

# Long Term Financial Plan

2024 – 2034



**Southern Grampians**  
SHIRE COUNCIL



# 1. Contents

1.	Foreword .....	3	5.	Financial Plan – Sustainable Model - Discussion .....	22
2.	Statutory & Regulatory Requirements .....	4	5.1	Level of Service Discussion .....	22
2.1	Local Government Act 2020 .....	4	5.1.1	General Assumptions .....	22
2.1.1	Strategic planning .....	4	5.1.2	Specific Assumptions .....	22
2.1.2	Financial management principles .....	5	5.2	Capital Works & Funding .....	24
2.1.3	Service performance principles .....	5	5.2.1	Asset Renewal, Upgrade & Expansion .....	24
2.1.4	Community engagement and public transparency .....	6	5.2.2	Major Multi Year Projects & New Assets .....	24
2.2	Local Government (Planning and Reporting) Regulations 2020 .....	6	5.2.3	Asset Maintenance .....	24
3.	Integrated Strategic Planning and Reporting Framework .....	8	5.3	Summary of Financial Assumptions .....	25
4.	Southern Grampians Strategic Planning & Reporting Framework .....	10	6.	Summary .....	26
4.1	Overview & Principles .....	10	7.	Financial Plan – Statements & Graphs .....	27
4.1.1	Strategic Planning Principles .....	10	7.1	Model Financial Statements .....	27
4.1.2	Financial Management Principles .....	10	7.1.1	Comprehensive Income Statement .....	27
4.1.3	Engagement Principles .....	10	7.1.2	Balance Sheet .....	28
4.1.4	Service Performance Principles .....	11	7.1.3	Statement of Changes in Equity .....	29
4.1.5	Asset Plan Integration .....	11	7.1.4	Statement of Cash Flows .....	30
4.2	Council Plan 2021-2025 .....	12	7.1.5	Statement of Capital Works .....	31
4.3	Southern Grampians 2041 – Community Vision Framework .....	14	7.1.6	Statement of Human Resources .....	32
4.3.1	Key Challenges for Southern Grampians as identified in SG2041 .....	15	7.1.7	Financial Indicators (Ratios) .....	33
4.3.2	Key Opportunities for Southern Grampians as identified in SG2041 .....	16	7.2	Graphs .....	34
4.4	Asset Plan 2022-2032 .....	17	7.2.1	Net Operating Result .....	34
4.5	Workforce Plan 2021-2025 .....	18	7.2.2	Capital Expenditure by Type .....	35
4.6	Budget (4 Year Budget) .....	19	7.2.3	Capital Expenditure compared to Depreciation Expense .....	36
4.7	Revenue and Rating Plan 2021-2022 to 2024-2025 .....	21	7.2.4	Working Capital Ratio .....	37
4.7.1	Revenue Planning .....	21	7.2.5	Net Funds Available .....	38
4.7.2	Rate Revenue .....	21	7.2.6	Debt Levels .....	39
4.7.3	Operating Grants .....	21	7.2.7	Debt Servicing .....	40
4.7.4	Other Revenue .....	22			
4.7.5	Loan Funds .....	22			

## 1. Foreword

*Each year Council prepares its formal Long Term Financial Plan (LTFP) to ensure compliance with the Local Government Act 2020 and supporting Regulations.*

*The Long Term Financial Plan has been developed and updated taking into consideration known changes such as further data capture and refinement and more articulate assumptions.*

*The Long Term Financial Plan is a key document to support Council's long term visions and aspirations for its community outlined in the Southern Grampians 2041 Community Vision Framework. This is underpinned by the Council Plan, Health and Wellbeing Plan, Budgets, Workforce Plans and other key supporting strategies and documents.*

*The Integrated Strategic Planning and Reporting Framework set out in the Local Government Act 2020 provides a basis for Council to build information systems to support mature modelling processes, projections and resulting reports.*

*Council is committed to reviewing and updating this document to ensure the accurate and up to date information is being provided and linkage to the annual budget is consistent.*

## 2. Statutory & Regulatory Requirements

### 2.1 Local Government Act 2020

#### 2.1.1 Strategic planning

Part 4 of the Local Government Act 2020 addresses planning and financial management and Division 1 covers strategic planning. The Financial Plan is one of the strategic plans subject to the Strategic planning principles. Section 89 of the Act sets out the Strategic planning principles as follows:

##### **89 Strategic planning principles**

- (1) *A Council must undertake the preparation of its Council Plan and other strategic plans in accordance with the strategic planning principles.*
- (2) *The following are the strategic planning principles —*
  - (a) *an integrated approach to planning, monitoring and performance reporting is to be adopted;*
  - (b) *strategic planning must address the Community Vision;*
  - (c) *strategic planning must take into account the resources needed for effective implementation;*
  - (d) *strategic planning must identify and address the risks to effective implementation;*
  - (e) *strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.*

The Local Government Act 2020 introduces a requirement for Victorian councils to develop, adopt and keep in force a Financial Plan covering at least the next 10 financial years. Many councils already prepare long-term financial plans for internal management purposes. The requirements under the new Act mean councils must develop a Financial Plan that is publicly accessible. The specific legislative requirements for a Financial Plan are set out in section 91 of the Act as follows:

##### **91 Financial Plan**

- (1) *A Council must develop, adopt and keep in force a Financial Plan in accordance with its deliberative engagement practices.*
- (2) *The scope of a Financial Plan is a period of at least the next 10 financial years.*
- (3) *A Financial Plan must include the following in the manner and form prescribed by the regulations—*
  - (a) *statements describing the financial resources required to give effect to the Council Plan and other strategic plans of the Council;*
  - (b) *information about the decisions and assumptions that underpin the forecasts in the statements specified in paragraph (a);*
  - (c) *statements describing any other resource requirements that the Council considers appropriate to include in the Financial Plan;*
  - (d) *any other matters prescribed by the regulations.*
- (4) *A Council must develop or review the Financial Plan in accordance with its deliberative engagement practices and adopt the Financial Plan by 31 October in the year following a general election.*
- (5) *The Financial Plan adopted under subsection (4) has effect from 1 July in the year following a general election.*

Section 91(1) and section 91(4) refer to deliberative engagement practices. The Act requires deliberative engagement practices to be incorporated into a council's community engagement policy.

## 2.1.2 Financial management principles

Part 4 Division 4 of the Local Government Act 2020 addresses financial management. Section 101 of the Act sets out the financial management principles as follows:

### **101 Financial management principles**

- (1) *The following are the financial management principles—*
- (a) *revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans;*
  - (b) *financial risks must be monitored and managed prudently having regard to economic circumstances;*
  - (c) *financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community;*
  - (d) *accounts and records that explain the financial operations and financial position of the Council must be kept.*
- (2) *For the purposes of the financial management principles, financial risk includes any risk relating to the following—*
- (a) *the financial viability of the Council;*
  - (b) *the management of current and future liabilities of the Council;*
  - (c) *the beneficial enterprises of the Council.*

## 2.1.3 Service performance principles

The Local Government Act 2020 requires Victorian councils to plan and deliver services in accordance with the service performance principles. Part 5 of the Act addresses council operations. Section 106 of the Act sets out the service performance principles as follows:

### **106 Service performance principles**

- (1) *A Council must plan and deliver services to the municipal community in accordance with the service performance principles.*
- (2) *The following are the service performance principles—*
- (a) *services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;*
  - (b) *services should be accessible to the members of the municipal community for whom the services are intended;*
  - (c) *quality and costs standards for services set by the Council should provide good value to the municipal community;*
  - (d) *a Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring;*
  - (e) *service delivery must include a fair and effective process for considering and responding to complaints about service provision.*

### 2.1.4 Community engagement and public transparency

The Local Government Act 2020 includes community engagement principles (section 56) and public transparency principles (section 58). The Act requires Victorian councils to adopt and maintain a public transparency policy (section 57) and to adopt and maintain a community engagement policy (section 55).

The Financial Plan is specifically referenced in section 55(2)(g) of the Act which requires (amongst other provisions) that a community engagement policy must:

*(g) Include deliberative engagement practices which must include and address any matters prescribed by the regulations for the purposes of this paragraph and be capable of being applied to the development of the Community Vision, Council Plan, Financial Plan and Asset Plan.*

## 2.2 Local Government (Planning and Reporting) Regulations 2020

The Local Government (Planning and Reporting) Regulations 2020 (the regulations) came into operation on 24 October 2020. Part 2 of the regulations prescribe the information to be included in a Financial Plan as follows:

### 5 Statements describing financial resources

*(1) For the purposes of section 91(3)(a) of the Act, the statements describing the financial resources must be in the form set out in the Local Government Model Financial Report.*

*(2) For the purposes of section 91(3)(d) of the Act, the prescribed matters include a statement of capital works for the financial years to which the statements describing the financial resources referred to in section 91(3)(a) of the Act relate.*

### 6 Statements describing other resource requirements

For the purposes of section 91(3)(d) of the Act, the prescribed matters include the following—

*(a) a statement of human resources;*

*(b) a summary of planned expenditure in relation to the human resources referred to in the statement of human resources, categorised according to the organisational structure of the Council and classified separately as—*

*(i) permanent full time who are—*

*(A) women; or*

*(B) men; or*

*(C) persons of self-described gender; or*

*(ii) permanent part time staff who are—*

*(A) women; or*

*(B) men; or*

*(C) persons of self-described gender;*

(c) a summary of the planned number of full time equivalent Council staff referred to in the statement of human resources, categorised according to the organisational structure of the Council and classified separately as—

- (i) permanent full time staff who are—
  - (A) women; or
  - (B) men; or
  - (C) persons of self-described gender; or
- (ii) permanent part time staff who are—
  - (A) women; or
  - (B) men; or
  - (C) persons of self-described gender.

### 3. Integrated Strategic Planning and Reporting Framework

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

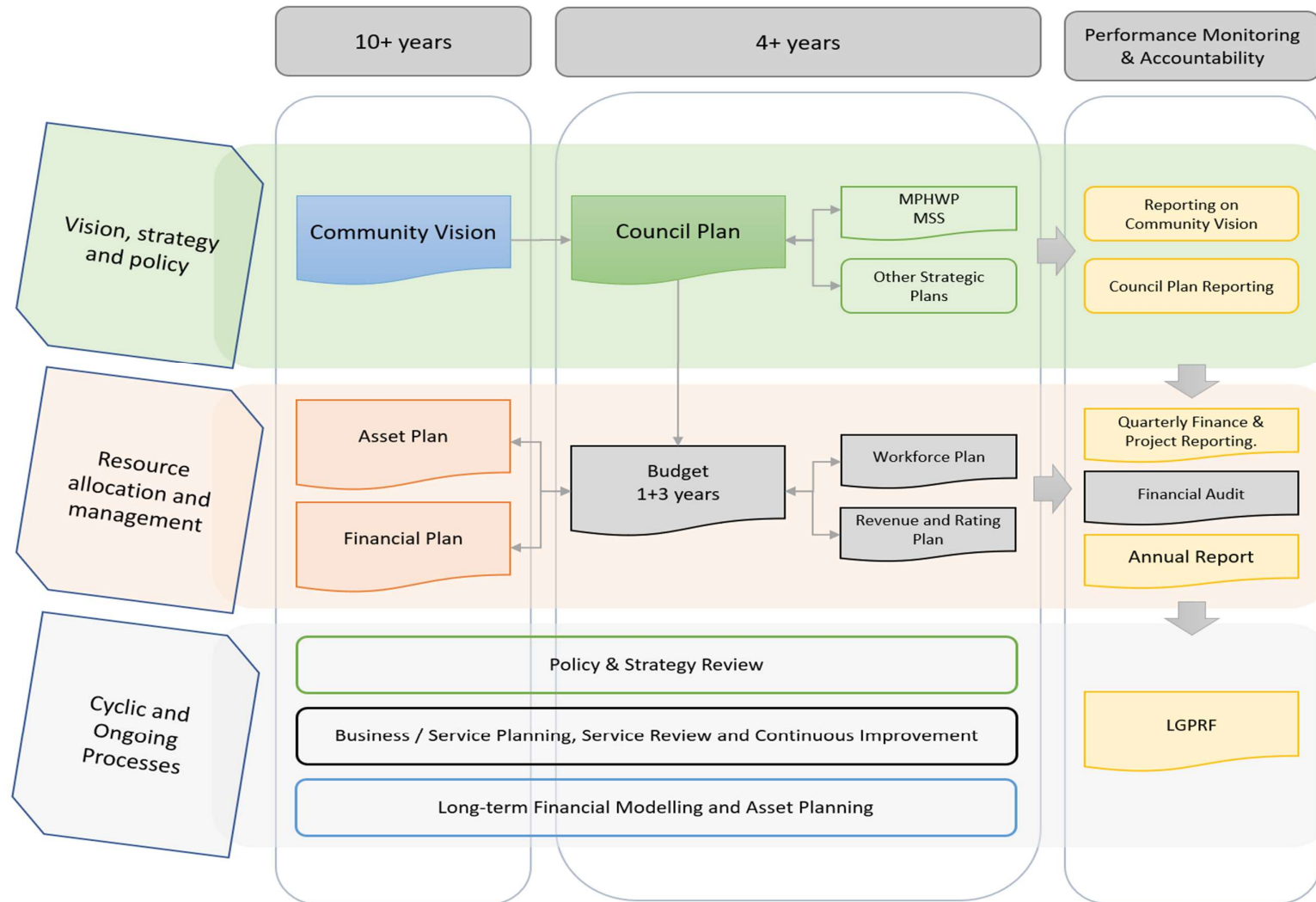
The following diagram provides an overview of the core legislated elements of an integrated strategic planning and reporting framework and outcomes.



Source: Department of Jobs, Precincts and Regions



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



Source: Department of Jobs, Precincts and Regions

## 4. Southern Grampians Strategic Planning & Reporting Framework

### 4.1 Overview & Principles

#### 4.1.1 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. Two other models have been prepared at a high level only to provide Council with guidance about what “levers” are available to Council to develop different models, all of which have strengths and weaknesses. A “middle ground” or “Sustainable” approach has then been taken to develop a more detailed model (underpinned by the basic assumptions) to develop the detailed Financial Plan.

The Financial Plan is developed in the context of the following strategic planning principles:

- a) Council has an integrated approach to planning, monitoring and performance reporting.
- b) Council financial plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- c) The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision where possible taking into consideration preliminary findings of the 2021-2025 Plan and 2041 Community Vision.
- d) Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 3.2.2 below.
- e) The Financial Plan provides for the strategic planning principles of progress monitoring and reviews to identify and adapt to changing circumstances.

#### 4.1.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- 3.2.1 Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 3.2.2 Management of the following financial risks:
  - a) the financial viability of the Council
  - b) the management of current and future liabilities of the Council.
  - c) the beneficial enterprises of Council (where appropriate).
- 3.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 3.2.4 Council maintains accounts and records that explain its financial operations and financial position

#### 4.1.3 Engagement Principles

Council has developed a Community Engagement Policy in February 2021 with the purpose to outline the principles and Council's commitment to engaging with Southern Grampians Shire's many communities and stakeholders in a way that is purposeful, representative, inclusive and easy to be involved in. The policy recognises the importance of designing community engagement methods to support maximum engagement and meet the specific outcomes of a particular initiative or project.

*Principle 1: A community engagement process must have a clearly defined objective and scope*

*Principle 2: Participants in community engagement must have access to objective, relevant and timely information to inform their participation*

*Principle 3: Participants in community engagement must be representative of the persons and groups affected by the matter that is the subject of the community engagement*

*Principle 4: Participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement*

*Principle 5: Participants in community engagement are informed of the ways in which the community engagement process will influence Council decision-making*

Council will implement robust and comprehensive community engagement practices to facilitate a dialogue that builds relationships and informs and improves decision-making. It will continually improve its capacity and performance in community engagement through ongoing training, resource development, and review and evaluation. Council will also work with communities to identify the most appropriate and effective engagement methods in order to continually improve relationships and understanding between all parties.

Council will undertake community engagement activities:

- ✓ When community input can enhance decision making or project outcomes
- ✓ To gain new information about community needs, aspirations and concerns
- ✓ When there will be a real or perceived change to existing services, programs or the use of public space and facilities
- ✓ When community members, business communities or other groups would have a particular interest in the outcome of a decision, project or development
- ✓ When council resolves to engage the community
- ✓ When legislation, policy or other agreement mandates Council will seek participant feedback to evaluate engagement processes and continue to adapt and improve our processes.

#### 4.1.4 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.
- d) Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- e) Council is developing a service delivery framework that considers and responds to community feedback and complaints regards service provision.

#### 4.1.5 Asset Plan Integration

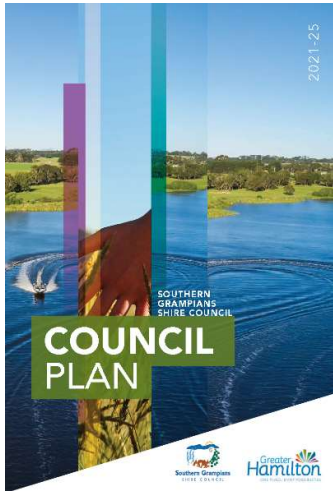
Integration of the Asset Plan is a key principle of the Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery and the effective management of Council's assets into the future. In June 2022 Council adopted the Asset Plan. The purpose of Council's Asset Plan is to;

- Demonstrate the responsible management of assets (and services provided from assets),
- Comply with regulatory requirements, and
- Communicate the scale of investment in assets which are required to sustainably deliver affordable services for the community in the foreseeable 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 is underpinned by asset management plans which continue to be developed for each asset class. The asset management plans, provide Council with a sound base to understand the risks associated with managing its assets for the community's benefit together with a long term program to address and resolve asset management. A key principle behind the development of Councils Asset Management Plan is sustainability, that is financial, environmental and social.

The Asset Plan is designed to inform the 10-year Financial Plan by identifying the capital renewal gap and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, risk assessments as well as the impact of intervention and service levels for each asset class. The intervention levels can be adjusted and adopted across a range of scenarios in light of the longer term financial capacity which is reviewed annually.

## 4.2 Council Plan 2021-2025



The Council Plan is the key document that drives Council’s strategic direction for the period from 2021 to 2025. It outlines where Council and the community will aspire to be by 2025 and how Council will achieve those outcomes.

Under the Local Government Act 2020, Council must prepare and adopt a Council Plan for a period of at least the next four financial years after a general election, in accordance with its deliberative engagement processes.

A Council Plan must include:

- + the strategic direction of the Council
- + strategic objectives for achieving the strategic direction
- + strategies for achieving the objectives for the next four financial years
- + strategic indicators for monitoring the achievement of the objectives
- + a description of the Council’s initiatives and priorities for services, infrastructure and amenity.

Progress and outcomes will be reported through the Southern Grampians Shire Council Annual Report and quarterly business reports. Our work is measured annually against the Performance Statement in the Annual Report and the community rates our performance through the annual Community Satisfaction Survey.

Council undertook an extensive and inclusive engagement process with the community to develop the Council Plan with common issues identified as:

✓ Digital Connectivity	✓ Support for community events and family activities
✓ Education pathways	✓ Transport connectivity
✓ Footpaths	✓ Volunteer Support
✓ Housing	✓ Walking & Cycling trails
✓ Inclusive and connected community	✓ Waste management
✓ Increased promotion of region and assets	✓ Youth Focus
✓ Road maintenance	



The Council Plan identifies Council's five priority areas to be addressed over the next four years. These priorities have shaped the themes of the Council Plan. Under each theme, Councillors, Council staff and the community have identified objectives and strategies to measure and guide progress of achievement of the plan.

Themes	Key Priority	Objectives
<b>1 Support our Community</b>	An empowered community that is healthy, inclusive and connected	An empowered and connected community Support and promote a health community Grow a diverse and inclusive community A safe Community
<b>2 Grow our Regional Economy</b>	A growing and diverse local and regional economy that supports our local businesses	Drive economic growth Increase our regional profile Continue to support the development of a skilled workforce Support local business and industry
<b>3 Maintain and Renew our Infrastructure</b>	Provide access to a high-quality built environment and infrastructure that meets community needs.	Plan and maintain sustainable assets and infrastructure Safe and well-maintained transport routes and infrastructure Attractive Council-owned and managed community and open spaces
<b>4 Protect Our Natural Environment</b>	Act as community leaders to promote and enhance a clean, green and sustainable environment	Protect and enhance biodiversity including the health of waterways, wetlands, soil and air Balance environmental protection with Council's support for growth Sustainable waste management services Mitigate against and adopt to climate change
<b>5 Provide Strong Governance and Leadership</b>	Strong Leadership, good governance and effective service delivery	Transparent and accountable governance Effective Advocacy Committed and skilled staff Customer-focused services

### 4.3 Southern Grampians 2041 – Community Vision Framework

Southern Grampians 2041 - Community Vision Framework (SG2041) is in essence a community vision, comprising a twenty-year strategic direction, together with suggested opportunities for advocacy and partnership with stakeholders.

It is ambitious in nature as our community expects us to have a longer-term view of how we shape our world. For consistency purposes, the key themes or pillars behind the workplan are the same themes found in the Council Plan 2021-25 – namely supporting community, growing regional economy, maintain and renew infrastructure, protect natural environment and provision of strong governance.

The assumptions built into SG2041 are:

1. Our limited funding requires us to collaborate with others to make our investments extend further.
2. We needed a longer-term work plan linked to a ten-year financial plan.
3. We must work smarter with decisions based on clearer understanding of how changes in technology, community needs and demographic shifts (ageing etc.) will affect our service and asset management delivery.

To determine priorities, input was obtained from a wide range of stakeholders. A significant deep dive into regional relationships, challenges and opportunities has occurred. A crystal ball view of the next twenty-years drives the thinking on challenges and how we respond as a community. One thing will be clear – the next two decades will not be the same as the last and together we must address a range of issues from climate change to ageing populations, the digital economy, meaningful reconciliation with the indigenous community and supporting each other.

We must start this strategic planning by recognising that we have a number of regionally significant assets and services, some of which are maintained by Council and others are not. These drive the liveability or 'attractiveness' of Southern Grampians. Investment and support of these assets protects our points of difference, the jobs they deliver, the services they offer are what make our Shire worth investing and living in.

The landscape itself, the volcanic grasslands and plains as well as Grampians National Park make our area both State and nationally significant.

We need to manage all key assets, regardless of who owns them, but do so sensibly and with financial accountability, based on data confirming the value they deliver and what we can afford. Council cannot do this work alone and it must therefore reach out to organisations, as well as State and Federal Government agencies on the services and facilities the community needs, the quality of the infrastructure that connects us and how beyond being an agricultural powerhouse, the community is supported to achieve its needs.

Tourism will be a key emerging platform in the next twenty-years. Ongoing infrastructure investment in the tourism sector allied to a genuine need to better connect our Shire within the region (rail, road, air, digital) will be the drivers of the next decade and beyond.











SG2041 will be a living document, as it was in this case, developed concurrently with the Council Plan (in preparation). In this way it will remain relevant and a proper reflection of the views of its community and their vision.

The key themes and opportunities identified in SG2041 are set out as Strategic Directions in E2 of the document and are closely linked with the Council Plan 2021-25 and Community Health and Wellbeing Plan 2021-25.



Whilst the entire document is relevant to the development and maintenance of Council’s Long Term Financial Plan, key themes outlined in 4.3.1 and 4.3.2 below effectively summarise the challenges and the opportunities, in the context of financial planning for the future. These matters may not be always under the control of Council, but in a world increasingly where we must partner with others to deliver services and opportunities, it must be considered in the fabric of the Southern Grampians Financial Planning Framework.

**4.3.1 Key Challenges for Southern Grampians as identified in SG2041**

	<b>The population demographic:</b> Respondents noted the ageing population and need for services to support them, the loss of younger people and the need to attract more youth and young families to the area, noting that services need to support an increased population too.
	<b>The need for improved public transport and increased availability:</b> The quality of linkages between local towns and regional centres was a recurrent theme. All forms of transport were discussed, including road, rail and air.
	<b>More opportunities for employment, and diversity of employment:</b> This was frequently discussed and included more job opportunities for young people, more opportunities for women including the over 50 years age bracket, and roles that are more skilled rather than offering predominantly traditional employment such as agriculture.
	<b>The lack of educational opportunities for youth:</b> Participants frequently noted the loss of students to larger centres for tertiary education, both university and other training, as well as the lack of suitable employment for their qualifications for them to return to the Shire. There were also several references to improving the local schools, and one reference to the need for day care.
	<b>The need to invest and improve in local infrastructure:</b> Investment in roads, power and building and asset maintenance is an ongoing expectation.
	<b>The local economy (financial resources) and funding:</b> Securing funding from all levels of government was noted as a challenge. This included securing funding for new projects.
	<b>Attracting new and more diverse businesses and industries:</b> Opportunities are identified in many industries including the renewables sector, timber sector, horticulture industry and allied health services.
	<b>Housing supply, affordability and rising living costs:</b> Rental shortages leading to challenges in securing housing for new residents including key workers is a noted concern.
	<b>Climate change and environmental challenges:</b> Climate change will require adaptation strategies, which may include climate appropriate crops renewed focus on water grids for reliable supply for a more diversified agricultural sector, and mitigation strategies including more efficient transport systems, focus on renewable energy and vegetation conservation.
	<b>Local health services:</b> Additional services required to support the needs of the community, including mental health and aged care support.

4.3.2 Key Opportunities for Southern Grampians as identified in SG2041

**Natural environment and wildlife:** Better management and maintenance of the natural environment habit and wildlife were identified as significant opportunities when attracting new residents and tourists.

**Tourism:** Strategic investment into tourism, especially eco and nature-based tourism are opportunities to be pursued.

**Location:** Hamilton is situated at the intersection of three key highways. The Henty Highway connects Hamilton and the Municipality with Horsham and Portland. The Hamilton Highway links to Ballarat and the Glenelg Highway is the most direct east-west route from Melbourne to Mount Gambier and the Limestone Coast.

**Agriculture:** The agriculture sector is, and will likely remain, the cornerstone of the Shire’s economy. Opportunities to improve farming practices will consolidate this strength.

**Residents:** The talent and skills of the existing community and their sense of community was a recurring theme.

**Education:** Participants acknowledged the high quality schools in the area, providing early learning to Year 12 schooling, as well as the opportunity to provide tertiary education options locally. See also technical training (e.g. SW TAFE) and agricultural college (RIST) training opportunities. The independent education sector is also strong across the Shire.

**Liveability:** The Shire scores highly with respect to liveability in areas including climate, community volunteering, median house price, use of active transport (walking, cycling) and sport participation.

**Parks, gardens, sport facilities:** Including bike/hike trails and sporting opportunities.

**Cultural arts and local events:** Including the existing Hamilton Art Gallery, Hamilton Performing Arts Centre and cultural facilities and the opportunity to create a cultural scene as a tourist attractor.

**Hospital facilities:** Existing hospital services were noted as an asset; however, this was coupled with the growing need for additional health services to cater for the community more fully.





## 4.4 Asset Plan 2022-2032

In June 2022 Council adopted the Asset Plan which has been developed in accordance with the Integrated Strategic Planning and Reporting Framework.

The purpose of Council's Asset Plan is to;

- Demonstrate the responsible management of assets (and services provided from assets),
- Comply with regulatory requirements, and
- Communicate the scale of infrastructure investment required to sustainably deliver affordable services for the community in the foreseeable future.

The Asset Plan takes a long-term outlook (10+ years) across Council's assets with consideration to the strategic needs, conditions and financial capacity. It provides a view (both strategic and in financial terms) of how the Council proposes to manage the whole portfolio of assets that it owns and controls. The Plan includes a strategic framework outlining the resources required and activities to be commissioned to ensure assets under Council's stewardship are developed, renewed, or maintained to deliver the required service potential.

The Asset Plan and Financial Plan have a strong reciprocal relationship, and each transparently recognise their interdependencies.

The Asset Plan will be based on and clearly connected to the Financial Plan and underlying budgets and projections. Assumptions underpinning the Asset Plan should be transparent and linked to preparation of the Financial Plan, budgets, service standards, and major capital initiatives.

Specific asset management plans underpin the Asset Plan. As Council increases its maturity in asset management planning these asset management plans are being developed. While Council has maintained a Road Asset Management Plan with the current document relating to the period 2021–2025. Council is developing the Building Asset Management Plan incorporating Council's total building assets are valued at \$48M and with the development of the Building Assets Management Plan Council and community will be better informed on the building renewal needs and capacity. The Long Term Financial Plan has taken this into account which will enable prioritisation of building compliance and needs.

As Council's asset management planning matures, Council will have a sound base of the risks and opportunities associated with managing its assets for the community's benefit which also defines assets which are beyond their useful life, redundant or no longer required. Similarly, the building asset management plan will inform Council of opportunities to meet compliance and determined needs.

Council has utilised existing data together with operational information to develop individual asset management plans specifically for roads, bridges, culvert, footpaths, buildings and swimming pool infrastructure to inform this version of the Financial Plan.

The full documents can be accessed here: [https://www.sthgrampians.vic.gov.au/files/assets/public/v1/council-documents/management-plans/adopted\\_asset\\_plan\\_2022-2032.pdf](https://www.sthgrampians.vic.gov.au/files/assets/public/v1/council-documents/management-plans/adopted_asset_plan_2022-2032.pdf)  
<https://www.sthgrampians.vic.gov.au/files/assets/public/v1/council-documents/management-plans/sgsc-council-plan-21-25.pdf>



## 4.5 Workforce Plan 2021-2025

The Chief Executive Officer is responsible for establishing and maintaining an organisation structure for the Council and is also responsible for all staffing matters, including appointing, directing, managing and dismissing members of Council staff under s46(3)(a) and (b).

Under s 46(4) the Chief Executive Officer must develop and maintain a workforce plan that:

- describes the organisational structure of the Council
- specifies the projected staffing requirements for a period of at least 4-years, and
- sets out measures to seek to ensure gender equality, diversity, and inclusiveness.

Council revised its Workforce Plan under the new Integrated Strategic Planning and Reporting Framework (See Section 2) in late 2021. The plan is an internal document and as such is not adopted by Council, however Councillors, the Executive and staff were all participatory in its development and have access to the document.



**Council is committed to deriving the following benefits from workforce planning:**

- ✓ Recruiting, developing and deploying a highly skilled and diverse workforce to meet our future needs
- ✓ Positioning Council to be innovative, creative and outcome focused
- ✓ Improving productivity through better job design and resourcing decisions
- ✓ Reducing staff turnover and retaining top talent
- ✓ Building workforce capacity and capability
- ✓ Embedding a culture of diversity and inclusion.

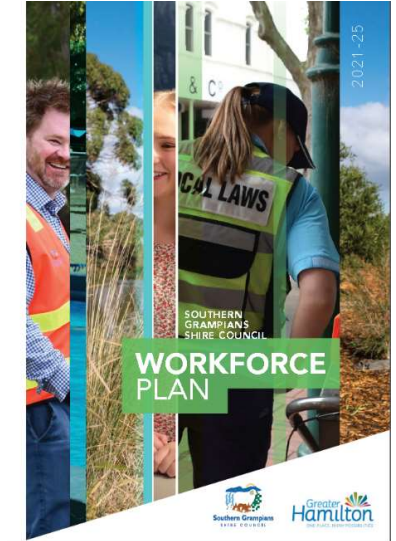
The overall objective of the Workforce Plan is to identify current and future workforce development trends and requirements to enable proactive strategies that allow Council to deliver efficient services in the future.

The plan has a particular focus on strategies that relate to our aging workforce, workplace diversity, succession planning and the development of programs that address these challenges through education, training and development.

Through this Workforce Plan, Council is adopting a future-focused approach to the management of its people to ensure it is well positioned to meet future workforce requirements.

The challenges and pressures faced by local government as we transition to the workplace of the future will:

- Significantly impact how we communicate, collaborate and organise our workforce
- Require a major shift in management practices and skillsets
- Require significant workplace relations and HR policy reform;
- Require a different approach to attracting, retaining and engaging talent
- Require capacity building of the core workforce and flexibility in accessing alternate resourcing options



## 4.6 Budget (4 Year Budget)

Council adopted its 4 year Budget for the 2023-2024 year on 21 June 2023 and is currently developing its 2024-2025 in conjunction with this document. This budget has been framed utilising the following parameters and assumptions:

- ✓ **Council Plan** – funding, initiatives and indicators are aligned with the 2021-2025 plan. Section 4.2 of this document provides a summary of the Plan.
- ✓ **Community Vision 2041** – this new piece of work was adopted in late 2021. This document helps to frame future directions and therefore budgets, which underpin this Long Term Financial Plan. Section 4.3 of this document provides a summary of the Vision.
- ✓ **Asset Plan** – This document outlines the need for responsible management of assets and services provided from assets, compliance with regulatory requirements and communication of the scale of infrastructure investment required to sustainably deliver affordable services for the community in the foreseeable future. This Asset Plan was adopted in 2022 and spans the period from 2022 until 2032.
- ✓ **The Workforce Plan** – this document has been in place for a number of years and was most recently updated in December 2021. It provides an organisational roadmap for the workforce. It details the challenges and actions required to meeting future requirements, enabling delivery of programs and services set out in the Council Plan. Section 4.5 of this document provides a summary of the Plan.



This Long Term Financial Plan has been built on the assumptions used for the development of the 2024-2025 four Year Budget and it is recognised that this requires continual review as Council's maturity of data gathering and interpretation increases. Whilst the plan has a 10 year outlook, Council's approach is to review annually to capture new information as it becomes available or is refined to provide a more accurate basis for decision making.

Council continues on its path of amending and identifying strategies, initiatives and indicators to provide new parameters (where necessary) to guide both the Long Term Financial Plan and subsequent 4 year budgets.

The 2024-2025 Budget published the following 5 themes and relevant strategic objectives from the 2021-2025 Council Plan:

Theme	Strategic Objectives
1. Support our Community	1.1 An empowered and connected community. 1.2 Support and promote a healthy community. 1.3 Grow a diverse and inclusive community. 1.4 A safe community.
2. Grow our Regional Economy	2.1 Drive economic growth. 2.2 Increase our regional profile. 2.3 Continue to support the development of a skilled workforce 2.4 Support local business and community.
3. Maintain and Renew our Infrastructure	3.1 Plan and maintain sustainable assets and infrastructure. 3.2 Safe and well-maintained transport routes and infrastructure for all modes of travel. 3.3 Attractive Council-owned and managed community and open spaces.
4. Protect our Natural Environment	4.1 Protect and enhance biodiversity including the health of waterways, wetlands, soil and air. 4.2 Balance environmental protection with Council's support for growth. 4.3 Sustainable waste management services. 4.4 Mitigate against and adapt to climate change.
5. Provide Strong Governance and Leadership	5.1 Transparent and accountable governance. 5.2 Effective advocacy. 5.3 Committed and skilled staff. 5.4 Customer focused services.

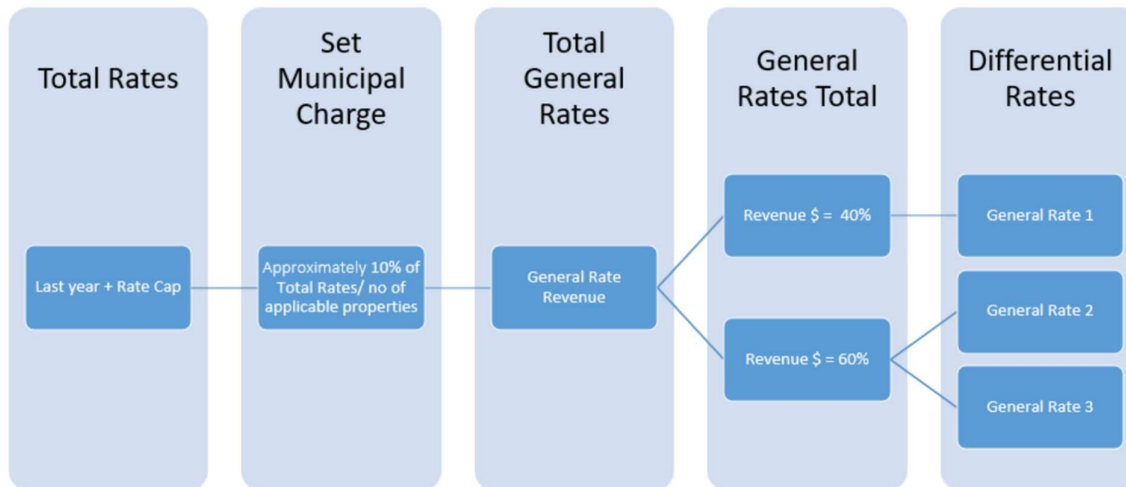
For the 2024-2025 year, there are 28 Major and Minor initiatives identified through this review process to guide the delivery of Council services and are identified within the Budget.



## 4.7 Revenue and Rating Plan 2021-2022 to 2024-2025

### 4.7.1 Revenue Planning

Council adopted a Revenue and Rating Plan on 23 June 2021 with a view to reviewing this plan prior to the next budget cycle. The plan was presented again on 8 December 2021 and adopted for a further year (2022-2023) with it returning for consideration prior to the 2023-2024 financial year. Council resolved on 8 February 2023 to adopt the plan for the remaining rating years of 2023-2024 and 2024-2025. The main purpose behind this was a change in rating policy for the 2021-2022 financial year which was different to the model which had been used since amalgamation in 1994.



### 4.7.2 Rate Revenue

Rate Revenue makes up approximately 50% of Council’s recurrent revenue (excluding capital grants). Until the 2021-2022, Council had a rating model which (generally speaking) saw properties outside the parishes of North and South Hamilton having a differential rate at 80% of the properties within those parishes.

The change in rating policy in 2021-2022 meant that the properties (generally speaking) within the parishes of North and South Hamilton would contribute 40% of the total rate revenue required by Council and those properties (generally speaking) outside the parishes of North and South Hamilton would contribute 60% of the total rate revenue required by Council.

### 4.7.3 Operating Grants

Operating grants are the next highest source of funding making up approximately 20% of recurrent revenue. These grants are set by other levels of government and Council has no real input into these amounts. Generally speaking the rate at which operating grants increase is around 2%.

#### 4.7.4 Other Revenue

Items of other revenue (which makes up the remaining approximately 30% of recurrent revenue) include Statutory & User Fees. Capital Grants and asset sales are highly variable and budgeted around specific projects and confirmed actions.

#### 4.7.5 Loan Funds

Council has maintained a conservative loan portfolio to the current point in time, however with low interest rates and an ambitious capital works program, Council will need to leverage more funding to assist with funding long term inter-generational assets. Council has prepared a borrowing program for the next 10 years, however this will be reviewed each year in line with this plan as estimated values and assumptions are updated.

## 5. Financial Plan – Sustainable Model - Discussion

### 5.1 Level of Service Discussion

#### 5.1.1 General Assumptions

Council provides approximately 70 services to the community and they all come at a varying cost to Council. Balancing which service and at what cost is extremely difficult and different people, groups of people, organisations, etc all have individual viewpoints on what this mix should be.

Once the mix of services is agreed, the decision about the mode, quantity and quality of the service has to be decided and costed. Funding and contributions to costs have to be examined as well as assets required to deliver the service.

The ever-changing environment we live in also impacts on preferences, functionality and accessibility of these services – never more so that in the past few years where every service offered by Council has had some form of change to the way it is delivered and communicated to the community.

Decisions about each service impacts on the culmination of budget allocations over both short and long term. Some services evolve and grow over time whilst others diminish or are only required in the short term to fill a gap not provided by another level of government.

Council must ensure that all services provided are in alignment with their long term plans and hence the development of Vision 2041, the Council Plan and Health and Wellbeing plan. Whilst these plans might not mention specific services in them, the services themselves need to be able to link to these plans and support or grow these long term visions, otherwise the question needs to be: why is the service being provided if not to support the common vision?

#### 5.1.2 Specific Assumptions

Both this LTFP and the adopted 2024-2025 Budget have assumed a set level of service and determined budgets in accordance with these levels of service. Assets are utilised in assisting with achieving the service outcomes and modelling of asset renewal has been based on these existing levels of service.

As Council matures along the Integrated Planning and Reporting Framework journey, these levels of service, alignment to the Vision with supporting budgets and asset plans will also become more informative and insightful, guiding robust decisions backed by evidence.

Council is also aware that whilst some services may show cash surpluses, when overlaid with the true cost of corporate overheads and the assets required to deliver the service, these cash surpluses are actually operational deficits.

Whilst each year during budget development, each service is reviewed at a high level, there are number of “triggers” that lead to more in depth service reviews. Triggers include factors such as legislative change, external funding changes, ability to deliver the service (absence of workforce skill/availability), and asset deterioration/obsolescence, to name a few. These are critical points to question whether Council is actually best placed to deliver this service to the community. Would exiting the service stimulate the local economy in a different way and eliminate Council expenditure?

Council is committed to reviewing all services as opportunities arise.

## 5.2 Capital Works & Funding

### 5.2.1 Asset Renewal, Upgrade & Expansion

Council has long been working on the underlying assumption and planning that to maintain all of its existing assets in a safe and reliable state and renewing their condition at or prior to their agreed intervention levels, would require approximately \$12.5m per annum. This amount excludes any improvements to the asset or expenditure on new assets.

Bearing in mind, that many assets are renewed to a “better” condition than their original state (eg roads are widened, timber bridges become steel and concrete, iron roofs become colour bond) and that if Council were to maintain this 100% renewal formulae, no other works could be afforded.

Instead Council has compromised and maintained “pure renewal” targeted at 80% with the remaining 20% being either captured in major funding opportunities or assets that will be renewed at a lower level than originally commissioned.

Unfortunately, external funding is almost always **only** available for new, upgraded or expanded assets. This creates difficulty for Council in two financial areas:

1. There is a funding gap between what Council would have allocated for the renewal of the asset and the cost of the upgrade work less any grant funding,
2. A new/expanded asset might offer some financial saving initially, but later in its life cycle, may cost more to maintain and more to renew – generally without any external funding assistance.

This gap between what Council **should** be spending on renewing their assets and what they are **actually** spending on renewing their assets is called the renewal gap.

### 5.2.2 Major Multi Year Projects & New Assets

Council has already committed to a number of large multi-year projects which are currently under planning and/or construction, for example the Redevelopment of Melville Oval.

Council has also carried out substantial investigative work with the community to develop strategic plans to guide what assets the community uses and values as part of their lifestyle. These plans are then translated in to work plans and incorporated into future budgets. Major capital projects included throughout the period of the Long Term Financial Plan include construction works for the Art Gallery, Community Hub, CBD revitalisation and Mill Road.

The key to this work is prioritising these projects across the longer term and ensuring that the best possible funding scenario is developed to minimise the impact on Council’s bottom line. All projects need to be thoroughly supported by an evidence based business case that demonstrates both the costs and benefits to the community.

In a perfect world, an underlying assumption of all business cases would be that the investment in the asset would be outweighed by not only the imminent establishment expenditure but also the ongoing cost of maintaining the asset and ultimate renewal or removal at the end of its life. In Council’s world, this would mean that very rarely would any asset be constructed. Instead Council must overlay what the “intangible” benefit will be to the community and make prudent financial decisions based on balance affordability with community desire.

### 5.2.3 Asset Maintenance

Council has a responsibility to maintain its assets. The level of maintenance is determined by a range of factors such as age, condition and use. As Councils asset management matures with increased validated data, clarity on roles and responsibilities particularly for shared assets and the associated priorities, Council’s maintenance programs are better planned and delivered.

### 5.3 Summary of Financial Assumptions

The following table details the assumptions used in the preparation of this version of the LTFP. It should be noted that these are a snapshot as at a particular point in time and that these assumptions will be amended as more articulate data is available.

Lever	Current Model
<b>Revenue</b>	
Rate & Charges Increase	2.75% for 2024-2025, 2025-2026 - 2.5% then 2.0% there after
Statutory Fees & Charges	4.0% for 2024-2025, 2025-2026 3.5% then 2.5% for the remainder of the Plan
User Fees	4.0% for 2024-2025, 2025-2026 3.5% then 2.5% for the remainder of the Plan
Grants – Operating	2.0% approximate level of increase from other levels of government
Grants – Capital	Roads To Recovery is a recurring grant, Local Roads & Community Infrastructure Program is a non recurrent grant and other have been modelled as anticipated and tied to the 10 Year Capital Plan
Contributions – Monetary	As per committed projects
Contributions – non-monetary	Not Modelled
Other Income	4% for the entirety of the Plan
<b>Expenses</b>	
Employee Costs	2.5% for 2024-2025 then 1% for the remainder of the Plan
Materials & Services	3% for 2024-2025 then 1% for the remainder of the Plan
Depreciation & Amortisation	As per asset portfolio
Other Expenses	1% for the entirety of the Plan
<b>Capital Works</b>	
Average Annual Asset Renewal – Infrastructure	80% renewal with an assumption that the remaining 20% is incorporated in specific upgrade or expansion projects
Average Annual Asset Renewal – Buildings	This has been increased to \$1m in the Plan and will be further revised as more accurate modelling and decision around asset management are made.

## 6. Summary

*Council have reviewed all the preceding documents, their status, assumptions and outputs to develop its LTFP as part of the 2024-2025 budget process.*

*The following pages represent a set of financial statements for the coming 10 years based on the current financial assumptions - Section 5.3.*

*The first four years of these statements and the details of the underlying assumptions are clearly set out in the 2024-2025 Budget.*

*Now that the framework is almost complete, Council will analyse the outputs, set new parameters to guide financial sustainability (Section 5.4) and then reprioritise and re-work plans to fit into these new longer term parameters.*

*This evolutionary cycle has been challenging, however it has served the purpose of highlighting gaps in assumptions and plans and paves a way forward to refine each of the individual plans to improve alignment and consistency throughout the whole suite of documents available to the community.*



## 7. Financial Plan – Statements & Graphs

### 7.1 Model Financial Statements

#### 7.1.1 Comprehensive Income Statement

##### Southern Grampians Shire Council Budgeted Comprehensive Income Statement

For the four years ending 30 June 2028

	Forecast	Budget		Projections			2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Actual	2024/25	2025/26	2026/27	2027/28	2023/24						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>												
Rates and charges	23,252	<b>24,054</b>	24,655	25,148	25,651	26,164	26,688	27,221	27,766	28,321	28,888	
Statutory fees and fines	601	<b>469</b>	485	498	510	523	536	549	563	577	591	
User fees	5,502	<b>6,281</b>	6,501	6,887	7,162	7,341	7,524	7,712	7,905	8,103	8,305	
Grants - Operating	11,087	<b>10,720</b>	10,873	11,090	11,260	11,486	11,715	11,950	12,189	12,432	12,681	
Grants - Capital	13,336	<b>3,000</b>	2,400	8,800	3,200	3,600	4,000	4,080	4,162	4,245	4,330	
Contributions - monetary	352	-	-	2,000	20,000	20,000	-	-	-	-	-	
Contributions - non-monetary	-	-	-	-	-	-	-	-	-	-	-	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	<b>5,640</b>	1,060	490	730	490	490	490	490	490	490	
Net gain/(loss) on disposal of investment property	-	-	-	-	-	-	-	-	-	-	-	
Other income	684	<b>852</b>	886	922	958	997	1,037	1,078	1,121	1,166	1,213	
<b>Total Income</b>	<b>54,814</b>	<b>51,016</b>	<b>48,861</b>	<b>55,834</b>	<b>60,472</b>	<b>70,600</b>	<b>51,990</b>	<b>53,081</b>	<b>54,195</b>	<b>55,334</b>	<b>56,498</b>	
<b>Expenses</b>												
Employee costs	(19,121)	<b>(20,388)</b>	(20,592)	(20,798)	(21,006)	(21,216)	(21,534)	(21,838)	(22,000)	(22,268)	(22,491)	
Materials and services	(10,386)	<b>(13,882)</b>	(14,021)	(14,161)	(14,303)	(14,446)	(14,590)	(14,736)	(14,883)	(15,032)	(15,183)	
Depreciation	(12,611)	<b>(12,608)</b>	(12,671)	(12,948)	(13,012)	(13,078)	(13,140)	(13,205)	(13,270)	(13,335)	(13,401)	
Bad and doubtful debts	-	-	(21)	(19)	(23)	(28)	(29)	(21)	(22)	(22)	(22)	
Borrowing costs	(43)	<b>(21)</b>	(245)	(586)	(547)	(524)	(476)	(526)	(398)	(274)	(154)	
Other expenses	(4,249)	<b>(1,051)</b>	(1,062)	(1,072)	(1,083)	(1,094)	(1,105)	(1,116)	(1,127)	(1,138)	(1,149)	
<b>Total Expenses</b>	<b>(46,410)</b>	<b>(47,950)</b>	<b>(48,611)</b>	<b>(49,584)</b>	<b>(49,973)</b>	<b>(50,383)</b>	<b>(50,874)</b>	<b>(51,442)</b>	<b>(51,700)</b>	<b>(52,069)</b>	<b>(52,400)</b>	
<b>Surplus/(deficit) for the year</b>	<b>8,404</b>	<b>3,066</b>	<b>(1,750)</b>	<b>6,350</b>	<b>10,499</b>	<b>20,217</b>	<b>1,116</b>	<b>1,639</b>	<b>2,496</b>	<b>3,265</b>	<b>4,098</b>	
<b>Other comprehensive income</b>												
Items that will not be reclassified to surplus or deficit in future periods:												
<b>Total comprehensive result</b>	<b>8,404</b>	<b>3,066</b>	<b>(1,750)</b>	<b>6,350</b>	<b>10,499</b>	<b>20,217</b>	<b>1,116</b>	<b>1,639</b>	<b>2,496</b>	<b>3,265</b>	<b>4,098</b>	

## 7.1.2 Balance Sheet

Southern Grampians Shire Council  
Budgeted Balance Sheet

For the four years ending 30 June 2028

	Forecast	Budget	Projections									
	Actual 2023/24		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>												
<b>Current assets</b>												
Cash and cash equivalents	6,729	7,608	6,154	5,912	5,411	7,233	6,317	7,225	9,152	11,830	12,678	
Trade and other receivables	4,580	4,179	3,744	4,538	5,812	5,734	4,204	4,302	4,381	4,486	4,581	
Inventories	517	533	533	533	533	533	533	533	533	533	533	
Other assets	505	505	505	505	505	505	505	505	505	505	505	
<b>Total current assets</b>	12,311	12,825	10,936	11,489	12,060	14,005	11,559	12,565	14,570	17,354	18,297	
<b>Non-current assets</b>												
Trade and other receivables	16	17	17	17	17	17	17	17	17	17	17	
Other financial assets	-	800	840	448	269	134	-	-	-	-	-	
Property, infrastructure, plant & equipment	515,540	522,956	536,460	541,212	559,849	576,473	583,033	579,528	575,958	572,323	568,622	
Investment property	900	900	900	900	900	900	900	900	900	900	900	
<b>Total non-current assets</b>	516,456	524,673	538,017	542,577	561,035	577,525	583,950	580,445	576,875	573,240	569,539	
<b>Total assets</b>	528,767	537,498	548,953	554,065	573,095	591,530	595,509	593,010	591,445	590,594	587,836	
<b>Liabilities</b>												
<b>Current liabilities</b>												
Trade and other payables	2,804	2,853	2,932	2,961	2,983	3,021	3,060	3,098	3,116	3,159	3,191	
Trust funds and deposits	387	387	387	387	387	387	387	387	387	387	387	
Unearned income/revenue	69	71	71	71	71	71	71	71	71	71	71	
Provisions	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	
Interest-bearing loans and borrowings	186	999	2,063	2,286	2,671	2,948	3,176	4,078	4,160	3,774	-	
<b>Total current liabilities</b>	7,918	8,782	9,925	10,177	10,594	10,899	11,186	12,106	12,206	11,863	8,121	
<b>Non-current liabilities</b>												
Provisions	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	1,812	
Interest-bearing loans and borrowings	1,130	5,931	17,993	16,503	15,628	13,530	16,126	11,048	6,888	3,114	-	
<b>Total non-current liabilities</b>	2,942	7,743	19,805	18,315	17,440	15,342	17,938	12,860	8,700	4,926	1,812	
<b>Total liabilities</b>	10,860	16,525	29,730	28,492	28,034	26,241	29,124	24,966	20,906	16,789	9,933	
<b>Net assets</b>	517,907	520,973	519,223	525,573	545,072	565,289	566,405	568,044	570,540	573,805	577,903	
<b>Equity</b>												
Accumulated surplus	146,715	149,781	148,031	154,381	173,880	194,097	195,213	196,852	199,348	202,613	206,711	
Reserves	371,192	371,192	371,192	371,192	371,192	371,192	371,192	371,192	371,192	371,192	371,192	
<b>Total equity</b>	517,907	520,973	519,223	525,573	545,072	565,289	566,405	568,044	570,540	573,805	577,903	

## 7.1.3 Statement of Changes in Equity

Southern Grampians Shire Council  
Budgeted Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2023/24</b>				
Balance at beginning of the financial year	509,503	138,311	370,621	571
Surplus/(deficit) for the year	8,404	8,404	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>517,907</b>	<b>146,715</b>	<b>370,621</b>	<b>571</b>
<b>2024/25</b>				
Balance at beginning of the financial year	517,907	146,715	370,621	571
Surplus/(deficit) for the year	3,066	3,066	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>520,973</b>	<b>149,781</b>	<b>370,621</b>	<b>571</b>
<b>2025/26</b>				
Balance at beginning of the financial year	520,973	149,781	370,621	571
Surplus/(deficit) for the year	(1,750)	(1,750)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>519,223</b>	<b>148,031</b>	<b>370,621</b>	<b>571</b>
<b>2026/27</b>				
Balance at beginning of the financial year	519,223	148,031	370,621	571
Surplus/(deficit) for the year	6,350	6,350	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>525,573</b>	<b>154,381</b>	<b>370,621</b>	<b>571</b>
<b>2027/28</b>				
Balance at beginning of the financial year	525,573	154,381	370,621	571
Surplus/(deficit) for the year	19,499	19,499	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>545,072</b>	<b>173,880</b>	<b>370,621</b>	<b>571</b>

## 7.1.4 Statement of Cash Flows

Southern Grampians Shire Council  
Budgeted Statement of Cash Flows

For the four years ending 30 June 2028

	Forecast	Budget	Projections								
	Actual 2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>											
Rates and charges	22,942	23,759	24,879	25,097	25,807	26,108	26,834	27,163	27,717	28,258	28,830
Statutory fees and fines	539	475	490	496	509	521	535	548	562	575	590
User fees	5,448	6,204	6,560	6,944	7,147	7,322	7,508	7,693	7,888	8,082	8,285
Grants - operating	10,883	10,590	10,972	11,067	11,245	11,461	11,692	11,924	12,167	12,405	12,656
Grants - capital	13,092	3,845	2,422	8,273	3,658	3,565	3,966	4,071	4,154	4,235	4,321
Contributions - monetary	352	-	-	2,000	20,000	20,000	-	-	-	-	-
Other receipts	1,456	1,166	894	754	(520)	982	2,669	1,074	1,117	1,162	1,208
Employee costs	(19,920)	(20,160)	(20,546)	(20,781)	(20,993)	(21,194)	(21,508)	(21,813)	(21,992)	(22,241)	(22,472)
Materials and services	(11,276)	(13,209)	(13,990)	(14,150)	(14,294)	(14,431)	(14,578)	(14,724)	(14,875)	(15,017)	(15,170)
Other payments	(4,713)	(1,598)	(1,059)	(1,071)	(1,082)	(1,093)	(1,104)	(1,115)	(1,126)	(1,137)	(1,149)
<b>Net cash provided by/(used in) operating activities</b>	18,803	11,072	10,620	18,629	31,276	33,243	15,812	14,821	15,613	16,323	17,099
<b>Cash flows from investing activities</b>											
Payments for property, infrastructure, plant and equipment	(38,807)	(20,625)	(26,625)	(18,000)	(32,000)	(30,000)	(20,000)	(10,000)	(10,000)	(10,000)	(10,000)
Proceeds from sale of property, infrastructure, plant and equipment	-	5,640	1,510	790	1,080	790	790	790	790	790	790
Payments for investments	-	(800)	-	-	-	-	-	-	-	-	-
Proceeds from investments	-	-	160	192	179	134	134	-	-	-	-
<b>Net cash provided by/(used in) investing activities</b>	(38,807)	(15,785)	(24,955)	(17,018)	(30,741)	(29,076)	(19,076)	(9,210)	(9,210)	(9,210)	(9,210)
<b>Cash flows from financing activities</b>											
Finance costs	(97)	(21)	(245)	(588)	(547)	(524)	(476)	(526)	(398)	(274)	(154)
Proceeds from borrowings	-	5,800	14,000	1,000	2,000	1,000	6,000	-	-	-	-
Repayment of borrowings	(511)	(187)	(874)	(2,267)	(2,490)	(2,821)	(3,176)	(4,176)	(4,078)	(4,160)	(6,888)
<b>Net cash provided by/(used in) financing activities</b>	(608)	5,592	12,881	(1,853)	(1,037)	(2,345)	2,348	(4,702)	(4,478)	(4,434)	(7,042)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	(20,612)	879	(1,454)	(242)	(502)	1,822	(916)	909	1,927	2,679	847
Cash and cash equivalents at the beginning of the financial year	27,341	6,729	7,608	8,154	5,912	5,411	7,233	6,317	7,225	9,152	11,830
<b>Cash and cash equivalents at the end of the financial year</b>	6,729	7,608	6,154	5,912	5,411	7,233	6,317	7,225	9,152	11,830	12,677



## 7.1.5 Statement of Capital Works

Southern Grampians Shire Council  
Budgeted Capital Works Statement

For the four years ending 30 June 2028

	Forecast	Budget	Projections								
	Actual 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>											
Land	1,273	-	-	-	-	-	-	-	-	-	-
<b>Total land</b>	1,273	-	-	-	-	-	-	-	-	-	-
Buildings	13,524	6,590	13,175	550	20,550	20,550	10,550	550	550	550	550
<b>Total buildings</b>	13,524	6,590	13,175	550	20,550	20,550	10,550	550	550	550	550
<b>Total property</b>	14,797	6,590	13,175	550	20,550	20,550	10,550	550	550	550	550
<b>Plant and equipment</b>											
Plant, machinery and equipment	1,950	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Fixtures, fittings and furniture	123	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	106	50	-	-	-	-	-	-	-	-	-
Library books	70	71	-	-	-	-	-	-	-	-	-
<b>Total plant and equipment</b>	2,249	1,621	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>Infrastructure</b>											
Roads	8,090	5,904	5,909	10,909	6,909	6,909	6,909	6,909	6,909	6,909	6,909
Bridges	199	248	248	248	248	248	248	248	248	248	248
Footpaths and cycleways	1,175	246	245	245	245	245	245	245	245	245	245
Drainage	533	400	400	400	400	400	400	400	400	400	400
Recreational, leisure and community facilities	3,202	2,239	1,150	150	150	150	150	150	150	150	150
Waste management	1,527	89	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	6,340	3,290	4,000	4,000	2,000	-	-	-	-	-	-
Off street car parks	535	-	-	-	-	-	-	-	-	-	-
Other infrastructure	160	-	-	-	-	-	-	-	-	-	-
<b>Total infrastructure</b>	21,781	12,414	11,950	15,950	9,950	7,950	7,950	7,950	7,950	7,950	7,950
<b>Total capital works expenditure</b>	38,807	20,625	26,625	18,000	32,000	30,000	20,000	10,000	10,000	10,000	10,000
<b>Represented by:</b>											
New asset expenditure	3,877	984	-	4,000	-	-	-	-	-	-	-
Asset renewal expenditure	28,666	11,666	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Asset upgrade expenditure	6,264	7,975	16,625	4,000	22,000	20,000	10,000	-	-	-	-
<b>Total capital works</b>	38,807	20,625	26,625	18,000	32,000	30,000	20,000	10,000	10,000	10,000	10,000
<b>Funding sources represented by:</b>											
Grants	13,336	-	-	6,000	-	-	-	-	-	-	-
Contributions	406	-	-	2,000	-	-	-	-	-	-	-
Council Cash	25,065	15,625	16,625	10,000	32,000	30,000	20,000	10,000	10,000	10,000	10,000
Borrowings	-	5,000	10,000	-	-	-	-	-	-	-	-
<b>Total capital works expenditure</b>	38,807	20,625	26,625	18,000	32,000	30,000	20,000	10,000	10,000	10,000	10,000

7.1.6 Statement of Human Resources

Southern Grampians Shire Council  
Budgeted Statement of Human Resources

	Forecast	Budget	Projections								
	Actual 2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
<b>Staff expenditure</b>											
Employee costs - Operating	(17,018)	<b>(18,961)</b>	(18,982)	(19,134)	(19,325)	(19,519)	(19,811)	(20,091)	(20,240)	(20,487)	(20,691)
Employee costs - Capital	(2,103)	<b>(1,427)</b>	(1,647)	(1,664)	(1,680)	(1,697)	(1,723)	(1,747)	(1,760)	(1,781)	(1,799)
<b>Total staff expenditure</b>	<b>(19,121)</b>	<b>(20,388)</b>	<b>(20,629)</b>	<b>(20,798)</b>	<b>(21,006)</b>	<b>(21,216)</b>	<b>(21,534)</b>	<b>(21,838)</b>	<b>(22,000)</b>	<b>(22,268)</b>	<b>(22,491)</b>
<b>Staff numbers</b>	EFT	<b>EFT</b>	EFT	EFT	EFT	EFT	EFT	EFT	EFT	EFT	EFT
Employees	237	<b>235</b>	235	235	235	235	235	235	235	235	235
<b>Total staff numbers</b>	<b>237</b>	<b>235</b>	235	235	235	235	235	235	235	235	235

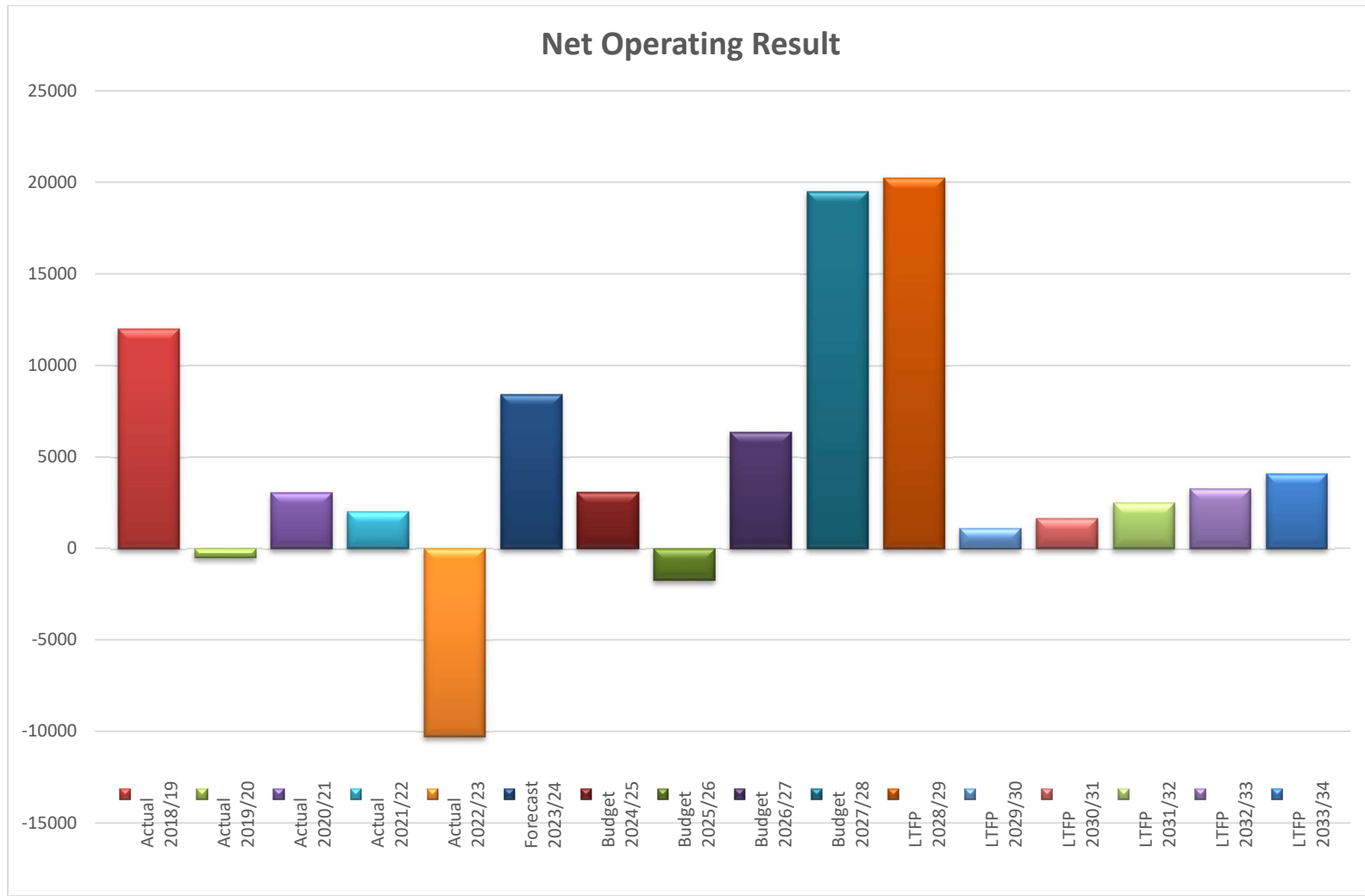


7.1.7 Financial Indicators (Ratios)

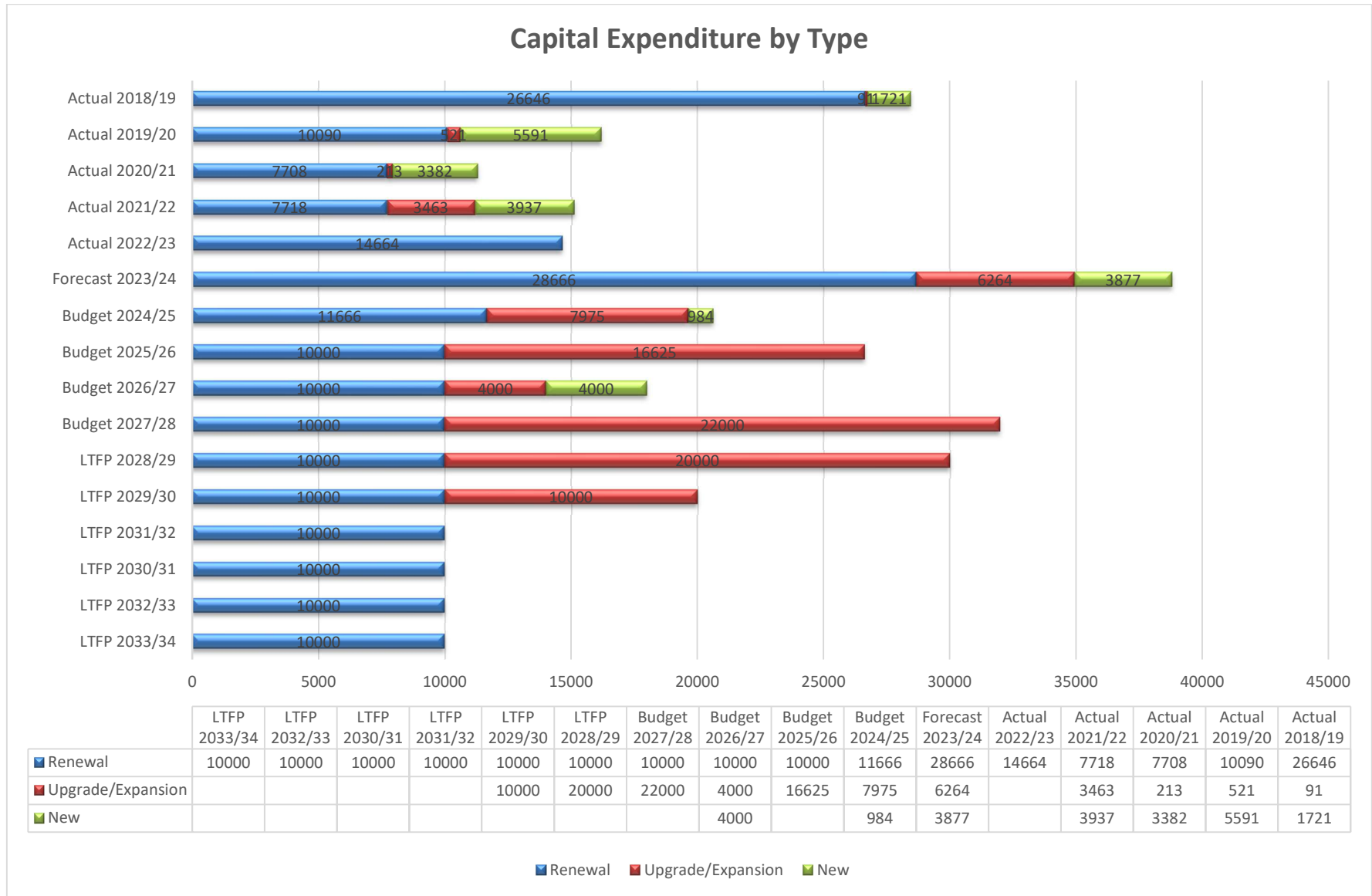
Period start Period end		1 Jul 23 30 Jun 24	1 Jul 24 30 Jun 25	1 Jul 25 30 Jun 26	1 Jul 26 30 Jun 27	1 Jul 27 30 Jun 28	1 Jul 28 30 Jun 29	1 Jul 29 30 Jun 30	1 Jul 30 30 Jun 31	1 Jul 31 30 Jun 32	1 Jul 32 30 Jun 33	1 Jul 33 30 Jun 34	
<b>15.03.01</b>	<b>Operating position</b>												
	Adjusted underlying result	%	-8.8%	4.1%	-3.7%	-3.4%	-1.0%	0.4%	2.1%	3.1%	4.6%	5.9%	7.3%
<b>15.03.02</b>	<b>Liquidity</b>												
	Working capital (current assets as a percentage of current liabilities)	%	155.5%	146.0%	110.2%	112.9%	114.0%	128.5%	103.5%	103.8%	119.4%	146.3%	225.3%
	Unrestricted cash (unrestricted cash compared to current liabilities)	%	80.1%	82.2%	58.1%	54.3%	47.5%	62.8%	53.1%	56.5%	71.8%	96.5%	151.3%
<b>15.03.03</b>	<b>Obligations</b>												
	Loans and borrowings (as a percentage of rate revenue)	%	5.7%	28.8%	81.3%	74.7%	71.3%	63.0%	72.3%	55.6%	39.8%	24.3%	0.0%
	Loans and borrowings payments (as a percentage of rate revenue)	%	2.6%	0.9%	4.5%	11.3%	11.8%	12.8%	13.7%	17.3%	16.1%	15.7%	24.4%
	Indebtedness (Non-current liabilities compared to own-source revenue)	%	9.7%	20.8%	59.0%	53.8%	49.8%	43.2%	49.5%	34.7%	23.0%	12.7%	4.6%
	Asset renewal and upgrade (compared to depreciation)	%	277.0%	155.8%	210.1%	108.1%	245.9%	229.4%	152.2%	75.7%	75.4%	75.0%	74.6%
<b>15.03.04</b>	<b>Stability</b>												
	Rates concentration (Rates compared to adjusted underlying revenue)	%	53.5%	48.1%	52.6%	52.5%	51.9%	51.7%	51.3%	51.3%	51.2%	51.2%	51.1%
	Rates effort (Rates compared to property values)	%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
<b>15.03.05</b>	<b>Efficiency</b>												
	Expenditure level (expenditure per assessment)	\$ / assessment	4,140.4	4,277.8	4,336.8	4,423.6	4,456.3	4,494.9	4,538.7	4,589.3	4,612.3	4,645.3	4,674.8
	Revenue level (average rate per assessment)	\$ / assessment	2,074.4	2,146.0	2,199.6	2,243.6	2,268.5	2,334.2	2,380.9	2,428.5	2,477.1	2,526.7	2,577.2

## 7.2 Graphs

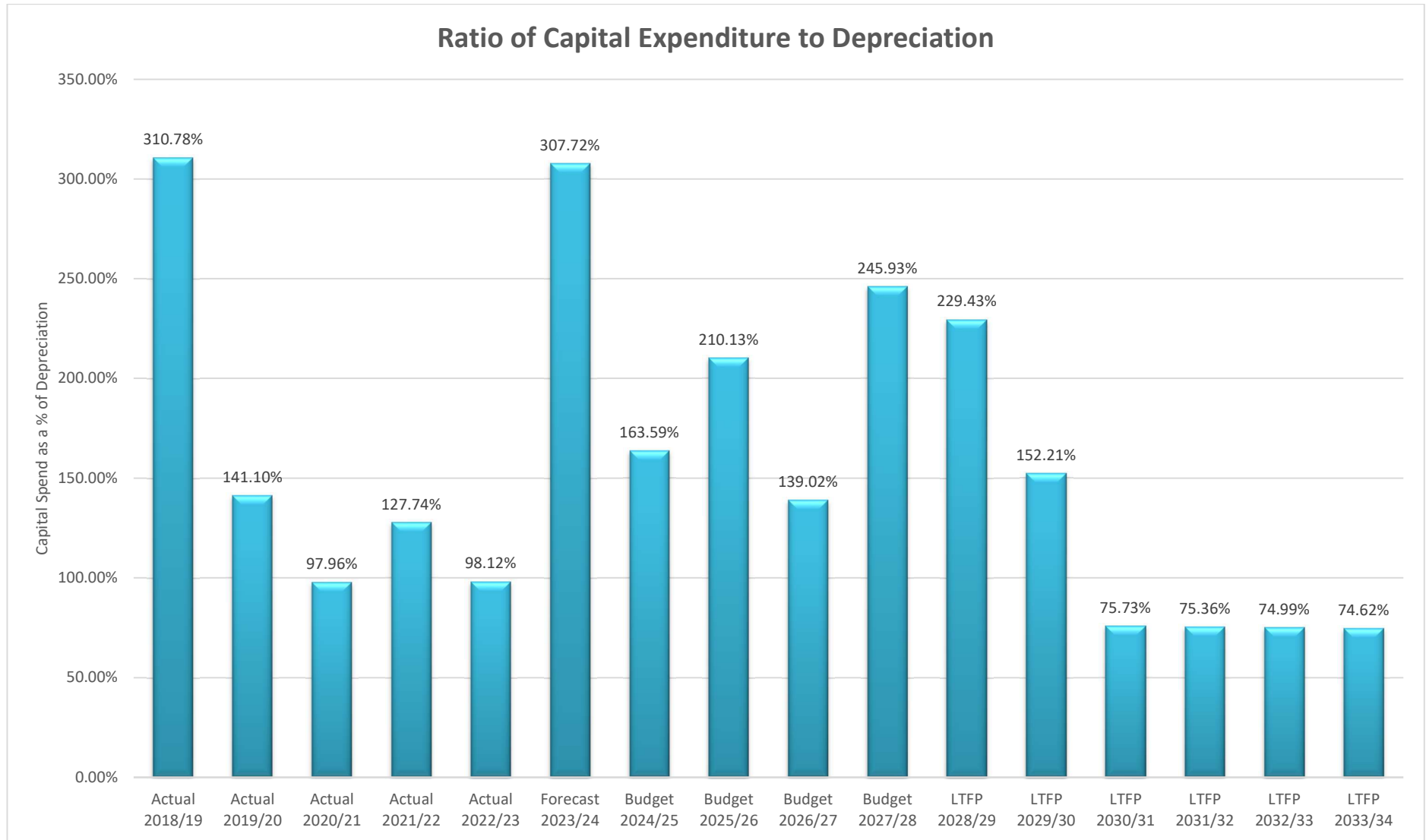
### 7.2.1 Net Operating Result



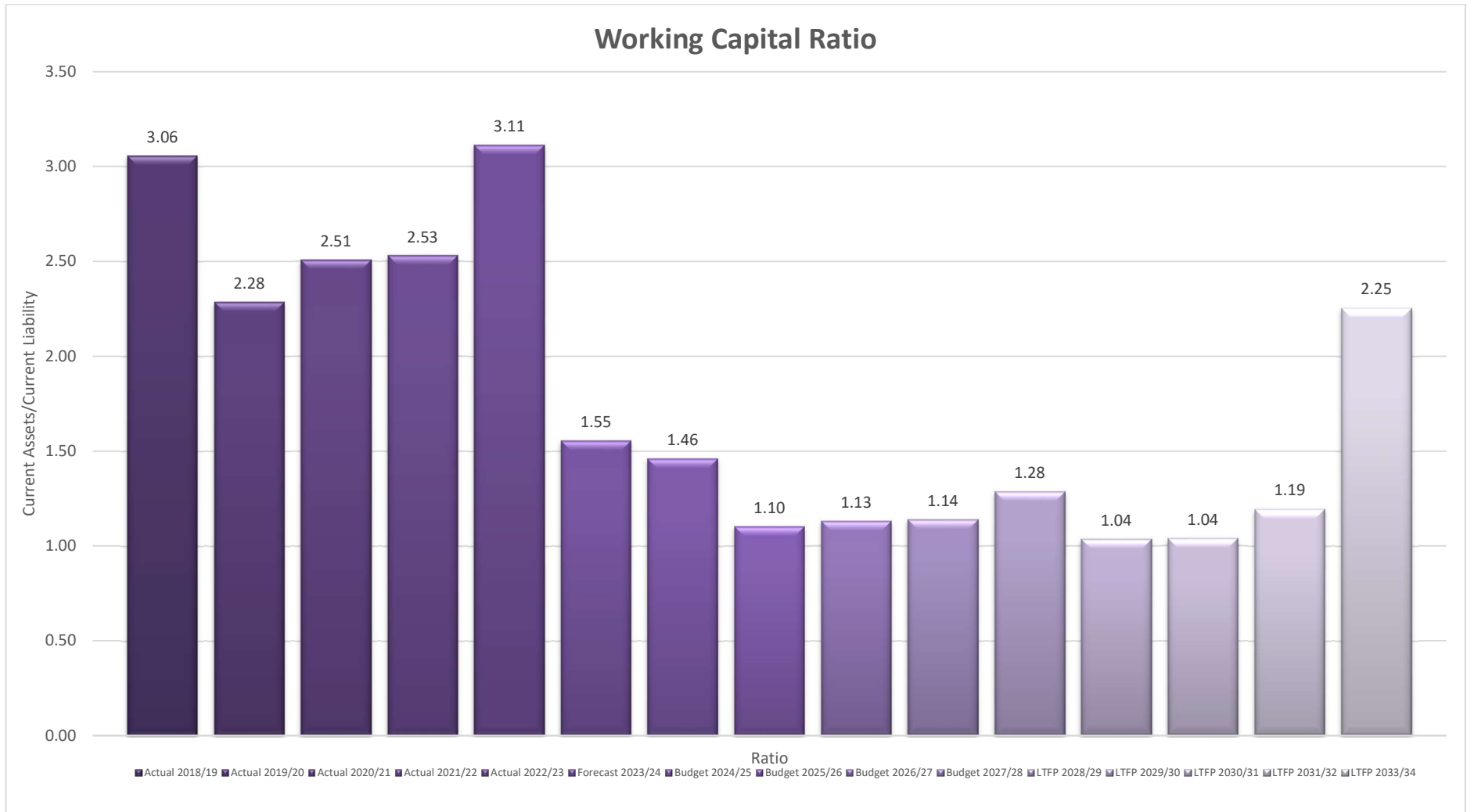
7.2.2 Capital Expenditure by Type



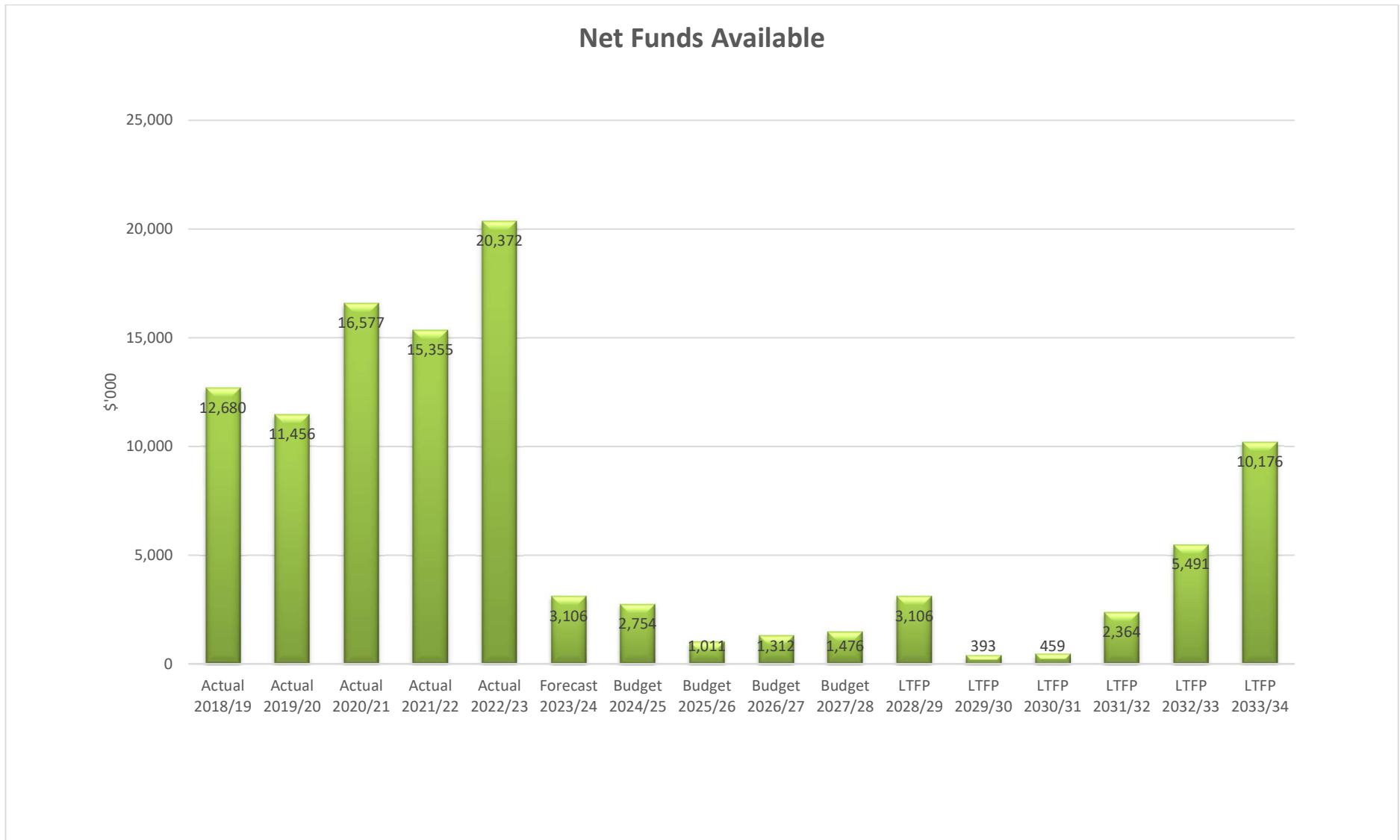
7.2.3 Capital Expenditure compared to Depreciation Expense



7.2.4 Working Capital Ratio

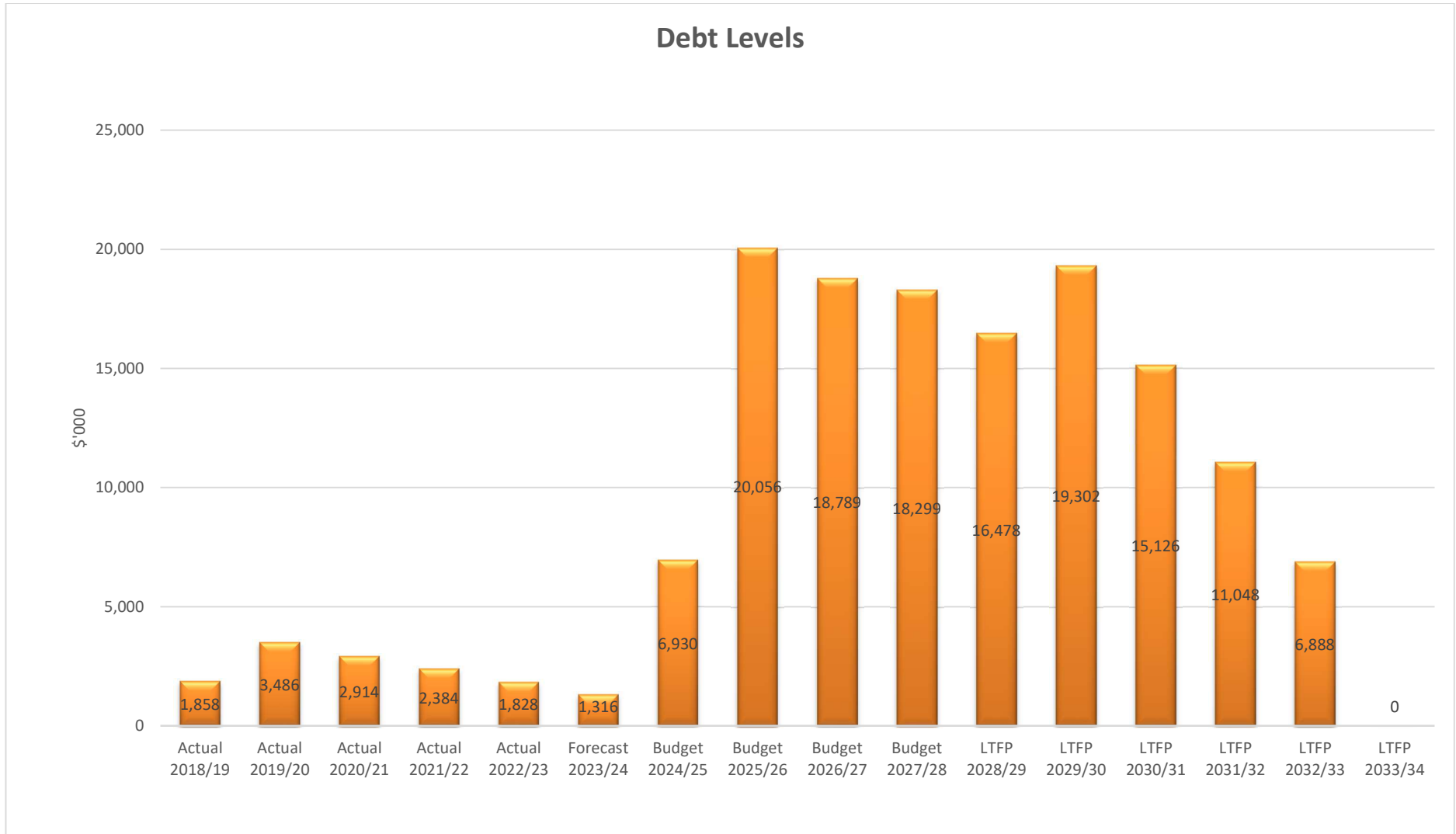


7.2.5 Net Funds Available





7.2.6 Debt Levels



7.2.7 Debt Servicing

