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 **GREATER  
DANDENONG**  
*City of Opportunity*



*Adopted by Council  
25 October 2021*



# **LONG TERM FINANCIAL PLAN**

2021-22 – 2030-31

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## Executive summary

### Purpose of the Long-Term Financial Plan 10 years

The Long-Term Financial Plan (LTFP) exists primarily to provide the following outcomes for the City of Greater Dandenong (Council):

1. Establish a prudent and sound financial framework, combining and integrating financial strategies to achieve a planned outcome.
2. Establish a financial framework against which Council's strategies, policies and financial performance can be measured against.
3. Ensure that Council complies with sound financial management principles, as required by the Local Government Act 2020 and plan for the long-term financial sustainability of Council (Section 101).
4. Develop, adopt and keep in force a Financial Plan for at least the next 10 financial years in accordance with its deliberative engagement practices (Section 91).
5. Allow Council to meet the objectives of the Local Government Act 2020 to promote the social, economic and environmental sustainability of the municipal district including mitigation and planning for climate change risks and that the ongoing financial viability of the Council is to be ensured (sections 9 (2)(c) and 9(2)(g).

This LTFP represents a comprehensive approach to document and integrate the various strategies (financial and other) of Council. The development of the long-term financial projections represents the output of several strategy areas, that when combined, produce the financial direction of Council as shown below:

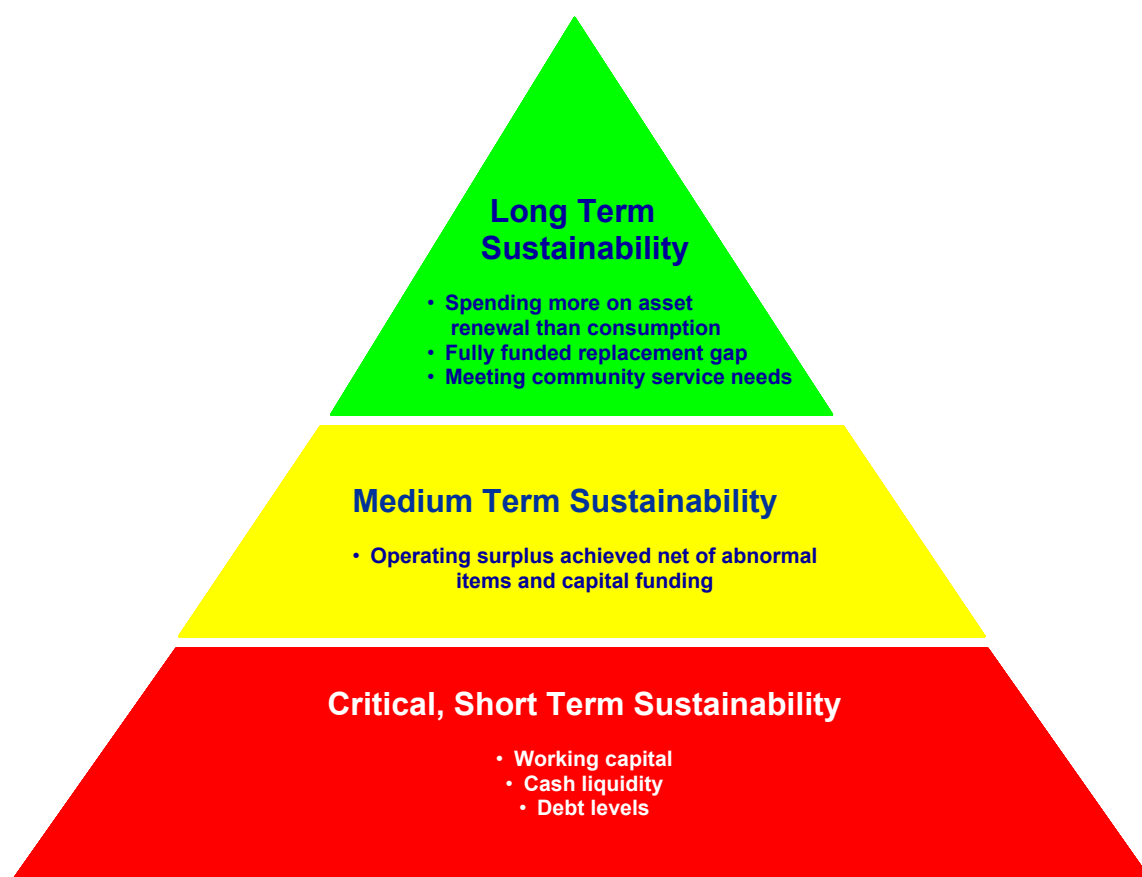


## Objectives of the Long-Term Financial Plan

The objectives of this LTFP (not prioritised) are as follows:

- The achievement of a prudent balance between meeting the service needs of our community (both now and future) and remaining financially sustainable for future generations.
- An increased ability to fund both capital works in general and meet the asset renewal requirements as outlined in asset management planning.
- Endeavouring to maintain a sustainable Council in an environment where Council must either constrain its net operational costs or reduce funds available to capital expenditure due to the capping of council rates and low increases in government grant funding.

For the purposes of this strategy, financial sustainability is defined in the below diagram, modelled essentially on a hierarchy of needs approach.



It could readily be argued that over the past ten years, the Council has maintained a position as outlined in the Long Term Sustainability section of the triangle. The challenge for Council will be, however, to avoid an outcome where it gradually drops through the sections back into the red zone over the next ten years on the back of capped revenue capacity and rising costs.

To avoid this outcome, Council will have to critically evaluate all of its current service provision and may have to make a series of difficult decisions, particularly where costs in services part funded by State and Federal Government increase by an amount greater than Council's ability to increase general revenues.

## COVID-19 Financial Impact

The City of Greater Dandenong will need to continue to be responsive to the city's changing needs with the latest advice and guidance being received from State and Federal Governments in relation to the management of COVID-19 (Coronavirus) pandemic.

Generally, Council assumes overall service levels will remain largely unchanged throughout the 10-year forward projection period. This LTFP has been developed on the most current and best available information but is subject to change due to the dynamic health and economic crisis created by the global COVID-19. Several of the adverse impacts of COVID-19 will not immediately cease in 2021-22. Interest on Investments will also be one of Council's greatest risks due to the significant financial impact it represents for the budget and forecast. We are already experiencing a low interest rate market. The fallout from COVID-19 and the continued impact that it is having on the Australian economy will continue to put greater pressure on investment income for Council and the local government sector. Low interest rates for example will carry on for some time reducing council's typical return by more than \$1 million annually and supplementary rate growth has slowed considerably.

The longer-term impact of COVID-19 on our community and on our operations is still uncertain with restrictions continuing to impact Council's services and impacting Council's operational budgets. As such we recognise Council's proposed financial direction for future years may require changes.

### Key outcomes/challenges of this LTFP

Council continues to strive to provide high quality operational services for all residents including many disadvantaged sections of the community whilst at same point generally recovering lower levels of fees and charges in comparison to other municipalities.

A key challenge faced by Council as part of this LTFP is the capping of rate income at 1.50 per cent whilst also funding a minimum pay increase in the Enterprise Agreement of 2.25 per cent in 2021-22. Employee costs represent the largest component of Council's expenditure (43 per cent).

Perhaps the most significant outcome included in this draft LTFP is the funding required to complete two very important major projects for Council – those being the construction of the Keysborough South Community Hub (\$15.7 million) and the redevelopment of Dandenong Oasis (\$62.5 million). The funding sources for these projects will be largely drawn from a combination of new borrowings and Council Reserve funds.

Upon completion of the Keysborough South Community Hub, Council will take on the ongoing operational costs of the newly developed Hub which will add over \$1 million per annum in net costs to the Budget.

These decisions combined with the ongoing capping of rates are resulting in a squeeze on Council's ability to continue to grow available funding for capital works and in particular, several major projects that Council wishes to deliver in the coming years.

Whilst Council has largely been protected from the impacts of rate capping to this point due to higher levels of supplementary rates the time is approaching where Council will either have to make changes to its operational services or accept that timelines for new projects will face longer term delays in order to be affordable for Council. The COVID-19 pandemic has resulted in a combined reduction of over \$11 million in the capital works program over the 2019-20 and 2020-21 financial years.

## Council's Long Term Financial Plan and impact of rate capping

The State Government Rate Capping System, introduced in 2016-17, restricts Council from increasing rate income above a capped amount. Each year the Minister for Local Government (the Minister) will set the rate cap that will specify the maximum increase in councils' rates and charges for the forthcoming financial year. In circumstances where the rate cap is insufficient for a specific council's needs, Council can apply to the Essential Services Commission for a higher cap.

In December 2020 the Minister for Local Government announced that Victorian council rate rises would be capped at the forecast rate of inflation of 1.50 per cent in the 2021-22 financial year. 1.50 per cent is also forecast for 2022-23, followed by annual assumed rate increases from Year 3 at a forecast Consumer Price Index (CPI) of 2.00 per cent.

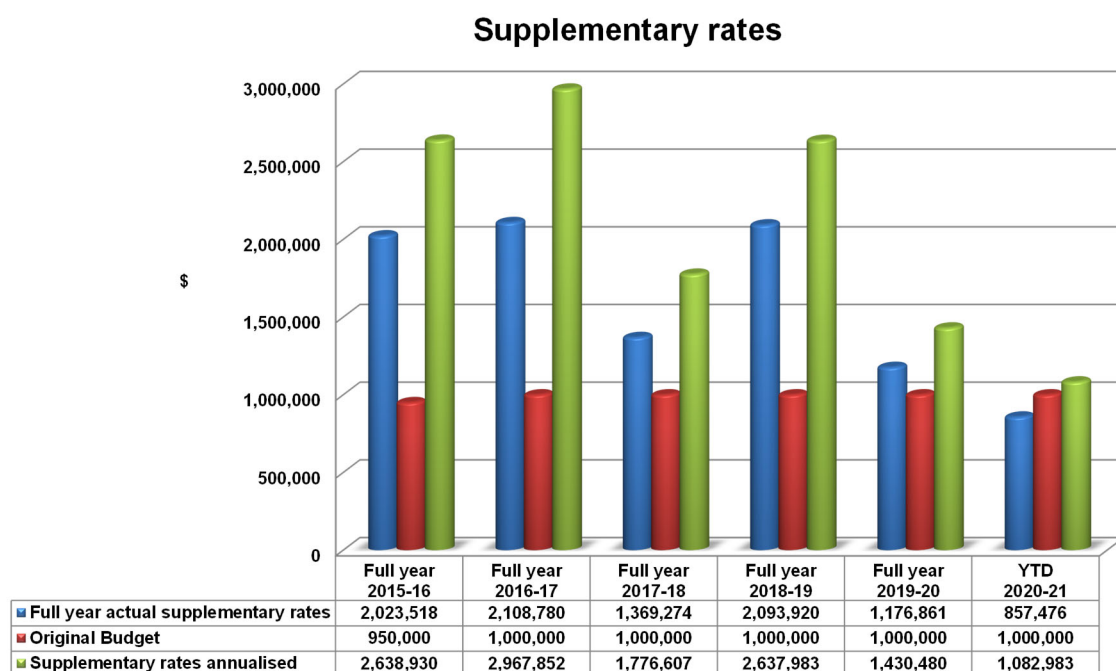
### Forecast rate increases

Description	Budget 2021-22	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	Year 6 2026-27	Year 7 2027-28	Year 8 2028-29	Year 9 2029-30	Year 10 2030-31
CPI forecast	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate revenue cap	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Despite Council being in a healthy financial position with satisfactory liquidity requirements, cash flow and reserve balances, rate capping combined with the recent COVID-19 impacts presents a significant challenge to Council's longer term financial sustainability.

## Supplementary rates

There was significant supplementary rate growth four to five years ago. However, this has been dropping, particularly over the past two years (2019-20) and more recently the forecast (2020-21) year as per the graph below.



While the annual decision on the rates has a material impact on Council's finances, the growth in the overall rate base through supplementary rates has been of significant importance. The supplementary rates growth has been extraordinary, particularly in the first two years of the five-year period depicted in the above graph. It should be noted that supplementary rates do not form part of the rate cap – but instead are built into the base for the future year's calculation. The average annual dwelling growth has now dropped below 1,000 over the five-year period.

It is important to note that 2020-21 has continued to experience extremely slow supplementary rate growth and it is likely this trend will continue putting more pressure on Council forecasts.

## Key parameters

The development of this LTFP has also seen a focus on the key income and expenditure assumptions. **Appendix P** outlines the key parameters and assumptions.

Items creating a flow on impact (favourable and unfavourable) across the LTFP include:

- The Enterprise Agreement 2018 commenced 1 July 2018 for a four year term. This agreement provides for a minimum pay increase per annum of 2.25 percent or the rate cap whichever is higher.

In the 2021-22 financial year, Council will again be in a position where employee costs are greater than the forecast rate cap (1.50 per cent). Employee costs are assumed to equate to the rate cap for the remaining years of the LTFP plus salary band step increases.

Superannuation guarantee charge (SGC) increases were announced as part of the 2014 Federal Budget and this LTFP forecasts the progressive increase in the SGC

from 10 per cent in 2021-22 to 12 per cent by 2025-26 adding an additional \$15.26 million in employee costs across the life of the LTFP.

- It is difficult to predict investment returns over the life of the LTFP given the current low interest rate environment. COVID-19 impacts and continued low interest rates mean that Council cannot continue to rely on additional investment income. Interest income is estimated to average around \$1.20 million per annum over the ten years of the LTFP which means investment returns have halved.
- Material costs match the forecast increase in Council rates. The forecast for 2021-22 and 2022-23 is set at 1.50 per cent to match the rate cap set for 2021-22 and the assumed rate cap for 2022-23. Insurance premiums continue to escalate at a rate well above CPI, therefore, a 5 per cent parameter has been applied across the LTFP to insurance premium costs. This 5% assumption follows on from an expected 28% increase in premiums in 2020-21.
- Forecast funding required for the management contract of Council's leisure centres with future year's estimates taking into account significant capital works investment by Council at the Noble Park Aquatic Centre and with the redevelopment of Dandenong Oasis.
- The consequential operational servicing expenditure of approximately \$1 million for the Keysborough South Community Hub has been factored into this LTFP revision.
- The investment pool available for Financial Assistance (FA) grant funding to councils via the Victorian Local Government Grants Commission was negatively impacted by COVID-19. Council's actual FA grant allocation for the 2020-21 financial year decreased by \$14,000 (0.12 per cent) from the prior year which creates a funding gap between this drop and increasing costs at CPI. No movement has been forecast in FA grant funding for the first two years of the LTFP and a conservative increase of 1.00 per cent has been assumed for each year thereafter.
- Some COVID-19 after-effects are anticipated for 2021-22, including the Dandenong Market rental return as it is not expected to return to pre-COVID-19 performance until part way through 2021-22.

## Capital Investment

Notwithstanding the financial impacts of COVID-19, particularly on the capital works program, Council forecasts a strong financial position for the 2021-22 financial year. This challenge will be ongoing. New facilities such as the Keysborough South Community Hub will add considerable costs (estimated to be at least \$1 million annually) to Council's operational budgets. Council's forward capital investment decisions and their consequential operational and infrastructure servicing expenditure (whole of life costing) will necessitate a shift in strategic thinking in the medium to long term.

## Service levels

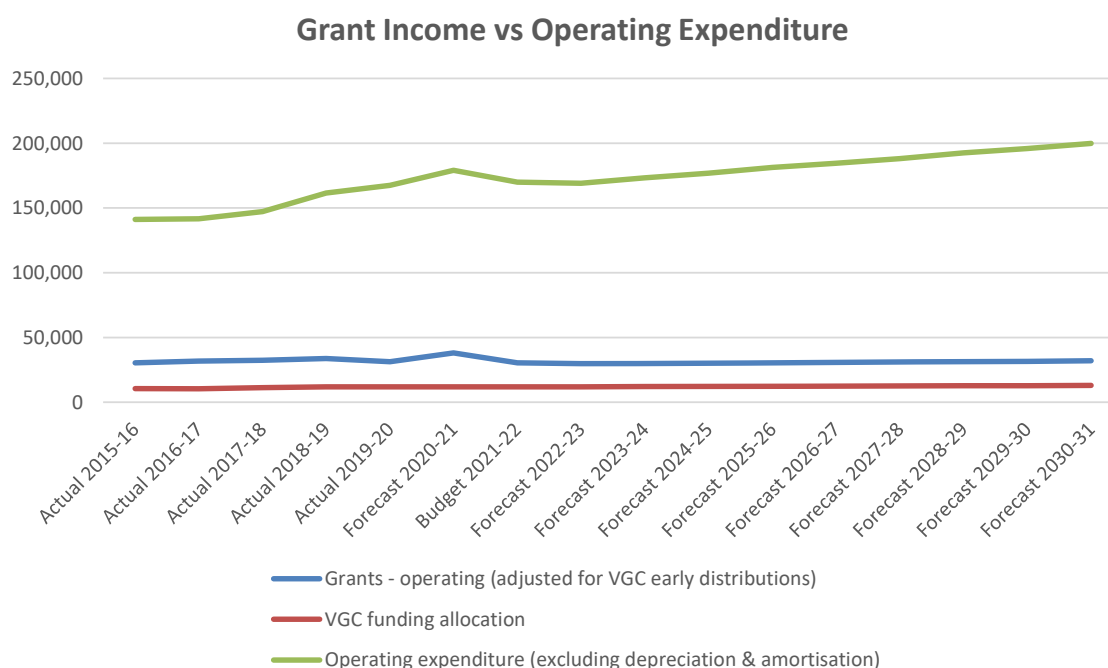
To maintain financial sustainability in the face of the above challenge, Council needs to continually review its approach to service delivery. Council will need to assess what levels of services can be provided for a given maximum rate rise under rate capping. The primary outcome from the LTFP is the quantification of the cost of existing service requirements and the associated long-term cash flow implications to maintain those service levels. This allows for the ongoing review of the affordability of existing service levels and their priority relative to emerging service demands and the capacity and willingness to pay of the community.

## Recurrent grant funding

Recurrent grants (inclusive of the Financial Assistance grant funding received via the Victorian Local Government Grants Commission (VLGCC)) currently form around 14 per cent of Council's total underlying operational revenue and hence are an important source of revenue for Council.

Recurrent grant revenue however has consistently failed to keep pace with the cost of providing these same services that the grant supports, therefore requiring Council to continue to 'top-up' the State and Federal government shortfall with rate funding to continue to provide the current level of services to the community.

The blue line in the graph below shows the trend of the prior five year's actual operating grant income along with the forecast funding levels over the life of this LTFP. The graph highlights that recurrent grant funding in the next ten years is only expected to grow slightly. Similarly, the red line depicts the anticipated level of Financial Assistance grant funding which also has slow growth. By contrast, the green line is Council's operational expenditure excluding depreciation and amortisation which shows an increasing trend across the life of the LTFP. Expectations of the trend in grant income does not match increasing operational costs in future years.



*Note: The above grant income levels have been adjusted for any early distributions of Financial Assistance Grant allocations distributed in advance of the financial year to which the allocation relates.*

## Strategic Major Projects

There have been enormous strides in the past five years and significant investment in the infrastructure of our City including:

- \$53 million Springvale Community Hub (including a library).
- \$65 million Dandenong Civic Centre and Library.
- \$26 million Dandenong Market redevelopment.
- \$21 million Noble Park Aquatic Centre.
- \$15 million Tatterson Park Community Sports Complex.

### *Keysborough Community Hub*

The City of Greater Dandenong is establishing a community hub in Keysborough South where a range of services, programs and flexible meeting spaces will be provided for the community. Council has undertaken extensive planning and consultation over several years for the proposed community hub and Tatterson Park is the selected location for the facility. The development is estimated to cost around \$18.08 million, including \$2.3 million to relocate the dog off leash park and construction of a new access road.

This project will be funded from a number of sources:

- Community and development infrastructure levies collected under the Keysborough South Residential Development Contributions Plan totalling around \$6.5 million (including \$2.58 million transferred to Council's DCP Reserve).
- New borrowings of \$6.12 million in 2021-22. These loan funds will be sought via the Community Infrastructure Loans Scheme (CILS) which was announced in the 2020-21 Victorian State Budget to support councils in delivering critical infrastructure to communities across the state. A successful application is hoped to achieve savings through accessing a low-interest loan as well as receiving an interest subsidy from the Victorian Government.
- \$3 million in Victorian state government grant funding through the Building Blocks capacity building grant stream.
- \$4.93 million transferred from Council's reserves consisting of the \$2.58 million contribution mentioned in the first dot point above and \$2.3 from the Major Projects Reserve to fund the relocation of the dog off leash park and construction of a new access road.

### *Noble Park Aquatic Centre (NPAC) redevelopment*

The redevelopment and expansion of NPAC was one of two key recommendations from the Greater Dandenong Aquatic Strategy (September 2019) which included the development of a health and wellbeing gymnasium (stage 1) and expansion of the indoor pool hall (stage 2) including a dedicated learn to swim pool, water play / leisure pool, redeveloped program / warm water pool and amenities. Construction commenced in April 2021 and is expected to conclude in early 2022.

The development of the gymnasium is expected to cost around \$7.2 million and to have a positive and significant impact on visitation and participation levels, community health and the operational performance of the Centre.

The City of Greater Dandenong has received a \$3.3 million grant from the Victorian Government's Community Sports Infrastructure Stimulus Program for the development of a Health and Wellbeing Gymnasium at NPAC. The remaining \$3.9 million will be funded from the Major Projects Reserve.

This stimulus funding has allowed Council to bring the NPAC stage 1 redevelopment forward, due to the scale of the project and its ability to meet the 'shovel ready' requirements of the funding program.

### *Dandenong Oasis redevelopment*

Council is planning to develop a new aquatic and wellbeing centre to replace the existing Dandenong Oasis which is nearing the end of its effective life. This major infrastructure project is a key recommendation from the Greater Dandenong Aquatic Strategy and will have a targeted focus on allied health, passive activity, education, fitness and wellness.

Mills Reserve will continue to be the home of Greater Dandenong's premier indoor aquatic centre. However, the new aquatic and wellbeing centre will be developed as a new facility at the reserve, as opposed to a redevelopment of the exiting Dandenong Oasis, which is over 40 years old and proposed for decommissioning. This will enable Dandenong Oasis to continue to operate while the new Centre is under construction. Council has developed a business case for the proposed new centre as a basis of seeking government funding which at this point is yet to be confirmed. The construction costs of the centre are estimated at \$62.5 million with ancillary costs related to the project of a further \$20 million. These later costs are presently unbudgeted. The detailed design of the Dandenong Wellbeing Centre is scheduled to commence in 2021.

Whilst funding major projects like Keysborough South Community Hub and the construction of the Dandenong Wellbeing Centre, Council must also maintain its existing assets and meet the asset renewal challenges, continue to provide a strong suite of operational services to its residents and provide for the ongoing capital development of Council across a broad range of items in addition to the major projects listed above.

The past decade has seen facilities in the Council improve markedly and contribute towards making the Council a better place for its residents to live, work and enjoy. Council retains a strong focus on the future needs for this Council and there are several key projects that need to be considered. These include:

#### *Other Future Major projects include:*

- Determining a forward master plan and implementing it in relation to the current Dandenong Community Hub (\$25 million) \*
- Dandenong Stadium redevelopment – Stage 1 (\$27 million).
- Expansion of the Noble Park Aquatic Centre – Stage 2 (\$15 million).
- A new Table Tennis Centre (\$6 million).

To deliver each of these projects involves capital expenditure in the tens of millions. In many cases these facilities also involve significant additions in terms of ongoing costs to operate - as noted in relation to the Keysborough South Community Hub. An additional \$1 million per annum is estimated for operational requirements. It is important to note that these projects and others derived from Strategies and Plans also create an additional maintenance requirement going forward, increasing operational costs into the future.

#### *\* Dandenong Community Hub*

Greater Dandenong City Council has commenced the first phase of the business case and concept plan for a Community Hub in central Dandenong in 2021. This project represents the next step to develop infrastructure in central Dandenong to meet current and future community needs. Once the identified service components have been identified, the financial implications can then be modelled and considered as part of the next revision of Council's Long Term Financial Plan.

## Outcomes of the LTFP

The purpose of the LTFP is to therefore provide a financial framework to Council in terms of what can be prudently achieved over this period and whilst this document has a strong focus on a ten-year time horizon, the work that sits behind the final document has a longer focus in terms of capital planning.

In preparing the LTFP, the State Government capping of council rates at the CPI will impact the finances of Council and have been included in the preparation of this strategy. Moreover, these figures will be further impacted by the flow on effects of COVID-19.

The key outputs included in the LTFP are:

- The achievement of an ongoing underlying operational surplus throughout the life of the LTFP.
- An increase in capital works funded from Council's operations from \$36.20 million in the 2021-22 Budget to \$45.16 million in the final year of the LTFP (*noting that this may be subject to future reductions due to the impacts of rate capping and/or COVID-19*).
- Funding for asset renewal ranging from \$16.68 million to \$29.68 million (excluding major projects) over the life of the LTFP (*again noting this is subject to future review as a result of rate capping and/or COVID-19*).
- The achievement of a financial structure, where annual asset renewal needs are met from the base operating outcome of Council, and non-renewable sources of funds such as reserves, and asset sales are used to fund new or significantly upgraded facilities.
- Retention of service provision at present levels for 2021-21 (*noting that this is subject to future review as a result of rate capping*).

In terms of the inputs required to achieve the above outcomes, the LTFP is based on the following:

- A rate increase of 1.50 per cent for the 2021-22 financial year as directed by the Minister for Local Government. This is also the assumed rate cap for 2022-23 (1.50 per cent). A rate cap at CPI (based on a future CPI projection of 2.00 per cent) has been applied for the remaining years of the LTFP. Waste charges have been included on a full cost recovery basis as they are currently excluded from the rate cap.
- Forecast new borrowings of \$6.12 million in 2021-22 and \$30 million (\$15 million forecast in each of the 2022-23 and 2023-24 financial years) to part fund major capital works projects.

In summary, the 2021-22 to 2030-31 LTFP highlights the considerable challenges faced by Council over the coming ten-year period and beyond, for Council to remain a viable and sustainable Council and at the same time endeavouring to deliver on key infrastructure projects that are critical to our community.

The below table highlights the strategic outcomes contained in the LTFP.

<i>LTFP Section</i>	<i>Strategic Directions Outcomes:</i>
Macro view of Council's financial position	<ol style="list-style-type: none"> <li>1. That Council revise its 10-year forward financial plan on an annual basis.</li> <li>2. That Council maintains an underlying operational surplus (in the Income Statement) prior to the recognition of capital income over the life of the LTFP.</li> <li>3. That Council seek to increase its capital works investment, funded from operational and alternative sources to a sufficient level that allows it to adequately fund its asset renewal requirements and continue to deliver major project funding <i>(subject to the impacts of rate capping and COVID-19 being fully assessed)</i>.</li> <li>4. That Council endorse through this LTFP, the principle that ongoing asset renewal requirements must be funded from ongoing operational funding sources and that non-renewable funding sources such as asset sales, reserve funds or loan funds not be used to address these needs.</li> </ol>
Capital works strategy and Asset Management	<ol style="list-style-type: none"> <li>1. That Council note the forecast level of capital expenditure over the ten-year period of the LTFP.</li> <li>2. Endorse an in-principle strategy of allocating funds to meet asset renewal and maintenance requirements as a priority in the development of annual Capital Improvement Program and recurrent programs.</li> </ol>
Borrowing strategy	<ol style="list-style-type: none"> <li>1. That Council continues the use of loan funding as a viable and equitable mechanism of funding new/significantly upgraded major assets that provide a broad community benefit (when required).</li> <li>2. That Council endorse a strategy of setting a target of 40 per cent indebtedness to rates ratio as an ideal financial outcome and where new borrowings are sought, set reduction targets to achieve this level in not more than a five year period, with a maximum loan ratio of not more than 60%.</li> </ol>

## Link between LTFP and Council's Planning Framework

A component of the new Integrated Strategic Planning and Reporting Framework (ISPRF) is the Financial Plan. By 31 October 2021, Victorian councils must develop (at a minimum) a 10-year Financial Plan for the period 1 July 2021 to 30 June 2031.

The purpose of the LTFP is to ensure the financial soundness of Council and to provide appropriate levels of resources to meet Council's future needs in providing services and facilities to the community.

The LTFP fits into an overall Strategic Planning framework as outlined below:



## Statutory and Regulatory Requirements

### Financial Plan

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. 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:

- (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.

### Financial Management Principles

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

- (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.

## Community Engagement and Public Transparency

Under the Local Government Act 2020, Council is required to prepare the 10 year Financial Plan in accordance with its deliberative engagement practices

### Greater Dandenong People's Panel

In accordance with the new Local Government Act 2020 Council formed the Greater Dandenong People's Panel to undertake a deliberative engagement process to develop a new community vision, Council Plan 2021-25 and Long-Term Financial Plan. This process involved the recruitment of randomly selected residents and business owners in the City of Greater Dandenong by an external organisation to avoid any possible bias. 40 participants were originally selected with 31 completing the process.

The panel of 31 met during April – June 2021 to discuss the future of our city and highlight the needs and aspirations of its people. They were provided with a range of information including background information on Council's key challenges and the results of the broad community consultation. Eight guest speakers were also invited to engage with the panel and share their experience across a variety of areas including art and culture, sustainability, sport and recreation, and manufacturing. This enabled the panel to have well-informed discussions and carefully consider multiple points of view and various options before coming to a consensus.

As part of developing the new vision the Greater Dandenong People's Panel was asked to develop some key principles which would help guide Council in its long-term planning for the future of our city. The new vision and principles developed by the panel have influenced the priorities of the Council Plan and the Long-Term Financial Plan to the maximum extent possible.

The key areas of priority highlighted throughout the process included:

- Social connections, physical and mental health
- Respect and celebration of diversity and culture
- Community safety and the reduction of crime
- Meaningful local employment and opportunities for education and training
- Sustainability and climate change
- Inclusivity through art and culture

Some of the panel's recommendations included more affordable long term parking spaces with the Greater Dandenong area, preserving, promoting, planting and planning with a focus on a sustainable future, implementation of more accessible and attractive transport routes and ensuring infrastructure can be utilised for more than one purpose (multi-purpose community hubs). The panel also suggested a range of other considerations including recommendations for community safety, homelessness, and affordable housing.

Council's existing financial and strategic commitments, as outlined within the large number of specific strategies and plans developed over the last few years, are also reflected in the Council Plan. For example, the Climate Emergency Strategy, Urban Tree Strategy, Children's Plan, Disability Action Plan, and the Food and Tourism Strategies.

The new vision and principles developed by the panel have influenced the priorities of the Council Plan and the Long-Term Financial Plan to the maximum extent possible. They will also be used to influence future plans and strategies developed by Council to ensure the community's needs and aspirations continue to be met.

## 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.

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.

At a minimum the Financial Plan is to include:

- Financial statements for next the ten years that includes Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works.
- Statement of capital works is to include ten year expenditure in relation to non-current assets, classified in accordance with the asset classes and asset expenditure types specified in the Local Government Model Financial Report and a summary of funding sources in relation to the planned capital works expenditure.
- A statement of human resources that includes a summary of planned expenditure for the next ten years in relation to permanent human resources and a summary of the planned number of permanent full time equivalent staff by organisational structure split between male, female and self-described gender.

### Financial Sustainability

The key objective, which underlines the development of this long term financial plan, is financial sustainability, while still achieving Council's strategic objectives as specified in the Council Plan.

The rate capping challenge in the medium to long term will require Council to fundamentally review the sustainability of its operations. A 'business as usual' approach will not be sufficient to meet the challenge into the future. It will be necessary for Council to undertake an annual review of all services in line with community expectations and Council's resource availability. Council is committed to annual reviews of the LTFP and particularly, the assumptions which underpin the long term financial plan. It will be necessary for Council to undertake a review of all services in line with community expectations, the service performance principles (section 106 of the Local Government Act 2020) and Council's resource availability.

On an annual basis, City of Greater Dandenong prepares a Long-Term Financial Plan (LTFP) that addresses Council's long-term financial outcomes and establishes a financial framework that moves Council towards a position of financial sustainability. The LTFP is a key component of the new Integrated Strategic Planning and Reporting Framework implemented as part of the new Local Government Act 2020.

In the LTFP, Council publishes its operational and capital works plans for the next ten years. These plans were developed with due regard to the service delivery, asset maintenance and capital works implications from the future growth of the city.

The main objective of the LTFP is to ensure that Council is financially sustainable to be able to deliver services to the community and keep the city's infrastructure assets renewed on a regular basis.

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The key financial objectives of the LTFP are:

- The achievement of a prudent balance between meeting the service needs of our community (both now and in the future) and remaining financially sustainable for future generations.
- An increased ability to fund both capital works in general and meet the asset renewal requirements as outlined in the asset management planning
- Endeavouring to maintain a sustainable Council in an environment where Councils costs in delivering services are increasing at a higher rate than its revenue capacity due to capping of Council rates and low increases in government grant funding.

In preparing its LTFP, Council has also been mindful of the need to comply with the following principles of sound financial management as outlined in section 101 of the *Local Government Act 2020* which requires Council to:

- Maintain records of and manage financial transactions, accounts and balances in accordance with Council's financial policies and strategic plans.
- Prudently monitor and manage financial risks relating to the financial viability of Council, the management of current and future liabilities and beneficial enterprises of Council.
- Provide stability and predictability in the financial impact on the municipal community of Council's financial policies and strategic plans (including the Revenue and Rating Plan).

## Financial Plan inputs and assumptions

The following financial statements portray the projected financial position of Council over the next ten years.

<b>Appendix</b>	<b>Financial Statement</b>
A	Comprehensive Income Statement
B	Conversion to Cash Result
C	Balance Sheet
D	Statement of Changes in Equity
E	Statement of Cash Flows
F	Statement of Capital Works
G	Statement of Human Resources (\$)
H	Statement of Human Resources (FTE)

The statements are prepared based on current knowledge and service levels and will no doubt be affected by various events which will occur in future years. It is important that the long-term financial outlook be revisited and updated on an annual basis. It should be noted that final decisions on the allocation of funds are undertaken through Council's Budget process in accordance with the Local Government Act 2020 (Section 94).

### *Modelling methodology*

This section of the LTFP contains details of the assumptions specifically applied to produce the long-term outlook in the Financial Statements listed above. A commentary is also provided on the information relayed by the Statements and what they mean for Council.

In a more global sense however, it is worthwhile detailing the approach to the modelling process as broad percentages have not been universally applied. The model has been prepared at the lowest accounting level within Council's general ledger system being "sub activity (program and account) level". At this level, certain accounts were coded for manual adjustment rather than broad percentage increases (e.g. election expenses, property revaluation costs and one-off projects). It is therefore not possible to simply multiply the previous year's base by a percentage and achieve the same outcomes as presented.

The base point used for modelling has largely been the original 2020-21 Budget before the factoring in of any COVID-19 impacts (a 'normal' base year).

### *Achieving cost savings*

The LTFP is a high level strategic plan that acts as a framework for future budgets. Whilst this plan is based on the premise of continuing to deliver all present-day operational services, it must be highlighted that Council continues to institute a number of processes that have delivered considerable savings against the framework and will continue to identify savings in the future.

### Identifying operational savings

Whilst the LTFP establishes a framework for the Budget, Council thoroughly reviews all draft operational budgets on an annual basis and seeks to achieve savings against this framework wherever possible. Beyond the Budget process, Council's Executive Management continues to seek further operational efficiencies and continuous improvement on an ongoing basis.

### Parameters

The table highlights the broader parameters used in the calculation of the LTFP. These parameters are discussed in more detail under each of the respective notes following the Income Statement.

Refer to **Appendix P** for a full list of all income and expenditure parameters applied across the ten year period of this LTFP.

Description	Budget 2021-22	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	Years 6-10 2027-2031
CPI forecast	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%
Rate revenue cap	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%
Fees and charges - Council	1.50%	1.50%	2.50%	2.50%	2.50%	2.50%
Fees and fines - statutory	0.00%	1.50%	2.00%	2.00%	2.00%	2.00%
Financial Assistance Grants funding	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%
Grants and subsidies	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Employee costs	2.25%	1.50%	2.00%	2.00%	2.00%	2.00%
Employee costs (incremental costs)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Electricity	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Street lighting	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Water	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Gas	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Fuel	1.25%	1.50%	2.00%	2.00%	2.00%	2.00%

1. The forecast CPI is 1.50 per cent for the first two years and 2.00 per cent thereafter.
2. Rates in the 2021-22 year are based on the forecast CPI of 1.50 per cent as directed by the Minister Local Government under the State Government FGRS. A rate cap of 1.50 per cent has also been assumed for the 2022-23 financial year. The remaining years are based on an assumed CPI of 2.00 per cent.
3. Fee revenue is set to increase by 1.50 per cent in the first two years of the LTFP, consistent with the CPI forecast. Thereafter, a 2.50 per cent parameter has been applied. Fees and charges are generally linked to labour cost increases as most services provided by Council have a significant labour component. Where services do not include a labour cost component the inflation rate may be used instead. In addition, considerations of community factors are required such as encouraging use of a service and ability to pay.
4. Statutory fees are set by legislation and are frequently not indexed on an annual basis. Statutory fees have not been incremented in 2021-22, due to COVID-19. The 1.50 per cent parameter in 2022-23 and the 2.00 per cent parameter thereafter has been allowed in the LTFP model to account for an increase in volume. However, the actual statutory fee charged will comply with the relevant regulatory framework.

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5. Grants and subsidies have been budgeted with a conservative economic outlook at 1 per cent. The Financial Assistance grant funding parameter has been frozen in the first two years and thereafter it has also been conservatively increased by 1 per cent.
  6. The employee cost increase for 2021-22 is 2.25 per cent as per the Enterprise Agreement (EA) 2018 which expires 30 June 2022. Employee costs will further grow by the cost of movement along bands and in relation to areas where Council inherits new service requirements such as areas of parklands handed from developers to Council. The employee cost parameter will align with the CPI/rate cap forecast thereafter.
  7. Electricity and street lighting – a 2.00 per cent parameter have been applied across the LTFP. Recent investment by Council in sustainable initiatives, such as solar panels on Council buildings and light-emitting diode (LED) replacement of street lights are anticipated to keep cost escalations to a minimum.
  8. Water - an estimate of 2.50 per cent has been assumed to reflect anticipated increases in water costs. These costs will be closely monitored.
  9. Gas - an estimate of 2.50 per cent has been assumed to reflect anticipated increases in water costs. These costs will be closely monitored.
  10. Fuel cost increases have been set at 1.25 per cent (2021-22), 1.50 per cent (2022-23) and 2.00 per cent thereafter across the LTFP.

## Comprehensive Income Statement

Councils Long Term Financial Strategy covers a period of ten years as required under the Local Government Act 2020. **Appendix A** provides the full Income Statement for this required period.

### Operational income

The below summary focuses on the proposed base figures for 2021-22 and likely trend in these figures in the shorter term.

Income types	Budget 2021-22 \$'000	Forecast 2022-23 \$'000	Forecast 2023-24 \$'000
Rates and charges	156,253	159,555	164,007
Statutory fees and fines	8,227	9,674	9,894
User fees	7,972	8,971	9,213
Grants - operating	30,551	29,801	29,926
Grants - capital	9,996	2,518	826
Contributions - monetary	4,935	3,045	2,000
Contributions - non-monetary	10,000	10,000	10,000
Net gain (loss) on disposal of property, infrastructure, plant and equipment	403	405	390
Other income	7,125	7,772	7,996
<b>Total income</b>	<b>235,462</b>	<b>231,741</b>	<b>234,252</b>

### Rates and charges

The table below is an extract of the first half of the LTFP and highlights the various rating components upon which the LTFP has been based.

	Forecast 2020-21 \$'000	Budget 2021-22 \$'000	Financial Plan Projections			
			2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
General rates	127,010	130,014	132,603	136,234	139,938	143,716
Supplementary rates	857	1,000	800	800	800	800
Waste charges	22,438	23,317	24,205	25,001	25,761	27,595
Keysborough Maintenance Levy	1,575	1,620	1,645	1,670	1,695	1,695
Interest on rates	262	414	414	414	414	414
Less rates abandoned	(112)	(112)	(112)	(112)	(112)	(112)
Less COVID-19 rate waiver package (unemployed / jobseekers)	(150)	-	-	-	-	-
<b>Total rates and charges</b>	<b>151,880</b>	<b>156,253</b>	<b>159,555</b>	<b>164,007</b>	<b>168,496</b>	<b>174,108</b>

The rate increases in 2021-22 and 2022-23 have been based on a rate cap (CPI) of 1.50 per cent. The rate increases in the remaining years of the LTFP are based on a forecast rate cap/CPI of 2.00 per cent.

Whilst growth is forecast in relation to the industrial and residential components of the two large development areas south of Dandenong, it has recently been levelling off. For the purposes of this LTFP, based on the recent experience, the forecast supplementary rate income has been reduced to \$800,000 per year.

Council will apply its policy of 'full cost recovery' in determining the waste charge for residents in all years of this LTFP. Waste costs are forecast to increase on average around 4 per cent over the ten years of the LTFP.

The LTFP assumes the continuation of the Keysborough Maintenance Levy. All funds derived from these maintenance levies are fully reserved and do not form part of Council's general discretionary income.

#### *Statutory fees, fines and user fees*

Fees, charges and fines include services where Council has the discretion to determine the fee amount and statutory fees where the level is prescribed by the Commonwealth or State Governments.

Also included under this heading is income received from recoveries of Infringement Court costs (relating to parking infringements).

The LTFP is based on statutory fees remaining stable in 2021-22, then increasing by 1.50 per cent in 2022-23 and 2.00 per cent per annum thereafter. These increments mainly factor in assumed volume increases, as the fee amounts are set by Commonwealth or State Governments.

Discretionary fees, on the other hand, have been indexed at 1.50 per cent in 2021-22 and 2022-23, and 2.50 per cent thereafter, which is more in line with the cost of providing the services. Discretionary fees include the hire of Council's many building, sports and recreational facilities.

Despite these broader parameters in the longer term, several key areas of fee collection (hire of civic facilities, parking, animal registrations) are likely to see fee levels in 2021-22 frozen at previous years levels to assist the community in the recovery from the pandemic.

#### *Grants – operating and capital (recurrent and non-recurrent)*

Operating grant revenue is an extremely important source of revenue for Council, with Council currently receiving approximately \$29.88 million (2020-21 Original Budget) in operating grants. This includes the un-tied Financial Assistance grant funding received via the Victorian Local Government Grants Commission (VLGCC), which is Council's major operating grant. No increase is expected in the Financial Assistance grant funding in 2021-22 due to COVID-19 impacts, and from 2022-23 a cautious increase of 1 per cent per annum has been applied, which seldom increase at an equivalent rate to the cost of providing the subsidised services. All remaining operating grant funding has been incremented by a conservative 1 per cent per annum across the life of the LTFP.

Council relies on grant income for delivering a range of services to the diverse community of the city. Greater Dandenong has a large migrant population, from a wide socio-economic spectrum which places significant demands on Council in the delivery of services in language, literacy and social integration.

The major types of grants Council receives are summarised by:

- Operating (**Appendix N**) or Capital (**Appendix O**)
- Source (federal, state and other)
- Type (services)
- Recurrent and non-recurrent

Capital grants have been forecast in conjunction with the estimates provided on specific capital projects. There are no capital grants able to be forecast with certainty over the life of the LTFP.

#### *Contributions – monetary*

Depending on the amount of development activity in progress, Council receives contributions from developers. These contributions represent funds to enable Council to provide the necessary integrated infrastructure for new developments. They are for very specific purposes and often require Council to outlay funds for infrastructure works some time before receipt of these contributions. These contributions are statutory contributions and are transferred to a statutory reserve until utilised for a complying purpose through the Capital Works Program.

#### *Contributions – non-monetary*

Contributions non-monetary represent fixed assets that are 'gifted' by developers as developments progress. Council will see an increase in 'gifted assets' arising from the major Development Contribution Plans (DCP). Whilst these assets add to Council's overall asset base, they also add to the future obligations to maintain and replace these assets at the end of their useful lives. They therefore impact on Council's depreciation levels and required capital and maintenance spending in the future.

#### *Net gain (or loss) on disposal of property, infrastructure, plant and equipment*

Net gain (or loss) on disposal of fixed assets is the net result of the proceeds received from the sale of assets compared to their book value (written down value) held by Council.

Proceeds from sale of assets are mainly attributed to the asset classes of land and plant and equipment. Plant and equipment sales are determined by an annual replacement program of Council's fleet of vehicles and major plant used for street cleaning, parks maintenance and other asset management functions.

The premise in the strategy for land sales is that proceeds are transferred to the Major Projects reserve and are not utilised for operational purposes.

Written down values in the LTFP mainly relate to plant sold as part of the plant replacement program and the estimated book value of land earmarked for sale.

#### *Other income (including interest)*

Interest on investments will also be one of Council's greatest risks due to the significant financial impact it represents for the budget and forecast. We are already experiencing a low interest rate market. The fallout from COVID-19 and the continued impact that it is having on the Australian economy will continue to put greater pressure on investment income for Council and the local government sector.

Given the continued low interest rate environment, it is difficult for Council to ascertain with any certainty what actual investment returns are likely to be over the 10 years of the plan. With this in mind, it has become apparent that Council can no longer continue to rely on additional investment income over the life of the Long-Term Financial Plan. Interest income is estimated to average around \$1.20 million per annum over the ten years of the LTFP, and comprises interest earned from cash invested with financial institutions.

Also included under this heading is recovery income from a variety of sources and rental income received from the hire of Council buildings.

## Operational expenditure

The below summary focuses on the proposed base figures for 2021-22 and likely trend in these figures in the shorter term.

Expenses type	Budget 2021-22 \$'000	Forecast 2022-23 \$'000	Forecast 2023-24 \$'000
Employee costs	86,802	86,977	88,937
Materials and services	74,566	73,443	75,414
Bad and doubtful debts	33,277	33,943	34,621
Depreciation	60	4	-
Amortisation - intangible assets	604	617	635
Amortisation - right of use assets	1,568	1,503	1,578
Borrowing costs	2,802	2,730	3,025
Finance costs - leases	22	23	24
Other expenses	4,356	4,382	4,460
<b>Total expenditure</b>	<b>204,057</b>	<b>203,622</b>	<b>208,694</b>

### *Employee costs*

Salaries are the largest component of Council's operating budget, representing around 51 per cent of operating expenses (excluding depreciation). The current Enterprise Agreement 2018 (EA) has a four-year term and expires on 30 June 2022. Employee costs under this agreement are over a four-year term and increase at a minimum of 2.25 per cent or the gazetted rate cap whichever is greater. Therefore in 2021-22 employee costs increase at 2.25 per cent as the confirmed rate cap is 1.50 percent. The 1.50 per cent parameter is also assumed to apply in 2022-23. The remaining years have been set at 2 per cent to align with the CPI forecast/rate cap.

In the 2014 Federal Budget, the Treasurer announced important changes to the Superannuation Guarantee Scheme (SGC). After a number of years at 9.50 per cent, the SGC rate will now increase to 10 per cent in 2021-22 with a further 0.50 per cent increase each year thereafter until it reaches 12.00 per cent in 2025-26, remaining at that level for the latter half of the LTFP. Should the Government revise the planned superannuation increases, the LTFP will be amended at that point.

In addition to the base wage increase assumptions, Council must provide funding for annual increments in employee banding. This generally equates to an additional 0.50 per cent (approximately) in employee costs.

### *Materials and services*

The broad assumption in materials and services is for an increase matching the forecast CPI (1.50 per cent in the first two years and 2.00 per cent for the remainder of the LTFP). Council has significant ongoing contracts for delivery of services such as waste management and maintenance of parks and gardens. Council also engages contractors for building maintenance and supplementary valuations. All these contracts are negotiated at near CPI levels as far as possible.

Material costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are more governed by market forces based on availability than CPI. Council's payments to family day carers are also included under this category.

Other associated costs included under this category are utilities, materials for the supply of meals on wheels and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit. These costs are kept to within CPI levels year on year.

Insurance premiums are anticipated to increase at a rate higher than CPI, so a 5 per cent increment per annum on insurance premium costs have been factored into the life of the LTFP.

Costs of materials and services remain at approximately 36 per cent of total operating expenditure over the ten years of the LTFP.

#### *Bad and doubtful debts*

Bad and doubtful debts are expected to increase marginally over the life of the LTFP and primarily relates to parking fines forwarded to the Infringements Court for collection and a consequent reduction in collection rates. This item may be further impacted by COVID-19 over the period of the LTFP.

#### *Depreciation*

Depreciation estimates have been based on the projected capital spending contained within this LTFP document. Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets to recognise the impact of rising replacement costs in accordance with Australian Accounting Standard requirements. Depreciation estimates may be influenced by future recognition and disposal of assets and how Council expends its capital works program.

#### *Amortisation – intangible assets*

Represents the estimated amortisation of computer software assets over their useful life.

#### *Amortisation – right of use assets*

Represents the estimated amortisation of leased (right-of-use) assets in accordance with the new Accounting Standard AASB 16 'Leases'. Leased assets include property, fleet, IT and office equipment that have been leased under ordinary lease arrangements.

#### *Borrowing costs*

**Appendix J** details Council's projected level of borrowings and finance costs. Council's projected loan indebtedness at 30 June 2021 is \$56.64 million.

Finance costs (interest on borrowings) are forecast at \$2.80 million in 2021-22. After a slight dip in year two, finance costs are estimated to increase to over \$3 million in the next three years, reflecting the \$30 million in proposed new borrowings to be drawn down in two tranches of \$15 million over the 2022-23 and 2023-24 financial years, which part fund significant infrastructure works associated with the redevelopment of Dandenong Oasis.

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## *Finance costs - leases*

Represents the estimated interest component of capitalised leases.

## *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.

## Conversion to Cash Result

Refer to **Appendix B** for Council's estimated cash result in the Conversion to Cash Result Statement over the full ten-year period. The below table is an extract in the shorter term.

Description	Budget 2021-22 \$'000	Forecast 2022-23 \$'000	Forecast 2023-24 \$'000
<b>Net operating result</b>	<b>31,405</b>	<b>28,119</b>	<b>25,558</b>
<b>Add (less) cash costs not included in operating result</b>			
Capital expenditure	63,362	65,619	66,250
Loan repayments	3,372	4,083	5,505
Loan proceeds	(6,120)	(15,000)	(15,000)
Repayment of lease liabilities	689	710	731
Transfer from reserves	(11,734)	(9,323)	(12,174)
Transfer to reserves	6,078	6,895	5,792
<b>Sub total</b>	<b>55,647</b>	<b>52,984</b>	<b>51,104</b>
<b>Add (less) non-cash costs included in operating result</b>			
Depreciation	33,277	33,943	34,621
Amortisation - right of use assets	604	617	635
Amortisation - intangible assets	60	4	-
Written down value of assets sold	301	301	290
Contributions - non-monetary	(10,000)	(10,000)	(10,000)
<b>Sub total</b>	<b>24,242</b>	<b>24,865</b>	<b>25,546</b>
<b>Surplus (deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Cash surplus revenue and expenditure

#### *Capital expenditure*

Capital expenditure amounts included in this LTFP are in accordance with the proposed works forecast in the Statement of Capital Works (refer **Appendix F**).

#### *Loan repayments*

Loan repayments are forecast in accordance with the agreed repayment schedules for existing loans. Annual loan repayments start at \$3.4 million in the first year of this LTFP, climbing to over \$7 million in years five to nine, dropping to \$6.3 million in the final year. This is as a result of the proposed \$6.12 million new borrowings in 2021-22 followed by \$30 million to be split evenly over the 2022-23 and 2023-24 financial years in order to fund two of Council's major capital projects (Keysborough South Community Hub and the redevelopment of Dandenong Oasis).

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## *Loan proceeds*

Proposed loan borrowing proceeds are forecast as follows:

- \$6.12 million in 2021-22 to part fund the Keysborough South Community Hub major project. These loan funds will be sought via the Community Infrastructure Loans Scheme (CILS) which was announced in the 2020-21 Victorian State Budget to support councils in delivering critical infrastructure to communities across the state. A successful application is hoped to achieve savings through accessing a low-interest loan as well as receiving an interest subsidy from the Victorian Government.
- Additional proposed loan borrowing proceeds of \$30 million (\$15 million forecast for both 2022-23 and 2023-24) are to part fund significant infrastructure works in relation to the redevelopment of Dandenong Oasis.

## *Transfers to and from reserves*

A full listing of the reserve funds and the proposed transfers to and from these reserves is contained in the Reserve strategy section of this LTFP as well as the schedule of reserves in **Appendix I**.

## *Key information relayed by the Budgeted Comprehensive Income Statement and Conversion to Cash Result*

There are a number of features that are relayed by the statements in **Appendix A** and **Appendix B**:

- Council's underlying operational result (net surplus or deficit from operations) remains in surplus over the life of the LTFP. This is an extremely positive step in terms of maintaining Council's financial sustainability.
- Capital works expenditure is around \$60-65 million for the first three years of the LTFP (up from a standard level of around \$41 million) due to the Keysborough South Community Hub major project and redevelopment of Dandenong Oasis. These increases have mainly been funded from new borrowings and reserves. Capital works expenditure funded from the operational surplus represents \$42 million on average over the life of the LTFP, increasing from \$36.2 million in 2021-22 to \$45.2 in the final year of the LTFP. This is a positive key trend which shows the amount of capital funds that Council is able to allocate from its operating result.

## Balance Sheet

**Appendix C** outlines the Balance Sheet financial plan projections for the next ten years. Extract of the shorter term is below.

Description	Budget 2021-22 \$'000	Forecast 2022-23 \$'000	Forecast 2023-24 \$'000
<b>Assets</b>			
Total current assets	143,269	142,383	137,846
Total non-current assets	2,309,391	2,350,855	2,392,290
<b>Total assets</b>	<b>2,452,660</b>	<b>2,493,238</b>	<b>2,530,136</b>
<b>Liabilities</b>			
Total current liabilities	98,867	101,821	105,120
Total non-current liabilities	56,953	66,458	74,499
<b>Total liabilities</b>	<b>155,820</b>	<b>168,279</b>	<b>179,619</b>
<b>Net assets</b>	<b>2,296,840</b>	<b>2,324,959</b>	<b>2,350,517</b>
<b>Total equity</b>	<b>2,296,840</b>	<b>2,324,959</b>	<b>2,350,517</b>

The main components of the Balance Sheet are outlined below.

### *Cash and cash equivalents*

Represent the amount held by Council in cash or term deposits. Cash and investments are forecast to remain at adequate levels throughout the ten year forecast. Council's working capital ratio (current assets/current liabilities) is expected to remain steady with a slight upwards trend during the latter period of this LTFP. The ratio is forecast to be 1.45 in 2021-22 and 1.45 on average across the LTFP, which is in excess of the minimum prudential ratio of 1.00.

These ratios are however dependent to some extent on Council continuing to hold substantial reserve funds rather than expending these funds on the purposes for which they are held. Council will therefore need to be mindful of its working capital ratio moving forward over the ten-year period.

### *Trade and other receivables*

Other receivables include payments outstanding from rates and other services such as parking and animal infringements, sporting clubs, monies owed from development contribution plans for works completed and community aged care services. The only trend available continually shows that parking infringements remain difficult to collect and the receivable in this area has been estimated to increase. Initiatives by the State Government are continually aimed at reducing this issue, however, COVID-19 is likely to negatively impact on collectability forecasts.

The non-current trade and other receivables are made up of refundable deposits that are not expected to be repaid in the next 12 months and Council's financial contribution in a closed landfill (Narre Warren landfill).

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*Other assets*

Other assets comprise accrued income and prepayments.

*Property, infrastructure, plant and equipment*

Represents Council's fixed assets, including infrastructure assets such as roads, drainage and buildings. These assets are shown at their depreciated values. The increase in value of these assets over the term of the LTFP indicates that Council is investing more in capital than the rate of depreciation.

*Investment property*

Investment property represents land and building assets that generate long term rental yields. Any adjustment to the fair value of these assets is recorded in the Comprehensive Income Statement and these assets are not depreciated

*Right of use assets*

Represents leased (right-of-use) assets in accordance with the new Accounting Standard AASB 16 'Leases'. Includes property, fleet, IT and office equipment that have been leased under ordinary lease arrangements. These values are reflected after recognising the amortisation expense.

*Intangible assets*

Represents computer software assets. These values are reflected after recognising the amortisation expense.

*Trade and other payables*

Represents the accounts unpaid as at the end of June of each year. Council follows a 30 day credit policy for payment of invoices for most of the goods and services received. The increase in balances over the years reflects general growth in volume and prices of services received.

*Trust funds and deposits*

Amounts received as tender deposits, bonds and retention monies are recognised as trust monies until they are refunded or forfeited. The largest component is amounts received from developers relating to the Development Contribution Plans (DCP) which are held as deposits and are a surety for the construction of DCP infrastructure. Upon completion of the infrastructure, Council will refund the developer the deposit.

### *Unearned income*

Represents income not yet earned in accordance with the new Accounting Standards AASB 1058 'Income of Not-For-Profit Entities' and AASB 15 'Revenue from Contracts with Customers' based on specific performance obligations that were not complete at financial year end. Mainly relates to Developer Contribution Plan (DCP) liabilities and operating/capital grants.

### *Provisions*

Represents the combination of employee entitlement and landfill restoration provisions.

Employee entitlement provisions comprise annual leave, long service leave and rostered day off (RDO) entitlements for staff. The current provision includes all of the annual leave liability and long service leave liability in accordance with Australian Accounting Standards, although they are not expected to be paid within twelve months. The balance of the liability is reflected in the non-current section.

The landfill restoration provision relates to the Spring Valley closed landfill on Council land. Council shares responsibility for the after care management plan of this closed landfill with three member councils.

### *Interest-bearing loans and borrowings*

Represent long-term borrowings outstanding at balance date.

### *Lease liabilities*

Represents the lease repayments in respect of right-of-use assets and mainly comprise of property and information technology related lease obligations.

### *Accumulated surplus*

The accumulated equity of Council (excluding reserve funds) continues to increase during the life of the LTFP.

### *Key information relayed by the Balance Sheet*

The Balance Sheet highlights a number of key points:

- Council's cash balances remain at healthy levels over the period of the forecast, although a component of it will be 'restricted' to fund statutory obligations such as repayment of trust monies.
- Council's working capital ratio throughout the LTFP remains at a level in excess of 100 per cent, an indicator that shows Council's ability to service its creditors and loan obligations.
- Council continues to grow its equity and fixed asset levels.

## Statement of Changes in Equity

Refer to **Appendix D** which outlines the various equity components over the next ten years.

### *Key information relayed by Statement of Equity*

Council's accumulated surplus and other reserve balances continue to grow over the life of the LTFP.

## Cash Flow Statement

Refer to **Appendix E** which outlines the cash flow financial plan projections for the next ten years. The main components of the Statement of Cash Flows are outlined below.

### *Key information relayed by Statement of Cash Flows*

The key information from the Statement of Cash Flows is that Council maintains a solid cash balance that sufficiently funds its reserve funds and restricted assets (eg. leave entitlements and trust deposits).

Two points to note in relation to the Cash Flow Statement:

- It is drawn directly from the cash based transactions shown in the Income Statement with the addition of estimated movements in working capital.
- The cash flow amounts are disclosed inclusive of GST.

Section	Strategic Directions Outcomes:
Macro view of Council's financial position	<ol style="list-style-type: none"> <li>1. That Council revise its ten-year forward financial plan on an annual basis.</li> <li>2. That Council maintains an underlying operational surplus (in the Income Statement) prior to the recognition of capital income over the life of the LTFP.</li> <li>3. That Council seek to increase its capital works investment, funded from operational sources to a sufficient level that allows it to adequately fund its asset renewal requirements (<i>subject to the impacts of rate capping and COVID-19</i>).</li> <li>4. That Council endorse through this LTFP, the principle that ongoing asset renewal requirements must be funded from ongoing operational funding sources and that non-renewable funding sources such as asset sales, reserve funds or loan funds not be used to address these needs.</li> </ol>

## Financial Strategies

### Capital works strategy

The Statement of Capital Works in **Appendix F** outlines the forecast capital expenditure by asset class and category, as well as the proposed funding sources to be applied to the achievement of the works in the LTFP.

The following table provides a summary of these figures over the next five-year period.

Capital expenditure funding sources	Budget	Financial Plan Projections			
	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Capital grants	9,996	2,518	826	-	-
Capital contributions	2,935	1,045	-	-	-
Transfer from reserves	8,110	7,350	10,250	650	650
Loan proceeds	6,120	15,000	15,000	-	-
Funded from operational surplus	36,201	39,706	40,174	41,170	42,669
<b>Total capital works funding</b>	<b>63,362</b>	<b>65,619</b>	<b>66,250</b>	<b>41,820</b>	<b>43,319</b>

This LTFP is based on capital works investment funded from Council's operations of around \$36.20 million in 2021-22, increasing gradually over the next five years to \$42.67 million in 2025-26.

#### COVID impacts over 2020-21 and 2021-22

Funding for capital expenditure (from Council operations) has been impacted by rate capping restrictions and COVID-19 losses. The 2020-21 capital expenditure budget funded from operational surplus was initially reduced by \$6.8 million and then further reduced by \$4.4 million in the Mid-Year Budget review to fund COVID-19 financial losses experienced by Council.

Whilst the 2021-22 Budget and the following three years is largely based on a return to some degree of economic normality, it should be noted however that Councils revenue will continue to be impacted by the outcomes of the pandemic. For 2021-22, revenue impacts have contributed to Councils operational cash outcome being lower than forecast for 2021-22. To fund the reduced operational outcome, the 2021-22 Budget includes a drop-in capital works funded from Council's operations of around \$2.3 million to \$36.20 million. The longer-term impact of COVID-19 on our community and on our operations is still uncertain. As such we recognise Council's proposed financial direction for future years may require changes.

Grant funding and contributions will be used where available, reserve funding where applicable and borrowings where it is deemed necessary. The total amount of capital expenditure may vary significantly from year to year depending on the various capital funding sources utilised.

It should be noted that the proposed program of works is indicative at this point and will not be formally resolved upon until Council considers the forthcoming Budget each year. Additionally, capital works expenditure associated with Development Contribution Plans (DCP) has been excluded from the figures in **Appendix F**. Scheduling of designated projects within the DCP is subject to available Council funding (reserve funds are allocated to a reserve annually). Infrastructure works to be undertaken are currently being reviewed.

The graph in **Appendix M** highlights the impact to available capital works funding from Council's operational result as a result of rate capping restrictions and COVID-19. In REAL terms Council's funding for capital expenditure is actually falling over the LTFP and over the term of the LTFP the total cumulative gap between ongoing growth in line with the rate cap and the forecast funding amount is over \$47 million.

The key point from the Statement of Capital Works in **Appendix F** table is the LTFP provides funding for asset renewal purposes which averages \$24 million (excluding major project renewal). This funds the known asset renewal requirements, but it should be noted that asset management modelling remains incomplete and this requirement can be expected to change as more data is obtained.

### Capital funding sources

The Statement of Capital Works in **Appendix F** also outlines the funding sources currently applied in the LTFP which shows a gradual upwards trend in operational funds devoted to capital purposes across the first half of the LTFP (\$36.20 million in 2021-22 to \$45.16 million in 2030-31). This minor increase is due to the ongoing impacts of rate capping restrictions and COVID-19.

The amount of operational surplus funding available for capital works was reduced in the 2021-22 Budget by \$2.3 million to fund the impacts of COVID-19 largely associated with revenue losses.

This restriction in operational surplus capital funding has resulted in a greater reliance on funding sources from borrowings and reserves in order to progress and finalise important and much needed major capital works projects.

The following major projects have been included in Council's LTFP:

- Keysborough South Community Hub
- Redevelopment of Dandenong Oasis (Dandenong Wellbeing Centre)
- Noble Park Aquatic Centre (NPAC) – Stage 1 redevelopment

The budgeted capital expenditure and funding sources for these projects is summarised below and impacts the first three years of the LTFP. Whilst \$13.07 million of Council's operational surplus is expected to fund these major projects, more significant funding is required to be sourced from new borrowings (\$36.12 million) and internal reserves (\$28.43 million).

	Actual 2019-20 \$'000	Forecast Actual 2020-21 \$'000	Adopted Budget 2021-22 \$'000	Year 2 Forecast 2022-23 \$'000	Year 3 Forecast 2023-24 \$'000	Total \$'000
<b>ALL MAJOR PROJECTS</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Capital expenditure</b>	<b>319</b>	<b>9,981</b>	<b>17,730</b>	<b>28,820</b>	<b>31,000</b>	<b>87,850</b>
<i>Less funding sources:</i>						
Grants	-	(3,300)	(1,500)	(1,500)	-	<b>(6,300)</b>
Contributions	-	-	(2,910)	(1,020)	-	<b>(3,930)</b>
Council cash	-	(2,066)	-	(4,600)	(6,400)	<b>(13,066)</b>
Borrowings	-	-	(6,120)	(15,000)	(15,000)	<b>(36,120)</b>
Reserves	(319)	(4,615)	(7,200)	(6,700)	(9,600)	<b>(28,434)</b>
<b>Funding sources</b>	<b>(319)</b>	<b>(9,981)</b>	<b>(17,730)</b>	<b>(28,820)</b>	<b>(31,000)</b>	<b>(87,850)</b>

Council has been successful in sourcing grant funding for two of the major projects:

- \$3 million for the Keysborough South Community Hub over the three years to 2022-23.
- \$3.3 million for NPAC Stage 1 redevelopment over 2020-21 and 2021-22.

Contributions of \$3.93 million from Developer Contribution Plans (DCP) and Community Infrastructure Levy (CIL) funding can also be utilised for the Keysborough South Community Hub major project upon completion of the Hub (i.e. – forecast capital contributions in 2021-22 and 2022-23).

Significant new borrowings will be required for the completion of these major projects. Firstly, Council proposes to use loan funds of \$6.12 million to part fund Keysborough South Community Hub. These loan funds have been sought via the Community Infrastructure Loans Scheme (CILS) which was announced in the 2020-21 Victorian State Budget to support councils in delivering critical infrastructure to communities across the state. This scheme hopes to achieve savings through accessing a low-interest loan as well as receiving an interest subsidy from the Victorian Government.

Further proposed new borrowings of \$30 million (\$15 million forecast in both the 2022-23 and 2023-24 financial years) are also required to part fund significant infrastructure works associated with the redevelopment of Dandenong Oasis.

Similarly, significant reserve funding of \$28.43 million for these major capital projects has been forecast across the LTFP (including 2019-20 and 2020-21). The majority of this reserve funding is from the Major Projects reserve with the remainder coming from the DCP reserve.

- Major Projects reserve (\$25.86 million):
  - ~ \$19.60 million for Dandenong Wellbeing Centre
  - ~ \$3.90 million for NPAC Stage 1 redevelopment
  - ~ \$2.36 million for Keysborough South Community Hub
- DCP reserve (\$2.57 million) for Keysborough South Community Hub. This represents levies received under the Keysborough South Development Contributions Plan for community and sporting facilities costs (Keysborough Community Hub).

A financial break down by major project is provided below.

	Actual 2019-20	Forecast Actual 2020-21	Adopted Budget 2021-22	Year 2 Forecast 2022-23	Year 3 Forecast 2023-24	Total
KEYSBOROUGH SOUTH COMMUNITY HUB	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital expenditure</b>	<b>319</b>	<b>5,011</b>	<b>10,230</b>	<b>2,520</b>	<b>-</b>	<b>18,080</b>
<i>Less funding sources:</i>						
Grants	-	(300)	(1,200)	(1,500)	-	(3,000)
Contributions	-	-	(2,910)	(1,020)	-	(3,930)
Council cash	-	(96)	-	-	-	(96)
Borrowings	-	-	(6,120)	-	-	(6,120)
Reserves	(319)	(4,615)	-	-	-	(4,934)
<b>Funding sources</b>	<b>(319)</b>	<b>(5,011)</b>	<b>(10,230)</b>	<b>(2,520)</b>	<b>-</b>	<b>(18,080)</b>

*Note – The above table includes estimates relating to construction of the building, dog off leash relocation and new access road.*

DANDENONG WELLBEING CENTRE (Redevelopment of Dandenong Oasis)	Actual 2019-20 \$'000	Forecast Actual 2020-21 \$'000	Adopted Budget 2021-22 \$'000	Year 2 Forecast 2022-23 \$'000	Year 3 Forecast 2023-24 \$'000	Total \$'000
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<b>Capital expenditure</b>	-	<b>1,970</b>	<b>3,300</b>	<b>26,300</b>	<b>31,000</b>	<b>62,570</b>
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**Less funding sources:**

Council cash	-	(1,970)	-	(4,600)	(6,400)	(12,970)
Borrowings	-	-	-	(15,000)	(15,000)	(30,000)
Reserves	-	-	(3,300)	(6,700)	(9,600)	(19,600)
<b>Funding sources</b>	-	<b>(1,970)</b>	<b>(3,300)</b>	<b>(26,300)</b>	<b>(31,000)</b>	<b>(62,570)</b>

NOBLE PARK AQUATIC CENTRE - STAGE 1	Actual 2019-20 \$'000	Forecast Actual 2020-21 \$'000	Adopted Budget 2021-22 \$'000	Year 2 Forecast 2022-23 \$'000	Year 3 Forecast 2023-24 \$'000	Total \$'000
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<b>Capital expenditure</b>	-	<b>3,000</b>	<b>4,200</b>	-	-	<b>7,200</b>
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**Less funding sources:**

Grants	-	(3,000)	(300)	-	-	(3,300)
Reserves	-	-	(3,900)	-	-	(3,900)
<b>Funding sources</b>	-	<b>(3,000)</b>	<b>(4,200)</b>	-	-	<b>(7,200)</b>

As noted in the overview, Council has significant future major projects that it wishes to fund over the coming ten-year period beyond the three which are presently included in this Long-Term Financial Plan. These include the following:

- Dandenong Stadium redevelopment – Stage 1 (\$27 million).
- Expansion of the Noble Park Aquatic Centre – Stage 2 (\$15 million).
- Determining a forward master plan and implementing it in relation to the current Dandenong Community Hub (\$15-20 million).
- A new Table Tennis Centre (\$6 million).

At present, none of the above projects are included in this plan but will be reviewed annually as Council completes its current major projects and assesses its financial capability to undertake these projects.

It is noted that Councils financial capability will be strongly influenced by either the receipt of significant government grant stimulus funds or by future potential asset sales that may act as a funding source.

## Strategic Directions Outcomes:

That Council note the forecast level of capital expenditure over the ten year period of the LTFP.

## Borrowing strategy

Refer to **Appendix J** for a detailed schedule of Council's forecast borrowings, including existing and new (assumed) borrowings, principal repayments and finance costs.

This section covers the components of Council's borrowing strategy including Council's philosophy on debt, future loan strategy and requirements.

### Background to Council's current debt portfolio

The below table highlights Council's current position in respect of all interest-bearing liabilities and the movements that have occurred during the past three financial years, as well as the forecast borrowings balance at 30 June 2021.

	Actual Balance 30 June 2018 \$'000	Actual Balance 30 June 2019 \$'000	Actual Balance 30 June 2020 \$'000	Forecast Balance 30 June 2021 \$'000
Interest bearing loans and borrowings	51,826	58,525	59,891	56,636

### Future loan strategies

#### *What is Council's philosophy on debt?*

Many Victorian councils are debt averse and view the achievement of a low level of debt or even debt free status as a primary goal. Others see the use of loan funding as being a critical component of the funding mix to deliver much needed infrastructure to the community.

The use of loans to fund capital expenditure can be an effective mechanism of linking the payment for the asset (via debt redemption payments) to the successive Council populations who receive benefits over the life of that asset. This matching concept is frequently referred to as 'inter-generational equity'.

Council has accessed debt funding to complete a range of major infrastructure projects including the Springvale Community Hub, Dandenong Civic Centre and Library, redevelopment of the Drum Theatre, Dandenong Market and Noble Park Aquatic Centre that will be enjoyed by the populations of the future (refer table below).

Project	Total cost (\$ million)	Loan funds used (\$ million)
Drum Theatre	13.0	9.0
Dandenong Market	26.0	20.0
Noble Park Aquatic Centre	21.0	5.0
Dandenong Civic Centre	65.5	47.2
Springvale Community Hub	52.7	20.0
<b>Total</b>	<b>178.2</b>	<b>101.2</b>

The significant replacement of Dandenong Oasis, estimated at over \$62 million, will be part funded by proposed new borrowings of \$30 million (forecast evenly across years 2022-23 and 2023-24 in this LTFP).

In addition, Council intends to apply for \$6.12 million in new borrowings in 2021-22 to part fund the Keysborough South Community Hub major project. These loan funds will be sought via the Community Infrastructure Loans Scheme (CILS) which was announced in the 2020-21 Victorian State Budget to support councils in delivering critical infrastructure to communities across the state. A successful application is hoped to achieve savings through accessing a low-interest loan as well as receiving an interest subsidy from the Victorian Government.

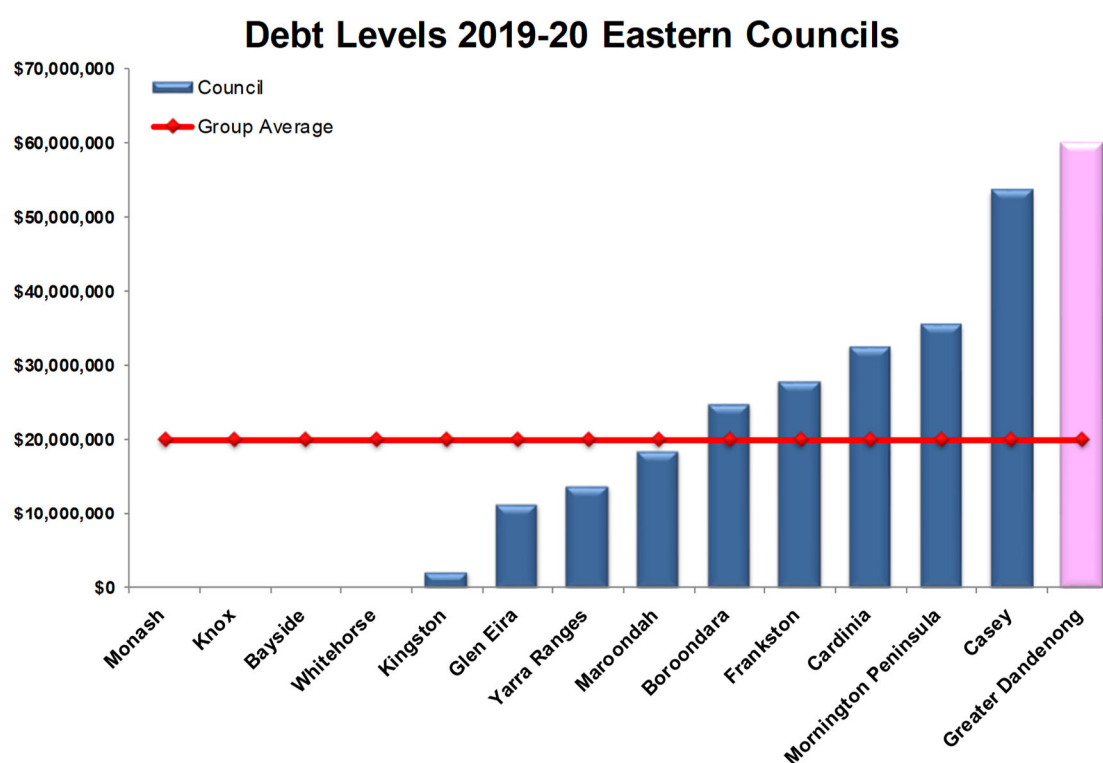
One of the key considerations for Council in the application of future loan borrowing is the premise that its long-term financial strategies should strive for a financial structure where its annual operational and asset renewal needs can be met from annual funding sources. That is, Council does not have to access funding from non-renewable sources such as loans, asset sales or reserves to meet its annual expenditure needs.

## *Measuring what level of debt is appropriate*

The maximum levels of indebtedness are prescribed for Council by way of prudential limits established by the State Government. The three principle prudential limits are:

- Debt servicing (interest repayments) as a percentage of total revenue should not exceed five per cent.
- Total indebtedness as a percentage of rate revenue – in general this ratio should not exceed 60% and ideally Council should retain some borrowing flexibility to be able to respond to urgent needs.
- Working capital ratio (current assets/current liabilities) to remain in excess of 1.00.

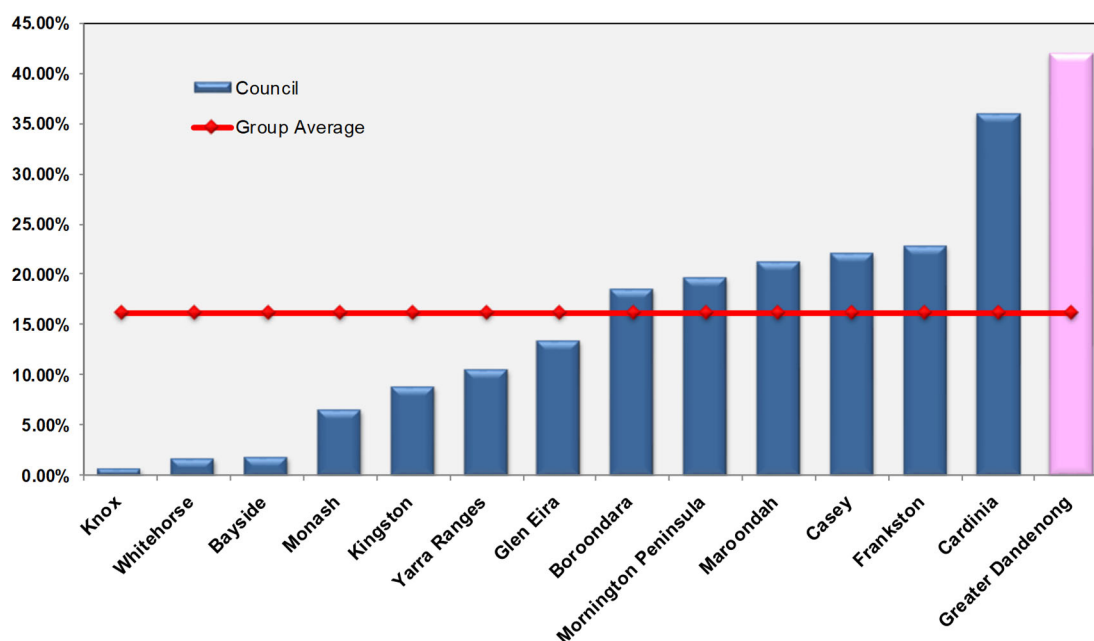
Local Government as an industry has been relatively debt averse over the past decade with several councils seeking debt free status. In benchmarking with thirteen other councils within the Eastern Melbourne metropolitan grouping, the City of Greater Dandenong has consistently been in the top one or two councils in terms of its debt levels in pure dollar terms.



As presented in the graph, Council completed 2019-20 with the highest level of indebtedness of all Eastern Metropolitan councils in pure dollar terms.

The more meaningful comparison is however gained by using the dollar indebtedness, contrasted against other measures (e.g. rate revenue) that account for the varying financial sizes of councils in the group.

**Total Indebtedness as a % of Rate Revenue  
2019/20**



Council's level of indebtedness (debt/rate revenue) at 30 June 2020 was 41.71 per cent which was a slight decrease on the prior year and remains well below the 60% threshold.

The below table highlights the outcomes of a debt level review based on the figures to 30 June 2020.

Council	Debt Servicing / Adj. Total Revenue	Debt Commitment / Rates	Total Debt / Rate Revenue	Total Liabilities / Realisable Assets	Debt Commitment / Own Source Revenue	Total Debt / Own Source Revenue
Monash	0.00%	0.00%	0.00%	2.57%	0.00%	0.00%
Whitehorse	0.05%	4.25%	0.00%	1.90%	3.12%	0.00%
Casey	0.58%	3.84%	22.04%	4.76%	3.48%	20.02%
Bayside	0.00%	0.00%	0.00%	0.88%	0.00%	0.00%
Knox	0.00%	0.00%	0.00%	3.18%	0.00%	0.00%
Kingston	0.05%	2.17%	1.43%	3.50%	1.91%	1.26%
Glen Eira	0.25%	3.51%	9.96%	4.69%	2.90%	8.24%
Mornington Peninsula	0.36%	2.55%	19.37%	6.30%	2.27%	17.21%
Yarra Ranges	0.41%	2.91%	9.45%	10.23%	2.74%	8.91%
Frankston	0.82%	1.40%	21.56%	5.99%	1.16%	17.97%
Maroondah	0.71%	1.72%	19.87%	7.33%	1.39%	16.12%
Boroondara	0.61%	1.54%	13.08%	2.71%	1.40%	11.84%
<b>Greater Dandenong</b>	<b>1.53%</b>	<b>8.13%</b>	<b>41.71%</b>	<b>8.96%</b>	<b>7.12%</b>	<b>36.52%</b>
Cardinia	1.71%	16.33%	33.95%	8.93%	15.09%	31.36%
Median Eastern Councils	0.39%	2.36%	11.52%	4.73%	2.09%	10.37%
Average Eastern Councils	0.51%	3.45%	13.74%	5.14%	3.04%	12.10%
Greater Dandenong Council Ranking	13	13	14	13	13	14

(Note regarding ranking – 1 is the lowest debt outcome, 14 is the highest debt outcome).

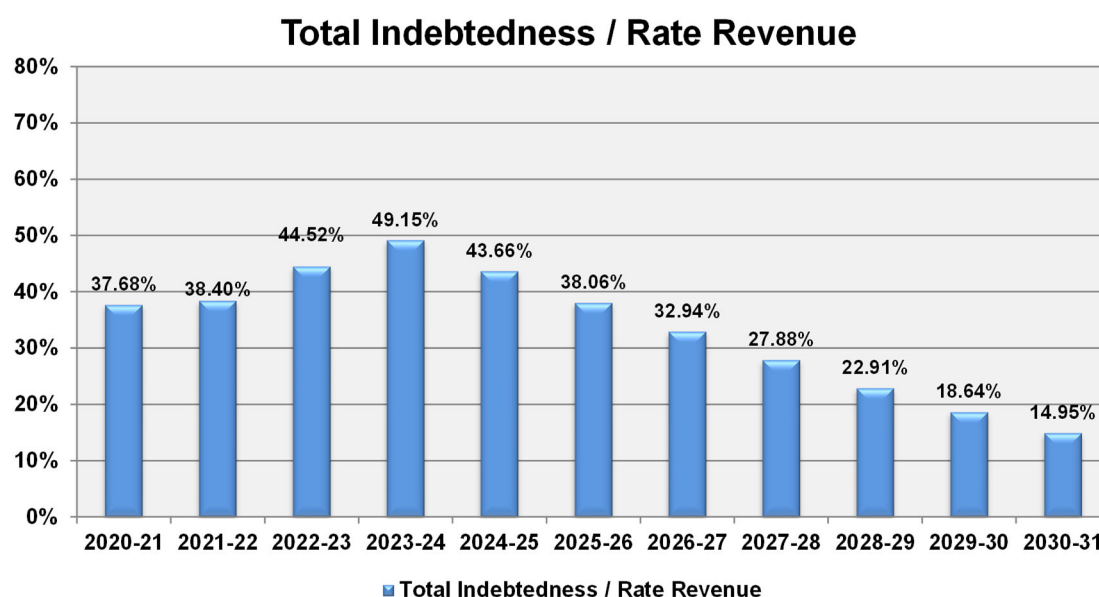
The table above highlights that Council's current indebtedness ratios place it generally in the first or second highest indebted Council of the group across the range of ratios.

Council's level of indebtedness remains within the prudential limits. Council's debt servicing/adjusted total revenue ratio was 1.53 per cent at 30 June 2020 (prudential limit 5 per cent) and indebtedness/rate revenue ratio is 41.71 per cent (prudential limit 80 per cent).

The graph following highlights Greater Dandenong's forecast indebtedness/rate revenue ratio over the life of the LTFP.

New borrowings of \$6.12 million in 2021-22, \$15 million in 2022-23 and \$15 million in 2023-24 are proposed to part fund major capital projects. As can be seen on the following graph, the 'Indebtedness to Rate Revenue' ratio increases over 40 per cent for three years beginning 2022-23, up to a maximum of 49.2 per cent in 2023-24, but then the debt ratio falls again quite quickly to below 40 per cent by 2025-26.

Council relies on a strategy of ensuring its 'Indebtedness to Rate Revenue' ratio is ideally around the 40% mark prior to undertaking new borrowings. This strategy allows Council to borrow for major projects but also to then retain a gap between the ratio and the 60% level, allowing Council room to respond to unforeseen circumstances. This could be to take an opportunity to match large stimulus funding to deliver another project or to respond to emerging situations such as we have seen via the pandemic in 2020.



Once the 'Indebtedness to Rate Revenue' ratio drops to below 40 per cent, Council will once again be in a position to consider future borrowings from that point.

As outlined above, a certain level of debt can be viewed as a positive mechanism in financing infrastructure within Council. The key is ensuring that Council does not rely so strongly on debt funding that it increases the level of debt (and therefore annual debt servicing and redemption costs) beyond a prudent level or which unduly impacts on Council's ability to fund capital works on an annual basis.

Council will consider debt for major community assets in accordance with the above guidelines. All projects are subject to community consultation, Council review and funding. Council will also seek to maximise external funding opportunities having regard to the financial impacts and outcomes for the community.

## Future loan requirements

In terms of highlighting the impact of Council's current borrowings portfolio on Council's indebtedness to rates ratio, the below table provides these outcomes.

Financial year ending	New/ refinance borrowings \$'000	Principal paid \$'000	Interest expense (b) \$'000	Balance 30 June \$'000	Liquidity (Current assets/ current liabilities)	Debt mgmt (Debt/ Total rates and charges)	Debt mgmt (Serv Costs/ Total revenue)
2021	-	3,255	2,924	56,636	154%	37.7%	1.2%
2022	6,120	3,372	2,802	59,383	145%	38.4%	1.2%
2023	15,000	4,083	2,730	70,301	140%	44.5%	1.2%
2024	15,000	5,505	3,025	79,796	131%	49.2%	1.3%
2025	-	6,970	3,248	72,825	135%	43.7%	1.4%
2026	-	7,204	3,054	65,622	137%	38.1%	1.2%
2027	-	7,447	2,787	58,175	140%	32.9%	1.1%
2028	-	7,682	2,515	50,493	144%	27.9%	1.0%
2029	-	7,946	2,221	42,547	150%	22.9%	0.8%
2030	-	7,057	1,934	35,490	158%	18.6%	0.7%
2031	-	6,304	1,666	29,186	166%	15.0%	0.6%

Prudential ratio limits: Risk assessment criteria	High	Below 110%	Above 80%	Above 10%
	Medium	110% - 120%	60% - 80%	5% - 10%
	Low	Above 120%	Below 60%	Below 5%

### Strategic Directions Outcomes

1. That Council continues the use of loan funding as a viable and equitable mechanism of funding new/significantly upgraded major assets that provide a broad community benefit (when required).
2. That Council endorse a strategy of setting a target of 40 per cent indebtedness to rates ratio as an ideal financial outcome and where new borrowings are sought, set reduction targets to achieve this level in not more than a five year period, with a maximum loan ratio of not more than 60%.

## Reserve strategy

Victorian local government councils have traditionally operated with reserve funds that are amounts of money set aside for specific purposes in later years. In general, these funds do not have bank accounts of their own but are a theoretical split up of the cash surplus that Council has on hand. The following sections provide a picture of what reserve funds Council holds and their purpose.

Refer to **Appendix I** for the financial projections of Council's reserves over the next ten years.

### Nature and purpose of current reserves

The following summary outlines the purpose of each current reserve, its typical inflows and outflows and projected reserve balances at 30 June 2021 (where relevant these balances have been updated to reflect 2020-21 current forecast movements).

#### *Major Projects Reserve*

##### *Purpose*

This reserve has been established to provide a source of funding for major infrastructure projects.

##### *Typical sources of inflows and outflows*

Inflows to this reserve will typically be from the sale of Council land. Further inflows may occur periodically if Council achieves a surplus outcome at the conclusion of the financial year and resolves to transfer surplus funds into this reserve.

An extract from **Appendix I(a)** of the Major Projects Reserve transfers is included below.

Reserves	Forecast	Budget	Financial Plan Projections			
	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
<b>Major Projects</b>						
Opening balance	26,250	22,938	15,366	10,866	2,337	3,209
Transfer to reserve	1,108	1,308	2,200	1,072	871	1,457
Transfer from reserve	(4,420)	(8,880)	(6,700)	(9,600)	0	0
<b>Closing balance</b>	<b>22,938</b>	<b>15,366</b>	<b>10,866</b>	<b>2,337</b>	<b>3,209</b>	<b>4,666</b>

Projected inflows into this reserve in 2020-21 are derived from annual funding previously transferred to the DCP reserve (\$1.11 million). Inflows across the LTFP relate to a combination of funding previously transferred to the DCP reserve and any applicable LTFP surplus amounts.

Outflows from this reserve over the 2021-22 to 2023-24 financial years relate to funding for major projects including:

- Redevelopment of Dandenong Oasis major project (\$19.6 million)
- Noble Park Aquatic Centre (NPAC) Stage 1 redevelopment (gym) (\$3.9 million)

As highlighted in the table above, the forecast closing balance of the Major Projects Reserve at 30 June 2021 of \$22.94 million will mostly be consumed by the future outflows for the funding of the major capital works projects. Further outflows may arise where Council is required to source major funding when there is no option but to utilise cash reserves.

### *Open space – planning, development and improvements*

#### *Purpose*

The open space – planning, development and improvements reserve holds funds contributed by developers for works associated with developing and improving open space and recreational facilities within Council. Funds are contributed in accordance with Section 18 of the Subdivision Act and transfers are restricted to the purpose of creating or enhancing open space such as parks, playgrounds, pavilions and other such items.

#### *Typical sources of inflows and outflows*

Inflows are solely composed of contributions from subdividers in lieu of the five per cent public open space requirement.

Outflows from this reserve in 2020-21 of \$7.90 million relate to:

- The top up of the Open Space – Acquisitions reserve to \$6 million (\$6.61 million) as a result of a number of open space strategic property acquisitions in 2020-21.
- Funding for capital works projects relating to Master Plan implementations at Burden Park, Wal Turner Reserve and Dandenong Park, combined with new open space sites at Fifth Avenue, Dandenong and Gove Street, Springvale (\$1.29 million).

The outflow in 2021-22 of \$570,000 relates to funding for capital projects including Frederick Wachter Reserve District Playground construction and passive park upgrade and the upgrade of park infrastructure and landscaping at various reserves across Noble Park, Springvale and Springvale South.

### *Open space – acquisitions*

#### *Purpose*

The open space – acquisitions reserve was established in 2016-17 to initially hold \$6 million in funds contributed by developers for works associated with developing improved open space and recreational facilities within Council for the specific purpose of open space acquisitions. Transfers from this reserve are restricted to the purpose of acquiring open space land sites.

#### *Typical sources of inflows and outflows*

Inflows will occur as a transfer from the Open Space – Planning, Development and Improvements reserve as the Open Space – Acquisitions reserve balance is consumed, so that a \$6 million balance is maintained each financial year.

During 2020-21, this reserve is be topped up by a transfer of \$6.61 million from the Open Space – Planning, Development and Improvements reserve to match the reserve outflows anticipated during 2020-21.

In terms of outflows, Council will consider the allocation of reserve funds to appropriate open space acquisitions on an annual basis.

During the 2020-21 year, four strategic open space acquisitions have occurred. One site was purchased to preserve 26 large river red gum trees and provide more open space for the community. The buildings on the remaining three sites will be demolished and the land will be held for the purposes of improving open space in the municipality. The cost of purchase and building demolition/site reinstatement will be covered by a transfer from the Open Space – Acquisitions reserve.

## Development Contribution Plans (DCP) – Council funded

### *Purpose*

The purpose of this reserve is to hold funds for Council's contribution to the construction of infrastructure related to the two major development overlays in accordance with the terms and conditions of the published plans. Council is committed to contributing rate funding to 11 projects in the Dandenong South Industrial DCP (industrial).

### *Typical sources of inflows and outflows*

Based on revised estimates of infrastructure costs, Council's contribution amount is \$500,000 in 2021-22 and then decreases to \$400,000 per annum over the remaining life of the LTFP. The estimated value of works yet to be completed is \$14.4 million at 30 June 2020.

Outflows from this reserve will be for nominated capital works in accordance with the published plans as well as DCP administration costs. In 2020-21, this reserve will fund the following DCP projects:

- Keysborough South Community Hub (\$2.58 million)
- Abbots Road (\$730,000)

Expenditure incurred by Council on the provision of infrastructure is capitalised upon completion, there is no discretion in terms of how funds are applied.

The reserve also funds \$18,000 annually in DCP administration costs.

Other than the transfers from this reserve in 2020-21 and the annual transfer for administration costs, the LTFP framework does not assume any outflows over the ten-year period. However, it is likely that major funding from this Reserve will be required to fund the development of Perry Road, Keysborough. The timing of this funding is still being determined but is likely within a two-three year timeframe which will significantly reduce funding held.

## Keysborough maintenance levy

### *Purpose*

Properties within the Keysborough and Somerfield Estates are levied an additional \$350 per annum to reflect the costs of maintaining an additional 15 per cent in open space beyond that of traditional estates. This reserve fund was established to ensure that there is full accountability in how these funds are applied.

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*Typical sources of inflows and outflows*

Inflows into this reserve will be derived from the rate levy and outflows will be in the form of either operational costs to maintain the estate or capital funding.

Forecast outflows in this LTFP are projected to grow from \$1.70 million in 2021-22 to \$2.1 million in 2027-28. Beyond that point in the LTFP the operational costs will exceed the annual inflows and any carried forward residual reserve balance, the excess of which will be required to be rate funded.

### Self insurance reserve fund

*Purpose*

The purpose of this reserve is to set aside funds that allow Council to access low insurance premiums through opting to 'self-insure' against lower level insurance claims.

*Typical sources of inflows and outflows*

Inflows are generally derived from savings made on insurance costs. Lower than budgeted insurance claims create surplus funds in insurance excess contributions.

Outflows from this reserve will generally be in the form of Council's contribution to any major insurance claims received or funding allocated to improve Council's Workcover performance.

Transfers from this reserve in 2020-21 of \$88,000 and in 2021-22 of \$31,000 represents funding for a temporary Occupational Health and Safety Administration Officer position which is due to conclude in 2021-22.

### Spring Valley landfill reserve

*Purpose*

The purpose of this reserve is to fund the rehabilitation and ongoing monitoring of the former Spring Valley landfill at Clarke Road, Springvale South.

*Typical sources of inflows and outflows*

Inflows in the past have generally related to distributions of Council's share of the assurance fund monies held by Metropolitan Waste and Resource Recovery Group (MWRRG) for the rehabilitation of the former landfill at Spring Valley Reserve or savings in waste expenditure. However, the MWRRG assurance fund has now been wound up.

Outflows will be in the form of Council's share of operational costs to rehabilitate the landfill site (\$703,000 forecast in 2020-21). The reserve balance is reduced to nil during 2022-23.

## Springvale Activity Precinct parking and development reserve

### *Purpose*

The purpose of this reserve was to fund development in the Springvale Activity Centre.

### *Typical sources of inflows and outflows*

Inflows previously comprised parking fee income derived annually in the Springvale Precinct. A Council decision in February 2017 to abolish a 'pay and display' parking fee system in the areas of the Springvale Central Activity District means that no further inflows are expected to this reserve. Other inflows have occurred from one off contributions 'in lieu of parking requirements' in Springvale.

Outflows will only occur to the extent of funds available and will be restricted to parking works in Springvale, as the remaining balance of \$235,000 in the reserve at 30 June 2020 relates to contributions in lieu of parking.

## Dandenong Activity Precinct parking and development reserve

### *Purpose*

The purpose of this reserve is to fund development in the Dandenong Activity Centre.

### *Typical sources of inflows and outflows*

Inflows have generally comprised \$1 million of parking fee income derived annually in the Dandenong Activity Precinct. However, this annual allocation has been reduced to \$650,000 to take into account the loss of parking income from a Council decision to offer free parking on a permanent basis in Lonsdale Street, Dandenong.

Outflows from this reserve in 2020-21 relate to capital project delivery costs associated with the development of the Dandenong Activity Precinct:

- Vanity Lane – 275 Lonsdale Street, Dandenong (\$1.39 million)
- Activity Centres Strategic Plan (\$443,000)
- Mason/Robinson Street road realignment (\$267,000)
- Dandenong Activity Centre – landscaping and furniture (\$25,000)

## General reserve (aged care)

### *Purpose*

The purpose of this reserve is to fund potential Home and Community Care grant income returns and the impact of reforms in the aged care sector.

### *Typical sources of inflows and outflows*

In recent years, the Aged Care Reform Agenda has resulted in a movement from a predominantly integrated block funded program to separate programs where funding is based almost solely on the achievement of targets. This has seen a requirement for Council to return grant funding relating to unmet targets in some instances. Estimated amounts were transferred to reserves.

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No further transfers to or from this reserve relating to the return of grant funding for targets unable to be achieved are required as a liability (unearned grant income) will be recognised each year in the Balance Sheet.

There are no outflows projected from this reserve in the LTFP.

## Future Maintenance Reserve (Level Crossing Removal Project - LXRA)

### *Purpose*

The purpose of this reserve is to quarantine contribution funds received for future works to address level crossing removal authority defects.

### *Typical sources of inflows and outflows*

No outflows have been forecast in the LTFP at this point, however, it is expected that required rectification works will be identified and costed in the next few years.

## Native re-vegetation funds

### *Purpose*

The purpose of these reserves are to set aside contributions received for the revegetation of the triangle land (Pellicano/National Drive) and other native revegetation funds.

### *Typical sources of inflows and outflows*

Inflows to this reserve are typically from contributions received for required future maintenance works.

The outflows from this reserve (averaging \$130,000 per annum in years one to five) will be to fund agreed works or maintenance relating the revegetation of this subject land (mainly attributable to Somerfield, Logis, Bowmans Redgum and Australand Perry Road).

## Discretionary funds or restricted assets

There are two types of reserve funds. A discretionary cash fund represents monies held in a reserve that can in reality be used for any purpose Council desires, irrespective of the reserve title. A restricted asset is a reserve that is comprised of funds, which Council is legally obliged to apply to a certain purpose. The following table summarises the nature of each reserve.

<i>Reserve</i>	<i>Nature</i>	<i>Statutory?</i>
Open space – planning, development and improvements	Restricted asset	Yes
Open space – acquisitions	Restricted asset	Yes
Development Contribution Plans (Council funded)	Restricted asset	No
Native revegetation reserves	Restricted asset	No
Keysborough maintenance levy	Restricted asset	No
General reserve (aged care)	Restricted asset	No
Future maintenance reserve (LXRA)	Restricted asset	No
Major projects	Discretionary fund	No
Self insurance	Discretionary fund	No
Spring Valley landfill	Discretionary fund	No
Springvale Activity Precinct parking and development	Discretionary fund	No
Dandenong Activity Precinct parking and development	Discretionary fund	No

### Strategic Direction Outcomes

1. That Council endorse the continued use of the reserve funds noted in this section.

## Financial Performance Indicators

The tables in **Appendix K** highlight Council's current and projected performance across a range of key financial performance indicators per the Local Government Performance Reporting Framework (LGPRF). These indicators provide a useful analysis of Council's financial position and performance and should be interpreted in the context of the organisation's objectives.

Commentary on several key sustainability indicator forecasts are provided below.

- **Adjusted underlying result** – After a forecast deficit result in 2020-21, Council's underlying operational surplus is forecast to improve gradually over the next ten years, which means that Council's overall asset base is not being eroded over the period of the strategy. It is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Whilst improvement in financial performance is expected over the period, continued impacts from COVID-19 and rate capping means reliance on Council's cash reserves or increased debt to maintain services.
- **Working capital** – The proportion of current liabilities represented by current assets. Current assets to liabilities remain at a healthy level across all years indicating strong liquidity.
- **Debt compared to rates** - Trend indicates Council's increasing reliance on debt against its annual rate revenue in years two, three and four due to new borrowings forecast. The debt ratio reduces again in year five and over the period remains within prudential guidelines.
- **Asset renewal and upgrade** - This percentage indicates the extent of Council's renewal and upgrade expenditure against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed/upgraded and future capital expenditure will be required to renew/upgrade assets. Asset renewal in the 2020-21 forecast year is higher due to a number of key projects carried over from the prior year (Greater Dandenong Gallery of Art, Springvale Road Boulevard, Thomas Carroll Pavilion and the Master Plan implementations at Dandenong Park and Tattersson Park). The peaks in this indicator in 2022-23 and 2023-24 are due to forecast renewal works on the redevelopment of Dandenong Oasis (major project).
- **Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will remain steadily reliant on rate revenue compared to all other revenue sources.

## Climate Change Strategy

Climate change is here, and its impacts are already affecting our environment, our society and our economy. Despite global efforts to reduce carbon emissions, climate change will continue to affect life on earth in increasingly severe ways if swift and effective action is not taken: more very hot days; more frequent and longer droughts; more extreme weather and flooding events; and rising sea levels. This makes climate change a global emergency and we all have a role to play if we are to minimise the impacts.

Local governments are responding due to increased recognition that the essential services and infrastructure councils provide to the community are vulnerable to a range of climate hazards. For example:

### Council Operations

“Council staff, infrastructure and services will be affected by climate change. Council workers may be directly exposed to the impacts of climate change, which can affect their health and safety and reduce the productivity of the organisation. Outdoor workers are at particular risk from heat stroke. Community care workers may experience increased demand for their services. Council public services may be interrupted by storm, heat, flood or fire. Council infrastructure will need increased maintenance and face more frequent failure. Councils could be liable for decisions that do not take account of widely accepted climate risk”<sup>1</sup>.

### Supporting Community Health and Wellbeing

“Vulnerable people in the community are at greater risk of sickness, death and significant financial and social impact from climate change. This includes those who already receive community care, the sick or disabled, indigenous, low income, socially isolated, elderly and very young, and CALD (Culturally and Linguistically Diverse) communities. Those people also with poor quality housing and limited access to cool spaces face increased vulnerability to heatwave conditions”<sup>2</sup>.

### Assets and Infrastructure

Councils own and control a wide variety of infrastructure ranging from land and buildings to roads, drains, footpaths and open space that provide essential services to the community. The total value of Council’s fixed assets in 2020-21 is over \$2 billion. Most of these were designed, built and maintained based on the premise that the future climatic conditions will be similar to those experienced in the past. As this is no longer the case, decisions about the location, construction and maintenance of infrastructure needs to consider the risk to this infrastructure from climate change, particularly for assets that provide critical services to the community.

<sup>1</sup> “Climate Change Risks to Local Government”, produced by the State of Victoria Department of Environment, Land, Water and Planning 2017 ([www.climatechange.vic.gov.au](http://www.climatechange.vic.gov.au)).

<sup>2</sup> “Climate Change Risks to Local Government”, produced by the State of Victoria Department of Environment, Land, Water and Planning 2017 ([www.climatechange.vic.gov.au](http://www.climatechange.vic.gov.au)).

Consistent with the trend across the local government sector, Council is already facing escalating costs to maintain and renew its expanding and ageing asset and infrastructure base. The need to respond effectively to climate change is a significant additional risk as Council continues to focus on improving its asset planning and management capability. The risk of insufficient asset renewal investment is that assets deteriorate much faster than necessary, costing Council more in the long run and potentially compromising service levels.

## Financial sustainability

While introducing climate change mitigation and adaptation measures into Council's strategic management and business plans will have an impact on Council's budget, the cost of inaction would be many times greater. It is therefore critical that decisions are based on sound evidence to ensure the most efficient climate-resilient assets are in place to meet the city's future service needs.

The community also need to be aware of their climate change risks and respond by taking responsibility for their own actions, assets and risks. Local governments are often considered best placed to help their local community to reduce risks and adapt to climate change due to their local knowledge and close connection to the community. Greater Dandenong, as the most socio-economically disadvantaged community in Melbourne, will be more exposed to some of the worst impacts, as the more vulnerable in our community are likely to lack the resources to prepare for or respond to climate change, or to recover from its impacts.

Recognising this, Greater Dandenong City Council, in January 2020 joined a growing number of cities around Australia and declared a 'Climate and Ecological Emergency' committing to emergency action on climate change. The 2020–30 Greater Dandenong Climate Emergency Strategy and Action Plan provides a strategic framework for Council to respond to the climate emergency. The strategy aims to develop a whole of Council response to climate change, building on existing programs and activities to reduce emissions and increase climate resilience in order to prepare for the unavoidable impacts of climate change at both a corporate and community level.

Included in the Strategy are a wide range of strategic policies, plans and actions that directly or indirectly facilitate its response to climate change funded through existing budgetary processes.

Examples include:

### Council

- 2020 Sustainable Buildings Policy – that aims to facilitate increased sustainability outcomes through Council's new building projects.
- Lighting Up Greater Dandenong plan– that aims to facilitate improved sustainability and lighting outcomes through the upgrade of local street lights.
- Power Purchasing Agreement contract – that aims to enable Council to purchase all of its electricity needs from 100% renewable sources and at a lower cost.
- Capital Improvement projects – increased consideration of sustainability and climate change as part of submissions for funding through Council's Capital Improvement Program budget.

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- Vulnerability Assessments – that aim to assess the vulnerability of Council's infrastructure and the services to the community they provide to the impacts of climate change.

## Community

- 2018 Emergency Management Plan – that aims to detail the arrangements to help Council and the community cope with the shocks and stresses experienced as a result of natural disasters and other emergencies.
- 2017 Sustainable Stormwater Strategy – that aims to provide a framework for Council and the community to work together to identify, protect and improve Greater Dandenong's stormwater assets and reduce flood risk.
- 2020 Ecologically Sustainable Development (ESD) Buildings Policy - that aims to facilitate increased sustainability outcomes through the planning process.
- 2021 Urban Forest Strategy – that aims to facilitate increased canopy cover across the municipality to reduce the effects of urban heat impacts.

The *Local Government Act (2020)* establishes a clear expectation that Victorian local governments' "decision-making is supported by robust and transparent practices, and that the long-term adverse consequences of climate change for future generations are incorporated into council planning, decisions and actions"<sup>3</sup>. To facilitate this and further Council's ability to effectively mobilise the community and others, the first few years of the 2020–30 Climate Emergency Action Plan focus on building Council's capacity by putting in place measures that aim to:

- Create a united corporate culture working towards a common goal.
- Increase collaboration with key partners and stakeholders.
- Increase awareness across Council of the impacts and risks from climate change to Council's assets, operations, services and finances.
- Embed consideration of the Climate Emergency into Council's strategic documents and day to day decision making processes.
- Better understand the financial implications of climate change on Council's assets, services and funding mechanisms.

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<sup>3</sup> "Local Government Climate Change Adaptation Roles and Responsibilities under Victorian legislation: Guidance for local government decision-makers. The State of Victoria Department of Environment, Land, Water and Planning 2020.

## Appendices

The following Financial Statements and Schedules are provided as appendices to the LTFP and provide a summary of financial plan projections of the City of Greater Dandenong over the next ten years.

It is important that these Statements and Schedules are considered together, not in isolation, to gain a clear picture of Council's budgeted financial position and performance over the next ten years.

Appendix A	Comprehensive Income Statement
Appendix B	Conversion to Cash Result
Appendix C	Balance Sheet
Appendix D	Statement of Changes in Equity
Appendix E	Statement of Cash Flows
Appendix F	Statement of Capital Works
Appendix G	Statement of Human Resources (\$)
Appendix H	Statement of Human Resources (FTE)
Appendix I(A)	Schedule of reserves
Appendix I(B)	Discretionary and restricted reserves
Appendix J	Schedule of borrowings
Appendix K	Local Government Performance Reporting Framework (LGPRF) Financial Performance Indicators
Appendix L	Asset Renewal
Appendix M	Capital works funded from operational surplus
Appendix N(A)	Operating grant income (recurrent)
Appendix N(B)	Operating grant income (non-recurrent and total)
Appendix O	Capital grant income (recurrent and non-recurrent)
Appendix P	Parameters
Appendix Q	Adjusted underlying result

## Appendix A – Comprehensive Income Statement

	Forecast 2020-21 \$'000	Budget 2021-22 \$'000	Financial Plan Projections								
			2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Income</b>											
Rates and charges	151,880	156,253	159,555	164,007	168,496	174,108	178,319	182,820	187,409	192,092	196,863
Statutory fees and fines	6,591	8,227	9,674	9,894	10,092	10,494	10,500	10,710	10,924	11,343	11,366
User fees	5,648	7,972	8,971	9,213	9,449	9,692	9,942	10,197	10,460	10,729	11,006
Grants - operating	32,084	30,551	29,801	29,926	30,225	30,527	30,829	31,134	31,443	31,754	32,068
Grants - capital	14,488	9,996	2,518	826	-	-	-	-	-	-	-
Contributions - monetary	4,059	4,935	3,045	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Contributions - non-monetary	15,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	290	403	405	390	467	393	393	393	393	393	393
Other income	5,696	7,125	7,772	7,996	8,411	8,657	8,774	8,894	9,016	9,141	9,268
<b>Total income</b>	<b>235,736</b>	<b>235,462</b>	<b>231,741</b>	<b>234,252</b>	<b>239,140</b>	<b>245,871</b>	<b>250,757</b>	<b>256,148</b>	<b>261,645</b>	<b>267,452</b>	<b>272,964</b>
<b>Expenses</b>											
Employee costs	90,105	86,802	86,977	88,937	91,282	93,819	96,093	98,423	100,808	103,247	105,756
Materials and services	77,474	74,566	73,443	75,414	75,498	78,107	79,066	80,412	81,995	83,566	85,199
Depreciation	32,308	33,277	33,943	34,621	35,314	36,020	36,740	37,475	38,225	38,989	39,769
Amortisation - intangible assets	60	60	4	-	-	-	-	-	-	-	-
Amortisation - right of use assets	581	604	617	635	654	674	694	715	736	759	781
Bad and doubtful debts	1,365	1,568	1,503	1,578	1,656	1,739	1,826	1,917	2,013	2,114	2,219
Borrowing costs	2,924	2,802	2,730	3,025	3,248	3,054	2,787	2,515	2,221	1,934	1,666
Finance costs - leases	21	22	23	24	25	26	27	28	29	30	31
Other expenses	7,201	4,356	4,382	4,460	5,235	4,622	4,705	4,783	5,618	4,955	5,045
<b>Total expenses</b>	<b>212,039</b>	<b>204,057</b>	<b>203,622</b>	<b>208,694</b>	<b>212,912</b>	<b>218,061</b>	<b>221,938</b>	<b>226,268</b>	<b>231,645</b>	<b>235,594</b>	<b>240,466</b>
<b>Surplus for the year</b>	<b>23,697</b>	<b>31,405</b>	<b>28,119</b>	<b>25,558</b>	<b>26,228</b>	<b>27,810</b>	<b>28,819</b>	<b>29,880</b>	<b>30,000</b>	<b>31,858</b>	<b>32,498</b>
<b>Other comprehensive income</b>											
<i>Items that will not be reclassified to surplus or deficit in future periods:</i>											
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive result</b>	<b>23,697</b>	<b>31,405</b>	<b>28,119</b>	<b>25,558</b>	<b>26,228</b>	<b>27,810</b>	<b>28,819</b>	<b>29,880</b>	<b>30,000</b>	<b>31,858</b>	<b>32,498</b>

## Appendix B – Conversion to Cash Result

	Forecast	Budget	Financial Plan Projections								
	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Net operating result</b>	<b>23,697</b>	<b>31,405</b>	<b>28,119</b>	<b>25,558</b>	<b>26,228</b>	<b>27,810</b>	<b>28,819</b>	<b>29,880</b>	<b>30,000</b>	<b>31,858</b>	<b>32,498</b>
<b>Less cash costs not included in operating result</b>											
Capital expenditure	82,984	63,362	65,619	66,250	41,820	43,319	43,715	44,313	44,812	45,308	45,807
Loan repayments	3,255	3,372	4,083	5,505	6,970	7,204	7,447	7,682	7,946	7,057	6,304
Loan proceeds	-	(6,120)	(15,000)	(15,000)	-	-	-	-	-	-	-
Repayment of lease liabilities	571	689	710	731	753	775	799	823	847	873	899
Transfer from reserves	(26,800)	(11,734)	(9,323)	(12,174)	(2,615)	(2,703)	(2,737)	(2,762)	(2,363)	(2,363)	(2,363)
Transfer to reserves	12,991	6,078	6,895	5,792	5,616	6,202	7,322	8,307	8,012	11,024	12,694
Superannuation liability (cash payment)	-	-	-	-	-	-	-	-	-	-	-
<b>Sub total</b>	<b>73,001</b>	<b>55,647</b>	<b>52,984</b>	<b>51,104</b>	<b>52,544</b>	<b>54,797</b>	<b>56,546</b>	<b>58,363</b>	<b>59,254</b>	<b>61,899</b>	<b>63,341</b>
<b>Plus non-cash costs included in operating result</b>											
Depreciation	32,308	33,277	33,943	34,621	35,314	36,020	36,740	37,475	38,225	38,989	39,769
Amortisation - right of use assets	581	604	617	635	654	674	694	715	736	759	781
Amortisation - intangible assets	60	60	4	-	-	-	-	-	-	-	-
Written down value of assets sold	1,237	301	301	290	348	293	293	293	293	293	293
Contributions - non-monetary assets	(15,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
<b>Sub total</b>	<b>19,186</b>	<b>24,242</b>	<b>24,865</b>	<b>25,546</b>	<b>26,316</b>	<b>26,987</b>	<b>27,727</b>	<b>28,483</b>	<b>29,254</b>	<b>30,041</b>	<b>30,843</b>
<b>Surplus (deficit) for the year</b>	<b>(30,118)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated surplus brought forward</b>	<b>31,169</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated surplus brought forward</b>	<b>1,051</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Appendix C – Balance Sheet

	Forecast	Budget	Financial Plan Projections								
	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents	114,785	112,384	110,274	104,378	102,970	107,116	111,929	117,770	123,712	132,634	143,209
Trade and other receivables	26,810	28,013	29,180	30,480	31,837	33,330	34,785	36,325	37,939	39,630	41,404
Other assets	2,815	2,872	2,929	2,988	3,047	3,108	3,170	3,234	3,298	3,364	3,432
<b>Total current assets</b>	<b>144,410</b>	<b>143,269</b>	<b>142,383</b>	<b>137,846</b>	<b>137,854</b>	<b>143,554</b>	<b>149,884</b>	<b>157,329</b>	<b>164,949</b>	<b>175,628</b>	<b>188,045</b>
<b>Non-current assets</b>											
Trade and other receivables	305	305	305	305	305	305	305	305	305	305	305
Property, infrastructure, plant and equipment	2,256,411	2,296,195	2,337,570	2,378,909	2,395,067	2,412,073	2,428,755	2,445,300	2,461,594	2,477,620	2,493,365
Investment property	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814
Right of use assets	988	1,073	1,166	1,262	1,361	1,462	1,567	1,674	1,786	1,900	2,018
Intangible assets	64	4	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>2,269,582</b>	<b>2,309,391</b>	<b>2,350,855</b>	<b>2,392,290</b>	<b>2,408,547</b>	<b>2,425,654</b>	<b>2,442,441</b>	<b>2,459,093</b>	<b>2,475,499</b>	<b>2,491,639</b>	<b>2,507,502</b>
<b>Total assets</b>	<b>2,413,992</b>	<b>2,452,660</b>	<b>2,493,238</b>	<b>2,530,136</b>	<b>2,546,401</b>	<b>2,569,208</b>	<b>2,592,325</b>	<b>2,616,422</b>	<b>2,640,448</b>	<b>2,667,267</b>	<b>2,695,547</b>
<b>Liabilities</b>											
<b>Current liabilities</b>											
Trade and other payables	21,281	24,965	25,170	25,641	21,235	21,978	22,223	22,575	22,952	23,326	23,712
Trust funds and deposits	8,425	8,925	9,425	9,925	10,425	10,925	11,425	11,925	12,425	12,925	13,425
Unearned income	40,340	40,340	40,340	40,340	40,340	40,340	40,340	40,340	40,340	40,340	40,340
Provisions	19,659	19,983	20,810	21,673	22,575	23,519	24,504	25,534	26,610	27,734	28,911
Interest-bearing liabilities	3,372	4,083	5,505	6,970	7,204	7,447	7,682	7,946	7,057	6,304	6,574
Lease liabilities	571	571	571	571	571	571	571	571	571	571	571
<b>Total current liabilities</b>	<b>93,648</b>	<b>98,867</b>	<b>101,821</b>	<b>105,120</b>	<b>102,350</b>	<b>104,780</b>	<b>106,745</b>	<b>108,891</b>	<b>109,955</b>	<b>111,200</b>	<b>113,533</b>
<b>Non-current liabilities</b>											
Trust funds and deposits	311	311	311	311	311	311	311	311	311	311	311
Provisions	892	900	909	920	932	945	960	977	996	1,016	1,039
Interest-bearing liabilities	53,264	55,300	64,796	72,826	65,621	58,175	50,493	42,547	35,490	29,186	22,612
Lease liabilities	442	442	442	442	442	442	442	442	442	442	442
<b>Total non-current liabilities</b>	<b>54,909</b>	<b>56,953</b>	<b>66,458</b>	<b>74,499</b>	<b>67,306</b>	<b>59,873</b>	<b>52,206</b>	<b>44,277</b>	<b>37,239</b>	<b>30,955</b>	<b>24,404</b>
<b>Total liabilities</b>	<b>148,557</b>	<b>155,820</b>	<b>168,279</b>	<b>179,619</b>	<b>169,656</b>	<b>164,653</b>	<b>158,951</b>	<b>153,168</b>	<b>147,194</b>	<b>142,155</b>	<b>137,937</b>
<b>Net assets</b>	<b>2,265,435</b>	<b>2,296,840</b>	<b>2,324,959</b>	<b>2,350,517</b>	<b>2,376,745</b>	<b>2,404,555</b>	<b>2,433,374</b>	<b>2,463,254</b>	<b>2,493,254</b>	<b>2,525,112</b>	<b>2,557,610</b>
<b>Equity</b>											
Accumulated surplus	942,085	979,146	1,009,693	1,041,633	1,064,860	1,089,171	1,113,405	1,137,740	1,162,091	1,185,288	1,207,455
Asset revaluation reserve	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823
Reserves	53,527	47,871	45,443	39,061	42,062	45,561	50,146	55,691	61,340	70,001	80,332
<b>Total equity</b>	<b>2,265,435</b>	<b>2,296,840</b>	<b>2,324,959</b>	<b>2,350,517</b>	<b>2,376,745</b>	<b>2,404,555</b>	<b>2,433,374</b>	<b>2,463,254</b>	<b>2,493,254</b>	<b>2,525,112</b>	<b>2,557,610</b>

## Appendix D – Statement of Changes in Equity

	Forecast 2020-21 \$'000	Budget 2021-22 \$'000	Financial Plan Projections								
			2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Accumulated surplus</b>											
Balance at beginning of the financial year	904,579	942,085	979,146	1,009,693	1,041,633	1,064,860	1,089,171	1,113,405	1,137,740	1,162,091	1,185,288
Surplus/(deficit) for the year	23,697	31,405	28,119	25,558	26,228	27,810	28,819	29,880	30,000	31,858	32,498
Net asset revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-	-
Transfers to other reserves	(12,991)	(6,078)	(6,895)	(5,792)	(5,616)	(6,202)	(7,322)	(8,307)	(8,012)	(11,024)	(12,694)
Transfers from other reserves	26,800	11,734	9,323	12,174	2,615	2,703	2,737	2,762	2,363	2,363	2,363
<b>Total Accumulated surplus</b>	<b>942,085</b>	<b>979,146</b>	<b>1,009,693</b>	<b>1,041,633</b>	<b>1,064,860</b>	<b>1,089,171</b>	<b>1,113,405</b>	<b>1,137,740</b>	<b>1,162,091</b>	<b>1,185,288</b>	<b>1,207,455</b>
<b>Revaluation reserve</b>											
Balance at beginning of the financial year	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823	1,269,823
Net asset revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revaluation reserve</b>	<b>1,269,823</b>	<b>1,269,823</b>	<b>1,269,823</b>	<b>1,269,823</b>	<b>1,269,823</b>	<b>1,269,823</b>	<b>1,269,823</b>	<b>1,269,823</b>	<b>1,269,823</b>	<b>1,269,823</b>	<b>1,269,823</b>
<b>Other reserves</b>											
Balance at beginning of the financial year	67,336	53,527	47,871	45,443	39,061	42,062	45,561	50,146	55,691	61,340	70,001
Transfers to other reserves	12,991	6,078	6,895	5,792	5,616	6,202	7,322	8,307	8,012	11,024	12,694
Transfers from other reserves	(26,800)	(11,734)	(9,323)	(12,174)	(2,615)	(2,703)	(2,737)	(2,762)	(2,363)	(2,363)	(2,363)
<b>Total Other reserves</b>	<b>53,527</b>	<b>47,871</b>	<b>45,443</b>	<b>39,061</b>	<b>42,062</b>	<b>45,561</b>	<b>50,146</b>	<b>55,691</b>	<b>61,340</b>	<b>70,001</b>	<b>80,332</b>
<b>Total Equity</b>											
Balance at beginning of the financial year	2,241,738	2,265,435	2,296,840	2,324,959	2,350,517	2,376,745	2,404,555	2,433,374	2,463,254	2,493,254	2,525,112
Surplus/(deficit) for the year	23,697	31,405	28,119	25,558	26,228	27,810	28,819	29,880	30,000	31,858	32,498
Net asset revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-	-
Transfers to other reserves	-	-	-	-	-	-	-	-	-	-	-
Transfers from other reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>2,265,435</b>	<b>2,296,840</b>	<b>2,324,959</b>	<b>2,350,517</b>	<b>2,376,745</b>	<b>2,404,555</b>	<b>2,433,374</b>	<b>2,463,254</b>	<b>2,493,254</b>	<b>2,525,112</b>	<b>2,557,610</b>

## Appendix E – Statement of Cash Flows

	Inflows/(Outflows)										
	Forecast	Budget	Financial Plan Projections								
	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Cash flows from operating activities</b>											
Rates and charges	150,946	155,936	159,322	163,694	168,180	173,713	178,023	182,503	187,086	191,762	196,527
Statutory fees and fines	4,324	6,084	7,562	7,672	7,754	8,034	7,911	7,986	8,057	8,326	8,191
User fees	6,213	8,441	9,527	9,773	10,018	10,266	10,522	10,782	11,050	11,325	11,605
Grants - operating	34,704	32,400	31,575	31,700	32,017	32,337	32,656	32,979	33,306	33,636	33,968
Grants - capital	14,488	9,996	2,518	826	-	-	-	-	-	-	-
Contributions - monetary	4,059	4,935	3,045	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Interest received	700	758	797	1,197	1,497	1,697	1,697	1,697	1,697	1,697	1,696
Trust funds and deposits taken	27,052	28,052	28,552	29,052	29,552	30,052	30,552	31,052	31,552	32,052	32,552
Other receipts	5,649	7,070	7,740	7,544	7,684	7,722	7,850	7,982	8,117	8,254	8,394
Net GST refund	12,986	10,948	10,978	11,244	8,824	9,141	9,236	9,382	9,621	9,706	9,872
Employee costs	(90,105)	(85,981)	(86,119)	(88,041)	(90,346)	(92,840)	(95,070)	(97,353)	(99,690)	(102,080)	(104,533)
Materials and services	(89,593)	(85,273)	(87,276)	(89,244)	(91,776)	(89,648)	(91,247)	(92,682)	(94,452)	(96,237)	(98,074)
Trust funds and deposits repaid	(27,052)	(27,552)	(28,052)	(28,552)	(29,052)	(29,552)	(30,052)	(30,552)	(31,052)	(31,552)	(32,052)
Other payments	(7,921)	(4,792)	(4,820)	(4,906)	(5,759)	(5,084)	(5,176)	(5,261)	(6,180)	(5,451)	(5,550)
<b>Net cash provided by operating activities</b>	<b>46,450</b>	<b>61,022</b>	<b>55,349</b>	<b>53,959</b>	<b>50,593</b>	<b>57,838</b>	<b>58,902</b>	<b>60,515</b>	<b>61,112</b>	<b>63,438</b>	<b>64,596</b>
<b>Cash flow from investing activities</b>											
Payments for property, infrastructure, plant and equipment	(82,984)	(63,362)	(65,619)	(66,250)	(41,820)	(43,319)	(43,715)	(44,313)	(44,812)	(45,308)	(45,807)
Proceeds from sale of property, plant and equipment	1,527	704	706	680	815	686	686	686	686	686	686
Proceeds (payments) for investments	2,000	-	-	-	-	-	-	-	-	-	-
<b>Net cash used in investing activities</b>	<b>(79,457)</b>	<b>(62,658)</b>	<b>(64,913)</b>	<b>(65,570)</b>	<b>(41,005)</b>	<b>(42,633)</b>	<b>(43,029)</b>	<b>(43,627)</b>	<b>(44,126)</b>	<b>(44,622)</b>	<b>(45,121)</b>
<b>Cash flow from financing activities</b>											
Finance costs	(2,924)	(2,802)	(2,730)	(3,025)	(3,248)	(3,054)	(2,787)	(2,515)	(2,221)	(1,934)	(1,666)
Proceeds from borrowings	-	6,120	15,000	15,000	-	-	-	-	-	-	-
Repayment of borrowings	(3,255)	(3,372)	(4,083)	(5,505)	(6,970)	(7,204)	(7,447)	(7,682)	(7,946)	(7,057)	(6,304)
Interest paid - lease liability	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
Repayment of lease liabilities	(571)	(689)	(710)	(731)	(753)	(775)	(799)	(823)	(847)	(873)	(899)
<b>Net cash provided by (used in) financing activities</b>	<b>(6,771)</b>	<b>(765)</b>	<b>7,454</b>	<b>5,715</b>	<b>(10,996)</b>	<b>(11,059)</b>	<b>(11,060)</b>	<b>(11,048)</b>	<b>(11,043)</b>	<b>(9,894)</b>	<b>(8,900)</b>
<b>Net movement</b>	<b>(39,778)</b>	<b>(2,401)</b>	<b>(2,110)</b>	<b>(5,896)</b>	<b>(1,408)</b>	<b>4,146</b>	<b>4,813</b>	<b>5,840</b>	<b>5,943</b>	<b>8,922</b>	<b>10,575</b>
<b>Opening cash and cash equivalents</b>	<b>154,563</b>	<b>114,785</b>	<b>112,384</b>	<b>110,274</b>	<b>104,378</b>	<b>102,970</b>	<b>107,116</b>	<b>111,929</b>	<b>117,770</b>	<b>123,712</b>	<b>132,634</b>
<b>Closing cash and cash equivalents</b>	<b>114,785</b>	<b>112,384</b>	<b>110,274</b>	<b>104,378</b>	<b>102,970</b>	<b>107,116</b>	<b>111,929</b>	<b>117,770</b>	<b>123,712</b>	<b>132,634</b>	<b>143,209</b>

## Appendix F – Statement of Capital Works

	Forecast	Budget	Financial Plan Projections								
	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Property</b>											
Land	8,055	-	-	-	-	-	-	-	-	-	-
<b>Total land</b>	<b>8,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings	25,369	34,448	34,618	36,202	12,608	15,750	12,323	15,165	18,910	19,314	18,426
Leasehold improvements	537	350	-	-	-	-	-	-	-	-	-
<b>Total buildings</b>	<b>25,906</b>	<b>34,798</b>	<b>34,618</b>	<b>36,202</b>	<b>12,608</b>	<b>15,750</b>	<b>12,323</b>	<b>15,165</b>	<b>18,910</b>	<b>19,314</b>	<b>18,426</b>
<b>Total property</b>	<b>33,961</b>	<b>34,798</b>	<b>34,618</b>	<b>36,202</b>	<b>12,608</b>	<b>15,750</b>	<b>12,323</b>	<b>15,165</b>	<b>18,910</b>	<b>19,314</b>	<b>18,426</b>
<b>Plant and equipment</b>											
Plant, machinery and equipment	2,923	2,837	2,962	3,002	3,017	3,010	3,126	3,087	3,006	2,987	3,228
Fixtures, fittings and furniture	426	80	314	285	351	273	319	375	309	275	353
Computers and telecommunications	1,457	500	476	192	425	1,367	1,266	278	304	417	238
Library books	850	878	885	896	903	917	927	927	927	927	927
<b>Total plant and equipment</b>	<b>5,656</b>	<b>4,295</b>	<b>4,637</b>	<b>4,375</b>	<b>4,696</b>	<b>5,567</b>	<b>5,638</b>	<b>4,667</b>	<b>4,546</b>	<b>4,606</b>	<b>4,746</b>
<b>Infrastructure</b>											
Roads	19,165	8,961	16,040	15,681	13,545	11,914	11,858	13,070	11,430	10,971	11,772
Bridges	-	100	100	450	155	100	200	100	150	150	100
Footpaths and cycleways	1,200	2,130	1,625	1,665	1,680	1,673	1,799	1,850	1,769	1,750	1,928
Drainage	1,045	2,400	1,350	1,708	1,568	1,543	1,697	1,949	1,627	1,599	1,963
Recreational, leisure & community facilities	3,595	3,295	3,756	2,671	4,090	3,217	6,267	2,818	2,833	3,638	2,587
Parks, open space and streetscapes	16,385	7,277	2,977	3,065	3,298	3,182	3,549	4,218	3,168	2,945	3,872
Off street car parks	1,977	106	516	433	180	373	384	476	379	335	413
<b>Total infrastructure</b>	<b>43,367</b>	<b>24,269</b>	<b>26,364</b>	<b>25,673</b>	<b>24,516</b>	<b>22,002</b>	<b>25,754</b>	<b>24,481</b>	<b>21,356</b>	<b>21,388</b>	<b>22,635</b>
<b>Total capital expenditure</b>	<b>82,984</b>	<b>63,362</b>	<b>65,619</b>	<b>66,250</b>	<b>41,820</b>	<b>43,319</b>	<b>43,715</b>	<b>44,313</b>	<b>44,812</b>	<b>45,308</b>	<b>45,807</b>
<b>Represented by:</b>											
New asset expenditure	23,038	15,451	11,250	11,280	12,246	11,841	13,517	16,784	11,584	10,326	15,391
Asset renewal expenditure	25,202	19,984	28,216	24,545	23,220	25,345	23,147	18,687	27,237	29,679	22,338
Asset upgrade expenditure	31,242	23,727	26,153	30,425	6,354	6,133	7,051	8,842	5,991	5,303	8,078
Asset expansion expenditure	3,502	4,200	-	-	-	-	-	-	-	-	-
<b>Total capital works expenditure</b>	<b>82,984</b>	<b>63,362</b>	<b>65,619</b>	<b>66,250</b>	<b>41,820</b>	<b>43,319</b>	<b>43,715</b>	<b>44,313</b>	<b>44,812</b>	<b>45,308</b>	<b>45,807</b>
<b>Funding sources represented by:</b>											
Grants	14,488	9,996	2,518	826	-	-	-	-	-	-	-
Contributions	2,058	2,935	1,045	-	-	-	-	-	-	-	-
Council cash	48,903	36,201	39,706	40,174	41,170	42,669	43,065	43,663	44,162	44,658	45,157
Borrowings	-	6,120	15,000	15,000	-	-	-	-	-	-	-
Reserves	17,535	8,110	7,350	10,250	650	650	650	650	650	650	650
<b>Total capital works expenditure</b>	<b>82,984</b>	<b>63,362</b>	<b>65,619</b>	<b>66,250</b>	<b>41,820</b>	<b>43,319</b>	<b>43,715</b>	<b>44,313</b>	<b>44,812</b>	<b>45,308</b>	<b>45,807</b>

## Appendix G – Statement of Human Resources (\$)

	Budget	Financial Plan Projections								
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Chief Executive</b>										
Permanent - Full time										
- Female	123	127	131	134	137	140	142	145	148	151
- Male	457	473	485	497	509	519	529	540	551	562
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	-	-	-	-	-	-	-	-	-	-
<b>Total Chief Executive</b>	<b>580</b>	<b>600</b>	<b>616</b>	<b>631</b>	<b>646</b>	<b>659</b>	<b>671</b>	<b>685</b>	<b>699</b>	<b>713</b>
<b>City Planning, Design and Amenity</b>										
Permanent - Full time										
- Female	5,630	5,615	5,737	5,894	6,066	6,217	6,371	6,529	6,691	6,857
- Male	5,215	5,201	5,314	5,460	5,619	5,759	5,901	6,048	6,198	6,352
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	1,083	1,080	1,104	1,134	1,167	1,196	1,226	1,256	1,287	1,319
Permanent - Part time										
- Female	772	770	787	808	832	852	874	895	917	940
- Male	687	685	700	719	740	759	777	797	816	837
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	111	111	113	116	120	123	126	129	132	135
<b>Total City Planning, Design and Amenity</b>	<b>13,498</b>	<b>13,462</b>	<b>13,755</b>	<b>14,131</b>	<b>14,544</b>	<b>14,906</b>	<b>15,275</b>	<b>15,654</b>	<b>16,041</b>	<b>16,440</b>
<b>Community Services</b>										
Permanent - Full time										
- Female	13,103	13,196	13,548	13,938	14,342	14,701	15,073	15,452	15,840	16,239
- Male	3,810	3,837	3,939	4,053	4,170	4,275	4,383	4,493	4,606	4,722
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	693	698	717	737	759	778	797	817	838	859
Permanent - Part time										
- Female	12,232	12,317	12,645	13,011	13,387	13,723	14,069	14,423	14,788	15,160
- Male	1,231	1,240	1,273	1,310	1,347	1,381	1,416	1,452	1,488	1,526
- Self-described gender	16	16	17	17	18	18	18	19	19	20
- Vacant or new positions	2,853	2,873	2,950	3,035	3,123	3,201	3,282	3,364	3,449	3,536
<b>Total Community Services</b>	<b>33,938</b>	<b>34,177</b>	<b>35,089</b>	<b>36,101</b>	<b>37,146</b>	<b>38,077</b>	<b>39,038</b>	<b>40,020</b>	<b>41,028</b>	<b>42,062</b>

## Appendix G – Statement of Human Resources (\$) (continued)

	Budget	Financial Plan Projections								
	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Corporate Services</b>										
Permanent - Full time										
- Female	5,855	5,898	6,052	6,230	6,412	6,571	6,734	6,901	7,072	7,247
- Male	4,701	4,735	4,860	5,002	5,148	5,276	5,407	5,541	5,678	5,819
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	105	106	109	112	115	118	121	124	127	130
Permanent - Part time										
- Female	2,199	2,215	2,273	2,340	2,408	2,468	2,529	2,592	2,656	2,722
- Male	464	467	480	494	508	521	534	547	561	574
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	107	108	111	114	117	120	123	126	129	132
<b>Total Corporate Services</b>	<b>13,431</b>	<b>13,529</b>	<b>13,885</b>	<b>14,292</b>	<b>14,708</b>	<b>15,074</b>	<b>15,448</b>	<b>15,831</b>	<b>16,223</b>	<b>16,624</b>
<b>Engineering Services</b>										
Permanent - Full time										
- Female	2,542	2,455	2,493	2,566	2,600	2,665	2,731	2,799	2,869	2,941
- Male	13,270	12,817	13,015	13,393	13,570	13,910	14,257	14,614	14,979	15,354
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	1,294	1,250	1,269	1,306	1,323	1,356	1,390	1,425	1,461	1,497
Permanent - Part time										
- Female	487	471	478	492	499	511	524	537	550	564
- Male	241	233	237	244	247	253	259	266	272	279
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	-	-	-	-	-	-	-	-	-	-
<b>Total Engineering Services</b>	<b>17,834</b>	<b>17,226</b>	<b>17,492</b>	<b>18,001</b>	<b>18,239</b>	<b>18,695</b>	<b>19,161</b>	<b>19,641</b>	<b>20,131</b>	<b>20,635</b>

## Appendix G – Statement of Human Resources (\$) (continued)

	Budget	Financial Plan Projections								
	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Greater Dandenong Business</b>										
Permanent - Full time										
- Female	1,436	1,496	1,482	1,466	1,508	1,544	1,582	1,620	1,659	1,699
- Male	423	441	436	432	444	455	466	477	489	500
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	87	91	90	89	91	94	96	98	101	103
Permanent - Part time										
- Female	376	392	388	384	395	404	414	424	434	445
- Male	-	-	-	-	-	-	-	-	-	-
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	-	-	-	-	-	-	-	-	-	-
<b>Total Greater Dandenong Business</b>	<b>2,322</b>	<b>2,420</b>	<b>2,396</b>	<b>2,371</b>	<b>2,438</b>	<b>2,497</b>	<b>2,558</b>	<b>2,619</b>	<b>2,683</b>	<b>2,747</b>
Casuals and other										
- Female	542	511	523	537	550	564	578	592	607	622
- Male	327	308	316	324	332	340	349	357	366	375
- Self-described gender	3	3	3	3	3	3	3	3	3	3
- Vacant or new positions	289	272	279	286	293	301	308	316	324	332
Other employee related costs	4,038	4,469	4,583	4,605	4,920	4,977	5,034	5,090	5,142	5,203
<b>Total casuals and other</b>	<b>1,161</b>	<b>1,094</b>	<b>1,121</b>	<b>1,150</b>	<b>1,178</b>	<b>1,208</b>	<b>1,238</b>	<b>1,268</b>	<b>1,300</b>	<b>1,332</b>
<b>Total staff expenditure</b>	<b>86,802</b>	<b>86,977</b>	<b>88,937</b>	<b>91,282</b>	<b>93,819</b>	<b>96,093</b>	<b>98,423</b>	<b>100,808</b>	<b>103,247</b>	<b>105,756</b>

## Appendix H – Statement of Human Resources (Full time equivalent - FTE)

	Budget	Financial Plan Projections								
	2021-22 FTE	2022-23 FTE	2023-24 FTE	2024-25 FTE	2025-26 FTE	2026-27 FTE	2027-28 FTE	2028-29 FTE	2029-30 FTE	2030-31 FTE
<b>Chief Executive</b>										
Permanent - Full time										
- Female	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Male	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Chief Executive</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
<b>City Planning, Design and Amenity</b>										
Permanent - Full time										
- Female	52.0	51.0	50.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0
- Male	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	11.0	11.0	11.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Permanent - Part time										
- Female	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
- Male	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
<b>Total City Planning, Design and Amenity</b>	<b>120.9</b>	<b>119.9</b>	<b>118.9</b>	<b>115.9</b>	<b>115.9</b>	<b>115.9</b>	<b>115.9</b>	<b>115.9</b>	<b>115.9</b>	<b>115.9</b>
<b>Community Services</b>										
Permanent - Full time										
- Female	114.4	113.4	113.4	113.4	112.4	112.4	112.4	112.4	112.4	112.4
- Male	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Permanent - Part time										
- Female	121.2	121.2	121.2	121.2	121.2	121.2	121.2	121.2	121.2	121.2
- Male	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
- Self-described gender	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
- Vacant or new positions	33.3	33.3	32.7	32.7	32.7	32.7	32.7	32.7	32.7	32.7
<b>Total Community Services</b>	<b>322.9</b>	<b>321.9</b>	<b>321.3</b>	<b>321.3</b>	<b>320.3</b>	<b>320.3</b>	<b>320.3</b>	<b>320.3</b>	<b>320.3</b>	<b>320.3</b>

## Appendix H – Statement of Human Resources (FTE) (continued)

	Budget	Financial Plan Projections								
	2021-22 FTE	2022-23 FTE	2023-24 FTE	2024-25 FTE	2025-26 FTE	2026-27 FTE	2027-28 FTE	2028-29 FTE	2029-30 FTE	2030-31 FTE
<b>Corporate Services</b>										
Permanent - Full time										
- Female	50.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0	49.0
- Male	35.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Permanent - Part time										
- Female	22.4	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6	21.6
- Male	4.8	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
<b>Total Corporate Services</b>	<b>114.4</b>	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>
<b>Engineering Services</b>										
Permanent - Full time										
- Female	24.0	24.0	24.0	23.0	23.0	22.0	22.0	22.0	22.0	22.0
- Male	117.0	117.0	116.0	115.0	115.0	114.0	114.0	114.0	114.0	114.0
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Permanent - Part time										
- Female	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
- Male	2.3	2.3	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	-	-	-	-	-	-	-	-	-	-
<b>Total Engineering Services</b>	<b>162.2</b>	<b>162.2</b>	<b>160.4</b>	<b>158.4</b>	<b>158.4</b>	<b>156.4</b>	<b>156.4</b>	<b>156.4</b>	<b>156.4</b>	<b>156.4</b>

## Appendix H – Statement of Human Resources (FTE) (continued)

	Budget	Financial Plan Projections								
	2021-22 FTE	2022-23 FTE	2023-24 FTE	2024-25 FTE	2025-26 FTE	2026-27 FTE	2027-28 FTE	2028-29 FTE	2029-30 FTE	2030-31 FTE
<b>Greater Dandenong Business</b>										
Permanent - Full time										
- Female	11.0	10.0	10.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0
- Male	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
- Vacant or new positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Permanent - Part time										
- Female	2.9	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
- Male	-	-	-	-	-	-	-	-	-	-
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	-	-	-	-	-	-	-	-	-	-
<b>Total Greater Dandenong Business</b>	<b>17.9</b>	<b>15.1</b>	<b>15.1</b>	<b>14.1</b>	<b>13.1</b>	<b>13.1</b>	<b>13.1</b>	<b>13.1</b>	<b>13.1</b>	<b>13.1</b>
Casuals										
- Female	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
- Male	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
- Self-described gender	-	-	-	-	-	-	-	-	-	-
- Vacant or new positions	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
<b>Total casuals</b>	<b>12.2</b>	<b>12.2</b>	<b>12.2</b>	<b>12.2</b>	<b>12.2</b>	<b>12.2</b>	<b>12.2</b>	<b>12.2</b>	<b>12.2</b>	<b>12.2</b>
<b>Total staff numbers</b>	<b>752.5</b>	<b>744.3</b>	<b>740.8</b>	<b>734.8</b>	<b>732.8</b>	<b>730.8</b>	<b>730.8</b>	<b>730.8</b>	<b>730.8</b>	<b>730.8</b>

## Appendix I(a) – Schedule of reserves

Reserves	Forecast	Budget	Financial Plan Projections								
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Major Projects</b>											
Opening balance	26,250	22,938	15,366	10,866	2,337	3,209	4,666	7,242	10,804	14,071	20,349
Transfer to reserve	1,108	1,308	2,200	1,072	871	1,457	2,577	3,562	3,267	6,279	7,949
Transfer from reserve	(4,420)	(8,880)	(6,700)	(9,600)	0	0	0	0	0	0	0
<b>Closing balance</b>	<b>22,938</b>	<b>15,366</b>	<b>10,866</b>	<b>2,337</b>	<b>3,209</b>	<b>4,666</b>	<b>7,242</b>	<b>10,804</b>	<b>14,071</b>	<b>20,349</b>	<b>28,298</b>
<b>Open space - planning, developments and improvements</b>											
Opening balance	9,709	3,810	5,240	7,240	9,240	11,240	13,240	15,240	17,240	19,240	21,240
Transfer to reserve	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer from reserve	(7,899)	(570)	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>	<b>3,810</b>	<b>5,240</b>	<b>7,240</b>	<b>9,240</b>	<b>11,240</b>	<b>13,240</b>	<b>15,240</b>	<b>17,240</b>	<b>19,240</b>	<b>21,240</b>	<b>23,240</b>
<b>Open space - acquisitions</b>											
Opening balance	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Transfer to reserve	6,608	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(6,608)	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
<b>Development Contribution Plans Council funded</b>											
Opening balance	19,430	16,807	17,289	17,671	18,053	18,435	18,817	19,199	19,581	19,963	20,345
Transfer to reserve	700	500	400	400	400	400	400	400	400	400	400
Transfer from reserve	(3,323)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
<b>Closing balance</b>	<b>16,807</b>	<b>17,289</b>	<b>17,671</b>	<b>18,053</b>	<b>18,435</b>	<b>18,817</b>	<b>19,199</b>	<b>19,581</b>	<b>19,963</b>	<b>20,345</b>	<b>20,727</b>
<b>Keysborough maintenance levy</b>											
Opening balance	1,721	1,732	1,642	1,496	1,324	1,107	773	399	0	0	0
Transfer to reserve	1,575	1,620	1,645	1,670	1,695	1,695	1,695	1,695	1,695	1,695	1,695
Transfer from reserve	(1,564)	(1,710)	(1,792)	(1,841)	(1,912)	(2,029)	(2,069)	(2,094)	(1,695)	(1,695)	(1,695)
<b>Closing balance</b>	<b>1,732</b>	<b>1,642</b>	<b>1,496</b>	<b>1,324</b>	<b>1,107</b>	<b>773</b>	<b>399</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix I(a) – Schedule of reserves (continued)

Reserves	Forecast	Budget	Financial Plan Projections								
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Self insurance reserve</b>											
Opening balance	999	911	880	880	880	880	880	880	880	880	880
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(88)	(31)	0	0	0	0	0	0	0	0	0
Closing balance	911	880	880	880	880	880	880	880	880	880	880
<b>Spring Valley landfill assurance fund</b>											
Opening balance	890	187	85	0	0	0	0	0	0	0	0
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(703)	(102)	(85)	0	0	0	0	0	0	0	0
Closing balance	187	85	0	0	0	0	0	0	0	0	0
<b>Springvale Activity Precinct Parking and Development</b>											
Opening balance	235	235	235	235	235	235	235	235	235	235	235
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	0	0	0	0	0	0	0	0	0	0	0
Closing balance	235	235	235	235	235	235	235	235	235	235	235
<b>Dandenong Activity Precinct Parking and Development</b>											
Opening balance	1,148	27	377	377	377	377	377	377	377	377	377
Transfer to reserve	1,000	650	650	650	650	650	650	650	650	650	650
Transfer from reserve	(2,121)	(300)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)
Closing balance	27	377	377	377	377	377	377	377	377	377	377
<b>General Reserve (Aged Care)</b>											
Opening balance	334	334	334	334	334	334	334	334	334	334	334
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	0	0	0	0	0	0	0	0	0	0	0
Closing balance	334	334	334	334	334	334	334	334	334	334	334

## Appendix I(a) – Schedule of reserves (continued)

Reserves	Forecast	Budget	Financial Plan Projections								
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Future Maintenance Reserve (LXRA)</b>											
Opening balance	214	214	174	174	174	174	174	174	174	174	174
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	0	(40)	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>	<b>214</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>
<b>Native revegetation - Souffi Place</b>											
Opening balance	9	9	3	0	0	0	0	0	0	0	0
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(0)	(5)	(3)	0	0	0	0	0	0	0	0
<b>Closing balance</b>	<b>9</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Native revegetation - Pound Road</b>											
Opening balance	35	35	35	35	35	35	35	35	35	35	35
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	0	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>Native revegetation - Dingley Arterial</b>											
Opening balance	28	28	28	28	28	28	28	28	28	28	28
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	0	0	0	0	0	0	0	0	0	0	0
<b>Closing balance</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
<b>Native revegetation - Bowmans Redgum</b>											
Opening balance	43	36	29	21	14	6	0	0	0	0	0
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(7)	(7)	(7)	(7)	(8)	(6)	0	0	0	0	0
<b>Closing balance</b>	<b>36</b>	<b>29</b>	<b>21</b>	<b>14</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix I(a) – Schedule of reserves (continued)

Reserves	Forecast	Budget	Financial Plan Projections								
	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Native revegetation - Australand Perry Road</b>											
Opening balance	34	24	10	0	0	0	0	0	0	0	0
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(10)	(13)	(10)	0	0	0	0	0	0	0	0
<b>Closing balance</b>	<b>24</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Native revegetation - Logis</b>											
Opening balance	135	108	81	54	27	0	0	0	0	0	0
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(27)	(27)	(27)	(27)	(27)	0	0	0	0	0	0
<b>Closing balance</b>	<b>108</b>	<b>81</b>	<b>54</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Native revegetation - Somerfield</b>											
Opening balance	122	91	61	30	0	0	0	0	0	0	0
Transfer to reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve	(31)	(31)	(31)	(30)	0	0	0	0	0	0	0
<b>Closing balance</b>	<b>91</b>	<b>61</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reserve summary</b>											
Opening balance	67,336	53,527	47,871	45,443	39,061	42,062	45,561	50,146	55,691	61,340	70,001
Transfer to reserve	12,991	6,078	6,895	5,792	5,616	6,202	7,322	8,307	8,012	11,024	12,694
Transfer from reserve	(26,800)	(11,734)	(9,323)	(12,174)	(2,615)	(2,703)	(2,737)	(2,762)	(2,363)	(2,363)	(2,363)
<b>Closing balance</b>	<b>53,527</b>	<b>47,871</b>	<b>45,443</b>	<b>39,061</b>	<b>42,062</b>	<b>45,561</b>	<b>50,146</b>	<b>55,691</b>	<b>61,340</b>	<b>70,001</b>	<b>80,332</b>

## Appendix I(b) – Discretionary and restricted reserves

Reserves	Restricted or Discretionary	Forecast 2020-21 \$'000	Budget 2021-22 \$'000	Financial Plan Projections								
				2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
Major projects reserve	Discretionary	22,938	15,367	10,867	2,339	3,210	4,667	7,244	10,806	14,073	20,352	28,301
Open space - planning, development and improvements	Restricted	3,810	5,240	7,240	9,240	11,240	13,240	15,240	17,240	19,240	21,240	23,240
Open space - acquisitions	Restricted	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
DCP Council funded reserve	Restricted	16,807	17,289	17,671	18,053	18,435	18,817	19,199	19,581	19,963	20,345	20,727
Keysborough maintenance levy	Restricted	1,732	1,642	1,496	1,324	1,107	773	399	0	0	0	0
Self insurance reserve	Discretionary	911	880	880	880	880	880	880	880	880	880	880
Spring Valley landfill assurance fund	Discretionary	187	85	-	-	-	-	-	-	-	-	-
Springvale Activity Precinct parking and development	Discretionary	235	235	235	235	235	235	235	235	235	235	235
Dandenong Activity Precinct parking and development	Discretionary	27	377	377	377	377	377	377	377	377	377	377
General reserve (aged care)	Restricted	334	334	334	334	334	334	334	334	334	334	334
Future maintenance reserve (LXRA)	Restricted	214	174	174	174	174	174	174	174	174	174	174
Native revegetation reserves	Restricted	331	247	169	104	69	63	63	63	63	63	63
<b>Sub-total restricted</b>			<b>30,927</b>	<b>33,084</b>	<b>35,230</b>	<b>37,360</b>	<b>39,402</b>	<b>41,409</b>	<b>43,392</b>	<b>45,774</b>	<b>48,156</b>	<b>50,538</b>
<b>Sub-total discretionary</b>			<b>16,944</b>	<b>12,359</b>	<b>3,831</b>	<b>4,702</b>	<b>6,159</b>	<b>8,736</b>	<b>12,298</b>	<b>15,565</b>	<b>21,844</b>	<b>29,793</b>
<b>Total reserves</b>		<b>53,527</b>	<b>47,871</b>	<b>45,443</b>	<b>39,061</b>	<b>42,062</b>	<b>45,561</b>	<b>50,146</b>	<b>55,691</b>	<b>61,340</b>	<b>70,001</b>	<b>80,332</b>

## Appendix J – Schedule of borrowings

	Budget	Financial Plan Projections								
	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>EXISTING BORROWINGS</b>										
<b>\$15.2 million, 25 years fixed, 6.15%, 2011-12</b>										
<i>Dandenong Civic Centre Municipal Building and Noble Park Aquatic Centre projects</i>										
Principal repayments	502	534	562	604	642	681	723	769	815	870
Interest expense	720	689	657	620	581	541	499	452	404	352
Sub-total	1,223	1,222	1,219	1,224	1,223	1,222	1,221	1,221	1,219	1,222
<b>\$20 million, 25 years fixed, 6.44%, 2012-13</b>										
<i>Dandenong Civic Centre Municipal Building project</i>										
Principal repayments	562	596	633	672	721	774	818	874	931	989
Interest expense	1,048	1,011	974	929	884	835	786	729	670	608
Sub-total	1,610	1,607	1,606	1,601	1,605	1,609	1,603	1,603	1,602	1,598
<b>\$13.1 million, 25 years fixed, 6.44%, 2012-13</b>										
<i>Dandenong Civic Centre Municipal Building project</i>										
Principal repayments	368	390	414	440	473	507	536	572	610	648
Interest expense	687	662	638	608	579	547	515	477	439	398
Sub-total	1,055	1,052	1,052	1,048	1,051	1,054	1,050	1,050	1,049	1,046
<b>\$10 million, 10 years (5 years fixed), 2.56%, 2018-19</b>										
<i>Springvale Community Precinct Project</i>										
Principal repayments	940	964	988	998	1,028	1,059	1,091	1,124	-	-
Interest expense	200	176	152	147	117	85	53	20	-	-
Sub-total	1,140	1,140	1,140	1,145	1,145	1,145	1,144	1,144	-	-
<b>\$10 million, 10 years (5 years fixed), 1.68%, 2019-20</b>										
<i>Springvale Community Precinct Project</i>										
Principal repayments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-
Interest expense	144	128	111	96	129	100	73	44	16	-
Sub-total	1,144	1,128	1,111	1,096	1,129	1,100	1,073	1,044	1,016	-

## Appendix J – Schedule of borrowings (continued)

	Budget	Financial Plan Projections								
	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>NEW (ASSUMED) BORROWINGS</b>										
<b>\$6.12 million, 10 years, 0.5%, 2021-22 *</b>										
<i>Keysborough South Community Hub</i>										
Principal repayments	-	598	601	604	607	610	613	617	620	623
Interest expense	2	29	26	23	20	17	14	11	8	5
Sub-total	2	628	628	628	628	628	628	628	628	628
<b>\$15 million, 10 years, 3%, 2022-23</b>										
<i>Dandenong Aquatic and Wellbeing Centre</i>										
Principal repayments	-	-	1,306	1,346	1,387	1,429	1,472	1,517	1,563	1,610
Interest expense	-	35	432	393	352	309	266	221	175	128
Sub-total	-	35	1,739	1,739	1,739	1,738	1,738	1,738	1,738	1,738
<b>\$15 million, 10 years, 3%, 2023-24</b>										
<i>Dandenong Aquatic and Wellbeing Centre</i>										
Principal repayments	-	-	-	1,306	1,346	1,387	1,429	1,472	1,517	1,563
Interest expense	-	-	35	432	393	352	309	266	221	175
Sub-total	-	-	35	1,739	1,739	1,739	1,738	1,738	1,738	1,738

\* Community Infrastructure Loans Scheme proposed borrowing (only 50% of the applicable interest rate is payable by Council).

## Appendix J – Schedule of borrowings (continued)

	Budget	Financial Plan Projections								
	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>NEW (ASSUMED) BORROWINGS</b>										
<b>\$6.12 million, 10 years, 0.5%, 2021-22 *</b>										
<i>Keysborough South Community Hub</i>										
Principal repayments	-	598	601	604	607	610	613	617	620	623
Interest expense	2	29	26	23	20	17	14	11	8	5
Sub-total	2	628	628	628	628	628	628	628	628	628
<b>\$15 million, 10 years, 3%, 2022-23</b>										
<i>Dandenong Aquatic and Wellbeing Centre</i>										
Principal repayments	-	-	1,306	1,346	1,387	1,429	1,472	1,517	1,563	1,610
Interest expense	-	35	432	393	352	309	266	221	175	128
Sub-total	-	35	1,739	1,739	1,739	1,738	1,738	1,738	1,738	1,738
<b>\$15 million, 10 years, 3%, 2023-24</b>										
<i>Dandenong Aquatic and Wellbeing Centre</i>										
Principal repayments	-	-	-	1,306	1,346	1,387	1,429	1,472	1,517	1,563
Interest expense	-	-	35	432	393	352	309	266	221	175
Sub-total	-	-	35	1,739	1,739	1,739	1,738	1,738	1,738	1,738

\* Community Infrastructure Loans Scheme proposed borrowing (only 50% of the applicable interest rate is payable by Council).

## Appendix J – Schedule of borrowings (continued)

## SUMMARY

	Budget	Financial Plan Projections								
	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>EXISTING BORROWINGS</b>										
Principal repayments	3,372	3,484	3,597	3,714	3,864	4,021	4,167	4,340	3,357	2,508
Interest expense	2,800	2,665	2,531	2,400	2,289	2,109	1,925	1,722	1,529	1,358
Sub-total	6,172	6,149	6,128	6,114	6,153	6,129	6,092	6,062	4,886	3,866
<b>NEW (ASSUMED) BORROWINGS</b>										
Principal repayments	-	598	1,908	3,257	3,340	3,426	3,515	3,606	3,700	3,796
Interest expense	2	65	494	848	764	678	590	498	404	308
Sub-total	2	663	2,402	4,105	4,105	4,105	4,104	4,104	4,104	4,104
<b>ALL BORROWINGS</b>										
Opening balance	56,636	59,383	70,301	79,796	72,825	65,622	58,175	50,493	42,547	35,490
Loan proceeds	6,120	15,000	15,000	-	-	-	-	-	-	-
Principal repayments	(3,372)	(4,083)	(5,505)	(6,970)	(7,203)	(7,447)	(7,682)	(7,946)	(7,057)	(6,304)
<b>Closing balance of borrowings</b>	<b>59,383</b>	<b>70,301</b>	<b>79,796</b>	<b>72,825</b>	<b>65,622</b>	<b>58,175</b>	<b>50,493</b>	<b>42,547</b>	<b>35,490</b>	<b>29,186</b>
<b>Interest expense</b>	<b>2,802</b>	<b>2,730</b>	<b>3,025</b>	<b>3,248</b>	<b>3,054</b>	<b>2,787</b>	<b>2,515</b>	<b>2,221</b>	<b>1,934</b>	<b>1,666</b>
<b>Principal repayments</b>	<b>3,372</b>	<b>4,083</b>	<b>5,505</b>	<b>6,970</b>	<b>7,204</b>	<b>7,447</b>	<b>7,682</b>	<b>7,946</b>	<b>7,057</b>	<b>6,304</b>

## Appendix K(a) – Local Government Performance Reporting Framework (LGPRF) Financial Performance Indicators

Dimension / indicator / measure	Notes	Actual 2019-20	Forecast 2020-21	Budget 2021-22	Financial Plan Projections									Trend	
					2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	+/-	
Efficiency															
Expenditure level															
E2	Expenses per property assessment [Total expenses / Number of property assessments]	\$2,991.75	\$3,181.71	\$3,032.41	\$2,997.00	\$3,042.54	\$3,074.90	\$3,119.97	\$3,146.18	\$3,178.28	\$3,224.37	\$3,249.93	\$3,287.66	o	
Revenue level															
E4	Average rate per property assessment [General rates and municipal charges / Number of property assessments]	\$1,838.75	\$1,894.72	\$1,923.17	\$1,942.73	\$1,977.11	\$2,011.90	\$2,047.10	\$2,082.73	\$2,118.79	\$2,155.27	\$2,192.23	\$2,229.64	+	
Liquidity															
Working capital															
L1	Current assets compared to current liabilities [Current assets / current liabilities] x 100	2	205.46%	154.21%	144.91%	139.84%	131.13%	134.69%	137.01%	140.41%	144.48%	150.02%	157.94%	165.63%	o
Unrestricted cash															
L2	Unrestricted cash compared to current liabilities [Unrestricted cash / current liabilities] x 100	3	103.14%	102.77%	92.96%	85.74%	75.06%	73.27%	73.14%	73.96%	75.57%	77.97%	82.88%	88.29%	o
Key to forecast trend															
+ Forecasts improvement in Council's financial performance/position indicator															
o Forecasts that Council's financial performance/financial position indicator will be steady															
- Forecasts deterioration in Council's financial performance/financial position indicator															

## Appendix K(a) – LGPRF Financial Performance Indicators (continued)

Dimension / <i>indicator / measure</i>	Notes	Actual 2019-20	Forecast 2020-21	Budget 2021-22	Financial Plan Projections									Trend	
					2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	+/-	
Obligations															
Loans and borrowings															
02	Loans and borrowings compared to rates [Interest-bearing loans and borrowings / rate revenue] x 100	4	41.72%	37.68%	38.40%	44.52%	49.15%	43.66%	38.06%	32.94%	27.88%	22.91%	18.64%	14.95%	+
03	Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / rate revenue] x 100		8.16%	4.11%	3.99%	4.31%	5.25%	6.13%	5.95%	5.79%	5.63%	5.47%	4.72%	4.08%	o
Indebtedness															
04	Non-current liabilities compared to own source revenue [Non-current liabilities / own source revenue] x 100		34.74%	32.28%	31.64%	35.66%	38.90%	34.18%	29.44%	25.11%	20.79%	17.07%	13.84%	10.66%	+
Asset renewal and upgrade															
05	Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expense / asset depreciation] x 100	5	113.10%	174.71%	131.35%	160.18%	158.78%	83.75%	87.39%	82.19%	73.46%	86.93%	89.72%	76.48%	-
Key to forecast trend															
+ Forecasts improvement in Council's financial performance/position indicator															
o Forecasts that Council's financial performance/financial position indicator will be steady															
- Forecasts deterioration in Council's financial performance/financial position indicator															

## Appendix K(a) – LGPRF Financial Performance Indicators (continued)

Dimension / indicator / measure		Notes	Actual	Forecast	Budget	Financial Plan Projections									Trend
			2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	+ / o / -
Operating position															
Adjusted underlying result															
OP1	Adjusted underlying surplus (deficit)	1	0.61%	(3.02%)	4.86%	6.70%	6.10%	6.26%	6.76%	7.04%	7.32%	7.21%	7.77%	7.85%	+
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100															
Stability															
Rates concentration															
S1	Rates compared to adjusted underlying revenue	6	71.56%	73.03%	72.10%	72.36%	73.04%	73.44%	73.72%	73.98%	74.19%	74.39%	74.53%	74.79%	o
[Rate revenue / adjusted underlying revenue] x 100															
Rates effort															
S2	Rates compared to property values		0.29%	0.30%	0.31%	0.31%	0.31%	0.31%	0.32%	0.32%	0.32%	0.32%	0.32%	0.33%	o
[Rate revenue / capital improved value of rateable properties in the municipality] x 100															
Key to forecast trend															
+ Forecasts improvement in Council's financial performance/position indicator															
o Forecasts that Council's financial performance/financial position indicator will be steady															
- Forecasts deterioration in Council's financial performance/financial position indicator															

## Appendix K(b) – Financial Sustainability Indicators

Indicator	Forecast	Budget	Financial Plan Projections									Trend +/-
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Result for the year	23,697	31,405	28,119	25,558	26,228	27,810	28,819	29,880	30,000	31,858	32,498	o
Adjusted underlying result	(8,278)	7,492	13,574	13,558	14,228	15,810	16,819	17,880	18,000	19,858	20,498	+
Cash and investments balance	114,785	112,384	110,274	104,378	102,970	107,116	111,929	117,770	123,712	132,634	143,209	o
Cash flows from operations	46,450	61,022	55,349	53,959	50,593	57,838	58,902	60,515	61,112	63,438	64,596	o
Capital works expenditure	82,984	63,362	65,619	66,250	41,820	43,319	43,715	44,313	44,812	45,308	45,807	o

## Key to forecast trend

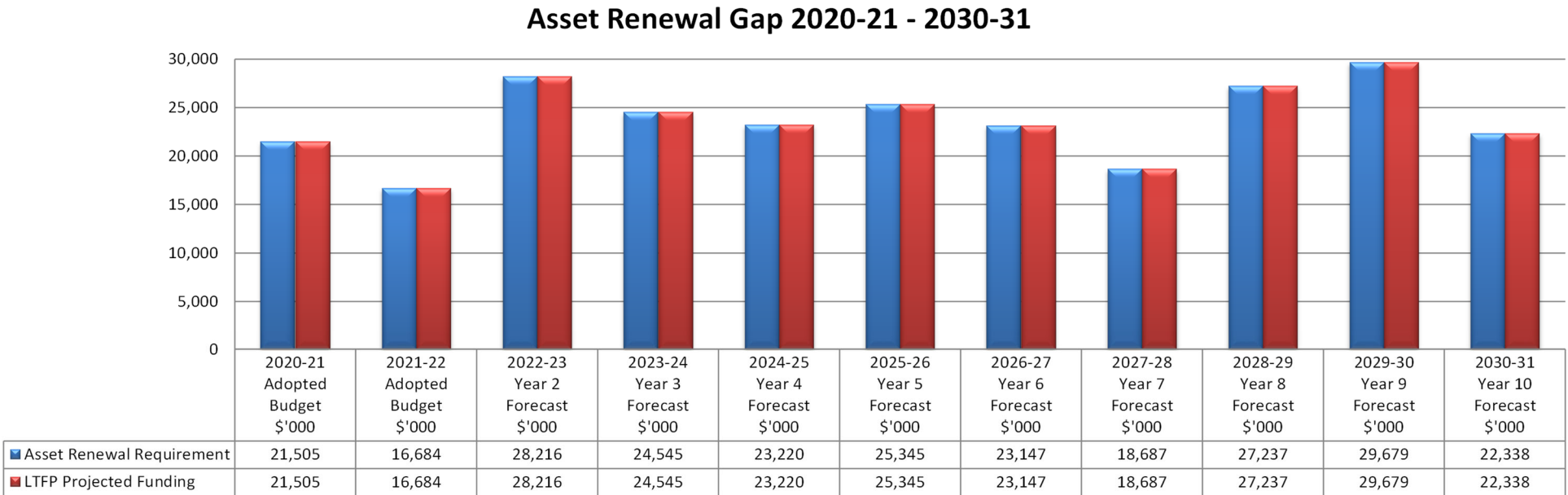
- + Forecasts improvement in Council's financial performance/position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Appendix L – Asset Renewal

Table L1 – Base Renewal Requirements

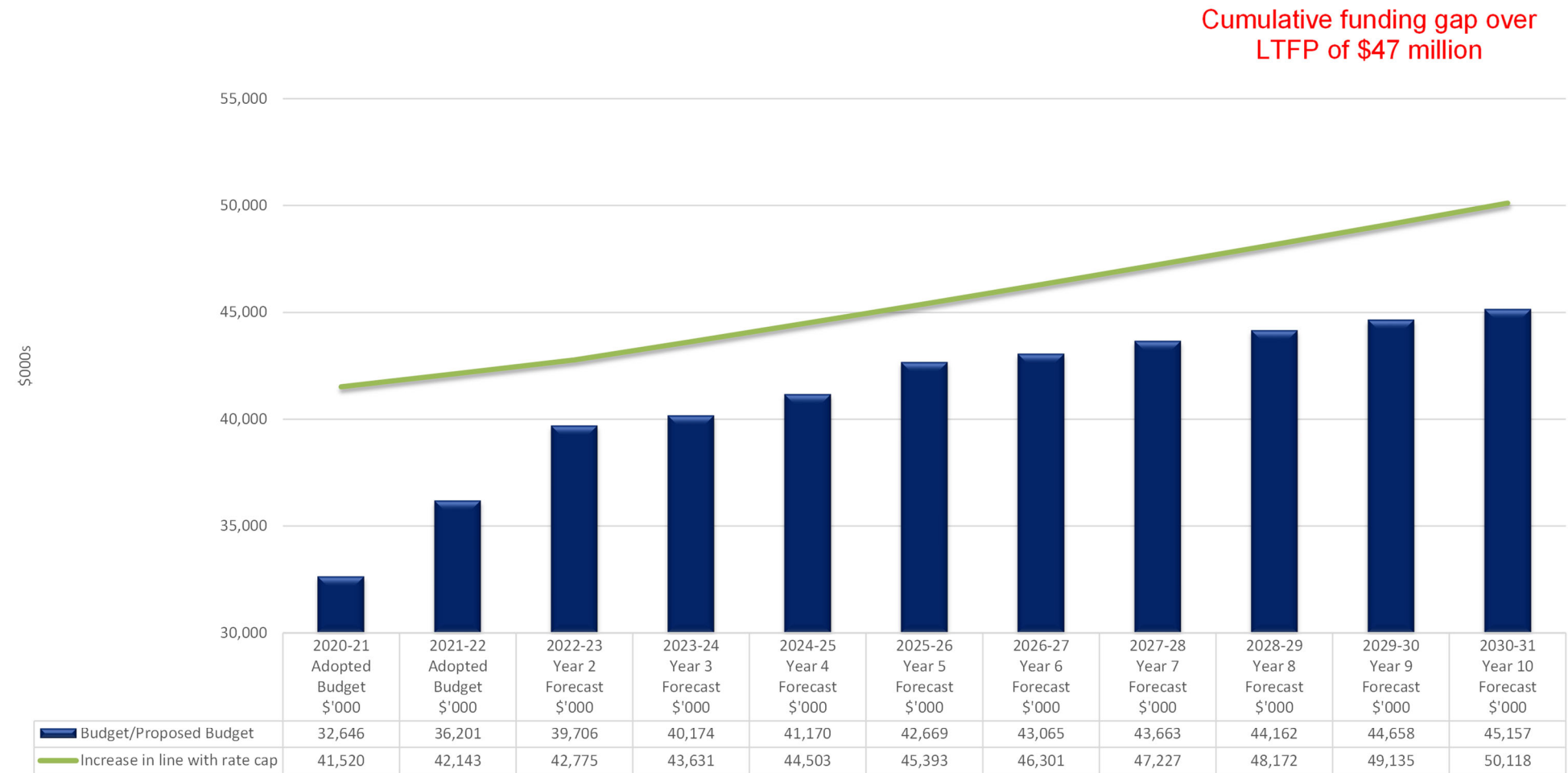
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32 to 2040-41
	Adopted	Adopted	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Years 11-20
	Budget	Budget	Budget	Budget	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
ASSET GROUP	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	5,460	2,587	4,519	3,870	4,175	7,607	2,961	3,428	10,955	12,275	7,700	35,527
Plant and equipment	4,274	4,295	4,262	3,880	4,156	5,048	5,041	3,917	4,039	4,156	4,062	40,202
Infrastructure	11,771	9,802	19,435	16,795	14,889	12,690	15,145	11,342	12,243	13,248	10,576	151,007
<b>Total renewal</b>	<b>21,505</b>	<b>16,684</b>	<b>28,216</b>	<b>24,545</b>	<b>23,220</b>	<b>25,345</b>	<b>23,147</b>	<b>18,687</b>	<b>27,237</b>	<b>29,679</b>	<b>22,338</b>	<b>226,736</b>

Graph L2 – Asset Renewal Requirements vs LTFP Projected Funding



Additional notes regarding the above chart - Council asset renewal funding aligns with the asset renewal requirements. The amounts in this graph may differ to those presented in the capital works information presented in Appendix F Statement of Capital Works, as the asset renewal requirements disclosed here relates to base renewal funding and does not include renewal amounts relating to foreshadowed major projects.

## Appendix M – Capital works funded from operational surplus



## Appendix N(a) – Operating grant income (recurrent)

	Forecast	Budget	Financial Plan Projections								
	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Recurrent</b>											
<b>Commonwealth Government</b>											
Financial Assistance Grant	5,888	12,066	12,066	12,187	12,309	12,432	12,556	12,681	12,808	12,936	13,066
Family Day Care	4,496	3,339	3,373	3,406	3,440	3,475	3,509	3,545	3,580	3,616	3,652
Home and Community Care	5,170	6,564	6,725	6,792	6,860	6,929	6,995	7,062	7,129	7,197	7,266
Family and Children Services	80	70	89	-	-	-	-	-	-	-	-
Community health	7	21	21	21	21	21	22	22	22	22	23
<b>State Government</b>											
Home and Community Care	1,629	1,794	1,946	1,965	1,985	2,005	2,025	2,045	2,065	2,086	2,107
Maternal and Child Health	2,615	2,598	2,207	2,229	2,251	2,273	2,296	2,319	2,342	2,366	2,389
Family and Children Services	1,896	1,632	1,652	1,669	1,686	1,702	1,719	1,737	1,756	1,773	1,790
Libraries	1,063	1,037	1,048	1,058	1,069	1,079	1,090	1,101	1,112	1,123	1,134
School crossings	441	455	459	464	468	473	478	482	487	492	497
Community health	122	123	124	125	126	128	129	130	132	133	134
Other	-	10	10	10	10	10	10	10	10	10	10
<b>Total recurrent operating grants</b>	<b>23,407</b>	<b>29,709</b>	<b>29,720</b>	<b>29,926</b>	<b>30,225</b>	<b>30,527</b>	<b>30,829</b>	<b>31,134</b>	<b>31,443</b>	<b>31,754</b>	<b>32,068</b>

*Note – The Commonwealth Government Financial Assistance grant is lower in the 2020-21 Forecast due to the early receipt of 50% of the grant funding in the 2019-20 financial year.*

## Appendix N(b) – Operating grant income (non-recurrent and total)

	Forecast	Budget	Financial Plan Projections									
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non recurrent</b>												
<b>Commonwealth Government</b>												
Family and Children Services	335	-	-	-	-	-	-	-	-	-	-	-
COVID safety and support	260	-	-	-	-	-	-	-	-	-	-	-
Libraries	208	-	-	-	-	-	-	-	-	-	-	-
Home and community care	-	99	-	-	-	-	-	-	-	-	-	-
Senior citizens	14	-	-	-	-	-	-	-	-	-	-	-
Other	18	18	-	-	-	-	-	-	-	-	-	-
<b>State Government</b>												
Working For Victoria Fund	5,029	-	-	-	-	-	-	-	-	-	-	-
COVID safety and support	850	-	-	-	-	-	-	-	-	-	-	-
Environment	502	212	-	-	-	-	-	-	-	-	-	-
Community health	326	-	-	-	-	-	-	-	-	-	-	-
Education and employment	196	115	-	-	-	-	-	-	-	-	-	-
Home and Community Care	170	245	-	-	-	-	-	-	-	-	-	-
Community development	155	65	41	-	-	-	-	-	-	-	-	-
Waste and recycling	154	-	-	-	-	-	-	-	-	-	-	-
Activity Centre development	110	-	-	-	-	-	-	-	-	-	-	-
Family and Children Services	101	-	-	-	-	-	-	-	-	-	-	-
Libraries	52	-	-	-	-	-	-	-	-	-	-	-
Community safety	55	40	-	-	-	-	-	-	-	-	-	-
Emergency management	49	48	40	-	-	-	-	-	-	-	-	-
Maternal and Child Health	41	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>												
Education and employment	35	-	-	-	-	-	-	-	-	-	-	-
Family and Children Services	3	-	-	-	-	-	-	-	-	-	-	-
Other	14	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-recurrent operating grants</b>	<b>8,677</b>	<b>842</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operating grants</b>	<b>32,084</b>	<b>30,551</b>	<b>29,801</b>	<b>29,926</b>	<b>30,225</b>	<b>30,527</b>	<b>30,829</b>	<b>31,134</b>	<b>31,443</b>	<b>31,754</b>	<b>32,068</b>	

## Appendix O – Capital grant income (recurrent and non-recurrent)

	Forecast	Budget	Financial Plan Projections								
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurrent											
Commonwealth Government											
Roads to Recovery	1,572	1,018	1,018	826	-	-	-	-	-	-	-
Total recurrent capital grants	1,572	1,018	1,018	826	-	-	-	-	-	-	-
Non recurrent											
Commonwealth Government											
Local Roads Community Infrastructure Program	1,018	5,100	-	-	-	-	-	-	-	-	-
Black Spot Program	2,617	-	-	-	-	-	-	-	-	-	-
State Government											
Buildings	4,824	1,893	1,500	-	-	-	-	-	-	-	-
Parks, Open Space and Streetscapes	867	1,985	-	-	-	-	-	-	-	-	-
Recreation, Leisure and Community Facilities	3,573	-	-	-	-	-	-	-	-	-	-
Plant, Machinery and Equipment	17	-	-	-	-	-	-	-	-	-	-
Total non-recurrent capital grants	12,916	8,978	1,500	-	-	-	-	-	-	-	-
Total capital grants	14,488	9,996	2,518	826	-	-	-	-	-	-	-

**Note re Roads to Recovery** - The Commonwealth Government provides Roads to Recovery (R2R) funding to the local government sector. The current R2R program commenced 1 July 2019 and will conclude 30 June 2024. Council's life of program allocation is a confirmed \$5,089,034. Certain conditions must be followed, and annual reports must be submitted.

## Appendix P – Parameters

Description	Budget 2021-22	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26	Year 6 2026-27	Year 7 2027-28	Year 8 2028-29	Year 9 2029-30	Year 10 2030-31
CPI forecast	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rate revenue cap	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Fees and charges - Council	1.50%	1.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Fees and fines - statutory	0.00%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Financial Assistance Grants funding	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Grants and subsidies	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Employee costs	2.25%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Employee costs (incremental costs)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Electricity	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Street lighting	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Water	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Gas	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Fuel	1.25%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

## Appendix Q – Adjusted underlying result

	Forecast	Budget	Financial Plan Projections								
	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000
<b>Operating</b>											
Total income	235,736	235,462	231,741	234,252	239,140	245,871	250,757	256,148	261,645	267,452	272,964
Total expenses	(212,039)	(204,057)	(203,622)	(208,694)	(212,912)	(218,061)	(221,938)	(226,268)	(231,645)	(235,594)	(240,466)
<b>Surplus for the year</b>	<b>23,697</b>	<b>31,405</b>	<b>28,119</b>	<b>25,558</b>	<b>26,228</b>	<b>27,810</b>	<b>28,819</b>	<b>29,880</b>	<b>30,000</b>	<b>31,858</b>	<b>32,498</b>
<b>Less non-operating income and expenditure</b>											
Grants - capital (non-recurrent)	(12,916)	(8,978)	(1,500)	-	-	-	-	-	-	-	-
Contributions - non-monetary	(15,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Capital contributions - other sources	(4,059)	(4,935)	(3,045)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
<b>Adjusted underlying surplus (deficit)</b>	<b>(8,278)</b>	<b>7,492</b>	<b>13,574</b>	<b>13,558</b>	<b>14,228</b>	<b>15,810</b>	<b>16,819</b>	<b>17,880</b>	<b>18,000</b>	<b>19,858</b>	<b>20,498</b>