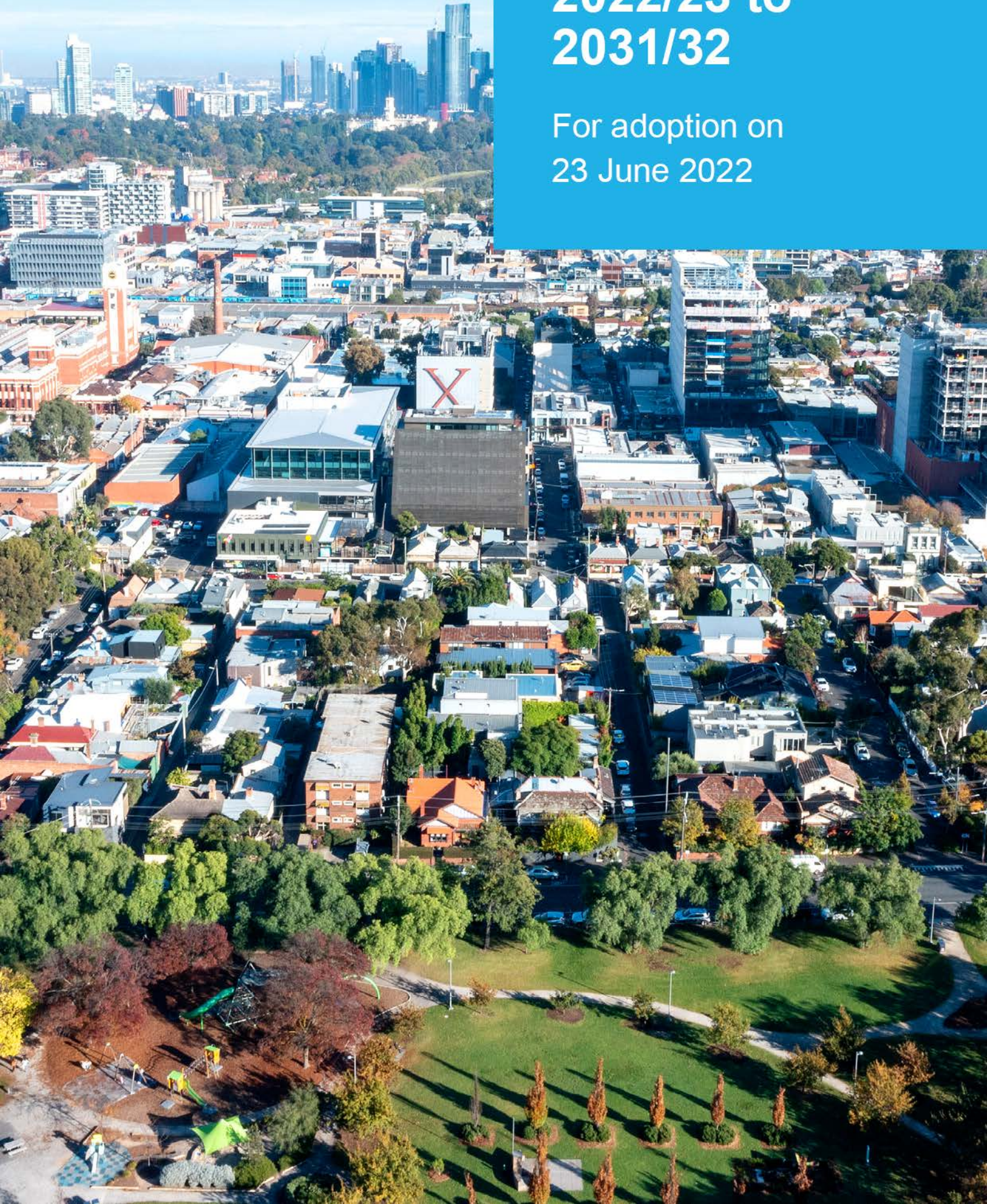




Long Term Financial Plan 2022/23 to 2031/32

For adoption on
23 June 2022



City of Yarra Long Term Financial Plan 2022/23 to 2031/32

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1. Executive Summary

Yarra City Council has prepared this updated Long Term Financial Plan 2022/23 to 2031/32 (the Financial Plan) to support the Community's Vision and Council Plan. Through the development of the vision, the community has told us their desire for Yarra City Council to be environmentally and financially sustainable and to have a strong and vibrant community. The Council Plan includes actions to deliver on this vision.

Yarra's long-term planning strategy principles are focused on creating a sustainable financial environment to enable Council to continue to provide the community with high quality and required 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. Council is in the process of developing its integrated strategic planning and reporting framework;
- *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, and
- *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:

- Balance the community's needs and ensuring that Council continues to be financially sustainable in the long term;
- Increase Council's commitment to sustainable asset renewal and maintenance of the community's assets;
- Maintain a strong cash position for financial sustainability;
- Achieve efficiencies through targeted savings and an ongoing commitment to contain costs including 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.

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.

Yarra continues to grow – our population is currently estimated at 108,632 (2022) and forecast to increase to 157,607 by 2041, an increase of 45%. This growth will provide some additional rate revenue, however additional growth also requires additional investment in assets and services to support the larger population. These additional costs add to what we already invest maintaining our existing \$2.1 billion in assets, and to the costs of delivering services our community values.

Like all Councils across Victoria, Yarra has been impacted financially by the COVID-19 pandemic, both through increased spending to support our local community and businesses and loss of revenue. Council made a deliberate and considered decision to step up and assist the community and businesses during the pandemic. This included significantly expanding the rates hardship policy, waiving all footpath and outdoor trading fees to support Yarra businesses, and providing more than \$1.5m in additional grants. As a result, Council's operating environment and financial position has been impacted with losses in excess of \$50m.

Rising inflation also presents a risk to Council's budget outcomes given the global and local impacts of events over the past three years and uncertainties with the future economic outlook.

In order to continue to deliver what our community wants and expects, as well as continuing to deliver on Yarra's vision, Council needs to make some strategic decisions. Urgent consideration has been given to improving operational efficiencies, managing costs, attracting external funding and expanding opportunities to generate revenue. Council expects to deliver financial improvements and efficiencies over the next 10 years of at least \$23m. In addition to this, Council is currently undertaking an independent strategic review of operations.

The 2022/23 budget includes an increase to metered parking and permit fees for the first time in six years. The cost of Yarra's resident parking permits will remain among the lowest in inner-city Melbourne, and we are also maintaining our significant concession discounts (including retaining a free first permit for concession holders). We are moving towards a more demand driven parking model that considers demand for parking spaces in price setting. This increase in parking revenue will help Council to continue to provide the services and projects the community wants us to invest in.

Council will also be investigating the potential introduction of a separate waste charge in the 2023/24 Budget. Yarra is one of only eight councils in Victoria that does not have a separate waste charge and by the time 2022/2023 commences we will likely be one of only two or three. This investigative work has yet to commence but will be undertaken in close consultation with the community where Council will consider a range of options and the implications of those prior to making any decision about this. A separate waste charge would bring Yarra into line with the overwhelming majority of councils across Victoria and may potentially allow for further investments in its waste collection services to ensure Yarra remain a leader in the sustainability space. It will also assist Council in meeting upcoming legislative requirements.

Council will also be commencing a significant IT investment which will enhance and improve our customer experience, providing our community with online access to Council services, anywhere, at any time.

Yarra must continue to reinvest 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 we are maximising public value.

Services also evolve, and Yarra City 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.

Interest rates are rising fast at this moment and are expected to rise further through the life of this plan, which may impact the capacity of future borrowings. Yarra City will continue a restrained approach to debt and only pursue new borrowings where an intergenerational benefit is apparent. The Financial Plan provides the capacity for Yarra City to borrow and support the delivery of a significant program of capital works.

2. Financial Plan

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

2.1 Introduction

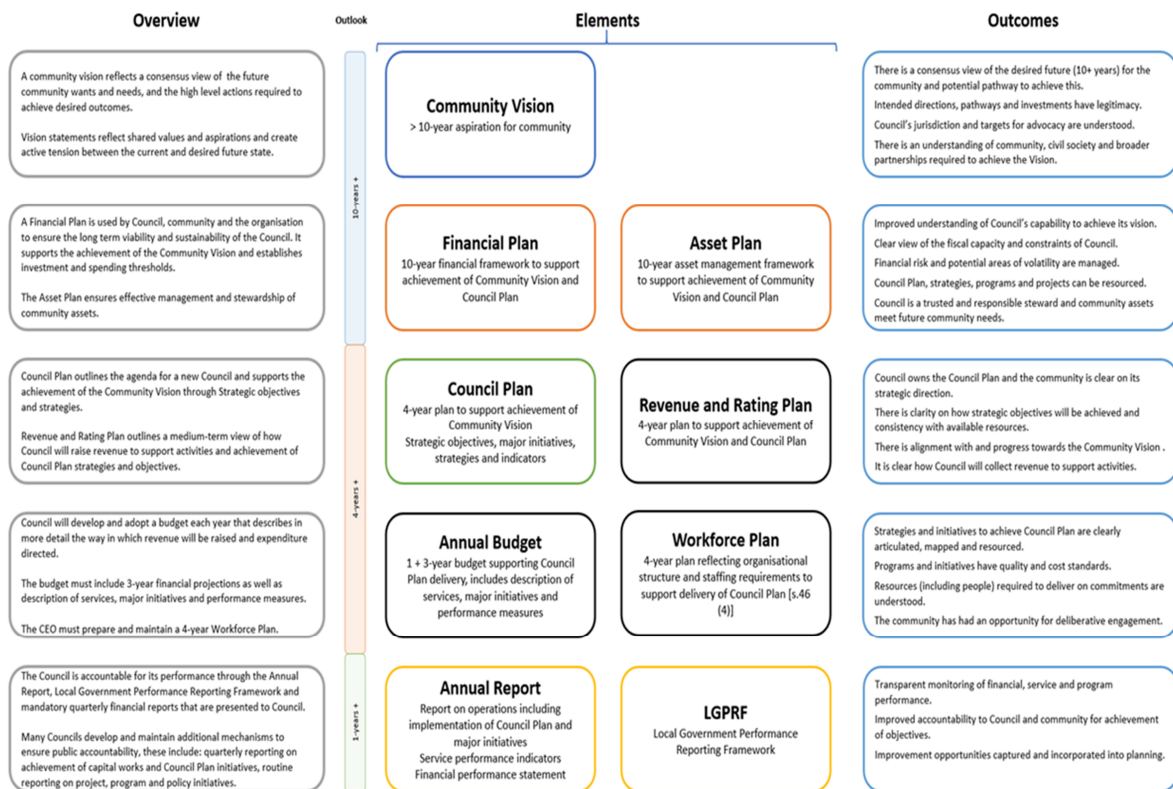
The Long Term Financial Plan 2021-22 to 2030-31 was required to be developed through the *Local Government Act 2020 (LGA)* and provided a ten year financially sustainable projection regarding how the actions of the Council Plan 2021-2025 may be funded to achieve the aspirations in Yarra 2036 Community Vision.

Council is committed to a transparent and accountable budget and financial plan process. Whilst not required under the LGA, Council is updating the Financial Plan document annually as part of the budget preparation process. Together with the budget document, it is subject to ongoing review and may be updated during the budget year through a revised budget process. This updated Long Term Financial Plan 2022/23 to 2031/32 is keeping with that commitment.

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).

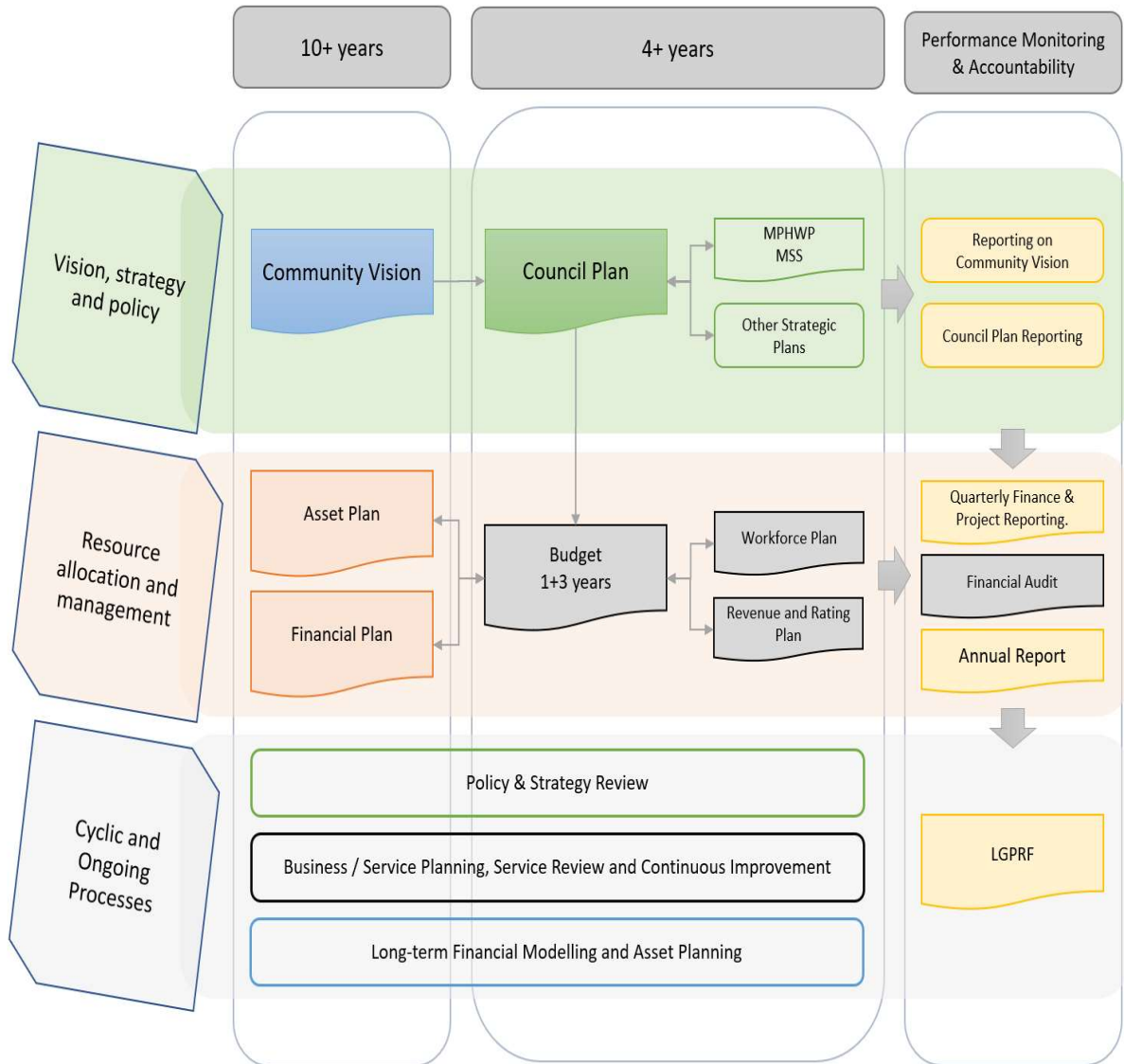
2.2 Integrated Strategic Planning & Reporting Framework

Part 4 of the Local Government Act 2020 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.



2. Financial Plan Context Cont.....

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 2021 to 30 June 2025) and our 10-year financial and asset management plans. The Vision is the product of a two-staged engagement approach, which started with broad community engagement in November 2020, and a community panel in May 2021.

The community engagement on the 2022/23 Budget and Financial Plan was delivered in line with our Community Engagement Policy. Council ran an early community engagement process in late 2020/early 2021 and this initial round of consultation assisted Council to understand a range of community suggestions and priorities for the Budget and Financial Plan. On 19 April 2022, Council resolved to adopt the draft Budget and Financial Plan for the purpose of seeking community feedback. Both documents were released for public exhibition from 22 April to 6 May 2022. On 30 May 2022, Council held a Special Council Meeting to hear any person who wishes to speak in support of written feedback to the draft Budget and Financial Plan. Community feedback has been reviewed and assessed for the adoption of the final 2022/23 Budget and Financial Plan on 23 June 2022.

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 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 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.

2.6 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:

- Implement a sustainable budget and conservative financial strategy that caters for short and long-term requirements;
- Maximisation of grants and subsidies received from Victorian and Commonwealth governments to achieve a better share of government taxes for the community;
- Borrowings are directed towards funding of inter-generational growth infrastructure special projects and major asset renewal that support growth; and
- Trust funds and statutory reserves are fully cash backed.

2.7 Financial Policy Statements

This section defines the measures that demonstrate Council's financial sustainability in order to fund the aspirations of the Community Vision and the Council Plan.

Indicator	Measure	Target	Forecast Actual										
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	> 5.00%	(6.07%)	(3.09%)	(2.50%)	0.77%	2.22%	3.58%	3.83%	3.81%	4.28%	4.49%	4.71%
Working Capital	Current Assets / Current Liabilities	>1.40	1.60	1.56	1.29	1.13	1.02	1.00	1.00	1.02	1.06	1.14	1.30
Asset renewal	Asset renewal and upgrade expenses / Depreciation	>1.00	1.43	1.19	1.11	1.07	1.05	1.34	1.38	1.34	1.31	1.28	1.15
Indebtedness	Non-current liabilities / own source revenue	<40.00%	22.37%	26.65%	22.48%	18.47%	14.73%	11.81%	9.03%	6.38%	3.78%	1.59%	0.59%

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 within the Financial Plan, as adjusted underlying deficit means reliance on Councils' cash reserves or increased debt to maintain services and invest in capital works.

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. Council is targeting a working capital ratio of above 1.4.

Asset renewal

Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life. Council is targeting an asset renew ratio of above 1.0.

Indebtedness

That Council applies loan funding to new capital and maintains total noncurrent liabilities in line with own source revenue and growth of the municipality. Debt servicing and debt redemption will be maintained within the financial capacity of Council reflected in a cap on indebtedness of less than 40%.

2.8 Financial Plan Overview and Strategic Actions

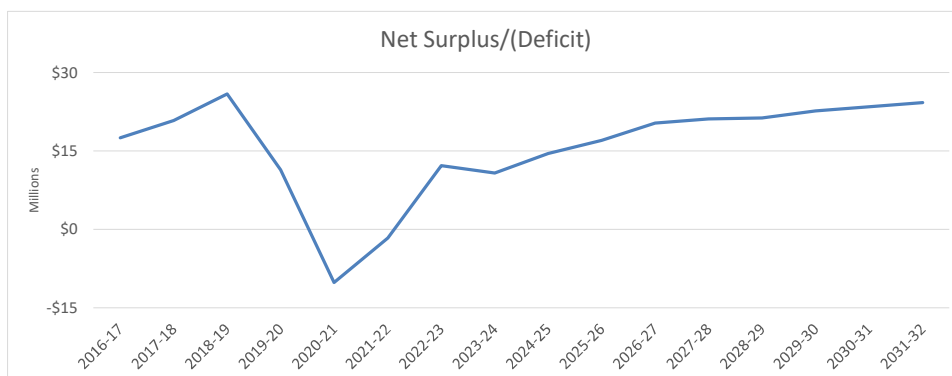
The Financial Plan includes a ten year projection of Council's financial performance and position, cash flows, capital works program, and planned human resources outlining the expected resources that will be required to achieve the Community Vision 2036 and Council Plan 2021-2025. It also includes information about Council's financial management principles, assumptions, strategies and other influences that have had a significant impact on these projections.

COVID-19 has presented a fast-evolving significant challenge to businesses, households, and the economy worldwide. Council has acted in the interest of keeping our community, residents and workforce safe. Council's financial position has been impacted significantly by the COVID-19 pandemic with a loss in excess of \$50m up to 30 June 2022. Whilst the Financial Plan assumes the return to normalised business and economic activity, future forecasts could be impacted by further COVID-19 restrictions and any global and local environmental and economic events.

Rising inflation also presents a risk to Council's budget outcomes given the global and local impact of events over the past three years and uncertainties with the future economic outlook.

This overview provides a summary of the 10 year financial outlook and high level strategies.

2.8.1 Net Surplus/(Deficit)



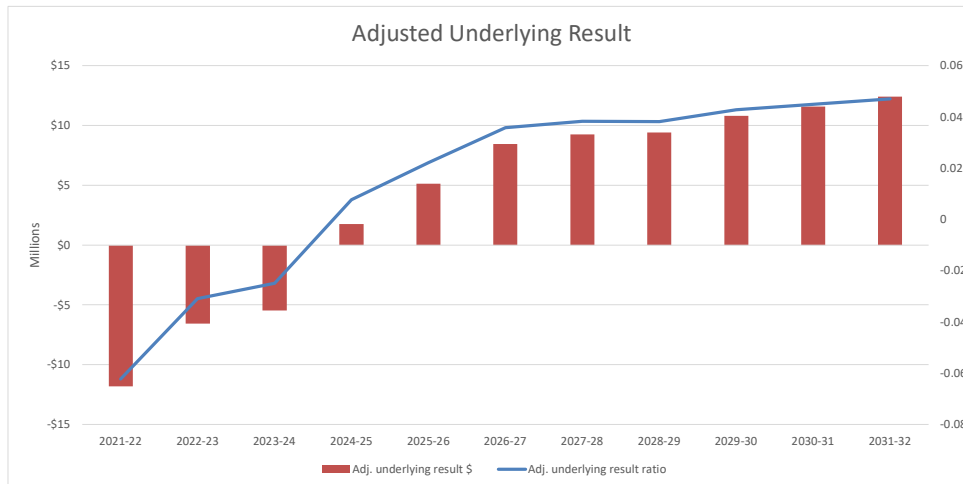
Whilst Council incurred significant losses during COVID-19, it also presented a significant challenge to businesses, households and the local economy. Council will continue to act in the interest of keeping our community, residents and workforce safe.

Planning for a surplus is fiscally responsible to maintain uninterrupted service delivery to our community and to provide essential funding for capital works including the redevelopment of major community facilities. Council has strategically planned for surpluses for the next ten years, after incurring losses in 2020/21 and 2021/22 as a result of COVID-19.

Council will invest in technology infrastructure as it evolves more into the digital transformation space and enhance its the community experience with the community and deliver its services.

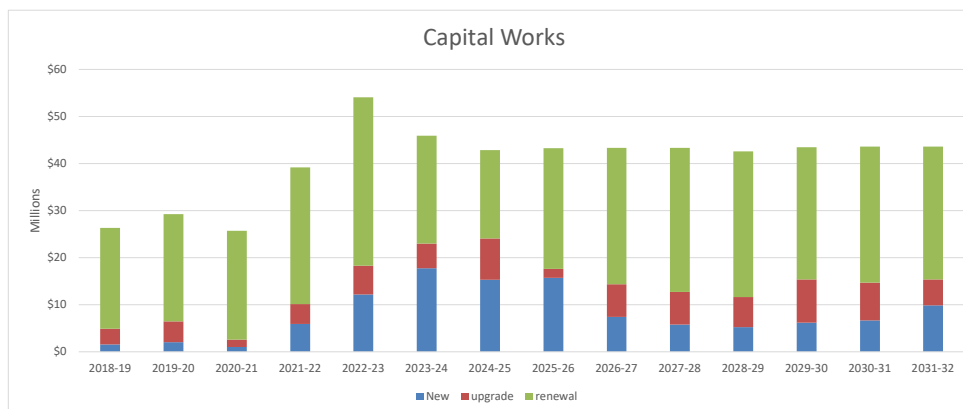
The Financial Plan does not provide for growth in FTE numbers, despite the forecast for an increased population and dwellings. Requirements to fulfil statutory obligations or increased customer demand in a rate capped environment will be a challenge and Yarra will aim to identify efficiency gains in the operating budget with a strategic approach to Service Planning.

2.8.2 Adjusted Underlying Result



The Adjusted underlying result is an important indicator as it measures the level of sustainable operating results, critical to ensure Council can provide core services and meet its objectives. In order to continue to deliver what our community wants and expects, as well as continuing to deliver on Yarra's vision, Council needs to make some strategic decisions. Urgent consideration has been given to improving operational efficiencies, managing costs, attracting external funding and expanding opportunities to generate revenue. As a result, Council is expecting its adjusted underlying results to improve in future years.

2.8.3 Asset Renewal, New and Upgrade expenditure



Council intends to spend \$446m to renew, improve and create new community facilities and infrastructure over the next 10 years. This will be funded by a mix of rates, reserves and external funding sources including grants, contributions and proceeds of sale from assets that are no longer required.

Information from Council's Asset Management Plans determines Council's capital expenditure priorities. Funding for capital expenditure is primarily sourced from rates. In addition, Council utilises a Developer Contribution Plan which will contribute towards capital works projects. Contribution levels will depend on land sales and the desire of developers to construct new developments within the municipality. A strategic effort is also undertaken continuously to fund capital projects utilising other funding sources such as grants.

As part of Council's approach to responsible and sustainable asset management, Council's 10 Year Capital Works Program assigns funding priority to the renewal and upgrade of existing infrastructure over the creation of new assets.

Sustainable asset management is necessary for Council to meet its responsibilities to:

- Provide sustainable services to current and future generations;
- Provide and maintain necessary sustainable community

- Encourage and support the economic and social development of

Council's approach to asset management includes:

- the application of Yarra's Asset Management Strategy and Plan;
- defining sustainable service levels that meet sustainable
- an organisational wide information system for asset data management, reporting and works
- a planned and fully funded approach to timely asset renewal driven by a lifecycle management

2.8.4 Council property

In 2018, Council adopted a Property Strategy, which provides a holistic framework for the management of all Council property assets and establishes guiding principles for the alignment of Council's property portfolio with its future community and service delivery requirements. As part of an independent strategic review, council will review and evaluate its property portfolio to ensure that public value is maximised.

2.8.5 Rates and Other Revenue

Rates

Rate increases in accordance with the Fair Go Rates framework (Rate Cap) and Council's Revenue and Rating Plan.

The Minister for Local Government has declared the rate cap level for 2022/23 at 1.75%. This follows rate caps of 1.5% in 2021/22, 2.0% in 2020/21, 2.50% in 2019/20, and 2.25% in 2018/19. If the rate cap increases are less than predicted and additional revenue sources are not available, Council may be required to cease provision of some services, reduce service levels, reduce the capital works program, or undertake some combination of these actions.

Waste management costs (through increases in the State Government Landfill Levy) have increased substantially during the last two years and expected to increase further in future years. Additional costs are also attributed to increased waste service costs, such as recycling processing services, due to recent sector challenges.

Council will also be investigating the potential introduction of a separate waste charge in its 2023/24 Budget. Yarra is one of only eight councils in Victoria that does not have a separate waste charge. From the eight Councils, the majority have stated their intention to introduce waste charges from 2022/23. This investigative work has yet to commence but will be undertaken in close consultation with the community where Council will consider a range of options and the implications of those prior to making any decision about this. A separate waste charge would bring Yarra into line with the overwhelming majority of councils across Victoria and may potentially allow for further investments in its waste collection services to ensure Yarra remain a leader in the sustainability space. It will also assist Council in meeting upcoming legislative requirements.

Other Revenue

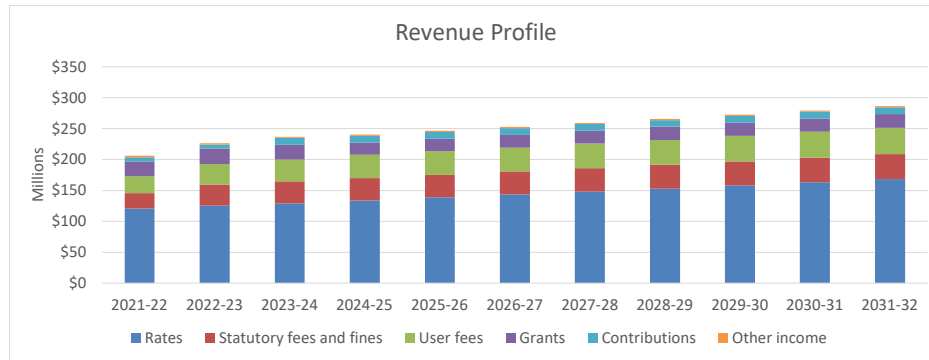
User fees and charges are reviewed annually with consideration given to a range of factors such as cost recovery, community access, equity and affordability and market forces. A list of fees and charges are included within the Budget each year.

Council actively seeks to source external grants and grow its own-sourced revenue, which includes contributions, interest, asset sales and other income. Council will pro-actively advocate to other levels of government for grant funding support to deliver infrastructure and service outcomes for the community.

Council collects revenue from the application of statutory fees and fines under the direction of legislation or other government directions. These can be: Planning and subdivision fees, Building and Inspection fees, infringements and fines and land information certificate fees.

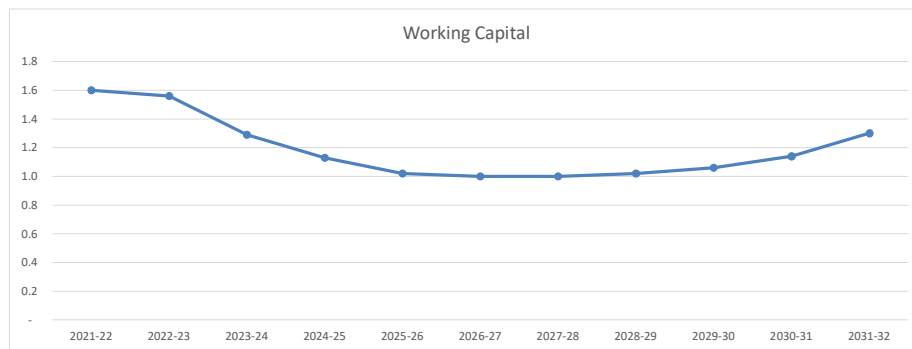
Council is proposing to increase metered parking and permit fees in 2022/23. This is the first time in six years metered parking fees have increased in Yarra. Council is moving towards a more demand driven and flexible parking model.

Rates and Other Revenue Profile



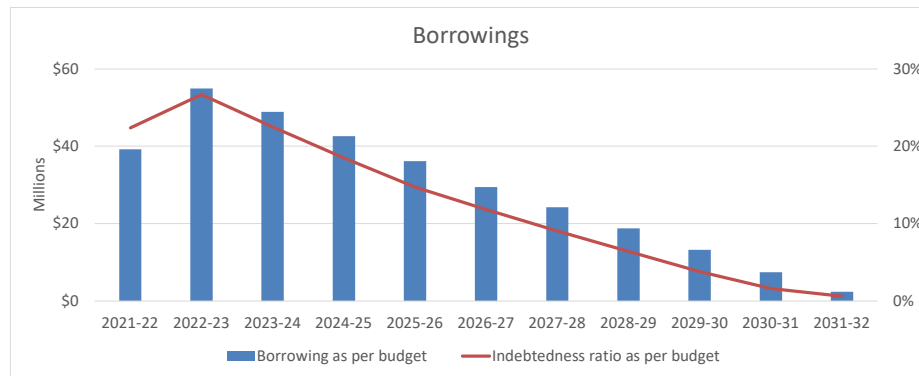
The average rate will increase by 1.75% for the 2022/23 year and the same rate cap is assumed in future years in the Financial Plan. However, the Financial Plan is reviewed annually as part of Council's budget deliberations and future rate increases will be considered in light of prevailing economic conditions, community needs and the rate cap ordered by the Minister for Local Government.

2.8.6 Financial position (working capital ratio)



Council's working capital has been significantly impacted by COVID-19 and is expected to deteriorate further over the next few years while funding the improvement of Council facilities and infrastructure through the Capital Works Program. Council is currently undertaking an independent strategic review of its operations to deliver efficiencies and improvements in working capital. Much of Council's cash reserves are held for specific and allocated purposes, such as open space reserve. The increasing working capital in later years also reflects the increase in open space reserve, which is to fund future investments in much needed Community Open space.

2.8.7 Borrowings



The introduction of rate capping as well as debt required to be repaid in the short term, has had a significant impact on the Financial Plan and challenged Council's financial position. Existing debt is serviced by a \$32.5m principal and interest loan, due to be repaid by 2031/32 and a \$13.5m principal and interest loan due to be repaid by 2027.

The Victorian Auditor-General has indicated through its recommendation on financial ratios that Indebtedness (Non-current liabilities/Own sourced revenue) above 40% places Council in the medium risk category and 60% in the high risk category. The indebtedness ratio in the Financial Plan is expected to be 22% at the end of the current 2021/22 budget year and will continue to decrease during the life of the Financial Plan, to reduce the already low risk to Council.

Summary

This is a responsible long term financial plan. It includes transformational initiatives such as major technology upgrades, expansion of Council's continuous improvement and efficiency benefit. An increased focus on service planning, maximising the public value of assets and outcomes anticipated from an independent strategic review, will be required to ensure the ongoing financial sustainability of Council into the future.

2.9 Assumptions to the financial plan statements

This section presents information in regard to the assumptions to the Comprehensive Income Statement for the 10 years from 2022/23 to 2031/32. The assumptions comprise the annual escalations/movement for each line items of the Comprehensive Income Statement.

The escalation factors are the main drivers of future estimates of each revenue and expense items. Further adjustments are made for specific movements or factors when needed. CPI fluctuates through the Financial Plan period however, Yarra City Council has applied a consistent and conservative indicators across the 10 year period.

Escalation Factors % movement	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Rates and charges	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Statutory fees, fines and User Fees	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Grants	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Employee costs	1.75%	1.85%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Materials, services & Other	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Depreciation & Amortisation	\$0.5m	\$0.5m	\$0.5m	\$0.5m	\$0.5m	\$0.5m	\$0.5m	\$0.5m	\$0.5m	\$0.5m

3. Financial Plan Statements

This section presents information in regard to the Financial Plan Statements for the 10 years from 2022/23 to 2031/32.

Comprehensive Income Statement

Balance Sheet

Statement of Cash Flows

Statement of Capital Works

Statement of Human Resources

Statement of Changes in Equity

3.1 Comprehensive Income Statement

	Forecast / Actual										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income											
Rates and charges	120,750	125,163	128,845	132,591	136,103	139,676	143,311	147,011	150,775	154,605	158,501
Statutory fees and fines	23,171	35,754	36,379	37,016	37,664	38,323	38,994	39,676	40,370	41,077	41,796
User fees	26,556	33,174	35,355	37,546	38,203	38,871	39,551	40,244	40,948	41,664	42,393
Grants - Operating	21,569	16,234	16,518	16,807	17,102	17,401	17,705	18,015	18,330	18,651	18,978
Grants - Capital	4,550	11,825	7,395	3,881	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Contributions - monetary	5,000	5,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Contributions - monetary - other	660	1,934	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	650	80	50	50	50	50	50	50	50	50	50
Other income	2,100	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758
Total income	205,005	230,922	235,201	238,549	242,778	247,978	253,270	258,653	264,131	269,705	275,376
Expenses											
Employee costs	96,236	103,092	106,047	107,637	109,804	112,525	115,300	118,131	121,018	123,963	126,967
Materials and services	78,326	82,691	85,308	83,227	82,495	81,386	82,802	84,843	85,709	87,201	88,719
Depreciation	24,550	24,837	25,337	25,837	26,337	26,837	27,337	27,837	28,337	28,837	29,337
Amortisation - right of use assets	1,275	1,163	217	46	46	15	-	-	-	-	-
Bad and doubtful debts	4,213	5,075	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Borrowing costs	1,200	1,050	1,696	1,495	1,288	1,073	875	708	537	359	179
Finance Costs - leases	126	58	11	5	3	-	-	-	-	-	-
Other expenses	685	746	759	772	786	800	814	828	842	857	872
Total expenses	206,612	218,712	224,376	224,020	225,759	227,636	232,128	237,347	241,443	246,217	251,074
Surplus/(deficit) for the year	(1,607)	12,210	10,825	14,529	17,020	20,342	21,142	21,306	22,688	23,487	24,302
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods											
Net asset revaluation increment /(decrement)	82,087	-	86,025	-	90,928	-	95,862	-	100,888	-	106,076
Total comprehensive result	80,480	12,210	96,849	14,529	107,948	20,342	117,004	21,306	123,576	23,487	130,378

3.2 Balance Sheet

	Forecast / Actual										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	71,470	73,385	60,763	52,087	45,682	42,707	42,359	43,141	45,098	47,940	52,726
Trade and other receivables	18,295	15,047	11,973	12,001	12,128	12,357	12,857	13,295	13,839	14,493	15,258
Inventories	95	95	95	95	95	95	95	95	95	95	95
Other assets	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402
Total current assets	91,262	89,929	74,233	65,585	59,307	56,561	56,713	57,933	60,435	63,930	69,481
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	2,121,853	2,150,614	2,256,686	2,273,202	2,380,557	2,396,561	2,507,928	2,522,196	2,637,680	2,651,905	2,771,708
Right-of-use assets	1,294	324	107	61	15	-	-	-	-	-	-
Total non-current assets	2,123,152	2,150,942	2,256,798	2,273,268	2,380,577	2,396,566	2,507,933	2,522,201	2,637,685	2,651,910	2,771,713
Total assets	2,214,414	2,240,871	2,331,032	2,338,853	2,439,884	2,453,127	2,564,646	2,580,134	2,698,120	2,715,840	2,841,194
Liabilities											
Current liabilities											
Trade and other payables	15,737	15,737	15,737	15,737	15,737	15,737	15,737	15,337	15,337	15,337	15,337
Trust funds and deposits	12,432	12,432	12,432	12,432	12,432	12,432	12,432	12,432	12,432	12,432	12,432
Unearned income/revenue	5,125	5,125	5,125	5,125	5,125	5,125	5,125	5,125	5,125	5,125	5,125
Provisions	18,139	18,139	18,139	18,139	18,139	18,139	18,139	18,139	18,139	18,139	18,139
Interest-bearing liabilities	4,271	6,060	6,261	6,468	6,683	5,252	5,418	5,590	5,767	5,024	2,371
Lease liabilities	1,241	229	46	49	17	-	-	-	-	-	-
Total current liabilities	56,944	57,722	57,740	57,950	58,133	56,685	56,851	56,622	56,799	56,057	53,403
Non-current liabilities											
Provisions	3,667	3,267	2,867	2,467	2,067	1,667	1,435	1,435	1,435	1,435	1,435
Interest-bearing liabilities	34,900	48,834	42,573	36,105	29,422	24,170	18,751	13,162	7,395	2,371	-
Lease liabilities	176	112	66	17	-	-	-	-	-	-	-
Total non-current liabilities	38,743	52,213	45,506	38,589	31,489	25,837	20,187	14,597	8,830	3,806	1,435
Total liabilities	95,688	109,935	103,246	96,538	89,622	82,522	77,038	71,219	65,630	59,863	54,839
Net assets	2,118,726	2,130,937	2,227,786	2,242,315	2,350,263	2,370,605	2,487,609	2,508,914	2,632,490	2,655,977	2,786,356
Equity											
Accumulated surplus	650,372	659,852	669,582	682,711	698,781	718,198	738,389	758,745	780,483	803,020	826,502
Reserves	1,468,354	1,471,084	1,558,204	1,559,604	1,651,482	1,652,408	1,749,219	1,750,169	1,852,007	1,852,957	1,959,853
Total equity	2,118,726	2,130,937	2,227,786	2,242,315	2,350,263	2,370,605	2,487,609	2,508,914	2,632,490	2,655,977	2,786,356

3.3 Statement of Changes in Equity

	Total	Accu Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
2022 Forecast Actual				
Balance at beginning of the financial year	2,038,246	656,661	1,362,635	18,950
Surplus/(deficit) for the year	(1,607)	(1,607)	-	-
Net asset revaluation increment/(decrement)	82,087	-	82,087	-
Transfers to other reserves	-	(5,000)	-	5,000
Transfers from other reserves	-	318	-	(318)
Balance at end of the financial year	2,118,726	650,372	1,444,722	23,632
2023				
Balance at beginning of the financial year	2,118,726	650,372	1,444,722	23,632
Surplus/(deficit) for the year	12,210	12,210	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(5,000)	-	5,000
Transfers from other reserves	-	2,270	-	(2,270)
Balance at end of the financial year	2,130,937	659,852	1,444,722	26,362
2024				
Balance at beginning of the financial year	2,130,937	659,852	1,444,722	26,362
Surplus/(deficit) for the year	10,825	10,825	-	-
Net asset revaluation increment/(decrement)	86,025	-	86,025	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	5,905	-	(5,905)
Balance at end of the financial year	2,227,786	669,582	1,530,747	27,457
2025				
Balance at beginning of the financial year	2,227,786	669,582	1,530,747	27,457
Surplus/(deficit) for the year	14,529	14,529	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	5,600	-	(5,600)
Balance at end of the financial year	2,242,315	682,711	1,530,747	28,857

2026

Balance at beginning of the financial year	2,242,315	682,711	1,530,747	28,857
Surplus/(deficit) for the year	17,020	17,020	-	-
Net asset revaluation increment/(decrement)	90,928	-	90,928	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	6,050	-	(6,050)
Balance at end of the financial year	2,350,263	698,781	1,621,675	29,807

2027

Balance at beginning of the financial year	2,350,263	698,780	1,621,675	29,807
Surplus/(deficit) for the year	20,342	20,342	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	6,075	-	(6,075)
Balance at end of the financial year	2,370,605	718,197	1,621,675	30,732

2028

Balance at beginning of the financial year	2,370,605	718,197	1,621,675	30,732
Surplus/(deficit) for the year	21,142	21,142	-	-
Net asset revaluation increment/(decrement)	95,862	-	95,862	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	6,050	-	(6,050)
Balance at end of the financial year	2,487,609	738,389	1,717,537	31,682

2029

Balance at beginning of the financial year	2,487,609	738,389	1,717,537	31,682
Surplus/(deficit) for the year	21,306	21,306	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	6,050	-	(6,050)
Balance at end of the financial year	2,508,915	758,745	1,717,537	32,632

2030

Balance at beginning of the financial year	2,508,915	758,745	1,717,537	32,632
Surplus/(deficit) for the year	22,688	22,688	-	-
Net asset revaluation increment/(decrement)	100,888	-	100,888	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	6,050	-	(6,050)
Balance at end of the financial year	2,632,490	780,483	1,818,425	33,582

2031

Balance at beginning of the financial year	2,632,490	780,483	1,818,425	33,582
Surplus/(deficit) for the year	23,487	23,487	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	6,050	-	(6,050)
Balance at end of the financial year	2,655,978	803,020	1,818,425	34,532

2032

Balance at beginning of the financial year	2,655,978	803,020	1,818,425	34,532
Surplus/(deficit) for the year	24,302	24,302	-	-
Net asset revaluation increment/(decrement)	106,076	-	106,076	-
Transfers to other reserves	-	(7,000)	-	7,000
Transfers from other reserves	-	6,180	-	(6,180)
Balance at end of the financial year	2,786,356	826,502	1,924,501	35,352

3.4 Statement of Cash Flows

	Forecast / Actual										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'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	119,542	126,912	130,556	131,265	134,742	138,279	141,878	145,541	149,267	153,059	156,916
Statutory fees and fines	20,854	32,178	32,741	33,314	33,897	34,491	35,094	35,708	36,333	36,969	37,616
User fees	26,556	33,174	35,355	37,546	38,203	38,871	39,551	40,244	40,948	41,664	42,393
Grants - operating	21,569	16,234	16,518	16,807	17,102	17,401	17,705	18,015	18,330	18,651	18,978
Grants - capital	4,550	11,825	7,395	3,881	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Contributions - monetary- OSR	5,000	5,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Contributions - monetary- Other	660	1,934	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Other receipts	2,100	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758
Employee costs	(96,236)	(103,092)	(106,047)	(107,637)	(109,804)	(112,525)	(115,300)	(118,131)	(121,018)	(123,963)	(126,967)
Materials and services	(79,411)	(83,837)	(86,467)	(84,399)	(83,680)	(82,586)	(84,016)	(86,071)	(86,551)	(88,058)	(89,591)
Net cash provided by/(used in) operating activities	25,183	42,086	40,709	41,436	44,117	47,589	48,571	48,964	50,967	51,980	53,004
Cash flows from investing activities											
Payments for property, infrastructure, plant	(39,145)	(54,105)	(45,886)	(42,853)	(43,264)	(43,342)	(43,342)	(42,605)	(43,434)	(43,563)	(43,564)
Proceeds from sale of property,	1,150	580	550	550	550	550	550	550	550	550	550
Net cash provided by/ (used in) investing activities	(37,995)	(53,525)	(45,336)	(42,303)	(42,714)	(42,792)	(42,792)	(42,055)	(42,884)	(43,013)	(43,014)
Cash flows from financing activities											
Finance costs	(1,200)	(1,050)	(1,696)	(1,495)	(1,288)	(1,073)	(875)	(708)	(537)	(359)	(179)
Proceeds from borrowings	32,500	20,000	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(34,532)	(4,271)	(6,060)	(6,261)	(6,468)	(6,683)	(5,252)	(5,418)	(5,590)	(5,767)	(5,024)
Interest paid - lease liability	(126)	(58)	(11)	(5)	(3)	-	-	-	-	-	-
Repayment of lease liabilities	(1,290)	(1,268)	(229)	(46)	(49)	(16)	-	-	-	-	-
Net cash provided by/(used in) financing activities	(4,648)	13,354	(7,996)	(7,808)	(7,808)	(7,772)	(6,127)	(6,127)	(6,126)	(6,126)	(5,204)
Net increase/(decrease) in cash & cash equivalents	(17,460)	1,914.93	(12,622)	(8,676)	(6,405)	(2,975)	(348)	782	1,957	2,842	4,786
Cash and cash equivalents at the beginning of the financial year	88,930	71,470	73,385	60,763	52,087	45,682	42,707	42,359	43,141	45,098	47,940
Cash and cash equivalents at the end of	71,470	73,385	60,763	52,087	45,682	42,707	42,359	43,141	45,098	47,940	52,726

3.5 Statement of Capital Works

	Forecast / Actual										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Buildings	14,704	14,479	17,832	20,460	17,595	10,798	13,233	12,241	13,205	11,058	10,012
Total buildings	14,704	14,479	17,832	20,460	17,595	10,798	13,233	12,241	13,205	11,058	10,012
Total property	14,704	14,479	17,832	20,460	17,595	10,798	13,233	12,241	13,205	11,058	10,012
Plant and equipment											
Plant, machinery and equipment	2,000	2,188	1,767	2,041	2,066	1,936	2,105	1,787	2,149	2,331	2,091
Fixtures, fittings and furniture	150	150	239	140	140	195	195	190	235	287	250
Computers and telecommunications	1,966	2,001	1,789	1,705	2,040	2,633	1,846	1,861	1,765	1,883	2,517
Library books	640	640	650	660	670	680	680	690	700	710	720
Total plant and equipment	4,756	4,979	4,445	4,546	4,916	5,444	4,826	4,528	4,849	5,211	5,578
Infrastructure											
Roads	6,114	7,060	5,200	5,410	6,328	6,214	7,700	7,948	8,293	7,923	8,341
Bridges	2	-	50	50	50	50	65	-	100	100	-
Footpaths and cycleways	2,968	2,381	1,875	1,371	2,196	5,053	4,683	4,385	3,777	5,134	8,930
Drainage	4,041	3,752	2,316	1,728	1,277	1,971	2,015	1,620	1,987	2,047	3,277
Waste management	75	100	80	85	85	85	85	85	90	90	90
Parks, open space and streetscapes	4,471	3,935	11,075	7,470	8,950	11,634	8,905	10,865	10,153	10,936	7,019
Off street car parks	-	-	58	60	60	-	50	-	-	-	-
Other infrastructure	2,014	2,174	2,955	1,674	1,806	2,094	1,781	933	980	1,065	319
Total infrastructure	19,685	19,401	23,609	17,848	20,752	27,100	25,284	25,836	25,380	27,294	27,975
Total capital works expenditure	39,146	38,859	45,886	42,853	43,264	43,342	43,342	42,605	43,434	43,563	43,564
Represented by:											
New asset expenditure	5,886	9,376	17,734	15,322	15,667	7,387	5,745	5,200	6,192	6,655	9,822
Asset renewal expenditure	29,024	26,572	22,906	18,787	25,664	29,008	30,665	31,022	28,046	28,861	28,223
Asset upgrade expenditure	4,236	2,912	5,246	8,744	1,932	6,947	6,933	6,383	9,196	8,046	5,519
Total capital works expenditure	39,146	38,859	45,886	42,853	43,264	43,342	43,342	42,605	43,434	43,563	43,564
Funding sources represented by:											
Grants	4,935	10,844	7,483	8,981	10,248	359	359	2,359	259	259	259
Contributions	1,057	2,700	6,445	6,145	6,595	6,615	6,595	6,570	6,570	6,600	6,720
Council cash	33,154	25,316	31,957	27,727	26,421	36,368	36,388	33,676	36,605	36,704	36,585
Total capital works expenditure	39,146	38,859	45,886	42,853	43,264	43,342	43,342	42,605	43,434	43,563	43,564

3.6 Statement of Human Resources

Staff expenditure	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	2031/32 \$'000
Staff expenditure											
Employee costs - operating	97,485	104,340	107,331	108,940	111,133	113,887	116,696	119,561	122,483	125,463	128,504
Employee costs - capital	(1,249)	(1,248)	(1,284)	(1,303)	(1,329)	(1,362)	(1,396)	(1,430)	(1,465)	(1,501)	(1,537)
Total staff expenditure	96,236	103,092	106,047	107,637	109,804	112,525	115,300	118,131	121,018	123,963	126,967

Staff numbers	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE	2031/32 FTE
Staff numbers											
Employees	906.0	906.0	906.0	906.0	906.0	906.0	906.0	906.0	906.0	906.0	906.0
Employee - capital	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)
Total staff numbers	896.1	896.1	896.1	896.1	896.1	896.1	896.1	896.1	896.1	896.1	896.1

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

Department	Total \$'000	Comprises			
		Permanent Full Time \$'000	Part Time \$'000	Casual \$'000	Temporary \$'000
CEO Division	8,450	7,365	823	158	105
Corporate, Business & Financial Services	20,409	17,566	1,908	564	371
Planning & Placemaking	12,277	11,370	720	107	80
Community Wellbeing	30,316	19,776	8,316	1,822	402
City Works & Assets	26,686	21,262	1,439	3,920	65
Total permanent staff expenditure	98,138	77,338	13,207	6,570	1,023
Other employee related expenditure	6,202				
Capitalised labour costs	(1,248)				
Total staff expenditure	103,092	77,338	13,207	6,570	1,023

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

Department	Total FTE	Comprises			
		Permanent Full Time FTE	Part Time FTE	Casual FTE	Temporary FTE
CEO Division	69.9	55.0	7.3	6.6	1.0
Corporate, Business & Financial Services	177.4	150.7	23.1	0.6	3.0
Planning & Placemaking	97.2	89.0	6.6	0.6	1.0
Community Wellbeing	305.8	196.1	88.2	17.7	3.9
City Works & Assets	255.7	195.0	18.4	41.7	0.6
Capitalised labour costs	(9.9)				
Total staff	896.1	685.7	143.6	67.1	9.5

3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2032

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CEO Division										
Permanent - Full time	7,365	7,576	7,690	7,844	8,039	8,237	8,439	8,646	8,856	9,071
Women	5,789	5,955	6,045	6,166	6,319	6,475	6,634	6,796	6,962	7,130
Men	1,575	1,621	1,645	1,678	1,720	1,762	1,805	1,849	1,894	1,940
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	823	846	859	876	898	920	943	966	989	1,013
Women	363	373	379	386	396	406	416	426	436	447
Men	460	473	480	490	502	514	527	540	553	566
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Total CEO Division	8,188	8,422	8,548	8,721	8,937	9,157	9,382	9,611	9,845	10,084
Corporate, Business & Financial Services										
Permanent - Full time	17,566	18,069	18,340	18,709	19,173	19,646	20,128	20,620	21,122	21,634
Women	6,412	6,596	6,694	6,829	6,998	7,171	7,347	7,527	7,710	7,897
Men	11,154	11,474	11,646	11,880	12,174	12,475	12,781	13,093	13,412	13,737
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	1,908	1,963	1,992	2,032	2,083	2,134	2,186	2,240	2,294	2,350
Women	1,199	1,233	1,252	1,277	1,309	1,341	1,374	1,407	1,442	1,477
Men	709	729	740	755	774	793	813	832	853	873
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Total Corporate, Business & Financial Services	19,474	20,032	20,332	20,742	21,256	21,780	22,314	22,860	23,416	23,984
Planning & Placemaking										
Permanent - Full time	11,370	11,696	11,871	12,110	12,410	12,716	13,029	13,347	13,672	14,003
Women	6,274	6,454	6,551	6,683	6,848	7,017	7,189	7,365	7,544	7,727
Men	5,096	5,242	5,321	5,428	5,562	5,699	5,839	5,982	6,128	6,276
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	720	741	752	767	786	806	825	846	866	887
Women	596	613	622	635	651	667	683	700	717	734
Men	124	128	130	132	136	139	142	146	149	153
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Total Planning & Placemaking	12,090	12,437	12,623	12,878	13,197	13,522	13,854	14,193	14,538	14,890
Community Wellbeing										
Permanent - Full time	19,776	20,343	20,647	21,063	21,585	22,117	22,660	23,214	23,779	24,355
Women	15,092	15,524	15,757	16,074	16,472	16,879	17,293	17,716	18,147	18,587
Men	4,684	4,818	4,891	4,989	5,113	5,239	5,367	5,499	5,632	5,769
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	8,316	8,555	8,683	8,858	9,077	9,301	9,530	9,762	10,000	10,242
Women	7,007	7,208	7,316	7,464	7,649	7,837	8,030	8,226	8,426	8,630
Men	1,309	1,347	1,367	1,394	1,429	1,464	1,500	1,537	1,574	1,612
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Total Community Wellbeing	28,092	28,897	29,330	29,921	30,662	31,419	32,190	32,977	33,779	34,598
City Works & Assets										
Permanent - Full time	21,262	21,871	22,199	22,646	23,207	23,779	24,363	24,959	25,566	26,186
Women	6,387	6,570	6,668	6,803	6,971	7,143	7,319	7,497	7,680	7,866
Men	14,875	15,301	15,531	15,843	16,236	16,636	17,045	17,461	17,886	18,320
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time	1,439	1,481	1,503	1,533	1,571	1,610	1,649	1,690	1,731	1,773
Women	645	664	674	687	704	722	739	757	776	795
Men	794	817	829	846	867	888	910	932	955	978
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Total City Works & Assets	22,701	23,352	23,702	24,179	24,778	25,389	26,013	26,648	27,297	27,958
Casuals, temporary and other expenditure	13,795	14,191	14,403	14,693	15,057	15,429	15,807	16,194	16,588	16,990
Capitalised labour costs	(1,248)	(1,284)	(1,303)	(1,329)	(1,362)	(1,396)	(1,430)	(1,465)	(1,501)	(1,537)
Total staff expenditure	103,092	106,047	107,637	109,804	112,525	115,300	118,131	121,018	123,963	126,967

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
CEO Division										
Permanent - Full time	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
Women	43.8	43.8	43.8	43.8	43.8	43.8	43.8	43.8	43.8	43.8
Men	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
Women	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Men	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total CEO Division	62.3	62.3	62.3	62.3	62.3	62.3	62.3	62.3	62.3	62.3
Corporate, Business & Financial Services										
Permanent - Full time	150.7	150.7	150.7	150.7	150.7	150.7	150.7	150.7	150.7	150.7
Women	56.4	56.4	56.4	56.4	56.4	56.4	56.4	56.4	56.4	56.4
Men	94.3	94.3	94.3	94.3	94.3	94.3	94.3	94.3	94.3	94.3
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1	23.1
Women	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6
Men	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Corporate, Business & Financial Services	173.8	173.8	173.8	173.8	173.8	173.8	173.8	173.8	173.8	173.8
Planning & Placemaking										
Permanent - Full time	89.0	89.0	89.0	89.0	89.0	89.0	89.0	89.0	89.0	89.0
Women	50.1	50.1	50.1	50.1	50.1	50.1	50.1	50.1	50.1	50.1
Men	38.9	38.9	38.9	38.9	38.9	38.9	38.9	38.9	38.9	38.9
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Women	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Men	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Planning & Placemaking	95.6	95.6	95.6	95.6	95.6	95.6	95.6	95.6	95.6	95.6
Community Wellbeing										
Permanent - Full time	196.1	196.1	196.1	196.1	196.1	196.1	196.1	196.1	196.1	196.1
Women	152.8	152.8	152.8	152.8	152.8	152.8	152.8	152.8	152.8	152.8
Men	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2	43.2
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2
Women	72.9	72.9	72.9	72.9	72.9	72.9	72.9	72.9	72.9	72.9
Men	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3	15.3
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Community Wellbeing	284.3	284.3	284.3	284.3	284.3	284.3	284.3	284.3	284.3	284.3
City Works & Assets										
Permanent - Full time	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0
Women	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5	57.5
Men	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5	137.5
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Permanent - Part time	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4
Women	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
Men	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7
Persons of self-described gender	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total City Works & Assets	213.4	213.4	213.4	213.4	213.4	213.4	213.4	213.4	213.4	213.4
Casuals and temporary staff	76.6	76.6	76.6	76.6	76.6	76.6	76.6	76.6	76.6	76.6
Capitalised labour costs	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)	(9.9)
Total staff numbers	896.1	896.1	896.1	896.1	896.1	896.1	896.1	896.1	896.1	896.1

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
			Actual 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	+/-
Operating position														
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	(6.07%)	(3.09%)	(2.50%)	0.77%	2.22%	3.58%	3.83%	3.81%	4.28%	4.49%	4.71%	+
Liquidity														
Working Capital	Current assets / current liabilities	2	160.26%	155.80%	128.56%	113.18%	102.02%	99.78%	99.76%	102.32%	106.40%	114.05%	130.11%	o
Unrestricted cash	Unrestricted cash / current liabilities		65.91%	68.39%	44.61%	27.06%	14.32%	7.81%	5.50%	5.23%	6.99%	10.45%	6.83%	-
Obligations														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	32.44%	43.86%	37.90%	32.11%	26.53%	21.06%	16.87%	12.76%	8.73%	4.78%	1.50%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate		29.59%	4.25%	6.02%	5.85%	5.70%	5.55%	4.28%	4.17%	4.06%	3.96%	3.28%	+
Indebtedness	Non-current liabilities / own source revenue		22.37%	26.65%	22.48%	18.47%	14.73%	11.81%	9.03%	6.38%	3.78%	1.59%	0.59%	+
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	4	142.63%	118.71%	111.11%	106.56%	104.78%	133.97%	137.53%	134.37%	131.42%	127.99%	115.01%	o
Stability														
Rates concentration	Rate revenue / adjusted underlying revenue	5	60.24%	57.13%	56.56%	56.50%	56.76%	57.02%	57.26%	57.50%	57.74%	57.97%	58.19%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.20%	0.19%	0.19%	0.19%	0.18%	0.18%	0.17%	0.17%	0.17%	0.16%	0.16%	o

Indicator	Measure	Notes	Forecast											Trend
			Actual	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Efficiency														
Expenditure level	Total expenses / no. of property assessments		\$3,562.27	\$3,770.90	\$3,802.98	\$3,733.67	\$3,641.27	\$3,613.28	\$3,626.99	\$3,651.49	\$3,658.23	\$3,620.84	\$3,638.75	o
Revenue level	Total rate revenue / no. of property assessments		\$2,079.47	\$2,155.53	\$2,181.39	\$2,207.47	\$2,192.90	\$2,214.81	\$2,237.01	\$2,259.51	\$2,282.30	\$2,271.50	\$2,295.05	+

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 means reliance on Councils' 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. Debt compared 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.

4. 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 a percentage less than 100% means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

5. 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.

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. 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 2021/22 budget allowed capacity for Council to borrow an additional \$20m. However, the assessment of cash requirement has identified that the additional borrowings was not required during 2020/21. Instead, we have allowed capacity for Council to borrow up to \$20m during 2022/23 to support Council in delivering our significant program of capital works.

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 / Actual											
	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	2031/32 \$'000	
Opening balance	41,203	39,171	54,900	48,840	42,579	36,111	29,428	24,176	18,757	13,168	7,401	
Plus New loans	32,500	20,000	-	-	-	-	-	-	-	-	-	
Less Principal repayment	(34,532)	(4,271)	(6,060)	(6,261)	(6,468)	(6,683)	(5,252)	(5,418)	(5,590)	(5,767)	(5,024)	
Closing balance	39,171	54,900	48,840	42,579	36,111	29,428	24,176	18,757	13,168	7,401	2,377	
Interest payment	1,200	1,050	1,696	1,495	1,288	1,073	875	708	537	359	179	

Performance Indicator	Target	Forecast / Actual										
		2021/22 %	2022/23 %	2023/24 %	2024/25 %	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %	2030/31 %	2031/32 %
Total borrowings / Rate revenue	Below 60%	32.44%	43.86%	37.90%	32.11%	26.53%	21.06%	16.87%	12.76%	8.73%	4.78%	1.50%
Debt servicing / Rate revenue	Below 5%	0.99%	0.84%	1.32%	1.13%	0.95%	0.77%	0.61%	0.48%	0.36%	0.23%	0.11%
Debt commitment / Rate revenue	Below 10%	29.59%	4.25%	6.02%	5.85%	5.70%	5.55%	4.28%	4.17%	4.06%	3.96%	3.28%
Indebtedness / Own source	Below 60%	22.37%	26.65%	22.48%	18.47%	14.73%	11.81%	9.03%	6.38%	3.78%	1.59%	0.59%

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. Funds are contributed in accordance with section 18 of the Subdivision Act and transfers are restricted to the purpose of creating open space such as parks, playgrounds, pavilions and other such items where it is deemed that these works should occur at a later point in time than the initial development.

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 projects on an annual basis.

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.

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	Restricted	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Public Open Space Reserve												
Opening balance		18,950	23,632	26,362	27,457	28,857	29,807	30,732	31,682	32,632	33,582	34,532
Transfer to reserve		5,000	5,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Transfer from reserve		(318)	(2,270)	(5,905)	(5,600)	(6,050)	(6,075)	(6,050)	(6,050)	(6,050)	(6,050)	(6,180)
Closing balance		23,632	26,362	27,457	28,857	29,807	30,732	31,682	32,632	33,582	34,532	35,352
Reserves Summary												
Opening balance		18,950	23,632	26,362	27,457	28,857	29,807	30,732	31,682	32,632	33,582	34,532
Transfer to reserve		5,000	5,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Transfer from reserve		(318)	(2,270)	(5,905)	(5,600)	(6,050)	(6,075)	(6,050)	(6,050)	(6,050)	(6,050)	(6,180)
Closing balance		23,632	26,362	27,457	28,857	29,807	30,732	31,682	32,632	33,582	34,532	35,352