

Financial Plan

2025-26 to 2034-35



knox



Contents

1. Executive Summary	3
2. Legislative Requirements	4
2.1. Strategic Planning Principles	5
2.2. Financial Planning Principles	6
2.3. Community Engagement	6
2.4. Service Performance Principles	7
2.5. Asset Plan Integration	7
2.6. Revenue and Rating Plan Integration.....	8
2.7. Financial Risk Management	8
3. Financial Plan Context	10
3.1. Financial Policy Statements	10
3.2. Strategic Actions	11
3.3. Assumptions to the Financial Plan Statements	11
4. Financial Plan Statements	15
4.1. Comprehensive Income Statement	16
4.2. Balance Sheet	17
4.3. Statement of Changes in Equity	18
4.4. Statement of Cash Flows	20
4.5. Statement of Capital Works	22
4.6. Statement of Human Resources	24
4.7. Planned Human Resources Expenditure	25
5. Financial Performance Indicators	29
6. Strategies and Plans	33
6.1. Borrowing Strategy	33
6.2. Reserves Strategy	34

1. Executive Summary

Purpose of the Long Term Financial Plan

Knox City Council's Long Term Financial Plan (LTFP) is the key financial planning document that is governed by a series of financial strategies and accompanying performance indicators that Council considers and adopts. It establishes the financial framework upon which sound financial decisions are made.

The LTFP covers a 10-year period from 2025-26 to 2034-35. The LTFP is a tool to assist in sound financial decision making and is not intended to be a document that specifically indicates what services/proposals or funds should be allocated to these services; rather it identifies Council's current and projected financial capacity to continue delivering services, maintaining facilities and renewing infrastructure, whilst living within our means.

This document outlines the key performance indicators, key assumptions and an overview of each key element of the Plan. Each year the 10-Year Financial is reviewed and updated to reflect the current circumstances of Council.

The Plan effectively takes the assumptions and budget parameters that have been applied to the 2025-26 budget (which covers a four-year period) and extends these out into years 5-10 to give a longer term view of Council's financial viability and outcomes.

Key Financial Challenges

Current challenges and expected future events likely to impacts the Financial Plan projections.

Rate Capping

The introduction of the State Government's rate cap in 2016–17 limited how councils raise revenue, the past several years this has been set below inflation. For Knox City Council, where rates account for over 72% of total revenue, this has had a compounding impact over time. The cap has not accounted for rising costs—particularly post-COVID—such as fuel and construction materials, which have increased well above standard inflation.

Interest Rates

Interest rates influence both the cost of new borrowings and the returns generated from cash investments.

A borrowing rate of 5.0% is currently used for planning purposes. However, the actual rate at the time funds are drawn will influence the cost of borrowing and impact future planning. As such, interest rate movements remain a key consideration in both short- and long-term planning.

Borrowings

As at 30 June 2025, Council is budgeting to hold \$83.8 million in borrowings, with an additional \$40.9 million in borrowings anticipated between 2025-26 and 2028-29. Borrowings have been undertaken since 2021/22 to support the delivery of major projects.

Council must comply with borrowing covenants, which limits the amount of debt that can be undertaken in the medium term. At the same time, careful consideration is required to balance the repayment of both existing and future borrowings.

Superannuation

Council has an ongoing obligation to fund any investment shortfalls in the Defined Benefits Scheme. The last call on Local Government was in the 2011/12 financial year when Council was required to pay \$11.5M to top up its share of the Defined Benefits Scheme. The amount and timing of any liability is dependent on the global investment market. At present the actuarial ratios are at a level where additional calls from Local Government are not expected in the next 12 months.

Capital Grant Funding

Capital grant opportunities arise continually and budgeted in the year when the grant applications are successful for various capital projects.

Enterprise Agreement

Councils current Enterprise Agreement will expire on 30 June 2026. Assumptions have been used in the long-term financial plan on wage increases for 2026/27 onwards which align with the assumed rate cap of 2.5%.

Infrastructure

Council faces the dual challenge of renewing ageing infrastructure while investing in new assets such as roads, drainage, parks, community facilities, and footpaths in underserved areas. Funding is allocated through a prioritised capital works plan.

Natural disasters

The timing and impact of these events are unknown and unfortunately the regularity is increasing because of climate change. Whilst Council undertakes prevention measures, these events have a significant impact on the community, businesses, and the economy, as well as Council's human and financial resources.

Public infrastructure maintenance

Councils across Australia raise approximately 3% of the total taxation collected by all levels of government in Australia. In addition, councils are entrusted with the maintenance of more than 30% of all public assets, including roads, bridges, parks, footpaths, and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets to ensure the quality of public infrastructure is maintained at satisfactory levels.

Sustaining Financial Stability

For Council's finances to remain sustainable and our services to remain affordable for the community, Council will need to continually assess the performance and future for current services to understand whether they are relevant and whether Council needs to continue to deliver them or whether there is a role for an alternative delivery model.

In summary, from a financial perspective Council has the same dilemma as most individuals - it has a limited budget yet many and competing demands on where to allocate its scarce resources.

2. Legislative Requirements

Knox's integrated strategic planning and reporting framework (pictured below) illustrates the medium and long term plans that guide and manage our city.

Council takes an integrated approach to planning and reporting, with the 10-year Community Vision directly informing short, medium and long-term planning.

"Knox: where we connect with our people and our environment, ensuring they are safe, supported and have every opportunity to thrive".

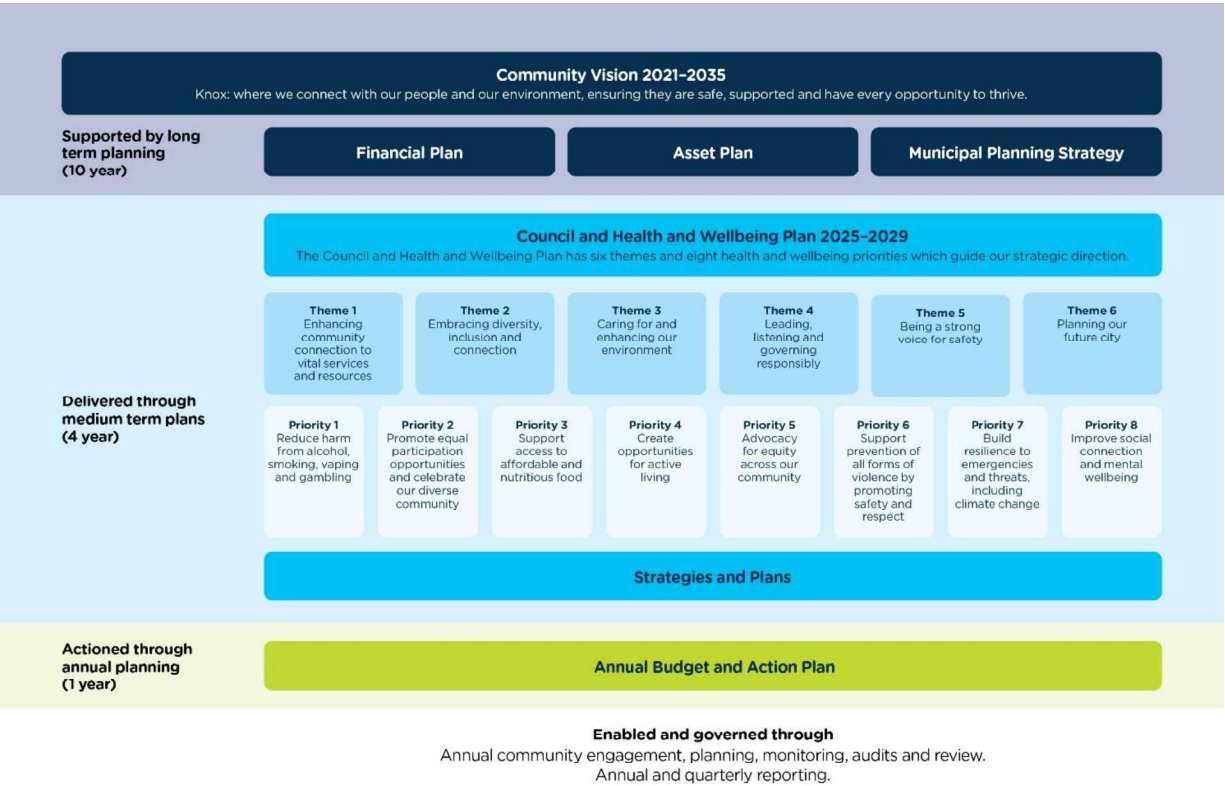
Knox’s Integrated Planning and Reporting Framework guides Council in identifying and delivering on community needs and aspirations over the long term (Community Vision), medium term (Council and Health and Wellbeing Plan 2025-29) and short term (Annual Budget and Action Plan).

A number of other plans also guide our long-term and medium-term planning. They include plans about how we’re going to manage our financial resources (the Financial Plan), manage and maintain our assets (the Asset Plan), plan for our future city (Municipal Planning Statement) and plan and prioritise our service delivery (strategies and plans).

The key themes, strategic objectives and health and wellbeing priorities of the Council and Health and Wellbeing Plan are also integrated across our other key Strategies and Plans. This approach provides a line of sight through every service in Council to achieve and report back on our community’s vision and our wellbeing commitment.

To ensure that Council remains responsive to the community's evolving needs and priorities, each financial year actions are published in the Annual Budget. The development of the Annual Budget and Action Plan also includes setting an annual target for each performance measure of the Council and Health and Wellbeing Plan. In Council’s Annual Report, we report back to the community on the actual result of each performance measure compared to the target, as well as on the achievement of the annual actions.

All parts of the integrated planning and reporting framework include opportunities for community and stakeholder input. This is important to ensure transparency and accountability. We monitor and regularly report back to the community on our progress through different mechanisms to ensure greater openness and understanding.



2.1 Strategic Planning Principles

The Financial Plan provides a 10 year financially sustainable projection regarding how the actions of the Council and Health and Wellbeing Plan may be funded to achieve the Community Vision. The Financial Plan is developed in the context of the following strategic planning principles:

- a) Council has an integrated approach to planning, monitoring and performance reporting.
- b) Council's financial plan addresses the Community Vision by funding the aspirations of the Council and Health and Wellbeing Plan. The Council and Health and Wellbeing Plan aspirations and actions are formulated in the context of the Community Vision.
- c) The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council and Health and Wellbeing Plan to achieve the Community Vision.
- d) Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 2.6 below.
- e) The Financial Plan provides for the strategic planning principles of progress, monitoring of progress and reviews to identify and adapt to changing circumstances.

2.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- 2.2.1 Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 2.2.2 Management of the following financial risks:
 - a) the financial viability of the Council (refer to section 3.1 Financial Policy Statements).
 - b) the management of current and future liabilities of the Council. The estimated 10 year liabilities are disclosed in section 4.2 Balance Sheet projections.
- 2.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 2.2.4 Council maintains accounts and records that explain its financial operations and financial position.

2.3 Community Engagement

During the 2021-2025 planning process, nearly 4,500 community members shared their thoughts on shaping Knox's future. This engagement aimed to understand the community's aspirations and what community love about Knox.

In 2024, we revisited these insights through a detailed research and engagement program:

- The State of Knox Report 2024 enabled us to understand key demographics and changes in our community since 2020, including social, economic, and environmental conditions in Knox.
- Using over 100 previous engagement activities, we analysed the recurring themes and what matters most to you when it comes to your values, aspirations, and priorities.
- An equity impact assessment was undertaken to ensure the voices of our diverse community were incorporated through targeted and deliberative engagement. This enabled us to capture voices representative of our multicultural community, First Nations people, people with a disability, children and young people.
- We held many community engagement activities where more than 1,000 Knox community members shared insights, helping us to validate what we've learned, to identify current challenges and aspirations, and to shape priorities for the next four years.
- A representative Community Panel took part in deliberative engagement, helping us interpret the findings from the broader community, providing recommendations, and shaping the key elements of the Knox Council and Health and Wellbeing Plan 2025-2029, including themes, strategic objectives and strategies, along with confirming Health and Wellbeing Priorities.
- Councillors and staff were also engaged to ensure that the plan reflects the role of Council.

Based on the information gathered through the engagement, six Themes and Strategic Objectives were established to provide the overarching strategic direction for Council.

Council and the community will work together, focusing on these Themes and Strategic Objectives over the next 10 years to achieve our vision:

- **Enhancing community connection to vital services and resources** - Our community can access important local services and resources through Council's delivery, advocacy, and partnerships
- **Embracing connection, inclusion and diversity** - Our diverse and connected community is strengthened by creating opportunities to actively participate, connect and learn.
- **Caring for and enhancing our environment** - Our environment is greener, healthier and sustainable through Council's environmental protection and enhancement, working in collaboration with our community.
- **Leading, listening and governing responsibly** - Our community feels empowered, heard, and has trust in Council through responsible governance, proactive communication and engagement, and transparent decision making
- **Being a strong voice for safety** - Our community feels safe, respected and supported in public spaces and at home through Council's delivery, advocacy and partnerships
- **Planning our future city** - Our neighbourhoods, housing and infrastructure meet the needs of our changing community through effective planning, delivery and advocacy.

In addition to the community engagement activities undertaken above, in late 2023 we asked our community to share their thoughts on the services and assets they think Council should prioritise. This information will help Council make important decisions about finances and assets, balance current and future community need, and ensure we achieve our Community Vision by delivering on our plans.

2.4 Service Performance Principles

Council services are designed to be purposeful, targeted to community needs and value for money. In line with the service performance principles, Council's services are:

- **Equitable** - services are provided in an equitable manner and are responsive to the diverse needs of the Knox community. The Council and Health and Wellbeing Plan and Annual Budget identifies the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council and Health and Wellbeing Plan may be funded;
- **Accessible** - services are accessible to the Knox community for whom the services are intended;
- **Good value** - quality and costs standards for services set by the Council provide good value to the Knox community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate council's performance regarding the provision of quality and efficient services;
- **Continuously improved** – service delivery is continuously improved for the Knox community in response to performance monitoring. Feedback and complaints about service delivery is used to inform improvement initiatives, and complaints received are considered and responded to through a fair and effective process.

2.5 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 plans and the effective management of Council's assets into the future.

The Asset Plan identifies the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan, and associated asset management policies, provide council with a sound base to understand the risk associated with managing its assets for the community's benefit.

The Asset Plan is designed to inform the 10-year Financial Plan by identifying the amount of capital renewal, backlog and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, the risk assessment issues as well as the impact of reviewing and setting intervention and service levels for each asset class.

In addition to identifying the operational and strategic practices that ensure that Council manages assets across their life cycle in a financially sustainable manner, the Asset Plan quantifies the asset portfolio and the financial implications of those practices. Together the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets.

2.6 Revenue and Rating Plan Integration

Integration to the Revenue and Rating Plan is a key principle of the Council's strategic financial principles. The purpose of this integration is to ensure that Council's revenue is raised from the community in a manner that supports council's longer term financial plans and broader plans as set out in the Community Vision within the Council and Health and Wellbeing Plan.

The revenue raised by a local government is for delivering services and infrastructure to benefit those providing the revenue – the local community. The Revenue and Rating Plan is therefore linked to planned expenditure in the annual budget and strategic financial planning. They cannot be separated as any increase in spending by a council must be matched by revenue.

The Revenue and Rating Plan provides the framework for the setting of fees and charges, statutory charges, rates, and other Council income sources. It also makes assumptions regarding the levels of non-controlled revenues that the Council expects to generate over the four-year period, such as grants, subsidies, and contributions.

Additionally, it defines the amounts of rates to be generated either through a uniform rate, or from different ratepayer/property classes through municipal charges, differential rates, service rates and charges, and special rates and charges (where they have been adopted).

The Revenue and Rating Plan therefore defines what each source of revenue is, how income will be raised and the policy rationale/assumptions for each, to fund the Council's proposed expenditure detailed in their budget.

2.7 Financial Risk Management

Knox City Council uses a combination of measures and targets specific to Councils operating environment to assess risk whilst also utilising a Risk Management framework to document strategic and operational risks. Through the assessment of the internal and external environment that impacts the Council, Financial Sustainability has been assessed as a strategic risk. There are a number in controls in place to manage this risk.

Below is a summary of causes and controls around the City's financial sustainability strategic risk.

Strategic Risk: Unable to fund services and capital investment initiatives of the type / quality expected by the community.

Risk causes

- Change in fiscal policy (State or Federal grants)
- Economic downturn or recession leading to reduced rates collection and investment returns
- Inability to be resilient when faced with a disaster
- Inability to sufficiently fund the renewal of the asset base
- Inability to scale operational capability / reduce costs within funding envelope
- Lack of ongoing reviews/planning for service effectiveness, or introduction of transformational efficiencies
- Interest rate rises; labour costs are not controlled; further rate capping
- Increasing and mixed expectations from Community. There are conflicting demands; some seeking increased and diverse services, others seeking a return to more traditional services
- Poor financial and/ or resource management, poor project management, poor compliance.

Controls in place

- 10-year financial plan which focuses on maintaining good working capital; appropriate reserves and surplus positions.
- Annual budget process, which looks at the 4-year budget horizon.
- Monthly budget monitoring and forecasting of year end results, reported quarterly to Audit and Risk Committee and Council.
- Budget principles which provide the option for early repayment of debt if there is surplus cash compared to the annual budget position at year end.
- Advocacy and long-term relationships across government and Local Government sector
- Service planning to identify service levels and service opportunities for efficiencies.
- Service reviews where appropriate
- Strong focus on Asset Management and funding of renewals
- Relevant training and inductions for staff and Councillors
- Communicating with the community that we operate in a constrained environment.

3. Financial Plan Context

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

3.1 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	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35
Consistent underlying surplus results	Adjusted underlying result greater than 2.50%	>2.50%	4.28%	9.15%	7.27%	7.87%	8.59%	10.88%	11.31%	12.29%	13.23%	14.90%	16.06%
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due	Current Assets / Current Liabilities greater than 1.00	>1.00	1.39	1.34	1.22	1.18	1.27	1.17	1.12	1.19	1.39	1.75	2.20
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 Expenses / Depreciation above 1.00	>1.00	2.37	2.23	1.85	1.85	1.44	1.64	1.65	1.65	1.65	1.66	1.65
That Council applies loan funding to new capital and maintains total borrowings in line with rate and fee income and growth of the municipality	Total Interest Bearing Liabilities/Own Source Revenue (excluding Open Space) to remain below 60.00%	<60.00%	51.18%	46.63%	46.21%	46.50%	43.29%	33.92%	25.21%	17.40%	11.74%	7.68%	5.10%
Council can repay interest on outstanding interest bearing loans and borrowings	EBITDA / Interest Expense greater than 2.00	>2.00	11.49	15.08	12.44	12.62	13.25	16.36	20.66	28.51	41.53	65.22	101.35
Council could repay its borrowings commitment from the rate income	Interest and Principal Repayments on Interest Bearing Loans / Rate Revenue is less than 10.00%	<10.00%	9.32%	9.59%	9.62%	10.70%	11.35%	11.32%	10.94%	9.79%	7.12%	5.03%	3.47%
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required	(Current Assets less Restricted Reserves) / Current Liabilities greater than 1.00	>1.00	1.27	1.32	1.21	1.16	1.25	1.15	1.10	1.18	1.37	1.74	2.18

3.2 Strategic Actions

Council has identified the following strategic actions that will support the community's aspirations identified in the delivery of the Council Health and Wellbeing Plan 2025-2029.

- That council adopt the budgeted statement of financial performance (Comprehensive Income Statement) as an integral part of the budget setting process for current and future budgets.
- That Council adopt the budgeted statement of financial position (Balance Sheet) as being an integral part of the budget setting process for current and future budgets.
- That Council adopt the budgeted statement of cash flows as being an integral part of the budget setting process for current and future budgets.
- That the working capital ratio be targeted to remain above a ratio of 1.0.
- That capital expenditure on asset renewal projects (and upgrades that have a significant renewal component) to exceed depreciation expense.
- That debt funding be applied to infrastructure where necessary.
- That Council consider the most appropriate fees and charges strategy so that adequate funds are recovered to offset operational expenses in annual and future budgets.

3.3 Assumptions to the Financial Plan Statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2025-26 to 2034-35. The assumptions comprise the annual escalations / movement for each item of the Comprehensive Income Statement.

	Budget 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35
Escalation Factors % Movements	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CPI	2.75%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Growth in Properties (number)	600	600	600	600	600	600	600	600	600	600	600
Rates and Charges	2.75%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Supplementary Rates (\$'000)	500	500	500	500	500	500	500	500	500	500	500
Statutory Fees and Fines	2.75%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
User Fees	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Grants - Operating (excluding VGC)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Grants - Operating (VGC)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Grants - Capital (excluding VGC)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grants - Capital (VGC and Roads to Recovery)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Contributions - Monetary	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Contributions - Non-Monetary (\$'000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Other Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Employee Costs	3.16%	2.91%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials and Services	2.75%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Utilities	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Contributions and Donations	2.75%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other Expenses	2.75%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

3.3.1 Rates and Charges

Planning for future rate increases has been an important component of the Financial Plan process. The State Government has introduced the Fair Go Rates System which sets out the maximum amount councils may increase rates in a year. The Financial Plan assumes a rate increase of 3.00 percent in 2025-26. The rates in 2026-27 and beyond have been based on the Department of Treasury and Finance CPI projections of 2.50 percent in December 2024.

The Financial Plan assumes an additional 600 property assessments per annum, while supplementary rates are anticipated to be \$0.500 million per annum. The average Rates per Assessment for 2025-26 is estimated at \$1,806.

Waste management charges are levied on the basis of cost recovery. This is consistent with the position of the majority of councils given that waste charges are outside the Minister's Rate Cap.

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

3.3.2 User Fees

User fees relate mainly to the recovery of service delivery costs from Council's extensive and highly diversified range of services provided to the community. Examples of user fees include:

- Childcare fees
- Waste Management fees
- Leases, recreational reserve and facility hire fees

Council endeavours, as much as possible, to be a full cost recovery service provider.

3.3.3 Statutory Fees and Fines

Statutory fees are fees and fines levied in accordance with legislation. Examples of statutory fees and fines include:

- Planning and subdivision fees
- Building and Inspection fees
- Infringements and fines
- Land Information Certificate fees

Increases in the Financial Plan have been based on the projected CPI.

3.3.4 Grants

Council receives tied operating grant funding from State and Federal sources, with these operating grants budgeted to increase by 2 percent per annum.

Council receives untied Financial Assistance Grants via the Victorian Local Government Grants Commission. These grants are composed of an operating and capital component, and are anticipated to increase by 1 percent per annum. The Roads to Recovery grant is also anticipated to increase by 1 percent.

Council does not budget for capital grants for specific projects that have not been confirmed. However Council will pro-actively advocate to other levels of government for grant funding support to deliver important infrastructure and service outcomes for the community. Council may use its own funds to leverage higher grant funding and maximise external funding opportunities.

3.3.5 Contributions

Contributions represent funds received by council, usually from non-government sources, and are usually linked to projects. Contributions can be made to council in the form of either cash payments or asset hand-overs.

Examples of contributions include:

- Monies collected from developers under planning and development agreements;
- Monies collected for developer contributions;
- Contributions from user groups towards the upgrade of facilities;
- Assets handed over to council from developers at the completion of a subdivision, such as roads, drainage, and streetlights.

Developer 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. Income of this nature is unpredictable and is directly contingent on developer activities in the municipality.

3.3.6 Other Income

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

3.3.7 Employee Costs

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

3.3.8 Materials and Services

Material costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are governed more by market forces based on availability rather than CPI. Other associated costs included under this category are utilities, waste management, materials for the supply of community meals, and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit. Discretionary material costs are budgeted to increase by CPI. Non-discretionary costs such as utility costs are budgeted to increase by 5 percent.

3.3.9 Contributions and Donations

Contributions and donations includes Council's annual contribution to the Eastern Regional Libraries Corporation. Council also offer a range of grants and funding to community members and organisations across a range of areas.

3.3.10 Depreciation and Amortisation

Depreciation estimates have been based on the projected life of Council's existing property, infrastructure, plant and equipment, together with the projected capital spending contained in this Financial Plan.

3.3.11 Borrowing Costs

Borrowing costs comprise the interest expense to service Council's loan portfolio that is described in Section 6.1 Borrowing Plan.

3.3.12 Other Expenses

Other expenses includes administration costs such as Councillor allowances, operating lease rentals and audit expenses.

4. Financial Plan Statements

This section presents information regarding the budgeted Financial Plan Statements for the 10 years from 2024-25 to 2033-34.

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

4.1 Comprehensive Income Statement

	Forecast 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME											
Rates and charges	150,482	153,826	165,163	163,587	167,716	173,924	180,323	186,920	193,722	200,735	207,965
User fees	13,310	13,677	13,931	14,475	15,065	15,798	16,357	17,044	17,860	18,607	19,285
Statutory fees and fines	4,691	5,458	5,551	5,746	5,887	6,034	6,185	6,340	6,499	6,661	6,828
Grants - operating	27,710	19,651	20,064	20,362	20,689	21,022	21,362	21,707	22,058	22,416	22,779
Grants - capital		10,383	2,918	3,006	3,021	3,052	3,083	3,114	3,145	3,176	3,207
Contributions - monetary	6,670	5,000	6,000	6,000	6,500	7,000	7,000	7,000	7,000	7,000	7,000
Contributions - non-monetary	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Net loss (gain) on disposal of property, infrastructure, plant and equipment	1,242	10,506	1,417	1,917	1,917	3,617	1,417	417	417	417	417
Share of net profits (or loss) of associates and joint ventures	59	4	7	10	13	13	13	13	13	13	13
Other income	3,625	1,803	1,824	1,850	1,874	2,163	2,077	2,047	2,136	2,413	2,877
TOTAL INCOME	217,083	222,308	218,875	218,953	224,682	234,623	239,817	246,602	254,850	263,438	272,371
EXPENSES											
Employee costs	79,965	77,377	78,669	79,923	81,641	83,682	85,774	87,918	90,116	92,369	94,678
Materials and services	82,715	77,100	82,940	79,593	80,843	82,319	83,703	85,111	87,550	88,019	89,518
Contributions and donations	6,049	6,138	6,188	6,343	6,501	6,664	6,831	7,002	7,177	7,357	7,541
Depreciation	25,025	25,329	26,055	26,611	27,123	27,555	28,129	28,728	29,349	29,998	30,769
Amortisation - intangible assets	903	903	903	903	903	903	903	903	903	903	903
Depreciation - right of use assets	1,185	1,176	1,205	1,216	1,246	1,261	1,308	1,309	1,339	1,351	1,386
Borrowing costs	3,767	3,599	3,611	3,747	3,772	3,395	2,734	2,049	1,446	983	674
Finance costs - leases	343	419	402	369	342	318	279	241	208	157	108
Allowance for impairment losses	408	317	321	329	337	345	354	363	372	381	391
Other expense	720	796	824	838	851	872	894	916	939	962	986
TOTAL EXPENSES	201,080	193,154	201,118	199,872	203,559	207,314	210,909	214,540	219,399	222,480	226,954
SURPLUS / (DEFICIT) FOR THE YEAR	16,003	29,154	17,757	19,081	21,123	27,309	28,908	32,062	35,451	40,958	45,417
TOTAL COMPREHENSIVE RESULT	16,003	29,154	17,757	19,081	21,123	27,309	28,908	32,062	35,451	40,958	45,417
LESS											
Grants - capital - non recurrent	3,474	7,700	0	0	0	0	0	0	0	0	0
Contributions and donations - capital	1,544	0	0	0	0	0	0	0	0	0	0
Contributions - non-monetary	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
UNDERLYING SURPLUS (DEFICIT) FOR THE YEAR	8,985	19,454	15,757	17,081	19,123	25,309	26,908	30,062	33,451	38,958	43,417

4.2 Balance Sheet

	Forecast 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS											
Cash and cash equivalents	42,932	37,123	33,004	33,384	40,391	36,428	32,899	32,771	39,466	54,376	75,928
Other financial assets	0	0	0	0	0	0	0	0	0	0	0
Trade and other receivables	21,339	21,898	23,368	23,336	23,976	24,643	25,329	26,035	26,762	27,510	28,279
Inventories	13	13	13	13	13	13	13	13	13	13	13
Prepayments	1,374	1,408	1,444	1,480	1,517	1,555	1,594	1,634	1,675	1,717	1,760
Other assets	2,400	2,460	2,522	2,585	2,649	2,715	2,783	2,853	2,924	2,997	3,072
TOTAL CURRENT ASSETS	68,058	62,902	60,351	60,798	68,546	65,354	62,618	63,306	70,840	86,613	109,052
NON CURRENT ASSETS											
Investments in associates	2,806	2,810	2,817	2,827	2,840	2,853	2,866	2,879	2,892	2,905	2,918
Property, infrastructure, plant and equipment	2,326,906	2,354,569	2,376,601	2,397,381	2,408,024	2,424,774	2,441,990	2,459,677	2,477,839	2,496,476	2,515,497
Right-of-use assets	4,762	5,987	5,575	4,732	4,466	4,184	3,249	2,919	2,560	1,815	1,409
Intangible assets	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419	2,419
TOTAL NON CURRENT ASSETS	2,336,893	2,365,785	2,387,412	2,407,359	2,417,749	2,434,230	2,450,524	2,467,894	2,485,710	2,503,615	2,522,243
TOTAL ASSETS	2,404,951	2,428,687	2,447,763	2,468,157	2,486,295	2,499,584	2,513,142	2,531,200	2,556,550	2,590,228	2,631,295
CURRENT LIABILITIES											
Trade and other payables	13,169	13,465	13,778	14,094	14,417	14,748	15,088	15,439	15,803	16,177	16,580
Trust funds and deposits	2,624	2,690	2,757	2,826	2,896	2,968	3,042	3,118	3,196	3,276	3,358
Contract and other liabilities	3,915	0	0	0	0	0	0	0	0	0	0
Provisions	19,052	19,518	19,995	20,485	20,987	21,501	22,028	22,568	23,122	23,690	24,272
Interest-bearing loans and borrowings	9,446	10,336	11,714	13,314	14,720	15,380	14,629	10,689	7,459	4,862	4,398
Lease liabilities	778	899	1,037	967	1,038	1,226	1,135	1,201	1,353	1,351	1,046
TOTAL CURRENT LIABILITIES	48,984	46,908	49,281	51,686	54,058	55,823	55,922	53,015	50,933	49,356	49,654
NON CURRENT LIABILITIES											
Provisions	2,896	2,923	2,951	2,980	3,010	3,040	3,071	3,103	3,136	3,169	3,203
Interest-bearing loans and borrowings	74,360	69,790	69,126	68,688	63,578	48,198	33,569	22,880	15,421	10,559	6,162
Lease liabilities	4,164	5,365	4,947	4,264	3,987	3,552	2,701	2,261	1,668	794	509
TOTAL NON CURRENT LIABILITIES	81,420	78,078	77,024	75,932	70,575	54,790	39,341	28,244	20,225	14,522	9,874
TOTAL LIABILITIES	130,404	124,986	126,305	127,618	124,633	110,613	95,263	81,259	71,158	63,878	59,528
NET ASSETS	2,274,547	2,303,701	2,321,458	2,340,539	2,361,662	2,388,971	2,417,879	2,449,941	2,485,392	2,526,350	2,571,767
EQUITY											
Accumulated surplus	739,133	773,158	790,786	809,734	830,744	857,900	886,653	918,559	953,853	994,652	1,039,909
Reserves	1,535,414	1,530,543	1,530,672	1,530,805	1,530,918	1,531,071	1,531,226	1,531,382	1,531,539	1,531,698	1,531,858
TOTAL EQUITY	2,274,547	2,303,701	2,321,458	2,340,539	2,361,662	2,388,971	2,417,879	2,449,941	2,485,392	2,526,350	2,571,767

4.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2025 FORECAST				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,258,544	723,126	1,516,301	19,117
Surplus/(deficit) for the year	16,003	16,003	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,729)	0	10,729
Transfer from other reserves	0	10,733	0	(10,733)
BALANCE AT END OF THE FINANCIAL YEAR	2,274,547	739,133	1,516,301	19,113
2026 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,274,547	739,133	1,516,301	19,113
Surplus/(deficit) for the year	29,154	29,154	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(9,778)	0	9,778
Transfer from other reserves	0	14,649	0	(14,649)
BALANCE AT END OF THE FINANCIAL YEAR	2,303,701	773,158	1,516,301	14,242
2027 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,303,701	773,158	1,516,301	14,242
Surplus/(deficit) for the year	17,757	17,757	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,825)	0	10,825
Transfer from other reserves	0	10,696	0	(10,696)
BALANCE AT END OF THE FINANCIAL YEAR	2,321,458	790,786	1,516,301	14,371
2028 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,321,458	790,786	1,516,301	14,371
Surplus/(deficit) for the year	19,081	19,081	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,875)	0	10,875
Transfer from other reserves	0	10,742	0	(10,742)
BALANCE AT END OF THE FINANCIAL YEAR	2,340,539	809,734	1,516,301	14,504
2029 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,340,539	809,734	1,516,301	14,504
Surplus/(deficit) for the year	21,123	21,123	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(11,403)	0	11,403
Transfer from other reserves	0	11,290	0	(11,290)
BALANCE AT END OF THE FINANCIAL YEAR	2,361,662	830,744	1,516,301	14,617
2030 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,361,662	830,744	1,516,301	14,617
Surplus/(deficit) for the year	27,309	27,309	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(11,952)	0	11,952
Transfer from other reserves	0	11,799	0	(11,799)
BALANCE AT END OF THE FINANCIAL YEAR	2,388,971	857,900	1,516,301	14,770

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2031 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,388,971	857,900	1,516,301	14,770
Surplus/(deficit) for the year	28,908	28,908	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(12,002)	0	12,002
Transfer from other reserves	0	11,847	0	(11,847)
BALANCE AT END OF THE FINANCIAL YEAR	2,417,879	886,653	1,516,301	14,925
2032 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,417,879	886,653	1,516,301	14,925
Surplus/(deficit) for the year	32,062	32,062	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(12,052)	0	12,052
Transfer from other reserves	0	11,896	0	(11,896)
BALANCE AT END OF THE FINANCIAL YEAR	2,449,941	918,559	1,516,301	15,081
2033 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,449,941	918,559	1,516,301	15,081
Surplus/(deficit) for the year	35,451	35,451	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(12,102)	0	12,102
Transfer from other reserves	0	11,945	0	(11,945)
BALANCE AT END OF THE FINANCIAL YEAR	2,485,392	953,853	1,516,301	15,238
2034 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,485,392	953,853	1,516,301	15,238
Surplus/(deficit) for the year	40,958	40,958	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(12,153)	0	12,153
Transfer from other reserves	0	11,994	0	(11,994)
BALANCE AT END OF THE FINANCIAL YEAR	2,526,350	994,652	1,516,301	15,397
2035 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,526,350	994,652	1,516,301	15,397
Surplus/(deficit) for the year	45,417	45,417	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(12,204)	0	12,204
Transfer from other reserves	0	12,044	0	(12,044)
BALANCE AT END OF THE FINANCIAL YEAR	2,571,767	1,039,909	1,516,301	15,557

4.4 Statement of Cash Flows

	Forecast 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000	Budget 2032-33 \$'000	Budget 2033-34 \$'000	Budget 2034-35 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES											
Rates and charges	150,059	153,411	163,842	163,773	167,236	173,437	179,823	186,408	193,197	200,197	207,414
User fees	13,214	13,576	13,827	14,367	14,954	15,672	16,226	16,908	17,719	18,460	19,132
Statutory fees and fines	4,650	5,415	5,506	5,700	5,839	5,980	6,129	6,282	6,438	6,598	6,763
Grants - operating	27,036	19,651	20,064	20,362	20,689	21,022	21,362	21,707	22,058	22,416	22,779
Grants - capital	9,211	6,468	2,918	3,006	3,021	3,052	3,083	3,114	3,145	3,176	3,207
Contributions - monetary	7,294	5,000	6,000	6,000	6,500	7,000	7,000	7,000	7,000	7,000	7,000
Interest received	2,000	950	950	950	950	1,239	1,153	1,123	1,212	1,489	1,953
Other receipts	1,625	853	874	900	924	924	924	924	924	924	924
Net movement in trust deposits	64	66	67	69	71	72	74	76	78	80	82
Employee costs	(79,407)	(76,884)	(78,163)	(79,405)	(81,110)	(83,138)	(85,216)	(87,346)	(89,529)	(91,768)	(94,062)
Materials and services	(82,871)	(77,237)	(83,026)	(79,681)	(80,934)	(82,411)	(83,797)	(85,208)	(87,649)	(88,120)	(89,623)
Contributions and donations	(6,049)	(6,138)	(6,188)	(6,343)	(6,501)	(6,664)	(6,831)	(7,002)	(7,177)	(7,357)	(7,541)
Short-term, low value and variable lease payments	(12)	(31)	(32)	(39)	(29)	(35)	(9)	(33)	(24)	(37)	(24)
Other payments	(708)	(765)	(792)	(799)	(822)	(837)	(885)	(883)	(915)	(925)	(962)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	46,106	44,335	45,847	48,860	50,788	55,313	59,036	63,070	66,477	72,133	77,042
CASH FLOWS FROM INVESTING ACTIVITIES											
Proceeds from sale of property, infrastructure, plant and equipment	11,283	11,256	2,167	2,667	2,667	4,367	2,167	1,167	1,167	1,167	1,167
Payments for property, infrastructure, plant and equipment	(57,051)	(52,645)	(47,740)	(47,044)	(37,419)	(43,958)	(44,998)	(46,068)	(47,164)	(48,288)	(49,443)
Payments for investments	0	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of investments	10,000	0	0	0	0	0	0	0	0	0	0
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(35,768)	(41,389)	(45,573)	(44,377)	(34,752)	(39,591)	(42,831)	(44,901)	(45,997)	(47,121)	(48,276)

	Forecast 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000	Budget 2032-33 \$'000	Budget 2033-34 \$'000	Budget 2034-35 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM FINANCING ACTIVITIES											
Finance costs	(3,755)	(3,625)	(3,633)	(3,770)	(3,797)	(3,421)	(2,760)	(2,074)	(1,468)	(1,003)	(675)
Proceeds from borrowings	10,000	6,000	11,500	13,400	10,000	0	0	0	0	0	0
Repayment of borrowings	(8,865)	(9,680)	(10,785)	(12,238)	(13,705)	(14,720)	(15,380)	(14,629)	(10,689)	(7,459)	(4,862)
Interest paid - lease liability	(343)	(419)	(402)	(369)	(342)	(318)	(279)	(241)	(208)	(157)	(108)
Repayment of lease liabilities	(1,059)	(1,031)	(1,073)	(1,126)	(1,185)	(1,226)	(1,315)	(1,353)	(1,420)	(1,483)	(1,569)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(4,022)	(8,755)	(4,393)	(4,103)	(9,029)	(19,685)	(19,734)	(18,297)	(13,785)	(10,102)	(7,214)
NET INCREASE / (DECREASE) IN CASH HELD	6,316	(5,809)	(4,119)	380	7,007	(3,963)	(3,529)	(128)	6,695	14,910	21,552
Cash and cash equivalents at the beginning of the financial year	36,616	42,932	37,123	33,004	33,384	40,391	36,428	32,899	32,771	39,466	54,376
CASH AND CASH EQUIVALENTS AT END OF YEAR	42,932	37,123	33,004	33,384	40,391	36,428	32,899	32,771	39,466	54,376	75,928

4.5 Statement of Capital Works

	Forecast 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000	Budget 2032-33 \$'000	Budget 2033-34 \$'000	Budget 2034-35 \$'000
PROPERTY											
Land and Buildings	12,397	16,322	14,016	13,490	5,462	9,908	10,155	10,408	10,668	10,935	11,209
TOTAL PROPERTY	12,397	16,322	14,016	13,490	5,462	9,908	10,155	10,408	10,668	10,935	11,209
PLANT AND EQUIPMENT											
Plant, machinery and equipment	3,145	1,949	2,455	2,132	2,139	2,001	2,051	2,102	2,155	2,209	2,264
Office furniture and equipment	0	0	0	0	0	0	0	0	0	0	0
Computers and telecommunications	5,531	5,341	2,969	4,470	2,350	3,818	3,838	3,859	3,880	3,902	3,925
Artworks	325	210	498	250	253	304	311	318	326	335	344
TOTAL PLANT AND EQUIPMENT	9,001	7,500	5,922	6,852	4,742	6,123	6,200	6,279	6,361	6,446	6,533
INFRASTRUCTURE											
Roads	7,323	9,307	9,673	10,202	9,946	11,951	12,249	12,555	12,868	13,189	13,519
Bridges	993	973	996	944	962	992	1,017	1,042	1,068	1,095	1,122
Footpaths and cycleways	5,813	5,735	5,980	5,615	5,289	5,768	5,912	6,060	6,211	6,367	6,527
Drainage	6,893	4,868	4,893	4,750	4,344	4,668	4,785	4,904	5,026	5,151	5,280
Recreational, leisure and community facilities	15,595	10,721	8,339	7,298	7,266	5,991	6,143	6,300	6,460	6,621	6,787
Off street car parks	2,659	1,616	1,270	1,487	1,648	1,578	1,617	1,657	1,699	1,742	1,786
Other infrastructure	4,315	803	628	454	478	247	253	259	265	271	277
TOTAL INFRASTRUCTURE	43,591	34,023	31,779	30,750	29,933	31,195	31,976	32,777	33,597	34,436	35,298
TOTAL CAPITAL WORKS EXPENDITURE	64,989	57,845	51,717	51,092	40,137	47,226	48,331	49,464	50,626	51,817	53,040
REPRESENTED BY											
Asset renewal	40,114	39,318	36,011	37,432	34,786	38,271	39,229	40,212	41,217	42,247	43,305
Asset upgrade	19,240	17,270	12,147	11,930	4,374	6,989	7,089	7,190	7,295	7,402	7,512
Asset new	5,132	1,227	3,559	1,730	977	1,892	1,938	1,985	2,035	2,087	2,140
Asset expansion	503	30	0	0	0	74	75	77	79	81	83
TOTAL CAPITAL WORKS EXPENDITURE	64,989	57,845	51,717	51,092	40,137	47,226	48,331	49,464	50,626	51,817	53,040

	Forecast 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000	Budget 2032-33 \$'000	Budget 2033-34 \$'000	Budget 2034-35 \$'000
CAPITAL WORKS FUNDING SOURCE											
EXTERNAL											
Loan proceeds	10,000	6,000	11,500	13,400	10,000	0	0	0	0	0	0
Grants - capital	6,670	10,383	2,918	3,006	3,021	3,052	3,083	3,114	3,145	3,176	3,207
Contributions - capital	1,544	0	0	0	0	0	0	0	0	0	0
TOTAL EXTERNAL FUNDING	18,214	16,383	14,418	16,406	13,021	3,052	3,083	3,114	3,145	3,176	3,207
INTERNAL											
Proceeds from sale of fixed assets	6,617	11,256	2,167	2,667	2,667	4,367	2,167	1,167	1,167	1,167	1,167
Movement in reserve funds	10,733	10,769	6,777	6,784	7,292	7,781	7,789	7,797	7,805	7,813	7,821
Rate funding	29,425	19,437	28,355	25,235	17,157	32,026	35,292	37,386	38,509	39,661	40,845
TOTAL INTERNAL FUNDING	46,775	41,462	37,299	34,686	27,116	44,174	45,248	46,350	47,481	48,641	49,833
TOTAL CAPITAL WORKS FUNDING SOURCES	64,989	57,845	51,717	51,092	40,137	47,226	48,331	49,464	50,626	51,817	53,040
LESS OPERATING PROJECTS EXPENDITURE											
Operating Projects Expenditure	7,938	5,200	3,977	4,048	2,718	3,268	3,333	3,396	3,462	3,529	3,597
NET CAPITAL WORKS (CAPITALISED EXPENDITURE EXCLUDING OPERATING PROJECTS EXPENDITURE)	57,051	52,645	47,740	47,044	37,419	43,958	44,998	46,068	47,164	48,288	49,443

4.6 Statement of Human Resources

	Forecast 2024-25	Budget 2025-26		Budget 2026-27		Budget 2027-28		Budget 2028-29		Budget 2029-30		Budget 2030-31		Budget 2031-32		Budget 2032-33		Budget 2033-34		Budget 2034-35	
	\$'000	\$'000	FTE	\$'000	FTE	\$'000	FTE	\$'000	FTE	\$'000	FTE	\$'000	FTE	\$'000	FTE	\$'000	FTE	\$'000	FTE	\$'000	FTE
STAFF EXPENDITURE																					
Employee costs - operating	79,965	77,377		78,669		79,923		81,641		83,682		85,774		87,918		90,116		92,369		94,678	
Employee costs - capital	7,412	6,691		6,442		6,360		6,454		6,615		6,781		6,950		7,124		7,302		7,485	
TOTAL STAFF EXPENDITURE	87,377	84,068		85,111		86,283		88,095		90,297		92,555		94,868		97,240		99,671		102,163	
STAFF NUMBERS																					
Full time equivalent (FTE) employees	672.94	650.05		641.85		635.43		632.23		632.23		632.23		632.23		632.23		632.23		632.23	
TOTAL STAFF NUMBERS	672.94	650.05		641.85		635.43		632.23		632.23		632.23		632.23		632.23		632.23		632.23	

4.7 Planned Human Resource Expenditure

	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000	Budget 2032-33 \$'000	Budget 2033-34 \$'000	Budget 2034-35 \$'000
CEO										
Permanent - Full Time	3,740	3,828	3,926	4,024	4,125	4,228	4,333	4,442	4,553	4,667
Female	2,939	3,008	3,085	3,162	3,241	3,322	3,405	3,490	3,578	3,667
Male	801	820	841	862	884	906	928	951	975	1,000
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	851	871	893	916	939	962	986	1,011	1,036	1,062
Female	851	871	893	916	939	962	986	1,011	1,036	1,062
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CEO	4,591	4,699	4,819	4,940	5,064	5,190	5,320	5,453	5,589	5,729
CITY LIVEABILITY										
Permanent - Full Time	12,611	12,743	13,063	13,390	13,725	14,068	14,420	14,780	15,150	15,528
Female	6,135	6,199	6,355	6,514	6,677	6,844	7,015	7,190	7,370	7,554
Male	6,476	6,544	6,708	6,876	7,048	7,224	7,405	7,590	7,780	7,974
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	3,344	3,379	3,464	3,550	3,639	3,730	3,823	3,919	4,016	4,117
Female	2,594	2,621	2,686	2,753	2,822	2,892	2,965	3,039	3,115	3,193
Male	732	740	759	778	797	817	838	859	880	902
Self-described gender	18	18	19	19	19	20	20	21	21	22
TOTAL CITY LIVEABILITY	15,955	16,122	16,527	16,940	17,364	17,798	18,243	18,699	19,166	19,645
CONNECTED COMMUNITIES										
Permanent - Full Time	13,368	13,674	13,912	14,258	14,614	14,980	15,354	15,738	16,132	16,535
Female	11,371	11,631	11,833	12,128	12,431	12,742	13,061	13,387	13,722	14,065
Male	1,997	2,043	2,079	2,130	2,183	2,238	2,294	2,351	2,410	2,470
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	8,317	8,508	8,655	8,870	9,092	9,319	9,552	9,791	10,036	10,286
Female	7,661	7,837	7,972	8,170	8,374	8,584	8,798	9,018	9,244	9,475
Male	656	671	683	700	718	735	754	773	792	812
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CONNECTED COMMUNITIES	21,685	22,182	22,567	23,128	23,706	24,299	24,906	25,529	26,167	26,821

	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000	Budget 2032-33 \$'000	Budget 2033-34 \$'000	Budget 2034-35 \$'000
CUSTOMER PERFORMANCE										
Permanent - Full Time	12,859	12,949	13,214	13,375	13,709	14,052	14,403	14,763	15,133	15,511
Female	8,341	8,399	8,571	8,675	8,892	9,114	9,342	9,576	9,815	10,060
Male	4,518	4,550	4,643	4,700	4,818	4,938	5,061	5,188	5,318	5,451
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	2,744	2,764	2,822	2,854	2,925	2,998	3,073	3,150	3,229	3,310
Female	2,364	2,381	2,430	2,459	2,520	2,583	2,648	2,714	2,782	2,852
Male	380	383	392	395	405	415	425	436	447	458
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER PERFORMANCE	15,603	15,713	16,036	16,229	16,635	17,051	17,477	17,914	18,362	18,821
INFRASTRUCTURE										
Permanent - Full Time	16,772	17,136	17,118	17,481	17,918	18,366	18,825	19,296	19,778	20,273
Female	3,925	4,010	4,006	4,091	4,193	4,298	4,406	4,516	4,629	4,744
Male	12,847	13,126	13,112	13,390	13,725	14,068	14,420	14,780	15,150	15,528
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	223	227	227	232	238	244	250	256	262	269
Female	182	185	185	189	194	199	204	209	214	219
Male	41	42	42	43	44	45	46	47	49	50
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE	16,995	17,363	17,345	17,713	18,156	18,610	19,075	19,552	20,041	20,542
Casuals, temporary and other expenditure	2,548	2,590	2,629	2,691	2,758	2,827	2,897	2,970	3,045	3,121
Capitalised labour costs	6,691	6,442	6,360	6,454	6,615	6,781	6,950	7,124	7,302	7,485
TOTAL STAFF EXPENDITURE	84,068	85,111	86,283	88,095	90,297	92,555	94,868	97,240	99,671	102,163

	Budget 2025-26 FTE	Budget 2026-27 FTE	Budget 2027-28 FTE	Budget 2028-29 FTE	Budget 2029-30 FTE	Budget 2030-31 FTE	Budget 2031-32 FTE	Budget 2032-33 FTE	Budget 2033-34 FTE	Budget 2034-35 FTE
CEO										
<i>Permanent - Full Time</i>	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Female	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Male	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<i>Permanent - Part Time</i>	6.78	6.78	6.78	6.78	6.78	6.78	6.78	6.78	6.78	6.78
Female	6.78	6.78	6.78	6.78	6.78	6.78	6.78	6.78	6.78	6.78
Male	0	0	0	0	0	0	0	0	0	0
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CEO	27.78	27.78	27.78	27.78	27.78	27.78	27.78	27.78	27.78	27.78
CITY LIVEABILITY										
<i>Permanent - Full Time</i>	88.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00
Female	43.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00
Male	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<i>Permanent - Part Time</i>	34.50	33.30	33.30	33.30	33.30	33.30	33.30	33.30	33.30	33.30
Female	26.75	26.15	26.15	26.15	26.15	26.15	26.15	26.15	26.15	26.15
Male	7.56	6.96	6.96	6.96	6.96	6.96	6.96	6.96	6.96	6.96
Self-described gender	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19
TOTAL CITY LIVEABILITY	122.50	120.30	120.30	120.30	120.30	120.30	120.30	120.30	120.30	120.30
CONNECTED COMMUNITIES										
<i>Permanent - Full Time</i>	118.00	117.00	117.00	117.00	117.00	117.00	117.00	117.00	117.00	117.00
Female	100.00	99.00	99.00	99.00	99.00	99.00	99.00	99.00	99.00	99.00
Male	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<i>Permanent - Part Time</i>	69.99	69.99	68.57	68.57	68.57	68.57	68.57	68.57	68.57	68.57
Female	64.47	64.47	63.05	63.05	63.05	63.05	63.05	63.05	63.05	63.05
Male	5.52	5.52	5.52	5.52	5.52	5.52	5.52	5.52	5.52	5.52
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CONNECTED COMMUNITIES	187.99	186.99	185.57	185.57	185.57	185.57	185.57	185.57	185.57	185.57

	Budget 2025-26 FTE	Budget 2026-27 FTE	Budget 2027-28 FTE	Budget 2028-29 FTE	Budget 2029-30 FTE	Budget 2030-31 FTE	Budget 2031-32 FTE	Budget 2032-33 FTE	Budget 2033-34 FTE	Budget 2034-35 FTE
CUSTOMER PERFORMANCE										
<i>Permanent - Full Time</i>	109.00	105.00	103.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00
Female	71.00	68.00	67.00	67.00	67.00	67.00	67.00	67.00	67.00	67.00
Male	38.00	37.00	36.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<i>Permanent - Part Time</i>	21.86	21.86	21.86	21.06	21.06	21.06	21.06	21.06	21.06	21.06
Female	18.83	18.83	18.83	18.03	18.03	18.03	18.03	18.03	18.03	18.03
Male	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03	3.03
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER PERFORMANCE	130.86	126.86	124.86	122.06	122.06	122.06	122.06	122.06	122.06	122.06
INFRASTRUCTURE										
<i>Permanent - Full Time</i>	168.00	167.00	164.00	164.00	164.00	164.00	164.00	164.00	164.00	164.00
Female	39.00	39.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Male	129.00	128.00	128.00	128.00	128.00	128.00	128.00	128.00	128.00	128.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
<i>Permanent - Part Time</i>	2.27	2.27	2.27	1.87	1.87	1.87	1.87	1.87	1.87	1.87
Female	1.85	1.85	1.85	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Male	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE	170.27	169.27	166.27	165.87	165.87	165.87	165.87	165.87	165.87	165.87
Casuals, temporary and other expenditure	10.65	10.65	10.65	10.65	10.65	10.65	10.65	10.65	10.65	10.65
TOTAL STAFF NUMBERS	650.05	641.85	635.43	632.23	632.23	632.23	632.23	632.23	632.23	632.23

5. 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	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35	Trend + / o / -
Operating Position														
Adjusted Underlying Result (an adjusted underlying surplus is generated in the ordinary course of business)	Adjusted Underlying Surplus (Deficit) Adjusted Underlying Revenue	1	4.28%	9.15%	7.27%	7.87%	8.59%	10.88%	11.31%	12.29%	13.23%	14.90%	16.06%	+
Liquidity														
Working Capital (sufficient working capital is available to pay bills as and when they fall due)	Current Assets Current Liabilities	2	1.39	1.34	1.22	1.18	1.27	1.17	1.12	1.19	1.39	1.75	2.20	o
Unrestricted Cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due)	Unrestricted Cash Current Liabilities	3	74.11%	75.72%	62.97%	60.60%	71.43%	61.51%	54.67%	57.53%	73.99%	108.83%	154.70%	+
Obligations														
Loans and Borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Interest Bearing Loans and Borrowings Rate Revenue	4	55.69%	52.09%	48.95%	50.13%	46.68%	36.56%	26.73%	17.96%	11.81%	7.68%	5.08%	+
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Interest and Principal Repayments Rate Revenue	4	8.39%	8.65%	8.73%	9.79%	10.44%	10.43%	10.06%	8.94%	6.28%	4.22%	2.66%	o
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	Non Current Liabilities Own Source Revenue(Excluding Open Space)	5	46.95%	42.14%	40.99%	40.48%	36.67%	27.18%	19.06%	13.27%	9.17%	6.35%	4.16%	+
Asset Renewal (assets are renewed as planned)	Asset Renewal and Upgrade Expenditure Depreciation	6	2.37	2.23	1.85	1.85	1.44	1.64	1.65	1.65	1.65	1.66	1.65	o

Indicator	Measure	Notes	Forecast 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35	Trend + / o / -
Stability														
Rates Concentration (revenue is generated from a range of sources)	Rate Revenue	7	71.64%	72.35%	76.16%	75.40%	75.32%	74.77%	75.82%	76.42%	76.62%	76.78%	76.92%	o
	Adjusted Underlying Revenue													
Rates Effort (rating level is set based on the community's capacity to pay)	Rate Revenue	8	0.23%	0.23%	0.25%	0.24%	0.25%	0.25%	0.26%	0.27%	0.27%	0.28%	0.29%	o
	Property Values (CIV)													
Efficiency														
Expenditure Level (resources are used efficiently in the delivery of services)	Total Expenditure		\$2,890	\$2,758	\$2,848	\$2,806	\$2,834	\$2,862	\$2,888	\$2,914	\$2,956	\$2,973	\$3,009	o
	No. of Assessments													
Revenue Level (resources are used efficiently in the delivery of services)	Residential Rate Revenue		\$1,796	\$1,811	\$1,946	\$1,871	\$1,886	\$1,926	\$1,968	\$2,011	\$2,055	\$2,101	\$2,148	o
	No. of Residential Assessments													
TCV Loans Framework Indicators														
Interest bearing liabilities to own source revenue	Interest Bearing Liabilities	9	56.72%	54.97%	52.35%	53.58%	50.92%	41.97%	32.89%	24.33%	16.62%	10.96%	7.16%	+
	Own Source Revenue(Excluding Open Space)													
Interest cover ratio	EDITBA	9	11.49	15.08	12.44	12.62	13.25	16.36	20.66	28.51	41.53	65.22	101.35	+
	Interest Expense													

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 indicators

Notes on indicators

5.1 Adjusted underlying results

Adjusted underlying result is the net surplus or deficit for the year (per Australian Accounting Standards) adjusted for non-recurrent grants used to fund capital expenditure, non-monetary asset contributions, and contributions to fund capital expenditure other than grants and non-monetary asset contributions. It is 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 is expected over the period. The adjusted underlying result is anticipated to continue to improve over the ten-year period.

5.2 Working capital

Working capital (current assets / current liabilities) is the proportion of current liabilities represented by current assets. It is a general measure of the organisation's liquidity and its ability to meet its commitments as and when they fall due. The working capital ratio is anticipated to remain around 1.00 for the ten-year period, with an increase in the current year forecast due to the carry-forward of capital works.

5.3 Unrestricted cash

Unrestricted cash means all cash and cash equivalents other than restricted cash, including cash that will be used to fund capital expenditure from the previous financial year. Restricted cash means cash and cash equivalents, within the meaning of Accounting Standard *AASB 107 Statement of Cash Flows*, that are not available for use other than for a purpose for which it is restricted. The decline from the current year forecast demonstrates a reduction of cash and cash equivalents together with the utilisation of interest-bearing loans and borrowings to fund the Capital Works Program. Council will continue to review and strengthen this position in future budgets.

5.4 Debt compared to rates

Loans and borrowings means interest bearing loans and borrowings compared to rates and charges revenue. The balance of interest bearing loans and borrowings is shown as a percentage of rates revenue. Loans and borrowings also refers to interest and principal repayments compared to rate revenue. The ratio describes Council's cash flow debt repayment capacity through the inclusion of interest and principal repayments on interest bearing loans and borrowings as a percentage of rate revenue. The trend indicates an increased reliance on debt against annual rate revenue over to fund major initiatives in the Capital Works Program, with this debt then being progressively paid down over the ten-year period.

5.5 Indebtedness

Indebtedness compares non-current liabilities to own source revenue (excluding open space reserve). Own source revenue is defined as adjusted underlying revenue other than revenue that is not under the control of Council (including government grants). Interest-bearing borrowings budgeted to be taken out through to 2027-28 to fund a component of the Capital Works Program has the indebtedness remaining steady over the next four years, followed by decreases for the remainder of the ten-year period.

5.6 Asset renewal

Asset renewal is calculated as asset renewal expenditure as a percentage of depreciation. This 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). An greater than 1.00 indicates Council is maintaining its existing assets, while a percentage less than 1.00 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Council's asset renewal indicator is greater than 1.00 through the ten-year outlook.

Council will continue to improve asset renewal and upgrade decisions based on asset performance (condition, risk-criticality, utilisation, capacity and maintenance history) when better data becomes available.

Through asset management improvement actions, we will progressively improve the selection and timing of renew and upgrade options of our assets as they reach the end of their useful lives. We will continue to improve decision-making capability and transparency of decisions through use of tools and robust processes.

Annual renewal programs are prioritised by condition and remaining life, with consideration to functional hierarchy.

5.7 Rates concentration

Rates concentration is measured as rate revenue compared to adjusted underlying revenue. Adjusted underlying revenue is defined as total income excluding non-recurrent grants used to fund capital expenditure, non-monetary asset contributions, and contributions to fund capital expenditure from sources other than grants and non-monetary contributions. Rates concentration reflects the extent of reliance on rate revenues to fund all of Council's on-going services. The trend is relatively steady for rates concentration.

5.8 Rates effort

Rates effort, which is intended to examine the community's capacity to pay, presents rate revenue as a percentage of the capital improved value of rateable properties in the municipality. The trend is relatively steady for rates effort.

5.9 TCV loans framework indicators

The Victorian Government has approved the Treasury Corporation of Victoria (TCV) to become a direct lender to local councils. Victoria's strong credit rating means that the State can borrow and lend money at cheaper rates than are commercially available to councils. This new policy initiative enables Victorian councils to achieve interest cost savings by being able to access low-interest loans financed through TCV.

The following financial ratio criteria need to be satisfied to be eligible to borrow through TCV:

- Interest bearing loans and borrowings cannot exceed 60 percent of own source revenue
- The interest cover ratio cannot be less than 2:1.

6. Strategies and Plans

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

6.1 Borrowing Strategy

6.1.1 Current Debt Position

Council is expecting to have borrowings of \$83.806M as at 30 June 2025.

Council is budgeting to borrow a further \$40.900M over the next four years, with no additional borrowings anticipated beyond 2028/29. As part of the 2025/26 Budget process, Council reviewed its forward borrowing projections and reduced future borrowings by \$18 million. This was achieved by adopting a position that cash balances are maintained at minimal levels to prioritise debt reduction.

This section outlines the strategies and planning assumptions that underpin the 10-year financial projections in the Financial Plan.

All current and projected borrowings are structured on a 10-year principal and interest repayment basis. This approach ensures debt can be repaid within a reasonable timeframe, supporting financial sustainability without compromising service delivery or transferring the burden to future generations.

The majority of Council's borrowings are held through the Treasury Corporation of Victoria (TCV), which requires compliance with specific debt covenants. The Financial Plan projects that these covenants will be met in each year over the 10-year period.

6.1.2 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 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000	Budget 2032-33 \$'000	Budget 2033-34 \$'000	Budget 2034-35 \$'000
OPENING BALANCE	82,671	83,806	80,126	80,840	82,002	78,298	63,578	48,198	33,569	22,880	15,421
Plus new loans	10,000	6,000	11,500	13,400	10,000	0	0	0	0	0	0
Less principal repayment	(8,865)	(9,680)	(10,786)	(12,238)	(13,704)	(14,720)	(15,380)	(14,629)	(10,689)	(7,459)	(4,861)
CLOSING BALANCE	83,806	80,126	80,840	82,002	78,298	63,578	48,198	33,569	22,880	15,421	10,560
Interest payment	3,755	3,625	3,633	3,770	3,797	3,421	2,760	2,074	1,468	1,003	675

6.1.3 Performance Indicators

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

Performance Indicator	Target	Forecast 2024-25 \$'000	Budget 2025-26 \$'000	Budget 2026-27 \$'000	Budget 2027-28 \$'000	Budget 2028-29 \$'000	Budget 2029-30 \$'000	Budget 2030-31 \$'000	Budget 2031-32 \$'000	Budget 2032-33 \$'000	Budget 2033-34 \$'000	Budget 2034-35 \$'000
Total Borrowings / Rate Revenue	Below 60%	55.69%	52.09%	48.95%	50.13%	46.68%	36.56%	26.73%	17.96%	11.81%	7.68%	5.08%
Debt Servicing / Rate Revenue	Below 5%	2.50%	2.36%	2.20%	2.30%	2.26%	1.97%	1.53%	1.11%	0.76%	0.50%	0.32%
Debt Commitment / Rate Revenue	Below 10%	8.39%	8.65%	8.73%	9.79%	10.43%	10.43%	10.06%	8.94%	6.28%	4.22%	2.66%
Indebtedness / Own Source Revenue	Below 60%	45.45%	41.03%	39.73%	39.22%	35.47%	26.27%	18.44%	12.85%	8.88%	6.16%	4.04%

6.2 Reserves Strategy

6.2.1 Current Reserves

Open space reserve

The Open Space Reserve is used to provide funding for future purchases and improvements of open space. Funding is provided from developer's contributions for open space which is initially recognised in the comprehensive income statement and then transferred to the reserve from accumulated surplus to facilitate separate tracking of the total funds received but not yet spent.

Aged care reserve

The purpose of this reserve is to set aside the proceeds from the divestment of the Amaroo Gardens Aged Care Facility by Council on 2 November 2011 for aged services and infrastructure within the Knox municipality.

Basketball stadium infrastructure reserve

The purpose of this reserve is to improve basketball stadium facilities within the Knox municipality.

Defined benefits reserve

The purpose of this reserve is to fund a defined benefits call should a call be made.

HACC capital grant reserve

The purpose of this reserve is to refurbish, upgrade and maintain minor capital within the Home and Community Care funded programs.

Library reserve

The purpose of this reserve is for major capital expenditure for acquiring, refurbishing or redeveloping library premises as standalone premises or as part of community hubs for Knox Library branches.

Revegetation net gain reserve

The purpose of this reserve is to ensure any loss of vegetation through development is re-established in a sustainable location.

Scoresby Recreation reserve

The purpose of this reserve is to invest the income derived from lease of this site into the Scoresby Recreation Reserve.

Social housing reserve

The purpose of this reserve is to provide funding for the planning, development, construction and/or purchase of social housing for the Knox Community.

Unexpended grants reserve

The purpose of this reserve is to quarantine early payment of Victoria Grants Commission General Purpose and Local Roads Federal Grant funding for use in the following year.

6.2.2 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	Statutory / Discretionary	Forecast 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35
Open Space Reserve	Statutory											
Opening balance		10,792	5,949	949	949	949	949	949	949	949	949	949
Transfer to reserve		5,750	5,000	6,000	6,000	6,500	7,000	7,000	7,000	7,000	7,000	7,000
Transfer from reserve		(10,593)	(10,000)	(6,000)	(6,000)	(6,500)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Closing balance		5,949	949	949	949	949	949	949	949	949	949	949
Statutory Reserves Summary	Total Statutory											
Opening balance		10,792	5,949	949	949	949	949	949	949	949	949	949
Transfer to reserve		5,750	5,000	6,000	6,000	6,500	7,000	7,000	7,000	7,000	7,000	7,000
Transfer from reserve		(10,593)	(10,000)	(6,000)	(6,000)	(6,500)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Closing balance		5,949	949	949	949	949	949	949	949	949	949	949
Aged Care Reserve	Discretionary											
Opening balance		2,790	2,722	2,704	2,686	2,668	2,650	2,650	2,650	2,650	2,650	2,650
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		(68)	(18)	(18)	(18)	(18)	0	0	0	0	0	0
Closing balance		2,722	2,704	2,686	2,668	2,650	2,650	2,650	2,650	2,650	2,650	2,650
Basketball Stadium Infrastructure Reserve	Discretionary											
Opening balance		72	0	0	0	0	0	0	0	0	0	0
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		(72)	0	0	0	0	0	0	0	0	0	0
Closing balance		0	0	0	0	0	0	0	0	0	0	0
Defined Benefits Reserve	Discretionary											
Opening balance		500	750	750	750	750	750	750	750	750	750	750
Transfer to reserve		250	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		750	750	750	750	750	750	750	750	750	750	750
HACC Capital Reserve	Discretionary											
Opening balance		512	512	512	512	512	512	512	512	512	512	512
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		512	512	512	512	512	512	512	512	512	512	512
Library Reserve	Discretionary											
Opening balance		1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505	1,505

	Statutory / Discretionary	Forecast 2024-25	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35
Reserves		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revegetation Net Gain Reserve												
Opening balance	Discretionary	153	218	283	348	413	478	543	608	673	738	803
Transfer to reserve		65	65	65	65	65	65	65	65	65	65	65
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		218	283	348	413	478	543	608	673	738	803	868
Scoresby Recreational Reserve												
Opening balance	Discretionary	234	267	302	338	376	415	455	496	538	581	625
Transfer to reserve		33	35	36	38	39	40	41	42	43	44	45
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		267	302	338	376	415	455	496	538	581	625	670
Social Housing Reserve												
Opening balance	Discretionary	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559
Transfer to reserve		0	0	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	0	0	0	0	0	0	0	0	0	0
Closing balance		2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559
Unexpended Grants Reserve												
Opening balance	Discretionary	0	4,631	4,678	4,724	4,772	4,799	4,847	4,896	4,945	4,994	5,044
Transfer to reserve		4,631	4,678	4,724	4,772	4,799	4,847	4,896	4,945	4,994	5,044	5,094
Transfer from reserve		0	(4,631)	(4,678)	(4,724)	(4,772)	(4,799)	(4,847)	(4,896)	(4,945)	(4,994)	(5,044)
Closing balance		4,631	4,678	4,724	4,772	4,799	4,847	4,896	4,945	4,994	5,044	5,094
Discretionary Reserves Summary												
Opening balance	Total Discretionary	8,325	13,164	12,781	12,910	13,043	13,156	13,309	13,464	13,620	13,777	13,936
Transfer to reserve		4,979	4,778	4,825	4,875	4,903	4,952	5,002	5,052	5,102	5,153	5,204
Transfer from reserve		(140)	(4,649)	(4,696)	(4,742)	(4,790)	(4,799)	(4,847)	(4,896)	(4,945)	(4,994)	(5,044)
Closing balance		13,164	13,293	12,910	13,043	13,156	13,309	13,464	13,620	13,777	13,936	14,096
Total Reserves Summary												
Opening balance	Statutory & Discretionary	19,117	19,113	14,242	14,371	14,504	14,617	14,770	14,925	15,081	15,238	15,397
Transfer to reserve		10,729	9,778	10,825	10,875	11,403	11,952	12,002	12,052	12,102	12,153	12,204
Transfer from reserve		(10,733)	(14,649)	(10,696)	(10,742)	(11,290)	(11,799)	(11,847)	(11,896)	(11,945)	(11,994)	(12,044)
Closing balance		19,113	14,242	14,371	14,504	14,617	14,770	14,925	15,081	15,238	15,397	15,557