995	3,895	(701)	(702)	(710)	(717)	(718)	(720)	(722)	(724)	(725)
Other income	5,068	4,848	6,398	6,655	6,761	8,991	10,415	11,877	13,419	15,046	16,901
<b>Total income</b>	<b>573,220</b>	<b>598,549</b>	<b>609,181</b>	<b>615,546</b>	<b>627,093</b>	<b>669,424</b>	<b>664,545</b>	<b>694,987</b>	<b>693,688</b>	<b>709,952</b>	<b>739,587</b>
<b>Expenses</b>											
Employee costs	152,532	170,733	177,105	184,632	192,480	203,190	214,936	227,177	239,637	252,432	265,899
Materials and services	116,368	127,564	145,419	144,197	143,261	152,120	159,672	167,789	176,197	185,458	193,310
Depreciation	105,447	101,557	108,056	112,574	121,352	125,395	128,762	136,978	139,951	141,446	148,910
Amortisation - intangible assets	3,041	6,356	3,430	3,455	2,527	2,362	6,284	1,796	1,324	2,687	2,737
Amortisation - right of use assets	1,331	2,574	2,499	2,470	2,269	2,094	2,094	1,330	784	784	784
Bad and doubtful debts	14	1,253	1,489	1,573	1,656	1,756	1,853	1,956	2,054	2,153	2,259
Borrowing costs	2,405	2,185	2,706	2,894	3,106	3,295	3,893	3,374	2,928	3,060	2,469
Finance Costs - leases	419	1,104	1,008	910	836	721	631	546	509	478	445
Other expenses	6,145	3,857	3,925	4,003	4,083	4,175	4,269	4,365	4,463	4,564	4,666
<b>Total expenses</b>	<b>387,701</b>	<b>417,184</b>	<b>445,636</b>	<b>456,708</b>	<b>471,571</b>	<b>495,109</b>	<b>522,394</b>	<b>545,310</b>	<b>567,846</b>	<b>593,061</b>	<b>621,479</b>
<b>Surplus/(deficit) for the year</b>	<b>185,519</b>	<b>181,365</b>	<b>163,545</b>	<b>158,838</b>	<b>155,522</b>	<b>174,315</b>	<b>142,151</b>	<b>149,677</b>	<b>125,842</b>	<b>116,891</b>	<b>118,109</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)	8,926	158,651	17,072	-	202,381	2,178	17,982	208,698	21,729	-	245,024
<b>Total comprehensive result</b>	<b>194,445</b>	<b>340,016</b>	<b>180,617</b>	<b>158,838</b>	<b>357,903</b>	<b>176,493</b>	<b>160,134</b>	<b>358,374</b>	<b>147,571</b>	<b>116,891</b>	<b>363,133</b>

#### 4.1.2 Balance Sheet

The Balance sheet records the forecast Assets and Liabilities over the 10 year period. There is considerable asset growth forecast reflecting the Capital works program and the impact of non monetary contributions. Liabilities include the impact of additional borrowings required to maintain a capital works program that responds to the infrastructure needs for our municipality.

	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
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents	49,641	52,376	55,538	55,780	55,705	61,570	66,314	71,136	75,702	80,354	86,269
Trade and other receivables	58,893	36,378	32,831	34,502	35,615	37,800	39,973	42,209	44,456	46,762	49,158
Other financial assets	460,091	485,439	514,746	516,990	516,299	570,657	614,627	659,320	701,639	744,757	799,576
Inventories	137	150	171	169	168	181	190	200	210	221	230
Non-current assets classified as held for sale	2,070	-	-	-	-	-	-	-	-	-	-
Other assets	1,779	1,950	2,224	2,205	2,191	2,353	2,470	2,595	2,726	2,869	2,990
<b>Total current assets</b>	<b>572,611</b>	<b>576,294</b>	<b>605,508</b>	<b>609,646</b>	<b>609,978</b>	<b>672,561</b>	<b>723,574</b>	<b>775,461</b>	<b>824,732</b>	<b>874,963</b>	<b>938,223</b>
<b>Non-current assets</b>											
Trade and other receivables	6,085	135	135	135	135	135	135	135	135	135	135
Property, infrastructure, plant & equipment	4,330,075	4,704,981	4,913,794	5,077,741	5,443,199	5,571,165	5,698,723	5,989,353	6,074,956	6,148,736	6,430,940
Right-of-use assets	25,516	22,942	20,444	17,190	15,705	13,611	11,517	10,187	9,403	8,620	7,836
Intangible assets	28,359	24,577	23,646	22,661	22,403	22,135	23,206	22,740	22,200	25,695	23,742
<b>Total non-current assets</b>	<b>4,390,035</b>	<b>4,752,635</b>	<b>4,958,018</b>	<b>5,117,727</b>	<b>5,481,442</b>	<b>5,607,046</b>	<b>5,733,580</b>	<b>6,022,414</b>	<b>6,106,694</b>	<b>6,183,186</b>	<b>6,462,653</b>
<b>Total assets</b>	<b>4,962,646</b>	<b>5,328,929</b>	<b>5,563,526</b>	<b>5,727,373</b>	<b>6,091,419</b>	<b>6,279,607</b>	<b>6,457,154</b>	<b>6,797,875</b>	<b>6,931,426</b>	<b>7,058,148</b>	<b>7,400,876</b>
<b>Liabilities</b>											
<b>Current liabilities</b>											
Trade and other payables	34,978	36,649	41,647	41,329	41,090	44,076	46,235	48,554	50,953	53,592	55,839
Trust funds and deposits	34,059	36,535	41,518	41,200	40,962	43,939	46,091	48,403	50,795	53,425	55,666
Provisions	33,384	36,694	37,852	39,221	40,649	42,471	43,738	46,092	48,854	51,078	53,454
Lease liabilities	2,149	2,166	2,257	2,105	1,970	1,996	2,087	1,281	681	712	744
<b>Total current liabilities</b>	<b>104,571</b>	<b>112,044</b>	<b>123,275</b>	<b>123,855</b>	<b>124,672</b>	<b>132,482</b>	<b>138,152</b>	<b>144,330</b>	<b>151,283</b>	<b>158,806</b>	<b>165,703</b>
<b>Non-current liabilities</b>											
Provisions	33,430	24,388	24,372	24,612	24,861	25,226	30,887	31,304	31,728	32,164	32,623
Interest-bearing liabilities	55,000	85,000	130,023	136,317	143,365	148,879	156,280	132,682	111,964	114,549	87,532
Lease liabilities	23,587	21,421	19,163	17,058	15,088	13,091	11,775	11,124	10,444	9,732	8,988
<b>Total non-current liabilities</b>	<b>112,016</b>	<b>130,808</b>	<b>173,558</b>	<b>177,987</b>	<b>183,314</b>	<b>187,197</b>	<b>198,942</b>	<b>175,110</b>	<b>154,136</b>	<b>156,445</b>	<b>129,143</b>
<b>Total liabilities</b>	<b>216,587</b>	<b>242,853</b>	<b>296,833</b>	<b>301,842</b>	<b>307,985</b>	<b>319,680</b>	<b>337,093</b>	<b>319,439</b>	<b>305,419</b>	<b>315,251</b>	<b>294,846</b>
<b>Net assets</b>	<b>4,746,059</b>	<b>5,086,076</b>	<b>5,266,693</b>	<b>5,425,531</b>	<b>5,783,434</b>	<b>5,959,927</b>	<b>6,120,061</b>	<b>6,478,435</b>	<b>6,626,006</b>	<b>6,742,897</b>	<b>7,106,030</b>
<b>Equity</b>											
Accumulated surplus	2,639,590	2,846,661	2,984,047	3,138,286	3,291,680	3,409,352	3,510,538	3,616,728	3,707,098	3,780,761	3,842,077
Reserves	2,106,470	2,239,414	2,282,646	2,287,246	2,491,754	2,550,575	2,609,523	2,861,707	2,918,908	2,962,136	3,263,953
<b>Total equity</b>	<b>4,746,059</b>	<b>5,086,076</b>	<b>5,266,693</b>	<b>5,425,531</b>	<b>5,783,434</b>	<b>5,959,927</b>	<b>6,120,061</b>	<b>6,478,435</b>	<b>6,626,006</b>	<b>6,742,897</b>	<b>7,106,030</b>

#### 4.1.3 Statement of Cash Flows

The statement of Cash flows provides a summary of the sources and use of cash. It is split across three areas, Operating activities, Investing activities and Financing activities. Each year of the Financial plan records either a net increase or decrease in cash based on activities undertaken which is reflected in the closing cash balances at the end of each financial year.

	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	
	Inflows (Outflows)											
<b>Cash flows from operating activities</b>												
Rates and charges	205,304	281,162	261,009	276,446	293,335	311,899	331,145	350,669	370,382	390,549	411,191	
Statutory fees and fines	18,707	21,279	21,678	23,309	24,330	26,101	27,329	28,805	30,036	31,398	32,910	
User fees	57,141	56,398	64,492	67,838	65,692	70,318	73,349	76,981	80,214	83,873	87,937	
Grants - operating	49,998	48,141	48,844	49,795	50,766	51,879	53,018	54,182	55,372	56,589	57,834	
Grants - capital	25,471	32,934	17,473	11,986	14,923	12,600	10,168	11,117	11,216	8,123	5,564	
Contributions - monetary	41,000	67,549	69,897	64,344	67,904	67,423	57,681	58,580	48,960	46,021	47,070	
Interest received	5,068	4,848	6,398	6,655	6,761	8,991	10,415	11,877	13,419	15,046	16,901	
Trust funds and deposits taken	145,097	147,573	152,556	152,238	152,000	154,977	157,129	159,441	161,833	164,463	166,704	
Net GST refund / payment	10,057	17,819	17,685	17,002	18,432	13,890	15,789	13,914	15,333	17,422	15,361	
Employee costs	(152,480)	(166,804)	(175,729)	(183,007)	(190,786)	(200,878)	(212,401)	(224,535)	(236,947)	(249,670)	(262,992)	
Materials and services	(148,863)	(171,277)	(175,982)	(178,798)	(179,788)	(183,066)	(193,071)	(199,857)	(209,569)	(226,306)	(227,597)	
Trust funds and deposits repaid	(142,280)	(145,097)	(147,573)	(152,556)	(152,238)	(152,000)	(154,977)	(157,129)	(159,441)	(161,833)	(164,463)	
<b>Net cash provided by/(used in) operating activities</b>	<b>114,221</b>	<b>194,525</b>	<b>160,747</b>	<b>155,252</b>	<b>171,332</b>	<b>182,133</b>	<b>175,574</b>	<b>184,044</b>	<b>180,806</b>	<b>175,676</b>	<b>186,420</b>	
<b>Cash flows from investing activities</b>												
Payments for property, infrastructure, plant and equipment	(105,548)	(196,543)	(168,789)	(154,486)	(174,634)	(123,014)	(129,341)	(107,381)	(110,684)	(127,869)	(96,671)	
Proceeds from sale of property, infrastructure, plant and equipment	10,165	5,965	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	
Payments for investments	(12,572)	(25,348)	(29,306)	(2,245)	691	(54,358)	(43,970)	(44,693)	(42,319)	(43,118)	(54,819)	
<b>Net cash provided by/ (used in) investing activities</b>	<b>(107,954)</b>	<b>(215,926)</b>	<b>(196,396)</b>	<b>(155,030)</b>	<b>(172,242)</b>	<b>(175,672)</b>	<b>(171,612)</b>	<b>(150,375)</b>	<b>(151,303)</b>	<b>(169,288)</b>	<b>(149,790)</b>	
<b>Cash flows from financing activities</b>												
Finance costs	(2,405)	(2,185)	(2,706)	(2,894)	(3,106)	(3,295)	(3,893)	(3,374)	(2,928)	(3,060)	(2,469)	
Proceeds from borrowings	0	70,000	56,596	19,925	23,069	39,062	30,479	0	3,749	30,342	1,500	
Repayment of borrowings	0	(40,000)	(11,572)	(13,632)	(16,021)	(33,547)	(23,078)	(23,598)	(24,467)	(27,757)	(28,517)	
Interest paid - lease liability	(419)	(1,104)	(1,008)	(910)	(836)	(721)	(631)	(546)	(509)	(478)	(445)	
Repayment of lease liabilities	(1,331)	(2,574)	(2,499)	(2,470)	(2,269)	(2,094)	(2,094)	(1,330)	(784)	(784)	(784)	
<b>Net cash provided by/(used in) financing activities</b>	<b>(4,155)</b>	<b>24,136</b>	<b>38,810</b>	<b>20</b>	<b>836</b>	<b>(596)</b>	<b>782</b>	<b>(28,847)</b>	<b>(24,938)</b>	<b>(1,736)</b>	<b>(30,715)</b>	
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>2,112</b>	<b>2,735</b>	<b>3,162</b>	<b>242</b>	<b>(75)</b>	<b>5,865</b>	<b>4,744</b>	<b>4,822</b>	<b>4,566</b>	<b>4,652</b>	<b>5,915</b>	
Cash and cash equivalents at the beginning of the financial year	47,529	49,641	52,376	55,538	55,780	55,705	61,570	66,314	71,136	75,702	80,354	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>49,641</b>	<b>52,376</b>	<b>55,538</b>	<b>55,780</b>	<b>55,705</b>	<b>61,570</b>	<b>66,314</b>	<b>71,136</b>	<b>75,702</b>	<b>80,354</b>	<b>86,269</b>	

\*2020/21 forecast expected lower rates collection as Council delayed the instalment due dates as a measure to help ratepayers during the COVID-19 lockdown.

## **Capital Works Program**

The proposed Capital Program is based on reliable estimates of affordability and the current understanding of capital demand over the period of the LTFP. It has been designed to maximise the value of capital expenditures to the community, while reducing the financial risk in delivering the program.

### **Existing service and asset investment**

The proposed Capital Program has a clear focus on existing services and providing the assets required to deliver them. It uses rates to provide the funds necessary for asset renewal to protect Council's infrastructure investment, and the funds required to reinvest to upgrade assets so that they are fit for purpose and to build new assets - expenditures essential to enable existing service delivery to continue meeting changing demands.

These demands can be predicted relatively accurately over the period of the LTFP and form the 'back bone' of the indicative 10-year Capital Plan.

### **Growth infrastructure investment**

The proposed Capital Program separates the funding for urban expansion. The new assets required by Precinct Structure Plans (PSPs) are funded using Developer Contributions (DCs) and grants and the additional 'top up' from rates or debt required to enable contemporary asset standards to be met.

These demands are less predictable towards the end of the period of the LTFP and need to be considered in light of uncertainty regarding the timing and quantum of expenditure.

New assets required to meet the demands of a growing population that are not included in Developer Contribution Plans (DCPs) have been identified separately. Typically, these assets are required to enable equitable access to services across Wyndham.

### **Strategic and catalysing investment**

The proposed Capital Program identifies current and planned strategic and catalysing investments. These are primarily funded from DCs, rates and debt.

These demands are unpredictable and an allowance is made in the Capital Program for new investments towards the end of the period of the LTFP.

### **Investment in Council enterprises**

The proposed Capital Program includes investment in the Council organisation, Western Leisure Services (WLS) and the Refuse Disposal Facility (RDF). These investments are necessary for these entities to continue operating at the level required to meet community needs and expectations, and fulfill Council's strategic directions.

All these investments have a return, whether it is increased productivity and a lower rate of cost increase; reduced costs and pocketed savings; service improvement to meet agreed public value outcomes; or repayment of capital.

#### 4.1.4 Statement of Capital Works

	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	
<b>Property</b>												
Land	5,175	24,718	5,422	-	-	-	-	-	-	-	-	-
Land improvements	14,837	8,138	-	-	-	-	-	-	-	-	-	-
<b>Total land</b>	<b>20,012</b>	<b>32,856</b>	<b>5,422</b>	<b>-</b>	<b>-</b>	<b>-</b>						
Buildings	15,331	12,532	15,941	8,314	4,823	3,000	3,600	4,200	4,800	5,400	6,000	6,000
Building improvements	-	2,195	98	-	-	-	-	-	-	-	-	-
<b>Total buildings</b>	<b>15,331</b>	<b>14,727</b>	<b>16,038</b>	<b>8,314</b>	<b>4,823</b>	<b>3,000</b>	<b>3,600</b>	<b>4,200</b>	<b>4,800</b>	<b>5,400</b>	<b>6,000</b>	<b>6,000</b>
<b>Total property</b>	<b>35,343</b>	<b>47,583</b>	<b>21,460</b>	<b>8,314</b>	<b>4,823</b>	<b>3,000</b>	<b>3,600</b>	<b>4,200</b>	<b>4,800</b>	<b>5,400</b>	<b>6,000</b>	<b>6,000</b>
<b>Plant and equipment</b>												
Heritage plant and equipment	450	265	273	280	288	295	303	308	314	320	327	327
Plant, machinery and equipment	4,092	5,737	5,575	5,575	4,266	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Computers and telecommunications	9,664	3,750	1,798	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698
Library books	950	1,264	1,302	1,542	1,588	1,954	1,995	1,995	2,000	2,000	2,000	2,000
<b>Total plant and equipment</b>	<b>15,156</b>	<b>11,016</b>	<b>8,948</b>	<b>9,095</b>	<b>7,840</b>	<b>8,948</b>	<b>8,996</b>	<b>9,001</b>	<b>9,012</b>	<b>9,019</b>	<b>9,025</b>	<b>9,025</b>
<b>Infrastructure</b>												
Roads	17,157	27,255	32,589	63,389	88,677	33,150	33,150	35,700	35,650	33,150	33,150	33,150
Bridges	1,800	-	-	-	-	-	-	-	-	-	-	-
Footpaths and cycleways	2,767	4,000	4,195	5,175	7,137	6,137	4,000	4,000	3,000	3,000	3,000	3,000
Drainage	221	1,170	2,100	1,589	5,631	4,291	4,000	4,000	4,000	4,000	4,000	4,000
Recreational, leisure and community facilities	22,248	61,498	55,012	55,317	49,358	53,821	66,061	43,100	42,731	58,406	30,916	30,916
Waste management	455	5,440	23,280	-	-	-	2,255	-	3,411	7,015	-	-
Parks, open space and streetscapes	8,223	33,189	20,477	10,880	10,442	12,940	7,280	7,380	8,080	7,880	10,580	10,580
Other infrastructure	2,178	2,178	728	728	728	728	-	-	-	-	-	-
<b>Total infrastructure</b>	<b>55,049</b>	<b>134,730</b>	<b>138,381</b>	<b>137,077</b>	<b>161,972</b>	<b>111,067</b>	<b>116,746</b>	<b>94,180</b>	<b>96,872</b>	<b>113,451</b>	<b>81,646</b>	<b>81,646</b>
<b>Total capital works expenditure</b>	<b>105,548</b>	<b>193,329</b>	<b>168,789</b>	<b>154,486</b>	<b>174,634</b>	<b>123,014</b>	<b>129,341</b>	<b>107,381</b>	<b>110,684</b>	<b>127,869</b>	<b>96,671</b>	<b>96,671</b>
<b>Represented by:</b>												
New asset expenditure	59,269	132,909	99,574	79,474	80,622	54,302	63,830	38,727	41,956	50,041	17,877	17,877
Asset renewal expenditure	29,951	34,755	26,628	36,650	48,304	60,433	58,573	59,273	61,078	61,478	64,778	64,778
Asset upgrade expenditure	16,328	28,879	42,588	38,362	45,708	8,279	6,939	9,381	7,650	16,350	14,016	14,016
<b>Total capital works expenditure</b>	<b>105,548</b>	<b>196,543</b>	<b>168,789</b>	<b>154,486</b>	<b>174,634</b>	<b>123,014</b>	<b>129,341</b>	<b>107,381</b>	<b>110,684</b>	<b>127,869</b>	<b>96,671</b>	<b>96,671</b>
<b>Funding sources represented by:</b>												
Grants	18,547	28,458	13,886	8,659	11,341	9,072	6,700	7,500	7,500	4,500	2,000	2,000
Contributions	14,876	67,338	47,551	64,144	70,527	15,558	22,659	22,085	21,650	12,080	900	900
Council cash	72,125	73,695	50,757	61,758	69,698	59,322	69,504	77,796	77,785	80,947	92,271	92,271
Borrowings	-	27,052	56,596	19,925	23,069	39,062	30,479	-	3,749	30,342	1,500	1,500
<b>Total capital works expenditure</b>	<b>105,548</b>	<b>196,543</b>	<b>168,789</b>	<b>154,486</b>	<b>174,634</b>	<b>123,014</b>	<b>129,341</b>	<b>107,381</b>	<b>110,684</b>	<b>127,869</b>	<b>96,671</b>	<b>96,671</b>

#### 4.1.5 Statement of Human Resources

The Statement of Human resources provides a record of employee costs and full time equivalent employees over the life of the plan. The forecast is based on assumptions detailed on pages 10 and 11 which responds to growth in services.

Staff expenditure	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>Total staff expenditure</b>											
Male	-	50,438	52,284	54,463	56,735	59,963	63,508	67,202	70,963	74,825	78,891
Female	-	78,029	80,884	84,255	87,770	92,764	98,247	103,963	109,780	115,754	122,045
Self-described gender	-	113	117	122	127	135	143	151	159	168	177
<b>Total staff expenditure</b>	-	128,580	133,285	138,841	144,633	152,862	161,898	171,316	180,902	190,747	201,112
<b>Permanent full time</b>											
Male	-	46,360	48,056	50,060	52,148	55,115	58,373	61,769	65,225	68,775	72,512
Female	-	52,330	54,245	56,506	58,863	62,213	65,890	69,723	73,624	77,631	81,849
Self-described gender	-	113	117	122	127	135	143	151	159	168	177
<b>Total</b>	-	98,804	102,419	106,688	111,139	117,462	124,405	131,643	139,009	146,574	154,539
<b>Permanent part time</b>											
Male	-	4,078	4,227	4,404	4,587	4,848	5,135	5,433	5,738	6,050	6,379
Female	-	25,699	26,639	27,749	28,907	30,552	32,358	34,240	36,156	38,123	40,195
Self-described gender	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	29,777	30,866	32,153	33,494	35,400	37,492	39,673	41,893	44,173	46,574
<b>Staff numbers</b>											
	2020/21*	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
<b>Total permanent staff numbers</b>											
Male	-	526	526	526	526	538	547	557	566	574	582
Female	-	837	838	838	839	857	872	888	901	914	928
Self-described gender	-	1	1	1	1	1	1	1	1	1	1
<b>Total permanent staff numbers</b>	-	1,364	1,364	1,365	1,366	1,395	1,420	1,446	1,468	1,489	1,511
<b>Permanent full time</b>											
Male	-	475	475	475	476	486	495	504	511	519	526
Female	-	514	514	515	515	526	535	545	553	561	570
Self-described gender	-	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	-	990	990	991	992	1,013	1,031	1,050	1,066	1,081	1,097
<b>Permanent part time</b>											
Male	-	51	51	51	51	52	53	54	54	55	56
Female	-	323	323	324	324	331	337	343	348	353	358
<b>Total</b>	-	374	374	374	374	382	389	396	402	408	414
<b>Total staff numbers (including casual and temporary positions)</b>	-	1,515.0	1,517.5	1,520.5	1,523.5	1,562.4	1,598.2	1,635.5	1,668.9	1,701.7	1,736.0

\* Final numbers to be confirmed.

## Summary of Planned Human Resources Expenditure for the ten years ended 30 June 2031

	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
<b>CEO's Office</b>										
Permanent - Full time	16,530	17,135	17,849	18,594	19,652	20,813	22,024	23,257	24,522	25,855
Female	11,465	11,885	12,380	12,897	13,631	14,436	15,276	16,131	17,009	17,933
Male	4,654	4,824	5,025	5,235	5,533	5,860	6,200	6,547	6,904	7,279
Positions available to be repurposed	411	426	444	462	489	517	548	578	610	643
Permanent - Part time	1,985	2,058	2,144	2,233	2,360	2,500	2,645	2,793	2,945	3,105
Female	1,949	2,020	2,104	2,192	2,317	2,454	2,597	2,742	2,891	3,048
Positions available to be repurposed	36	38	39	41	43	46	49	51	54	57
<b>Total CEO's Office</b>	<b>18,515</b>	<b>19,193</b>	<b>19,993</b>	<b>20,827</b>	<b>22,012</b>	<b>23,313</b>	<b>24,669</b>	<b>26,050</b>	<b>27,467</b>	<b>28,960</b>
<b>Strategy &amp; Policy Impact</b>										
Permanent - Full time	6,531	6,770	7,052	7,347	7,765	8,224	8,702	9,189	9,689	10,215
Female	3,401	3,526	3,673	3,826	4,044	4,283	4,532	4,785	5,046	5,320
Male	2,487	2,578	2,685	2,797	2,957	3,131	3,314	3,499	3,689	3,890
Positions available to be repurposed	643	666	694	723	764	810	857	905	954	1,006
Permanent - Part time	161	166	173	181	191	202	214	226	238	251
Positions available to be repurposed	161	166	173	181	191	202	214	226	238	251
<b>Total Strategy &amp; Policy Impact</b>	<b>6,692</b>	<b>6,937</b>	<b>7,226</b>	<b>7,527</b>	<b>7,955</b>	<b>8,426</b>	<b>8,916</b>	<b>9,415</b>	<b>9,927</b>	<b>10,467</b>
<b>City Design &amp; Liveability</b>										
Permanent - Full time	20,092	20,827	21,696	22,601	23,887	25,299	26,770	28,268	29,807	31,426
Female	9,600	9,951	10,366	10,799	11,413	12,088	12,791	13,507	14,242	15,016
Male	9,733	10,089	10,510	10,949	11,571	12,255	12,968	13,694	14,439	15,224
Positions available to be repurposed	759	787	819	853	902	955	1,011	1,067	1,126	1,187
Permanent - Part time	759	787	820	854	903	956	1,012	1,068	1,126	1,188
Female	377	390	407	424	448	474	502	530	559	589
Male	265	274	286	298	315	333	353	373	393	414
Positions available to be repurposed	118	122	127	133	140	148	157	166	175	184
<b>Total City Design &amp; Liveability</b>	<b>20,851</b>	<b>21,614</b>	<b>22,515</b>	<b>23,455</b>	<b>24,789</b>	<b>26,255</b>	<b>27,782</b>	<b>29,336</b>	<b>30,933</b>	<b>32,614</b>
<b>City Life</b>										
Permanent - Full time	23,565	24,427	25,445	26,507	28,015	29,671	31,397	33,154	34,958	36,857
Female	17,395	18,031	18,783	19,567	20,680	21,902	23,176	24,473	25,805	27,207
Male	3,909	4,052	4,221	4,397	4,647	4,922	5,208	5,500	5,799	6,114
Self-described gender	113	117	122	127	135	143	151	159	168	177
Positions available to be repurposed	2,147	2,226	2,319	2,416	2,553	2,704	2,861	3,021	3,186	3,359
Permanent - Part time	22,831	23,666	24,652	25,681	27,142	28,746	30,419	32,121	33,869	35,709
Female	19,925	20,654	21,515	22,413	23,688	25,088	26,547	28,033	29,559	31,165
Male	1,176	1,219	1,270	1,323	1,398	1,481	1,567	1,655	1,745	1,840
Positions available to be repurposed	1,729	1,793	1,867	1,945	2,056	2,177	2,304	2,433	2,565	2,705
<b>Total City Life</b>	<b>46,395</b>	<b>48,093</b>	<b>50,098</b>	<b>52,187</b>	<b>55,157</b>	<b>58,417</b>	<b>61,816</b>	<b>65,274</b>	<b>68,827</b>	<b>72,567</b>
<b>City Operations</b>										
Permanent - Full time	29,152	30,219	31,479	32,792	34,658	36,706	38,842	41,015	43,247	45,597
Female	6,192	6,419	6,686	6,965	7,361	7,796	8,250	8,712	9,186	9,685
Male	21,376	22,158	23,082	24,045	25,413	26,915	28,481	30,074	31,711	33,434
Self-described gender	0	0	0	0	0	0	0	0	0	0
Positions available to be repurposed	1,584	1,642	1,711	1,782	1,884	1,995	2,111	2,229	2,351	2,478
Permanent - Part time	3,320	3,442	3,585	3,735	3,947	4,180	4,424	4,671	4,925	5,193
Female	1,806	1,872	1,950	2,031	2,147	2,274	2,406	2,541	2,679	2,824
Male	1,269	1,315	1,370	1,427	1,508	1,597	1,690	1,785	1,882	1,984
Positions available to be repurposed	246	255	265	276	292	309	327	346	364	384
<b>Total City Operations</b>	<b>32,473</b>	<b>33,661</b>	<b>35,064</b>	<b>36,527</b>	<b>38,605</b>	<b>40,887</b>	<b>43,266</b>	<b>45,686</b>	<b>48,173</b>	<b>50,790</b>
<b>Deals, Investments &amp; Major Projects</b>										
Permanent - Full time	148	153	160	166	176	186	197	208	219	231
Male	148	153	160	166	176	186	197	208	219	231
<b>Total Deals, Investments &amp; Major Projects</b>	<b>148</b>	<b>153</b>	<b>160</b>	<b>166</b>	<b>176</b>	<b>186</b>	<b>197</b>	<b>208</b>	<b>219</b>	<b>231</b>
<b>Western Leisure Services</b>										
Permanent - Full time	2,785	2,887	3,007	3,133	3,311	3,507	3,711	3,918	4,131	4,356
Female	1,504	1,559	1,624	1,692	1,788	1,894	2,004	2,116	2,231	2,352
Male	1,281	1,328	1,383	1,441	1,523	1,613	1,707	1,802	1,900	2,004
Permanent - Part time	721	747	778	811	857	908	960	1,014	1,069	1,127
Female	497	516	537	559	591	626	663	700	738	778
Male	223	232	241	251	266	281	298	314	331	349
<b>Total Western Leisure Services</b>	<b>3,506</b>	<b>3,634</b>	<b>3,785</b>	<b>3,943</b>	<b>4,168</b>	<b>4,414</b>	<b>4,671</b>	<b>4,932</b>	<b>5,201</b>	<b>5,483</b>
<b>Casuals, temporary and other expenditure</b>	<b>48,666</b>	<b>50,446</b>	<b>52,549</b>	<b>54,741</b>	<b>57,621</b>	<b>60,499</b>	<b>63,492</b>	<b>66,541</b>	<b>69,671</b>	<b>72,955</b>
<b>Capitalised labour costs</b>	<b>-6,512</b>	<b>-6,626</b>	<b>-6,759</b>	<b>-6,894</b>	<b>-7,293</b>	<b>-7,460</b>	<b>-7,631</b>	<b>-7,806</b>	<b>-7,985</b>	<b>-8,168</b>
<b>Total staff expenditure</b>	<b>170,733</b>	<b>177,105</b>	<b>184,631</b>	<b>192,480</b>	<b>203,190</b>	<b>214,936</b>	<b>227,177</b>	<b>239,637</b>	<b>252,432</b>	<b>265,899</b>

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	FTE									
<b>CEO's Office</b>										
Permanent - Full time	148	148	148	148	151	154	157	159	161	164
Female	104	104	104	104	106	108	110	112	113	115
Male	41	41	41	41	42	43	43	44	45	45
Positions available to be repurposed	3	3	3	3	3	3	3	3	3	3
Permanent - Part time	26	26	26	26	27	27	28	28	29	29
Female	26	26	26	26	26	27	27	28	28	29
<b>Total CEO's Office</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>178</b>	<b>181</b>	<b>185</b>	<b>187</b>	<b>190</b>	<b>193</b>
<b>Strategy &amp; Policy Impact</b>										
Permanent - Full time	54	54	54	54	56	57	58	58	59	60
Female	29	29	29	29	30	30	31	31	32	32
Male	21	21	21	21	21	21	22	22	22	23
Positions available to be repurposed	5	5	5	5	5	5	5	5	5	5
Permanent - Part time	1	1	1	1	1	1	1	1	1	1
Positions available to be repurposed	1	1	1	1	1	1	1	1	1	1
<b>Total Strategy &amp; Policy Impact</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>56</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>60</b>	<b>61</b>
<b>City Design &amp; Liveability</b>										
Permanent - Full time	186	186	186	186	190	193	197	200	203	206
Female	94	94	94	94	96	98	100	101	102	104
Male	84	84	84	84	86	87	89	90	92	93
Positions available to be repurposed	8	8	8	8	8	8	8	9	9	9
Permanent - Part time	7	7	7	7	7	8	8	8	8	8
Female	4	4	4	4	4	4	4	4	4	4
Male	2	2	2	2	2	2	2	2	2	2
Positions available to be repurposed	1	1	1	1	1	1	1	1	1	1
<b>Total City Design &amp; Liveability</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>193</b>	<b>197</b>	<b>201</b>	<b>205</b>	<b>208</b>	<b>211</b>	<b>214</b>
<b>City Life</b>										
Permanent - Full time	229	229	229	229	234	238	243	246	250	254
Female	167	167	167	167	171	174	177	180	182	185
Male	38	38	38	38	39	40	40	41	41	42
Self-described gender	1	1	1	1	1	1	1	1	1	1
Positions available to be repurposed	23	23	23	23	23	24	24	25	25	25
Permanent - Part time	280	280	280	280	286	291	296	301	305	309
Female	246	246	246	246	251	256	260	264	268	272
Male	12	12	12	12	13	13	13	13	13	14
Positions available to be repurposed	22	22	22	22	22	22	23	23	23	24
<b>Total City Life</b>	<b>509</b>	<b>509</b>	<b>509</b>	<b>509</b>	<b>520</b>	<b>529</b>	<b>539</b>	<b>547</b>	<b>555</b>	<b>563</b>
<b>City Operations</b>										
Permanent - Full time	332	332	332	332	339	345	351	357	362	367
Female	69	69	69	69	70	72	73	74	75	76
Male	243	243	243	243	248	252	257	261	265	269
Positions available to be repurposed	20	20	20	20	20	21	21	21	22	22
Permanent - Part time	49	49	49	49	50	51	52	53	54	54
Female	27	27	27	27	28	28	29	29	30	30
Male	20	20	20	20	20	21	21	21	22	22
Positions available to be repurposed	2	2	2	2	2	2	2	2	2	2
<b>Total City Operations</b>	<b>381</b>	<b>381</b>	<b>381</b>	<b>381</b>	<b>389</b>	<b>396</b>	<b>403</b>	<b>410</b>	<b>415</b>	<b>422</b>
<b>Deals, Investments &amp; Major Projects</b>										
Permanent - Full time	1	1	1	1	1	1	1	1	1	1
Male	1	1	1	1	1	1	1	1	1	1
<b>Total Deals, Investments &amp; Major Projects</b>	<b>1</b>									
<b>Western Leisure Services</b>										
Permanent - Full time	39	40	41	41	42	43	44	44	45	46
Female	21	21	22	22	23	23	24	24	24	25
Male	18	18	19	19	20	20	20	21	21	21
Permanent - Part time	10	11	11	11	11	11	11	12	12	12
Female	7	7	7	8	8	8	8	8	8	8
Male	3	3	3	3	3	3	3	3	3	4
<b>Total Western Leisure Services</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>56</b>	<b>57</b>	<b>58</b>
<b>Casuals and temporary staff</b>	<b>201</b>	<b>202</b>	<b>204</b>	<b>206</b>	<b>216</b>	<b>227</b>	<b>238</b>	<b>250</b>	<b>262</b>	<b>274</b>
<b>Capitalised labour</b>	<b>-49</b>									
<b>Total staff numbers</b>	<b>1,515</b>	<b>1,517</b>	<b>1,520</b>	<b>1,523</b>	<b>1,562</b>	<b>1,598</b>	<b>1,635</b>	<b>1,669</b>	<b>1,702</b>	<b>1,736</b>

#### 4.1.6 Statement of Changes in Equity

The Statement of Changes in Equity records key components of growth in net value of the assets of the organisation as recorded in the Balance sheet. This movement highlights the results from the Comprehensive Income Statement, net asset revaluation movements and net transfers to and from reserves.

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2021 Forecast Actual</b>				
Balance at beginning of the financial year	4,551,614	2,472,599	1,741,950	337,065
Surplus/(deficit) for the year	185,519	185,519	-	-
Net asset revaluation increment/(decrement)	8,926	-	8,926	-
Transfers to other reserves	-	(41,000)	-	41,000
Transfers from other reserves	-	22,472	-	(22,472)
<b>Balance at end of the financial year</b>	<b>4,746,059</b>	<b>2,639,590</b>	<b>1,750,877</b>	<b>355,593</b>
<b>2022</b>				
Balance at beginning of the financial year	4,746,059	2,639,590	1,750,877	355,593
Surplus/(deficit) for the year	181,365	181,365	-	-
Net asset revaluation increment/(decrement)	158,651	-	158,651	-
Transfers to other reserves	-	(41,632)	-	41,632
Transfers from other reserves	-	67,338	-	(67,338)
<b>Balance at end of the financial year</b>	<b>5,086,075</b>	<b>2,846,661</b>	<b>1,909,527</b>	<b>329,887</b>
<b>2023</b>				
Balance at beginning of the financial year	5,086,075	2,846,661	1,909,527	329,887
Surplus/(deficit) for the year	163,545	163,545	-	-
Net asset revaluation increment/(decrement)	17,072	-	17,072	-
Transfers to other reserves	-	(73,710)	-	73,710
Transfers from other reserves	-	47,551	-	(47,551)
<b>Balance at end of the financial year</b>	<b>5,266,693</b>	<b>2,984,047</b>	<b>1,926,600</b>	<b>356,046</b>
<b>2024</b>				
Balance at beginning of the financial year	5,266,693	2,984,047	1,926,600	356,046
Surplus/(deficit) for the year	158,838	158,838	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(68,744)	-	68,744
Transfers from other reserves	-	64,144	-	(64,144)
<b>Balance at end of the financial year</b>	<b>5,425,531</b>	<b>3,138,286</b>	<b>1,926,600</b>	<b>360,646</b>
<b>2025</b>				
Balance at beginning of the financial year	5,425,531	3,138,286	1,926,600	360,646
Surplus/(deficit) for the year	155,522	155,522	-	-
Net asset revaluation increment/(decrement)	202,381	-	202,381	-
Transfers to other reserves	-	(72,654)	-	72,654
Transfers from other reserves	-	70,527	-	(70,527)
<b>Balance at end of the financial year</b>	<b>5,783,434</b>	<b>3,291,680</b>	<b>2,128,980</b>	<b>362,774</b>
<b>2026</b>				
Balance at beginning of the financial year	5,783,434	3,291,680	2,128,980	362,774
Surplus/(deficit) for the year	174,315	174,315	-	-
Net asset revaluation increment/(decrement)	2,178	-	2,178	-
Transfers to other reserves	-	(72,201)	-	72,201
Transfers from other reserves	-	15,558	-	(15,558)
<b>Balance at end of the financial year</b>	<b>5,959,927</b>	<b>3,409,352</b>	<b>2,131,158</b>	<b>419,417</b>

<b>2027</b>				
Balance at beginning of the financial year	5,959,927	3,409,352	2,131,158	419,417
Surplus/(deficit) for the year	142,151	142,151	-	-
Net asset revaluation increment/(decrement)	17,982	-	17,982	-
Transfers to other reserves	-	(63,625)	-	63,625
Transfers from other reserves	-	22,659	-	(22,659)
<b>Balance at end of the financial year</b>	<b>6,120,061</b>	<b>3,510,538</b>	<b>2,149,141</b>	<b>460,383</b>
<b>2028</b>				
Balance at beginning of the financial year	6,120,061	3,510,538	2,149,141	460,383
Surplus/(deficit) for the year	149,677	149,677	-	-
Net asset revaluation increment/(decrement)	208,698	-	208,698	-
Transfers to other reserves	-	(65,571)	-	65,571
Transfers from other reserves	-	22,085	-	(22,085)
<b>Balance at end of the financial year</b>	<b>6,478,435</b>	<b>3,616,728</b>	<b>2,357,838</b>	<b>503,868</b>
<b>2029</b>				
Balance at beginning of the financial year	6,478,435	3,616,728	2,357,838	503,868
Surplus/(deficit) for the year	125,842	125,842	-	-
Net asset revaluation increment/(decrement)	21,729	-	21,729	-
Transfers to other reserves	-	(57,122)	-	57,122
Transfers from other reserves	-	21,650	-	(21,650)
<b>Balance at end of the financial year</b>	<b>6,626,006</b>	<b>3,707,098</b>	<b>2,379,567</b>	<b>539,341</b>
<b>2030</b>				
Balance at beginning of the financial year	6,626,006	3,707,098	2,379,567	539,341
Surplus/(deficit) for the year	116,891	116,891	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(55,308)	-	55,308
Transfers from other reserves	-	12,080	-	(12,080)
<b>Balance at end of the financial year</b>	<b>6,742,897</b>	<b>3,780,761</b>	<b>2,379,567</b>	<b>582,569</b>
<b>2031</b>				
Balance at beginning of the financial year	6,742,897	3,780,761	2,379,567	582,569
Surplus/(deficit) for the year	118,109	118,109	-	-
Net asset revaluation increment/(decrement)	245,024	-	245,024	-
Transfers to other reserves	-	(57,693)	-	57,693
Transfers from other reserves	-	900	-	(900)
<b>Balance at end of the financial year</b>	<b>7,106,030</b>	<b>3,842,077</b>	<b>2,624,592</b>	<b>639,362</b>

## 4.2 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 Actual											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	1	(7.7%)	(9.8%)	(12.3%)	(9.5%)	(8.5%)	(7.3%)	(7.1%)	(5.9%)	(4.7%)	(4.0%)	(3.7%)	+
<b>Liquidity</b>														
Working Capital	Current assets / current liabilities	2	547.6%	514.3%	491.4%	492.3%	489.5%	508.4%	524.5%	536.6%	540.0%	546.5%	565.3%	o
<b>Obligations</b>														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	23.6%	33.7%	49.7%	49.1%	48.7%	47.5%	47.0%	37.7%	30.1%	29.2%	21.2%	o
Interest Cover	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		1.0%	16.7%	5.5%	6.0%	6.5%	11.8%	8.1%	7.7%	7.4%	7.9%	7.5%	o
Indebtedness	Non-current liabilities / own source revenue		36.8%	40.0%	49.9%	48.5%	47.8%	45.7%	45.8%	38.0%	31.7%	30.5%	23.9%	o
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	5	42.1%	57.6%	60.7%	63.3%	74.5%	52.9%	47.8%	49.0%	48.4%	53.7%	51.7%	-
<b>Stability</b>														
Rates concentration	Rate revenue / adjusted underlying revenue	6	64.8%	66.3%	65.9%	66.5%	67.7%	67.8%	68.1%	68.3%	68.5%	68.7%	68.8%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	o

Indicator	Measure	Notes	Forecast Actual											Trend
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
<b>Efficiency</b>														
Expenditure level	Total expenses/ no. of property assessments		\$3,395	\$3,524	\$3,632	\$3,581	\$3,557	\$3,596	\$3,661	\$3,698	\$3,734	\$3,787	\$3,859	+
Revenue level	Total rate revenue / no. of property assessments		\$1,805	\$1,816	\$1,848	\$1,885	\$1,923	\$1,968	\$2,014	\$2,063	\$2,111	\$2,161	\$2,211	+

### 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 essential services and meet its objectives. The year end surplus and total revenue is adjusted to remove non-recurrent capital grants, capital cash and non-cash contributions, which will then result in an indicator that better demonstrates Council's underlying operating position. Insufficient surplus being generated to fund operations is projected for Budget year 21/22 and future years.

### 2. Working Capital

The proportion of current assets compared to current liabilities and an indicator of the broad objective that sufficient working capital is available to pay for commitments as and when they fall due. Budgeted to remain stable in the 2021/22 year even after the spending of cash reserves to complete that year's capital program. The trend in outer years is to remain stable and within targeted levels. When considering the high liquidity result it should be noted that currently approximately 65% of Wyndham current assets are developer contribution cash reserves which are restricted to specific project.

### 3. Unrestricted Cash

Although aggregate cash holdings are increasing, this is primarily due to the steady inflow in developer contributions. The developer contribution funds are required to be held for specific projects and are therefore considered 'restricted' funds. This leaves a lower proportion of our cash holdings that are unrestricted.

### 4. Debt compared to rates

Debt compared to rates - Indicator of the broad objective that the level of interest bearing loans and borrowings (including repayments) should be appropriate to the size and nature of a council activities. Trend reflects Council's intention to borrow further funds of up to \$70 million in 21/22. Council currently has \$55 million of external borrowings, with \$40 million of that maturing in 2021/22. Ratio increases between 2022/23 and 2028/29 with borrowings for capital expenditure.

### 5. Asset renewal

This percentage indicates the amount of spend by Council on renewal of assets against the depreciation charge (depreciation is an indication of the decline in the value of its existing capital assets). Wyndham is in a high growth phase and this requires capital funding to be prioritised towards new assets. The level of funding allocated to asset renewal is reviewed as part of the planning and budgeting process and Council continues to actively seek out opportunities to renew and maintain its asset base.

### 6. Rates concentration

An indicator of the broad objective that revenue should be generated from a range of sources. Trend indicates a steady reliance on rate revenue compared to all other revenue sources during this 10 year period.

#### Calculation of Adjusted Underlying surplus / (deficit)

The following table shows how the adjusted underlying result has been calculated.

#### Adjusted Underlying Result

	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
Total Income	573,220	598,549	609,181	615,546	627,093	669,424	664,545	694,987	693,688	709,952	739,587
Total expenses	387,701	417,184	445,636	456,708	471,571	495,109	522,394	545,310	567,846	593,061	621,479
<b>Surplus/(deficit) for the year</b>	<b>185,519</b>	<b>181,365</b>	<b>163,545</b>	<b>158,838</b>	<b>155,522</b>	<b>174,315</b>	<b>142,151</b>	<b>149,677</b>	<b>125,842</b>	<b>116,891</b>	<b>118,109</b>
<b>Less non-operating income and expenses</b>											
Grants - Capital (non-recurrent)	(17,345)	(27,257)	(11,685)	(7,458)	(10,139)	(7,871)	(5,499)	(6,299)	(6,299)	(3,299)	(799)
Contributions - monetary (capital)	(41,000)	(67,549)	(69,897)	(64,344)	(67,904)	(67,423)	(57,681)	(58,580)	(48,960)	(46,021)	(47,070)
Contributions - non-monetary	(155,000)	(123,843)	(129,957)	(126,907)	(114,474)	(132,680)	(113,508)	(115,278)	(96,346)	(90,564)	(92,628)
<b>Adjusted underlying surplus/(deficit)</b>	<b>(27,826)</b>	<b>(37,283)</b>	<b>(47,993)</b>	<b>(39,870)</b>	<b>(36,995)</b>	<b>(33,659)</b>	<b>(34,536)</b>	<b>(30,479)</b>	<b>(25,762)</b>	<b>(22,993)</b>	<b>(22,388)</b>

## 4.3 Strategies and Plans

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

### 4.3.1 Borrowing Strategy

Council will consider loan borrowings for:

- New assets that provide inter generational equity where the asset life and benefit to the community is greater than one generation;
- The acquisition of land, where the acquisition will have a long term benefit to the community; or
- The acquisition of land and other assets where there is potential for commercial or other economic benefit ie. capital appreciation, will flow to the community.

Council will not consider loan borrowings:

- To fund operating expenditure other than calls made by Council in relation to the Defined Benefit Superannuation Fund; or
- To fund recurrent capital works ie. road resurfacing.

Prior to undertaking loan borrowings, Council will consider options to reduce overall reliance on borrowings. Each year, Council will review any material favourable operating budget variations realised and consider if these funds should be quarantined and allocated to:

- Offset Council's Long term liability accounts ie. Long Service Leave, Defined Benefits Superannuation;
- Reduce the level of borrowings proposed in the current financial year;
- Reduce the level of borrowings anticipated in future financial years;
- Repay existing loan borrowings where this is of financial benefit to Council;
- Fund the replacement of existing infrastructure assets (asset renewal); and
- Hold as contingency to offset any project risks identified.

#### 4.3.1.1 Current Debt Position

The total amount borrowed as at 30 June 21 is \$55M.

#### 4.3.1.2 Future Borrowing Requirements

	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	
<b>Opening balance</b>	55,000	55,000	85,000	130,023	136,317	143,365	148,879	156,280	132,682	111,964	114,549	
Plus New loans	0	70,000	56,596	19,925	23,069	39,062	30,479	0	3,749	30,342	1,500	
Less Principal repayment	0	(40,000)	(11,572)	(13,632)	(16,021)	(33,547)	(23,078)	(23,598)	(24,467)	(27,757)	(28,517)	
<b>Closing balance</b>	55,000	85,000	130,023	136,317	143,365	148,879	156,280	132,682	111,964	114,549	87,532	
Interest payment												

Performance Indicator	Target	Forecast / Actual										
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		%	%	%	%	%	%	%	%	%	%	%
Total borrowings / Rate revenue	Below 60%	23.60%	33.74%	49.69%	49.12%	48.68%	47.54%	47.00%	37.69%	30.12%	29.23%	21.21%
Debt servicing / Rate revenue	Below 5%	1.03%	0.87%	1.03%	1.04%	1.05%	1.05%	1.17%	0.96%	0.79%	0.78%	0.60%
Debt commitment / Rate revenue	Below 10%	1.03%	16.74%	5.46%	5.95%	6.49%	11.76%	8.11%	7.66%	7.37%	7.86%	7.51%
Indebtedness / Own source revenue	Below 50%	36.84%	40.02%	49.95%	48.54%	47.81%	45.75%	45.79%	38.05%	31.70%	30.50%	23.88%

## **4.3.2 Reserves Strategy**

### **4.3.2.1 Current Reserves**

#### **Restricted reserves**

##### **Developers Contribution Reserve**

Purpose – These reserves retain funds received from developers for infrastructure provision relating to Council's Development Contributions Plans and earlier Concept Plans. Council has six Development Contributions Plans and three Concept Plans, with reserves established to manage levy income contributed by developers.

Movements – Transfers from these reserves are for nominated development infrastructure and community infrastructure capital works projects. The funds concerned are tied directly to cash development contributions received, as well as credits (or cash reimbursements) for agreed in-kind works and land contributions by developers for Development Contributions Plan projects.

##### **Passive Open Space Reserve**

Purpose – Landowners are required to contribute passive open space land in locations, and at the percentage of net developable area, specified in the relevant Precinct Structure Plan. Where the relevant Precinct Structure Plan requires a landowner to contribute less than the specified percentage as land, a cash equalisation payment is made by that landowner to bring the total contribution up to the specified percentage for the Precinct Structure Plan concerned. Conversely, in cases where a landowner's required passive open space land contribution is higher than the specified percentage they are entitled to an equalisation reimbursement equivalent to the value of their excess contribution.

Movements – Equalisation cash payments into the respective passive open space reserves are received from under-contributing landowners and equalisation cash reimbursements are subsequently made to over-contributing

##### **Werribee South Foreshore**

Purpose – This reserve was paid by Wyndham Harbour developers as a requirement of a 100 year lease on the marina bed where the harbour was constructed.

Movements – The reserve accrues interest annually to preserve the purchasing power of the contributed funds. Funds must be spent on the preservation of the Werribee South Foreshore.

##### **Street Lighting Reserve**

Purpose – Funds to be spent on the maintenance and future replacement of non-standard street lights. When a Developer chooses to install non-standard (decorative) street lights and is approved by Council, then Council is responsible for the ongoing maintenance of the non-stand light.

Movements – A fee is collected from the Developer of each non-standard light installed to compensate Council for the ongoing maintenance and future replacement cost of the light. Council no longer accepts non-standard public lights to be installed in new estates. The reserve accrues interest annually to preserve the purchasing power of the contributed funds.

##### **Werribee CBD Car Parking**

Purpose – The funds in this reserve are to be spent on providing public car parking in the Werribee CBD. Companies and individuals in the area, are required, as part of their planning permit application, to provide additional car park spaces to support the business in the Werribee CBD.

Movements – Companies and individuals can choose to pay a contribution rather than providing the required car park spaces. The reserve accrues interest annually to preserve the purchasing power of the funds contributed.

### **Environmental Land Reserve**

Purpose – The funds in this reserve are to purchase and maintain land of conservation significance. If land is deemed to be of conservation significance (conservation overlay) and the developer wants to develop the land, they can choose to pay compensation that will be applied towards purchasing land offsets and to maintain this land.

Movements – This reserve increases from payments made by companies and individuals that choose to pay a contribution towards another piece of environmentally significant land. The reserve accrues interest annually to preserve the purchasing power of the funds contributed.

### **VU Athletics Facility**

Purpose – The funds in this reserve are to be spent on upgrading the VU Sports Facility. Council constructed the VU Athletic Facility on land owned by VU. As part of the lease agreement, Council retains any fees charged for the use of the facility in a reserve to be applied toward any future upgrade or renewal capital works.

Movements – Council retains any fees charged for the use of the facility in a reserve to be applied toward any future upgrade or renewal capital works. The reserve accrues interest annually to preserve the purchasing power of the funds contributed.

### **Unrestricted reserves**

#### **Environmental Dividend Policy**

Purpose – This reserve will be used to fund resource recovery and other environmental initiatives.

Movements – Council established an environmental dividend allocating 3% of the annual profit from the Refuse Disposal Facility.

### 4.3.2.2 Reserve Usage Projections

10 Year projection of each reserve fund. Include restrictions to usage.

Reserves	Restricted / Discretionary	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Development Contributions Reserve</b>		<b>Restricted</b>										
Opening balance		318,773	345,210	345,732	368,369	368,866	366,545	418,720	454,059	490,877	518,517	552,796
Transfer to reserve		41313	67861	70188	64640	68206	67733	57997	58903	49290	46359	47416
Transfer from reserve		14,876	67,338	47,551	64,144	70,527	15,558	22,659	22,085	21,650	12,080	900
<b>Closing balance</b>		<b>345,210</b>	<b>345,732</b>	<b>368,369</b>	<b>368,866</b>	<b>366,545</b>	<b>418,720</b>	<b>454,059</b>	<b>490,877</b>	<b>518,517</b>	<b>552,796</b>	<b>599,312</b>
<b>Passive Open Space Reserve</b>		<b>Restricted</b>										
Opening balance		262	246	297	347	397	448	498	548	599	649	699
Transfer to reserve		291	871	871	871	871	871	871	871	871	871	871
Transfer from reserve		307	821	821	821	821	821	821	821	821	821	821
<b>Closing balance</b>		<b>246</b>	<b>297</b>	<b>347</b>	<b>397</b>	<b>448</b>	<b>498</b>	<b>548</b>	<b>599</b>	<b>649</b>	<b>699</b>	<b>750</b>
<b>Werribee South Foreshore Reserve</b>		<b>Restricted</b>										
Opening balance		2,770	2,772	2,702	2,631	2,559	2,486	2,420	2,356	2,293	2,232	2,172
Transfer to reserve		71	28	26	26	25	32	34	35	37	38	39
Transfer from reserve		69	98	98	98	98	98	98	98	98	98	98
<b>Closing balance</b>		<b>2,772</b>	<b>2,702</b>	<b>2,631</b>	<b>2,559</b>	<b>2,486</b>	<b>2,420</b>	<b>2,356</b>	<b>2,293</b>	<b>2,232</b>	<b>2,172</b>	<b>2,113</b>
<b>Street Lighting Reserve</b>		<b>Restricted</b>										
Opening balance		7,883	6,641	6,155	5,662	5,165	4,663	4,171	3,676	3,179	2,677	2,170
Transfer to reserve		203	66	60	56	51	60	58	55	51	45	39
Transfer from reserve		1,445	553	553	553	553	553	553	553	553	553	553
<b>Closing balance</b>		<b>6,641</b>	<b>6,155</b>	<b>5,662</b>	<b>5,165</b>	<b>4,663</b>	<b>4,171</b>	<b>3,676</b>	<b>3,179</b>	<b>2,677</b>	<b>2,170</b>	<b>1,656</b>
<b>Werribee CBD parking</b>		<b>Restricted</b>										
Opening balance		1,697	1,714	1,731	1,748	1,766	1,783	1,806	1,831	1,858	1,888	1,920
Transfer to reserve		17	17	17	17	17	23	25	27	30	32	35
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>		<b>1,714</b>	<b>1,731</b>	<b>1,748</b>	<b>1,766</b>	<b>1,783</b>	<b>1,806</b>	<b>1,831</b>	<b>1,858</b>	<b>1,888</b>	<b>1,920</b>	<b>1,955</b>
<b>Environmental Land Reserves</b>		<b>Restricted</b>										
Opening balance		224	203	182	161	139	118	96	75	53	31	8
Transfer to reserve		2	2	2	2	1	2	1	1	1	1	0
Transfer from reserve		23	23	23	23	23	23	23	23	23	23	23
<b>Closing balance</b>		<b>203</b>	<b>182</b>	<b>161</b>	<b>139</b>	<b>118</b>	<b>96</b>	<b>75</b>	<b>53</b>	<b>31</b>	<b>8</b>	<b>-15</b>

VU Athletics Facility		Restricted										
<b>Opening balance</b>		76	76	75	75	74	74	73	73	73	72	72
Transfer to reserve		1	1	1	1	1	1	1	1	1	1	1
Transfer from reserve		1	1	1	1	1	1	1	1	1	1	1
<b>Closing balance</b>		<b>76</b>	<b>75</b>	<b>75</b>	<b>74</b>	<b>74</b>	<b>73</b>	<b>73</b>	<b>73</b>	<b>72</b>	<b>72</b>	<b>72</b>

Reserves Summary		Total Restricted										
<b>Opening balance</b>		331,686	356,862	356,875	378,993	378,966	376,116	427,785	462,618	498,931	526,066	559,838
Transfer to reserve		41,898	68,846	71,165	65,612	69,173	68,722	58,988	59,894	50,281	47,348	48,401
Transfer from reserve		16,722	68,834	49,047	65,639	72,022	17,053	24,154	23,581	23,146	13,576	2,396
<b>Closing balance</b>		<b>356,862</b>	<b>356,875</b>	<b>378,993</b>	<b>378,966</b>	<b>376,116</b>	<b>427,785</b>	<b>462,618</b>	<b>498,931</b>	<b>526,066</b>	<b>559,838</b>	<b>605,844</b>

Environmental Dividend Reserve		Discretionary										
<b>Opening balance</b>		808	823	517	257	52	72	165	307	502	730	1,012
Transfer to reserve		14	2	48	103	327	401	450	503	536	590	655
Transfer from reserve		0	308	308	308	308	308	308	308	308	308	308
<b>Closing balance</b>		<b>823</b>	<b>517</b>	<b>257</b>	<b>52</b>	<b>72</b>	<b>165</b>	<b>307</b>	<b>502</b>	<b>730</b>	<b>1,012</b>	<b>1,360</b>

Other Discretionary Reserves		Discretionary										
<b>Opening balance</b>		1,105	1,113	1,128	1,142	1,158	1,173	1,192	1,212	1,234	1,258	1,283
Transfer to reserve		11	11	11	11	11	15	17	18	20	21	23
Transfer from reserve		4	4	4	4	4	4	4	4	4	4	4
<b>Closing balance</b>		<b>1,113</b>	<b>1,128</b>	<b>1,142</b>	<b>1,158</b>	<b>1,173</b>	<b>1,192</b>	<b>1,212</b>	<b>1,234</b>	<b>1,258</b>	<b>1,283</b>	<b>1,310</b>

Reserves Summary		Total Discretionary										
<b>Opening balance</b>		1,914	1,935	1,645	1,400	1,210	1,245	1,357	1,519	1,736	1,988	2,295
Transfer to reserve		25	13	59	114	339	416	466	521	556	612	678
Transfer from reserve		4	312	312	312	312	312	312	312	312	312	312
<b>Closing balance</b>		<b>1,935</b>	<b>1,637</b>	<b>1,392</b>	<b>1,202</b>	<b>1,237</b>	<b>1,349</b>	<b>1,511</b>	<b>1,728</b>	<b>1,980</b>	<b>2,288</b>	<b>2,662</b>

Reserves Summary		Restricted & Discretionary										
<b>Opening balance</b>		333,600	358,798	358,519	380,393	380,176	377,361	429,141	464,137	500,667	528,053	562,133
Transfer to reserve		41,923	68,859	71,224	65,727	69,512	69,137	59,454	60,415	50,837	47,960	49,080
Transfer from reserve		16,726	69,145	49,358	65,951	72,334	17,365	24,466	23,893	23,458	13,888	2,707
<b>Closing balance</b>		<b>358,798</b>	<b>358,512</b>	<b>380,385</b>	<b>380,168</b>	<b>377,354</b>	<b>429,134</b>	<b>464,129</b>	<b>500,659</b>	<b>528,046</b>	<b>562,125</b>	<b>608,506</b>