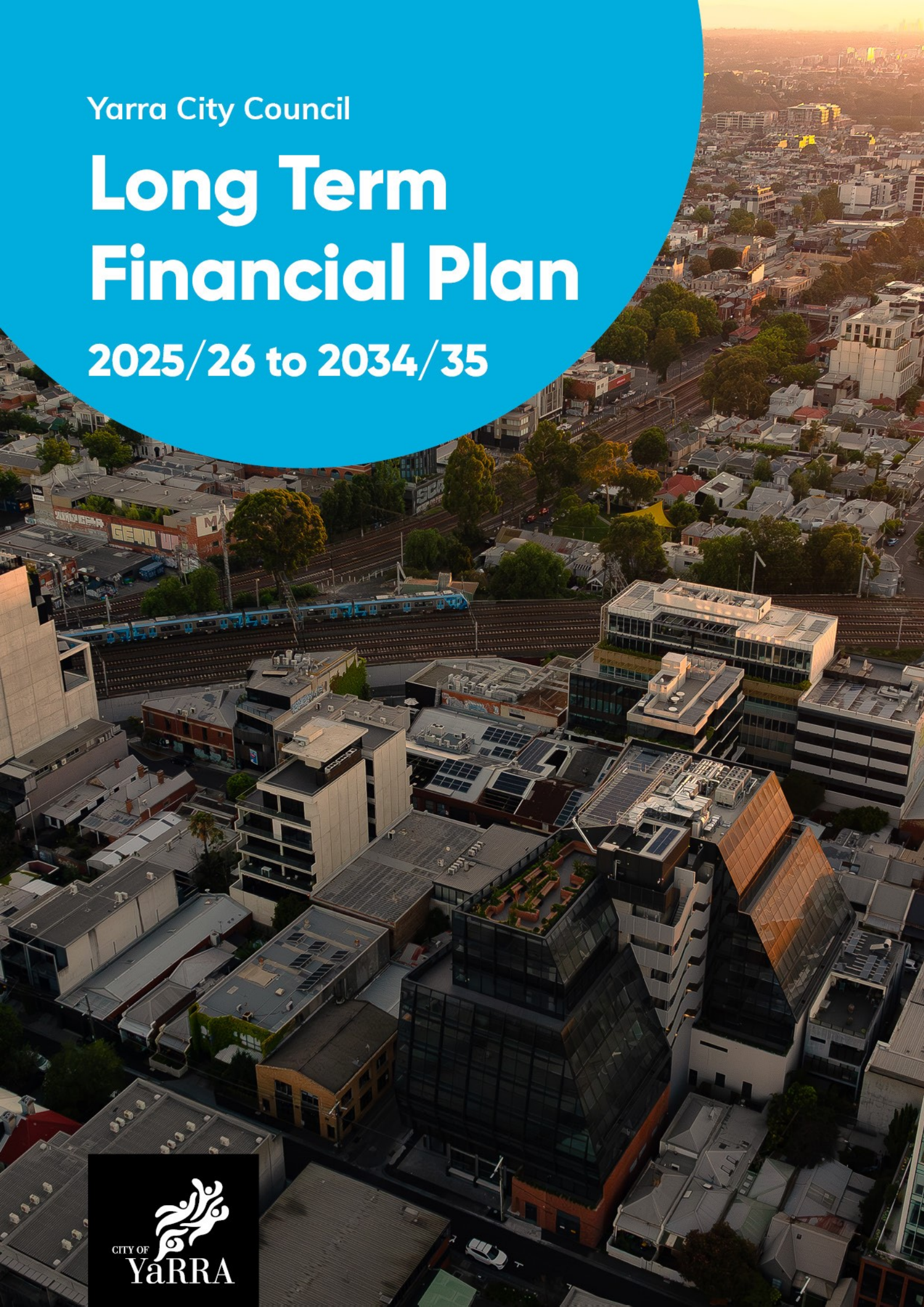




Yarra City Council

Long Term Financial Plan

2025/26 to 2034/35

Contents

	Page
Executive Summary	1
Financial Plan Statements	
Comprehensive Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	10
Statement of Capital Works	11
Statement of Human Resources	12
Financial performance indicators	15
Strategies and Plans	18

Executive Summary

Yarra City Council has prepared this updated Long Term Financial Plan 2025/26 to 2035/36 (the Financial Plan) to support the Community Vision and Council Plan. Through the development of the Vision, the community has told us about their desire for Yarra City Council to be financially sustainable to support a strong, safe and vibrant community. The Council Plan includes actions to deliver on this vision with a focused investment in new and renewed assets and community-valued services.

Yarra's long-term planning principles are focused on creating a sustainable financial environment to enable Council to continue to provide the community with high quality services and infrastructure into the medium and long term, driven by the Yarra 2036 Community Vision.

We have committed to updating the Financial Plan annually in conjunction with the Budget. This updated Financial Plan is keeping with that commitment.

The Financial Plan is developed in the context of the following strategic planning principles as required under section 89 of the Local Government Act 2020:

- **Integrated approach to planning, monitoring, and performance reporting** - The Financial Plan has been developed alongside the Council Plan and in alignment with the Community Vision and other core strategic plans to ensure integration.
- **Addresses the Community Vision** - The Financial Plan addresses the Community Vision by outlining the resources and funding required to deliver the planned services, initiatives and capital works projects over the next 10 years working towards achieving Yarra's 2036 Community Vision;
- **Takes into account the resources needed for effective implementation** - The Financial Plan statements incorporate the financial resources necessary to implement the Council Plan objectives and strategies over the next 4 years and to work towards achieving the Community Vision over the next 10 years.
- **Identifies and addresses the risks to effective implementation** - Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan.
- **Provides for ongoing monitoring of progress and regular reviews to identify and address changing circumstances** - Council reports on its financial performance and position on a quarterly basis and a review of strategic documents is conducted regularly to ensure they remain current.

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

- Increase Council's commitment to sustainable asset renewal and maintenance of the community's assets;
- Improve Council's cash position for financial sustainability;
- Improve long-term financial sustainability including, cost containment and transformation programs;
- Include rate and fee increases that are both manageable and sustainable, and
- Provide a framework to deliver balanced budgets including sustainable annual underlying surpluses to fund community service levels, capital work programs and debt repayment.

Yarra's Financial Plan outlines the resources required to deliver the Council Plan and ensure we are investing in assets the community values; our services meet the needs and expectations of the community, are affordable and accessible for the community; and our organisation remains financially sustainable.

Local Government Sector and Yarra City challenges and opportunities

The local government sector continues to face significant financial pressures including rate capping and cost shifting. Constant changes to the economic landscape have compounded these challenges with no real reduction of the general level of prices (despite declining inflation) and significant increases to the cost of materials and services, (through higher utilities and statutory waste charges) and labour (superannuation, workcover and sector specific increases). At the same time, Yarra's population will grow significantly by the 2040's, putting increasing pressure on services and infrastructure. It is anticipated that Yarra's population will increase to approximately 150,000 by the year 2040.

These financial pressures have significantly contributed to Council's ability to generate adequate cash flow to fund a large scope of community services, capital work programs and reduce debt levels.

The reality for Yarra City Council (and the whole sector) is that increases in the price of services in real terms are significantly higher than the rate cap. This has been the case year on year since the rate cap system was introduced.

In addition, we have limited untied reserves in the bank as a result of the COVID pandemic, legacy commitments on superannuation, and interest on borrowings. That means less funds available to pay for roads, footpaths, parks and other open space assets and to repay borrowings.

Despite all the financial challenges Yarra City Council has delivered a Financial Plan that enables new investment in a scaled-up capital works programs, to establish cash reserves to help prepare Council for renew and future population growth.

Through the Financial Sustainability Strategy (FSS), Council has strengthened its financial position, whilst able to deliver service and infrastructure levels without the need to significantly increase rates or significantly reduce services.

The FSS looks at the predicted numbers in our Long-Term Financial Plan (LTFP) and identifies ways to address them. It also identifies reforms and provides direction on how to achieve a healthy long-term financial position.

The Financial Plan commits to reinvesting in our existing assets so our roads, parks, gardens, pools, and buildings that we value stay in a condition we are proud of. As we bring on new assets, to remain sustainable we must also review the assets we already have to ensure community meeting spaces, service buildings and facilities evolve and adapt to reflect the changing needs of our diverse community. The Financial Plan continues to maximise the use of unused public spaces and increase availability and usability of open spaces to address existing shortages and respond to population growth.

Services also evolve, and Council will assess the performance and future for current services to understand whether they are relevant and whether Yarra needs to continue to deliver them or whether there is a role for an alternative delivery model. To remain sustainable over the life of this plan, some Yarra services may have to change.

Financial Plan Context

This section describes the context, principles and considerations in determining the 10-year financial projections and assumptions.

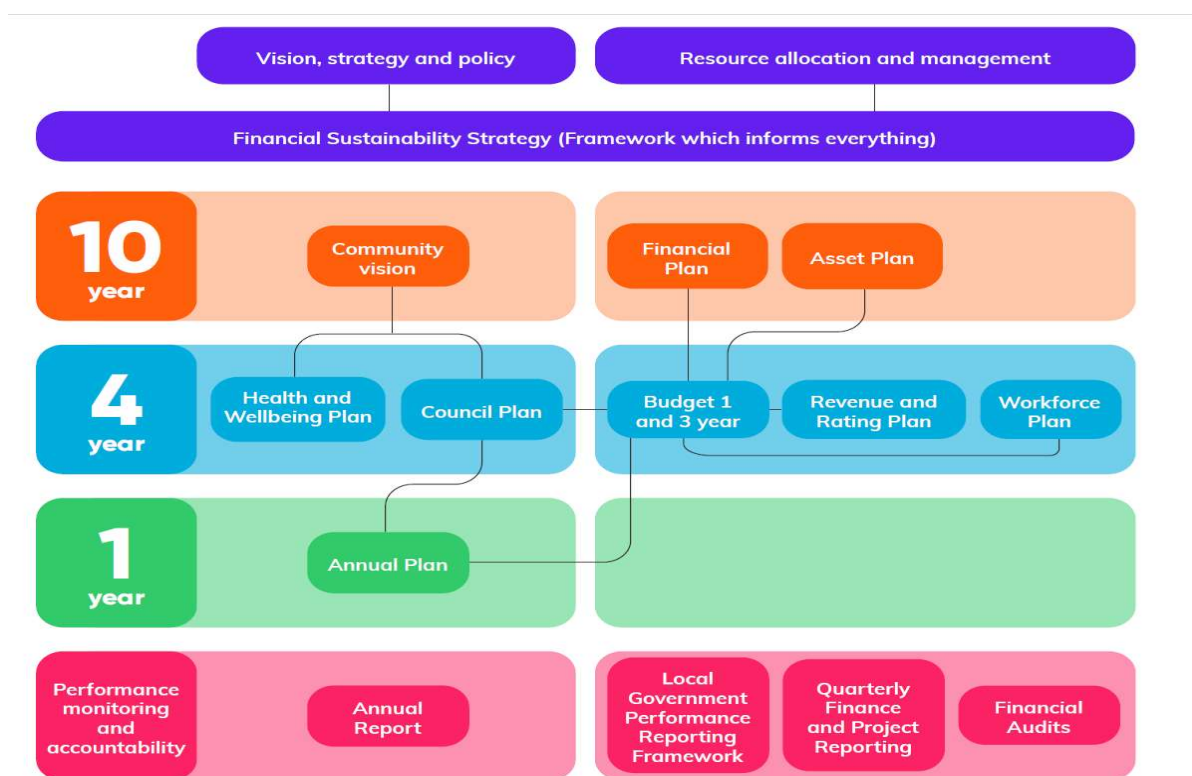
2.1. Introduction

The Financial Plan is developed through the Local Government Act 2020 (LGA) and provided a ten year financially sustainable projection regarding how the actions of the Council Plan 2025-2029 may be funded to achieve the aspirations in Yarra 2036 Community Vision.

This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & 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).

2.2. Integrated Strategic Planning & Reporting Framework

Part 4 of the LGA addresses planning and financial management and Division 1 covers strategic planning. The Financial Plan is one of the strategic plans subject to the Strategic planning principles. Section 89 of the Act sets out the Strategic planning principles and 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.



2.3. Engagement Principles

Yarra has implemented the following consultation process to obtain input and feedback from stakeholders to help inform the development of the Financial Plan:

The Community Vision informs all planning and decision making for Council and our community. It informs our Council Plan (effective from 1 July 2025 to 30 June 2029) and our 10-year financial and asset management plans. The community engagement on the 2025/26 Budget and Financial Plan was delivered in line with our Community Engagement Policy.

The development of the 2025/26 budget and the financial plan aligns to the Financial Sustainability Strategy. The strategy is a representation of Council's commitment to the responsible management of ratepayer's funds. By making this move we're ensuring that we can meet the service and infrastructure needs of our community, now and into the future.

The Strategy identifies two main levers for change to ensure Council's long term financial sustainability:

1. Strategic levers - to ensure that future investment decisions are based on need, underpinned by evidence and guided by informed strategies including detailed asset management plans, contemporary property management and community infrastructure planning and an ongoing program of service reviews.
2. Systemic levers - to manage expenditure, prudent debt management, operational efficiencies, and capital works delivery management among others.

The Strategy will guide future decision-making so Council can transparently, proactively and prudently plan to be financially sustainable. It will ensure financial sustainability remains consistent with maximizing our community impact and delivering efficient and effective services and infrastructure and meet our financial obligations both today and in the future.

In the long term, the Financial Sustainability Strategy aims are:

- 0-2 years: Maintain a net positive position by delivering a surplus, ensure our operating activities no longer relies on borrowings, hold costs and start to build cash reserves for specified purposes;
- 3-5 years: Achieve a financial position where Council has sufficient cash reserves to repay borrowings, generate new revenue, can cover all known operating expenses without borrowing, deliver a long-term financial plan that more reliably reflects future financial requirements ('unknown risks'), and have approximately \$20m available in cash reserves for risk and strategic growth; and
- Within 10 years: Ensure that Council has sufficient cash reserves (approximately \$30m) to meet unforeseen or emergency expenses and support population growth without relying on borrowing or compromising essential services.

The proposed engagement approach including promotion will aim to reach the diverse community and will include:

- (a) Online survey via the Your Say Yarra project page;
- (b) Six in person 'pop-up' sessions with Bi-cultural Liaison Officers at relevant sessions, and hardcopy surveys available;
- (c) Your Say Yarra email newsletter;
- (d) News item via Corporate website;
- (e) Yarra Life newsletter;
- (f) Yarra News;
- (g) Digital Screens in customer service centres, libraries and leisure centres;
- (h) Postcards (for pop-up sessions and at customer service centres);
- (i) Social media;
- (j) Hard copy surveys and postcards distributed to key Council locations;
- (k) FAQs on Your Say Yarra project page; and
- (l) Email to past budget participants.

2.4. Service Performance Principles

Yarra seeks to provide services on a community needs and value for money basis. 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 shows how the service aspirations within the Council Plan may be funded;
- Services are available to the relevant users within the community;

- Yarra delivers quality services seeking to provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate Council's performance regarding the delivery of services; and
- Yarra has a Feedback and Complaints Policy and a Community Engagement Policy enabling Council to consider and respond to community feedback and complaints regarding service provision and provides opportunities to be involved in planning and decision-making respectively. Community involvement in planning and decision making improves Council's planning and delivery of services.

2.5. Financial Management Principles

Financial strategy principles have been developed and provide the framework for the development of Council's Long Term Financial Plan and Annual Budget. The principles enable consistent and informed decision-making by Council. The Financial Strategy Principles as outlined below aim to ensure a balanced and sustainable budget for the Council:

- To ensure significant forecast in population underpinning high levels of development can be provided in a financially sustainable manner;
- To ensure the right level of services are provided to the community and effectively plan for future and changing community needs;
- To ensure that Council can maintain its asset base at a standard that can effectively service the needs of our community now and into the future;
- To achieve our desired financial sustainability targets whilst minimising the impact on our ratepayers;
- To achieve sufficient annual operational surpluses to fund capital work programs;
- To have a deliverable capital construction program with the right blend of renewal, upgrade and new works in alignment to community preference;
- To improve cash levels to enable future investment;
- Any borrowings are directed towards funding of inter-generational growth infrastructure special projects and major asset renewal that support growth;
- Trust funds and statutory reserves are fully cash backed, and
- Improved integrated strategic planning (including asset management) underpinned by efficiency, evaluation, and ongoing service reviews

2.6. 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.

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 need and 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.

3. Financial Plan Statements

3.1 Comprehensive Income Statement

	Assump- tions	Forecast										
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income / Revenue												
Rates and charges	4.1.1	140,298	145,704	151,046	155,684	160,540	165,517	170,619	175,848	181,208	186,703	192,334
Statutory fees and fines	4.1.2	39,159	40,058	41,059	42,086	43,138	44,216	45,322	46,455	47,616	48,807	50,027
User fees	4.1.3	32,459	34,074	34,926	35,799	36,694	37,612	38,552	39,516	40,504	41,516	42,554
Grants - operating	4.1.4	20,244	16,861	17,283	17,715	18,158	18,612	19,077	19,554	20,043	20,544	21,058
Grants - capital	4.1.4	5,488	8,485	7,752	518	518	518	518	518	518	518	518
Contributions - monetary	4.1.5	6,910	6,675	6,717	6,760	6,804	6,849	6,895	6,943	6,991	7,041	7,092
Net gain (or loss) on disposal of property, infrastructure, plant and equipment		857	124	50	50	50	50	50	50	50	50	50
Other income	4.1.6	5,975	4,678	2,783	2,807	2,832	2,858	2,885	2,912	2,940	2,968	2,997
Total income / revenue		251,390	256,660	261,616	261,419	268,734	276,232	283,918	291,796	299,870	308,147	316,630
Expenses												
Employee costs	4.1.7	103,105	105,869	111,372	113,765	117,032	121,095	125,302	129,655	134,161	138,825	143,653
Materials and services	4.1.8	90,879	97,424	100,011	97,853	98,771	100,830	103,566	106,382	109,881	112,264	115,333
Depreciation	4.1.9	27,741	30,665	31,165	31,665	32,165	32,665	33,165	33,665	34,165	34,665	35,165
Amortisation - right of use assets	4.1.11	1,081	1,258	1,284	1,145	889	1,159	1,422	1,553	1,294	1,031	1,355
Allowance for impairment losses		3,161	4,299	3,605	3,696	3,788	3,883	3,980	4,079	4,181	4,286	4,393
Borrowing costs	4.1.10	788	651	519	397	310	221	129	36	-	-	-
Finance Costs - leases	4.1.10	192	216	135	219	134	167	166	311	198	98	137
Other expenses	4.1.12	736	793	813	833	854	875	897	920	943	966	990
Total expenses		227,681	241,175	248,904	249,572	253,942	260,895	268,627	276,601	284,823	292,134	301,025
Surplus/(deficit) for the year												
		23,709	15,486	12,712	11,847	14,792	15,337	15,291	15,195	15,047	16,012	15,605
Other comprehensive income												
Items that will not be reclassified to surplus or deficit in future periods												
Net asset revaluation gain /(loss)		-	79,086	-	82,958	-	87,435	-	91,278	-	94,972	-
Total other comprehensive income		-	79,086	-	82,958	-	87,435	-	91,278	-	94,972	-
Total comprehensive result												
		23,709	94,571	12,712	94,806	14,792	102,772	15,291	106,473	15,047	110,985	15,605

3.2 Balance Sheet

	Forecast										
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	102,670	106,460	95,535	88,466	80,122	78,900	88,828	97,010	108,712	121,122	132,563
Trade and other receivables	35,342	38,586	41,817	45,146	48,577	52,113	55,755	59,507	63,372	67,352	71,450
Other financial assets	3,818	3,818	3,818	3,818	3,818	3,818	3,818	3,818	3,818	3,818	3,818
Inventories	217	217	217	217	217	217	217	217	217	217	217
Total current assets	142,047	149,081	141,387	137,648	132,734	135,048	148,618	160,552	176,119	192,509	208,049
Non-current assets											
Investments in associates, joint arrangements and subsidiaries	5	5	5	5	5	5	5	5	5	5	5
Property, infrastructure, plant & equipment	1,977,139	2,060,847	2,073,957	2,169,239	2,185,872	2,283,319	2,281,942	2,374,358	2,374,306	2,469,704	2,469,955
Right-of-use assets	3,697	2,493	1,427	2,484	1,835	3,308	1,886	4,337	1,990	959	3,054
Total non-current assets	1,980,841	2,063,344	2,075,389	2,171,728	2,187,712	2,286,632	2,283,833	2,378,700	2,376,302	2,470,668	2,473,014
Total assets	2,122,888	2,212,426	2,216,776	2,309,376	2,320,446	2,421,680	2,432,451	2,539,252	2,552,420	2,663,177	2,681,062
Liabilities											
Current liabilities											
Trade and other payables	12,934	13,724	14,576	14,616	14,871	15,279	15,731	16,198	16,680	17,108	17,629
Trust funds and deposits	15,354	15,354	15,354	15,354	15,354	15,354	15,354	15,354	15,354	15,354	15,354
Contract and other liabilities	9,211	9,211	5,852	5,852	5,852	5,852	5,852	5,852	5,852	5,852	5,852
Provisions	16,834	16,834	16,834	16,834	16,834	16,834	16,834	16,834	16,834	16,834	16,834
Interest-bearing liabilities	4,669	4,811	3,305	3,391	3,480	3,572	2,740	-	-	-	-
Lease liabilities	1,178	1,326	1,077	866	1,144	1,451	1,453	1,266	1,061	1,396	1,667
Total current liabilities	60,180	61,260	56,999	56,913	57,536	58,342	57,965	55,504	55,781	56,545	57,336
Non-current liabilities											
Provisions	1,222	1,245	1,310	1,338	1,376	1,424	1,473	1,525	1,578	1,632	1,689
Other liabilities	399	399	399	399	399	399	399	399	399	399	399
Interest-bearing liabilities	21,299	16,489	13,184	9,792	6,312	2,740	-	-	-	-	-
Lease liabilities	2,635	1,309	450	1,693	789	1,970	516	3,255	1,046	-	1,433
Total non-current liabilities	25,556	19,442	15,342	13,222	8,876	6,533	2,389	5,179	3,023	2,031	3,521
Total liabilities	85,736	80,702	72,341	70,135	66,413	64,875	60,354	60,683	58,804	58,576	60,857
Net assets	2,037,152	2,131,723	2,144,435	2,239,241	2,254,033	2,356,805	2,372,097	2,478,569	2,493,616	2,604,601	2,620,205
Equity											
Accumulated surplus	710,277	720,846	727,559	738,451	753,258	768,616	778,424	788,124	803,176	819,183	834,228
Asset revaluation Reserve	1,288,751	1,367,837	1,367,837	1,450,795	1,450,795	1,538,230	1,538,230	1,629,508	1,629,508	1,724,480	1,724,480
Reserves	38,123	43,040	49,039	49,994	49,979	49,959	55,442	60,937	60,932	60,937	61,497
Total equity	2,037,152	2,131,723	2,144,435	2,239,241	2,254,033	2,356,805	2,372,097	2,478,569	2,493,616	2,604,601	2,620,205

3.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2025 Forecast				
Balance at beginning of the financial year	2,013,443	691,064	1,288,751	33,627
Surplus/(deficit) for the year	23,709	23,709	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	2,504	-	(2,504)
Balance at end of the financial year	2,037,152	710,277	1,288,751	38,123
2026 Budget				
Balance at beginning of the financial year	2,037,152	710,277	1,288,751	38,123
Surplus/(deficit) for the year	15,486	15,486	-	-
Net asset revaluation gain/(loss)	79,086	-	79,086	-
Transfers to other reserves	-	(12,000)	-	12,000
Transfers from other reserves	-	7,083	-	(7,083)
Balance at end of the financial year	2,131,723	720,846	1,367,837	43,040
2027				
Balance at beginning of the financial year	2,131,723	720,846	1,367,837	43,040
Surplus/(deficit) for the year	12,712	12,712	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	-	(11,000)	-	11,000
Transfers from other reserves	-	5,001	-	(5,001)
Balance at end of the financial year	2,144,435	727,559	1,367,837	49,039
2028				
Balance at beginning of the financial year	2,144,435	727,559	1,367,837	49,039
Surplus/(deficit) for the year	11,847	11,847	-	-
Net asset revaluation gain/(loss)	82,958	-	82,958	-
Transfers to other reserves	-	(6,000)	-	6,000
Transfers from other reserves	-	5,045	-	(5,045)
Balance at end of the financial year	2,239,241	738,451	1,450,795	49,994
2029				
Balance at beginning of the financial year	2,239,241	738,451	1,450,795	49,994
Surplus/(deficit) for the year	14,792	14,792	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	-	(5,000)	-	5,000
Transfers from other reserves	-	5,015	-	(5,015)
Balance at end of the financial year	2,254,033	753,258	1,450,795	49,979

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2030				
Balance at beginning of the financial year	2,254,033	753,258	1,450,795	49,979
Surplus/(deficit) for the year	15,337	15,337	-	-
Net asset revaluation gain/(loss)	87,435	-	87,435	-
Transfers to other reserves	-	(5,000)	-	5,000
Transfers from other reserves	-	5,020	-	(5,020)
Balance at end of the financial year	2,356,805	768,616	1,538,230	49,959
2031				
Balance at beginning of the financial year	2,356,805	768,616	1,538,230	49,959
Surplus/(deficit) for the year	15,291	15,291	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	-	(10,500)	-	10,500
Transfers from other reserves	-	5,017	-	(5,017)
Balance at end of the financial year	2,372,097	778,424	1,538,230	55,442
2032				
Balance at beginning of the financial year	2,372,097	778,424	1,538,230	55,442
Surplus/(deficit) for the year	15,195	15,195	-	-
Net asset revaluation gain/(loss)	91,278	-	91,278	-
Transfers to other reserves	-	(10,500)	-	10,500
Transfers from other reserves	-	5,005	-	(5,005)
Balance at end of the financial year	2,478,569	788,124	1,629,508	60,937
2033				
Balance at beginning of the financial year	2,478,569	788,124	1,629,508	60,937
Surplus/(deficit) for the year	15,047	15,047	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	-	(5,000)	-	5,000
Transfers from other reserves	-	5,005	-	(5,005)
Balance at end of the financial year	2,493,616	803,176	1,629,508	60,932
2034				
Balance at beginning of the financial year	2,493,616	803,176	1,629,508	60,932
Surplus/(deficit) for the year	16,012	16,012	-	-
Net asset revaluation gain/(loss)	94,972	-	94,972	-
Transfers to other reserves	-	(5,000)	-	5,000
Transfers from other reserves	-	4,995	-	(4,995)
Balance at end of the financial year	2,604,601	819,183	1,724,480	60,937
2035				
Balance at beginning of the financial year	2,604,601	819,183	1,724,480	60,937
Surplus/(deficit) for the year	15,605	15,605	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	-	(5,000)	-	5,000
Transfers from other reserves	-	4,440	-	(4,440)
Balance at end of the financial year	2,620,205	834,228	1,724,480	61,497

3.4 Statement of Cash Flows

	Forecast										
	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'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	137,422	142,460	147,815	152,355	157,109	161,982	166,976	172,096	177,344	182,722	188,236
Statutory fees and fines	35,998	35,759	37,454	38,390	39,350	40,334	41,342	42,376	43,435	44,521	45,634
User fees	32,459	34,074	34,926	35,799	36,694	37,612	38,552	39,516	40,504	41,516	42,554
Grants - operating	19,275	16,861	15,603	17,715	18,158	18,612	19,077	19,554	20,043	20,544	21,058
Grants - capital	2,393	8,485	6,072	518	518	518	518	518	518	518	518
Contributions - monetary	6,910	6,675	6,717	6,760	6,804	6,849	6,895	6,943	6,991	7,041	7,092
Interest received	4,010	3,719	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Other receipts	1,965	959	983	1,007	1,032	1,058	1,085	1,112	1,140	1,168	1,197
Employee costs	(103,105)	(105,846)	(111,307)	(113,737)	(116,993)	(121,048)	(125,252)	(129,604)	(134,108)	(138,771)	(143,596)
Materials and services	(90,363)	(96,634)	(99,159)	(97,814)	(98,515)	(100,423)	(103,114)	(105,915)	(109,399)	(111,835)	(114,813)
Other payments	(736)	(793)	(813)	(833)	(854)	(875)	(897)	(920)	(943)	(966)	(990)
Net cash provided by/(used in) operating activities	46,229	45,721	40,091	41,961	45,103	46,419	46,983	47,475	47,324	48,259	48,690
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(34,981)	(35,296)	(44,775)	(44,489)	(49,297)	(43,177)	(32,287)	(35,303)	(34,613)	(35,590)	(35,915)
Proceeds from sale of property, infrastructure, plant and equipment	1,130	133	550	550	550	550	550	550	550	550	550
Net cash provided by/ (used in) investing activities	(33,851)	(35,163)	(44,225)	(43,939)	(48,747)	(42,627)	(31,737)	(34,753)	(34,063)	(35,040)	(35,365)
Cash flows from financing activities											
Finance costs	(651)	(509)	(2,025)	(310)	(221)	(129)	(961)	(2,776)	-	-	-
Repayment of borrowings	(4,669)	(4,811)	(3,305)	(3,391)	(3,480)	(3,572)	(2,740)	-	-	-	-
Interest paid - lease liability	(192)	(216)	(135)	(219)	(134)	(167)	(166)	(311)	(198)	(98)	(137)
Repayment of lease liabilities	(1,081)	(1,231)	(1,326)	(1,171)	(866)	(1,144)	(1,451)	(1,453)	(1,361)	(711)	(1,747)
Net cash provided by/(used in) financing activities	(6,592)	(6,768)	(6,791)	(5,091)	(4,701)	(5,013)	(5,318)	(4,540)	(1,559)	(808)	(1,883)
Net increase/(decrease) in cash & cash equivalents	5,785	3,790	(10,925)	(7,069)	(8,345)	(1,221)	9,928	8,182	11,702	12,410	11,441
Cash and cash equivalents at the beginning of the financial year	96,885	102,670	106,460	95,535	88,466	80,122	78,900	88,828	97,010	108,712	121,122
Cash and cash equivalents at the end of the financial year	102,670	106,460	95,535	88,466	80,122	78,900	88,828	97,010	108,712	121,122	132,563

3.5 Statement of Capital Works

	Forecast										
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	9,962	12,222	21,248	17,278	16,500	17,050	8,230	9,386	10,736	13,130	13,135
Total buildings	9,962	12,222	21,248	17,278	16,500	17,050	8,230	9,386	10,736	13,130	13,135
Total property	9,962	12,222	21,248	17,278	16,500	17,050	8,230	9,386	10,736	13,130	13,135
Plant and equipment											
Waste management	70	50	100	100	200	200	300	300	300	300	300
Plant, machinery and equipment	395	50	275	1,090	1,240	740	1,030	890	890	740	790
Fixtures, fittings and furniture	170	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	1,347	850	700	1,320	1,200	1,200	1,510	1,600	2,040	510	1,130
Library books	600	622	600	759	600	600	600	600	600	600	600
Total plant and equipment	2,582	1,572	1,675	3,269	3,240	2,740	3,440	3,390	3,830	2,150	2,820
Infrastructure											
Roads	9,676	5,031	2,700	6,600	10,330	3,290	3,440	4,220	3,460	3,650	3,800
Bridges	-	-	150	150	-	-	-	1,150	-	-	200
Footpaths and cycleways	-	5,251	3,640	3,828	5,295	5,148	5,765	5,395	5,235	4,975	5,825
Drainage	4,525	4,265	4,000	4,000	4,000	4,650	5,150	5,150	4,950	4,950	5,400
Parks, open space and streetscapes	5,985	6,456	10,750	9,252	9,500	8,500	6,030	6,170	6,210	6,620	4,620
Other infrastructure	2,252	500	612	112	432	1,799	232	442	192	115	115
Total infrastructure	22,438	21,503	21,852	23,942	29,557	23,387	20,617	22,527	20,047	20,310	19,960
Total capital works expenditure	34,981	35,296	44,775	44,489	49,297	43,177	32,287	35,303	34,613	35,590	35,915
Represented by:											
New asset expenditure	5,510	8,109	15,380	5,479	2,932	2,777	5,357	5,877	5,777	6,080	6,170
Asset renewal expenditure	19,895	15,172	12,135	17,254	18,235	16,250	16,760	22,261	19,171	17,640	21,740
Asset upgrade expenditure	9,577	12,015	17,260	21,756	28,130	24,150	10,170	7,165	9,665	11,870	8,005
Total capital works expenditure	34,981	35,296	44,775	44,489	49,297	43,177	32,287	35,303	34,613	35,590	35,915
Funding sources represented by:											
Grants	5,067	8,485	9,441	518	518	259	259	259	259	259	259
Contributions	2,504	5,083	5,001	5,045	5,015	5,020	5,017	5,005	5,005	4,995	4,440
Council cash	27,410	21,728	30,333	38,925	43,764	37,898	27,011	30,039	29,349	30,336	31,216
Total capital works expenditure	34,981	35,296	44,775	44,489	49,297	43,177	32,287	35,303	34,613	35,590	35,915

3.6 Statement of Human Resources

Staff expenditure	Forecast										
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure											
Employee costs - operating	104,797	107,799	113,303	115,764	119,100	123,236	127,517	131,949	136,535	141,282	146,196
Employee costs - capital	(1,692)	(1,931)	(1,931)	(1,999)	(2,068)	(2,141)	(2,216)	(2,293)	(2,374)	(2,457)	(2,543)
Total staff expenditure	103,105	105,869	111,372	113,765	117,032	121,095	125,302	129,655	134,161	138,825	143,653

Staff numbers	Forecast										
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Staff numbers											
Employees	900.3	879.0	879.0	879.0	879.0	879.0	879.0	879.0	879.0	879.0	879.0
Employees -Capital	(18.0)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)
Total staff numbers	882.3	859.0	859.0	859.0	859.0	859.0	859.0	859.0	859.0	859.0	859.0

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Department	Total	Comprises			
		Permanent			
		Full Time	Part Time	Casual	Temporary
	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office	806	656	-	-	150
Corporate Services	11,781	11,356	425	-	-
City Sustainability and Strategy	24,272	21,201	1,756	1,101	215
Community Strengthening	31,954	21,577	8,629	1,472	276
Infrastructure and Environment	28,883	22,913	1,625	4,195	150
Governance, Communications and Customer Experience	9,128	8,097	924	108	-
Total permanent staff expenditure	106,824	85,800	13,359	6,875	791
Other employee related expenditure	975				
Capitalised labour costs	(1,931)	(1,931)			
Total staff expenditure	105,869	83,869	13,359	6,875	791

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Total	Comprises			
		Permanent			
		Full Time	Part Time	Casual	Temporary
Chief Executive Office	3.0	2.0	-	-	1.0
Corporate Services	80.4	77.0	3.4	-	-
City Sustainability and Strategy	188.1	158.0	16.0	10.1	4.0
Community Strengthening	288.6	189.6	82.6	13.2	3.2
Infrastructure and Environment	247.0	187.0	18.3	40.7	1.0
Governance, Communications and Customer Experience	71.9	61.0	9.9	1.0	-
Total staff	879.0	674.6	130.2	65.0	9.2

3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2035

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office										
Permanent - Full time	656	690	705	725	750	776	803	831	860	890
Women	656	690	705	725	750	776	803	831	860	890
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Office	656	690	705	725	750	776	803	831	860	890
Corporate Services										
Permanent - Full time	8,555	9,000	9,193	9,457	9,786	10,125	10,477	10,841	11,218	11,608
Women	4,433	4,664	4,764	4,901	5,071	5,247	5,429	5,618	5,813	6,016
Men	4,122	4,336	4,429	4,556	4,714	4,878	5,048	5,223	5,405	5,593
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	425	447	457	470	486	503	521	539	557	577
Women	324	340	348	358	370	383	396	410	424	439
Men	102	107	109	112	116	120	124	129	133	138
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Corporate Services	8,980	9,447	9,650	9,927	10,272	10,629	10,998	11,380	11,776	12,185
City Sustainability and Strategy										
Permanent - Full time	18,677	19,647	20,070	20,646	21,363	22,105	22,873	23,668	24,491	25,342
Women	8,735	9,189	9,386	9,656	9,991	10,338	10,697	11,069	11,454	11,852
Men	9,942	10,459	10,683	10,990	11,372	11,767	12,175	12,599	13,037	13,490
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	1,572	1,654	1,690	1,738	1,798	1,861	1,926	1,992	2,062	2,133
Women	715	752	769	791	818	847	876	906	938	971
Men	857	902	921	947	980	1,014	1,050	1,086	1,124	1,163
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total City Sustainability and Strategy	20,249	21,301	21,759	22,384	23,161	23,966	24,798	25,660	26,552	27,476
Community Strengthening										
Permanent - Full time	18,481	19,442	19,860	20,430	21,140	21,874	22,634	23,420	24,235	25,077
Women	13,947	14,672	14,987	15,417	15,953	16,507	17,080	17,674	18,289	18,924
Men	4,535	4,770	4,873	5,013	5,187	5,367	5,553	5,746	5,946	6,153
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	7,534	7,925	8,096	8,328	8,617	8,916	9,226	9,547	9,879	10,222
Women	6,447	6,782	6,928	7,127	7,374	7,630	7,896	8,170	8,454	8,748
Men	1,030	1,084	1,107	1,139	1,178	1,219	1,262	1,306	1,351	1,398
Persons of self-described gender	56	59	61	62	64	67	69	71	74	76
Total Community Strengthening	26,015	27,367	27,955	28,758	29,757	30,790	31,860	32,967	34,114	35,300
Infrastructure and Environment										
Permanent - Full time	18,255	19,204	19,616	20,180	20,880	21,606	22,356	23,133	23,938	24,770
Women	5,248	5,521	5,639	5,801	6,003	6,211	6,427	6,650	6,881	7,121
Men	12,839	13,506	13,796	14,192	14,685	15,195	15,723	16,270	16,835	17,421
Persons of self-described gender	168	177	181	186	193	199	206	214	221	229
Permanent - Part time	811	853	871	896	927	960	993	1,028	1,063	1,100
Women	468	492	503	517	535	554	573	593	614	635
Men	343	361	368	379	392	406	420	435	450	465
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Infrastructure and Environment	19,066	20,057	20,488	21,076	21,808	22,565	23,349	24,161	25,001	25,870
Governance, Communications and Customer Experience										
Permanent - Full time	6,941	7,302	7,459	7,673	7,939	8,215	8,500	8,796	9,102	9,418
Women	4,240	4,461	4,556	4,687	4,850	5,018	5,193	5,373	5,560	5,753
Men	2,701	2,841	2,902	2,986	3,089	3,196	3,308	3,423	3,541	3,665
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	924	972	993	1,021	1,057	1,093	1,131	1,171	1,211	1,253
Women	701	738	753	775	802	830	859	889	919	951
Men	223	234	239	246	255	263	273	282	292	302
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Governance, Communications and Customer Experience	7,865	8,273	8,451	8,694	8,996	9,308	9,632	9,966	10,313	10,671
Casuals, temporary and other expenditure	24,970	26,235	26,826	27,609	28,568	29,561	30,589	31,652	32,753	33,893
Capitalised labour cost	(1,931)	(1,999)	(2,068)	(2,141)	(2,216)	(2,293)	(2,374)	(2,457)	(2,543)	(2,632)
Total staff expenditure	105,869	111,372	113,765	117,032	121,095	125,302	129,655	134,161	138,825	143,653

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Chief Executive Office										
Permanent - Full time	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Women	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	-	-	-	-	-	-	-	-	-	-
Women	-	-	-	-	-	-	-	-	-	-
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Office	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Corporate Services										
Permanent - Full time	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00
Women	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Men	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.43
Women	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63	2.63
Men	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Corporate Services	62.43	62.43	62.43	62.43	62.43	62.43	62.43	62.43	62.43	62.43
City Sustainability and Strategy										
Permanent - Full time	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00	137.00
Women	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00
Men	74.00	74.00	74.00	74.00	74.00	74.00	74.00	74.00	74.00	74.00
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	14.11	14.11	14.11	14.11	14.11	14.11	14.11	14.11	14.11	14.11
Women	5.96	5.96	5.96	5.96	5.96	5.96	5.96	5.96	5.96	5.96
Men	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15	8.15
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total City Sustainability and Strategy	151.11	151.11	151.11	151.11	151.11	151.11	151.11	151.11	151.11	151.11
Community Strengthening										
Permanent - Full time	157.61	157.61	157.61	157.61	157.61	157.61	157.61	157.61	157.61	157.61
Women	119.93	119.93	119.93	119.93	119.93	119.93	119.93	119.93	119.93	119.93
Men	37.68	37.68	37.68	37.68	37.68	37.68	37.68	37.68	37.68	37.68
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	69.05	69.05	69.05	69.05	69.05	69.05	69.05	69.05	69.05	69.05
Women	57.90	57.90	57.90	57.90	57.90	57.90	57.90	57.90	57.90	57.90
Men	10.55	10.55	10.55	10.55	10.55	10.55	10.55	10.55	10.55	10.55
Persons of self-described gender	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Total Community Strengthening	226.66	226.66	226.66	226.66	226.66	226.66	226.66	226.66	226.66	226.66
Infrastructure and Environment										
Permanent - Full time	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00	149.00
Women	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00
Men	106.00	106.00	106.00	106.00	106.00	106.00	106.00	106.00	106.00	106.00
Persons of self-described gender	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Permanent - Part time	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33
Women	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Men	3.98	3.98	3.98	3.98	3.98	3.98	3.98	3.98	3.98	3.98
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Infrastructure and Environment	157.33	157.33	157.33	157.33	157.33	157.33	157.33	157.33	157.33	157.33
Governance, Communications and Customer Experience										
Permanent - Full time	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00
Women	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Men	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	9.87	9.87	9.87	9.87	9.87	9.87	9.87	9.87	9.87	9.87
Women	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44	7.44
Men	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Governance, Communications and Customer Experience	60.87	60.87	60.87	60.87	60.87	60.87	60.87	60.87	60.87	60.87
Casuals and temporary staff	218.57	218.57	218.57	218.57	218.57	218.57	218.57	218.57	218.57	218.57
Capitalised labour cost	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)
Total staff numbers	859.03	859.03	859.03	859.03	859.03	859.03	859.03	859.03	859.03	859.03

4. Financial performance indicators

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

Indicator	Measure	Notes	Forecast											Trend
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	+/-
Operating position														
Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business)	Adjusted underlying surplus (or deficit) Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	4.7%	0.1%	(0.7%)	1.8%	2.9%	3.0%	2.8%	2.7%	2.6%	2.8%	2.6%	-
Liquidity														
Working Capital (sufficient working capital is available to pay bills as and when they fall due)	Current assets compared to current liabilities Current assets / current liabilities	2	236.0%	243.4%	248.1%	241.9%	230.7%	231.5%	256.4%	289.3%	315.7%	340.5%	362.9%	+
Unrestricted cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due)	Unrestricted cash compared to current liabilities Unrestricted cash / current liabilities	3	43.1%	53.3%	39.8%	29.5%	26.0%	17.8%	15.5%	23.3%	29.1%	50.0%	71.2%	+
Obligations														
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Loans and borrowings compared to rates Interest bearing loans and borrowings / rate revenue	4	18.5%	18.6%	14.6%	10.9%	8.5%	6.1%	3.8%	1.6%	-	-	-	+
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / rate revenue	5	3.9%	3.7%	3.6%	2.4%	2.4%	2.3%	2.2%	1.6%	-	-	-	+
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	Non-current liabilities compared to own-source revenue Non-current liabilities / own source revenue	6	11.7%	8.7%	6.7%	5.6%	3.6%	2.6%	0.9%	2.0%	1.1%	0.7%	1.2%	+
Asset renewal (assets are renewed as planned)	Asset renewal compared to depreciation Asset renewal and upgrade expense / Asset depreciation	7	113.4%	88.7%	94.3%	123.2%	144.1%	123.7%	81.2%	87.4%	84.4%	84.4%	85.1%	-
Stability														
Rates concentration (revenue is generated from a range of sources)	Rates compared to adjusted underlying revenue Rate revenue / adjusted underlying revenue	8	57.1%	57.1%	58.7%	59.5%	59.7%	59.9%	60.0%	60.2%	60.4%	60.5%	60.7%	+
Rates effort (rating level is set based on the community's capacity to pay)	Rates compared to property values Rate revenue / CIV of rateable properties in the municipality	9	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	o

Indicator	Measure	Notes	Forecast											Trend
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	+/-
Efficiency														
Expenditure level (resources are used efficiently in the delivery of services)	Expenses per property assessment Total expenses/ no. of property assessments	10	\$3,820	\$3,856	\$3,938	\$3,986	\$3,921	\$3,915	\$3,949	\$3,993	\$4,039	\$4,087	\$4,120	o
Revenue level (resources are used efficiently in the delivery of services)	Average rate per property assessment General rates and municipal charges / no. of property assessments	11	\$1,984	\$1,952	\$2,007	\$2,046	\$2,071	\$2,098	\$2,126	\$2,154	\$2,183	\$2,213	\$2,243	+

Key to Forecast Trend:

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

Notes to indicators

1. Adjusted underlying result

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period, although continued losses mean reliance on Council's cash reserves or increased debt to maintain services and invest in capital works.

2. Working Capital

Sufficient working capital is required to meet Council's obligations as and when they fall due. A high or increasing level of working capital suggests an improvement in liquidity.

3. Unrestricted Cash

It is the objective of the Financial Sustainability Strategy to maintain and improve unrestricted cash.

4. Loans and borrowings to rates

Trend indicates Council's reducing reliance on debt against its annual revenue through redemption of long-term debts. The level of long-term liabilities is reasonable to the size and nature of a council's activities. A low or decreasing level of long-term liabilities suggests an improvement in the capacity to meet long-term obligations.

5. Loans and borrowings repayments to rates

Trend indicates a reduced reliance on long term debt and forecast increasing rates base.

6. Indebtedness

Trend indicates a reduced reliance on long term debt and increasing own source revenue.

7. Asset renewal

This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100% indicates Council is maintaining its existing assets, while Council has achieved greater than 100% in the past, forward planning of less than 100% is still sustainable whilst ensuring assets are not deteriorating faster than they are being renewed.

8. Rates concentration

Revenue should be generated from a range of sources. Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. A high or increasing range of revenue sources suggests an improvement in stability.

9. Rates effort

Rates effort is expected to stay steady over the term of the financial plan, due to the forecast increase in Rate Cap being in line with forecast increase in CIV of rateable properties.

10. Expenditure level

Trend indicates an increase over the term of the financial plan, which is consistent with CPI forecasts.

11. Revenue level

Trend indicates an increase over the term of the financial plan, which is consistent with Rate Cap forecast.

5. Strategies and Plans

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

5.1 Borrowing Strategy

5.1.1 Current Debt Position

Council recognises that long term borrowings can be a useful tool for funding renewal of existing and major new assets. It also recognises that while borrowings enhance the capacity of Council's short term capital program, debt repayment and borrowing costs may potentially limit the capacity of future capital programs. It is, therefore, important that the utilisation of debt as a funding tool is applied judiciously.

Council borrowed \$32.5m in 2013/2014 to settle the Vision Super unfunded defined benefit liability and fund major capital projects, including the acquisition of 345 Bridge Road Richmond. This borrowing was an interest only loan and repaid in full in November 2021. In February 2022, Council re-borrowed \$32.5m through Treasury Corporation Victoria (a principal and interest facility) for a term of 10 years. An additional loan of \$13.5 million was drawn down in 2016/17 to fund the construction of Bargoonga Nganjin, North Fitzroy Library. This loan is funded on a principal and interest basis and will be repaid by the end of the Financial Plan.

The 2022/23 budget allowed capacity for Council to borrow an additional \$20m. However, cash flow assessment has indicated additional borrowings is not required during 2022/23, due to efficiencies realised and improved debt managed. Further borrowings are not planned during 2023/24. Council may need to generate additional cash flows to ensure delivery significant program of capital works. The Financial Sustainability Strategy will define the requirements of borrowings and strategise for improved generation of cash flows.

This Financial Plan assumes Council will repay principal and interest on all borrowed funds (new and renewed) on an annual basis with a long term reduction in borrowings across the next ten years. Our principal repayments will allow us, depending on prevailing circumstances in the future, to have capacity to borrow further in later years, should that be required.

The following table highlights Council's projected loan balance, including new loans and loan repayments for the 10 years of the Financial Plan.

5.1.2 Future Borrowing Requirements

	Forecast										
	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'000
Opening balance	25,968	21,299	16,489	13,184	9,792	6,312	2,740	-	-	-	-
Plus New loans	-	-	-	-	-	-	-	-	-	-	-
Less Principal repayment	(4,669)	(4,811)	(3,305)	(3,391)	(3,480)	(3,572)	(2,740)	-	-	-	-
Closing balance	21,299	16,489	13,184	9,792	6,312	2,740	-	-	-	-	-
Interest payment	788	788	651	519	397	310	221	-	-	-	-

Performance Indicator	Target	Forecast										
		2024/25 %	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %	2030/31 %	2031/32 %	2032/33 %	2033/34 %	2034/35 %
Total borrowings / Rate revenue	Below 60%	18.51%	14.62%	10.92%	8.47%	6.10%	3.81%	1.61%	0.00%	0.00%	0.00%	0.00%
Debt servicing / Rate revenue	Below 5%	0.56%	0.45%	0.34%	0.25%	0.19%	0.13%	0.08%	0.02%	0.00%	0.00%	0.00%
Debt commitment / Rate revenue	Below 10%	3.89%	3.75%	2.53%	2.43%	2.36%	2.29%	1.68%	0.02%	0.00%	0.00%	0.00%
Indebtedness / Own source revenue	Below 60%	11.68%	8.65%	6.67%	5.59%	3.65%	2.61%	0.93%	1.96%	1.11%	0.73%	1.22%

5.2 Reserves Strategy

5.2.1 Current Reserves

Open Space Reserve

The Open Space Reserve is a statutory reserve holding funds contributed by developers for the purpose of acquiring, developing and improving public open space and recreational facilities within the Municipality. Movements (transfers) to the reserve (inflows) comprise contribution income from subdividers in lieu of the Open Space Requirement. Transfers from the reserve (outflows) are applied to fund Open Space capital. The Yarra Open Space Strategy 2020 was adopted by council on 1 September 2020. The strategy guides how Council manages Yarra's open space network for the next 15 years. Through the implementation of this strategy, open space projects will be identified, prioritised and funded from the Open Space Reserve. Those projects and reserve funding will be reflected in the LTFP accordingly upon the implementation of the Open Space Strategy.

Risk Mitigation Reserve

The Risk Mitigation Reserve is a discretionary reserve holding funds set aside to fund emergency or unplanned events that have significant financial impacts that if not addressed appropriately could have significant and long-lasting financial sustainability issues. Examples include funding calls on the Local Authorities Superannuation Defined Benefits Plan, significant projects related to emergency events or climate change impacts deemed as unavoidable. \$2.5 million was transferred to this reserve at 30 June 2024.

Strategic Growth Reserve

The Strategic Growth Reserve is a discretionary reserve to fund future land acquisition and new major community infrastructure projects that provide direct benefit to the Yarra community informed by the Community Infrastructure plan and 10-year capital works plan. \$2.5 million was transferred to this reserve at 30 June 2024.

5.2.2 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	Forecast										
	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	2031/32 \$000's	2032/33 \$000's	2033/34 \$000's	2034/35 \$000's
Public Open Space Reserve											
Restricted											
Opening balance	28,627	31,123	31,040	31,039	30,994	30,979	30,959	30,942	30,937	30,932	30,937
Transfer to reserve	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Transfer from reserve	(2,504)	(5,083)	(5,001)	(5,045)	(5,015)	(5,020)	(5,017)	(5,005)	(5,005)	(4,995)	(4,440)
Closing balance	31,123	31,040	31,039	30,994	30,979	30,959	30,942	30,937	30,932	30,937	31,497
Risk Mitigation Reserve											
Discretionary											
Opening balance	2,500	4,500	6,500	10,500	11,000	11,000	11,000	15,500	20,000	20,000	20,000
Transfer to reserve	2,000	4,000	4,000	500	-	-	4,500	4,500	-	-	-
Transfer from reserve	-	(2,000)	-	-	-	-	-	-	-	-	-
Closing balance	4,500	6,500	10,500	11,000	11,000	11,000	15,500	20,000	20,000	20,000	20,000
Strategic Growth Reserve											
Discretionary											
Opening balance	2,500	2,500	5,500	7,500	8,000	8,000	8,000	9,000	10,000	10,000	10,000
Transfer to reserve	-	3,000	2,000	500	-	-	1,000	1,000	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	2,500	5,500	7,500	8,000	8,000	8,000	9,000	10,000	10,000	10,000	10,000
Reserves Summary											
Opening balance	33,627	38,123	43,040	49,039	49,994	49,979	49,959	55,442	60,937	60,932	60,937
Transfer to reserve	7,000	12,000	11,000	6,000	5,000	5,000	10,500	10,500	5,000	5,000	5,000
Transfer from reserve	(2,504)	(7,083)	(5,001)	(5,045)	(5,015)	(5,020)	(5,017)	(5,005)	(5,005)	(4,995)	(4,440)
Closing balance	38,123	43,040	49,039	49,994	49,979	49,959	55,442	60,937	60,932	60,937	61,497