

SOUTH GIPPSLAND SHIRE COUNCIL

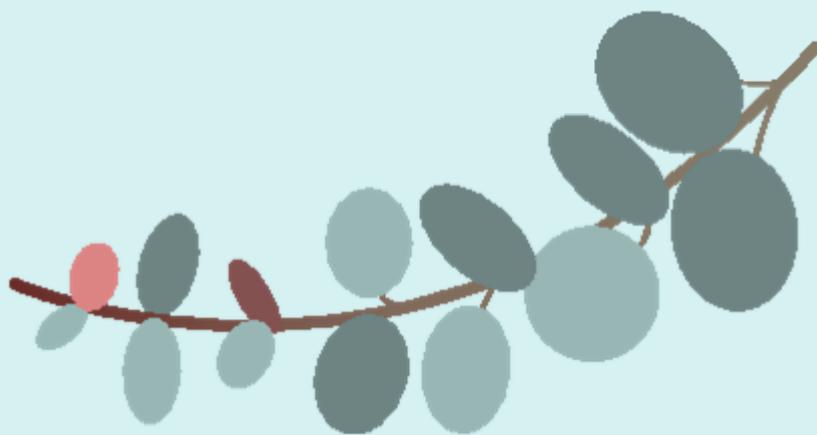
# Financial Plan 2025/26 – 2034/35



*Managing South Gippsland Shire Council's  
long-term financial sustainability*

## *Acknowledgement of Country*

*We acknowledge the Bunurong and Gunaikurnai people as the Traditional Custodians of South Gippsland and pay respect to their Elders, past, present, and future, for they hold the memories, traditions, culture, and hopes of Aboriginal and Torres Strait Islander people of Australia.*



# Purpose of this document

The purpose of the Financial Plan (this Plan) is to provide a 10-year financially sustainable projection regarding how the themes and the actions of the Council Plan and other Integrated Plans may be funded to achieve Council's *Community Vision 2040*.



Community Hub, Korumburra

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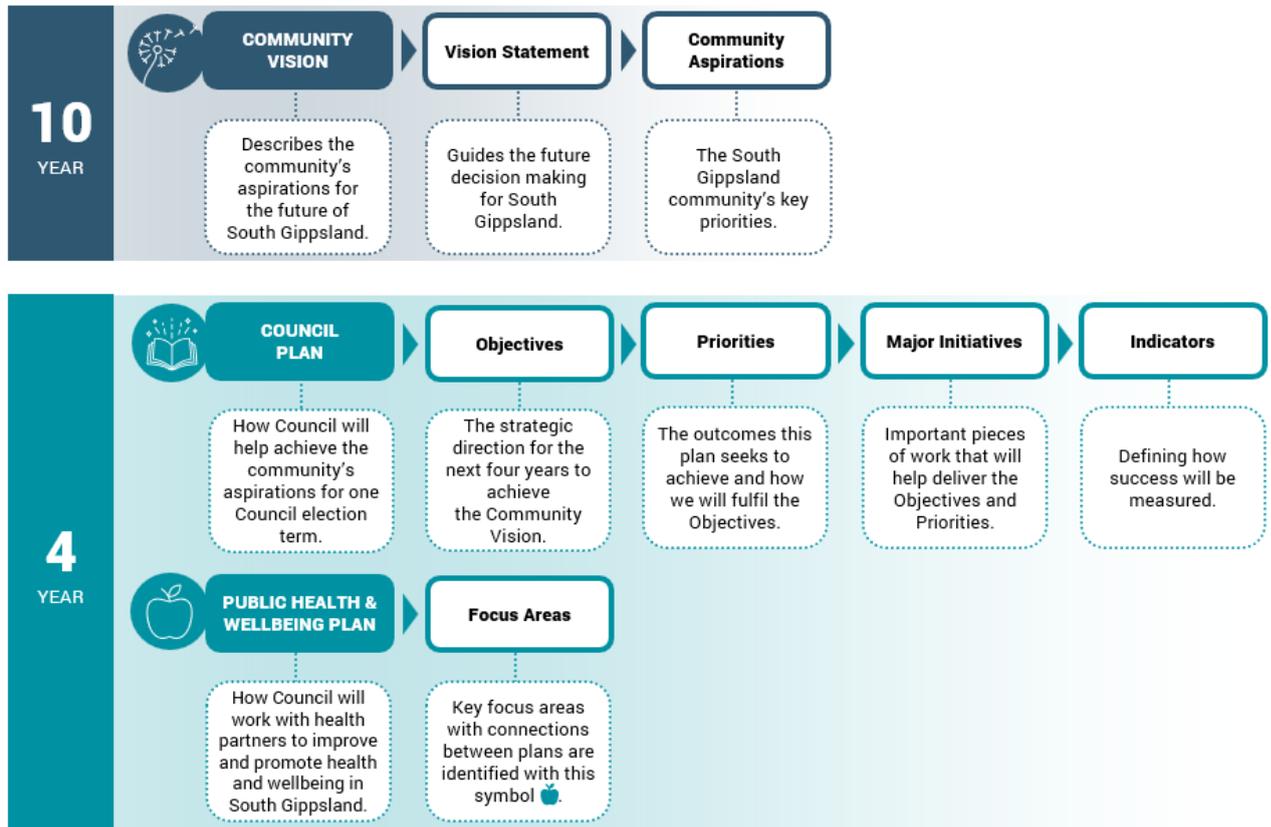
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The *Local Government Act 2020* (the Act) requires councils to prepare a 10-year Financial Plan in the year following a general election. The Integrated Planning and Reporting Framework guides Council in identifying community needs and aspirations over:

- The long-term through the Community Vision and Financial Plan;
- The medium-term through the Council Plan, Workforce Plan, and Revenue and Rating Plan; and
- The short-term through the Department Plans and Budget.

Council holds itself accountable through the Organisational and Financial Performance Reports and the Annual Report.

Figure 1: Council's Strategic Planning & Reporting Framework



## 1.1 Asset Plan Integration

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

## 1.2 Strategic Planning Principles

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

- Council has an integrated approach to planning, monitoring and performance reporting.
- Council's 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.

## 1.3 Financial Management Principles

The 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:
  - The financial viability of the Council (refer to *Section 2.1 Financial Policy Statement*).
  - The management of current and future liabilities of the Council. The estimated 10-year liabilities are disclosed in *Section 3.2 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 to *Section 3 Financial Plan Statements*).

## 1.4 Community Engagement

The *Local Government Act 2020* prescribes that community engagement be undertaken in accordance with Council's *Community Engagement Strategy 2020-2024* and *Community Engagement Policy (C06)* for the Financial Plan.

To inform the development of Council's Integrated Planning documents and assist in the review of the *Community Vision 2040*, Council undertook a significant community engagement campaign across the municipality, Shaping South Gippsland. This engagement campaign was held from late January 2025 to the end of February 2025, through a series of events including Councillor Pop-Ups and a stakeholder workshop.

This included 22 engagement events across 17 townships with 688 people providing feedback at these events and 946 survey responses were received. Over 1,100 suggestions were provided for Councillor consideration.

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

## 2.1 Financial Policy Statement

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

| Policy Statement  | Measure   | Target | Forecast |         |         |         |         |         |         |         |         |         |         |
|---|---|--------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   |   |        | 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 (%)<br>Adjusted underlying result / Adjusted underlying revenue to be maintained greater than 0% | >0%    | 0.7%     | 8.5%    | 10.2%   | 10.5%   | 10.1%   | 10.4%   | 11.0%   | 10.7%   | 9.7%    | 10.0%   | 9.7%    |
| Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due | Working capital (ratio)<br>Current Assets / Current Liabilities to be maintained above 1.25                                 | >1.25  | 1.46     | 1.58    | 1.64    | 1.94    | 2.12    | 2.46    | 2.38    | 2.64    | 2.86    | 3.32    | 3.73    |
| Ensure Council maintains the ability to finance planned investments from its own resources        | Self-financing (%)<br>Net operating cash flow / Adjusted underlying revenue to be maintained above 20%                      | >20%   | 43.3%    | 29.6%   | 30.5%   | 28.3%   | 26.8%   | 27.3%   | 27.3%   | 27.5%   | 26.4%   | 26.8%   | 26.2%   |
| Ensures that Council could repay long term obligations from the income it generates internally    | Indebtedness (%)<br>Non-current liabilities / own-sourced revenue to be maintained below 40%                                | <40%   | 27.0%    | 23.5%   | 20.9%   | 18.3%   | 15.8%   | 13.6%   | 11.7%   | 10.4%   | 9.8%    | 9.2%    | 9.0%    |
| That Council maintains total borrowings in line with rate income and growth of the municipality   | Loans and borrowings (%)<br>Total borrowings / Rate revenue to be maintained below 60%                                      | <60%   | 20.1%    | 16.9%   | 14.1%   | 11.3%   | 8.7%    | 6.1%    | 3.9%    | 2.1%    | 1.0%    | 0.4%    | 0.0%    |
| Council maintains debt service costs in line with rate income and growth of the municipality      | Loans and borrowings payments (%)<br>Repayments on loans (P+) / Rate revenue to be maintained below 10%                     | <10%   | 2.4%     | 2.8%    | 2.8%    | 2.7%    | 2.6%    | 2.6%    | 2.1%    | 1.8%    | 1.1%    | 0.6%    | 0.4%    |

## 2.2 Strategic Actions

The *Shaping South Gippsland Community Vision 2040* sets the foundation for all Council plans and strategies to ensure actions undertaken by Council are guided by community aspirations now and into the future. Five priorities were developed in the Community Vision:

- A healthy, connected and engaged community
- Sustainability and climate change
- Shaping our future
- Enhanced natural environment and cultural heritage
- A destination to live, visit and enjoy

In the *Council Plan 2025 - 2029*, there are three themes:

- Leading with Integrity
- Developing a Sustainable Future
- Empowering Communities

To ensure Council has a capacity to work towards achievement of the Community Vision and the Council Plan, a Financial Plan has been prepared to guide the financial resources of Council over the next 10 years.

## 2.3 Assumptions to the Financial Plan Statements

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

| Escalation Factors<br>% movement | 2025/26  | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 |
|----------------------------------|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| CPI                              | 2.50%  | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   |
| Rate revenue cap                 | 3.00%  | 2.00%   | 2.00%   | 2.00%   | 2.00%   | 2.00%   | 2.00%   | 2.00%   | 2.00%   | 2.00%   |
| Statutory fees and fines         | 2.50%  | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   |
| User fees                        | 3.00%  | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   |
| Grants - Operating               | 2.50%  | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   |
| Grants - Capital                 | as per estimates provided on specific capital projects |         |         |         |         |         |         |         |         |         |
| Other income                     | 2.50%  | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   |
| Employee costs                   | 2.60%  | 2.75%   | 2.75%   | 2.75%   | 2.75%   | 2.75%   | 2.75%   | 2.75%   | 2.75%   | 2.75%   |
| Materials and services           | 0.00%  | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   |
| Depreciation & Amortisation      | based on projected capital spending                    |         |         |         |         |         |         |         |         |         |
| Other expenses                   | 0.00%  | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   | 2.50%   |

### 2.3.1 Consumer Price Index (CPI)

The Financial Plan assumes a conservative increase of 2.50 per cent year on year. This in effect builds in a strategy for cost containment and encourages efficiencies as current economic indicators reflect a greater increase in prices for various consumer goods.

### 2.3.2 Rates and Charges

Base rate revenue will increase by 3.0 per cent for the 2025/26 year, based on the State Government rate cap, with estimated future annual increases as set out in the table for the ensuing years of the long-term Financial Plan.

### 2.3.3 Statutory Fees and Fines

The Financial Plan applies a conservative indexation of 2.50 per cent for future years' statutory fees as they are outside of the control of Council.

### 2.3.4 User Fees

Most user fees are budgeted to increase by 3.0 per cent for the 2025/26 in line with CPI. Details of user fees for the 2025/26 Budget year can be found in Council's Schedule of Fees and Charges that is included in the Budget document.

Revenue increases for the ensuing years are based on a conservative annual rate of increase of 2.50 per cent.

### **2.3.5 Grants**

Council currently receives grants for tied (specific purpose grants) and un-tied Financial Assistance grant funding received via the Victorian Local Government Grants Commission (VLGGC). Operating grants are expected to increase on an annual basis by approximately 2.5 per cent.

Capital grants include all monies received from state and federal sources for the purpose of funding the capital works program. The amount of capital grant funding received each year can vary significantly depending on the types of works included in the capital works program each year. For this Financial Plan, forecast is as per estimates provided on specific capital projects.

### **2.3.6 Other Income**

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

### **2.3.7 Employee Costs**

A new Enterprise Agreement for South Gippsland Shire Council employees was registered in December 2022, and provides for employee remuneration increases through until the expiry of the agreement in 2026. This Plan has been developed based on the increases provided in the Enterprise Agreement, with an additional uplift to allow for banding increments. Superannuation guarantee charge increases were announced as part of the 2014 Federal Budget and this Plan assumes that superannuation will increase progressively from 10 per cent in 2021/22 to 12 per cent by 2025/26.

### **2.3.8 Materials and Services**

Material costs include items required for the maintenance and repair of Council buildings, roads, drains and footpaths which are more governed by market forces based on availability than CPI. Other associated costs included under this category are utilities, materials for the supply of meals on wheels and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit. This Plan allowed for no increase for 2025/26, and then a conservative rise of 2.50 per cent year-on-year in order to maintain costs.

### **2.3.9 Depreciation & Amortisation**

Depreciation estimates have been based on the projected capital spending contained within this Plan.

### **2.3.10 Borrowing Costs**

Borrowing costs comprise the interest expense to service Council's loan portfolio that is described in Section 5.1 [Borrowing Strategy](#).

### **2.3.11 Other Expenses**

Other expenses include administration costs such as Councilor allowances, election costs, sponsorships, partnerships, community grants, lease expenditure, fire services property levy, audit costs and other costs associated with the day to day running of Council.

This section presents information in regards to 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

### 3.1 Comprehensive Income Statement

|  | Forecast      |               |               |               |               |               |               |               |               |                |                |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|  | 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>Income / Revenue</b>  |               |               |               |               |               |               |               |               |               |                |                |
| Rates and charges  | 52,510        | 54,453        | 55,875        | 57,327        | 58,816        | 60,339        | 62,455        | 64,510        | 65,142        | 66,820         | 68,543         |
| Statutory fees and fines   | 1,074         | 1,056         | 1,105         | 1,091         | 1,107         | 1,186         | 1,198         | 1,202         | 1,239         | 1,287          | 1,318          |
| User fees  | 4,301         | 5,555         | 5,693         | 5,836         | 5,982         | 6,131         | 6,284         | 6,442         | 6,603         | 6,768          | 6,937          |
| Grants - Operating   | 14,241        | 14,056        | 14,471        | 14,800        | 15,158        | 15,525        | 15,902        | 16,287        | 16,683        | 17,088         | 17,503         |
| Grants - Capital   | 19,095        | 6,980         | 6,792         | 5,376         | 4,769         | 4,769         | 4,769         | 4,769         | 4,769         | 4,769          | 4,769          |
| Contributions - monetary   | 1,246         | 919           | 932           | 691           | 634           | 661           | 678           | 597           | 712           | 704            | 354            |
| Contributions - non-monetary   | 441           | 452           | 464           | 475           | 487           | 499           | 512           | 525           | 538           | 551            | 565            |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | 83            | -             | (191)         | 27            | (7)           | -             | 33            | -             | -             | 72             | -              |
| Other income   | 2,044         | 2,161         | 2,181         | 2,193         | 2,263         | 2,279         | 2,293         | 2,308         | 2,325         | 2,342          | 2,368          |
| <b>Total income / revenue</b>  | <b>95,035</b> | <b>85,632</b> | <b>87,322</b> | <b>87,816</b> | <b>89,209</b> | <b>91,389</b> | <b>94,124</b> | <b>96,640</b> | <b>98,011</b> | <b>100,401</b> | <b>102,357</b> |
| <b>Expenses</b>  |               |               |               |               |               |               |               |               |               |                |                |
| Employee costs   | 31,102        | 32,311        | 33,151        | 34,056        | 34,943        | 35,890        | 36,995        | 37,999        | 38,721        | 39,773         | 40,852         |
| Materials and services   | 28,836        | 25,093        | 24,956        | 25,430        | 26,637        | 26,679        | 27,433        | 28,025        | 29,357        | 29,397         | 30,248         |
| Depreciation   | 13,769        | 13,557        | 13,753        | 14,312        | 14,295        | 14,916        | 14,862        | 15,754        | 15,743        | 16,419         | 16,829         |
| Depreciation - right of use assets   | 92            | 92            | 85            | -             | -             | -             | -             | -             | -             | -              | -              |
| Borrowing costs  | 167           | 220           | 194           | 168           | 140           | 112           | 84            | 55            | 30            | 15             | 4              |
| Finance Costs - leases   | 4             | 2             | 1             | -             | -             | -             | -             | -             | -             | -              | -              |
| Other expenses   | 3,219         | 3,212         | 3,291         | 3,372         | 3,459         | 3,544         | 3,631         | 3,722         | 3,815         | 3,909          | 4,008          |
| <b>Total expenses</b>  | <b>77,189</b> | <b>74,487</b> | <b>75,431</b> | <b>77,338</b> | <b>79,474</b> | <b>81,141</b> | <b>83,005</b> | <b>85,555</b> | <b>87,666</b> | <b>89,513</b>  | <b>91,941</b>  |
| <b>Surplus/(deficit) for the year</b>  | <b>17,846</b> | <b>11,145</b> | <b>11,891</b> | <b>10,478</b> | <b>9,735</b>  | <b>10,248</b> | <b>11,119</b> | <b>11,085</b> | <b>10,345</b> | <b>10,888</b>  | <b>10,416</b>  |
| <b>Total comprehensive result</b>  | <b>17,846</b> | <b>11,145</b> | <b>11,891</b> | <b>10,478</b> | <b>9,735</b>  | <b>10,248</b> | <b>11,119</b> | <b>11,085</b> | <b>10,345</b> | <b>10,888</b>  | <b>10,416</b>  |

## 3.2 Balance Sheet

|   | Forecast       |                |                |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 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>Assets</b>                               |                |                |                |                |                |                |                |                |                |                |                |
| <b>Current assets</b>                       |                |                |                |                |                |                |                |                |                |                |                |
| Cash and cash equivalents                   | 3,585          | 5,165          | 5,308          | 8,119          | 8,539          | 8,615          | 5,643          | 7,934          | 6,493          | 7,171          | 7,294          |
| Trade and other receivables                 | 5,528          | 5,764          | 5,899          | 5,995          | 6,147          | 6,294          | 6,484          | 6,644          | 6,740          | 6,896          | 7,027          |
| Other financial assets                      | 16,326         | 16,326         | 17,142         | 19,714         | 22,671         | 28,338         | 29,755         | 31,243         | 35,930         | 43,115         | 49,583         |
| Inventories                                 | 296            | 296            | 296            | 296            | 296            | 296            | 296            | 296            | 296            | 296            | 296            |
| <b>Total current assets</b>                 | <b>25,735</b>  | <b>27,551</b>  | <b>28,645</b>  | <b>34,124</b>  | <b>37,653</b>  | <b>43,543</b>  | <b>42,178</b>  | <b>46,117</b>  | <b>49,459</b>  | <b>57,478</b>  | <b>64,200</b>  |
| <b>Non-current assets</b>                   |                |                |                |                |                |                |                |                |                |                |                |
| Property, infrastructure, plant & equipment | 870,507        | 878,329        | 887,865        | 891,619        | 896,642        | 899,681        | 911,108        | 917,303        | 923,796        | 926,412        | 930,002        |
| Right-of-use assets                         | 177            | 85             | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Investment property                         | 857            | 857            | 857            | 857            | 857            | 857            | 857            | 857            | 857            | 857            | 857            |
| <b>Total non-current assets</b>             | <b>871,541</b> | <b>879,271</b> | <b>888,722</b> | <b>892,476</b> | <b>897,499</b> | <b>900,538</b> | <b>911,965</b> | <b>918,160</b> | <b>924,653</b> | <b>927,269</b> | <b>930,859</b> |
| <b>Total assets</b>                         | <b>897,276</b> | <b>906,822</b> | <b>917,367</b> | <b>926,600</b> | <b>935,152</b> | <b>944,081</b> | <b>954,143</b> | <b>964,277</b> | <b>974,112</b> | <b>984,747</b> | <b>995,059</b> |
| <b>Liabilities</b>                          |                |                |                |                |                |                |                |                |                |                |                |
| <b>Current liabilities</b>                  |                |                |                |                |                |                |                |                |                |                |                |
| Trade and other payables                    | 5,191          | 4,983          | 5,047          | 5,153          | 5,346          | 5,433          | 5,593          | 5,718          | 5,908          | 6,006          | 6,172          |
| Trust funds and deposits                    | 2,434          | 2,434          | 2,434          | 2,434          | 2,434          | 2,434          | 2,434          | 2,434          | 2,434          | 2,434          | 2,434          |
| Unearned income/revenue                     | 1,709          | 1,709          | 1,709          | 1,709          | 1,709          | 1,709          | 1,709          | 1,709          | 1,709          | 1,709          | 1,709          |
| Provisions                                  | 6,887          | 6,887          | 6,887          | 6,887          | 6,887          | 6,887          | 6,887          | 6,887          | 6,887          | 6,887          | 6,887          |
| Interest-bearing liabilities                | 1,296          | 1,323          | 1,350          | 1,377          | 1,405          | 1,218          | 1,074          | 702            | 350            | 270            | -              |
| Lease liabilities                           | 94             | 87             | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>Total current liabilities</b>            | <b>17,611</b>  | <b>17,423</b>  | <b>17,427</b>  | <b>17,560</b>  | <b>17,781</b>  | <b>17,681</b>  | <b>17,697</b>  | <b>17,450</b>  | <b>17,288</b>  | <b>17,306</b>  | <b>17,202</b>  |

|                                      | Forecast       |                |                |                |                |                |                |                |                |                |                |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                      | 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>Non-current liabilities</b>       |                |                |                |                |                |                |                |                |                |                |                |
| Provisions                           | 7,178          | 7,178          | 7,178          | 7,178          | 7,178          | 7,178          | 7,178          | 7,178          | 7,178          | 7,178          | 7,178          |
| Interest-bearing liabilities         | 9,071          | 7,747          | 6,397          | 5,019          | 3,614          | 2,396          | 1,322          | 619            | 270            | -              | -              |
| Lease liabilities                    | 87             | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>Total non-current liabilities</b> | <b>16,336</b>  | <b>14,925</b>  | <b>13,575</b>  | <b>12,197</b>  | <b>10,792</b>  | <b>9,574</b>   | <b>8,500</b>   | <b>7,797</b>   | <b>7,448</b>   | <b>7,178</b>   | <b>7,178</b>   |
| <b>Total liabilities</b>             | <b>33,947</b>  | <b>32,348</b>  | <b>31,002</b>  | <b>29,757</b>  | <b>28,573</b>  | <b>27,255</b>  | <b>26,197</b>  | <b>25,247</b>  | <b>24,736</b>  | <b>24,484</b>  | <b>24,380</b>  |
| <b>Net assets</b>                    | <b>863,329</b> | <b>874,474</b> | <b>886,365</b> | <b>896,843</b> | <b>906,579</b> | <b>916,826</b> | <b>927,946</b> | <b>939,030</b> | <b>949,376</b> | <b>960,263</b> | <b>970,679</b> |
| <b>Equity</b>                        |                |                |                |                |                |                |                |                |                |                |                |
| Accumulated surplus                  | 275,076        | 284,197        | 295,308        | 305,128        | 314,327        | 323,990        | 334,375        | 344,812        | 354,388        | 364,689        | 374,871        |
| Reserves                             | 588,253        | 590,277        | 591,057        | 591,715        | 592,252        | 592,836        | 593,571        | 594,218        | 594,988        | 595,574        | 595,808        |
| <b>Total equity</b>                  | <b>863,329</b> | <b>874,474</b> | <b>886,365</b> | <b>896,843</b> | <b>906,579</b> | <b>916,826</b> | <b>927,946</b> | <b>939,030</b> | <b>949,376</b> | <b>960,263</b> | <b>970,679</b> |

### 3.3 Statement of Changes in Equity

|   | Total<br>\$'000 | Accumulated<br>Surplus<br>\$'000 | Revaluation<br>Reserve<br>\$'000 | Other<br>Reserves<br>\$'000 |
|---|-----------------|----------------------------------|----------------------------------|-----------------------------|
| <b>2025 Forecast</b>                        |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 845,484         | 261,785                          | 582,144                          | 1,555                       |
| Surplus/(deficit) for the year              | 17,846          | 17,846                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | (1)             | (4,555)                          | -                                | 4,554                       |
| <b>Balance at end of the financial year</b> | <b>863,329</b>  | <b>275,076</b>                   | <b>582,144</b>                   | <b>6,109</b>                |
| <b>2026</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 863,329         | 275,076                          | 582,144                          | 6,109                       |
| Surplus/(deficit) for the year              | 11,145          | 11,145                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (2,024)                          | -                                | 2,024                       |
| <b>Balance at end of the financial year</b> | <b>874,474</b>  | <b>284,197</b>                   | <b>582,144</b>                   | <b>8,133</b>                |
| <b>2027</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 874,474         | 284,197                          | 582,144                          | 8,133                       |
| Surplus/(deficit) for the year              | 11,891          | 11,891                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (779)                            | -                                | 779                         |
| <b>Balance at end of the financial year</b> | <b>886,365</b>  | <b>295,309</b>                   | <b>582,144</b>                   | <b>8,912</b>                |
| <b>2028</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 886,365         | 295,308                          | 582,144                          | 8,913                       |
| Surplus/(deficit) for the year              | 10,478          | 10,478                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (659)                            | -                                | 659                         |
| <b>Balance at end of the financial year</b> | <b>896,843</b>  | <b>305,127</b>                   | <b>582,144</b>                   | <b>9,572</b>                |
| <b>2029</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 896,843         | 305,128                          | 582,144                          | 9,571                       |
| Surplus/(deficit) for the year              | 9,735           | 9,735                            | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (537)                            | -                                | 537                         |
| <b>Balance at end of the financial year</b> | <b>906,578</b>  | <b>314,326</b>                   | <b>582,144</b>                   | <b>10,108</b>               |

|   | Total<br>\$'000 | Accumulated<br>Surplus<br>\$'000 | Revaluation<br>Reserve<br>\$'000 | Other<br>Reserves<br>\$'000 |
|---|-----------------|----------------------------------|----------------------------------|-----------------------------|
| <b>2030</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 906,578         | 314,327                          | 582,144                          | 10,108                      |
| Surplus/(deficit) for the year              | 10,248          | 10,248                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (585)                            | -                                | 585                         |
| <b>Balance at end of the financial year</b> | <b>916,826</b>  | <b>323,990</b>                   | <b>582,144</b>                   | <b>10,693</b>               |
| <b>2031</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 916,826         | 323,990                          | 582,144                          | 10,692                      |
| Surplus/(deficit) for the year              | 11,119          | 11,119                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (734)                            | -                                | 734                         |
| <b>Balance at end of the financial year</b> | <b>927,945</b>  | <b>334,375</b>                   | <b>582,144</b>                   | <b>11,426</b>               |
| <b>2032</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 927,946         | 334,375                          | 582,144                          | 11,427                      |
| Surplus/(deficit) for the year              | 11,085          | 11,085                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (647)                            | -                                | 647                         |
| <b>Balance at end of the financial year</b> | <b>939,031</b>  | <b>344,813</b>                   | <b>582,144</b>                   | <b>12,074</b>               |
| <b>2033</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 939,030         | 344,812                          | 582,144                          | 12,074                      |
| Surplus/(deficit) for the year              | 10,345          | 10,345                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (769)                            | -                                | 769                         |
| <b>Balance at end of the financial year</b> | <b>949,375</b>  | <b>354,388</b>                   | <b>582,144</b>                   | <b>12,843</b>               |
| <b>2034</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 949,375         | 354,388                          | 582,144                          | 12,844                      |
| Surplus/(deficit) for the year              | 10,888          | 10,888                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (587)                            | -                                | 587                         |
| <b>Balance at end of the financial year</b> | <b>960,263</b>  | <b>364,689</b>                   | <b>582,144</b>                   | <b>13,431</b>               |
| <b>2035</b>                                 |                 |                                  |                                  |                             |
| Balance at beginning of the financial year  | 960,263         | 364,689                          | 582,144                          | 13,430                      |
| Surplus/(deficit) for the year              | 10,416          | 10,416                           | -                                | -                           |
| Net asset revaluation increment/(decrement) | -               | -                                | -                                | -                           |
| Transfers (to)/ from reserves               | -               | (233)                            | -                                | 233                         |
| <b>Balance at end of the financial year</b> | <b>970,679</b>  | <b>374,872</b>                   | <b>582,144</b>                   | <b>13,663</b>               |

### 3.4 Statement of Cash flows

|   | Forecast              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 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                |
|   | Inflows<br>(Outflows) |
| <b>Cash flows from operating activities</b>                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Rates and charges   | 54,582                | 53,945                | 55,444                | 56,899                | 58,350                | 59,876                | 61,935                | 64,000                | 64,711                | 66,310                | 68,019                |
| Statutory fees and fines  | 1,122                 | 1,052                 | 1,101                 | 1,092                 | 1,105                 | 1,180                 | 1,197                 | 1,202                 | 1,236                 | 1,283                 | 1,315                 |
| User fees   | 4,495                 | 5,534                 | 5,682                 | 5,826                 | 5,969                 | 6,119                 | 6,271                 | 6,430                 | 6,588                 | 6,754                 | 6,923                 |
| Grants - operating  | 14,241                | 14,056                | 14,471                | 14,800                | 15,158                | 15,525                | 15,902                | 16,287                | 16,683                | 17,088                | 17,503                |
| Grants - capital  | 19,095                | 6,980                 | 6,792                 | 5,376                 | 4,769                 | 4,769                 | 4,769                 | 4,769                 | 4,769                 | 4,769                 | 4,769                 |
| Contributions - monetary  | 1,246                 | 919                   | 932                   | 691                   | 634                   | 661                   | 678                   | 597                   | 712                   | 704                   | 354                   |
| Interest received   | 1,000                 | 1,100                 | 1,100                 | 1,100                 | 1,100                 | 1,100                 | 1,100                 | 1,100                 | 1,100                 | 1,100                 | 1,100                 |
| Other receipts  | 1,445                 | 1,358                 | 1,393                 | 1,434                 | 1,492                 | 1,514                 | 1,537                 | 1,569                 | 1,578                 | 1,614                 | 1,677                 |
| Employee costs  | (31,315)              | (32,422)              | (33,082)              | (33,989)              | (34,862)              | (35,812)              | (36,904)              | (37,925)              | (38,653)              | (39,687)              | (40,763)              |
| Materials and services  | (29,033)              | (25,179)              | (24,967)              | (25,397)              | (26,532)              | (26,676)              | (27,371)              | (27,983)              | (29,241)              | (29,394)              | (30,178)              |
| Other payments  | (3,240)               | (3,223)               | (3,287)               | (3,367)               | (3,451)               | (3,539)               | (3,624)               | (3,714)               | (3,808)               | (3,900)               | (4,000)               |
| <b>Net cash provided by/(used in) operating activities</b>          | <b>33,638</b>         | <b>24,120</b>         | <b>25,579</b>         | <b>24,465</b>         | <b>23,732</b>         | <b>24,717</b>         | <b>25,490</b>         | <b>26,332</b>         | <b>25,675</b>         | <b>26,641</b>         | <b>26,719</b>         |
| <b>Cash flows from investing activities</b>                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Payments for property, infrastructure, plant and equipment          | (41,279)              | (21,656)              | (23,739)              | (18,380)              | (19,639)              | (18,264)              | (26,604)              | (22,273)              | (22,568)              | (19,376)              | (20,769)              |
| Proceeds from sale of property, infrastructure, plant and equipment | 741                   | 729                   | 724                   | 815                   | 801                   | 808                   | 861                   | 849                   | 870                   | 964                   | 914                   |
| Payments for investments  | -                     | -                     | (816)                 | (2,571)               | (2,957)               | (5,668)               | (1,417)               | (1,488)               | (4,686)               | (7,186)               | (6,467)               |
| <b>Net cash provided by/ (used in) investing activities</b>         | <b>(40,538)</b>       | <b>(20,927)</b>       | <b>(23,831)</b>       | <b>(20,136)</b>       | <b>(21,795)</b>       | <b>(23,124)</b>       | <b>(27,160)</b>       | <b>(22,912)</b>       | <b>(26,384)</b>       | <b>(25,598)</b>       | <b>(26,322)</b>       |

|   | Forecast              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 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                |
|   | Inflows<br>(Outflows) |
| <b>Cash flows from financing activities</b>                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Finance costs   | (167)                 | (220)                 | (194)                 | (168)                 | (140)                 | (112)                 | (84)                  | (55)                  | (30)                  | (15)                  | (4)                   |
| Proceeds from borrowings  | 3,150                 | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Repayment of borrowings   | (1,073)               | (1,297)               | (1,323)               | (1,350)               | (1,377)               | (1,405)               | (1,218)               | (1,074)               | (702)                 | (350)                 | (270)                 |
| Interest paid - lease liability                                   | (4)                   | (2)                   | (1)                   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Repayment of lease liabilities                                    | (92)                  | (94)                  | (87)                  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| <b>Net cash provided by/(used in) financing activities</b>        | <b>1,814</b>          | <b>(1,613)</b>        | <b>(1,605)</b>        | <b>(1,518)</b>        | <b>(1,517)</b>        | <b>(1,517)</b>        | <b>(1,302)</b>        | <b>(1,129)</b>        | <b>(732)</b>          | <b>(365)</b>          | <b>(274)</b>          |
| <b>Net increase/(decrease) in cash &amp; cash equivalents</b>     | <b>(5,086)</b>        | <b>1,580</b>          | <b>143</b>            | <b>2,811</b>          | <b>420</b>            | <b>76</b>             | <b>(2,972)</b>        | <b>2,291</b>          | <b>(1,441)</b>        | <b>678</b>            | <b>123</b>            |
| Cash and cash equivalents at the beginning of the financial year  | 8,671                 | 3,585                 | 5,165                 | 5,308                 | 8,119                 | 8,539                 | 8,615                 | 5,643                 | 7,934                 | 6,493                 | 7,171                 |
| <b>Cash and cash equivalents at the end of the financial year</b> | <b>3,585</b>          | <b>5,165</b>          | <b>5,308</b>          | <b>8,119</b>          | <b>8,539</b>          | <b>8,615</b>          | <b>5,643</b>          | <b>7,934</b>          | <b>6,493</b>          | <b>7,171</b>          | <b>7,294</b>          |

### 3.5 Statement of Capital Works

|  | Forecast      |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 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>Property</b>                                |               |               |               |               |               |               |               |               |               |               |               |
| Buildings                                      | 3,880         | 2,038         | 3,756         | 3,147         | 3,647         | 1,184         | 5,578         | 2,392         | 4,372         | 282           | 1,338         |
| Heritage buildings                             | 68            | 153           | 124           | 129           | 134           | 140           | 145           | 151           | 157           | -             | -             |
| <b>Total buildings</b>                         | <b>3,948</b>  | <b>2,191</b>  | <b>3,880</b>  | <b>3,276</b>  | <b>3,781</b>  | <b>1,324</b>  | <b>5,723</b>  | <b>2,543</b>  | <b>4,529</b>  | <b>282</b>    | <b>1,338</b>  |
| <b>Total property</b>                          | <b>3,948</b>  | <b>2,191</b>  | <b>3,880</b>  | <b>3,276</b>  | <b>3,781</b>  | <b>1,324</b>  | <b>5,723</b>  | <b>2,543</b>  | <b>4,529</b>  | <b>282</b>    | <b>1,338</b>  |
| <b>Plant and equipment</b>                     |               |               |               |               |               |               |               |               |               |               |               |
| Plant, machinery and equipment                 | 3,662         | 2,448         | 2,492         | 2,651         | 2,777         | 2,739         | 2,970         | 2,878         | 2,950         | 3,199         | 3,099         |
| Computers and telecommunications               | 702           | 760           | 401           | 396           | 484           | 1,417         | 875           | 897           | 919           | 942           | 965           |
| <b>Total plant and equipment</b>               | <b>4,364</b>  | <b>3,208</b>  | <b>2,893</b>  | <b>3,047</b>  | <b>3,261</b>  | <b>4,156</b>  | <b>3,845</b>  | <b>3,775</b>  | <b>3,869</b>  | <b>4,141</b>  | <b>4,064</b>  |
| <b>Infrastructure</b>                          |               |               |               |               |               |               |               |               |               |               |               |
| Roads  | 20,028        | 11,962        | 11,517        | 11,232        | 11,608        | 11,802        | 12,575        | 13,115        | 13,095        | 13,559        | 14,041        |
| Bridges  | 435           | 2,202         | 2,832         | 210           | 231           | 125           | 188           | 489           | 507           | 526           | 546           |
| Footpaths and cycleways                        | 914           | 81            | 168           | 174           | 181           | 188           | 850           | 798           | 210           | 218           | 226           |
| Drainage                                       | 450           | 250           | 155           | 161           | 167           | 174           | 786           | 1,384         | 194           | 202           | 209           |
| Recreational, leisure and community facilities | 1,230         | 1,522         | 537           | 190           | 223           | 247           | 357           | 79            | 74            | 248           | 255           |
| Waste management                               | 2,458         | 240           | 1,757         | 90            | 187           | 248           | 2,280         | 90            | 90            | 200           | 90            |
| Parks, open space and streetscapes             | 6,263         | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Off street car parks                           | 980           | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Other infrastructure                           | 209           | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| <b>Total infrastructure</b>                    | <b>32,967</b> | <b>16,257</b> | <b>16,966</b> | <b>12,057</b> | <b>12,597</b> | <b>12,784</b> | <b>17,036</b> | <b>15,955</b> | <b>14,170</b> | <b>14,953</b> | <b>15,367</b> |
| <b>Total capital works expenditure</b>         | <b>41,279</b> | <b>21,656</b> | <b>23,739</b> | <b>18,380</b> | <b>19,639</b> | <b>18,264</b> | <b>26,604</b> | <b>22,273</b> | <b>22,568</b> | <b>19,376</b> | <b>20,769</b> |

|  | Forecast      |               |               |               |               |               |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 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>Represented by:</b>                 |               |               |               |               |               |               |               |               |               |               |               |
| New asset expenditure                  | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Asset renewal expenditure              | 33,562        | 19,826        | 20,417        | 18,219        | 19,375        | 17,932        | 22,586        | 19,830        | 22,374        | 19,064        | 20,560        |
| Asset expansion expenditure            | 564           | -             | -             | -             | -             | -             | 1,296         | 1,934         | -             | -             | -             |
| Asset upgrade expenditure              | 7,153         | 1,830         | 3,322         | 161           | 264           | 332           | 2,722         | 509           | 194           | 312           | 209           |
| <b>Total capital works expenditure</b> | <b>41,279</b> | <b>21,656</b> | <b>23,739</b> | <b>18,380</b> | <b>19,639</b> | <b>18,264</b> | <b>26,604</b> | <b>22,273</b> | <b>22,568</b> | <b>19,376</b> | <b>20,769</b> |
| <b>Funding sources represented by:</b> |               |               |               |               |               |               |               |               |               |               |               |
| Grants                                 | 19,095        | 6,980         | 6,792         | 5,376         | 4,769         | 4,769         | 4,769         | 4,769         | 4,769         | 4,769         | 4,769         |
| Contributions                          | 839           | 595           | 601           | 353           | 328           | 348           | 357           | 268           | 375           | 358           | -             |
| Council cash                           | 21,345        | 14,081        | 16,346        | 12,651        | 14,542        | 13,147        | 21,478        | 17,236        | 17,424        | 14,249        | 16,000        |
| Borrowings                             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| <b>Total capital works expenditure</b> | <b>41,279</b> | <b>21,656</b> | <b>23,739</b> | <b>18,380</b> | <b>19,639</b> | <b>18,264</b> | <b>26,604</b> | <b>22,273</b> | <b>22,568</b> | <b>19,376</b> | <b>20,769</b> |

### 3.6 Statement of Human Resources

| Staff expenditure              | 2024/25<br>\$'000 | 2025/26<br>\$'000 | 2026/27<br>\$'000 | 2027/28<br>\$'000 | 2028/29<br>\$'000 | 2029/30<br>\$'000 | 2030/31<br>\$'000 | 2031/32<br>\$'000 | 2032/33<br>\$'000 | 2033/34<br>\$'000 | 2034/35<br>\$'000 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Staff expenditure</b>       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Employee costs - operating     | 31,102            | 32,311            | 33,151            | 34,056            | 34,943            | 35,890            | 36,995            | 37,999            | 38,721            | 39,773            | 40,852            |
| Employee costs - capital       | 1,048             | 1,150             | 1,187             | 1,220             | 1,252             | 1,286             | 1,322             | 1,358             | 1,395             | 1,433             | 1,472             |
| <b>Total staff expenditure</b> | <b>32,150</b>     | <b>33,461</b>     | <b>34,338</b>     | <b>35,276</b>     | <b>36,195</b>     | <b>37,176</b>     | <b>38,317</b>     | <b>39,357</b>     | <b>40,116</b>     | <b>41,206</b>     | <b>42,324</b>     |

| Staff numbers              | 2024/25<br>FTE | 2025/26<br>FTE | 2026/27<br>FTE | 2027/28<br>FTE | 2028/29<br>FTE | 2029/30<br>FTE | 2030/31<br>FTE | 2031/32<br>FTE | 2032/33<br>FTE | 2033/34<br>FTE | 2034/35<br>FTE |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Staff numbers</b>       |                |                |                |                |                |                |                |                |                |                |                |
| Employees                  | 271.0          | 271.6          | 271.0          | 271.0          | 271.0          | 271.0          | 271.0          | 271.0          | 271.0          | 271.0          | 271.0          |
| <b>Total staff numbers</b> | <b>271.0</b>   | <b>271.6</b>   | <b>271.0</b>   |

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

| Department                               | Total<br>\$'000 | Comprises<br>Permanent |                     |                  |                     |
|--|-----------------|------------------------|---------------------|------------------|---------------------|
|  |                 | Full Time<br>\$'000    | Part Time<br>\$'000 | Casual<br>\$'000 | Temporary<br>\$'000 |
|  |                 |                        |                     |                  |                     |
| Performance & Innovation                 | 6,703           | 6,703                  | -                   | -                | -                   |
| Future Communities                       | 9,109           | 6,684                  | 2,081               | 344              | -                   |
| CEO Director                             | 1,769           | 1,615                  | 154                 | -                | -                   |
| Sustainable Infrastructure               | 14,202          | 13,658                 | 544                 | -                | -                   |
| <b>Total permanent staff expenditure</b> | <b>31,783</b>   | <b>28,660</b>          | <b>2,779</b>        | <b>344</b>       | <b>-</b>            |
| Other employee related expenditure       | 528             |                        |                     |                  |                     |
| <b>Total operating expenditure</b>       | <b>32,311</b>   |                        |                     |                  |                     |
| Capitalised labour costs                 | 1,150           |                        |                     |                  |                     |
| <b>Total employee expenditure</b>        | <b>33,461</b>   |                        |                     |                  |                     |

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

| Department                   | Total        | Comprises           |             |            |           |
|------------------------------|--------------|---------------------|-------------|------------|-----------|
|                              |              | Permanent Full Time | Part Time   | Casual     | Temporary |
| Performance & Innovation     | 49.0         | 49.0                | -           | -          | -         |
| Future Communities           | 71.9         | 51.0                | 18.2        | 2.7        | -         |
| CEO Director                 | 11.4         | 10.0                | 1.4         | -          | -         |
| Sustainable Infrastructure   | 129.5        | 94.5                | 35.0        | -          | -         |
| <b>Total permanent staff</b> | <b>261.7</b> | <b>204.5</b>        | <b>54.5</b> | <b>2.7</b> | <b>-</b>  |
| Capitalised labour           | 9.9          |                     |             |            |           |
| <b>Total staff</b>           | <b>271.6</b> |                     |             |            |           |

*\*Please note these tables includes employee costs and FTE that are capital in nature, and therefore represents higher totals than that shown in the Comprehensive Income Statement.*

### 3.7 Planned Human Resources Expenditure

|   | 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        |
| <b>Performance &amp; Innovation</b>       |              |              |              |              |              |               |               |               |               |               |
| Permanent - Full time                     | 6,703        | 6,875        | 7,064        | 7,250        | 7,450        | 7,663         | 7,873         | 8,089         | 8,313         | 8,541         |
| Women                                     | 4,224        | 4,329        | 4,448        | 4,565        | 4,691        | 4,825         | 4,957         | 5,094         | 5,234         | 5,378         |
| Men                                       | 2,173        | 2,232        | 2,293        | 2,354        | 2,419        | 2,488         | 2,556         | 2,626         | 2,699         | 2,773         |
| Persons of self-described gender          |              |              |              |              |              |               |               |               |               |               |
| Vacant                                    | 306          | 314          | 323          | 331          | 340          | 350           | 360           | 369           | 380           | 390           |
| Permanent - Part time                     |              |              |              |              |              |               |               |               |               |               |
| Women                                     |              |              |              |              |              |               |               |               |               |               |
| Men                                       |              |              |              |              |              |               |               |               |               |               |
| Persons of self-described gender          |              |              |              |              |              |               |               |               |               |               |
| Vacant                                    |              |              |              |              |              |               |               |               |               |               |
| <b>Total Performance &amp; Innovation</b> | <b>6,703</b> | <b>6,875</b> | <b>7,064</b> | <b>7,250</b> | <b>7,450</b> | <b>7,663</b>  | <b>7,873</b>  | <b>8,089</b>  | <b>8,313</b>  | <b>8,541</b>  |
| <b>Future Communities</b>                 |              |              |              |              |              |               |               |               |               |               |
| Permanent - Full time                     | 6,684        | 6,865        | 7,053        | 7,239        | 7,437        | 7,649         | 7,769         | 8,074         | 8,295         | 8,523         |
| Women                                     | 4,710        | 4,838        | 4,970        | 5,101        | 5,240        | 5,389         | 5,537         | 5,688         | 5,844         | 6,004         |
| Men                                       | 1,974        | 2,027        | 2,083        | 2,138        | 2,197        | 2,260         | 2,232         | 2,386         | 2,451         | 2,519         |
| Persons of self-described gender          |              |              |              |              |              |               |               |               |               |               |
| Vacant                                    |              |              |              |              |              |               |               |               |               |               |
| Permanent - Part time                     | 2,081        | 2,112        | 2,170        | 2,226        | 2,288        | 2,352         | 2,416         | 2,484         | 2,552         | 2,621         |
| Women                                     | 1,664        | 1,683        | 1,730        | 1,774        | 1,823        | 1,875         | 1,926         | 1,980         | 2,034         | 2,089         |
| Men                                       | 328          | 338          | 347          | 356          | 366          | 376           | 386           | 397           | 408           | 419           |
| Persons of self-described gender          |              |              |              |              |              |               |               |               |               |               |
| Vacant                                    | 89           | 91           | 93           | 96           | 99           | 101           | 104           | 107           | 110           | 113           |
| <b>Total Future Communities</b>           | <b>8,765</b> | <b>8,977</b> | <b>9,223</b> | <b>9,465</b> | <b>9,725</b> | <b>10,001</b> | <b>10,185</b> | <b>10,558</b> | <b>10,847</b> | <b>11,144</b> |

|   | 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        |
| <b>CEO Directorate</b>                          |               |               |               |               |               |               |               |               |               |               |
| Permanent - Full time                           | 1,615         | 1,664         | 1,710         | 1,755         | 1,804         | 1,855         | 1,906         | 1,958         | 2,013         | 2,068         |
| Women   | 853           | 881           | 905           | 929           | 955           | 982           | 1,009         | 1,037         | 1,066         | 1,095         |
| Men   | 380           | 390           | 401           | 412           | 423           | 435           | 447           | 459           | 472           | 485           |
| Persons of self-described gender                |               |               |               |               |               |               |               |               |               |               |
| Vacant  | 382           | 393           | 404           | 414           | 426           | 438           | 450           | 462           | 475           | 488           |
| Permanent - Part time                           | 154           | 62            | 64            | 66            | 68            | 70            | 72            | 73            | 75            | 78            |
| Women   | 61            | 62            | 64            | 66            | 68            | 70            | 72            | 73            | 75            | 78            |
| Men   |               |               |               |               |               |               |               |               |               |               |
| Persons of self-described gender                |               |               |               |               |               |               |               |               |               |               |
| Vacant  | 93            |               |               |               |               |               |               |               |               |               |
| <b>Total CEO Directorate</b>                    | <b>1,769</b>  | <b>1,726</b>  | <b>1,774</b>  | <b>1,821</b>  | <b>1,872</b>  | <b>1,925</b>  | <b>1,978</b>  | <b>2,031</b>  | <b>2,088</b>  | <b>2,146</b>  |
| <b>Sustainable Infrastructure</b>               |               |               |               |               |               |               |               |               |               |               |
| Permanent - Full time                           | 13,658        | 14,064        | 14,452        | 14,828        | 15,227        | 15,656        | 16,080        | 16,515        | 16,963        | 17,422        |
| Women   | 2,442         | 2,509         | 2,577         | 2,645         | 2,716         | 2,793         | 2,869         | 2,946         | 3,027         | 3,109         |
| Men   | 9,988         | 10,286        | 10,570        | 10,844        | 11,136        | 11,450        | 11,759        | 12,078        | 12,404        | 12,740        |
| Persons of self-described gender                |               |               |               |               |               |               |               |               |               |               |
| Vacant  | 1,228         | 1,269         | 1,305         | 1,339         | 1,375         | 1,413         | 1,452         | 1,491         | 1,532         | 1,573         |
| Permanent - Part time                           | 544           | 619           | 636           | 652           | 671           | 785           | 806           | 829           | 852           | 875           |
| Women   | 130           | 134           | 138           | 141           | 145           | 149           | 153           | 158           | 162           | 166           |
| Men   | 290           | 298           | 306           | 314           | 323           | 332           | 341           | 350           | 360           | 370           |
| Persons of self-described gender                |               |               |               |               |               |               |               |               |               |               |
| Vacant  | 124           | 187           | 192           | 197           | 203           | 304           | 312           | 321           | 330           | 339           |
| <b>Total Sustainable Infrastructure</b>         | <b>14,202</b> | <b>14,683</b> | <b>15,088</b> | <b>15,480</b> | <b>15,898</b> | <b>16,441</b> | <b>16,886</b> | <b>17,344</b> | <b>17,815</b> | <b>18,297</b> |
| <b>Casuals, temporary and other expenditure</b> | <b>872</b>    | <b>890</b>    | <b>907</b>    | <b>927</b>    | <b>945</b>    | <b>965</b>    | <b>1,077</b>  | <b>699</b>    | <b>710</b>    | <b>724</b>    |
| <b>Total operating expenditure</b>              | <b>32,311</b> | <b>33,151</b> | <b>34,056</b> | <b>34,943</b> | <b>35,890</b> | <b>36,995</b> | <b>37,999</b> | <b>38,721</b> | <b>39,773</b> | <b>40,852</b> |
| Capitalised labour costs                        | 1,150         | 1,187         | 1,220         | 1,252         | 1,286         | 1,322         | 1,358         | 1,395         | 1,433         | 1,472         |
| <b>Total employee expenditure</b>               | <b>33,461</b> | <b>34,338</b> | <b>35,276</b> | <b>36,195</b> | <b>37,176</b> | <b>38,317</b> | <b>39,357</b> | <b>40,116</b> | <b>41,206</b> | <b>42,324</b> |

|   | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | FTE     |
| <b>Performance &amp; Innovation</b>       |         |         |         |         |         |         |         |         |         |         |
| Permanent - Full time                     | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    |
| Women                                     | 32.0    | 32.0    | 32.0    | 32.0    | 32.0    | 32.0    | 32.0    | 32.0    | 32.0    | 32.0    |
| Men                                       | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    |
| Persons of self-described gender          |         |         |         |         |         |         |         |         |         |         |
| Vacant                                    | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     |
| Permanent - Part time                     |         |         |         |         |         |         |         |         |         |         |
| Women                                     |         |         |         |         |         |         |         |         |         |         |
| Men                                       |         |         |         |         |         |         |         |         |         |         |
| Persons of self-described gender          |         |         |         |         |         |         |         |         |         |         |
| Vacant                                    |         |         |         |         |         |         |         |         |         |         |
| <b>Total Performance &amp; Innovation</b> | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    | 49.0    |
| <b>Future Communities</b>                 |         |         |         |         |         |         |         |         |         |         |
| Permanent - Full time                     | 51.0    | 51.0    | 51.0    | 51.0    | 51.0    | 51.0    | 51.0    | 51.0    | 51.0    | 51.0    |
| Women                                     | 36.0    | 36.0    | 36.0    | 36.0    | 36.0    | 36.0    | 36.0    | 36.0    | 36.0    | 36.0    |
| Men                                       | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    | 15.0    |
| Persons of self-described gender          |         |         |         |         |         |         |         |         |         |         |
| Vacant                                    |         |         |         |         |         |         |         |         |         |         |
| Permanent - Part time                     | 18.2    | 17.9    | 17.9    | 17.9    | 17.9    | 17.9    | 17.9    | 17.9    | 17.9    | 17.9    |
| Women                                     | 14.0    | 13.8    | 13.8    | 13.8    | 13.8    | 13.8    | 13.8    | 13.8    | 13.8    | 13.8    |
| Men                                       | 3.2     | 3.2     | 3.2     | 3.2     | 3.2     | 3.2     | 3.2     | 3.2     | 3.2     | 3.2     |
| Persons of self-described gender          |         |         |         |         |         |         |         |         |         |         |
| Vacant                                    | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     |
| <b>Total Future Communities</b>           | 69.2    | 68.9    | 68.9    | 68.9    | 68.9    | 68.9    | 68.9    | 68.9    | 68.9    | 68.9    |

|   | 2025/26      | 2026/27      | 2027/28      | 2028/29      | 2029/30      | 2030/31      | 2031/32      | 2032/33      | 2033/34      | 2034/35      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | FTE          |
| <b>CEO Directorate</b>                  |              |              |              |              |              |              |              |              |              |              |
| Permanent - Full time                   | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         |
| Women                                   | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          |
| Men                                     | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Persons of self-described gender        |              |              |              |              |              |              |              |              |              |              |
| Vacant                                  | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |
| Permanent - Part time                   | 1.4          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          |
| Women                                   | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          | 0.6          |
| Men                                     |              |              |              |              |              |              |              |              |              |              |
| Persons of self-described gender        |              |              |              |              |              |              |              |              |              |              |
| Vacant                                  | 0.8          |              |              |              |              |              |              |              |              |              |
| <b>Total CEO Directorate</b>            | <b>11.4</b>  | <b>10.6</b>  |
| <b>Sustainable Infrastructure</b>       |              |              |              |              |              |              |              |              |              |              |
| Permanent - Full time                   | 94.5         | 95.5         | 95.5         | 95.5         | 95.5         | 95.5         | 95.5         | 95.5         | 95.5         | 95.5         |
| Women                                   | 15.3         | 15.3         | 15.3         | 15.3         | 15.3         | 15.3         | 15.3         | 15.3         | 15.3         | 15.3         |
| Men                                     | 69.2         | 69.2         | 69.2         | 69.2         | 69.2         | 69.2         | 69.2         | 69.2         | 69.2         | 69.2         |
| Persons of self-described gender        |              |              |              |              |              |              |              |              |              |              |
| Vacant                                  | 10.0         | 11.0         | 11.0         | 11.0         | 11.0         | 11.0         | 11.0         | 11.0         | 11.0         | 11.0         |
| Permanent - Part time                   | 35.0         | 34.5         | 34.5         | 34.5         | 34.5         | 34.5         | 34.5         | 34.5         | 34.5         | 34.5         |
| Women                                   | 5.3          | 5.3          | 5.3          | 5.3          | 5.3          | 5.3          | 5.3          | 5.3          | 5.3          | 5.3          |
| Men                                     | 26.2         | 26.2         | 26.2         | 26.2         | 26.2         | 26.2         | 26.2         | 26.2         | 26.2         | 26.2         |
| Persons of self-described gender        |              |              |              |              |              |              |              |              |              |              |
| Vacant                                  | 3.5          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          | 3.0          |
| <b>Total Sustainable Infrastructure</b> | <b>129.5</b> | <b>130.0</b> |
| <b>Casuals and temporary staff</b>      | <b>2.7</b>   |
| <b>Capitalised labour</b>               | <b>9.9</b>   |
| <b>Total staff numbers</b>              | <b>271.6</b> | <b>271.0</b> |

## Financial Performance Indicators

# 4

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   | Forecast |         |         |         |         |         |         |         |         |         |         | Trend |
|---------------------------------|---|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
|                                 |   | 2024/25  | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 | 2034/35 |       |
| <b>Operating position</b>       |   |          |         |         |         |         |         |         |         |         |         |         |       |
| Adjusted underlying result      | Adjusted underlying surplus (deficit) / Adjusted underlying revenue                       | 0.7%     | 8.5%    | 10.2%   | 10.5%   | 10.1%   | 10.4%   | 11.0%   | 10.7%   | 9.7%    | 10.0%   | 9.7%    | +     |
| <b>Liquidity</b>                |   |          |         |         |         |         |         |         |         |         |         |         |       |
| Working Capital                 | Current assets / current liabilities  | 146.1%   | 158.1%  | 164.4%  | 194.3%  | 211.8%  | 246.3%  | 238.3%  | 264.3%  | 286.1%  | 332.1%  | 373.2%  | o     |
| Unrestricted cash               | Unrestricted cash / current liabilities   | 11.1%    | 16.2%   | 13.1%   | 25.9%   | 25.5%   | 23.4%   | 3.0%    | 13.1%   | 1.0%    | 2.2%    | 2.2%    | o     |
| <b>Obligations</b>              |   |          |         |         |         |         |         |         |         |         |         |         |       |
| Loans and borrowings            | Interest bearing loans and borrowings / rate revenue                                      | 20.1%    | 16.9%   | 14.1%   | 11.3%   | 8.7%    | 6.1%    | 3.9%    | 2.1%    | 1.0%    | 0.4%    | 0.0%    | +     |
| Loans and borrowings repayments | Interest and principal repayments on interest bearing loans and borrowings / rate revenue | 2.4%     | 2.8%    | 2.8%    | 2.7%    | 2.6%    | 2.6%    | 2.1%    | 1.8%    | 1.1%    | 0.6%    | 0.4%    | +     |
| Indebtedness                    | Non-current liabilities / own source revenue  | 27.0%    | 23.5%   | 20.9%   | 18.3%   | 15.8%   | 13.6%   | 11.7%   | 10.4%   | 9.8%    | 9.2%    | 9.0%    | +     |
| Asset renewal                   | Asset renewal and upgrade expense / Asset depreciation                                    | 295.7%   | 159.7%  | 172.6%  | 128.4%  | 137.4%  | 122.4%  | 170.3%  | 129.1%  | 143.4%  | 118.0%  | 123.4%  | -     |
| <b>Stability</b>                |   |          |         |         |         |         |         |         |         |         |         |         |       |
| Rates concentration             | Rate revenue / adjusted underlying revenue  | 66.4%    | 65.8%   | 65.4%   | 65.3%   | 65.5%   | 65.6%   | 65.3%   | 65.2%   | 66.0%   | 66.1%   | 66.3%   | o     |
| Rates effort                    | Rate revenue / CIV of rateable properties in the municipality                             | 0.3%     | 0.3%    | 0.3%    | 0.3%    | 0.3%    | 0.3%    | 0.3%    | 0.3%    | 0.3%    | 0.3%    | 0.4%    | o     |
| <b>Efficiency</b>               |   |          |         |         |         |         |         |         |         |         |         |         |       |
| Expenditure level               | Total expenses/ no. of property assessments   | \$3,781  | \$3,635 | \$3,661 | \$3,732 | \$3,814 | \$3,873 | \$3,940 | \$4,039 | \$4,117 | \$4,181 | \$4,271 | -     |
| Revenue level                   | General rates and municipal charges / no. of property assessments                         | \$2,544  | \$2,628 | \$2,681 | \$2,736 | \$2,791 | \$2,848 | \$2,932 | \$3,012 | \$3,025 | \$3,086 | \$3,149 | -     |

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

## 5.1 Borrowing Strategy

### 5.1.1 Current Debt Position

Council's adopted *Treasury Management Policy (C24)* outlines the situations in which Council may use borrowings as a funding source. The Policy recognises the inter-generational equity funding principles and stipulates that borrowings should be for specific purposes, such as capital works of a strategic significance that could not otherwise be funded in the timeframe they are required. It goes on to state that future borrowings must be within the capacity of the Financial Plan to fund debt servicing costs for the life of the loan.

Council has accessed debt funding to complete a range of major infrastructure projects including the completion of the Mirboo North Pool Refurbishment project works. Additional low interest subsidised loans have been secured through the Community Infrastructure Loan Scheme Program for the Korumburra Community Hub and the Korumburra Streetscape Projects.

The total amount outstanding as at 30 June 2026 is projected to be \$9.07 million.

### 5.1.2 Future Borrowing Requirements

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

|                          | Forecast          |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                          | 2024/25<br>\$'000 | 2025/26<br>\$'000 | 2026/27<br>\$'000 | 2027/28<br>\$'000 | 2028/29<br>\$'000 | 2029/30<br>\$'000 | 2030/31<br>\$'000 | 2031/32<br>\$'000 | 2032/33<br>\$'000 | 2033/34<br>\$'000 | 2034/35<br>\$'000 |
| <b>Opening balance</b>   | 8,289             | 10,366            | 9,069             | 7,746             | 6,396             | 5,019             | 3,614             | 2,396             | 1,322             | 620               | 270               |
| Plus New loans           | 3,150             | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 | 0                 |
| Less Principal repayment | (1,073)           | (1,297)           | (1,323)           | (1,350)           | (1,377)           | (1,405)           | (1,218)           | (1,074)           | (702)             | (350)             | (270)             |
| <b>Closing balance</b>   | <b>10,366</b>     | <b>9,069</b>      | <b>7,746</b>      | <b>6,396</b>      | <b>5,019</b>      | <b>3,614</b>      | <b>2,396</b>      | <b>1,322</b>      | <b>620</b>        | <b>270</b>        | <b>0</b>          |
| Interest payment         | (167)             | (220)             | (194)             | (168)             | (140)             | (112)             | (84)              | (55)              | (30)              | (15)              | (4)               |

### 5.1.1 Performance Indicators

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

| Performance Indicator                                   | Target    | Forecast     |              |              |              |              |              |              |              |              |              |              |
|---|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   |           | 2024/25<br>% | 2025/26<br>% | 2026/27<br>% | 2027/28<br>% | 2028/29<br>% | 2029/30<br>% | 2030/31<br>% | 2031/32<br>% | 2032/33<br>% | 2033/34<br>% | 2034/35<br>% |
| Total borrowings / Rate revenue                         | Below 60% | 20.1%        | 16.9%        | 14.1%        | 11.3%        | 8.7%         | 6.1%         | 3.9%         | 2.1%         | 1.0%         | 0.4%         | 0.0%         |
| Debt servicing (interest) / Total Income                | Below 5%  | 0.2%         | 0.3%         | 0.2%         | 0.2%         | 0.2%         | 0.1%         | 0.1%         | 0.1%         | 0.0%         | 0.0%         | 0.0%         |
| Debt commitment (interest and principal) / Rate revenue | Below 10% | 2.2%         | 2.6%         | 2.5%         | 2.4%         | 2.4%         | 2.3%         | 1.9%         | 1.6%         | 1.0%         | 0.5%         | 0.4%         |
| Indebtedness / Own source revenue                       | Below 40% | 17.2%        | 14.3%        | 11.9%        | 9.6%         | 7.3%         | 5.1%         | 3.3%         | 1.8%         | 0.8%         | 0.3%         | 0.0%         |

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

#### ***Total Borrowings / Rate revenue***

This measures Council's ability to pay its interest-bearing loan obligations with the rate revenue it generates. Being well below the target of 60 per cent, Council has the ability to borrow to fund major capital works projects in the future.

#### ***Debt Servicing / Rate revenue***

This measures Council's ability to pay its debt obligations with the rate revenue it generates.

Being well below the target of 5 per cent, means Council can pay its loan interest from rates instead of looking at alternative funding streams.

#### ***Debt Commitment / Rate Revenue***

This measures Council's ability to pay its debt obligations with the rate revenue it generates.

Being well below the target of 10 per cent, means Council can pay its loan principal repayments and interest from rates instead of looking at alternative funding streams.

### *Indebtedness / Own Source Revenue*

This measures Council's ability to pay its long-term obligations with the revenue it generates internally (i.e. excludes external grants and contributions).

Being well below the target of 40 per cent means Council's level of long-term obligations can easily be met without relying on external funding sources.

## 5.2 Reserves Strategy

### 5.2.1 Current Reserves

#### *Public Open Space Reserve*

- Purpose - The Open Space Reserve holds funds contributed by developers for works associated with developing and improved 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 contribution income from subdividers in lieu of the 5 per cent Public Open Space requirement. Transfers from the reserve (outflows) are applied to fund Open Space capital projects on an annual basis.

#### *Development Contributions Reserve*

- Purpose – This reserve retains funds received from developers for infrastructure provision related to Council's Development Contributions Plans.
- Movements – transfers from this reserve will be for nominated capital works for Development Infrastructure projects and Community Infrastructure projects. These funds are tied directly to the income received or cash funds refunded to developers for capital works completed directly by the developer.

#### *Caravan Parks Reserve*

- Purpose – This reserve was created for the development of future funding for caravan park projects.
- Movements – Nil

#### *Corner Inlet Reserve*

- Purpose – This reserve was created for the maintenance of a seawall to protect private lands from flooding.
- Movements – Transfers from this reserve (outflows) are based on maintenance performed on an annual basis.

### ***Venus Bay Surf Life Saving Club Reserve***

- Purpose – This reserve was created in 2017/18 for the development of a new clubhouse design by the Venus Bay Surf Life Saving Club Reserve committee. Ongoing issues have resulted in the funds needing to be carried forward until planning issues can be sorted. Once this occurs, the reserve funds will be transferred to the committee.
- Movements – Nil

### ***Unexpended Grants and Contributions***

- Purpose – Funds held from grant monies, not already recognised in the Balance Sheet as Unearned Grants at the end of each financial year, to be expended in future financial years. External restrictions may or may not apply in line with individual funding agreements.
- Movements – Nil

### ***Asset Development Reserve***

- Purpose – Funds set aside for contingency planning purposes as well as for contribution to future major projects. Source of funds is to be derived from the year-end cash operating surplus.
- Movements – transfers to this reserve (inflows) comprise of a portion of available cash surplus. Transfers from this reserve (outflows) will be for nominated asset development projects.

### ***General Reserve***

- Purpose – This reserve holds contribution funds to address shortfalls resulting from the cost of emergency management works and storm damage rectification and adaptation planning. Source of funds is to be derived from the year-end cash operating surplus.
- Movements – transfers to this reserve (inflows) comprise of a portion of the projected year-end cash operating surplus. Transfers from this reserve (outflows) will be to fund the cost of any emergency management or storm damage rectification.

### ***Carry Forward Projects Reserve***

- Purpose – funds held from unexpended projects at the completion of a financial year. Reserve funds are to be applied to carried forward projects expected to be completed in a future financial year.
- Movements – transfers to this reserve (inflows) comprise unspent capital works budgets. Transfers from this reserve (outflows) will be for nominated capital works previously carried forward.

### *Renewable Energy Reserve*

- Purpose – funds held to develop, support and maintain sustainable energy programs. Source of funds may include savings from existing renewable energy sources and operating surplus derived from Council funded renewable energy programs.
- Movements – transfers to this reserve (inflows) comprise savings from Council’s EV charging stations. Transfers from this reserve (outflows) will be for nominated sustainable energy programs.

## 5.2.2 Reserve Usage Projections

The table below discloses the balance and projected annual movement for each reserve over the 10-year life of the Financial Plan. Total amount of reserves, for each year, aligns with the *Statement of Changes in Equity*, excluding the Asset Revaluation Reserve.

| Reserves                                 | Restricted /<br>Discretionary | 2024/25      | 2025/26      | 2026/27      | 2027/28      | 2028/29      | 2029/30      | 2030/31      | 2031/32      | 2032/33      | 2033/34      | 2034/35      |
|--|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  |                               | \$000's      |
| <b>Public Open Space Reserve</b>         | <b>Restricted</b>             |              |              |              |              |              |              |              |              |              |              |              |
| <b>Opening balance</b>                   |                               |              | 443          | 565          | 640          | 840          | 944          | 1,074        | 1,346        | 1,618        | 1,905        | 2,025        |
| Transfer to reserve                      |                               |              | 282          | 289          | 297          | 304          | 312          | 319          | 327          | 335          | 344          | 352          |
| Transfer from reserve                    |                               |              | (160)        | (215)        | (96)         | (200)        | (181)        | (48)         | (55)         | (49)         | (223)        | (228)        |
| <b>Closing balance</b>                   |                               | <b>443</b>   | <b>565</b>   | <b>640</b>   | <b>840</b>   | <b>944</b>   | <b>1,074</b> | <b>1,346</b> | <b>1,618</b> | <b>1,905</b> | <b>2,025</b> | <b>2,150</b> |
| <b>Development Contributions Reserve</b> | <b>Restricted</b>             |              |              |              |              |              |              |              |              |              |              |              |
| <b>Opening balance</b>                   |                               |              | 1,184        | 1,779        | 2,380        | 2,733        | 3,061        | 3,409        | 3,766        | 4,034        | 4,409        | 4,767        |
| Transfer to reserve                      |                               |              | 595          | 601          | 353          | 328          | 348          | 357          | 268          | 375          | 358          | 0            |
| Transfer from reserve                    |                               |              | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>Closing balance</b>                   |                               | <b>1,184</b> | <b>1,779</b> | <b>2,380</b> | <b>2,733</b> | <b>3,061</b> | <b>3,409</b> | <b>3,766</b> | <b>4,034</b> | <b>4,409</b> | <b>4,767</b> | <b>4,767</b> |
| <b>Reserves Summary</b>                  | <b>Total<br/>Restricted</b>   |              |              |              |              |              |              |              |              |              |              |              |
| <b>Opening balance</b>                   |                               |              | 1,627        | 2,344        | 3,020        | 3,573        | 4,005        | 4,483        | 5,112        | 5,652        | 6,314        | 6,792        |
| Transfer to reserve                      |                               |              | 877          | 890          | 650          | 632          | 660          | 676          | 595          | 710          | 702          | 352          |
| Transfer from reserve                    |                               |              | (160)        | (215)        | (96)         | (200)        | (181)        | (48)         | (55)         | (49)         | (223)        | (228)        |
| <b>Closing balance</b>                   |                               | <b>1,627</b> | <b>2,344</b> | <b>3,020</b> | <b>3,573</b> | <b>4,005</b> | <b>4,483</b> | <b>5,112</b> | <b>5,652</b> | <b>6,314</b> | <b>6,792</b> | <b>6,917</b> |

| Reserves                                       | Restricted /<br>Discretionary | 2024/25<br>\$000's | 2025/26<br>\$000's | 2026/27<br>\$000's | 2027/28<br>\$000's | 2028/29<br>\$000's | 2029/30<br>\$000's | 2030/31<br>\$000's | 2031/32<br>\$000's | 2032/33<br>\$000's | 2033/34<br>\$000's | 2034/35<br>\$000's |
|--|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Corner Inlet Reserve</b>                    |                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|  | Discretionary                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance                                |                               |                    | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  | 6                  |
| Transfer to reserve                            |                               |                    | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Transfer from reserve                          |                               |                    | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>Closing balance</b>                         |                               | <b>6</b>           |
| <b>Venus Bay Surf Life Saving Club Reserve</b> |                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|  | Discretionary                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance                                |                               |                    | 150                | 150                | 150                | 150                | 150                | 150                | 150                | 150                | 150                | 150                |
| Transfer to reserve                            |                               |                    | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Transfer from reserve                          |                               |                    | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>Closing balance</b>                         |                               | <b>150</b>         |
| <b>General Reserve</b>                         |                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|  | Discretionary                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance                                |                               |                    | 0                  | 1,200              | 1,200              | 1,200              | 1,200              | 1,200              | 1,200              | 1,200              | 1,200              | 1,200              |
| Transfer to reserve                            |                               |                    | 1,200              | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Transfer from reserve                          |                               |                    | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>Closing balance</b>                         |                               | <b>0</b>           | <b>1,200</b>       |
| <b>Carry Forward Projects Reserve</b>          |                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|  | Discretionary                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Opening balance                                |                               |                    | 4,062              | 4,062              | 4,062              | 4,062              | 4,062              | 4,062              | 4,062              | 4,062              | 4,062              | 4,062              |
| Transfer to reserve                            |                               |                    | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Transfer from reserve                          |                               |                    | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>Closing balance</b>                         |                               | <b>4,062</b>       |

| Reserves                         | Restricted /<br>Discretionary | 2024/25<br>\$000's | 2025/26<br>\$000's | 2026/27<br>\$000's | 2027/28<br>\$000's | 2028/29<br>\$000's | 2029/30<br>\$000's | 2030/31<br>\$000's | 2031/32<br>\$000's | 2032/33<br>\$000's | 2033/34<br>\$000's | 2034/35<br>\$000's |
|----------------------------------|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Renewable Energy Reserve</b>  |                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|                                  | Discretionary                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Opening balance</b>           |                               |                    | 18                 | 45                 | 69                 | 94                 | 119                | 145                | 171                | 198                | 226                | 254                |
| Transfer to reserve              |                               |                    | 45                 | 47                 | 48                 | 49                 | 50                 | 51                 | 53                 | 54                 | 55                 | 57                 |
| Transfer from reserve            |                               |                    | (18)               | (23)               | (23)               | (24)               | (24)               | (25)               | (26)               | (26)               | (27)               | (28)               |
| <b>Closing balance</b>           |                               | <b>18</b>          | <b>45</b>          | <b>69</b>          | <b>94</b>          | <b>119</b>         | <b>145</b>         | <b>171</b>         | <b>198</b>         | <b>226</b>         | <b>254</b>         | <b>283</b>         |
| <b>Asset Development Reserve</b> |                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|                                  | Discretionary                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Opening balance</b>           |                               |                    | 246                | 326                | 406                | 486                | 566                | 646                | 726                | 806                | 886                | 966                |
| Transfer to reserve              |                               |                    | 170                | 170                | 170                | 170                | 170                | 170                | 170                | 170                | 170                | 170                |
| Transfer from reserve            |                               |                    | (90)               | (90)               | (90)               | (90)               | (90)               | (90)               | (90)               | (90)               | (90)               | (90)               |
| <b>Closing balance</b>           |                               | <b>246</b>         | <b>326</b>         | <b>406</b>         | <b>486</b>         | <b>566</b>         | <b>646</b>         | <b>726</b>         | <b>806</b>         | <b>886</b>         | <b>966</b>         | <b>1,046</b>       |
| <b>Reserves Summary</b>          |                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|                                  | Total<br>Discretionary        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Opening balance</b>           |                               |                    | 4,482              | 5,789              | 5,893              | 5,998              | 6,103              | 6,209              | 6,315              | 6,422              | 6,530              | 6,638              |
| Transfer to reserve              |                               |                    | 1,415              | 217                | 218                | 219                | 220                | 221                | 223                | 224                | 225                | 227                |
| Transfer from reserve            |                               |                    | (108)              | (113)              | (113)              | (114)              | (114)              | (115)              | (116)              | (116)              | (117)              | (118)              |
| <b>Closing balance</b>           |                               | <b>4,482</b>       | <b>5,789</b>       | <b>5,893</b>       | <b>5,998</b>       | <b>6,103</b>       | <b>6,209</b>       | <b>6,315</b>       | <b>6,422</b>       | <b>6,530</b>       | <b>6,638</b>       | <b>6,747</b>       |
| <b>Reserves Summary</b>          |                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|                                  | Total                         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Opening balance</b>           |                               |                    | 6,109              | 8,133              | 8,913              | 9,571              | 10,108             | 10,692             | 11,427             | 12,074             | 12,844             | 13,430             |
| Transfer to reserve              |                               |                    | 2,292              | 1,107              | 868                | 851                | 880                | 897                | 818                | 934                | 927                | 579                |
| Transfer from reserve            |                               |                    | (268)              | (328)              | (209)              | (314)              | (295)              | (163)              | (171)              | (165)              | (340)              | (346)              |
| <b>Closing balance</b>           |                               | <b>6,109</b>       | <b>8,133</b>       | <b>8,913</b>       | <b>9,571</b>       | <b>10,108</b>      | <b>10,692</b>      | <b>11,427</b>      | <b>12,074</b>      | <b>12,844</b>      | <b>13,430</b>      | <b>13,664</b>      |

### 5.3 Treasury Management Approach and Investment Strategy

Council's adopted *Treasury Management Policy (C24)* outlines Council's management of financial resources, including cash and investments.

Council is required to maintain sufficient cash and cash equivalents to meet all reasonably anticipated cash flow requirements when they fall due.

For surplus cash not required, Council will invest in term-deposits such that the amounts invested with any one financial institution does not exceed the limits set out in the policy. Investments of a speculative nature are prohibited.



## SOUTH GIPPSLAND SHIRE COUNCIL

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