HOBSONS BAY CITY COUNCIL

DRAFT Financial Plan 2025-35

For public exhibition

October 2025

Acknowledgement of Country

We acknowledge the Bunurong People of the Kulin Nation as the Traditional Owners of the lands, rivers and coastal areas in Hobsons Bay. We recognise the First Nations peoples' relationship to this land and offer our respect to their Elders past and present.

How to read this plan

The Financial Plan 2025-35 should be read alongside the Hobsons Bay Council Plan 2025-29 and Health, Safety and Wellbeing Plan, and in context of the Assets Plan 2025-35. Together, these plans detail how Council will work towards the community aspirations outlined in Community Vision 2040.

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1. Introduction

1.1 Financial Plan purpose

The development and implementation of the Financial Plan 2025-2035 ('the plan') supports Council's commitment to a well planned and governed organisation that works towards the realisation of the Community Vision 2040.

The plan outlines the financial considerations and strategic outcomes for the organisation to deliver outcomes for a healthy community, sustainable environment, liveable city and accountable council, as themed in the DRAFT Council Plan 2025-29.

This plan works within a strategic context and to the legislative requirements of the *Local Government Act 2020*.

2. Strategic context

2.1 The Integrated Planning and Reporting Framework

The Integrated Planning and Reporting Framework provides the strategic direction and activities required to ensure Council's work is informed, well considered, and aligned across the diversity of responsibilities and services we offer the community. In line with our commitment to strong governance, the framework sets the systems and processes to ensure decision making – both day-to-day and in the Council chamber – deliver the best outcomes for our community.

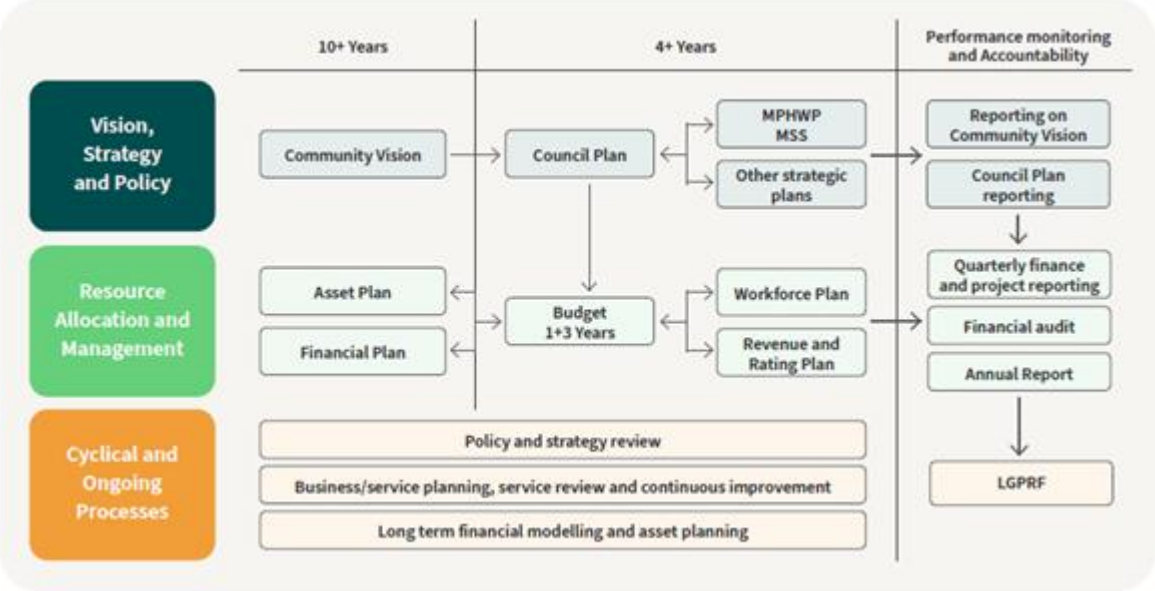


Image: Hobsons Bay Integrated Planning and Reporting Framework 2021-25

The financial plan aligns with other key strategic documents – the DRAFT Council Plan 2025-29, Municipal Public Health and Wellbeing Plan 2025-29, and the Asset Plan 2025-35.

2.2 Strategic planning principles

The financial plan provides a 10-year financially sustainable projection about how the actions of the Council Plan may be funded to achieve the Community Vision.

This 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. The financial risks are included at section 3.2.
e) The plan provides for the strategic planning principles to monitor progress of progress monitoring and regular reviews to identify and adapt to changing circumstances.

2.3 Community Vision

Hobsons Bay Community Vision 2040 captures the community's aspirations for the future of Hobsons Bay. This vision is translated into the Council Plan that guides Council's work over the following four years. The Financial Plan is closely aligned with the Council Plan and sets out how delivery of both the Council Plan and the Community Vision will be resourced.



2.4 Key related strategic documents

In addition to supporting the delivery of the Community Vision through the actions outlined in the Council Plan and Health, Wellbeing and Safety Plan, this plan has implications on other resource plans:

2.4.1 Asset Plan

Integration with the Asset Plan is a key principle of the Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery in terms of the plans and the effective management of Council's assets into the future.

The Asset Plan identifies the operational and strategic practices that will ensure 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, risk assessment issues, as well as the impact of reviewing and setting intervention and service levels for each asset class.

The Asset Plan also quantifies the asset portfolio and the financial implications of those practices. Together, the financial and asset plans seek to balance projected investment requirements against projected budgets.

2.4.2 Revenue and Rating Plan

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 Council Vision.

The revenue raised by a local government is for delivering services and infrastructure that 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 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 Council's proposed expenditure detailed in its budget.

3. Legislative requirements

3.1 Community engagement

Local Government Act 2020 requires councils to undertake deliberative engagement when reviewing the financial plan.

In 2025, as part of the development of Council Plan and Community Vision, Council developed a program of deliberative engagement including three community representative workshops. A total of 35 participants joined the first workshop where financial management was included as part of the workshop.

During the financial management session, participants were provided with an overview of Council's current approach to financial management, and the challenges and opportunities facing Council over the next 10 years. The session aimed to build a shared understanding of how Council manages its finances, and the importance of balancing investment, risk and community need.

The community engagement results are summarised in the deliberative engagement report <add link>.

3.2 Financial management principles

Council must comply with sound financial management principles under the *Local Government Act 2020,* with particular adherence to "promote social, economic and environmental viability and sustainability of the municipal district" (Section 9(2)(c) and "maintaining the ongoing financial viability of Council" (Section 9(2)(g)).

The financial plan demonstrates the following financial management principles:

- Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- Management of the following financial risks:
    - Council's financial viability (refer to section 5.1 Financial Policy Statements).
    - The management of Council's current and future liabilities. The estimated 10-year liabilities are disclosed in section 6.2: Balance Sheet projections.
    - The beneficial enterprises of Council (where appropriate).
- Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- Council maintains accounts and records that explain its financial operations and financial position (refer section 6: Financial Statements)

3.3 Service performance principles

Council services are designed to be purposeful, targeted to community needs and value for money. The service performance principles are:

a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. Council Plan is designed to identify the key services and projects to be delivered to the community. The financial plan provides the mechanism to demonstrate how the service aspirations within Council Plan may be funded.
b) Services are accessible to the relevant users within the community.
c) Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework is designed to communicate Council's performance regarding the provision of quality and efficient services.
d) Council is developing a performance monitoring framework to continuously improve its service delivery standards.
e) Council is developing a service delivery framework that considers and responds to community feedback and complaints regards service provision.

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4. Key objectives underpinning the financial plan

The following six key objectives have been determined to further develop Financial Plan 2025-35:

Objective	What is it and why is it important?
2.1 Financial sustainability Hobsons Bay City Council will be a financially sustainable organisation in the short and long term with the ability to ensure that affordable good quality services and well-maintained facilities and infrastructure are available to the community now and into the future.	Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services. The financial plan should assist to ensure financial sustainability by providing a long-term outlook in relation to Council's financial performance and position, cash and equity levels, as well as other key financial performance indicators. These measures should then be monitored and evaluated on an ongoing basis.
2.2 Comprehensive financial inclusion The financial and inter-generational implications associated with all of Council's services, policies, strategies, acquisitions and initiatives are available holistically and transparently to Council and the community of Hobsons Bay, now and in the future.	The financial implications of all decisions and strategies adopted by Council should be included within and aligned to the financial plan. This will lead to a more effective financial plan, with more accurate financial predictions based on Council decisions, rather than general assumptions based on current financial results.
2.3 Informed decision making Through informed modelling, financial analysis and evaluation, this plan will be used by Council as a central decision-making tool to accompany social and ecological considerations.	The financial plan should be used by Council to assist in the decision-making process with all financial implications modelled within it. This will allow the financial implications of every decision, policy or strategy to be considered in relation to the entire entity, rather than in isolation.
2.4 Contained operational expenditure Council will ensure its long-term success through regular evaluation and adjustment of services, priorities and programs to determine the most appropriate and efficient allocation of affordable funding provided to the community.	Future expenditure levels within the financial plan should be based on the range and level of services provided to the community that are most appropriate to be provided directly by Council. Due to the significant cost pressures on local government these levels should be reviewed on an ongoing basis to ensure that adequate funding is available for capital works.
2.5 Exploration of all funding sources Council will relieve its dependence on rates by becoming financially self-reliant through prioritised pursuit of 'own source revenue' opportunities. All funding sources will be considered to ensure decisions are made, and actions are taken having regard to their financial effects on future generations.	Council should investigate further generation of 'own source revenue' by exploring alternative revenue streams outside of rates and grants. Additional revenue can then be used to provide further services or infrastructure to the community. Alternative revenue streams should reduce Council's high reliance on rate revenue, which is currently approximately 80 per cent and one of the highest in the state.
2.6 Provision of community infrastructure Sufficient yet affordable funding is available to develop and maintain new and existing community infrastructure to service levels deemed acceptable by Council and the community of Hobsons Bay.	The provision of community infrastructure relates to the renewal of existing assets and the delivery of new and upgraded community infrastructure. This should not be limited to Council's own assets, rather the provision of community infrastructure should consider a number of different models to develop a capital works program that meets the growing needs of the community. The renewal of existing assets should be the priority to reduce the infrastructure gap, while community expectations should also be balanced against affordability.

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5. Financial Plan context

This section describes the context, and the external and internal environments and considerations in determining the 10-year financial projections and assumptions.

5.1 Financial policy statements

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

The seven financial indicators used by the Victorian Auditor-General's Office (VAGO) to assess councils' financial sustainability risks have all been included as measures. Other measures, determined by Council have also been included and all are linked to the various policy statements. The measures will be used to assess Council's financial performance, capital works or financial position. The indicators should be considered collectively and are more useful when assessed over time as part of a trend analysis.

Policy Statement Financial Performance	Measure	Target	Actual									
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
1. Achieve strong operational surpluses to ensure that there is adequate funding available for current and future capital works as well as other ongoing and future commitments.	Net Result Margin greater than 0% to achieve a low VAGO financial sustainability risk rating.	**> 0%**	12.1%	8.5%	6.7%	9.5%	5.1%	4.4%	3.7%	2.8%	1.4%	0.9%	0.0%
	Adjusted Underlying Result greater than 5% to achieve a low VAGO financial sustainability risk rating.	**> 5%**	10.3%	3.6%	5.1%	5.3%	4.8%	4.4%	3.6%	2.8%	1.4%	0.8%	0.0%
2. Consider all funding source to reduce the high dependence on rates and become more financially self-reliant by prioritised pursuit of own source revenue opportunities.	Rates Revenue Ratio less than 80%	**<80%**	74.1%	79.4%	82.1%	80.5%	83.8%	84.0%	83.9%	83.9%	83.9%	83.9%	83.9%
3. Manage employee labour costs at an appropriate percentage of operating revenue.	Labour Utilisation Ratio (Revenue) less than 43%	**<40%**	33.5%	36.2%	37.5%	36.8%	39.1%	39.7%	40.3%	40.8%	41.5%	42.1%	42.7%

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The net result margin (VAGO) measures the net result of Council as a percent of revenue.

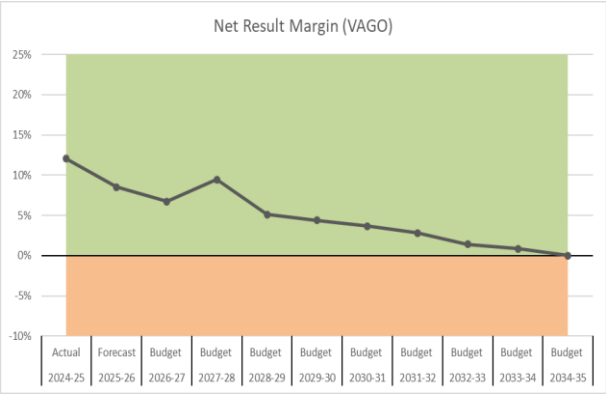
It is calculated by: Net result divided by total income.

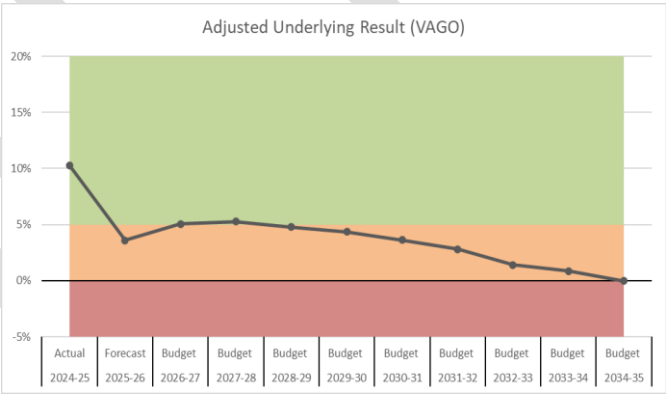
The adjusted underlying result (VAGO) measures an entity's ability to generate surpluses in the ordinary course of business – excluding non-recurrent capital grants, non-monetary asset contributions, and other contributions to fund capital expenditure from net result. A surplus or increasing surplus suggests an improvement in the operating position.

It is calculated by: Adjusted underlying surplus (or deficit) divided by adjusted underlying revenue.

The table on the previous page and graphs below indicate that Council's low VAGO financial sustainability risk ratings in relation to its net result margin and adjusted underlying result are projected to decline over the duration of this plan. This is consistent with projections that Council's operational surpluses are declining. The declining trend increases the risk of ensuring there is adequate funding available for ongoing and future commitments, including the capital works program.

Council will need to closely monitor the trends of these indicators, as the results start to decline, moving into medium risk categories.

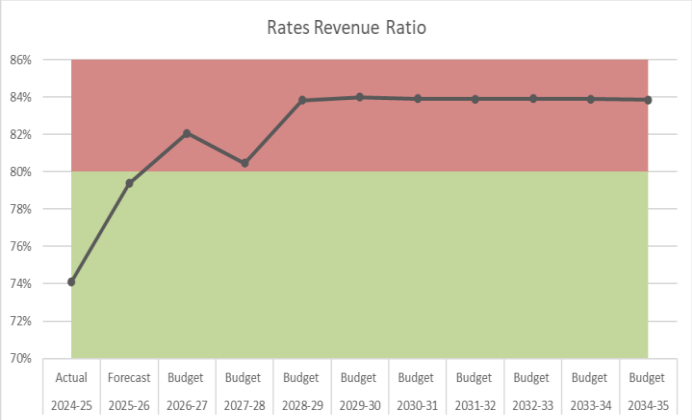




The rates revenue ratio indicates Council's ability to generate rates and its dependence on rates, when compared to total revenue.

It is calculated by: Rates and charges divided by total operating income.

The table on the previous page and graphs below indicate that Council will not achieve its targets in relation to its revenue ratio. Current projections indicate that Council will not reduce its current high dependence on rates and will not become more financially self-reliant by prioritised pursuit of other revenue sources and opportunities outside of rates.

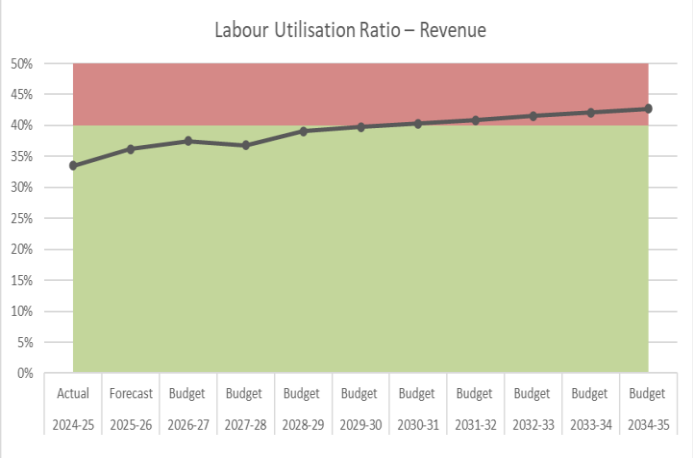


The labour utilisation ratio – revenue provides an overview of the organisation's expenditure on internal labour as a proportion of total revenue. It is used to monitor and manage affordable internal employee costs and indicates the Council's sensitivity to changes in income.

It is calculated by: Employee costs divided by total income.

The table on the previous page and the graph below indicate a trend where Council will not continue to achieve its targets in relation to its labour utilisation ratio - revenue. Current projections indicate that Council will not achieve its aim of managing employee labour costs at an appropriate percentage of operating revenue.

The labour utilisation ratio (revenue) will need to be closely monitored as the trend indicates that the results will start to decline. The projected decline is a result of employee cost being predicted to increase at a greater rate than revenue. Employee cost predictions are based on assumed (yet to be determined) future enterprise agreement increases. Increases in WorkCover premiums and the superannuation guarantee have also impacted this ratio over previous years.



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Policy Statement	Measure	Target	Actual										
Capital Works			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
4. Ensure enough cash is being generated from operations to fund new assets.	Internal Financing greater than 100% to achieve a low VAGO financial sustainability risk rating	**> 100%**	116.4%	94.7%	119.8%	112.9%	120.7%	123.2%	111.0%	110.2%	107.0%	107.3%	106.3%
5. Ensure sufficient spending on asset renewal and Council's asset base.	Capital replacement greater than 150% to achieve a low VAGO financial sustainability risk rating	**> 150%**	137.1%	173.8%	123.0%	143.5%	113.0%	108.0%	113.5%	110.8%	108.1%	105.4%	102.9%
	Renewal Gap greater than 100% to achieve a low VAGO finanical sustainability risk rating	**> 100%**	130.7%	140.0%	110.7%	109.6%	109.4%	104.4%	110.0%	107.4%	104.7%	102.2%	99.7%

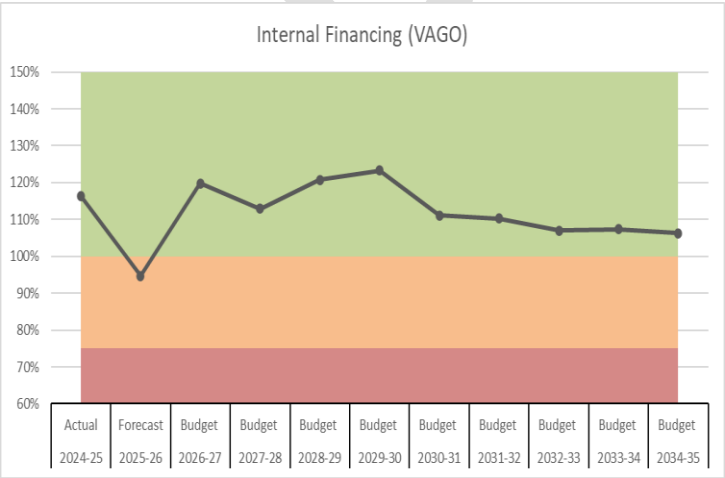
Internal financing (VAGO) measures the ability of an entity to finance capital works from generated cashflow. The higher the percentage, the greater the ability for the entity to finance capital works from their own funds.

This ratio is about affordability. Can Council afford its capital works program, based on its ability to generate cashflow?

It is calculated by: Net operating cashflow divided by net capital expenditure.

The table above and the graph below indicate that Council will achieve its target to have low VAGO financial sustainability risk ratings in relation to internal financing from 2026-27. Future capital works programs have been set, based upon financial affordability, rather than capital works requirements, or community expectations.

The medium risk rating in 2025-26 is caused by the significant carried over capital expenditure required to complete the 2024-25 capital works program.



Capital replacement (VAGO) compares the rate of spending on new infrastructure, property, plant and equipment with its depreciation. Ratios higher than 100 per cent indicate that spending is faster than the depreciating rate. This is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations and borrowing is not an option.

It is calculated by: Cash outflows for the addition of new infrastructure, property, plant and equipment divided by Depreciation.

The renewal gap (VAGO) compares the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 100 per cent indicate that spending on existing assets is faster than the depreciation rate.

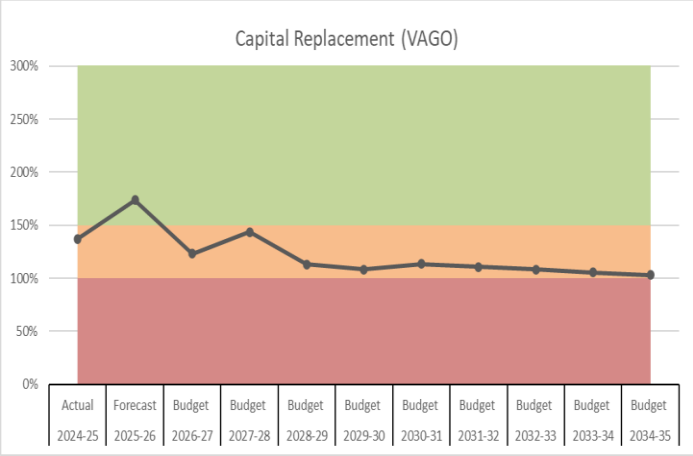
It is calculated by: Renewal and upgrade expenditure divided by depreciation.

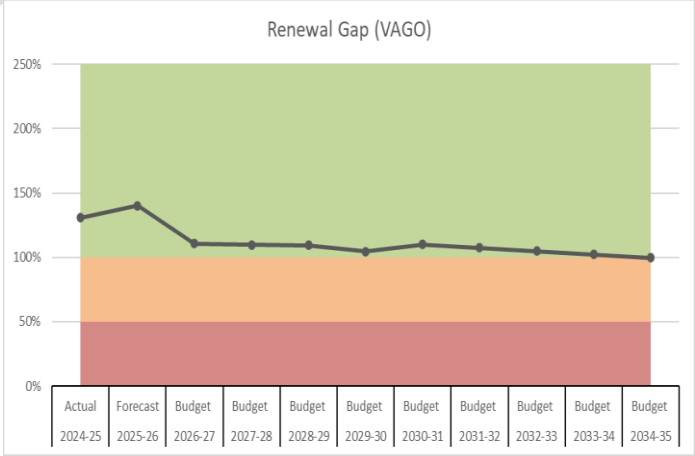
These graphs indicate whether Council is spending enough on its capital works program, particularly to maintain its existing assets

The table on the previous page and the capital replacement (VAGO) graph below indicate that Council will not achieve its targets to have low VAGO financial sustainability risk ratings in relation to capital replacement from 2026-27. Council will need to increase its capital spend to achieve its capital replacement targets to ensure sufficient spending on Council's asset base.

The table on the previous page and the renewal gap (VAGO) graph below indicate that Council will achieve its targets to have low VAGO financial sustainability risk ratings in relation to the renewal gap up until 2033-34. The predicted results of the renewal gap ratio highlights Council's decision to prioritise renewing existing assets, despite limited funding available for the capital works program. This prioritisation is consistent with the key objective number six underpinning this plan (outlined on page 8), Council's Asset Plan and capital works framework.

It should also be noted that both graphs have been negatively impacted by the increased valuations of Council's assets over the past few years, which has led to increased annual deprecation charges.





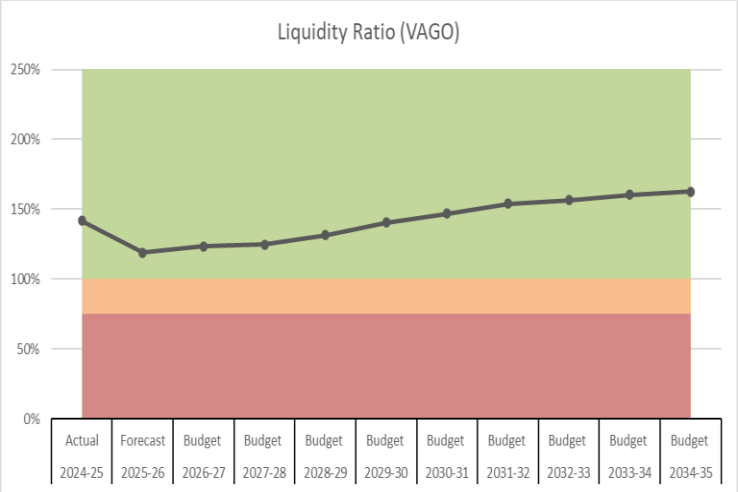
The three capital works measures highlight the difficult situation faced by Council in relation to balancing what it can afford to spend on its assets, with spending enough to maintain and upgrade its existing assets.

Policy Statement Financial Position	Measure	Target	Actual 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
6. Ensure there are no immediate issues with repaying short-term liabilities as they fall due.	Liquidity Ratio greater than 100%to achieve a low VAGO financial sustainability risk rating.	**> 100%**	141.6%	118.8%	123.5%	124.6%	131.4%	140.5%	146.7%	153.9%	156.6%	160.4%	162.5%
7. Ensure that rate income is being collected and that rates debt is reduced to acceptable levels.	Rates Debt Collection ratio less than 5%	**<5%**	15.0%	11.0%	9.0%	7.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
8. Ensure loan commitments can be repaid from own source revenue, including	Indebtedness less than 40% to achieve a low VAGO financial sustainability risk	**< 40%**	10.4%	8.8%	6.8%	4.9%	3.4%	1.8%	1.1%	1.2%	1.1%	1.0%	1.3%
	Debt Commitment Ratio less than 15%.	**< 10%**	2.4%	5.7%	2.1%	2.0%	2.0%	1.9%	1.5%	0.8%	0.1%	0.0%	0.0%

The liquidity ratio (VAGO) measures the ability to pay existing liabilities in the next 12 months and is a key indicator of financial position. A ratio of 100 per cent or more means there are more cash and liquid assets than short-term liabilities.

It is calculated by: Current assets divided by current liabilities.

The table above and the graph below indicates that Council will achieve its targets and have low VAGO financial sustainability risk ratings in relation to the liquidity ratio. This indicates that under the current financial plan results and assumptions, Council will achieve its aim to ensure there are no immediate issues with repaying short-term liabilities as they fall due.



The rates debt collection ratio measures the ability to collect rate payments and recover overdue payments. The lower the ratio, the more rates revenue is being collected.

It is calculated by: Rates debtors divided by rates and charges revenue.

The table on the previous page and the graph below indicates that Council is not achieving its target in relation to rates debt collection until 2029-30. The trend indicates that rates collections will increase, which will result in a decrease to rates debt. While the predicted results indicate that rate income is being collected and that rates debt is reduced to acceptable levels by 2029-30, this is heavily based on assumptions.



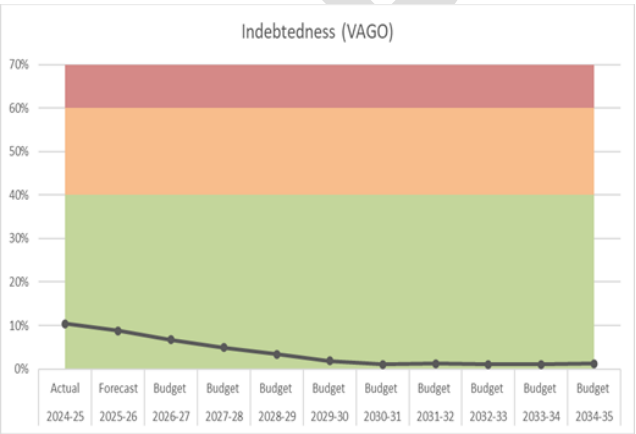
Indebtedness (VAGO) assesses an entity's ability to pay the principal and interest on outstanding loans, as and when they fall due, from the funds it generates. The lower the ratio, the less revenue the entity is required to use to repay its loans. Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.

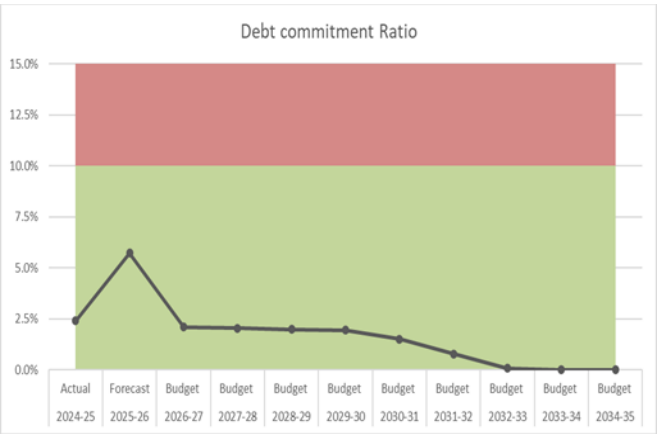
It is calculated by: Current assets less outstanding loans divided by current liabilities.

The debt commitment ratio assesses an entity's ability to pay the principal and interest on outstanding loans, as and when they fall due, from rate revenue.

It is calculated by: Borrowing costs plus loan repayments divided by rate revenue.

The table on the previous page and graphs below indicate that Council will achieve its targets in relation to indebtedness ratio and the debt commitment ratio. This indicates that under the current financial plan results and assumptions, Council will achieve its aim to ensure loan commitments can be repaid from own-source revenue, including interest and principle, as they fall due.





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5.2 Strategic actions

This plan has been developed to be more than just a plan that meets the legislative requirements under *Local Government Act* 2020. Some of the targets are aspirational and are a 'call to action' that challenges the status quo and encourages Council to review the way it operates by investigating different approaches that could lead to improved financial performance. Improved financial performance would benefit the community by being used to directly fund additional capital works (and reduce the existing funding gap) and / or be redirected into other operational expenditure within the priority service areas of Council.

Following a series of community engagement activities, Council has identified the following strategic actions that will support the aspirations of Council Plan and lead to improved financial performance.

5.2.1 Financial performance

1. Council will achieve strong operational surpluses to ensure there is adequate funding available for current and future capital works, as well as other ongoing and future commitments.

2. Council will consider all funding sources to reduce the high dependence on rates and become more financially self-reliant by prioritised pursuit of own-source revenue opportunities. This will be achieved by:

- identifying new and different ways of generating further own-source revenue outside of rates, including user fees and returns in relation to Council's commercial property portfolio.
- engaging with commercial enterprises, community groups and sporting organisations to build strong partnerships and to explore alternative funding models for the replacement and upgrade of community facilities.

3. Council will manage employee labour costs at an appropriate percentage of operating revenue. This will be achieved by:

- constantly reviewing services to determine the most effective and cost efficient way they are provided to the community
- reviewing service delivery methods, which could mean adjustments to the services provided directly by Council.

5.2.2 Capital works

4. Council will ensure enough cash is being generated from operations to fund new assets.

5. Council will ensure sufficient spending on asset renewal and Council's asset base. This will be achieved by:

- maintaining the renewal of existing assets as a high priority in future capital works programs
- including whole-of-life cost considerations in planning for capital works projects
- critically reviewing (including a full assessment on the impact on the financial plan) any proposals for new or expanded services, ensuring they are funded in a responsible way and focused on Council priority areas.

5.2.3 Financial position

6. Council will ensure there are no immediate issues with repaying short-term liabilities as they fall due. This will be achieved by maintaining Council's liquidity ratio at levels exceeding 100 per cent.

7. Ensure that rate income is being collected and that rates debt is reduced to acceptable levels. This will be achieved by reducing Council's rates debt collection ratio to below 5 per cent.

8. Council will ensure loan commitments can be repaid from own-source revenue, including interest and principle, as they fall due. This will be achieved by considering its level of debt by having regard to key debt servicing indicators being indebtedness, and the debt commitment ratio.

5.3 Assumptions to the financial plan statements

This section presents information regarding the assumptions to the comprehensive income statement for the 10 years from 2025-26 to 2034-35. The assumptions comprise the annual escalations or movement for each line item of the comprehensive income statement.

Escalation Factors % Movement	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
CPI	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Growth	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Major income and expense line items:										
Rates and charges	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Rates and charges - waste	10.0%	10.0%	10.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%
Statutory fees and fines	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
User fees	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Grants - Operating	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Grants - Capital	Capital grants are identified when funding is confirmed and secured.									
Contributions - monetary	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Contributions - non-monetary	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other income	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other income (Interest rate)	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Employee costs										
Materials and services - general	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Materials and services - external contracts	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Materials and services - utilities	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Depreciation & Amortisation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other expenses	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

5.3.1 Rates and charges

Base rate revenue is forecast to increase by 3 per cent for the 2025-26 financial year, based on the current state government rate cap. From 2026-27 and for the ensuing years of the financial plan, the estimated future annual increase is 2 per cent per annum, which is slightly below the estimated consumer price index (CPI). In addition, it is expected that in each year of the plan a further increase of $500,000 per annum will be received for growth (additional properties) because of supplementary rates.

Other rate assumptions include interest on rates ($900,000), pensioner rebates ($550,000 refund), rate waivers ($100,000) and revenue in lieu of rates ($410,000). The amounts have been applied consistently across each year within the plan.

Waste service charges have been increased by 10 per cent in 2025-26 until 2027-28, although the charges do not currently cover the cost of providing the waste service. Council has decided to progressively recover its considerable investment in the expansion of its waste services over future years. The increased waste charges have been applied so that the waste reserve, currently in deficit, can move into a small surplus during the duration of the financial plan.

5.3.2 Statutory fees and fines

Statutory fees and fines are those Council collects under the direction of legislation or other government directives. The fees charged for statutory fees and fines are generally advised by the state government department responsible for the corresponding services or legislation, and generally Council has limited discretion in applying these fees. Examples include planning and subdivision fees, building and inspection fees, infringements and fines, land information certificate fees and animal registrations.

Details of statutory fees and fines for the 2025-26 budget year can be found in Council's schedule of fees and charges that is adopted in conjunction with the budget.

Income received from statutory fees and fines was impacted significantly by the COVID-19 pandemic. The recovery of these statutory fees and fines has been slow. Income budgeted in 2025-26 for statutory fees and fines is still slightly below actual income received in 2018-19.

This plan includes estimated future annual increases of 3 per cent each year. While statutory fees are set by legislation and generally indexed according to the estimated annual rate of CPI, the 3 per cent increases are a prediction of the total statutory fees and fines revenue generated, inclusive of the fee increases that will be applied.

5.3.3 User fees

User fees relate mainly to the recovery of service delivery costs through charging fees to users of Council's services. These include community care service contributions from clients (i.e. food services, planned activity groups, respite, family day care and occasional care), use of parks, recreation facilities and sporting reserves.

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

Income received from user fees was impacted significantly by the COVID-19 pandemic. The recovery of these user fees has been slow. Income budgeted in 2025-26 for user fees is still well below actual income received in 2018-19.

This plan includes estimated future annual increases of 3 per cent each year. The 3 per cent increases are a prediction of the total user fees revenue generated, inclusive of the fee increases that will be applied.

5.3.4 Grants

Operating grants include all monies received from state and federal sources for the purposes of funding the delivery of Council's services to ratepayers.

Council currently received operational grants for tied (specific purpose grants) and un-tied financial assistance grant (FAG) funding received via the Victorian Local Government Grants Commission.

Operating grants in 2024-25 were higher than anticipated due to the timing of the FAG payment and community care funding retained from previous financial years. All other operational grant funding in 2025-26 is relatively consistent with the prior year. This plan estimates future annual increases of 2.5 per cent each year.

Capital grants include all monies received from state, federal and community sources for the purposes of funding the capital works program. Capital grants are identified in this plan only after funding is confirmed and secured.

5.3.5 Contributions

Contributions relate to monies paid by developers regarding specific developer contribution plans, recreation, drainage and car parking, in accordance with planning permits issued for property development. Other contributions are made by corporations and organisations for specific capital programs.

These contributions represent funds to enable Council to provide the necessary infrastructure and improvements to accommodate development growth. The contributions are for specific purposes and often require Council to outlay funds for infrastructure works before receipt of this income source. These contributions are statutory contributions and are transferred to a restricted reserve until used for a specific purpose through the capital works program or delivered as works in-kind by developers.

5.3.6 Other income

Revenue from other income relates mainly to property and other facilities rentals, as well as interest on investments.

Rental income is predicted to increase by 3 per cent per annum. The 3 per cent increases are a prediction of the rental income revenue generated, inclusive of the rent increases that will be applied.

Interest on investments estimates are based on predicted cash balances and interest rates expected to be received on Council's cash investments. Investment income is based on interest rates of 4 per cent over the duration of this plan.

5.3.7 Employee costs

Employee costs include all labour-related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc.

Future employee cost predictions are generally based on existing staff and service levels for the duration of this plan. Minor adjustments have been made in relation to a small number of temporary positions for some short-term projects. Council's enterprise agreement expired on 30 June 2025.

[redacted]

5.3.8 Materials and services

Materials and services include the purchases of consumables and payments to contractors for the provision of services and utility costs.

General material and service costs are predicted to increase by 2.5 per cent from 2026-27, while contracts are predicted to increase by 3 per cent and utilities by 3.5 per cent.

Adjustments have been made for any known costs related to specific years. This includes expenses associated with:

- conducting Council elections and the subsequent legislative requirement to review the Council Plan and other documents (every four years)
- conducting a review of Council's service catalogue in 2026-27 and 2027-28
- Business Excellence Awards (every two years)
- internal budget bids and external community submissions
- information communication technology (ICT) strategy until 2027-28
- operational projects being transferred from the capital works program.

5.3.9 Depreciation and amortisation

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment, including infrastructure assets such as roads and drains.

The predicted increase in 2025-26 is mainly due to asset purchases through the capital works program during 2024-25.

Future depreciation estimates from 2026-27 are based on the projected capital spending contained within this plan. Future depreciation predictions do not consider revaluations that will occur throughout the duration of this plan.

Amortisation is an accounting measure that allocates the value of leased assets over the period of the lease.

The budget in 2025-26 is based on current lease contracts and a consistent service level is assumed in future years.

5.3.10 Borrowing costs

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

Borrowing costs are based on an expected decrease in each year of this plan as Council continues to pay down its loan borrowings. No additional loan borrowings have been drawn down since 2023-24 and no further borrowings are included in the plan.

5.3.11 Other expenses

Other expenses relates to a range of unclassified items including leases, rentals, audit fees and councillors' allowances. This plan includes estimated future annual increases of 2.5 per cent each year.

5.4 Other matters impacting the 10-year financial projections

There are a number of key financial issues and challenges facing Hobsons Bay over the next few years, which could impact on this plan and the 10-year financial projections.

The COVID-19 pandemic had a significant impact on Council's finances. The ongoing impact in relation to the significant loss in income is still being felt, with Council's non-rate income still below pre-COVID levels. The previous financial plan predicted a slow and conservative recovery, but unfortunately this has been slower than anticipated. The recovery is now expected to occur during the duration of this plan, but it is acknowledged that this is difficult to predict.

It is a balancing act to maintain financial sustainability under the state government's rate capping policy, while ensuring rates and charges remain at acceptable levels. Council has applied the inflation-based rate cap overseen by the Essential Services Commission, in each year since the Fair Go Rates System was introduced in 2016-17.

Council recently adopted its Revenue and Rating Plan 2025-26 to 2028-29, which determines an appropriate strategy and an integrated approach to the setting of its rating structure, user fees and charges. The plan attempts to determine an appropriate mix of rates, while justifying the burdens placed on the residential and non-residential sectors.

One of the key objectives of this plan is to explore all funding sources to relieve Council's heavy dependence on rates, which is its most significant income item, accounting for approximately 80 per cent of all revenue. Expanding Council's existing revenue base will be a challenge but will assist in ensuring financial sustainability in the medium to long term.

Council does not generally generate significant income from operational or capital grants. Council is predicting capital grants of $9.858 million in 2025-26. Future years of this plan predict minimal increases in operational grants and generally few capital grants after 2025-26. It is expected that additional capital grants, over and above what is identified in this plan will be received, and they will be included in forecasts and budgets when funding is confirmed and secured.

Local government is a forever changing landscape, so it will be an ongoing challenge for Hobsons Bay to continue to ensure that an appropriate range and level of services are available to the community. This means constant evaluation, according to the community's needs and determining

what services are most appropriate to be provided directly by Council. When the private sector provides a service traditionally provided by Council, it needs to be determined if they can provide the same (or higher) level of service for a cheaper price. If so, Council should consider the financial and other benefits of exiting from the service.

Cost-shifting occurs when the federal or state governments transfer program or service responsibilities to local government with insufficient funding or provide grants that don't keep pace with the actual delivery costs incurred. This can happen through additional compliance requirements, under funding and direct transfer of responsibilities. Cost-shifting needs to be carefully managed as it diverts scarce Council dollars to fund a function imposed on Council by another level of government.

Council will need to manage and plan for potential significant defined benefits superannuation shortfall calls. The most recent vested benefit index (VBI) result of 105 per cent (March 2025), is above the minimum 100 per cent requirement. The defined benefit plan for local government employees was a compulsory scheme set up by the Victorian Government in 1982 and was closed in 1993, but Council must continue to allocate funds to ensure benefits owed to members can be paid now and into the future.

Council has a legal obligation and has previously been required to borrow to fund these compulsory contributions. In 2013, Council was required to pay approximately $9.2 million towards its share of the shortfall to the closed Local Authorities Superannuation Fund Defined Benefit Plan following an actuary review by the scheme's trustee, Vision Super.

Possibly the biggest challenge facing Hobsons Bay and many other councils is the ability to fund rapidly expanding capital needs in a financially constrained environment. Community expectations are growing, and it is difficult to provide sufficient funding to renew existing assets to ensure they continue to meet community needs, while delivering new and upgraded community infrastructure to address the demands of a growing and changing community.

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6. Financial Plan statements

This section presents information regarding the Financial Plan statements for the 10 years from 2024-25 to 2034-35.

- Comprehensive income statement
- Balance sheet
- Statement of changes in equity
- Statement of cash flows
- Statement of capital works
- Statement of human resources
- Planned human resource expenditure

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6.1 Comprehensive income statement

	Actual 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Income / Revenue											
Rates and charges	139,887	146,025	150,916	156,073	159,941	163,894	167,935	172,267	176,290	180,724	185,264
Statutory fees and fines	4,944	5,185	5,340	5,500	5,665	5,835	6,010	6,191	6,377	6,568	6,765
User fees	6,161	5,554	5,867	6,043	6,224	6,411	6,603	6,801	7,005	7,216	7,432
Grants - operating	12,539	9,408	9,340	9,574	9,813	10,058	10,310	10,567	10,832	11,102	11,380
Grants - capital	4,402	9,858	3,870	9,169	1,269	692	677	677	677	677	676
Contributions - monetary	5,216	3,076	3,807	2,549	2,549	2,549	2,549	2,549	2,386	2,371	2,371
Contributions - non-monetary	10,374	-	-	-	-	-	-	-	-	-	-
Net gain on disposal of property, infrastructure, plant and equipment	-	194	194	194	194	194	194	194	194	194	194
Fair value adjustments for investment property	-	-	-	-	-	-	-	-	-	-	-
Share of net profits (or loss) of associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
Other income	5,211	4,675	4,555	4,886	5,148	5,490	5,867	6,092	6,348	6,594	6,853
Total income / revenue	**188,734**	**183,974**	**183,888**	**193,989**	**190,803**	**195,123**	**200,146**	**205,338**	**210,107**	**215,446**	**220,934**
Expenses											
Employee costs	63,263	66,590	68,900	71,356	74,567	77,549	80,651	83,877	87,232	90,722	94,350
Materials and services	59,477	60,992	61,231	62,071	63,345	64,945	67,160	69,616	72,754	74,581	77,086
Depreciation	36,666	37,928	38,877	39,849	40,845	41,866	42,913	43,985	45,085	46,212	47,367
Amortisation - intangible assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation - right of use assets	310	329	344	344	344	344	344	344	344	344	344
Allowance for impairment losses	416	549	549	549	549	549	549	549	549	549	549
Borrowing costs	1,001	894	588	474	354	228	110	34	1	-	-
Finance costs - leases	18	27	40	19	27	40	19	27	40	19	27
Other expenses	719	1,004	947	971	995	1,020	1,045	1,071	1,098	1,126	1,154
Net loss on disposal of property, infrastructure, plant and equipment	4,066	-	-	-	-	-	-	-	-	-	-
Total expenses	**165,937**	**168,314**	**171,476**	**175,632**	**181,025**	**186,541**	**192,791**	**199,503**	**207,103**	**213,552**	**220,878**
Surplus/(deficit) for the year	**22,797**	**15,661**	**12,412**	**18,357**	**9,778**	**8,582**	**7,355**	**5,835**	**3,004**	**1,894**	**56**
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods											
Net asset revaluation gain /(loss)	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods (detail as appropriate)	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive result	**22,797**	**15,661**	**12,412**	**18,357**	**9,778**	**8,582**	**7,355**	**5,835**	**3,004**	**1,894**	**56**

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6.2 Balance sheet

	Actual 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Assets											
Current assets											
Cash and cash equivalents	20,188	10,712	10,385	10,967	10,763	10,490	10,750	10,803	10,500	10,453	10,897
Trade and other receivables	24,988	20,424	18,249	15,871	14,790	13,648	14,123	14,626	15,127	15,665	16,223
Other financial assets	28,000	26,000	33,000	37,000	44,000	52,000	55,000	59,000	63,000	67,000	70,000
Inventories	34	34	34	34	34	34	34	34	34	34	34
Prepayments	1,922	1,922	1,922	1,922	1,922	1,922	1,922	1,922	1,922	1,922	1,922
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Other assets	355	355	355	355	355	355	355	355	355	355	355
Total current assets	**75,487**	**59,447**	**63,944**	**66,149**	**71,865**	**78,449**	**82,184**	**86,739**	**90,938**	**95,429**	**99,431**
Non-current assets											
Trade and other receivables	16	16	16	16	16	16	16	16	16	16	16
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Property, infrastructure, plant & equipment	1,766,538	1,792,347	1,799,334	1,814,328	1,816,858	1,817,644	1,820,475	1,821,812	1,822,373	1,821,540	1,819,108
Right-of-use assets	110	809	465	121	809	465	121	809	465	121	809
Investment property	14,880	14,880	14,880	14,880	14,880	14,880	14,880	14,880	14,880	14,880	14,880
Total non-current assets	**1,781,544**	**1,808,052**	**1,814,695**	**1,829,345**	**1,832,563**	**1,833,005**	**1,835,492**	**1,837,517**	**1,837,734**	**1,836,557**	**1,834,813**
Total assets	**1,857,031**	**1,867,498**	**1,878,639**	**1,895,495**	**1,904,428**	**1,911,453**	**1,917,676**	**1,924,256**	**1,928,672**	**1,931,986**	**1,934,243**
Liabilities											
Current liabilities											
Trade and other payables	22,929	23,502	24,090	24,692	25,309	25,942	26,591	27,255	27,937	28,635	29,351
Trust funds and deposits	9,748	9,992	10,241	10,498	10,760	11,029	11,305	11,587	11,877	12,174	12,478
Unearned income/revenue	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435
Provisions	11,589	12,111	12,656	13,225	13,820	14,373	14,948	15,546	16,168	16,814	17,487
Interest-bearing liabilities	7,475	2,585	2,699	2,819	2,943	2,402	1,299	122	-	-	-
Lease liabilities	115	429	660	435	429	660	435	429	660	435	429
Total current liabilities	**53,291**	**50,053**	**51,781**	**53,103**	**54,697**	**55,841**	**56,012**	**56,375**	**58,076**	**59,493**	**61,180**
Non-current liabilities											
Provisions	1,357	1,418	1,482	1,549	1,618	1,683	1,750	1,820	1,893	1,969	2,048
Interest-bearing liabilities	14,869	12,284	9,585	6,767	3,823	1,421	122	(0)	-	-	-
Lease liabilities	-	569	206	134	569	206	134	569	206	134	569
Total non-current liabilities	**16,226**	**14,271**	**11,273**	**8,449**	**6,010**	**3,310**	**2,006**	**2,389**	**2,099**	**2,103**	**2,616**
Total liabilities	**69,517**	**64,324**	**63,054**	**61,552**	**60,707**	**59,151**	**58,018**	**58,764**	**60,175**	**61,596**	**63,797**
Net assets	**1,787,514**	**1,803,174**	**1,815,586**	**1,833,943**	**1,843,721**	**1,852,303**	**1,859,658**	**1,865,493**	**1,868,497**	**1,870,390**	**1,870,447**
Equity											
Accumulated surplus	665,773	700,755	711,790	731,316	738,966	744,770	752,486	758,025	761,289	763,302	764,161
Reserves	1,121,741	1,102,419	1,103,796	1,102,627	1,104,755	1,107,533	1,107,172	1,107,467	1,107,208	1,107,088	1,106,286
Total equity	**1,787,514**	**1,803,174**	**1,815,586**	**1,833,943**	**1,843,721**	**1,852,303**	**1,859,658**	**1,865,493**	**1,868,497**	**1,870,390**	**1,870,447**

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6.3 Statement of changes in equity

	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2024-25 Actual				
Balance at beginning of the financial year	1,658,641	645,435	983,193	30,013
Opening balance adjustment	(2,021)	(2,021)	-	-
Surplus/(deficit) for the year	22,797	22,797	-	-
Net asset revaluation gain/(loss)	108,097	-	108,097	-
Transfers to other reserves	59,465	29,514	-	29,952
Transfers from other reserves	(59,465)	(29,952)	-	(29,514)
Balance at end of the financial year	**1,787,513**	**665,773**	**1,091,289**	**30,451**
2025-26				
Balance at beginning of the financial year	1,787,513	665,773	1,091,289	30,451
Surplus/(deficit) for the year	15,661	15,661	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	42,896	31,109	-	11,787
Transfers from other reserves	(42,896)	(11,787)	-	(31,109)
Balance at end of the financial year	**1,803,174**	**700,755**	**1,091,289**	**11,129**
2026-27				
Balance at beginning of the financial year	1,803,174	700,755	1,091,289	11,129
Surplus/(deficit) for the year	12,412	12,412	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	11,575	5,099	-	6,476
Transfers from other reserves	(11,575)	(6,476)	-	(5,099)
Balance at end of the financial year	**1,815,585**	**711,790**	**1,091,289**	**12,506**
2027-28				
Balance at beginning of the financial year	1,815,585	711,790	1,091,289	12,506
Surplus/(deficit) for the year	18,357	18,357	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	13,732	7,450	-	6,281
Transfers from other reserves	(13,732)	(6,281)	-	(7,450)
Balance at end of the financial year	**1,833,942**	**731,316**	**1,091,289**	**11,337**
2028-29				
Balance at beginning of the financial year	1,833,942	731,316	1,091,289	11,337
Surplus/(deficit) for the year	9,778	9,778	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	10,656	4,264	-	6,392
Transfers from other reserves	(10,656)	(6,392)	-	(4,264)
Balance at end of the financial year	**1,843,720**	**738,966**	**1,091,289**	**13,465**
2029-30				
Balance at beginning of the financial year	1,843,720	738,966	1,091,289	13,465
Surplus/(deficit) for the year	8,582	8,582	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	11,401	4,312	-	7,090
Transfers from other reserves	(11,401)	(7,090)	-	(4,312)
Balance at end of the financial year	**1,852,302**	**744,770**	**1,091,289**	**16,243**

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	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2030-31				
Balance at beginning of the financial year	1,852,302	744,770	1,091,289	16,243
Surplus/(deficit) for the year	7,355	7,355	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	10,930	5,645	-	5,285
Transfers from other reserves	(10,930)	(5,285)	-	(5,645)
Balance at end of the financial year	**1,859,657**	**752,486**	**1,091,289**	**15,882**
2031-32				
Balance at beginning of the financial year	1,859,657	752,486	1,091,289	15,882
Surplus/(deficit) for the year	5,835	5,835	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	9,558	4,631	-	4,927
Transfers from other reserves	(9,558)	(4,927)	-	(4,631)
Balance at end of the financial year	**1,865,492**	**758,025**	**1,091,289**	**16,178**
2032-33				
Balance at beginning of the financial year	1,865,492	758,025	1,091,289	16,178
Surplus/(deficit) for the year	3,004	3,004	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	9,372	4,816	-	4,556
Transfers from other reserves	(9,372)	(4,556)	-	(4,816)
Balance at end of the financial year	**1,868,496**	**761,289**	**1,091,289**	**15,918**
2033-34				
Balance at beginning of the financial year	1,868,496	761,289	1,091,289	15,918
Surplus/(deficit) for the year	1,894	1,894	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	9,490	4,805	-	4,685
Transfers from other reserves	(9,490)	(4,685)	-	(4,805)
Balance at end of the financial year	**1,870,390**	**763,302**	**1,091,289**	**15,798**
2034-35				
Balance at beginning of the financial year	1,870,390	763,302	1,091,289	15,798
Surplus/(deficit) for the year	56	56	-	-
Net asset revaluation gain/(loss)	-	-	-	-
Transfers to other reserves	10,071	5,437	-	4,634
Transfers from other reserves	(10,071)	(4,634)	-	(5,437)
Balance at end of the financial year	**1,870,446**	**764,161**	**1,091,289**	**14,996**

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6.4 Statement of cash flows

	Actual 2024/25 Inflows (Outflows	2025/26 Inflows (Outflows	2026/27 Inflows (Outflows	2027/28 Inflows (Outflows	2028/29 Inflows (Outflows	2029/30 Inflows (Outflows	2030/31 Inflows (Outflows	2031/32 Inflows (Outflows	2032/33 Inflows (Outflows	2033/34 Inflows (Outflows	2034/35 Inflows (Outflows
Cash flows from operating activities											
Rates and charges	137,894	150,912	153,396	158,731	161,270	165,296	167,733	172,050	176,089	180,502	185,037
Statutory fees and fines	4,503	5,185	5,340	5,500	5,665	5,835	6,010	6,191	6,377	6,568	6,765
User fees	6,608	5,231	5,562	5,763	5,977	6,151	6,331	6,515	6,705	6,900	7,101
Grants - operating	11,085	9,408	9,340	9,574	9,813	10,058	10,310	10,567	10,832	11,102	11,380
Grants - capital	4,402	9,858	3,870	9,169	1,269	692	677	677	677	677	676
Contributions - monetary	5,216	3,076	3,807	2,549	2,549	2,549	2,549	2,549	2,386	2,371	2,371
Interest received	1,999	1,500	1,285	1,518	1,679	1,917	2,187	2,301	2,443	2,572	2,711
Trust funds and deposits taken	866	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits repaid	(1,915)	-	-	-	-	-	-	-	-	-	-
Other receipts	4,282	4,675	4,555	4,886	5,148	5,490	5,867	6,092	6,348	6,594	6,853
Net GST refund / payment	9,552	-	-	-	-	-	-	-	-	-	-
Employee costs	(62,596)	(66,008)	(68,291)	(70,719)	(73,902)	(76,932)	(80,009)	(83,209)	(86,538)	(89,999)	(93,599)
Materials and services	(63,387)	(61,423)	(61,590)	(62,439)	(63,723)	(65,332)	(67,557)	(70,023)	(73,171)	(75,008)	(77,524)
Short-term, low value and variable	-	-	-	-	-	-	-	-	-	-	-
Trust funds and deposits repaid	-	-	-	-	-	-	-	-	-	-	-
Other payments	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) operating activities	**58,509**	**62,414**	**57,272**	**64,532**	**55,745**	**55,724**	**54,099**	**53,711**	**52,146**	**52,280**	**51,770**
Cash flows from investing activities											
Payments for property,	(50,270)	(65,914)	(47,820)	(57,170)	(46,170)	(45,220)	(48,720)	(48,720)	(48,720)	(48,720)	(48,720)
Proceeds from sale of property,	421	394	394	394	394	394	394	394	394	394	394
Payments for investments	(6,000)	2,000	(7,000)	(4,000)	(7,000)	(8,000)	(3,000)	(4,000)	(4,000)	(4,000)	(3,000)
Proceeds from sale of investments	-	-	-	-	-	-	-	-	-	-	-
Loans and advances made	-	-	-	-	-	-	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by/ (used in) investing activities	**(55,849)**	**(63,520)**	**(54,427)**	**(60,777)**	**(52,777)**	**(52,827)**	**(51,327)**	**(52,327)**	**(52,327)**	**(52,327)**	**(51,327)**
Cash flows from financing activities											
Finance costs	(988)	(894)	(588)	(474)	(354)	(228)	(110)	(34)	(1)	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(2,370)	(7,475)	(2,585)	(2,699)	(2,819)	(2,943)	(2,402)	(1,299)	(122)	-	-
Interest paid - lease liability	(18)	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities	(319)	-	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) financing activities	**(3,695)**	**(8,369)**	**(3,173)**	**(3,173)**	**(3,172)**	**(3,172)**	**(2,512)**	**(1,333)**	**(123)**	**-**	**-**
Net increase/(decrease) in cash & cash equivalents	(1,035)	(9,475)	(327)	582	(204)	(274)	261	52	(303)	(46)	443
Cash and cash equivalents at the beginning of the financial year	21,222	20,187	10,712	10,385	10,967	10,763	10,490	10,750	10,803	10,500	10,453
Cash and cash equivalents at the end of the financial year	**20,187**	**10,712**	**10,385**	**10,967**	**10,763**	**10,490**	**10,750**	**10,803**	**10,500**	**10,453**	**10,897**

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6.5 Statement of capital works

	Actual 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Property											
Land	-	-	-	-	-	-	-	-	-	-	-
Total land	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Buildings	10,902	14,018	8,650	9,300	6,450	6,450	6,450	6,450	6,450	6,450	6,450
Heritage buildings	115	773	400	400	400	400	400	400	400	400	400
Total buildings	**11,018**	**14,791**	**9,050**	**9,700**	**6,850**	**6,850**	**6,850**	**6,850**	**6,850**	**6,850**	**6,850**
Total property	**11,018**	**14,791**	**9,050**	**9,700**	**6,850**	**6,850**	**6,850**	**6,850**	**6,850**	**6,850**	**6,850**
Plant and equipment											
Heritage plant and equipment	8	-	100	100	100	100	100	100	100	100	100
Plant, machinery and equipment	1,771	5,678	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Fixtures, fittings and furniture	2,994	20	400	400	400	400	400	400	400	400	400
Computers and telecommunications	477	1,170	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Library books	738	1,000	900	900	900	900	900	900	900	900	900
Total plant and equipment	**5,988**	**7,868**	**5,300**	**5,300**	**5,300**	**5,300**	**5,300**	**5,300**	**5,300**	**5,300**	**5,300**
Infrastructure											
Roads	10,853	22,637	16,000	16,000	16,200	16,000	17,000	17,000	17,000	17,000	17,000
Bridges	2,798	685	200	200	200	200	200	200	200	200	200
Footpaths and cycleways	2,699	2,825	5,700	14,400	2,700	2,500	3,500	3,500	3,500	3,500	3,500
Drainage	2,881	3,948	2,000	2,000	3,600	3,050	3,050	3,050	3,050	3,050	3,050
Recreational, leisure and community facilities	1,261	317	2,400	2,400	3,500	3,500	5,000	5,000	5,000	5,000	5,000
Waste management	832	328	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	12,104	11,409	6,670	6,670	7,120	7,120	7,120	7,120	7,120	7,120	7,120
Off street car parks	595	1,057	500	500	700	700	700	700	700	700	700
Other infrastructure	-	50	-	-	-	-	-	-	-	-	-
Total infrastructure	**34,023**	**43,255**	**33,470**	**42,170**	**34,020**	**33,070**	**36,570**	**36,570**	**36,570**	**36,570**	**36,570**
Total capital works expenditure	**51,029**	**65,914**	**47,820**	**57,170**	**46,170**	**45,220**	**48,720**	**48,720**	**48,720**	**48,720**	**48,720**
Represented by:											
New asset expenditure	3,117	12,805	4,800	13,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Asset renewal expenditure	19,533	32,275	34,800	34,200	33,800	33,800	33,800	33,800	33,800	33,800	33,800
Asset upgrade expenditure	28,379	20,834	8,220	9,470	10,870	9,920	13,420	13,420	13,420	13,420	13,420
Total capital works expenditure	**51,029**	**65,914**	**47,820**	**57,170**	**46,170**	**45,220**	**48,720**	**48,720**	**48,720**	**48,720**	**48,720**
Funding sources represented by:											
Grants	4,402	9,858	3,870	9,169	1,269	692	677	677	677	677	676
Contributions	204	178	178	178	178	178	178	178	15	-	-
Council cash	46,423	55,877	43,772	47,823	44,723	44,350	47,865	47,865	48,028	48,043	48,044
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Total capital works expenditure	**51,029**	**65,914**	**47,820**	**57,170**	**46,170**	**45,220**	**48,720**	**48,720**	**48,720**	**48,720**	**48,720**

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6.6 Statement of human resources

Staff expenditure	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
Staff expenditure											
Employee costs - operating	63,263	66,590	68,900	71,356	74,567	77,549	80,651	83,877	87,232	90,722	94,350
Employee costs - capital	3,071	4,646	4,855	5,073	5,301	5,513	5,734	5,963	6,202	6,450	6,708
Total staff expenditure	**66,334**	**71,236**	**73,755**	**76,429**	**79,868**	**83,063**	**86,385**	**89,841**	**93,434**	**97,172**	**101,058**

Staff numbers	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
Staff numbers											
Employees	587.1	587.3	582.3	578.3	578.3	578.3	578.3	578.3	578.3	578.3	578.3
Total staff numbers	**587.1**	**587.3**	**582.3**	**578.3**	**578.3**	**578.3**	**578.3**	**578.3**	**578.3**	**578.3**	**578.3**

Department	Total	Comprises			
		Permanent Full Time	Part Time	Casual	Temporary
	$'000	$'000	$'000	$'000	$'000
Chief Executive's Office	2,779	2,512	83	154	30
Corporate Services	21,570	14,255	3,498	2,242	1,576
Stategic Development	22,689	14,600	5,617	867	1,606
Infrastructure & City Services	18,992	16,797	364	86	1,745
Total permanent staff expenditure	**66,031**	**48,164**	**9,562**	**3,349**	**4,957**
Other employee related expenditure	559				
Capitalised labour costs	4,646				
Total staff expenditure	**71,236**				

Department	Total	Comprises			
		Permanent Full Time	Part Time	Casual	Temporary
Chief Executive's Office	18.7	16.0	0.8	1.7	0.2
Corporate Services	180.7	114.2	33.3	21.4	11.7
Stategic Development	177.8	111.4	48.4	6.0	12.0
Infrastructure & City Services	175.0	160.4	3.1	0.9	10.6
Total staff	**552.2**	**402.1**	**85.6**	**30.1**	**34.5**
Capitalised labour costs	35.1				
Total staff expenditure	**587.3**				

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6.7 Planned human resource expenditure

	2025/26 $'000	2026/27 $'000	2027/28 $'000	2028/29 $'000	2029/30 $'000	2030/31 $'000	2031/32 $'000	2032/33 $'000	2033/34 $'000	2034/35 $'000
Chief Executive's Office										
Permanent - Full time	2,512	2,599	2,692	2,813	2,926	3,043	3,164	3,291	3,423	3,560
Women	1,134	1,174	1,215	1,270	1,321	1,374	1,429	1,486	1,545	1,607
Men	1,010	1,045	1,083	1,131	1,177	1,224	1,273	1,324	1,376	1,432
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	368	380	394	412	428	445	463	482	501	521
Permanent - Part time	83	86	89	93	97	101	105	109	114	118
Women	83	86	89	93	97	101	105	109	114	118
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	-	-	-	-	-	-	-	-	-	-
Total Chief Executive's Office	**2,596**	**2,686**	**2,781**	**2,907**	**3,023**	**3,144**	**3,270**	**3,400**	**3,536**	**3,678**
Corprorate Services										
Permanent - Full time	14,616	15,123	15,662	16,367	17,021	17,702	18,410	19,147	19,913	20,709
Women	8,390	8,681	8,991	9,395	9,771	10,162	10,568	10,991	11,431	11,888
Men	5,481	5,671	5,873	6,137	6,382	6,638	6,903	7,179	7,467	7,765
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	745	771	798	834	868	902	939	976	1,015	1,056
Permanent - Part time	3,587	3,711	3,844	4,017	4,177	4,344	4,518	4,699	4,887	5,082
Women	2,167	2,242	2,322	2,426	2,523	2,624	2,729	2,839	2,952	3,070
Men	770	796	825	862	896	932	970	1,008	1,049	1,091
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	650	673	697	728	757	788	819	852	886	921
Total Corprorate Services	**18,203**	**18,834**	**19,505**	**20,383**	**21,199**	**22,046**	**22,928**	**23,845**	**24,799**	**25,791**
Sustainable Communities										
Permanent - Full time	14,924	15,442	15,992	16,712	17,381	18,076	18,799	19,551	20,333	21,146
Women	8,044	8,323	8,620	9,007	9,368	9,742	10,132	10,537	10,959	11,397
Men	4,712	4,875	5,049	5,276	5,487	5,707	5,935	6,172	6,419	6,676
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	2,169	2,244	2,324	2,429	2,526	2,627	2,732	2,841	2,955	3,073
Permanent - Part time	5,742	5,941	6,153	6,430	6,687	6,955	7,233	7,522	7,823	8,136
Women	5,078	5,254	5,441	5,686	5,914	6,150	6,396	6,652	6,918	7,195
Men	153	158	164	171	178	185	192	200	208	216
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	512	530	548	573	596	620	645	671	697	725
Total Sustainable Communities	**20,667**	**21,384**	**22,146**	**23,142**	**24,068**	**25,031**	**26,032**	**27,073**	**28,156**	**29,282**
Infrastructure & City Services										
Permanent - Full time	17,237	17,835	18,471	19,302	20,074	20,877	21,712	22,581	23,484	24,423
Women	3,142	3,251	3,367	3,519	3,660	3,806	3,958	4,117	4,281	4,452
Men	12,996	13,446	13,925	14,552	15,134	15,740	16,369	17,024	17,705	18,413
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	1,099	1,138	1,178	1,231	1,280	1,332	1,385	1,440	1,498	1,558
Permanent - Part time	373	386	400	418	435	452	470	489	509	529
Women	221	229	237	248	258	268	279	290	302	314
Men	152	157	163	170	177	184	191	199	207	215
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	-	-	-	-	-	-	-	-	-	-
Total Infrastructure & City Services	**17,611**	**18,222**	**18,871**	**19,720**	**20,509**	**21,329**	**22,182**	**23,070**	**23,992**	**24,952**
Casuals, temporary and other expenditure	7,514	7,775	8,052	8,414	8,751	9,101	9,465	9,844	10,237	10,647
Capitalised labour	4,646	4,855	5,073	5,301	5,513	5,734	5,963	6,202	6,450	6,708
Total staff expenditure	**71,236**	**73,755**	**76,429**	**79,868**	**83,063**	**86,385**	**89,841**	**93,434**	**97,172**	**101,058**

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	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
Chief Executive's Office										
Permanent - Full time										
Women	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Men	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Permanent - Part time										
Women	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	-	-	-	-	-	-	-	-	-	-
Total	**16.8**	**16.8**	**16.8**	**16.8**	**16.8**	**16.8**	**16.8**	**16.8**	**16.8**	**16.8**
Corprorate Services										
Permanent - Full time										
Women	68.2	68.2	68.2	68.2	68.2	68.2	68.2	68.2	68.2	68.2
Men	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Permanent - Part time	-									
Women	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
Men	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Total	**147.6**	**147.6**	**147.6**	**147.6**	**147.6**	**147.6**	**147.6**	**147.6**	**147.6**	**147.6**
Sustainable Communities										
Permanent - Full time										
Women	60.7	60.7	60.7	60.7	60.7	60.7	60.7	60.7	60.7	60.7
Men	34.6	34.6	34.6	34.6	34.6	34.6	34.6	34.6	34.6	34.6
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Permanent - Part time										
Women	42.8	42.8	42.8	42.8	42.8	42.8	42.8	42.8	42.8	42.8
Men	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Total	**159.8**	**159.8**	**159.8**	**159.8**	**159.8**	**159.8**	**159.8**	**159.8**	**159.8**	**159.8**
Infrastructure & City Services										
Permanent - Full time										
Women	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4
Men	124.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Permanent - Part time										
Women	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Men	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Vacant	-	-	-	-	-	-	-	-	-	-
Total	**163.5**	**163.5**	**163.5**	**163.5**	**163.5**	**163.5**	**163.5**	**163.5**	**163.5**	**163.5**
Casuals, temporary and other expenditure	64.6	59.6	55.6	55.6	55.6	55.6	55.6	55.6	55.6	55.6
Capitalised labour	35.1	35.1	35.1	35.1	35.1	35.1	35.1	35.1	35.1	35.1
Total staff	**587.3**	**582.3**	**578.3**	**578.3**	**578.3**	**578.3**	**578.3**	**578.3**	**578.3**	**578.3**

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7. 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	Actual 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Operating position												
Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business)	**Adjusted underlying surplus (or deficit)** Adjusted underlying surplus (deficit) / Adjusted underlying revenue	5.1%	3.7%	5.2%	5.4%	4.9%	4.4%	3.7%	2.8%	1.4%	0.9%	0.0%
Liquidity												
Working Capital (sufficient working capital is available to pay bills as and when they fall due)	**Current assets compared to current liabilities** Current assets / current liabilities	141.6%	118.8%	123.5%	124.6%	131.4%	140.5%	146.7%	153.9%	156.6%	160.4%	162.5%
Unrestricted cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due)	**Unrestricted cash compared to current liabilities** Unrestricted cash / current liabilities	3.0%	(16.1%)	(19.1%)	(18.0%)	(18.4%)	(19.0%)	(19.0%)	(19.3%)	(19.8%)	(19.9%)	(19.1%)
Obligations												
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	**Loans and borrowings compared to rates** Interest bearing loans and borrowings / rate revenue	16.0%	10.2%	8.1%	6.1%	4.2%	2.3%	0.8%	0.1%	-	-	-
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	**Loans and borrowings repayments compared to rates** Interest and principal repayments on interest bearing loans and borrowings / rate revenue	2.4%	5.7%	2.1%	2.0%	2.0%	1.9%	1.5%	0.8%	0.1%	-	-
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	**Non-current liabilities compared to own-source revenue** Non-current liabilities / own source revenue	10.4%	8.8%	6.8%	4.9%	3.4%	1.8%	1.1%	1.2%	1.1%	1.0%	1.3%
Asset renewal (assets are renewed as planned)	**Asset renewal compared to depreciation** Asset renewal and upgrade expense / Asset depreciation	130.7%	140.0%	110.7%	109.6%	109.4%	104.4%	110.0%	107.4%	104.7%	102.2%	99.7%
Stability												
Rates concentration (revenue is generated from a range of sources)	**Rates compared to adjusted underlying revenue** Rate revenue / adjusted underlying revenue	82.6%	85.1%	85.4%	85.3%	85.3%	85.1%	85.0%	85.0%	84.9%	84.8%	84.8%
Rates effort (rating level is set based on the community's capacity to pay)	**Rates compared to property values** Rate revenue / CIV of rateable properties in the municipality	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%
Efficiency												
Expenditure level (resources are used efficiently in the delivery of services)	**Expenses per property assessment** Total expenses/ no. of property assessments	$3,586	$3,637	$3,687	$3,757	$3,854	$3,952	$4,064	$4,185	$4,323	$4,436	$4,566
Revenue level (resources are used efficiently in the delivery of services)	**Average rate per property assessment** General rates and municipal charges / no. of property assessments	$2,154	$2,273	$2,340	$2,411	$2,452	$2,493	$2,536	$2,583	$2,623	$2,670	$2,719

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8. Strategies and plans

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

8.1 Borrowing strategy

8.1.1 Current debt position

The total amount borrowed as at 30 June 2025 is $22.345 million and this is expected to be reduced to $7.475 million by 30 June 2026. Despite being within acceptable debt levels, this plan does not include any further borrowings.

8.1.2 Future borrowing requirements

The following table highlights Council's projected loan balances, including new loans and loan repayments for the 10 years of this plan.

	Actual 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	24,715	22,344	14,869	12,284	9,585	6,767	3,823	1,421	122	-	-
Plus New loans	-	-	-	-	-	-	-	-	-	-	-
Less Principal repayment	2,370	7,475	2,585	2,699	2,819	2,943	2,402	1,299	122	-	-
Closing balance	**22,344**	**14,869**	**12,284**	**9,585**	**6,767**	**3,823**	**1,421**	**122**	**-**	**-**	**-**
Interest payment	1,001	894	588	474	354	228	110	34	1	-	-

8.1.3 Performance Indicators

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

Performance Indicator	Target	Actual 2024/25 %	2025/26 %	2026/27 %	2027/28 %	2028/29 %	2029/30 %	2030/31 %	2031/32 %	2032/33 %	2033/34 %	2034/35 %
Total borrowings / Rate revenue	Below 60%	16.0%	10.2%	8.1%	6.1%	4.2%	2.3%	0.8%	0.1%	-	-	-
Debt servicing / Rate revenue	Below 5%	0.7%	0.6%	0.3%	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%	-	-
Debt committment / Rate revenue	Below 10%	2.4%	5.7%	2.1%	2.0%	2.0%	1.9%	1.5%	0.8%	0.1%	-	-
Indebtedness / Own source revenue	Below 40%	10.4%	8.8%	6.8%	4.9%	3.4%	1.8%	1.1%	1.2%	1.1%	1.0%	1.3%

Council maintains its loan borrowing within prudent and management limits as demonstrated by the following performance indicators.

Total borrowings / rate revenue

The predicted ratio in this plan is well below target, indicating that Council is well within acceptable debt levels.

Debt servicing / rate revenue

The predicted ratio in this plan is well below target, indicating that Council is well within acceptable debt levels.

Debt commitment / rate revenue

The predicted ratio in this plan is well below target, indicating that Council is well within acceptable debt levels.

Indebtedness / own-source revenue

The predicted ratio in this plan is well below target, indicating that Council is well within acceptable debt levels.

8.2 Reserves strategy

8.2.1 Current reserves

Restricted reserves are financial reserves that must be used to meet contractual or statutory obligations.

Discretionary reserves are financial reserves that are determined and spent at the discretion of Council.

Waste management reserve

Purpose: This reserve is used to reconcile waste income against waste expenditure incurred by Council. These should have some correlation as the income is generally generated by a service charge included on the rate notice. This is very difficult in an extremely volatile market, so the reserve ensures that waste income and expenditure will be balanced over a number of years.

Movements: Inflows to the reserve (inflows) relate to a surplus of waste income over waste expenditure. Transfers from the reserve (outflows) relate to a deficit where waste expenditure exceeds waste income.

Car park reserve

Purpose: This reserve relates to a car parking strategy for the commercial centre in Williamstown to address a number of car parking issues confronting Douglas Parade, Ferguson Street and Nelson Place.

Movements: Transfers to the reserve (inflows) comprise contributions from businesses in lieu of providing sufficient customer parking. Transfers from the reserve (outflows) fund additional parking spaces in designated areas.

Recreation land fund

Purpose: This reserve holds funds contributed by developers for works associated with developing and improving public open space and recreational facilities within Council. Funds are contributed in accordance with Section 18 of the *Subdivision Act* 1988 and transfers are restricted for the purpose of creating open space such as parks, playgrounds, pavilions and other such items where it is deemed that these works should occur at a later point than the initial development.

Movements: Transfers to the reserve (inflows) comprise contribution income from subdividers in lieu of the public open space requirement. Transfers from the reserve (outflows) fund open space capital projects annually.

Street tree planting reserve

Purpose: This reserve holds funds contributed by developers to be used towards street tree planting and maintenance.

Movements: Transfers to the reserve (inflows) comprise contribution income from subdividers and developers. Transfers from the reserve (outflows) contribute to the annual street tree planting program.

Port Phillip Woollen Mills developer contribution plan (DCP)

Purpose: This reserve holds funds received under Design and Development Overlay Schedule 1 of the Hobsons Bay Planning Scheme, relating to the former Port Phillip Woollen Mill development contributions plan. This plan covers land within Williamstown, roughly bounded by Nelson Place, Kanowna Street, Ann Street and Cecil Street and is associated with the former Port Philip Woollen Mills strategic redevelopment area.

Movements: Transfers to the reserve (inflows) comprise contribution income from developers. Transfers from the reserve (outflows) are for nominated capital works for development infrastructure projects and community infrastructure projects in accordance with the former Port Philip Woollen Mills development contributions plan.

Hobsons Bay caravan park DCP

Purpose: This reserve holds community infrastructure levy funds received from the development of the former Hobson Bay caravan park site in Williamstown North. Funds are received via a section 173 agreement that is on the title to the land.

Movements: Transfers to the reserve (inflows) comprise community infrastructure levy income from the developers. Transfers from the reserve (outflows) will be for nominated community infrastructure projects that are within the proximity of the development site, and that has nexus to the development area.

Former Caltex site DCP (Precinct 16 East)

Purpose: This reserve holds the community infrastructure levy funds received from the development of the former Caltex site at 38-48 Blackshaws Road in South Kingsville. Funds are received via the section 173 agreements that are on the title of the land.

Movements: Transfers to the reserve (inflows) comprise community infrastructure levy income from the developers. Transfers from the reserve (outflows) will be for nominated capital works for community infrastructure projects that are within the proximity of the development site, and that has nexus to the development area.

Altona North DCP (Precinct 15)

Purpose: This reserve holds funds received under the Development Contributions Plan Overlay Schedule 2 of the Hobsons Bay Planning Scheme, relating to the Altona North development contributions plan. This plan covers land generally bounded by Kyle Road, Blackshaws Road, New Street, the West Gate Freeway and Brooklyn Terminal Substation in Altona North and South Kingsville.

Movements: Transfers to the reserve (inflows) comprise contribution income from developers. Transfers from the reserve (outflows) will be for nominated capital works for development infrastructure projects and community infrastructure projects in accordance with the Altona North development contributions plan. Payments can also be made from this reserve for development or community infrastructure projects that have been undertaken by the developer under this program, also known as “works in kind.”

Victorian Grants Commission reserve

Purpose: This reserve holds funds received in advance from the Victorian Grants Commission for the financial assistance grant and local road funding relating to the next financial year.

Movements: Transfers to the reserve (inflows) comprise funds received in advance from the Victorian Grants Commission. Transfers from the reserve (outflows) are applied in the next financial year, for which the grant relates to.

General purpose reserve

Purpose: This reserve is used to balance the available funding result and set aside funds for future capital works.

Movements: Transfers to the reserve (inflows) are mainly sourced from operational or capital budget savings. Transfers from the reserve (outflows) are aligned to Council's capital works program annually.

Capital works carryover reserve

Purpose: This reserve is used to fund timing differences caused by projects being delayed (or brought forward) in the annual capital works program.

Movements: Transfers to the reserve (inflows) are equivalent to the amount of capital works delayed in the year that they are originally budgeted to be completed. Transfers from the reserve (outflows) fund capital works that have been delayed in the year that they will now be completed.

Loan repayment reserve

Purpose: This reserve is designed to ensure that sufficient funds are available for future principle repayments of interest-only loans.

Movements: Transfers to the reserve (inflow) are equal to the deemed principal repayment of an interest-only loan in a given year. Transfers from the reserve (outflows) equal the final payment of an interest-only loan when they fall due.

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8.2.2 Reserve usage projections

The table below discloses the balance and annual movement for each reserve over the 10-year life of this plan. Total amount of reserves for each year aligns with the statement of changes in equity.

Reserves	Restricted / Discretionary	2024/25 $000's	2025/26 $000's	2026/27 $000's	2027/28 $000's	2028/29 $000's	2029/30 $000's	2030/31 $000's	2031/32 $000's	2032/33 $000's	2033/34 $000's	2034/35 $000's
Waste Management Sinking Fund	**Restricted**											
Opening balance		**(3,471)**	**(3,803)**	**(4,371)**	**(3,381)**	**(1,375)**	**263**	**1,520**	**2,383**	**2,837**	**2,868**	**2,577**
Transfer to reserve		370	137	990	2,006	1,638	1,257	863	454	31	-	-
Transfer from reserve		702	705	-	-	-	-	-	-	-	291	621
Closing balance		**(3,803)**	**(4,371)**	**(3,381)**	**(1,375)**	**263**	**1,520**	**2,383**	**2,837**	**2,868**	**2,577**	**1,956**
Car Park Reserve	**Restricted**											
Opening balance		**222**	**222**	**222**	**222**	**222**	**222**	**222**	**222**	**222**	**222**	**222**
Transfer to reserve		-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-
Closing balance		**222**	**222**	**222**	**222**	**222**	**222**	**222**	**222**	**222**	**222**	**222**
Recreation Land Fund	**Restricted**											
Opening balance		**2,102**	**2,690**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**
Transfer to reserve		3,588	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Transfer from reserve		3,000	2,600	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Closing balance		**2,690**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**
Street Tree Planting Reserve	**Restricted**											
Opening balance		**132**	**240**	**154**	**154**	**154**	**154**	**154**	**154**	**154**	**154**	**154**
Transfer to reserve		191	60	60	60	60	60	60	60	60	60	60
Transfer from reserve		84	146	60	60	60	60	60	60	60	60	60
Closing balance		**240**	**154**	**154**	**154**	**154**	**154**	**154**	**154**	**154**	**154**	**154**
Port Phillip Woolen Mills DCP	**Restricted**											
Opening balance		**1,013**	**329**	**176**	**176**	**176**	**176**	**176**	**176**	**176**	**176**	**176**
Transfer to reserve		16	-	-	-	-	-	-	-	-	-	-
Transfer from reserve		700	154									
Closing balance		**329**	**176**	**176**	**176**	**176**	**176**	**176**	**176**	**176**	**176**	**176**
Hobsons Bay Caravan Park DCP	**Restricted**											
Opening balance		**-**	**-**	**11**	**23**	**34**	**45**	**56**	**68**	**79**	**90**	**101**
Transfer to reserve		47	11	11	11	11	11	11	11	11	11	11
Transfer from reserve		47	-	-	-	-	-	-	-	-	-	-
Closing balance		**-**	**11**	**23**	**34**	**45**	**56**	**68**	**79**	**90**	**101**	**113**
Former Caltex Site DCP (Precinct 16 East)	**Restricted**											
Opening balance		**33**	**52**	**52**	**52**	**52**	**52**	**52**	**52**	**52**	**52**	**52**
Transfer to reserve		19	-	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-
Closing balance		**52**	**52**	**52**	**52**	**52**	**52**	**52**	**52**	**52**	**52**	**52**
Altona North DCP (Precinct 15)	**Restricted**											
Opening balance		**4,182**	**5,302**	**5,769**	**7,027**	**7,027**	**7,027**	**7,027**	**7,027**	**7,027**	**7,027**	**7,027**
Transfer to reserve		1,121	467	1,257	-	-	-	-	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-
Closing balance		**5,302**	**5,769**	**7,027**	**7,027**	**7,027**	**7,027**	**7,027**	**7,027**	**7,027**	**7,027**	**7,027**
Reserves Summary	**Total Restricted**											
Opening balance		**4,213**	**5,033**	**4,403**	**6,662**	**8,679**	**10,328**	**11,596**	**12,471**	**12,936**	**12,978**	**12,698**
Transfer to reserve		5,352	2,975	4,619	4,377	4,009	3,628	3,234	2,825	2,402	2,371	2,371
Transfer from reserve		4,533	3,605	2,360	2,360	2,360	2,360	2,360	2,360	2,360	2,651	2,981
Closing balance		**5,033**	**4,403**	**6,662**	**8,679**	**10,328**	**11,596**	**12,471**	**12,936**	**12,978**	**12,698**	**12,089**

Reserves	Restricted / Discretionary	2024/25 $000's	2025/26 $000's	2026/27 $000's	2027/28 $000's	2028/29 $000's	2029/30 $000's	2030/31 $000's	2031/32 $000's	2032/33 $000's	2033/34 $000's	2034/35 $000's
Victorian Grants Commission Reserve	**Discretionary**											
Opening balance		**-**	**1,768**	**1,812**	**1,857**	**1,904**	**1,952**	**2,000**	**2,050**	**2,102**	**2,154**	**2,208**
Transfer to reserve		1,768	1,812	1,857	1,904	1,952	2,000	2,050	2,102	2,154	2,208	2,263
Transfer from reserve		-	1,768	1,812	1,857	1,904	1,952	2,000	2,050	2,102	2,154	2,208
Closing balance		**1,768**	**1,812**	**1,857**	**1,904**	**1,952**	**2,000**	**2,050**	**2,102**	**2,154**	**2,208**	**2,263**
General Purpose Reserve	**Discretionary**											
Opening balance		**4,823**	**11,615**	**4,915**	**3,988**	**755**	**1,186**	**2,647**	**1,362**	**1,141**	**787**	**893**
Transfer to reserve		8,296	-	-	-	431	1,461	-	-	-	106	-
Transfer from reserve		1,504	6,700	927	3,233	-	-	1,285	221	354	-	248
Closing balance		**11,615**	**4,915**	**3,988**	**755**	**1,186**	**2,647**	**1,362**	**1,141**	**787**	**893**	**645**
Capital Works Carryover Reserve	**Discretionary**											
Opening balance		**16,477**	**7,036**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to reserve		14,036	7,000	-	-	-	-	-	-	-	-	-
Transfer from reserve		23,477	14,036	-	-	-	-	-	-	-	-	-
Closing balance		**7,036**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loan Repayment Reserve	**Discretionary**											
Opening balance		**4,500**	**5,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to reserve		500	-	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	5,000	-	-	-	-	-	-	-	-	-
Closing balance		**5,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reserves Summary	**Total Discretionary**											
Opening balance		**25,800**	**25,419**	**6,727**	**5,846**	**2,659**	**3,138**	**4,647**	**3,412**	**3,243**	**2,941**	**3,101**
Transfer to reserve		24,600	8,812	1,857	1,904	2,383	3,461	2,050	2,102	2,154	2,314	2,263
Transfer from reserve		24,981	27,504	2,739	5,090	1,904	1,952	3,285	2,271	2,456	2,154	2,456
Closing balance		**25,419**	**6,727**	**5,846**	**2,659**	**3,138**	**4,647**	**3,412**	**3,243**	**2,941**	**3,101**	**2,908**
Reserves Summary	**Restricted & Discretionary**											
Opening balance		**30,013**	**30,452**	**11,130**	**12,507**	**11,338**	**13,466**	**16,244**	**15,883**	**16,179**	**15,919**	**15,799**
Transfer to reserve		29,952	11,787	6,476	6,281	6,392	7,090	5,285	4,927	4,556	4,685	4,634
Transfer from reserve		29,513	31,109	5,099	7,450	4,264	4,312	5,645	4,631	4,816	4,805	5,437
Closing balance		**30,452**	**11,130**	**12,507**	**11,338**	**13,466**	**16,244**	**15,883**	**16,179**	**15,919**	**15,799**	**14,997**

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Further information

For further information regarding this plan please contact the **Community and Council Plan development team** at **cp@hobsonsbay.vic.gov.au**.

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