



Financial Plan 2025-2035

October 2025



Great Victorian Rail Trail

Contents

1	Purpose.....	3
2	Executive Summary	3
3	Financial Planning and Legislated Framework.....	4
3.1	Integrated Planning Framework	4
3.2	Strategic Planning Principles.....	5
3.3	Financial Management Principles	6
3.4	Service Performance Principles.....	6
3.5	Community engagement.....	6
3.6	Asset Plan Integration	7
3.7	Revenue and Rating Plan Integration.....	7
4	Financial Plan Context.....	8
4.1	Council Plan Strategic Directions.....	8
4.2	Financial Policy Statement	9
4.3	Significant Matters Impacting the 10-year Financial Projections.....	9
5	Assumptions Underpinning the Financial Plan Statements.....	14
5.1	Escalation Factors Table	14
5.2	Reserves.....	16
6	Financial Plan Statements.....	18
6.1	Comprehensive Income Statemen	19t
6.2	Balance Sheet	20
6.3	Statement of Changes in Equity.....	21
6.4	Statement of Cash Flows	23
6.5	Statement of Capital Works.....	25
6.6	Statement of Human Resources	26
7	Financial Performance Indicators.....	27
8	Glossary.....	28

1 Purpose

The Financial Plan 2025-2035 (the Plan) sets out a strategic 10-year projection of Murrindindi Shire Council's financial resources and position. It is designed to give effect to the Council Plan 2025-2029 and other integrated strategic documents, including the Asset Plan and Rating Plan.

This Plan outlines the financial sustainability challenges facing Council and the initiatives required to address these in order to responsibly manage public funds and provide for a more resilient and sustainable financial position over the next decade.

This Financial Plan meets the requirements of Section 91 of the Local Government Act 2020, which mandates a publicly available Financial Plan covering at least the next 10 financial years. Council is committed to reviewing and updating this Plan regularly to maintain alignment with evolving strategic priorities, annual budgets and performance outcomes.

2 Executive Summary

This Financial Plan recognises that Council can no longer postpone or defer necessary asset renewal and upgrade expenditure if it is to continue delivering safe and necessary services and infrastructure to the Murrindindi community.

Funding these asset requirements will significantly affect Council's financial position over the next decade, as evidenced by:

- An adjusted underlying operating result remaining in deficit throughout the Plan
- Insufficient internally generated rate and grant income to fund asset expenditure for each year of the planning period
- Liquidity and unrestricted cash indicators falling below sustainable levels.

These unfavourable indicators reflect the impact of servicing interest-bearing loans required to address the projected cash flow shortfalls and fund the necessary capital expenditure program.

To reverse this unfavourable financial projection, significant interventions are needed. The three most critical to securing Council's future financial sustainability are:

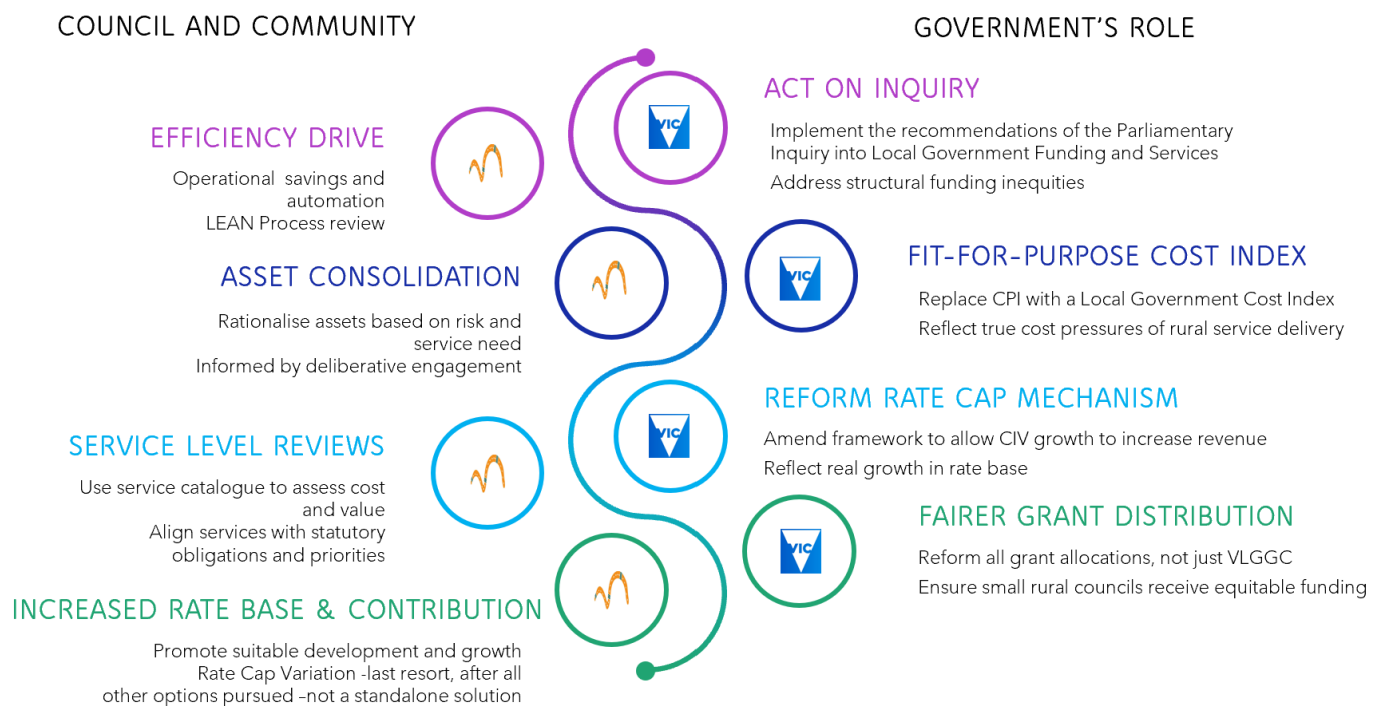
- Consideration of an early exemption to enable Council to raise rates above the rate cap
- A substantial increase in government financial assistance to recognise the lack of alternative own-source revenue options for Council and limits on the capacity of the community to contribute more, and
- Debt funding of Council's short-life assets.

Council and the Murrindindi community have long recognised the structural challenges impacting local government financial sustainability. This is not a new issue: Council has consistently advocated for

systemic reform while also taking proactive steps to strengthen its own financial position. At the same time, the community has played a critical role in shaping priorities and adapting to service changes and financial constraints.

The Financial Sustainability Roadmap below illustrates this shared responsibility. On the left, it outlines the internal actions being taken by Council in partnership with the community, to manage costs, review services and prioritise resources. On the right, it sets out the essential reforms required from other levels of government to address the systemic inequities facing small rural councils. Together, these actions represent a coordinated and necessary response for securing the long-term financial sustainability of Murrindindi Shire Council.

FINANCIAL SUSTAINABILITY ROADMAP



3 Financial Planning and Legislated Framework

This section describes the legislative and integrated planning framework that guides the development of the 10-year Financial Plan.

3.1 Integrated Planning Framework

Council's integrated planning framework enables it to identify long-term community aspirations (via the 10-Year Community Vision), translate these into medium-term strategies (Council Plan 2025-2029) and allocate resources accordingly (Annual Budget and Financial Plan).

Financial Plan 2025-2035

This Financial Plan is a key enabler of this framework, ensuring Council's financial decisions are aligned with community priorities, legislative obligations, and the principles of responsible stewardship. It supports Council's commitment to a continuous cycle of planning, reporting and review, enabling the organisation to adapt to changing circumstances, measure progress, and deliver the best possible outcomes for the community.

The following figure illustrates how each element, including this Financial Plan, informs and is informed by other components of Council's integrated planning framework.

Integrated Planning Framework



3.2 Strategic Planning Principles

The Financial Plan reflects the following strategic planning principles as outlined in the Local Government Act 2020:

- integration of planning, monitoring and performance reporting across Council's strategic documents
- clear articulation of the 10-year financial resources required to deliver the Council Plan and Community Vision
- identification and mitigation of risks to effective implementation of the Financial Plan
- provision for ongoing monitoring and regular reviews to identify and adapt to changing circumstances.

3.3 Financial Management Principles

The Financial Plan also reflects the financial management principles outlined in the Local Government Act 2020 as follows:

- Prudent management of revenue, expenses, assets, liabilities and investments in accordance with Council's adopted policies and plans
- Active monitoring, having regard to economic circumstances, of:
 - the financial viability of the Council
 - the management of current and future liabilities of the Council
 - any beneficial enterprises of Council
- Design of financial policies to ensure financial stability and predictability for the community.
- Maintenance of accurate financial accounts and records and transparent reporting (refer section 7 Financial Statements).

3.4 Service Performance Principles

Council services are designed to be purposeful, targeted to community needs and deliver value for money. The following principles guide Council's approach to its service performance:

- Services are provided in an equitable manner and are responsive to the diverse needs of the community. Council's strategic planning framework, particularly the Council Plan, identifies the key services and projects to be delivered. The Financial Plan demonstrates how the service aspirations may be funded.
- Services are accessible and inclusive, ensuring that all members of the community can benefit from Council's offerings regardless of location, background, or ability.
- Council provides quality services that represent value for money. Performance is monitored through the Local Government Performance Reporting Framework (LGPRF), which provides transparency and accountability in service delivery.
- Council implements a performance monitoring framework to ensure service delivery remains efficient, responsive, and aligned with community expectations, informed by both quantitative metrics and qualitative feedback.

Council remains committed to cost containment and service efficiency, ensuring that any changes to service levels are carefully considered and aligned with financial sustainability objectives.

3.5 Community engagement

The Local Government Act 2020 prescribes that community engagement be undertaken in accordance with Council's Community Engagement Policy. It also mandates that the Financial Plan be developed and reviewed using deliberative engagement practices.

Council undertook an extensive community engagement program from July 2024 to June 2025, which directly informed the redevelopment and refinement of its key strategic documents including the Council

Plan 2025-2029, Community Vision 2025-2035, Asset Plan 2025-2035 and this Financial Plan 2025-2035.

This consultation program included online community preference surveys, feedback on discussion papers and draft strategies, pop-up intercept interviews, community workshops and a deliberative engagement panel appointed to focus specifically on the development of service-level and financial priorities driving Council's approach to asset management. Asset provision and management costs are among the most significant drivers of Council's financial needs and its financial sustainability over the term of the Financial Plan, as discussed in 4 below.

Consistent with the Strategic Planning Principles outlined above, following the adoption of this Financial Plan Council intends to continue its consultation with the community to further review and refine the financial objectives in the Plan, to address its financial sustainability challenges. This will include a further deliberative engagement panel to advise Council on priorities for asset consolidation and rationalisation as part of a broader strategy to strengthen Council's financial position and ensure resources are aligned with community priorities.

3.6 Asset Plan Integration

Council's Asset Plan presents a framework for maintaining, renewing and, where possible, selectively expanding the asset portfolio. Integration of the Asset Plan with Council's Financial Plan supports Council's goal of optimising whole-of-life asset management in a financially sustainable manner.

In line with Council's current financial sustainability challenges, Council has adopted a risk-based and cost-conscious approach to asset management, meaning that over the next ten years Council's finite resources will be focused on those assets where failure would most affect service delivery or community safety.

The Asset Plan identifies a 'renewal' gap that reflects a shortfall between the necessary renewal contributions and the available funding allocated. Council plans to narrow the renewal gap over the next decade, ensuring ageing and capacity-constrained infrastructure remains safe, reliable and fit for purpose. This will be achieved through prioritisation, improved asset data, and targeted investment aligned with service needs and financial capacity.

In addition, ongoing enhancement of Council's asset management systems and plans will increase confidence in the funding needed to manage assets across their life cycle in a financially sustainable manner.

Addressing the renewal gap, and ideally achieving an optimised lifecycle spend, remains one of the most significant financial challenges facing Council. This challenge is reflected in the 10-year financial forecast and informs the strategic outcomes of this Financial Plan.

3.7 Revenue and Rating Plan Integration

Integration of the Financial Plan and the Revenue and Rating Plan is a key principle of the Council's strategic financial approach. The purpose of this integration is to ensure that Council's revenue is raised from the community in a manner that supports council's longer term financial plans and broader plans as

set out in the Council Vision.

The Revenue and Rating Plan provides the framework for the setting of fees and charges, statutory charges, rates, and other Council income sources. It also makes assumptions regarding non-controlled revenues that the Council expects to generate over the 4-year period, such as grants, subsidies, and contributions.

Additionally, it defines the amounts of rates to be generated either through a uniform rate, or from different ratepayer/property classes through municipal charges, differential rates, service rates and charges, and special rates and charges (where they have been adopted).

The Revenue and Rating Plan therefore outlines the structure and rationale for each revenue source, including how income will be raised and the policy assumptions underpinning each category. This ensures that Council's proposed expenditure, as detailed in the Budget and Financial Plan, is supported by a transparent and equitable revenue strategy.

This integration also enables Council to assess the sustainability and fairness of its revenue mix, particularly in the context of rate capping, cost shifting, and limited access to recurrent grant funding - all of which impact Council's ability to meet community expectations and maintain financial resilience.

4 Financial Plan Context

This section provides context for the 10-year financial projections and assumptions, considering both the internal and external environments, and key commitments and strategies presented in the Council Plan 2025-2029.

It reflects the financial settings within which Council operates, including legislative constraints, economic conditions, community expectations, and the strategic priorities identified through Council's integrated planning framework. These factors shape the assumptions and parameters that underpin the Financial Plan.

4.1 Council Plan Strategic Directions

Through the engagement process to develop the Council Plan 2025-2029, three Strategic Directions were identified. These directions help organise Council's goals, actions, and investments within a structured and clear framework. Each Strategic Direction includes three Goals that guide Council decisions, services and investments for the next four years, which have been incorporated into this Financial Plan.

The Financial Plan translates these strategic directions into a resourced framework, ensuring that Council's financial decisions support the delivery of priority actions and measurable outcomes. This alignment reinforces Council's commitment to integrated planning and ensures that financial resources are allocated in a way that reflects community priorities and legislative obligations.

Our Strategic Directions and Goals



Strategic Direction: A Thriving and Prosperous Shire

Goal 1

Sustainable population growth and land use planning

Goal 2

Economic development, local jobs and skills

Goal 3

Healthy natural environment and climate resilient future



Strategic Direction: Healthy, Inclusive and Resilient Communities

Goal 4

Health, wellbeing and active living

Goal 5

Community resilience and disaster preparedness

Goal 6

Social connection and inclusion



Strategic Direction: Trusted Leadership and Sustainable Services

Goal 7

Sustainable infrastructure and financial management

Goal 8

Efficient and responsive services

Goal 9

Transparent governance and authentic engagement

4.2 Financial Policy Statement

Council's financial policies are designed to ensure long-term stability, transparency, and alignment with strategic priorities, while maintaining flexibility to respond to emerging risks and opportunities.

4.3 Significant Matters Impacting the 10-year Financial Projections

This section discusses the financial sustainability challenges facing Council, along with actions being taken, and opportunities seriously being considered to ensure a financially sustainable position over the next decade.

Financial Sustainability Risk

The financial sustainability of Council is a key area of focus and risk that informs decision making across

all levels of Council. As presented in the financial projections in this Financial Plan, Council's financial sustainability risk has increased in recent years and continues to trend unfavourably, impacting critical decisions and outcomes on infrastructure, services delivery and achievement of the community vision.

Key factors impacting the financial sustainability performance of Council, include:

Rate capping

The financial challenges on Council are exacerbated by the limitation on Victorian councils, particularly in rural areas, to raise own-source revenue. Rates and Charges account for the largest portion (56%) of Murrindindi's total revenue, yet the State Government's rate cap mechanism, which consistently results in rates set below inflation, restricts Council's capacity to respond to rising costs, new regulatory obligations, and increased service demands. This fact is acknowledged by the Essential Services Commission in its advice provided to the Minister for Local Government in the setting of the rate cap for 2024/25.

Analysis by the Municipal Association and Victoria (MAV) and FinPro in 2024 shows that, over the first 4 years of rate capping (introduced in 2016/17) small rural councils experienced a 9% gap between the cost base increases and rate cap adjustments, significantly eroding the rate base.

In addition to inflationary increases, the local government cost base may be influenced by Council funded expenditure associated with new demand from growth, technology, cyber risk management and the impact of extreme weather prevention and response events.

Cost shifting

The limits on rural councils' revenue raising are also exacerbated by the additional costs imposed on them via the decisions of other levels of government. Local government is expected to comply with new government policies and regulations, and to deliver an ever-increasing range of social, environmental and economic services and infrastructure to support and enhance the wellbeing of their communities. It is widely accepted that this expectation is impacting negatively on the financial sustainability of the sector.

Councils often become the service provider of last resort, when other levels of government or the private sector fail to provide adequate services or where services are transferred to local government without adequate financial support. Small rural Councils lack the ability to raise the necessary funds to sustain this service scope creep. Victorian Councils have long highlighted the effects of cost-shifting through the failure of the State to adequately fund the costs of services such as libraries, maternal and child health and school crossing supervision, with the net cost to councils increasing over time as the real value of funding diminishes.

These unfunded mandates represent a significant impost and contribute to the deterioration of Council's underlying financial position.

Insufficient share of government recurrent grant income

Whilst operating efficiently and frugally, including sharing resources and services with adjoining councils, Murrindindi's fiscal capacity is constrained by Federal and State funding mechanisms that

restrict Council's revenue raising capacity. In addition to rate capping, Council continues to receive less than half the recurrent government grants per capita compared to the average across the state's small rural Councils, which is undermining Council's ability to address its financial challenges and deliver the range of services and infrastructure needed by the community.

Asset Renewal Funding Requirement

Infrastructure assets under the ownership and/or management of Council have for some time been deteriorating at a faster rate than they can be renewed. This results in higher maintenance costs. Over time, this gap in renewal expenditure has flow-on effects with the lowering of service levels provided by these assets, and if not reversed will ultimately result in heightened safety risks, a greater likelihood of asset failure, and greater future expenditure required for intervention and renewal.

Council can no longer afford to delay or defer renewal of its ageing assets and the financial consequences, addressing this need is a major factor impacting Council's financial sustainability challenges over the next 10 years.

Financial sustainability Profile

Section 8 of the Financial Plan provides the 10-year projected performance across a range of key financial performance indicators. These indicators illustrate Council's financial performance deteriorates to unsustainable levels over the projection period.

In summary, without intervention Council's longer term financial outlook is characterised by:

- An adjusted underlying operating result that remains in deficit over the planning period. This highlights that Council is unable to generate a surplus from its operations (excluding non-current grants) and fund capital expenditure from its net operating result.
- Insufficient Internally sourced rate and grant income to fund the asset plan expenditure for each year of the planning period. While in recent years Council has utilised discretionary reserves and maintained asset renewal expenditure below the rate of depreciation, these avenues are no longer available to fund the capital expenditure program. The Financial Plan assumes interest-bearing loans are sourced to fund the projected cash flow deficit and the capital expenditure program. This results in a significant increase in Council's indebtedness obligations, illustrated by the interest-bearing loans projected to be 2.3 times the annual rate revenue by 2034/35. The interest-bearing loans also contribute to Council's declining operating and cash flow performance, as Council needs to fund the interest expense and loan principal repayments each year.
- Liquidity and unrestricted cash indicators falling below sustainable levels, highlighting that Council's liquidity risk is increasing over the planning period. Council's increased reliance on interest-bearing loans over the projected period is a key driver of its deteriorating liquidity position.

Council is committed to operating in a financially sustainable manner, ensuring its financial indicators remain within target ranges. Council has implemented a number of activities in recent times focused on

driving operating and financial efficiency, with examples as follows:

- With the benefit of \$1 million State Government Funding, under the Rural Councils Transformation Program, Murrindindi, Strathbogie, Mansfield and Benalla Rural Councils have recently collaborated on the joint procurement and implementation of new digital business systems to improve operating efficiency and customer experience. Collaboration enabled economies of scale in the procurement process, extending the value of the procured solutions over and above what would have been achieved by individual councils operating independently. The project highlights the benefits that can be achieved with appropriately targeted financial assistance from governments.
- Council has recently embarked on a LEAN efficiency program aimed at streamlining operating processes and reducing unnecessary or low value activities. This whole-of-organisation initiative empowers employees at all levels to identify and act on opportunities to improve processes resulting in a financial dividend through savings, avoided future costs or increased revenues.
- Council is focused on delivering its annual capital works program efficiently. For example, in 2024/25, \$13.5 million in programmed and budgeted capital works were completed for a final expenditure of \$12.7 million. Projects are consistently delivered within or under budget through careful management of contract scope and variations, with realised savings allocated to future renewal needs or returned to infrastructure reserves.
- Council manages over \$640 million in assets and remains committed to responsible, life cycle based asset management. The Council's recently adopted Asset Plan 2025-2035 uses a risk-based approach to prioritising the renewal of its assets, recognising the challenge for Council to arrest the gap between asset renewal needs and the ability of Council to fully fund this need. Further work is underway to refine asset condition and renewal projections and to further integrate this with Council's financial capacity and strategies to provide the most financially sustainable outcome.
- Several recent initiatives have been implemented aimed at increasing sustainable population growth in the Shire, necessary to maintain and improve local access to community services, support local commerce and employment opportunities and importantly grow the rate base of the municipality. These include strategic planning provisions to promote and fast-track residential development on available land, investment in key worker housing to support local industry growth and structure planning to identify areas for future residential and other forms of development that support sustainable growth.
- Council is developing a services catalogue listing all the services provided and their associated costs. It distinguishes between services Council is legally required to provide, those delivered on behalf of other levels of government (e.g. Cemeteries, State Revenue collection) and discretionary services. This will support engagement with the community in establishing the value and priority of services provided, to ensure resources are appropriately aligned with prioritised community need.
- Council continues to explore alternate revenue streams to support its financial position. The project to create key worker housing, for example, provides for future financial returns to Council

that not only cover Council's development and financing costs, but importantly provide an ongoing revenue stream to support Council's ongoing financial needs.

- Council has consistently applied the rate cap to its fullest extent to maximise the compounding benefit of annual rate rises. The only exception to this was one year during the COVID pandemic, in recognition of the significant financial hardship experienced by the Shire's residents and businesses during this very difficult time.
- Advocacy to both State and Federal Governments seeking a greater share of financial assistance funding has been a key priority of Council in recent times. This has included meetings with government ministers and submissions to both State and Federal Parliamentary Inquiries into the financial sustainability of Local Government.

Whilst the above actions are necessary, they are not sufficient to fully address Council's financial sustainability challenges moving forward. In addition to progressing these actions, to achieve a financially sustainable projection Council will also:

- Consider applying to the Essential Services Commission for an exemption to raise rates above the rate cap in 2026/27. An early exemption in the life of the Plan would maximise the compounding effect of the rate rise over the life of the Plan.
- Conduct a program, in consultation with the community, to review, consolidate or dispose of under-utilised building assets and facilities across the municipality. Plans have commenced to establish a deliberative community engagement panel to advise Council on how to optimise and reduce costs associated with these assets.
- Develop a service planning framework that actively responds to community feedback, supports evidence-based decision making, enabling Council to assess the effectiveness, efficiency and affordability of its service delivery model. This framework will help identify opportunities to optimise resource allocation and ensure services are delivered within Council's financial capacity.
- Continue to invest in digital systems, workforce capability, and inter-council partnerships to enhance service responsiveness and operational efficiency.
- Continue Council's advocacy for an appropriate share of the total grants pool, including an increase in recurrent grant funding allocations and by making non-recurrent grant funding more accessible to smaller rural councils like Murrindindi.
- Consider a policy of debt funding for relatively short life assets such as plant, machinery and equipment.

Of these key actions, the most significant improvements to Council's financial profile will result from increased rate revenue above the rate cap, a substantial increase in grant revenue, and debt funding of Council's short life assets. Together, these measures will improve Council's financial profile by reducing indebtedness below the 40% target level, achieving an adjusted underlying surplus, and strengthening liquidity and cash reserves.

5 Assumptions Underpinning the Financial Plan Statements

The assumptions comprise the annual escalations / movements for each line item of the Comprehensive Income Statement over the 10 years of the Financial Plan. These are summarised in Table below.

5.1 Escalation Factors Table

% movement	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Rate revenue cap	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Supplementary Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Revenue Growth										
Statutory fees and fines	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
User fees	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Grants - Operating	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Grants - Capital		Based on estimates provided on specific capital investment projects								
Recurrent										
Other Income										
Employee costs	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Material and services	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Depreciation & Amortisation		Based on projected capital expenditure								
Other expenses	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

5.1.1 Rates and charges

Base rate revenue will increase by 3.0% for the 2025/26 year, based on the state government rate cap. Estimated 2026/27 to 2034/35 annual increases of 2.5% reflect the CPI forecasts, applied to the fullest extent, highlighting Council's constrained revenue and increasing financial sustainability risk.

During the 2025/26 year, it is anticipated that there will be an additional increase of 0.6% per annum in supplementary rates due to growth, specifically from the addition of new properties. This projection is based on an analysis of historical growth rates.

Service charges are set to increase by 2.5% compared to 2024/25 levels to cover municipal service delivery costs, including waste management.

5.1.2 Statutory fees and fines

The Financial Plan indexes statutory fees, set by legislation, according to the estimated annual rate of CPI. This is often a best-case scenario, given some fees are outside of the control of Council and therefore may be subject to increases below CPI, or remain fixed, further limiting Council's revenue flexibility.

5.1.3 User fees

Revenue from user fees is expected to increase by 3% for the 2025/26 year. Details of user fees for the 2025/26 budget year can be found in Council's schedule of Fees and Charges that is adopted in

conjunction with the budget and informed by Council's Revenue and Rating Plan.

Revenue increases for the ensuing years are based on a conservative annual rate of increase of 2.5% to reflect, as a minimum, annual increases in line with the state government rate cap, while acknowledging that this may not be sufficient to meet Council's long-term financial needs.

5.1.4 Grants

Council currently receives grants for tied (specific purpose grants) and un-tied Financial Assistance grant funding received via the Victorian Local Government Grants Commission (VLGGC). 2025/26 is based on expected grants identified. Outer years are expected to increase on an annual basis by approximately 4%. This has been calculated using an average of the past 4 years.

However, Council's share of recurrent grant funding remains low compared to similar rural shires, placing additional pressure on own-source revenue and contributing to the higher rate burden on local residents.

5.1.5 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 Council buildings.

5.1.6 Employee costs

Employee costs are assumed to increase by 3% per annum from 2025/26 onwards.

This comprises a 2.5% annual salary increase in line with the Enterprise Bargaining Agreement (EBA), plus an allowance for additional compliance costs arising from legislative changes (such as casual to permanent conversion and the right to disconnect), and the expected growth in rateable properties with associated increased demand for Council services.

5.1.7 Materials and services

Material costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are more governed by market forces based on availability than CPI. Council's payments to family day carers are also included under this category.

Other associated costs included under this category are utilities, materials for the supply of meals on wheels and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit. These costs are kept to within CPI levels year on year.

5.1.8 Depreciation & Amortisation

Depreciation estimates have been based on the projected capital spending contained within this Financial Plan. Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets.

5.1.9 Borrowing costs

Borrowing costs arise from the interest-bearing loans taken out over the period of the Financial Plan.

The 2025/26 budget incorporates a \$2 million loan associated with the Eildon Key Worker Housing project. Beyond 2025/26, the forecast loans are taken out to fund a portion of the capital expenditure program. These loans are assumed to be principal and interest loans with a term of 10 years and an interest rate of 4.4%.

5.1.10 Other operational expenses

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

5.2 Reserves

The purpose of reserve accounting is to put aside funds in the current year for projects or other initiatives that will be completed in future years. This practice minimises fluctuations in Council's annual budget for capital and large purchases and provides more consistency in the level of rates required each year. Council maintains both statutory and discretionary reserves that acknowledge the receipt of funds from particular sources to be applied on projects or initiatives that are consistent with the purposes of that reserve.

Public Open Space

Public Open Space reserve represents payments from subdividers as specified under the Subdivisions Act, to fund future creation of areas of recreational land.

Defined Benefits Superannuation

Defined Benefits reserve has been created to assist in meeting obligations for future funding calls from the Vision Super Defined Benefits Superannuation Fund.

Gifted and Novated Assets

This reserve contains the balance of funds that were held by (VBRRA) the Victorian Bushfire Recovery and Reconstruction Authority for reconstruction projects in Murrindindi Shire when the Authority closed. The funds (also known as VBBRA Cessation funds) were transferred by the State Government to Council as further assistance for the new assets gifted after the 2009 bushfires.

Infrastructure Contributions Parking

Infrastructure Contributions reserve represents payments from Subdividers set aside for future infrastructure works relating to provision of car parking.

Infrastructure Balance MAP funding

Infrastructure balance MAP (Murrindindi Assistance Package) represents the balance of funds from the financial assistance provided to Council by the State Government for reform and recovery following 2009 bushfires.

Infrastructure Maintenance

Infrastructure Maintenance Reserve represents funds set aside for addressing council's long term infrastructure renewal obligations and was funded through a strategy of ongoing rate increases

under former Councils. Contributions to this reserve ceased following the introduction of rate capping and changes in Council's rating priorities.

Infrastructure

Infrastructure reserve has been established as an accumulation fund to plan for the future investment in community infrastructure. Any unallocated savings from the annual capital works program will be transferred to this reserve. The reserve is the consolidation of two previous reserves which had similar objectives – the Infrastructure Unexpended Capital Works reserve and the New and Expanded Assets Reserve.

Landfill and Waste Management

The Landfill and Waste management reserve represents funds set aside for rehabilitation of Landfill site. The reserve is to be utilised for future works to maximise life of the landfill site (e.g. cell construction, cell capping and Leachate management over the next 10 years)

Marysville Caravan Park

The Marysville Caravan Park reserve is surplus operational funds (rental) set aside for future capital works or operational requirements.

Shaw Avenue Eildon

The Shaw Avenue reserve represents the remaining funds from Council land sales at Shaw Avenue Eildon in 2003.

Yea Caravan Park

Yea Caravan Park reserve is surplus operational funds (rental) set aside for future capital works or operational requirements.

Yea Saleyards

The Yea Saleyards reserve is surplus operational funds set aside for future capital works or operational requirements.

6 Financial Plan Statements

This section presents information regarding the Financial Plan Statements for the 10 years from 2024/25 to 2033/34.

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

6.1 Comprehensive Income 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
Income										
Rates and charges	26,131	26,938	27,765	28,613	29,482	30,373	31,286	32,222	33,181	34,165
Statutory fees and fines	1,125	1,153	1,182	1,212	1,242	1,273	1,305	1,337	1,371	1,405
User fees	2,724	2,792	2,862	2,933	3,007	3,082	3,159	3,238	3,319	3,402
Grants - Operating	7,466	7,758	8,063	8,379	8,707	9,049	9,404	9,773	10,156	10,555
Grants - Capital	5,540	7,705	12,184	5,200	2,569	3,033	1,879	1,511	2,434	2,609
Contributions - monetary	340	349	357	366	375	385	394	404	414	425
Contributions - non-monetary	600	615	630	646	662	679	696	713	731	749
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(600)	(615)	(630)	(646)	(662)	(679)	(696)	(713)	(731)	(749)
Other income	2,303	2,679	2,718	2,757	2,806	2,848	2,891	2,935	2,980	3,027
Total Income	45,629	49,374	55,130	49,460	48,188	50,042	50,317	51,420	53,856	55,587
Expenses										
Employee costs	(18,869)	(18,986)	(19,555)	(20,142)	(20,746)	(21,368)	(22,009)	(22,669)	(23,349)	(24,049)
Materials and services	(14,437)	(14,798)	(15,168)	(15,547)	(15,936)	(16,334)	(16,742)	(17,161)	(17,590)	(18,030)
Depreciation	(9,835)	(10,081)	(10,333)	(10,591)	(10,856)	(11,127)	(11,406)	(11,691)	(11,983)	(12,283)
Amortisation - intangible assets	(309)	(300)	(308)	(315)	(323)	(331)	(339)	(348)	(357)	(366)
Amortisation - right of use assets	(206)	(206)	(206)	(188)	(188)	(188)	(188)	(188)	(188)	(188)
Bad and doubtful debts	(1)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Borrowing costs	(96)	(93)	(610)	(947)	(1,284)	(1,789)	(2,044)	(2,322)	(3,087)	(3,604)
Finance Costs - leases	(155)	(154)	(145)	(136)	(128)	(118)	(109)	(98)	(88)	(76)
Other expenses	(636)	(875)	(922)	(1,207)	(969)	(1,005)	(1,042)	(1,272)	(1,072)	(1,074)
Total Expenses	(44,544)	(45,498)	(47,252)	(49,081)	(50,437)	(52,269)	(53,890)	(55,759)	(57,725)	(59,683)
Operating Surplus/(deficit)	1,085	3,876	7,878	380	(2,249)	(2,228)	(3,572)	(4,339)	(3,869)	(4,096)
 Underlying Surplus/(deficit)	 (3,430)	 (3,373)	 (2,583)	 (2,972)	 (3,614)	 (4,573)	 (5,407)	 (5,677)	 (5,340)	 (5,530)

The underlying result provides a more accurate view of Council's ongoing financial position by removing capital grants income, as the associated expenditure is not included in the total expenses – offering a more realistic reflection of the bottom line.

6.2 Balance Sheet

	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
Assets										
Current assets										
Cash and cash equivalents	20,511	9,964	6,788	6,258	6,034	5,945	5,556	5,107	5,274	5,810
Trade and other receivables	5,457	5,429	6,047	5,444	5,308	5,514	5,533	5,671	5,942	6,135
Inventories	40	41	42	43	44	45	46	48	49	50
Total current assets	26,008	15,434	12,877	11,745	11,386	11,505	11,135	10,826	11,265	11,995
Non-current assets										
Property, infrastructure, plant & equipment	526,847	540,641	562,391	571,315	576,731	585,255	587,456	589,449	601,303	607,141
Right-of-use assets	2,668	2,462	2,256	2,068	1,880	1,692	1,504	1,316	1,128	940
Intangible asset	438	438	438	438	438	438	438	438	438	438
Total non-current assets	529,953	543,541	565,085	573,821	579,049	587,385	589,398	591,203	602,869	608,519
Total assets	555,961	558,976	577,962	585,567	590,435	598,889	600,533	602,029	614,134	620,513
Liabilities										
Current liabilities										
Trade and other payables	2,420	1,904	1,953	2,029	2,069	2,127	2,181	2,258	2,308	2,371
Trust funds and deposits	1,507	1,545	1,583	1,623	1,663	1,705	1,748	1,791	1,836	1,882
Unearned income/revenue	2,000	2,050	2,101	2,154	2,208	2,263	2,319	2,377	2,437	2,498
Provisions	4,700	4,028	4,057	4,086	4,116	4,147	4,179	4,211	4,245	4,279
Interest-bearing loans and borrowings	245	308	1,380	2,236	3,205	4,635	5,362	6,639	9,032	11,246
Lease liabilities	142	174	153	162	171	181	191	202	213	226
Total current liabilities	11,014	10,008	11,228	12,290	13,432	15,058	15,980	17,479	20,071	22,500
Non-current liabilities										
Provisions	7,536	8,234	8,231	8,229	8,226	8,224	8,221	8,218	8,215	8,212
Interest-bearing loans and borrowings	1,755	1,399	11,443	17,771	23,920	33,160	37,647	42,189	55,786	64,061
Lease liabilities	2,734	2,537	2,384	2,222	2,051	1,870	1,678	1,476	1,263	1,037
Total non-current liabilities	12,025	12,170	22,058	28,222	34,197	43,253	47,546	51,883	65,265	73,311
Total liabilities	23,039	22,178	33,286	40,512	47,629	58,311	63,527	69,362	85,336	95,811
Net assets	532,922	536,798	544,675	545,055	542,806	540,578	537,006	532,667	528,798	524,702
Equity										
Accumulated surplus	152,771	157,201	166,401	167,311	165,286	163,147	159,965	156,074	152,037	147,406
Reserves	380,151	379,597	378,274	377,744	377,520	377,431	377,041	376,593	376,761	377,296
Total equity	532,922	536,798	544,675	545,055	542,806	540,578	537,006	532,667	528,798	524,702

6.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2025/26				
Balance at beginning of the financial year	531,838	146,344	371,095	14,399
Surplus/(deficit) for the year	1,085	1,085	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	(1)	5,342	-	(5,343)
Balance at end of financial year	532,922	152,771	371,095	9,056
2026/27				
Balance at beginning of the financial year	532,922	152,771	371,095	9,056
Surplus/(deficit) for the year	3,876	3,876	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	0	554	-	(554)
Balance at end of financial year	536,798	157,201	371,095	8,502
2027/28				
Balance at beginning of the financial year	536,798	157,201	371,095	8,502
Surplus/(deficit) for the year	7,878	7,878	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	(0)	1,323	-	(1,323)
Balance at end of financial year	544,675	166,401	371,095	7,179
2028/29				
Balance at beginning of the financial year	544,675	166,401	371,095	7,179
Surplus/(deficit) for the year	380	380	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	(0)	531	-	(531)
Balance at end of financial year	545,055	167,311	371,095	6,649
2029/30				
Balance at beginning of the financial year	545,055	167,311	371,095	6,649
Surplus/(deficit) for the year	(2,249)	(2,249)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	(0)	223	-	(223)
Balance at end of financial year	542,806	165,286	371,095	6,425
2030/31				
Balance at beginning of the financial year	542,806	165,286	371,095	6,425
Surplus/(deficit) for the year	(2,228)	(2,228)	-	-

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	(0)	89	-	(89)
Balance at end of financial year	540,578	163,147	371,095	6,336
2031/32				
Balance at beginning of the financial year	540,578	163,147	371,095	6,336
Surplus/(deficit) for the year	(3,572)	(3,572)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	(0)	390	-	(390)
Balance at end of financial year	537,006	159,965	371,095	5,946
2032/33				
Balance at beginning of the financial year	537,006	159,965	371,095	5,946
Surplus/(deficit) for the year	(4,339)	(4,339)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	0	448	-	(448)
Balance at end of financial year	532,667	156,074	371,095	5,498
2033/34				
Balance at beginning of the financial year	532,667	156,074	371,095	5,498
Surplus/(deficit) for the year	(3,869)	(3,869)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	0	(168)	-	168
Balance at end of financial year	528,798	152,037	371,095	5,666
2034/35				
Balance at beginning of the financial year	528,798	152,037	371,095	5,666
Surplus/(deficit) for the year	(4,096)	(4,096)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	(0)	(535)	-	535
Balance at end of financial year	524,702	147,406	371,095	6,201

6.3 Statement of Cash Flows

	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
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities										
Rates and charges	25,882	26,559	27,707	28,539	29,416	30,305	31,226	32,141	33,107	34,087
Statutory fees and fines	1,124	1,137	1,180	1,209	1,240	1,271	1,303	1,335	1,368	1,402
User fees	2,983	2,753	2,858	2,928	3,002	3,077	3,155	3,231	3,313	3,396
Grants - operating	7,466	7,649	8,039	8,350	8,680	9,020	9,377	9,739	10,123	10,521
Grants - capital	5,540	7,596	11,707	5,967	2,860	2,985	2,008	1,553	2,335	2,592
Contributions - monetary	340	349	357	366	375	385	394	404	414	425
Interest received	1,377	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202	1,202
Trust funds and deposits taken	-	38	39	40	41	42	43	44	45	46
Other receipts	1,210	1,456	1,513	1,552	1,601	1,643	1,687	1,730	1,775	1,822
Net GST refund / payment	1,125	750	-	-	-	-	-	-	-	-
Employee costs	(18,869)	(19,244)	(19,503)	(20,082)	(20,688)	(21,308)	(21,951)	(22,603)	(23,284)	(23,983)
Materials and services	(15,756)	(15,021)	(15,153)	(15,527)	(15,918)	(16,316)	(16,726)	(17,139)	(17,570)	(18,009)
Trust funds and deposits repaid	(580)	-	-	-	-	-	-	-	-	-
Other payments	(700)	(1,190)	(1,226)	(1,505)	(1,307)	(1,334)	(1,380)	(1,608)	(1,439)	(1,440)
Net cash provided by/ (used in) operating activities	11,142	14,034	18,719	13,038	10,504	10,971	10,337	10,028	11,390	12,061
Cash flows from investing activities										
Payments for property, infrastructure, plant and equipment	(17,212)	(24,375)	(32,592)	(20,036)	(16,802)	(20,193)	(14,159)	(14,247)	(24,411)	(18,706)
Proceeds from sale of property, infrastructure, plant and equipment	930	500	510	520	531	541	552	563	574	586
Net cash provided by/ (used in) investing activities	(16,282)	(23,875)	(32,082)	(19,516)	(16,271)	(19,652)	(13,607)	(13,684)	(23,836)	(18,120)
Cash flows from financing activities										
Finance costs	(156)	(93)	(610)	(947)	(1,284)	(1,789)	(2,044)	(2,322)	(3,087)	(3,604)
Proceeds from borrowings	2,000	-	12,435	9,322	10,181	15,102	10,720	12,169	24,631	21,247
Repayment of borrowings		(293)	(1,319)	(2,138)	(3,064)	(4,432)	(5,506)	(6,351)	(8,640)	(10,758)

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
-	-	-	-	-	-	-	-	-	-	-
Interest paid - lease liability	-	(154)	(145)	(136)	(128)	(118)	(109)	(98)	(88)	(76)
Repayment of lease liabilities	(142)	(165)	(174)	(153)	(162)	(171)	(181)	(191)	(202)	(213)
Net cash provided by/ (used in) financing activities	1,702	(705)	10,187	5,948	5,544	8,592	2,880	3,207	12,614	6,595
Net increase/(decrease) in cash & cash equivalents	(3,438)	(10,547)	(3,176)	(530)	(224)	(89)	(390)	(449)	168	535
Cash and cash equivalents at the beginning of the financial year	23,949	20,511	9,964	6,788	6,258	6,034	5,945	5,556	5,107	5,274
Cash and cash equivalents at the end of the financial year	20,511	9,964	6,788	6,258	6,034	5,945	5,556	5,107	5,274	5,810
Cash and Cash Equivalents										
Unrestricted Cash	11,847	1,854	1	1	1	1	1	1	1	1
Restricted Cash (due to reserves)	8,664	8,110	6,787	6,257	6,033	5,944	5,554	5,106	5,274	5,809
Cash and Cash Equivalents	20,511	9,964	6,788	6,258	6,034	5,945	5,556	5,107	5,274	5,810

6.4 Statement of Capital Works

	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
Property										
Land improvements	505	-	-	-	-	-	-	-	-	-
Buildings	4,666	1,709	1,691	1,667	1,490	1,508	770	461	685	515
Total property	5,171	1,709	1,691	1,667	1,490	1,508	770	461	685	515
Plant and equipment										
Plant, machinery and equipment	1,595	1,739	1,011	1,126	1,238	1,269	1,301	1,334	1,367	1,968
Computers and telecommunications	162	162	166	170	174	178	183	-	-	-
Library books	90	108	110	113	105	107	110	113	116	119
Total plant and equipment	1,847	2,008	1,287	1,409	1,517	1,555	1,594	1,447	1,483	2,086
Infrastructure										
Roads	2,800	3,550	3,796	4,145	4,430	3,326	1,984	2,325	4,169	4,698
Bridges	1,454	9,872	16,183	3,023	1,555	4,152	1,568	3,490	12,000	3,610
Footpaths and cycleways	401	1,346	2,505	1,506	2,279	1,848	1,086	1,006	897	1,513
Drainage	402	1,539	2,252	3,369	2,235	4,454	2,619	2,261	2,507	1,787
Recreational, leisure and community facilities	245	1,492	852	2,441	1,226	1,242	1,849	309	630	2,782
Waste management	4,143	1,195	2,080	1,877	1,502	1,622	1,371	1,673	1,216	1,280
Parks, open space and streetscapes	125	872	247	334	238	288	410	490	254	310
Off street car parks	80	-	-	-	-	-	-	-	-	-
Other infrastructure	543	792	1,700	266	330	196	908	787	570	125
Total infrastructure	10,193	20,658	29,614	16,960	13,795	17,129	11,795	12,339	22,243	16,105
Total capital works expenditure	17,211	24,375	32,592	20,036	16,802	20,193	14,159	14,247	24,411	18,706
Represented by:										
New asset expenditure	5,133	-	-	-	-	-	-	-	-	-
Asset renewal expenditure	7,497	17,469	21,998	12,892	11,359	14,548	9,938	9,951	17,686	14,783
Asset expansion expenditure	389	-	-	-	-	-	-	-	-	-
Asset upgrade expenditure	4,192	6,906	10,595	7,144	5,442	5,645	4,221	4,296	6,725	3,923
Total capital works	17,211	24,375	32,592	20,036	16,802	20,193	14,159	14,247	24,411	18,706
Funding sources represented by:										
Grants	5,537	7,705	12,184	5,200	2,569	3,033	1,879	1,511	2,434	2,609
Contributions	100	-	-	-	-	-	-	-	-	-
Council Cash	16,671	7,973	5,514	4,052	2,058	1,560	567	-	-	9,574
Borrowings	-	12,435	9,322	10,181	15,102	10,720	12,169	21,976	16,097	2,000
Total capital works expenditure	17,211	24,375	32,592	20,036	16,802	20,193	14,159	14,247	24,411	18,706

6.5 Statement of Human Resources

	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	(18,303)	(18,416)	(18,968)	(19,537)	(20,123)	(20,727)	(21,349)	(21,989)	(22,648)	(23,328)
Employee costs - Capital	(566)	(570)	(587)	(604)	(622)	(641)	(660)	(680)	(700)	(721)
Total staff expenditure	(18,869)	(18,986)	(19,555)	(20,142)	(20,746)	(21,368)	(22,009)	(22,669)	(23,349)	(24,049)
Staff numbers	EFT	EFT	EFT	EFT	EFT	EFT	EFT	EFT	EFT	EFT
Employees	168	168	168	168	168	168	168	168	168	168
Total staff numbers	168	168	168	168	168	168	168	168	168	168

7 Financial Performance Indicators

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

Indicator	Measure	Units	Sustainable Target	Projections 2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Trend
Operating Position														
Adjusted underlying surplus / (deficit)	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	%	0% - 5%	(8.1%)	(8.3%)	(8.0%)	(5.8%)	(6.4%)	(7.7%)	(9.6%)	(11.2%)	(11.3%)	(10.2%)	↓
Liquidity														
Working Capital	Current Assets / Current liabilities	%	>100%	236.1%	154.2%	114.7%	95.6%	84.8%	76.4%	69.7%	61.9%	56.1%	53.3%	↓
Unrestricted Cash	Unrestricted cash / Rate Revenue	%	>25%	40.0%	1.2%	(5.8%)	(5.7%)	(5.7%)	(5.7%)	(5.6%)	(5.6%)	(5.6%)	(5.6%)	↓
Obligations														
Loans and Borrowings	Interest bearing loans and borrowings / rate revenue	%	0% - 40%	7.7%	6.4%	46.7%	70.7%	93.0%	125.8%	139.0%	153.2%	197.5%	222.9%	↓
Loans and borrowings repayments	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	%	0% - 20%	0.6%	1.5%	7.0%	10.9%	14.9%	20.7%	24.4%	27.2%	35.7%	42.5%	↓
Asset Renewal														
Asset Renewal	Asset renewal / depreciation	%	90% - 110%	76.2%	173.3%	212.9%	121.7%	104.6%	130.7%	87.1%	85.1%	147.6%	120.4%	↑
	Asset renewal and Upgrade / depreciation	%	>100%	118.9%	241.8%	315.4%	189.2%	154.8%	181.5%	124.1%	121.9%	203.7%	152.3%	↑

Key to Forecast Trend in financial indicator: Forecast improvement ↑ Forecast remains steady → Forecast deterioration in financial indicator ↓

8 Glossary

Term	Definition
Act	Refers to the <i>Local Government Act 2020</i> , which provides the legislative framework for the establishment and operation of councils in Victoria.
Annual Report	A report outlining Council's operations for the previous financial year, including the Report of Operations, audited Financial Statements and Performance Statement, in accordance with the Act and Regulations.
Asset Plan	A plan with a minimum ten-year outlook that details the management, maintenance, renewal, acquisition, expansion, upgrade, disposal and decommissioning of each class of infrastructure asset under Council's control.
Australian Accounting Standards (AAS)	Standards issued by the Australian Accounting Standards Board that specify how financial statements must be prepared and presented.
Better Practice	Guidance that represents the preferred approach to compliance or reporting where legislation or standards do not prescribe a method, as endorsed by Local Government Victoria.
Budget	A four-year rolling financial plan that outlines the services, initiatives and capital works Council intends to fund and how they contribute to achieving the strategic objectives of the Council Plan.
Community Vision	A shared statement, developed through deliberative engagement, that expresses the community's social, economic, cultural and environmental aspirations for at least the next ten years.
Council Plan	A four-year plan that sets out Council's strategic objectives, strategies, indicators and resources to reflect the community's vision and aspirations.
Financial Plan	A long-term plan (minimum ten years) that outlines Council's financial and non-financial resources required to achieve the Council Plan and other strategic plans, setting the fiscal parameters for budgeting and planning.
Financial Statements	The audited financial reports prepared in accordance with Australian Accounting Standards, the Local Government Model Financial Report, and other applicable standards.
Financial Year	The 12-month period ending on 30 June each year.
Integrated Strategic Planning and Reporting Framework (ISPRF)	The framework that links Council's key statutory plans and reports to support strategic decision-making, resource allocation, and accountability to the community.
Minister	The Minister for Local Government, responsible for administering the <i>Local Government Act 2020</i> and associated legislation.
Operating Surplus / Deficit	The net result as reported in the Comprehensive Income Statement, including all income and expenses (both recurrent and non-recurrent). This figure can be influenced by one-off grants, asset sales, or other extraordinary items, and may not reflect the

ongoing financial health of the Council.

Performance Statement	A statement reporting the results of prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year, included in the Annual Report.
Principal Accounting Officer	The officer designated by Council as responsible for the financial management of the organisation in accordance with the <i>Local Government Act 2020</i> .
Regulations	The <i>Local Government (Planning and Reporting) Regulations 2020</i> , which set out the requirements for financial reporting, performance reporting and strategic planning under the Act.
Report of Operations	A component of the Annual Report providing an overview of Council's operations, achievements and challenges during the financial year.
Revenue and Rating Plan	A four-year plan outlining how Council will generate income to deliver the Council Plan, services and capital works, and ensure equitable and sustainable rating outcomes.
Specialised Assets	Assets designed for a specific, limited purpose, including infrastructure such as roads, bridges, pump stations, heritage properties and emergency service facilities.
Underlying Surplus / Deficit	The net result from ordinary activities after removing non-recurrent capital grants, contributions, and other one-off items. This measure reflects the Council's true operating position and its ability to fund ongoing services and asset renewal from regular income sources. It is a key indicator of financial sustainability.