

Financial Plan

2026-27 to 2035-36



knox



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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 2026-27 to 2035-36. 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 2026-27 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 73% 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 5.4% is currently used for planning purposes for 2026-27, and 5.0% in the subsequent years. 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 2026, Council is budgeting to hold \$80.2 million in borrowings, with an additional \$34.9 million in borrowings anticipated between 2026-27 and 2029-30. Borrowings have been undertaken since 2021/22 to support the delivery of capital works 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 employee cost increases for 2027/28 onwards.

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 Councils 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”.

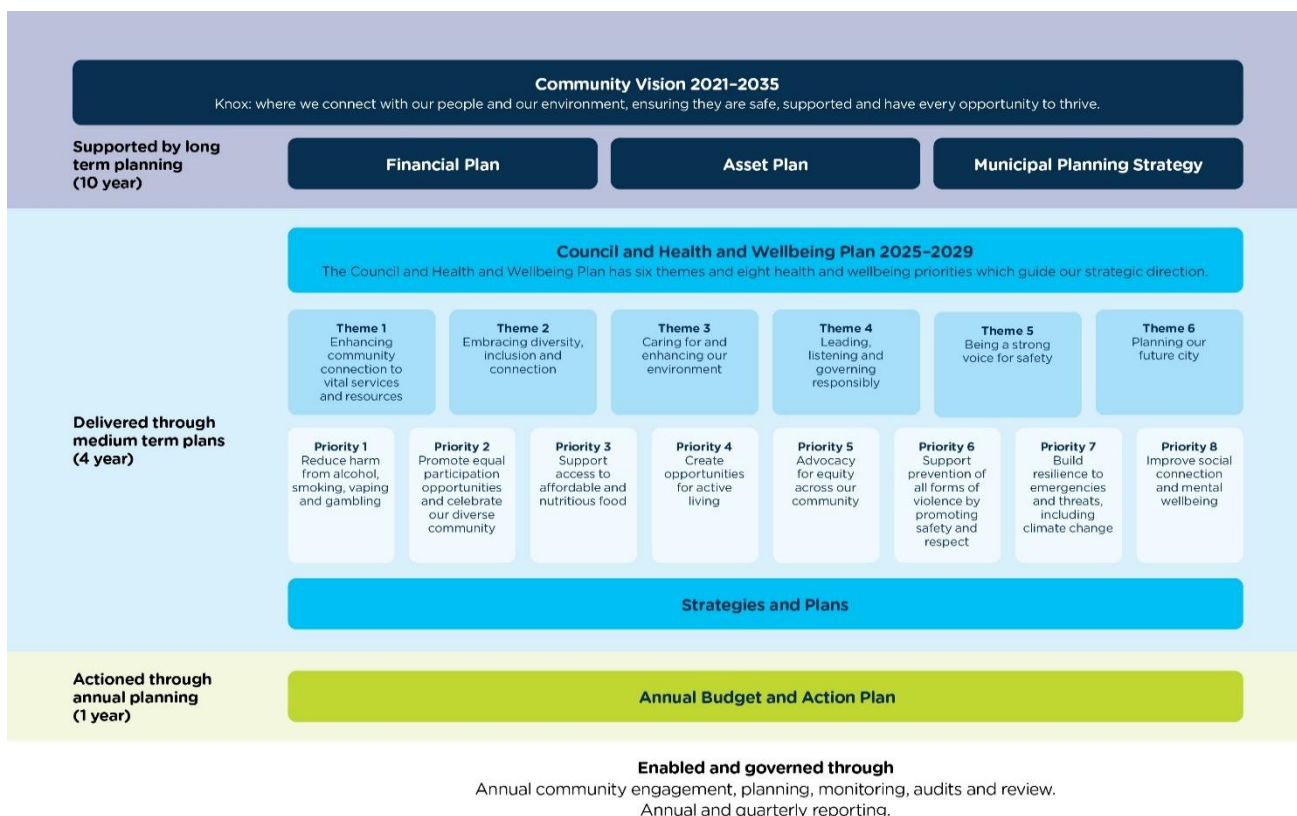
Knox’s Integrated Planning and Reporting Framework guides Council in identifying and delivering on community needs and aspirations over the long term (Community Vision), medium term (Council and Health and Wellbeing Plan 2025-29) and short term (Annual Budget and Action Plan).

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

Integrated community engagement has been undertaken in 2024 to inform the development of the 10- year Community Vision, Long-Term Financial Plan, Council and Health and Wellbeing Plan 2025-29.

The process included four stages. First, existing engagement data from over 100 activities was analysed to understand community priorities. Second, broad engagement was undertaken through surveys, pop-ups and targeted activities, reaching over 1,000 participants and helping identify key issues and recruit a representative panel.

Third, a deliberative community panel of 56 residents, selected to reflect the community, met across multiple sessions to review information, discuss priorities and develop recommendations for Council's plans. Finally, the panel reconvened to consider budget priorities and trade-offs.

Annual planning community engagement was undertaken from 28 July to 24 August 2025 to gather community feedback to inform the development of the 2026-2027 Annual Budget and Year 2 Actions of the Council and Health and Wellbeing Plan 2025-2029. Five hundred and ninety-four (594) community members participated in the engagement and eight members of the community made a formal submission to Councillors. The Annual Budget and Action Plan 2026-2027 Community Engagement Report was included for noting at the Council Meeting held on 29 September 2025, which included the responses received as well as formal submissions.

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	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
			2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Consistent underlying surplus results	Adjusted underlying result greater than 2.50%	>2.50%	4.58%	2.45%	5.31%	5.87%	6.10%	7.01%	8.05%	9.10%	10.88%	12.15%	13.41%
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	1.54	1.33	1.33	1.43	1.26	1.14	1.14	1.27	1.55	1.91	2.39
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	1.79	1.63	1.32	1.17	1.22	1.30	1.31	1.32	1.34	1.35	1.36
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%	47.90%	45.71%	44.55%	42.93%	34.00%	25.31%	17.59%	11.74%	7.82%	5.23%	4.87%
Council can repay interest on outstanding interest bearing loans and borrowings	EBITDA / Interest Expense greater than 2.00	>2.00	14.60	11.51	12.82	13.48	14.55	18.68	25.71	37.65	59.22	90.62	107.52
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%	9.45%	9.86%	10.34%	11.28%	11.33%	10.93%	9.81%	7.13%	5.05%	3.50%	3.14%
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	1.53	1.32	1.32	1.42	1.25	1.13	1.13	1.26	1.54	1.90	2.38

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 2026-27 to 2035-36. The assumptions comprise the annual escalations / movement for each item of the Comprehensive Income Statement.

Escalation Factors % Movements	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CPI	3.00%	2.75%	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	3.00%	2.75%	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	3.00%	2.75%	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	3.00%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials and Services	3.00%	2.75%	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	3.00%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other Expenses	3.00%	2.75%	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 2.75 percent in 2026-27. The rates in 2027-28 and beyond have been based on the Department of Treasury and Finance CPI projections of 2.50 percent in December 2025.

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 2026-27 is estimated at \$1,859.

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 assumed salary adjustments, noting that a new Enterprise Bargaining Agreement has not yet been finalised.

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 Your Library Limited. 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 2025-26 to 2035-36.

- 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	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME											
Rates and charges	154,343	161,461	169,529	169,007	174,151	180,540	187,125	193,915	200,914	208,130	215,572
User fees	14,982	14,882	14,986	15,460	16,073	16,748	17,451	18,284	19,048	19,744	20,574
Statutory fees and fines	5,230	5,961	6,122	6,289	6,456	6,617	6,782	6,952	7,126	7,304	7,487
Grants - operating	22,390	17,243	19,833	20,078	20,504	20,832	21,166	21,506	21,851	22,202	22,560
Grants - capital	10,675	3,783	4,264	5,480	3,111	3,142	3,173	3,204	3,235	3,267	3,301
Contributions - monetary	9,310	4,604	5,000	5,500	5,500	5,750	5,750	5,750	5,750	5,750	5,750
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	481	7,140	4,647	3,737	3,617	1,417	417	417	417	417	417
Share of net profits (or loss) of associates and joint ventures	4	7	10	13	14	14	14	14	14	14	14
Other income	3,590	2,086	2,180	2,099	2,124	2,263	2,144	2,144	2,325	2,687	3,186
TOTAL INCOME	223,005	219,167	228,571	229,663	233,550	239,323	246,022	254,186	262,680	271,515	280,861
EXPENSES											
Employee costs	76,478	80,591	81,307	82,942	85,042	87,168	89,347	91,581	93,871	96,218	98,623
Materials and services	80,743	84,979	86,604	83,109	86,210	87,446	88,925	91,436	91,979	93,554	95,163
Contributions and donations	6,254	6,548	6,705	6,867	7,033	7,208	7,389	7,574	7,763	7,957	8,155
Depreciation	30,158	31,300	31,669	32,155	32,477	32,912	33,432	33,931	34,452	35,048	35,619
Amortisation - intangible assets	903	628	488	286	335	263	269	276	283	290	297
Depreciation - right of use assets	1,176	1,280	1,278	1,296	1,323	1,342	1,363	1,377	1,393	1,420	1,393
Borrowing costs	3,566	3,648	3,805	3,824	3,444	2,778	2,089	1,480	1,010	694	453
Finance costs - leases	419	338	309	292	264	229	206	172	132	104	267
Allowance for impairment losses	501	360	376	385	394	404	414	424	435	446	457
Other expense	829	828	854	880	907	929	952	976	1,000	1,025	1,051
TOTAL EXPENSES	201,027	210,500	213,395	212,036	217,429	220,679	224,386	229,227	232,318	236,756	241,478
SURPLUS / (DEFICIT) FOR THE YEAR	21,978	8,667	15,176	17,627	16,121	18,644	21,636	24,959	30,362	34,759	39,383
TOTAL COMPREHENSIVE RESULT	21,978	8,667	15,176	17,627	16,121	18,644	21,636	24,959	30,362	34,759	39,383
LESS											
Grants - capital - non recurrent	7,465	1,280	1,200	2,400	0	0	0	0	0	0	0
Contributions and donations - capital	2,856	104	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	9,657	5,283	11,976	13,227	14,121	16,644	19,636	22,959	28,362	32,759	37,383

4.2 Balance Sheet

	Forecast 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	Budget 2035-36 \$'000
CURRENT ASSETS											
Cash and cash equivalents	43,373	37,241	40,149	49,557	42,453	35,481	31,657	34,471	45,283	62,507	84,173
Other financial assets	0	0	0	0	0	0	0	0	0	0	0
Trade and other receivables	21,898	22,007	22,305	21,408	21,090	21,687	22,301	22,934	23,586	24,257	24,948
Inventories	13	13	13	13	13	13	13	13	13	13	13
Prepayments	1,408	1,447	1,483	1,520	1,558	1,597	1,637	1,678	1,720	1,763	1,807
Non-current assets classified as held for sale	582	0	0	0	0	0	0	0	0	0	0
Contract assets	2,460	2,528	2,591	2,656	2,722	2,790	2,860	2,932	3,005	3,080	3,157
TOTAL CURRENT ASSETS	69,734	63,236	66,541	75,154	67,836	61,568	58,468	62,028	73,607	91,620	114,098
NON CURRENT ASSETS											
Investments in associates	2,990	2,997	3,007	3,020	3,034	3,048	3,062	3,076	3,090	3,104	3,118
Property, infrastructure, plant and equipment	2,588,614	2,605,564	2,619,566	2,625,829	2,635,482	2,645,953	2,656,959	2,668,546	2,680,720	2,693,435	2,706,745
Right-of-use assets	5,987	6,156	5,297	5,353	4,450	3,527	3,283	2,465	2,005	1,517	5,760
Intangible assets	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879
TOTAL NON CURRENT ASSETS	2,599,470	2,616,596	2,629,749	2,636,081	2,644,845	2,654,407	2,665,183	2,675,966	2,687,694	2,699,935	2,717,502
TOTAL ASSETS	2,669,204	2,679,832	2,696,290	2,711,235	2,712,681	2,715,975	2,723,651	2,737,994	2,761,301	2,791,555	2,831,600
CURRENT LIABILITIES											
Trade and other payables	13,505	13,847	14,161	14,482	14,810	15,176	15,523	15,880	16,249	16,627	17,035
Trust funds and deposits	2,690	2,764	2,833	2,904	2,976	3,050	3,126	3,204	3,284	3,366	3,450
Contract and other liabilities	0	0	0	0	0	0	0	0	0	0	0
Provisions	17,760	18,238	18,685	19,143	19,613	20,094	20,587	21,093	21,611	22,142	22,686
Interest-bearing loans and borrowings	10,325	11,686	13,292	14,702	15,366	14,619	10,685	7,461	4,871	4,606	3,500
Lease liabilities	899	1,085	982	1,252	1,255	1,139	1,314	1,349	1,384	1,126	1,115
TOTAL CURRENT LIABILITIES	45,179	47,620	49,953	52,483	54,020	54,078	51,235	48,987	47,399	47,867	47,786
NON CURRENT LIABILITIES											
Provisions	2,988	3,017	3,045	3,073	3,102	3,132	3,162	3,193	3,225	3,258	3,292
Interest-bearing loans and borrowings	69,917	69,291	68,874	63,782	48,416	33,797	23,112	15,651	10,780	6,174	2,674
Lease liabilities	5,365	5,482	4,820	4,672	3,797	2,978	2,516	1,578	950	550	4,759
TOTAL NON CURRENT LIABILITIES	78,270	77,790	76,739	71,527	55,315	39,907	28,790	20,422	14,955	9,982	10,725
TOTAL LIABILITIES	123,449	125,410	126,692	124,010	109,335	93,985	80,025	69,409	62,354	57,849	58,511
NET ASSETS	2,545,755	2,554,422	2,569,598	2,587,225	2,603,346	2,621,990	2,643,626	2,668,585	2,698,947	2,733,706	2,773,089
EQUITY											
Accumulated surplus	761,186	772,646	787,943	805,482	821,514	840,068	861,612	886,478	916,746	951,408	990,693
Reserves	1,784,569	1,781,776	1,781,655	1,781,743	1,781,832	1,781,922	1,782,014	1,782,107	1,782,201	1,782,298	1,782,396
TOTAL EQUITY	2,545,755	2,554,422	2,569,598	2,587,225	2,603,346	2,621,990	2,643,626	2,668,585	2,698,947	2,733,706	2,773,089

4.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2026 FORECAST				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,523,777	736,556	1,769,295	17,926
Surplus/(deficit) for the year	21,978	21,978	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(14,973)	0	14,973
Transfer from other reserves	0	17,625	0	(17,625)
BALANCE AT END OF THE FINANCIAL YEAR	2,545,755	761,186	1,769,295	15,274
2027 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,545,755	761,186	1,769,295	15,274
Surplus/(deficit) for the year	8,667	8,667	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(9,329)	0	9,329
Transfer from other reserves	0	12,122	0	(12,122)
BALANCE AT END OF THE FINANCIAL YEAR	2,554,422	772,646	1,769,295	12,481
2028 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,554,422	772,646	1,769,295	12,481
Surplus/(deficit) for the year	15,176	15,176	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(9,878)	0	9,878
Transfer from other reserves	0	9,999	0	(9,999)
BALANCE AT END OF THE FINANCIAL YEAR	2,569,598	787,943	1,769,295	12,360
2029 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,569,598	787,943	1,769,295	12,360
Surplus/(deficit) for the year	17,627	17,627	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,428)	0	10,428
Transfer from other reserves	0	10,340	0	(10,340)
BALANCE AT END OF THE FINANCIAL YEAR	2,587,225	805,482	1,769,295	12,448
2030 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,587,225	805,482	1,769,295	12,448
Surplus/(deficit) for the year	16,121	16,121	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,478)	0	10,478
Transfer from other reserves	0	10,389	0	(10,389)
BALANCE AT END OF THE FINANCIAL YEAR	2,603,346	821,514	1,769,295	12,537
2031 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,603,346	821,514	1,769,295	12,537
Surplus/(deficit) for the year	18,644	18,644	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,778)	0	10,778
Transfer from other reserves	0	10,688	0	(10,688)
BALANCE AT END OF THE FINANCIAL YEAR	2,621,990	840,068	1,769,295	12,627

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2032 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,621,990	840,068	1,769,295	12,627
Surplus/(deficit) for the year	21,636	21,636	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,829)	0	10,829
Transfer from other reserves	0	10,737	0	(10,737)
BALANCE AT END OF THE FINANCIAL YEAR	2,643,626	861,612	1,769,295	12,719
2033 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,643,626	861,612	1,769,295	12,719
Surplus/(deficit) for the year	24,959	24,959	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,880)	0	10,880
Transfer from other reserves	0	10,787	0	(10,787)
BALANCE AT END OF THE FINANCIAL YEAR	2,668,585	886,478	1,769,295	12,812
2034 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,668,585	886,478	1,769,295	12,812
Surplus/(deficit) for the year	30,362	30,362	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,931)	0	10,931
Transfer from other reserves	0	10,837	0	(10,837)
BALANCE AT END OF THE FINANCIAL YEAR	2,698,947	916,746	1,769,295	12,906
2035 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,698,947	916,746	1,769,295	12,906
Surplus/(deficit) for the year	34,759	34,759	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(10,984)	0	10,984
Transfer from other reserves	0	10,887	0	(10,887)
BALANCE AT END OF THE FINANCIAL YEAR	2,733,706	951,408	1,769,295	13,003
2036 BUDGET				
BALANCE AT BEGINNING OF THE FINANCIAL YEAR	2,733,706	951,408	1,769,295	13,003
Surplus/(deficit) for the year	39,383	39,383	0	0
Net asset revaluation gain / (loss)	0	0	0	0
Transfer to other reserves	0	(11,037)	0	11,037
Transfer from other reserves	0	10,939	0	(10,939)
BALANCE AT END OF THE FINANCIAL YEAR	2,773,089	990,693	1,769,295	13,101

4.4 Statement of Cash Flows

	Forecast 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	Budget 2035-36 \$'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	156,364	161,502	169,386	170,064	174,636	180,129	186,704	193,483	200,471	207,676	215,107
User fees	15,242	14,776	14,878	15,349	15,957	16,618	17,316	18,143	18,902	19,590	20,416
Statutory fees and fines	5,342	5,916	6,076	6,241	6,406	6,561	6,724	6,892	7,063	7,239	7,419
Grants - operating	21,602	17,243	19,833	20,078	20,504	20,832	21,166	21,506	21,851	22,202	22,560
Grants - capital	6,424	3,783	4,264	5,480	3,111	3,142	3,173	3,204	3,235	3,267	3,301
Contributions - monetary	9,310	4,604	5,000	5,500	5,500	5,750	5,750	5,750	5,750	5,750	5,750
Interest received	1,400	1,064	1,134	1,134	1,132	1,271	1,152	1,152	1,333	1,695	2,194
Other receipts	2,190	1,022	1,046	965	992	992	992	992	992	992	992
Net movement in trust deposits	(259)	74	69	71	73	74	76	78	80	82	84
Employee costs	(76,028)	(80,083)	(80,833)	(82,456)	(84,544)	(86,657)	(88,824)	(91,044)	(93,321)	(95,654)	(98,045)
Materials and services	(89,224)	(85,080)	(86,738)	(83,247)	(86,351)	(87,590)	(89,073)	(91,587)	(92,134)	(93,712)	(95,326)
Contributions and donations	(6,254)	(6,548)	(6,705)	(6,867)	(7,033)	(7,208)	(7,389)	(7,574)	(7,763)	(7,957)	(8,155)
Short-term, low value and variable lease payments	(32)	(25)	(38)	(36)	(36)	(33)	(29)	(30)	(32)	(20)	(35)
Other payments	(797)	(803)	(816)	(844)	(871)	(896)	(923)	(946)	(968)	(1,005)	(1,016)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	45,280	37,445	46,556	51,432	49,476	52,985	56,815	60,019	65,459	70,145	75,246
CASH FLOWS FROM INVESTING ACTIVITIES											
Proceeds from sale of property, infrastructure, plant and equipment	1,231	9,054	5,397	4,487	4,367	2,167	1,167	1,167	1,167	1,167	1,167
Payments for property, infrastructure, plant and equipment	(51,380)	(48,210)	(44,909)	(37,454)	(41,215)	(42,396)	(43,457)	(44,544)	(45,659)	(46,803)	(47,976)
Payments for investments	0	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of investments	2,500	0	0	0	0	0	0	0	0	0	0
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(47,649)	(39,156)	(39,512)	(32,967)	(36,848)	(40,229)	(42,290)	(43,377)	(44,492)	(45,636)	(46,809)

	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM FINANCING ACTIVITIES											
Finance costs	(3,568)	(3,673)	(3,832)	(3,853)	(3,473)	(2,778)	(2,119)	(1,509)	(1,036)	(719)	(459)
Proceeds from borrowings	6,000	11,500	13,400	10,000	0	0	0	0	0	0	0
Repayment of borrowings	(9,563)	(10,766)	(12,210)	(13,683)	(14,702)	(15,366)	(14,619)	(10,685)	(7,461)	(4,871)	(4,606)
Interest paid - lease liability	(419)	(338)	(309)	(292)	(264)	(229)	(206)	(172)	(132)	(104)	(267)
Repayment of lease liabilities	(1,031)	(1,144)	(1,185)	(1,229)	(1,293)	(1,355)	(1,405)	(1,462)	(1,526)	(1,591)	(1,439)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(8,581)	(4,421)	(4,136)	(9,057)	(19,732)	(19,728)	(18,349)	(13,828)	(10,155)	(7,285)	(6,771)
NET INCREASE / (DECREASE) IN CASH HELD	(10,950)	(6,132)	2,908	9,408	(7,104)	(6,972)	(3,824)	2,814	10,812	17,224	21,666
Cash and cash equivalents at the beginning of the financial year	54,323	43,373	37,241	40,149	49,557	42,453	35,481	31,657	34,471	45,283	62,507
CASH AND CASH EQUIVALENTS AT END OF YEAR	43,373	37,241	40,149	49,557	42,453	35,481	31,657	34,471	45,283	62,507	84,173

4.5 Statement of Capital Works

	Forecast 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	Budget 2035-36 \$'000
PROPERTY											
Land and Buildings	16,401	13,855	12,225	13,751	8,389	10,155	10,408	10,668	10,935	11,209	11,490
TOTAL PROPERTY	16,401	13,855	12,225	13,751	8,389	10,155	10,408	10,668	10,935	11,209	11,490
PLANT AND EQUIPMENT											
Plant, machinery and equipment	2,584	2,592	2,704	2,217	2,120	2,051	2,102	2,155	2,209	2,264	2,321
Office furniture and equipment	0	0	0	0	0	0	0	0	0	0	0
Computers and telecommunications	4,562	3,231	256	262	269	276	283	290	297	304	312
Artworks	205	386	293	446	1,669	311	318	326	335	344	353
TOTAL PLANT AND EQUIPMENT	7,351	6,209	3,253	2,925	4,058	2,638	2,703	2,771	2,841	2,912	2,986
INFRASTRUCTURE											
Roads	9,365	11,137	9,388	8,244	10,985	12,249	12,555	12,868	13,189	13,519	13,857
Bridges	973	1,015	950	900	930	1,017	1,042	1,068	1,095	1,122	1,150
Footpaths and cycleways	5,991	6,527	7,331	6,344	6,839	5,912	6,060	6,211	6,367	6,527	6,691
Drainage	4,446	3,536	5,133	2,921	3,704	4,785	4,904	5,026	5,151	5,280	5,412
Recreational, leisure and community facilities	9,550	10,340	6,448	2,521	6,915	6,143	6,300	6,460	6,621	6,787	6,957
Off street car parks	1,397	1,361	2,266	1,574	1,299	1,617	1,657	1,699	1,742	1,786	1,831
Other infrastructure	1,082	629	343	388	201	253	259	265	271	277	284
TOTAL INFRASTRUCTURE	32,804	34,545	31,859	22,892	30,873	31,976	32,777	33,597	34,436	35,298	36,182
TOTAL CAPITAL WORKS EXPENDITURE	56,556	54,609	47,337	39,568	43,320	44,769	45,888	47,036	48,212	49,419	50,658
REPRESENTED BY											
Asset renewal	33,807	39,732	32,312	27,337	34,195	38,667	39,636	40,627	41,642	42,684	43,752
Asset upgrade	20,326	11,199	9,346	10,389	5,445	4,089	4,190	4,295	4,402	4,512	4,627
Asset new	2,330	3,325	5,679	1,842	3,680	1,938	1,985	2,035	2,087	2,140	2,194
Asset expansion	93	353	0	0	0	75	77	79	81	83	85
TOTAL CAPITAL WORKS EXPENDITURE	56,556	54,609	47,337	39,568	43,320	44,769	45,888	47,036	48,212	49,419	50,658

	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL WORKS FUNDING SOURCE											
EXTERNAL											
Loan proceeds	6,000	11,500	13,400	10,000	0	0	0	0	0	0	0
Grants - capital	10,675	3,783	4,264	5,480	3,111	3,142	3,173	3,204	3,235	3,267	3,301
Contributions - capital	2,856	104	0	0	0	0	0	0	0	0	0
TOTAL EXTERNAL FUNDING	19,531	15,387	17,664	15,480	3,111	3,142	3,173	3,204	3,235	3,267	3,301
INTERNAL											
Proceeds from sale of fixed assets	1,231	8,472	5,397	4,487	4,367	2,167	1,167	1,167	1,167	1,167	1,167
Movement in reserve funds	12,920	5,771	5,983	6,285	6,293	6,570	6,578	6,586	6,594	6,602	6,611
Rate funding	22,874	24,979	18,293	13,316	29,549	32,890	34,970	36,079	37,216	38,383	39,579
TOTAL INTERNAL FUNDING	37,025	39,222	29,673	24,088	40,209	41,627	42,715	43,832	44,977	46,152	47,357
TOTAL CAPITAL WORKS FUNDING SOURCES	56,556	54,609	47,337	39,568	43,320	44,769	45,888	47,036	48,212	49,419	50,658
LESS OPERATING PROJECTS EXPENDITURE											
Operating Projects Expenditure	5,176	6,399	2,428	2,114	2,105	2,373	2,431	2,492	2,553	2,616	2,682
NET CAPITAL WORKS (CAPITALISED EXPENDITURE EXCLUDING OPERATING PROJECTS EXPENDITURE)	51,380	48,210	44,909	37,454	41,215	42,396	43,457	44,544	45,659	46,803	47,976

4.6 Statement of Human Resources

	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
STAFF EXPENDITURE											
Employee costs - operating	76,478	80,591	81,307	82,942	85,042	87,168	89,347	91,581	93,871	96,218	98,623
Employee costs - capital	6,553	3,999	4,099	4,202	4,307	4,415	4,525	4,638	4,754	4,873	4,995
TOTAL STAFF EXPENDITURE	83,031	84,590	85,406	87,144	89,349	91,583	93,872	96,219	98,625	101,091	103,618
STAFF NUMBERS											
Full time equivalent (FTE) employees	650.05	645.12	634.91	629.91	629.91	629.91	629.91	629.91	629.91	629.91	629.91
TOTAL STAFF NUMBERS	650.05	645.12	634.91	629.91	629.91	629.91	629.91	629.91	629.91	629.91	629.91

4.7 Planned Human Resource Expenditure

	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	Budget 2035-36 \$'000
CEO										
Permanent - Full Time	3,799	3,898	3,995	4,095	4,197	4,302	4,410	4,520	4,633	4,749
Female	2,876	2,952	3,025	3,101	3,179	3,258	3,339	3,423	3,508	3,596
Male	923	946	970	994	1,019	1,044	1,070	1,097	1,125	1,153
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	293	300	308	315	323	331	339	348	356	365
Female	293	300	308	315	323	331	339	348	356	365
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	4,092	4,198	4,303	4,410	4,520	4,633	4,749	4,868	4,990	5,114
CITY LIVEABILITY										
Permanent - Full Time	13,459	13,843	14,100	14,453	14,814	15,185	15,564	15,953	16,352	16,761
Female	6,366	6,548	6,669	6,836	7,007	7,182	7,362	7,546	7,734	7,928
Male	7,093	7,295	7,431	7,617	7,807	8,003	8,203	8,408	8,618	8,833
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	3,050	3,137	3,195	3,275	3,357	3,441	3,527	3,615	3,705	3,798
Female	2,386	2,453	2,499	2,562	2,626	2,692	2,759	2,828	2,899	2,971
Male	646	665	677	694	711	729	747	766	785	805
Self-described gender	18	19	19	19	19	20	20	21	21	22
TOTAL CITY LIVEABILITY	16,509	16,980	17,295	17,728	18,171	18,625	19,091	19,568	20,058	20,559
CONNECTED COMMUNITIES										
Permanent - Full Time	13,361	13,646	14,003	14,368	14,727	15,095	15,473	15,860	16,256	16,662
Female	11,165	11,404	11,702	12,007	12,307	12,615	12,930	13,253	13,585	13,924
Male	2,196	2,242	2,301	2,361	2,420	2,481	2,543	2,606	2,671	2,738
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	8,069	8,240	8,456	8,677	8,894	9,116	9,344	9,578	9,817	10,063
Female	7,582	7,743	7,946	8,153	8,357	8,566	8,780	8,999	9,224	9,455
Male	487	497	510	524	537	551	564	578	593	608
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CONNECTED COMMUNITIES	21,430	21,886	22,459	23,045	23,621	24,212	24,817	25,437	26,073	26,725

	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	Budget 2035-36 \$'000
CUSTOMER PERFORMANCE										
<i>Permanent - Full Time</i>	15,479	15,028	15,295	15,678	16,070	16,472	16,883	17,306	17,738	18,182
Female	10,052	9,760	9,933	10,182	10,437	10,697	10,965	11,239	11,520	11,808
Male	5,427	5,268	5,362	5,496	5,633	5,774	5,919	6,067	6,218	6,374
Self-described gender	0	0	0	0	0	0	0	0	0	0
<i>Permanent - Part Time</i>	1,575	1,528	1,556	1,595	1,635	1,676	1,718	1,761	1,805	1,850
Female	1,357	1,316	1,340	1,374	1,408	1,444	1,480	1,517	1,555	1,593
Male	218	212	216	221	227	232	238	244	250	256
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER PERFORMANCE	17,054	16,556	16,851	17,273	17,705	18,147	18,601	19,066	19,543	20,031
INFRASTRUCTURE										
<i>Permanent - Full Time</i>	16,989	17,152	17,407	17,841	18,287	18,744	19,213	19,693	20,185	20,690
Female	4,483	4,526	4,594	4,708	4,826	4,946	5,070	5,197	5,327	5,460
Male	12,506	12,626	12,813	13,133	13,461	13,798	14,143	14,496	14,859	15,230
Self-described gender	0	0	0	0	0	0	0	0	0	0
<i>Permanent - Part Time</i>	236	239	242	248	254	261	267	274	281	288
Female	216	219	221	227	233	238	244	251	257	263
Male	20	20	21	21	22	22	23	23	24	24
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE	17,225	17,391	17,649	18,089	18,541	19,005	19,480	19,967	20,466	20,978
Casuals, temporary and other expenditure	4,281	4,296	4,385	4,497	4,609	4,725	4,843	4,964	5,089	5,216
Capitalised labour costs	3,999	4,099	4,202	4,307	4,415	4,525	4,638	4,754	4,873	4,995
TOTAL STAFF EXPENDITURE	84,590	85,406	87,144	89,349	91,583	93,872	96,219	98,625	101,091	103,618

	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	Budget 2035-36 FTE
CEO										
Permanent - Full Time	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Female	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Male	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	2.74	2.74	2.74	2.74	2.74	2.74	2.74	2.74	2.74	2.74
Female	2.74	2.74	2.74	2.74	2.74	2.74	2.74	2.74	2.74	2.74
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	24.74	24.74	24.74	24.74	24.74	24.74	24.74	24.74	24.74	24.74
CITY LIVEABILITY										
Permanent - Full Time	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00
Female	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00
Male	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	30.99	30.99	30.19	30.19	30.19	30.19	30.19	30.19	30.19	30.19
Female	24.24	24.24	23.44	23.44	23.44	23.44	23.44	23.44	23.44	23.44
Male	6.57	6.57	6.57	6.57	6.57	6.57	6.57	6.57	6.57	6.57
Self-described gender	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
TOTAL CITY LIVEABILITY	123.99	123.99	123.19	123.19	123.19	123.19	123.19	123.19	123.19	123.19
CONNECTED COMMUNITIES										
Permanent - Full Time	114.00	114.00	114.00	114.00	114.00	114.00	114.00	114.00	114.00	114.00
Female	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
Male	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	65.47	64.05	64.05	64.05	64.05	64.05	64.05	64.05	64.05	64.05
Female	61.52	60.10	60.10	60.10	60.10	60.10	60.10	60.10	60.10	60.10
Male	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CONNECTED COMMUNITIES	179.47	178.05	178.05	178.05	178.05	178.05	178.05	178.05	178.05	178.05

	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	Budget 2035-36 FTE
CUSTOMER PERFORMANCE										
Permanent - Full Time	108.00	103.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00	101.00
Female	70.00	68.00	67.00	67.00	67.00	67.00	67.00	67.00	67.00	67.00
Male	38.00	35.00	34.00	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
Permanent - Part Time	13.40	12.61	11.41	11.41	11.41	11.41	11.41	11.41	11.41	11.41
Female	11.54	10.75	9.55	9.55	9.55	9.55	9.55	9.55	9.55	9.55
Male	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.86
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMER PERFORMANCE	121.40	115.61	112.41	112.41	112.41	112.41	112.41	112.41	112.41	112.41
INFRASTRUCTURE										
Permanent - Full Time	167.00	164.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00	163.00
Female	44.00	42.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00	41.00
Male	123.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00	122.00
Self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part Time	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Female	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38
Male	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Self-described gender	0	0	0	0	0	0	0	0	0	0
TOTAL INFRASTRUCTURE	169.60	166.60	165.60	165.60	165.60	165.60	165.60	165.60	165.60	165.60
Casuals, temporary and other expenditure	25.92	25.92	25.92	25.92	25.92	25.92	25.92	25.92	25.92	25.92
TOTAL STAFF NUMBERS	645.12	634.91	629.91	629.91	629.91	629.91	629.91	629.91	629.91	629.91

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 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	Budget 2035-36	Trend + / o / -
Financial management														
Liquidity (sufficient working capital and cash is available to cover expenses)	Current assets	1	154.35%	132.79%	133.21%	143.20%	125.58%	113.85%	114.12%	126.62%	155.29%	191.41%	238.77%	o
	Current liabilities													
	Cash	2	96.00%	78.20%	80.37%	94.42%	78.59%	65.61%	61.79%	70.37%	95.54%	130.58%	176.15%	o
	Current liabilities													
Operating position (an adjusted underlying surplus is generated in the ordinary course of business)	Adjusted underlying surplus (deficit)	3	4.58%	2.45%	5.31%	5.87%	6.10%	7.01%	8.05%	9.10%	10.88%	12.15%	13.41%	+
	Adjusted underlying revenue													
Rates concentration (revenue is generated from a range of sources)	Rate revenue	4	73.26%	74.83%	75.22%	75.03%	75.21%	76.07%	76.68%	76.89%	77.07%	77.22%	77.30%	o
	Adjusted underlying revenue													
Rates effort (rating level is set based on the community's capacity to pay)	Rate revenue	5	0.23%	0.23%	0.24%	0.23%	0.24%	0.25%	0.25%	0.26%	0.27%	0.28%	0.28%	o
	CIV of rateable properties in the municipal district													
Expenditure and revenue level (resources are used efficiently in the delivery of services)	General rates revenue	6	\$1,806	\$1,859	\$1,902	\$1,945	\$1,990	\$2,036	\$2,083	\$2,131	\$2,181	\$2,232	\$2,284	o
	No. of property assessments													
Rates collection (rates and charges are being responsibly collected)	Unpaid rates and charges	7	11.58%	11.04%	10.60%	10.01%	9.43%	8.84%	8.28%	7.76%	7.28%	6.82%	6.40%	+
	All rates and charges													
Financial forecasting														
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	Non current liabilities	8	42.29%	39.68%	37.90%	35.39%	26.60%	18.71%	13.11%	8.98%	6.35%	4.09%	4.24%	+
	Own source revenue													

Indicator	Measure	Notes	Forecast 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	Budget 2035-36	Trend + / o / -
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	9	43.35%	41.31%	40.58%	38.83%	30.67%	22.69%	15.38%	10.16%	6.64%	4.42%	2.44%	+
	Own source revenue													
	Interest and principal repayments on interest-bearing loans and borrowings	10	7.09%	7.37%	7.92%	8.68%	8.74%	8.50%	7.62%	5.36%	3.61%	2.29%	2.00%	+
	Own source revenue													
Asset renewal and upgrade (renewal and upgrade of assets is planned and delivered)	Asset renewal and upgrade expenses	11	179.50%	162.72%	131.54%	117.33%	122.06%	129.91%	131.09%	132.39%	133.65%	134.66%	135.82%	o
	Asset depreciation													
Population (population is a key driver of a Council's ability to fund the delivery of services to the community)	Total expenses	12	\$1,220	\$1,269	\$1,277	\$1,261	\$1,286	\$1,299	\$1,314	\$1,335	\$1,346	\$1,365	\$1,385	o
	Population													
	Value of infrastructure	13	\$8,936	\$8,969	\$8,978	\$8,949	\$8,949	\$8,954	\$8,962	\$8,972	\$8,986	\$9,002	\$9,022	o
	Population													
Revenue and grants (revenue is generated from a range of sources to fund the delivery of services to the community)	Own source revenue	14	\$1,123	\$1,182	\$1,212	\$1,202	\$1,230	\$1,256	\$1,286	\$1,325	\$1,365	\$1,407	\$1,451	o
	Population													
	Recurrent grants	15	\$151	\$118	\$137	\$138	\$140	\$142	\$144	\$146	\$148	\$150	\$152	o
	Population													
Efficiency														
Expenditure level (resources are used efficiently in the delivery of services)	Total Expenditure	16	\$2,865	\$2,975	\$2,991	\$2,947	\$2,997	\$3,017	\$3,043	\$3,083	\$3,100	\$3,134	\$3,171	o
	No. of Assessments													
TCV loans framework indicators														
Interest cover ratio	EDITBA	17	14.60	11.51	12.82	13.48	14.55	18.68	25.71	37.65	59.22	90.62	107.52	+
	Interest Expense													
Interest bearing liabilities to own source revenue	Interest-bearing liabilities	17	53.93%	53.32%	51.96%	50.86%	42.02%	32.93%	24.47%	16.60%	11.09%	7.28%	6.75%	+
	Own source revenue(excluding open space)													

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 Current assets compared to current liabilities

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 percentage is anticipated to remain above 100% for the ten-year period. The decrease from 2025-26 is largely due to the carry-forward of capital works expenditure.

5.2 Cash compared to current liabilities

Cash and cash equivalents, excluding other financial assets, are compared to current liabilities to ensure there is sufficient working capital and cash available to cover expenses. The trend is steady for the next two years, with an increase the following year followed by a decline in the following three years. This is followed by four years of increases.

5.3 Adjusted underlying surplus (or deficit)

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.

5.4 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.

5.5 Rates compared to property values

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.

5.6 Average rate per property assessment

Revenue level presents the general rate revenue per property assessment. The trend shows a small annual increase.

5.7 Rates and charges debt

Rates collection presents unpaid rates and charges as a percentage of total rates and charges. The trend shows a small annual decrease.

5.8 Non-current liabilities compared to own-source revenue

Indebtedness compares non-current liabilities to own source revenue. Own source revenue is defined as adjusted underlying revenue other than revenue that is not under the control of Council (including government grants). Non-current liabilities will decrease in 2026-27, and continue to gradually decrease over the ten-year period, with the ratio decreasing accordingly.

5.9 Loans and borrowings compared to own-source revenue

Interest bearing loans and borrowings is compared to own-source revenue. 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 2028-29 to fund a component of the Capital Works Program has the indebtedness remaining steady over the next three years, followed by decreases for the remainder of the ten-year period.

5.10 Loans and borrowings repayments compared to own-source revenue

This 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 own-source revenue. The trend indicates a continued reliance on debt against annual own-source revenue in 2026-27 due to borrowings to fund the Capital Works Program.

5.11 Asset renewal and upgrade compared to depreciation

Asset renewal and upgrade is calculated as asset renewal and upgrade expenditure as a percentage of depreciation. This indicates the extent of Council's renewal and upgrade of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100% indicates Council is maintaining its existing assets, while a percentage less than 100% means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Council's asset renewal indicator is greater than 100% 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.

5.12 Expenses per head of population

This ratio presents the expenditure per head of municipal population. The trend is relatively steady.

5.13 Infrastructure per head of population

This ratio presents the value of infrastructure, excluding land, per head of municipal population. The trend is steady.

5.14 Own-source revenue per head of population

This ratio presents own-source revenue per head of municipal population. Own source revenue is defined as adjusted underlying revenue other than revenue that is not under the control of Council (including government grants). The trend is relatively steady, with largely small annual increases.

5.15 Recurrent grants per head of population

This ratio presents recurrent grants per head of municipal population. Recurrent grants are grants that are expected to be received ongoing. The trend is steady.

5.16 Expenses per property assessment

Expenditure level presents the average Council expenditure per property assessment. The 2026-27 target shows an increase on the 2025-26 forecast followed by small annual increases.

5.17 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 \$80.243M as at 30 June 2026.

Council is budgeting to borrow a further \$34.900M over the next three years, with no additional borrowings anticipated beyond 2028/29. Council has adopted a position that cash balances are maintained at minimal levels to prioritise debt reduction over the 10-year period.

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 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	Budget 2035-36
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
OPENING BALANCE	83,805	80,243	80,977	82,167	78,484	63,782	48,416	33,797	23,112	15,651	10,780
Plus new loans	6,000	11,500	13,400	10,000	0	0	0	0	0	0	0
Less principal repayment	(9,562)	(10,766)	(12,210)	(13,683)	(14,702)	(15,366)	(14,619)	(10,685)	(7,461)	(4,871)	(4,606)
CLOSING BALANCE	80,243	80,977	82,167	78,484	63,782	48,416	33,797	23,112	15,651	10,780	6,174
Interest payment	3,568	3,673	3,832	3,853	3,473	2,778	2,119	1,509	1,036	719	459

6.1.3 Performance Indicators

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

		Forecast 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	Budget 2035-36
Performance Indicator	Target	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total Borrowings / Own Source Revenue	Below 60%	43.35%	41.31%	40.58%	38.83%	30.67%	22.69%	15.38%	10.16%	6.64%	4.42%	2.44%
Debt Servicing / Own Source Revenue	Below 5%	1.93%	1.87%	1.89%	1.91%	1.67%	1.30%	0.96%	0.66%	0.44%	0.29%	0.18%
Debt Commitment / Own Source Revenue	Below 10%	7.09%	7.37%	7.92%	8.68%	8.74%	8.50%	7.62%	5.36%	3.61%	2.29%	2.00%
Indebtedness / Own Source Revenue	Below 60%	42.29%	39.68%	37.90%	35.39%	26.60%	18.71%	13.11%	8.98%	6.35%	4.09%	4.24%

6.2 Reserves

6.2.1 Reserve Description

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 (to be retired in 2025/26)

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.

Defined benefits reserve (to be retired in 2025/26)

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

HACC capital grant reserve (to be retired in 2025/26)

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

Library reserve (to be retired in 2025/26)

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 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	Budget 2035-36 \$'000
Open Space Reserve	Statutory											
Opening balance		3,509	509	509	509	509	509	509	509	509	509	509
Transfer to reserve		4,500	4,500	5,000	5,500	5,500	5,750	5,750	5,750	5,750	5,750	5,750
Transfer from reserve		(7,500)	(4,500)	(5,000)	(5,500)	(5,500)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)
Closing balance		509	509	509	509	509	509	509	509	509	509	509
Statutory Reserves Summary	Total Statutory											
Opening balance		3,509	509	509	509	509	509	509	509	509	509	509
Transfer to reserve		4,500	4,500	5,000	5,500	5,500	5,750	5,750	5,750	5,750	5,750	5,750
Transfer from reserve		(7,500)	(4,500)	(5,000)	(5,500)	(5,500)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)
Closing balance		509	509	509	509	509	509	509	509	509	509	509
Aged Care Reserve	Discretionary											
Opening balance		2,562	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		(2,562)	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		750	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		(750)	0	0	0	0	0	0	0	0	0	0
Closing balance		0	0	0	0	0	0	0	0	0	0	0
HACC Capital Reserve	Discretionary											
Opening balance		512	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		(512)	0	0	0	0	0	0	0	0	0	0
Closing balance		0	0	0	0	0	0	0	0	0	0	0
Library Reserve	Discretionary											
Opening balance		1,505	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		(1,505)	0	0	0	0	0	0	0	0	0	0
Closing balance		0	0	0	0	0	0	0	0	0	0	0

Reserves	Statutory / Discretionary	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revegetation Net Gain Reserve	Discretionary											
Opening balance		218	283	283	283	283	283	283	283	283	283	283
Transfer to reserve		65	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		283	283	283	283	283	283	283	283	283	283	283
Scoresby Recreational Reserve	Discretionary											
Opening balance		267	206	213	45	84	124	165	207	250	294	339
Transfer to reserve		35	36	38	39	40	41	42	43	44	45	46
Transfer from reserve		(96)	(29)	(206)	0	0	0	0	0	0	0	0
Closing balance		206	213	45	84	124	165	207	250	294	339	385
Social Housing Reserve	Discretionary											
Opening balance		3,903	6,683	6,683	6,683	6,683	6,683	6,683	6,683	6,683	6,683	6,683
Transfer to reserve		2,780	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		6,683	6,683	6,683	6,683	6,683	6,683	6,683	6,683	6,683	6,683	6,683
Unexpended Grants Reserve	Discretionary											
Opening balance		4,700	7,593	4,793	4,840	4,889	4,938	4,987	5,037	5,087	5,137	5,189
Transfer to reserve		7,593	4,793	4,840	4,889	4,938	4,987	5,037	5,087	5,137	5,189	5,241
Transfer from reserve		(4,700)	(7,593)	(4,793)	(4,840)	(4,889)	(4,938)	(4,987)	(5,037)	(5,087)	(5,137)	(5,189)
Closing balance		7,593	4,793	4,840	4,889	4,938	4,987	5,037	5,087	5,137	5,189	5,241
Discretionary Reserves Summary	Total Discretionary											
Opening balance		14,417	14,765	11,972	11,851	11,939	12,028	12,118	12,210	12,303	12,397	12,494
Transfer to reserve		10,473	4,829	4,878	4,928	4,978	5,028	5,079	5,130	5,181	5,234	5,287
Transfer from reserve		(10,125)	(7,622)	(4,999)	(4,840)	(4,889)	(4,938)	(4,987)	(5,037)	(5,087)	(5,137)	(5,189)
Closing balance		14,765	11,972	11,851	11,939	12,028	12,118	12,210	12,303	12,397	12,494	12,592
Total Reserves Summary	Statutory & Discretionary											
Opening balance		17,926	15,274	12,481	12,360	12,448	12,537	12,627	12,719	12,812	12,906	13,003
Transfer to reserve		14,973	9,329	9,878	10,428	10,478	10,778	10,829	10,880	10,931	10,984	11,037
Transfer from reserve		(17,625)	(12,122)	(9,999)	(10,340)	(10,389)	(10,688)	(10,737)	(10,787)	(10,837)	(10,887)	(10,939)
Closing balance		15,274	12,481	12,360	12,448	12,537	12,627	12,719	12,812	12,906	13,003	13,101