

**Management report to Council**

**Agenda item 6.5**

**Adoption of the Council's 10-Year Financial Plan**

**Council**

**Presenter:** Michael Tenace, Chief Financial Officer

**26 October 2021**

**Purpose and background**

1. The purpose of this report is to request Council adopt the 10-year Financial Plan in accordance with section 91 of the *Local Government Act 2020* (the Act).

**Key issues**

2. The Council's draft Financial Plan was endorsed for 2-weeks public exhibition and further community engagement (including with business and industry community) by the Future Melbourne Committee on 5 October 2021. The details and the summary of the feedback can be seen in Attachment 1.
3. Following internal and external feedback, two strategic considerations have been expanded – specifically capital expenditure and FTE resources have increased in order to deliver key services and initiatives over the 10-year period.
4. In terms of forecast growth rate, the Compound Annual Growth Rate (CAGR) represents a favourable trend over the 10 year plan period with Revenue growth CAGR of 2.8 per cent out performing Cost growth of 2.3 per cent CAGR. This results in forecast total revenue in FY31 of \$732.7m and a surplus of \$51.3m.
5. In addition, the peak debt of \$253m is forecast to occur in FY31. However, even with the increased debt, it is estimated that there will still be some headroom for further borrowings at the end of FY31.

**Recommendation from management**

6. That Council adopt the 10-Year Financial Plan in accordance with section 91 of the *Local Government Act 2020*.

**Attachments:**

1. Supporting Attachment (Page 2 of 75)
2. Draft 10 Year Financial Plan (Page 4 of 75)

**Supporting Attachment**

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**Legal**

1. Section 91 of the Act provides that:
  - 1.1 a Council must develop, adopt and keep in force a Financial Plan in accordance with its deliberative engagement practices
  - 1.2 the scope of the Financial Plan is a period of at least the next 10 financial years
  - 1.3 the Financial Plan must include:
    - 1.3.1 statements describing the financial resources required to give effect to the Council Plan and other strategic plans of the Council;
    - 1.3.2 information about the decisions and assumptions that underpin the forecasts in the statements in 1.3.1 above;
    - 1.3.3 statements describing any other resource requirements that the Council considers appropriate to include in the Financial Plan;
    - 1.3.4 any other matters prescribed by regulations under the Act
  - 1.4 the Financial Plan must be adopted by 31 October in the year following a general election and has effect from 1 July in that year.

**Finance**

- 2 The Financial Plan will not have an impact on the current adopted Budget but will be used in future budget's consideration.

**Conflict of interest**

- 3 No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

**Health and Safety**

- 4 In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

**Stakeholder consultation**

- 5 As part of the Financial Plan development, two external stakeholders consultation have been undertaken and an additional broader community engagement, that includes the business and industry community, is proposed.

The first engagement was a targeted workshop with the Wurundjeri Woi Wurrung Heritage Aboriginal Corporation (WWWCHAC) that took place on 18 June 2021. The purpose of the meeting was to present and invite feedback about the initial thoughts on the City of Melbourne's 10 Year Financial Plan and the 10 Year Asset Plans. The major concern raised in this meeting by the WWWCHAC was that the City of Melbourne does not rush to repay debt too quickly. There was a perception that the restoration of finances too quickly may lead to services by the City of Melbourne and Aboriginal programs in particular being impacted in a negative way.

The second engagement was with the community panel, a group of 24 diverse community members brought together to discuss and deliberate on the 10 Year Financial and Asset Plans. The consultation was conducted over two workshops on 28 July 2021 and 4 August 2021. The community panel recommended that the imperative of the City of Melbourne is to preserve or improve current level of services, and continue to invest in the community to ensure the achievement of the Community Vision.

As a result, the panel preferred to repay debt slowly, rather than faster, as there were concerns that steps taken to repay debt may negatively impact the Community Vision and its delivery. However, the panel acknowledges that if there is an opportunity to pay back debt faster, it is something that the City of Melbourne should consider.

In developing the draft Financial Plan, officers have incorporated the panel's input and feedback. Further details on how the feedback have been incorporated can be seen in the draft Plan (Attachment 2).

Recent community engagement on the 10 year Community Vision, Council Plan 2021–25 and Budget 2021–22 also influenced the development of the 10 year Financial Plan.

In addition, Council further engaged the community (including the business and industry communities) through multiple communications channel, including Participate Melbourne, Business in Melbourne newsletter, social media, and direct invitations to the business and industry leaders, during 6 – 19 October.

The feedback and suggestions that Council received during the period can be summarised as follows:

*The financial plan is positive due to overall optimism and logical connection to frameworks and legislation. There was some sentiment that the plan could further account for broader challenges such as, environmental and social issues.*

*A consideration is expected to be given to greater allocation of funds to benefit businesses and people in the municipality ensuring that debt drives improvement to livelihood of the community targeting short, medium and long term needs. Community harmony, inclusion initiatives, and diversity could further be reflected in the financial plan.*

*Further suggestions were provided for Council to consider assessing sale of assets and contribution by developers to ensure benefits to the community and working on lowering bad debts.*

Further details of the community engagement undertaken, including profile of the respondents, can be seen in the draft Plan (Attachment 2).

### **Relation to Council policy**

- 6 The draft Financial Plan is consistent with various Council financial policies (especially Liquidity Risk and Cash Flow Policy, Borrowing Policy, and Financial Sustainability Policy) and the Council's Community Engagement Policy.

### **Environmental sustainability**

- 7 Environmental sustainability issues or opportunities are considered not relevant to this proposal.

# FINANCIAL PLAN 2021-2031





## **Acknowledgement of Traditional Owners**

The City of Melbourne respectfully acknowledges the Traditional Owners of the land, the Wurundjeri Woi Wurrung and Bunurong Boon Wurrung peoples of the Eastern Kulin and pays respect to their Elders past, present and emerging. We are committed to our reconciliation journey, because at its heart, reconciliation is about strengthening relationships between Aboriginal and non-Aboriginal peoples, for the benefit of all Victorians.

## Council Plan 2021-25

The Council Plan 2021-25 sets out our strategic direction and commitment to the community for the next four years. Based on six strategic objectives for our city, this is our detailed plan for our city’s revitalisation and considers the needs of all people who access and experience the City of Melbourne municipality. For more information visit [melbourne.vic.gov.au/council-plan](https://melbourne.vic.gov.au/council-plan)



### Economy of the future

Driving economic recovery is one of our chief objectives, to ensure the central city maintains a strong reputation as a destination to do business, visit, study and live. We will support a diverse mix of industries and jobs by creating conditions for a sustainable and thriving future economy.

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October 2021

Cover Image: Yarra River. Photo Credit: Ray Rees

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# YOUR COUNCIL

## Lord Mayor



Sally Capp

## Deputy Lord Mayor



Nicholas Reece

## Councillors



Olivia Ball



Roshena Campbell



Jason Chang



Elizabeth Mary Doidge



Davydd Griffiths



Jamal Hakim



Philip Le Liu



Rohan Leppert



Kevin Louey



# FOREWORD FROM THE LORD MAYOR



At the City of Melbourne we have ambitious plans to drive economic recovery, embolden our city following the impacts of COVID-19 and make ours an economy fit for a bright future.

We aim to be a city of possibilities but this relies on strong and sound financial management.

Together with our Asset Plan 2021–31, this Financial Plan allows us to invest now to deliver on the bold commitments we've set out in our Council Plan 2021–25 to reactivate our economy. It also enables us to continue to provide the essential services that represent our core responsibilities.

The Financial Plan budget features \$2.2 billion in capital works that will allow us to build on Melbourne's unique places and identity through exciting city-shaping projects, such as the Greenline and Queen Victoria Market revitalisation.

Our forecasted \$6.7 billion in revenue over the 10 years of the plan will enable us to invest further in the social fabric of our city. We will make sure everyone feels safe and included in city life by celebrating our unique Aboriginal culture and history and by improving access and affordability. Our Financial Plan also helps us invest in a sustainable future by reducing emissions and waste.

The pandemic has shown just how important it is to adopt prudent resource allocation and financial management. We must ensure that we have capacity to deliver our Council Plan and the ability to respond to the unexpected.

In the past year we have supported our community through rates relief, grants, an expanded business concierge service and more. Years of strong financial management meant we could step up in these unprecedented times.

I thank everyone who has contributed to this plan, which will have a lasting legacy on our city and its people, and enable us to do more for Melbourne.

A handwritten signature in black ink that reads "Sally Capp". The signature is written in a cursive, flowing style.

**Sally Capp**  
Lord Mayor  
City of Melbourne

# 1 INTRODUCTION

## **Achieving the Community Vision through a responsible and sustainable Financial Plan**

City of Melbourne's Financial Plan 2021-31 will activate the city, support businesses and allow the City of Melbourne to achieve its Community Vision. Further, we have allocated expenditure accordingly to support industries and communities with a strong transport network, celebrate and protect Melbourne's unique places, and enabling Melbourne to be an affordable city.

- Total operating expenditure: \$5.9 billion over the next 10 years
- Total capital expenditure: \$2.2 billion over the next 10 years

## **Infrastructure**

The City of Melbourne will invest \$1.2 billion in infrastructure over the next 10 years, delivering much-needed community services, creating hundreds of construction jobs and stimulating our economy.

This record infrastructure investment will require Council to borrow up to \$253 million by the end of FY 30/31. We also require financial support and grants from the Victorian Government to deliver this Financial Plan.

The initiatives contained in this Financial Plan will deliver jobs when we need them most, and set the city up for prosperity and liveability for generations to come.

## **Bringing back the buzz**

The City of Melbourne will invest \$21.5 million in events over the next year to reinforce our status as the nation's events and culture capital. It will also shine a light on Melbourne's unique identity and place.

Highlights include:

- \$5.8 million for Christmas Festival
- \$4.6 million for Moomba Festival
- \$3.8 million to celebrate New Year's Eve
- \$2.8 million for Melbourne Fashion Week
- \$1.8 million for Firelight Festival
- \$1.5 million for Melbourne Knowledge Week
- \$1.2 million for Melbourne Music Week.

A further \$2 million has been allocated to the Event Partnership Program to support localised events.

## **Achieving the community aspiration through supporting Melbourne's existing and new industries**

Our procurement policy has recently been updated to include local economic benefits as part of the procurement process, and in some cases even mandate the use of a local business situated in the city precinct. The intent is to give preference to suppliers that establish or retain a business presence in the council municipality or where the service provides direct economic benefits to local businesses situated in the municipality.



## 2 LEGISLATIVE REQUIREMENTS

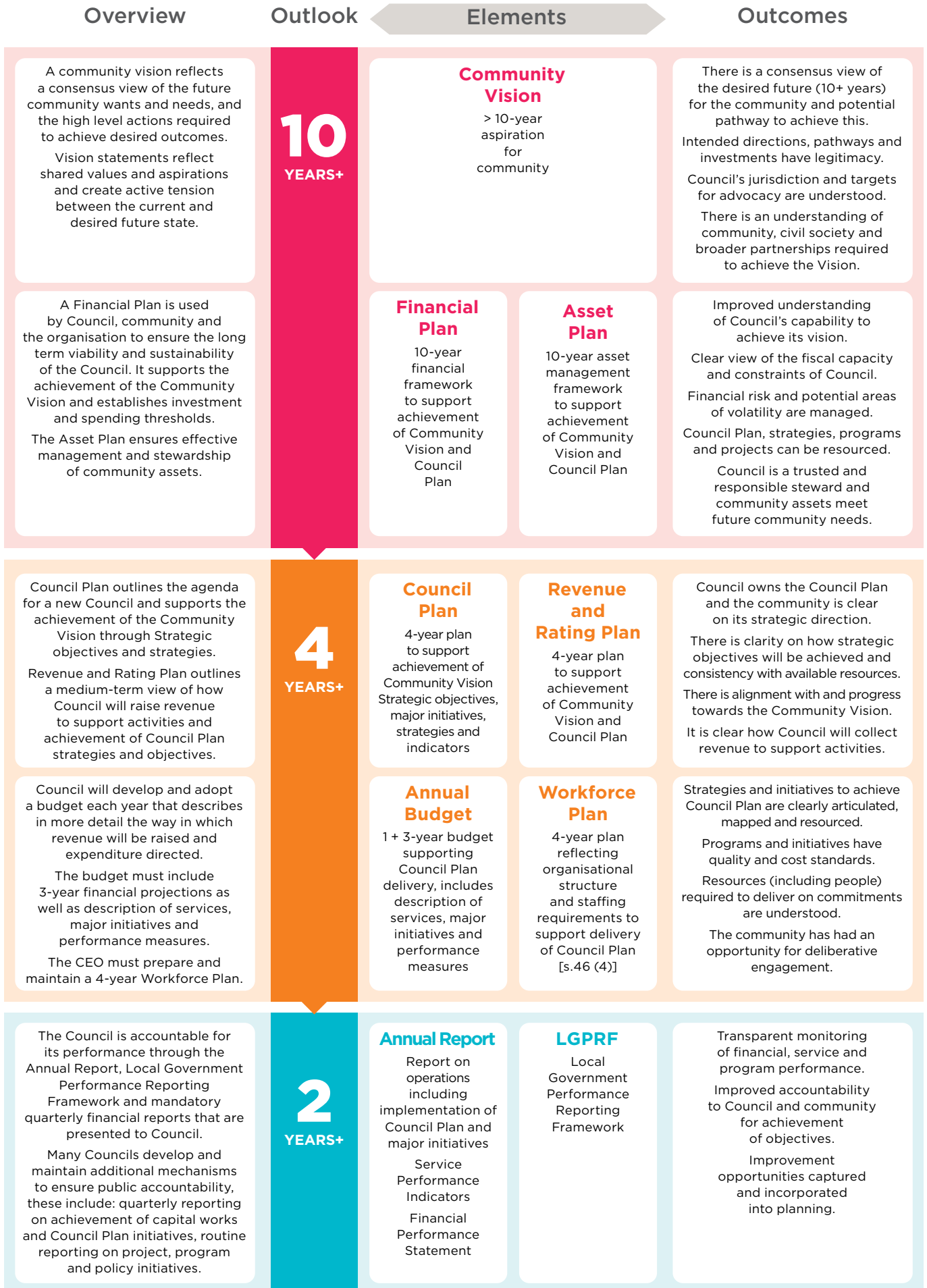
This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan, within the Integrated Strategic Planning and Reporting Framework.

This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget), and then holds itself accountable (Annual Report).

The following diagram provides an overview of the core legislated elements of the Integrated Strategic Planning and Reporting Framework, and outcomes.

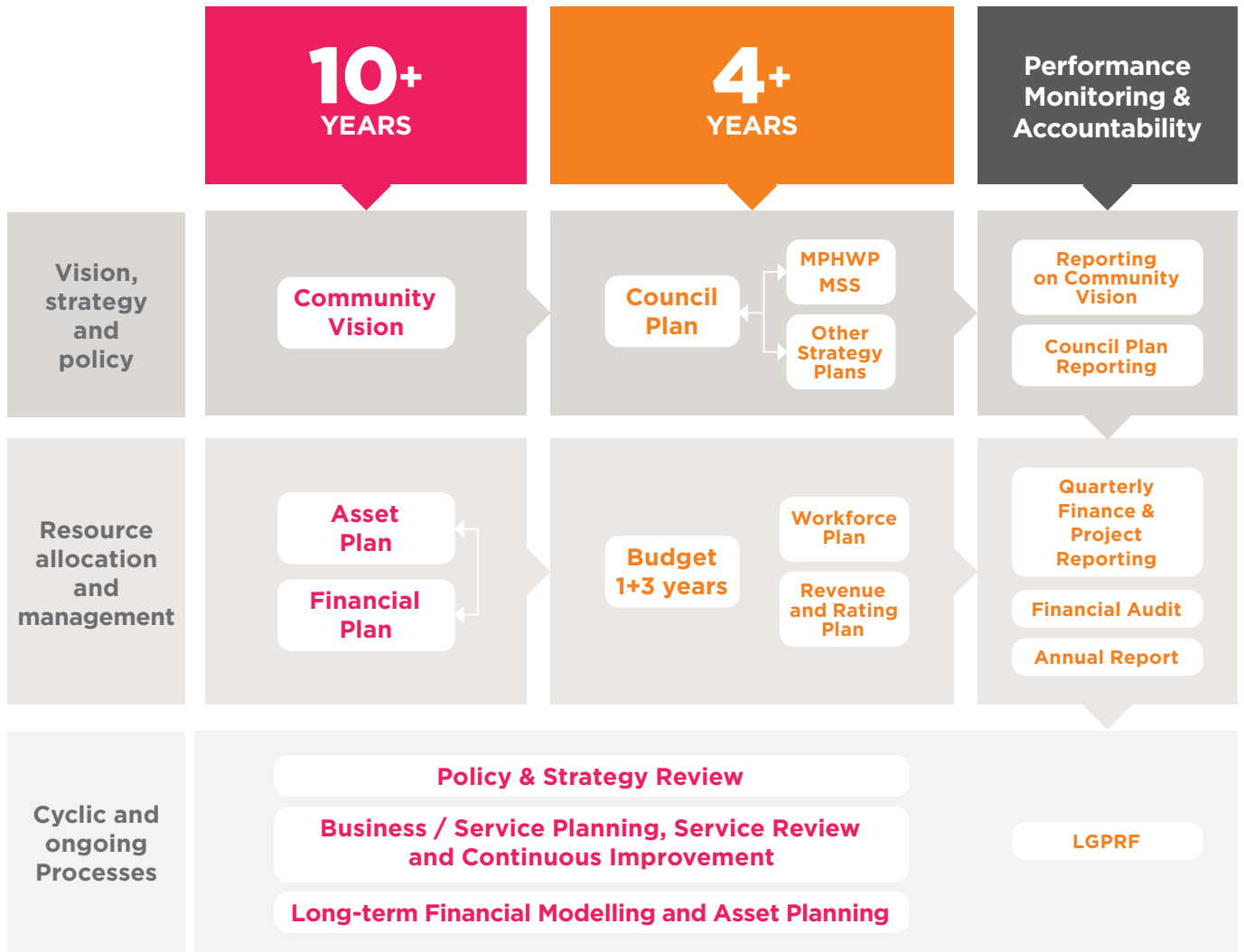


Image 4. People enjoying the Fitzroy Gardens





The following figure demonstrates how each element interacts with other parts of the integrated framework



## 2.1 Strategic planning principles

The Financial Plan is a 10-year projection of how we can fund the Council Plan to achieve the Community Vision in a financially sustainable way. It is developed in the context of these strategic planning principles:

- an integrated approach to planning, monitoring and performance reporting
- addressing the Community Vision by funding the aspirations of the Council Plan
- articulating the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision
- identifying and addressing the risks to effective implementation of the Financial Plan. The financial risks are included at section 2.2.2.
- ongoing monitoring progress and reviewing so the Financial Plan can identify and adapt to changing circumstances.

## 2.2 Financial management principles

The Financial Plan demonstrates the following financial management principles:

- 2.2.1 Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 2.2.2 Management of the following financial risks:
  - financial viability of the Council (refer to section 3.1. Financial policy statements).
  - management of current and future liabilities of the Council. The estimated 10 year-liabilities are disclosed in section 4.2. Balance Sheet projections.
  - the beneficial enterprises of Council (where appropriate).
- 2.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability in the financial impact on the municipal community.
- 2.2.4 Council maintains accounts and records that explain its financial operations and financial position (refer section 3 Financial statements)

## 2.3 Engagement principles and approach

The *Local Government Act 2020* requires Council to use deliberative engagement to develop Community Vision, Council Plan, Financial Plan and Asset Plan. The definition of deliberative engagement sits within our Community Engagement Policy.

City of Melbourne uses the International Association of Public Participation (IAP2) Spectrum of Engagement to guide our planning. The IAP2 Spectrum is a useful, widely recognised tool that identifies five levels of participation. For each level, there is a corresponding goal, commitment and role for Council and the community in the process.

The Financial Plan was developed using the 'involve' level of public participation. We worked together with members of the community to ensure its concerns and aspirations were understood. Those concerns and aspirations were considered and incorporated into the plan where possible. We also provided feedback on how participant's input influenced the development of the Financial Plan.

This level of public participation was achieved using deliberative engagement practices, as required under the *Local Government Act 2020*.

As stated in our Community Engagement Policy, deliberative engagement is a process used to reach an outcome or decision for complex issues. It is an inclusive and transparent process in which participants are provided with:

- a clear purpose from the outset of what will be achieved and why
- relevant evidence and background information to analyse
- sufficient time to explore, assess and discuss options
- practical support to enable participation in the process.

For more, see the City of Melbourne's Community Engagement Policy [here](#)

In alignment with this policy, we engaged the community in three ways to canvas a wide range of community views:

- a targeted workshop with Wurundjeri Woi Wurrung Traditional Owners
- a community panel: a group of 24 randomly selected Melburnians
- broader community engagement that includes industry and business communities.

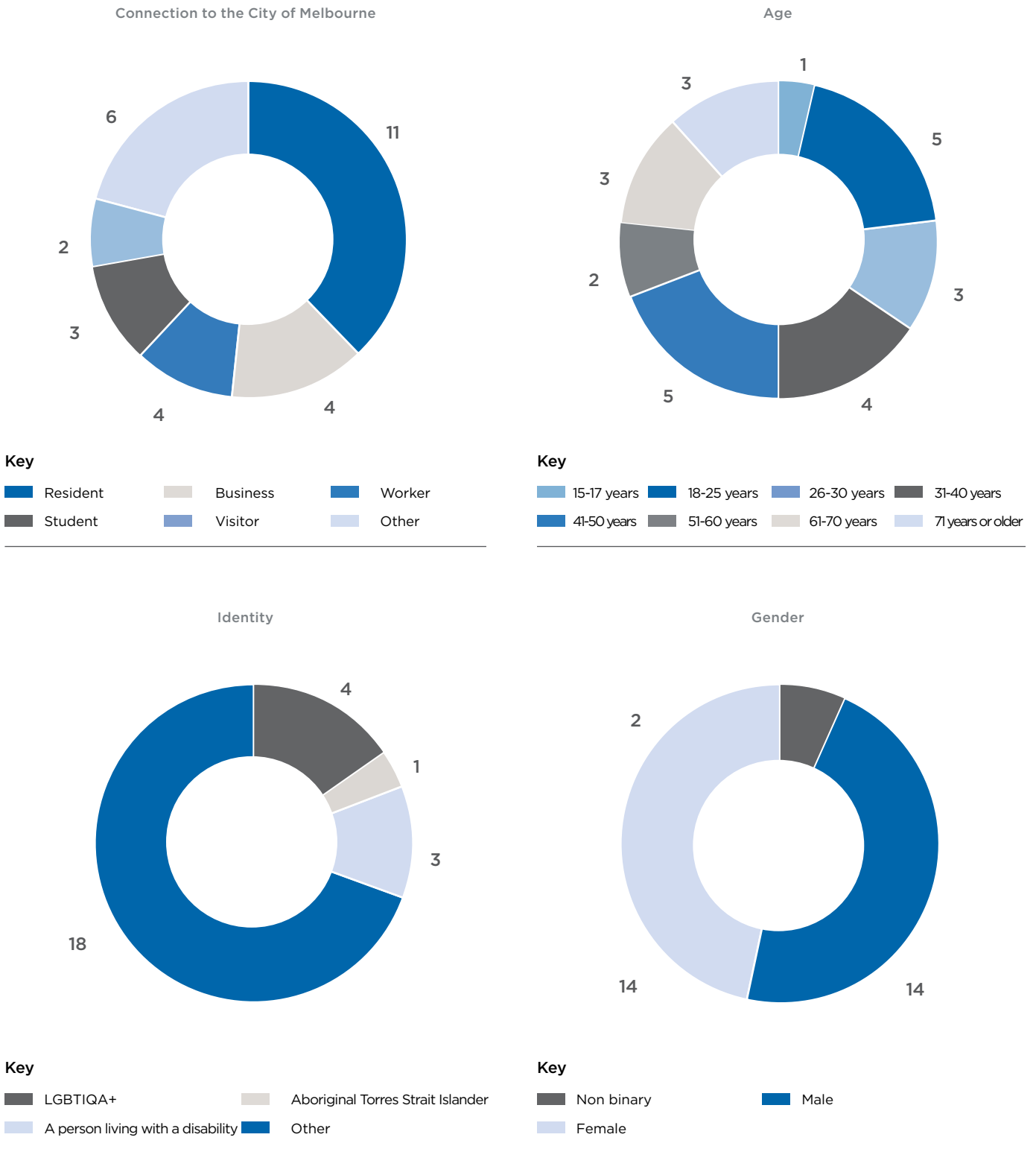
### 2.3.1 Community panel

Over two workshops, a community panel of diverse participants met to discuss City of Melbourne's approach to financial planning. The panel also discussed our level of service of City of Melbourne-owned infrastructure assets – including parks, buildings and streetscapes – to inform the new 10-year Asset Plan.

More than 100 people applied to participate in the community panel, including business owners, workers, residents, students and visitors, ratepayers, Aboriginal and Torres Strait Islander peoples, people with disability, and members of the LGBTIQ+ community. They represented diverse age groups, employment and education types, and cultural backgrounds.

After a process of stratified random selection, 24 were selected to participate in the workshops.

Figure 1: Diversity in the community panel



As the City of Melbourne's budget for the next four years (FY22 to FY25) is set already, the panel's remit was to deliberate on City of Melbourne's financial plan from FY26 onwards.

The panel recommended that the imperative of the City of Melbourne is to preserve or improve current level of services, and continue to invest in the community to ensure the achievement of the Community Vision.

As a result, the panel preferred to repay debt slowly, rather than faster, as there were concerns that steps taken to repay debt may negatively impact the Community Vision and its delivery. However, the panel acknowledges that if there is an opportunity to pay back debt faster, it is something that the City of Melbourne should consider.

In response, in line with the *Local Government Act 2020*, City of Melbourne commits to:

- providing quality services that provide value for money to the community
- seeking to continuously improve service delivery to the municipal community
- a fair and effective process for considering and responding to complaints about service provision.

Overall, community feedback on the Financial Plan suggested a balanced approach:

- providing services (including ability to additional services and projects in future)
- preferring not disposing of a high number of assets
- allowing for debt to be repaid quicker than 10+ years should we have the capacity.

# Feedback from the Community Panel has been acknowledged in the 10 Year Financial Plan.

## Panel quotes / feedback

## How it is incorporated into the Financial Plan









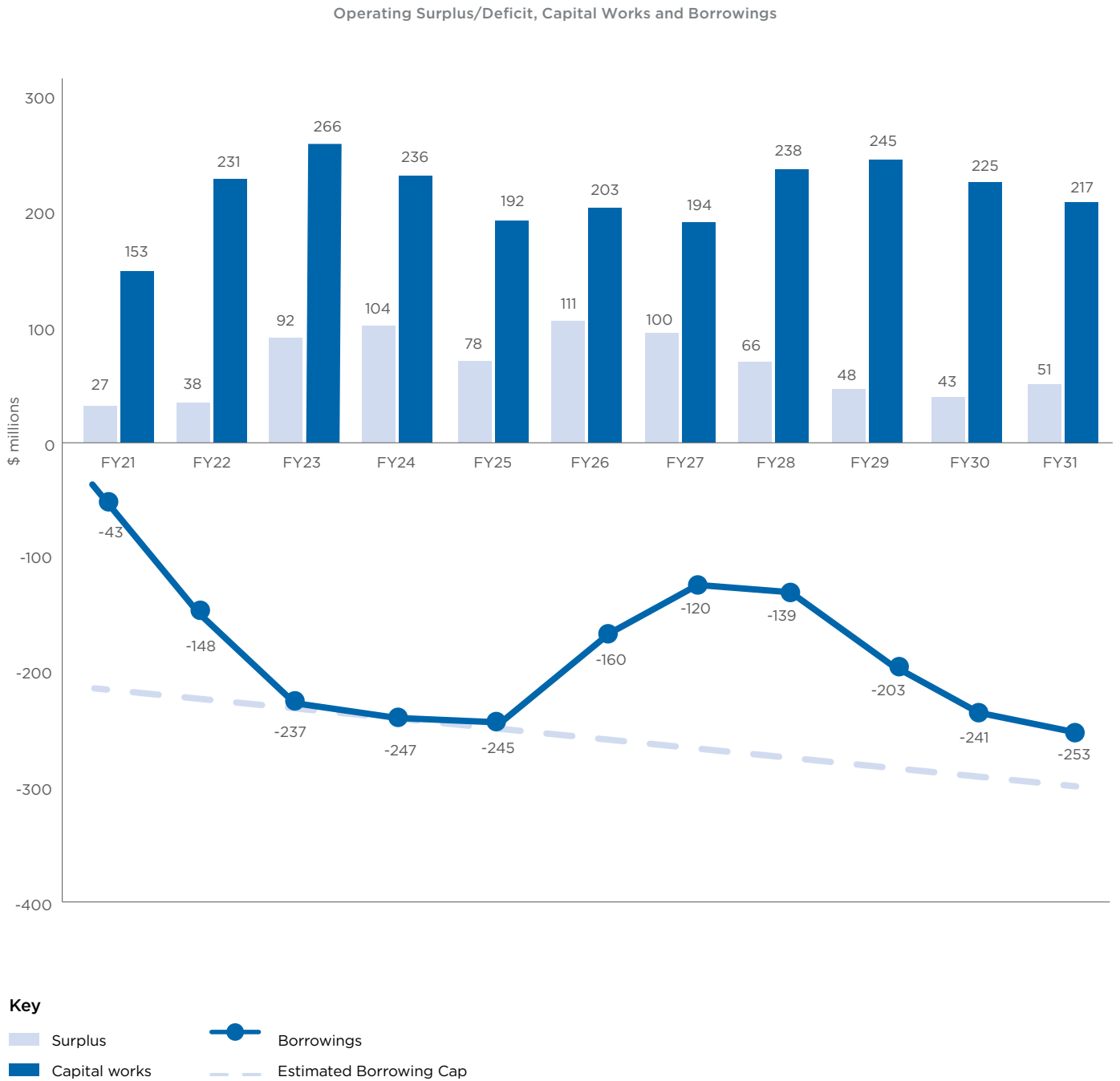
<p><b>“It is important for Melbourne residents to continue receiving quality services.”</b></p>	<p><b>FY26</b> ↑ </p> <p>City of Melbourne is committed to providing quality services that provide value for money to the community, and seeks to continuously improve service delivery to the local community as required by the <i>Local Government Act 2020</i>.</p>
<p><b>“CoM A city of possibilities” – service delivery support needs to be increased (more services, programs, funds for Not for Profit groups / organisations).”</b></p>	<p>We are forecasting a significant increase in operating expenditure and capital expenditure over the next few years, to assist with the economy’s recovery and to support the community. From FY26 onwards, we forecast increases in operating expenditure as we increase our service levels to support the community, business and the economy.</p>
<p><b>“Capital works don’t need to be such a significant ongoing cost.”</b></p>	<p><b>\$233m</b> ↓ <b>\$220m</b> </p>
<p><b>“Capital investment spent in a sustainable manner.”</b></p>	<p>From FY26 onwards, the forecast capital expenditure reduces from an average of \$233m p.a. (from FY22 to FY25 as per the Council Plan and Budget) to an average of \$220m p.a.</p>
<p><b>“Continued investment in new projects.”</b></p>	<p>As shown in Figure 2, the average amount of \$220m p.a. represents a more sustainable level of spending that allows the city to invest in the community while still having headroom to borrow if there is a higher need of investment.</p>
<p><b>“Investment is key to continue attracting people back to the city and reinvigorating the economy. Locals, regional Victoria and internationals need to be attracted to the City.”</b></p>	<p> <b>\$20.8m</b>  <b>\$31.8m</b> </p>
<p><b>“If something happens, we should make the State and the Commonwealth governments participate in our support.”</b></p>	<p>We have incorporated on average \$20.8m p.a. of operating grants and on average \$31.8m of capital grants from the State and Commonwealth governments as part of our 10 Year Financial Plan and advocacy with other levels of government will be a key focus to secure support.</p>
<p><b>“Keeping a buffer provides some safety.”</b></p>	<p><b>Debt</b> ↓ <b>FY27</b>  <b>FY31</b></p>
<p><b>“The current interest rate is low, so we can utilise debt to improve infrastructure and service delivery.”</b></p>	<p>As can be seen in Figure 2 below, from FY25 the Council is forecast to continue to borrow money due to the need to invest in the community but with a prudent buffer (headroom to borrow more) should there be another crisis happening in the city.</p>
<p><b>“There is always the option to pay back the debt faster if the opportunity is there.”</b></p>	<p>We have forecast to commence a small repayment of debt (\$2m) in FY25, then significantly reducing our debt to only \$120m by FY27. The debt repayment (which will also reduce borrowing costs) opportunities in those years are forecast to come through a combination of lower capital expenditure and potential asset sales.</p>
<p><b>“No rush to pay debt.”</b></p>	<p>From FY27 onwards, as the City continues its effort to improve its assets (including infrastructure) and service delivery, we forecast that we will continue our borrowing trajectory to reach our borrowing peak of \$253m in FY31.</p>
<p><b>“Surplus should always be available (can be learnt from previous economic crisis).”</b></p>	<p><b>FY22-23</b> ↑ </p>
<p><b>“We should keep a crisis plan in the back of our minds.”</b></p>	<p>We have forecast that an underlying surplus will return from FY22-23 and will continue until FY30-31. This will provide buffer and safety should there be another crisis in the city. We also have flexibility in future capital expenditure levels and timing of those investments.</p>
<p><b>“Unused assets should not be arbitrarily held onto if they are not actively providing value.”</b></p>	<p><b>FY26</b> → <b>\$200m</b> </p> <p>From FY26 onwards, approximately \$200m from the sale of assets has been forecast. Those assets will generate more value for the community than they would if they were retained.</p>

Figure 2: Summary of the City of Melbourne 10-Year Financial Plan







**2.3.2 Community engagement on the draft Financial Plan**

City of Melbourne considered community views as it developed this 10-year Financial Plan.

After incorporating feedback from the community panel, City of Melbourne implemented a consultation process to ensure consideration and feedback is received from relevant stakeholders. This process of 2-weeks broad community engagement, which also includes engagement with the industry and businesses, is in alignment with the City of Melbourne’s Community Engagement Policy.

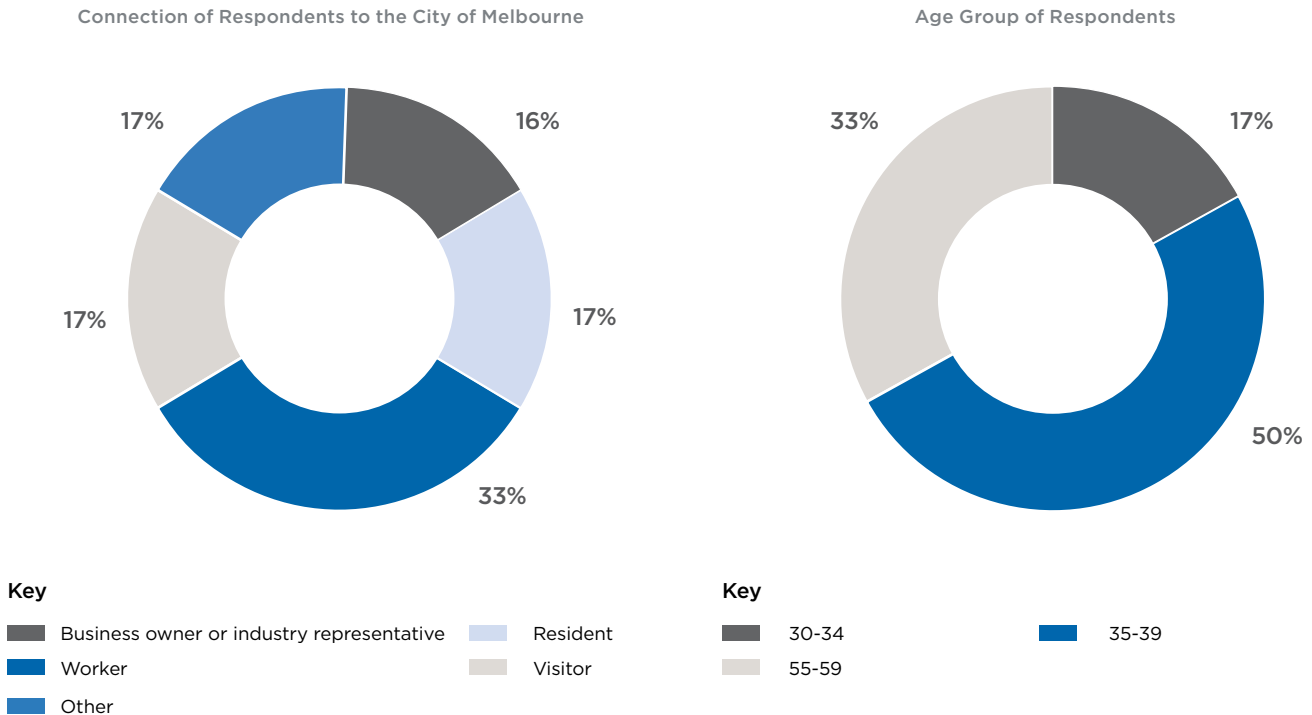
Overall feedback that we received from the community engagement period during 6 - 19 October 2021 is that the financial plan is positive due to overall optimism and logical connection to frameworks and legislation. There was some sentiment that the plan could further account for broader challenges such as, environmental and social issues.

A consideration is expected to be given to greater allocation of funds to benefit businesses and people in the municipality ensuring that debt drives improvement to livelihood of the community targeting short, medium and long term needs. Community harmony, inclusion initiatives, and diversity could further be reflected in the financial plan.

Further suggestions were provided for Council to consider assessing sale of assets and contribution by developers to ensure benefits to the community and working on lowering bad debts.

Figure 3 below shows the profile of the community members who provided us with feedback during the two week consultation period.

Figure 3: Profile of community members providing feedback to the 10-Year Financial Plan



## 2.4 Service performance principles

City of Melbourne's services are designed to be purposeful, targeted to community needs and offer value for money. The service performance principles are listed below:

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan to achieve the Community Vision may be funded.
- b) Services are accessible to the relevant users within the community.
- c) Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate council's performance regarding the provision of quality and efficient services.
- d) Council is seeking to continuously improve service delivery to the municipal community in response to performance monitoring
- e) Council's service delivery includes a fair and effective process for considering and responding to complaints about service provision.

### City of Melbourne's service areas

Providing valued services to our customers and community is central to everything we do. Our 'service families' are groups of services that share a common purpose.

We use this to consider what we offer to our customers, the outcomes that are delivered, the benefits that can be achieved and how the needs of our community may change in the future.

These families may be further refined as we continue to manage and improve our services.

#### ASSISTANCE AND CARE

Supporting vulnerable people to enable safe and independent living

#### ECONOMIC DEVELOPMENT

Fostering the development of Melbourne's economy

#### SAFETY MANAGEMENT

Ensuring people are protected and safe when accessing and using spaces

#### WELCOME AND CONNECTION

Supporting people to experience and engage with Melbourne

#### EARLY YEARS DEVELOPMENT

Supporting families with children to develop and thrive

#### WASTE AND RESOURCES MANAGEMENT

Repurposing, recycling or disposing of waste, and reducing resource waste in the municipality

#### CREATIVITY AND KNOWLEDGE

Providing opportunities to create, learn, connect, experience and share

#### MOVEMENT AND TRAFFIC

Facilitating movement into, around and out of the municipality

#### WELLBEING AND LEISURE

Encouraging people to be healthy and active

### Service performance outcome indicators

Service performance outcome indicators are a prescribed set of indicators set by the Victorian Government to measure whether the stated service objective has been achieved.

#### **AQUATIC FACILITIES**

Utilisation of aquatic facilities

#### **ANIMAL MANAGEMENT**

Animal management prosecutions

#### **FOOD SAFETY**

Critical and major non-compliance outcome notifications

#### **GOVERNANCE**

Satisfaction with Council decisions

#### **LIBRARIES**

Active library borrowers

#### **MATERNAL AND CHILD HEALTH**

Participation in the MCH service.

Participation in MCH service by Aboriginal children

#### **ROADS**

Satisfaction with sealed local roads

#### **STATUTORY PLANNING**

Council planning decisions upheld at VCAT

#### **WASTE COLLECTION**

Kerbside collection waste diverted from landfill

## 2.5 Asset Plan Integration

City of Melbourne's 10-year Asset Plan identifies the operational and strategic practices that guide us as we manage our assets across their life cycle, in a financially sustainable way. The Asset Plan and associated asset management policies provide City of Melbourne with a sound base to understand the risk associated with managing our assets for the community's benefit. It also quantifies the asset portfolio and the financial implications of those practices.

It is important that City of Melbourne's strategic financial planning principles are well integrated with the Asset Plan 2021-31. This integration helps us ensure that future funding will support service delivery that is true to the Community Vision and Council Plan. It also guides the effective and sustainable asset management into the future.

The Asset Plan informs the 10-year Financial Plan by identifying the amount of capital renewal that is required over the life of each asset category, as well as necessary funding for backlog and maintenance.

The Financial Plan determines how much funding is available to support City of Melbourne's assets. It incorporates knowledge of the condition of our assets, the risk assessment issues, as well as the impact of reviewing and setting intervention and service levels for each asset class identified by the Asset Plan.

Together the Financial Plan and Asset Plan seek to balance projected investment requirement against projected budgets.



# 3 FINANCIAL PLAN CONTEXT

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

## 3.1 Financial policy statements

This section defines the key policy statements, and associated measures, that demonstrate Council's financial sustainability so that it can fund the aspirations of the Community Vision and the Council Plan. The Financial Plan has been developed in line with parameters (targets) highlighted in the table below. Where some of the targets are not met, the Council is aiming to achieve the targets on average over 10 years.



Image 6. Escalators, St. Collins Lane

POLICY STATEMENT	MEASURE	TARGET	FORECAST							AVERAGE OVER 10 YEARS			
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28		2028/29	2029/30	2030/31
Consistent net surplus results	Net surplus / Total income greater than 0%	> 0%	6%	15%	16%	13%	16%	14%	10%	7%	6%	7%	11%
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities of at least 1 at 30 June	≥ 1.0	1.0	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1.0	1.2
Council is committed to spending what is required to renew and enhance its asset base to ensure its ongoing fitness for use	Cash outflows for the addition of new infrastructure, property, plant and equipment/ Depreciation to remain above 1.0	> 1.0	2.8	3.0	2.6	2.1	1.8	1.5	1.7	1.7	1.5	1.5	2.0
Council will ensure that there is sufficient financial resources allocated for asset renewal and upgrade to protect suitability of assets for providing services and facilities that meet community needs	Asset renewal and upgrade expenses / Depreciation of at least 0.5	≥ 0.5	0.8	0.6	0.7	0.8	0.7	0.6	1.0	1.0	1.0	0.6	0.8
Council aims to generate adequate rates revenue to cover borrowings	Interest bearing loans and borrowings / Rate revenue to remain below 70% on average over 10 year time frame	≤ 70%	46%	70%	70%	68%	44%	32%	36%	51%	58%	60%	54%
Ensure Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts, if required	Unrestricted cash / current liabilities to be between 25% and 50% at 30 June	25% - 50%	16%	28%	23%	20%	26%	27%	28%	28%	26%	36%	26%
Council will aim to finance capital works from generated operating cash flow	Net operating cash flow / net capital expenditure to remain more than 75% on average over 10 year time frame	≥ 75%	63%	76%	83%	89%	82%	96%	82%	79%	87%	78%	81%
Council will aim to generate adequate own-sourced revenue to cover non-current liabilities	Non-current liabilities / own-sourced revenue to remain less than 60% on average over 10 year time frame	≤ 60%	33%	49%	49%	47%	28%	21%	24%	35%	39%	40%	37%
Council will aim to generate revenue from multiple sources of revenue to reduce its dependency on rates to fund services and activities	Rates / adjusted underlying revenue of maximum 80%	≤ 80%	62%	63%	66%	65%	59%	59%	61%	63%	62%	62%	62%



### 3.2 Strategic actions

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

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

In response to the Community Vision, Council has developed the strategic objectives and major initiatives for the Council Plan 2021-25. Our vision for Melbourne as a 'City of Possibility' anchors and connects these objectives to deliver real outcomes for the community.



Council's 4-year objective	Major Initiatives (examples only)
<p><b>Economy of the future</b></p>	<p>Ensure Melbourne is the easiest place to start and grow a business through the establishment of Invest Melbourne which will facilitate headquarter attraction, business support and fast-tracked permits.</p> <p>Develop a corporate strategy for the City of Melbourne to drive exemplary customer service, digitise services and operations, improve productivity and identify new revenue opportunities.</p> <p>Work in partnership with the Victorian Government and other stakeholders to advocate for and deliver integrated high-quality public and active transport in urban renewal areas, including Melbourne Metro 2, tram to Fisherman's Bend and tram to connect the Arden Precinct.</p>
<p><b>Melbourne's unique identity and place</b></p>	<p>Deliver Queen Victoria Market precinct improvements through quality public open space, new connections to the city, community services and facilities such as the Munro Community Hub.</p> <p>Partner with the Victorian Government and other stakeholders to deliver specific components of Greenline along the north bank of the Yarra River (including the implementation of the Yarra River – Birrarung Strategy).</p> <p>Increase the amount of public open space in the municipality with a focus on areas of greatest need, such as Southbank and emerging urban renewal areas.</p>
<p><b>Aboriginal Melbourne</b></p>	<p>Explore and deliver opportunities for 'truth-telling' to facilitate learning, healing and change within Melbourne and beyond. This will be an opportunity to impart knowledge of thousands of years of rich history, language and stories, as well as provide a form of restorative justice by acknowledging Aboriginal peoples' experiences of dispossession and inequity.</p> <p>Govern with Sovereign First Nations to enable true self-determination, where deliberative engagement is proactive, responsive and consistent.</p> <p>Commence planning for a co-designed First Nations Cultural Precinct with First Peoples – a place to retain, maintain and recreate in a culturally specific geography, where First Peoples can practice continuity of customs and traditions, through uninterrupted connection to lands and waters.</p>
<p><b>Climate and biodiversity emergency</b></p>	<p>Deliver on our Urban Forest Strategy including tree canopy, private greening incentives and city greening.</p> <p>Lead the reduction of food waste and diversion of waste from landfill, by continuing the Food Organics, Green Organics rollout through high-rise apartment innovation and by addressing food-waste reduction.</p> <p>Support the development of battery storage and renewable energy in the municipality through the Power Melbourne initiative.</p>
<p><b>Access and affordability</b></p>	<p>As part of a new corporate strategy for the City of Melbourne, ensure our core services remain accessible and affordable.</p> <p>In partnership with the Victorian Government, commence construction on a replacement North Melbourne Community Centre precinct for the Melrose St community and growing Macaulay population.</p> <p>Create a new entity 'Homes Melbourne', to coordinate and facilitate more affordable housing for key workers and people on low-incomes. Progress a demonstration project on Council-owned land. Support the Make Room accommodation project and new homeless support hubs for vulnerable citizens to access essential support services including food, showers, lockers, information, and housing and homelessness advice.</p>
<p><b>Safety and wellbeing</b></p>	<p>Deliver the North and West Melbourne and Docklands Transport and Amenity Program in partnership with the Victorian Government.</p> <p>Deliver and maintain a clean city through the Rapid Response Clean Team initiative.</p> <p>Continue to implement the Transport Strategy 2030.</p>

### Council's strategies

Council's strategies can be broadly divided by five major areas:

- strategies, frameworks and action plans
- place-based structure plans and master plans
- public space master plans
- urban forest precinct plans
- major streetscape master plans.

### 3.3 Assumptions to the Financial Plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2021/22 to 2030/31. The assumptions comprise the annual escalations / movement for each line item of the Comprehensive Income Statement.

In delivering the Financial Plan, we keep the assumptions from the year 2021/22 to year 2024/25 the same as per our Council Plan and Budget 2021-25.

Table 1: Assumptions to the Financial Plan

ESCALATION FACTORS % MOVEMENT	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CPI	1.50%	1.75%	2.00%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%
Enterprise Agreement	1.50%	1.50%	2.00%	2.00%	N/A	N/A	N/A	N/A	N/A	N/A
Wage Price Index	N/A	N/A	N/A	N/A	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rates and charges	4.17%	5.48%	3.65%	2.93%	2.38%	2.68%	2.67%	2.66%	2.65%	2.64%
Statutory fees and fines - parking fines	61.26%	3.77%	1.82%	1.79%	-0.70%	2.50%	2.50%	2.50%	2.50%	2.50%
Statutory fees and fines - other	-9.91%	19.17%	20.36%	4.55%	3.60%	3.70%	3.70%	3.71%	3.72%	3.73%
User fees - parking fees	71.46%	1.98%	2.00%	4.00%	5.43%	-1.84%	0.15%	21.43%	0.00%	0.00%
User fees - other	39.64%	26.36%	18.53%	4.24%	3.30%	3.41%	3.41%	3.42%	3.42%	3.43%
Grants - Operating	-16.97%	-20.30%	-69.75%	0.00%	41.60%	1.69%	1.70%	1.72%	1.73%	1.74%
Grants - Capital	50.10%	59.23%	1.40%	-38.95%	-67.59%	0.21%	0.21%	0.22%	0.22%	0.23%
Contributions - monetary	-32.83%	-16.03%	29.21%	4.55%	59.28%	0.36%	0.37%	0.38%	0.40%	0.41%
Contributions - non-monetary	-100.00%	0.00%	0.00%	0.00%	0.00%	10.75%	0.00%	0.00%	17.20%	0.00%
Other income	31.54%	6.53%	14.51%	11.95%	17.06%	5.57%	9.14%	9.10%	8.69%	7.98%
Employee costs	11.23%	1.76%	2.50%	3.15%	5.41%	4.53%	3.52%	3.52%	3.52%	3.52%
Materials and services	-1.91%	-4.48%	0.98%	1.50%	3.18%	2.91%	2.73%	2.43%	2.49%	2.44%
Depreciation & Amortisation	3.33%	7.86%	7.25%	1.93%	20.33%	9.62%	8.83%	4.93%	5.53%	-4.08%
Bad and doubtful debts	64.86%	4.08%	1.79%	1.76%	11.27%	-10.08%	2.42%	6.93%	2.06%	2.50%
Borrowing costs	16.75%	611.04%	202.83%	103.79%	-81.94%	-10.36%	-7.01%	57.27%	28.02%	18.61%
Other expenses	16.97%	-0.34%	2.06%	2.72%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%
Grants and contributions - Expenditure	55.56%	-25.54%	-63.15%	2.50%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%

### 3.3.1 Rates and charges

Base rate revenue will increase by 1.5 per cent for 2021-22 year, based on the Victorian Government rate cap, with estimated future annual increases of 1.75 per cent to 2.50 per cent per annum as per the CPI forecast stated in the table above for the following years of the long term financial plan. A total rebate of \$4.8 million is expected to be granted in 2021-22 due to the ongoing pandemic.

Supplementary rates reflect additional revenue generated through new properties that come online during the financial year, as developments are completed. Supplementary rates are expected to decrease by 74 per cent in 2021-22 compared to the previous financial year, as a result of a reduction of, and delays in, development. It is expected that supplementary rates will further reduce during the outer years.

### 3.3.2 Statutory fees and fines

Statutory fees and fines are predominantly represented by revenue from parking fines. It is expected that parking fines revenue will increase by approximately 61 per cent for 2021-22. This significant increase is anticipated as more people return to the city after restrictions ease. When parking fines revenue returns to pre-pandemic levels, it is assumed that parking fines revenue will increase by CPI.

From FY26 onwards, total other statutory fees and fines are assumed to increase by either CPI or as per a five-year average year-on-year escalation prior to the pandemic. On average this escalation rate is approximately 3.7 per cent.

### 3.3.3 User fees

Revenue from user fees is predominantly generated by parking fees. Revenue from parking fees is expected to increase by 71 per cent for 2021-22. This significant increase anticipates more people coming into the city as restrictions ease.

Although it is expected that the number of parking spaces will decrease in the future due to infrastructure developments such as bike lanes, revenue is forecasted to increase in alignment with the Council's endorsed Transport Strategy.

Details of user fees for 2021-22 can be found in Council's Schedule of Fees and Charges, adopted in conjunction with the Budget 2021-22.

From FY26 onwards, total other user fees are expected to increase back to pre-pandemic levels, and it is assumed in general it will increase by CPI or by a modest growth rate.

### 3.3.4 Grants

City of Melbourne currently receives grants for tied (specific purpose grants) and un-tied grant funding.

Operating grants will decrease by 17 per cent for 2021-22 and further reduce over the next two years, mainly due to one-off Victorian Government grant funding received for the \$200 million Melbourne City Revitalisation fund in 2020-21. This is jointly funded by City of Melbourne and Victorian Government. After 2024-25, operating grants are assumed to increase as it would have in a five-year average year-on-year escalation prior to the pandemic.

Capital grants revenue will increase by approximately 50 per cent and 59 per cent in 2021-22 and 2022-23 respectively. Capital grants are aligned to grant funding expected for various projects as part of the council works investment program. The Council aims to revitalise the city through major investment of approximately \$925 million in capital expenditure over the next four years. Capital grants are expected to reduce and stabilise to pre-pandemic levels after 2024-25.

### 3.3.5 Contributions

There are two types of contributions, monetary contributions and non-monetary contributions.

#### 3.3.5.1 Monetary contributions

Council receives contributions from developers and other parties. These contributions represent funds to enable the City of Melbourne to provide the infrastructure and infrastructure improvements needed to accommodate development growth. The contributions are for specific purposes. These contributions are statutory contributions and are transferred to a restricted reserve until used for a specific purpose through the capital works program, or delivered as works in kind by developers.

Revenue from contributions are mainly sourced from Public Open Space (POS) and Developer Contribution Plan (DCP). Contributions will decrease by 33 per cent in 2021-22 and further decrease by 16 per cent in 2022-23. This is mainly due to a reduction in POS contributions as a result of decreased developments. DCP revenue is expected to be steadily received from FY26 to FY31 with total revenue of \$126 million over 6 years.

City of Melbourne is the collection agency for the said developments, and will collect cash payments. FY31 is projected to have a significant spend due to City of Melbourne allocating approximately \$55 million of contributions collected in previous years to the State to secure land required for drainage.

#### 3.3.5.2 Non-monetary contributions

Non-monetary contributions relate to assets given to the City of Melbourne as 'Works in Kind'. This is considered to be revenue from DCP, as the developers deliver infrastructure assets to the City of Melbourne instead of providing cash. It is forecasted that the City of Melbourne will receive Works in Kind equivalent to \$45 million between FY26 and FY31. It is forecast to continue to grow from FY26 onwards as the city continues its growth path.

### 3.3.6 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 hire of City of Melbourne properties. As the economy recovers, rental income from City of Melbourne properties and dividend income are expected to increase.

#### 3.3.7 Employee costs

Employee costs are forecast to increase by on average four per cent between FY26 and FY31. The forecast increase in employee costs beyond FY25 can be attributed to:

- increase of the number of full-time employees by 1 per cent p.a. beyond FY25 to ensure improvement of the quality service delivery to the community
- implementation impact of the most recent Enterprise Agreement
- increase in costs in alignment with the Wage Price Index
- increase in the superannuation (Superannuation Guarantee will steadily increase to 12 per cent by 1 July 2025).

#### 3.3.8 Materials and services

Material costs include items required for the maintenance and repair of City of Melbourne-owned buildings, roads, drains and footpaths which are governed more by demand level and market forces based on availability than CPI. Other associated costs included under this category are utilities, materials and consumable items for a range of services. City of Melbourne also uses external consultants on a range of matters, including legal services and audit. These costs are kept to within CPI levels year on year.

#### 3.3.9 Depreciation and amortisation

Depreciation and amortisation estimates have been based on the projected capital spending contained within this 10-year Financial Plan. Depreciation and amortisation rates are assumed based on the asset category and corresponding useful lives of the assets. Escalation is higher during the first four years, due to Council's increased capital works program of \$925 million.

### 3.3.10 Borrowing costs

Borrowing costs comprise the interest expense required to service Council's loan portfolio that is described in Section 5.1 Borrowing plan.

The RBA's cash rate is expected to remain at 0.1 per cent during the next three years and this will enable the Council to access borrowings at cheaper rates. Hence it is forecasted that the Council will be able to borrow at a cheaper rate until 2023-24. The interest rate is expected to increase beyond 2023-24 with the anticipation of a rise in the RBA's cash rate.

Most of the interest expense is likely to be capitalised according to City of Melbourne's policy. However, for transparency purposes the interest expense is disclosed under operating expenditure until decisions are made regarding what proportion of the interest can be capitalised.

### 3.3.11 Other expenses

Other expenses include administration costs such as councillor allowances, election costs, sponsorships, partnerships, lease expenditure, fire services property levy, audit costs and other costs associated with the day-to-day running of the City of Melbourne. From FY26 onwards, the increase is forecast to be broadly in line with CPI.

### 3.3.12 Grants and contributions expenses

Grants and contributions expenses will increase by approximately 56% in line with the \$200m funding received under operating grants for Melbourne City revitalisation. After the first year, expenditure will decrease over the next two years which is consistent with one-off State Government grant funding referred to above. From FY26 onwards, it is forecast that the grants and contributions expenditure will broadly in line with CPI.

## 3.4 Other matters impacting the 10-year financial projections

The Financial Plan has been developed through a rigorous process and incorporating elements of the Budget 2021-22 component. As the City continues to recover from adverse impacts of COVID-19 pandemic, there are elements of uncertainties and this Financial Plan has incorporated elements known during the process. This Financial Plan and strategy will continue to evolve and we are well placed to meet the community demand for new facilities with financial headroom in the outer years. The plan has capacity for further investment as debt is significantly reduced from years 2025-26.

### AAS 16 Leases and its impact on Council's debt cap and financial ratios

In FY19/20, AAS 16 replaces the previous concept of operating and finance leases (for lessees) and will require lessees to recognise most of their leases on the balance sheet. This key change means most operating leases will be recognised and the financial position of the Council will include more assets and liabilities.

This AAS 16 impacts the Council's ability to borrow: as AAS 16 is impacting Council's key borrowing ratios, this limits Council's ability to enter into a long-term lease transaction such as commercial leasing of an office accommodation.

### Developer Contributions Plan (DCP) Assumptions

Any figures related to DCP are based on preliminary DCP calculations as of September 2021. DCP at the City of Melbourne is evolving and will change as necessary.

# 4 FINANCIAL PLAN STATEMENTS

This section presents information regarding the Financial Plan statements for the 10 years from 2021 to 2031:

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

The following estimated financial statements set out the forecast financial results for the City of Melbourne from 2021-22 to 2030-31. The forecast financial statements have been prepared with the City of Melbourne's financial policy objectives and strategies statement.

The statements have been prepared having regard to applicable Australian Accounting Standards that meets the requirements of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2020, which forms the basis of Council's Annual Financial Report as part of the broader Integrated Strategic Planning and Reporting Framework.

Appropriate professional judgement has been applied when preparing the forecast Financial Statements. However, the ongoing and uncertain impact of the COVID-19 pandemic - and the associated impact on future economic conditions of any further economic policy responses from the Victorian and Commonwealth governments - means that these estimates are subject to a high degree of uncertainty.

## 4.1 Comprehensive income statement

	FORECAST									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Income</b>										
Rates and charges	327,807	345,758	358,376	368,880	377,664	387,786	398,136	408,717	419,534	430,591
Statutory fees and fines - parking fines	39,041	40,513	41,250	41,989	41,697	42,739	43,808	44,903	46,025	47,176
Statutory fees and fines - other	10,920	13,013	15,662	16,375	16,965	17,592	18,243	18,921	19,624	20,356
User fees - parking fees	51,912	52,942	54,001	56,161	59,209	58,119	58,208	70,680	70,680	70,680
User fees - other	21,800	27,548	32,652	34,035	35,157	36,354	37,594	38,878	40,208	41,586
Grants - Operating	47,091	37,531	11,354	11,354	16,077	16,349	16,628	16,913	17,206	17,506
Grants - Capital	44,784	71,309	72,304	44,142	14,307	14,337	14,368	14,399	14,431	14,464
Contributions - monetary	22,755	19,106	24,687	25,810	41,109	41,257	41,410	41,570	41,735	41,906
Contributions - non-monetary	-	-	-	-	6,562	7,268	7,268	7,268	8,518	8,518
Net gain on disposal of property, infrastructure, plant and equipment	8	1,100	1,100	1,122	50,000	50,000	25,000	-	-	-
Fair value adjustments for investment properties	-	-	-	-	-	-	-	-	-	-
Other income	16,921	18,027	20,642	23,108	27,051	28,557	31,168	34,004	36,957	39,905
<b>Total income</b>	<b>583,039</b>	<b>626,847</b>	<b>632,028</b>	<b>622,976</b>	<b>685,798</b>	<b>700,358</b>	<b>691,830</b>	<b>696,252</b>	<b>714,919</b>	<b>732,687</b>



## 4.1 Comprehensive income statement (continued)

	FORECAST									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Expenses</b>										
Employee costs	180,267	183,433	188,015	193,930	204,413	213,683	221,197	228,975	237,028	245,363
Materials and services	214,585	204,971	206,976	210,073	216,762	223,060	229,154	234,728	240,561	246,438
Depreciation	67,410	71,597	76,681	80,193	102,710	111,081	119,563	123,443	131,133	124,644
Amortisation - intangible assets	11,759	13,867	15,075	13,340	11,500	14,172	16,806	19,675	19,925	20,225
Amortisation - right of use assets	1,729	1,791	1,823	1,853	565	565	565	565	565	565
Bad and doubtful debts	12,755	13,275	13,513	13,751	15,301	13,758	14,092	15,068	15,379	15,763
Borrowing costs	230	1,635	4,953	10,093	1,823	1,634	1,519	2,389	3,059	3,628
Other expenses	7,243	7,218	7,366	7,566	7,737	7,930	8,128	8,332	8,540	8,753
Grants and contributions	49,205	36,636	13,501	13,838	14,149	14,503	14,866	15,237	15,618	16,009
<b>Total expenses</b>	<b>545,183</b>	<b>534,424</b>	<b>527,902</b>	<b>544,637</b>	<b>574,960</b>	<b>600,386</b>	<b>625,889</b>	<b>648,412</b>	<b>671,807</b>	<b>681,389</b>
<b>Surplus/ (deficit) for the year</b>	<b>37,856</b>	<b>92,423</b>	<b>104,125</b>	<b>78,338</b>	<b>110,837</b>	<b>99,972</b>	<b>65,941</b>	<b>47,840</b>	<b>43,112</b>	<b>51,298</b>
<b>Other comprehensive income</b>										
Items that will not be reclassified to surplus or deficit in future periods										
Net asset revaluation increment/ (decrement)	53,156	56,814	60,870	64,349	66,923	69,600	72,384	75,280	78,291	81,423
Share of other comprehensive income of associate and joint ventures										
Items that may be reclassified to surplus or deficit in future periods										
<b>Total comprehensive result</b>	<b>91,012</b>	<b>149,237</b>	<b>164,996</b>	<b>142,688</b>	<b>177,761</b>	<b>169,573</b>	<b>138,325</b>	<b>123,119</b>	<b>121,403</b>	<b>132,721</b>

## 4.2 Balance sheet

	FORECAST									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Assets</b>										
<b>Current assets</b>										
Cash and cash equivalents	110,953	136,114	124,895	112,049	71,113	66,147	60,630	60,489	58,497	66,624
Trade and other receivables	60,458	54,333	52,021	53,924	61,052	49,883	38,187	41,169	42,639	44,146
Other financial assets	-	-	-	-	40,301	45,409	50,518	60,626	66,985	18,133
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
Other assets	2,030	52,163	52,478	52,773	42,904	34,681	25,667	19,186	14,290	12,831
Right of use asset	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>173,441</b>	<b>242,611</b>	<b>229,393</b>	<b>218,746</b>	<b>215,370</b>	<b>196,121</b>	<b>175,001</b>	<b>181,470</b>	<b>182,411</b>	<b>141,735</b>
<b>Non-current assets</b>										
Trade and other receivables	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries and trust	26,356	26,356	26,356	26,356	26,356	26,356	26,356	26,356	26,356	26,356
Property, infrastructure, plant and equipment	4,483,942	4,672,861	4,853,843	4,996,501	5,076,161	5,216,749	5,393,985	5,578,212	5,738,202	5,900,176
Investment property	255,822	255,822	255,822	255,822	255,822	255,822	255,822	255,822	255,822	255,822
Intangible assets	47,553	47,878	47,838	48,827	56,226	61,555	65,149	65,374	66,149	66,424
Other financial assets	33,488	33,488	33,488	33,488	33,709	33,976	34,242	34,557	34,872	35,257
Right of use asset	4,592	5,576	5,608	5,645	5,081	4,516	3,952	3,387	2,823	2,258
<b>Total non-current assets</b>	<b>4,851,753</b>	<b>5,041,980</b>	<b>5,222,954</b>	<b>5,366,638</b>	<b>5,453,355</b>	<b>5,598,973</b>	<b>5,779,506</b>	<b>5,963,708</b>	<b>6,124,223</b>	<b>6,286,293</b>
<b>Total assets</b>	<b>5,025,194</b>	<b>5,284,591</b>	<b>5,452,348</b>	<b>5,585,384</b>	<b>5,668,725</b>	<b>5,795,094</b>	<b>5,954,506</b>	<b>6,145,178</b>	<b>6,306,634</b>	<b>6,428,027</b>

## 4.2 Balance sheet (continued)

	FORECAST									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Liabilities</b>										
Current Liabilities										
Trade and other payables	108,447	114,302	106,968	98,375	94,061	95,541	102,705	105,727	105,670	80,256
Trust funds and deposits	20,880	33,797	33,121	32,459	26,277	19,475	12,315	10,510	10,780	11,055
Provisions	37,856	38,521	39,483	40,725	42,800	44,654	46,181	47,760	49,394	51,084
Current Portion of Long-Term Borrowing	-	-	-	-	-	-	-	-	-	-
Current Portion of Lease liability	1,378	1,673	1,682	1,693	144	141	138	135	131	128
<b>Total Current Liabilities</b>	<b>168,560</b>	<b>188,293</b>	<b>181,255</b>	<b>173,252</b>	<b>163,282</b>	<b>159,811</b>	<b>161,339</b>	<b>164,132</b>	<b>165,975</b>	<b>142,523</b>
<b>Non Current Liabilities</b>										
Trust funds and deposits	1,388	1,388	1,388	1,388	1,609	1,876	2,142	2,457	2,772	3,157
Provisions	4,146	4,219	4,324	4,460	4,591	4,799	4,968	5,143	5,324	5,511
Borrowings	147,678	237,345	247,016	245,206	159,685	119,581	138,811	203,189	241,016	252,682
Lease liability	3,215	3,903	3,926	3,951	4,669	4,566	4,461	4,352	4,240	4,125
<b>Total Non Current Liabilities</b>	<b>156,427</b>	<b>246,854</b>	<b>256,654</b>	<b>255,005</b>	<b>170,554</b>	<b>130,822</b>	<b>150,382</b>	<b>215,141</b>	<b>253,351</b>	<b>265,475</b>
<b>Total liabilities</b>	<b>324,987</b>	<b>435,147</b>	<b>437,908</b>	<b>428,257</b>	<b>333,837</b>	<b>290,633</b>	<b>311,720</b>	<b>379,273</b>	<b>419,326</b>	<b>407,998</b>
<b>Net assets</b>	<b>4,700,207</b>	<b>4,849,443</b>	<b>5,014,439</b>	<b>5,157,127</b>	<b>5,334,888</b>	<b>5,504,461</b>	<b>5,642,786</b>	<b>5,765,905</b>	<b>5,887,308</b>	<b>6,020,029</b>
<b>Equity</b>										
Accumulated surplus	2,234,699	2,327,122	2,431,248	2,509,586	2,620,424	2,720,396	2,786,337	2,834,177	2,877,288	2,928,587
Reserves	2,465,507	2,522,321	2,583,191	2,647,541	2,714,464	2,784,065	2,856,449	2,931,729	3,010,020	3,091,442
<b>Total equity</b>	<b>4,700,207</b>	<b>4,849,443</b>	<b>5,014,439</b>	<b>5,157,127</b>	<b>5,334,888</b>	<b>5,504,461</b>	<b>5,642,786</b>	<b>5,765,905</b>	<b>5,887,308</b>	<b>6,020,029</b>

### 4.3 Statement of changes in equity

	ACCUMULATED SURPLUS \$'000	REVALUATION RESERVE \$'000	OTHER RESERVES \$'000
<b>2021 Forecast</b>			
Balance at beginning of financial year	2,169,909	2,287,010	74,161
Surplus/ (deficit) for the year	26,936		
Net asset revaluation increment/ (decrement)		51,181	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,196,845</b>	<b>2,338,191</b>	<b>74,161</b>
<b>2022</b>			
Balance at beginning of financial year	2,196,845	2,338,191	74,161
Surplus/ (deficit) for the year	37,855		
Net asset revaluation increment/ (decrement)		53,156	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,234,699</b>	<b>2,391,347</b>	<b>74,161</b>
<b>2023</b>			
Balance at beginning of financial year	2,234,699	2,391,347	74,161
Surplus/ (deficit) for the year	92,423		
Net asset revaluation increment/ (decrement)		56,814	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,327,122</b>	<b>2,448,161</b>	<b>74,161</b>
<b>2024</b>			
Balance at beginning of financial year	2,327,122	2,448,161	74,161
Surplus/ (deficit) for the year	104,125		
Net asset revaluation increment/ (decrement)		60,870	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,431,248</b>	<b>2,509,031</b>	<b>74,161</b>

### 4.3 Statement of changes in equity (continued)

	ACCUMULATED SURPLUS \$'000	REVALUATION RESERVE \$'000	OTHER RESERVES \$'000
<b>2025</b>			
Balance at beginning of financial year	2,431,248	2,509,031	74,161
Surplus/ (deficit) for the year	78,338		
Net asset revaluation increment/ (decrement)		64,349	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,509,586</b>	<b>2,573,380</b>	<b>74,161</b>
<b>2026</b>			
Balance at beginning of financial year	2,509,586	2,573,381	74,161
Surplus/ (deficit) for the year	110,837		
Net asset revaluation increment/ (decrement)		66,923	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,620,424</b>	<b>2,640,304</b>	<b>74,161</b>
<b>2027</b>			
Balance at beginning of financial year	2,620,424	2,640,304	74,161
Surplus/ (deficit) for the year	99,972		
Net asset revaluation increment/ (decrement)		69,600	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,720,396</b>	<b>2,709,904</b>	<b>74,161</b>
<b>2028</b>			
Balance at beginning of financial year	2,720,396	2,709,904	74,161
Surplus/ (deficit) for the year	65,941		
Net asset revaluation increment/ (decrement)		72,384	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,786,337</b>	<b>2,782,289</b>	<b>74,161</b>

### 4.3 Statement of changes in equity (continued)

	ACCUMULATED SURPLUS \$'000	REVALUATION RESERVE \$'000	OTHER RESERVES \$'000
<b>2029</b>			
Balance at beginning of financial year	2,786,337	2,782,289	74,161
Surplus/ (deficit) for the year	47,840		
Net asset revaluation increment/ (decrement)		75,280	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,834,177</b>	<b>2,857,568</b>	<b>74,161</b>
<b>2030</b>			
Balance at beginning of financial year	2,834,177	2,857,568	74,161
Surplus/ (deficit) for the year	43,112		
Net asset revaluation increment/ (decrement)		78,291	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,877,288</b>	<b>2,935,859</b>	<b>74,161</b>
<b>2031</b>			
Balance at beginning of financial year	2,877,288	2,935,859	74,161
Surplus/ (deficit) for the year	51,298		
Net asset revaluation increment/ (decrement)		81,423	
Transfer to other reserves			
Transfer from other reserves			
<b>Balance at end of the financial year</b>	<b>2,928,587</b>	<b>3,017,282</b>	<b>74,161</b>

## 4.4 Statement of cash flows

	FORECAST									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash Flows from Operating Activities</b>										
Rates and charges	342,807	350,758	358,376	368,880	369,904	387,578	397,923	408,500	419,312	430,364
Statutory fees and fines	46,438	54,089	58,069	57,413	43,856	45,471	46,819	48,211	49,647	51,129
User fees	70,189	81,052	87,809	89,244	102,527	111,367	113,581	112,399	115,677	114,558
Grants - Operating	47,091	37,531	11,354	11,354	16,311	16,362	16,641	16,927	17,221	17,521
Grants - Capital	44,784	71,309	72,304	44,142	13,656	14,338	14,368	14,400	14,432	14,465
Contributions - Monetary	22,755	19,106	24,687	25,810	41,109	41,257	41,410	41,570	41,735	41,906
Contributions - Non Monetary	-	-	-	-	-	-	-	-	-	-
Interest received	203	2,342	2,101	1,752	771	925	924	1,138	1,208	1,261
Dividends received	3,581	3,113	3,013	3,114	3,245	3,245	3,245	3,245	3,245	3,245
Other receipts	12,650	12,440	15,215	17,946	23,034	24,386	26,998	29,620	32,504	35,398
Net GST refund/payment	-	-	-	-	17,547	24,934	25,557	26,196	26,851	27,522
Trust funds and deposits taken	409	12,918	(676)	(662)	(6,182)	(6,803)	(7,160)	(1,805)	270	276
Employee cost	(176,026)	(182,696)	(186,948)	(192,552)	(202,208)	(211,621)	(219,501)	(227,221)	(235,213)	(243,486)
Materials and services	(214,543)	(215,904)	(223,423)	(227,261)	(236,363)	(242,719)	(243,277)	(256,498)	(268,001)	(300,864)
Short term lease payments	(691)	(705)	(719)	(733)	(806)	(826)	(847)	(868)	(890)	(912)
Other payments	(57,485)	(44,941)	(21,971)	(22,524)	(21,080)	(21,607)	(22,147)	(22,701)	(23,268)	(23,850)
<b>Net Cash provided by/(used in) operating activities</b>	<b>142,163</b>	<b>200,412</b>	<b>199,190</b>	<b>175,922</b>	<b>165,323</b>	<b>186,287</b>	<b>194,536</b>	<b>193,113</b>	<b>194,729</b>	<b>168,534</b>

## 4.4 Statement of cash flows (continued)

	FORECAST									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash Flows from Investing Activities</b>										
Payments for property, infrastructure, plant and equipment	(225,490)	(264,382)	(240,128)	(196,866)	(202,784)	(194,301)	(237,547)	(245,022)	(225,015)	(217,177)
Proceeds from Sale of property, infrastructure, plant and equipment	4,622	1,100	25,000	20,000	125,000	50,000	25,000	-	-	-
Proceeds/ (payments) from/for sale of investments	-	-	-	-	(40,301)	(5,108)	(5,108)	(10,108)	(6,358)	48,851
Investment in subsidiaries and trust	-	-	-	-	-	-	-	-	-	-
Acquisition of property	(49,800)	-	-	-	-	-	-	-	-	-
<b>Net Cash provided by/(used in) investing activities</b>	<b>(270,668)</b>	<b>(263,282)</b>	<b>(215,128)</b>	<b>(176,866)</b>	<b>(118,085)</b>	<b>(149,409)</b>	<b>(217,655)</b>	<b>(255,131)</b>	<b>(231,373)</b>	<b>(168,326)</b>



## 4.4 Statement of cash flows (continued)

	FORECAST									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash Flows from Financing Activities</b>										
Proceeds from borrowing	104,678	89,666	9,671	-	-	-	19,230	64,378	37,826	11,667
Repayment of borrowing	-	-	-	(1,810)	(85,521)	(40,104)	-	-	-	-
Repayment of borrowing - lease liability	-	-	-	-	(831)	(106)	(109)	(112)	(115)	(119)
Borrowing Costs	(148)	(1,551)	(4,866)	(10,004)	(1,653)	(1,489)	(1,378)	(2,252)	(2,924)	(3,497)
Interest paid - lease liability	(82)	(84)	(87)	(89)	(169)	(144)	(141)	(138)	(135)	(131)
<b>Net Cash provided by/(used in) financing activities</b>	<b>104,448</b>	<b>88,031</b>	<b>4,719</b>	<b>(11,903)</b>	<b>(88,174)</b>	<b>(41,844)</b>	<b>17,602</b>	<b>61,877</b>	<b>34,652</b>	<b>7,920</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(24,057)</b>	<b>25,161</b>	<b>(11,219)</b>	<b>(12,846)</b>	<b>(40,936)</b>	<b>(4,965)</b>	<b>(5,518)</b>	<b>(140)</b>	<b>(1,992)</b>	<b>8,127</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>135,010</b>	<b>110,953</b>	<b>136,114</b>	<b>124,895</b>	<b>112,049</b>	<b>71,113</b>	<b>66,147</b>	<b>60,630</b>	<b>60,489</b>	<b>58,497</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>110,953</b>	<b>136,114</b>	<b>124,895</b>	<b>112,049</b>	<b>71,113</b>	<b>66,147</b>	<b>60,630</b>	<b>60,489</b>	<b>58,497</b>	<b>66,624</b>



## 4.5 Statement of capital works

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Property</b>										
Land	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-
<b>Total land</b>	-	-	-	-	-	-	-	-	-	-
	16,716	32,284	13,500	5,500	12,144	11,498	18,964	20,635	19,175	12,956
Heritage buildings	-	-	-	-	2,190	2,074	3,421	3,722	3,459	2,337
Building improvements	62,377	50,953	61,850	54,643	52,018	49,251	81,229	88,388	82,134	55,495
<b>Total buildings</b>	<b>79,093</b>	<b>83,237</b>	<b>75,350</b>	<b>60,143</b>	<b>66,353</b>	<b>62,824</b>	<b>103,614</b>	<b>112,746</b>	<b>104,767</b>	<b>70,788</b>
<b>Total property</b>	<b>79,093</b>	<b>83,237</b>	<b>75,350</b>	<b>60,143</b>	<b>66,353</b>	<b>62,824</b>	<b>103,614</b>	<b>112,746</b>	<b>104,767</b>	<b>70,788</b>
<b>Plant and equipment</b>										
Plant, machinery and equipment	6,424	2,755	2,640	2,140	3,455	3,271	3,313	3,267	2,852	3,686
Fixtures, fittings and furniture	744	774	809	809	757	717	726	716	625	808
Technology and digital	16,900	15,400	13,300	14,200	18,900	19,500	20,400	19,900	20,700	20,500
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-
Library books	1,400	1,400	1,400	1,400	1,243	1,177	1,192	1,176	1,026	1,327
<b>Total plant equipment</b>	<b>25,468</b>	<b>20,329</b>	<b>18,149</b>	<b>18,549</b>	<b>24,356</b>	<b>24,666</b>	<b>25,631</b>	<b>25,060</b>	<b>25,204</b>	<b>26,321</b>

## 4.5 Statement of capital works (continued)

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Infrastructure</b>										
Roads	6,137	5,068	5,564	6,135	6,799	6,438	6,519	6,430	5,612	7,254
Bridges	-	3,850	3,700	3,700	3,125	3,125	3,125	3,125	3,125	3,125
Footpaths and cycleways	29,561	43,700	44,813	17,905	27,470	26,009	26,336	25,977	22,674	29,307
Drainage	9,545	6,534	3,803	3,997	5,361	5,608	5,866	6,136	6,418	6,431
Recreational, leisure and community facilities	2,640	10,000	946	-	2,339	2,215	2,243	2,212	1,931	2,496
Waste management	1,188	1,194	1,221	-	666	630	638	629	549	710
Parks, open space and streetcapex	64,389	86,662	77,761	76,861	58,393	55,286	55,982	55,218	48,197	62,296
Aerodromes	-	-	-	-	-	-	-	-	-	-
Off street car parks	-	-	-	-	-	-	-	-	-	-
Other structures	12,554	5,920	4,420	4,420	7,921	7,500	7,594	7,490	6,538	8,450
<b>Total infrastructure</b>	<b>126,014</b>	<b>162,928</b>	<b>142,228</b>	<b>113,018</b>	<b>112,074</b>	<b>106,811</b>	<b>108,302</b>	<b>107,217</b>	<b>95,044</b>	<b>120,068</b>
<b>Total capital works expenditure</b>	<b>230,575</b>	<b>266,494</b>	<b>235,727</b>	<b>191,710</b>	<b>202,784</b>	<b>194,301</b>	<b>237,547</b>	<b>245,022</b>	<b>225,015</b>	<b>217,177</b>
<b>Represented by:</b>										
New asset expenditure	114,078	159,009	117,015	80,294	132,232	127,167	121,977	120,683	99,095	140,599
Asset renewal expenditure	44,187	44,262	50,246	66,103	70,552	67,134	75,570	74,340	75,919	76,579
Asset expansion expenditure	63,741	63,223	68,466	45,313	-	-	-	-	-	-
Asset upgrade expenditure	8,569	-	-	-	-	-	40,000	50,000	50,000	-
<b>Total capital works expenditure</b>	<b>230,575</b>	<b>266,494</b>	<b>235,727</b>	<b>191,710</b>	<b>202,784</b>	<b>194,301</b>	<b>237,547</b>	<b>245,022</b>	<b>225,015</b>	<b>217,177</b>
<b>Funding sources represented by:</b>										
Grants	44,783	70,609	72,304	44,142	14,307	14,337	14,368	14,399	14,431	14,464
Contributions	42,469	27,900	20,300	26,400	38,301	31,860	31,860	26,860	30,610	26,954
Council cash	72,016	85,178	133,452	121,168	150,176	148,103	172,089	139,385	142,147	164,093
Borrowings	71,307	82,807	9,671	-	-	-	19,230	64,378	37,826	11,667
<b>Total capital works expenditure</b>	<b>230,575</b>	<b>266,494</b>	<b>235,727</b>	<b>191,710</b>	<b>202,784</b>	<b>194,301</b>	<b>237,547</b>	<b>245,022</b>	<b>225,015</b>	<b>217,177</b>

## 4.6 Statement of human resources

STAFF EXPENDITURE	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Total staff expenditure</b>										
Male	75,993	77,329	79,262	81,757	86,062	89,967	93,133	96,410	99,803	103,316
Female	104,017	105,848	108,495	111,911	117,804	123,150	127,483	131,970	136,614	141,422
Self-described gender	256	257	259	263	547	566	581	595	610	625
<b>Total staff expenditure</b>	<b>180,267</b>	<b>183,433</b>	<b>188,015</b>	<b>193,930</b>	<b>204,413</b>	<b>213,683</b>	<b>221,197</b>	<b>228,975</b>	<b>237,028</b>	<b>245,363</b>
<b>Permanent full time</b>										
Male	59,168	60,115	61,521	63,358	66,694	69,720	72,174	74,714	77,343	80,065
Female	64,442	65,473	67,005	69,005	72,639	75,935	78,607	81,374	84,237	87,202
Self-described gender	256	257	259	263	547	566	581	595	610	625
<b>Total</b>	<b>123,866</b>	<b>125,845</b>	<b>128,785</b>	<b>132,625</b>	<b>139,880</b>	<b>146,222</b>	<b>151,362</b>	<b>156,682</b>	<b>162,190</b>	<b>167,892</b>
<b>Permanent part time</b>										
Male	4,868	4,946	5,062	5,213	5,487	5,736	5,938	6,147	6,363	6,587
Female	23,063	23,432	23,980	24,696	25,996	27,176	28,132	29,122	30,147	31,208
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>27,931</b>	<b>28,378</b>	<b>29,042</b>	<b>29,909</b>	<b>31,483</b>	<b>32,912</b>	<b>34,070</b>	<b>35,269</b>	<b>36,510</b>	<b>37,795</b>
<b>Maximum Term</b>										
Male	10,783	11,063	11,434	11,891	12,517	13,085	13,545	14,022	14,516	15,026
Female	14,890	15,278	15,789	16,421	17,285	18,070	18,706	19,364	20,045	20,751
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>25,673</b>	<b>26,341</b>	<b>27,223</b>	<b>28,312</b>	<b>29,802</b>	<b>31,155</b>	<b>32,251</b>	<b>33,386</b>	<b>34,561</b>	<b>35,777</b>
<b>Casual</b>										
Male	1,175	1,205	1,246	1,296	1,364	1,426	1,476	1,528	1,582	1,637
Female	1,623	1,665	1,720	1,789	1,883	1,969	2,038	2,110	2,184	2,261
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,797</b>	<b>2,870</b>	<b>2,966</b>	<b>3,085</b>	<b>3,247</b>	<b>3,395</b>	<b>3,514</b>	<b>3,638</b>	<b>3,766</b>	<b>3,898</b>

## 4.6 Statement of human resources (continued)

STAFF NUMBERS	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE
<b>Total staff numbers</b>										
Male	592.75	602.57	612.57	622.74	628.96	635.25	641.61	648.02	654.50	661.05
Female	811.34	824.80	838.49	852.42	860.95	869.56	878.25	887.03	895.90	904.86
Self-described gender	2.00	2.00	2.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>Total staff numbers</b>	<b>1,406.09</b>	<b>1,429.37</b>	<b>1,453.06</b>	<b>1,477.16</b>	<b>1,493.91</b>	<b>1,508.81</b>	<b>1,523.86</b>	<b>1,539.06</b>	<b>1,554.41</b>	<b>1,569.91</b>
<b>Permanent full time</b>										
Male	461.51	468.43	475.46	482.59	487.42	492.29	497.21	502.19	507.21	512.28
Female	502.65	510.19	517.84	525.61	530.87	536.18	541.54	546.95	552.42	557.95
Self-described gender	2.00	2.00	2.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>Total</b>	<b>966.16</b>	<b>980.62</b>	<b>995.30</b>	<b>1,010.20</b>	<b>1,022.28</b>	<b>1,032.47</b>	<b>1,042.75</b>	<b>1,053.14</b>	<b>1,063.63</b>	<b>1,074.23</b>
<b>Permanent part time</b>										
Male	37.97	38.54	39.12	39.70	40.10	40.50	40.91	41.32	41.73	42.15
Female	179.89	182.59	185.33	188.11	189.99	191.89	193.81	195.74	197.70	199.68
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>217.86</b>	<b>221.13</b>	<b>224.44</b>	<b>227.81</b>	<b>230.09</b>	<b>232.39</b>	<b>234.71</b>	<b>237.06</b>	<b>239.43</b>	<b>241.83</b>
<b>Maximum Term</b>										
Male	84.11	86.21	88.36	90.57	91.48	92.39	93.32	94.25	95.19	96.14
Female	116.15	119.05	122.02	125.08	126.33	127.59	128.87	130.15	131.46	132.77
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>200.25</b>	<b>205.26</b>	<b>210.39</b>	<b>215.65</b>	<b>217.80</b>	<b>219.98</b>	<b>222.18</b>	<b>224.40</b>	<b>226.65</b>	<b>228.91</b>
<b>Casual</b>										
Male	9.16	9.39	9.63	9.87	9.97	10.07	10.17	10.27	10.37	10.48
Female	12.66	12.97	13.30	13.63	13.76	13.90	14.04	14.18	14.32	14.47
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>21.82</b>	<b>22.37</b>	<b>22.92</b>	<b>23.50</b>	<b>23.73</b>	<b>23.97</b>	<b>24.21</b>	<b>24.45</b>	<b>24.70</b>	<b>24.94</b>

## 4.6 Statement of human resources (continued)

DEPARTMENT	PERMANENT FULL TIME (FY22 - FY31)				PERMANENT PART TIME (FY22 - FY31)			
	MALE \$'000	FEMALE \$'000	SELF- DESCRIBED GENDER \$'000	TOTAL \$'000	MALE \$'000	FEMALE \$'000	SELF- DESCRIBED GENDER \$'000	TOTAL \$'000
City Economy and Activation	82,138	206,569	-	288,707	19,470	80,654	-	100,124
Finance and Corporate	42,931	34,131	-	77,063	1,158	4,912	-	6,069
Executive Services 2	11,872	38,583	-	50,455	742	4,066	-	4,808
Community and City Services	224,896	205,768	2,280	432,944	17,333	104,843	-	122,176
Infrastructure and Design	115,379	71,661	-	187,040	3,665	10,551	-	14,216
Strategy Planning and Climate Change	92,645	75,386	2,280	170,310	7,153	34,295	-	41,447
Executive Services	24,857	69,925	-	94,782	1,380	7,880	-	9,260
Customer and Digital	90,152	43,896	-	134,048	5,446	19,752	-	25,198
<b>Total permanent staff expenditure</b>	<b>684,870</b>	<b>745,920</b>	<b>4,559</b>	<b>1,435,349</b>	<b>56,347</b>	<b>266,952</b>	<b>-</b>	<b>323,299</b>
Maximum Term					127,882	176,598	-	304,480
Casual					13,934	19,243	-	33,177
Capitalised labour costs	30,134	32,820	-	63,155	8,719	20,363	-	29,082
<b>Total staff cost</b>	<b>715,004</b>	<b>778,741</b>	<b>4,559</b>	<b>1,498,504</b>	<b>206,882</b>	<b>483,157</b>	<b>-</b>	<b>690,038</b>

## 4.7 Planned human resource expenditure

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>City Economy and Activation</b>										
Permanent - Full time										
Female	17,846	18,132	18,556	19,110	20,116	21,029	21,769	22,535	23,328	24,149
Male	7,096	7,210	7,378	7,599	7,999	8,362	8,656	8,961	9,276	9,602
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent part time										
Female	6,968	7,079	7,245	7,461	7,854	8,211	8,500	8,799	9,108	9,429
Male	1,682	1,709	1,749	1,801	1,896	1,982	2,052	2,124	2,199	2,276
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total City Economy and Activation</b>	<b>33,592</b>	<b>34,130</b>	<b>34,928</b>	<b>35,971</b>	<b>37,865</b>	<b>39,583</b>	<b>40,976</b>	<b>42,418</b>	<b>43,911</b>	<b>45,456</b>
<b>Finance and Corporate</b>										
Permanent - Full time										
Female	2,949	2,996	3,066	3,158	3,324	3,475	3,597	3,723	3,854	3,990
Male	3,709	3,768	3,856	3,972	4,181	4,370	4,524	4,683	4,848	5,019
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent part time										
Female	424	431	441	454	478	500	518	536	555	574
Male	100	102	104	107	113	118	122	126	131	135
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Finance and Corporate</b>	<b>7,182</b>	<b>7,297</b>	<b>7,468</b>	<b>7,691</b>	<b>8,096</b>	<b>8,463</b>	<b>8,761</b>	<b>9,069</b>	<b>9,388</b>	<b>9,719</b>



## 4.7 Planned human resource expenditure (continued)

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Executive Services 2</b>										
Permanent - Full time										
Female	3,333	3,387	3,466	3,569	3,757	3,928	4,066	4,209	4,357	4,511
Male	1,026	1,042	1,066	1,098	1,156	1,209	1,251	1,295	1,341	1,388
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent part time										
Female	351	357	365	376	396	414	428	444	459	475
Male	64	65	67	69	72	76	78	81	84	87
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Executive Services 2</b>	<b>4,774</b>	<b>4,851</b>	<b>4,964</b>	<b>5,112</b>	<b>5,382</b>	<b>5,626</b>	<b>5,824</b>	<b>6,029</b>	<b>6,241</b>	<b>6,461</b>
<b>Community and City Services</b>										
Permanent - Full time										
Female	17,777	18,061	18,484	19,036	20,038	20,947	21,684	22,448	23,238	24,055
Male	19,429	19,740	20,202	20,805	21,901	22,895	23,700	24,534	25,398	26,292
Self-described gender	128	128	129	131	274	283	290	298	305	313
Permanent part time										
Female	9,058	9,203	9,418	9,699	10,210	10,673	11,049	11,437	11,840	12,257
Male	1,497	1,521	1,557	1,603	1,688	1,764	1,827	1,891	1,957	2,026
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Community and City Services</b>	<b>47,889</b>	<b>48,654</b>	<b>49,790</b>	<b>51,275</b>	<b>54,110</b>	<b>56,563</b>	<b>58,550</b>	<b>60,608</b>	<b>62,738</b>	<b>64,943</b>

## 4.7 Planned human resource expenditure (continued)

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Infrastructure and Design</b>										
Permanent - Full time										
Female	6,191	6,290	6,437	6,629	6,978	7,295	7,552	7,818	8,093	8,378
Male	9,968	10,127	10,364	10,674	11,236	11,746	12,159	12,587	13,030	13,488
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent part time										
Female	912	926	948	976	1,027	1,074	1,112	1,151	1,192	1,233
Male	317	322	329	339	357	373	386	400	414	429
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Infrastructure and Design</b>	<b>17,387</b>	<b>17,665</b>	<b>18,079</b>	<b>18,618</b>	<b>19,599</b>	<b>20,488</b>	<b>21,209</b>	<b>21,955</b>	<b>22,728</b>	<b>23,528</b>
<b>Strategy Planning and Climate Change</b>										
Permanent - Full time										
Female	6,513	6,617	6,772	6,974	7,341	7,674	7,944	8,224	8,513	8,813
Male	8,004	8,132	8,322	8,571	9,022	9,431	9,763	10,107	10,462	10,831
Self-described gender	128	128	129	131	274	283	290	298	305	313
Permanent part time										
Female	2,963	3,010	3,081	3,173	3,340	3,491	3,614	3,741	3,873	4,009
Male	618	628	643	662	697	728	754	780	808	836
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Strategy Planning and Climate Change</b>	<b>18,226</b>	<b>18,515</b>	<b>18,947</b>	<b>19,510</b>	<b>20,673</b>	<b>21,608</b>	<b>22,366</b>	<b>23,150</b>	<b>23,962</b>	<b>24,802</b>

## 4.7 Planned human resource expenditure (continued)

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
<b>Executive Services</b>										
Permanent - Full time										
Female	6,041	6,138	6,281	6,469	6,809	7,118	7,369	7,628	7,897	8,175
Male	2,147	2,182	2,233	2,299	2,421	2,530	2,619	2,712	2,807	2,906
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent part time										
Female	681	692	708	729	767	802	830	860	890	921
Male	119	121	124	128	134	140	145	151	156	161
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Executive Services</b>	<b>8,988</b>	<b>9,132</b>	<b>9,346</b>	<b>9,625</b>	<b>10,132</b>	<b>10,591</b>	<b>10,964</b>	<b>11,350</b>	<b>11,749</b>	<b>12,163</b>
<b>Customer and Digital</b>										
Permanent - Full time										
Female	3,792	3,853	3,943	4,061	4,275	4,469	4,626	4,789	4,957	5,132
Male	7,788	7,913	8,098	8,340	8,779	9,177	9,500	9,835	10,181	10,539
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent part time										
Female	1,706	1,734	1,774	1,827	1,923	2,011	2,081	2,155	2,231	2,309
Male	471	478	489	504	530	554	574	594	615	637
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Customer and Digital</b>	<b>13,758</b>	<b>13,978</b>	<b>14,305</b>	<b>14,732</b>	<b>15,508</b>	<b>16,211</b>	<b>16,782</b>	<b>17,372</b>	<b>17,984</b>	<b>18,617</b>
Maximum Term	25,673	26,341	27,223	28,312	29,802	31,155	32,251	33,386	34,561	35,777
Casual	2,797	2,870	2,966	3,085	3,247	3,395	3,514	3,638	3,766	3,898
<b>Total staff expenditure</b>	<b>180,267</b>	<b>183,433</b>	<b>188,015</b>	<b>193,930</b>	<b>204,413</b>	<b>213,683</b>	<b>221,197</b>	<b>228,975</b>	<b>237,028</b>	<b>245,363</b>

## 4.7 Planned human resource expenditure (continued)

	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE
<b>City Economy and Activation</b>										
Permanent - Full time										
Female	139.20	141.29	143.41	145.56	147.01	148.48	149.97	151.47	152.98	154.51
Male	55.35	56.18	57.02	57.88	58.46	59.04	59.63	60.23	60.83	61.44
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - part time										
Female	54.35	55.17	55.99	56.83	57.40	57.97	58.55	59.14	59.73	60.33
Male	13.12	13.32	13.52	13.72	13.86	14.00	14.14	14.28	14.42	14.56
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total City Economy and Activation</b>	<b>262.02</b>	<b>265.95</b>	<b>269.94</b>	<b>273.99</b>	<b>276.73</b>	<b>279.50</b>	<b>282.29</b>	<b>285.11</b>	<b>287.96</b>	<b>290.84</b>
<b>Finance and Corporate</b>										
Permanent - Full time										
Female	23.00	23.35	23.70	24.05	24.29	24.53	24.78	25.03	25.28	25.53
Male	28.93	29.36	29.80	30.25	30.55	30.86	31.17	31.48	31.79	32.11
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - part time										
Female	3.31	3.36	3.41	3.46	3.50	3.53	3.57	3.60	3.64	3.67
Male	0.78	0.79	0.80	0.82	0.82	0.83	0.84	0.85	0.86	0.87
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Finance and Corporate</b>	<b>56.02</b>	<b>56.86</b>	<b>57.71</b>	<b>58.58</b>	<b>59.16</b>	<b>59.76</b>	<b>60.35</b>	<b>60.96</b>	<b>61.57</b>	<b>62.18</b>

## 4.7 Planned human resource expenditure (continued)

	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE
<b>Executive Services 2</b>										
Permanent - Full time										
Female	26.00	26.39	26.79	27.19	27.46	27.73	28.01	28.29	28.57	28.86
Male	8.00	8.12	8.24	8.37	8.45	8.53	8.62	8.71	8.79	8.88
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - part time										
Female	2.74	2.78	2.82	2.87	2.89	2.92	2.95	2.98	3.01	3.04
Male	0.50	0.51	0.52	0.52	0.53	0.53	0.54	0.54	0.55	0.56
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Executive Services 2</b>	<b>37.24</b>	<b>37.80</b>	<b>38.37</b>	<b>38.94</b>	<b>39.33</b>	<b>39.72</b>	<b>40.12</b>	<b>40.52</b>	<b>40.93</b>	<b>41.34</b>
<b>Community and City Services</b>										
Permanent - Full time										
Female	138.66	140.74	142.85	144.99	146.44	147.91	149.39	150.88	152.39	153.91
Male	151.55	153.82	156.13	158.47	160.06	161.66	163.27	164.91	166.56	168.22
Self-described gender	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Permanent - part time										
Female	70.65	71.71	72.79	73.88	74.62	75.36	76.12	76.88	77.65	78.42
Male	11.68	11.86	12.03	12.21	12.34	12.46	12.58	12.71	12.84	12.96
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Community and City Services</b>	<b>373.54</b>	<b>379.13</b>	<b>384.80</b>	<b>390.56</b>	<b>395.45</b>	<b>399.39</b>	<b>403.36</b>	<b>407.37</b>	<b>411.43</b>	<b>415.52</b>

## 4.7 Planned human resource expenditure (continued)

	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE
<b>Infrastructure and Design</b>										
Permanent - Full time										
Female	48.29	49.01	49.75	50.50	51.00	51.51	52.03	52.55	53.07	53.60
Male	77.75	78.92	80.10	81.30	82.11	82.94	83.77	84.60	85.45	86.30
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - part time										
Female	7.11	7.22	7.32	7.43	7.51	7.58	7.66	7.74	7.81	7.89
Male	2.47	2.51	2.54	2.58	2.61	2.63	2.66	2.69	2.71	2.74
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Infrastructure and Design</b>	<b>135.62</b>	<b>137.65</b>	<b>139.72</b>	<b>141.81</b>	<b>143.23</b>	<b>144.67</b>	<b>146.11</b>	<b>147.57</b>	<b>149.05</b>	<b>150.54</b>
<b>Strategy Planning and Climate Change</b>										
Permanent - Full time										
Female	50.80	51.56	52.34	53.12	53.65	54.19	54.73	55.28	55.83	56.39
Male	62.43	63.37	64.32	65.28	65.93	66.59	67.26	67.93	68.61	69.30
Self-described gender	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Permanent - part time										
Female	23.11	23.46	23.81	24.17	24.41	24.65	24.90	25.15	25.40	25.65
Male	4.82	4.89	4.97	5.04	5.09	5.14	5.19	5.24	5.30	5.35
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Strategy Planning and Climate Change</b>	<b>142.16</b>	<b>144.28</b>	<b>146.43</b>	<b>148.61</b>	<b>151.08</b>	<b>152.57</b>	<b>154.08</b>	<b>155.60</b>	<b>157.14</b>	<b>158.69</b>

## 4.7 Planned human resource expenditure (continued)

	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE
<b>Executive Services</b>										
Permanent - Full time										
Female	47.12	47.83	48.54	49.27	49.77	50.26	50.77	51.27	51.79	52.30
Male	16.75	17.00	17.26	17.52	17.69	17.87	18.05	18.23	18.41	18.59
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - part time										
Female	5.31	5.39	5.47	5.55	5.61	5.66	5.72	5.78	5.84	5.89
Male	0.93	0.94	0.96	0.97	0.98	0.99	1.00	1.01	1.02	1.03
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Executive Services</b>	<b>70.11</b>	<b>71.16</b>	<b>72.23</b>	<b>73.31</b>	<b>74.05</b>	<b>74.79</b>	<b>75.53</b>	<b>76.29</b>	<b>77.05</b>	<b>77.82</b>
<b>Customer and Digital</b>										
Permanent - Full time										
Female	29.58	30.02	30.47	30.93	31.24	31.55	31.87	32.19	32.51	32.83
Male	60.75	61.66	62.59	63.52	64.16	64.80	65.45	66.10	66.77	67.43
Self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - part time										
Female	13.31	13.51	13.71	13.92	14.06	14.20	14.34	14.48	14.63	14.77
Male	3.67	3.73	3.78	3.84	3.88	3.91	3.95	3.99	4.03	4.07
Self-described gender	-	-	-	-	-	-	-	-	-	-
<b>Total Customer and Digital</b>	<b>107.31</b>	<b>108.92</b>	<b>110.55</b>	<b>112.21</b>	<b>113.33</b>	<b>114.47</b>	<b>115.61</b>	<b>116.77</b>	<b>117.94</b>	<b>119.12</b>
Maximum Term FTE	200.25	205.26	210.39	215.65	217.80	219.98	222.18	224.40	226.65	228.91
Casual	21.82	22.37	22.92	23.50	23.73	23.97	24.21	24.45	24.70	24.94
<b>Total staff numbers</b>	<b>1,406.09</b>	<b>1,429.37</b>	<b>1,453.06</b>	<b>1,477.16</b>	<b>1,493.91</b>	<b>1,508.81</b>	<b>1,523.86</b>	<b>1,539.06</b>	<b>1,554.41</b>	<b>1,569.91</b>





# 5 FINANCIAL PERFORMANCE INDICATORS

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



Image 7. Community Hub at The Dock, Docklands

INDICATOR	MEASURE	POLICY TARGET	NOTES	FORECAST							TREND			
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28		2028/29	2029/30	2030/31
<i>Operating position</i>														
Net result margin	Net result / total revenue	> 0%		6%	15%	16%	13%	16%	14%	10%	7%	6%	7%	+
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue			-3.6%	2.5%	3.5%	3.6%	10.5%	8.7%	3.5%	0.7%	0.0%	1.2%	0
<i>Liquidity</i>														
Working capital	Current assets / current liabilities	≥10		1.0	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1.0	+
Unrestricted cash	Unrestricted cash / current liabilities	25%-50%		16%	28%	23%	20%	26%	27%	28%	28%	26%	36%	+
<i>Obligations and financing</i>														
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	≤ 70%		46%	70%	70%	68%	44%	32%	36%	51%	58%	60%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	≤ 20%	1	0.1%	0.5%	1.4%	3.2%	23.3%	10.8%	0.4%	0.6%	0.8%	0.9%	-
Indebtedness	Non-current liabilities / own source revenue	≤ 60%		33%	49%	49%	47%	28%	21%	24%	35%	39%	40%	-
Debt servicing ratio	Interest payments / rate revenue			0.1%	0.5%	1.4%	2.7%	0.7%	0.4%	0.4%	0.6%	0.8%	0.9%	-
Internal financing	Net operating cashflow / net capital expenditure			63%	76%	83%	89%	82%	96%	82%	79%	87%	78%	+
<i>Asset renewal and maintenance</i>														
Capital replacement	Cash outflows for the addition of new infrastructure, property, plant and equipment / depreciation	> 1.0		2.8	3.0	2.6	2.1	1.8	1.5	1.7	1.7	1.5	1.5	0
Asset renewal	Asset renewal and upgrade expense / asset depreciation	≥ 0.5		0.8	0.6	0.7	0.8	0.7	0.6	1.0	1.0	1.0	0.6	-
<i>Stability</i>														
Rates concentration	Rate revenue / adjusted underlying revenue	≤ 80%		62%	63%	66%	65%	59%	59%	61%	63%	62%	62%	0
Rates compared to property values	Rate revenue / CIV of rateable properties in the municipality	≤ 0.5%		0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0
<i>Efficiency</i>														
Expenditure level	Total expenses / no. of property assessments	≤ \$5,000		\$4,053	\$3,866	\$3,733	\$3,826	\$3,980	\$4,096	\$4,207	\$4,292	\$4,378	\$4,369	+
Revenue level	Total rate revenue / no. of property assessments	≥ \$2,000		\$2,437	\$2,501	\$2,534	\$2,591	\$2,614	\$2,646	\$2,676	\$2,706	\$2,734	\$2,761	+
<i>Sustainable capacity</i>														
Population	Total expenses / Municipal population	≤ \$4,000		\$2,867	\$2,666	\$2,519	\$2,491	\$2,526	\$2,539	\$2,552	\$2,553	\$2,562	\$2,522	0
Population	Value of infrastructure/ Municipality population	≥ \$6,000	2	\$8,911	\$8,462	\$7,846	\$7,262	\$6,795	\$6,347	\$5,962	\$5,596	\$5,219	\$5,010	-
Own-source revenue	Own-source revenue / Municipal population	≥ \$2,000		\$2,463	\$2,489	\$2,498	\$2,477	\$2,699	\$2,657	\$2,525	\$2,455	\$2,446	\$2,438	0
Recurrent grants	Recurrent grants / Municipal population	≥ \$100	3	\$93	\$93	\$90	\$86	\$84	\$82	\$80	\$79	\$77	\$76	-

Note:

1. Council forecast that in FY26, it will have the capacity to repay loan due to projected excess cash generated from asset sales. Due to its intention to repay the loan when it has the capacity to do so, Council's repayment to rate revenue ratio in FY26 is forecast to be higher than 20%.
2. Council will continue to monitor the level of investment infrastructure to keep up with the changing number of municipal population as the Council intend to ensure that we are meeting our financial policy requirements
3. Advocacy with other levels of government and industry bodies will be a key focus following the success of the MCRF programme to ensure the community is able to benefit from a higher ratio of grants in this regard



# 6 STRATEGIES AND PLANS

This section describes the strategies and plans that support the 10-year financial projections included in the Financial Plan 2021-31.

## 6.1 Borrowing strategy

### 6.1.1 Current debt position

The total amount borrowed as at 30 June 2022 is forecasted to be \$147.7 million. It is expected that the City of Melbourne will undertake a significant amount of capital works during the next four years to revitalise the economy of the city. This will require external funding.

The City of Melbourne currently has a \$75 million line of credit to be drawn when required. City of Melbourne is planning to access additional debt funding to complete a range of projects, including the renewal of Queen Victoria Market precinct (due for completion in 2025-26), Kensington Community Recreation Centre redevelopment (due for completion in 2023-24), and technology and digital innovation projects.

### 6.1.2 Future borrowing requirements

The following table highlights City of Melbourne's projected loan balance, including new loans and loan repayments for the 10 years of the Financial Plan. It is forecasted that the Council will reach its peak borrowing of \$253 million by the end of 2030-31. The reduction in debt forecasted between FY25 and FY27 is due to a reduction in capital expenditure and ability to repay using revenue from asset sales. From FY27 onwards, as the City continues its investment in the community and improves service delivery, we forecast that we will continue our borrowing trajectory to reach our borrowing peak of \$253m in FY31.

	FORECAST										
	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Opening balance	-	43,000	147,678	237,345	247,016	245,206	159,685	119,581	138,811	203,189	241,016
Plus: New Loans	43,000	104,678	89,666	9,671	-	-	-	19,230	64,378	37,826	11,667
Less: Principal repayment	-	-	-	-	(1,810)	(85,521)	(40,104)	-	-	-	-
<b>Closing balance</b>	<b>43,000</b>	<b>147,678</b>	<b>237,345</b>	<b>247,016</b>	<b>245,206</b>	<b>159,685</b>	<b>119,581</b>	<b>138,811</b>	<b>203,189</b>	<b>241,016</b>	<b>252,682</b>
Interest payment	80	148	1,551	4,866	10,004	1,653	1,489	1,378	2,252	2,924	3,497

### 6.1.3 Performance indicators

The following table highlights City of Melbourne's projected performance across a range of debt management performance indicators. Over the period of 10 years, on average, the City of Melbourne aims to be in line with target performance indicators.

PERFORMANCE INDICATOR	TARGET	FORECAST										
		2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Total borrowings / Rate revenue	≤ 70%	15%	46%	70%	70%	68%	44%	32%	36%	51%	58%	60%
Total repayment & interest / rate revenue	≤ 20%	0.06%	0.07%	0.47%	1.38%	3.23%	23.35%	10.79%	0.41%	0.61%	0.76%	0.87%
Debt Servicing / Rate revenue	≤ 1.5%	0.06%	0.07%	0.47%	1.38%	2.74%	0.70%	0.45%	0.41%	0.61%	0.76%	0.87%
Indebtedness / Own source revenue	≤ 60%	13%	33%	49%	49%	47%	28%	21%	24%	35%	39%	40%

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

#### Total borrowings / rates revenue

The target for this indicator is to remain less than or equal to 70 per cent over the 10 year time frame as per the City of Melbourne's Borrowing Policy. The indicator is forecast to reach its peak at 2023-24.

#### Total repayment and interest / rates revenue

The target for this indicator is to remain less than or equal to 20 per cent over the 10 year time frame. The indicator is forecasted to reach 23 per cent in 2025-26 due to City of Melbourne's ability to repay a significant amount of debt.

#### Debt servicing / rates revenue

The target for this indicator is to remain less than or equal to 1.5 per cent. Over the 10 years, this indicator is forecasted remain below the target.

#### Indebtedness / own-source revenue

The target for this indicator is to remain less than or equal to 60 per cent. Over the 10 years, this indicator is forecasted remain below the target.

## 6.2 Reserves strategy

### 6.2.1 Current reserves

#### Public Open Space Reserve

- **Purpose:** the Public Open Space Reserve holds funds contributed by developers for land purchase, open space establishment and upgrades. 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. The Melbourne Open Space Strategy Open Space Contributions Framework sets out that open space contributions by developers provide for the open space demand created by forecast populations of residents and workers. Expenditure from the Public Open Space Reserve ensures there is sufficient quantity, quality and distribution of open space to serve the future population of the City of Melbourne.
- **Movements:** transfers to the reserve (inflows) comprise contribution income from subdividers in accordance with the rates specified under Clause 53.01 of the Melbourne Planning Scheme. Transfers from the reserve (outflows) are applied to fund open space capital projects on an annual basis. Inflow to the reserve comes from developers who pay a percentage of the site value. It is forecasted that the City of Melbourne will receive approximately \$168 million during the next 10 years. The City of Melbourne is planning to spend approximately \$122 million from the reserve during next four years to fund public open-space related projects. The rationale for expenditure from the reserve reducing over time from 2026–27 to 2030–31 reflects the projected reduction in income, and the desire to maintain a minimum balance of \$15 million to allow for an opportunistic acquisition if an opportunity arises.

#### Development Contributions Reserve

- **Purpose:** the Development Contributions Reserve (DCP) holds funds contributed by developers for land purchase, construction of new and upgrades to infrastructure as outlined in the draft Arden DCP and will be outlined in a future Macaulay DCP. Development Contributions are collected in accordance with the interim rate in the Melbourne Planning Scheme until the final DCPs are incorporated.

The DCPs provide for the charging of a Development Infrastructure Levy pursuant to section 46J(a) of the Act towards works, services or facilities. They also provide for the charging of a Community Infrastructure Levy pursuant to section 46J(b) of the Act as some items are classified as community infrastructure under the Act.

The DCPs are implemented in the Melbourne Planning Scheme through Schedule 2 and 3 to the DCP Overlay (DCPO2 and DCPO3). The DCPs form part of the Melbourne Planning Scheme pursuant to section 46I of the Act and are incorporated documents under Clause 72.04 of the Melbourne Planning Scheme.

The DCPs set out that contributions by developers provide for the infrastructure demand created by forecast populations of residents and workers expected in each precinct. Expenditure from the Development Contributions Reserve ensures that there is sufficient infrastructure to serve the future population of Arden and Macaulay, and that the cost of delivering this new infrastructure is equitable shared. Expenditure from a separate fund also ensures compliance with the Act. Contributions are spent where they are collected and any interest is accounted for. It may also facilitate borrowing by City of Melbourne to allow for up-front and early delivery of infrastructure.

- **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. It is expected that the City of Melbourne will collect and spend approximately \$71 million over the 10-year period. This excludes \$55m spending on DCP cash collected on behalf of the Victorian Government and works in kind received, which comprises approximately \$45 million.

### Tree Compensation Reserve

- **Purpose:** the Tree Compensation Reserve holds funds collected (typically) from developers requiring the removal of public trees to make way for development activity. All options to retain trees are exhausted before tree removal is agreed upon and revenue is collected.

Revenue is initially recognised in the Parks and City Greening branch. It is subsequently transferred to and held in a reserve within the balance sheet for future use. Expenditure from the reserve is overseen by the Urban Forest Fund Steering Group, which provides advice and sign-off on projects to accelerate greening the municipality through projects that go beyond City of Melbourne's business as usual works. The Urban Forest Fund and Canopy Uplift programs are funded by the Tree Compensation Reserve.

- **Movements:** inflows to the reserve are forecasted to be approximately \$0.92 million annually. Transfers from the reserve is forecasted at around \$1.5 million annually which includes the Canopy Uplift program – an action in the Climate and Biodiversity Emergency Plan committed to spending \$3.8 million.



## 6.2.2 Reserve usage projections

The table below discloses the balance and annual movement for each reserve over the 10-year life of the Financial Plan. Total amount of reserves, for each year, is to align with the Statement of Changes in Equity.

Restricted reserves are to be included to the disclosure of restricted cash assets.

RESERVES	RESTRICTED/ DISCRETIONARY	FORECAST										
		2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Public open space reserve	Restricted											
<b>Opening balance</b>		63,625	79,572	52,603	40,371	40,931	36,340	26,340	21,340	16,340	16,340	16,340
Transfer to reserve		29,285	20,000	15,668	20,860	21,809	15,000	15,000	15,000	15,000	15,000	15,000
Transfer from reserve		13,338	46,969	27,900	20,300	26,400	25,000	20,000	20,000	15,000	15,000	15,000
<b>Closing balance</b>		79,572	52,603	40,371	40,931	36,340	26,340	21,340	16,340	16,340	16,340	16,340
Development Contributions Reserve	Restricted											
<b>Opening balance</b>		1,022	1,272	1,272	1,272	1,272	1,272	10,523	21,215	31,907	42,599	49,540
Transfer to reserve		250	-	-	-	-	21,052	21,052	21,052	21,052	21,052	21,052
Transfer from reserve		-	-	-	-	-	11,801	10,360	10,360	10,360	14,110	69,320
<b>Closing balance</b>		1,272	1,272	1,272	1,272	1,272	10,523	21,215	31,907	42,599	49,540	1,272
Tree compensation reserve	Restricted											
<b>Opening balance</b>		4,789	4,021	4,021	4,021	4,021	4,021	3,438	2,854	2,271	1,688	1,104
Transfer to reserve		-	-	-	-	-	917	917	917	917	917	917
Transfer from reserve		768	-	-	-	-	1,500	1,500	1,500	1,500	1,500	1,500
<b>Closing balance</b>		4,021	4,021	4,021	4,021	4,021	3,438	2,854	2,271	1,688	1,104	521



Image 8. #MelbMoment illuminated signage at the 2019 Night Noodle Markets

## How to contact us

### Online:

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Melbourne Town Hall - Administration Building  
120 Swanston Street, Melbourne  
Business hours, Monday to Friday  
(Public holidays excluded)

### Telephone:

03 9658 9658  
Business hours, Monday to Friday  
(Public holidays excluded)

### Fax:

03 9654 4854

### In writing:

City of Melbourne  
GPO Box 1603  
Melbourne VIC 3001  
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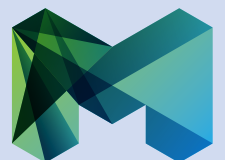
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