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

## 4. STRATEGIES AND PLANS

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

### 4.1 BORROWING STRATEGY

Council borrowing strategy has been to reduce existing borrowings within the terms of its loan agreements. In 2021/22 Council intends to drawdown \$10.5 million in new borrowings to fund the construction of a new Yarrowonga Library and the Yarrowonga Sports Stadium and pay these debts off over ten years.

#### 4.1.1 CURRENT DEBT POSITION

The total amount borrowed as at 30 June 2021 is \$883,000.

#### 4.1.2 FUTURE BORROWING REQUIREMENTS

	Forecast										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	1,461	883	9,629	8,443	7,506	6,564	5,616	4,663	3,704	2,740	1,770
Plus New loans	-	10,500	-	-	-	-	-	-	-	-	-
Less Principal repayment	(578)	(1,754)	(1,186)	(937)	(942)	(948)	(953)	(959)	(964)	(970)	(975)
<b>Closing balance</b>	<b>883</b>	<b>9,629</b>	<b>8,443</b>	<b>7,506</b>	<b>6,564</b>	<b>5,616</b>	<b>4,663</b>	<b>3,704</b>	<b>2,740</b>	<b>1,770</b>	<b>795</b>
Interest payment	93	47	64	47	41	36	31	25	20	14	9



Performance Indicator	Target	Forecast										
		2020/21 %	2021/22 %	2022/23 %	2023/24 %	2024/25 %	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %	2030/31 %
Total borrowings / Rate revenue	Below 60%	15.57%	24.31%	20.80%	18.01%	15.34%	12.82%	10.42%	8.13%	5.95%	3.87%	1.89%
Debt servicing / Rate revenue	Below 5%	1.85%	4.61%	3.01%	2.30%	2.24%	2.17%	2.11%	2.06%	2.00%	1.94%	1.89%
Indebtedness / Own source revenue	Below 60%	41.18%	53.46%	51.63%	48.25%	45.00%	41.89%	38.86%	36.00%	33.23%	30.53%	27.91%

## 4.2 RESERVES STRATEGY

Council maintains three restricted reserves and three discretionary reserves.

### 4.2.1 CURRENT RESERVES

Moira Shire maintains the following reserves for future capital works:

#### Restricted

- **Recreational open space reserve** - established in accordance with the *Subdivision Act 1988* and used to develop strategically located parks and reserves for the benefit of the residents in the municipality.
- **Car parking reserve** - established under the *Planning and Environment Act 1987* and used to provide adequate car parking spaces within the municipality.
- **Net gain native vegetation reserve** - established under the *Planning and Environment Act 1987* and used to fulfil Council's obligation concerning planting of native vegetation.

#### Unrestricted

- **Botts Road – Murray Valley Highway intersection reserve** - established to allocate funds provided by developers to improving the intersection of Botts Road and the Murray Valley Highway in Yarrawonga.
- **Yarrawonga Wetlands drainage reserve** - established to allocate funds provided by developers to improving the drainage within the Yarrawonga wetlands.
- **Carried forward capital works reserve** – established to recognise capital works previously approved by Council in prior year's capital works programs but not completed at the end of the financial year.



[www.moiravic.gov.au](http://www.moiravic.gov.au)

**Phone** (03) 5871 9222 **NRS** 133 677

**Fax** (03) 5872 1567

**Email** [info@moiravic.gov.au](mailto:info@moiravic.gov.au)

**Mail** PO Box 578, Cobram Vic 3643

**Main Administration Centre**

44 Station Street, Cobram

**Service Centre**

100 Belmore Street, Yarrawonga