



WHITEHORSE CITY COUNCIL

Financial Plan 2021-2031



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Mayor's message

On behalf of Council, it is my pleasure to present the Whitehorse City Council *Financial Plan 2021-2031*.

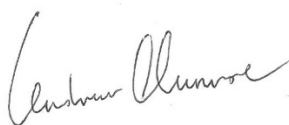
As required under the *Local Government Act 2020*, the *Financial Plan 2021-2031* (Plan) is a key component in Council's integrated strategic planning and reporting framework. The Plan outlines the intended resources to deliver on the Community Vision 2040 over the next 10 years. It expands on the four year Budget 2021/2022, which was adopted in June 2021, and provides a longer term outlook of Council's 10 year financial projections and the key strategies and assumptions that underpin them.

This Plan has been developed with the assistance of the Whitehorse community through the Shaping Whitehorse community engagement process. Building upon the *Community Vision 2040*, Shaping Whitehorse sought input from the community to help inform Council's *Financial Plan 2021-2031*, *Council Plan 2021-2025*, *Municipal Public Health and Wellbeing Plan 2021-2025* and *Asset Plan 2022-2032* (which will be developed in 2022). This consultation was achieved through a community survey, pop up events, focus groups and a deliberative community panel, and resulted in the development of a set of guiding principles for sustainable financial and asset management decision making by Council. We thank all community members who have made the time to participate and share their views.

The Plan is a balanced and financially responsible plan. It includes funding for a number of exciting new initiatives and projects over the coming years as well as the continuation of the delivery of a wide range of valued services to the community. Some of the key highlights included within the Plan are:

- **\$2.37 billion operational budget for the continued delivery of a wide range of services** to the community over the next 10 years
- **\$744 million capital works program** to renew and improve Whitehorse community facilities and infrastructure
- **Significant investment in transformation initiatives** which aim to improve efficiencies and customer experience, and ensure the long term financial sustainability of Council.

We look forward to working with you to achieve the commitments we have made over the coming years.



Cr Andrew Munroe
Whitehorse Mayor

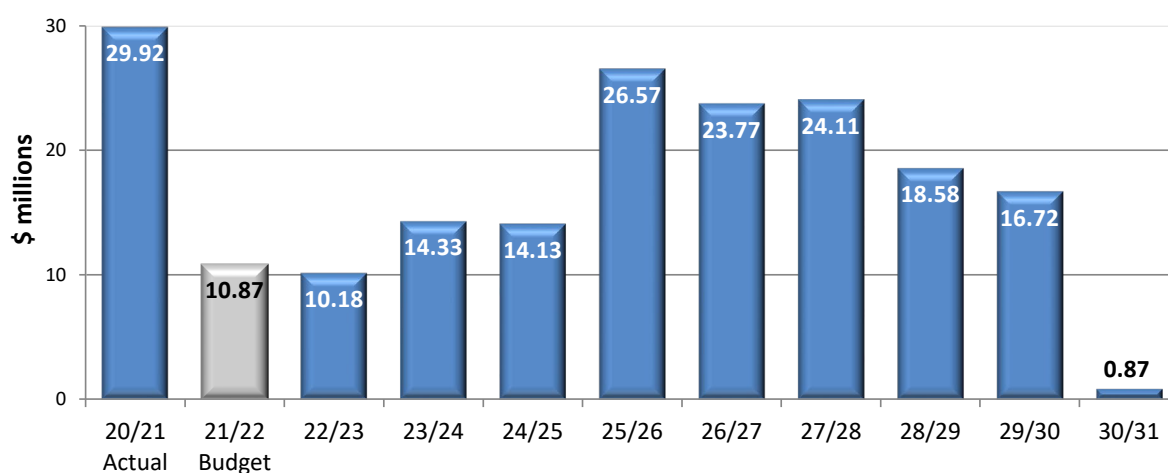
CEO's overview

The Financial Plan 2021-2031 provides for the ongoing delivery of quality services to the community and the renewal and improvement of community facilities and infrastructure. It includes a large Capital Works Program and incorporates the first stages of Council's new transformation program aiming to improve our performance into the future. It also addresses some significant cost challenges over the coming years, and balances this with disciplined cost management to ensure the continuation of Council's strong financial sustainability into the future.

The Plan includes 10 year projections of Council's financial performance and position, cash flows, capital works program, and planned human resources outlining the expected resources that will be required to achieve the *Community Vision 2040* and *Council Plan 2021-2025*. It also includes information about Council's financial management principles, assumptions, strategies and other influences that have had a significant impact on these projections.

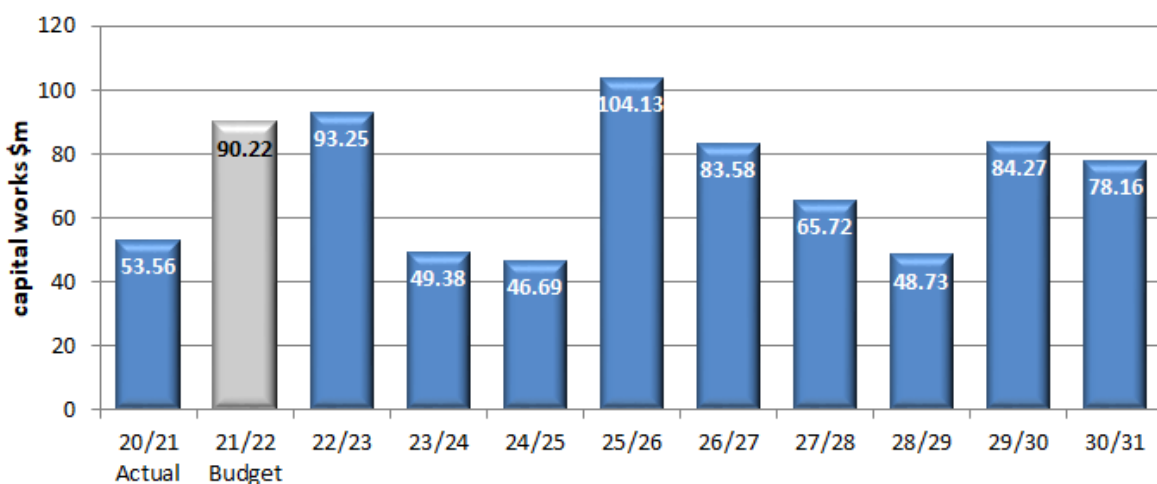
This overview provides a summary of the 10 year financial outlook detailed in the rest of this document.

Operating result



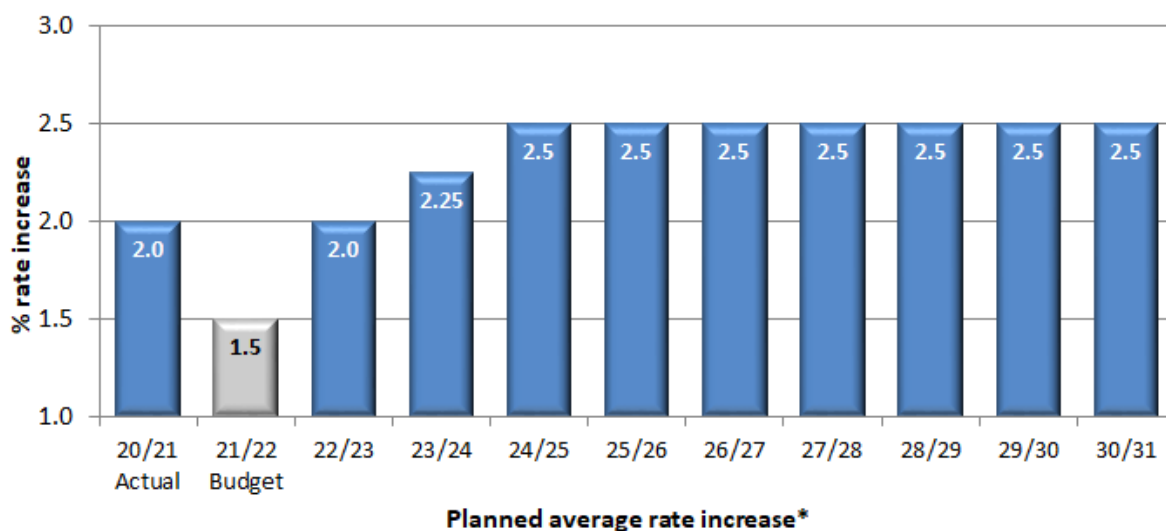
Planning for a surplus is fiscally responsible to maintain uninterrupted service delivery to our community and to provide essential funding for capital works including the redevelopment of major community facilities. Council has planned for surpluses for the next nine years followed by a small deficit for 2030/31. The dip in the projected 2021/2022 result relates to the impact of COVID-19. The 2022/23 result reflects increased spending on Council's Transformation including technology transformation initiatives to deliver on the IT Strategy and a new Enterprise Resource Planning system.

Capital works



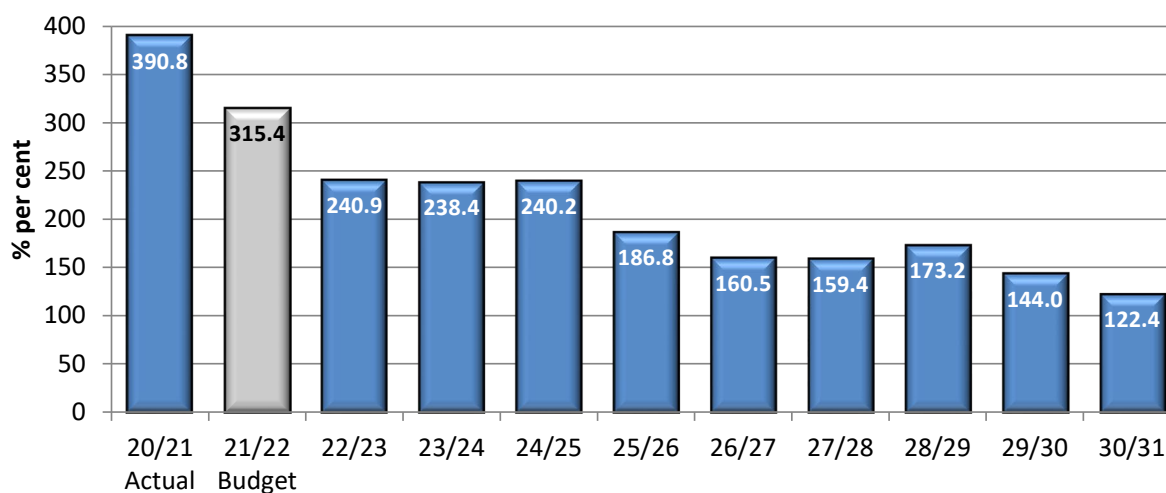
Council intends to spend no more than \$750 million to renew and improve community facilities and infrastructure over the next 10 years. This will be funded by a mix of rates, reserves and external funding sources including grants, contributions and proceeds of sale from assets that are no longer required.

Average rate increase



The average rate will increase by 1.5% for the 2021/22 year. Future average rate increases are forecast to be between 2.0% and 2.5% and are based on predicted future CPI increases, however this does not commit Council to any predetermined increase. The Financial Plan is reviewed annually as part of Council's budget deliberations and future rate increases will be considered in light of prevailing economic conditions, community needs and the rate cap ordered by the Minister for Local Government.

Financial position (working capital ratio)



The working capital is expected to decrease over the next 10 years primarily reflecting a reduction in cash assets to fund the improvement of Council facilities and infrastructure through the Capital Works Program. Council has built up its cash reserves over recent years for this purpose rather than utilising borrowings. Council's working capital ratio is forecast to remain strong (greater than 100.0 per cent) throughout the 10 year period.

Summary

This is a responsible long term financial plan. It includes transformation initiatives including major technology upgrades, expansion of Council's continuous improvement function, increased focus on service planning and outcomes anticipated from strategic property management decisions, all driven to improve services, efficiency and ensure the ongoing financial sustainability of Council into the future.

Simon McMillan
Chief Executive Officer

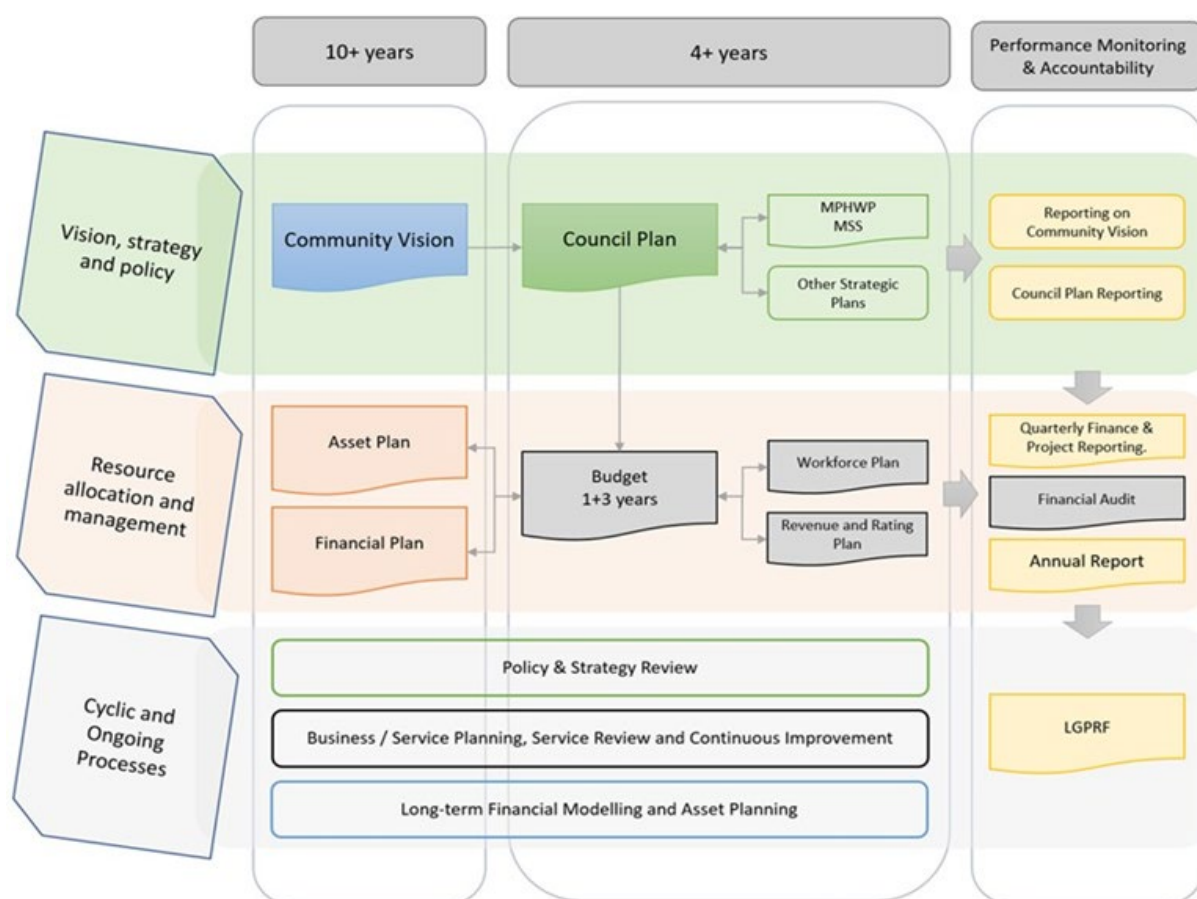
1. Legislative Requirements

This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within an overall integrated strategic planning and reporting framework.

1.1 Legislative planning and accountability framework

The 2021/2022 planning period is the first under a new legislative and regulatory framework. The *Local Government Act 2020* (the Act) received Royal Assent on 24 March 2020 with proclamation of the Act occurring in stages. Part 4 of the Act addresses planning and financial management requirements including development of strategic planning, budgeting and annual reporting documents, and this section came into operation on 24 October 2020. The *Local Government (Planning and Reporting) Regulations 2020* (the regulations) also came into operation on 24 October 2020.

The diagram below depicts the integrated planning and reporting framework that applies to local government in Victoria. At each stage of the integrated planning and reporting framework there are opportunities for community and stakeholder input. This is important to ensure transparency and accountability to both residents and ratepayers.



In the 2021/2022 financial year, Council will use a principles based approach to the development of an integrated strategic planning and reporting framework. This framework will guide Council in identifying community needs and aspirations over the long term (Community Vision) and determining Council's priorities for the medium term (Council Plan). It will outline the resources required to achieve these objectives and priorities (Financial Plan and Budget), and how these resources will be funded (Revenue and Rating Plan) and managed (Asset Plan and Workforce Plan). The framework will also provide mechanisms for Council to be accountable (Annual Report and Quarterly Reporting).

The core legislated elements of an integrated strategic planning and reporting framework include:

Long Term (10 years)	Community Vision	Provides a long-term aspirational view of the community's desired future.
	Financial Plan	Provides a long-term view of the resources required and funding sources to deliver Council services, initiatives and capital works projects over the next 10 years.
	Asset Plan	Provides a 10 year outlook of how Council plans to manage the community assets it owns or controls (to be adopted by 30 June 2022).
Medium Term (4 years)	Council Plan	Describes Council's strategic directions and priorities for the next 4 years in the context of the Community Vision and other adopted strategies and plans.
	Budget	A rolling 4 year budget is prepared annually to outline how resources will be allocated across services, initiatives and capital works projects and the income that will be generated.
	Revenue & Rating Plan	Describes Council's income sources, how income will be raised and the policy and assumptions for each stream of income for the next 4 years.
	Workforce Plan	Describes Council's organisational structure and projected staffing requirements for at least 4 years (to be adopted by 31 December 2021).
Reporting	Annual Report	Details Council's financial and operational performance for year including audited financial and performance statements, progress updates for Council Plan strategies, indicators and major initiatives, and performance indicator results.
	Local Government Performance Reporting Framework (LGPRF)	Council reports on its performance against a prescribed set of financial and service performance indicators, reported its Annual Report and on the Know Your Council website.

1.2 Strategic Planning Principles

The Financial Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision. The Financial Plan is developed in the context of the following strategic planning principles as required under section 89 of the Act:

- a) **Integrated approach to planning, monitoring and performance reporting** - The Financial Plan has been developed alongside the Council Plan and in alignment with the Community Vision and other core strategic plans to ensure integration. Council is in the process of developing its integrated strategic planning and reporting framework.
- b) **Addresses the Community Vision** - The Financial Plan addresses the Community Vision by outlining the resources and funding required to deliver the planned services, initiatives and capital works projects over the next 10 years working towards achieving the *Whitehorse Community Vision 2040*. Section 2.2 provides further information about the linkages with the Community Vision and Council Plan.
- c) **Takes into account the resources needed for effective implementation** - The Financial Plan statements incorporate the financial resources necessary to implement the Council Plan objectives and strategies over the next 4 years and to work towards achieving the Community Vision 2040 over the next 10 years.
- d) **Identifies and addresses the risks to effective implementation** - Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan.
- e) **Provides for ongoing monitoring of progress and regular reviews to identify and address changing circumstances** - Council reports on its financial performance and position on a quarterly basis and a review of strategic documents is conducted regularly to ensure they remain current.

1.3 Financial Management Principles

The Financial Plan demonstrates the following financial management principles as required under section 101 of the Act:

- a) **Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans** - The Financial Plan projections have been determined with reference to Council's financial policies and consideration of other strategic plans.
- b) **Financial risks must be monitored and managed prudently having regard to economic circumstances** – Council places a high importance on maintaining its financial sustainability and minimising financial risk to protect the Whitehorse community. The Financial Plan includes financial policy statements in section 2.6 and financial indicators in section 4 that demonstrate Council's financial viability and working capital is expected to remain strong for the 10 year period.
- c) **Financial policies and strategic plans must seek to provide financial stability and predictability in the financial impact on the community.** The Financial Plan provides the community with an outlook of Council's financial projections for the next 10 years based on a set of assumptions at this point in time. The Plan will be reviewed regularly to ensure it remains current and to keep the community informed of changes in the projections that occur as time passes.
- d) **Council maintains accounts and records that explain its financial operations and financial position** – The Financial Plan provides projected financial statements for the next 10 years in section 3. Council maintains proper accounts and records and reports publicly on a quarterly basis its actual financial performance and position to keep the community informed of its progress compared to budget. It is also subject to an annual independent financial audit to ensure its financial performance and position are fairly presented.

1.4 Community Engagement

The Financial Plan 2021-2031 has been developed in accordance with the deliberative community engagement requirements of the *Local Government Act 2020* and with Council's *Community Engagement Policy*, which was adopted in February 2021.

This Financial Plan has been developed with the assistance of the Whitehorse community through the Shaping Whitehorse community engagement process. Building upon the community feedback received throughout the *Community Vision 2040* engagement process, Shaping Whitehorse sought input from the community to help inform Council's *Financial Plan 2021-2031*, *Council Plan 2021-2025*, *Municipal Public Health and Wellbeing Plan 2021-2025* and *Asset Plan 2022-2032*. This consultation was conducted through an online survey, pop up events, focus groups and a deliberative community panel.

The level of engagement achieved in the Shaping Whitehorse deliberative engagement process was "Involve". Council worked directly with the community to ensure their views and aspirations were considered in developing a set of guiding principles for sustainable financial and asset management decision making by Council. These principles were then reviewed and refined further by Council officers and Councillors, and the final guiding principles are included in section 2.3.

Development of the Financial Plan is also informed by community feedback which has been accumulated through various consultations held as part of the development and review of key Council strategies and plans and the annual community satisfaction survey.

2. Financial Plan Context

This section describes the key financial plan influences, arising from the internal and external environment within which Council operates, and strategic considerations in determining the 10-year financial projections and assumptions.

2.1 Snapshot of the City of Whitehorse

Located 15 kilometres east of Melbourne's CBD, City of Whitehorse is a major hub of cultural, commercial, business and innovative activity in the eastern suburbs of Melbourne. The municipality is bounded by the City of Manningham to the north, the cities of Maroondah and Knox to the east, the City of Monash to the south and the City of Boroondara to the west. City of Whitehorse suburbs include Blackburn, Blackburn North, Blackburn South, Box Hill, Box Hill North, Box Hill South, Burwood, Burwood East, Forest Hill, Mitcham, Mont Albert, Mont Albert North, Nunawading, Surrey Hills, Vermont and Vermont South.

The City of Whitehorse is a vibrant municipality, with an estimated population of 180,735 residents. The city is culturally diverse, with 38.4 per cent of residents born overseas and one-third from backgrounds where languages other than English are spoken. In total, more than 120 languages are spoken. The most common languages other than English are Mandarin (12.9 per cent), Cantonese (5.3 per cent), Greek (2.5 per cent), Italian (1.4 per cent) and Vietnamese (1.3 per cent). Our large Chinese population is a real feature of the municipality, with more than 11 per cent of residents born there. In Box Hill, this figure is 28 per cent.

A snapshot of the City of Whitehorse economy reveals:

- An \$11.6 billion economy (Remplan Economics, 2019) that is strategically integrated within the wider regional economy.
- Approximately 72,000 jobs (Remplan Economics), the largest industry sectors being health care and social assistance, professional, scientific and technical services, and education and training.
- It is estimated that there are around 9,000 businesses (ABS) based in Whitehorse related to a premise/location.

Note: These figures are estimates based on 2016 Census data prior to the COVID-19 pandemic. 2021 census data was not available at the time of developing this Plan.

The Box Hill Metropolitan Activity Centre is the largest activity centre in the eastern region of Melbourne. Box Hill has experienced sustained growth and development through ongoing government and private investment. Box Hill is experiencing significant change and is well positioned to build on the increased investment activity that provides for a modern and vibrant hub for business, education, health and commercial options, with a diversity of shopping choices, offices, housing, transport and community services. This unique CBD type offering has a strong public and private transport network, making it highly accessible to the Melbourne East region.

2.2 Link to Community Vision and Council Plan

2.2.1 Our Community Vision 2040

Council's integrated strategic planning and reporting framework is underpinned by the Community Vision 2040, which was adopted in May 2021:



2.2.2 Council Plan Strategic Directions

The community aspirations and priorities for the future of Whitehorse have been grouped into seven themes, and with the addition of an eighth theme added by Council, these themes set out the strategic directions for the Council Plan 2021-2025 and comprise:

Strategic Direction 1	Innovation, transformation and creativity
Strategic Direction 2	A thriving local economy: business, employment, education and skill development
Strategic Direction 3	Our diverse and inclusive community
Strategic Direction 4	Our built environment, movement and public places
Strategic Direction 5	Sustainable climate and environmental care
Strategic Direction 6	Whitehorse is an empowered collaborative community
Strategic Direction 7	Health and wellbeing
Strategic Direction 8	Governance and leadership

2.3 Guiding principles for financial and asset management decisions

The following guiding principles for sustainable financial and asset management decisions have been developed in collaboration with the Whitehorse community through the Shaping Whitehorse community panel process. The principles initially recommended by the community panel have been further refined by Council officers and Councillors. These principles have been considered in the development of the Financial Plan and support Council's long term financial planning objectives as detailed in section 2.4 on the following page.

10 Guiding Principles for Sustainable Financial and Asset Management Decisions	
Plan	<ol style="list-style-type: none">1. Council is focused on long term sustainable financial planning and prioritises the renewal of existing assets.2. Council will consider the diverse and changing needs of the community.3. Council will undertake cost / benefit analysis that considers financial, environmental and social sustainability outcomes, as well as other intangible community benefits.4. Council's approach to decision making should be evidence-based and assessed for ongoing improvement.5. Council will acknowledge the benefits of community contributions, including volunteerism and social enterprise.
Engage	<ol style="list-style-type: none">6. Council will continue to involve the community in decision making and be transparent through improved communication and engagement.
Implement	<ol style="list-style-type: none">7. Council will take a future-focused approach to asset management decisions, including multi-use, low maintenance and adaptable assets.8. Council will work strategically and collaboratively with key stakeholders (local/state/federal/private) to share resources and assets.9. Council will raise and utilise funds in an ethical and equitable way.
Report	<ol style="list-style-type: none">10. Council will apply a systematic approach to measuring success and reporting on outcomes.

2.4 Long term financial planning objectives

Council's long-term planning strategy is focused on creating a sustainable financial environment to enable Council to continue to provide the community with high quality services and infrastructure into the medium and long term.

The Financial Plan is a continuation of Council's responsible financial program and aims to:

- Balance the community's needs and ensuring that Council continues to be financially sustainable in the long term
- Increase Council's commitment to sustainable asset renewal and maintenance of the community's assets
- Maintain a strong cash position for financial sustainability
- Achieve efficiencies through targeted savings and an ongoing commitment to contain costs including Transformation
- Include rate and fee increases that are both manageable and sustainable; and
- Provide a framework to deliver balanced budgets including sustainable annual underlying surpluses.

2.5 Council strategy and transformation – good to great

In early 2020, Council engaged an external consultant to undertake a strategic organisational review. The review was designed to identify opportunities for Council to move from 'good' to 'great'. Council has a history of healthy community engagement, service quality, customer satisfaction and financial stability. In coming years, Council needs to be in a strong position to respond to rapid technological change, increasing community expectations, significant cost increases, especially in waste services, constrained revenue due to rate capping, changing community demographics and COVID recovery. The review was the first step to help Council build on its successful history to meet future challenges and opportunities, and enhance Council's journey of continuous improvement, innovation and development.

The independent strategic organisational review report found that Council:

- provides good service to the community,
- receives overall positive employee feedback, and
- currently has a healthy financial position.

The report also concluded that transformation is needed if Council aspires to move from good to great, and to meet its future challenges including continued financial sustainability.

The review found that Council needs to invest more in technology, key strategic functions and process improvement and noted that there is increasing pressure on revenue and costs. These will challenge Council's financial sustainability within 10 years.

The review recommends transformation to enhance service delivery, further develop our organisational culture, upgrade outdated technology, improve organisational efficiency and ensure continued financial sustainability. Council needs dedicated resources to advise and support Council in the process of deciding which options to prioritise, and then to take those actions forward.

The following five core principles have been established to guide the organisation's transformation process.



The plan for transformation from good to great includes:

- Focus on great organisational culture
- Getting set up for success
- Invest in technology and systems
- Systematically review all our services over time
- Expand our continuous improvement program and approach
- Measured adjustments to ensure financial sustainability

Council has committed to a significant investment in the Budget 2021/2022 for the first key initiatives under this program, including:

- Implementation of Council's IT Strategy
- Commencing implementation of a new Enterprise Resource Planning system
- Continued work towards the possible introduction of a Waste Services Charge
- Increased focus on review, planning and continuous improvement in service delivery

Further, the costs and expected benefits of implementing the initial stages of these initiatives over the next 10 years are incorporated within this Financial Plan.

2.6 Financial policy statements

This section defines the policy statements and associated measures that are used to demonstrate Council's financial sustainability to fund the aspirations of the Community Vision and the Council Plan strategies.

Council uses the Victorian Auditor General's financial sustainability indicators to monitor financial sustainability and aims to achieve an overall low risk rating over the period of the Financial Plan, unless we can show it is prudent not to (for example, one-off abnormal transactions that do not have an enduring impact). We are forecasting that we will achieve an overall risk rating of 'Low' throughout the 10-year period, as shown in the table below.

Policy Statement	Measure	Target	Actual										
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Generating surpluses consistently	Net surplus/total revenue	>0%	● 14.6%	● 5.2%	● 4.5%	● 6.3%	● 6.0%	● 10.4%	● 9.0%	● 8.8%	● 6.7%	● 5.9%	● 0.3%
Consistent underlying surplus results to fund operations	Adjusted underlying result/adjusted underlying revenue	>5%	● 10.9%	● 1.5%	● 2.8%	● 5.9%	● 5.9%	● 10.4%	● 8.8%	● 7.6%	● 6.7%	● 5.9%	● 0.3%
Ensure Council maintains sufficient working capital to meet its short term obligations as they fall due.	Current assets / current liabilities	>1.0	● 3.9	● 3.2	● 2.4	● 2.4	● 2.4	● 1.9	● 1.6	● 1.6	● 1.7	● 1.4	● 1.2
Generating sufficient operating cash flows to fund new assets	Net operating cash flows / net capital expenditure	>100%	● 136.6%	● 48.6%	● 48.2%	● 107.2%	● 115.5%	● 59.2%	● 75.8%	● 107.1%	● 150.9%	● 69.7%	● 75.7%
Sufficient own source revenue to meet long-term obligations	Non-current liabilities / own source revenue	<40%	● 3.4%	● 3.2%	● 2.7%	● 2.8%	● 2.5%	● 2.3%	● 2.2%	● 2.2%	● 2.2%	● 2.2%	● 2.3%
Sufficient spending level on capital works	Capital expenditure / depreciation	>1.5	● 1.8	● 3.0	● 3.0	● 1.5	● 1.4	● 2.9	● 2.3	● 1.7	● 1.2	● 2.1	● 1.9
Sufficient spending level to renew existing assets	Asset renewal and upgrade expenses / depreciation	>1.0	● 1.5	● 1.8	● 1.5	● 1.2	● 1.2	● 1.7	● 1.9	● 1.2	● 1.1	● 1.6	● 1.5

2.7 Assumptions to the financial plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2021/22 to 2030/31. The assumptions comprise the annual escalations / movement for each line item of the Comprehensive Income Statement plus other adjustments where considered necessary.

Escalation Factors movement	%	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CPI	1.50%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rates and charges (average rate)	1.50%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Statutory fees and fines	1.00%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
User fees	1.00%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Grants - Operating	1.50%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Grants - Capital	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other income	1.50%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee costs											
EBA increase (estimated)	1.50%	1.80%	2.03%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Banding increments	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Superannuation increase	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
Materials and services	1.00%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other expenses	1.00%	2.00%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

The key assumptions underpinning the Financial Plan are:

- 2021/22 projections are based on a detailed bottom-up budget developed under the guidance of these long term financial planning assumptions and adjusted for the impact of COVID-19
- An anticipated average rate increase of up to 2.5% per annum in line with predicted CPI increases, subject to future year rate caps as announced by the Minister for Local Government
- State and federal government grant funding increases of up to 1.75% per annum
- Fees and charges overall revenue increase by up to 2.5% per annum based on estimated CPI increases
- Maintaining the long-term viability and value of the Council's Development Reserve to provide a funding source for major infrastructure projects
- Interest on investments estimated between 0.5% and 1.5% per annum
- Increases of up to forecast CPI have been allowed to cover annual EBA increases
- Materials and services cost increases of no more than 2.5% per annum based on estimated CPI increases; and
- A Capital Works Program of no more than \$750 million over the next ten years, including a sustainable level of funding for the renewal and maintenance of the community's assets.

Further explanation about the each type of income and expenditure is provided below, providing additional context on how the 10 year projections have been determined. These assumptions reflect estimates at a point in time and will be updated in future years due to the impact of a range of external and internal factors. Council regularly reviews its financial modelling to account for such changes.

2.7.1 Rates and charges

As part of determining the level of rate funding required, Council takes into consideration the following key factors:

- Ensuring the capacity to maintain Council's high quality services to the community.
- Annual price increases for key business inputs (labour costs, materials, utilities and transport).
- Meeting all legislative requirements including compliance with the rate cap ordered by the Minister for Local Government under the Fair Go Rates System.
- Providing for sufficient funding for community infrastructure renewal.
- Funding for new operational budget initiatives to achieve the Community Vision and Council Plan.
- Identifying cost savings and efficiencies.
- Identifying other revenue growth opportunities.
- Ensuring Council's financial sustainability is protected and annual underlying surpluses are maintained.
- Ensuring that rate and fee increases are both manageable and sustainable with consideration of the current average rates and charges per assessment.

The average rate will increase by 1.5% for the 2021/22 year, based on the state government rate cap, with estimated future annual increases of between 2.0% and 2.5% for future years of the long term financial plan. Future rate increases are based on predicted future CPI increases, however this does not commit Council to any predetermined increase.

The Long Term Financial Plan is reviewed annually and future rate increases will be considered in light of prevailing economic conditions, community needs and the rate cap ordered by the Minister for Local Government.

2.7.2 Statutory fees and fines

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislation and include planning and building applications, some engineering permits and parking infringements. Increases in statutory fees are made in accordance with legislative requirements. The Financial Plan escalates statutory fees according to the estimated annual rate of CPI.

2.7.3 User fees

User fees relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. Making up 20% of Councils overall revenue, they are the second largest income item behind rates. Examples include leisure facility fees, waste management fees, childcare fees, parking fees and home and community service fees.

These fees are determined through market forces, with consideration given to cost recovery, community access, equity and affordability, competitor benchmarking, growth in demand or population, and competitive neutrality requirements, where relevant.

Revenue from user fees is expected to increase – subject to earlier, rather than late, emergence from COVID lockdown and return to business as usual - by 18.5% for the 2021/22 year, this increase is driven primarily by an increase in service levels expected following the significant impact of COVID-19 during the 2020/21 year. User fee increases for future years are escalated in line with estimated CPI increases.

2.7.4 Grants

Grants comprise funding support received from state and federal government sources and include:

- operating grants - for the delivery of services to the Whitehorse community, and
- capital grants - to help fund capital projects that improve community facilities and infrastructure.

Council actively pursues all avenues to obtain external grant funds for prioritised works. When preparing its financial plan, Council considers its project proposal pipeline, advocacy priorities, upcoming grant program opportunities, and co-funding options to determine what grants to apply for.

Council currently receives grants for tied (specific purpose grants) and un-tied Financial Assistance grant funding received via the Victorian Local Government Grants Commission (VLGGC). Operating grants are expected to increase on an annual basis by approximately 1.75%. Capital grants are projected based on existing funding agreements.

2.7.5 Contributions

Contributions can be received in two forms:

- monetary – including: monies contributed by developers, community groups or residents towards development of public open space, drainage, roads and other assets.
- non-monetary - include donations of property and infrastructure assets, which are primarily received from developers.

Contributions to public open space are projected based on predictions about future property development trends. Other contributions are projected if a commitment is in place.

2.7.6 Interest income

Interest income reflects interest earned on Council's cash investments. Interest rates are currently at historically low levels. Interest on investments estimated between 0.5% and 1.5% per annum

2.7.7 Net gain/loss on disposal of assets

Council usually makes a small net gain on disposal of assets from the cyclical replacement of plant and vehicle fleet and the sale of rights-of-way throughout the municipality. Financial Plan projections account for turnover of current fleet held and gains anticipated from strategic property sales.

2.7.8 Other income

Council also receives other income from a number of sources and for many different purposes. This includes leases and licences, sale of recyclables, and cost recovery income. Other income is projected to increase in line with CPI estimates.

2.7.9 Employee costs

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation and WorkCover insurance as well as staff development and training costs.

Employee cost projections reflect an anticipated Enterprise Bargaining Agreement (EBA) increase and factor in costs of movement through employment bands and changes in staff numbers. Additionally, in 2021/22 the Superannuation Guarantee has

increased from 9.5% to 10.0% and the Plan provides for further increases in the superannuation guarantee incrementally moving to 12.0% by 2025/26.

2.7.10 Materials and services

Materials and services include a broad range of costs including payments to contractors, utility costs, software maintenance, insurances, consumables and many other costs incurred in the running of Council services. Future materials and services costs are projected in line with CPI estimates.

2.7.11 Depreciation and amortisation

Depreciation and amortisation of property, plant, infrastructure and equipment and intangible assets have been based on the projected capital spending contained within this Financial Plan in addition to expected depreciation costs for Council's existing asset base.

Amortisation of right to use assets is projected based on current leases and contracts Council currently has in place and extrapolated out for future years.

2.7.12 Whitehorse Manningham Regional Library Corporation contribution

Council provides contributions towards the operational and capital costs of the jointly owned Whitehorse Manningham Regional Library Corporation. These are projected in line with future CPI and rate cap estimates.

2.7.13 Other expenses

Other expenses include bad and doubtful debts, lease costs, audit fees, councillor allowances, election costs, community grants and other miscellaneous expenditure. Financial Plan projections are in line with future CPI estimates.

2.8 Other matters impacting the 10 year projections

There are many factors, both internal and external, that impact on Council's 10 year Financial Plan Projections. Some of the current challenges impacting the Plan include:

- **Rate Cap** – A rate cap imposed by the State Government limits the amount councils can increase rates by each year. The average rate increase will rise by 1.5% in 2021/22. Future year increases are estimated to rise in line with the Consumer Price Index (CPI).
- **Waste Levy** – The State Government waste levy (formerly landfill levy) has increased by \$40.00 per metric tonne effective from 1 July 2021 from \$65.90 per tonne to \$105.90 per tonne. A further \$20.00 increase is planned for 2022/23. The waste levy is charged by the state government for every tonne of waste that goes to landfill, including kerbside waste collections, street cleaning, and non-recyclable waste collected at the Whitehorse Recycling and Waste Centre. The

increase in this levy over the past 12 years is a 1076.7% increase from the \$9.00 charge in 2009/10.

Council is working towards the possible introduction of a waste service charge from 2022/23 to help address rising waste costs and create a fair and equitable charge of distributing waste costs to users of those services. This is subject to further analysis, comprehensive community consultation and a Council decision. Should a waste charge be implemented, there will be no net impact to overall Council income in the first year.

- **COVID-19** - This Financial Plan has been prepared using the adopted budget 2021/2022 as the base, which was developed under the premise that the majority of Council services and demand for these services will return to normal levels following the significant impact of the COVID-19 pandemic in 2020/21. However the extent of the ongoing impact remains unknown.

At the time of developing this Plan, Council's latest assessment of the COVID-19 impact for 2021/2022 predicts an unfavourable impact of up to \$8 million on the net result, and this is reflected in the Financial Plan projections.

- **Cost Shifting** - Cost shifting occurs where local government provides a service to the community on behalf of, or that historically has been provided by, State or Federal Governments. Over time, the funds received by Council do not increase in line with real cost increases. Examples of services that are subject to cost shifting include school crossing supervision, library services and Home and Community Services.
- **Waste and recycling** - Continuing pressure on recycling and landfill costs as a result of changes to overseas importation requirements for recyclable materials and increasing demand and limitations of capacity of Victorian landfill sites.
- **Changes to community demographics and demand** - Changing demographic as a result of an ageing and increasingly culturally diverse population resulting in the need for Council to develop facilities which are accessible and adaptable to inter-generational, diverse and multicultural community users.
- **Environmental Sustainability** - Community expectations for Council to be a leader in environmental sustainability by planning for the effects of climate change, education and awareness of the benefits of trees and natural bushland, and supporting the community in protecting and enhancing our natural assets and open spaces.
- **Costs of maintaining infrastructure** – Council manages a large number of community assets and needs to ensure that infrastructure assets are provided to support services that are appropriate, accessible, responsive and sustainable to the community.
- **Asset Renewal** - An increased and sustainable level of funding allocated to the renewal of major community infrastructure and facilities.

- **Transformation** - A recently launched Council Transformation process which includes an organisational restructure which is in the process of being finalised, an increased focus on service planning and reviews and continuous improvement, and commencing implementation of Council's IT Strategy and a new Enterprise Resource Planning System.

3. Financial Plan Statements

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

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

3.1 Comprehensive Income Statement

For the ten years ending 30 June 2031

	Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income											
Rates and charges	124,217	126,896	130,782	134,625	138,740	142,959	147,283	151,715	156,258	160,914	165,687
Statutory fees and fines	6,162	7,732	12,375	12,653	12,969	13,294	13,626	13,967	14,316	14,674	15,041
User fees	29,064	34,438	44,799	45,902	48,057	49,351	52,803	54,303	56,313	58,473	59,935
Grants - Operating	23,291	21,674	22,613	22,971	23,335	23,705	24,081	24,463	24,852	25,246	25,648
Grants - Capital	3,535	8,254	3,840	831	316	-	680	3,510	-	-	-
Contributions - monetary	7,309	5,240	5,650	5,500	5,500	5,500	5,000	5,000	5,000	5,000	5,000
Contributions - non-monetary	5,289	-	-	-	-	-	-	-	-	-	-
Interest income	1,635	1,000	1,528	1,555	2,371	2,463	1,918	1,664	1,704	1,933	1,615
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	306	156	175	160	170	14,011	14,001	13,996	14,006	14,006	170
Share of net profits/(losses) of associates and joint ventures	304	-	-	-	-	-	-	-	-	-	-
Other income	3,912	2,447	3,715	3,799	3,893	3,991	4,091	4,193	4,298	4,405	4,515
Total income	205,024	207,836	225,476	227,995	235,352	255,273	263,482	272,810	276,746	284,652	277,611
Expenses											
Employee costs	75,205	85,705	91,695	92,509	96,935	101,400	104,884	109,447	114,108	119,073	124,153
Materials and services	57,819	70,234	81,669	76,278	78,391	80,369	85,959	88,797	92,297	95,982	98,062
Depreciation	29,381	29,594	31,009	33,726	34,509	35,366	37,044	38,379	39,411	40,259	41,629
Amortisation - intangible assets	470	495	569	569	569	569	569	569	569	569	569
Amortisation - right of use assets	864	767	796	811	807	807	807	807	807	807	807
Bad and doubtful debts	1,120	1,121	1,149	1,178	1,207	1,237	1,268	1,300	1,333	1,366	1,400
Finance Costs - leases	38	31	31	33	25	25	25	25	25	25	25
Contributions expense - Whitehorse Manningham Library	5,518	5,568	5,617	5,757	5,901	6,049	6,200	6,355	6,514	6,677	6,844
Other expenses	4,689	3,450	2,759	2,805	2,875	2,879	2,951	3,024	3,100	3,177	3,257
Total expenses	175,104	196,965	215,294	213,665	221,219	228,701	239,708	248,704	258,164	267,935	276,745
Surplus/(deficit) for the year	29,920	10,872	10,183	14,330	14,133	26,572	23,775	24,107	18,582	16,716	865
Other comprehensive income											
Net asset revaluation increment /(decrement)	187,182	-	-	-	-	-	-	-	-	-	-
Total comprehensive result	217,102	10,872	10,183	14,330	14,133	26,572	23,775	24,107	18,582	16,716	865

3.2 Balance Sheet

For the ten years ending 30 June 2031

	Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	250,103	203,717	155,485	158,068	164,215	127,885	110,962	113,584	128,869	107,668	92,001
Trade and other receivables	15,477	15,475	15,472	15,470	15,467	15,464	15,461	15,458	15,455	15,452	15,449
Other current assets	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421	1,421
Total current assets	267,001	220,612	172,378	174,958	181,103	144,770	127,844	130,463	145,745	124,541	108,871
Non-current assets											
Trade and other receivables	475	473	470	470	470	470	470	470	470	470	470
Investments in associates	6,361	6,361	6,361	6,361	6,361	6,361	6,361	6,361	6,361	6,361	6,361
Property, infrastructure, plant & equipment	3,563,967	3,622,636	3,682,737	3,696,386	3,706,468	3,771,550	3,814,495	3,838,295	3,843,976	3,884,348	3,903,409
Right-of-use assets	1,650	1,859	1,491	1,719	1,116	1,116	1,116	1,116	1,116	1,116	1,116
Intangible assets	774	829	829	829	829	829	829	829	829	829	829
Total non-current assets	3,573,227	3,632,157	3,691,889	3,705,765	3,715,244	3,780,327	3,823,272	3,847,071	3,852,752	3,893,125	3,912,185
Total assets	3,840,228	3,852,769	3,864,267	3,880,723	3,896,347	3,925,096	3,951,116	3,977,534	3,998,497	4,017,666	4,021,057
Liabilities											
Current liabilities											
Trade and other payables	33,722	34,228	34,900	35,671	36,465	37,353	38,262	39,194	40,147	41,124	42,125
Trust funds and deposits	15,188	15,416	15,720	16,066	16,459	16,861	17,273	17,694	18,126	18,568	19,021
Provisions	18,839	19,508	20,139	20,836	21,652	22,454	23,288	24,152	25,049	25,979	26,943
Lease liabilities	565	792	805	810	822	822	822	822	822	822	822
Total current liabilities	68,314	69,943	71,563	73,383	75,399	77,491	79,645	81,862	84,145	86,494	88,912
Non-current liabilities											
Provisions	1,745	1,820	1,892	1,970	2,061	2,148	2,238	2,333	2,431	2,534	2,641
Lease liabilities	1,114	1,079	703	931	314	314	314	314	314	314	314
Other liabilities	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697
Total non-current liabilities	5,556	5,596	5,292	5,598	5,072	5,159	5,250	5,344	5,443	5,545	5,652
Total liabilities	73,870	75,540	76,855	78,981	80,471	82,650	84,894	87,207	89,587	92,039	94,564
Net assets	3,766,358	3,777,230	3,787,412	3,801,742	3,815,875	3,842,447	3,866,222	3,890,328	3,908,910	3,925,627	3,926,492
Equity											
Accumulated surplus	1,473,874	1,491,588	1,532,099	1,546,254	1,556,871	1,595,105	1,625,700	1,630,425	1,630,899	1,647,227	1,647,693
Asset revaluation reserve	2,156,036	2,156,036	2,156,036	2,156,036	2,156,036	2,156,036	2,156,036	2,156,036	2,156,036	2,156,036	2,156,036
Other reserves	136,448	129,606	99,277	99,452	102,968	91,307	84,486	103,867	121,975	122,364	122,763
Total equity	3,766,358	3,777,230	3,787,412	3,801,742	3,815,875	3,842,447	3,866,222	3,890,328	3,908,910	3,925,627	3,926,492

3.3 Statement of Changes in Equity

For the ten years ending 30 June 2031

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021 Actual				
Balance at beginning of the financial year	3,549,256	1,452,155	1,968,854	128,247
Surplus/(deficit) for the year	29,920	29,920	-	-
Net asset revaluation increment/(decrement)	187,182	-	187,182	-
Transfers to other reserves	-	(10,291)	-	10,291
Transfers from other reserves	-	2,090	-	(2,090)
Balance at end of the financial year	3,766,358	1,473,874	2,156,036	136,448
2022				
Balance at beginning of the financial year	3,766,358	1,473,874	2,156,036	136,448
Surplus/(deficit) for the year	10,872	10,872	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(8,385)	-	8,385
Transfers from other reserves	-	15,227	-	(15,227)
Balance at end of the financial year	3,777,230	1,491,588	2,156,036	129,606
2023				
Balance at beginning of the financial year	3,777,230	1,491,588	2,156,036	129,606
Surplus/(deficit) for the year	10,183	10,183	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(8,610)	-	8,610
Transfers from other reserves	-	38,939	-	(38,939)
Balance at end of the financial year	3,787,412	1,532,099	2,156,036	99,277
2024				
Balance at beginning of the financial year	3,787,412	1,532,099	2,156,036	99,277
Surplus/(deficit) for the year	14,330	14,330	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(8,482)	-	8,482
Transfers from other reserves	-	8,307	-	(8,307)
Balance at end of the financial year	3,801,742	1,546,254	2,156,036	99,452
2025				
Balance at beginning of the financial year	3,801,742	1,546,254	2,156,036	99,452
Surplus/(deficit) for the year	14,133	14,133	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(8,981)	-	8,981
Transfers from other reserves	-	5,465	-	(5,465)
Balance at end of the financial year	3,815,875	1,556,871	2,156,036	102,968
2026				
Balance at beginning of the financial year	3,815,875	1,556,871	2,156,036	102,968
Surplus/(deficit) for the year	26,572	26,572	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(24,411)	-	24,411
Transfers from other reserves	-	36,072	-	(36,072)
Balance at end of the financial year	3,842,447	1,595,105	2,156,036	91,307

3.3 Statement of Changes in Equity (cont.)

For the ten years ending 30 June 2031

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2027				
Balance at beginning of the financial year	3,842,447	1,595,105	2,156,036	91,307
Surplus/(deficit) for the year	23,775	23,775	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(23,739)	-	23,739
Transfers from other reserves	-	30,560	-	(30,560)
Balance at end of the financial year	3,866,222	1,625,700	2,156,036	84,486
2028				
Balance at beginning of the financial year	3,866,222	1,625,700	2,156,036	84,486
Surplus/(deficit) for the year	24,107	24,107	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(23,637)	-	23,637
Transfers from other reserves	-	4,255	-	(4,255)
Balance at end of the financial year	3,890,328	1,630,425	2,156,036	103,867
2029				
Balance at beginning of the financial year	3,890,328	1,630,425	2,156,036	103,867
Surplus/(deficit) for the year	18,582	18,582	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(23,927)	-	23,927
Transfers from other reserves	-	5,820	-	(5,820)
Balance at end of the financial year	3,908,910	1,630,899	2,156,036	121,975
2030				
Balance at beginning of the financial year	3,908,910	1,630,899	2,156,036	121,975
Surplus/(deficit) for the year	16,716	16,716	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(24,199)	-	24,199
Transfers from other reserves	-	23,810	-	(23,810)
Balance at end of the financial year	3,925,627	1,647,227	2,156,036	122,364
2031				
Balance at beginning of the financial year	3,925,627	1,647,227	2,156,036	122,364
Surplus/(deficit) for the year	865	865	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(24,205)	-	24,205
Transfers from other reserves	-	23,805	-	(23,805)
Balance at end of the financial year	3,926,492	1,647,693	2,156,036	122,763

3.4 Statement of Cash Flows

For the ten years ending 30 June 2031

	Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities											
Rates and charges	123,525	126,896	130,782	134,625	138,740	142,959	147,283	151,715	156,258	160,914	165,687
Statutory fees and fines	6,950	7,732	12,375	12,653	12,969	13,294	13,626	13,967	14,316	14,674	15,041
User fees	30,743	34,438	44,799	45,902	48,057	49,351	52,803	54,303	56,313	58,473	59,935
Grants - operating	25,200	21,674	22,613	22,971	23,335	23,705	24,081	24,463	24,852	25,246	25,648
Grants - capital	15,855	8,254	3,840	831	316	-	680	3,510	-	-	-
Contributions - monetary	7,786	5,240	5,650	5,500	5,500	5,500	5,000	5,000	5,000	5,000	5,000
Interest received	1,917	1,000	1,528	1,555	2,371	2,463	1,918	1,664	1,704	1,933	1,615
Trust funds and deposits taken	1,645	228	304	347	393	402	411	422	432	442	453
Other receipts	4,167	2,447	3,715	3,799	3,894	3,991	4,091	4,193	4,298	4,405	4,515
Employee costs	(73,863)	(84,961)	(90,992)	(91,732)	(96,028)	(100,511)	(103,960)	(108,488)	(113,113)	(118,041)	(123,082)
Materials and services	(62,571)	(69,728)	(80,995)	(75,508)	(77,595)	(79,479)	(85,047)	(87,863)	(91,340)	(95,002)	(97,058)
Other payments	(10,774)	(10,139)	(9,526)	(9,740)	(9,983)	(10,165)	(10,419)	(10,680)	(10,946)	(11,220)	(11,501)
Net cash provided by/(used in) operating activities	70,580	43,080	44,093	51,202	51,969	51,509	50,466	52,205	47,771	46,826	46,254
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(53,559)	(90,219)	(93,254)	(49,384)	(46,689)	(104,130)	(83,581)	(65,724)	(48,728)	(84,268)	(78,162)
Proceeds from sale of property, infrastructure, plant and equipment	1,882	1,562	1,750	1,600	1,700	17,123	17,023	16,973	17,073	17,073	17,073
Payments of loans and advances	19	3	3	3	3	3	3	3	3	3	3
Net cash provided by/ (used in) investing activities	(51,658)	(88,654)	(91,502)	(47,781)	(44,987)	(87,004)	(66,554)	(48,748)	(31,652)	(67,192)	(61,085)
Cash flows from financing activities											
Interest paid - lease liability	(38)	(31)	(31)	(33)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
Repayment of lease liabilities	(332)	(781)	(792)	(805)	(810)	(810)	(810)	(810)	(810)	(810)	(810)
Net cash provided by/(used in) financing activities	(370)	(812)	(822)	(838)	(835)	(835)	(835)	(835)	(835)	(835)	(835)
Net increase/(decrease) in cash & cash equivalents	18,552	(46,386)	(48,231)	2,583	6,147	(36,330)	(16,923)	2,622	15,285	(21,201)	(15,666)
Cash and cash equivalents at the beginning of the financial year	231,551	250,103	203,717	155,485	158,068	164,215	127,885	110,962	113,584	128,869	107,668
Cash and cash equivalents at the end of the financial year	250,103	203,717	155,485	158,068	164,215	127,885	110,962	113,584	128,869	107,668	92,001

3.5 Statement of Capital Works

For the ten years ending 30 June 2031

	Actual										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Land	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-
Buildings	21,875	42,341	56,064	9,613	5,162	56,609	42,035	20,489	8,414	43,935	41,662
Building improvements	6,119	5,497	4,762	6,497	7,632	5,742	5,797	5,877	5,852	5,887	5,877
Total property	27,994	50,838	63,826	19,110	15,794	65,351	50,832	29,366	17,266	52,822	47,539
Plant and equipment											
Plant, machinery and equipment	4,171	3,770	4,070	3,960	4,150	4,110	4,035	3,910	4,080	4,080	4,080
Fixtures, fittings and furniture	167	494	566	733	869	569	620	995	596	570	546
Computers and telecommunications	1,409	3,245	1,875	1,390	1,465	2,070	3,130	2,115	1,830	1,910	2,095
Total plant and equipment	5,747	7,509	6,511	6,083	6,484	6,749	7,785	7,020	6,506	6,560	6,721
Infrastructure											
Roads	4,964	6,811	5,198	5,475	6,060	5,915	6,130	6,655	6,615	6,615	7,115
Bridges	106	2,031	1,500	1,500	70	-	-	-	-	-	-
Footpaths and cycleways	4,232	4,466	3,651	4,509	5,512	5,212	4,161	4,336	3,856	3,811	3,201
Drainage	2,795	2,902	3,674	4,463	4,551	4,712	4,536	5,380	4,998	4,998	4,998
Recreational, leisure and community facilities	4,652	4,840	3,122	2,622	2,622	8,207	2,632	5,262	2,642	2,642	2,642
Waste management	-	120	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	2,973	9,074	5,332	5,302	5,256	7,654	7,195	6,505	6,535	6,510	5,636
Off street car parks	96	1,557	440	320	340	330	310	1,200	310	310	310
Other infrastructure	-	70	-	-	-	-	-	-	-	-	-
Total infrastructure	19,818	31,871	22,917	24,191	24,411	32,030	24,964	29,338	24,956	24,886	23,902
Total capital works expenditure	53,559	90,219	93,254	49,384	46,689	104,130	83,581	65,724	48,728	84,268	78,162
Represented by:											
New asset expenditure	2,363	14,802	12,443	4,212	4,430	29,736	4,002	6,665	3,273	3,273	301
Asset renewal expenditure	36,127	47,150	41,711	37,916	38,881	45,488	47,589	41,429	39,847	50,212	47,067
Asset expansion expenditure	6,658	22,407	35,221	5,132	367	12,987	8,597	13,427	2,647	17,067	16,087
Asset upgrade expenditure	8,411	5,861	3,879	2,124	3,012	15,920	23,394	4,204	2,962	13,717	14,707
Total capital works expenditure	53,559	90,219	93,254	49,384	46,689	104,130	83,581	65,724	48,728	84,268	78,162
Funding sources represented by:											
Grants	3,535	8,254	3,840	831	316	-	680	3,510	-	-	-
Contributions	429	240	150	-	-	-	-	-	-	-	-
Council cash	49,595	81,725	89,264	48,553	46,373	104,130	82,901	62,214	48,728	84,268	78,162
Total capital works expenditure	53,559	90,219	93,254	49,384	46,689	104,130	83,581	65,724	48,728	84,268	78,162

3.6 Statement of Human Resources

For the ten years ending 30 June 2031

Staff expenditure	Actual 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
Staff expenditure											
Employee costs - operating	75,205	85,705	91,695	92,509	96,935	101,400	104,884	109,447	114,108	119,073	124,153
Employee costs - capital	2,872	3,120	3,207	3,305	3,414	3,527	3,643	3,763	3,887	4,015	4,147
Total staff expenditure	78,077	88,825	94,902	95,814	100,349	104,927	108,527	113,210	117,995	123,088	128,300
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Staff numbers (full time equivalent)											
Employees	*754	830	835	820	832	840	845	853	862	871	879

* FTE at 30 June 2021 was lower than substantive staffing levels due to the impact of COVID-19 restrictions

3.7 Summary of Planned Human Resource Expenditure

For the ten years ending 30 June 2031

	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
Transformation										
Permanent - Full time										
Female	586	605	626	656	686	717	748	780	814	849
Male	390	403	417	437	457	478	499	520	543	566
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	2,547	2,629	1,133	1,186	1,241	217	226	236	246	256
Total Transformation	3,523	3,637	2,176	2,279	2,384	1,412	1,473	1,536	1,603	1,671
Corporate Services										
Permanent - Full time										
Female	4,669	4,820	4,987	5,223	5,464	5,712	5,961	6,215	6,485	6,762
Male	3,613	3,730	3,859	4,042	4,228	4,420	4,612	4,808	5,017	5,231
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	1,608	1,660	1,601	1,677	1,754	1,834	1,914	1,996	2,083	2,172
Male	244	252	261	273	286	299	312	325	339	353
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	6,607	6,253	5,609	5,875	6,146	6,425	6,705	6,991	7,295	7,606
Total Corporate Services	16,740	16,715	16,318	17,090	17,878	18,690	19,504	20,335	21,219	22,124
City Development										
Permanent - Full time										
Female	4,453	4,597	4,756	4,981	5,210	5,446	5,683	5,925	6,183	6,447
Male	6,557	6,769	7,004	7,336	7,674	8,022	8,371	8,727	9,107	9,496
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	1,547	1,597	1,652	1,730	1,810	1,892	1,974	2,058	2,148	2,240
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	2,491	3,088	3,195	3,346	3,500	3,659	3,818	3,981	4,154	4,331
Total City Development	15,048	16,051	16,607	17,393	18,194	19,019	19,846	20,691	21,592	22,514

3.7 Summary of Planned Human Resource Expenditure (cont.)

For the ten years ending 30 June 2031

	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
Community Services										
Permanent - Full time										
Female	8,385	8,656	8,956	9,380	9,812	10,257	10,703	11,159	11,645	12,142
Male	3,739	3,860	3,994	4,183	4,376	4,574	4,773	4,976	5,193	5,415
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	9,174	10,245	10,600	11,102	11,613	12,139	12,667	13,206	13,781	14,369
Male	1,484	1,791	1,853	1,941	2,030	2,122	2,214	2,308	2,408	2,511
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	11,813	14,415	15,100	15,815	16,543	17,293	18,045	18,813	19,632	20,470
Total Community Services	34,595	38,967	40,503	42,421	44,374	46,385	48,402	50,462	52,659	54,907
Infrastructure										
Permanent - Full time										
Female	2,464	2,544	2,632	2,757	2,884	3,015	3,146	3,280	3,423	3,569
Male	11,757	12,138	12,560	13,153	13,715	14,260	14,844	15,440	16,069	16,715
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	496	513	531	556	582	608	634	661	690	719
Male	158	163	169	177	185	193	201	210	219	228
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	4,043	4,174	4,319	4,523	4,731	4,945	5,160	5,380	5,614	5,853
Total Infrastructure	18,919	19,532	20,211	21,166	22,097	23,021	23,985	24,971	26,015	27,084
Total staff expenditure	88,825	94,902	95,814	100,349	104,927	108,527	113,210	117,995	123,088	128,300

3.7 Summary of Planned Human Resource Expenditure (cont.)

For the ten years ending 30 June 2031

	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
Transformation										
Permanent - Full time										
Female	5	5	5	5	5	5	5	5	5	5
Male	2	2	2	2	2	2	2	2	2	2
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	17	17	7	7	7	1	1	1	1	1
Total Transformation	24	24	14	14	14	8	8	8	8	8
Corporate Services										
Permanent - Full time										
Female	40	40	40	41	41	42	42	42	42	43
Male	27	28	28	28	28	28	29	30	30	30
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	17	17	16	16	16	17	17	17	17	17
Male	3	3	3	3	3	3	3	3	3	3
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	32	32	28	29	28	28	28	28	28	28
Total Corporate Services	119	120	115	116	116	118	119	120	120	121
City Development										
Permanent - Full time										
Female	42	42	42	42	43	43	44	44	45	45
Male	57	58	58	59	60	61	62	63	64	64
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	17	17	17	17	18	19	19	19	19	20
Male	-	-	-	-	-	-	-	-	-	-
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	28	29	29	30	31	31	31	32	32	32
Total City Development	144	146	146	148	152	154	156	158	160	161

3.7 Summary of Planned Human Resource Expenditure (cont.)

For the ten years ending 30 June 2031

	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
Community Services										
Permanent - Full time										
Female	83	83	83	85	85	86	87	88	89	90
Male	33	33	33	34	34	35	35	35	36	36
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	120	120	120	122	123	125	126	127	128	130
Male	23	23	23	24	24	24	24	25	25	25
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	123	123	123	124	125	126	127	129	130	131
Total Community Services	382	382	382	389	391	396	399	404	408	412
Infrastructure										
Permanent - Full time										
Female	23	24	24	24	24	25	25	25	26	26
Male	116	117	117	119	120	121	122	123	125	126
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	4	4	4	4	5	5	5	5	5	6
Male	2	2	2	2	2	2	2	2	2	2
Self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals, temporary and other expenditure	16	16	16	16	16	16	17	17	17	17
Total Infrastructure	161	163	163	165	167	169	171	172	175	177
Total staff numbers	830	835	820	832	840	845	853	862	871	879

Note: Full-time equivalent staff numbers have been projected with reference to existing Council employee data, which does not currently capture data for self-described gender. This will be updated in future years as this information becomes available.

4. Financial Performance Indicators

The following table highlights Council's projected performance across a range of key financial performance indicators. These indicators provide an analysis of Council's 10-year financial projections and should be interpreted in the context of the organisation's objectives and financial management principles.

Indicator	Measure	Notes	Actual 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Trend +/-
Operating position														
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	<div><div></div><div></div></div> 10.9%	<div><div></div><div></div></div> 1.5%	<div><div></div><div></div></div> 2.8%	<div><div></div><div></div></div> 5.9%	<div><div></div><div></div></div> 5.9%	<div><div></div><div></div></div> 10.4%	<div><div></div><div></div></div> 8.8%	<div><div></div><div></div></div> 7.6%	<div><div></div><div></div></div> 6.7%	<div><div></div><div></div></div> 5.9%	<div><div></div><div></div></div> 0.3%	-
Liquidity														
Working Capital	Current assets / current liabilities	2	<div><div></div><div></div></div> 390.8%	<div><div></div><div></div></div> 315.4%	<div><div></div><div></div></div> 240.9%	<div><div></div><div></div></div> 238.4%	<div><div></div><div></div></div> 240.2%	<div><div></div><div></div></div> 186.8%	<div><div></div><div></div></div> 160.5%	<div><div></div><div></div></div> 159.4%	<div><div></div><div></div></div> 173.2%	<div><div></div><div></div></div> 144.0%	<div><div></div><div></div></div> 122.4%	-
Unrestricted cash	Unrestricted cash / current liabilities	3	<div><div></div><div></div></div> 214.2%	<div><div></div><div></div></div> 196.1%	<div><div></div><div></div></div> 121.3%	<div><div></div><div></div></div> 119.7%	<div><div></div><div></div></div> 122.7%	<div><div></div><div></div></div> 70.5%	<div><div></div><div></div></div> 44.9%	<div><div></div><div></div></div> 44.4%	<div><div></div><div></div></div> 58.9%	<div><div></div><div></div></div> 30.5%	<div><div></div><div></div></div> 9.7%	-
Obligations														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	4	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	<div><div></div><div></div></div> 0.00%	o
Indebtedness	Non-current liabilities / own source revenue	5	<div><div></div><div></div></div> 3.4%	<div><div></div><div></div></div> 3.2%	<div><div></div><div></div></div> 2.7%	<div><div></div><div></div></div> 2.8%	<div><div></div><div></div></div> 2.5%	<div><div></div><div></div></div> 2.3%	<div><div></div><div></div></div> 2.2%	<div><div></div><div></div></div> 2.2%	<div><div></div><div></div></div> 2.2%	<div><div></div><div></div></div> 2.2%	<div><div></div><div></div></div> 2.3%	o
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	6	<div><div></div><div></div></div> 151.6%	<div><div></div><div></div></div> 179.1%	<div><div></div><div></div></div> 147.0%	<div><div></div><div></div></div> 118.7%	<div><div></div><div></div></div> 121.4%	<div><div></div><div></div></div> 173.6%	<div><div></div><div></div></div> 191.6%	<div><div></div><div></div></div> 118.9%	<div><div></div><div></div></div> 108.6%	<div><div></div><div></div></div> 158.8%	<div><div></div><div></div></div> 148.4%	-
Stability														
Rates concentration	Rate revenue / adjusted underlying revenue	7	<div><div></div><div></div></div> 62.9%	<div><div></div><div></div></div> 63.4%	<div><div></div><div></div></div> 59.0%	<div><div></div><div></div></div> 59.3%	<div><div></div><div></div></div> 59.0%	<div><div></div><div></div></div> 56.0%	<div><div></div><div></div></div> 56.0%	<div><div></div><div></div></div> 56.3%	<div><div></div><div></div></div> 56.5%	<div><div></div><div></div></div> 56.5%	<div><div></div><div></div></div> 59.7%	+
Rates effort	Rate revenue / CIV of rateable properties in the municipality	8	<div><div></div><div></div></div> 0.17%	<div><div></div><div></div></div> 0.17%	<div><div></div><div></div></div> 0.16%	<div><div></div><div></div></div> 0.15%	<div><div></div><div></div></div> 0.15%	<div><div></div><div></div></div> 0.14%	<div><div></div><div></div></div> 0.14%	<div><div></div><div></div></div> 0.14%	<div><div></div><div></div></div> 0.14%	<div><div></div><div></div></div> 0.13%	<div><div></div><div></div></div> 0.13%	-
Efficiency														
Expenditure level	Total expenses/ no. of property assessments	9	<div><div></div><div></div></div> \$2,278	<div><div></div><div></div></div> \$2,523	<div><div></div><div></div></div> \$2,716	<div><div></div><div></div></div> \$2,656	<div><div></div><div></div></div> \$2,750	<div><div></div><div></div></div> \$2,801	<div><div></div><div></div></div> \$2,892	<div><div></div><div></div></div> \$2,956	<div><div></div><div></div></div> \$3,023	<div><div></div><div></div></div> \$3,091	<div><div></div><div></div></div> \$3,146	o
Revenue level	Total rate revenue / no. of property assessments	10	<div><div></div><div></div></div> \$1,607	<div><div></div><div></div></div> \$1,626	<div><div></div><div></div></div> \$1,650	<div><div></div><div></div></div> \$1,673	<div><div></div><div></div></div> \$1,724	<div><div></div><div></div></div> \$1,751	<div><div></div><div></div></div> \$1,777	<div><div></div><div></div></div> \$1,803	<div><div></div><div></div></div> \$1,830	<div><div></div><div></div></div> \$1,857	<div><div></div><div></div></div> \$1,883	o

Key to Forecast

Trend:

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

Notes to Indicators

1. **Adjusted underlying result** – An underlying surplus should be generated in the ordinary course of business to continue to provide core services and to provide funding for capital works. A decreasing adjusted underlying surplus over the four year outlook is a result of rate capping and government grant funding not keeping pace with the increased cost of service delivery.
2. **Working capital** – Sufficient working capital is required to pay bills as and when they fall due. A high or increasing level of working capital suggests an improvement in liquidity.
3. **Unrestricted cash** – Sufficient cash which is free of restrictions is required to pay bills as and when they fall due. A high or increasing level of unrestricted cash suggests an improvement in liquidity.
4. **Loans and borrowings** – The level of debt should be appropriate to the size and nature of a council's activities. A low or decreasing level of debt suggests an improvement in the capacity to meet long-term obligations.
5. **Indebtedness** – The level of long-term liabilities should be appropriate to the size and nature of a council's activities. A low or decreasing level of long-term liabilities suggests an improvement in the capacity to meet long-term obligations.
6. **Asset renewal** - This percentage indicates the extent of Council's renewal and upgrade of assets 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.
7. **Rates concentration** – Revenue should be generated from a range of sources. Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. A high or increasing range of revenue sources suggests an improvement in stability.
8. **Rates effort** – The rating level should be set based on the community's capacity to pay. Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. A low/decreasing level of rates suggests an improvement in the rating burden.
9. **Expenditure level** – is measured as total expenditure per the number of property assessments. Resources should be used efficiently in the delivery of services. A low or decreasing level of expenditure suggests an improvement in organisational efficiency.
10. **Revenue level** - is the total rate revenue divided by the number of property assessments. Resources should be used efficiently in the delivery of services. A low or decreasing level of rates suggests an improvement in organisational efficiency.

5. Sensitivity Analysis

The following table shows a sensitivity analysis for the operational and capital works budget. It demonstrates the impact a change in some of the key assumptions would have on the projections included in the Financial Plan statements in Section 3.

	Range variance to stated assumption	2021/2022 one year impact Increase/ (Decrease) \$000's		2021/2022 variance impact over 10 years Increase/ (Decrease) \$000's		Impact of 10 years of variances Increase/ (Decrease) \$000's	
Rates and charges - average rate	+/-1%	1,240	(1,240)	13,803	(13,803)	82,213	(77,451)
Fees and fines	+/-1%	547	(547)	6,091	(6,091)	35,138	(33,159)
Grants - operating	+/-1%	188	(188)	2,022	(2,022)	13,323	(12,557)
Employee costs - EBA increase	+/-1%	830	(830)	10,225	(10,225)	61,968	(58,296)
Materials and services	+/-1%	675	(675)	7,483	(7,483)	47,226	(44,509)
Capital works expenditure	-10%/-20%	(9,022)	(18,044)	(9,022)	(18,044)	(74,414)	(148,828)

6. Strategies and Plans

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

6.1 Revenue and Rating Plan

Council adopted its *Revenue and Rating Plan 2021-2025* on 28 June 2021. It outlines how Council intends to raise revenue to fund its services, capital works program and priority initiatives identified in the new Council Plan over the next four years. It includes the relevant assumptions, policy and decisions of Council for each of its main sources of income and includes Council's rating strategy. Some of the key information in the Plan includes:

- Council has adopted a uniform rate and applies the Capital Improved Value (CIV) valuation system for the most equitable distribution of rates across the municipality.
- Council does not currently levy a municipal charge or a waste service charge, however a project is currently in progress considering the introduction of a waste service charge within the next four years. No changes will be made before undertaking community engagement.
- User fees and charges are reviewed annually with consideration given to a range of factors such as cost recovery, community access, equity and affordability and market forces. A list of fees and charges are included within the Budget each year.
- Council actively seeks to source external grants and grow its own-sourced revenue, which includes contributions, interest, asset sales and other income.

For more information, refer to <https://www.whitehorse.vic.gov.au/about-council/what-we-do/publications/corporate-documents/revenue-and-rating-plan>

6.2 Human Resources Strategy

Council's People and Culture Department partners with Council's leaders to create a work environment and workforce that will enable the Council to deliver the best possible services to our community. The team's approach combines all aspects of the relationship between our people, our organisation and the community, including culture and engagement, workforce planning and diversity, change management, health, safety and wellbeing, learning and capability development and employment lifecycle systems.

People and Culture has been central to delivering the first key steps of Council's 'Good to Great' transformation. In particular the team supported the change process involved in an initial organisational restructure that will enable our organisation to transform over

the coming years. The team have also started to adapt Council's culture through leading a reassessment of the values and behaviours we are proud of and aspire to.

Capability and Change

A critical component of the People and Culture Strategic Framework is effective workforce planning to ensure the appropriate resources are available to deliver Council services. Council continues to undertake workforce planning activities within specific departments while awaiting the release of the regulations that will support the workforce planning requirements in the *Local Government Act 2020*. Council is currently developing a Workforce Plan as required under the *Local Government Act 2020* and this will be in place by 31 December 2021.

Council encourages all employees to reach their full potential by pursuing and developing their career and professional development interests. A range of formal and informal learning opportunities and development activities are provided to employees at Whitehorse City Council, identified in consultation with management and employees through Council's annual Performance Appraisal and Development program and Reward and Recognition.

To successfully deliver on great organisational culture, one of Council's transformation principles, a commitment has been made to a three year program to build leadership capability and strengthen our culture, ensuring that our organisational culture is based on trust and respect.

To further support Council's transformation journey, a change management methodology has been agreed to and a strategy to embed it across the organisation is currently being rolled out. This has commenced with the building of capability with an internal Change Management Network.

Diversity and Equality

Whitehorse City Council recognises that by engaging diverse views and experience, our people and the community achieve the best possible outcomes. Our employment practices and policies reflect legislative obligations and promote the principles of merit and fairness. Further progress in our aim to achieve best practice has been made in the past year with Council developing and implementing strategy to meet our obligations under the Gender Equality Act 2020.

Council aims to provide a workplace where employees and volunteers are safe, supported and valued to work productively. Our goal is to provide a clear and consistent approach to managing and resolving equal opportunity and human rights issues.

6.3 Asset Management Strategy

Council's infrastructure network represents a significant investment made over many generations and provides the foundation for the social, environmental and economic values of the community. This network provides necessary services and facilities to the community.

Stewardship of community assets is a core Council function. Millions of dollars are spent annually managing and maintaining infrastructure and it is important that Council employs high-level management skills, practices and systems to ensure that services are delivered economically and sustainably.

Sound and sustainable asset management is necessary for Council to meet its responsibilities to:

- Provide services to current and future generations
- Provide and maintain necessary community infrastructure; and
- Encourage and support the economic and social development of the area.

Council's approach to asset management includes:

- the application of best appropriate asset management practices;
- the implementation of a rolling Asset Management Strategy Improvement Program;
- the management of a suite of tactical Asset Management Plans which include defined levels of service;
- an organisational wide information system for asset data management, reporting and works planning;
- a planned and fully funded approach to timely asset renewal; and
- the consideration of lifecycle costing as a precursor to capital investment decisions for new infrastructure.

Council has historically been a participant in the Municipal Association of Victoria's STEP Program, and has followed the best practice guidelines contained in the Federal Government's National Asset Management Assessment Framework and Financial Sustainability Programs. Council will continue to respond to these obligations by continually enhancing its best practice asset management framework to maintain, as a minimum, a 'core' level of proficiency. This framework extends from Council's Asset Management Policy and Strategy to asset operations and information management systems.

As part of Council's approach to responsible asset management, Council's 10 Year Capital Works Program assigns funding priority to the renewal and upgrade of existing infrastructure over the creation of new assets.

This is to ensure Council's existing infrastructure provides levels of service that are affordable and continue to meet broad community expectations. Council's Long Term Financial Plan makes provision to meet forecast renewal and upgrade asset demand funding over the next ten years. This strategy enables a fully funded long term approach to be implemented for capital expenditure on both existing assets and new

infrastructure. Council acknowledges that funding for capital works must come primarily from its rate base and be supplemented by other income whenever possible. Asset renewal demand forecasts are regularly reviewed and updated following cyclic asset condition audits and reviews of levels of service.

6.4 Major Community Infrastructure Funding Strategy

Council's evaluation process for capital works projects involves multifaceted needs based justification considerations together with whole of life cost assessments prior to the formal consideration and adoption of project budgets by Council. Although a large proportion of capital projects fall into the low to medium cost range, Council adopts a financially responsible and much more detailed and comprehensive assessment of major projects which are defined as being of a value \$10 million or more.

In 2014, Council adopted a major project business case assessment methodology together with a funding model following a development and testing process. This funding model has, as its core, a premise that major projects are funded by a mix of funding sources and not rates alone.

Key features of the funding strategy include:

- Prioritising facilities in order of need with project delivery mapped to an affordable funding solution
- Use of many funding sources without over-reliance on rates income
- A funding mix of responsible debt levels, draw down of reserves (and then rebuild by interest reinvestment back into the reserve), strategic asset sales, all available grant sources and rates income
- Explore opportunities for developer and private sector funding participation on a project by project basis
- A minimum of a 15 year planning horizon
- Maintain Council's financial sustainability rating of "low risk" as measured by the Victorian Auditor-General's Office; and
- On Council approval of a completed business case, the project becomes formally funded and is added to Council's capital works program and budget.

This evaluation process has been utilised for projects like the Whitehorse Performing Arts Centre and Nunawading Community Hub.

While few in number, Council has a range of facilities that would classify as a major project at the time of redevelopment representing significant capital outlays. As such, it is important that they be considered and appropriate funding provision be made in Council's long term financial planning. A provision for future major projects is included within this Financial Plan, with projects subject to approval of future business cases.

Over recent years Council has been building up reserve and cash balances to fund major projects once formally approved by Council to proceed.

6.5 Borrowing Strategy

Council's borrowings strategy is based on the following principles:

- Borrowings will not be used to fund recurrent operational expenditure.
- Borrowings may be appropriate for funding large non-recurrent capital works projects that will provide benefits to future generations, and will be considered on a case by case basis.
- A fiscally responsible approach will be applied when considering any new loans, including consideration of alternative funding sources.

Council currently holds no loans and has no new borrowings planned for the 10 years of the Financial Plan.

6.6 Reserves Strategy

Reserves reflect funds that have been held aside to provide funding for future projects or initiatives. Each reserve holds funds to be used for a specific purpose. A description of Council's current reserves is provided below.

6.6.1 Current Reserves

Public Open Space Reserve

The Public Open Space Reserve is a statutory reserve holding funds for the purpose of acquiring, developing and improving public open space and recreational facilities. Funds comprise contributions from subdividers in accordance with Section 18 of the *Subdivision Act 1988*. Use of reserve funds is restricted to the purpose of acquiring, creating or improving open space in accordance with Section 20 of the *Subdivision Act 1988* and the *Whitehorse Open Space Strategy*.

Development Reserve

The Development Reserve provides a funding source for selected capital works projects which are meaningful to a broad section of the community; consistent with Council provided services, and of a meaningful consequence and scale.

Waste Management Reserve

The Waste Management Reserve was established in 2013/14 as a result of the previous federal government's introduction of the carbon tax levy. The reserve was established with funds which represented the difference between the initial carbon tax per tonne that was announced and the actual price charged by independent landfill operators while the tax was in operation. Since the carbon tax levy was abolished, the reserve has been used to remediate former landfill sites throughout the municipality.

Art Collection Reserve

This reserve comprises funds that were donated for the maintenance and exhibition of a ceramics collection also donated to Council in 2014/15.

Energy Fund Reserve

The Energy Fund Reserve was established in 2018/19 after the decision was made by Council to cease purchase of green power and undertake other sustainability measures to reduce Council's carbon footprint. These savings have been reinvested to help fund other sustainability improvements in Whitehorse, including a mix of capital works and operational initiatives. It is intended to close this reserve in the coming years.

6.6.2 Reserve Movements

The table below discloses the balance and annual movement for each reserve over the 10-year life of the Financial Plan.

Reserves	2020/21 \$000's	2021/22 \$000's	2022/23 \$000's	2023/24 \$000's	2024/25 \$000's	2025/26 \$000's	2026/27 \$000's	2027/28 \$000's	2028/29 \$000's	2029/30 \$000's	2030/31 \$000's
Statutory Reserves											
Public Open Space Reserves											
Opening balance	44,416	50,083	51,098	52,977	54,166	55,263	56,419	57,955	59,568	61,140	62,746
Transfer to reserve	7,287	5,490	6,033	6,030	6,312	6,328	5,845	5,868	5,892	5,916	5,940
Transfer from reserve	(1,620)	(4,475)	(4,155)	(4,840)	(5,215)	(5,172)	(4,310)	(4,255)	(4,320)	(4,310)	(4,305)
Closing balance	50,083	51,098	52,977	54,166	55,263	56,419	57,955	59,568	61,140	62,746	64,380
Car Park Reserve											
Opening balance	25	25	25	-	-	-	-	-	-	-	-
Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	(25)	-	-	-	-	-	-	-	-
Closing balance	25	25	-	-	-	-	-	-	-	-	-
Total Statutory Reserves											
Opening balance	44,441	50,108	51,123	52,977	54,166	55,263	56,419	57,955	59,568	61,140	62,746
Transfer to reserve	7,287	5,490	6,033	6,030	6,312	6,328	5,845	5,868	5,892	5,916	5,940
Transfer from reserve	(1,620)	(4,475)	(4,180)	(4,840)	(5,215)	(5,172)	(4,310)	(4,255)	(4,320)	(4,310)	(4,305)
Closing balance	50,108	51,123	52,977	54,166	55,263	56,419	57,955	59,568	61,140	62,746	64,380

Reserves	2020/21 \$000's	2021/22 \$000's	2022/23 \$000's	2023/24 \$000's	2024/25 \$000's	2025/26 \$000's	2026/27 \$000's	2027/28 \$000's	2028/29 \$000's	2029/30 \$000's	2030/31 \$000's
Discretionary Reserves											
Development Reserve											
Opening balance	82,341	85,015	76,959	45,233	44,586	47,255	34,688	26,331	44,099	60,635	59,418
Transfer to reserve	2,674	2,425	2,577	2,452	2,669	18,082	17,894	17,769	18,035	18,283	18,265
Transfer from reserve	-	(10,481)	(34,304)	(3,099)	-	(30,649)	(26,251)	-	(1,500)	(19,500)	(19,500)
Closing balance	85,015	76,959	45,233	44,586	47,255	34,688	26,331	44,099	60,635	59,418	58,183
Waste Management Reserve											
Opening balance	1,291	1,200	1,200	950	700	450	200	200	200	200	200
Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	(91)	-	(250)	(250)	(250)	(250)	-	-	-	-	-
Closing balance	1,200	1,200	950	700	450	200	200	200	200	200	200
Energy Fund Reserve											
Opening balance	168	119	318	118	-	-	-	-	-	-	-
Transfer to reserve	330	469	-	-	-	-	-	-	-	-	-
Transfer from reserve	(379)	(270)	(200)	(118)	-	-	-	-	-	-	-
Closing balance	119	318	118	-	-	-	-	-	-	-	-
Art Reserve											
Opening balance	6	6	6	-	-	-	-	-	-	-	-
Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	(6)	-	-	-	-	-	-	-	-
Closing balance	6	6	-	-	-	-	-	-	-	-	-
Total Discretionary Reserves											
Opening balance	83,806	86,340	78,483	46,301	45,286	47,705	34,888	26,531	44,299	60,835	59,618
Transfer to reserve	3,004	2,894	2,577	2,452	2,669	18,082	17,894	17,769	18,035	18,283	18,265
Transfer from reserve	(470)	(10,751)	(34,760)	(3,467)	(250)	(30,899)	(26,251)	-	(1,500)	(19,500)	(19,500)
Closing balance	86,340	78,483	46,301	45,286	47,705	34,888	26,531	44,299	60,835	59,618	58,383
Total Reserves											
Opening balance	128,247	136,448	129,606	99,277	99,452	102,968	91,307	84,486	103,867	121,975	122,364
Transfer to reserve	10,291	8,384	8,610	8,482	8,981	24,411	23,739	23,637	23,927	24,199	24,205
Transfer from reserve	(2,090)	(15,226)	(38,940)	(8,307)	(5,465)	(36,071)	(30,561)	(4,255)	(5,820)	(23,810)	(23,805)
Closing balance	136,448	129,606	99,277	99,452	102,968	91,307	84,486	103,867	121,975	122,364	122,763



ACKNOWLEDGEMENT OF COUNTRY

Whitehorse City Council acknowledges the Wurundjeri Woi Wurrung people of the Kulin Nation as the traditional owners of the land. We pay our respects to their Elders past, present and emerging.

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