

Yarra City Council

Long Term Financial Plan

2025/26 to 2034/35

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Executive Summary

Yarra City Council has prepared this updated Long Term Financial Plan 2025-26 to 2034-35 (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 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 Financial Plan 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.

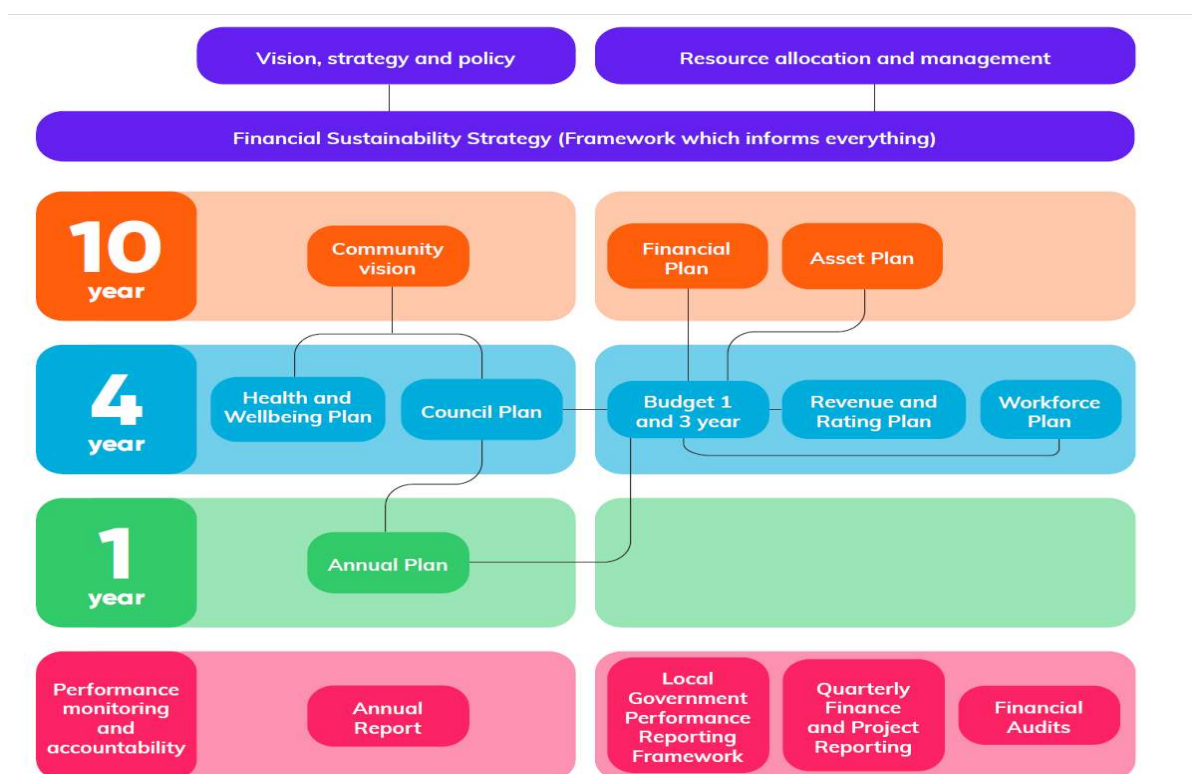
2.1. Introduction

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) '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 News;
- (f) Digital Screens in customer service centres, libraries and leisure centres;
- (g) Social media;
- (h) FAQs on Your Say Yarra project page.

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	139,932	145,986	151,335	155,980	160,843	165,828	170,938	176,175	181,544	187,046	192,686
Statutory fees and fines	4.1.2	38,667	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	32,184	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	20,113	17,445	17,881	18,328	18,787	19,256	19,738	20,231	20,737	21,255	21,787
Grants - capital	4.1.4	5,588	9,142	9,541	518	518	259	259	259	259	259	259
Contributions - monetary	4.1.5	7,117	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		927	124	50	50	50	50	50	50	50	50	50
Other income	4.1.6	6,425	3,935	2,783	2,807	2,832	2,858	2,885	2,912	2,940	2,968	2,997
Total income / revenue		250,954	257,439	264,293	262,329	269,667	276,929	284,639	292,541	300,641	308,943	317,453
Expenses												
Employee costs	4.1.7	101,850	105,775	111,275	113,665	116,927	120,988	125,190	129,540	134,042	138,702	143,525
Materials and services	4.1.8	90,459	97,668	100,263	98,112	99,038	101,105	103,849	106,674	110,181	112,573	115,652
Depreciation	4.1.9	26,785	31,229	31,729	32,229	32,729	33,229	33,729	34,229	34,729	35,229	35,729
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		3,168	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	160	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		225,025	241,889	249,623	250,294	254,669	261,626	269,363	277,341	285,568	292,884	301,780
Surplus/(deficit) for the year		25,929	15,550	14,671	12,035	14,998	15,303	15,276	15,200	15,072	16,059	15,672
Other comprehensive income												
Items that will not be reclassified to surplus or deficit in future periods												
Net asset revaluation gain /(loss)		-	79,058	-	83,022	-	87,455	-	91,254	-	94,902	-
Total other comprehensive income		-	79,058	-	83,022	-	87,455	-	91,254	-	94,902	-
Total comprehensive result		25,929	94,608	14,671	95,056	14,998	102,758	15,276	106,454	15,072	110,961	15,672

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	105,023	106,293	97,686	91,364	83,784	83,087	93,558	102,303	114,589	127,603	139,670
Trade and other receivables	35,212	38,584	41,821	45,156	48,593	52,134	55,783	59,541	63,413	67,399	71,505
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	144,270	148,913	143,542	140,555	136,411	139,256	153,376	165,879	182,036	199,038	215,210
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	1,976,459	2,062,792	2,075,538	2,170,319	2,186,386	2,283,290	2,281,348	2,373,176	2,372,559	2,467,323	2,467,008
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	1,980,161	2,065,290	2,076,970	2,172,808	2,188,227	2,286,603	2,283,239	2,377,518	2,374,554	2,468,286	2,470,068
Total assets	2,124,432	2,214,202	2,220,512	2,313,362	2,324,638	2,425,859	2,436,615	2,543,397	2,556,591	2,667,324	2,685,277
Liabilities											
Current liabilities											
Trade and other payables	12,778	13,766	14,618	14,658	14,914	15,321	15,775	16,242	16,724	17,152	17,673
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	8,690	8,690	5,331	5,331	5,331	5,331	5,331	5,331	5,331	5,331	5,331
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	59,504	60,781	56,520	56,434	57,058	57,863	57,487	55,027	55,304	56,068	56,859
Non-current liabilities											
Provisions	1,222	1,244	1,308	1,337	1,375	1,423	1,472	1,523	1,576	1,631	1,688
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	19,441	15,341	13,221	8,875	6,532	2,388	5,177	3,021	2,030	3,520
Total liabilities	85,059	80,222	71,861	69,655	65,933	64,395	59,875	60,204	58,325	58,098	60,379
Net assets	2,039,372	2,133,981	2,148,651	2,243,707	2,258,705	2,361,463	2,376,740	2,483,193	2,498,266	2,609,226	2,624,899
Equity											
Accumulated surplus	710,498	723,811	732,572	743,651	758,664	773,987	783,780	793,485	808,562	824,616	839,728
Asset revaluation Reserve	1,288,751	1,367,810	1,367,810	1,450,831	1,450,831	1,538,287	1,538,287	1,629,541	1,629,541	1,724,443	1,724,443
Reserves	40,123	42,360	48,269	49,224	49,209	49,189	54,672	60,167	60,162	60,167	60,727
Total equity	2,039,372	2,133,981	2,148,651	2,243,707	2,258,705	2,361,463	2,376,740	2,483,193	2,498,266	2,609,226	2,624,899

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	25,929	25,929	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	-	(9,000)	-	9,000
Transfers from other reserves	-	2,504	-	(2,504)
Balance at end of the financial year	2,039,372	710,498	1,288,751	40,123
2026 Budget				
Balance at beginning of the financial year	2,039,372	710,498	1,288,751	40,123
Surplus/(deficit) for the year	15,550	15,550	-	-
Net asset revaluation gain/(loss)	79,058	-	79,058	-
Transfers to other reserves	-	(12,000)	-	12,000
Transfers from other reserves	-	9,763	-	(9,763)
Balance at end of the financial year	2,133,981	723,811	1,367,810	42,360
2027				
Balance at beginning of the financial year	2,133,981	723,811	1,367,810	42,360
Surplus/(deficit) for the year	14,671	14,671	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	-	(11,000)	-	11,000
Transfers from other reserves	-	5,091	-	(5,091)
Balance at end of the financial year	2,148,651	732,572	1,367,810	48,269
2028				
Balance at beginning of the financial year	2,148,651	732,572	1,367,810	48,269
Surplus/(deficit) for the year	12,035	12,035	-	-
Net asset revaluation gain/(loss)	83,022	-	83,022	-
Transfers to other reserves	-	(6,000)	-	6,000
Transfers from other reserves	-	5,045	-	(5,045)
Balance at end of the financial year	2,243,707	743,651	1,450,831	49,224
2029				
Balance at beginning of the financial year	2,243,707	743,651	1,450,831	49,224
Surplus/(deficit) for the year	14,998	14,998	-	-
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	2,258,705	758,664	1,450,831	49,209

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2030				
Balance at beginning of the financial year	2,258,705	758,664	1,450,831	49,209
Surplus/(deficit) for the year	15,303	15,303	-	-
Net asset revaluation gain/(loss)	87,455	-	87,455	-
Transfers to other reserves	-	(5,000)	-	5,000
Transfers from other reserves	-	5,020	-	(5,020)
Balance at end of the financial year	2,361,463	773,987	1,538,287	49,189
2031				
Balance at beginning of the financial year	2,361,463	773,987	1,538,287	49,189
Surplus/(deficit) for the year	15,276	15,276	-	-
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	2,376,740	783,780	1,538,287	54,672
2032				
Balance at beginning of the financial year	2,376,740	783,780	1,538,287	54,672
Surplus/(deficit) for the year	15,200	15,200	-	-
Net asset revaluation gain/(loss)	91,254	-	91,254	-
Transfers to other reserves	-	(10,500)	-	10,500
Transfers from other reserves	-	5,005	-	(5,005)
Balance at end of the financial year	2,483,193	793,485	1,629,541	60,167
2033				
Balance at beginning of the financial year	2,483,193	793,485	1,629,541	60,167
Surplus/(deficit) for the year	15,072	15,072	-	-
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	2,498,266	808,562	1,629,541	60,162
2034				
Balance at beginning of the financial year	2,498,266	808,562	1,629,541	60,162
Surplus/(deficit) for the year	16,059	16,059	-	-
Net asset revaluation gain/(loss)	94,902	-	94,902	-
Transfers to other reserves	-	(5,000)	-	5,000
Transfers from other reserves	-	4,995	-	(4,995)
Balance at end of the financial year	2,609,226	824,616	1,724,443	60,167
2035				
Balance at beginning of the financial year	2,609,226	824,616	1,724,443	60,167
Surplus/(deficit) for the year	15,672	15,672	-	-
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	2,624,899	839,728	1,724,443	60,727

3.4 Statement of Cash Flows

	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
	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities											
Rates and charges	137,186	142,614	148,098	152,645	157,406	162,287	167,289	172,417	177,672	183,059	188,581
Statutory fees and fines	35,499	35,759	37,454	38,390	39,350	40,334	41,342	42,376	43,435	44,521	45,634
User fees	32,184	34,074	34,926	35,799	36,694	37,612	38,552	39,516	40,504	41,516	42,554
Grants - operating	19,145	17,445	16,202	18,328	18,787	19,256	19,738	20,231	20,737	21,255	21,787
Grants - capital	1,972	9,142	7,862	518	518	259	259	259	259	259	259
Contributions - monetary	7,117	6,675	6,717	6,760	6,804	6,849	6,895	6,943	6,991	7,041	7,092
Interest received	4,300	2,976	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Other receipts	2,125	959	983	1,007	1,032	1,058	1,085	1,112	1,140	1,168	1,197
Employee costs	(101,850)	(105,753)	(111,210)	(113,637)	(116,889)	(120,940)	(125,141)	(129,489)	(133,989)	(138,647)	(143,468)
Materials and services	(90,099)	(96,681)	(99,410)	(98,072)	(98,782)	(100,697)	(103,396)	(106,207)	(109,699)	(112,144)	(115,131)
Other payments	(736)	(793)	(813)	(833)	(854)	(875)	(897)	(920)	(943)	(966)	(990)
Net cash provided by/(used in) operating activities	46,843	46,418	42,608	42,707	45,868	46,943	47,526	48,038	47,908	48,863	49,315
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(33,340)	(38,513)	(44,975)	(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	1,195	133	550	550	550	550	550	550	550	550	550
Net cash provided by/ (used in) investing activities	(32,145)	(38,380)	(44,425)	(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	(160)	(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	(6,561)	(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	8,138	1,270	(8,607)	(6,322)	(7,580)	(697)	10,471	8,745	12,286	13,015	12,067
Cash and cash equivalents at the beginning of the financial year	96,885	105,023	106,293	97,686	91,364	83,784	83,087	93,558	102,303	114,589	127,603
Cash and cash equivalents at the end of the financial year	105,023	106,293	97,686	91,364	83,784	83,087	93,558	102,303	114,589	127,603	139,670

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	9,989	13,047	21,248	17,278	16,500	17,050	8,230	9,386	10,736	13,130	13,135
Total buildings	9,989	13,047	21,248	17,278	16,500	17,050	8,230	9,386	10,736	13,130	13,135
Total property	9,989	13,047	21,248	17,278	16,500	17,050	8,230	9,386	10,736	13,130	13,135
Plant and equipment											
Waste management	40	50	100	100	200	200	300	300	300	300	300
Plant, machinery and equipment	384	50	275	1,090	1,240	740	1,030	890	890	740	790
Fixtures, fittings and furniture	190	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	1,457	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	2,671	1,572	1,675	3,269	3,240	2,740	3,440	3,390	3,830	2,150	2,820
Infrastructure											
Roads	9,328	5,344	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	5,228	7,870	10,950	9,252	9,500	8,500	6,030	6,170	6,210	6,620	4,620
Other infrastructure	1,599	1,165	612	112	432	1,799	232	442	192	115	115
Total infrastructure	20,680	23,895	22,052	23,942	29,557	23,387	20,617	22,527	20,047	20,310	19,960
Total capital works expenditure	33,340	38,513	44,975	44,489	49,297	43,177	32,287	35,303	34,613	35,590	35,915
Represented by:											
New asset expenditure	5,448	9,069	15,580	5,479	2,932	2,777	5,357	5,877	5,777	6,080	6,170
Asset renewal expenditure	19,768	14,877	12,135	17,254	18,235	16,250	16,760	22,261	19,171	17,640	21,740
Asset upgrade expenditure	8,124	14,567	17,260	21,756	28,130	24,150	10,170	7,165	9,665	11,870	8,005
Total capital works expenditure	33,340	38,513	44,975	44,489	49,297	43,177	32,287	35,303	34,613	35,590	35,915
Funding sources represented by:											
Grants	5,588	9,142	9,541	518	518	259	259	259	259	259	259
Contributions	2,504	5,763	5,091	5,045	5,015	5,020	5,017	5,005	5,005	4,995	4,440
Council cash	25,248	23,608	30,343	38,925	43,764	37,898	27,011	30,039	29,349	30,336	31,216
Total capital works expenditure	33,340	38,513	44,975	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	103,372	107,706	113,206	115,663	118,996	123,128	127,406	131,833	136,416	141,158	146,068
Employee costs - capital	(1,522)	(1,931)	(1,931)	(1,999)	(2,068)	(2,141)	(2,216)	(2,293)	(2,374)	(2,457)	(2,543)
Total staff expenditure	101,850	105,775	111,275	113,665	116,927	120,988	125,190	129,540	134,042	138,702	143,525

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	(16.2)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)	(19.9)
Total staff numbers	884.1	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	881				
Capitalised labour costs	(1,931)	(1,931)			
Total staff expenditure	105,775	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	9,785	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	19,648	20,070	20,646	21,363	22,105	22,873	23,668	24,490	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	21,302	21,759	22,384	23,161	23,966	24,798	25,660	26,552	27,475
Community Strengthening										
Permanent - Full time	18,481	19,442	19,860	20,430	21,139	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	18,288	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	7,895	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	27,368	27,956	28,758	29,757	30,790	31,860	32,967	34,113	35,300
Infrastructure and Environment										
Permanent - Full time	18,255	19,204	19,617	20,180	20,880	21,606	22,356	23,133	23,937	24,770
Women	5,248	5,521	5,639	5,801	6,002	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	369	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	3,422	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	24,876	26,136	26,725	27,505	28,460	29,450	30,473	31,533	32,630	33,765
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	105,775	111,275	113,665	116,927	120,988	125,190	129,540	134,042	138,702	143,525

	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	5.6%	(0.1%)	(0.6%)	1.9%	2.9%	3.0%	2.9%	2.8%	2.7%	2.9%	2.7%	-	
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	242.5%	245.0%	254.0%	249.1%	239.1%	240.7%	266.8%	301.5%	329.2%	355.0%	378.5%	+	
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	45.1%	53.3%	41.8%	36.7%	33.6%	27.0%	25.5%	34.3%	41.7%	63.8%	86.1%	+	
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	18.6%	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	109.5%	94.3%	92.6%	121.0%	141.7%	121.6%	79.8%	86.0%	83.0%	83.0%	83.8%	-	
Stability															
Rates concentration (revenue is generated from a range of sources)	Rates compared to adjusted underlying revenue Rate revenue / adjusted underlying revenue	8	57.0%	57.1%	58.8%	59.4%	59.6%	59.8%	59.9%	60.1%	60.3%	60.4%	60.6%	+	
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	\$3,776	\$3,856	\$3,950	\$3,997	\$3,932	\$3,926	\$3,960	\$4,004	\$4,050	\$4,098	\$4,131	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	\$2,011	\$2,050	\$2,075	\$2,103	\$2,131	\$2,159	\$2,188	\$2,218	\$2,248	+

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 2013-14 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	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	
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%	18.56%	14.59%	10.90%	8.45%	6.09%	3.81%	1.60%	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%	3.90%	3.74%	2.53%	2.43%	2.36%	2.29%	1.68%	0.02%	0.00%	0.00%	0.00%
Indebtedness / Own source revenue	Below 60%	11.72%	8.67%	6.67%	5.58%	3.64%	2.61%	0.93%	1.95%	1.11%	0.72%	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	30,360	30,269	30,224	30,209	30,189	30,172	30,167	30,162	30,167
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)	(5,763)	(5,091)	(5,045)	(5,015)	(5,020)	(5,017)	(5,005)	(5,005)	(4,995)	(4,440)
Closing balance	31,123	30,360	30,269	30,224	30,209	30,189	30,172	30,167	30,162	30,167	30,727
Risk Mitigation Reserve	Discretionary										
Opening balance	2,500	6,500	6,500	10,500	11,000	11,000	11,000	15,500	20,000	20,000	20,000
Transfer to reserve	4,000	4,000	4,000	500	-	-	4,500	4,500	-	-	-
Transfer from reserve	-	(4,000)	-	-	-	-	-	-	-	-	-
Closing balance	6,500	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	40,123	42,360	48,269	49,224	49,209	49,189	54,672	60,167	60,162	60,167
Transfer to reserve	9,000	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)	(9,763)	(5,091)	(5,045)	(5,015)	(5,020)	(5,017)	(5,005)	(5,005)	(4,995)	(4,440)
Closing balance	40,123	42,360	48,269	49,224	49,209	49,189	54,672	60,167	60,162	60,167	60,727