



Imagine

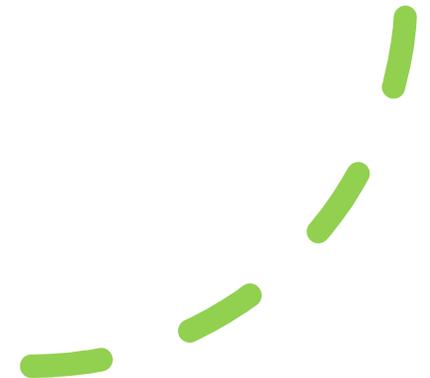
GREATER BENDIGO

10 Year Financial Planning
Nathan Morsillo - Bendigo

A question

Which is a bigger financial plan challenge?

- (a) accurate financial modelling; or
- (b) telling the story and getting people on-board where changes are needed?



Strategic planning principles

- An integrated approach to planning, monitoring and performance reporting
- Address the Community Vision
- Must take into account the resources needed for effective implementation
- Must address and identify the risks to effective implementation
- Must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances
- Annnnnd all those pesky Financial Planning Principles, and Service Planning Principles...



So many Strategic Plans...

- Greater Bendigo Health and Wellbeing Plan
- A Stronger Greater Bendigo 2030: Economic Development Strategy
- Greater CREATIVE Bendigo
- Barpangu: Aboriginal Reconciliation Plan
- Greater Bendigo Environment Strategy
- Greater Bendigo Cultural Diversity and Inclusion Plan
- Greater Bendigo Coalition for Gender Equity Strategy
- Greater Bendigo Local Planning Scheme
- Greater Bendigo Public Space Plan
- Connecting Greater Bendigo: Integrated Transport and Land Use Strategy
- Many more...



So... how did Bendigo put it together?

Bendigo Council Plan work began in October last year with fortnightly project meetings – led and chaired by Vicky Mason, a Director at the City. Developing relationships across that was how it worked in Bendigo.

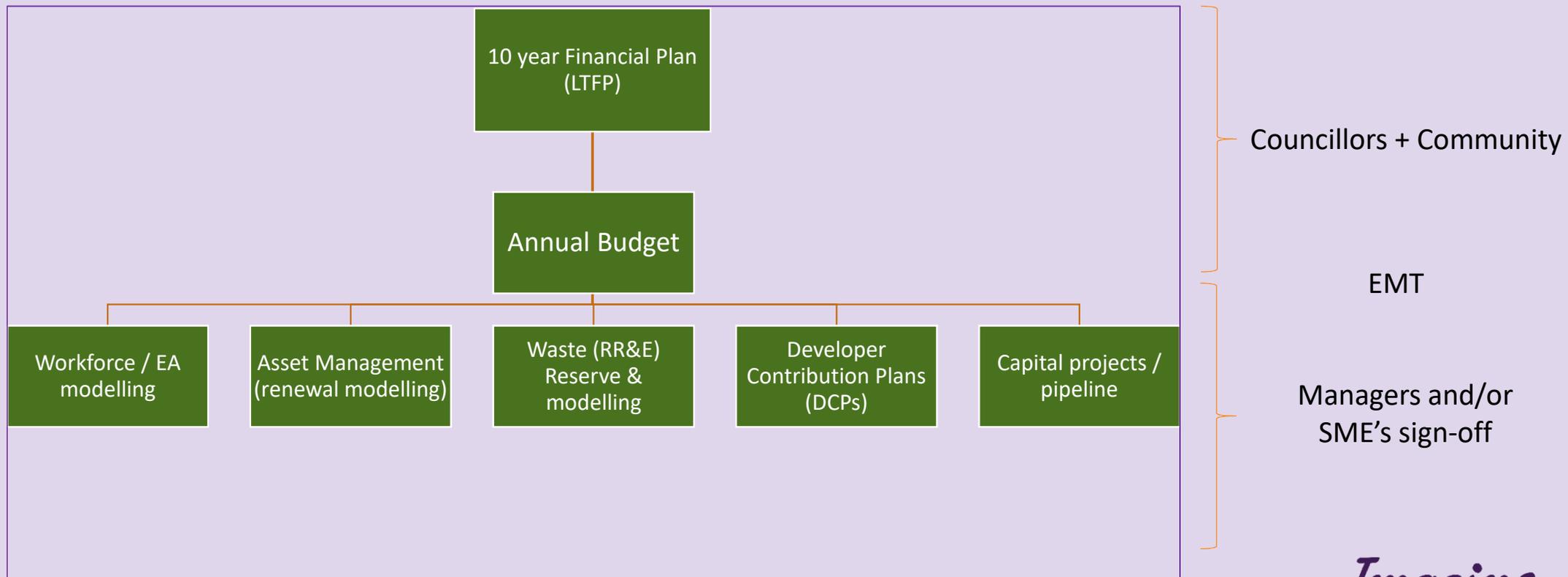
On the details of our model 10 Year Finance Plan:

- Tool = we are on CT Management's mega-excel pack
- Built up over a number of years – and significant work on the “sub-models” (not always 100%)
- Use risk framework language and strategic risk work if you have it in your organisation
- We did include and use VAGO indicators



Engaging internally

- Sub-models/inputs



How are you and your team engaging with the organisation, Councillors, and the community?

Plan to communicate... and communicate the story behind the numbers

- Internal = regular (twice yearly) Long Term Financial Plan (LTFP) briefings with EMT / Councillors
- Standard quarterly pack to include key VAGO indicators
- Imagine Bendigo 2021 had a few stages to our Community Vision & Plan process including:
 - Stage 1 (done) "Our Financial Story" – easy to read, set challenge ([link here](#))
 - Stage 2 (done) "Community Panels" – a (relative) priorities setting exercise (41 participants + 20 person Youth panel)
 - Stage 3 (in progress) Write the plan + go public for feedback:
 - This will go out in August Council Meeting, then be finally adopted at the October meeting. People have asked "do you have to?". Well no... but good community engagement "closes the loop".

How do you align to the Council Plan?

- We are still aligning this to our Council Plan... plans don't start from scratch - we have strategies and operations
- Our Council is refining priorities - and for 'flagship' priorities, we'll look at key opex/capex changes (or borrowings) that are needed
- Critical to this is the 'role' of Council – we particularly liked the Newcastle model here which is much clearer about Council's various roles:
 - **Provider** – Council directly provide services and/or infrastructure
 - **Regulator** – Council is responsible for regulating a range of activities throughout the municipality
 - **Partner** – Council has many partners across the community to deliver services, infrastructure and events
 - **Facilitator** – Council has a role in bringing groups of people and organisations together to support collaborations and new partnerships
 - **Advocate** – Council advocates on the behalf of the community to other levels of government and various other decision makers to deliver the best possible outcomes

Challenges

- Capital is still a challenge for us: a longer term capital pipeline is tricky as the reality is that many projects won't or don't happen without other State / Federal support – so control is limited.
- Aspirations are too high. Or in other words, difficulty in saying "no", or saying a very, very strong "not now".
- Difficult to keep it relevant at other levels (e.g. for some Managers showing the Why / WIFM = What's in it for me?)
- Service Levels and Service Planning – we've got some of it, but it's not strong enough to "link it strongly" to the finances per area. We do this globally, then by Directorate/Unit... still have a ways to go.
- Sector challenge next is to be able to engage on service levels, linked to finances. Really looking forward to other Council's who may have really nailed this process being able to share again.

A quick note on assumptions

- Here's a link to State Gov budget docs again in case you need it for CPI forecasts and some other economic data: [P.22 of this link](#).
- Don't forget the Superannuation increases in future years also here: <https://www.ato.gov.au/rates/key-superannuation-rates-and-thresholds/?anchor=Superguaranteepercentage>
- Otherwise it's "get in there and estimate", and then seek review and engage with Exec/others – or ask your neighboring Council.



Thanks!

Recap:

- *Plan to communicate, communicate the story behind the numbers.*
 - Write an engagement plan internally – doesn't have to be massive
 - Get someone outside of finance to help write the financial story part
 - Consider internal sign-offs with SME's (not just EMT / bureaucracy)
 - Plan for how this works over the coming year

Resources:

- Bendigo's version of "Our Financial Story" – narrative and background linked [here](#)

<https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.bndgo-letstalk.files/1416/1284/9466/Imagine-Greater-Bendigo-Our-financial-story.pdf>

- Our version of a "Let's Talk" website: <https://letstalkgreaterbendigo.com.au/imagine>
- State Government ratios/details: [P.22 of this link](#)

<https://s3-ap-southeast-2.amazonaws.com/budgetfiles202122.budget.vic.gov.au/2021-22+State+Budget+-+Strategy+and+Outlook.pdf>

- Superannuation increases - <https://www.ato.gov.au/rates/key-superannuation-rates-and-thresholds/?anchor=Superguaranteepercentage>
- All the LG Act Principles [here](#)

<https://www.localgovernment.vic.gov.au/council-governance/local-government-act-2020/principles-of-the-local-government-act-2020>

- The Financial Plan Model / Better Practice Guides here:

<https://www.localgovernment.vic.gov.au/strengthening-councils/sector-guidance-planning-and-reporting>

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Financial planning principles

Financial management principles (s 101) require councils to:

- manage finances in accordance with financial policies and strategic plans
- monitor and manage financial risks prudently
- provide stability and predictability in the financial impact of decisions
- explain the financial operations and financial position by keeping appropriate records

