

Yarra Ranges Council

DRAFT Financial Plan 2025–26 to 2034–35



Acknowledgement of Country



Yarra Ranges Council acknowledges the Wurundjeri and other Kulin Nations as the Traditional Owners and Custodians of these lands and waterways.

We pay our respects to all Elders, past, present, and emerging, who have been, and always will be, integral to the story of our region. We proudly share custodianship to care for Country together.

Table of contents

Executive summary	4
1. Legislative requirements	5
1.1 Strategic planning principles	6
1.2 Financial management principles	7
1.3 Engagement principles	7
1.4 Service performance principles	7
1.5 Asset Plan integration	8
2. Financial plan context setting	9
2.1 Financial policy statements	9
2.2 Strategic financial objectives	10
2.3 Assumptions to the financial plan statements	11
2.3.1 Consumer price index (CPI)	12
2.3.2 Rates and charges	12
2.3.3 Statutory fees and fines	12
2.3.4 User fees	12
2.3.5 Grants – operating	12
2.3.6 Grants – capital	12
2.3.7 Contributions	12
2.3.8 Other income	13
2.3.9 Employee costs	13
2.3.10 Materials and services	13
2.3.11 Depreciation and amortisation	13
2.3.12 Borrowing costs	13
2.3.13 Other expenses	13
3. Financial plan statements	14
3.1 Comprehensive income statement	15
3.2 Balance sheet	16
3.3 Statement of changes in equity	18
3.4 Statement of cash flows	20
3.5 Statement of capital works	22
3.6 Statement of human resources	24

3.7	Planned human resource expenditure	26
4.	Financial performance indicators	30
5.	Strategies and plans	32
5.1	Borrowing strategy	32
5.1.1	Current debt position	32
5.1.2	Future borrowing requirements	33
5.1.3	Performance indicators	33
5.2	Reserves strategy	34
5.2.1	Current reserves	34
5.2.2	Reserve usage projections	35

Executive summary

The Long Term Financial Plan is a key financial document shaped by a set of financial principles and performance indicators. It offers a Long Term financial forecast aimed at insuring Council's financial sustainability over the period.

While the economic climate shows signs of stability, market forecasts indicate volatility, which impacts the cost of living pressures in our community both currently and in the short term. Community affordability, financial responsibility and maintaining overall financial sustainability remain our focus in this constrained environment. This Plan has been prepared in the context of managing these short-term influences while considering the longer-term challenges

Council continues to invest in core services of high value to community, such as improving drainage, maintaining and enhancing existing assets, continuing significant multi-year projects and the delivery of essential community services and support. Council face significant strains on resources to maintain services and infrastructure at current levels as delivery costs continue to outpace funding. This makes it challenging to balance community expectations and continue to deliver at past levels.

Yarra Ranges is a large municipality, covering over 2500sqm, and has been impacted by repeated natural disaster events, including flooding, wind and fire events. Council supports local communities during these responses, but also must remedy the impacts and damage, including trees, roads, drainage, trails and parks. Many of the costs are not covered by emergency funding and are a significant cost to Council. Over the last two years these costs have totalled \$16m of which \$9m has been funded by Council.

With limited revenue streams, Council relies primarily on rates as the main source of income. Under the Fair Go Rates system, the State Government sets the limit for annual rates increase. Historically, the rate cap issued by State Government has been linked to the Consumer Price Index (CPI). This approach is challenging given the cost-of-service delivery is outpacing the CPI, meaning expenses exceed the income generated. Council is continually exploring ways to be efficient and effective at providing services to community without reducing the service levels. A key element of this approach is Council's ongoing advocacy to other levels of government for funding support as well as exploring collaborative opportunities with other local governments.

Regarding the financial projections in this document, Council relies on advice from the Department of Treasury and Finance to inform the data. Council will continue to adapt and change as needed to ensure the best outcomes for community and the Long Term financial sustainability of Council.

Consultation with the Yarra Ranges community over the past year, alongside the Council Plan and 2025-26 Budget, has helped inform the development of the Long Term Financial Plan. In response to this feedback, this Plan considers operational efficiencies to ensure that Council is keeping costs as low as possible whilst delivering value-for-money services.

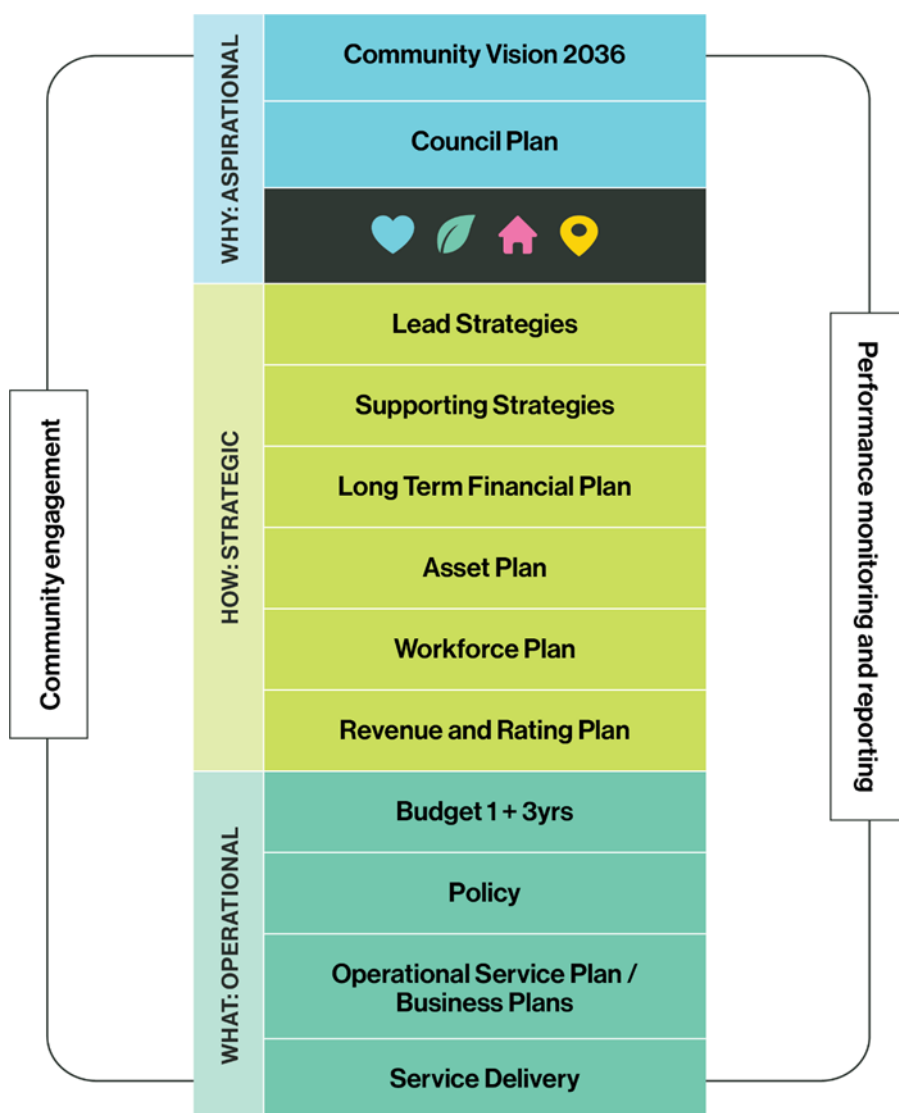
Council believes this Long Term Financial Plan strikes the right balance, ensuring the continuation of the provision of services, assets and infrastructure valued by the Yarra Ranges community while helping to keep the region as one of the best places in Australia to live, work, and visit.

1. Legislative requirements

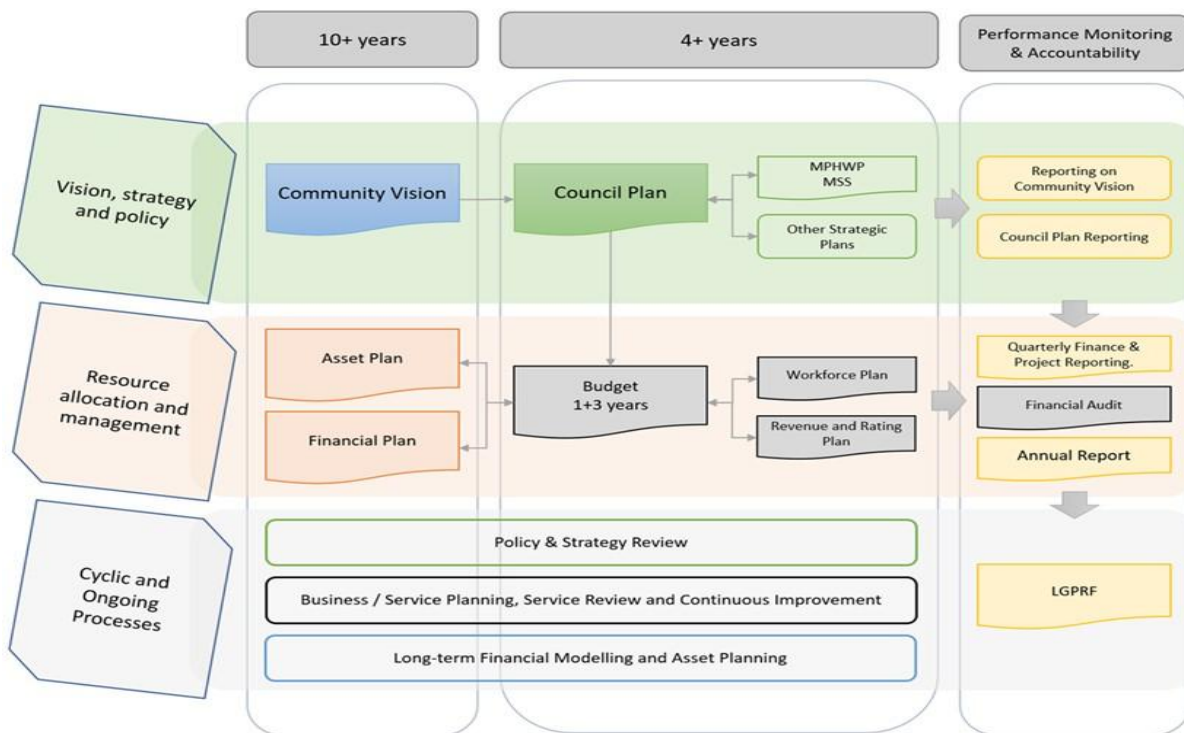
The Long Term Financial Plan has been prepared in accordance with the requirements of the *Local Government Act 2020* (the Act). The Act determines the planning and financial requirements for Council, including the development of strategic planning, budgeting and annual reporting documents.

The Long Term Financial Plan is not a standalone document; it is linked 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).

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:



1.1 Strategic planning principles

The Long Term Financial Plan provides a 10-year projection which is based on assumptions and developed in the context of the following strategic planning principles:

- Council has an integrated approach to planning, monitoring and performance reporting.
- Council's Financial Plan supports the Community Vision by funding the aspirations outlined in the Council Plan. These aspirations and actions are formulated in the context of the Community Vision.
- The Financial Plan's financial statements outline the 10-year financial resources and associated assumptions necessary to implement the goals and aspirations of the Council Plan.
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included in section 1.2 below.
- The Financial Plan incorporates strategic planning principles, including progress monitoring and reviews to identify and adapt to changing circumstances.

1.2 Financial management principles

The Long Term Financial Plan is based on the following financial management principles:

- Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and statutory obligations.
- Management of the following financial risks:
 - the financial viability of the Council (refer to section 2.1 Financial Policy Statements)
 - the management of current and future liabilities of Council. The estimated 10-year liabilities are disclosed in section 0 Balance Sheet Projections.
 - the beneficial enterprises of Council (where appropriate).
- Financial policies and strategic plans are designed to provide financial sustainability and predictability to the community.
- Council maintains accounts and records that explain its financial operations and financial position (refer section 3 Financial Statements).

1.3 Engagement principles

Council engaged a series of community panels and undertook online engagement activities to inform the integrated development of the following strategic documents:

- Council Plan 2025-2029
- Community Vision 2036
- Financial Plan 2025-26 to 2034-35
- Council Budget 2025-26 to 2028-29
- Revenue and Rating Plan 2025-2029.

These community engagement activities gathered feedback and insights from a diverse cross-section of the community including various locations, ages and backgrounds across the municipality. This approach ensured the community's voice was central to Council's strategic planning and is a crucial part of Council's deliberative engagement requirements under the *Local Government Act 2020*.

1.4 Service performance principles

Council services are designed to be targeted to meeting community needs and delivering value for money. Council's service performance principles are:

- 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 Long Term Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- Services are accessible to the relevant users within the community.

- Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework is designed to communicate council's performance regarding the provision of quality and efficient services.
- Council is developing a performance monitoring framework to continuously improve service delivery standards. This includes ensuring that Gender Impact Assessments are undertaken for all initiatives that have a direct and significant impact on the community.

1.5 Asset Plan integration

Integration to the Asset Plan is a key principle of 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 Plan 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 assets for the community's benefit.

The Asset Plan is designed to inform the Long Term 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 the asset's condition and the risk assessment issues as well as the impact of reviewing and setting intervention and service levels for each asset class.

Together, the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets.

2. Financial plan context setting

This section describes the context and external/internal environment and consideration in determining the 10-year financial projections and assumptions.

The Long Term Financial Plan is based on several key assumptions and financial principles about what might happen in the future. While every care has been taken in assessing these, the information is sensitive to changes that are often outside the control of Council.

2.1 Financial policy statements

This section defines the policy statements, and associated measures, that demonstrates Council's financial sustainability to fund the aspirations of the Community Vision and the Council Plan.

Policy Statement	Measure	Target	Forecast										
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Achieve positive adjusted underlying result over the medium to long term	Adjusted underlying result greater than 0%	> 0%	(3.5%)	(1.0%)	(0.2%)	1.0%	1.5%	2.0%	2.3%	2.6%	2.9%	2.8%	3.0%
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities greater than 1.10	> 1.10	1.23	1.05	1.02	0.97	0.98	1.04	1.10	1.14	1.16	1.15	1.17
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Asset renewal and upgrade expenditure / Depreciation above 1	> 1	1.97	1.76	1.47	1.22	1.23	1.16	1.23	1.26	1.41	1.39	1.49
Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings / Rate revenue to remain below 65%	< 65%	20.9%	21.0%	16.6%	12.6%	8.7%	6.9%	5.4%	3.9%	2.5%	1.1%	0.1%
Council maintains sufficient unrestricted cash (per LGPRF definition) to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Unrestricted cash / current liabilities to be maintained above 15% (LGPRF indicator)	> 15%	16.3%	11.7%	10.3%	8.0%	5.4%	11.3%	16.8%	21.0%	20.9%	20.7%	20.2%
Council generates revenue from a range of sources	Rate revenue / Adjusted underlying revenue < 80%	< 80%	74.7%	78.0%	77.4%	76.9%	76.8%	76.9%	77.1%	77.2%	77.3%	77.4%	77.6%

2.2 Strategic financial objectives

Council has identified the following financial strategic objectives that will support the aspirations of the Council Plan.

Council's key strategic objectives include:

- Set rate increases being mindful of community affordability and in accordance with the Fair Go Rates System (FGRS) and Council's Revenue and Rating Plan 2025-2029.
- Differential rates will be applied to ensure appropriate allocation of rates considering the use of land.
- Seek alternative revenue streams and external funding opportunities to diversify revenue streams.
- Continue to strongly advocate for a more equitable distribution of Commonwealth and State Government funding.
- Identify efficiency gains in the operating budget forecast to promote achievement of a financially sustainable operating surplus.
- Ensure service users make a reasonable contribution to the cost of services through appropriate fees and charges consistent with adopted principles within the Revenue and Rating Plan 2025-2029.
- Apply new debt funding to grow infrastructure where necessary based on a sound business case with clear demonstrated community benefit.
- Continue to deliver better value for our community through exploring opportunities for innovation, effectiveness and efficiency.
- Asset renewal risk will be managed over the forecast period through allocation of sufficient resources.

2.3 Assumptions to the financial plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the ten years 2025-26 to 2034-35. The assumptions comprise the annual escalations/movement for each line item of the Comprehensive Income Statement.

The annual escalations are based on information from various sources including Australian Bureau of Statistics , Victorian Department of Treasury and Finance and other economic updates across the sector.

Escalation Factors % movement	Note	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
CPI	2.3.1	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%
Rate cap increase	2.3.2	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%
Rates and charges	2.3.2	4.75%	3.60%	3.10%	3.06%	3.06%	3.06%	2.82%	2.82%	2.82%
Statutory fees and fines	2.3.3	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%
User fees	2.3.4	43.02%	23.61%	5.83%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%
Grants - Operating	2.3.5	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%
Contributions - monetary	2.3.7	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%
Contributions - non-monetary	2.3.7	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other income	2.3.8	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%
Employee costs	2.3.9	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%
Materials and services	2.3.10	7.38%	3.84%	2.91%	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%
Depreciation & Amortisation	2.3.11	3.46%	2.84%	2.98%	2.07%	2.59%	2.91%	2.70%	4.00%	2.64%
Other expenses	2.3.13	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.25%	2.25%	2.25%

2.3.1 Consumer price index (CPI)

Consumer Price Index (CPI) for the first four years is consistent with the Victorian State Government's CPI outlook as the economic forecasts. A conservative approach has been adopted for the remainder of the forecast period.

2.3.2 Rates and charges

Planning for future rate increases has been a key component of the Financial Plan development process. The State Government introduced the Fair Go Rates System on 1 July 2016, which sets out the maximum amount councils may increase rates in any one year.

More information on Council's rating principles can be found in the Revenue and Rating Plan 2025-2029.

Waste management charges are levied on a full cost recovery basis in compliance with the principles set out under the *Local Government Act 2020*. Projections reflect both increases in waste and recycling charges as well as increased contractor expenses.

Yarra Ranges Council does not apply a municipal charge.

2.3.3 Statutory fees and fines

The Financial Plan indexes statutory fees, set by legislation, according to the estimated annual CPI.

2.3.4 User fees

User fees mainly relate to the recovery of service delivery costs through the charging of fees to use Council's services.

Fees and charges will be reviewed annually for appropriateness as part of Council's budget process.

Revenue increases for the forecast years are based on annual increases in line with the State Government rate cap.

Details of user fees for the 2025-26 budget year can be found in Council's schedule of Fees and Charges that is adopted in conjunction with the annual budget.

2.3.5 Grants – operating

Council currently receives grants for tied (specific purpose grants) and untied grant funding received via the Victorian Local Government Grants Commission.

Recurrent operating grants are expected to increase on an annual basis by approximately the estimated rate of CPI for future years.

2.3.6 Grants – capital

Council has assumed that grant revenue will come from funding sources for identified specific projects currently included in Council's Capital Expenditure Program.

2.3.7 Contributions

Council receives contributions from developers which represent funds to enable Council to provide the necessary infrastructure and infrastructure improvements to accommodate development growth in the municipality.

These contributions are statutory contributions and are transferred to a restricted reserve until utilised for a specific purpose through the capital works program or delivered as works in kind by developers.

User group contributions include monies received from community sources or other non-government bodies towards the delivery of Council's services to ratepayers (operating) and capital works program.

2.3.8 Other income

Revenue from other income mainly comprises investment income plus recovery income from a variety of sources and rental income received from the hire of Council buildings and facilities.

2.3.9 Employee costs

Employee costs constitute a combination of direct wages and salaries, including on-costs such as superannuation, WorkCover, leave entitlements, training and temporary staff arrangements.

Increases for employee costs mainly reflect the salary increases for all staff pursuant to Council's Enterprise Agreement.

The changes to the superannuation guarantee levy to move the rate from 1 July 2021 to 10 per cent and progressively increasing the rate to 12 per cent by 2025-26 have also been included.

2.3.10 Materials and services

Materials and services costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are largely subject to market forces based on availability rather than CPI.

Other associated costs included under this category are utilities, materials for the supply of meals on wheels and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit.

2.3.11 Depreciation and amortisation

Depreciation estimates have been based on the projected capital spending contained within the Financial Plan. Depreciation has been further increased by the indexing of the replacement costs of Council's fixed assets.

2.3.12 Borrowing costs

Borrowing costs comprise the interest expense to service Council's loan portfolio that is described in Section 5.1 Borrowing Plan.

2.3.13 Other expenses

Other expenses include administration costs such as Councillor allowances, sponsorships, partnerships, community grants, lease expenditure, state levies and other costs associated with the day to day running of Council.

3. Financial plan statements

This section presents information regarding the Financial Plan statements for the 10 years from 2025-26 to 2034-35.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resource.

3.1 Comprehensive income statement

	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											
Rates and charges	182,408	189,951	198,965	206,119	212,517	219,017	225,722	232,638	239,190	245,933	252,871
Statutory fees and fines	3,724	5,232	5,389	5,551	5,717	5,860	6,007	6,157	6,295	6,437	6,582
User fees	6,463	7,669	10,968	13,558	14,349	14,708	15,075	15,452	15,800	16,155	16,519
Grants - Operating	39,832	28,704	29,565	30,452	31,366	32,150	32,954	33,777	34,537	35,314	36,109
Grants - Capital	20,580	17,716	18,137	7,044	5,140	7,167	7,782	8,250	8,696	9,156	9,948
Contributions - monetary	3,104	2,377	2,448	2,522	2,597	2,662	2,729	2,797	2,860	2,924	2,990
Contributions - non-monetary	2,991	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(954)	-	-	-	-	-	-	-	-	-	-
Other income	3,042	3,851	3,967	4,086	4,208	4,313	4,421	4,532	4,634	4,738	4,844
Total income	261,190	258,000	271,939	271,831	278,394	288,378	297,190	306,103	314,512	323,158	332,363
Expenses											
Employee costs	80,450	82,761	85,037	87,375	89,778	92,023	94,323	96,681	98,857	101,081	103,355
Materials and services	116,834	107,021	114,916	119,333	122,806	126,183	129,653	133,219	136,549	139,963	143,462
Depreciation	35,933	36,166	37,251	38,369	39,520	40,706	41,927	43,185	44,480	45,815	47,189
Amortisation - intangible assets	1,305	1,313	1,353	1,393	1,435	1,435	1,435	1,435	1,435	1,435	1,435
Amortisation - right of use assets	2,644	2,650	2,915	2,938	3,018	2,741	2,682	2,765	2,749	3,363	3,327
Bad and doubtful debts	66	64	66	68	70	70	70	70	70	70	70
Borrowing costs	824	1,922	1,724	1,411	1,084	809	669	526	377	219	63
Finance Costs - leases	874	846	776	715	584	467	406	349	212	1,058	1,119
Other expenses	9,797	10,032	10,333	10,643	10,962	11,236	11,518	11,806	12,072	12,344	12,622
Total expenses	248,727	242,775	254,371	262,246	269,257	275,670	282,683	290,036	296,800	305,347	312,641
Surplus/(deficit) for the year	12,463	15,225	17,568	9,585	9,137	12,708	14,507	16,067	17,712	17,811	19,722
Total comprehensive result	12,463	15,225	17,568	9,585	9,137	12,708	14,507	16,067	17,712	17,811	19,722

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	29,434	27,610	28,198	27,805	26,832	32,942	38,902	44,013	45,038	46,317	46,489
Trade and other receivables	40,457	40,023	40,822	40,368	40,426	41,117	42,365	43,530	44,884	46,116	47,430
Prepayments	2,018	2,079	2,141	2,205	2,271	2,339	2,410	2,482	2,556	2,633	2,712
Contract assets	10,754	9,141	9,187	9,233	9,279	9,325	9,372	9,419	9,466	9,513	9,561
Total current assets	82,663	78,852	80,347	79,610	78,807	85,724	93,048	99,443	101,944	104,580	106,192
Non-current assets											
Trade and other receivables	5,003	4,628	4,281	3,960	3,663	3,388	3,134	2,899	2,681	2,480	2,294
Investments in associates, joint arrangements and subsidiaries	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924
Property, infrastructure, plant & equipment	1,649,956	1,674,088	1,687,899	1,694,459	1,700,273	1,704,728	1,710,865	1,719,249	1,732,999	1,747,325	1,765,443
Right-of-use assets	15,911	15,897	13,176	11,959	8,941	6,949	7,024	5,054	2,571	22,844	19,799
Intangible assets	4,320	3,507	2,654	1,761	826	826	826	826	826	826	826
Total non-current assets	1,678,114	1,701,044	1,710,934	1,715,063	1,716,627	1,718,815	1,724,773	1,730,952	1,742,001	1,776,400	1,791,287
Total assets	1,760,777	1,779,896	1,791,281	1,794,673	1,795,434	1,804,540	1,817,821	1,830,395	1,843,945	1,880,979	1,897,479
Liabilities											
Current liabilities											
Trade and other payables	22,388	23,795	25,544	26,729	27,942	29,069	29,848	30,563	31,390	32,152	32,932
Trust funds and deposits	3,369	3,470	3,574	3,681	3,792	3,906	4,023	4,143	4,268	4,396	4,528
Contract and other liabilities	22,623	23,980	25,059	25,811	26,586	27,383	28,205	29,051	29,922	30,820	31,745
Provisions	14,352	14,640	15,054	15,480	15,917	16,366	16,826	17,297	17,780	18,277	18,486
Interest-bearing liabilities	2,350	6,663	6,976	7,303	3,502	2,826	2,969	3,119	3,276	2,400	252
Lease liabilities	1,921	2,499	2,332	2,704	2,451	2,586	2,681	3,094	1,287	2,959	2,465
Total current liabilities	67,003	75,048	78,540	81,709	80,189	82,137	84,551	87,267	87,924	91,004	90,408

	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
Non-current liabilities											
Provisions	8,346	7,805	7,271	6,744	6,226	5,715	5,212	4,717	4,229	3,746	3,566
Interest-bearing liabilities	35,148	32,624	25,648	18,344	14,843	12,016	9,047	5,928	2,652	252	-
Lease liabilities	15,235	14,149	11,984	10,452	7,616	5,403	5,235	2,640	1,585	20,611	18,416
Total non-current liabilities	58,729	54,578	44,903	35,541	28,685	23,134	19,494	13,285	8,467	24,609	21,982
Total liabilities	125,732	129,626	123,443	117,250	108,873	105,271	104,045	100,552	96,390	115,613	112,390
Net assets	1,635,045	1,650,270	1,667,838	1,677,424	1,686,561	1,699,268	1,713,776	1,729,843	1,747,555	1,765,366	1,785,088
Equity											
Accumulated surplus	656,804	671,840	688,251	696,716	704,776	716,459	730,004	745,183	762,093	779,202	798,337
Reserves	978,241	978,430	979,587	980,708	981,785	982,810	983,772	984,660	985,462	986,164	986,751
Total equity	1,635,045	1,650,270	1,667,838	1,677,424	1,686,561	1,699,268	1,713,776	1,729,843	1,747,555	1,765,366	1,785,088

3.3 Statement of changes in equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2025 Forecast Actual				
Balance at beginning of the financial year	1,622,582	645,628	963,087	13,867
Surplus/(deficit) for the year	12,463	12,463	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(1,287)	-	1,287
Balance at end of the financial year	1,635,045	656,804	963,087	15,154
2026 Budget				
Balance at beginning of the financial year	1,635,045	656,804	963,087	15,154
Surplus/(deficit) for the year	15,225	15,225	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(189)	-	189
Balance at end of the financial year	1,650,270	671,840	963,087	15,343
2027				
Balance at beginning of the financial year	1,650,270	671,840	963,087	15,343
Surplus/(deficit) for the year	17,568	17,568	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(1,157)	-	1,157
Balance at end of the financial year	1,667,838	688,251	963,087	16,500
2028				
Balance at beginning of the financial year	1,667,838	688,251	963,087	16,500
Surplus/(deficit) for the year	9,585	9,585	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(1,121)	-	1,121
Balance at end of the financial year	1,677,424	696,716	963,087	17,621
2029				
Balance at beginning of the financial year	1,677,424	696,716	963,087	17,621
Surplus/(deficit) for the year	9,137	9,137	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(1,077)	-	1,077
Balance at end of the financial year	1,686,561	704,776	963,087	18,698
2030				
Balance at beginning of the financial year	1,686,561	704,776	963,087	18,698
Surplus/(deficit) for the year	12,708	12,708	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(1,025)	-	1,025
Balance at end of the financial year	1,699,268	716,459	963,087	19,723
2031				
Balance at beginning of the financial year	1,699,268	716,459	963,087	19,723
Surplus/(deficit) for the year	14,507	14,507	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(962)	-	962
Balance at end of the financial year	1,713,776	730,004	963,087	20,685

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2032				
Balance at beginning of the financial year	1,713,776	730,004	963,087	20,685
Surplus/(deficit) for the year	16,067	16,067	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(888)	-	888
Balance at end of the financial year	1,729,843	745,183	963,087	21,573
2033				
Balance at beginning of the financial year	1,729,843	745,183	963,087	21,573
Surplus/(deficit) for the year	17,712	17,712	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(802)	-	802
Balance at end of the financial year	1,747,555	762,093	963,087	22,375
2034				
Balance at beginning of the financial year	1,747,555	762,093	963,087	22,375
Surplus/(deficit) for the year	17,811	17,811	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(702)	-	702
Balance at end of the financial year	1,765,366	779,202	963,087	23,077
2035				
Balance at beginning of the financial year	1,765,366	779,202	963,087	23,077
Surplus/(deficit) for the year	19,722	19,722	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to/(from) other reserves	-	(587)	-	587
Balance at end of the financial year	1,785,088	798,337	963,087	23,664

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	191,101	192,853	200,202	207,650	214,082	220,152	226,268	233,280	239,710	246,554	253,492
Statutory fees and fines	4,266	5,827	5,947	6,118	6,299	6,459	6,620	6,786	6,937	7,094	7,253
User fees	6,705	8,541	11,906	14,799	15,785	16,211	16,615	17,031	17,410	17,804	18,203
Grants - operating	35,630	29,060	29,661	30,516	31,418	32,214	33,016	33,844	34,597	35,380	36,174
Grants - capital	5,840	17,936	18,202	7,741	5,272	7,069	7,771	8,250	8,696	9,157	9,931
Contributions - monetary	3,104	2,377	2,448	2,522	2,597	2,662	2,729	2,797	2,860	2,924	2,990
Interest received	1,192	501	516	532	547	561	575	590	603	616	630
Trust funds and deposits	(5,220)	101	104	107	110	114	117	121	124	128	132
Other receipts	1,796	3,136	3,178	3,267	3,362	3,448	3,534	3,623	3,703	3,787	3,872
Net GST refund / payment	17,425	16,718	15,521	15,087	15,333	15,619	16,193	16,856	17,795	18,331	19,133
Employee costs	(81,935)	(81,930)	(84,408)	(86,749)	(89,095)	(91,360)	(93,644)	(96,007)	(98,143)	(100,373)	(102,632)
Materials and services	(125,794)	(116,803)	(124,907)	(130,315)	(134,159)	(137,921)	(142,094)	(146,061)	(149,646)	(153,448)	(157,284)
Other payments	(13,478)	(11,688)	(11,926)	(12,262)	(12,601)	(12,902)	(13,204)	(13,517)	(13,799)	(14,094)	(14,396)
Net cash provided by/(used in) operating activities	40,632	66,627	66,445	59,012	58,954	62,327	64,495	67,593	70,848	73,860	77,498
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(70,610)	(64,328)	(55,268)	(47,422)	(48,967)	(48,612)	(52,904)	(55,661)	(64,088)	(65,090)	(71,873)
Proceeds from sale of property, infrastructure, plant and equipment	1,483	-	1,100	-	1,100	-	1,100	-	1,100	-	1,100
Proceeds from sale of investments	7,500	-	-	-	-	-	-	-	-	-	-
Net cash provided by/ (used in) investing activities	(61,627)	(64,328)	(54,168)	(47,422)	(47,867)	(48,612)	(51,804)	(55,661)	(62,988)	(65,090)	(70,773)

	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 financing activities											
Finance costs	(400)	(1,922)	(1,724)	(1,411)	(1,084)	(809)	(669)	(526)	(377)	(219)	(63)
Proceeds from borrowings	39,348	8,000	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(2,490)	(6,211)	(6,663)	(6,976)	(7,303)	(3,502)	(2,826)	(2,969)	(3,119)	(3,276)	(2,400)
Interest paid - lease liability	(874)	(846)	(776)	(715)	(584)	(467)	(406)	(349)	(212)	(1,058)	(1,119)
Repayment of lease liabilities	(2,397)	(3,144)	(2,526)	(2,881)	(3,089)	(2,827)	(2,830)	(2,977)	(3,128)	(2,938)	(2,971)
Net cash provided by/(used in) financing activities	33,187	(4,123)	(11,689)	(11,983)	(12,060)	(7,605)	(6,731)	(6,821)	(6,835)	(7,491)	(6,553)
Net increase/(decrease) in cash & cash equivalents	12,192	(1,824)	588	(393)	(974)	6,111	5,960	5,111	1,025	1,279	172
Cash and cash equivalents at the beginning of the financial year	17,242	29,434	27,610	28,198	27,805	26,832	32,942	38,902	44,013	45,038	46,317
Cash and cash equivalents at the end of the financial year	29,434	27,610	28,198	27,805	26,832	32,942	38,902	44,013	45,038	46,317	46,489

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
Property											
Land	10	-	-	-	-	-	-	-	-	-	-
Total land	10	-	-	-	-	-	-	-	-	-	-
Buildings	5,871	8,833	13,114	8,396	7,445	5,266	5,571	5,865	6,160	6,285	6,413
Building improvements	8,381	-	-	-	-	-	-	-	-	-	-
Total buildings	14,252	8,833	13,114	8,396	7,445	5,266	5,571	5,865	6,160	6,285	6,413
Total property	14,262	8,833	13,114	8,396	7,445	5,266	5,571	5,865	6,160	6,285	6,413
Plant and equipment											
Plant, machinery and equipment	2,220	2,600	2,500	3,100	3,400	3,468	3,537	3,608	3,680	3,754	3,829
Fixtures, fittings and furniture	17	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	3,046	700	300	300	300	250	250	250	250	250	250
Total plant and equipment	5,283	3,300	2,800	3,400	3,700	3,718	3,787	3,858	3,930	4,004	4,079
Infrastructure											
Roads	18,552	17,857	12,760	12,042	13,449	9,345	9,495	9,643	9,838	10,128	10,238
Bridges	824	262	262	300	300	400	420	440	460	480	450
Footpaths and cycleways	1,994	2,647	2,235	3,383	3,075	3,158	2,912	2,966	3,033	3,126	3,210
Drainage	3,915	3,920	2,665	2,593	3,091	1,784	750	1,000	1,000	1,000	1,000
Recreational, leisure and community facilities	3,668	1,582	672	655	668	689	709	724	739	764	780
Parks, open space and streetscapes	14,903	14,326	7,771	3,549	3,973	4,524	4,714	4,904	5,118	5,404	6,075
Off street car parks	378	-	400	400	400	500	500	750	750	750	750
Other infrastructure	5,453	5,571	7,383	8,211	8,233	14,711	19,130	20,354	27,138	27,135	32,448
Total infrastructure	49,687	46,165	34,148	31,133	33,189	35,112	38,630	40,781	48,076	48,787	54,950
Total capital works expenditure	69,232	58,298	50,062	42,929	44,334	44,096	47,988	50,504	58,166	59,076	65,442
Represented by:											
New asset expenditure	22,773	17,010	12,409	10,629	9,713	8,584	9,731	11,745	13,798	13,888	17,003
Asset renewal expenditure	29,577	26,044	25,490	22,813	24,354	27,589	29,274	27,918	31,633	32,370	32,746
Asset expansion expenditure	1,177	5,115	3,664	2,457	3,109	2,641	2,994	3,614	4,245	4,273	5,231
Asset upgrade expenditure	15,705	10,129	8,499	7,030	7,158	5,282	5,988	7,227	8,490	8,546	10,463

	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
Total capital works expenditure	69,232	58,298	50,062	42,929	44,334	44,096	47,988	50,504	58,166	59,076	65,442
Funding sources represented by:											
Grants	20,580	17,716	18,137	7,044	5,140	7,167	7,782	8,250	8,696	9,156	9,948
Contributions	500	1,723	1,000	1,100	1,210	1,331	1,464	1,611	1,772	1,949	2,144
Council cash	8,804	30,859	30,925	34,785	37,984	38,298	38,742	40,643	47,698	47,971	53,350
Borrowings	39,348	8,000	-	-	-	-	-	-	-	-	-
Total capital works expenditure	69,232	58,298	50,062	42,929	44,334	44,096	47,988	50,504	58,166	59,076	65,442

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	80,450	82,761	85,037	87,375	89,778	92,023	94,323	96,681	98,857	101,081	103,355
Employee costs - capital	6,231	6,468	6,658	6,853	7,054	7,231	7,411	7,597	7,768	7,942	8,121
Total staff expenditure	86,681	89,229	91,694	94,228	96,832	99,253	101,735	104,278	106,624	109,023	111,476

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	743	754	750	746	742	742	742	742	742	742	742
Total staff numbers	743	754	750	746	742	742	742	742	742	742	742

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

Department	Budget	Comprises			
		Permanent			
	2025/26	Full Time	Part Time	Casual	Temporary
	\$'000	\$'000	\$'000	\$'000	\$'000
Built Environment and Infrastructure	18,914	16,563	468	91	1,793
Communities	23,605	14,612	5,751	444	2,798
Corporate Services	20,214	14,700	2,271	-	3,243
Planning and Sustainable Futures	16,500	14,211	1,247	-	1,042
Office of the CEO	1,912	1,680	110	-	122
Natural Disaster Recovery & Response	706	390	-	-	316
Total permanent staff expenditure	81,851	62,156	9,847	534	9,314
Other employee related expenditure	910				
Capitalised labour costs	6,468				
Total staff expenditure	89,229	62,156	9,847	534	9,314

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
Built Environment and Infrastructure	222	189	5	1	27
Communities	208	122	58	4	24
Corporate Services	168	118	23	-	27
Planning and Sustainable Futures	138	118	11	-	9
Office of the CEO	12	10	1	-	1
Natural Disaster Recovery & Response	6	3	-	-	3
Total staff	754	560	98	5	91

3.7 Planned human resource expenditure

	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
Built Environment and Infrastructure										
Permanent - Full time	16,563	17,019	17,487	17,968	18,417	18,878	19,350	19,785	20,230	20,685
Women	5,372	5,884	6,420	6,982	7,157	7,335	7,519	7,688	7,861	8,038
Men	11,191	11,135	11,067	10,986	11,261	11,542	11,831	12,097	12,369	12,647
Permanent - Part time	468	480	494	508	521	534	547	559	572	585
Women	252	259	267	274	281	288	295	302	308	315
Men	176	180	185	190	195	200	205	209	214	219
Persons of self-described gender	40	41	42	44	45	46	47	48	50	51
Total Built Environment and Infrastructure	17,031	17,499	17,981	18,476	18,938	19,411	19,897	20,344	20,802	21,270
Communities										
Permanent - Full time	14,612	15,013	15,426	15,851	16,247	16,653	17,070	17,454	17,847	18,248
Women	11,676	11,997	12,327	12,666	12,983	13,307	13,640	13,947	14,261	14,581
Men	2,699	2,773	2,849	2,928	3,001	3,076	3,153	3,224	3,297	3,371
Persons of self-described gender	237	243	250	257	263	270	277	283	289	296
Permanent - Part time	5,751	5,909	6,071	6,238	6,394	6,554	6,718	6,869	7,023	7,181
Women	5,023	5,161	5,303	5,449	5,585	5,725	5,868	6,000	6,135	6,273
Men	728	748	768	789	809	829	850	869	888	908
Total Communities	20,363	20,922	21,497	22,089	22,641	23,207	23,787	24,323	24,870	25,429
Corporate Services										
Permanent - Full time	14,700	15,105	15,521	15,947	16,346	16,754	17,173	17,560	17,955	18,359
Women	9,898	10,170	10,450	10,737	11,005	11,281	11,563	11,823	12,089	12,361
Men	4,666	4,795	4,927	5,062	5,189	5,318	5,451	5,574	5,699	5,828
Persons of self-described gender	136	140	144	148	152	155	159	163	167	170
Permanent - Part time	2,271	2,334	2,398	2,464	2,526	2,589	2,653	2,713	2,774	2,837
Women	2,065	2,122	2,180	2,240	2,296	2,353	2,412	2,467	2,522	2,579
Men	206	212	218	224	230	235	241	247	252	258
Total Corporate Services	16,971	17,439	17,919	18,411	18,871	19,343	19,827	20,273	20,729	21,195

Planning and Sustainable Futures

Permanent - Full time	14,211	14,602	15,004	15,416	15,801	16,196	16,601	16,975	17,357	17,747
Women	8,571	8,806	9,049	9,297	9,529	9,768	10,012	10,237	10,467	10,703
Men	5,640	5,796	5,955	6,119	6,272	6,429	6,589	6,738	6,889	7,044
Permanent - Part time	1,247	1,282	1,317	1,353	1,387	1,421	1,457	1,490	1,523	1,558
Women	1,051	1,080	1,110	1,140	1,169	1,198	1,228	1,255	1,284	1,312
Men	196	202	207	213	218	224	229	235	240	245
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Planning and Sustainable Futures	15,458	15,884	16,321	16,769	17,188	17,618	18,058	18,465	18,880	19,305

Office of the CEO

Permanent - Full time	1,680	1,726	1,774	1,822	1,868	1,914	1,962	2,006	2,051	2,098
Women	1,412	1,451	1,491	1,532	1,570	1,610	1,650	1,687	1,725	1,764
Men	268	275	283	290	297	305	312	319	327	334
Permanent - Part time	110	113	116	120	123	126	129	132	135	138
Women	110	113	116	120	123	126	129	132	135	138
Total Office of the CEO	1,790	1,839	1,890	1,942	1,991	2,040	2,091	2,138	2,186	2,236

Natural Disaster Recovery & Response

Permanent - Full time	390	401	413	424	435	445	457	467	477	488
Women	60	62	64	66	68	69	71	73	74	76
Men	330	339	349	358	367	376	386	394	403	412
Total Natural Disaster Recovery & Response	390	401	413	424	435	445	457	467	477	488
Casuals, temporary and other expenditure	10,994	11,243	11,550	11,868	12,135	12,439	12,750	13,018	13,311	13,610
Capitalised labour costs	6,231	6,468	6,658	6,853	7,054	7,231	7,411	7,597	7,768	7,942
Total staff expenditure	89,229	91,694	94,228	96,832	99,253	101,735	104,278	106,624	109,023	111,476

	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
Built Environment and Infrastructure										
Permanent - Full time	166	164	164	163	163	163	163	163	163	163
Women	53	55	58	61	61	61	61	61	61	61
Men	113	109	106	102	102	102	102	102	102	102
Permanent - Part time	5	5	5	5	5	5	5	5	5	5
Women	2	2	2	2	2	2	2	2	2	2
Men	2	2	2	2	2	2	2	2	2	2
Persons of self-described gender	1	1	1	1	1	1	1	1	1	1
Total Built Environment and Infrastructure	171	169	169	168	168	168	168	168	168	168
Communities										
Permanent - Full time	121	120	120	119	119	119	119	119	119	119
Women	97	96	96	95	95	95	95	95	95	95
Men	22	22	22	22	22	22	22	22	22	22
Persons of self-described gender	2	2	2	2	2	2	2	2	2	2
Permanent - Part time	58	58	57	57	57	57	57	57	57	57
Women	49	49	48	48	48	48	48	48	48	48
Men	9	9	9	9	9	9	9	9	9	9
Total Communities	179	178	177	176	176	176	176	176	176	176
Corporate Services										
Permanent - Full time	117	117	116	116	116	116	116	116	116	116
Women	84	84	83	83	83	83	83	83	83	83
Men	32	32	32	32	32	32	32	32	32	32
Persons of self-described gender	1	1	1	1	1	1	1	1	1	1
Permanent - Part time	23	23	23	23	23	23	23	23	23	23
Women	21	21	21	21	21	21	21	21	21	21
Men	2	2	2	2	2	2	2	2	2	2
Total Corporate Services	140	140	139	139	139	139	139	139	139	139

Planning and Sustainable Futures

Permanent - Full time	114	113	113	113	113	113	113	113	113	113
Women	71	70	70	70	70	70	70	70	70	70
Men	43	43	43	43	43	43	43	43	43	43
Permanent - Part time	12	11	11	10	10	10	10	10	10	10
Women	10	10	10	9	9	9	9	9	9	9
Men	2	1	1	1	1	1	1	1	1	1
Total Planning and Sustainable Futures	126	124	124	123	123	123	123	123	123	123

Office of the CEO

Permanent - Full time	10	10	10	10	10	10	10	10	10	10
Women	8	8	8	8	8	8	8	8	8	8
Men	2	2	2	2	2	2	2	2	2	2
Permanent - Part time	1	1	1	1	1	1	1	1	1	1
Women	1	1	1	1	1	1	1	1	1	1
Total Office of the CEO	11	11	11	11	11	11	11	11	11	11

Natural Disaster Recovery & Response

Permanent - Full time	3	3	3	3	3	3	3	3	3	3
Women	1	1	1	1	1	1	1	1	1	1
Men	2	2	2	2	2	2	2	2	2	2
Total Natural Disaster Recovery & Response	3	3	3	3	3	3	3	3	3	3
Casuals and temporary staff	80	81	80	79	79	79	79	79	79	79
Capitalised labour	44	44	43	43	43	43	43	43	43	43
Total staff numbers	754	750	746	742	742	742	742	742	742	742

Council is committed to closing the gender pay gap. Between 2021 and 2023, the mean pay gap decreased from 4.1% to 3.2%. The Gender Equality Action Plan 2026–2030 will drive further progress by identifying inequities and implementing targeted solutions. Gender pay equity is essential for workforce retention, financial stability, and Long Term organisational success. This includes policies that support work-life balance, such as flexible working hours and parental leave, helping women remain in the workforce.

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										
			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	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-3.5%	-1.0%	-0.2%	1.0%	1.5%	2.0%	2.3%	2.6%	2.9%	2.8%	3.0%
Liquidity													
Working Capital	Current assets / current liabilities	2	123.4%	105.1%	102.3%	97.4%	98.3%	104.4%	110.0%	114.0%	115.9%	114.9%	117.5%
Unrestricted cash	Unrestricted cash / current liabilities	3	16.3%	11.7%	10.3%	8.0%	5.4%	11.3%	16.8%	21.0%	20.9%	20.7%	20.2%
Obligations													
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	20.9%	21.0%	16.6%	12.6%	8.7%	6.9%	5.4%	3.9%	2.5%	1.1%	0.1%
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		1.6%	4.3%	4.3%	4.1%	4.0%	2.0%	1.6%	1.5%	1.5%	1.4%	1.0%
Indebtedness	Non-current liabilities / own source revenue		29.3%	25.8%	20.0%	15.2%	11.9%	9.3%	7.6%	5.0%	3.1%	8.8%	7.7%
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	5	126.0%	106.1%	97.6%	84.6%	86.9%	80.8%	84.1%	81.4%	90.2%	89.3%	91.6%
Stability													
Rates concentration	Rate revenue / adjusted underlying revenue	6	74.7%	78.0%	77.4%	76.9%	76.8%	76.9%	77.1%	77.2%	77.3%	77.4%	77.6%
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Efficiency													
Expenditure level	Total expenses/ no. of property assessments		\$3,669	\$3,513	\$3,610	\$3,650	\$3,675	\$3,690	\$3,711	\$3,734	\$3,747	\$3,780	\$3,796
Revenue level	Total rate revenue / no. of property assessments		\$2,786	\$2,859	\$2,979	\$3,057	\$3,096	\$3,128	\$3,161	\$3,194	\$3,219	\$3,245	\$3,271

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. A key goal of the Long Term Financial Plan is to return an adjusted underlying surplus. The adjusted underlying result is expected to improve from its current deficit position and steadily move back into an underlying surplus in the medium-term future.

2. Working capital

The proportion of current liabilities represented by current assets. This measures the ability to pay existing liabilities in the next 12 months. A percentage greater than 100 per cent means there are more short-term assets than short term liabilities. Council needs to ensure working capital is maintained such that sufficient cash reserves are available to meet normal cash flow requirements.

Council will continue to invest in its capital works program by utilising cash reserves and borrowings prudently.

3. Unrestricted cash

Unrestricted cash relates to funds that are readily available and is not tied to any particular purpose and is primarily used for meeting liquidity needs and to fund unanticipated items. This ratio will continue to be monitored with the underlying approach to improve the position which will continue to be a challenge.

4. Loans and borrowings

Council's current plan includes borrowings for capital expenditure. Council's indebtedness ratio will increase over the forecast period, with the trend indicating Council's reliance on debt against its annual rate revenue. This will be refined each year as borrowings requirements become clearer and are utilised to deliver infrastructure to the community.

5. Asset renewal

This percentage indicates the extent of Council's investment in renewal and upgrade capital works against its depreciation (an indication of the decline in value of its existing assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed or upgraded, with considerable future capital investment required to retain these assets in working condition.

Yarra Ranges has previously identified its intention to work towards closing the asset renewal gap, mitigating risk where appropriate. Council will continue to balance the risk and need for new, renewal and upgrade works, and ensure renewal projects are prioritised to ensure funds are directed where needed the most.

6. Rates concentration

This ratio reflects the reliance on rate revenue to fund all of Council's ongoing services. The trend indicates Council will continue to be heavily reliant on rate revenue compared to all other revenue sources.

7. Cash and Borrowing Strategy

Council will continue to review its debt position and drawdown additional borrowings as required based on Council's capital works program needs. Council will also continue to monitor the levels of cash held and look to replenish cash when possible, to ensure liquidity and overall financial sustainability is maintained

5. Strategies and plans

This section describes the strategies and plans that support the ten -year financial projections included with the Long Term Financial Plan.

5.1 Borrowing strategy

Borrowings will be considered as an option to fund the acquisition of assets and capital projects where a detailed business case analysis factoring in actual and opportunity costs indicates that borrowing is the most economical funding method and that recurrent operating and maintenance costs can be met in the operating budget.

Borrowings will not be utilised as an option to fund ongoing operational expenditure.

5.1.1 Current debt position

Council currently has a low level of indebtedness; however, this is expected to change due to Council continuing to deliver on its capital works program despite the restrictions on the growth of rate revenue due to the rate cap.

Council will review the debt position on an ongoing basis and drawdown additional borrowings as required based on Council's cash position and capital works program needs.

Borrowings can be accommodated within the financial model without compromising the overall financial sustainability of the organisation. At forecast levels, Council's borrowing profile remains low-to-medium risk over the ten-year period.

5.1.2 Future borrowing requirements

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

	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	640	37,498	39,287	32,624	25,648	18,344	14,843	12,016	9,047	5,928	2,652
Plus New loans	39,348	8,000	-	-	-	-	-	-	-	-	-
Less Principal repayment	(2,490)	(6,211)	(6,663)	(6,976)	(7,303)	(3,502)	(2,826)	(2,969)	(3,119)	(3,276)	(2,400)
Closing balance	37,498	39,287	32,624	25,648	18,344	14,843	12,016	9,047	5,928	2,652	252
Interest payment	824	1,922	1,724	1,411	1,084	809	669	526	377	219	63

5.1.3 Performance indicators

The following table highlights Council's projected performance across a range of debt management performance indicators.

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 65%	19.9%	19.9%	15.5%	11.7%	8.1%	6.4%	5.0%	3.6%	2.3%	1.0%	0.1%
Debt servicing / Rate revenue	Below 5%	0.2%	1.0%	0.8%	0.6%	0.5%	0.3%	0.3%	0.2%	0.1%	0.1%	0.0%
Debt commitment / Rate revenue	Below 10%	1.5%	4.1%	4.0%	3.8%	3.7%	1.8%	1.5%	1.4%	1.4%	1.3%	0.9%
Indebtedness / Own source revenue	Below 60%	18.7%	18.6%	14.5%	10.9%	7.6%	6.0%	4.7%	3.4%	2.2%	1.0%	0.1%

5.2 Reserves strategy

Council maintains a mix of statutory, cash backed reserves and specific purpose discretionary reserves.

5.2.1 Current reserves

Public Open Space Reserve

The Public Open Space Reserve holds funds contributed by developers for works associated with developing and improved public open space and recreational facilities within Council. Funds are contributed in according with Section 18 of the *Subdivision Act* and transfers are restricted to the purpose of creating open space such as parks, playgrounds, and other such items where it is deemed that these works should occur at a later point than the initial development.

Transfers to the reserve (inflows) compromise contribution income from subdividers in lieu of the Public Open Space requirement. Transfers from the reserve (outflows) are applied to Open Space capital projects on an annual basis.

Emergency & Disaster Response Reserve

The Emergency & Disaster Response Reserve was established following natural disaster events that occurred in the current and prior years. This reserve sets aside funding to support and fund future recovery related activities.

Biodiversity Offset Program Reserve

The Biodiversity Offset Program Reserve has been established to compensate for losses as a result of the removal of native vegetation. The program has been established to manage and protect native vegetation to counteract native vegetation removal.

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.

Reserves	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											
Opening balance	11,665	13,300	13,639	14,796	15,917	16,994	18,019	18,981	19,869	20,671	21,373
Transfer to reserve	2,135	2,062	2,157	2,221	2,287	2,356	2,426	2,499	2,574	2,651	2,731
Transfer from reserve	(500)	(1,723)	(1,000)	(1,100)	(1,210)	(1,331)	(1,464)	(1,611)	(1,772)	(1,949)	(2,144)
Closing balance	13,300	13,639	14,796	15,917	16,994	18,019	18,981	19,869	20,671	21,373	21,960
Emergency and Disaster Response Reserve											
Opening balance	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Digital Transformation Reserve											
Opening balance	300	150	-	-	-	-	-	-	-	-	-
Transfer to reserve	(150)	(150)	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	150	-	-	-	-	-	-	-	-	-	-
Waste Reserve											
Opening balance	198	-	-	-	-	-	-	-	-	-	-
Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	(198)	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-
Biodiversity Offset Program											
Opening balance	604	604	604	604	604	604	604	604	604	604	604
Transfer to reserve	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	604	604	604	604	604	604	604	604	604	604	604

Yarra Ranges Council
PO Box 105
Lilydale VIC 3140

1300 368 333
www.yarraranges.vic.gov.au
mail@yarraranges.vic.gov.au

