

BENALLA

RURAL CITY COUNCIL

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FINANCIAL PLAN

2023 TO 2032

Contents

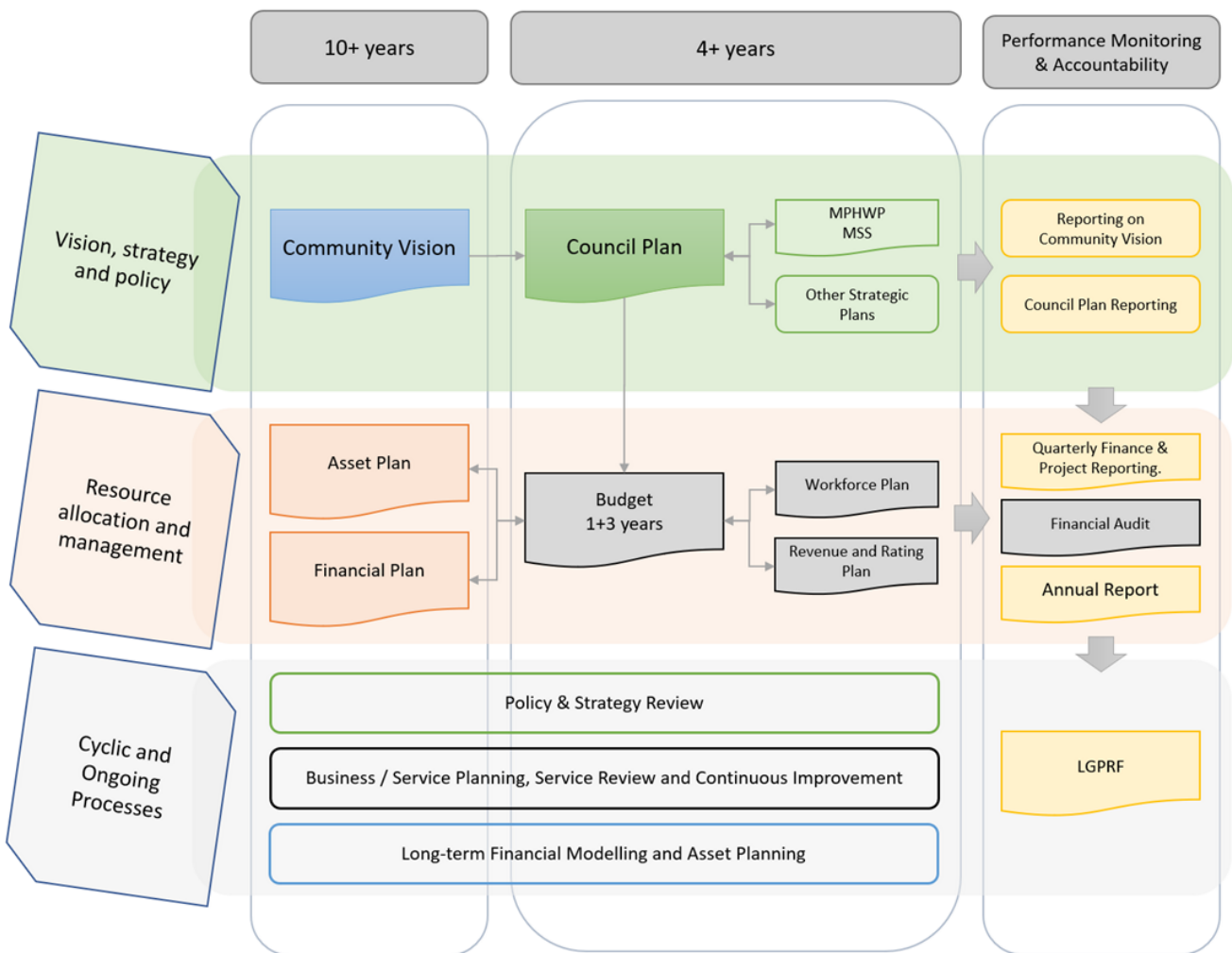
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1. Legislative Requirements

This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning and Reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report). The following diagram provides an overview of the core legislated elements of an integrated strategic planning and reporting framework and outcomes.



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



1.1 Strategic Planning Principles

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

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

1.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

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

1.3 Engagement Principles

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

- a) Draft Financial Plan prepared by management in consultation with the Council. Community input into the plan has been obtained via engagement undertaken in the development of the *2022/23 Budget*, draft *Community Vision 2036* and the *Council Plan 2021-2025*.
- b) Draft Financial Plan placed on public exhibition from 21 April 2022 for a period of at least 28 days. Public submissions invited.
- c) Community engagement conducted using local news outlets and social media. Budget and Financial Plan information session to be held 28 April 2022.
- d) Hearing of public submissions on the Financial Plan (22 May).
- e) Financial Plan, including any revisions, presented to June Council meeting for adoption.

1.4 Service Performance Principles

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

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.

- b) Services are accessible to the relevant users within the community.
- c) Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate council's performance regarding the provision of quality and efficient services.

1.5 Asset Plan Integration

Integration to the Asset Plan is a key principle of the Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery in terms of the plans and the effective management of Council's assets into the future.

The Asset Plan identifies the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan, and associated asset management policies, provide council with a sound base to understand the risk associated with managing its assets for the community's benefit.

The Asset Plan is designed to inform the 10-year Financial Plan by identifying the amount of capital renewal, backlog and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, the risk assessment issues as well as the impact of reviewing and setting intervention and service levels for each asset class.

In addition to identifying the operational and strategic practices that ensure that Council manages assets across their life cycle in a financially sustainable manner, the Asset Plan quantifies the asset portfolio and the financial implications of those practices. Together the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets.

The Asset Plan must be adopted by the Council by 30 June 2022.

2. Financial Plan Context

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

2.1 Financial Policy Statements

This section defines the policy statements, and associated measures, that demonstrates Council's financial sustainability to fund the aspirations of the Community Vision and the Council Plan.

Financial Performance Indicators

Indicator	Measure	Budget 2023	Forecast 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032
Improving underlying result	Adjusted underlying surplus-deficit / Adjusted underlying revenue.	27.9%	27.9%	-3.4%	-3.5%	-2.3%	-3.1%	-4.0%	-3.9%	-3.8%	-3.5%	-3.3%
The Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Interest bearing loans and borrowings / rate revenue	13.6%	13.6%	10.2%	12.4%	9.8%	7.6%	5.8%	4.2%	2.9%	1.7%	1.2%
Improving Liquidity	Current assets / Current liabilities	167%	167%	215%	247%	233%	228%	274%	296%	356%	427%	496%
Indebtedness	Non-current liabilities / own source revenue	39.3%	39.3%	41.5%	47.2%	39.9%	36.8%	34.6%	29.3%	27.6%	31.4%	30.7%
Renewal gap	Renewal and upgrade expenditure / Depreciation	139.4%	174.7%	44.0%	48.6%	63.4%	59.1%	47.6%	39.0%	43.5%	44.8%	45.5%

2.2 Strategic Actions

Council has identified the following strategic actions that will support the aspirations of the Council Plan:

- Meeting service needs of the community (now and in the future) while remaining financially sustainable.
- Adherence to the State Government's Fair Go Rates system with no provision for a rating increases beyond the rate cap.
- Grants are sought and advocated for from other levels of government.
- Accessible services are provided in an equitable manner and are responsive
- Loan borrowings are able to be serviced and maintained at a prudent level.
- Maintaining a strong cash position and positive liquidity ratios.
- Aim to achieve an operating surplus.
- Ensuring decisions are made having regard to their financial effects on future generations.
- Strategic consideration of the appropriate use of surplus cash as the cash position becomes stronger.
- Capital expenditure focuses on asset renewal projects.
- Maintenance of low/medium risks against the Victorian Auditor-General's Office financial indicators.

Engagement undertaken in the development of the *Community Vision 2036* and *Council Plan 2021-2025* identified several unfunded capital works projects that will be investigated in the future. Details of the projects and estimated cost can be found in the table below:

Project	Details	Estimated Cost (2022 dollars)
Benalla Indoor Recreation Centre Redevelopment	Redevelopment as detailed in the <i>Benalla Indoor recreation Centre Master Plan November 2019</i> .	\$10,000,000
Benalla West Drainage	Works to activate further residential development in designated growth area.	\$10,000,000
Benalla Art Gallery Redevelopment Stage 2	Further redevelopment of the Benalla Art Gallery as recommended in the <i>Benalla Art Gallery Feasibility Study Concept Plan and Business Case</i> .	\$7,000,000
New Operations Depot	Relocation of Council Depot to Council-owned land.	\$4,000,000

Project	Details	Estimated Cost (2022 dollars)
Benalla Station Precinct and Benalla CBD Linkage upgrade	Works to link Station Precinct with Benalla central business district on completion of works associated with the Inland Rail project.	\$2,000,000
Shared Pathway: Benalla to Baddaginnie	Construction of pathway identified by community consultation.	\$1,500,000
Landbank Strategy i.e. Council owned land	Purchase of strategic land.	\$1,000,000
Island Precinct Activation project	Development of Jaycee Island Precinct.	\$500,000
Construction of Solar Farm (100-300kw)	Construction of solar farm to offset Council energy use.	\$500,000

2.3 Assumptions to the Financial Plan Statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2022/23 to 2031/32. The assumptions comprise the annual escalations/movement for each line item of the Comprehensive Income Statement.

<i>Revenue (% +/- change or \$ absolute)</i>		Budget 2023	Forecast 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032
Rates and charges - general	%			2.25	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
CIV of rateable properties	\$000	3,742,801	3,742,801	4,117,081	4,528,789	4,981,668	5,479,834	6,027,818	6,630,600	7,293,660	8,023,025	8,825,328
Number of property assessments	no	8,247	8,247	8,329	8,412	8,497	8,581	8,667	8,754	8,842	8,930	9,019
Rates and charges - supplementary	\$	0	0	0	0	0	0	0	0	0	90,000	90,000
Rates and charges - municipal charge	%			2.25	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
Rates and charges - service charges	%			5.00	5.00	5.00	2.00	2.00	2.00	2.00	2.00	2.00
Rates and charges - revenue in lieu	\$			407,436	413,548	419,751	426,047	432,438	438,924	445,508	452,191	458,974
Rates and charges - interest	\$			52,215	52,215	52,215	52,215	52,215	52,215	52,215	52,215	52,215
Statutory fees and fines	%			2.25	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
User fees	%			2.25	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
Grant operating - recurrent	%			2.25	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
Grant operating - non recurrent	%			2.25	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
Contributions - monetary	\$	84,485	84,485	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000
Interest income - investments	\$			37,000	44,000	51,000	58,000	65,000	72,000	79,000	86,000	93,000
Other income	%			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Expenditure (% +/- change or \$ absolute)</i>												
Employee costs	%			1.85	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Employee numbers	FTE	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5
Materials and services	%			2.25	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00
Bad and doubtful debts	\$			12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Other expenses	%			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2.3.1 Rates and charges

Base rate revenue will increase by 1.75 per cent for the 2022/23 year, based on the State Government rate cap, with estimated future annual increases of between 2 per cent and 2.5 per annum for the ensuing years of the long term financial plan.

Waste charges are proposed to increase by 5 per cent until 2026 to defray the total costs of waste management incurred. From 2026, assumed rises decrease to 2 per cent in line with forecast Rates and Charges increases.

2.3.2 Statutory fees and fines

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

2.3.3 User fees

Details of user fees for the 2022/23 budget year can be found in Council's schedule of Fees and Charges that is adopted in conjunction with the budget.

Revenue increases for the ensuing years are based on a conservative annual rate of increase of between 1.75 per cent to reflect, as a minimum, annual increases in line with the State Government rate cap.

2.3.4 Grants

Council currently receives grants for tied (specific purpose grants) and un-tied Financial Assistance grant funding received via the Victorian Local Government Grants Commission.

Operating grants are expected to increase on an annual basis by between 2.25 per cent and 2.5 per cent.

The only capital grant income forecast from 2024 is \$804,000 in Australian Government Roads to Recovery funding. Ongoing funding under this program has not been confirmed, however, it is highly unlikely that it will be stopped.

2.3.5 Employee costs

The Council's Enterprise Agreement is in the process of being finalised with the Fair Work Commission. Based on the EA, employee costs are forecast to increase by 1.85 per cent in 2024 then by 2 per cent.

2.3.6 Depreciation and amortisation

Depreciation estimates have been based on the projected capital spending contained within the Financial Plan. Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets.

2.3.7 Borrowing costs

Borrowing costs comprise the interest expense to service Council's loan portfolio that is described in Section 5.1 Borrowing Strategy.

2.3.8 Other expenses

Other expenses include administration costs such as Councillor allowances, election costs, sponsorships, partnerships, community grants, lease expenditure, fire services property levy, audit costs and other costs associated with the day to day running of Council.

3. Financial Plan Statements

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

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

3.1 Comprehensive Income Statement

	Budget 2023 \$000	Forecast 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000
Income											
Rates and charges	20,679	20,679	21,251	21,882	22,534	22,981	23,438	23,903	24,378	24,953	25,584
Statutory fees and fines	474	474	484	497	509	519	529	540	551	562	573
User fees	4,602	4,602	4,752	4,882	5,353	5,460	5,569	5,680	5,794	5,910	6,028
Grants - operating	3,185	3,185	6,298	6,455	6,617	6,749	6,884	7,022	7,162	7,305	7,451
Grants - capital	7,644	7,644	804	804	804	804	804	804	804	804	804
Contributions - monetary	84	84	181	181	181	181	181	181	181	181	181
Contributions - non-monetary	96	96	0	0	0	0	0	0	0	0	0
Net gain/-loss on disposal of property, infrastructure, plant and equipment	25	25	25	25	25	25	25	25	25	25	25
Other income	73	73	80	87	94	101	108	115	122	129	136
Total income	36,862	36,862	33,876	34,813	36,116	36,820	37,538	38,270	39,017	39,868	40,782
Expenses											
Employee costs	12,138	12,138	12,362	12,610	12,825	13,082	13,343	13,610	13,882	14,160	14,443
Materials and services	13,807	13,807	13,742	14,238	14,642	14,936	15,236	15,542	15,855	16,173	16,499
Depreciation	7,489	7,489	8,013	8,286	8,525	9,029	9,538	9,688	9,829	10,000	10,255
Amortisation - intangible assets	477	477	181	181	181	181	181	181	181	181	181
Amortisation - right of use assets	334	334	334	334	334	334	334	334	334	334	334
Bad and doubtful debts	14	14	12	12	12	12	12	12	12	12	12
Borrowing costs	91	91	70	53	70	56	44	34	25	17	11
Finance costs - leases	35	35	32	28	34	34	29	29	37	34	34
Other expenses	949	949	472	478	484	491	497	504	511	518	525
Total expenses	35,333	35,333	35,218	36,220	37,108	38,155	39,214	39,933	40,665	41,429	42,293
Surplus/(deficit) for the year	1,529	1,529	-1,342	-1,406	-992	-1,335	-1,676	-1,663	-1,648	-1,561	-1,511
Other comprehensive income											
Items that will not be classified to surplus or deficit in future periods											
Net asset revaluation increment/ decrement	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive result	1,529	1,529	-1,342	-1,406	-992	-1,335	-1,676	-1,663	-1,648	-1,561	-1,511

3.2 Balance Sheet

	Budget 2023 \$000	Forecast 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000
Assets											
Current assets											
Cash and cash equivalents	11,930	11,930	12,162	14,717	16,353	14,297	16,355	20,269	22,467	25,812	28,892
Trade and other receivables	2,136	2,136	2,173	2,214	2,257	2,286	2,315	2,346	2,377	2,414	2,455
Inventories	34	34	34	34	34	34	34	34	34	34	34
Non-current assets classified as held for resale	0	0	0	0	0	0	0	0	0	0	0
Other assets	174	174	174	174	174	174	174	174	174	174	174
Total current assets	14,275	14,275	14,544	17,139	18,818	16,791	18,878	22,823	25,052	28,434	31,555
Non Current Assets											
Trade and other receivables	0	0	0	0	0	0	0	0	0	0	0
Property, infrastructure, plant and equipment	269,031	269,031	265,350	262,164	259,160	258,680	254,213	248,308	243,347	238,091	233,649
Right of use assets	527	527	493	468	580	563	517	427	673	622	-322
Intangible assets	576	576	1,790	3,032	2,851	2,670	2,489	2,308	2,127	3,522	3,341
Total non-current assets	270,133	270,133	267,632	265,664	262,591	261,913	257,220	251,043	246,146	242,235	236,669
Total Assets	284,408	284,408	282,176	282,803	281,409	278,704	276,098	273,866	271,198	270,669	268,224
Liabilities											
Current Liabilities											
Trade and other payables	3,264	3,264	2,256	2,361	2,429	2,703	2,442	2,362	2,477	2,494	2,609
Trust funds and deposits	839	839	839	839	839	839	839	839	839	839	839
Unearned income	0	0	0	0	0	0	0	0	0	0	0
Provisions	3,526	3,526	2,917	2,985	4,078	3,150	2,967	3,991	3,134	2,917	2,917
Interest-bearing liabilities	633	633	465	497	467	391	346	291	294	107	0
Lease liabilities	277	277	290	254	263	296	285	220	289	303	0
Total current liabilities	8,539	8,539	6,767	6,935	8,075	7,378	6,878	7,703	7,033	6,659	6,364
Non Current Liabilities											
Provisions	7,711	7,711	9,106	10,462	9,301	9,068	9,018	7,944	7,727	9,303	9,303
Interest-bearing liabilities	2,175	2,175	1,710	2,212	1,746	1,355	1,009	718	424	317	317
Lease liabilities	276	276	228	235	321	272	238	209	370	307	307
Total non-current liabilities	10,162	10,162	11,044	12,909	11,367	10,694	10,264	8,871	8,521	9,927	9,927
Total Liabilities	18,701	18,701	17,811	19,844	19,442	18,072	17,142	16,574	15,553	16,586	16,291
Net Assets	265,707	265,707	264,365	262,959	261,967	260,632	258,956	257,292	255,644	254,083	251,933
Equity											
Accumulated surplus	144,048	144,048	142,706	141,300	140,308	138,973	137,297	135,634	133,986	132,424	130,914
Reserves	121,659	121,659	121,659	121,659	121,659	121,659	121,659	121,659	121,659	121,659	121,659
Total Equity	265,707	265,707	264,365	262,959	261,967	260,632	258,956	257,292	255,644	254,083	252,572

3.3 Statement of Changes in Equity

	Total \$000	Accumulated Surplus \$000	Revaluation Reserve \$000	Other Reserves \$000
2023				
Balance at beginning of the year	264,178	142,589	120,707	882
Surplus/-deficit for the year	1,529	1,529	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfers to other reserves	0	-70	0	70
Transfers from other reserves	0	0	0	0
Balance at the end of the year	265,707	144,048	120,707	952
Forecast				
2023				
Balance at beginning of the year	264,178	142,589	120,707	882
Surplus/(deficit) for the year	1,529	1,529	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfers to other reserves	0	-70	0	70
Transfers from other reserves	0	0	0	0
Balance at the end of the year	265,707	144,048	120,707	952
2024				
Balance at beginning of the year	265,707	144,048	120,707	952
Surplus/(deficit) for the year	-1,342	-1,342	0	0
Net asset revaluation increment/-decrement	0	0	0	0
Transfers to other reserves	0	0	0	0
Transfers from other reserves	0	0	0	0
Balance at the end of the year	264,365	142,706	120,707	952

Statement of Changes in Equity (cont.)

	Total \$000	Accumulated Surplus \$000	Revaluation Reserve \$000	Other Reserves \$000
2025				
Balance at beginning of the year	264,365	142,706	120,707	952
Surplus/(deficit) for the year	-1,406	-1,406	0	0
Net asset revaluation increment/-decrement	0	0	0	0
Transfers to other reserves	0	0	0	0
Transfers from other reserves	0	0	0	0
Balance at the end of the year	262,959	141,300	120,707	952
2026				
Balance at beginning of the year	262,959	141,300	120,707	952
Surplus/(deficit) for the year	-992	-992	0	0
Net asset revaluation increment/-decrement	0	0	0	0
Transfers to other reserves	0	0	0	0
Transfers from other reserves	0	0	0	0
Balance at the end of the year	261,967	140,308	120,707	952
2027				
Balance at beginning of the year	261,967	140,308	120,707	952
Surplus/(deficit) for the year	-1,335	-1,335	0	0
Net asset revaluation increment/-decrement	0	0	0	0
Transfers to other reserves	0	0	0	0
Transfers from other reserves	0	0	0	0
Balance at the end of the year	260,632	138,973	120,707	952

Statement of Changes in Equity (cont.)

	Total \$000	Accumulated Surplus \$000	Revaluation Reserve \$000	Other Reserves \$000
2028				
Balance at beginning of the year	260,632	138,973	120,707	952
Surplus/(deficit) for the year	-1,676	-1,676	0	0
Net asset revaluation increment/-decrement	0	0	0	0
Transfers to other reserves	0	0	0	0
Transfers from other reserves	0	0	0	0
Balance at the end of the year	258,956	137,297	120,707	952
2029				
Balance at beginning of the year	258,956	137,297	120,707	952
Surplus/(deficit) for the year	-1,663	-1,663	0	0
Net asset revaluation increment/-decrement	0	0	0	0
Transfers to other reserves	0	0	0	0
Transfers from other reserves	0	0	0	0
Balance at the end of the year	257,292	135,634	120,707	952
2030				
Balance at beginning of the year	257,292	135,634	120,707	952
Surplus/(deficit) for the year	-1,648	-1,648	0	0
Net asset revaluation increment/-decrement	0	0	0	0
Transfers to other reserves	0	0	0	0
Transfers from other reserves	0	0	0	0
Balance at the end of the year	255,644	133,986	120,707	952

Statement of Changes in Equity (cont.)

	Total \$000	Accumulated Surplus \$000	Revaluation Reserve \$000	Other Reserves \$000
2031				
Balance at beginning of the year	255,644	133,986	120,707	952
Surplus/(deficit) for the year	-1,561	-1,561	0	0
Net asset revaluation increment/-decrement	0	0	0	0
Transfers to other reserves	0	0	0	0
Transfers from other reserves	0	0	0	0
Balance at the end of the year	254,083	132,424	120,707	952
2032				
Balance at beginning of the year	254,083	132,424	120,707	952
Surplus/(deficit) for the year	-1,511	-1,511	0	0
Net asset revaluation increment/-decrement	0	0	0	0
Transfers to other reserves	0	0	0	0
Transfers from other reserves	0	0	0	0
Balance at the end of the year	252,572	130,914	120,707	952

3.4 Statement of Cash Flows

	Budget 2023 \$000	Forecast 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000
Cash flows from operating activities											
Receipts											
Rates and charges	20,633	20,633	21,214	21,841	22,492	22,952	23,408	23,873	24,347	24,915	25,543
Statutory fees and fines	474	474	484	497	509	519	529	540	551	562	573
User fees	4,602	4,602	4,752	4,882	5,353	5,460	5,569	5,680	5,794	5,910	6,028
Grants - operating	3,185	3,185	6,298	6,455	6,617	6,749	6,884	7,022	7,162	7,305	7,451
Grants - capital	4,659	4,659	804	804	804	804	804	804	804	804	804
Contributions - monetary	84	84	181	181	181	181	181	181	181	181	181
Interest received	30	30	37	44	51	58	65	72	79	86	93
Net trust funds and deposits paid/refunded	0	0	0	0	0	0	0	0	0	0	0
Net GST refund/payment	0	0	0	0	0	0	0	0	0	0	0
Other receipts	43	43	43	43	43	43	43	43	43	43	43
Payments											
Employee costs	-12,138	-12,138	-12,362	-12,610	-12,825	-13,082	-13,343	-13,610	-13,882	-14,160	-14,443
Materials and services	-13,469	-13,469	-15,359	-14,133	-14,641	-15,823	-15,730	-15,672	-16,813	-16,374	-16,383
Other payments	-963	-963	-484	-490	-496	-503	-509	-516	-523	-530	-537
Net cash provided by/used in operating activities	7,140	7,140	5,608	7,514	8,086	7,358	7,901	8,416	7,743	8,743	9,353
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	-16,053	-16,053	-4,332	-5,100	-5,521	-8,550	-5,071	-3,782	-4,867	-4,744	-5,813
Payments for intangible assets	0	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of property, infrastructure, plant and equipment	25	25	25	25	25	25	25	25	25	25	25
Net loans and advances made/repaid	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by/used in investing activities	-16,028	-16,028	-4,307	-5,075	-5,496	-8,525	-5,046	-3,757	-4,842	-4,719	-5,788
Cash flows from financing activities											
Finance costs	-91	-91	-70	-53	-70	-56	-44	-34	-25	-17	-11
Proceeds from borrowings	0	0	0	1,000	0	0	0	0	0	0	0
Repayment of borrowings	-978	-978	-633	-465	-497	-467	-391	-346	-291	-294	-107
Interest paid - lease liability	-35	-35	-32	-28	-34	-34	-29	-29	-37	-34	-34
Repayment of lease liabilities	-328	-328	-335	-338	-351	-332	-334	-337	-350	-333	-333
Net cash provided by/used in financing activities	-1,431	-1,431	-1,070	115	-953	-889	-798	-745	-703	-678	-485
Net increase / -decrease in cash held	-10,319	-10,319	232	2,554	1,636	-2,056	2,058	3,914	2,198	3,345	3,080
Cash and cash equivalents at the beginning of the year	22,249	22,249	11,930	12,162	14,717	16,353	14,297	16,355	20,269	22,467	25,812
Cash and cash equivalents at the end of the year	11,930	11,930	12,162	14,717	16,353	14,297	16,355	20,269	22,467	25,812	28,892

3.5 Statement of Capital Works

	Budget 2023 \$000	Forecast 2023 \$000	Budget 2024 \$000	Budget 2025 \$000	Budget 2026 \$000	Budget 2027 \$000	Budget 2028 \$000	Budget 2029 \$000	Budget 2030 \$000	Budget 2031 \$000	Budget 2032 \$000
Property											
Land	0	0	0	0	0	0	0	0	0	0	0
Buildings	5,850	5,850	100	0	318	192	496	123	512	275	36
Total property	5,850	5,850	100	0	318	192	496	123	512	275	36
Plant and Equipment											
Artworks	0	0	0	0	0	0	0	0	0	0	0
Plant, machinery and equipment	565	565	360	351	455	410	449	344	0	338	510
Fixtures, fittings and furniture	520	520	30	30	207	309	77	79	50	219	52
Computers and telecommunications	512	512	300	180	210	190	210	200	220	200	230
Library books	96	96	96	96	96	96	96	96	96	96	96
Total plant and equipment	1,693	1,693	786	657	968	1,004	832	719	366	853	888
Infrastructure											
Roads	2,821	2,821	1,867	1,985	2,612	2,002	2,522	2,142	2,688	2,259	2,694
Bridges	420	420	210	350	120	250	300	250	400	400	400
Footpaths and cycleways	749	749	100	100	150	150	150	150	150	150	150
Drainage	948	948	660	888	631	359	470	348	462	361	495
Recreational, leisure and community facilities	100	100	0	0	50	0	50	50	50	50	50
Waste management	2,305	2,305	609	1,120	110	4,025	233	0	240	267	1,100
Parks, open spaces and streetscapes	547	547	0	0	100	50	0	0	0	0	0
Aerodromes	65	65	0	0	460	518	18	0	0	130	0
Offstreet carparks	60	60	0	0	0	0	0	0	0	0	0
Other infrastructure	495	495	0	0	3	0	0	0	0	0	0
Total infrastructure	8,510	8,510	3,446	4,443	4,236	7,354	3,743	2,940	3,990	3,617	4,889
Total capital works expenditure	16,053	16,053	4,332	5,100	5,521	8,550	5,071	3,782	4,867	4,744	5,813
Represented by:											
New asset expenditure	2,970	2,970	809	1,074	117	3,064	533	0	590	267	1,150
Asset renewal expenditure	10,439	10,439	3,263	3,976	5,301	5,086	4,488	3,732	4,222	4,397	4,603
Asset upgrade expenditure	2,644	2,644	260	50	103	250	50	50	55	80	60
Asset expansion expenditure	0	0	0	0	0	150	0	0	0	0	0
Total capital works expenditure	16,053	16,053	4,332	5,100	5,521	8,550	5,071	3,782	4,867	4,744	5,813
Funding sources represented by:											
Grants	7,644	7,644	804	804	804	804	804	804	804	804	804
Contributions	0	0	0	0	0	0	0	0	0	0	0
Council cash	8,409	8,409	3,528	3,296	4,717	7,746	4,267	2,978	4,063	3,940	5,009
Borrowings	0	0	0	1,000	0	0	0	0	0	0	0
Total capital works expenditure	16,053	16,053	4,332	5,100	5,521	8,550	5,071	3,782	4,867	4,744	5,813

3.6 Statement of Human Resources

	2023 FTE	2024 FTE	2025 FTE	2026 FTE	2027 FTE	2028 FTE	2029 FTE	2030 FTE	2031 FTE	2032 FTE
CEO Division										
Permanent – Full time										
Female	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Male	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vacant roles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent – Part time										
Female	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Male	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vacant roles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total CEO Division	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Corporate Division										
Permanent – Full time										
Female	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3
Male	48	48	48	48	48	48	48	48	48	48
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant roles	8	8	8	8	8	8	8	8	8	8
Permanent – Part time										
Female	25.71	25.71	25.71	25.71	25.71	25.71	25.71	25.71	25.71	25.71
Male	2.07	2.07	2.07	2.07	2.07	2.07	2.07	2.07	2.07	2.07
Self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vacant roles	2.53	2.53	2.53	2.53	2.53	2.53	2.53	2.53	2.53	2.53
Total Corporate Division	114.61	114.61	114.61	114.61	114.61	114.61	114.61	114.61	114.61	114.61
Total CEO and Corporate Divisions	116.31	116.31	116.31	116.31	116.31	116.31	116.31	116.31	116.31	116.31
Casuals and temporary staff	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18
Capitalised labour	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total staff numbers	117.49	117.49	117.49	117.49	117.49	117.49	117.49	117.49	117.49	117.49

3.7 Planned Human Resource Expenditure

	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000	2032 \$'000
CEO Division										
Permanent – Full time										
Female	82	83	85	87	89	91	92	94	96	98
Male	266	271	276	282	288	293	299	305	311	318
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant roles	0	0	0	0	0	0	0	0	0	0
Permanent – Part time										
Female	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant roles	0	0	0	0	0	0	0	0	0	0
Total CEO Division	348	354	361	369	376	384	392	399	407	416
Corporate Division										
Permanent – Full time										
Female	3,094	3,151	3,214	3,278	3,344	3,410	3,479	3,548	3,619	3,692
Male	5,075	5,172	5,279	5,350	5,448	5,557	5,668	5,781	5,897	6,015
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant roles	729	742	757	772	787	803	819	836	852	869
Permanent – Part time										
Female	2,323	2,366	2,413	2,461	2,510	2,560	2,612	2,664	2,717	2,771
Male	175	178	182	186	190	194	197	201	205	209
Self-described gender	0	0	0	0	0	0	0	0	0	0
Vacant roles	263	268	273	278	284	289	295	301	307	313
Total Corporate Division	11,659	11,877	12,118	12,325	12,562	12,814	13,070	13,331	13,598	13,870
Total CEO and Corporate Divisions	12,007	12,231	12,479	12,694	12,938	13,198	13,462	13,730	14,005	14,286
Casuals, temporary and other expenditure	131	131	131	131	134	135	138	142	144	146
Capitalised labour costs	0	0	0	0	0	0	0	0	0	
Total staff expenditure	12,138	12,362	12,610	12,825	13,072	13,333	13,600	13,872	14,149	14,432

4. Financial Performance Indicators

The following table highlights Council's projected performance across a range of key financial performance indicators.

Indicator	Measure	Budget 2023	Forecast 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032
Operating position												
Adjusted underlying result	Adjusted underlying surplus-deficit / Adjusted underlying revenue	27.9%	27.9%	-3.4%	-3.5%	-2.3%	-3.1%	-4.0%	-3.9%	-3.8%	-3.5%	-3.3%
Liquidity												
Working capital	Current assets / Current liabilities	167%	167%	215%	247%	233%	228%	274%	296%	356%	427%	496%
Unrestricted cash	Unrestricted cash / Current liabilities	119%	119%	153%	186%	180%	170%	212%	240%	294%	361%	426%
Obligations												
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	13.6%	13.6%	10.2%	12.4%	9.8%	7.6%	5.8%	4.2%	2.9%	1.7%	1.2%
Loans and borrowings commitments	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	5.2%	5.2%	3.3%	2.4%	2.5%	2.3%	1.9%	1.6%	1.3%	1.2%	0.5%
Indebtedness	Non-current liabilities / own source revenue	39.3%	39.3%	41.5%	47.2%	39.9%	36.8%	34.6%	29.3%	27.6%	31.4%	30.7%
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	139.4%	174.7%	44.0%	48.6%	63.4%	59.1%	47.6%	39.0%	43.5%	44.8%	45.5%
Stability												
Rates concentration	Rate revenue / Adjusted underlying revenue	68.9%	68.9%	63.1%	63.2%	62.7%	62.7%	62.7%	62.8%	62.8%	62.9%	63.0%
Rates Effort	Rate revenue / CIV of rateable properties in the municipality	0.6%	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Efficiency												
Expenditure level	Total expenses / Number of property assessments	\$4,284	\$4,285	\$4,228	\$4,305	\$4,367	\$4,446	\$4,524	\$4,562	\$4,599	\$4,639	\$4,689
Revenue level	Total revenue / Number of property assessments	\$2,507	\$2,508	\$2,551	\$2,601	\$2,652	\$2,678	\$2,704	\$2,731	\$2,757	\$2,794	\$2,837

5. Strategies and Plans

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

5.1 Borrowing Strategy

5.1.1 Current Debt Position

The total amount borrowed as at 30 June 2022 is forecast to be \$3.786 million.

5.1.2 Future Borrowing Requirements

Projected future borrowings are \$1 million in 2024/25. Borrowings significantly decrease over the term of the Financial Plan leaving scope for increased borrowings for identified major capital projects.

5.2 Reserves Strategy

Council maintains both Statutory and Discretionary Reserves that acknowledge the receipt of funds from particular sources to be applied on programs that are consistent with the purpose of that Reserve fund.

Reserve Account	Purpose
Resort and Recreation	Contributions made by developers for recreation purposes (minimum of 5 per cent for any new developments for open space).
Winton Land	Originated from the former Shire of Benalla for a Winton township community project.
Benalla Urban Growth Headworks Charge	Contributions made by developers for connection to Benalla Urban Growth drainage system.
Lake Mokoan Inlet Channel	Compensation received from Goulburn Murray Water in relation to transfer of assets of the decommissioned Lake Mokoan Inlet Channel.

As financial intelligence increases and the operating result improves, the creation two new reserves will be considered:

- Waste Management Reserve: Council contributions to help fund waste related capital projects, such as, cell construction.
- Defined Benefits Superannuation Future Call-Up Reserve: Council contributions to help fund potential future calls under the Local Government Defined Benefits Superannuation scheme.



BENALLA

RURAL CITY COUNCIL

Benalla Rural City Council
Financial Plan

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