



# Financial Plan

2025/26 to 2034/35

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# 1. Executive summary

## 1.1 Purpose

The purpose of the Financial Plan is to provide a clear and strategic framework for managing the financial resources of the Swan Hill Rural City Council ("Council"). It outlines the financial goals and objectives, ensuring that Council can meet its current and future obligations while delivering essential services to the community and ensuring that Council's finances remain sustainable in the long term.

Ultimately, Council's finances are sustainable in the long term if they are strong enough to allow Council to manage likely developments and unexpected financial shocks without having to introduce substantial or disruptive revenue (or expenditure) adjustments.

The plan expresses in financial terms the activities that Council proposes to undertake over the short, medium and long term and will guide the future strategies and actions of Council to ensure that it continues to operate in a sustainable manner.

The Local Government Act 2020, Section 91 requires Council to develop, adopt and keep in force a financial plan with an outlook of at least 10 years to show how the viability and financial sustainability of Council will be achieved and maintained, and to define the broad fiscal boundaries for the Council Plan, Asset Plan, and other strategic plans of Council.

## 1.2 Strategic context

Through its Strategic Planning Framework, Council aims to ensure all activities and financial resources align with the Swan Hill Rural City Council community's aspirations, needs, and expectations. Key planning documents within the Strategic Planning Framework include:

- Community Vision and Council Plan 2025 – 2029
- Financial Plan 2025 – 2035
- Annual Financial Plan and Budget
- Revenue and Rating Plan 2025 – 2029
- Asset Plan 2025 – 2035

The Local Government Act 2020 requires councils to exercise sound financial management, which includes: managing revenue, expenses, assets, liabilities, investments, and financial transactions according to financial policies and strategic plans. Prudently monitoring and managing financial risks considering economic circumstances. Ensuring financial policies and strategic plans provide stability for the municipality. Keeping accounts and records that explain Council's financial operations and position. This is all brought together through an integrated planning approach, as highlighted in Section 2.



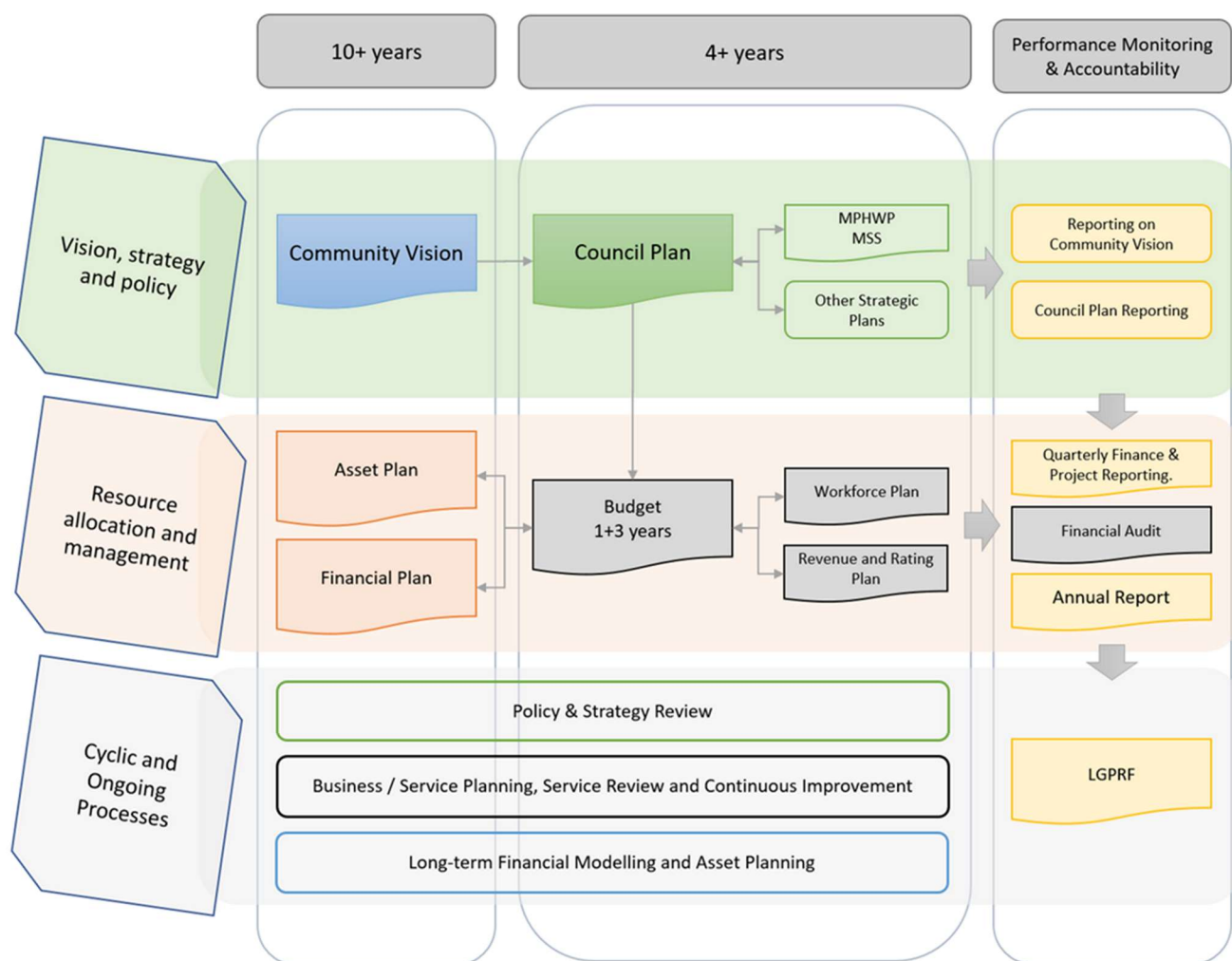
## 2. Legislative Requirements

This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & Reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

The following diagram provides an overview of the core legislated elements of an integrated strategic planning and reporting framework and outcomes.



The following figure demonstrates how each element might inform or be informed by other parts of the integrated framework.



## 2.1 Strategic Planning Principles

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

- Council has an integrated approach to planning, monitoring and performance reporting.
- Council financial 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.
- The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan.
- The Financial Plan provides for the strategic planning principles of progress monitoring and reviews to identify and adapt to changing circumstances.

## 2.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- 2.2.1 Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 2.2.2 Management of the following financial risks:
  - a) The financial viability of the Council (refer to section 3.1 Financial Policy Statements).
  - b) The management of current and future liabilities of the Council. The estimated 10 year-liabilities are disclosed in section 4.2 Balance Sheet projections.
  - c) The beneficial enterprises of Council (where appropriate).
- 2.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 2.2.4 Council maintains accounts and records that explain its financial operations and financial position (refer section 4 Financial Plan Statements).

## 2.3 Engagement Principles

The Local Government Act 2020 states that a Council must develop, adopt and keep in force a Financial Plan in accordance with its deliberative engagement practices.

Deliberative engagement allows for discussion and the possibility of consensus if needed. The key features of a deliberative process are to come to a decision after considering all information and prioritising and weighing solutions. By its very name, it requires a level of engagement that is measured, considered and has the involvement of others.

Development of the Financial Plan was undertaken through consultation with the community during workshops undertaken to develop the Council Plan, annual budget consultations and following the Council Plan workshops further community consultation was undertaken with regards to the financial operations of Council.

## 2.4 Service Performance Principles

Council services are designed to be targeted to community needs and provide value for money. The service performance principles are listed below:

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the 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 (LGPRF) is designed to communicate Council's performance regarding the provision of quality and efficient services. These outcomes are communicated annually via the Service Performance Report.

- d) Council is developing a Customer Service Strategy that considers and responds to community feedback and complaints regarding service provision.

## **2.5 Asset Plan Integration**

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

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

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

## **2.6 Revenue and Rating Plan Integration**

The purpose of the Revenue and Rating Plan is to determine the most appropriate and affordable revenue and rating approach for Council which in conjunction with other income sources will adequately finance the objectives in the Council Plan.

Strategies outlined in the Revenue and Rating Plan align with the objectives contained in the Council Plan and have been incorporated into the Financial Plan.

## 3. Financial Plan Context

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

### 3.1 Financial Policy Statements

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

Policy Statement	Measure	Target	Forecast Actual	Budget									
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Consistent underlying surplus results	Adjusted underlying result greater than \$0	>\$0.5M	(\$5.78M)	\$1.85M	\$1.67M	\$1.18M	\$0.94M	\$1.48M	\$2.45M	\$2.91M	\$1.42M	\$0.93M	\$1.03M
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities	>1.5	3.2	2.6	3.7	3.8	3.7	3.8	3.9	4.5	4.6	4.5	4.6
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Asset renewal and upgrade expenses / Depreciation	>90%	163%	170%	89%	90%	84%	76%	83%	84%	68%	73%	68%
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings / Rate revenue	<30%	5.3%	2.9%	1.9%	1.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Unrestricted cash / Current Liabilities	>1.5	2.0	1.3	2.1	2.0	2.0	1.9	1.9	1.8	1.7	1.7	1.6
Council generates sufficient revenue from rates and charges to ensure consistent funding for new and renewal capital.	Capital expenditure / Rates & Charges	>40%	128%	121%	56%	50%	53%	47%	44%	44%	43%	43%	49%
Alternative revenue streams to take pressure off rate increases	Fees & Charges / Total Revenue	>10%	8%	8%	9%	10%	10%	10%	10%	10%	10%	10%	10%



## 3.2 Strategic Actions

Following a series of community engagement activities, Council has identified the following strategic actions that will support the aspirations of the Council Plan.

The strategic actions are included to the 10-year Financial Plan and, where appropriate, referenced in the commentary associated with the 10-year Comprehensive Income Statement and the 10-year Statement of Capital Works.

- Increase investment in capital renewal to reduce the escalating risk and maintenance of ageing infrastructure.
- Maintaining and developing community, recreational and sporting facilities.
- One of the key indicators of assessing financial sustainability is the ability to generate sufficient cash flows and the level of unrestricted cash held. Council must maintain a reasonable amount of cash to meet the requirements of the business and ensure timely payment of all liabilities. Maintaining a healthy cash balance is important for financial sustainability.
- That Council adopt the budgeted Statement of Financial Performance (Comprehensive Income Statement) as an integral part of the budget setting process for current and future budgets.
- That Council adopt the budgeted Statement of Financial Position (Balance Sheet) as being an integral part of the budget setting process for current and future budgets.
- That the working capital ratio be targeted to remain above a ratio of 1.5.
- That Council adopt the budgeted Statement of Cash Flows as being an integral part of the budget setting process for current and future budgets.
- That Council consider the most appropriate Fees and Charges Strategy so that adequate funds are recovered to offset operational expenses in annual and future budgets.
- Identify alternative revenue streams to take pressure off rate increases.
- Aggressively pursue government grants to fund new infrastructure and services.
- Seek greater financial and community returns from Council's property portfolio including the rationalisation of property holdings if possible.
- Identify sustainable efficiency gains in the operating budget.
- Ensure that any new programs or projects generate specific community value and are funded in a sustainable way.
- Reduce the level of debt held by Council and ensure that any new debt is based on a sound business case and demonstrated community benefit.

### 3.3 Assumptions to the Financial Plan Statements

#### Income

In developing the Financial Plan a range of issues and challenges have been identified that will have an impact on Council's financial position in the years ahead.

Rate capping was first introduced for the 2016/17 financial year budget. Any increase in Council rates will be capped at a value to be determined by the Minister for Local Government. At this stage the capping of rates will be linked to the Consumer Price Index (CPI). The annual CPI increase used throughout this document is detailed in the table below:

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
CPI	3.00%	3.20%	2.70%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%

Assumptions made for each line item of Council's financial statements are detailed as follows:

#### 3.3.1 Rates and charges

Rates income is the amount that Council will receive as a result of raising rates and related charges on properties each financial year. Other charges included here are charges levied for the kerbside collection of garbage, recycling and green waste along with the special marketing levy.

Assumptions: Rate capping percentage increase (%) consistent with CPI.  
Additional rates (supplementary) from expected new development each year.  
Waste management charge increases above CPI in the first 2 years due to Federal and State Government policy changes (Food Organics and Garden Organics).

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Rates	3.00%	2.95%	2.45%	2.75%	2.50%	2.75%	2.50%	2.75%	2.50%	2.75%
Waste	3.00%	3.20%	2.70%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Supplementary Rates (\$'000 p.a.)	127	110	56	57	57	57	58	58	58	59

#### 3.3.2 Statutory fees and fines

Statutory fees and fines comprise income generated for Council as a result of Federal or State legislation or Council by-laws, including planning fees, animal registration, parking fees and fines.

Assumptions: Percentage increase (%) consistent with CPI.

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Statutory fees and fines	3.00%	3.20%	2.70%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%

### 3.3.3 User fees

User fees comprise amounts charged to recipients for Council goods and services to fully or partially cover the cost of delivering those services. In a limited number of cases, Council recovers a gross profit margin as part of the user charge.

Assumptions: Percentage increase assumption is 1% higher than CPI.

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
<b>User fees and charges</b>	3.50%	4.20%	3.70%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%

### 3.3.4 Grants

#### Grants – operating

These are Federal and State government grants received for operational projects/programs. Included within this category are the Financial Assistance Grants provided by the Commonwealth Government to local government. The grant, received annually, comprises of general purpose grants and local roads funding. Other operational grants are those programs or services funded via Federal or State Government for many of the various services provided by Council.

Assumptions: Grants Commission funding has been forecast to increase by CPI.  
All other operational grants are forecast to increase by CPI.

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
<b>Grants Commission</b>	3.00%	3.20%	2.70%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
<b>Operational Grants</b>	3.00%	3.20%	2.70%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%

#### Grants – capital

Capital grants are grants acquired for a capital purpose to be used as a 'once off' project for the purchase or construction of an asset. Included in this item are the grants for the Roads to Recovery program.

Assumptions: It is assumed that the Roads to Recovery program will continue for the life of the Financial Plan.  
Capital Grant Project funding is determined based on current funding secured and an estimate of grants to be received based on forecast projects and the likelihood of funding being available.

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
<b>Roads to Recovery (\$'000 p.a.)</b>	2,524	2,524	2,524	2,524	2,524	2,524	2,524	2,524	2,524	2,524
<b>Capital Grant Project (\$'000 p.a.)</b>	13,216	2,370	2,192	1,592	1,900	400	565	1,300	375	13,216

### 3.3.5 Contributions

Cash contributions are funds received from user groups and developers towards capital works.

Assumptions: Cash contributions forecast to be received as per forecasts for major projects and capital works.

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Major projects and capital works (\$'000 p.a.)	263	103	294	244	85	104	165	103	85	274

### 3.3.6 Net gain / (loss) on disposal of property, infrastructure, plant and equipment

The net gain or loss on disposal of property, infrastructure, plant and equipment relates to the sale of Council assets and is usually associated with land and buildings or plant and equipment replacement.

### 3.3.7 Other income

Other income represents income that can't be classed into the above categories, and includes items such as reimbursements, interest on outstanding rates and bank investments, and Council's sale proceeds from the Tower Hill residential development.

Assumptions: Other non-specific Council income has assumed an annual percentage increase linked to the increase in average material costs.  
Interest income is linked relative to the value of cash holdings.  
Tower Hill land sales are assumed with the ongoing development and sale of stages within the estate.

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Other income	3.00%	3.45%	2.95%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest (\$'000 p.a.)	2,049	2,021	2,108	2,014	2,244	2,449	2,619	2,743	2,781	2,806
Tower Hill land sales (\$'000 p.a.)	5,345	3,740	3,841	3,956	4,065	4,187	4,302	4,431	4,553	4,690

## Expenses

### 3.3.8 Employee costs

Employee costs include salary, wages and other costs of employing staff (e.g. WorkCover, superannuation, leave entitlements, industry allowances) and involves direct employees and staff employed through agencies.

Assumptions: Annual Enterprise Bargaining Agreement increase and performance based Band and Level increase for non-managerial staff.  
Other oncost movements i.e. superannuation, leave loading, allowances, staff training, workcover expenses.

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Employee costs	4.00%	4.00%	4.00%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
Movement in oncosts*	0.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

\* - Oncosts includes, superannuation, leave loading, allowances, staff training, workcover and performance bonuses.

### 3.3.9 Materials and services

Payments for materials and services comprises goods and services purchased for the general operations and activities of Council and the cost of non-recurrent operational items funded through Council's Major Projects budget process.

Assumptions: Annual increase on all contract payments, materials and services.  
Operational resources as identified in the Council Plan.  
Additional resources allocated towards infrastructure maintenance and renewal.

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
<b>Contracts</b>	3.00%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Materials</b>	3.00%	3.70%	3.20%	3.50%	3.25%	3.50%	3.25%	3.50%	3.25%	3.50%
<b>Utilities</b>	3.00%	3.70%	3.20%	3.50%	3.25%	3.50%	3.25%	3.50%	3.25%	3.50%

### 3.3.10 Depreciation & amortisation

Depreciation represents an allocation of the current replacement cost of Council assets over their remaining economic life.

Depreciation estimates have been calculated based on the anticipated capital expenditures outlined in this plan.

### 3.3.11 Borrowing costs

Borrowing costs include the interest paid by Council on loans within its loan portfolio.

The budget reflects the movement in the total outstanding loan balance and reflects Council's borrowings strategy to cease any future borrowings.

Refer Section 6.1.

### 3.3.12 Other expenses

This expense category comprises agency payments and community grants, Councillor allowance expenses, audit fees, legal costs, operating lease rentals, bank charges and various other costs related to the daily operations of Council.

Assumptions: Other expenses are expected to increase annually by CPI plus 0.25%.

	Budget	Forecast								
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
<b>Other expenses</b>	3.00%	3.45%	2.95%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%



## 4. Financial Plan Statements

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

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

## 4.1 Comprehensive Income Statement

		Forecast	Budget	Financial Plan Projections								
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income												
Rates and charges	3.3.1	33,463	34,740	37,095	38,161	39,368	40,478	41,700	42,921	44,214	45,452	46,816
Statutory fees and fines	3.3.2	896	1,140	1,176	1,208	1,241	1,276	1,311	1,347	1,384	1,422	1,461
User fees	3.3.3	4,549	4,668	5,197	5,389	5,591	5,801	6,018	6,244	6,478	6,721	6,973
Grants - operating	3.3.5	11,228	11,099	11,401	11,722	12,059	12,405	12,761	13,128	13,655	13,894	14,294
Grants - capital	3.3.5	16,879	15,740	4,894	4,716	4,116	4,424	2,924	3,089	3,824	2,899	8,422
Contributions - cash	3.3.6	472	263	103	294	244	85	104	165	103	85	274
Net gain on disposal of property, infrastructure and equipment	3.3.4	(1,669)	99	445	694	555	346	360	860	367	382	389
Other income	3.3.7	5,600	9,248	7,864	8,115	8,200	8,606	9,001	9,357	9,683	9,918	10,158
Total Income		71,418	76,997	68,175	70,299	71,374	73,420	74,180	77,111	79,709	80,774	88,786
Expenses												
Employee benefits	3.3.8	(21,227)	(22,660)	(24,175)	(25,488)	(26,603)	(27,747)	(28,961)	(30,207)	(31,528)	(32,886)	(34,323)
Materials and services	3.3.9	(20,561)	(19,085)	(20,748)	(20,799)	(21,627)	(22,430)	(23,209)	(24,017)	(24,849)	(25,708)	(26,455)
Depreciation and amortisation	3.3.10	(14,670)	(16,121)	(16,117)	(16,552)	(17,084)	(16,576)	(16,724)	(17,052)	(17,534)	(17,870)	(17,960)
Bad and doubtful debts		(1)	(1)	(44)	(18)	(19)	(19)	(20)	(20)	(20)	(21)	(22)
Borrowing costs	3.3.11	(58)	(57)	(23)	(15)	(6)	(2)	(0)	(0)	(0)	(0)	(0)
Finance costs – leases		(24)	(23)	(15)	(9)	(4)	(0)	-	-	-	-	-
Other expenses	3.3.12	(5,201)	(3,724)	(3,009)	(3,945)	(3,423)	(3,267)	(2,412)	(2,340)	(3,052)	(2,986)	(3,011)
Total Expenses		(61,742)	(61,671)	(64,131)	(66,826)	(68,766)	(70,041)	(71,326)	(71,635)	(76,984)	(79,471)	(81,771)
Surplus for the year		9,676	15,326	4,044	3,473	2,608	3,379	2,854	3,477	2,725	1,303	7,015
Other comprehensive income												
Net asset revaluation increment		22,594	70	2,255	5,978	952	2,986	6,187	2,312	-	7,073	3,058
Comprehensive result		32,270	15,396	6,299	9,451	3,560	6,364	9,041	5,788	2,725	8,376	10,073

## 4.2 Balance Sheet

		Forecast	Budget	Financial Plan Projections								
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets												
Cash and cash equivalents		30,550	19,213	17,839	19,434	19,005	20,573	22,823	30,463	32,681	33,543	36,119
Trade and other receivables		8,438	8,794	3,859	3,963	4,060	4,165	4,184	4,260	4,492	4,554	5,026
Inventories		222	112	112	112	112	112	112	112	112	112	112
Other assets		8,640	8,653	8,653	8,653	8,653	8,653	8,653	8,653	8,653	8,653	8,653
Total current assets		47,850	36,772	30,463	32,162	31,830	33,503	35,772	43,488	45,938	46,862	49,911
Non-current assets												
Trade and other receivables		50	50	50	50	50	50	50	50	50	50	50
Property, infrastructure, plant and equipment		688,942	714,620	720,797	728,625	737,625	737,600	744,551	744,651	743,858	751,709	759,132
Right-of-use assets		451	325	206	109	16	-	-	-	-	-	-
Intangible assets		3,499	3,569	3,569	3,569	3,569	3,569	3,569	3,569	3,569	3,569	3,569
Total non-current assets		692,942	718,564	724,622	732,373	736,259	741,219	748,270	746,727	747,477	755,328	762,751
Total assets		740,792	755,336	755,085	764,535	768,089	774,722	784,042	790,215	793,415	802,190	812,661
Current liabilities												
Trade and other payables		9,162	8,898	2,475	2,575	2,625	2,699	2,709	2,785	2,950	3,040	3,130
Trust funds and deposits		414	414	414	414	414	414	414	414	414	414	414
Provisions		4,329	4,621	4,913	5,205	5,497	5,789	6,081	6,373	6,665	6,957	7,249
Interest-bearing loans and borrowings		897	292	305	260	97	40	0	0	0	0	0
Lease liabilities		110	111	106	103	18	-	-	-	-	-	-
Total current liabilities		14,912	14,336	8,213	8,558	8,651	8,942	9,204	9,572	10,029	10,411	10,793
Non-current liabilities												
Provisions		3,365	3,382	3,399	3,416	3,433	3,450	3,467	3,484	3,501	3,518	3,535
Interest-bearing loans and borrowings		889	707	398	137	40	-	-	-	-	-	-
Lease liabilities		366	255	121	18	-	-	-	-	-	-	-
Total non-current liabilities		4,620	4,344	3,918	3,571	3,473	3,450	3,467	3,484	3,501	3,518	3,535
Total liabilities		19,532	18,680	12,131	12,129	12,124	12,392	12,671	13,056	13,530	13,929	14,328
Net assets		721,260	736,656	742,954	752,406	755,965	762,330	771,371	777,159	779,884	788,260	798,333
Equity												
Accumulated surplus		319,789	345,461	349,449	351,357	354,346	356,186	356,890	352,822	353,410	354,038	358,306
Asset revaluation reserve		370,334	370,404	372,659	378,637	379,589	382,575	388,761	391,073	391,073	398,146	401,204
Other reserves		31,137	20,791	20,847	22,412	22,031	23,569	25,719	33,264	35,401	36,077	38,824
Total equity		721,260	736,656	742,954	752,406	755,965	762,330	771,371	777,159	779,884	788,260	798,333

### 4.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2024/25 Forecast Actual</b>				
Balance at beginning of the financial year	688,989	341,249	347,740	-
Surplus/(deficit) for the year	9,676	9,676	-	-
Net asset revaluation increment/(decrement)	22,594	-	22,594	-
Transfers (to)/from other reserves	1	(31,137)	-	31,137
<b>Balance at end of the financial year</b>	<b>721,260</b>	<b>319,789</b>	<b>370,334</b>	<b>31,137</b>
<b>2025/26</b>				
Balance at beginning of the financial year	721,260	319,789	370,334	31,137
Surplus/(deficit) for the year	15,326	15,326	-	-
Net asset revaluation increment/(decrement)	70	-	70	-
Transfers (to)/from other reserves	-	10,346	-	10,346
<b>Balance at end of the financial year</b>	<b>736,656</b>	<b>345,461</b>	<b>370,404</b>	<b>20,791</b>
<b>2026/27</b>				
Balance at beginning of the financial year	736,656	345,461	370,404	20,791
Surplus/(deficit) for the year	4,044	4,044	-	-
Net asset revaluation increment/(decrement)	2,255	-	2,255	-
Transfers (to)/from other reserves	-	(56)	-	56
<b>Balance at end of the financial year</b>	<b>742,954</b>	<b>349,449</b>	<b>372,659</b>	<b>20,847</b>
<b>2027/28</b>				
Balance at beginning of the financial year	742,954	349,449	372,659	20,847
Surplus/(deficit) for the year	3,473	3,473	-	-
Net asset revaluation increment/(decrement)	5,978	-	5,978	-
Transfers (to)/from other reserves	-	(1,565)	-	1,565
<b>Balance at end of the financial year</b>	<b>752,406</b>	<b>351,357</b>	<b>378,637</b>	<b>22,412</b>
<b>2028/29</b>				
Balance at beginning of the financial year	752,406	351,357	378,637	22,412
Surplus/(deficit) for the year	2,608	2,608	-	-
Net asset revaluation increment/(decrement)	952	-	952	-
Transfers (to)/from other reserves	-	381	-	(381)
<b>Balance at end of the financial year</b>	<b>755,965</b>	<b>354,346</b>	<b>379,589</b>	<b>22,031</b>
<b>2029/30</b>				
Balance at beginning of the financial year	755,965	354,346	379,589	22,031
Surplus/(deficit) for the year	3,379	3,379	-	-
Net asset revaluation increment/(decrement)	2,986	-	2,986	-
Transfers (to)/from other reserves	-	(1,538)	-	1,538
<b>Balance at end of the financial year</b>	<b>762,330</b>	<b>356,186</b>	<b>382,575</b>	<b>23,569</b>
<b>3030/31</b>				
Balance at beginning of the financial year	762,330	356,186	382,575	23,569
Surplus/(deficit) for the year	2,854	2,854	-	-
Net asset revaluation increment/(decrement)	6,187	-	6,187	-
Transfers (to)/from other reserves	-	(2,150)	-	2,150
<b>Balance at end of the financial year</b>	<b>771,371</b>	<b>356,890</b>	<b>388,761</b>	<b>25,719</b>

## Statement of Changes in Equity (continued)

	<b>Total</b>	<b>Accumulated</b>	<b>Revaluation</b>	<b>Other Reserves</b>
	<b>\$'000</b>	<b>Surplus</b>	<b>Reserve</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>	
<b>3031/32</b>				
Balance at beginning of the financial year	771,371	356,890	388,761	25,719
Surplus/(deficit) for the year	3,477	3,477	-	-
Net asset revaluation increment/(decrement)	2,312	-	2,312	-
Transfers (to)/from other reserves	-	(7,545)	-	7,545
<b>Balance at end of the financial year</b>	<b>777,159</b>	<b>352,822</b>	<b>391,073</b>	<b>33,264</b>
<b>2032/33</b>				
Balance at beginning of the financial year	<b>777,159</b>	<b>352,822</b>	<b>391,073</b>	<b>33,264</b>
Surplus/(deficit) for the year	2,725	2,725	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers (to)/from other reserves	-	(2,137)	-	2,137
<b>Balance at end of the financial year</b>	<b>779,884</b>	<b>353,410</b>	<b>391,073</b>	<b>35,401</b>
<b>2033/34</b>				
Balance at beginning of the financial year	779,884	353,410	391,073	35,401
Surplus/(deficit) for the year	1,303	1,303	-	-
Net asset revaluation increment/(decrement)	7,073	-	7,073	-
Transfers (to)/from other reserves	-	(675)	-	675
<b>Balance at end of the financial year</b>	<b>788,260</b>	<b>354,038</b>	<b>398,146</b>	<b>36,077</b>
<b>2034/35</b>				
Balance at beginning of the financial year	788,260	354,038	398,146	36,077
Surplus/(deficit) for the year	7,015	7,015	-	-
Net asset revaluation increment/(decrement)	3,058	-	3,058	-
Transfers (to)/from other reserves	-	(2,747)	-	2,747
<b>Balance at end of the financial year</b>	<b>798,333</b>	<b>358,306</b>	<b>401,204</b>	<b>38,824</b>



## 4.4 Statement of Cash Flows

	Forecast 2024/25	Budget 2025/26	Financial Plan Projections								
	\$'000	\$'000	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities											
Receipts											
Rates and charges	33,227	34,383	40,011	38,162	39,370	40,492	41,711	42,945	44,223	45,473	46,832
Statutory fees and fines	896	1,140	1,393	1,327	1,363	1,401	1,439	1,479	1,519	1,561	1,604
User fees	5,004	5,135	6,153	5,914	6,136	6,367	6,605	6,854	7,109	7,377	7,653
Grants - operating	11,228	11,099	12,272	11,699	12,035	12,383	12,738	13,106	13,621	13,877	14,268
Grants - capital	14,132	15,740	5,268	4,723	4,147	4,406	3,005	3,080	3,782	2,949	8,119
Contributions – monetary	472	263	103	294	244	85	104	165	103	85	274
Interest	2,179	2,049	2,021	2,108	2,014	2,244	2,449	2,619	2,743	2,781	2,806
Other revenue	3,811	7,945	6,937	6,611	6,818	7,003	7,203	7,413	7,633	7,847	8,088
Net GST refund	1,583	1,085	2,538	2,630	2,767	2,699	2,551	2,104	2,678	2,794	3,140
Employee benefits	(21,504)	(22,351)	(24,715)	(25,162)	(26,278)	(27,422)	(28,635)	(29,882)	(31,200)	(32,558)	(33,994)
Materials and services	(26,709)	(25,274)	(27,692)	(22,879)	(23,709)	(24,601)	(25,459)	(26,351)	(27,253)	(28,201)	(29,033)
Net cash provided by operating activities	24,319	31,214	20,275	21,107	21,095	21,449	20,980	20,951	21,667	20,694	26,446
Cash flows from investing activities											
Payments for property, plant and equipment	(43,087)	(42,069)	(22,002)	(20,458)	(22,167)	(20,398)	(19,361)	(20,021)	(20,133)	(20,532)	(24,593)
Proceeds from sales of property, plant and equipment	2,347	495	826	1,318	1,016	634	671	6,710	684	700	724
Net cash used in investing activities	(40,740)	(41,574)	(21,176)	(19,140)	(21,151)	(19,764)	(18,690)	(13,311)	(19,449)	(19,832)	(23,869)
Cash flows from financing activities											
Finance costs	(58)	(57)	(23)	(15)	(6)	(2)	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-
Interest paid - lease liability	(24)	(23)	(15)	(9)	(4)	-	-	-	-	-	-
Repayment of lease liabilities	(123)	(110)	(139)	(106)	(103)	(18)	-	-	-	-	-
Repayment of borrowings	(284)	(787)	(296)	(305)	(261)	(97)	(40)	-	-	-	-
Net cash used in financing activities	(489)	(977)	(473)	(434)	(373)	(117)	(40)	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(16,910)	(11,337)	(1,374)	1,595	(429)	1,568	2,250	7,640	2,218	861	2,577
Cash and cash equivalents at beginning of year	47,460	30,550	19,213	17,839	19,434	19,005	20,573	22,823	30,463	32,681	33,543
Cash and cash equivalents at end of year	30,550	19,213	17,839	19,434	19,005	20,573	22,823	30,463	32,681	33,543	36,119

## 4.5 Statement of Capital Works

	Forecast	Budget	Financial Plan Projections								
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital works areas</b>											
Land	4,960	2,790	2,470	2,535	2,600	2,600	2,600	2,600	2,600	2,600	2,600
Buildings	11,712	15,155	1,718	1,600	2,143	2,601	1,888	1,470	850	880	850
Plant & Equipment	2,240	1,724	1,728	1,246	1,411	1,439	1,500	1,500	1,530	1,591	1,620
Fixtures, fittings and furniture	52	429	34	35	35	36	36	37	37	39	40
Computers and telecommunications	1,621	640	140	143	146	549	149	2,152	155	161	165
Library Books	172	160	165	170	172	174	175	179	182	189	195
Sealed Roads	9,771	11,781	6,033	6,025	5,973	5,721	5,905	5,992	6,170	6,876	6,574
Unsealed Roads	1,181	1,310	1,340	1,380	1,430	1,480	1,530	1,550	1,600	1,660	1,720
Footpaths	554	444	990	465	810	466	852	673	737	130	508
Drainage	127	757	616	936	1,166	500	150	966	1,018	80	1,876
Parks & Open Space	3,122	1,105	2,467	2,544	2,427	1,948	2,822	1,435	3,613	1,161	1,090
Recreation Leisure	2,172	1,033	750	1,455	450	-	-	-	-	-	7,000
Other infrastructure	3,752	3,572	80	90	500	256	266	520	80	90	530
Waste Management	1,602	-	1,100	-	1,700	-	-	-	83	1,900	-
<b>Total capital works</b>	<b>43,087</b>	<b>42,069</b>	<b>20,226</b>	<b>18,829</b>	<b>20,388</b>	<b>18,780</b>	<b>17,837</b>	<b>18,437</b>	<b>18,539</b>	<b>18,902</b>	<b>22,594</b>
<b>Represented by:</b>											
New assets	19,436	14,891	6,060	4,024	6,169	6,156	4,003	4,110	6,619	5,903	10,450
Asset renewal	22,793	21,005	13,567	14,144	12,223	11,845	11,870	13,050	10,911	11,927	11,614
Asset expansion	-	-	-	-	-	-	-	-	-	-	-
Asset upgrade	858	6,173	599	661	1,996	779	1,964	1,277	1,009	1,072	530
<b>Total capital works</b>	<b>43,087</b>	<b>42,069</b>	<b>20,226</b>	<b>18,829</b>	<b>20,388</b>	<b>18,780</b>	<b>17,837</b>	<b>18,437</b>	<b>18,539</b>	<b>18,902</b>	<b>22,594</b>

## 4.6 Statement of Human Resources

For the four years ending 30 June 2029

	Forecast	Budget	Financial Plan Projections								
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff expenditure</b>											
Employee costs – operating	21,227	<b>22,660</b>	24,175	25,488	26,603	27,747	28,961	30,207	31,528	32,886	34,323
Employee costs - capital	23	-	-	-	-	-	-	-	-	-	-
<b>Total staff expenditure</b>	<b>21,250</b>	<b>22,660</b>	24,175	25,488	26,603	27,747	28,961	30,207	31,528	32,886	34,323
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
<b>Staff numbers</b>											
Employees	207.2	<b>205.1</b>	205.1	205.1	205.1	205.1	205.1	205.1	205.1	205.1	205.1
Total staff numbers	207.2	<b>205.1</b>	205.1	205.1	205.1	205.1	205.1	205.1	205.1	205.1	205.1

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

Department	Comprises		
	Budget	Permanent	Permanent
	2025/26 \$'000	Full time \$'000	Part Time \$'000
Corporate services	6,420	4,589	1,831
Infrastructure	6,382	6,320	62
Development and planning	5,393	3,296	2,097
Community and cultural services	4,224	1,307	2,917
Total permanent staff expenditure	<b>22,419</b>		
Temporary agency staff	241		
Total Expenditure	<b>22,660</b>		

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Comprises		
	Budget	Permanent	Permanent
	FTE	Full time	Part Time
Corporate services	42.0	30	12.0
Infrastructure	81.8	80	1.8
Development and planning	45.8	28	17.8
Community and cultural services	35.5	11	24.5
Total permanent staff	<b>205.1</b>	149	56.1

## Summary of Planned Human Resources Expenditure

	Budget 2025/26 \$'000	Financial Plan Projections								
	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	
<b>Corporate Services</b>										
Permanent – Full time	4,589	4,895	5,161	5,387	5,619	5,865	6,117	6,384	6,659	6,950
Female	3,212	3,427	3,613	3,771	3,933	4,105	4,282	4,469	4,662	4,865
Male	1,377	1,468	1,548	1,616	1,686	1,759	1,835	1,915	1,998	2,085
Permanent – Part time	1,831	1,954	2,060	2,150	2,243	2,341	2,441	2,548	2,658	2,774
Female	1,758	1,876	1,978	2,064	2,153	2,247	2,344	2,446	2,552	2,663
Male	73	78	82	86	90	94	98	102	106	111
<b>Total Corporate Services</b>	6,420	6,849	7,221	7,537	7,861	8,205	8,558	8,932	9,317	9,724
<b>Infrastructure</b>										
Permanent – Full time	6,320	6,743	7,109	7,420	7,739	8,078	8,425	8,794	9,173	9,573
Female	1,027	1,096	1,155	1,206	1,258	1,313	1,369	1,429	1,491	1,556
Male	5,293	5,647	5,954	6,214	6,482	6,765	7,056	7,365	7,682	8,018
Permanent – Part time	62	66	69	72	75	79	82	86	89	93
Female	-	-	-	0	0	0	0	0	0	0
Male	62	66	69	72	75	79	82	86	89	93
<b>Total Infrastructure</b>	6,382	6,809	7,178	7,493	7,815	8,157	8,508	8,880	9,262	9,667
<b>Development and Planning</b>										
Permanent – Full time	3,296	3,516	3,707	3,869	4,036	4,212	4,393	4,585	4,783	4,992
Female	1,413	1,507	1,589	1,658	1,730	1,805	1,883	1,965	2,050	2,139
Male	1,883	2,009	2,118	2,211	2,306	2,407	2,510	2,620	2,733	2,853
Permanent – Part time	2,097	2,238	2,359	2,462	2,568	2,680	2,796	2,918	3,044	3,177
Female	1,807	1,929	2,033	2,122	2,214	2,310	2,410	2,515	2,623	2,738
Male	290	309	326	340	355	370	386	403	420	439
<b>Total Development and Planning</b>	5,393	5,754	6,066	6,331	6,604	6,893	7,189	7,504	7,827	8,169
<b>Community and Cultural Services</b>										
Permanent – Full time	1,307	1,394	1,470	1,535	1,601	1,671	1,743	1,819	1,897	1,980
Female	832	887	935	977	1,019	1,063	1,109	1,157	1,207	1,260
Male	475	507	535	558	582	608	634	661	690	720
Permanent – Part time	2,917	3,112	3,281	3,424	3,572	3,728	3,888	4,058	4,233	4,418
Female	2,634	2,810	2,963	3,092	3,225	3,367	3,511	3,665	3,823	3,990
Male	283	302	318	332	346	361	377	393	410	428
<b>Total Community and Cultural Services</b>	4,224	4,506	4,751	4,959	5,172	5,399	5,631	5,877	6,130	6,398
Temporary agency staff	241	257	272	283	295	308	321	335	350	365
<b>Total staff expenditure</b>	<b>22,660</b>	<b>24,175</b>	<b>25,488</b>	<b>26,603</b>	<b>27,747</b>	<b>28,961</b>	<b>30,207</b>	<b>31,528</b>	<b>32,886</b>	<b>34,323</b>

## Summary of Planned Human Resources Expenditure – (FTE)

	Budget 2025/26 \$'000	Financial Plan Projections								
		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
<b>Corporate Services</b>										
Permanent – Full time	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Female	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0
Male	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Permanent – Part time	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Female	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6
Male	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
<b>Total Corporate Services</b>	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
<b>Infrastructure</b>										
Permanent – Full time	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Female	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Male	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0	67.0
Permanent – Part time	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Female	-	-	-	-	-	-	-	-	-	-
Male	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
<b>Total Infrastructure</b>	81.8	81.8	81.8	81.8	81.8	81.8	81.8	81.8	81.8	81.8
<b>Development and Planning</b>										
Permanent – Full time	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
Female	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Male	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Permanent – Part time	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
Female	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
Male	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>Total Development and Planning</b>	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8	45.8
<b>Community and Cultural Services</b>										
Permanent – Full time	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Female	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Male	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Permanent – Part time	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5
Female	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2
Male	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
<b>Total Community and Cultural Services</b>	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5
<b>Total staff expenditure</b>	205.1	205.1	205.1	205.1	205.1	205.1	205.1	205.1	205.1	205.1



## 5. Financial Performance Indicators

The following table highlights Council's projected performance across a range of key financial performance indicators. These indicators provide an analysis of Council's 10-year financial projections and should be interpreted in the context of the organisation's objectives and financial management principles.

Indicator	Measure	Notes	Forecast Actual											Trend
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	+/-
Operating position														
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-10.3%	2.9%	2.5%	1.7%	1.4%	2.1%	3.3%	3.8%	1.8%	1.2%	1.2%	+
Liquidity														
Working Capital	Current assets / current liabilities	2	320.9%	256.5%	370.9%	375.8%	367.9%	374.7%	388.7%	454.3%	458.0%	450.1%	462.4%	+
Unrestricted cash	Unrestricted cash / current liabilities		202.1%	131.1%	211.5%	203.3%	200.6%	194.4%	189.9%	183.6%	176.1%	171.4%	163.7%	-
Obligations														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	5.3%	2.9%	1.9%	1.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		1.0%	2.4%	0.9%	0.9%	0.7%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	+
Indebtedness	Non-current liabilities / own source revenue		10.8%	8.7%	7.6%	6.6%	6.3%	6.1%	5.9%	5.7%	5.6%	5.5%	5.4%	+
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	4	162.8%	169.9%	88.5%	90.0%	83.7%	76.2%	82.7%	84.0%	68.0%	72.7%	67.6%	-
Stability														
Rates concentration	Rate revenue / adjusted underlying revenue	5	59.8%	54.7%	55.1%	54.9%	55.2%	55.3%	55.2%	54.7%	55.1%	55.2%	55.2%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	o
Efficiency														
Expenditure level	Total expenses/ no. of property assessments		\$5,027	\$4,987	\$5,160	\$5,347	\$5,479	\$5,558	\$5,637	\$5,795	\$6,034	\$6,204	\$6,363	+
Revenue level	Total rate revenue / no. of property assessments		\$2,724	\$2,809	\$2,985	\$3,053	\$3,137	\$3,213	\$3,295	\$3,378	\$3,465	\$3,548	\$3,643	+

### Key to Forecast

#### Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

## **Notes to indicators**

### **1. Adjusted underlying result**

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period, although continued losses means reliance on Council's cash reserves or increase debt to maintain services.

### **2. Working capital**

The proportion of current liabilities represented by current assets. Working capital is forecast to increase due to funds put aside for the waste management/landfill developments and Tower Hill Development reserves.

### **3. Debt compared to rates**

Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long-term debt.

### **4. Asset renewal**

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

### **5. Rates concentration**

Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council reliance on rate revenue remains stable over the life of the Financial Plan.

## 6. Strategies and Plans

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

### 6.1 Borrowing Strategy

#### 6.1.1 Current Debt Position

The total amount borrowed as at 30 June 2025 is \$1.786 million. No further borrowings are forecast to undertaken for the term on this Financial Plan.

#### 6.1.2 Future Borrowing Requirements

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

	Forecast 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
<b>Opening balance</b>	2,074	1,786	999	703	398	137	40	-	-	-	-
Plus New loans	-	-	-	-	-	-	-	-	-	-	-
Less Principal repayment	(288)	(787)	(296)	(305)	(261)	(97)	(40)	-	-	-	-
<b>Closing balance</b>	1,786	999	703	398	137	40	-	-	-	-	-
Interest payment	(58)	(57)	(23)	(15)	(6)	(2)	-	-	-	-	-

#### 6.1.3 Performance Indicators

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

Performance Indicator	Target	Forecast 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%	5.3%	2.9%	1.9%	1.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt servicing / Rate revenue	Below 5%	1.0%	2.4%	0.9%	0.9%	0.7%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Debt commitment / Rate revenue	Below 10%	0.9%	2.1%	0.8%	0.7%	0.6%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%
Indebtedness / Own source revenue	Below 60%	10.8%	8.7%	7.6%	6.6%	6.3%	6.1%	5.9%	5.7%	5.6%	5.5%	5.4%

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

#### **Total borrowings / Rate revenue**

Council has achieved a position where no further borrowings is required to provide a source of funds for capital projects. The ratio reduces from 5.3% to 0.0% in 2030/31 when the final monthly principal payment is due on the 2021 borrowing. Council's strategic plan to be debt free in ten years, clearly meets targets set for all four performance indicators.

#### **Debt servicing / Rate revenue**

Like the explanation provided above, this ratio reduces as each of the remaining four loans mature. The ratio increases in 2025/26 when principal of an 'interest only' loan is repaid. The principal repayment will be funded from appropriations to cash backed reserves over the ten-year term to provide funds of \$0.5M at maturity in 2025/26.

#### **Debt commitment / Rate revenue**

Refer to Debt Servicing commentary above. The performance indicator target of below 10% is achieved in every year.

#### **Indebtedness / Own source revenue**

The closing balance of non-current loans each year is the primary reason for this reducing ratio. Council exceeds the performance indicator ratio across all years of the Financial Plan.

## **6.2 Reserves Strategy**

Reserves are either 'statutory' or 'discretionary' in nature.

- Statutory reserves relate to Council held cash and investments that must be expended on a specific purpose. These are directed by legislation or other funding body, and include car parking and open space reserves.
- Discretionary reserves are amounts set aside for specific purposes and help shield the organization from financial shocks or the need to have funds available to meet financial obligations e.g. principal repayment of 'interest only' loans at maturity. In general these funds do not have a bank account of their own but are a theoretical split up of the cash surplus.

There is a likely danger with reserves of not having adequate policy framework around the purpose/use of the reserves. This is because the funds could be inappropriately spent or used to overcome annual budget shortfalls and hide an underlying financial deficiency.

### **6.2.1 Current Reserves**

#### **Public Open Space Reserve**

- Purpose - the Open Space Reserve holds funds contributed by developers for the purchase of land and 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 and transfers are restricted to 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 contributions income from developers in lieu of the Public Open Space requirement. Transfers from the reserve (outflows) are applied to fund Open Space capital projects determined by Council.

#### Car Parking Reserve

- Purpose – if a planning permit applicant cannot meet their car parking requirements, there will be a cash-in-lieu requirement, which is a mechanism for Council to collect cash-in-lieu contributions for car parking. The fund is to be spent on car parking improvements, including construction of new car parking facilities and improving existing facilities to satisfy growing needs.
- Movements – use of these funds are to establish new car parking facilities or to provide significant upgrades to car parking within the Swan Hill and Robinvale townships.

#### EPA Financial Assurance Reserve

- Purpose – due to the environmental risks inherent in landfill sites, the EPA require councils to have reserve funds to cover future remediation as a condition of having a landfill license.
- Movements – transfers from this reserve are used to fund remediation costs to landfill sites.

#### Swan Hill and Robinvale Drainage Reserve

- Purpose – the Swan Hill and Robinvale townships have declared drainage districts and an annual allocation is allocated to the reserve to fund renewal and upgrades to the drainage systems.
- Movements – inflows to this reserve come via the drainage levy raised as a higher differential in the annual rating process. Outflows from this reserve will be in the form of agreed drainage projects within these drainage districts.

#### Plant and Fleet Replacement Reserve

- Purpose – this reserve is to set aside funds to replace Council's heavy plant, fleet and equipment at the end of their service life.
- Movements – inflows to the reserve are sourced from plant and fleet hire charges costed to projects and maintenance works. Transfers from the reserve are aligned to Council's replacement schedule to fund acquisitions on an annual basis.

#### Loan Principal Repayment Reserve

- Purpose – the Loan Principal Repayment reserve is discretionary in nature and designed to hold funds for the repayment of 'interest only' loans when they mature.
- Movements – the annual contributions are equal to the deemed principal repayment so sufficient funds will be available to fund the repayment at maturity.

#### Landfill and Waste Management Reserve

- Purpose – Council Landfill sites require significant works to ensure they operate under strict guidelines set by the EPA. New landfill cells and capital improvements to the landfill sites at Swan Hill and Robinvale can be funded from the reserve at Council discretion.
- Movements – inflows to this reserve are funded via the waste collection charges raised each year. A portion of these charges are placed into this reserve to be able to fund future works. Outflows are determined via Council's 10 Year Major Projects Plan. These projects are assessed during the plan development and are scheduled to occur as need arises.

#### Tower Hill Reserve

- Purpose – the Tower Hill Reserve is used to fund future developments at Tower Hill Residential Estate.
- Movements – proceeds from the sale of land at Tower Hill are transferred to this reserve as they occur. Funds in this reserve are then used to construct the next stages of the development. These funds are used for all civil works at the estate.

#### Unused Restricted Grants Reserve

- Purpose – the purpose of this reserve is to quarantine Federal and Victorian government funding relating to projects and operations that could not be completed in the year in which they were received. These funds are transferred to reserve and in most cases used in the following year to complete agreed project deliverables. The funds are restricted for the specific purpose for which the grant funding was provided.
- Movements – inflows are solely composed of grant funds received within a financial year and the projects or deliverables remain incomplete at year-end. Outflows from this reserve will be transfers back to operations or specific projects as the projects are completed.

#### Asset Replacement Reserve

- Purpose – the Asset Replacement Reserve has been established by Council with the proceeds to fund works considered by Council to be of a strategic nature.
- Movements – inflows to this reserve typically come from sale of land (not Tower Hill residential estate) and better than budget operating surpluses. Outflows fund asset purchases and capital works projects.

#### Employee Provisions Reserve

- Purpose – Council has provided for a number of employee type provisions to help reduce any financial shock from likely future defined benefits superannuation liability calls, spikes in WorkCover premiums and restructure costs.
- Movements – inflows come from annual appropriations recovered as a cost against various program budgets and from savings in unspent insurance premiums. Council determines outflows from reserves when a significant cost event occurs.

#### Swan Hill Riverfront Reserve

- Purpose – this discretionary reserve provides for future works identified in the Swan Hill Riverfront Masterplan. Funds in this reserve are generally used when matching contributions are required for grant funded projects that relate to the development of Swan Hill's riverfront.
- Movements – inflows come from allocated rate monies raised and unspent at year-end, and as determined by Council if better than budget surplus funds are available. Outflows occur when appropriate riverfront projects are identified with optimum value derived from matching grant funding opportunities if available.

#### Other Discretionary Reserve

- Purpose – this reserve category provides for contingency sums, future return on investment opportunities, stabilisation of the rating system through valuation appeals and legal costs, and other committed costs.
- Movements – Inflows come from budgeted appropriations or forced savings; returns from investment activities (housing development) and from unspent rates monies required in the following or future financial year. Outflows from this reserve group are used as the funding to enable operational and project expenditure to be committed without the need to prepare a revised budget (as appropriate).

### **6.2.2 Reserve Usage Projections**

The next table discloses the balance and annual movement for each reserve over the 10-year life of the Financial Plan. Total value of reserves aligns with the Statement of Changes in Equity. Restricted reserves are to be included to the disclosure of restricted cash assets.

Reserves	Restricted / Discretionary	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
<b>Public Open Space</b>	<b>Restricted</b>										
Opening balance		321	321	321	321	321	321	321	321	321	321
Transfer to/(from) reserve		-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>		<b>321</b>	<b>321</b>	<b>321</b>	<b>321</b>	<b>321</b>	<b>321</b>	<b>321</b>	<b>321</b>	<b>321</b>	<b>321</b>
<b>Car Parking</b>	<b>Restricted</b>										
Opening balance		70	70	5	10	15	20	25	30	35	40
Transfer to/(from) reserve		-	(65)	5	5	5	5	5	5	5	5
<b>Closing balance</b>		<b>70</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>	<b>45</b>
<b>EPA Financial Assurance</b>	<b>Restricted</b>										
Opening balance		1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329
Transfer to/(from) reserve		-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>		<b>1,329</b>	<b>1,329</b>	<b>1,329</b>	<b>1,329</b>	<b>1,329</b>	<b>1,329</b>	<b>1,329</b>	<b>1,329</b>	<b>1,329</b>	<b>1,329</b>
<b>Swan Hill &amp; Robinvale Drainage</b>	<b>Discretionary</b>										
Opening balance		2,044	1,892	2,270	3,007	3,185	3,593	4,012	4,209	4,430	4,882
Transfer to/(from) reserve		(152)	378	737	178	408	419	197	221	452	464
<b>Closing balance</b>		<b>1,892</b>	<b>2,270</b>	<b>3,007</b>	<b>3,185</b>	<b>3,593</b>	<b>4,012</b>	<b>4,209</b>	<b>4,430</b>	<b>4,882</b>	<b>5,346</b>
<b>Plant and Fleet Replacement</b>	<b>Discretionary</b>										
Opening balance		896	646	646	646	646	646	646	646	646	646
Transfer to/(from) reserve		(250)	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>		<b>646</b>	<b>646</b>	<b>646</b>	<b>646</b>	<b>646</b>	<b>646</b>	<b>646</b>	<b>646</b>	<b>646</b>	<b>646</b>
<b>Loan Principal Repayment</b>	<b>Discretionary</b>										
Opening balance		400	-	-	-	-	-	-	-	-	-
Transfer to/(from) reserve		(400)	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Landfill and Waste Management</b>	<b>Discretionary</b>										
Opening balance		5,914	4,690	3,662	3,046	1,341	1,584	2,305	3,046	3,725	2,608
Transfer to/(from) reserve		(1,224)	(1,028)	(616)	(1,705)	243	721	741	679	(1,117)	806
<b>Closing balance</b>		<b>4,690</b>	<b>3,662</b>	<b>3,046</b>	<b>1,341</b>	<b>1,584</b>	<b>2,305</b>	<b>3,046</b>	<b>3,725</b>	<b>2,608</b>	<b>3,414</b>
<b>Tower Hill</b>	<b>Discretionary</b>										
Opening balance		(469)	1,477	2,114	2,780	3,487	4,295	5,215	6,242	7,388	8,647
Transfer to/(from) reserve		1,946	637	666	707	807	920	1,027	1,146	1,259	1,385
<b>Closing balance</b>		<b>1,477</b>	<b>2,114</b>	<b>2,780</b>	<b>3,487</b>	<b>4,294</b>	<b>5,215</b>	<b>6,242</b>	<b>7,388</b>	<b>8,647</b>	<b>10,032</b>
<b>Unused Restricted Grants</b>	<b>Discretionary</b>										
Opening balance		10,757	2,689	-	-	-	-	-	-	-	-
Transfer to/(from) reserve		(8,068)	(2,689)	-	-	-	-	-	-	-	-
<b>Closing balance</b>		<b>2,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Reserves	Restricted / Discretionary	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
<b>Asset Replacement</b>	<b>Discretionary</b>										
Opening balance		691	691	701	1,481	1,851	1,861	1,881	7,391	7,411	7,421
Transfer to/(from) reserve		10	70	710	370	10	20	5,510	20	10	20
<b>Closing balance</b>		<b>701</b>	<b>771</b>	<b>1,481</b>	<b>1,851</b>	<b>1,861</b>	<b>1,881</b>	<b>7,391</b>	<b>7,411</b>	<b>7,421</b>	<b>7,441</b>
<b>Employee Provisions</b>	<b>Discretionary</b>										
Opening balance		2,380	2,521	2,571	2,621	2,671	2,721	2,771	2,821	2,871	2,921
Transfer to/(from) reserve		141	50	50	50	50	50	50	50	50	50
<b>Closing balance</b>		<b>2,521</b>	<b>2,571</b>	<b>2,621</b>	<b>2,671</b>	<b>2,721</b>	<b>2,771</b>	<b>2,821</b>	<b>2,871</b>	<b>2,921</b>	<b>2,971</b>
<b>Swan Hill Riverfront</b>	<b>Discretionary</b>										
Opening balance		3,540	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549	1,549
Transfer to/(from) reserve		(1,991)	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>		<b>1,549</b>	<b>1,549</b>	<b>1,549</b>	<b>1,549</b>	<b>1,549</b>	<b>1,549</b>	<b>1,549</b>	<b>1,549</b>	<b>1,549</b>	<b>1,549</b>
<b>Other Discretionary</b>	<b>Discretionary</b>										
Opening balance		3,264	2,906	5,608	5,622	5,636	5,651	5,666	5,681	5,697	5,713
Transfer to/(from) reserve		(358)	2,702	14	14	15	15	15	16	16	17
<b>Closing balance</b>		<b>2,906</b>	<b>5,608</b>	<b>5,622</b>	<b>5,636</b>	<b>5,651</b>	<b>5,666</b>	<b>5,681</b>	<b>5,697</b>	<b>5,713</b>	<b>5,730</b>
<b>Total Reserves</b>											
Opening balance		31,137	20,791	20,847	22,412	22,031	23,569	25,719	33,264	35,401	36,077
Transfer to/(from) reserve		(10,346)	56	1,565	(381)	1,538	2,150	7,545	2,137	676	2,747
<b>Closing balance</b>		<b>20,791</b>	<b>20,847</b>	<b>22,412</b>	<b>22,031</b>	<b>23,569</b>	<b>25,719</b>	<b>33,264</b>	<b>35,401</b>	<b>36,077</b>	<b>38,824</b>