



We plan for our region's financial future by preparing and updating financial planning documents required by local government legislation and other financial sustainability initiatives for today and tomorrow.



2.1 FINANCIAL PLANNING

What we do

We prepare for Council the 5 key financial documents that are required to form part of a local government's system of financial management (Section 104 of the *Local Government Act 2009*):

- 5-year corporate plan (Section 104 (5) (a) (i))
- Long-term asset management plan (Section 104 (5) (a) (ii))
- Long-term financial forecast (Section 104 (5) (a) (iii))
- Annual budget (Section 104 (5) (a) (iv))
- Annual operational plan (Section 104 (5) (a) (iv))

We aim to consider the short-term and longer term financial impacts of Council's policy development and decisions, on behalf of current and future residents.

For the new Corporate Plan, Council aims to demonstrate that it is representing the current and future interests of its residents by:

- ensuring financial plans extend beyond one decision and one financial year (current year budget integrated with its long-term forecast);
- planning for high value infrastructure and assets well in advance (looking forward for the next decade and beyond) and preparing business cases for major investments;
- having priority areas of focus for pursuit of grants.

Why we do it

It is often said that local government is the level of government closest to the people. Whilst this is a title that we value, it also presents challenges on a daily basis as there is the expectation that all requests made to Council can be implemented.

However, in local government, like any other tier of government, there are limited funds available. The elected members, and the employees who implement the elected Council's decisions, are constantly juggling many competing demands for Council services and projects. The task to prioritise the use of the limited funds is not an easy one, nor is how to get the balance right between raising rates and charges to meet more needs, and affordability of rates and charges in the community.

As well as juggling in the short term, all Councillors must represent the current and future interests of its residents. This means looking at the short term and longer term impacts of today's decisions. What is an easy or popular decision today, may create a financial burden for future ratepayers.

Our financial planning documents help us keep an eye on how our finances are tracking over the short, medium and long term.

What we must do

Local Government Act 2009

Local Government Regulation 2012

Australian Accounting Standards

Funding Guidelines (Queensland, Australian Governments)

Planning Act 2016

Did you know

From 2013/14 to 2019/20, **\$457.082 million** of grants, subsidies, contributions and donations have been secured to assist in funding services and projects for our region (Recurrent - \$164.478 million and Capital - \$292.604 million).

This has made an extraordinary difference to the level of service and the number of projects that could be delivered for our region's residents each year.



The Roma Saleyards Multi-Purpose Facility is an example of a project planned and advocated for over many years.

Officially opened on 26 January 2020, it was jointly funded by the Australian Government through the Building Better Regions Fund (\$3,961,483) and Queensland Government (\$3,698,983) in association with Saleyards Reserves (\$434,193) and Council (balance).

2.1 FINANCIAL PLANNING

Corporate Plan 2018-2023 and Operational Plan 2021/22

Corporate Plan (What we aim to do)	Operational Plan 2021/22
<p>2.1.1 Integrate financial planning documents into how we do business providing a line of sight for current and future residents from the elected Council's vision through to delivery of services and projects:</p> <ul style="list-style-type: none"> • a 5-year corporate plan • a long-term asset management plans • a long-term financial forecasts • an annual operational plan. • an annual budget including revenue statement . <p>(Section 104 (5) (a) of the <i>Local Government Act 2009</i>)</p>	<p>Annual review of corporate plan.</p> <p>Update/development of long-term asset management plans.</p> <p>Third party certification that our asset management system is compliant with Standard ISO 55001:2014.</p> <p>Long-term financial forecast adopted with the annual budget and consistent with the long-term asset management plans.</p> <p>Implementation of financial modelling software.</p> <p>Preparation and adoption of the annual operational plan.</p> <p>Adoption of the annual budget including revenue statement before 1 August to fund Council's operational plan for the year.</p>
<p>2.1.2 Implement initiatives to strengthen Council's financial sustainability by:</p> <p>Planning for:</p> <ul style="list-style-type: none"> - responsible surpluses - sufficient investment in asset renewals - net financial liabilities which can be serviced by our operating revenues. <p>Using key indicators of sustainability to measure progress over the short, medium and longer-term.</p>	<p>Measure/track indicators of financial sustainability on long term forecasts.</p> <p>Request QTC credit / sustainability review.</p>
<p>2.1.3 Consider both the short-term and longer term financial impacts of Council's policy development, plans, projects and decisions, on behalf of current and future residents.</p>	<p>Annual service</p> <p>Preparation of outline business cases for smaller projects.</p> <p>More detailed business cases for larger investment decisions.</p>
<p>2.1.4 Actively identify and apply for grant and subsidy opportunities to assist in funding capital works and provide services to the community.</p>	<p>Annual service</p> <p>Development of a "taxi rank" of shovel ready projects for advocacy and funding applications.</p>
<p>2.1.5 Develop and implement additional communication initiatives to keep our community and stakeholders updated about Council's financial plans.</p>	<p>Annual service</p> <p>Identification of additional initiatives through a proposed transparency hub on Council's website.</p>
<p>2.1.6 Implement financial modelling software and continue to enhance financial projections.</p>	<p>Rates revenue modelling including analysis of the State's annual valuation of all unimproved land and other financial forecasts.</p>
<p>2.1.7 Maintain financial and internal reserve accounts (restricted cash) for business activities to strengthen long term financial sustainability and assist with long term planning and budget decisions.</p>	<p>Annual service</p>
<p>2.1.8 Rebuild our financial system so that monitoring of budgets can be undertaken both regionally and locally for the new organisational structure.</p>	<p>New structure from 1 September 2021.</p>
<p>2.1.9 Provide budget reports to enable the elected Council and the management team to examine the budget from different perspectives.</p>	<p>Report budgets by:</p> <ul style="list-style-type: none"> – Responsibility (local and regional) – Fund (source – e.g. General rates and water/ sewerage/waste/special charges) – Function (e.g. Roads and drainage) – Whole of council (legislative)
<p>2.1.10 Document service levels and monitor changes to ensure service levels are affordable now and in the future - to maintain a responsible surplus.</p>	<p>Annual review of services by function / Identification of any budget impacts.</p> <p>(Done in conjunction with the annual operational plan and budget preparation).</p>
<p>2.1.11 Engage locally as part of planning regionally.</p>	<p>Preparation draft plans and budgets for Council consideration with local and regional input from our teams.</p> <p>Development of a snapshot of local priorities and challenges (e.g. Top 10) pre and post amalgamation.</p>

Annual services

What we do	Corporate plan reference	Target service levels
Short-term		
Project lifecycle financial planning	2.1.3	Progressive development and implementation of business cases. * Outline business cases prepared for budget deliberations. Detailed business cases predominantly for grant programs at this time.
Grant and subsidy applications	2.1.4	Review of funding rounds as announced, ensuring alignment with Council plans.
Alignment of plans and budget	2.1.1	Annual and periodic review to ensure alignment of budget and corporate and operational plans.
Budget (12 month financial plan)	2.1.1	Adopted annually in June or July.
Rates/revenue modelling and other financial forecasts	2.1.6	Model revenue and expenditure options.
Medium and long-term		
Asset management plans (10 year forward works programs)	2.1.1	Minimum annual review as plans are developed.
Local government infrastructure plan (LGIP)	4.7.1	Review on a 5 yearly basis (from adoption of the Planning Scheme – September 2017) – earlier if required. An Interim LGIP amendment was not progressed due to there being little overall change in the status of Council's plans for future trunk infrastructure identified in the Schedule of Works.
Long-term forecasts (10 year financial plan)	2.1.1 2.1.6	Adoption with the annual budget.
All timeframes		
Policies (Financial)	2.1.3	Initial development as the need is identified and then minimum annual review.
Council decisions	2.1.3 2.1.7	Financial implications included in all agenda reports where applicable.
Financial plan / budget communications		
Budget communications	2.1.5	Preparation and distribution of regional and local area publications about the annual budget and Council's financial plans.

Our business partners, stakeholders and customers



Queensland Government

Department of State Development, Infrastructure, Local Government and Planning
Queensland Audit Office

Australian Government

Other

Community
Ratepayers
External auditors
Internal auditors
Audit Committee
External valuers

How we are managing the key operational risks

Risk	Actions underway / planned
<ul style="list-style-type: none"> Financial sustainability over the longer term 	<ul style="list-style-type: none"> Measure progress having regard to the relevant local government financial sustainability measures that are determined by the Queensland Government: <ul style="list-style-type: none"> - Budget for a responsible operating surplus each year. - Plan for sufficient investment in the renewal of our infrastructure assets. - Ensure our net financial liabilities can be serviced by our operating revenue. Use borrowing capacity for asset management and intergenerational projects in an affordable manner and in line with Debt Policy. Seek opportunities to diversify our improve revenue streams. Actively pursue grant and subsidy opportunities with 'shovel ready' projects, supported by business cases. Actively monitor and invest cash to supplement rates and charges. Use rate modelling software to analyse valuation movements, model rating options and forecast revenue. Develop and implement an Efficiency Policy. Periodically request a QTC credit/sustainability review to monitor progress.
<ul style="list-style-type: none"> Asset management planning identifies a growing infrastructure backlog that requires funding 	<ul style="list-style-type: none"> Annual review of the asset management plans to: <ul style="list-style-type: none"> - develop a better understanding of the remaining useful lives of our asset base; - finetune whole of life costs; - integrate asset planning with budgeting and forecasting; - determine funding requirements. Benchmark our Asset management - Management system is compliant with Standard ISO 55001:2014. Maximise asset reliability, availability and performance through asset data collection, performance monitoring and proactive maintenance.

Our finances - Financial planning

Operations	2018/19 \$	2019/20 \$	2020/21 Quarter 4 review \$	2021/22 Cost and funding estimates \$	2021/22 Reduced budget \$
Operating expenses	-	\$315,481	\$311,000	\$295,727	\$286,974
Employee costs	-	205,225	211,000	195,727	195,727
Materials and services	-	110,256	100,000	100,000	91,247
Depreciation expense	-	-	-	-	-
Operating result / (deficit) - Contribution required from general revenue	-	(\$315,481)	(\$311,000)	(\$295,727)	(\$286,974)