Yarra City Council

Long Term Financial Plan

2026/27 - 2035/36

Wominjeka

Yarra City Council acknowledges the Wurundjeri Woi Wurrung people as the Traditional Owners and true sovereigns of the land now known as Yarra.

We also acknowledge the significant contributions made by other Aboriginal and Torres Strait Islander people to life in Yarra. We pay our respects to Elders from all nations and to their Elders past and present.

Content

Executive Summary

Yarra City Council's Long Term Financial Plan 2026/27 to 2035/36 sets out a clear and responsible financial pathway to deliver the priorities of the Council Plan 2025/29 and the Yarra 2036 Community Vision. It reflects the community's expectations for a city that is liveable, inclusive and financially sustainable, with reliable services, accessible open space and infrastructure that meets the needs of both current and future residents.

Yarra is projected to grow significantly over the coming decades, including approximately 44,000 additional dwellings by 2050, increasing demand on local infrastructure, public spaces and essential services. This growth requires careful planning to ensure that the city continues to function effectively while maintaining the qualities that make it a desirable place to live.

In response, Council has developed a 10-year capital works program focused on maintaining and renewing existing assets while preparing for future demand. This includes continued investment in roads, community facilities and public spaces, alongside a strong emphasis on improving the quality, accessibility and usability of open space. Given the constraints of an inner metropolitan environment, the Plan also provides for strategic land acquisitions to expand green space over time. These investments may be partially funded through borrowings, which will be applied in a measured and responsible way to ensure that costs are shared fairly across current and future generations.

At the same time, the Plan recognises the importance of improving how services are delivered. Ongoing investment in modern systems and digital capabilities will enable Council to provide faster, more accessible and more responsive services, making it easier for the community to engage with Council and access support when needed.

The financial environment in which the Council operates remains challenging. Like the broader local government sector, Yarra continues to face structural financial pressures, with the cost of delivering services increasing at a rate consistently above the State-imposed rate cap. Key cost drivers include sustained increases in construction materials, utilities, waste charges and labour. These factors limit the Council's ability to generate additional revenue and strain its capacity to fund services, maintain assets, and deliver new infrastructure.

To manage these challenges, the Plan is underpinned by the Council's Financial Sustainability Strategy, which provides a disciplined framework for balancing investment with long-term affordability. This approach supports the delivery of a scaled but sustainable capital program, the establishment of appropriate cash reserves, and ongoing monitoring of financial risks. It also ensures that decision-making remains transparent and aligned with community expectations.

Overall, the Long-Term Financial Plan presents a balanced, forward-looking approach maintaining essential services, protecting and enhancing open space, and investing in infrastructure to support a growing population, while carefully managing financial constraints. It provides the stability and flexibility needed to support Yarra's continued growth and ensures the city remains a strong, safe and vibrant community for current and future generations.

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 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.

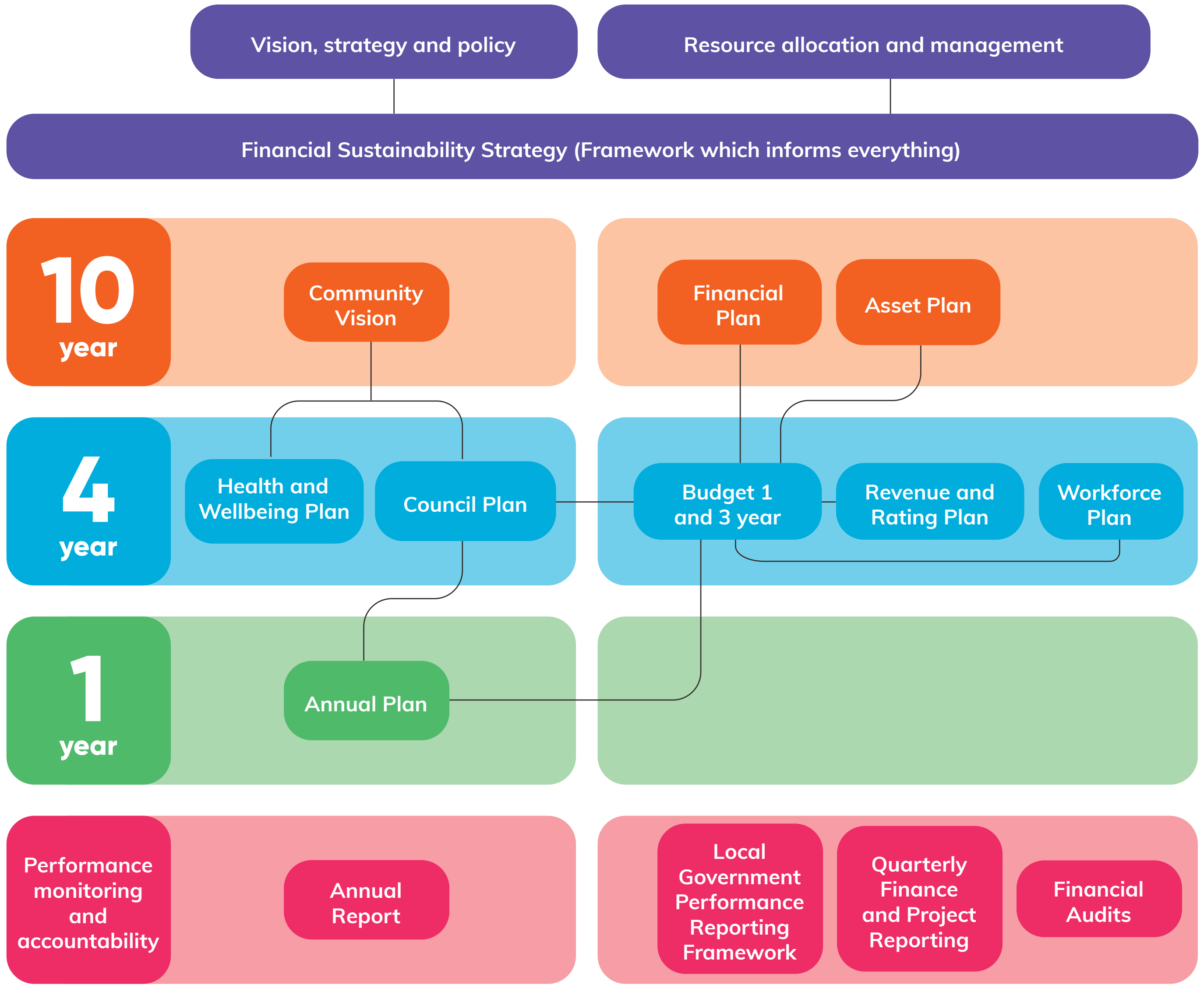
2.1. Introduction

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 2026/27 Budget and Financial Plan was delivered in line with our Community Engagement Policy.

The development of the 2026/27 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 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 2025/26 $'000	2026/27 $'000	2027/28 $'000	2028/29 $'000	2029/30 $'000	2030/31 $'000	2031/32 $'000	2032/33 $'000	2033/34 $'000	2034/35 $'000	2035/36 $'000
Income / Revenue												
Rates and charges	4.1.1	146,286	151,545	157,391	162,474	167,797	173,264	178,879	184,646	190,570	196,655	202,906
Statutory fees and fines	4.1.2	42,718	41,923	42,971	44,045	45,146	46,275	47,432	48,618	49,833	51,079	52,356
User fees	4.1.3	34,835	33,868	34,714	35,582	36,472	37,383	38,318	39,276	40,258	41,264	42,296
Grants - operating	4.1.4	19,049	17,350	17,784	18,228	18,684	19,151	19,630	20,121	20,624	21,139	21,668
Grants - capital	4.1.4	5,865	10,815	7,837	637	637	637	637	637	637	637	637
Contributions - monetary	4.1.5	2,857	3,116	6,694	6,862	7,033	7,209	7,389	7,574	7,763	7,957	8,156
Net gain (or loss) on disposal of property, infrastructure, plant and equipment		1,174	329	50	50	50	50	50	50	50	50	50
Other income	4.1.6	6,850	7,036	2,576	2,595	2,615	2,635	2,656	2,678	2,699	2,722	2,745
Total income / revenue		**259,635**	**265,982**	**270,017**	**270,473**	**278,434**	**286,605**	**294,991**	**303,599**	**312,435**	**321,504**	**330,813**
Expenses												
Employee costs	4.1.7	104,265	109,434	110,693	114,572	118,587	122,743	127,044	131,497	136,105	140,874	145,811
Materials and services	4.1.8	90,320	103,088	97,577	98,721	101,507	104,374	107,325	110,360	113,483	116,697	120,004
Depreciation	4.1.9	31,258	32,531	32,838	34,391	34,886	37,274	37,905	39,445	39,855	42,271	42,682
Amortisation - right of use assets	4.1.11	1,269	1,269	1,145	889	1,159	1,422	1,553	1,294	1,031	1,355	1,819
Allowance for impairment losses		4,704	4,659	3,905	4,003	4,103	4,206	4,311	4,418	4,529	4,642	4,758
Borrowing costs	4.1.10	651	509	397	310	221	1,029	1,746	1,566	1,386	1,206	1,026
Finance Costs - leases	4.1.10	280	141	219	134	167	166	311	198	98	137	400
Other expenses	4.1.12	794	778	797	817	838	859	880	902	925	948	972
Total expenses		**233,541**	**252,409**	**247,571**	**253,837**	**261,469**	**272,073**	**281,074**	**289,681**	**297,411**	**308,130**	**317,472**
Surplus/(deficit) for the year		**26,094**	**13,573**	**22,446**	**16,636**	**16,965**	**14,532**	**13,917**	**13,919**	**15,023**	**13,375**	**13,342**
Other comprehensive income												
Items that will not be reclassified to surplus or deficit in future periods												
Net asset revaluation gain /(loss)		121,707	21,565	87,568	22,927	139,546	24,849	101,080	26,297	159,421	28,181	113,820
Total other comprehensive income		**121,707**	**21,565**	**87,568**	**22,927**	**139,546**	**24,849**	**101,080**	**26,297**	**159,421**	**28,181**	**113,820**
Total comprehensive result		**147,801**	**35,138**	**110,014**	**39,563**	**156,510**	**39,381**	**114,996**	**40,215**	**174,445**	**41,555**	**127,162**

3.2 Balance Sheet

	Forecast										
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets											
Current assets											
Cash and cash equivalents	127,088	122,964	120,786	119,067	122,982	126,707	129,643	133,992	139,008	144,052	149,745
Trade and other receivables	42,554	46,729	51,846	57,126	62,576	68,200	74,004	79,991	86,167	92,537	99,107
Other financial assets	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955	1,955
Inventories	77	77	77	77	77	77	77	77	77	77	77
Total current assets	**171,674**	**171,725**	**174,664**	**178,225**	**187,590**	**196,939**	**205,679**	**216,015**	**227,208**	**238,621**	**250,885**
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	2,156,525	2,189,189	2,292,722	2,325,758	2,484,918	2,526,993	2,629,668	2,657,019	2,818,085	2,845,495	2,958,132
Right-of-use assets	2,493	1,427	2,484	1,835	3,308	1,886	4,337	1,990	959	3,054	5,558
Total non-current assets	**2,159,023**	**2,190,621**	**2,295,211**	**2,327,599**	**2,488,231**	**2,528,884**	**2,634,010**	**2,659,015**	**2,819,049**	**2,848,554**	**2,963,695**
Total assets	**2,330,697**	**2,362,346**	**2,469,875**	**2,505,824**	**2,675,820**	**2,725,823**	**2,839,689**	**2,875,030**	**3,046,257**	**3,087,175**	**3,214,580**
Liabilities											
Current liabilities											
Trade and other payables	11,645	13,882	13,616	13,961	14,381	14,964	15,459	15,932	16,358	16,947	17,461
Trust funds and deposits	17,598	17,598	17,598	17,598	17,598	17,598	17,598	17,598	17,598	17,598	17,598
Contract and other liabilities	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742
Provisions	17,148	17,148	17,148	17,148	17,148	17,148	17,148	17,148	17,148	17,148	17,148
Interest-bearing liabilities	4,811	3,305	3,391	3,480	3,572	4,240	3,000	3,000	3,000	3,000	3,000
Lease liabilities	1,326	1,077	866	1,144	1,451	1,453	1,266	1,061	1,396	1,667	-
Total current liabilities	**62,269**	**62,752**	**62,362**	**63,074**	**63,891**	**65,145**	**64,213**	**64,481**	**65,242**	**66,102**	**64,949**
Non-current liabilities											
Provisions	1,391	1,582	1,638	1,695	1,754	1,816	1,879	1,945	2,013	2,083	2,156
Other liabilities	411	411	411	411	411	411	411	411	411	411	411
Interest-bearing liabilities	16,489	13,184	9,792	6,312	17,740	28,500	25,500	22,500	19,500	16,500	13,500
Lease liabilities	1,309	450	1,693	789	1,970	516	3,255	1,046	-	1,433	5,756
Total non-current liabilities	**19,599**	**15,627**	**13,534**	**9,207**	**21,875**	**31,243**	**31,045**	**25,902**	**21,924**	**20,427**	**21,823**
Total liabilities	**81,869**	**78,379**	**75,895**	**72,281**	**85,767**	**96,388**	**95,258**	**90,383**	**87,166**	**86,529**	**86,772**
Net assets	**2,248,828**	**2,283,966**	**2,393,980**	**2,433,543**	**2,590,054**	**2,629,435**	**2,744,431**	**2,784,646**	**2,959,091**	**3,000,647**	**3,127,808**
Equity											
Accumulated surplus	739,815	752,995	774,403	790,908	807,588	818,045	825,981	839,295	853,477	865,869	877,448
Asset revaluation Reserve	1,464,549	1,486,114	1,573,682	1,596,609	1,736,154	1,761,003	1,862,083	1,888,380	2,047,801	2,075,982	2,189,802
Reserves	44,464	44,858	45,895	46,027	46,311	50,386	56,367	56,971	57,813	58,796	60,559
Total equity	**2,248,828**	**2,283,966**	**2,393,980**	**2,433,543**	**2,590,054**	**2,629,435**	**2,744,431**	**2,784,646**	**2,959,091**	**3,000,647**	**3,127,808**

3.3 Statement of Changes in Equity

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	$'000	$'000	$'000	$'000
2026 Forecast				
Balance at beginning of the financial year	2,101,027	714,714	1,342,841	43,472
Surplus/(deficit) for the year	26,094	26,094	-	-
Net asset revaluation gain/(loss)	121,707	-	121,707	-
Transfers to other reserves	-	(9,374)	-	9,374
Transfers from other reserves	-	8,382	-	(8,382)
Balance at end of the financial year	**2,248,828**	**739,815**	**1,464,549**	**44,464**
2027 Budget				
Balance at beginning of the financial year	2,248,828	739,815	1,464,549	44,464
Surplus/(deficit) for the year	13,573	13,573	-	-
Net asset revaluation gain/(loss)	21,565	-	21,565	-
Transfers to other reserves	-	(9,500)	-	9,500
Transfers from other reserves	-	9,107	-	(9,107)
Balance at end of the financial year	**2,283,966**	**752,995**	**1,486,114**	**44,858**
2028				
Balance at beginning of the financial year	2,283,966	752,995	1,486,114	44,858
Surplus/(deficit) for the year	22,446	22,446	-	-
Net asset revaluation gain/(loss)	87,568	-	87,568	-
Transfers to other reserves	-	(6,038)	-	6,038
Transfers from other reserves	-	5,000	-	(5,000)
Balance at end of the financial year	**2,393,980**	**774,403**	**1,573,682**	**45,895**
2029				
Balance at beginning of the financial year	2,393,980	774,403	1,573,682	45,895
Surplus/(deficit) for the year	16,636	16,636	-	-
Net asset revaluation gain/(loss)	22,927	-	22,927	-
Transfers to other reserves	-	(5,163)	-	5,163
Transfers from other reserves	-	5,032	-	(5,032)
Balance at end of the financial year	**2,433,543**	**790,908**	**1,596,609**	**46,027**

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	$'000	$'000	$'000	$'000
2030				
Balance at beginning of the financial year	2,433,543	790,908	1,596,609	46,027
Surplus/(deficit) for the year	16,965	16,965	-	-
Net asset revaluation gain/(loss)	139,546	-	139,546	-
Transfers to other reserves	-	(5,293)	-	5,293
Transfers from other reserves	-	5,008	-	(5,008)
Balance at end of the financial year	**2,590,054**	**807,588**	**1,736,154**	**46,311**
2031				
Balance at beginning of the financial year	2,590,054	807,588	1,736,154	46,311
Surplus/(deficit) for the year	14,532	14,532	-	-
Net asset revaluation gain/(loss)	24,849	-	24,849	-
Transfers to other reserves	-	(10,925)	-	10,925
Transfers from other reserves	-	6,850	-	(6,850)
Balance at end of the financial year	**2,629,435**	**818,045**	**1,761,003**	**50,386**
2032				
Balance at beginning of the financial year	2,629,435	818,045	1,761,003	50,386
Surplus/(deficit) for the year	13,917	13,917	-	-
Net asset revaluation gain/(loss)	101,080	-	101,080	-
Transfers to other reserves	-	(11,060)	-	11,060
Transfers from other reserves	-	5,080	-	(5,080)
Balance at end of the financial year	**2,744,431**	**825,981**	**1,862,083**	**56,367**
2033				
Balance at beginning of the financial year	2,744,431	825,981	1,862,083	56,367
Surplus/(deficit) for the year	13,919	13,919	-	-
Net asset revaluation gain/(loss)	26,297	-	26,297	-
Transfers to other reserves	-	(5,699)	-	5,699
Transfers from other reserves	-	5,095	-	(5,095)
Balance at end of the financial year	**2,784,646**	**839,295**	**1,888,380**	**56,971**

	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2034				
Balance at beginning of the financial year	2,784,646	839,295	1,888,380	56,971
Surplus/(deficit) for the year	15,023	15,023	-	-
Net asset revaluation gain/(loss)	159,421	-	159,421	-
Transfers to other reserves	-	(5,842)	-	5,842
Transfers from other reserves	-	5,000	-	(5,000)
Balance at end of the financial year	**2,959,091**	**853,477**	**2,047,801**	**57,813**
2035				
Balance at beginning of the financial year	2,959,091	853,477	2,047,801	57,813
Surplus/(deficit) for the year	13,375	13,375	-	-
Net asset revaluation gain/(loss)	28,181	-	28,181	-
Transfers to other reserves	-	(5,988)	-	5,988
Transfers from other reserves	-	5,005	-	(5,005)
Balance at end of the financial year	**3,000,647**	**865,869**	**2,075,982**	**58,796**
2036				
Balance at beginning of the financial year	3,000,647	865,869	2,075,982	58,796
Surplus/(deficit) for the year	13,342	13,342	-	-
Net asset revaluation gain/(loss)	113,820	-	113,820	-
Transfers to other reserves	-	(6,138)	-	6,138
Transfers from other reserves	-	4,375	-	(4,375)
Balance at end of the financial year	**3,127,808**	**877,448**	**2,189,802**	**60,559**

3.4 Statement of Cash Flows

	Forecast 2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	$'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	140,898	147,371	152,274	157,194	162,347	167,640	173,076	178,659	184,394	190,285	196,336
Statutory fees and fines	38,014	37,263	39,066	40,042	41,043	42,069	43,121	44,199	45,304	46,437	47,598
User fees	34,835	33,868	34,714	35,582	36,472	37,383	38,318	39,276	40,258	41,264	42,296
Grants - operating	19,049	17,350	17,784	18,228	18,684	19,151	19,630	20,121	20,624	21,139	21,668
Grants - capital	4,626	10,815	7,837	637	637	637	637	637	637	637	637
Contributions - monetary	2,857	3,116	6,694	6,862	7,033	7,209	7,389	7,574	7,763	7,957	8,156
Interest received	5,000	6,279	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Other receipts	1,850	757	776	795	815	835	856	878	899	922	945
Employee costs	(104,205)	(109,242)	(110,638)	(114,515)	(118,528)	(122,682)	(126,981)	(131,431)	(136,037)	(140,804)	(145,738)
Materials and services	(93,964)	(100,850)	(97,843)	(98,376)	(101,088)	(103,791)	(106,829)	(109,887)	(113,058)	(116,108)	(119,490)
Other payments	(794)	(778)	(797)	(817)	(838)	(859)	(880)	(902)	(925)	(948)	(972)
Net cash provided by/(used in) operating activities	**48,166**	**45,948**	**51,666**	**47,432**	**48,378**	**49,393**	**50,137**	**50,924**	**51,660**	**52,583**	**53,236**
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(37,646)	(43,659)	(49,304)	(45,000)	(55,000)	(55,000)	(40,000)	(41,000)	(42,000)	(42,000)	(42,000)
Proceeds from sale of property, infrastructure, plant and equipment	1,198	360	550	550	550	550	550	550	550	550	550
Net cash provided by/ (used in) investing activities	**(36,448)**	**(43,299)**	**(48,754)**	**(44,450)**	**(54,450)**	**(54,450)**	**(39,450)**	**(40,450)**	**(41,450)**	**(41,450)**	**(41,450)**
Cash flows from financing activities											
Finance costs	(651)	(509)	(397)	(310)	(221)	(1,029)	(1,746)	(1,566)	(1,386)	(1,206)	(1,026)
Proceeds from borrowings	-	-	-	-	15,000	15,000	-	-	-	-	-
Repayment of borrowings	(4,669)	(4,811)	(3,305)	(3,391)	(3,480)	(3,572)	(4,240)	(3,000)	(3,000)	(3,000)	(3,000)
Interest paid - lease liability	(280)	(141)	(219)	(134)	(167)	(166)	(311)	(198)	(98)	(137)	(400)
Repayment of lease liabilities	(1,274)	(1,311)	(1,171)	(866)	(1,144)	(1,451)	(1,453)	(1,361)	(711)	(1,747)	(1,667)
Net cash provided by/(used in) financing activities	**(6,874)**	**(6,772)**	**(5,091)**	**(4,701)**	**9,987**	**8,782**	**(7,750)**	**(6,125)**	**(5,194)**	**(6,089)**	**(6,092)**
Net increase/(decrease) in cash & cash equivalents	4,845	(4,123)	(2,178)	(1,719)	3,915	3,725	2,936	4,349	5,016	5,044	5,694
Cash and cash equivalents at the beginning of the financial year	122,243	127,088	122,964	120,786	119,067	122,982	126,707	129,643	133,992	139,008	144,052
Cash and cash equivalents at the end of the financial year	**127,088**	**122,964**	**120,786**	**119,067**	**122,982**	**126,707**	**129,643**	**133,992**	**139,008**	**144,052**	**149,745**

3.5 Statement of Capital Works

	Forecast										
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Property											
Land	3,450	-	-	-	15,000	15,000	-	-	-	-	-
Total land	**3,450**			**-**	**15,000**	**15,000**	**-**	**-**	**-**	**-**	**-**
Buildings	10,022	18,158	16,580	16,293	13,621	12,283	13,979	13,845	17,964	19,169	15,541
Total buildings	**10,022**	**18,158**	**16,580**	**16,293**	**13,621**	**12,283**	**13,979**	**13,845**	**17,964**	**19,169**	**15,541**
Total property	**13,472**	**18,158**	**16,580**	**16,293**	**28,621**	**27,283**	**13,979**	**13,845**	**17,964**	**19,169**	**15,541**
Plant and equipment											
Waste management	50	350	500	443	176	294	297	306	305	267	311
Plant, machinery and equipment	-	-	940	1,186	562	1,165	931	958	956	829	664
Computers and telecommunications	770	830	1,390	1,177	887	1,429	1,188	1,468	518	1,007	602
Library books	620	640	687	651	692	826	896	990	1,060	998	1,161
Total plant and equipment	**1,440**	**1,820**	**3,517**	**3,456**	**2,317**	**3,714**	**3,312**	**3,723**	**2,839**	**3,101**	**2,738**
Infrastructure											
Roads	6,285	3,583	7,755	7,527	6,805	4,156	4,970	4,553	4,702	4,300	5,006
Bridges	-	-	150	-	-	-	1,139	-	-	178	-
Footpaths and cycleways	3,752	5,603	6,651	5,213	4,314	4,641	4,921	4,802	5,144	5,213	5,083
Drainage	4,235	4,240	4,150	3,668	3,866	5,042	4,307	6,475	4,931	4,322	8,455
Parks, open space and streetscapes	7,693	9,605	9,815	7,925	8,518	9,541	6,743	6,658	5,795	5,169	4,539
Kerb and channel	-	45	-	-	-	-	-	-	-	-	-
Other infrastructure	770	605	686	917	559	623	630	944	625	548	638
Total infrastructure	**22,735**	**23,681**	**29,207**	**25,251**	**24,062**	**24,002**	**22,709**	**23,432**	**21,197**	**19,730**	**23,721**
Total capital works expenditure	**37,646**	**43,659**	**49,304**	**45,000**	**55,000**	**55,000**	**40,000**	**41,000**	**42,000**	**42,000**	**42,000**
Represented by:											
New asset expenditure	9,470	10,685	10,297	4,762	18,278	22,863	7,348	6,853	8,179	7,887	9,866
Asset renewal expenditure	15,193	16,151	16,829	12,833	14,493	16,409	20,697	20,612	18,785	20,118	18,751
Asset upgrade expenditure	12,983	16,823	22,179	27,405	22,229	15,728	11,956	13,536	15,036	13,996	13,383
Total capital works expenditure	**37,646**	**43,659**	**49,304**	**45,000**	**55,000**	**55,000**	**40,000**	**41,000**	**42,000**	**42,000**	**42,000**
Funding sources represented by:											
Grants	5,865	10,815	7,837	637	637	637	637	637	637	637	637
Contributions	8,382	5,107	5,000	5,032	5,008	6,850	5,080	5,095	5,000	5,005	4,375
Council cash	23,399	27,738	36,467	39,331	49,355	47,513	34,283	35,268	36,363	36,358	36,988
Total capital works expenditure	**37,646**	**43,659**	**49,304**	**45,000**	**55,000**	**55,000**	**40,000**	**41,000**	**42,000**	**42,000**	**42,000**

3.6 Statement of Human Resources

	Forecast 2025/26 $'000	2026/27 $'000	2027/28 $'000	2028/29 $'000	2029/30 $'000	2030/31 $'000	2031/32 $'000	2032/33 $'000	2033/34 $'000	2034/35 $'000	2035/36 $'000
Staff expenditure											
Staff expenditure											
Employee costs - operating	106,196	111,459	112,790	116,742	120,833	125,068	129,450	133,987	138,682	143,542	148,572
Employee costs - capital	(1,931)	(2,026)	(2,097)	(2,170)	(2,246)	(2,325)	(2,406)	(2,490)	(2,577)	(2,667)	(2,761)
Total staff expenditure	**104,265**	**109,434**	**110,693**	**114,572**	**118,587**	**122,743**	**127,044**	**131,497**	**136,105**	**140,874**	**145,811**

	Forecast 2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE	2031/32 FTE	2032/33 FTE	2033/34 FTE	2034/35 FTE	2035/36 FTE
Staff numbers											
Staff numbers											
Employees	885.6	878.0	878.0	878.0	878.0	878.0	878.0	878.0	878.0	878.0	878.0
Employees -Capital	(20.5)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)
Total staff numbers	**865.0**	**857.1**	**857.1**	**857.1**	**857.1**	**857.1**	**857.1**	**857.1**	**857.1**	**857.1**	**857.1**

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

		Comprises			
	Total	Permanent			
		Full Time	Part Time	Casual	Temporary
	$'000	$'000	$'000	$'000	$'000
Department					
Chief Executive Office	672	672	-	-	-
Corporate Services	18,302	16,840	1,374	88	-
City Sustainability and Strategy	23,426	20,422	1,757	1,053	195
Community Strengthening	37,864	25,784	9,745	1,518	817
Infrastructure and Environment	29,485	23,132	2,200	3,980	173
Total permanent staff expenditure	**109,749**	**86,849**	**15,077**	**6,639**	**1,184**
Other employee related expenditure	1,710				
Capitalised labour costs	(2,026)	(2,026)			
Total staff expenditure	**109,434**	**84,823**	**15,077**	**6,639**	**1,184**

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

		Comprises			
	Total	Permanent			
		Full Time	Part Time	Casual	Temporary
Department					
Chief Executive Office	2.0	2.0	-	-	-
Corporate Services	128.5	114.8	12.9	0.8	-
City Sustainability and Strategy	176.7	149.0	15.8	10.1	1.8
Community Strengthening	325.1	214.0	90.8	13.6	6.6
Infrastructure and Environment	245.7	183.0	23.8	37.9	1.0
Total staff	**878.0**	**662.8**	**143.4**	**62.4**	**9.4**

3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2036	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Chief Executive Office										
Permanent - Full time	672	680	704	728	754	780	808	836	865	895
Women	672	680	704	728	754	780	808	836	865	895
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Office	**672**	**680**	**704**	**728**	**754**	**780**	**808**	**836**	**865**	**895**
Corporate Services										
Permanent - Full time	14,809	14,980	15,505	16,048	16,610	17,192	17,795	18,419	19,064	19,732
Women	7,856	7,946	8,225	8,513	8,811	9,120	9,439	9,770	10,113	10,467
Men	6,954	7,034	7,280	7,535	7,799	8,073	8,356	8,648	8,951	9,265
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	1,034	1,046	1,083	1,121	1,160	1,201	1,243	1,286	1,331	1,378
Women	811	820	849	879	910	942	975	1,009	1,044	1,081
Men	223	226	234	242	250	259	268	278	287	297
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Corporate Services	**15,843**	**16,026**	**16,587**	**17,169**	**17,770**	**18,393**	**19,038**	**19,705**	**20,395**	**21,110**
City Sustainability and Strategy										
Permanent - Full time	19,599	19,824	20,519	21,238	21,982	22,753	23,550	24,375	25,230	26,114
Women	8,543	8,642	8,945	9,258	9,583	9,918	10,266	10,626	10,998	11,383
Men	11,055	11,183	11,574	11,980	12,400	12,834	13,284	13,750	14,232	14,730
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	1,526	1,544	1,598	1,654	1,712	1,772	1,834	1,898	1,965	2,034
Women	495	501	519	537	556	575	595	616	638	660
Men	1,031	1,043	1,079	1,117	1,156	1,197	1,239	1,282	1,327	1,374
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total City Sustainability and Strategy	**21,125**	**21,368**	**22,117**	**22,892**	**23,695**	**24,525**	**25,384**	**26,274**	**27,195**	**28,148**

3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2036	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Community Strengthening										
Permanent - Full time	23,244	23,511	24,335	25,188	26,071	26,984	27,930	28,909	29,922	30,970
Women	17,623	17,826	18,451	19,097	19,767	20,459	21,176	21,918	22,686	23,481
Men	5,620	5,685	5,884	6,091	6,304	6,525	6,754	6,990	7,235	7,489
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	8,401	8,498	8,796	9,104	9,423	9,753	10,095	10,449	10,815	11,194
Women	7,404	7,489	7,752	8,023	8,304	8,595	8,897	9,208	9,531	9,865
Men	997	1,009	1,044	1,081	1,119	1,158	1,199	1,241	1,284	1,329
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Community Strengthening	**31,645**	**32,009**	**33,131**	**34,292**	**35,494**	**36,738**	**38,025**	**39,358**	**40,737**	**42,164**
Infrastructure and Environment										
Permanent - Full time	20,928	21,168	21,910	22,678	23,473	24,295	25,147	26,028	26,940	27,884
Women	6,676	6,752	6,989	7,234	7,488	7,750	8,021	8,303	8,594	8,895
Men	14,079	14,241	14,740	15,257	15,792	16,345	16,918	17,511	18,124	18,759
Persons of self-described gender	173	175	181	187	194	200	207	215	222	230
Permanent - Part time	1,797	1,817	1,881	1,947	2,015	2,086	2,159	2,234	2,313	2,394
Women	948	959	992	1,027	1,063	1,100	1,139	1,179	1,220	1,263
Men	849	859	889	920	952	986	1,020	1,056	1,093	1,131
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Infrastructure and Environment	**22,724**	**22,986**	**23,791**	**24,625**	**25,488**	**26,381**	**27,305**	**28,262**	**29,253**	**30,278**
Casuals, temporary and other expenditure	19,449	19,721	20,412	21,127	21,867	22,634	23,427	24,247	25,097	25,976
Capitalised labour cost	(2,026)	(2,097)	(2,170)	(2,246)	(2,325)	(2,406)	(2,490)	(2,577)	(2,667)	(2,761)
Total staff expenditure	**109,434**	**110,693**	**114,572**	**118,587**	**122,743**	**127,044**	**131,497**	**136,105**	**140,874**	**145,811**

3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2036	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	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	100.80	100.80	100.80	100.80	100.80	100.80	100.80	100.80	100.80	100.80
Women	55.80	55.80	55.80	55.80	55.80	55.80	55.80	55.80	55.80	55.80
Men	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	9.51	9.51	9.51	9.51	9.51	9.51	9.51	9.51	9.51	9.51
Women	7.47	7.47	7.47	7.47	7.47	7.47	7.47	7.47	7.47	7.47
Men	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Corporate Services	**110.31**	**110.31**	**110.31**	**110.31**	**110.31**	**110.31**	**110.31**	**110.31**	**110.31**	**110.31**
City Sustainability and Strategy										
Permanent - Full time	142.00	142.00	142.00	142.00	142.00	142.00	142.00	142.00	142.00	142.00
Women	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Men	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69
Women	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Men	9.59	9.59	9.59	9.59	9.59	9.59	9.59	9.59	9.59	9.59
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total City Sustainability and Strategy	**155.69**	**155.69**	**155.69**	**155.69**	**155.69**	**155.69**	**155.69**	**155.69**	**155.69**	**155.69**

3.7 Summary of Planned Human Resources Expenditure

For the ten years ended 30 June 2036	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Community Strengthening										
Permanent - Full time	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00
Women	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00	145.00
Men	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	76.24	76.24	76.24	76.24	76.24	76.24	76.24	76.24	76.24	76.24
Women	66.80	66.80	66.80	66.80	66.80	66.80	66.80	66.80	66.80	66.80
Men	9.44	9.44	9.44	9.44	9.44	9.44	9.44	9.44	9.44	9.44
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Community Strengthening	**266.24**	**266.24**	**266.24**	**266.24**	**266.24**	**266.24**	**266.24**	**266.24**	**266.24**	**266.24**
Infrastructure and Environment										
Permanent - Full time	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00
Women	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00
Men	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00
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	19.05	19.05	19.05	19.05	19.05	19.05	19.05	19.05	19.05	19.05
Women	9.34	9.34	9.34	9.34	9.34	9.34	9.34	9.34	9.34	9.34
Men	9.71	9.71	9.71	9.71	9.71	9.71	9.71	9.71	9.71	9.71
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Infrastructure and Environment	**182.05**	**182.05**	**182.05**	**182.05**	**182.05**	**182.05**	**182.05**	**182.05**	**182.05**	**182.05**
Casuals and temporary staff	161.75	161.75	161.75	161.75	161.75	161.75	161.75	161.75	161.75	161.75
Capitalised labour cost	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)	(20.9)
Total staff numbers	**857.12**	**857.12**	**857.12**	**857.12**	**857.12**	**857.12**	**857.12**	**857.12**	**857.12**	**857.12**

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 2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Trend +/o/-
Operating position														
Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business)	**Adjusted underlying result** (an adjusted underlying surplus is generated in the ordinary course of business)	1	6.9%	(0.1%)	3.1%	3.5%	3.4%	2.4%	2.1%	1.9%	2.2%	1.5%	1.4%	-
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	275.7%	273.7%	280.1%	282.6%	293.6%	302.3%	320.3%	335.0%	348.3%	361.0%	386.3%	+
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	65.2%	66.7%	63.6%	59.9%	64.8%	71.5%	76.3%	81.8%	87.3%	92.3%	100.0%	+
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	14.6%	10.9%	8.4%	6.0%	12.7%	18.9%	15.9%	13.8%	11.8%	9.9%	8.1%	+
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	3.8%	3.6%	2.4%	2.4%	2.3%	2.7%	3.5%	2.6%	2.4%	2.2%	2.1%	+
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	8.5%	6.7%	5.7%	3.8%	8.7%	12.0%	11.6%	9.4%	7.7%	7.0%	7.3%	+
Asset renewal (assets are renewed as planned)	**Asset renewal compared to depreciation** Asset renewal and upgrade expense / Asset depreciation	7	92.1%	132.2%	122.5%	106.8%	92.1%	87.6%	90.1%	85.7%	85.6%	85.6%	76.0%	–

Indicator	Measure	Notes	Forecast										Trend
			2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	+/o/-
Stability														
Rates concentration (revenue is generated from a range of sources)	**Rates compared to adjusted underlying revenue** Rate revenue / adjusted underlying revenue	8	57.6%	59.4%	60.0%	60.2%	60.4%	60.6%	60.8%	60.9%	61.1%	61.3%	61.5%	+
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
Efficiency														
Expenditure level (resources are used efficiently in the delivery of services)	**Expenses per property assessment** Total expenses/ no. of property assessments	10	$3,852	$4,136	$4,030	$4,105	$4,148	$4,289	$4,403	$4,510	$4,601	$4,738	$4,851	–
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	$2,037	$2,099	$2,167	$2,220	$2,248	$2,305	$2,363	$2,422	$2,482	$2,543	$2,605	–

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 aquisition 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 2029/30 and 2030/31 financial projections include capacity for Council to undertake borrowings of up to $15 million in each year. This provision supports the delivery of new open space, aligned with the Council Plan and the Yarra 2036 Community Vision, ensuring that growing demand for accessible green space is met in a financially responsible and sustainable manner.

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 2025/26 $'000	2026/27 $'000	2027/28 $'000	2028/29 $'000	2029/30 $'000	2030/31 $'000	2031/32 $'000	2032/33 $'000	2033/34 $'000	2034/35 $'000	2035/36 $'000
Opening balance	25,968	21,299	16,489	13,184	9,792	21,312	32,740	28,500	25,500	22,500	19,500
Plus New loans	-	-	-	-	15,000	15,000	-	-	-	-	-
Less Principal repayment	(4,669)	(4,811)	(3,305)	(3,391)	(3,480)	(3,572)	(4,240)	(3,000)	(3,000)	(3,000)	(3,000)
Closing balance	**21,299**	**16,489**	**13,184**	**9,792**	**21,312**	**32,740**	**28,500**	**25,500**	**22,500**	**19,500**	**16,500**
Interest payment	651	509	397	310	221	1,029	1,746	1,566	1,386	1,206	1,026

	Target	Forecast 2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %	2030/31 %	2031/32 %	2032/33 %	2033/34 %	2034/35 %	2035/36 %
Total borrowings / Rate revenue	Below 60%	14.56%	10.88%	8.38%	6.03%	12.70%	18.90%	15.93%	13.81%	11.81%	9.92%	8.13%
Debt servicing / Rate revenue	Below 5%	0.44%	0.34%	0.25%	0.19%	0.13%	0.59%	0.98%	0.85%	0.73%	0.61%	0.51%
Debt commitment / Rate revenue	Below 10%	3.64%	3.51%	2.35%	2.28%	2.21%	2.66%	3.35%	2.47%	2.30%	2.14%	1.98%
Indebtedness / Own source revenue	Below 60%	8.45%	6.66%	5.69%	3.76%	8.68%	12.03%	11.61%	9.41%	7.74%	7.00%	7.27%

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.

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.

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.

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 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	2035/36 $000's
Public Open Space Reserve	**Restricted**											
Opening balance		29,472	22,290	18,684	18,721	18,853	19,137	17,712	18,193	18,797	19,639	20,622
Transfer to reserve		1,200	1,500	5,038	5,163	5,293	5,425	5,560	5,699	5,842	5,988	6,138
Transfer from reserve		(8,382)	(5,107)	(5,000)	(5,032)	(5,008)	(6,850)	(5,080)	(5,095)	(5,000)	(5,005)	(4,375)
Closing balance		**22,290**	**18,684**	**18,721**	**18,853**	**19,137**	**17,712**	**18,193**	**18,797**	**19,639**	**20,622**	**22,385**
Risk Mitigation Reserve	**Discretionary**											
Opening balance		9,000	13,000	17,000	17,500	17,500	17,500	22,000	26,500	26,500	26,500	26,500
Transfer to reserve		4,000	4,000	500	-	-	4,500	4,500	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-
Closing balance		**13,000**	**17,000**	**17,500**	**17,500**	**17,500**	**22,000**	**26,500**	**26,500**	**26,500**	**26,500**	**26,500**
Strategic Growth Reserve	**Discretionary**											
Opening balance		5,000	9,174	9,174	9,674	9,674	9,674	10,674	11,674	11,674	11,674	11,674
Transfer to reserve		4,174	-	500	-	-	1,000	1,000	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-
Closing balance		**9,174**	**9,174**	**9,674**	**9,674**	**9,674**	**10,674**	**11,674**	**11,674**	**11,674**	**11,674**	**11,674**
Reserves Summary												
Opening balance		43,472	44,464	44,858	45,895	46,027	46,311	50,386	56,367	56,971	57,813	58,796
Transfer to reserve		9,374	5,500	6,038	5,163	5,293	10,925	11,060	5,699	5,842	5,988	6,138
Transfer from reserve		(8,382)	(5,107)	(5,000)	(5,032)	(5,008)	(6,850)	(5,080)	(5,095)	(5,000)	(5,005)	(4,375)
Closing balance		**44,464**	**44,858**	**45,895**	**46,027**	**46,311**	**50,386**	**56,367**	**56,971**	**57,813**	**58,796**	**60,559**

Contact us

Visit us

Richmond Town Hall, 333 Bridge Road, Richmond

Collingwood Town Hall, 140 Hoddle Street, Abbotsford

Connie Benn Family and Children's Centre, 160 Brunswick Street, Fitzroy

Bargoonga Nganjin – North Fitzroy Library, 182–186 St Georges Road, Fitzroy North

Get in touch

email info@yarracity.vic.gov.au

call 9205 5555

fax 8417 6666

mail to PO Box 168 Richmond VIC 3121

Follow us online

yarracity.vic.gov.au

x.com/YarraCouncil

youtube/YarraCityCouncil

facebook.com/YarraCityCouncil

instagram.com/CityofYarra

If you do not have access to the internet, you can visit our website via the computers at your local Yarra library.