



Merri-bek
City Council

10-Year Financial Plan

2025-26 to 2034-35

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1. Introduction

1.1 Executive summary

The 10-year Financial Plan (The Plan) is a key strategic document that sets out 10-year financial projections based on a set of assumptions, known at the time of developing this plan. It is designed to reflect the financial impacts of providing the current service levels and our program of capital works.

The Local Government Act 2020 stipulates a requirement for all Victorian councils to prepare and endorse a 10-year financial plan following each general election, aligning with the Community Vision, Council Plan and other strategic plans of Council.

The Plan is a strategic document that does not override the Annual Budget process and/or decisions in relation to timing of expenditure but will assist to provide information that is crucial to long-term decision making.

The Plan also aligns with the financial management principles within the Local Government Act 2020; alongside Council's financial objectives we apply to our financial planning, control and management as follows:

1. **Adopting a balanced budget** – by adopting a balanced unrestricted result, this ensures that each financial years' expenses are fully funded by an identified funding source (including savings via the reserves)
2. **Fund existing service levels** – ensure that the current services levels that Council provides continues to be fully funded when preparing budgets and making financial decisions
3. **Fund infrastructure renewals** – the funding allocated to annual capital works programs is to remain at greater than \$1.30 for every \$1 of depreciation, this ensures existing infrastructure assets are being maintained and kept up with the pace of consumption (depreciation) of these assets
4. **Victorian Auditor-General Office (VAGO) measures** – maintain an average low-risk for the seven indicators used by VAGO to measure financial sustainability
5. **Financial sustainability** – the capacity to meet the agreed service and infrastructure needs of the community and absorb foreseeable changes and unexpected shocks into the future (both short and long term).

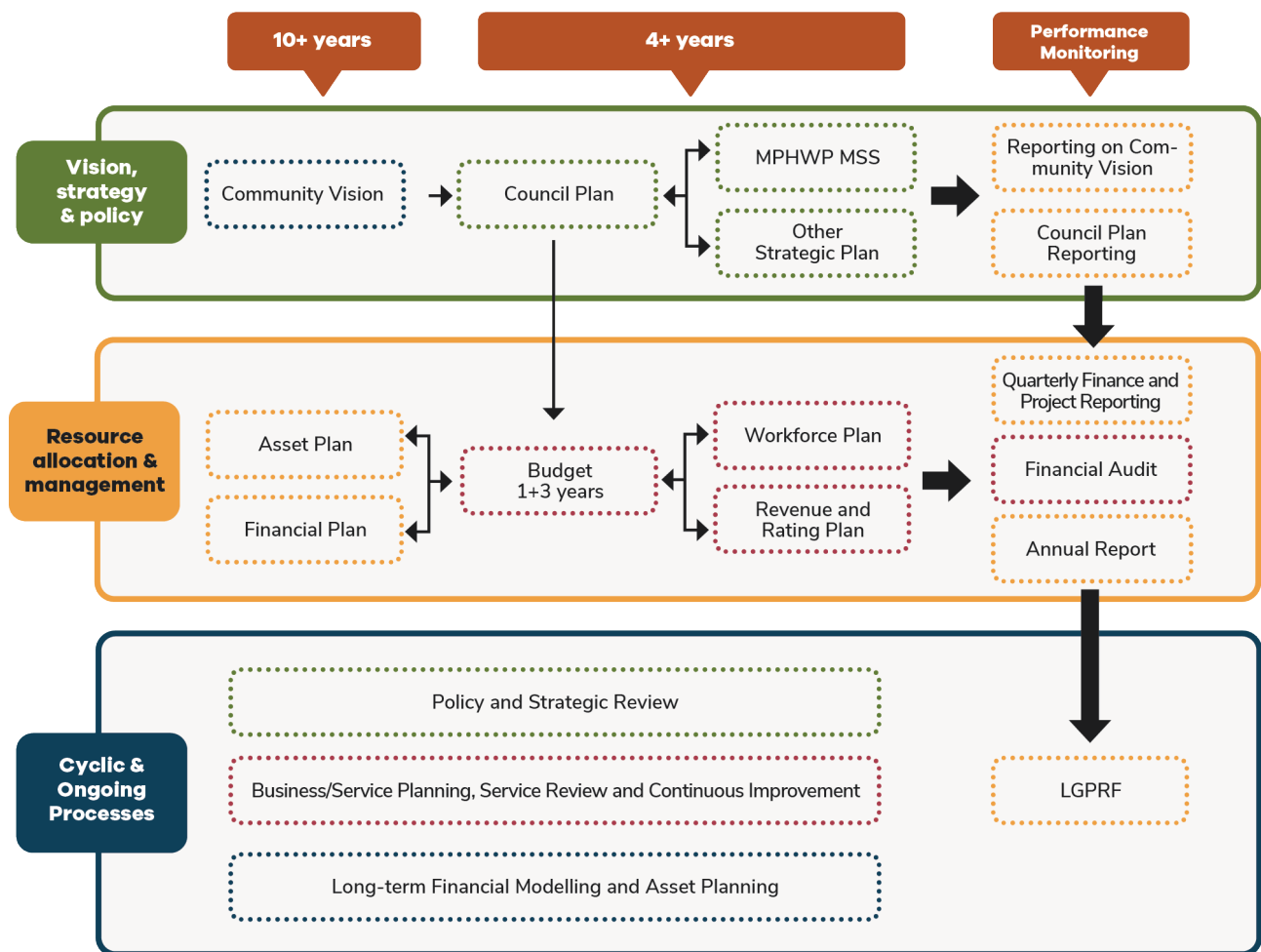
The Plan indicates that Council is able to maintain the above five financial objectives for the next 10-years.

2. Legislative Requirements & Integrated Planning and Reporting Framework

2.1 Integrated Planning & Reporting Framework

The Local Government Act 2020 (the Act) addresses planning and financial management requirements including development of strategic planning, budgeting and annual reporting documents. At each stage of the integrated planning and reporting framework there are opportunities for community and stakeholder input. This is important to ensure transparency and accountability to both residents and ratepayers.

The diagram below depicts the integrated planning and reporting framework that applies to local government in Victoria.



2.3 Strategic Planning Principles

The Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision. The 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) The Plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- c) The Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- d) Council's strategic planning principles identify and address the risks to effective implementation of The Plan.
- e) The Plan allows for the strategic planning principles of progress monitoring and reviews, to adapt to changing circumstances.

2.4 Financial Management Principles

The Plan demonstrates the following financial management principles:

- a) Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- b) Management of the following financial risks:
 - The financial viability of the Council (refer to Section 3.3 Financial Policy Statements).
 - The management of current and future liabilities of the Council. The estimated 10-year liabilities are disclosed in section 4.2 Balance Sheet projections.
 - The beneficial enterprises of Council (where appropriate).
- c) Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- d) Council maintains accounts and records that explain its financial operations and financial position (refer to section 4 Financial Statements).

2.5 Engagement Principles

The Local Government Act 2020 requires Victorian councils to develop their key strategic plans through deliberative engagement practices (as outlined in their community engagement policy). Our Community Engagement Policy defines deliberative engagement as *providing our community with sufficient time and information to enable critical reasoning, and consideration of options as part of a decision-making process.*

To develop our 10-year Financial Plan, we undertook the following engagement activities:

- Community consultation on Council Budget 2025-2029 – including over 40 Community Budget Ideas submitted, 1,060 people participated in the Budget Ideas voting, and 196 submissions to the Draft Council Budget 2025-29 (November'24, April-May'25);

- 3-day deliberative workshop on Community Vision and priorities for strategic plans - over 60 residents, representative of the Merri-bek community, refreshed our Community Vision and provided an insight into what is important to the Merri-bek community. This insight helped to guide our Council Plan 2025-29, Health and Wellbeing Plan, 10-year Financial Plan, and 10-year Asset Management Plan (February'25);
- 3 workshop sessions for Merri-bek Councillors to formulate and consolidate Council Plan priorities, which inform all other strategic documents (January-May'25);
- Review and analysis of Context report, a summary report of all significant community engagement projects Council undertook in the last 4 years;

Following endorsement the final engagement step is:

- Community feedback submitted on the Draft 10-year Financial Plan – submissions to be provided via Conversations Merri-bek online portal and in writing for 28 days (August'25);

The Financial Plan, including any revisions, will be presented to the Council meeting on 8 October'25 for adoption

2.6 10-year Asset Plan Integration

Integration to the Asset Plan is a key principle underpinning Council's strategic financial planning. The purpose of this integration is 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 that will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan and associated asset management category plans provide council with a sound base to understand the risk associated with managing its assets for the community's benefit.

2.7 Revenue and Rating Plan Integration

Integration to the Revenue and Rating Plan is another key strategic financial planning principle. 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 documents assumptions regarding the levels of non-controlled revenues that the Council expects to generate over the 4-year period covered by the Plan, 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).

3. Financial Plan Context Setting

3.1 Challenges that may impact our financial sustainability:

There are a range of challenges Council continues to face which may affect future assumptions in The Plan and Councils financial sustainability, these include:

- **Rate capping** – Victorian councils are subject to rate capping, which sets the maximum percentage limit that the total income received from rates can increase annually. Rate capping provides substantial financial challenges to Council's long term financial sustainability and continues to restrict Councils ability to raise revenue to maintain service delivery levels and invest in community assets.
- **Population growth** – While population is estimated to be 191,747 currently and forecast suggest population will grow to 222,733 by 2036. The current financial plan assumes service levels remain the same and has not allowed for change/expansion in service delivery.
- **Cost shifting from Federal and State Governments** – Cost shifting from State or Federal Government is a continuous challenge and happens when these higher levels of government reduce funding or stop providing certain services but still expect Councils to fund the gap or provide those services; as a result, local governments have to pay for them instead. Also, over time, when financial contributions received from the State or Federal government do not increase in line with the real cost of providing services, Council is then required to bridge the gap in funding using rating income and/or needing to reprioritise funding away from providing important services to the community.
- **Aged Care Reforms** -The move from the Commonwealth Home Support Program (CHSP) to the Support at Home program creates financial pressure for local governments, mainly because funding will shift from guaranteed block payments to individualised client-based funding. This means councils will have less predictable income and must compete with other providers for clients, which could make some services harder to sustain. On top of that, councils face extra costs for upgrading digital systems and training staff, all while dealing with uncertainty around when the changes will take effect.
- **Developer contributions** - If the Minister for Planning of Victoria does not approve the proposed amendments to the Merri-bek planning scheme to introduce a new open space levy and new Development Contributions Plan, Council will face significant detrimental financial impacts. Without these mechanisms, we'll have limited ability to secure funding from new developments to support essential new infrastructure - such as parks, community facilities, and local roads, which are all needed to accommodate population growth. Any shortfall will lead to budgetary strain and would compromise the quality and sustainability of urban development within the municipality.
- **Significant capital works projects** – The Plan has allowed for the construction of the \$60 million Coburg library and piazza project (completion expected by November 2029). While the next significant capital works project is not confirmed, the assumptions is to save for the next potential project is likely to take place in the next 10-15 years, such as Coburg Leisure Centre redevelopment.
- **Capital works program** – There are some capital projects with allowance made only for feasibility or investigation works in the next 4-years but not implementation. These

unfunded projects include, but are not limited to, McDonald Reserve – stage 2, Coburg basketball stadium and Pascoe Vale Outdoor Pool.

- **Maintaining existing assets** – Council manages \$2.8 billion of essential community assets. According to the Institute of Public Works Engineering Australia (IPWEA), 1 in 10 of all local government assets across the nation needs significant attention, and 3 in every 100 assets may need to be replaced. We know Council is investing significantly year-on-year on the capital works program in comparison to other local governments. The goal of asset renewal is to bring the asset back to its “as-new” condition or a state where it can provide the same level of service as when it was first built. While our indicators show that we sit within a low risk for asset renewal year-on-year, we know we have ageing infrastructure and that each individual asset is not being maintained to this level.
- **Changes in regulations, legislation or policy** – many changes in regulation or policy imposed by the state or commonwealth lead to additional, unplanned costs being incurred. Even when Council is fully supportive of such a change, it becomes increasingly difficult to implement in the rate capped environment.
- **Climate change and increase in extreme weather events** - as the intensity and frequency of extreme weather events increase, the need for investment in climate change adaptation and mitigation is increasing. Climate change affects all areas of Council’s operations – from planning to parks and recreation, maintaining assets and delivering much loved community services. The most substantial financial impacts are anticipated in infrastructure. Damage from extreme weather will likely result in asset damage, reduce the useful life of infrastructure, and increase the cost and frequency of repairs and renewals. Additional investment will be required to upgrade assets to be climate-resilient and maintain service levels. Embedding climate risk into planning, asset management, and decision-making processes will also require investment in supporting staff capability and systems development to respond to new challenges.
- **Global uncertainty** – events, global affairs and policy changes that occur outside of Council’s sphere of influence can impact on Council operations.

3.2 Understanding our operating surplus

Our operating surplus (accounting surplus) is calculated as our total revenue received less our total operating expenditure and on face value, the operating surplus looks like Council is generating a significant surplus each year. However, it is important to note that the operating surplus does not convert to immediately available cash to Council. Surplus funds are used to fund important community infrastructure projects like the recently completed Fawkner Leisure Centre redevelopment or Balam Balam Place, Brunswick.

Significant amounts of surplus are restricted by legislation and must be used for future infrastructure investment.

To calculate the underlying result, you need to remove key revenue items such:

- **Capital grants** – this is funding that is tied to the capital works program and cannot be used to fund the day-to-day operations of Council
- **Contributions** – this is funding received from developers that is tied and cannot be used to fund the day-to-day operations of Council.

Following this, Council then calculates the unrestricted result. This is the net funding result after considering:

- **Rates funded capital works program** – this is Council's contribution to the capital works program;
- **Loan repayments** – this is the principal component of our loan portfolio;
- **Transfers to and from reserve** – this is essentially used like a saving account for key projects and is governed by the *Financial Reserves and Capital Management Policy*.

3.3 Victorian Auditor-General Office (VAGO) financial sustainability measures

Indicator	How is it calculated?	What does a low risk mean?
Net result (%)	Net result/Total revenue	A positive result indicates a surplus, and the larger the percentage, the stronger the result.
Adjusted underlying result (%)	Adjusted underlying surplus/Adjusted underlying revenue	A ratio of greater than 5% indicates that Council is generating strong surpluses to fund operations (the ordinary course of business).
Liquidity (ratio)	Current assets/Current liabilities	A ratio of greater than 1.0 indicates that Council has no immediate issues with repaying short-term liabilities as they fall due.
Internal financing (%)	Net operating cash flow/Net capital expenditure	This measures the ability of Council to finance capital works from generated cash flows. The ratio looks at whether Council's cash flow from the current year can fund the current year's capital works program.
Indebtedness (%)	Non-current liabilities/own-sourced revenue Non-current liabilities / (Total revenue – contributions – grants)	A ratio of less than 40% indicates that there is no concern over the ability to repay debt from Council's own-source revenue.
Capital replacement (ratio)	Cash outflows for property, plant and equipment/Depreciation	A ratio higher than 1.5 indicates that there is low risk of insufficient spending on asset renewal
Renewal gap (ratio)	Renewal and upgrade expenditure/depreciation	More than 1.0 indicates low risk of insufficient spending on existing asset base. It is the comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation.

Indicator	Measure	Notes	10-year average	Projections										Trend
				2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	+o/-
VAGO indicators (green = low risk, orange = medium risk, red = high risk)														
Net result	Net result / total revenue	1	14.5%	15.4%	11.4%	12.6%	12.3%	13.2%	16.1%	16.1%	15.9%	15.6%	16.1%	+
Adjusted underlying result	Adjusted underlying surplus (deficit) / adjusted underlying revenue	1	12.4%	11.5%	9.1%	10.9%	11.2%	13.2%	13.7%	13.8%	13.5%	13.2%	13.8%	+
Liquidity (Working Capital)	Current assets / current liabilities	1	2.84	2.33	2.53	2.61	2.54	2.58	2.82	2.97	3.11	3.35	3.57	+
Internal financing	Net operating cash flow / net capital expenditure	1	124.7%	95.8%	136.6%	121.3%	94.2%	117.9%	135.0%	130.1%	130.1%	141.7%	144.0%	+
Indebtedness	Non-current liabilities / own source revenue	1	5.0%	6.0%	4.9%	3.8%	8.1%	6.7%	5.8%	4.8%	3.9%	3.2%	2.6%	+
Capital replacement	Cash outflows for property, plant and equipment / depreciation	1	1.64	2.15	1.30	1.52	1.96	1.61	1.57	1.65	1.65	1.51	1.52	-
Asset renewal	Asset renewal & upgrade expenditure / depreciation	1	1.37	1.87	1.07	1.16	1.60	1.48	1.30	1.30	1.30	1.30	1.30	-
Other indicators														
Unrestricted cash	Unrestricted cash / current liabilities	2	-28.1%	-12.9%	-5.7%	-14.0%	-7.5%	-13.6%	-38.1%	-49.3%	-45.3%	-48.0%	-46.7%	+
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	5.7%	6.8%	5.5%	4.3%	9.9%	8.1%	6.6%	5.6%	4.5%	3.4%	2.8%	+
Loans and borrowings	Interest and principal repayments / rate revenue		1.9%	7.4%	1.2%	1.1%	1.1%	2.0%	1.6%	1.2%	1.2%	1.2%	0.8%	+
Rates concentration	Rate revenue / adjusted underlying revenue	4	75.4%	75.2%	75.9%	76.1%	75.4%	75.4%	75.3%	75.3%	75.2%	75.2%	75.2%	o
Rates effort	Rate revenue / property values (CIV)		0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	o
Expenditure level	Total expenditure / no. of assessments		2,634	\$2,705	\$2,760	\$2,709	\$2,718	\$2,636	\$2,601	\$2,579	\$2,565	\$2,551	\$2,515	o
Revenue level	Residential rate revenue / No. of residential assessments		1,964	\$1,991	\$1,997	\$2,002	\$1,997	\$1,981	\$1,966	\$1,950	\$1,934	\$1,918	\$1,903	o

Key to Forecast Trend:

+ Forecasts an improvement in Council's financial performance/financial position indicator

o Forecasts that Council's financial performance/financial position indicator will be steady

- Forecasts a deterioration in Council's financial performance/financial position indicator

Notes to Financial Plan Indicators

The targeted performance indicators above include both the VAGO financial sustainability measures as well as the prescribed performance indicators contained in Schedule 4 of the Local Government (Planning and Reporting) Regulations 2020. Results against these indicators and targets will be reported in Council's Performance Statement included in the Annual Report.

1. **VAGO financial sustainability indicators** – These seven indicators show that Council is considered low risk for the next 10-years.
2. **Unrestricted cash** - This remains low, as Council has invested a greater amount of term deposits over 90 days (which is considered restricted assets). The indicator looks at unrestricted cash (cash in the bank and investments that can be redeemed in under 90 days). Overall cash levels (both restricted and unrestricted) are forecast to remain sufficient to meet Council's commitments as they become due.
3. **Loans and borrowings** – This shows a reduction of borrowings in the first three years and then an increase in 2028-29 when borrowings of \$15 million are projected for the Coburg Library and Piazza project. Following this, debt continues to be paid off, freeing up borrowing capacity in years 10 onwards for the next major project.
4. **Rates concentration** - It is anticipated that this indicator will remain consistent with the small forecast increase year on year due to anticipated supplementary rates.

3.4 Assumptions

This section describes the internal and external contexts which informed the 10-year financial projections and assumptions. Whilst we take every care in assessing each of these assumptions, the information is sensitive to changes that are often outside of the control of Council.

Our confidence in the accuracy of our assumptions is greatest in the near-future and decreases as we approach the outer years.

	Notes	Projections									
		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Rate Cap Increase	1	3.00%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Population Growth	2	1.80%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
Investment Interest Rate	3	3.40%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%
Statutory Fees & Fines	4	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
User Fees	4	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Grants - Operating (recurrent)	5	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Grants - Capital (non-recurrent)	5	625.46%	(42.02%)	(17.86%)	(29.54%)	(93.10%)	2972.61%	2.19%	2.19%	2.19%	2.18%
Contributions	6	(39.34%)	3.00%	16.15%	34.28%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other Income	7	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
CPI	8	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials and Services	9	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Depreciation	10	3.69%	3.36%	0.61%	2.42%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%
Borrowing Interest Rate	11	2.88%	2.88%	2.88%	2.88%	3.41%	2.03%	1.85%	1.85%	1.85%	1.25%
Bad and Doubtful Debts		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other Expenses		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Notes to the assumptions

1. Rates cap increase

The rate cap for 2025-26 was set at 3.0 per cent as approved by the Minister for Local Government, in comparison to 2.75 per cent for 2024-25. It should be noted that the Minister for Local Government announces the actual rate cap in December of the year preceding the annual budget.

The Plan is based on Council adopting the annual rate cap, which for the purposes of this document is assumed to be 2.0 per cent for future years outside of the annual 2025-29 budget.

2. Population growth

The municipality's population is currently estimated to be 191,747 and our forecast suggests population will grow to 222,733 by 2036.

3. Investment Interest Rate

Surplus funds are invested in line with Council's Investment Policy. Interest income is based on predicted cashflows, cash balance and investment returns. Council has committed through the Fossil Fuel Divestment Strategy to actively invest with fossil free financial institutions within the Investment Policy parameters.

Currently, Council has committed to ensuring that a minimum of 70 per cent of all term deposits held are a green investment. The official RBA Cash rate is now 3.85 per cent (as at 21 May 2025) with expectation of further rate decreases linked to the most recent RBA cash rate forecasts.

4. Statutory & User fees and charges

Future increases in user fees are assumed to increase by 3.0 per cent per annum. The increase to statutory fees and charges are controlled by the increase to the unit rate as determined in the Monetary Units Act 2004.

Council has estimated that statutory fees and fines will increase by 3.0 per cent, this is subject to change when the unit rates are set in May each year.

5. Grants (Operating & Capital)

Council recognises the importance of actively pursuing and maintaining grant funding from all available sources.

Commonwealth Operating Grants for Aged Services, Home Support and Children's Services are estimated at \$8.1 million for 2025/26. State based funding for Library Services, Maternal Child and Health and Financial Assistance Grants are estimated at \$10.5 million for 2025/26. Forward estimates project an annual increase of 2.0 per cent for the life of The Plan.

The level of capital grants is determined based on the nature and level of projects included in the Capital Works Program and vary widely. For the life of the plan, it has been assumed that non-recurrent 'specific purpose' grant funding will be maintained at 1.4 per cent of overall income and reflects a minor escalation in the levels of funding anticipated from the State and Federal Government.

Both sources of grant funding are reliant on external parties and there is an inherent level of risk in placing a reliance on these funds.

6. Contribution income

The council receives income from development for two main purposes:

- to improve open space and recreation (public open space contributions); and
- to improve the infrastructure and amenity of the municipality (developer contributions).

Public open space contributions - Amendment C235mbek to the Merri-bek Planning Scheme proposes a new municipal-wide Open Space Contribution Rate. The new municipal-wide contribution rate is predicted to substantially increase the revenue collected under this scheme, enabling Council to keep pace with the need for land acquisition for new and upgraded public open spaces. It is anticipated that Amendment C235mbek will be approved in 2026/27. This approval is subject to approval by the Victorian Minister for Planning.

A Development Contributions Plan (DCP) imposes a development infrastructure levy to fund a range of social and physical infrastructure to meet the future needs of current and future communities. The collection of DCP levies for planning permits under Council's current DCP ceased for permits issued after 30 June 2023. A new DCP has been prepared which will enable Council to collect DCP levies from new development. It is anticipated that collection of levies under the new DCP will commence in 2026/27 when the DCP is introduced into the Merri-bek Planning Scheme through Amendment C236mbek. This approval is subject to approval by the Victorian Minister for Planning.

7. Other Income

Council has estimated that other income will increase annually by 3.0 per cent. This includes revenue such as rental and lease income.

8. CPI

Consumer price index is consistent with the Victoria State Government's CPI outlook which is set in its 2025-26 budget.

9. Materials & services

Materials and services basic indexation has been set at 1.0 per cent for 2025-26 and for the outer years (except for major contracts and utilities). This is below the CPI increase and reflects Council's commitment to continuous improvement and finding efficiencies to continue delivering Council services without seeking an exemption from the rate cap.

10. Depreciation

Depreciation is a non-cash accounting entry that represents the monetary value of an asset decreasing overtime due to wear, tear and obsolescence.

Depreciation of council's infrastructure assets is determined from information contained within the various asset management plans and strategies. Depreciation is subject to periodic asset revaluations and indexation informed by market conditions. This can lead to significant year-on-year fluctuations, making precise predictions extremely difficult.

11. Borrowing costs

Council has both fixed and variation loans and the movement year-on-year is reflective of the estimated average borrowing rate. The interest expense to service Council's loan portfolio is detailed in section 5.1 of The Plan.

4. Financial Plan Statements

This section presents information regarding the following Financial Plan Statements for the 10 years from 2025-26;

Comprehensive Income Statement

This is an accrual-based statement that includes non-cash items such as depreciation charges but does not include capital items such as capital works expenditure.

Balance Sheet

This statement is a representation of the projected assets and liabilities of the Council.

Statement of Changes in Equity

This statement represents projected accumulated surplus, revaluation reserve and other reserve movements at 30 June each financial year.

Statement of Cash Flows

This statement provides a summary of projected cash inflow and outflows by type of activity – being either operating, investing or financing.

Statement of Capital Works

This statement sets out all the expected capital expenditure in relation to non-current assets for the year. It provides information related to the capital works expenditure including the funding source, the value of renewal of assets, upgrades and expansion of assets, and new assets.

Statement of Human Resources

This statement sets out projected Council staff expenditure and staff numbers.

4.1 Comprehensive Income Statement

	Actual		Projections								
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income / Revenue											
Rates and charges	195,088	202,778	209,622	216,597	222,691	227,547	232,453	237,460	242,573	247,792	253,092
Statutory fees and fines	18,025	19,323	19,717	20,256	20,832	21,439	22,064	22,707	23,369	24,051	24,752
User fees	9,132	8,899	8,269	7,650	7,813	8,041	8,275	8,516	8,764	9,020	9,283
Grants - Operating	25,531	21,205	20,587	20,456	20,605	20,915	21,232	21,555	21,885	22,221	22,564
Grants - Capital	6,466	12,964	7,516	6,174	4,350	300	9,218	9,419	9,625	9,836	10,050
Contributions - monetary	13,570	8,232	8,479	9,848	13,224	13,489	13,759	14,034	14,314	14,601	14,893
Contributions - non-monetary	503	-	-	-	-	-	-	-	-	-	-
Net gain on disposal of property, infrastructure, plant and equipment	-	92	95	98	101	104	107	110	114	117	121
Fair value adjustments for investment property	818	-	-	-	-	-	-	-	-	-	-
Other income	11,918	7,797	7,936	8,272	8,523	9,083	9,372	9,597	9,827	10,064	10,306
Total income / revenue	281,051	281,292	282,220	289,351	298,140	300,918	316,479	323,398	330,471	337,701	345,060
Expenses											
Employee costs	115,692	116,144	118,863	120,257	124,005	128,044	132,483	136,802	141,262	145,868	150,622
Materials and services	78,352	73,203	81,730	81,519	85,906	79,760	79,497	80,643	82,670	84,777	84,249
Depreciation	39,312	43,621	45,230	46,749	47,036	48,175	48,454	48,735	49,018	49,302	49,587
Depreciation - right of use assets	385	236	-	-	-	-	-	-	-	-	-
Allowance for impairment losses	2,423	3,153	3,247	3,344	3,444	3,478	3,513	3,548	3,584	3,619	3,656
Borrowing costs	853	816	285	234	181	877	771	684	596	504	421
Finance costs - leases	71	-	-	-	-	-	-	-	-	-	-
Net loss on disposal of property, infrastructure, plant and equipment	12,827	-	-	-	-	-	-	-	-	-	-
Other expenses	716	790	803	823	843	852	860	869	877	886	895
Total expenses	250,631	237,964	250,158	252,926	261,415	261,187	265,578	271,280	278,006	284,956	289,429
Surplus for the year	30,420	43,328	32,062	36,425	36,725	39,732	50,901	52,118	52,465	52,745	55,632
Other comprehensive income											
Net asset revaluation gain/(loss)	(194,747)	49,206	-	69,641	-	52,202	-	73,296	-	55,381	-
Total comprehensive result	(164,327)	92,534	32,062	106,066	36,725	91,934	50,901	125,415	52,465	108,126	55,632

4.2 Balance Sheet

	Actual					Projections					
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Current assets											
Cash and cash equivalents	36,116	22,155	31,180	33,827	41,005	50,412	43,348	44,691	56,151	64,454	75,826
Trade and other receivables	41,677	42,710	43,167	43,630	44,099	44,624	45,204	45,842	46,540	47,299	48,120
Other financial assets	60,000	55,007	65,007	75,007	75,007	75,007	105,007	125,007	135,007	155,007	175,007
Inventories	690	690	690	690	690	690	690	690	690	690	690
Prepayments	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160
Non-current assets classified as held for sale	22,975	-	-	-	-	-	-	-	-	-	-
Other assets	4,156	4,156	4,156	4,156	4,156	4,156	4,156	4,156	4,156	4,156	4,156
Total current assets	168,774	127,878	147,360	160,470	168,117	178,049	201,565	223,547	245,704	274,766	306,960
Non-current assets											
Investments in associates, joint arrangements and subsidiaries	2	2	2	2	2	2	2	2	2	2	2
Property, infrastructure, plant & equipment	2,635,162	2,757,608	2,771,095	2,864,947	2,909,963	2,991,666	3,019,443	3,124,253	3,155,930	3,236,437	3,262,262
Right-of-use assets	813	577	577	577	577	577	577	577	577	577	577
Investment property	37,232	37,232	37,232	37,232	37,232	37,232	37,232	37,232	37,232	37,232	37,232
Total non-current assets	2,673,209	2,795,419	2,808,905	2,902,758	2,947,773	3,029,476	3,057,254	3,162,064	3,193,740	3,274,247	3,300,072
Total assets	2,841,983	2,923,297	2,956,265	3,063,228	3,115,891	3,207,525	3,258,820	3,385,610	3,439,444	3,549,014	3,607,032
Liabilities											
Current liabilities											
Trade and other payables	19,603	19,640	19,680	19,721	19,764	19,804	19,844	19,884	19,925	19,968	20,010
Trust funds and deposits	6,761	7,363	7,971	8,585	9,205	9,832	10,464	11,103	11,749	12,400	13,059
Contract and other liabilities	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302
Provisions	20,922	23,396	25,928	28,489	31,130	33,858	36,680	39,594	42,602	45,709	48,918
Interest-bearing liabilities	14,209	2,172	2,220	2,270	3,598	3,038	2,217	2,327	2,358	1,522	1,598
Lease liabilities	121	102	100	97	95	63	-	-	-	-	-
Total current liabilities	63,918	54,974	58,201	61,464	66,095	68,896	71,507	75,210	78,936	81,902	85,886
Non-current liabilities											
Provisions	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510
Interest-bearing liabilities	13,667	11,492	9,273	7,003	18,405	15,367	13,150	10,823	8,465	6,943	5,345
Lease liabilities	457	355	255	158	63	-	-	-	-	-	-
Total non-current liabilities	16,634	14,357	12,038	9,671	20,978	17,877	15,660	13,333	10,975	9,453	7,855
Total liabilities	80,552	69,332	70,238	71,135	87,072	86,773	87,166	88,542	89,911	91,355	93,741
Net assets	2,761,431	2,853,965	2,886,027	2,992,093	3,028,818	3,120,752	3,171,653	3,297,068	3,349,533	3,457,659	3,513,291
Equity											
Accumulated surplus	823,271	893,206	907,010	933,420	967,080	999,393	1,029,740	1,063,552	1,096,361	1,127,120	1,154,027
Reserves	1,938,160	1,960,759	1,979,016	2,058,673	2,061,738	2,121,359	2,141,913	2,233,516	2,253,172	2,330,539	2,359,263
Total equity	2,761,431	2,853,965	2,886,027	2,992,093	3,028,818	3,120,752	3,171,653	3,297,068	3,349,533	3,457,659	3,513,290

4.3 Statement of Changes in Equity

	Actual					Projections					
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated Surplus											
Balance at beginning of the financial year	785,732	766,785	794,130	802,498	821,774	836,037	843,194	870,026	900,338	928,349	955,769
Parking fine refund scheme	(2,751)										
Surplus/(deficit) for the year	30,420	43,328	32,062	36,425	36,725	39,732	50,901	52,118	52,465	52,745	55,632
Transfers to other reserves	(46,616)	(15,983)	(23,694)	(17,149)	(22,462)	(32,574)	(24,070)	(21,806)	(24,454)	(25,325)	(32,067)
Closing Balance	766,785	794,130	802,498	821,774	836,037	843,194	870,026	900,338	928,349	955,769	979,334
Revaluation Reserve											
Balance at beginning of the financial year	2,066,207	1,871,460	1,920,666	1,920,666	1,990,307	1,990,307	2,042,509	2,042,509	2,115,806	2,115,806	2,171,187
Net asset revaluation gain/(loss)	(194,747)	49,206	-	69,641	-	52,202	-	73,296	-	55,381	-
Closing Balance	1,871,460	1,920,666	1,920,666	1,990,307	1,990,307	2,042,509	2,042,509	2,115,806	2,115,806	2,171,187	2,171,187
Other Reserves											
Balance at beginning of the financial year	76,569	123,185	139,168	162,863	180,012	202,474	235,048	259,118	280,924	305,378	330,703
Transfers to other reserves	46,616	15,983	23,694	17,149	22,462	32,574	24,070	21,806	24,454	25,325	32,067
Closing Balance	123,185	139,168	162,863	180,012	202,474	235,048	259,118	280,924	305,378	330,703	362,770
Balance at end of the financial year	2,761,431	2,853,965	2,886,027	2,992,093	3,028,818	3,120,752	3,171,653	3,297,068	3,349,533	3,457,659	3,513,290

4.4 Statement of Cash Flows

	Actual					Projections						
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)	
Cash flows from operating activities												
Rates and charges	194,509	199,737	206,478	213,348	219,351	224,134	228,966	233,898	238,934	244,075	249,295	
Statutory fees and fines	14,046	18,357	19,322	19,851	20,416	21,010	21,623	22,253	22,902	23,570	24,257	
User fees	9,142	8,721	8,104	7,497	7,657	7,880	8,109	8,345	8,589	8,839	9,097	
Grants - operating	25,604	21,205	20,587	20,456	20,605	20,915	21,232	21,555	21,885	22,221	22,564	
Grants - capital	1,787	12,964	7,516	6,174	4,350	300	9,218	9,419	9,625	9,836	10,050	
Contributions - monetary	13,570	8,232	8,479	9,848	13,224	13,489	13,759	14,034	14,314	14,601	14,893	
Trust funds and deposits taken	48,957	49,447	49,941	50,440	50,945	51,454	51,969	52,489	53,013	53,544	54,079	
Other receipts	13,696	7,797	7,936	8,272	8,523	9,083	9,372	9,597	9,827	10,064	10,306	
Employee costs	(117,058)	(113,670)	(116,331)	(117,696)	(121,363)	(125,317)	(129,661)	(133,888)	(138,253)	(142,761)	(147,413)	
Materials and services	(80,129)	(73,167)	(81,689)	(81,478)	(85,863)	(79,721)	(79,457)	(80,602)	(82,629)	(84,734)	(84,206)	
Trust funds and deposits repaid	(48,361)	(48,845)	(49,333)	(49,826)	(50,325)	(50,828)	(51,336)	(51,850)	(52,368)	(52,892)	(53,421)	
Other payments	(724)	(790)	(803)	(823)	(843)	(852)	(860)	(869)	(877)	(886)	(895)	
Net cash provided by/(used in) operating activities	75,205	89,989	80,206	86,063	86,676	91,549	102,933	104,382	104,963	105,475	108,606	
Cash flows from investing activities												
Payments for property, infrastructure, plant and equipment	(89,722)	(93,886)	(58,717)	(70,961)	(92,052)	(77,676)	(76,232)	(80,248)	(80,694)	(74,427)	(75,412)	
Proceeds from sale of property, infrastructure, plant and equipment	6,443	92	95	98	101	104	107	110	114	117	121	
(Payments for) / proceeds from investments	24,818	4,993	(10,000)	(10,000)	-	-	(30,000)	(20,000)	(10,000)	(20,000)	(20,000)	
Net cash provided by/ (used in) investing activities	(58,461)	(88,801)	(68,622)	(80,863)	(91,950)	(77,572)	(106,125)	(100,138)	(90,581)	(94,310)	(95,292)	
Cash flows from financing activities												
Finance costs	(853)	(816)	(285)	(234)	(181)	(877)	(771)	(684)	(596)	(504)	(421)	
Proceeds from borrow ings	-	-	-	-	15,000	-	-	-	-	-	-	
Repayment of borrow ings	(1,942)	(14,212)	(2,172)	(2,220)	(2,270)	(3,598)	(3,038)	(2,217)	(2,327)	(2,358)	(1,522)	
Interest paid - lease liability	(71)	-	-	-	-	-	-	-	-	-	-	
Repayment of lease liabilities	(149)	(121)	(102)	(100)	(97)	(95)	(63)	-	-	-	-	
Net cash provided by/(used in) financing activities	(3,015)	(15,149)	(2,559)	(2,553)	12,452	(4,570)	(3,872)	(2,901)	(2,923)	(2,861)	(1,943)	
Net increase/(decrease) in cash & cash equivalents	13,729	(13,961)	9,025	2,647	7,178	9,407	(7,064)	1,343	11,459	8,304	11,372	
Cash and cash equivalents at the beginning of the financial year	22,387	36,116	22,155	31,180	33,827	41,005	50,412	43,348	44,691	56,151	64,454	
Cash and cash equivalents at the end of the financial year	36,116	22,155	31,180	33,827	41,005	50,412	43,348	44,691	56,151	64,454	75,826	

4.5 Statement of Capital Works

	Actual					Projections					
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property											
Land	5,040	-	-	-	-	-	-	-	-	-	-
Total land	5,040	-	-	-	-	-	-	-	-	-	-
Buildings	29,181	8,910	6,270	16,570	40,375	29,925	17,322	20,901	16,951	14,563	15,022
Building improvements	4,102	7,535	4,181	3,146	1,652	2,461	11,572	11,639	11,706	11,774	11,841
Total buildings	33,283	16,445	10,451	19,716	42,027	32,386	28,894	32,540	28,657	26,337	26,864
Total property	38,323	16,445	10,451	19,716	42,027	32,386	28,894	32,540	28,657	26,337	26,864
Plant and equipment											
Plant, machinery and equipment	4,334	5,877	8,686	6,984	4,399	7,672	7,902	8,139	8,383	8,635	8,894
Fixtures, fittings and furniture	216	171	173	175	177	179	250	251	253	254	256
Computers and telecommunications	886	1,125	875	893	928	1,255	1,352	1,360	1,368	1,376	1,384
Arts works	35	47	49	52	54	56	58	59	61	63	65
Library books	1,082	1,082	1,082	1,082	1,082	1,110	1,139	1,168	1,198	1,229	1,261
Total plant and equipment	6,553	8,302	10,865	9,186	6,640	10,272	10,701	10,979	11,264	11,558	11,860
Infrastructure											
Roads	18,801	27,223	13,400	16,057	15,017	15,026	15,912	16,004	16,097	16,190	16,284
Bridges	324	3,334	2,100	-	-	-	579	582	586	589	592
Footpaths and cycleways	2,457	6,662	3,999	4,631	4,512	4,165	5,266	5,296	5,327	5,358	5,389
Drainage	1,849	2,946	2,376	370	865	969	4,667	4,694	4,721	4,749	4,776
Recreational, leisure and community facilities	-	14,025	6,429	12,082	9,349	6,427	-	-	-	-	-
Waste management	200	2,183	30	30	30	30	30	30	30	30	30
Parks, open space and streetscapes	21,476	12,767	8,817	8,890	13,612	8,402	10,183	10,123	14,012	9,617	9,617
Other infrastructure	1,285	-	250	-	-	-	-	-	-	-	-
Total infrastructure	46,392	69,140	37,401	42,059	43,385	35,018	36,637	36,730	40,773	36,533	36,688
Total capital works expenditure	91,268	93,886	58,717	70,961	92,052	77,676	76,232	80,248	80,694	74,427	75,412
Represented by:											
New asset expenditure	19,374	12,345	10,186	16,662	16,812	6,492	13,046	17,112	17,118	10,507	10,755
Asset renewal expenditure	53,932	60,647	38,518	45,945	61,644	59,894	48,891	48,758	49,116	49,375	50,028
Asset upgrade expenditure	17,962	20,894	10,013	8,354	13,596	11,291	14,295	14,378	14,461	14,545	14,629
Total capital works expenditure	91,268	93,886	58,717	70,961	92,052	77,676	76,232	80,248	80,694	74,427	75,412

4.6 Statement of Human Resources (\$)

	Actual		Projections								
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total staff expenditure											
Women	58,880	60,663	62,083	62,811	64,769	66,879	69,197	71,453	73,782	76,188	78,671
Men	47,215	49,944	51,113	51,713	53,324	55,062	56,970	58,828	60,745	62,726	64,770
Persons of self-described gender	371	424	434	439	453	467	484	499	516	533	550
Casuals, temporary and other expenditure	9,226	5,113	5,232	5,294	5,459	5,637	5,832	6,022	6,219	6,422	6,631
Capitalised labour costs	1,886	1,814	837	804	807	833	862	890	919	949	980
Total staff expenditure	117,578	117,958	119,700	121,061	124,812	128,878	133,346	137,693	142,181	146,818	151,602
Permanent full-time											
Women	36,470	38,228	39,123	39,582	40,816	42,145	43,606	45,028	46,496	48,012	49,576
Men	44,263	47,067	48,169	48,734	50,253	51,890	53,689	55,439	57,246	59,113	61,039
Persons of self-described gender	215	218	223	226	233	241	249	257	265	274	283
Total permanent full-time expenditure	80,948	85,514	87,515	88,542	91,301	94,275	97,544	100,723	104,007	107,399	110,898
Permanent part-time											
Women	22,410	22,435	22,960	23,229	23,953	24,734	25,591	26,425	27,287	28,177	29,095
Men	2,952	2,877	2,944	2,979	3,072	3,172	3,282	3,389	3,499	3,613	3,731
Persons of self-described gender	157	206	211	213	220	227	235	242	250	258	267
Total permanent part-time expenditure	25,519	25,518	26,115	26,422	27,245	28,132	29,108	30,057	31,036	32,048	33,093
Casuals, temporary and other expenditure	9,226	5,113	5,232	5,294	5,459	5,637	5,832	6,022	6,219	6,422	6,631
Capitalised labour costs	1,886	1,814	837	804	807	833	862	890	919	949	980

4.7 Statement of Human Resources (FTE)

	Actual					Projections					
	2024-25 FTE	2025-26 FTE	2026-27 FTE	2027-28 FTE	2028-29 FTE	2029-30 FTE	2030-31 FTE	2031-32 FTE	2032-33 FTE	2033-34 FTE	2034-35 FTE
Total full-time equivalent (FTE)											
Women	487.2	485.1	485.1	485.1	485.1	485.1	485.1	485.1	485.1	485.1	485.1
Men	390.5	401.9	401.9	401.9	401.9	401.9	401.9	401.9	401.9	401.9	401.9
Persons of self-described gender	3.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Casuals and temporary staff	72.0	46.6	35.2	18.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Capitalised labour	13.0	15.0	7.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Total full-time equivalent (FTE)	966.2	952.6	933.2	916.0	915.0	915.0	915.0	915.0	915.0	915.0	915.0
Permanent full-time											
Women	277.0	279.0	279.0	279.0	279.0	279.0	279.0	279.0	279.0	279.0	279.0
Men	361.0	374.0	374.0	374.0	374.0	374.0	374.0	374.0	374.0	374.0	374.0
Persons of self-described gender	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total permanent full-time FTE	640.0	655.0	655.0	655.0	655.0	655.0	655.0	655.0	655.0	655.0	655.0
Permanent part-time											
Women	210.3	206.1	206.1	206.1	206.1	206.1	206.1	206.1	206.1	206.1	206.1
Men	29.5	27.9	27.9	27.9	27.9	27.9	27.9	27.9	27.9	27.9	27.9
Persons of self-described gender	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total permanent part-time FTE	241.3	236.0	236.0	236.0	236.0	236.0	236.0	236.0	236.0	236.0	236.0
Casuals and temporary FTE	72.0	46.6	35.2	18.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Capitalised FTE	13.0	15.0	7.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5

5. Strategies and Plans

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

5.1 Borrowing Strategy

Whilst not a source of income, borrowings are an important cash management tool and can assist to bring forward the timing of expenditure and are often a major source of funding for significant infrastructure projects that will provide benefits for future generations. This is known as 'intergenerational equity' - where future debt repayments are matched with future benefits derived from the infrastructure developed.

Loans can only be approved by council resolution and all new borrowings are required to be included and approved in the annual budget year to which the borrowings relate.

The 10-year financial plan follows the following principles related to borrowings:

- Borrowing based Sustainability ratios must not be exceeded.
- Loan duration is not to exceed the lesser of 10 years or the life of the asset.
- Priority is given to projects with above loan repayment returns.
- Where an interest only loan is secured, an amount equivalent to the annual principal repayment will be reserved annually to ensure full repayment at maturity.
- Council will actively seek to reduce interest payable.
- Council will not borrow to fund operating expenses.

Current Debt Position

The total amount of borrowings as at 30 June 2026 is \$13.6 million.

Council has accessed debt funding to complete a range of major infrastructure projects including the construction of the \$27.5 million Glenroy Community Hub (completed in March 2022) and the \$36.8 million Fawkner Leisure Centre redevelopment (completed in November 2024).

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. Council has assumed new borrowings in 2028-29 of \$15 million are projected for the Coburg Library and Piazza project. Following this debt continues to be paid off, freeing up borrowing capacity in years 10 onwards for the next major project.

	Actual	Projections									
	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000
Opening balance	29,818	27,876	13,665	11,493	9,273	22,003	18,406	15,367	13,150	10,823	8,466
Plus new loans	-	-	-	-	15,000	-	-	-	-	-	-
Less principal repayments	(1,942)	(14,212)	(2,172)	(2,220)	(2,270)	(3,598)	(3,038)	(2,217)	(2,327)	(2,358)	(1,522)
Closing balance	27,876	13,665	11,493	9,273	22,003	18,406	15,367	13,150	10,823	8,466	6,944
Interest payment	853	816	285	234	181	877	771	684	596	504	421

Performance Indicators

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

	Target	Actual	Projections									
		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
		%	%	%	%	%	%	%	%	%	%	%
Total borrowings / rates revenue	Below 60%	14.3%	6.7%	5.5%	4.3%	9.9%	8.1%	6.6%	5.5%	4.5%	3.4%	2.7%
Debt servicing / rates revenue	Below 5%	0.4%	0.4%	0.1%	0.1%	0.1%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%
Debt commitment / rates revenue	Below 10%	1.4%	7.4%	1.2%	1.1%	1.1%	2.0%	1.6%	1.2%	1.2%	1.2%	0.8%
Indebtness / own source revenue	Below 60%	7.1%	6.0%	4.9%	3.8%	8.1%	6.7%	5.8%	4.8%	3.9%	3.2%	2.6%

5.2 Reserves Strategy

Reserves are funds that have been set aside and act as a future funding source for specific purposes. These reserve funds do not have bank accounts of their own but are a theoretical split up of the cash that Council has on hand for a future identified need or obligation.

Restricted Reserves - The usage of these funds is governed by legislation (or other legal requirements) and are not available for other purposes.

Unrestricted Reserves - Unrestricted reserves are a mechanism by which Council re-directs surplus council funds to strategic projects and initiatives that require savings over time. The usage of unrestricted reserves requires resolution of council and the availability of unrestricted cash to meet the intent of the reserve funding objectives is necessary to take advantage of identified opportunities at short notice.

	Actual	Projections									
	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000
Defined Budget Scheme (DBS) - Unrestricted											
The funds are used to assist with the funding of any call that may be made on Council because of a shortfall in the defined benefit superannuation entity.											
Opening balance	13,500	13,500	13,500	13,500	13,500	13,500	14,000	14,500	15,000	15,500	16,000
Transfer to reserves	-	-	-	-	-	500	500	500	500	500	500
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	-
Closing balance	13,500	13,500	13,500	13,500	13,500	14,000	14,500	15,000	15,500	16,000	16,500
Significant Projects Reserve - Unrestricted											
Accumulates funds to construct new assets or expand existing ones to meet population growth, such as the proposed Coburg Library and Piazza project as well as recently completed projects (Fawkner Leisure Centre and Balam Balam Place).											
Opening balance	9,833	2,598	6,273	19,829	22,513	22,600	16,285	26,071	33,319	42,935	53,136
Transfer to reserves	14,196	4,425	15,206	7,284	9,212	18,560	9,786	7,248	9,616	10,201	16,651
Transfer from reserves	(21,431)	(750)	(1,650)	(4,600)	(9,125)	(24,875)	-	-	-	-	-
Closing balance	2,598	6,273	19,829	22,513	22,600	16,285	26,071	33,319	42,935	53,136	69,788

	Actual	Projections									
	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000
Social & Affordable Housing Strategy Reserve - Unrestricted											
Provides funds to assist with the funding of housing initiatives.											
Opening balance	496	706	750	793	834	884	934	984	1,034	1,084	1,134
Transfer to reserves	210	45	42	41	50	50	50	50	50	50	50
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	-
Closing balance	706	750	793	834	884	934	984	1,034	1,084	1,134	1,184
Local Government Funding Vehicle (LGFV) Reserve - Unrestricted											
As per the Investment Policy (2022) if Council were to enter an “interest-only” repayment schedule, an amount equivalent to principal repayments must be deposited to a cash reserve over the life of the loan to fund the principal repayment when it falls due.											
Opening balance	6,579	8,787	0	0	0	0	0	0	0	0	0
Transfer to reserves	2,208	3,313	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	(12,100)	-	-	-	-	-	-	-	-	-
Closing balance	8,787	0	0	0	0	0	0	0	0	0	0
Carry Forward Reserve - Unrestricted											
To fund incomplete operating or capital works projects carried forward from the current financial year to the next financial year.											
Opening balance	21,277	20,664	0	0	0	0	0	0	0	0	0
Transfer to reserves	20,664	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	(21,277)	(20,664)	-	-	-	-	-	-	-	-	-
Closing balance	20,664	0	0	0	0	0	0	0	0	0	0

	Actual	Projections									
	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000	2030-31 \$'000	2031-32 \$'000	2032-33 \$'000	2033-34 \$'000	2034-35 \$'000
Public Resort & Recreation Land Fund Reserve - Restricted											
Accumulates developer contributions paid to Council and is used for the development of new open space and recreation assets, as well as upgrade or expansion of existing assets.											
Opening balance	20,308	15,781	17,742	22,402	29,692	32,620	45,803	56,022	66,530	76,020	87,254
Transfer to reserves	8,322	8,200	8,446	9,825	13,200	13,464	13,733	14,008	14,288	14,574	14,865
Transfer from reserves	(12,849)	(6,239)	(3,787)	(2,534)	(10,272)	(281)	(3,515)	(3,500)	(4,798)	(3,340)	(3,342)
Closing balance	15,781	17,742	22,402	29,692	32,620	45,803	56,022	66,530	76,020	87,254	98,778
Development Contributions Plan Reserve - Restricted											
To fund approved community infrastructure projects in line with the requirements of the DCP. Contributions must be expended on infrastructure projects that service the developments from which the contributions are received.											
Opening balance	2,026	1,544	0	0	0	0	0	0	0	0	0
Transfer to reserves	447	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	(929)	(1,544)	-	-	-	-	-	-	-	-	-
Closing balance	1,544	0	0	0	0	0	0	0	0	0	0
Waste Charge Reserve - Restricted											
Accumulates variances between the revenue collected from the waste charge and the expenditure in delivering waste services in each financial year. The funds are to be utilised to assist with the cost of strategic projects, compliance and long-term planning for Council's landfills, transfer stations and waste management responsibilities.											
Opening balance	2,551	3,120	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827
Transfer to reserves	569	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	(1,293)	-	-	-	-	-	-	-	-	-
Closing balance	3,120	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827	1,827

6. Appendixes

Appendices A - Changes in the 10-Year Financial Plan

The Plan expands the assumptions that have been applied to the year one of the annual budget 2025-29 (Adopted Budget). However, it should be noted that the below changes have been made in The Plan:

- The assumption has been made that the Brunswick Early Years Hub project will be rates funded, and the transfers into the significant project reserve will be used to ensure a balanced budget
- The final version of the 10-year plan has the opening balances in the balance sheet and cashflow updated to reflect the actual balances at 1 July 2025.