Borough of Queenscliffe

Queenscliff & Point Lonsdale, Victoria, Australia

Financial Plan

2025 - 2035

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1. Introduction

1.1 Financial Plan

The *Local Government Act 2020* introduced a requirement for councils to prepare a rolling 10-year Financial Plan. The Financial Plan provides a strategic overview of the financial resources available to Council over the next 10 years and sets out how the resources will be used to implement the actions of the Council Plan and achieve the Community Vision.

The purpose of the Financial Plan is to provide stability, predictability and to establish a framework for the effective mitigation and management of strategic financial risk. Importantly, the Plan should show how the viability and financial sustainability of Council will be achieved and maintained over the 10-year period.

1.2 Strategic Planning Principles

The Financial Plan is developed in the context of the following strategic planning principles:

- Council has an integrated approach to planning, monitoring and performance reporting;
- The Financial Plan addresses the Community Vision by funding the strategic initiatives of the Council Plan. The Council Plan objectives and actions are formulated in the context of the Community Vision;
- The Financial Plan statements articulate the 10-year financial resources necessary to implement the outcomes in the Council Plan that further the aspirations of the Community Vision;
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 2.4 below;
- The Financial Plan provides for progress monitoring and reviews to identify and adapt to changing circumstances.

1.3 Financial Management Principles

Council manages significant funds on behalf of its community. The responsible management of these funds is essential for Council to continue meeting its legislative responsibilities and to keep providing services and facilities needed by the community.

Section 101 of the *Local Government Act 2020* provides four principles of sound financial management, which all councils are required to implement within their financial planning and reporting frameworks. They are:

- Revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with Council's financial policies and strategic plans;
- Financial risks must be monitored and managed prudently, having regard to economic circumstances;
- Financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community;
- Accounts and records that explain the financial operations and financial position of the Council must be kept.

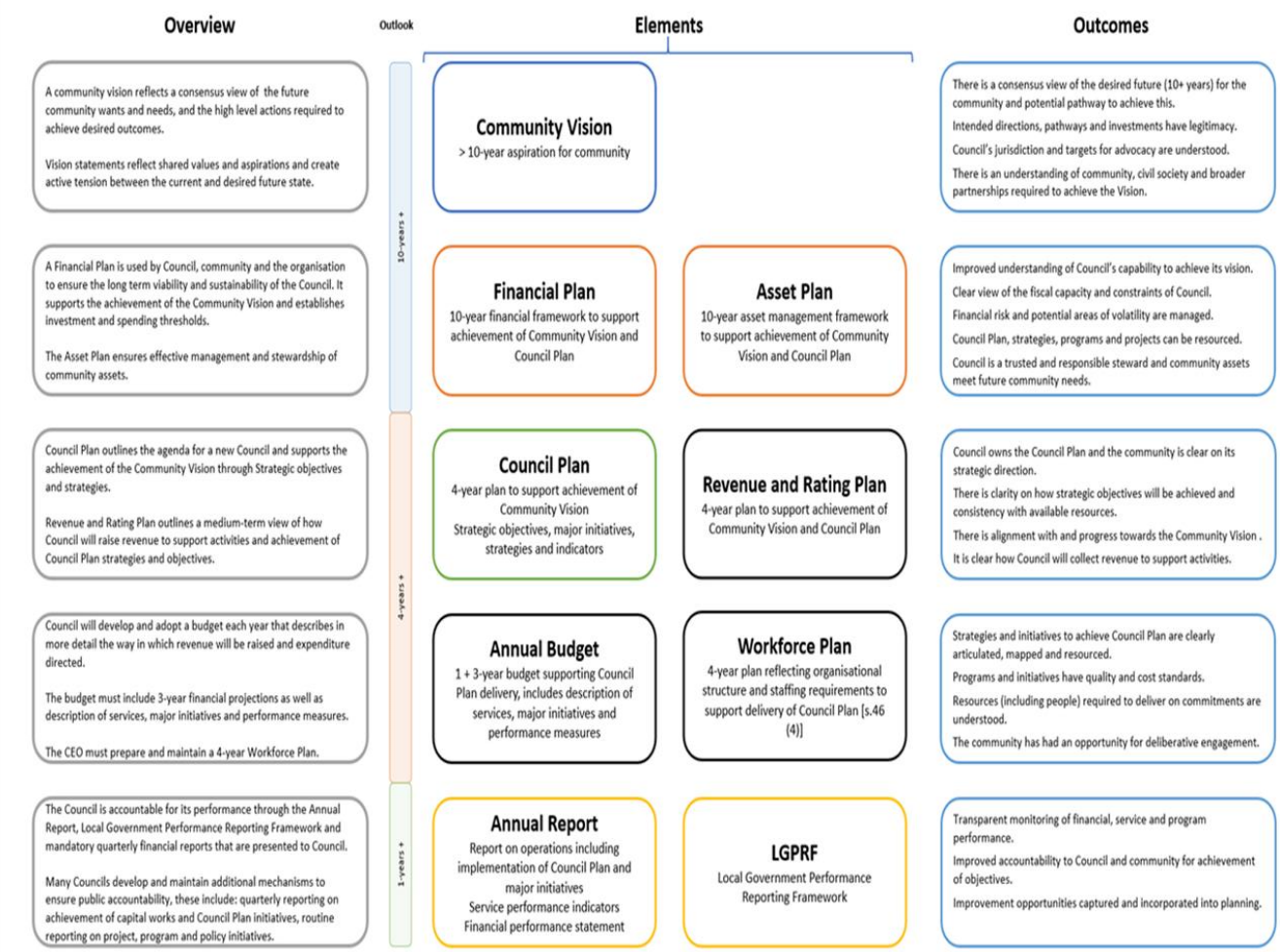
For the purposes of the financial management principles, financial risk includes any risk relating to the following:

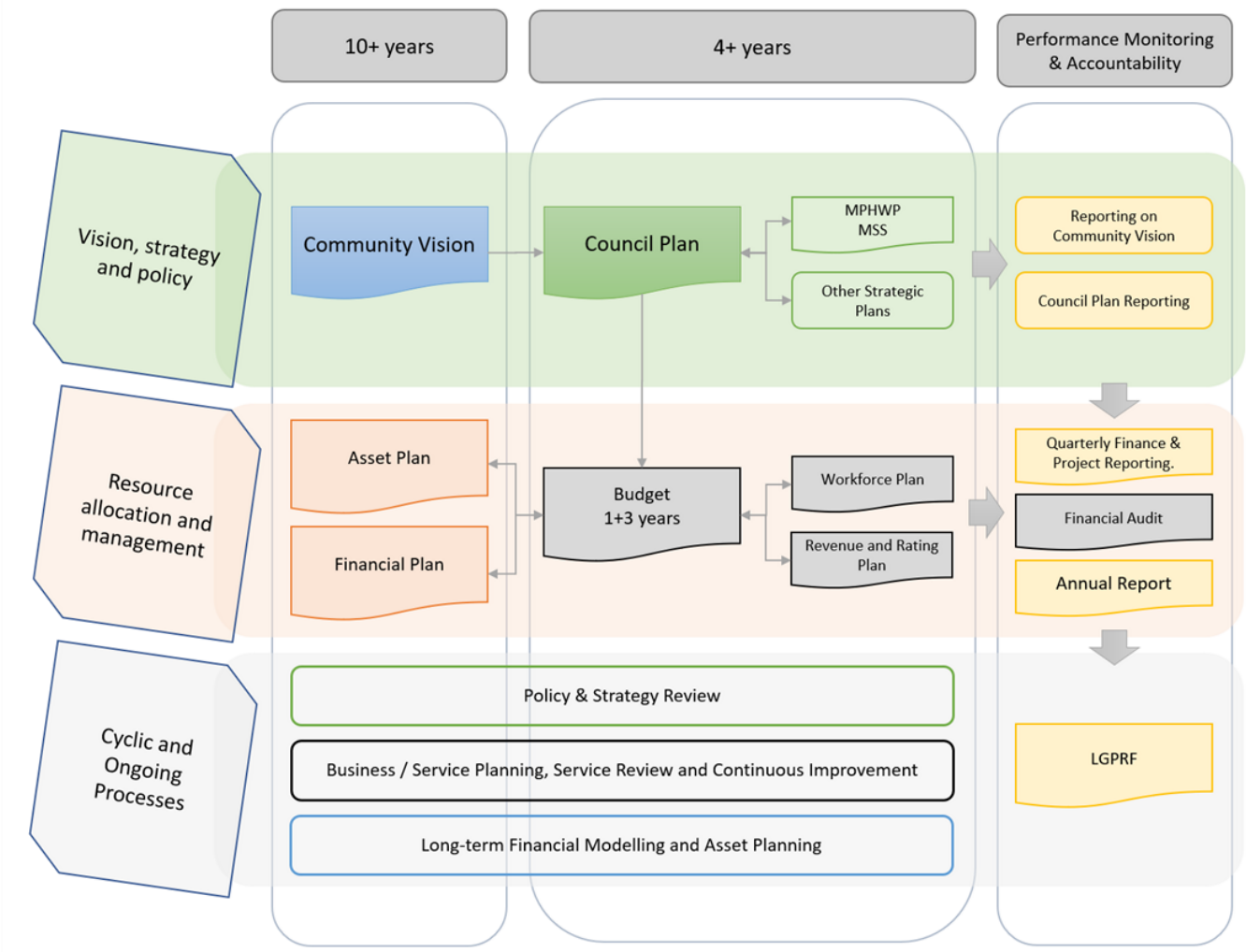
- the financial viability of the Council;
- the management of current and future liabilities of the Council;
- the beneficial enterprises of the Council.

1.4 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 Borough of Queenscliffe in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Budget) and the mechanisms for reporting and holding itself accountable (Annual Report).

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





1.5 Service Performance Principles

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

- Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service goals within the Council Plan may be funded;
- Services are accessible to the relevant users within the community;
- 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;
- Council has a performance monitoring framework to continuously improve its service delivery standards;
- Council does not have a comprehensive Service Level Plan and resources have been allocated in the financial plan for assumed service standards (based on past service levels, community satisfaction survey results, various strategies and plans etc.)

1.6 Asset Plan Integration

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

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

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

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

Council has developed an Asset Plan in line with the requirements of the *Local Government Act 2020*.

Asset renewal demand projections included in this Financial Plan generally reflect the expenditure identified in the following asset management documents:

- Roads expenditure follows the recommendations in the 2023 Road Condition and Renewal Modelling Report and the Draft Roads Footpath and Kerb Asset Management Plan 2025;
- Buildings expenditure reflect the 2025 Building Condition Assessment Modelling Report and the Buildings Asset Management Plan 2025;
- Storm water drainage reflects the Draft Urban Stormwater Drainage Asset Management Plan 2025;
- Open space reflects the Open Space Asset Management Plan 2019 in combination with annual playground safety standard audit inspections.

The Council has a rolling schedule to review and update its Asset Management Plans and as part of this process, the Council will seek feedback from the community in terms of the service expectations

1.7 Engagement Principles

Council has developed and will engage with the community on the Financial Plan in accordance with the requirements of the *Local Government Act 2020*. Councillors and officers have worked together over many months in developing the Financial Plan to ensure it meets the needs and aspirations of our community.

- Councillors and officers considered development of proposed Financial Plan across briefings through August and September 2025
- Proposed draft Financial Plan submitted to Council for consideration 15 September 2025;
- Draft Financial Plan available for public inspection and comment 16 September 2025;
- Public submission process undertaken September/ October 2025;
- Submissions period closed 14 October 2025;
- Submissions considered by Council 16 October 2025; and
- Final Financial Plan presented to Council for adoption 29 October 2025.

2. Financial Plan Context

2.1 Financial Policy Statement (Financial Sustainability Indicators)

The Council Plan has specified the following measures to demonstrate Council's ability to fund the aspirations of the Community Vision and the Council Plan in a financially sustainable manner.

Policy Statement	Measure	BoQ Target	Comment
Consistent operating results	**Our adjusted underlying result:** The difference between recurrent income and recurrent expenses	Greater than $0	Adjusted for the timing of recurring operating grants, one-off operating projects (including operating grants if applicable), assets write-offs and any other non-recurrent transactions
Ensure Council maintains sufficient working capital to meet its obligations as they fall due	**Current assets vs current liabilities:** The value of our current assets divided by our current liabilities	Greater than 1	Excludes non-current assets classified as held for sale
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required	**Current liabilities against the level of unrestricted cash reserve:** Our current liabilities as a percentage of our unrestricted cash reserves	Less than 100%	Cash and cash equivalents include all items at call and short-term deposits with remaining maturity of less than six months
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality	**Total borrowings against rate revenue:** Our total borrowings as a percentage of our rate revenue	Less than 15%	Target is in line with Council Policy CP040: Borrowings
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life	**Asset renewal and upgrade expenses against depreciation:** The financial investment in asset renewal and upgrade work divided by the cost of depreciation (based on a three-year rolling average)	Greater than 100%	Three years rolling average takes into the consideration BoQ'S dependency on external funding for major capital projects
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for renewal capital	**Council's contribution to asset renewal and upgrade:** Council's contribution to asset renewal and upgrade expenses as a percentage of own-source revenue	Greater than 10%	Based on the net contribution from Council for asset renewal and upgrade work

2.2 Strategic Actions

Council has identified the following financial strategic actions that will support the aspirations of the Council Plan.

The Financial Plan has been developed based on these strategic actions:

- **Prioritise capital expenditure on renewal projects** to reduce escalating risks and maintenance costs associated with ageing infrastructure, ensuring assets are well maintained and continue to support community life;

- **Avoid or minimise capital projects that create new assets**, as these increase future renewal requirements (e.g. the management of Point Lonsdale Lighthouse Reserve being handed back to the State);

- **Apply proceeds from asset sales, particularly land assets, only to projects that generate additional revenue streams**, in line with Council Policy CP044 Sale, Exchange or Transfer of Council Land;

- **Use debt funding only for projects that generate additional revenue streams** sufficient to cover debt repayment commitments;

- **Allocate additional funding to actions that mitigate or adapt to climate change impacts**, such as the use of climate-resilient surfaces, materials and treatments, cycling projects delivered across the municipality;

- **Maintain current service levels** until a full review of service delivery programs has been completed by Council;

- **Preserve and enhance the income-generating capacity of Council's tourist parks**, recognising that these provide the primary income source where Council has direct influence; and

- **Emphasise innovation, productivity and efficiency** to reduce costs and minimise waste and duplication.

2.3 Assumptions to the Financial Plan Statements

The Financial Plan is updated annually as a part of the annual budget process following a review of internal financial results and changes in the external environment. The financial information used for 2025–26 (the base year) is based on the 2025–26 financial budget.

The following table provides a detailed explanation of planning assumptions. The Financial Plan outcomes are disclosed in the Financial Statements section.

Key Elements	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
Consumer Price Index (CPI)	3.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	Sources: Australian Bureau of Statistics; Department of Treasury and Finance (Victoria).									
Rates cap – ESC recommended methodology	3.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	For the purposes projecting future years' rates cap, Council has linked rates cap to the CPI forecast. However, there remains some uncertainty regarding the level of the rates cap in future years.									
Growth in the rate base	0.20	0.05	0.05	0.05	0.05	0.01	0.01	0.01	0.01	0.01
	No material growth in population is expected for the next 10 years. Predominantly, BoQ has a stagnated rate base. Potential property developments based on development applications have been factored in.									
User fees and charges – Tourist parks income	3.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	Council adopts a market-based pricing strategy in conjunction with CPI projections.									
User fees and charges – Others	Other user fees and charges are linked to the CPI.									
Interest income	3.13	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	Based on average interest rate for term deposits									
Employee costs	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Based on the Council's Enterprise Bargaining Agreement and superannuation guarantee increases.									
Insurance	4.80	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Insurance premium is predominantly influenced by the performance of the overall insurance industry. Financial Plan is based on historical increases.									
Operating costs	3.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
	Expenses linked to grow in line with CPI.									

Key Elements	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
Key contract costs	Expenses linked to grow in line with CPI plus cost escalation for future contract renewal.									
Efficiency Gains	The efficiency gains target is set at an average of 2.5% of recurring operational expenses (excluding depreciation) from 2025–26 to 2028–29 (this equates to average annual efficiency gains of $272,000). From 2029–30 onwards, it is assumed that the efficiency gains achieved during the initial four years will be sustained.									
Waste management expenses	Majority of expenses linked to grow 0.5% above CPI each year based on historical cost escalation.									
Waste management charges	Continue with the full cost recovery strategy.									
Government Grants	Ongoing grants are steady with CPI indexation. Capital grants are estimated based on funding requirements of major capital renewal/upgrade projects.									
Borrowing	Zero borrowings.									
Capital projects	Renewal works have been prioritised, with the final scope and timing of capital projects to be confirmed following community consultation, where appropriate.									
Asset sales/proceeds	No new property sales are planned, other than the annual replacement of motor vehicles. Proceeds from the sale of Murray Road land remain in a separate reserve account, with funds invested in term deposits.									

Note to waste management cost/charges assumptions:
The following assumptions have been used in determining waste management costs:

- The kerbside transition plan was implemented with Food Organics & Garden Organics (FOGO) collection operational on 1 August in 2022–23. The glass collection service will be introduced during 2026-27 and have its first full year of operation in 2027–28;
- Diversion of 70% of the organics in the waste bin to the FOGO service will be achieved by 2026–27;
- State Government Landfill Levy will increase by only CPI from 2026–27 onward;
- Diversion of 80% of glass from the commingled recycling bin to the new glass service is achieved from 2027–28 onward;
- Kerbside material disposal and processing costs are based on historic volumes and 2024 waste audits;
- The contamination rates within the organics and recycling waste streams remain consistent with long term averages.
- Impacts of a Container Deposit Scheme (CDS) have not yet been incorporated into this Plan due to limited data availability following the November 2023 commencement; and
- Council has not proposed any changes to how waste management charges are calculated in the financial plan. Any required changes under the Minister's Good Practice Guidelines will be included in plans to help maintain Council's financial sustainability.

2.4 Financial Risk

There are many financial risks that Council must mitigate to remain financially sustainable. One of the most significant financial risks is the impact of rate capping. Our sound financial position, zero debt and a healthy reserve balance, will enable Council to respond to these financial risks over the rolling 10-year period. The following table highlights the financial risks and their impact to Council.

Risk	Level of Risk	Mitigation
Financial Sustainability of the Borough and Council: Income losses, unemployment and business closures in the Borough due to the drop in visitors (BoQ has a tourism focused economy). Limited/constrained revenue sources (lower rate cap (rate cap lesser than the CPI), stagnated rate base Ineffective expenditure management (growth of ongoing expenditure outweigh growth of ongoing income) Financial risk associated with managing heritage assets due to high maintenance costs, limited funding sources, and the need for specialised restoration work. At the same time dependency on maritime history, and cultural institutions, in municipality's tourism appeal. Severe weather events pose significant financial risks to Council's asset management, including potential damage requiring costly repairs, increased insurance premiums, and disruptions to tourism revenue.	**High**	- Continuous advocacy and engagement with operators and state government and targeted actions and programs to promote tourism in the Borough (allocate resources via the annual financial budget) - Maintain an updated financial plan to provide direction to Council and continuous monitoring against the financial budget (quarterly report to Council) - Emphasise innovation, productivity and efficiency to reduce costs and minimise waste and duplication. - The Council will continue to pursue full cost recovery for all waste management expenses. Required adjustments to adhere to the Minister's Good Practice Guidelines regarding service rates and charges will be incorporated into future plans, ensuring the Council's financial sustainability. - Continue to lobby and work with state government to ensure Council's ability to continue to manage heritage assets. - Given the size of Council's budget, it is unlikely that these risks can be managed independently. Council will continue to collaborate with other government agencies to identify and implement mitigating, proactive, and reactive measures in response to climate-related events.
Government Political and Policy Changes: Commonwealth and state governments transfer program or service responsibilities to local government with insufficient funding, or provide grants that don't keep pace with the actual delivery costs incurred by councils Council's sensitivity to income from caravan parks	**Medium**	- Continue to lobby and work with state government to ensure Council's ability to continue to manage coastal Crown land except for those parcels listed on the Victorian Heritage Register where there are assets that Council cannot afford to maintain (e.g. PLLHR)

Risk	Level of Risk	Mitigation
Council loses ability to manage and control coastal Crown land (state government takes over control of coastal crown land)		- Continuous lobbying and actively working with other government agencies to achieve financial sustainability of relevant activities/projects
Failure to close asset management gap: Deteriorating service capacity of Council's asset base, due to the asset management gap. Reliance on external funding for major projects.	**Medium**	- Asset management plans for key assets categories (except for open space assets). - Asset renewal programs (linked to conditional assessments) for road and building assets validated by 3rd party subject matter experts. - Prioritise capital expenditure on renewal projects, avoid or minimise capital projects that create new assets - Asset renewal reserve funds to meet future asset renewal funding requirements. - Continue to explore grant funding opportunities for significant asset renewal and upgrade work.
Future unfunded defined benefits superannuation call occurring	**Low**	- Monitors the Vested Benefits index on a quarterly basis to avoid material shortfall calls. Maintain a separate reserve to manage any potential impact

3. Financial snapshot

The Financial Plan sets the direction for Council's long-term financial sustainability. Financial sustainability means managing resources responsibly and efficiently so that Council can continue to deliver on the Community Vision and Council Plan.

As outlined in section 2.3, the projections assume efficiency gains averaging 2.5% of recurring operational expenses (excluding depreciation) from 2025–26 to 2028–29, with these gains sustained in later years. The strategies to achieve these efficiencies will be built into future forecasts and budgets. The purpose of the Financial Plan is to outline Council's financial direction, rather than the detail of how each strategy will be implemented.

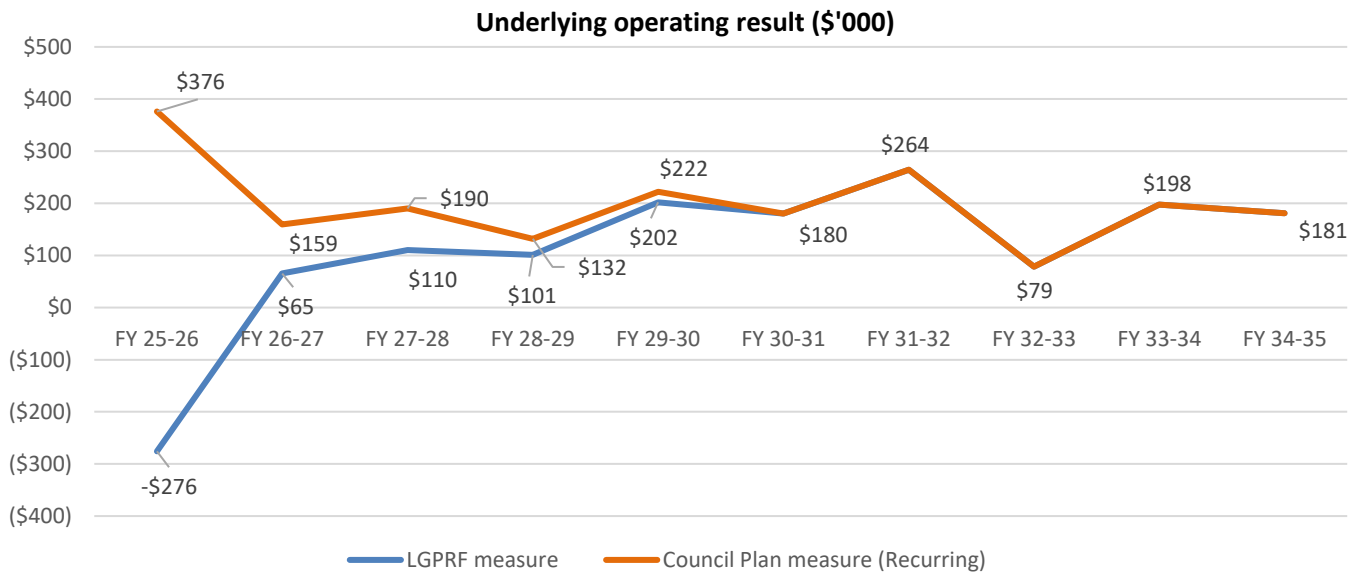
Cash surplus/deficit
This measure reflects cash inflows from all revenue sources and cash outflows for both capital and operating expenditure. The Financial Plan presents a balanced budget over the 10-year horizon, with excess funds transferred to the asset replacement reserve. The combined balance of the general reserve and the asset replacement reserve is projected to grow from $3.75 million as at 1 July 2025 to $6.01 million by 30 June 2035.

Adjusted underlying result
An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives, the underlying result is calculated by deducting non-recurrent capital funding (grants and contributions) from the operating surplus/(deficit) for the year.

The **Local Government Performance Reporting Framework (LGPRF) based measure is projecting an average annual underlying surplus of $110,000 over the 10-year planning horizon** despite Council earmarking a couple of non-recurring operating projects for future years.
To provide a clearer view of ongoing financial performance, however, we look at the recurring underlying result based on the Council Plan measure. It is important to exclude non-recurring operating items and adjust for the timing of recurring operating grants where appropriate, as applying this methodology ensures a consistent basis for assessing results across financial years and allows for a more reliable understanding of the Borough's financial position.

Council is projecting **an average annual underlying surplus excluding the impact of non-recurring transactions (based on the Council Plan measure) of $198,000 over the 10-year planning horizon**.

The below chart outlines Councils underlying result over the 10-year planning horizon for both the LGPRF measure and the Council Plan measure. This chart also highlights the significant impact that the timing of the Financial Assistance Grant (FAG) has on the underlying result for the 2025-26 financial year.



Note: See Section 7.1 for the detailed calculation of projected underlying results.

To support a sustainable operating result, Council has committed to achieving financial efficiency gains averaging 2.5% of recurring operational expenses (excluding depreciation) from 2025–26 to 2028–29. This equates to average annual efficiency gain of $272,000). From 2029–30 onwards, it is assumed that the average efficiency gains achieved during the initial four years will be sustained. At this stage, however, Council is not in a position to confirm whether this strategy will affect current service levels.

The financial plan does not yet reflect Council's strategy for aligning with the Minister's Good Practice Guidelines on service rates and charges. However, Council remains committed to achieving full cost recovery for all waste management expenditures. Adjustments necessary to comply with the Minister's Guidelines will be integrated into the next iteration of the financial plan.

In the 2025 – 2029 Council Plan, Council has acknowledged that it will prioritise capital expenditure on renewal projects to reduce escalating risks and maintenance costs associated with ageing infrastructure, ensuring assets are well maintained and continue to support community life. At the same time, Council will

avoid or minimise capital projects that create new assets which would result in significant ongoing cost commitments without generating additional income.

The long-term outlook for Council will depend on careful and prudent planning, in particular when considering the need and ongoing management of new assets. The impacts of rate capping, limited opportunities for rate income growth, community expectations about service levels and the ongoing management of existing assets will continue to provide financial challenges for the Borough in the coming years.

Working capital
This is a measure of current assets to current liabilities (our ability to pay existing liabilities that fall within the next 12 months). The Financial Plan expects this measure to stay well above 1 (100 percent) over the 10-year horizon.

Borrowings
No borrowings are planned over the 10-year horizon.

Asset renewal and upgrade expenses (Capital projects)

Asset renewal and upgrade expenses against depreciation, a ratio of 100 per cent or higher shows that spending on existing assets is moving at a faster rate than asset deterioration. The Financial Plan forecasts significant investment in existing assets over the next 10 years, subject to external grant funding.

Key asset renewal and upgrade projects considered over the 10-year horizon are listed below. However, only high-level cost estimates have been used in the Plan (provided in appendix 7.4), and the scope and timing of these projects are subject to community consultations, detailed feasibility assessments and availability of funding opportunities.

Coastal and Open Space Management:

- Rip View Beach Access Renewal Works
- Dog Beach Stairs Renewal
- Safety improvement work by DEECA at narrows beach
- Point Lonsdale Maritime & Defence Precinct

Integrated Water Management Plan:

- Stormwater Initiative Implementation

Recreation:

- Bike Park

Tourist Parks Rejuvenation:

- Recreation Reserve Cabin Replacements
- Recreation Reserve Office Upgrade
- Golightly Amenity Renewal
- Golightly Park BBQ Shelter Installation
- Golightly Services Renewal
- Royal Park Oval and Facility Upgrade

South Hesse Street Remodel:

- Ocean View Kiosk Renewal and Landscaping
- Bull Ring Restoration and Landscaping

Toilet Strategy:

- Toch H Toilet Renewal
- Queenscliffe CBD 24-Hour Toilet
- Weeroona Parade Toilet Renewal
- Skate Park Toilet Upgrade
- Princess Park Toilet Facilities Renewal
- Southern Royal Park Facilities Renewal

Active Transport Strategy:

- Nelson Road Upgrade
- Paths and Walking Tracks (multi-year project)
- Installation of Bike Racks throughout the Borough (multi-year project)
- Murray Road Shared Path

Climate Emergency Response Plan:

- Solar Upgrades to Council-Owned Buildings (multi-year project)
- Solar System at Golightly Park Amenities Block

Council Buildings:

- Town Hall Upgrade – AV Equipment
- QMM Office Heating & Cooling System
- Town Hall Restoration and Renewal Works
- Council Office Renewal Works

Financial Sustainability Indicators

This Financial Plan assesses financial performance using key indicators outlined in the Council Plan and the Local Government Performance Reporting Framework (LGPRF). Section 4 below provides details of the indicators used to assess the Borough's financial outcomes over the planning period.

4. Financial statements

4.1 Comprehensive Income Statement

Comprehensive Income Statement	2025–26 Forecast $'000	2026–27 Plan $'000	2027–28 Plan $'000	2028–29 Plan $'000	2029–30 Plan $'000	2030–31 Plan $'000	2031–32 Plan $'000	2032–33 Plan $'000	2033–34 Plan $'000	2033–34 Plan $'000
Income / Revenue										
Rates and charges	**9,206**	9,681	9,787	10,046	10,312	10,585	10,862	11,146	11,438	11,737
Statutory fees and fines	**147**	151	155	159	163	167	171	175	180	184
User fees	**2,214**	2,269	2,326	2,384	2,443	2,504	2,567	2,631	2,697	2,764
Grants – operating	**1,106**	1,353	1,387	1,422	1,457	1,494	1,531	1,569	1,609	1,649
Grants – capital	**840**	1,157	1,950	2,015	300	300	300	300	375	300
Other income	**716**	512	504	511	518	526	533	541	549	557
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	**43**	0	0	0	0	0	0	0	0	0
Total income / revenue	**14,270**	**15,124**	**16,109**	**16,536**	**15,194**	**15,576**	**15,964**	**16,363**	**16,847**	**17,191**
Expenses										
Employee costs	**5,479**	5,560	5,636	5,749	5,864	6,005	6,075	6,197	6,322	6,496
Materials and services	**6,254**	6,395	6,419	6,522	6,722	6,928	7,105	7,382	7,611	7,811
Depreciation	**1,522**	1,558	1,597	1,637	1,678	1,720	1,763	1,807	1,852	1,898
Allowance for impairment losses	**3**	1	1	1	1	1	1	1	1	1
Other expenses*	**448**	387	396	511	426	441	456	597	488	504
Total expenses	**13,706**	**13,901**	**14,049**	**14,420**	**14,692**	**15,095**	**15,400**	**15,984**	**16,274**	**16,710**
Surplus / (deficit) for the year	**564**	**1,223**	**2,060**	**2,116**	**502**	**480**	**564**	**379**	**573**	**481**
Other comprehensive income										
Net asset revaluation increment / (decrement)	**0**	0	0	0	0	0	0	0	0	0
Total comprehensive result	**564**	**1,223**	**2,060**	**2,116**	**502**	**480**	**564**	**379**	**573**	**481**

*Note – Targeted efficiency gains have been included within Other Expenses for reporting purposes.

4.2 Balance Sheet

Balance Sheet	2025–26 Forecast $'000	2026–27 Plan $'000	2027–28 Plan $'000	2028–29 Plan $'000	2029–30 Plan $'000	2030–31 Plan $'000	2031–32 Plan $'000	2032–33 Plan $'000	2033–34 Plan $'000	2033–34 Plan $'000
Assets										
Current assets										
Cash and cash equivalents	4,696	8,755	8,476	8,125	8,518	8,866	9,421	9,680	10,252	10,552
Other financial assets	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Trade and other receivables	260	260	260	260	260	260	260	260	260	260
Inventories	2	2	2	2	2	2	2	2	2	2
Prepayments	156	160	160	163	168	173	178	185	190	195
Other assets	125	50	50	50	50	50	50	50	50	50
Total current assets	**7,240**	**10,227**	**9,948**	**9,600**	**9,998**	**10,351**	**10,911**	**11,177**	**11,754**	**12,059**
Non-current assets										
Investments in associates	189	189	189	189	189	189	189	189	189	189
Other financial assets	4,000	0	0	0	0	0	0	0	0	0
Property, infrastructure, plant and equipment	169,748	172,061	174,434	176,944	176,967	177,147	177,190	177,360	177,396	177,629
Total non-current assets	**173,937**	**172,251**	**174,623**	**177,133**	**177,156**	**177,336**	**177,379**	**177,549**	**177,585**	**177,818**
Total assets	**181,177**	**182,478**	**184,571**	**186,732**	**187,154**	**187,687**	**188,290**	**188,726**	**189,339**	**189,878**
Liabilities										
Current liabilities										
Trade and other payables	532	583	588	604	494	516	523	549	557	580
Trust funds and deposits	43	43	43	43	43	43	43	43	43	43
Provisions	994	1,019	1,044	1,070	1,097	1,124	1,153	1,181	1,211	1,241
Unearned income	0	0	0	0	0	0	0	0	0	0
Total current liabilities	**1,569**	**1,644**	**1,675**	**1,717**	**1,634**	**1,683**	**1,719**	**1,773**	**1,811**	**1,864**
Non-current liabilities										
Provisions	113	116	119	122	124	128	131	134	138	141
Total non-current liabilities	**113**	**116**	**119**	**122**	**124**	**128**	**131**	**134**	**138**	**141**
Total liabilities	**1,682**	**1,760**	**1,794**	**1,839**	**1,758**	**1,811**	**1,850**	**1,907**	**1,948**	**2,006**
Net assets	**179,495**	**180,718**	**182,778**	**184,894**	**185,396**	**185,876**	**186,440**	**186,819**	**187,391**	**187,872**
Equity										
Accumulated surplus	99,305	101,620	103,993	106,504	106,529	106,709	106,753	106,924	106,961	107,196
Revaluation Reserve	70,656	70,656	70,656	70,656	70,656	70,656	70,656	70,656	70,656	70,656
Other reserves	9,534	8,442	8,129	7,734	8,211	8,511	9,031	9,239	9,774	10,021
Total equity	**179,495**	**180,718**	**182,778**	**184,894**	**185,396**	**185,876**	**186,440**	**186,819**	**187,391**	**187,872**

4.3 Statement of Changes in Equity

Statement of Changes in Equity	2025–26 Forecast $'000	2026–27 Plan $'000	2027–28 Plan $'000	2028–29 Plan $'000	2029–30 Plan $'000	2030–31 Plan $'000	2031–32 Plan $'000	2032–33 Plan $'000	2033–34 Plan $'000	2033–34 Plan $'000
Accumulated Surplus										
Opening Balance 1st July	**98,877**	**99,305**	**101,620**	**103,993**	**106,504**	**106,529**	**106,709**	**106,753**	**106,924**	**106,961**
Surplus / (deficit) for the year	564	1,223	2,060	2,116	502	480	564	379	573	481
Transfer to other reserves	(1,327)	(6)	(5)	0	(577)	(305)	(520)	(208)	(536)	(246)
Transfer from other reserves	1,192	1,098	318	395	100	5	0	0	0	0
Closing Balance 30th June – Accumulated Surplus	**99,305**	**101,620**	**103,993**	**106,504**	**106,529**	**106,709**	**106,753**	**106,924**	**106,961**	**107,196**
Revaluation Reserve										
Opening Balance 1st July	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**
Closing Balance 30th June – Revaluation Reserve	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**	**70,656**
Other Reserves										
Opening Balance 1st July	**9,399**	**9,534**	**8,442**	**8,129**	**7,734**	**8,211**	**8,511**	**9,031**	**9,239**	**9,774**
Transfer to other reserves	1,327	6	5	0	577	305	520	208	536	246
Transfer from other reserves	(1,192)	(1,098)	(318)	(395)	(100)	(5)	0	0	0	0
Closing Balance 30th June – Other Reserves	**9,534**	**8,442**	**8,129**	**7,734**	**8,211**	**8,511**	**9,031**	**9,239**	**9,774**	**10,021**
Total Equity										
Opening Balance 1st July	**178,931**	**179,495**	**180,718**	**182,778**	**184,894**	**185,396**	**185,876**	**186,440**	**186,819**	**187,392**
Surplus / (deficit) for the year	564	1,223	2,060	2,116	502	480	564	379	573	481
Closing Balance 30th June – Total Equity	**179,495**	**180,718**	**182,778**	**184,894**	**185,396**	**185,876**	**186,440**	**186,819**	**187,392**	**187,872**

4.4 Statement of Cash Flows

Statement of Cash Flows	2025–26 Forecast $'000	2026–27 Plan $'000	2027–28 Plan $'000	2028–29 Plan $'000	2029–30 Plan $'000	2030–31 Plan $'000	2031–32 Plan $'000	2032–33 Plan $'000	2033–34 Plan $'000	2033–34 Plan $'000
Cash flows from operating activities										
Receipts										
Rates and charges	9,146	9,680	9,787	10,045	10,311	10,584	10,861	11,145	11,436	11,735
Statutory fees and fines	145	151	155	159	163	167	171	175	180	184
User fees	2,068	2,269	2,326	2,384	2,443	2,504	2,567	2,631	2,697	2,764
Grants – Operating	931	1,353	1,387	1,422	1,457	1,494	1,531	1,569	1,609	1,649
Grants – Capital	200	1,157	1,950	2,015	300	300	300	300	375	300
Interest received	488	315	225	225	225	225	225	225	225	225
Other receipts	108	272	279	286	293	301	308	316	324	332
Total receipts	**13,086**	**15,198**	**16,108**	**16,536**	**15,193**	**15,574**	**15,963**	**16,361**	**16,845**	**17,189**
Payments										
Employee costs	(5,543)	(5,532)	(5,607)	(5,719)	(5,834)	(5,973)	(6,042)	(6,164)	(6,287)	(6,461)
Materials and services	(6,262)	(6,433)	(6,421)	(6,527)	(6,595)	(6,930)	(7,095)	(7,378)	(7,599)	(7,815)
Short-term, low value and variable lease payments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other payments	(447)	(386)	(395)	(510)	(426)	(441)	(456)	(596)	(487)	(504)
Total payments	**(12,252)**	**(12,352)**	**(12,424)**	**(12,757)**	**(12,855)**	**(13,345)**	**(13,594)**	**(14,139)**	**(14,375)**	**(14,780)**
Net cash provided by operating activities	**834**	**2,846**	**3,684**	**3,779**	**2,338**	**2,230**	**2,369**	**2,222**	**2,470**	**2,409**
Cash flows from investing activities										
Payments for property, infrastructure, plant and equipment	(2,742)	(3,814)	(3,963)	(4,130)	(1,967)	(1,893)	(1,857)	(1,985)	(1,912)	(2,109)
Proceeds from sale of property, infrastructure, plant and equipment	43	27	0	0	22	11	44	22	13	0
Proceeds from sale of investments	5,611	5,000	0	0	0	0	0	0	0	0
Net cash provided by / (used in) investing activities	**2,911**	**1,213**	**(3,963)**	**(4,130)**	**(1,945)**	**(1,882)**	**(1,813)**	**(1,963)**	**(1,899)**	**(2,109)**
Cash flows from financing activities										
Net cash provided by / (used in) financing activities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net increase / (decrease) in cash and cash equivalents	**3,745**	**4,059**	**(279)**	**(351)**	**393**	**348**	**556**	**259**	**572**	**300**
Cash and cash equivalents at the beginning of the financial year	951	4,696	8,755	8,476	8,125	8,517	8,865	9,421	9,680	10,252
Cash and cash equivalents at the end of the financial year	**4,696**	**8,755**	**8,476**	**8,125**	**8,517**	**8,865**	**9,421**	**9,680**	**10,252**	**10,552**

4.5 Statement of Capital Works

Statement of Capital Works	2025–26 Forecast $'000	2026–27 Plan $'000	2027–28 Plan $'000	2028–29 Plan $'000	2029–30 Plan $'000	2030–31 Plan $'000	2031–32 Plan $'000	2032–33 Plan $'000	2033–34 Plan $'000	2033–34 Plan $'000
Property										
Buildings	1,840	1,500	900	790	697	683	802	742	843	813
Building improvements	58	0	0	0	0	0	0	0	0	0
Total buildings	**1,898**	**1,500**	**900**	**790**	**697**	**683**	**802**	**742**	**843**	**813**
Total property	**1,898**	**1,500**	**900**	**790**	**697**	**683**	**802**	**742**	**843**	**813**
Plant and equipment										
Plant, machinery and equipment	145	10	11	121	71	234	126	83	18	20
Fixtures, fittings and furniture	15	10	11	11	16	14	16	18	18	20
Computers and telecommunications	46	48	49	50	76	65	73	82	84	94
Total plant and equipment	**206**	**68**	**70**	**182**	**164**	**312**	**214**	**182**	**121**	**135**
Infrastructure										
Roads	136	127	131	137	212	177	196	217	219	240
Footpaths and cycleways	26	390	530	1,490	45	198	43	208	49	215
Drainage	100	110	113	116	176	149	169	190	195	218
Recreational, leisure and community facilities	244	384	1,855	1,056	86	73	82	92	95	106
Parks, open space and streetscapes	296	363	116	119	180	153	173	194	200	223
Off street car parks	5	56	6	6	9	8	8	10	10	11
Other infrastructure	0	764	110	110	10	10	10	10	10	10
Other Assets*	136	138	141	144	147	150	153	156	159	162
Total infrastructure	**943**	**2,331**	**3,001**	**3,177**	**864**	**917**	**835**	**1,076**	**938**	**1,185**
Total capital works expenditure	**3,047**	**3,899**	**3,970**	**4,148**	**1,725**	**1,912**	**1,851**	**2,000**	**1,902**	**2,133**
Represented by:										
New asset expenditure	257	1,189	745	1,501	47	87	88	89	50	131
Asset renewal expenditure	2,202	1,780	1,264	1,400	1,456	1,522	1,540	1,608	1,578	1,698
Asset upgrade expenditure	588	931	1,961	1,247	222	302	223	303	274	304
Total capital works expenditure	**3,047**	**3,899**	**3,970**	**4,148**	**1,725**	**1,912**	**1,851**	**2,000**	**1,902**	**2,133**
Funding sources represented by:										
Grants	840	1,157	1,950	2,015	300	300	300	300	375	300
Council reserves	1,068	487	238	135	100	5	0	0	0	0
Council cash	1,140	2,255	1,782	1,998	1,325	1,607	1,551	1,700	1,527	1,833
Total capital works expenditure	**3,047**	**3,899**	**3,970**	**4,148**	**1,725**	**1,912**	**1,851**	**2,000**	**1,902**	**2,133**

* Capitalised employee costs are budgeted under 'Other Assets'.

Refer to appendix 7.4 for capital project wise details.

4.6 Statement of Human Resources

Staff expenditure	2025–26 $'000	2026–27 $'000	2027–28 $'000	2028–29 $'000	2029–30 $'000	2030–31 $'000	2031–32 $'000	2032–33 $'000	2033–34 $'000	2034–35 $'000
Staff expenditure										
Employee costs – operating	**5,479**	5,560	5,636	5,749	5,864	6,005	6,074	6,198	6,322	6,496
Employee costs – capital	**136**	138	141	144	147	150	153	156	159	162
Total staff expenditure	**5,615**	**5,698**	**5,777**	**5,893**	**6,011**	**6,155**	**6,227**	**6,353**	**6,481**	**6,658**

Staff numbers	2025–26 FTE	2026–27 FTE	2027–28 FTE	2028–29 FTE	2029–30 FTE	2030–31 FTE	2031–32 FTE	2032–33 FTE	2033–34 FTE	2034–35 FTE
Staff numbers										
Employees	**43.67**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**
Total staff numbers	**43.67**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**	**43.17**

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

Department	2025-26 Forecast $'000	Comprises Permanent Full Time $'000	Permanent Part time $'000	Casual $'000	Temporary $'000
Health and Wellbeing	**1,063**	379	675	9	
Environment	**324**	118	206		
Local Economy	**829**	454	221	153	
Heritage, Planning and Infrastructure	**1,075**	725	303	47	
Governance and Finance	**2,074**	1,185	794	35	60
Total department wise expenditure	**5,364**	**2,861**	**2,199**	**243**	**60**
Other employee related expenditure	**115**				
Capitalised labour costs	**136**				
Total expenditure	**5,615**				

4.6 Statement of Human Resources – cont.

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

Department	2025–26 Forecast	Comprises			
		Permanent		Casual	Temporary
		Full Time	Part time		
Health and Wellbeing	**10.10**	3.00	7.05	0.05	
Environment	**2.64**	1.00	1.64		
Local Economy	**7.28**	3.70	2.03	1.55	
Heritage, Planning and Infrastructure	**7.46**	5.00	2.14	0.32	
Governance and Finance	**15.19**	7.30	7.09	0.30	0.50
Capitalised labour	**1.00**	1.00			
Total staff	**43.67**	**20.00**	**19.95**	**2.22**	**0.50**

4.7 Planned Human Resource Expenditure

Description	2025–26 $'000	2026–27 $'000	2027–28 $'000	2028–29 $'000	2029–30 $'000	2030–31 $'000	2031–32 $'000	2032–33 $'000	2033–34 $'000	2034–35 $'000
Health and Wellbeing										
Permanent – Full time	**379**	**387**	**395**	**402**	**411**	**419**	**427**	**436**	**444**	**453**
Men	379	387	395	402	411	419	427	436	444	453
Permanent – Part time	**675**	**688**	**702**	**716**	**731**	**745**	**760**	**775**	**791**	**807**
Women	646	659	672	686	699	713	728	742	757	772
Men	29	29	30	30	31	32	32	33	34	34
Total Health and Wellbeing	**1,054**	**1,075**	**1,097**	**1,119**	**1,141**	**1,164**	**1,187**	**1,211**	**1,235**	**1,260**
Environment										
Permanent – Full time	**118**	**120**	**123**	**125**	**128**	**130**	**133**	**136**	**138**	**141**
Women	118	120	123	125	128	130	133	136	138	141
Permanent – Part time	**206**	**210**	**214**	**219**	**223**	**228**	**232**	**237**	**242**	**246**
Women	206	210	214	219	223	228	232	237	242	246
Total Environment	**324**	**331**	**337**	**344**	**351**	**358**	**365**	**372**	**380**	**387**
Local Economy										
Permanent – Full time	**454**	**456**	**466**	**475**	**484**	**494**	**504**	**514**	**524**	**535**
Women	358	358	365	373	380	388	395	403	411	420
Vacant	96	98	100	102	104	106	108	111	113	115
Permanent – Part time	**221**	**225**	**230**	**235**	**239**	**244**	**249**	**254**	**259**	**264**
Women	221	225	230	235	239	244	249	254	259	264
Total Local Economy	**676**	**682**	**696**	**709**	**724**	**738**	**753**	**768**	**783**	**799**
Heritage, Planning and Infrastructure										
Permanent – Full time	**725**	**729**	**743**	**758**	**773**	**789**	**805**	**821**	**837**	**854**
Women	68	69	71	72	74	75	77	78	80	81
Men	657	660	673	686	700	714	728	743	758	773
Permanent – Part time	**303**	**309**	**316**	**322**	**328**	**335**	**342**	**348**	**355**	**362**
Women	192	196	199	203	207	212	216	220	225	229
Men	112	114	116	118	121	123	126	128	131	133

Description	2025–26 $'000	2026–27 $'000	2027–28 $'000	2028–29 $'000	2029–30 $'000	2030–31 $'000	2031–32 $'000	2032–33 $'000	2033–34 $'000	2034–35 $'000
Total Heritage, Planning and Infrastructure	**1,028**	**1,038**	**1,059**	**1,080**	**1,102**	**1,124**	**1,146**	**1,169**	**1,193**	**1,216**
Governance and Finance										
Permanent – Full time	**1,185**	**1,223**	**1,246**	**1,272**	**1,297**	**1,304**	**1,321**	**1,348**	**1,375**	**1,403**
Women	558	566	578	589	601	613	625	638	650	663
Men	627	656	669	683	696	691	696	711	725	739
Permanent – Part time	**794**	**810**	**826**	**842**	**859**	**876**	**894**	**912**	**930**	**949**
Women	706	720	735	749	764	780	795	811	827	844
Men	88	89	91	93	95	97	99	101	103	105
Total Governance and Finance	**1,979**	**2,032**	**2,072**	**2,114**	**2,156**	**2,181**	**2,215**	**2,260**	**2,305**	**2,352**
Casuals, temporary and other expenditure	**303**	249	254	259	264	269	274	280	286	291
Capitalised labour costs	**136**	138	141	144	147	150	153	156	159	162
Other employee related expenditure	**115**	153	121	124	127	171	134	137	140	191
Total staff expenditure	**5,615**	**5,698**	**5,777**	**5,893**	**6,011**	**6,155**	**6,227**	**6,353**	**6,481**	**6,658**

** Council currently does not have any staff member who identify as a person of self-described gender.*

4.7 Planned Human Resource Expenditure – cont.

Description	2025–26 FTE	2026–27 FTE	2027–28 FTE	2028–29 FTE	2029–30 FTE	2030–31 FTE	2031–32 FTE	2032–33 FTE	2033–34 FTE	2034–35 FTE
Health and Wellbeing										
Permanent – Full time	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**	**3.0**
Men	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Permanent – Part time	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**	**7.0**
Women	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
Men	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total Health and Wellbeing	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**
Environment										
Permanent – Full time	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Women	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Permanent – Part time	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**
Women	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Total Environment	**2.6**	**2.6**	**2.6**	**2.6**	**2.6**	**2.6**	**2.6**	**2.6**	**2.6**	**2.6**
Local Economy										
Permanent – Full time	**3.7**	**3.7**	**3.7**	**3.7**	**3.7**	**3.7**	**3.7**	**3.7**	**3.7**	**3.7**
Women	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Vacant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Permanent – Part time	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**
Women	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total Local Economy	**5.7**	**5.7**	**5.7**	**5.7**	**5.7**	**5.7**	**5.7**	**5.7**	**5.7**	**5.7**
Heritage, Planning and Infrastructure										
Permanent – Full time	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**	**5.0**
Women	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Men	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Permanent – Part time	**2.1**	**2.1**	**2.1**	**2.1**	**2.1**	**2.1**	**2.1**	**2.1**	**2.1**	**2.1**
Women	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Men	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6

Description	2025–26 FTE	2026–27 FTE	2027–28 FTE	2028–29 FTE	2029–30 FTE	2030–31 FTE	2031–32 FTE	2032–33 FTE	2033–34 FTE	2034–35 FTE
Total Heritage, Planning and Infrastructure	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**
Governance and Finance										
Permanent – Full time	**7.3**	**7.3**	**7.3**	**7.3**	**7.3**	**7.3**	**7.3**	**7.3**	**7.3**	**7.3**
Women	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Men	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Permanent – Part time	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**	**7.1**
Women	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Men	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total Governance and Finance	**14.4**	**14.4**	**14.4**	**14.4**	**14.4**	**14.4**	**14.4**	**14.4**	**14.4**	**14.4**
Casuals, temporary and other expenditure	**2.7**	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Capitalised labour costs	**1.0**	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total staff expenditure	**43.7**	**43.2**	**43.2**	**43.2**	**43.2**	**43.2**	**43.2**	**43.2**	**43.2**	**43.2**

** Council currently does not have any staff member who identify as a person of self-described gender.*

5. Financial Performance Indicators

5.1 Financial Sustainability Indicators – Council Plan

Council's projected financial performance against the financial sustainability indicators identified in the Council Plan is summarised below. Overall, based on the 10-year average, Council's financial plan 2024–25 to 2033–34 satisfies all financial sustainability indicators except for the adjusted underlying result.

Indicator	Target	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35	Average 10-year horizon
Sustainable operating result												
Our adjusted underlying result	> $0	$376	$159	$190	$132	$222	$180	$264	$79	$198	$181	**$198**
Working capital												
Current assets vs current liabilities	> 1.0	4.61	6.22	5.94	5.59	6.12	6.15	6.35	6.30	6.49	6.47	**6.02**
Current liabilities against the level of unrestricted cash reserve	<100%	59.9%	59.3%	59.7%	60.3%	59.1%	59.8%	60.4%	61.1%	61.7%	62.4%	**60.4%**
Borrowings												
Total borrowings against rate revenue	< 15%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**
Commitment for asset renewals												
Asset renewal and upgrade expenses against depreciation	> 100%	121.4%	155.1%	186.6%	179.1%	153.7%	122.1%	102.0%	103.9%	101.9%	103.7%	**133.0%**
Council's contribution to asset renewal and upgrade	> 10%	18%	22%	16%	16%	11%	12%	11%	12%	10%	12%	**13.9%**

5.2 Financial Sustainability Indicators – Council LGPRF

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

Indicator	Measure	Note	Expected Range	2025–26 Forecast $'000	2026–27 Plan $'000	2027–28 Plan $'000	2028–29 Plan $'000	2029–30 Plan $'000	2030–31 Plan $'000	2031–32 Plan $'000	2032–33 Plan $'000	2033–34 Plan $'000	2034–35 Plan $'000	Trend +/o/-
Operating position Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-20% to 20%	-2.1%	0.5%	0.8%	0.7%	1.4%	1.2%	1.7%	0.5%	1.2%	1.1%	o
Liquidity Working capital	Current assets / current liabilities		100% to 400%	461.45%	622.02%	594.03%	559.05%	611.91%	614.98%	634.74%	630.31%	649.22%	646.80%	+
Unrestricted cash	Unrestricted cash / current liabilities		10% to 300%	223.3%	489.6%	478.2%	453.8%	507.07%	513.20%	534.83%	533.07%	553.67%	553.74%	+
Obligations Loans and borrowings	Interest bearing loans and borrowings / rate revenue		0% to 70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0% to 20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	o
Indebtedness	Non-current liabilities / own source revenue		2% to 70%	0.92%	0.92%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	o
Asset renewal and upgrade	Non-current liabilities / own source revenue		40% to 130%	183.28%	173.99%	201.94%	161.70%	100.00%	106.05%	100.00%	105.75%	100.00%	105.48%	o
Stability Rates concentration	Rate revenue / adjusted underlying revenue		30% to 80%	68.54%	69.31%	69.12%	69.18%	69.24%	69.30%	69.34%	69.39%	69.44%	69.49%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.15% to 0.75%	0.20%	0.21%	0.22%	0.22%	0.23%	0.23%	0.24%	0.25%	0.25%	0.26%	o
Efficiency Expenditure level	Total expenses/ no. of property assessments	2	$2,000 to $5,000	$4,373	$4,436	$4,483	$4,601	$4,688	$4,817	$4,914	$5,100	$5,193	$5,332	-
Revenue level	Total rate revenue / no. of property assessments	3	$700 to $2,000	$2,466	$2,529	$2,593	$2,660	$2,727	$2,797	$2,867	$2,939	$3,013	$3,089	-

Key to Forecast Trend:
"+" Forecasts improvement in Council's financial performance / financial position indicator, "O" Forecasts that Council's financial performance / financial position indicator will be steady and "–" Forecasts deterioration in Council's financial performance / financial position indicator

Notes to indicators

1. ***Adjusted underlying result*** – This is an important measure of financial sustainability and an indicator of the operating result required to enable Council to continue to provide core services and meet its objectives.

   The Local Government Performance Reporting Framework (LGPRF) based measure is projecting an average annual underlying surplus of $110,000 over the 10-year planning horizon despite Council has earmarked a couple of non-recurring operating projects for future years.

   Council is projecting an average annual underlying surplus excluding the impact of non-recurring transactions (based on the Council Plan measure) of $198,000 over the 10-year planning horizon.

2. ***Expenditure level*** – The majority of expenditure incurred by Queenscliffe is non-discretionary and relates to providing the services expected of a local council. Given the very small ratepayer base, this results in a higher level of expenditure per property assessment compared with most other local councils.

   No growth in the number of property assessments has been assumed over the period of the Financial Plan, as any increase would not be material.

   Over the planning period, expenses per property assessment are projected to grow by an average of 2.2% per annum, which is below the projected CPI for the same period.

3. ***Revenue level*** – Rate revenue represents a high proportion of Queenscliffe's revenue and spread across a very small ratepayer base.

6. Strategies and Plans

6.1 Borrowing Strategy

Council Policy CP040: Borrowings establishes objectives and principles that outline when it is appropriate for Council to undertake borrowing.

Any new borrowings to be considered by Council will be used for:

- Investing in specific major infrastructure, which is inter-generational (long-term);
- Investing in projects which generate income; and/or
- Matching government grants for priority capital projects.

To ensure the overall sustainability of Council, total borrowings of Council will be subject to the following limits (ratios):

Indicator	Measure	BoQ target
Indebtedness (%)	Non-current liabilities / own sourced revenue	10% or less
Loans and borrowings compared to rates (%)	Interest bearing loans and borrowings / Rate revenue	15% or less
Loans and borrowings repayments compared to rates	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue	2% or less

Council currently has no borrowings, and no new borrowings are planned during the 10-year planning horizon covered in this Plan.

6.2 Reserves Strategy

Council Policy CP039: Discretionary Reserves provides for responsible financial management of general revenue allocations for specific reserves, as well as tied government grants and community contributions that have not been utilised in the year of receipt.

The Borough of Queenscliffe holds a range of discretionary reserves within Equity on its Balance Sheet.

Carry forward reserves
The bulk of funds held in discretionary reserves each financial year is with respect to operating and capital projects to be carried forward for completion in future years.

Asset replacement reserve (allocated)
Funds are held in this reserve to meet future asset renewal requirements for specific projects earmarked by Council.

General/unallocated cash reserve
This reserve comprises of the cash surpluses achieved in previous financial years that have not yet been allocated by Council to specific projects within the Annual Budget. Council aims to hold a minimum of $500,000 (approximately 5% of annual cash operating expenses) in this reserve.

Waste management reserves
For each of the kerbside and public waste streams, the costs incurred by Council, net of any income received with respect to the particular waste service, is compared with the waste charges collected from ratepayers for that waste service. The resulting net surplus/ (deficit) calculated at the end of each financial year and is adjusted against existing waste reserve balances.

Council will consider the year-end forecast balance of each waste management reserve as part of its annual budget preparation process, to determine what (if any) balance will be transferred from waste reserves to offset the costs of each waste service, before providing direction to officers regarding the amount of waste management charges to be applied in the next financial year to ensure achievement of full cost recovery of each of the three waste services provided by Council to its ratepayers.

Unfunded superannuation liability reserve
Council set aside $20,000 in each of the 2014–15 and 2015–16 budget years as a hedge against future calls which may be made by Vision Super on the unfunded superannuation liability (defined benefits scheme).

Council monitors the likelihood of a call on this scheme via quarterly finance reports. The current balance held in this reserve totals $40,000 (the last call on the fund was $218,000 in 2011–12).

Sales Proceeds – Murray Road land
Proceeds from the sale of the Murray Road land is kept in this reserve until Council identify potential investment opportunities in line with Council Policy CP044: Sale, Exchange or Transfer of Council Land.

See Section 7.2 for projected reserve balances over the period of the Financial Plan.

6.3 Revenue and Rating Plan

The Revenue and Rating Plan determines the most appropriate and affordable revenue and rating approach for the Borough of Queenscliffe, which in conjunction with other income sources will adequately finance the objectives in the Council Plan.

Taking into consideration the impact on the ratepayers in the municipality, Council will always endeavour to maintain future rates increases at or within the capped rate as determined by the Minister for Local Government.

With the introduction of State Government rate-capping legislation from 1 July 2016, capped rate increases as determined by the Minister for Local Government have been applied to Borough of Queenscliffe rate budgets. The rate cap has a significant impact on the resources available to fund operating budgets, major projects and capital works.

The challenge faced by the Borough, as with many small rural councils, is the low growth in rateable properties (and therefore rate income), and unavoidable increases in costs related to meeting legislative compliance requirements, increasing expectations and demand for Council services and the challenge of meeting infrastructure renewal needs.

Council's annual rate setting objective is developed within a framework that takes into account the projects and services that implement the strategic objectives set out in the Council Plan, and the resources required to deliver statutory services. The rate setting also considers the objectives of the Financial Plan, and the resources required to manage and renew our assets and infrastructure.

6.4 Waste Management Strategy

Council Policy CP038: Waste Management outlines the arrangements for waste management services provided to properties in the Borough of Queenscliffe that are entitled to receive such services and to raise revenue in an equitable manner, as well as fully recover the cost of Council's kerbside, green and public waste services.

6.5 Workforce Plan

Council has developed a Workforce Plan in line with the requirements of the *Local Government Act 2020*. The Workforce Plan is an operational document used by Council's administration. The Workforce Plan responds to and is informed by the objectives set out in the documents that make up Council's Integrated Strategic Framework Plan. The Workforce Plan identifies the staff resources required to deliver these objectives.

7. Supplementary Information

7.1 Underlying Results

Underlying Result Statement	2025–26 $'000	2026–27 $'000	2027–28 $'000	2028–29 $'000	2029–30 $'000	2030–31 $'000	2031–32 $'000	2032–33 $'000	2033–34 $'000	2034–35 $'000
Based on the LGPRF measure										
Income										
Rates and charges	9,206	9,681	9,787	10,046	10,312	10,585	10,862	11,146	11,438	11,737
Statutory fees and fines	147	151	155	159	163	167	171	175	180	184
User fees	2,214	2,269	2,326	2,384	2,443	2,504	2,567	2,631	2,697	2,764
Grants - operating	1,106	1,353	1,387	1,422	1,457	1,494	1,531	1,569	1,609	1,649
Other income	716	512	504	511	518	526	533	541	549	557
Net gain on disposal of PPE and infrastructure	43	0	0	0	0	0	0	0	0	0
Total income	**13,430**	**13,966**	**14,158**	**14,521**	**14,893**	**15,274**	**15,663**	**16,061**	**16,470**	**16,889**
Expenses										
Employee costs	5,479	5,560	5,636	5,749	5,864	6,005	6,075	6,197	6,322	6,496
Materials and services	6,254	6,395	6,419	6,522	6,722	6,928	7,105	7,382	7,611	7,811
Depreciation	1,522	1,558	1,597	1,637	1,678	1,720	1,763	1,807	1,852	1,898
Bad and doubtful debts	3	1	1	1	1	1	1	1	1	1
Other expenses*	448	387	396	511	426	441	456	597	488	504
Total expenses	**13,706**	**13,901**	**14,048**	**14,420**	**14,691**	**15,094**	**15,399**	**15,983**	**16,273**	**16,708**
Adjusted underlying surplus / (deficit) - LGPRF measure	**(276)**	**65**	**110**	**101**	**202**	**180**	**264**	**79**	**198**	**181**

Underlying Result Statement	2025–26 $'000	2026–27 $'000	2027–28 $'000	2028–29 $'000	2029–30 $'000	2030–31 $'000	2031–32 $'000	2032–33 $'000	2033–34 $'000	2034–35 $'000
On recurring basis (based on the Council Plan measure)										
Adjusted underlying surplus / (deficit) - LGPRF	**(276)**	**65**	**110**	**101**	**202**	**180**	**264**	**79**	**198**	**181**
Adjusted for;										
Allocating FAG to the year they relate	295	0	0	0	0	0	0	0	0	0
On recurring basis (based on the Council Plan measure) – cont.										
Removal of grant-funded non-recurring operating project related costs net of grants (council contribution)	1	0	0	0	0	0	0	0	0	0
Removal of non- recurring operating project related costs funded via Council's own funds (reserve and operational cash)	310	100	80	31	20	0	0	0	0	0
Removal of other material non-recurring expenses	60	0	0	0	0	0	0	0	0	0
Removal of timing impact of waste management cost recovery	29	(6)	0	0	0	0	0	0	0	0
Removal of the impact of the sale of assets	(43)	0	0	0	0	0	0	0	0	0
Adjusted underlying surplus / (deficit) - Council Plan measure**	**376**	**159**	**190**	**132**	**222**	**180**	**264**	**79**	**198**	**181**

* Targeted efficiency gains have been included within Other Expenses for reporting purposes.

** The decline in the underlying surplus from 2025–26 to 2026–27 is primarily attributable to a projected reduction in interest income resulting from an anticipated fall in interest rates.

7.2 Crown land management

Except for very few assets, all buildings and infrastructure assets (including roads) managed by Council to provide various services to the community are located or built on Crown land.

Based on the value of land Council manages, 59% is Crown land and 18% is land under roads. Only 23% of land is owned freehold by the Borough.

Currently the Council manages all its tourist parks as one business unit and as a result the current operating model is not designed to separate the expenditure associated with Crown land and other land types where parks are situated. However, indicative values provided below satisfy the requirement that revenue generated from Crown land is applied in full to meet expenditure requirements for managing Crown land.

Description	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35
Net contribution from Crown land										
Surplus projected from tourist parks	903	931	954	982	1,008	1,032	1,063	1,091	1,117	1,150
Lease income projected from Crown land properties	151	154	158	162	166	170	175	179	184	188
Net contribution from Crown land	**1,054**	**1,086**	**1,112**	**1,144**	**1,175**	**1,203**	**1,238**	**1,270**	**1,301**	**1,339**
Used to fund services in Crown land										
Net projected net expenditure on asset management and appearance of public places on Crown land	(906)	(932)	(959)	(987)	(1,027)	(1,069)	(1,112)	(1,157)	(1,205)	(1,254)
Net expenditure on coastal protection	(591)	(605)	(620)	(635)	(654)	(673)	(693)	(714)	(735)	(757)
Net deficit funded via rates and operating grant	**(443)**	**(452)**	**(467)**	**(478)**	**(506)**	**(539)**	**(568)**	**(601)**	**(639)**	**(672)**

The projected surplus from tourist parks includes the net contribution from Golightly Park. Currently Council manages all its tourist parks as one business unit and as a result the current operating model is not designed to record the operating expenses of Golightly Park separately to ascertain the net contribution from Golightly Park alone. However, if apportioned based on the gross income, 22% of the projected surplus can be attributable to Golightly Park for 2025–26 onwards.

Projected net expenditure on asset management and appearance of public places on Crown land does not include any depreciation, non-recurrent operational cost, or asset renewal and upgrade expenditure. Further, the projected net expenditure does not include any expenditure associated with road, drainage and footpath infrastructure.

7.3 Reserve Balance Projections

The table below presents the balances and movements of each key reserve over the 10-year period of the Financial Plan.

Reserves	Opening 01/07/2025	Closing 30/06/2035	Projected Movement
	$'000	$'000	$'000
Discretionary Reserves			
Sales Proceeds – Murray Road Land	3,500	3,500	0
Carry Forward Reserves	2,085	408	(1,678)
Asset Replacement Reserve	2,301	4,615	2,314
General Reserve *	1,449	1,458	9
Discretionary Reserves Summary	**9,335**	**9,981**	**645**
Restricted Reserves			
Waste Management Reserves	24	0	(24)
Unfunded Superannuation Liability Reserve	40	40	0
Restricted Reserves Summary	**6**	**40**	**(24)**
Discretionary and Restricted Reserves Summary	**9,399**	**10,021**	**622**

*An amount of $300,000 is earmarked for contingent financial commitment to the Ballara Deakin Trust.

7.4 Projected Capital Works Considered

The table below presents the key capital works considered over the 10-year period of the Financial Plan

Capital Works	Est Cost	Est Commencement	Est Grant
	$'000	Year	%
Key Capital Work Projects:			
Coastal and Open Space Management:			
Point Lonsdale Maritime & Defence Precinct	768	FY 25-26	100%
Rip View Beach Access Renewal Works	114	FY 25-26	0%
Dog Beach Stairs Renewal	52	FY 25-26	100%
Safety improvement work by DEECA at narrows beach	20	FY 25-26	100%
Integrated Water Management Plan:			
Stormwater Initiative Implementation (multi-year project)	300	FY 26-27	0%
Recreation:			
Bike Park	654	FY 26-27	79%
Tourist Parks Rejuvenation:			
Royal Park Oval and Facility Upgrade (multi-year project)	3,252	FY 25-26	75%
Recreation Reserve Cabin Replacements (multi-year project)	700	FY 25-26	29%
Recreation Reserve Office Upgrade	300	FY 26-27	50%
Golightly Amenity Renewal	172	FY 25-26	0%
Golightly Services Renewal (multi-year project)	150	FY 27-28	0%
Golightly Park BBQ Shelter Installation	100	FY 25-26	0%
Golightly Services Renewal (multi-year project)	150	FY 27-28	0%
Royal Park Oval Fence Renewal	70	FY 25-26	0%
South Hesse Street Remodel:			
Ocean View Kiosk Renewal and Landscaping (multi-year project)	210	FY 25-26	0%
Bull Ring Restoration and Landscaping	150	FY 26-27	0%
Toilet Strategy:			
Weeroona Parade Toilet Renewal	550	FY 26-27	0%
Queenscliffe CBD 24-Hour Toilet	250	FY 26-27	0%
Princess Park Toilet Facilities Renewal	250	FY 28-29	0%
Southern Royal Park Facilities Renewal	250	FY 30-31	0%
Toch H Toilet Renewal	200	FY 25-26	0%
Skate Park Toilet Upgrade	200	FY 27-28	0%
Active Transport Strategy:			
Murray Road Shared Path (multi-year project)	2,000	FY 27-28	72%
Paths and Walking Tracks (multi-year project)	800	FY 26-27	0%
Installation of Bike Racks throughout the Borough (multi-year project)	90	FY 26-27	0%
Nelson Road Upgrade	12	FY 25-26	0%
Climate Emergency Response Plan:			
Solar Upgrades to Council-Owned Buildings (multi-year project)	145	FY 25-26	0%
Solar System at Golightly Park Amenities Block	15	FY 25-26	0%
Council Buildings:			
Town Hall Restoration and Renewal Works (multi-year project)	3,000	FY 26-27	75%
Council Office Renewal Works	200	FY 32-33	0%
Town Hall Upgrade – AV Equipment	58	FY 25-26	0%
QMM Office Heating & Cooling System	5	FY 25-26	0%
Total Estimated Key Capital Works Projects	**15,036**		

Capital Works	Est Cost	Est Commencement	Est Grant
	$'000	Year	%
Annual Asset Replacement Program (AARP):			
Buildings	2,621	Allocate Annually	0%
Open Space and Reserves	1,509	Allocate Annually	0%
Drainage	1,465	Allocate Annually	0%
Road Resealing	1,169	Allocate Annually	0%
Motor Vehicles	695	Allocate Annually	0%
ICT Equipment	636	Allocate Annually	0%
Fix & Fittings	443	Allocate Annually	0%
Beach Access	411	Allocate Annually	0%
Footpaths	376	Allocate Annually	0%
Pavement	282	Allocate Annually	0%
Kerb & Channel	247	Allocate Annually	0%
Minor Plant and Equipment	137	Allocate Annually	0%
Car Parks	73	Allocate Annually	0%
Total Estimated Annual Asset Renewal	**10,065**		
Other:			
Capitalised Salaries *	1,485	Allocate Annually	0%
Total Estimated Capital Work	**26,586**		**29%**

* Capitalised salaries included under 'Other Assets' in 4.5 statement of Capital Works in the Financial Pan

Note: Only high-level cost estimates have been used in the Plan, and the scope and timing of these projects are subject to community consultations, and detailed feasibility assessments and availability of funding opportunities.

Borough of Queenscliffe

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