



LATROBE CITY COUNCIL

**AGENDA FOR THE
UNSCHEDULED COUNCIL MEETING
TO BE HELD VIA AUDIO-VISUAL LINK
AT 6.00 ON
25 OCTOBER 2021**

UCM570

Please note:

Pursuant to s66(2)(b) and s66(2)(c), this Council Meeting will not be open to the public to attend in person. Instead participation may occur by video link and the Meeting may be viewed live on the internet from Council's website or Facebook page.

Opinions expressed or statements made by participants are the opinions or statements of those individuals and do not imply any form of endorsement by Council.

By attending a Council Meeting via audio-visual link those present will be recorded or their image captured. When participating in the meeting, consent is automatically given for those participating to be recorded and have images captured.

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COUNCILLOR AND PUBLIC ATTENDANCE

PLEASE NOTE

THE VICTORIAN GOVERNMENT'S *COVID-19 OMNIBUS (EMERGENCY MEASURES) ACT 2020* HAS INTRODUCED INTO THE *LOCAL GOVERNMENT ACT 2020* NEW MECHANISMS THAT ALLOW FOR VIRTUAL COUNCIL MEETINGS TO ENSURE LOCAL GOVERNMENT DECISION-MAKING CAN CONTINUE DURING THE CORONAVIRUS PANDEMIC.

PURSUANT TO SECTION 394 OF THE *LOCAL GOVERNMENT ACT 2020*, A COUNCILLOR MAY ATTEND THIS COUNCIL MEETING REMOTELY BY ELECTRONIC MEANS OF COMMUNICATION; AND

PURSUANT TO SECTION 395 OF THE *LOCAL GOVERNMENT ACT 2020* THIS COUNCIL MEETING MAY BE CLOSED TO THE ATTENDANCE BY MEMBERS OF THE PUBLIC BY MAKING AVAILABLE ACCESS TO A LIVE STREAM OF THE MEETING ON THE COUNCIL'S INTERNET SITE.

1. OPENING PRAYER

Our Father who art in Heaven, hallowed be thy name. Thy kingdom come, thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us, and lead us not into temptation but deliver us from evil. For the kingdom, the power, and the glory are yours now and forever. Amen.

2. ACKNOWLEDGEMENT OF THE TRADITIONAL OWNERS OF THE LAND

I would like to acknowledge that we are meeting here today on the traditional land of the Braiakaulung people of the Gunaikurnai nation and I pay respect to their elders past and present.

If there are other Elders present I would also like to acknowledge them.

3. APOLOGIES AND LEAVE OF ABSENCE

4. DECLARATION OF INTERESTS

5. PUBLIC PARTICIPATION TIME

Attend as an observer

The Victorian Government's *COVID-19 Omnibus (Emergency Measures) Act 2020* has introduced into the *Local Government Act 2020* new mechanisms that

allow for virtual Council Meetings and allow for Council Meetings to be closed to the public.

The safety of Councillors, Council staff and our community is at the forefront of our decisions therefore this Meeting will be closed to physical participation by members of the public. To meet our legislated obligations and in the spirit of open, accessible and transparent governance, this Council Meeting is livestreamed and can be viewed by using the link on Council's website or Facebook page.

Public Speakers

An opportunity for members of the public to speak to an item on the agenda will be made available by necessary means. To participate, members of the public must have registered before 12noon on the day of the Council meeting.

CHIEF EXECUTIVE OFFICE

6. CHIEF EXECUTIVE OFFICE

Agenda Item: 6.1

Agenda Item: 10 Year Community Vision and 2021-2025 Council Plan

Sponsor: Chief Executive Office

Council Plan Objective: Ensure Council operates openly, transparently and responsibly.

Status: For Decision

Proposed Resolution:

That Council:

- 1. Adopt the 10 Year Community Vision and 2021-2025 Council Plan incorporating the strategic directions, council plan-related advocacy priorities and key measures as detailed in attachment 1;**
- 2. Note that action plans and workplans will be developed by the administration to ensure delivery of council plan priorities;**
- 3. Note that Council will receive periodic reports evaluating progress towards the deliverables in the plan and the community's aspirations for the future of the municipality.**

Executive Summary:

- The community was engaged through this process consistent with the frame provided by our Community Engagement Policy by way of an extensive community survey, stakeholder discussions, listening posts and through the work of the appointed community panel. These engagement efforts explored economic, environmental and social themes to identify the aspects of the municipality and council's role in its development that residents valued most highly.
- Conducting community engagement during the midst of a pandemic brought particular challenges and some obvious limitations. The level of community participation in the survey and panel process was high and extremely positive under those circumstances.

- The community vision was informed by this work plus the additional efforts of the community panel brought together to share their aspirations for the future of Latrobe City and is incorporated into the Council Plan to set the scene for the mapping out of strategies which will be pursued in this council term.
- The vision sets the scene for a plan intended to celebrate the municipality's strengths and further the aspiration that "In 2031 Latrobe City will be known for being smart, creative, healthy, sustainable and connected. It will be the most liveable regional city and at the forefront of innovation."

Background:

The Council Plan sets out the strategic objectives of Council, advocacy and indicators for the next four years. The strategies, advocacy priorities and indicators are addressed in turn below.

Strategies

The strategies identified in the plan have been drawn from council workshops, the community panel's work and through consideration of the evaluation by Federation University of the extensive community survey.

The incorporation of key strategies to address the priorities around health and wellbeing are set out against a broader set of complementary strategies which address key determinants of health, reflecting a high degree of interdependence and complementarity between themes. The incorporation of those health and wellbeing priority areas into the council plan is a first step towards a higher level of integration of health and wellbeing priorities across all council planning and, possibly in the future, strategic land use planning.

Strategies to address pandemic recovery do not feature prominently in the plan given its timespan but it is clear that ongoing work is required to address the economic, social and health impacts of the current situation in the municipality as well as adjust future planning to address the opportunities presented by population and work pattern changes which are starting to emerge across the State. While not specifically labelled as 'COVID recovery initiatives', many of the priorities expressed in the plan in regards to supporting health priorities and as well as advocacy and partnerships to support improved service delivery systems in key services including education, training and health are aligned to COVID recovery priorities as articulated by the state and federal governments. Updates required to or a sharpening of focus in some service areas can be addressed in the period reports on Plan delivery.

Advocacy

Advocacy priorities have been proposed for inclusion in the plan because they speak to or 'round-out' the set of strategies identified to deliver of key aspects of the community vision. Highlighting key advocacy priorities does not substitute for council's more comprehensive rolling program of advocacy priorities as determined by council from time to time through the council term.

Indicators

The indicators are a combination of output and outcome indicators and sit against a background of a broader comprehensive evaluation framework featuring population level outcomes established in the health and wellbeing plan. Some of the indicators in this plan will duplicate that broader evaluation approach which will be set out in the health and wellbeing plan which is scheduled for council adoption in the coming months.

The indicators chosen are by no means the complete set of indicators used to establish council's performance but are a subset of the broader approach to measuring and reporting on council efficiency, effectiveness and quality as required by the regulations and other additional measures and reviews utilised by council.

Capabilities

The Plan currently makes very high-level reference to key council capabilities and these priority areas will further developed in the administration's work program.

Issues:

Strategy Implications

Outside of the council plan, council has a high number of additional strategies, plans and action plans, variously named, which are due for renewal or refresh within this term of council. There is opportunity in this council term to refresh and streamline council's approach by focussing on delivering a set of impactful, targeted plans which support the delivery of a single unified set of community and council priorities articulated in the community vision, council plan and health and wellbeing plan.

Communication

Communication of the work of the community panel and community members in participating in surveys has to date been limited. The publication of the community survey by Federation University will bring some renewed profile to this work and communications has recently commenced the roll out of communications on the work of the community panel which will continue in the lead up to the unscheduled meeting. Further communications will follow adoption of the plan and council plans around ongoing engagement with key stakeholder groups will assist in the development of action plans in priority areas.

Financial Implications

The plan has been developed with a view to the overall funding parameters outlined in the accompanying long-term financial strategy. Clearly advocacy priorities indicate key projects and programs which require a partnership effort with other sectors and associated contributions.

The only key projects highlighted in this plan which has financial implications not currently within the budget is the commitment to complete two key interconnections in the trail and shared pathway network. The cost of these is estimated in the order of \$2 million and will deliver significant health and connectivity benefits and the administration advises this can be accommodated through reprioritisation within the capital works program funding envelope.

Risk Analysis

Identified risk	Risk likelihood*	Controls to manage risk
<p>Service Delivery Risk</p> <p>The services may not be able to be delivered to expected standard</p>	1	Assurance that priorities and current service delivery levels can be maintained within financial plan. Adoption of streamlined integrated planning and robust financial assessments of subsequent proposals
<p>Occupational Health and Safety Risk</p>	NA	NA
<p>Financial Risk</p> <p>Risk that priorities articulated cannot be delivered within funding envelope of long term plan</p>	1	<p>Ongoing assurance that priorities articulated in plan are achievable within current financial plan parameters</p> <p>Inclusion of priorities for which Council will seek funding partnerships</p>
<p>Reputational Risk</p> <p>Risk of some community members not seeing their views expressed in the finalised vision and plan</p>	3	<p>Publication of the broader and extensive reports on community engagement undertaken by Council and Federation University which will assure community that their views have been captured. There are a diverse range of views in the community about key challenges and opportunities faced by council particularly around economic transition. Council acknowledging those differences of opinion in its ongoing work will maintain confidence in Council's approach to balancing these different views with its role in promoting economic, social and environmental sustainability.</p>

Identified risk	Risk likelihood*	Controls to manage risk
		<p>Communications which highlight community engagement and maintenance of financial sustainability</p> <p>Targeted communications to key audiences in relation to priority themes</p> <p>Ongoing engagement with the community on delivery of key priorities which align to their aspirations</p>
<p>Legal/Regulatory Risk</p> <p>Risk of not meeting statutory requirements</p>	1	<p>Delivery of the plan and accompanying financial plan delivered within statutory timeframes noting municipal health and wellbeing plan is running slightly behind schedule</p> <p>Inclusion of indicators which measure performance at output and outcome level in addition to the standards set of accountability indicators</p>
<p>Strategic Risk</p> <p>The risk of loss of focus on priority themes and failing to build effective partnerships which are critical to meeting the community's needs</p>	3	<p>The broader advocacy plan will soon be presented to council and efforts will be made to ensure council action plans will be developed to meet community vision and council plan and municipal health and wellbeing plan priorities</p> <p>Ongoing work on partnerships across a range of sectors which are key to delivery across key council functions</p>

* Inherent likelihood ratings: 1 (Rare); 2 (Unlikely); 3 (Possible); 4 (Likely); 5 (Almost Certain)

Legal and Compliance

NIL

Community Implications

We have successfully accommodated the vast majority of priorities which were shortlisted by the community panel and we are confident given these priorities align very strongly with the priority areas identified in the community survey that the plan has a very strong likelihood of meeting most of the participating members expectations.

Clear expressed priorities around health and wellbeing, economic diversification, urban amenity improvements and improved connectivity within the municipality are all central to this vision and the responding plan.

The publication for the Federation University survey and panel report will also ensure that interested community members can see in a very real way how their input has been captured.

Environmental Implications

This vision and plan brings the community's very clear interest in environmental sustainability into focus and these priorities work across a number of themes and strategies particularly those relating to health and economic development.

Consultation

Deliberative engagement processes guided the creation of the community vision and Council Plan and that work built on extensive community surveying, targeted conversations, listening posts and stakeholder engagement

Declaration of Interests:

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 1989*.

Supporting Documents:

Federation University report – Community Survey

Capire report – Community Panel

Attachments

1 [↓](#).  10 Year Community Vision & 2021-2025 Council Plan

6.1

10 Year Community Vision and 2021-2025 Council Plan

- 1 10 Year Community Vision & 2021-2025 Council Plan 13**



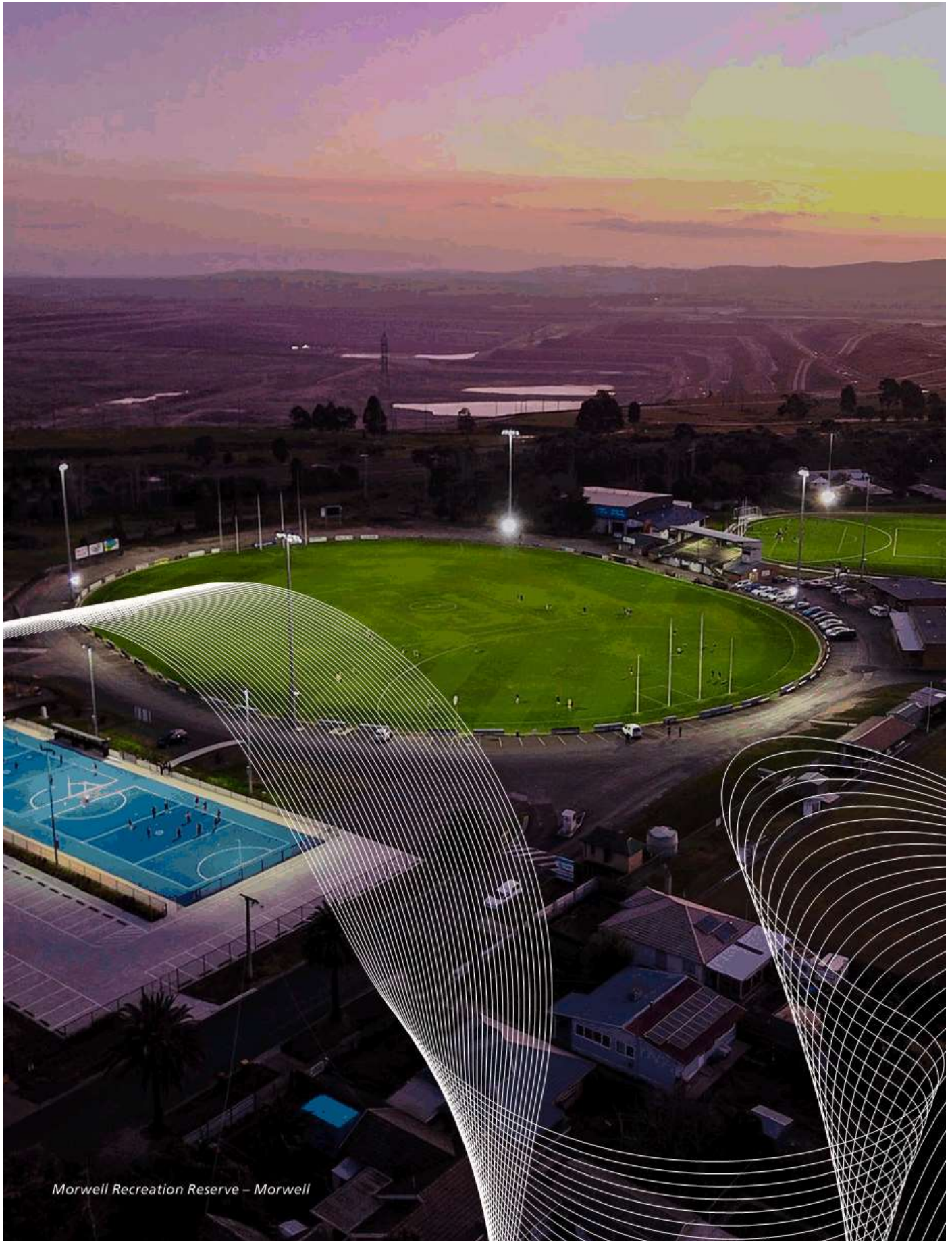
Latrobe City
Council Plan
2021–2025



First 1000 Days Celebration – Kernet Hall, Morwell



Latrobe City Council acknowledges that it operates on the traditional land of the Braiakaulung people of the Gunaikurnai nation and pays respect to their Elders past and present.



Morwell Recreation Reserve – Morwell

LATROBE 2031

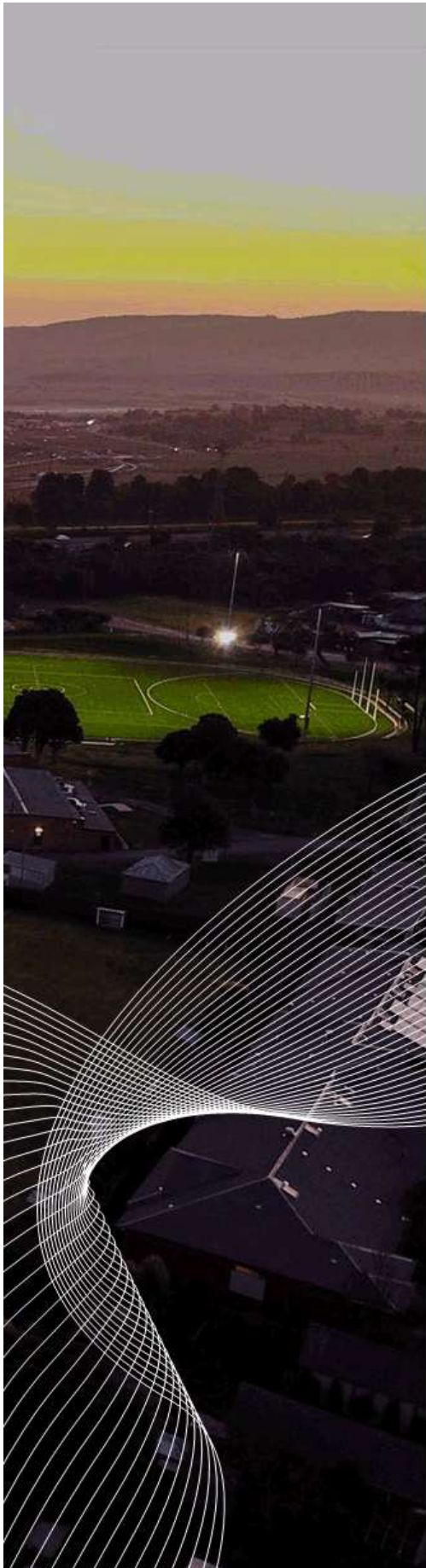


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Intergenerational Playgroup – Yallambè, Traralgon

Latrobe 2031 – Our Community Vision Background

In early 2021 over 1500 people across all ages put forward their ideas for Latrobe City's future.

The Community Vision seeks to capture what our community values most. It draws upon the interests and broad identities of our diverse community and their sense of what Latrobe City means now and into the future. In Latrobe City everyone counts and we have endeavoured to tap into the voices of people from a variety of backgrounds to develop our plans. We will continue to engage with the community as we report on our progress.

Foreword

Mayor

Sharon Gibson

Deputy Mayor

Darren Howe

Latrobe City Councillors

Dan Clancey

Melissa Ferguson

Dale Harriman

Bradley Law

Tracie Lund

Graeme Middlemiss

Kellie O'Callaghan

CEO

Steven Piasente

Our council plan sets the scene for the next four years as we work to address community priorities and outline a long-term vision for a future rich in culture, community and economic opportunity. This Plan works in concert with our Municipal Health and Wellbeing Plan as part of a holistic approach.

Our region has a long and proud history of keeping the lights on for Victoria and Australia. We are keen to continue our tradition of engineering, energy production and manufacturing excellence and continue to build on the skills and capabilities in the region.

Latrobe City is in a period of significant transformation. As a council we are eager to work with businesses and groups looking to invest in our future with new technologies and industry.

Our efforts to support the health of the community and build on our workforce skills is matched by our commitment to high environmental standards.

We have a passion for sport, recreation and the arts and a wealth of excellent facilities to match. We will build on these infrastructure assets to attract events and cement our profile as a destination and Gippsland's Regional City.



LATROBE 2031 – COMMUNITY ENGAGEMENT

The Community Vision was informed by a community survey, targeted conversations, listening posts and the appointment of a Community Panel, brought together to share their stories and aspirations for the future of Latrobe City.

The survey and listening posts explored economic, environmental and social themes to identify the aspects residents valued most.



Swimming Lessons – Gippsland Regional Aquatic Centre, Traralgon

COMMUNITY SURVEY

The community survey was taken by around 1500 members of the community through May and June 2021. It collected quantitative and qualitative data on the community's thoughts about current and future challenges for the City.

The majority of participants were female (65%), 33% were from Traralgon, 35% from smaller townships with the remaining 32% from Moe, Newborough, Morwell and Churchill. The participants ranged in age from 17-30 years (15%), 31-40 years (27%), 41-70 years (43%) and 70+ years (10%).

There were six open-ended questions in the survey. Federation University highlighted key themes emerging in this section of the report centred around employment, safety, transport, education, sport and entertainment and hope for the future.

These themes are summarised in the section on challenges and opportunities. The full report on the Community Survey has been published by Federation University and is available at:

<https://federation.edu.au/connect/partnerships/business-partnerships/our-partnerships/collaborative-evaluation-unit/ceu-partnerships-and-projects/completed-projects>

COMMUNITY PANEL

The Community Panel was recruited from an expression of interest to 9,000 households across our community. Federation University then selected a panel of 100 members which was descriptively representative of our diverse community. Through a series of workshops, the Community Panel was tasked to recommend the key themes and aspirations for Latrobe City over the next 10 years. In the final visioning session, about 50 participants joined an online forum to develop and vote on the foundations for the vision and a range of strategies they considered important to the Latrobe City community.

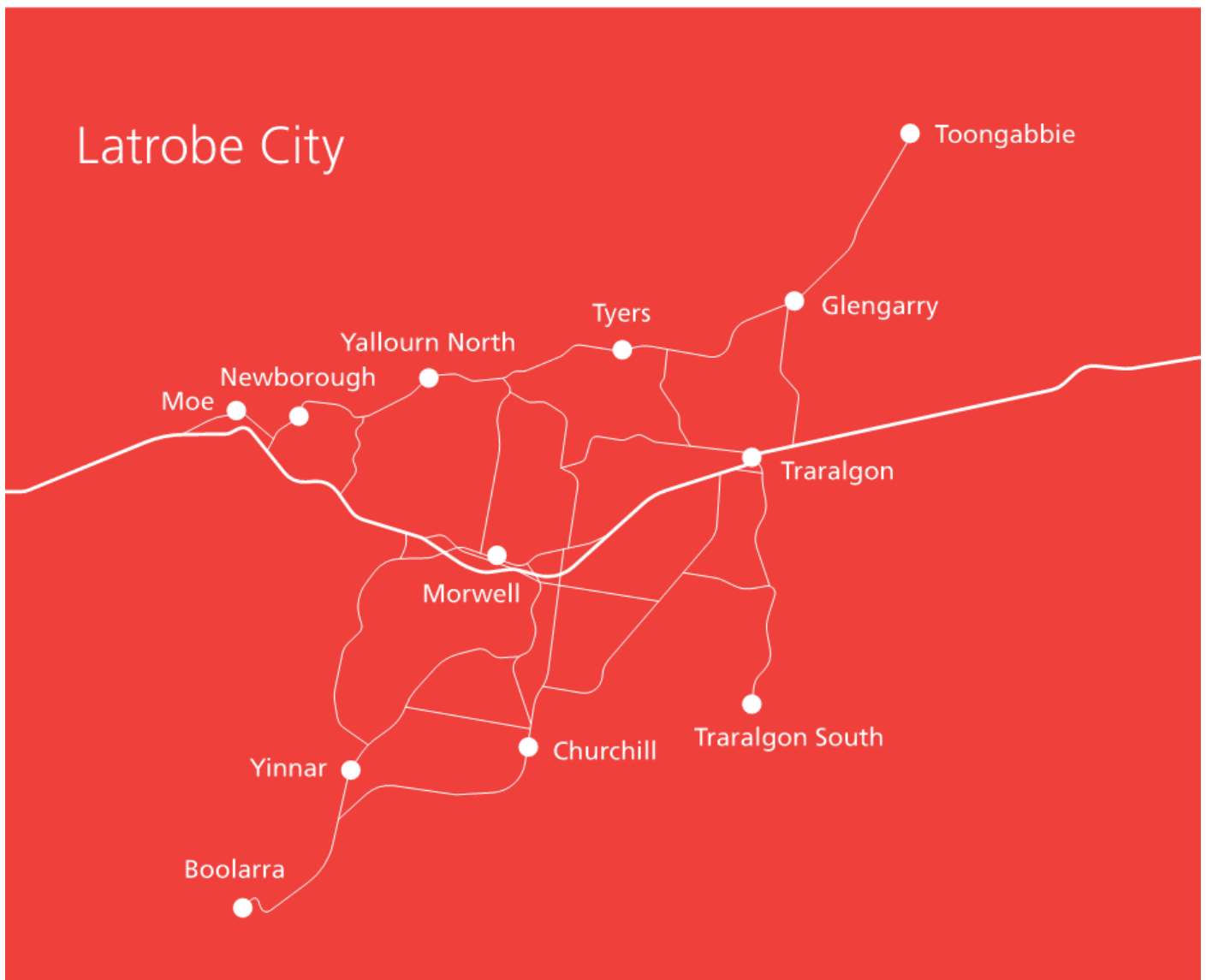
The Community Panel was one of Latrobe City's engagement commitments and incorporated deliberative engagement principles as outlined in our Community Engagement Policy underpinning the development of council plans. Participants framed proposed priorities to be considered in the Community Vision and thought about strategies and actions we could take to bring the vision to fruition.

The work of the Community Panel is outlined in a report published on council's website:

https://www.latrobe.vic.gov.au/Haveyoursay/Your_Latrobe_Community_Conversation

Challenges & Opportunities

This section highlights the challenges and opportunities identified in Council’s work with the community through the community survey and panel.



EMPLOYMENT

The report from Federation University highlighted that employment in the region featured very strongly throughout the survey responses with emphasis on generation of new employment opportunities and support for existing local business. The report further suggested that the challenge presented by closure of power stations in Latrobe City brings with it enthusiasm for new opportunities and possibilities with comments around changes to population dynamics, skilled labour force and new industry options. There were 255 comments submitted for this question.

The issues of employment security and economic opportunity were raised by participants from both small and large towns. The challenges and opportunities with economic diversification were also highlighted in the work of the Community Panel with one group suggesting council should be “focused on creating opportunities – (being) smart, sustainable and adaptable”.

A total of 251 out of 255 comments from community members focused on challenges power industry closures would create and a need to transition the workforce and diversify our local economy.

EDUCATION

Participants in the survey identified the community would benefit from programs to help transition to higher education and vocational training options. In addition, it was suggested that more support was needed for students from low socio-economic families to ensure they were given equal opportunities to learn.

TRANSPORT

Parking, street lighting, traffic flow in central business districts and the transport infrastructure to move between Latrobe City and Melbourne were highlighted as important priority areas.

Community transport between towns and regional centres and ease of access to education institutions was also highlighted as an area of need.

Overall, it was suggested that communities should be encouraged to use non-motorised transport options by designing options for riding and walking within and between townships.

Participants suggested Council work to support an increase in educational offerings within Latrobe City. Many of these responses centred on Federation University, however, there were also references to broader offerings in secondary education, high schools and TAFE.

SAFETY

Perceptions of safety also featured strongly in the community survey. Federation University noted that feeling safe living in Latrobe City was mentioned by many participants with some suggesting a greater police presence was needed to tackle the complex issues of drug abuse, violence and crime in the region. Equally, community members were interested in preventative measures and addressing some of the underlying causes of crime within the City.

Urban design of spaces which promote safe walkability and other forms of non-motorised transport as well as safe and quality, accessible spaces and streetscapes were also a subject of discussion.

SPORT & ENTERTAINMENT

Sports events and the arts were seen by many participants as two areas of strength that could be further developed to attract more visitors to Latrobe City.

There were many positive comments about the quantity, variety and quality of sporting and entertainment facilities throughout Latrobe City with mention of the arts centre, sporting grounds, parks and recreational areas. There were also a number of suggestions as to how these facilities could be improved and upgraded to meet current and future needs, including options for women in sport.

More festivals and markets were also suggested by a number of participants, particularly those showcasing local businesses.

HOPE FOR THE FUTURE & PRIDE IN PLACE

A total of 49% of survey respondents identified community connection and belonging as ‘extremely important’ in addition to 33% of respondents who identified this as ‘very important’ to their lives in the City.

Federation University also reported there was a strong sense of hope for the future with a large number of suggestions on how Latrobe City could bring back a sense of pride in its communities. Continuing to develop infrastructure and attract low emissions industries and businesses into the area were seen as key priorities, allowing the Latrobe City to become a hub for investors and families.

Participants also suggested improvements could be made to non-physical elements of Latrobe City to make it a better place to work. In particular, a sense of pride, community and inclusion were recognised as important to support a strong economic environment.

What the community had to say.

Through the various community engagement processes community members expressed a variety of views and opinions. In these two pages we have captured just some of these...

"New, safer industries must be developed, possibly by expanding supported social enterprise business."

COMMUNITY MEMBER

"Transitioning from coal-based energy to renewables and bringing existing employees from the coal sector across to working in renewables or other sectors."

COMMUNITY MEMBER

"I have grown up here and wouldn't want to live anywhere else, but I do wish I felt safer going for walks and being out with my kids."

COMMUNITY MEMBER

"Encourage people to walk and ride around the towns where possible to help encourage a healthy lifestyle. Ensure lighting around town is consistent to help people to walk after hours rather than using cars at all times."

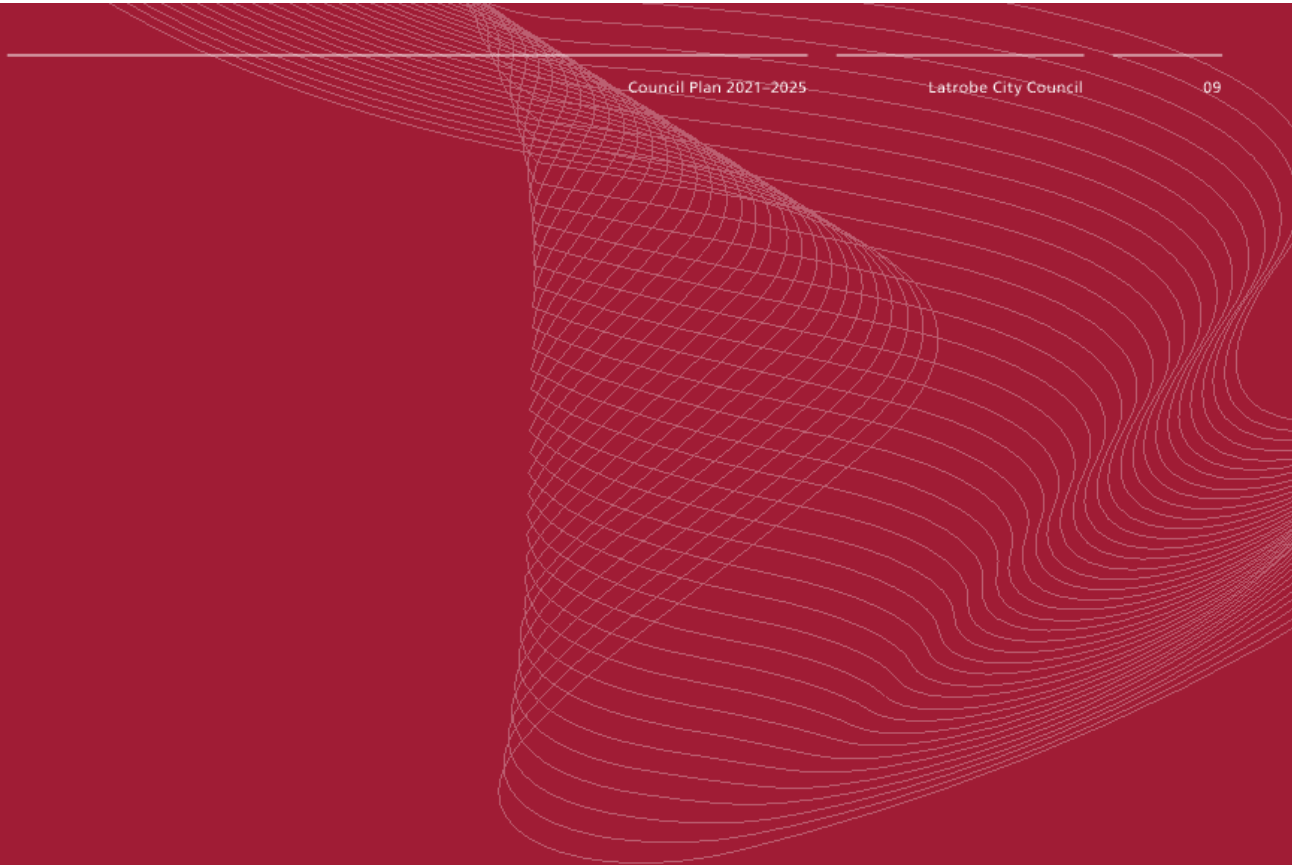
COMMUNITY MEMBER

"The establishment of Homework Hubs may bridge the gap for students who may not live in healthy home environments."

COMMUNITY MEMBER

"There are no female friendly change-rooms in a world-wide cry for gender equality."

COMMUNITY MEMBER



"More opportunities and pathways to work where you study. For example, if an Allied Health professional studies at Fed Uni, there should be grad. programs at the local hospital and community health service, and these should be widely advertised."

COMMUNITY MEMBER

"It is great to finally have the Latrobe Regional Galley, GRAC (Gippsland Regional Aquatic Centre), tennis, basketball facilities and soon the arts precinct but we need good shows and events to attract tourists to our region on a regional basis."

COMMUNITY MEMBER

"Finding a balance is a challenge for the future, however I can see Latrobe City being a rural hub that is close enough to Melbourne for people to visit for a weekend for an amazing experience."

COMMUNITY MEMBER

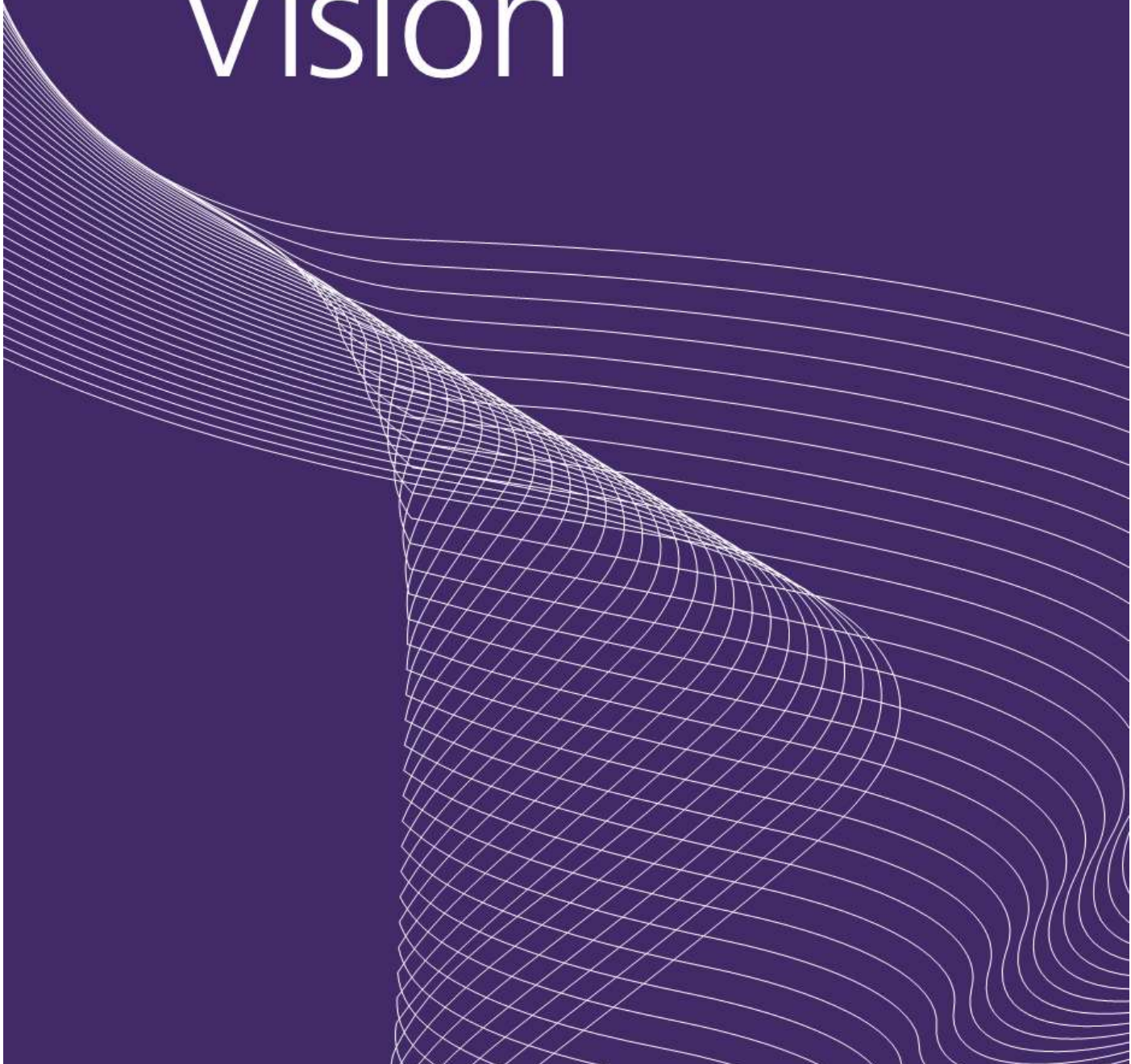
"A focus on community, bringing people together. Innovation, industry that employs people and addresses our current and future problems without impacting the environment... innovative forward thinkers."

COMMUNITY MEMBER

"Easily accessible and faster commute times for people travelling to Melbourne."

COMMUNITY MEMBER

Community Vision





Community Vision

The Community Vision sets out the challenge for the Council Plan and Municipal Public Health and Wellbeing Plan. Council has considered community input and survey results in settling on the final form of the Community Vision and Council Plan.

The strategic directions in this plan were drawn heavily from the work of the Community Panel and are drafted with reference to statements developed in the course of the Panel's work.



OUR COMMUNITY VISION

In 2031 Latrobe City will be known for being **smart, creative, healthy, sustainable and connected**. It will be the **most liveable** regional city and at the forefront of **innovation**.

Working together we are a **diverse, connected and resilient** community, supporting the **equitable diversification** of our economic base and transition towards a **low emissions** future.

We are known as a community that is **equitable, liveable and sustainable**, with a continued focus on **healthy lifestyles** supported by high quality **recreational and cultural** facilities and a natural environment that is **nurtured and respected**.

Traralgon Railway Reservoir Conservation Reserve – Traralgon

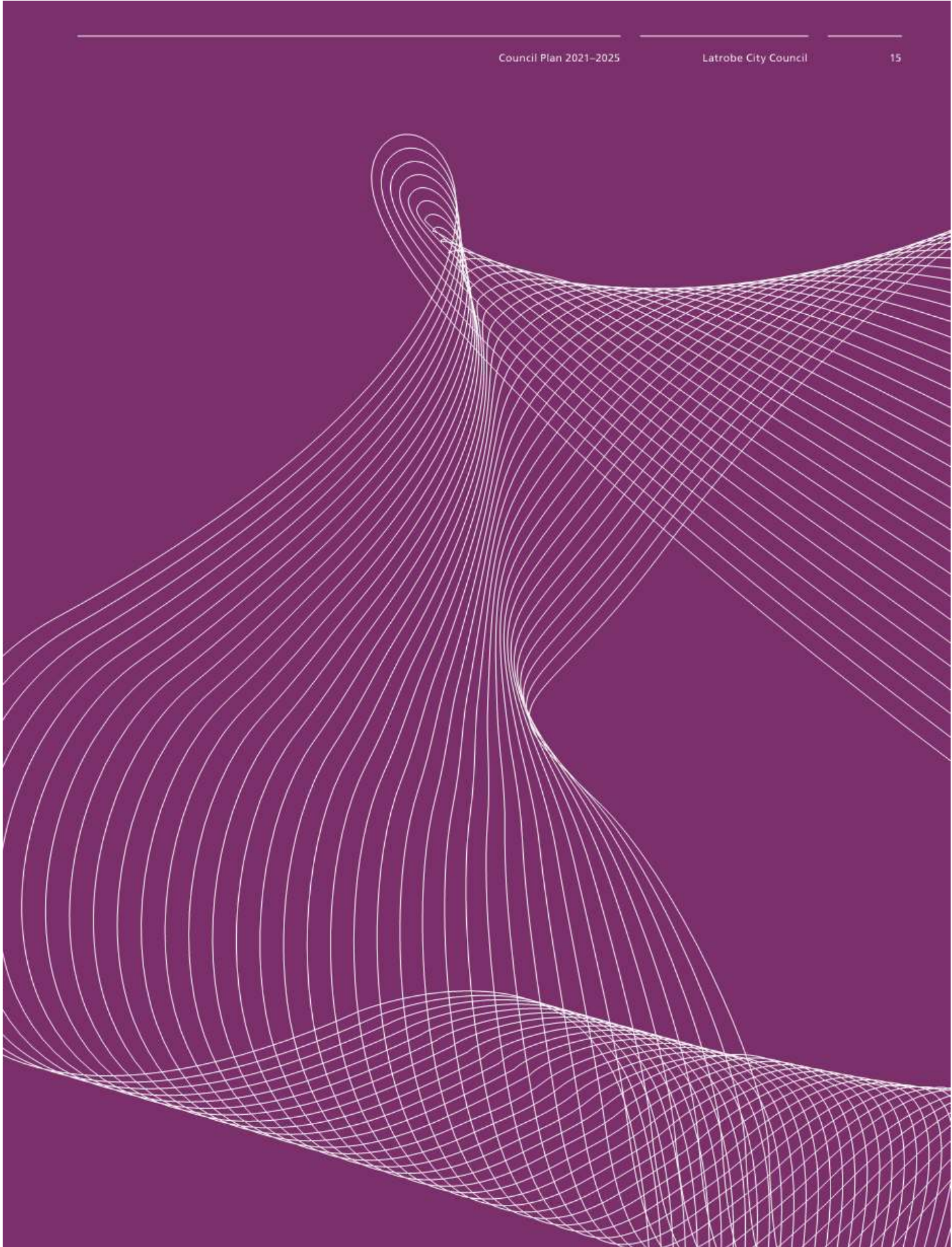
Smart

STRATEGIC DIRECTIONS

Latrobe City has a highly skilled workforce, access to education and training and we are invested in growing the capacity of our community, supporting innovation and invention.

We are focused on creating opportunities and exploring health innovation, digital industries, alternative energy and value-added advanced technology and manufacturing. We support diversification of our industrial base and the development of opportunities for highly skilled employment into the future.







Biogas Generator – Hyland Highway Landfill, Loy Yang

Smart

STRATEGIES – WHAT WE WILL DO

- Support COVID-19 recovery priorities for the benefit of local businesses and community.
- Attract investment in key industries including working towards net zero emissions energy generation, food and fibre, engineering, manufacturing, hydrogen, education and health services through the delivery of Council's investment roadmap.
- Support reactivation of the local economy and deliver support to the start-up ecosystem through delivery of council's economic development program.
- Prioritise the delivery of infrastructure that will support new industry and businesses establish themselves and grow in Latrobe City.
- Deliver a digitally-connected city and support innovation.
- Attract skilled business migrants to establish businesses in Latrobe City.
- Support innovative and sustainable uses of our diverse natural resources.
- Continue to support our existing business community so they can prosper and grow.
- Support the development of our education and training institutions through partnerships promoting skills development within our local workforce including support for the Morwell Innovation Centre and Teaching Space at the Gippsland Performing Arts Centre.
- Continue to deliver accessible library programs supporting learning across all community cohorts.
- Continue to support excellence in early childhood services delivering exceptional early learning experiences and positive maternal and childrens' health outcomes.
- Activate the Gippsland Logistics Precinct with infrastructure and services to attract inward investment by industry and businesses.



ADVOCACY – WHAT WE WILL PROMOTE

- Advocate with state and federal governments to ensure the rehabilitation and repurposing of mine areas to support a sustainable and prosperous Latrobe City.
- Advocate for timely delivery of infrastructure by servicing authorities to support the growth and the needs of our community for residential, commercial, retail, industrial, recreational, institutional and other community uses at a city-wide basis.
- Advocate with local education and training providers to create a skill base that aligns with our future economy and improve education outcomes for the community.
- Promote and attract investment in recycling and re-manufacturing industries to enhance Gippsland's role in the circular economy.
- Promote inward investment to Latrobe City through a network of international business offices.
- Develop a business case to establish the Centre for Australian Automotive Futures in Latrobe City and advocate for partnerships supporting the centre featuring a high tech motorsport complex, research and testing facilities for new vehicle technologies, sustainable and renewable fuels and an events complex.

INDICATORS – HOW WE WILL TRACK OUR PROGRESS

- Number of new business registrations by sector within Latrobe City.
- Annual employment growth rate in Latrobe City benchmarked against other regional cities.
- Gross local product of the region.
- Vacancy rate of retail and commercial premises.
- Increase in education and capacity building initiatives delivered or supported by Council.
- Amount of state and federal funding received for projects supporting economic diversification and skill development.
- Increase in public Wi-Fi offerings throughout the municipality.
- Support for early learning of pre-school children measured by programs and enrolments.
- Patronage and use of library resources.
- Promote innovation and entrepreneurship by continuing to support start-up businesses.

Creative

The background of the page is a dark blue color. Overlaid on this is a complex, abstract graphic composed of numerous thin, white, wavy lines. These lines flow from the bottom left towards the top right, creating a sense of movement and depth. The lines are arranged in a way that they appear to be part of a larger, continuous wave or a series of overlapping curves, giving the overall design a dynamic and creative feel.

STRATEGIC DIRECTIONS

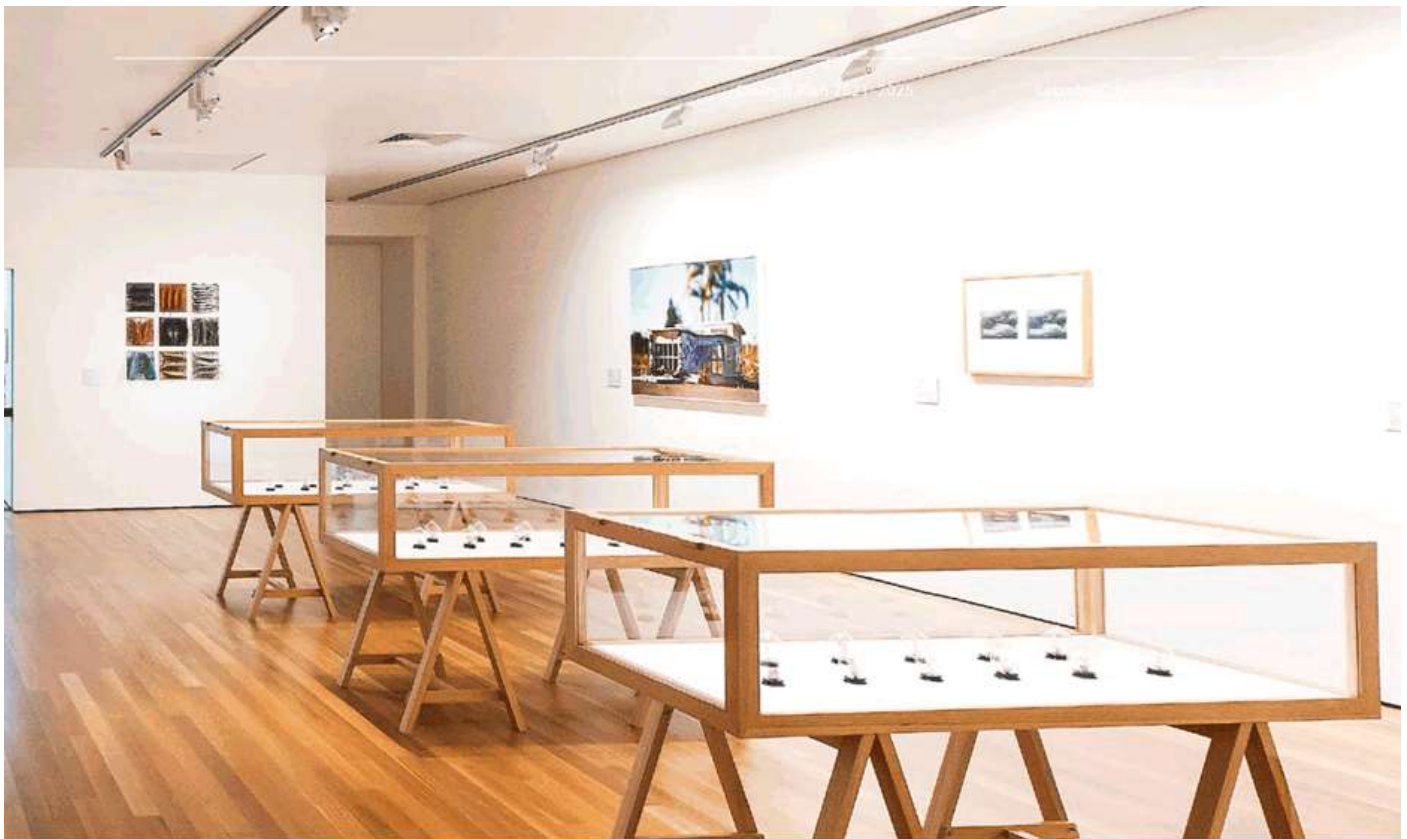
We have a vibrant and diverse community where there are various opportunities for arts, culture and tourism. Our City has a range of arts and creative opportunities for community to engage in creative expression and develop social connectedness.

We are invested in the exceptional presentation of our City through public works across our interconnected townships and enhancement of our distinctive landscape features.



Creative





STRATEGIES – WHAT WE WILL DO

- Develop new audiences seeking local arts, cultural and nature-based experiences and entertainment.
- Prioritise a range of public space improvements across the municipality.
- Develop a program of innovative, publicly accessible projects aimed at celebration of Latrobe City and its community.
- Support job creation and industry diversification including in creative industries to enable new directions for economic growth across Latrobe City.
- Provide access to digital and virtual events as an area of emerging potential.
- Improve the amenity and presentation of Latrobe City's town entrances, activity centres and public spaces through signage, art and plantings and greening of the City.
- Promote economic growth and job creation through events and recreation-related tourism capitalising on our arts, cultural and sporting facilities.
- Support job creation and industry diversification - including creative industries - to stimulate economic growth in Latrobe City.
- Support young artists and creatives in the community through innovative programming and grants.

ADVOCACY – WHAT WE WILL PROMOTE

- We will promote the recovery of the arts and creative industries by advocating for support from other levels of government and use of Council's grants.
- Advocate for support to develop programming which celebrates and develops local talent as well as support for creative startups.
- Advocate for excellent design outcomes in state and federally funded infrastructure for the benefit of the community and its economic future.

INDICATORS – HOW WE WILL TRACK OUR PROGRESS

- Community satisfaction with appearance of public areas.
- The total number of visits to council managed facilities such as leisure centres, galleries and performing arts venues.
- Number of events held within Latrobe City.
- Total economic impact of tourism and events to the municipality.
- Number of creative spaces within the municipality including repurposing of underutilised spaces.
- Value of the creative sector.

Healthy

The page features a vibrant red background. In the upper portion, the word "Healthy" is written in a large, white, sans-serif font. Below the text, a series of thin, white, wavy lines flow across the page, creating a sense of movement and depth. These lines are more densely packed on the right side and become more sparse towards the left, eventually fading into the red background.

STRATEGIC DIRECTIONS

Our vision is that Latrobe has a culture and environment that promotes and supports health and wellbeing for all. We will work together to significantly improve health and wellbeing outcomes and reduce inequalities.

We will celebrate the places, people and cultures that make this a distinctive, vibrant and creative community. While we continue to build on our community's recognised and proven capacity for connection, social participation, volunteerism and care for one another.

Our community's health, wellbeing and safety will be assured with abundant green spaces that are accessible, inclusive and safe. We maintain our focus on preventative measures to promote positive health outcomes for all generations by ensuring Latrobe is a healthy place to live, learn and work. We continue to prioritise opportunities to overcome shared barriers we face as we focus on achieving improved health outcomes for our community.



Healthy

STRATEGIES – WHAT WE WILL DO

- Delivery of the objectives in *Living Well Latrobe*, our community's Municipal Public Health and Wellbeing Plan by promoting community safety, mental and physical health and activity, incorporating active design principles in open space, neighbourhood design and supporting community resilience.
- Provide spaces and services that support the community's physical health and mental wellbeing for the benefit of all.
- Ensure health and wellbeing planning to the centre of council planning in promoting safe communities, positive mental and physical health programs, resilience and connection to natural and built environments.
- Increase accessibility to utilise our green spaces and facilities to connect community and achieve positive health and wellbeing outcomes.
- Develop programs which provides increased access to council's extensive arts and recreation facilities and other Council services, for our community that face barriers to participation.
- Demonstrate and promote gender equity practices.
- Ensure a holistic approach to community safety in the planning and development of infrastructure, and the delivery of service to our community.
- Support community preparedness aligned to growing responsibilities for Local Government in emergency management systems, response and recovery.
- Prioritise social planning and infrastructure for young people and their families, which provides additional programs and opportunities for young people to engage with Health, wellbeing and connection to natural and built environments within the municipality.
- Remain focused on ensuring a community where our elders and seniors are respected, valued and supported to age well in place.
- Recognise the importance and support for, community recovery programs in response to the COVID-19 pandemic.
- Continue to position Latrobe City for major sporting events that are accessible and inclusive for all of our community.

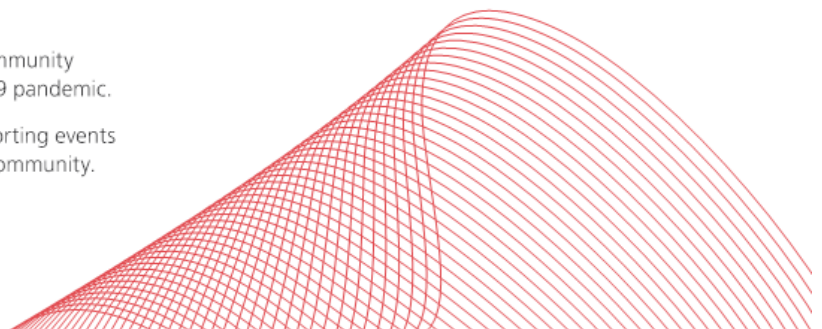
- We will ensure our shared work is measurable and accountable and will be informed by authentic community engagement, evidence based practice, and the understanding that 'social determinants of health', directly and indirectly influence the wellbeing of our community.
- Support community groups and sporting clubs across the community, to increase engagement, participation and volunteerism, which will increase social connections within community.

ADVOCACY – WHAT WE WILL PROMOTE

- Partnering in 'whole of government' response to equity issues in our community including advocating for our partners to focus on prevention and early intervention programs for public health challenges, through the activation of Living Well Latrobe.
- Foster a positive cultural and health related behavioural change in Latrobe with our partners and other levels of government.

INDICATORS – HOW WE WILL TRACK OUR PROGRESS

- A review and evaluation of the health and wellbeing objectives and actions will be completed annually.
- Report on community connection and pride through the participation in community groups, sporting clubs and volunteerism across Latrobe City.
- The full and transparent evaluation of health and wellbeing outcomes is extensive and is managed under the auspices of the Living Well Latrobe, Municipal Health and Wellbeing Plan and associated endorsed action plans.
- Additional reporting on output measures related to delivery of programs will be conducted under the Council Plan reporting regime and will include measures captured under the Local Government Reporting Framework.





Sustainable

STRATEGIC DIRECTIONS

Our City has natural features and liveable areas that are easy to access and our beautiful environment is our heart and pride. We have provided a healthy environment for our community and for future generations while supporting meaningful employment and lifelong opportunities.



Sustainable





STRATEGIES – WHAT WE WILL DO

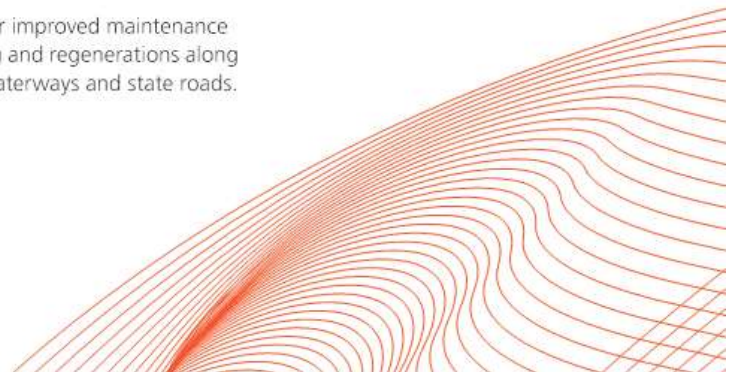
- Work towards net zero energy emissions across Latrobe City Council operations through the delivery of new energy initiatives, efficiencies and offsets.
- Work in partnership with indigenous custodians in sustainable land management and preservation and regeneration of our natural environment.
- Restore waterways and bushland areas to improve health and wellbeing of community and presentation of Latrobe City as well as our important biodiversity values.
- Efficiently utilise the assets that we have for the economic stimulus and benefit of our community while protecting the environment.
- Invest in increased urban greening initiatives and increasing the City's tree canopy in appropriate sites using appropriate species in built up areas for improved amenity and reduced heat stress.
- In partnership with community and business, deliver sustainability initiatives and take actions to adapt to a changing climate.

ADVOCACY – WHAT WE WILL PROMOTE

- Work with the Victorian Government to support opportunities in geothermal, hydrogen and Latrobe City's role in the material recovery and reuse industry.
- Advocate for an equitable transition to a new energy future that ensures no one is left behind and industry diversification, economic growth and skilled employment are supported.
- Secure state and federal funding through advocacy to provide sustainable infrastructure and community services.
- Work with governments to address the importance of water security, specifically at Narracan Lake and the Hazelwood Pondage, to provide industry and the community with long term certainty.
- Advocate for improved maintenance and planting and regenerations along the City's waterways and state roads.

INDICATORS – HOW WE WILL TRACK OUR PROGRESS

- Community and visitor satisfaction with waterways and bushland reserves.
- Increase community participation in environmental education and events.
- Net emissions from council operations in consideration of offsets.
- Increase in the number of native plantings on Council owned or managed land.
- Improved tree canopy and biodiversity values.



Connected

The background of the page is a solid orange color. Overlaid on this is a complex, abstract graphic composed of numerous thin, white, wavy lines. These lines flow from the bottom left towards the top right, creating a sense of movement and connectivity. The lines are arranged in a way that they appear to be part of a larger, interconnected network or structure, with some lines curving and crossing each other.



STRATEGIC DIRECTIONS

A regional City which recognises the connectedness between our goals and towns and efficiently utilises the assets that we have for the benefit of our whole community while protecting the environment.



Connected





STRATEGIES – WHAT WE WILL DO

- Facilitate appropriate urban growth, industry diversification, liveability and connectivity throughout Latrobe City.
- Connect communities by completing the Traralgon to Morwell Shared Path with the Gippsland Plains Rail Trail to where the Energy Australia Trail starts and advocate for connection of Yallourn North and Moe/ Newborough by linking to the Grand Ridge Rail Trail.
- Develop the plan for staged development of dog parks across the towns of Latrobe City.
- Promote ongoing community engagement activities and work in partnership with our community focusing on promoting leadership, resilience, creative and forward-thinking initiatives.
- Pursue improvements to public transport services to increase community access to employment and education.
- Promote our role as Gippsland's Regional City to support economic growth and events programming, cultural events and recreation and sporting attractions.
- Connect people facing barriers to opportunities in education, recreation, sport, culture and the community.

ADVOCACY – WHAT WE WILL PROMOTE

- Advocate for improved transport services including passenger and rail freight connections and bus services.
- Secure state and federal funding through advocacy to provide infrastructure and community services which build on and provide equitable access to the existing service networks within the city.
- Continue to work with partners in the rehabilitation of mines.
- Advocate for more efficient multi-use of facilities including a Multi-Use Pavilion and outdoor event space and 'Community Hub' at Glenview Park capable of hosting large outdoor events as part of the flood recovery effort.

INDICATORS – HOW WE WILL TRACK OUR PROGRESS

- Increase kilometres of bicycle, walking paths and shared paths.
- Community satisfaction with streets, footpaths and sealed roads.
- Community satisfaction with transport connections.

Council Capabilities

COUNCIL ASSETS, SERVICE DELIVERY AND FINANCIAL PLANNING

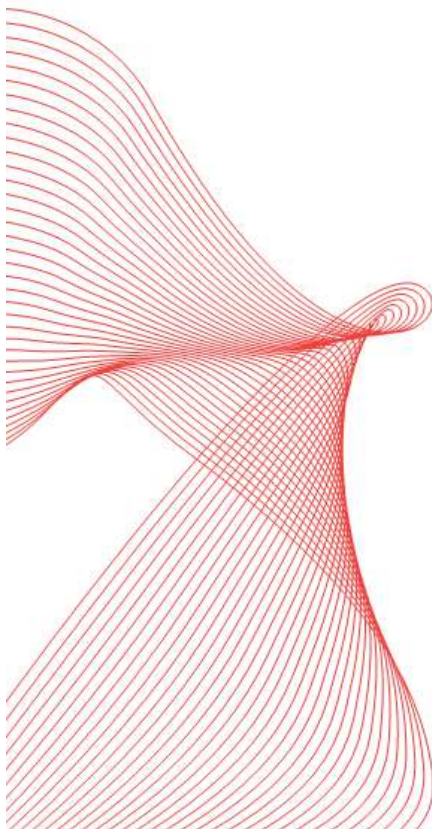
The Community Panel also worked on the priorities around assets, service delivery and council financial planning. The key results from those discussions have been utilised in the development of the council priorities and will be further utilised in the development of the Long-Term Asset Plan due for adoption in June 2022 and Council's Long-Term Financial Plan.

PRIORITIES COMMUNICATED BY THE COMMUNITY PANEL AND IN THE COMMUNITY SURVEY:

- *"Continue to improve infrastructure; major projects such as the Aquatic Centre and Arts Centre will bring people to the area, (along with) state of the art sports facilities, shopping centres, family activities."* (Community Panel)
- *Reuse, repurpose and maximise our facilities for the benefit of our community and to attract visitors to our city.*
- *Efficiently utilise the assets that we have for the economic stimulus and benefit of our community while protecting the environment.*
- *Council to provide ongoing maintenance on the liveability of Latrobe City (roads, recreation reserves, facilities, parks and town entrances).*
- *Council to review service delivery on a regular basis to ensure continuous effective and efficient delivery of council services to the community.*

A number of these priorities have been reflected under other themes and are important to shaping the whole of council and municipality response to the challenges facing Latrobe City.

Council's service delivery is key to achieving the Community Vision and to supporting our community to thrive. All areas of council service delivery are focused on quality, efficiency and effectiveness consistent with the financial sustainability parameters determined by Council under the rate capping arrangements.





CAPABILITIES

Council has determined key capabilities important to delivery of the Council Plan and these are outlined in this section under the headings of people, systems, governance and communications.

PEOPLE

- Create a culture which celebrates excellence in customer service.
- Provide quality strategic, innovative and growth-oriented leadership.
- Invest in the development and training of staff and provide them with opportunities to continually grow and develop.
- Create an environment that fosters and supports innovation and continuous improvement to service delivery for the community.

SYSTEMS

- Deliver excellence in customer experience.
- Focus on continuous improvement to systems, applications and processes to support provision of timely information and service to the community.
- Provide an appropriate level of security within our systems so that customer information is not jeopardised.
- Ensure processes are driving value and efficiency and support staff to challenge the status quo and strive to create improved outcomes.

GOVERNANCE

- Demonstrate high levels of compliance with legislative requirements.
- Support rigorous evidence-based planning and decision making.
- Commit to high levels of community engagement consistent with strategy.
- Properly consider advice of the audit committee and other advisory committees in the course of decision-making.
- Ensuring financial sustainability to ensure funding of council priorities and maintenance of community assets.

COMMUNICATIONS

- Deliver effective promotion and marketing of Latrobe City.
- Deliver consistent and effective advocacy of community priorities.
- Deliver high quality, accessible and timely information about events and services to our community.
- Support active engagement with the community on council initiatives.

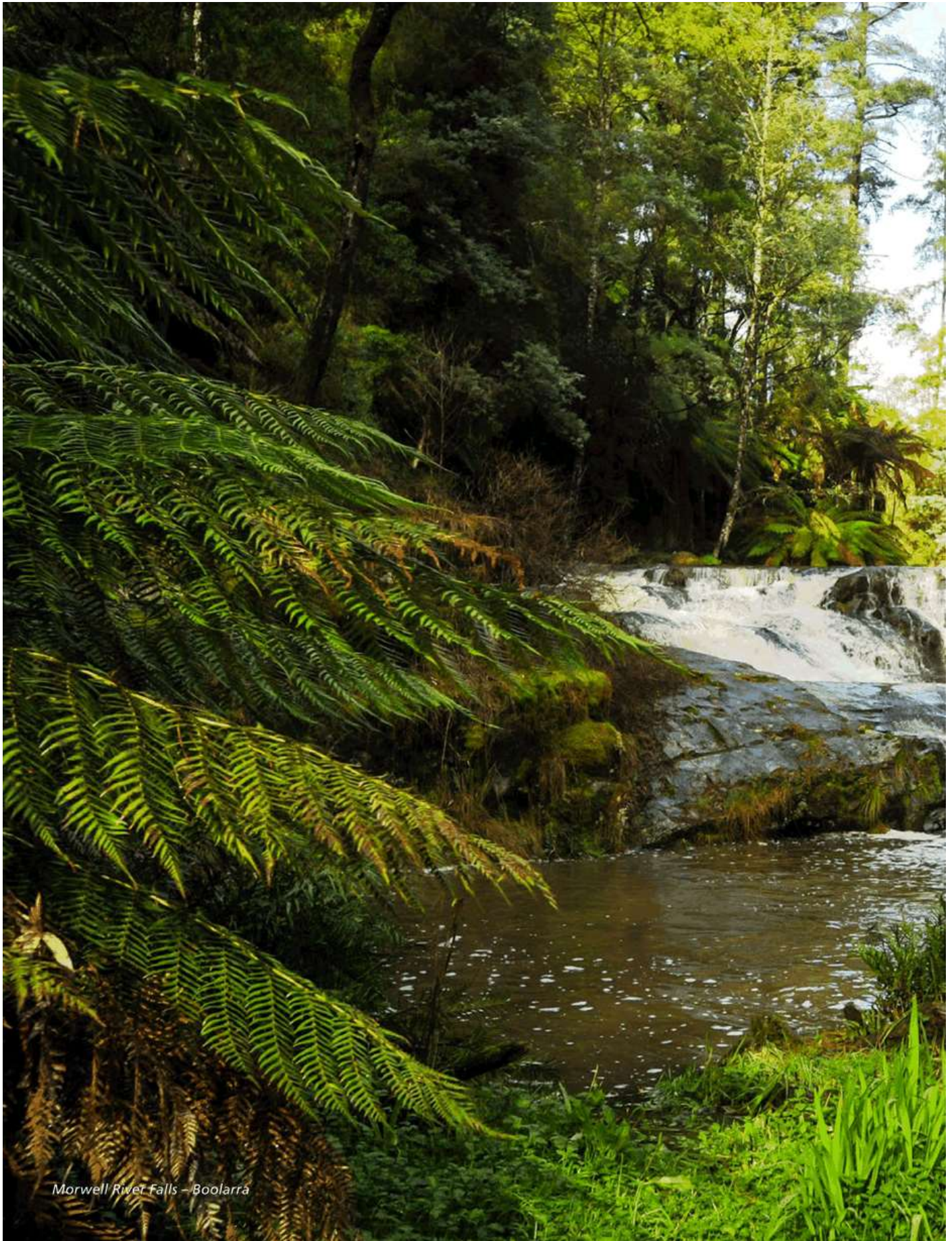
References & Acknowledgements

This plan was developed in collaboration with the Latrobe City community with support from Federation University.

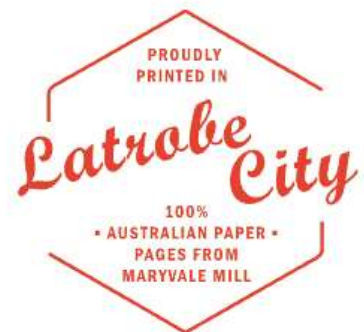




Collingwood Netball Final – Gippsland Regional Indoor Sports Stadium, Traralgon



Morwell River Falls – Boolarra



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Latrobe City Council is a proud supporter of the local economy.



Latrobe City Council

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Website www.latrobe.vic.gov.au

Service Centres & Libraries

Morwell

Corporate Headquarters
141 Commercial Road, Morwell

Morwell Library
63-65 Elgin Street, Morwell

Moe

Moe Service Centre and Library
1-29 George Street, Moe

Traralgon

Traralgon Service Centre and Library
34-38 Kay Street, Traralgon

Churchill

Churchill Community Hub
9-11 Philip Parade, Churchill

To obtain this information in languages other than English, or in other formats, please contact Latrobe City Council on 1300 367 700.

ORGANISATIONAL PERFORMANCE

7. ORGANISATIONAL PERFORMANCE

Agenda Item: 7.1

Agenda Item: Financial Plan 2022 to 2031

Sponsor: General Manager, Organisational Performance

Council Plan Objective: Ensure Council operates openly, transparently and responsibly.

Status: For Decision

Proposed Resolution:

That Council:

1. Adopts the Financial Plan 2022 to 2031; and
2. Makes the Financial Plan available to the public.

Executive Summary:

- Council is required to adopt a Financial Plan by 31 October 2021 in accordance with the *Local Government Act 2020*.
- The Plan describes the financial resources required to give effect to the Council Plan, the Community Vision and other strategic plans of Council. It includes assumptions underpinning the forecasts and statements.
- The Financial Plan as presented represents a balanced plan which will require further consideration by Council in order to meet impending financial challenges including loss of revenue due to the closure of Yallourn Power Station and renewal of infrastructure assets.

Background:

In accordance with section 91 of the *Local Government Act 2020*, a Council must develop, adopt, and keep in force a Financial Plan covering a period of at least 10 years. The Financial Plan ("Plan") must be adopted by the 31 October in the year following a general election, being the 31 October 2021.

The Plan describes the financial resources required to give effect to the Council Plan, the Community Vision and other strategic plans of Council. It includes the assumptions underpinning the forecasts and statements.

The Plan identifies the impending impact associated with loss of revenue from the closure of power generators and the increased costs arising from the operation, maintenance and renewal of the new infrastructure along with diminishing investment in existing infrastructure compared to depreciation expense.

The Plan spans the next ten years and has been balanced on a cash basis. It is based on assumptions some of which are difficult to predict, especially in the outer years.

Some of the key assumptions included in the Plan are:

- Council as resolved will exit the Commonwealth Home Support Program (CHSP) and the Home and Community Care Program for Young People (HACC-PYP under 65) from 1 July 2022;
- The closure of Yallourn Power Station in 2027/28 and a consequential reduction in rates equivalent revenue of approximately \$2 million;
- In preparation for the closure of Yallourn, the Plan includes annual savings of \$0.4M per year from 2022/23 for a period of five years to allow Council to step into the full amount of the associated revenue reduction. How Council will achieve these savings has not yet been identified;
- Council has three current Development Contribution Plans:
 - It is assumed that any bridging funding requirements by Council will be borrowed from internal cash reserves, at no additional cost to principal but with a corresponding reduction in investment revenue. This is estimated to fluctuate on an annual basis with a maximum requirement of approximately \$10 million; and
 - There is a requirement to fund over \$10 million of Council funded infrastructure assets but as yet when this will need to occur is not known (but very likely at least part will occur within the next 10 years). While we assume this requirement can only be met through new borrowings, these borrowings have not been included in this Plan due to the current uncertainty in timing;
- There are no funds available for discretionary capital works projects included in the Plan. Funds normally available for discretionary projects have been committed to the repayment of borrowings associated with the \$10m loan for Moe Stage 2 and Kernot Hall upgrade and includes the impacts associated with the decision of Council in providing a zero percent rate increase in 2020/21

The injection of over \$90 million of new infrastructure over the last three years has resulted in depreciation costs increasing by over \$3 million per year with a consequence that the adjusted underlying result is in deficit. While in the ordinary course a short term deficit is not a critical concern if it returns to a positive or at least neutral position shortly thereafter, the Plan shows this is not the case. Future action

will be required to bring this indicator back to a positive position in order for Council to remain financially sustainable.

Issues:

Strategy Implications

This report supports the Council Plan objective 'Ensure Council operates openly, transparently and responsibly'.

Communication

Deliberative engagement workshops were held with a cross section of the community over one weekend. During this weekend the community representatives were given the opportunity to provide their thoughts on the financial management of the organisation and to identify important needs of the community. The outcomes of this engagement have been included in the community vision and the council plan which informs the Plan.

Financial Implications

There are no financial implications associated with this report.

Risk Analysis

Identified risk	Risk likelihood*	Controls to manage risk
<p>Service Delivery Risk</p> <p>The Plan indicates that Council cannot sustainably continue providing the existing services at current service levels and continue to maintain existing infrastructure</p>	<p>Almost certain</p>	<p>Undertake a review of services and infrastructure to identify a long term sustainable position</p>
<p>Financial Risk</p> <p>Council's level of spending relative to its revenue is not sustainable</p>	<p>Almost certain</p>	<p>Undertake a review of services and infrastructure to identify a long term sustainable position</p>

Identified risk	Risk likelihood*	Controls to manage risk
<p>Reputational Risk</p> <p>Community is dissatisfied with changes to infrastructure, services and service levels required to maintain a financially sustainable position</p>	Likely	Council is open and transparent in informing the community of any necessary changes.
<p>Legal/Regulatory Risk</p> <p>Non-compliance with statutory requirements to adopt a Financial Plan by the 31 October 2021</p>	Unlikely	The Financial Plan has been based on assumptions and information provide to and discussed with Councillors during the budget process.

Legal and Compliance

There are no other known legal and compliance issues with this report

Community Implications

This report identifies the need to take immediate action to return the organisation to a long term financially sustainable position through utilising the identified available levers. This will involve the need to review and implement changes to some services, service levels and infrastructure.

Environmental Implications

There are no environment implications associated with this report

Consultation

Deliberative engagement was undertaken with a cross section of the community.

Declaration of Interests:

Officers preparing this report have declared they do not have a conflict of interest in this matter under the provisions of the *Local Government Act 1989*.

Supporting Documents:

Nil

Attachments

1 [↓](#).  Financial Plan 2022 to 2031

7.1

Financial Plan 2022 to 2031

1	Financial Plan 2022 to 2031	64
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Latrobe City
Financial Plan
2021-2031





Latrobe City Council acknowledges that it operates on the traditional land of the Braiakaulung people of the Gunaikurnai nation and pays respect to their Elders past and present.





Financial Plan 2021–2031 Latrobe City Council 01

LATROBE 2031

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Strategies and Plans	22

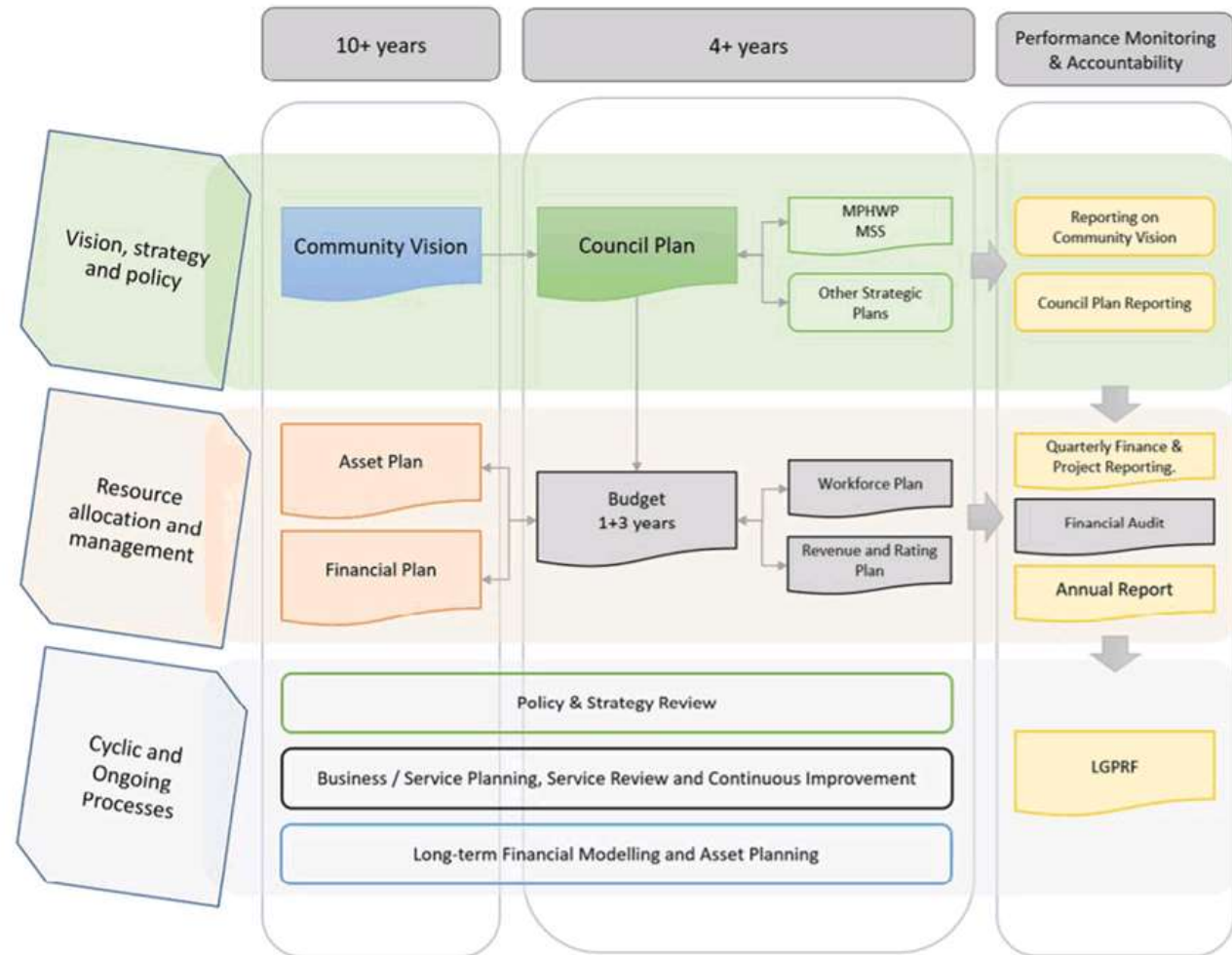
1. Legislative Requirements

The Financial Plan links to the achievement of the Latrobe City Council Community Vision and the Council Plan within the Integrated Strategic Planning and Reporting framework.

This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

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

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



1.1 Strategic Planning Principles

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

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

1.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- Management of the following financial risks:
 - the financial viability of the Council.
 - the management of current and future liabilities of the Council.
- Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- Council maintains accounts and records that explain its financial operations and financial position (refer Section 3 Financial Statements)

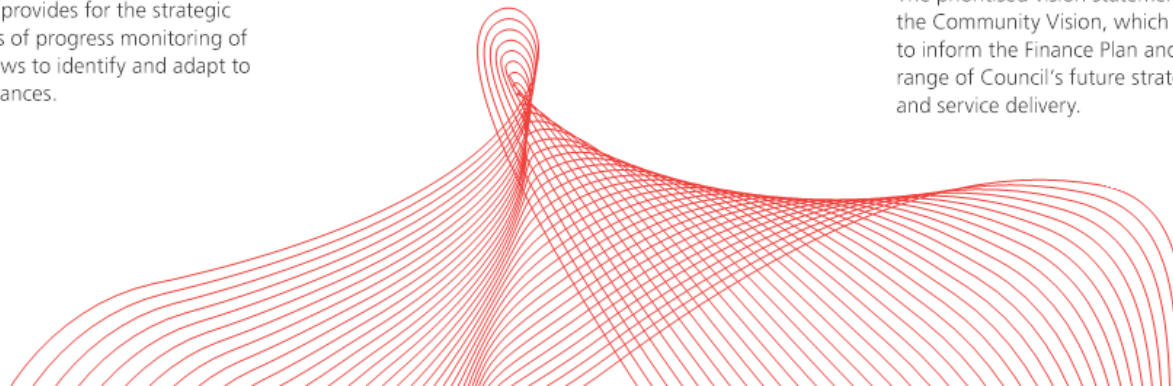
1.3 Engagement Process

Under the *Local Government Act 2020*, Council is required to prepare the Finance Plan in accordance with its deliberative engagement practices.

Council recruited a panel of community members through an expression of interest process sent randomly to 9,000 households across the municipality. Applications were then analysed by Federation University to identify a sample of 100 people representing the demographic profile of Latrobe City were selected to represent the views of the community.

Over a period of two weeks, varying numbers of those selected attended two learning sessions and two whole day workshops. Due to state-wide COVID-19 restrictions the sessions intended to be held in person were required to be held online. 54 of the selected community panel members participated in the full day sessions to develop and prioritise the preferred vision statements under six themes.

The prioritised vision statements were used to develop the Community Vision, which in turn has been used to inform the Finance Plan and will also inform a range of Council's future strategic work, projects and service delivery.



1.4 Service Performance Principles

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

- Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- Services are accessible to the relevant users within the community.
- Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate Council's performance regarding the provision of quality and efficient services.
- Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- Council is developing a service delivery framework that considers and responds to community feedback and complaints regarding service provision.

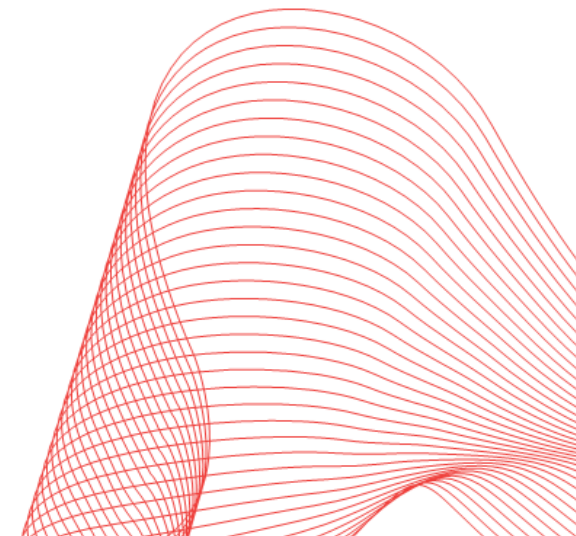
1.5 Asset Plan Integration

Integration to the Asset Plan is a key principle of the Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery in terms of the plans and the effective management of Council's assets into the future. In accordance with the *Local Government Act 2020* the requirement for the adoption of an Asset Plan is set for June 2022, therefore any reference to the Asset Plan in this document is in relation to the draft Asset Plan.

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

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

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



2. Financial Plan Context

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

Financial Plan 2021–2031

Latrobe City Council

07

Policy Statement	Measure	Target	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Net result - indicates how much of each dollar collected as revenue translates to net result. The higher the % the stronger the result	Net Result / Total Revenue	> -10%	-3.0%	-0.9%	-0.4%	-0.1%	0.1%	0.3%	-1.1%	-1.0%	-0.9%	-0.8%
Adjusted underlying result - the ability of the organisation to generate a surplus in the ordinary course of business. A surplus indicates a strong operating position	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	> 0	-7.7%	-5.6%	-5.1%	-4.7%	-4.5%	-4.3%	-5.8%	-5.7%	-5.5%	-5.4%
Liquidity - ability of council to meet its immediate debts. The higher the ratio the greater the ability to meet obligations as they fall due.	Current Assets / Current Liabilities	> 1	1.87	1.98	2.14	2.04	2.19	2.37	2.43	2.45	2.74	2.78
Internal financing - ability to finance capital works using cash generated by its operating cash flow. The higher the % the greater the ability to finance capital works from its own funds.	Net operating cash flow / Net capital expenditure	> 75%	53.9%	130.5%	126.1%	126.6%	138.7%	127.2%	120.5%	129.6%	118.9%	108.3%
Indebtedness - assesses a council's ability to pay principal and interest on borrowings as they fall due from the funds it generates. The lower the ratio the less revenue the entity is required to use to repay its total debt.	Non-current liabilities / Own-source revenue	< 60%	30.4%	28.4%	25.0%	18.7%	16.4%	13.5%	11.1%	9.4%	9.0%	8.7%
Capital replacement ratio - compares the rate of all capital spending against annual depreciation. Long term indicator, a ratio of less than 1 means the spending on capital works has not kept pace with consumption of assets	Cash outflows for infrastructure, property, plant and equipment / Depreciation	> 1	1.14	0.68	0.73	0.77	0.71	0.74	0.78	0.72	0.76	0.87
Renewal gap ratio - compares the rate of capital expenditure on infrastructure assets with depreciation expense. A ratio of less than 1 means that spending on infrastructure renewal is not keeping pace with consumption of assets.	Renewal & upgrade expenditure / Depreciation	> 0.5	0.77	0.60	0.65	0.69	0.63	0.66	0.69	0.64	0.67	0.78

2.1 Financial Policy Statements

This section demonstrates Council's financial sustainability to fund the aspirations of the Community Vision and the Council Plan. Council uses the Victorian Auditor General Office financial sustainability indicators as a guide. The colours indicate the risk assessment of the result, it is Council's aim to remain in the green or yellow risk criteria.

Council recognises the need to take action to rectify those areas identified as high risk in red above. This primarily relates to the underlying result and capital replacement ratio and is as a result of the recent injection of over \$90 million of new capital infrastructure mostly funded by the State and Federal governments. This has increased

depreciation rates by over \$3 million in past three years and will ultimately result in a shortfall of funds available to renew infrastructure assets in the future if it remains unresolved. Council will need to undertake a review of current infrastructure, services and service levels in order to identify and implement actions to alleviate this risk.

2.2 Strategic Actions

Following a community survey and deliberative engagement workshops, Council has identified strategic actions that will support the Community Vision and aspirations of the Council Plan.

The community aspirations and priorities have been grouped into five broad outcome areas that provide the structure for the Council Plan

These community outcome areas comprise:

- Smart
- Creative
- Healthy
- Sustainable
- Connected

To ensure Council has the capacity to work towards the achievement of the Community Vision, a Financial Plan has been prepared to guide the financial resources of Council over the next 10 years.

2.3 Assumptions to the Financial Plan statements

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

Indexation Assumptions	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CPI	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rates	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rates Growth	0.50%	1.00%	1.00%	0.75%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Waste Charges	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
User Fees & Charges	2.00%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Statutory Fees & Fines	2.00%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Grants Operating	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Grants Capital	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other Revenue	0.00%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Employee Costs	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Materials & Consumables	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other Expenses	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

2.3.1 Key Assumption Information

The following provides further explanation on how Council's assumptions have been determined. The assumptions have been established on the best information available at the time of developing this plan and are subject to variation by internal and external factors particularly in the outer years.

Consumer Price Index (CPI)

Council utilises the Victorian State Government Department of Treasury and Finance (DTF) macroeconomic indicators to inform the forecast rate of CPI.

Rates

Council is limited to the Victorian Government's Fair Go Rates System rate cap which is set by the Minister for Local Government each year. Historically the rate cap has been closely aligned with CPI, although the Minister is able to take into consideration other factors including efficiency targets when setting this rate. Council's assumption is that the annual rate cap will continue to be closely aligned to CPI predictions.

Rates Growth

This represents the annual increase in rates revenue associated with new capital improvements and is predominately driven by new subdivisions resulting in additional dwellings. Historically Council's growth rate has been around 0.5% per annum. The recent Federal Government stimulus packages available to first home buyers has seen a surge in new subdivisions and housing growth, this is expected to emerge as above average rates growth over the next three years.

Waste Charges

Waste charges are calculated on a fee for service basis, with annual costs representing predicted whole of life costs associated with the collection, processing, disposal, and lifetime management and rehabilitation of existing and legacy landfill sites. Council currently employs a three-bin waste system, costs are expected to grow in line with annual CPI predictions. The costs associated with the introduction of a fourth bin have not been considered as part of this plan and will require future consideration once there is a better understanding of the bin service and the impacts across the combined services.

User Fees and Charges

User charges are expected to increase in line with CPI predictions and growth. Overall revenue will decrease in the 22/23 financial year due to Council's decision to exit the Commonwealth Home Support Program (CHSP) and the Home and Community Care Program for Young People (HACC-PYP under 65), however it is anticipated that revenue from other services will continue to grow in line with CPI.

Statutory Fees and Fines

Statutory fees and fines are set by legislation; it is expected that these fees will continue to increase in line with CPI predictions.

Grants Operating

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 have

traditionally increased annually at less than the rate of CPI, it is assumed that this will continue, and operating grants will increase at a rate of CPI less 1%. In addition, total operating grant revenue is predicted to fall in 22/23 and 23/24 as Council exits HACC and Assessment services.

Grants Capital

The model assumes that Australian Government's Roads to Recovery funding through the Grants Commission will continue in perpetuity, the funding amounts are set through to 22/23 after which it is assumed that increases will be at a rate of CPI less 1%.

Other Revenue

Comprises interest on overdue rates, investment income, kiosk sales, property rental and leases, and other sundry income. Excluding investment income, which is assumed to remain steady, the remaining revenue streams are forecast to increase in line with CPI predictions, it is not anticipated that there will be any additional growth in this area.

Employee Costs

Employee costs make up almost 50% of Councils operating expenses therefore annual increases must be maintained at a level which does not exceed the forecast rate cap for Council to remain financially sustainable. Annual increases include estimated Enterprise Bargaining Agreement increases along with increases in banding levels and increases to the Superannuation Guarantee.

2.4 Other Matters impacting the 10-year financial projections

Materials and Consumables

Includes contractors, consultants, materials, utilities, insurance, professional services, and other requirements for the running of the organisation and maintenance and repairs of Council's infrastructure (buildings, roads, drains, footpaths, bridges etc.). These costs are traditionally more influenced by market forces than CPI alone. Over the period of the Financial Plan, it is assumed that these costs will be maintained within annual CPI increases.

Other Expenses

Other expenses include administration costs such as community grants, Councillor allowances, levies, leases, audit costs and other costs associated with the day to day running of Council. Increases in these areas are expected to be maintained within CPI increases.

Current challenges and expected future events likely to impact the Financial Plan projections include:

Energy Generation Industry Changes

Electricity generation via coal fired power stations is a major contributor to the economy of the region. The generators themselves contribute almost 13% of Council's rate revenue on an annual basis along with the industry directly and indirectly supporting a significant portion of Latrobe City Council's residents.

The use of fossil fuels is being phased out as a source of electricity generation in Victoria and the region has already seen in 2017 the closure of Hazelwood power station, and it has been recently announced that the Yallourn power station is to close in 2027/28.

The closure of the Hazelwood power station resulted in a reduction in Council's annual rates revenue of approximately \$2 million per year. As a result of this the State and Federal Government launched a major stimulus package for the region which saw over \$90 million of government funding invested in new infrastructure across the region including new projects such as the Gippsland Regional Aquatic Centre, Gippsland Regional Cricketing Centre, and the Morwell to Traralgon shared pathway. Along with this there were also upgrades to existing infrastructure including Gippsland Sport and Entertainment Park, Morwell Recreation Reserve, and the Gippsland Regional Indoor Sports Stadium.

Additionally, Council is nearing completion of the construction of the \$40 million Gippsland Performing Arts Centre, and \$10 million has been committed for

the upgrade of Kernot Hall and delivery of stage 2 of the Moe Rail Precinct project.

These new and upgraded facilities are a magnificent addition to the region and cement Council's position as one of Victoria's major regional cities. However, the addition of such infrastructure also comes with the need to run and maintain such facilities, which adds financial stress on the organisation's limited financial resources in a time when Council's rates revenue is contracting due to the closure and impending closure of the regions power stations.

This presents two major challenges for Council:

1. The closure of Yallourn power station in 2027/28

- The closure will result in a reduction of approximately \$2 million in rates revenue from 2027/28.
- As Council is constrained by the rate cap, and generators sit outside the rate cap process, the only means available to recover the lost revenue would be via an application seeking a variation to the rate cap. The deliberative engagement undertaken with the community identified that the community had little to no appetite for a rate cap variation.
- Therefore, in preparation for the closure of Yallourn, the financial plan includes annual savings of \$0.4 million per year for a period of five years to prepare for the impending reduction in revenue.
- How Council will achieve these savings has not yet been identified.

2. Expansion of infrastructure

- Depreciation costs associated with buildings and recreation facilities have increased by more than \$3 million since 2018/19, due primarily to the \$90M of infrastructure improvements.
- At some point in the future each asset will need to be replaced or renewed for the infrastructure to continue to meet the expectations of the community.
- The injection of \$90 million of community infrastructure has further added to the impending renewal gap, being the difference between the actual annual capital renewal expenditure and the annual depreciation expense.
- Within the current term of this plan, Council is unable to increase renewal expenditure to a level where it is equivalent to annual depreciation, while there is no immediate need for this to occur, it will become critical at some point in the future and Council will likely face the need to either rationalise assets or services in order to remain financially sustainable.
- This challenge remains to be solved and is reflected in a diminishing infrastructure renewal ratio and ongoing underlying deficits.

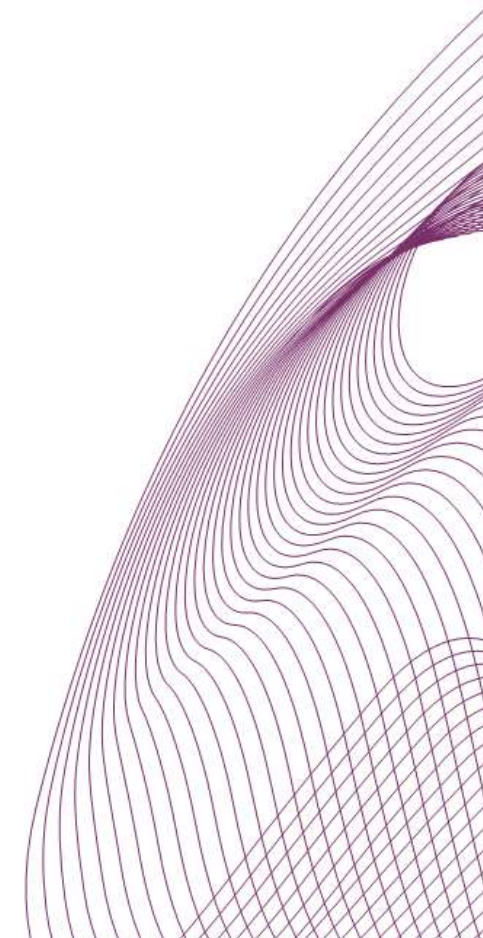
Development Contribution Plan (DCP)

Developer contribution plans set out the requirements proposed to fund, plan and deliver infrastructure and services to meet the needs of the residents within the area covered by the DCP. While the developers are required to fund the requirements of the developed area it often also requires Council to provide certain shared infrastructure and to fund infrastructure in the interim while waiting for contributions from developers who may be many years from developing. For example, a development may need a bridge to access the area, while the bridge will be jointly paid for by all the developers in the DCP, some may not contribute to the cost of the bridge for many years as contributions are only paid when their area is developed. Therefore, council is required to fund the shortfall until contributions are received in the future.

The timing of contributions is linked to the progression of the development, therefore the amount of funding required, and the timing of funding requirements by Council is not easily identifiable. It is assumed in this plan that any bridging funding requirements by Council will be borrowed from internal cash reserves, the amount borrowed will fluctuate year on year and is estimated to be a maximum requirement of approximately \$10 million. There will also be a requirement to fund over \$10 million of Council funded infrastructure assets, which are assumed will be funded through new borrowings. However, these borrowings have not been included in this plan as further works are required to identify when these borrowings will be necessary before they can be built into the plan.

Current DCPs include:

- Morwell North West
- Traralgon North
- Lake Narracan



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

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3.1 Comprehensive Income Statement

	Forecast / Actual Assumptions	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
Income												
Rates and charges		81,667	83,713	85,678	87,892	90,049	92,200	94,394	94,375	96,562	98,794	101,070
Statutory fees and fines		2,152	2,545	2,590	2,642	2,695	2,748	2,803	2,860	2,917	2,975	3,035
User fees		9,634	11,666	9,773	9,969	10,168	10,371	10,579	10,791	11,006	11,226	11,451
Grants - Operating		28,125	26,630	23,695	23,106	23,337	23,571	23,807	24,045	24,285	24,528	24,773
Grants - Capital		33,551	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Contributions - monetary		429	90	92	94	96	98	100	102	104	106	108
Contributions - non-monetary		4,000	4,000	4,070	4,151	4,234	4,319	4,405	4,494	4,583	4,675	4,769
Other income		3,047	3,073	3,224	3,284	3,344	3,406	3,469	3,534	3,599	3,666	3,735
Total income		162,605	133,418	130,822	132,837	135,624	138,414	141,258	141,898	144,757	147,670	150,639
Expenses												
Employee costs		61,688	66,645	58,571	58,732	59,904	61,101	62,321	63,566	64,835	66,130	67,451
Materials and services		46,505	36,188	36,631	37,301	37,891	38,649	39,422	40,211	41,015	41,835	42,672
Depreciation		29,772	30,226	31,782	32,350	32,929	33,521	34,124	34,739	35,366	36,006	36,658
Amortisation - intangible assets		630	93	733	733	733	733	733	733	733	733	733
Amortisation - right of use assets		39	38	23	23	23	23	23	23	23	23	23
Bad and doubtful debts		10	11	11	11	11	11	11	12	12	12	12
Borrowing costs		621	562	508	456	406	355	171	118	69	24	(0)
Finance Costs - leases		29	28	27	27	26	25	25	24	23	23	22
Other expenses		4,606	3,607	3,670	3,744	3,818	3,895	3,973	4,052	4,133	4,216	4,300
Total expenses		143,900	137,398	131,955	133,375	135,743	138,313	140,803	143,477	146,208	149,002	151,870
Surplus/(deficit) for the year		18,705	(3,980)	(1,133)	(538)	(119)	101	455	(1,578)	(1,451)	(1,332)	(1,231)
Other comprehensive income												
Items that will not be reclassified to surplus or deficit in future periods												
Net asset revaluation increment/(decrement)		2,000	25,686	25,818	25,906	25,991	26,073	26,152	26,222	26,283	26,344	26,399
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-	-	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods (detail as appropriate)												
		-	-	-	-	-	-	-	-	-	-	-
Total comprehensive result		20,705	21,706	24,685	25,368	25,872	26,174	26,607	24,644	24,832	25,013	25,168

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3.2 Balance Sheet

Forecast / Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	14,861	15,445	16,440	16,895	17,737	21,218	25,890	29,229	34,829	38,082	41,336
Trade and other receivables	6,320	6,733	6,630	6,770	6,951	7,089	7,256	7,252	7,414	7,586	7,782
Other financial assets	60,169	41,169	44,257	47,576	51,144	51,144	51,144	51,144	51,144	51,144	51,144
Other assets	4,778	4,778	4,778	4,778	4,778	4,778	4,778	4,778	4,778	4,778	4,778
Total current assets	86,128	68,125	72,105	76,018	80,610	84,230	89,067	92,404	98,165	101,590	105,040
Non-current assets											
Trade and other receivables	8	8	8	8	9	9	9	9	9	9	9
Property, infrastructure, plant & equipment	1,284,282	1,314,564	1,331,836	1,350,432	1,370,378	1,388,281	1,407,187	1,427,143	1,445,115	1,464,308	1,487,241
Right-of-use assets	684	646	623	600	577	554	531	508	485	462	439
Intangible assets	4	-	-	-	-	-	-	-	-	-	-
Landfill rehabilitation intangible asset	89	-	1,467	734	1	1,468	735	2	1,469	736	3
Total non-current assets	1,285,067	1,315,219	1,333,934	1,351,775	1,370,964	1,390,311	1,408,462	1,427,662	1,447,078	1,465,515	1,487,692
Total assets	1,371,195	1,383,343	1,406,039	1,427,793	1,451,574	1,474,541	1,497,529	1,520,066	1,545,243	1,567,105	1,592,733
Liabilities											
Current liabilities											
Trade and other payables	17,201	14,453	13,779	13,906	14,189	14,473	14,763	15,017	15,359	15,666	15,980
Trust funds and deposits	3,312	3,362	3,421	3,489	3,559	3,630	3,702	3,777	3,852	3,929	3,929
Provisions	19,093	16,079	16,709	15,611	15,854	17,698	16,432	16,841	18,401	17,523	17,794
Interest-bearing loans and borrowings	2,461	2,520	2,439	2,489	5,889	2,591	2,644	2,411	2,455	(0)	(0)
Lease liabilities	28	14	14	15	15	16	17	17	18	19	19
Total current liabilities	42,095	36,427	36,361	35,510	39,506	38,408	37,558	38,062	40,085	37,137	37,722
Non-current liabilities											
Provisions	10,439	9,090	9,619	9,362	9,179	9,677	9,569	9,385	10,180	9,996	9,890
Interest-bearing loans and borrowings	23,443	20,918	18,479	15,990	10,101	7,510	4,866	2,455	-	-	-
Lease liabilities	678	663	649	633	617	601	584	567	549	530	511
Total non-current liabilities	34,560	30,671	28,747	25,985	19,896	17,788	15,018	12,407	10,729	10,526	10,401
Total liabilities	76,655	67,098	65,108	61,494	59,402	56,195	52,576	50,469	50,814	47,663	48,122
Net assets	1,294,540	1,316,246	1,340,931	1,366,299	1,392,172	1,418,346	1,444,953	1,469,597	1,494,429	1,519,442	1,544,610
Equity											
Accumulated surplus	803,126	799,056	797,831	797,199	796,985	796,988	797,344	795,664	794,109	792,671	791,333
Reserves	491,414	517,190	543,100	569,100	595,187	621,358	647,610	673,933	700,320	726,770	753,277
Total equity	1,294,540	1,316,246	1,340,931	1,366,299	1,392,172	1,418,346	1,444,953	1,469,597	1,494,429	1,519,442	1,544,610

3.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021 Forecast Actual				
Balance at beginning of the financial year	1,273,835	784,822	484,435	4,578
Surplus/(deficit) for the year	18,705	18,705	-	-
Net asset revaluation increment/(decrement)	2,000	-	2,000	-
Transfers (to)/from other reserves	-	(401)	-	401
Balance at end of the financial year	1,294,540	803,126	486,435	4,979
2022				
Balance at beginning of the financial year	1,294,540	803,126	486,435	4,979
Surplus/(deficit) for the year	(3,980)	(3,980)	-	-
Net asset revaluation increment/(decrement)	25,686	-	25,686	-
Transfers (to)/from other reserves	(0)	(90)	-	90
Balance at end of the financial year	1,316,246	799,056	512,121	5,069
2023				
Balance at beginning of the financial year	1,316,246	799,056	512,121	5,069
Surplus/(deficit) for the year	(1,133)	(1,133)	-	-
Net asset revaluation increment/(decrement)	25,818	-	25,818	-
Transfers (to)/from other reserves	0	2(92)	-	92
Balance at end of the financial year	1,340,931	797,831	537,939	5,161
2024				
Balance at beginning of the financial year	1,340,931	797,831	537,939	5,161
Surplus/(deficit) for the year	(538)	(538)	-	-
Net asset revaluation increment/(decrement)	25,906	-	25,906	-
Transfers (to)/from other reserves	0	(94)	-	94
Balance at end of the financial year	1,366,299	797,199	563,845	5,255
2025				
Balance at beginning of the financial year	1,366,299	797,199	563,845	5,255
Surplus/(deficit) for the year	(119)	(119)	-	-
Net asset revaluation increment/(decrement)	25,991	-	25,991	-
Transfers (to)/from other reserves	0	(96)	-	96
Balance at end of the financial year	1,392,172	796,985	589,836	5,351

3.3 Statement of Changes in Equity (cont.)

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2026				
Balance at beginning of the financial year	1,392,172	796,985	589,836	5,351
Surplus/(deficit) for the year	101	101	-	-
Net asset revaluation increment/(decrement)	26,073	-	26,073	-
Transfers (to)/from other reserves	0	(98)	-	98
Balance at end of the financial year	1,418,346	796,988	615,909	5,449
2027				
Balance at beginning of the financial year	1,418,346	796,988	615,909	5,449
Surplus/(deficit) for the year	455	455	-	-
Net asset revaluation increment/(decrement)	26,152	-	26,152	-
Transfers (to)/from other reserves	0	(100)	-	100
Balance at end of the financial year	1,444,953	797,344	642,062	5,548
2028				
Balance at beginning of the financial year	1,444,953	797,344	642,062	5,548
Surplus/(deficit) for the year	(1,578)	(1,578)	-	-
Net asset revaluation increment/(decrement)	26,222	-	26,222	-
Transfers (to)/from other reserves	0	(102)	-	102
Balance at end of the financial year	1,469,597	795,664	668,284	5,650
2029				
Balance at beginning of the financial year	1,469,597	795,664	668,284	5,650
Surplus/(deficit) for the year	(1,451)	(1,451)	-	-
Net asset revaluation increment/(decrement)	26,283	-	26,283	-
Transfers (to)/from other reserves	(0)	(104)	-	104
Balance at end of the financial year	1,494,429	794,109	694,567	5,753
2030				
Balance at beginning of the financial year	1,494,429	794,109	694,567	5,753
Surplus/(deficit) for the year	(1,332)	(1,332)	-	-
Net asset revaluation increment/(decrement)	26,344	-	26,344	-
Transfers (to)/from other reserves	(0)	(106)	-	106
Balance at end of the financial year	1,519,442	792,671	720,911	5,859
2031				
Balance at beginning of the financial year	1,519,442	792,671	720,911	5,859
Surplus/(deficit) for the year	(1,231)	(1,231)	-	-
Net asset revaluation increment/(decrement)	26,399	-	26,399	-
Transfers (to)/from other reserves	(0)	(108)	-	108
Balance at end of the financial year	1,544,610	791,333	747,311	5,967

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3.4 Statement of Cash Flows

Forecast / Actual	20 20/21	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	82,031	83,707	85,551	87,768	89,902	92,066	94,257	94,405	96,411	98,654	100,927
Statutory fees and fines	2,152	2,800	2,846	2,903	2,960	3,020	3,080	3,142	3,204	3,269	3,334
User fees	9,634	12,832	10,863	10,954	11,170	11,395	11,623	11,858	12,091	12,335	12,581
Grants - operating	28,126	26,630	23,734	23,115	23,333	23,567	23,803	24,042	24,280	24,524	24,769
Grants - capital	33,551	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Contributions - monetary	429	90	92	94	96	98	100	102	104	106	108
Interest received	700	250	250	250	250	250	250	250	250	250	250
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits taken	65	50	59	68	70	71	73	74	76	77	-
Other receipts	2,346	3,105	3,262	3,334	3,399	3,468	3,537	3,608	3,679	3,754	3,829
Net GST refund / payment	2,000	4,581	4,125	4,237	4,441	4,350	4,514	4,709	4,630	4,821	5,273
Employee costs	(61,357)	(67,518)	(59,004)	(58,386)	(59,426)	(60,630)	(61,843)	(63,096)	(64,324)	(65,628)	(66,940)
Materials and services	(53,757)	(41,290)	(40,198)	(40,908)	(41,531)	(42,351)	(43,198)	(44,085)	(44,919)	(45,842)	(46,759)
Short-term, low value and variable lease payments	(134)	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits repaid	-	-	-	-	-	-	-	-	-	-	-
Other payments	(9,150)	(8,363)	(5,046)	(5,440)	(4,102)	(4,103)	(5,702)	(4,188)	(4,344)	(5,649)	(4,512)
Net cash provided by/(used in) operating activities	36,636	18,574	28,234	29,688	32,261	32,901	32,193	32,519	32,837	32,371	34,560
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(85,824)	(34,436)	(21,632)	(23,539)	(25,486)	(23,718)	(25,315)	(26,984)	(25,338)	(27,229)	(31,910)
Proceeds from sale of property, infrastructure, plant and equipment	369	531	550	561	572	584	595	607	619	632	644
Payments for investments	-	-	(3,088)	(3,319)	(3,568)	-	-	-	-	-	-
Proceeds from sale of investments	10,000	19,000	-	-	-	-	-	-	-	-	-
Loan and advances made	-	-	-	-	-	-	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by/ (used in) investing activities	(75,455)	(14,905)	(24,169)	(26,297)	(28,482)	(23,135)	(24,719)	(26,377)	(24,718)	(26,597)	(31,266)
Cash flows from financing activities											
Finance costs	(621)	(562)	(508)	(456)	(406)	(355)	(171)	(118)	(69)	(24)	0
Proceeds from borrowings	18,200	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(2,572)	(2,466)	(2,520)	(2,439)	(2,489)	(5,889)	(2,591)	(2,644)	(2,411)	(2,455)	-
Interest paid - lease liability	(29)	(28)	(27)	(27)	(26)	(25)	(25)	(24)	(23)	(23)	(22)
Repayment of lease liabilities	(29)	(29)	(14)	(15)	(16)	(15)	(16)	(17)	(17)	(18)	(19)
Net cash provided by/(used in) financing activities	14,949	(3,085)	(3,069)	(2,937)	(2,937)	(6,285)	(2,803)	(2,803)	(2,519)	(2,520)	(41)
Net increase/(decrease) in cash & cash equivalents	(23,870)	584	995	454	842	3,482	4,671	3,340	5,599	3,253	3,254
Cash & cash equivalents at the beginning of the financial year	38,731	14,861	15,445	16,440	16,895	17,737	21,218	25,890	29,229	34,829	38,082
Cash & cash equivalents at the end of the financial year	14,861	15,445	16,440	16,895	17,737	21,218	25,890	29,229	34,829	38,082	41,336

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Latrobe City Council

Financial Plan 2021–2025

3.5 Statement of Capital Works

Forecast / Actual	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Land	300	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-
Total land	300	-	-	-	-	-	-	-	-	-	-
Buildings	53,440	4,771	2,917	3,145	3,436	3,676	3,678	3,693	4,158	4,339	4,766
Heritage buildings	328	-	-	-	-	-	-	-	-	-	-
Total buildings	53,768	4,771	2,917	3,145	3,436	3,676	3,678	3,693	4,158	4,339	4,766
Total property	54,068	4,771	2,917	3,145	3,436	3,676	3,678	3,693	4,158	4,339	4,766
Plant and equipment											
Heritage plant and equipment	22	15	16	16	16	17	17	17	18	18	18
Plant, machinery and equipment	2,504	2,605	2,003	2,043	2,084	2,125	2,168	2,211	2,255	2,301	2,347
Fixtures, fittings and furniture	10	10	10	11	11	11	11	11	12	12	12
Computers and telecommunications	569	600	624	637	649	662	676	689	703	717	731
Library books	-	-	-	-	-	-	-	-	-	-	-
Total plant and equipment	3,105	3,230	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108
Infrastructure											
Roads	16,863	10,206	10,543	10,773	11,009	11,195	11,385	11,579	11,776	11,978	14,418
Bridges	1,686	445	468	478	487	497	507	517	527	538	549
Footpaths and cycleways	2,084	1,208	1,285	1,311	1,337	1,364	1,391	1,419	1,447	1,476	1,505
Drainage	158	503	494	557	568	580	591	603	615	627	640
Recreational, leisure and community facilities	1,892	-	368	413	433	442	450	459	469	478	488
Waste management	2,311	2,530	-	1,061	2,165	-	1,126	2,297	-	1,195	2,438
Parks, open space and streetscapes	2,472	8,170	676	690	704	718	732	747	762	777	792
Aerodromes	-	-	-	-	-	-	-	-	-	-	-
Off street car parks	345	243	260	265	271	276	282	287	293	299	305
Other infrastructure	840	-	-	-	-	-	-	-	-	-	-
Total infrastructure	28,651	23,305	14,095	15,548	16,973	15,070	16,464	17,908	15,889	17,367	21,135
Total capital works expenditure	85,824	31,306	19,665	21,399	23,169	21,562	23,013	24,531	23,034	24,753	29,009
Represented by:											
New asset expenditure	50,905	7,945	453	462	471	464	473	482	492	502	512
Asset renewal expenditure	23,733	20,801	19,213	20,937	22,699	21,098	22,540	24,048	22,542	24,251	28,497
Asset expansion expenditure	965	-	-	-	-	-	-	-	-	-	-
Asset upgrade expenditure	10,221	2,560	-	-	-	-	-	-	-	-	-
Total capital works expenditure	85,824	31,306	19,665	21,399	23,169	21,562	23,013	24,531	23,034	24,753	29,009
Funding sources represented by:											
Grants	33,551	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Contributions	-	-	-	-	-	-	-	-	-	-	-
Council cash	44,073	29,606	17,965	19,699	21,469	19,862	21,313	22,831	21,334	23,053	27,309
Borrowings	8,200	-	-	-	-	-	-	-	-	-	-
Total capital works expenditure	85,824	31,306	19,665	21,399	23,169	21,562	23,013	24,531	23,034	24,753	29,009

3.6 Statement of Human Resources

Staff expenditure	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total staff expenditure											
Male	16,058	17,706	16,925	17,377	17,723	18,078	18,439	18,739	19,084	19,495	19,885
Female	45,557	48,855	41,571	41,279	42,025	42,865	43,721	44,395	45,211	46,186	47,108
Self-described gender	73	84	76	76	155	158	161	432	440	449	458
Total staff expenditure	61,688	66,645	58,571	58,732	59,904	61,101	62,321	63,566	64,735	66,130	67,451
Permanent full time											
Male	14,609	16,739	14,874	14,915	15,135	15,438	15,746	16,060	16,356	16,708	17,042
Female	9,376	9,169	7,892	7,914	8,072	8,233	8,398	8,566	8,723	8,911	9,089
Self-described gender	73	84	76	76	155	158	161	165	168	171	175
Total	24,058	25,992	22,843	22,905	23,363	23,829	24,305	24,791	25,247	25,791	26,306
Permanent part time											
Male	1,929	2,349	2,269	2,220	2,292	2,338	2,384	2,403	2,447	2,500	2,550
Female	19,662	20,977	18,231	18,336	18,675	19,048	19,428	19,578	19,938	20,368	20,775
Self-described gender	-	-	-	-	-	-	-	267	272	278	283
Total	21,591	23,326	20,500	20,556	20,966	21,385	21,812	22,248	22,657	23,146	23,608
Staff numbers											
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Total staff numbers											
Male	265	284	280	279	279	279	279	278	278	278	278
Female	753	784	688	663	662	662	662	660	660	660	660
Self-described gender	1	1	1	1	2	2	2	5	5	5	5
Total staff numbers	1,019	1,069	969	943	943	943	943	943	943	943	943
Permanent full time											
Male	201	199	196	196	195	195	195	195	195	195	195
Female	129	109	104	104	104	104	104	104	104	104	104
Self-described gender	1	1	1	1	2	2	2	2	2	2	2
Total	331	309	301	301	301	301	301	301	301	301	301
Permanent part time											
Male	26	29	28	27	27	27	27	27	27	27	27
Female	265	259	225	223	220	220	220	220	220	220	220
Self-described gender	-	-	-	-	-	-	-	3	3	3	3
Total	291	288	253	250	247	247	247	250	250	250	250

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.



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4. Financial Performance Indicators

Indicator	Measure	Forecast / Actual										
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Operating position												
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	-14.3%	-7.7%	-5.6%	-5.1%	-4.7%	-4.5%	-4.3%	-5.8%	-5.7%	-5.5%	-5.4%
Liquidity												
Working Capital	Current assets / current liabilities	204.6%	187.0%	198.3%	214.1%	204.0%	219.3%	237.1%	242.8%	244.9%	273.6%	278.5%
Unrestricted cash	Unrestricted cash / current liabilities	15.6%	19.3%	21.6%	23.0%	22.3%	31.6%	44.3%	52.0%	62.9%	76.2%	83.4%
Obligations												
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	35.3%	31.0%	27.2%	23.4%	19.7%	12.1%	8.8%	5.6%	2.7%	-0.0%	-0.0%
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	4.4%	4.0%	3.9%	3.7%	3.6%	7.5%	3.2%	3.2%	2.8%	2.7%	-0.0%
Indebtedness	Non-current liabilities / own source revenue	35.8%	30.4%	28.4%	25.0%	18.7%	16.4%	13.5%	11.1%	9.4%	9.0%	8.7%
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	114.0%	77.3%	60.5%	64.7%	68.9%	62.9%	66.1%	69.2%	63.7%	67.4%	77.7%
Stability												
Rates concentration	Rate revenue / adjusted underlying revenue	58.2%	59.2%	61.6%	62.3%	62.6%	62.9%	63.1%	64.3%	64.5%	64.7%	64.9%
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Efficiency												
Expenditure level	Total expenses/ no. of property assessments	\$3,702	\$3,483	\$3,321	\$3,334	\$3,369	\$3,409	\$3,447	\$3,488	\$3,529	\$3,572	\$3,615
Revenue level	Total rate revenue / no. of property assessments	\$2,101	\$2,122	\$2,157	\$2,197	\$2,235	\$2,273	\$2,311	\$2,294	\$2,331	\$2,368	\$2,406

5. Strategies & Plans

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



5.1 Borrowing Strategy

Current Debt Position

The total amount borrowed as at 30 June 2021 is \$25.9 million.

Council's current borrowings primarily relate to a range of major infrastructure projects including the construction of the Gippsland Regional Aquatic Centre, Gippsland Performing Arts Centre, Gippsland Indoor Sports Stadium, Stage 2 of the Moe Rail Precinct and upgrade to Kernot Hall in Morwell.

Loans are fixed interest spanning 10 years with all current borrowings due to be repaid by June 2029.

Future Borrowing Requirements

The Financial Plan does not include new borrowings beyond 2020/21, as there are currently no new major infrastructure projects identified. Borrowings are normally used in conjunction with other government funding opportunities, these opportunities are considered as they become available.

5.2 Reserves Strategy

Current Reserves

Restricted

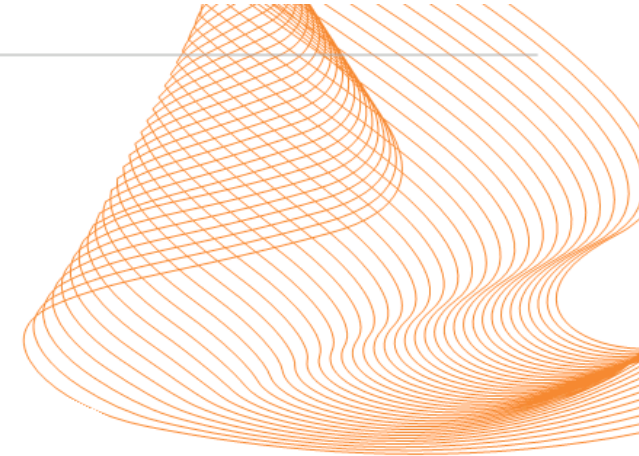
- Public Open Space Reserve – established in accordance with the *Subdivision Act 1988* and used to develop strategically located reserves, parks and recreation facilities for the benefit of the residents in the municipality.
- Developer Contributions Reserve – contains contributions received from developers associated with DCP schemes to be used to fund identified items within the scheme

Unrestricted

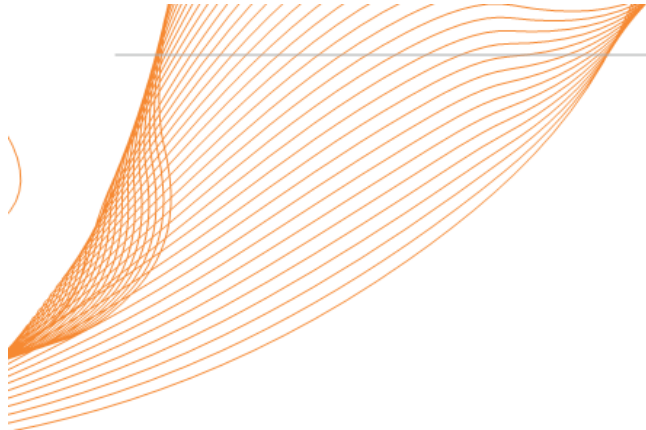
- Waste and Landfill Reserve – is funded through the garbage charge and is used to fund whole of life costs associated with the collection, processing, disposal, and lifetime management and rehabilitation of existing and legacy landfill sites.
- Loan Repayment Reserve – Council has an interest only loan that is funded through the Local Government Funding Vehicle, each year a portion of the principal is placed in reserve so that there are sufficient funds available at the time of maturity to extinguish the loan.
- Defined Benefits Superannuation Call Reserve – Council is required to contribute to a defined benefits superannuation scheme on behalf of present and past employees. There have previously been two occasions when Council has been required to contribute to the topping up of the fund.

5.2 Reserve Usage Projections

The table below discloses the balance and annual movement for each reserve over the 10-year life of the Financial Plan. Total amount of reserves, for each year, is to align with the Statement of Changes in Equity.

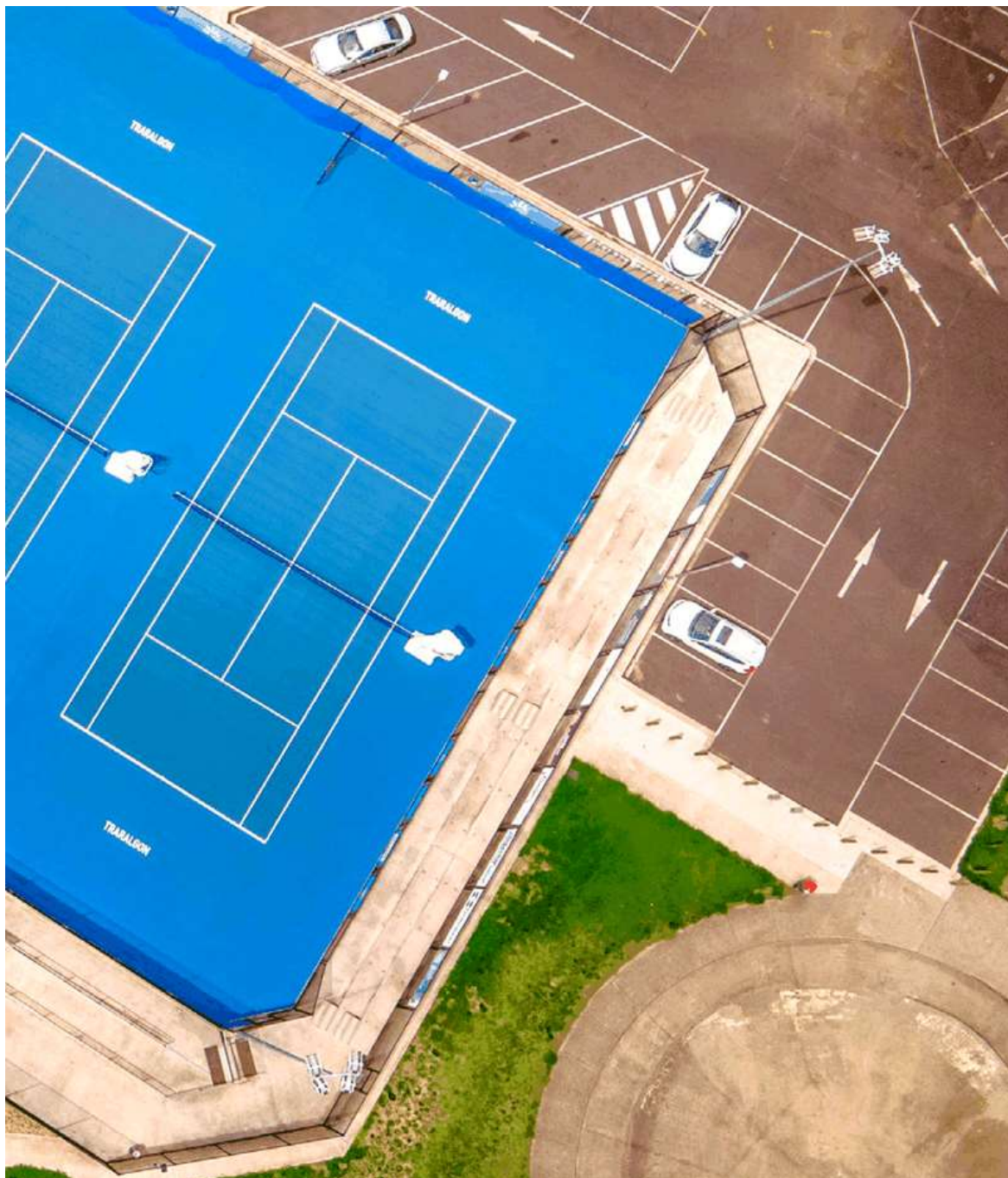


Reserves	Restricted / Discretionary	2020-21 \$000's	2021-22 \$000's	2022-23 \$000's	2023-24 \$000's	2024-25 \$000's	2025-26 \$000's	2026-27 \$000's	2027-28 \$000's	2028-29 \$000's	2029-30 \$000's	2030-31 \$000's
Public Open Space Reserve	Restricted											
Opening balance		1,260	1,661	1,706	1,752	1,799	1,847	1,896	1,946	1,997	2,049	2,102
Transfer to reserve		401	45	46	47	48	49	50	51	52	53	54
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		1,661	1,706	1,752	1,799	1,847	1,896	1,946	1,997	2,049	2,102	2,156
Development Contributions Reserve	Restricted											
Opening balance		3,318	3,318	3,363	3,409	3,456	3,504	3,553	3,602	3,653	3,704	3,757
Transfer to reserve		0	45	46	47	48	49	49	51	51	53	54
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		3,318	3,363	3,409	3,456	3,504	3,553	3,602	3,653	3,704	3,757	3,811
Reserves Summary	Total Restricted											
Opening balance		4,578	4,979	5,069	5,161	5,255	5,351	5,449	5,548	5,650	5,753	5,859
Transfer to reserve		401	90	92	94	96	98	99	102	103	106	108
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		4,979	5,069	5,161	5,255	5,351	5,449	5,548	5,650	5,753	5,859	5,967
Waste & Landfill Reserve	Discretionary											
Opening balance		21,802	18,892	15,355	18,448	20,255	22,469	27,022	29,029	31,562	36,422	38,972
Transfer to reserve		0	0	3,093	1,807	2,214	4,553	2,007	2,533	4,860	2,550	2,638
Transfer from reserve		-2,910	-3,537	0	0	0	0	0	0	0	0	0
Closing balance		18,892	15,355	18,448	20,255	22,469	27,022	29,029	31,562	36,422	38,972	41,610



Reserves	Restricted / Discretionary	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
Loan Repayment Reserve	Discretionary											
Opening balance		0	670	1,340	2,010	2,680	3,350	0	0	0	0	0
Transfer to reserve		670	670	670	670	670	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	-3350	0	0	0	0	0
Closing balance		670	1,340	2,010	2,680	3,350	0	0	0	0	0	0
Unfunded Defined Benefits Superannuation Reserve	Discretionary											
Opening balance		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Reserves Summary	Total Discretionary											
Opening balance		23,302	21,062	18,195	21,958	24,435	27,319	28,522	30,529	33,062	37,922	40,472
Transfer to reserve		670	670	3763	2477	2884	4553	2007	2533	4860	2550	2638
Transfer from reserve		-2,910	-3537	0	0	0	-3350	0	0	0	0	0
Closing balance		21,062	18,195	21,958	24,435	27,319	28,522	30,529	33,062	37,922	40,472	43,110
Reserves Summary	Restricted & Discretionary											
Opening balance		27,880	26,041	23,264	27,119	29,690	32,670	33,971	36,077	38,712	43,675	46,331
Transfer to reserve		1071	760	3855	2571	2980	4651	2106	2635	4963	2656	2746
Transfer from reserve		-2910	-3537	0	0	0	-3350	0	0	0	0	0
Closing balance		26,041	23,264	27,119	29,690	32,670	33,971	36,077	38,712	43,675	46,331	49,077





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Service Centres & Libraries

Morwell

Corporate Headquarters
141 Commercial Road, Morwell

Morwell Library
63-65 Elgin Street, Morwell

Moe

Moe Service Centre and Library
1-29 George Street, Moe

Traralgon

Traralgon Service Centre and Library
34-38 Kay Street, Traralgon

Churchill

Churchill Community Hub
9-11 Philip Parade, Churchill