



# GLEN EIRA CITY COUNCIL

GLEN EIRA  
CITY COUNCIL

- BENTLEIGH
- BENTLEIGH EAST
- BRIGHTON EAST
- CARNEGIE
- CAULFIELD
- ELSTERNWICK
- GARDENVALE
- GLEN HUNTLY
- MCKINNON
- MURRUMBEENA
- ORMOND
- ST KILDA EAST

# FINANCIAL PLAN 2024–25 to 2033–34

Ordinary Council Meeting

Tuesday 25 June 2024



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## **1 Executive Summary**

### **1.1 Purpose of the Financial Plan**

The *Local Government Act 2020* requires Council to prepare a Financial Plan covering a minimum period of 10 years following each Council election. Council's 10-Year Financial Plan provides the financial management framework upon which sound financial decisions are made. The 10-Year Financial Plan covers the period 2024-25 to 2033-34 and aims to maintain sound operational surpluses, increasing Council's renewal, upgrade, and new investment in community assets, and ensuring that the liquidity position and cash reserves is acceptable to Council.

The Financial Plan is a decision-making tool to identify Council's current and projected financial capacity to meet Council's future needs in providing services and facilities to the community based on the goals and aspirations of the Council Plan and to achieve the Community Vision.

Each year the 10-Year Financial Plan is reviewed and updated to reflect the current circumstances of Council. The Plan effectively takes the assumptions and budget parameters that have been applied to the 2024-25 Budget (which covers a four-year period) and extends these out into years 5-10 to give a longer-term view of Council's financial viability and outcomes.

### **1.2 Context and challenges**

Financially, Council's primary obligations are to be financially sustainable, make effective use of the public funds entrusted to us, and to ensure the responsible management and planning of community assets so that future ratepayers are not burdened unnecessarily.

Pre-COVID-19, Council had made a concerted effort to generate operational surpluses and direct sufficient funding to capital expenditure. This approach ensured the City's infrastructure and community facilities are improving and that Council provides the facilities and services that the community needs at a price that the community is prepared to pay. To achieve this, Council must continue to carefully manage finances and use innovation and continuous improvement measures to ensure services are the most efficient and cost-effective that can be provided.

It is the decision of Council to determine the priority for spending on the operational services that Council provides as well as the investment in the capital works program.

Council also needs to ensure that working capital is maintained such that sufficient cash reserves are available to meet normal cash flow requirements and meet potential emergencies.

Now more than ever with rising cost pressures, a tightening fiscal environment, and a growing population, it is imperative that we make forward-thinking decisions that meet the evolving needs of our present and future communities. Long-term financial sustainability is essential for us to continue providing the programs and services our community values and relies upon.

The 'Fair Go' rate-capping system introduced across Victoria in 2015 has severely constrained our ability to draw upon traditional avenues of revenue and provide essential community services. While rate-capping aims to provide a downwards force on cost-of-living pressures felt by residents, rates comprise a sizeable proportion of revenue inflows for local governments each year and a discrete cap on these inflows ensures these same affordability pressures are exacerbated for Local Governments. This is amplified by the actual level applicable rate caps have been set at in recent years, specifically in the years of heightened inflation post-pandemic – for example, annual CPI to June 2023 was 6.0 per cent, while the applicable rate cap for Victorian Local Governments for the same period was 1.75 per cent.

Cost of labour, materials and services have increased by at least CPI and in some instances due to supply constraints (materials and specialist labour) two to threefold CPI. With rate capping continuing to be in place the impact on our budget over time is significant and the capacity to undertake capital works that meet community expectations and to maintain service delivery standards will potentially be at risk.

There are several unknown risks that cannot be validated in the Financial Plan because we cannot control. These include:

- the extent and period of the cost-of-living crisis, and subsequent impact on State and Federal Government budgetary funding cuts impacting on local government.
- salary increases for staff pursuant to future Enterprise Bargaining Agreements.
- further cost shifting from the other levels of government.
- infrastructure renewal, upgrade and new infrastructure requirements based on improved condition assessment data.
- the optimum service mix, service level, service delivery options and operation models, and any associated operational savings or expenditure.
- the timing and impact of emergency events.
- the potential call on the Defined Benefit Plan Scheme.
- the outcome of future rate cap announcements.
- changes to IT solutions and costs.

### **1.3 Key financial objectives of the Financial Plan**

The key objective which underlines the development of the Financial Plan is financial sustainability in the medium to long-term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives for Council are:

- **Rates** – maintain rate increases in line with the constraints set by the State Government's Rate Cap.
- **Liquidity** – establishing a budget that sets Council's liquidity level at no less than 100 per cent excluding its reserve funds.
- **Fees** – set fee increases that are manageable and sustainable, in line with the consumer price index and reasonable benchmarking.
- **Service charges** – to be set on a cost recovery basis.
- **Risk management** – mitigate major risks through targeted investment in critical areas, including a focus on maintenance and renewal within the Capital Works Program.
- **Service level** – maintain essential services at not less than current levels.
- **Retain capacity to invest in long-term sustainability** – support initiatives that build long-term financial sustainability and organisational capability.
- **Retain our efficiency position** – keep day-to-day costs manageable and rates below our peers.
- **Community engagement** – ensure that priorities reflect feedback from, and engagement with, the community.

## 1.4 Council's pathway to financial sustainability

Over the past 18 months we have undertaken significant analysis to understand our long-term financial sustainability challenge and the options to address it. We commenced by engaging experts and independent advice on our long-term financial position. The reviews highlighted options for increasing revenue through borrowings, philanthropy, rates, and fees, as well as options for decreasing expenditure.

Specific potential interventions included re-consideration of Council's investment in certain services, re-assessment of the viability of Council's ambitious capital program and a review of our \$2b asset portfolio. Our journey has involved several workshops with Councillors to discuss these options in addressing Council's financial position. Our aim during the financial sustainability journey was to have:

- a strong cash position.
- adequate cash reserves to cash back our restricted assets.
- the ability to repay borrowings.
- adequate surpluses to effectively manage and invest in assets.
- the ability to cover all known operating expenses.
- contingencies in place for unforeseen circumstances.

### Our approach to building financial sustainability included:

#### **a) Recast of the 10-Year Capital Works Program**

Projects in the 10-year Capital Works Program have been costed in a staged approach, e.g., feasibility, design and construction and have been selected from a prioritisation process aligned to Council's strategies and plans and benefits, risk, and cost assessments.

The overall program has been reduced and the revised portfolio includes community safety programs, better streets and better places design and construction, cycling projects, climate and sustainability initiatives, transformation projects, strategic renewal planning for maintaining our amenities and assets to the required standard, Elsternwick Cultural Precinct, Open Strategy Implementation, and pavilion funding.

The revised approach is not without risk, as we know this is a significant reduction in our capital investment. We can deliver greater flexibility in the future capital program if Council can further improve its financial performance.

#### **b) Budget and efficiency monitoring**

In preparation for Council's 2024-25 Budget, a whole of organisation, operational efficiency mid-year review of the 2023-24 financials was conducted. This review identified the following adjustments to the 2023-24 forecast:

- \$3.7m in one-off adjustments which included various contracting/consulting costs no longer required across the organisation; and
- \$4m of ongoing adjustments which includes higher income forecasting based on current revenue performance, and reductions in various expense line items based on prior year actual trends.

### **c) Revenue opportunities**

From 2018 to 2022, our revenues remained stable while operational costs increased 13%. The key external cost pressures driving these increases were identified to be:

- the high-cost macroeconomic environment.
- requirements to invest in intuitive digital solutions for residents.
- state and federal governments shifting service delivery costs onto councils.
- cost to deliver on environmental, social, and governance (ESG) commitments.
- community pressures to do more with less.

Council's current revenue position reinforces financial sustainability concerns within the current rate-capping system, with rates and charges, contributions, and grants making up over 80% of total income in the 2023-24 financial year. While this demonstrates a solid financial foundation, over-reliance on these conventional revenue streams limits future agility to raise total revenues and service growing costs.

This underscores the necessity for Council to diversify its fiscal position with an innovative and robust review of potential ongoing revenue generation opportunities.

As a result, Council undertook a comprehensive revenue review with key stakeholders to identify opportunities and prioritise them based on their estimated feasibility and impact for the short-term, medium, and long-term. Our purpose was to explore and assess new potential revenue sources; identify specific opportunities for revenue enhancement; and codevelop initiatives for Council to consider new and enhanced revenue streams.

Additionally, neighboring municipalities were engaged to benchmark these opportunities and gain insights into the broader council environment and best practices elsewhere. Fees and charges were benchmarked with those of neighboring municipalities.

### **1.5 Summary of key outcomes**

The review of the updated Financial Plan has focused on providing Council with an honest and transparent assessment of the current situation, modelling of future scenarios, and identification of options to ensure that Council has the best possible information to help inform future decision making and manage risk. Through the work we have done on financial sustainability, Council has achieved:

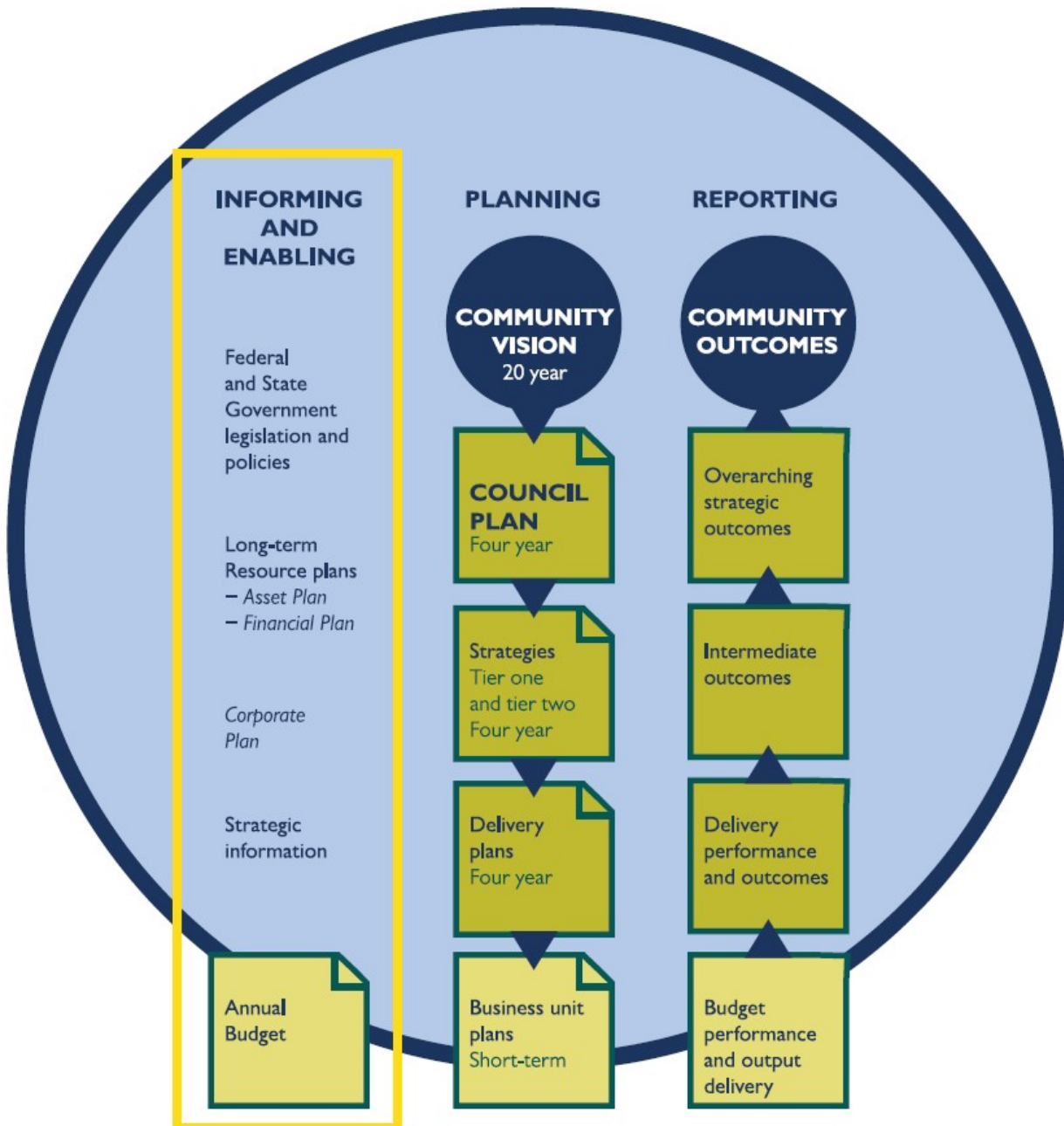
- operational surpluses throughout the 10-year period.
- a working capital ratio (liquidity) greater than 100 per cent for the majority of the 10-year period to meet our financial obligations.
- an increased ability to fund capital works in general as required in asset planning.
- an improvement in the capacity to meet borrowing obligations.
- an improvement in our ability to cash back our reserves.

We now have a clearer picture and better understanding of the financial commitments and constraints that are impacting Council over the next ten years.

## 2 Legislative Requirements

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

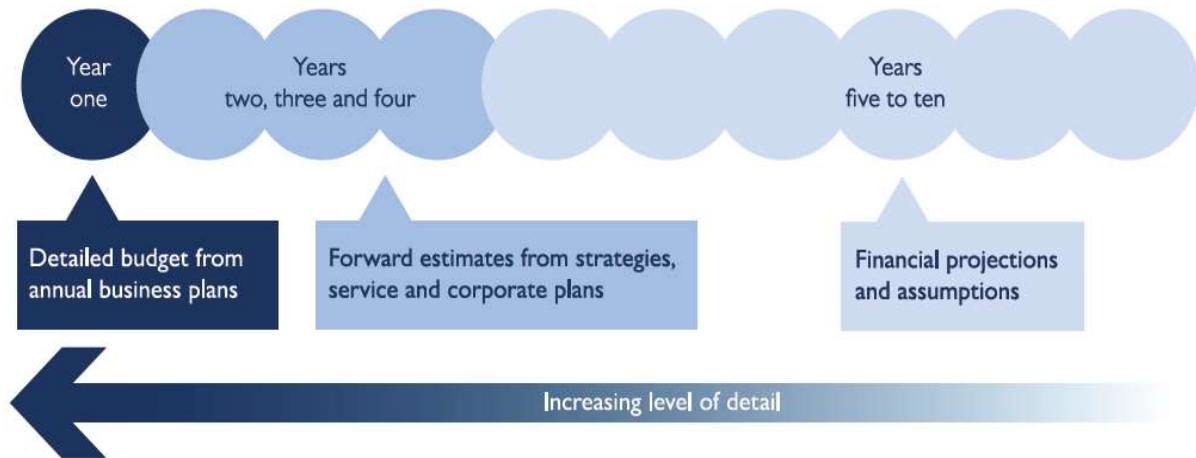
The following diagram provides an overview of the core legislated elements of an integrated strategic planning and reporting framework and outcomes.



This shows the links between the Community Vision, Council Plan and strategies, with the Financial Plan, Asset Plan and Budget informing and enabling these to deliver community outcomes. The financial plan is influenced by ongoing strategies and service planning and is then used to inform the four-year budget development and other financial processes.



**LONG-TERM FINANCIAL PLAN = 10 YEARS**



**2.1 Strategic Planning Principles**

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

- a) Council has an integrated approach to planning, monitoring, and performance reporting.
- b) Council financial plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- c) The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- d) Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 2.2.2 below.
- e) The Financial Plan provides for the strategic planning principles of monitoring the progress and reviews to identify and adapt to changing circumstances.

**2.2 Financial Management Principles**

The Financial Plan demonstrates the following financial management principles:

**2.2.1** Revenue, expenses, assets, liabilities, investments, and financial transactions are managed in accordance with Council's financial policies and strategic plans.

**2.2.2** Management of the following financial risks:

- the financial viability of the Council (refer to section 3.1 Financial Policy Statements).
- the management of current and future liabilities of the Council. The estimated 10 year-liabilities are disclosed in section 4.2 Balance Sheet projections.
- the beneficial enterprises of Council (where appropriate).

**2.2.3** Financial policies and strategic plans are designed to provide financial stability and predictability to the community.

**2.2.4** Council maintains accounts and records that explain its financial operations and financial position (refer section 4 Financial Statements).

### **2.3 Engagement Principles**

Council adopted a comprehensive community engagement framework in March 2021. For this current Financial Plan, Council has implemented the following consultation process to ensure due consideration and feedback is received from relevant stakeholders:

- a) Council undertook an extensive community engagement program ‘*Our Priorities, Our Future*’, which has helped to inform Council on the services that are most important to the community and provide input about how we can best raise money, or cut costs, to pay for the services that the community value most. The Our Priorities, Our Future community survey indicated the following services are most important to our community:



1: Open space



2: Recreation



3: Roads, footpaths and cycling



4: Waste



5: Libraries



6: Climate action

Part of the community engagement process was the establishment of a Community Priorities deliberative engagement panel. The panel provided the following recommendations about the services and infrastructure that were most important:

- For Council to continue providing community wellbeing services at current levels. For example: services for people with disadvantage, aged, youth, people with disability, maternal and children.
- Review the provision of community wellbeing services at least once every four years, in conjunction with the Council Plan.
- Maximise the utility of existing assets.
- Improve digital customer experience of touch points between public and Council and within Council, e.g., customer portal.

The Panel provided the following recommendations on the options for raising money or make savings to pay for what they value most:

- Investigate income sources and opportunities in public parking, including expansion and enforcement of parking laws.
- User pays for extension of current services.
- Seek opportunities to commercialise Council assets and services.
- Increase fees and charges for property development.
- For Council to investigate ways to increase its efficiency.

The feedback was reported to Council on 19 December 2023. The full report including the feedback from the broader community engagement process can be accessed here:

[Our Priorities Our Future Report](#)

- b) Draft Financial Plan principles, key components, and outcomes discussed and agreed with Councillors.
- c) Draft Financial Plan prepared by management.
- d) Draft Financial Plan available for community feedback after Council resolved to advertise the Financial Plan at the Council meeting on 1 May 2024.
- e) Community engagement is conducted using local news outlets, social media and information sessions.
- f) Council receives the community feedback for consideration of the Financial Plan at the Council meeting on 13 June 2024.
- g) Financial Plan, including any revisions, presented to the Council meeting for adoption on 25 June 2024.

## **2.4 Service Performance Principles**

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

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- b) Services are accessible to the relevant users within the community.
- c) Council provides quality services that provide value for money to the community. The Local Government Planning and Reporting Framework (LGPRF) is designed to communicate council's performance regarding the provision of quality and efficient services.
- d) Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- e) Council is developing a service delivery framework that considers and responds to community feedback and complaints regards service provision.

## **2.5 Asset Plan Integration**

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

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

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

In addition to identifying the operational and strategic practices that ensure that Council manages assets across their life cycle in a financially sustainable manner, the Asset Plan

quantifies the asset portfolio and the financial implications of those practices. Together the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets.

### 3 Financial Plan Context

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

Below is the table of annual percentage escalations for the major line items included to the 10-year Comprehensive Income Statement. The assumptions also comprise necessary adjustment required however annual percentage escalations won't apply to non-recurrent income or expense in the calculation.

Escalation Factors % movement	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
<b>Account Caption</b>									
CPI	3.10%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Growth	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rates and charges	2.75%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Statutory Fees and Fines	1.65%	1.25%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
User Fees	6.00%	2.50%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Contributions - Monetary	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grants - Operating	2.50%	2.50%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Grants - Capital	2.50%	2.50%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Other Income	3.00%	2.50%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Employee Costs	2.75%	2.25%	2.25%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Materials and Services	3.00%	2.50%	2.50%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Depreciation and amortisation	2.50%	2.50%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
Other Expenses	3.00%	2.50%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%

### 3.1 Financial Policy Statements

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

#### Financial Policy Statements for the years ending 30 June 2024 - 2034

Statement	Measure	Objective	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Consistent financial surplus result (Table figures are in \$000's)	Total income - Total Expenditure	> \$5m	8,735	8,290	7,720	6,015	5,881	5,184	6,641	7,375	8,491	9,196	11,165
Council holds sufficient working capital to meet obligations.	Current Assets / Current Liabilities greater than 1	Average over 100%	131%	122%	129%	123%	119%	108%	106%	102%	91%	99%	108%
That Council applies loan funding to new capital and maintains total borrowings in line with rate income.	Total borrowings / Rate revenue to remain below 60%	<60%	37%	34%	32%	31%	28%	25%	24%	22%	15%	13%	11%
Allocate funds towards renewal capital in order to replace assets as they reach the end of their service life.	Asset renewal and upgrade spend/ Depreciation averages above 100%	>100%	232%	124%	84%	56%	86%	86%	81%	86%	71%	73%	72%
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Unrestricted cash / current liabilities to be maintained above 50%	>50%	42%	42%	49%	47%	43%	31%	29%	25%	22%	19%	28%
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for new and renewal capital.	Capital Outlays as a % of Own Source Revenue to remain above 15%	>15%	39%	22%	16%	19%	18%	20%	18%	19%	16%	15%	16%

## **3.2 Strategic Actions**

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

- Increase investment in renewal capital to maintain our infrastructure assets.
- Additional investment to address Council's Declaration of a Climate emergency.
- Debt funding to be applied to infrastructure growth where necessary.
- Investment in Open Space in accordance with the *Open Space Strategy*.
- Maintain essential services at not less than current levels.
- Invest in continuous improvement, technology and other enablers to efficiency and enhanced customer outcomes.
- The strategic actions are included in the 10-year Financial Plan and, where appropriate, referenced in the commentary.

## **3.3 Assumptions to the financial plan statements**

### **3.3.1 Rates and charges**

Planning for future rate increases has been an important component of the Financial Plan process. The State Government has introduced the *Fair Go Rates System* which sets out the maximum amount councils may increase rates in a year. The Financial Plan assumes a rate increase of 2.75 per cent in 2024-25 and 2.0 per cent in future years.

The Plan also assumes an additional 600 property assessments per annum. The average Rates per Assessment for 2024-25 is estimated at \$1,578.

The Minister for Local Government has recently released best practice guidelines advising what Councils may include in the calculation of services charges. Glen Eira currently recovers the cost of street cleaning, street bins and education costs through the charge, which will likely be prohibited under the guidelines as released. Council is investigating a pathway for compliance in future budgets.

### **3.3.2 Statutory fees and fines**

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, health act registrations and parking fines. Statutory fees are outside the control of Council and therefore can be subject to increases less than CPI depending on the decision determined by the State Government each year. Increases are set at approximately 1.2 per cent per annum.

### **3.3.3 User fees**

User fees relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of Glen Eira Leisure, lease and hire of community facilities and the provision of human services such as Family Day Care and Community Care services. Increases are set at average 2.4 per cent per annum.

### **3.3.4 Grants**

Grant funding received from State and Federal sources is expected to increase on an annual basis by approximately 2.4 per cent. One-off non-recurrent grant funding includes:

- Carnegie Memorial Swimming Pool Redevelopment – expectation of \$7.5m Commonwealth grant funding received in 2024-25 (total grant funding \$15m).
- Packer Park Reserve Pavilion upgrade – includes grant funding commitment of \$1.53m in 2024-25.
- Mackie Road Reserve Pavilion – funding of \$3m is expected to be received for the construction project in 2025-26.

### **3.3.5 Contributions (Open Space)**

Contributions are the funds received by Council from non-government sources. Council receives contributions from developers which enable council to provide necessary infrastructure improvements to accommodate development growth. All money raised by the levy will go into more and better open space.

### **3.3.6 Other income**

Other income includes lease and rental income, non-statutory licenses, and reimbursements.

### **3.3.7 Employee costs**

Increases for employee costs mainly reflect the salary increase for all staff pursuant to expected Enterprise Bargaining Agreements. New Full-time equivalent (FTE) staffing is projected for 2024-25 and 2025-26 due to the opening of Carnegie Memorial Swimming Pool however capped at the same level afterwards.

Glen Eira has capable and diverse staff required to provide a range of quality services to the community. Recruitment, development, and retention of our staff are critical for the organisation to be able to provide services to our community. The ages of staff vary, with Glen Eira Leisure attracting a younger age group of employees in the fitness and aquatic areas. Our staff engagement survey results for 2023 demonstrated success with 72 per cent of staff being highly engaged. This placed us in the top 10 per cent of local government employers.

### **3.3.8 Materials and services**

Material costs include items required for the maintenance and repairs of Council buildings, parks, roads, drains and footpaths. Cost increases for these items are governed more by market forces based on availability rather than CPI. Other costs included under this category are waste collection and disposal, street cleaning, payments to family day care providers, supply of community meals and consumable items for a range of services. Council also utilises external expertise on a range of matters, including IT services, legal services and audit.

### **3.3.9 Depreciation and amortisation**

Depreciation and amortisation of Council's infrastructure, intangibles and right of use of assets is determined from information contained within their various asset management plans and strategies. The future projections of depreciation in the Financial Plan are based on the forecasted projects in the Capital Works Program. It is imperative that Council continues to renew existing assets in the Capital Works Program. Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets.

### **3.3.10 Other expenses**

Other expenses include administration costs such as Councillor allowances, lease expenditure, audit costs, subscriptions and other costs associated with the day to day running of Council.

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

- Council election costs of \$650k every 4 years.
- A net cost to Council of \$955k for the Carnegie Memorial Swimming Pool has been budgeted for in 2024-25 due to the start-up costs and half year operating result. Future forecast modelling of the pool indicates approximate \$360k surplus per annum.
- \$1m funding for new business initiatives.
- No additional income from public/private sector partnerships has been factored into considerations for strategic projects such as structure plan projects.
- No provision or allowance has been made for any call from the Defined Benefits superannuation fund.

### 3.5 Capital Works Program

Council's capital program for the next 10 years is approximately \$36m per annum. Projects in the 10-year Capital Works Program include:

#### i. Strategic Projects

Structure Plan Implementation funding of \$22m has been allocated to fund structure plan works over the next 10 years. Funding for this is to implement major projects identified in the Structure Plans, including new buildings, new public plazas, etc. and includes the following:

- Better Streets and Better Places Design and Construction funding allocation – \$11m over ten years.
- *Integrated Transport Strategy* projects including new pedestrian improvements, wayfinding signage, parking improvements, etc. of \$820k.
- *Cycling Action Plan* implementation of \$1.5m to improve opportunities for cycling around Glen Eira. The plan identifies areas for improvement to help support cycling as a safe and viable transport option for the community. This includes improvements to recognise the role that the cycling network plays in linking people to public transport and walking routes. The plan includes actions around infrastructure, policy and enforcement and education/behaviour.
- Selwyn Street Cultural Precinct (Elsternwick) – \$8.7m from 2028-29 to 2030-31. The vision for the precinct is to create a vibrant and welcoming pedestrian focused public space that foregrounds the important Jewish cultural institutions in Selwyn Street.



*Selwyn Street Cultural Precinct – (\$8.7m)*

#### ii. Community Facilities

Community facilities comprises buildings and building improvements, upgrade, and renewal of community facilities; Municipal offices; sports facilities; and pavilions. Projects include:

- Completion of the Carnegie Memorial Swimming Pool Redevelopment in mid-2024-25 – total capital costs \$75m.
- Mackie Reserve Pavilion – total costs \$4.8m (\$300k design in 2024-25 and \$4.5m construction in 2025-26).
- Packer Park Pavilion – \$2.2m in 2024-25.
- Pavilion Design and Construction Program – approximately \$13m over ten years.



*Carnegie Memorial Swimming Pool – (\$75m)*



**iii. Recreation & Open Space**

Recreation and Open Space includes open space initiatives; parks; playing surfaces; and playground equipment. Projects include:

- *Open Space Strategy* Implementation of \$37.7m over ten years (2024-25 to 2033-34).
- Recreational upgrades of \$28.8m including sportsground lighting, warm season grasses, playground upgrades, cricket net upgrades, sportsground shelters and tennis strategy implementation.

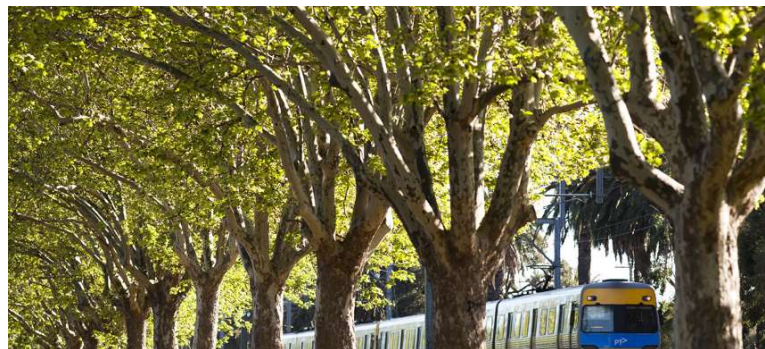


*Open Space Strategy Implementation*

**iv. Climate and Sustainability Initiatives**

Climate and sustainability initiatives includes the installation of photovoltaic systems to generate renewable energy, double glazing, and insulation on council assets, getting off gas at Council's facilities and other building sustainability improvements totalling \$10.5m over ten years. Council continues to allocate 5 per cent of capital budgets for substantiality measures.

Included in this portfolio is funding of \$3.75m over ten years for the Urban Forest Strategy Implementation. The strategy outlines our vision to create a resilient and sustainable urban forest that supports our liveable city and contributes to the well-being of the community in a changing climate.



*Urban Forest Strategy Implementation*

**v. Community Safety**

Transport and Planning projects of \$1.1m per annum includes safety projects at cross intersections, pedestrian crossings, safer speed limits, school safety, shopping centres, sustainable transport, and disabled parking upgrades.



**Community Safety Projects includes Safe School Zones**

**vi. Renewal Program**

Included in the capital program is the renewal and upgrade of Council's major infrastructure assets with an average spend of \$21m per annum including:

- Infrastructure Renewals per annum – Roads \$4m, Drainage Improvement Program \$3.6m, Footpaths \$2.3m, and Local Road Resurfacing \$2.6m.
- Building Renewal works – \$1.9m per annum for cyclical renewal works such as floor coverings, roof renewals and replacement of plant and equipment.
- Recreation and Parks – \$1.8m per annum for renewals of: park shelters, cricket wickets, goal posts, bin enclosures, park furniture and athletics/netball track re-surfacing.
- Glen Eira Leisure Services (GEL) – \$1.4m per annum for cyclical renewal works and replacement of plant and equipment.
- Library Book Collections – \$1m per annum for the purchase of books, DVDs, magazines, games, eBooks and eMagazines.
- Replacement of Fleet and Plant – \$1.6m per annum includes plant and equipment at Parks, Depot, and Town Hall.
- Information Technology – \$1m per annum including renewing base infrastructure such as storage, servers, networking, and end-user tools (desktops; laptops; tablets; monitors).

**vii. Transformation & Technology**

Transformation and technology include technological solutions to enable customers to better transact with Council and enhancements to existing operational systems.

Council is developing information technology and digital strategies. The strategies seek to lay out a roadmap for the uplift and implementation of critical parts of our organisation's technology framework, by:

- Improving the accessibility and visibility of customer facing systems and digital services.
- Modernising back-office processes and systems.
- Integrating systems across the framework.
- Appropriately capturing and leveraging data.
- Ensuring cybersecurity and controlling risks.

Over the next ten years, Council has allocated \$4.34m in Transformation and Technology projects.

## **4 Financial Plan Statements**

This section presents information regarding the Financial 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

4.1 Income Statement

**Comprehensive Income Statement for the years ending 30 June 2024 - 2034**

	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>											
Rates and Charges	136,962	141,950	144,871	149,473	153,578	157,790	162,108	166,537	171,080	175,738	180,514
Statutory Fees and Fines	8,998	9,942	10,966	11,098	11,231	11,366	11,502	11,640	11,780	11,921	12,064
User Fees	25,600	27,162	30,616	31,440	32,249	33,035	33,858	34,250	35,103	35,959	36,855
Interest Received	1,988	1,600	1,884	2,070	2,022	1,433	1,211	1,200	1,128	1,114	991
Contributions - Monetary	4,054	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Grants - Operating	18,398	19,943	20,152	20,635	21,130	21,638	22,157	22,689	23,233	23,791	24,362
Grants - Capital	8,623	8,918	4,411	760	464	476	487	499	511	523	536
Other Income	1,896	1,636	1,676	1,717	1,758	1,800	1,843	1,888	1,933	1,979	2,027
<b>Total Income</b>	<b>206,520</b>	<b>216,151</b>	<b>219,577</b>	<b>222,192</b>	<b>227,434</b>	<b>232,536</b>	<b>238,166</b>	<b>243,703</b>	<b>249,768</b>	<b>256,025</b>	<b>262,349</b>
<b>Expenses</b>											
Employee Costs	88,562	93,618	95,989	98,059	100,123	102,230	104,382	106,579	108,822	111,112	113,451
Materials and Consumables	4,933	5,216	5,320	5,427	5,535	5,646	5,759	5,874	5,992	6,112	6,234
Contractor Payments	52,993	52,708	53,335	54,532	55,860	57,871	58,791	60,060	61,524	63,674	64,576
Maintenance	7,109	8,388	8,598	8,804	10,015	10,256	10,502	10,654	10,910	11,171	11,440
Utilities	4,710	5,132	5,261	5,387	5,516	5,649	5,784	5,923	6,065	6,211	6,360
Insurance	1,821	1,898	1,946	1,992	2,040	2,089	2,139	2,191	2,243	2,297	2,352
Grants and Subsidies	1,455	1,511	1,549	1,586	1,624	1,663	1,703	1,744	1,786	1,829	1,872
Other Expenses	6,028	6,920	7,093	7,263	7,437	7,616	7,799	7,986	8,177	8,374	8,575
Borrowing Costs	1,565	2,343	2,399	2,383	2,262	2,097	1,969	1,942	1,831	1,545	1,058
Finance Costs - Leases	103	75	42	21	21	22	22	23	24	24	25
Depreciation	26,134	27,187	27,723	28,437	29,006	30,246	30,825	31,601	32,234	32,878	33,696
Amortisation - Intangible Assets	1,262	1,162	930	664	531	425	340	272	217	174	139
Depreciation - Right of Use Assets	766	494	464	413	372	335	301	271	244	219	198
Net Loss on Sale/Disposal of Property, Infrastructure, Plant and Equipment	343	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209
<b>Total Expenses</b>	<b>197,785</b>	<b>207,861</b>	<b>211,857</b>	<b>216,177</b>	<b>221,552</b>	<b>227,352</b>	<b>231,525</b>	<b>236,328</b>	<b>241,277</b>	<b>246,829</b>	<b>251,184</b>
<b>Surplus for the year</b>	<b>8,735</b>	<b>8,290</b>	<b>7,720</b>	<b>6,015</b>	<b>5,881</b>	<b>5,184</b>	<b>6,641</b>	<b>7,375</b>	<b>8,491</b>	<b>9,196</b>	<b>11,165</b>

## 4.2 Balance Sheet

Balance Sheet for the years ending 30 June 2024 - 2034											
	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	53,107	47,105	51,759	50,560	47,751	40,351	40,011	37,598	37,129	33,018	39,142
Trade and Other Receivables	21,907	22,407	22,907	22,907	22,907	23,907	24,907	25,907	26,907	26,907	26,907
Other Financial Assets	5,956	5,956	5,956	3,006	3,006	3,006	3,006	3,006	3,006	3,006	3,006
<b>Total Current Assets</b>	<b>80,971</b>	<b>75,469</b>	<b>80,622</b>	<b>76,474</b>	<b>73,665</b>	<b>67,264</b>	<b>67,924</b>	<b>66,512</b>	<b>67,042</b>	<b>62,931</b>	<b>69,056</b>
<b>Non-Current Assets</b>											
Investments in Joint Operations	272	272	272	272	272	272	272	272	272	272	272
Financial Assets	5	5	5	5	5	5	5	5	5	5	5
Intangible Assets	464	1,802	1,672	1,608	1,577	1,453	1,413	1,341	1,324	1,250	1,110
Right of Use Assets	1,442	948	2,985	2,572	2,200	1,865	1,564	1,293	1,050	830	633
Property, Infrastructure, Plant & Equipment	2,832,050	2,841,808	2,841,694	2,850,940	2,855,478	2,863,972	2,870,424	2,878,407	2,880,997	2,880,700	2,882,051
<b>Total Non-Current Assets</b>	<b>2,834,233</b>	<b>2,844,835</b>	<b>2,846,628</b>	<b>2,855,398</b>	<b>2,859,533</b>	<b>2,867,567</b>	<b>2,873,678</b>	<b>2,881,319</b>	<b>2,883,647</b>	<b>2,883,057</b>	<b>2,884,071</b>
<b>Total Assets</b>	<b>2,915,203</b>	<b>2,920,304</b>	<b>2,927,250</b>	<b>2,931,871</b>	<b>2,933,197</b>	<b>2,934,831</b>	<b>2,941,602</b>	<b>2,947,830</b>	<b>2,950,689</b>	<b>2,945,988</b>	<b>2,953,126</b>
<b>Liabilities</b>											
<b>Current Liabilities</b>											
Trade and Other Payables	18,256	18,756	19,256	19,256	19,256	19,256	19,256	19,256	19,256	19,256	19,256
Contract and other liabilities	3,888	3,437	2,985	2,534	2,082	1,631	1,179	728	276	-	-
Trust Funds and Deposits	21,088	21,088	21,088	21,088	21,088	21,088	21,088	21,088	21,088	21,088	21,088
Provisions	15,160	15,160	15,160	15,160	15,160	16,160	17,160	18,160	19,160	19,160	19,160
Lease Liabilities	564	542	498	171	-	-	-	-	-	-	-
Interest-Bearing Liabilities	2,674	2,780	3,418	3,933	4,098	4,339	5,615	6,180	13,621	4,027	4,201
<b>Total Current Liabilities</b>	<b>61,629</b>	<b>61,763</b>	<b>62,405</b>	<b>62,141</b>	<b>61,684</b>	<b>62,473</b>	<b>64,298</b>	<b>65,411</b>	<b>73,401</b>	<b>63,530</b>	<b>63,705</b>
<b>Non-Current Liabilities</b>											
Provisions	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003
Interest-Bearing Liabilities	59,204	56,424	53,006	52,046	47,948	43,609	41,914	39,654	26,033	22,006	17,805
Lease Liabilities	1,113	571	2,573	2,402	2,402	2,402	2,402	2,402	2,402	2,402	2,402
Other Liabilities	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370
<b>Total Non-Current Liabilities</b>	<b>65,690</b>	<b>62,368</b>	<b>60,952</b>	<b>59,821</b>	<b>55,723</b>	<b>51,384</b>	<b>49,689</b>	<b>47,429</b>	<b>33,808</b>	<b>29,781</b>	<b>25,580</b>
<b>Total Liabilities</b>	<b>127,319</b>	<b>124,130</b>	<b>123,356</b>	<b>121,962</b>	<b>117,407</b>	<b>113,857</b>	<b>113,986</b>	<b>112,840</b>	<b>107,208</b>	<b>93,311</b>	<b>89,285</b>
<b>Net Assets</b>	<b>2,787,884</b>	<b>2,796,174</b>	<b>2,803,894</b>	<b>2,809,909</b>	<b>2,815,791</b>	<b>2,820,975</b>	<b>2,827,616</b>	<b>2,834,991</b>	<b>2,843,481</b>	<b>2,852,677</b>	<b>2,863,842</b>
<b>Equity</b>											
Accumulated Surplus	1,011,298	1,014,788	1,018,158	1,032,058	1,035,395	1,038,693	1,043,005	1,049,053	1,055,273	1,062,718	1,071,783
Reserves	1,776,586	1,781,386	1,785,736	1,777,851	1,780,396	1,782,281	1,784,611	1,785,938	1,788,208	1,789,959	1,792,059
<b>TOTAL EQUITY</b>	<b>2,787,884</b>	<b>2,796,174</b>	<b>2,803,894</b>	<b>2,809,909</b>	<b>2,815,791</b>	<b>2,820,975</b>	<b>2,827,616</b>	<b>2,834,991</b>	<b>2,843,481</b>	<b>2,852,677</b>	<b>2,863,842</b>

### 4.3 Statement of Changes in Equity

#### Statement of Changes in Equity for the years ending 30 June 2024 - 2034

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2023/24 Forecast</b>				
Balance at beginning of the financial year	2,779,149	1,003,682	1,756,508	18,959
Comprehensive result	8,735	8,735	-	-
Movement in Reserves	-	(1,119)	-	1,119
<b>Balance at end of financial year</b>	<b>2,787,884</b>	<b>1,011,298</b>	<b>1,756,508</b>	<b>20,078</b>
<b>2024/25</b>				
Balance at beginning of the financial year	2,787,884	1,011,298	1,756,508	20,078
Comprehensive result	8,290	8,290	-	-
Movement in Reserves	-	(4,800)	-	4,800
<b>Balance at end of financial year</b>	<b>2,796,174</b>	<b>1,014,788</b>	<b>1,756,508</b>	<b>24,878</b>
<b>2025/26</b>				
Balance at beginning of the financial year	2,796,174	1,014,788	1,756,508	24,878
Comprehensive result	7,720	7,720	-	-
Movement in Reserves	-	(4,350)	-	4,350
<b>Balance at end of financial year</b>	<b>2,803,894</b>	<b>1,018,158</b>	<b>1,756,508</b>	<b>29,228</b>
<b>2026/27</b>				
Balance at beginning of the financial year	2,803,894	1,018,158	1,756,508	29,228
Comprehensive result	6,015	6,015	-	-
Movement in Reserves	-	7,885	-	(7,885)
<b>Balance at end of financial year</b>	<b>2,809,909</b>	<b>1,032,058</b>	<b>1,756,508</b>	<b>21,343</b>
<b>2027/28</b>				
Balance at beginning of the financial year	2,809,909	1,032,058	1,756,508	21,343
Comprehensive result	5,881	5,881	-	-
Movement in Reserves	-	(2,545)	-	2,545
<b>Balance at end of financial year</b>	<b>2,815,791</b>	<b>1,035,395</b>	<b>1,756,508</b>	<b>23,888</b>

4.3 continued

**Statement of Changes in Equity for the years ending 30 June 2024 - 2034**

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2028/29</b>				
Balance at beginning of the financial year	2,815,791	1,035,395	1,756,508	23,888
Comprehensive result	5,184	5,184	-	-
Movement in Reserves	-	(1,885)	-	1,885
<b>Balance at end of financial year</b>	<b>2,820,975</b>	<b>1,038,693</b>	<b>1,756,508</b>	<b>25,773</b>
<b>2029/30</b>				
Balance at beginning of the financial year	2,820,975	1,038,693	1,756,508	25,773
Comprehensive result	6,641	6,641	-	-
Movement in Reserves	-	(2,330)	-	2,330
<b>Balance at end of financial year</b>	<b>2,827,616</b>	<b>1,043,005</b>	<b>1,756,508</b>	<b>28,103</b>
<b>2030/31</b>				
Balance at beginning of the financial year	2,827,616	1,043,005	1,756,508	28,103
Comprehensive result	7,375	7,375	-	-
Movement in Reserves	-	(1,327)	-	1,327
<b>Balance at end of financial year</b>	<b>2,834,991</b>	<b>1,049,053</b>	<b>1,756,508</b>	<b>29,430</b>
<b>2031/32</b>				
Balance at beginning of the financial year	2,834,991	1,049,053	1,756,508	29,430
Comprehensive result	8,491	8,491	-	-
Movement in Reserves	-	(2,270)	-	2,270
<b>Balance at end of financial year</b>	<b>2,843,481</b>	<b>1,055,273</b>	<b>1,756,508</b>	<b>31,700</b>
<b>2032/33</b>				
Balance at beginning of the financial year	2,843,481	1,055,273	1,756,508	31,700
Comprehensive result	9,196	9,196	-	-
Movement in Reserves	-	(1,751)	-	1,751
<b>Balance at end of financial year</b>	<b>2,852,677</b>	<b>1,062,718</b>	<b>1,756,508</b>	<b>33,451</b>
<b>2033/34</b>				
Balance at beginning of the financial year	2,852,677	1,062,718	1,756,508	33,451
Comprehensive result	11,165	11,165	-	-
Movement in Reserves	-	(2,100)	-	2,100
<b>Balance at end of financial year</b>	<b>2,863,842</b>	<b>1,071,783</b>	<b>1,756,508</b>	<b>35,551</b>

**4.4 Cash Flow Statement**

<b>Statement of Cash Flows for the years ending 30 June 2024 - 2034</b>											
	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flow from Operating Activities</b>											
Rates and Charges	136,962	141,950	144,871	149,473	153,578	157,790	162,108	166,537	171,080	175,738	180,514
Statutory Fees and Fines	8,998	9,942	10,966	11,098	11,231	11,366	11,502	11,640	11,780	11,921	12,064
User Fees	25,600	27,162	30,616	31,440	32,249	33,035	33,858	34,250	35,103	35,959	36,855
Other Receipts	1,444	1,184	1,225	1,265	1,306	1,349	1,392	1,436	1,481	1,703	2,027
Interest Received	1,988	1,600	1,884	2,070	2,022	1,433	1,211	1,200	1,128	1,114	991
Contributions - Monetary	4,054	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Grants - Operating	18,398	19,943	20,152	20,635	21,130	21,638	22,157	22,689	23,233	23,791	24,362
Grants - Capital	8,623	8,918	4,411	760	464	476	487	499	511	523	536
Employee Costs	(88,562)	(93,618)	(95,989)	(98,059)	(100,123)	(102,230)	(104,382)	(106,579)	(108,822)	(111,112)	(113,451)
Materials and Services	(79,857)	(74,384)	(75,529)	(77,239)	(80,093)	(82,665)	(84,160)	(85,916)	(87,980)	(90,743)	(92,273)
Short-term, low value and variable lease payments	(165)	(470)	(479)	(489)	(498)	(508)	(518)	(529)	(539)	(550)	(561)
Other Payments	(6,028)	(6,920)	(7,093)	(7,263)	(7,437)	(7,616)	(7,799)	(7,986)	(8,177)	(8,374)	(8,575)
<b>Net Cash provided by/(used in) Operating Activities</b>	<b>31,456</b>	<b>40,307</b>	<b>40,036</b>	<b>38,691</b>	<b>38,831</b>	<b>39,065</b>	<b>40,856</b>	<b>42,241</b>	<b>43,798</b>	<b>44,970</b>	<b>47,489</b>
<b>Cash Flow from Investing Activities</b>											
Proceeds from Sale of Property, Infrastructure, Plant & Equipment	1,721	465	300	300	300	300	300	300	300	300	300
Payments for Property, Infrastructure, Plant & Equipment	(70,679)	(41,119)	(29,918)	(36,842)	(35,553)	(40,549)	(39,086)	(41,294)	(36,532)	(34,190)	(36,555)
<b>Net Cash provided by/(used in) Investing Activities</b>	<b>(68,957)</b>	<b>(40,654)</b>	<b>(29,618)</b>	<b>(36,542)</b>	<b>(35,253)</b>	<b>(40,249)</b>	<b>(38,786)</b>	<b>(40,994)</b>	<b>(36,232)</b>	<b>(33,890)</b>	<b>(36,255)</b>
<b>Cash Flow from Financing Activities</b>											
Proceeds from Borrowings	33,700	-	-	3,165	-	-	4,000	4,000	-	-	-
Repayment of Borrowings	(1,876)	(2,674)	(2,780)	(3,610)	(3,933)	(4,098)	(4,419)	(5,695)	(6,180)	(13,621)	(4,027)
Finance Costs	(1,565)	(2,343)	(2,399)	(2,383)	(2,262)	(2,097)	(1,969)	(1,942)	(1,831)	(1,545)	(1,058)
Interest paid - lease liability	(103)	(75)	(42)	(21)	(21)	(22)	(22)	(23)	(24)	(24)	(25)
Repayment of lease liabilities	(878)	(564)	(542)	(498)	(171)	-	-	-	-	-	-
<b>Net Cash provided by/(used in) Financing Activities</b>	<b>29,278</b>	<b>(5,655)</b>	<b>(5,764)</b>	<b>(3,347)</b>	<b>(6,387)</b>	<b>(6,217)</b>	<b>(2,410)</b>	<b>(3,660)</b>	<b>(8,035)</b>	<b>(15,190)</b>	<b>(5,109)</b>
Net Increase/(Decrease) in Cash held	(8,224)	(6,002)	4,654	(1,198)	(2,809)	(7,400)	(340)	(2,413)	(469)	(4,111)	6,124
Cash and Cash Equivalents at the Beginning of the Financial Year	61,331	53,107	47,105	51,759	50,560	47,751	40,351	40,011	37,598	37,129	33,018
<b>Cash and Cash Equivalents at End of Year</b>	<b>53,107</b>	<b>47,105</b>	<b>51,759</b>	<b>50,560</b>	<b>47,751</b>	<b>40,351</b>	<b>40,011</b>	<b>37,598</b>	<b>37,129</b>	<b>33,018</b>	<b>39,142</b>



## 4.5 Statement of Capital Works

<b>Statement of Capital Works for the years ending 30 June 2024 - 2034</b>											
Capital Works Area	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carried forward expenditure from previous financial year</b>	11,572	6,000	-	-	-	-	-	-	-	-	-
<b>New Works</b>											
<b>Property</b>											
Land	4,000	-	-	14,750	2,405	1,990	2,550	2,225	2,550	2,550	2,550
Buildings	41,692	15,715	11,909	1,886	3,870	5,895	3,428	4,572	6,883	2,176	5,883
<b>Total Property</b>	<b>45,692</b>	<b>15,715</b>	<b>11,909</b>	<b>16,636</b>	<b>6,275</b>	<b>7,885</b>	<b>5,978</b>	<b>6,797</b>	<b>9,433</b>	<b>4,726</b>	<b>8,433</b>
<b>Plant and Equipment</b>											
Plant, Machinery and Equipment	1,772	1,576	1,683	2,513	3,103	2,752	2,767	2,800	2,800	2,800	2,800
Computers and Telecommunications	2,395	1,635	1,542	1,845	1,913	1,881	950	968	988	1,248	1,248
Library Books and Materials	947	966	985	985	1,005	1,025	1,045	1,066	1,088	1,088	1,088
Other Plant & Equipment	165	451	790	860	998	2,756	1,482	988	1,002	1,008	1,008
<b>Total Plant and Equipment</b>	<b>5,279</b>	<b>4,627</b>	<b>5,000</b>	<b>6,203</b>	<b>7,019</b>	<b>8,414</b>	<b>6,244</b>	<b>5,823</b>	<b>5,877</b>	<b>6,144</b>	<b>6,144</b>
<b>Infrastructure</b>											
Roads	4,490	4,732	3,590	5,235	7,892	9,337	8,143	9,734	8,403	9,920	8,483
Footpaths	1,795	2,235	2,202	2,243	2,473	2,295	2,320	2,353	2,405	2,405	2,405
Drainage	1,100	1,255	1,000	1,000	4,438	4,549	4,662	4,779	4,898	4,898	4,898
Open Space and Recreation	2,506	4,717	5,645	6,702	6,139	6,171	6,176	6,510	3,738	4,807	4,495
Car Parks	870	1,647	170	170	270	170	170	170	170	170	170
Streetscape Works	424	190	402	1,605	1,047	1,727	5,393	5,128	1,607	1,120	1,527
<b>Total Infrastructure</b>	<b>11,185</b>	<b>14,776</b>	<b>13,009</b>	<b>16,954</b>	<b>22,259</b>	<b>24,250</b>	<b>26,864</b>	<b>28,674</b>	<b>21,222</b>	<b>23,321</b>	<b>21,979</b>
<b>Total New Works</b>	<b>62,157</b>	<b>35,119</b>	<b>29,918</b>	<b>39,792</b>	<b>35,553</b>	<b>40,549</b>	<b>39,086</b>	<b>41,294</b>	<b>36,532</b>	<b>34,190</b>	<b>36,555</b>
Carried forward projects to the next financial year	(6,000)	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure (including carry forwards)</b>	<b>67,729</b>	<b>41,119</b>	<b>29,918</b>	<b>39,792</b>	<b>35,553</b>	<b>40,549</b>	<b>39,086</b>	<b>41,294</b>	<b>36,532</b>	<b>34,190</b>	<b>36,555</b>

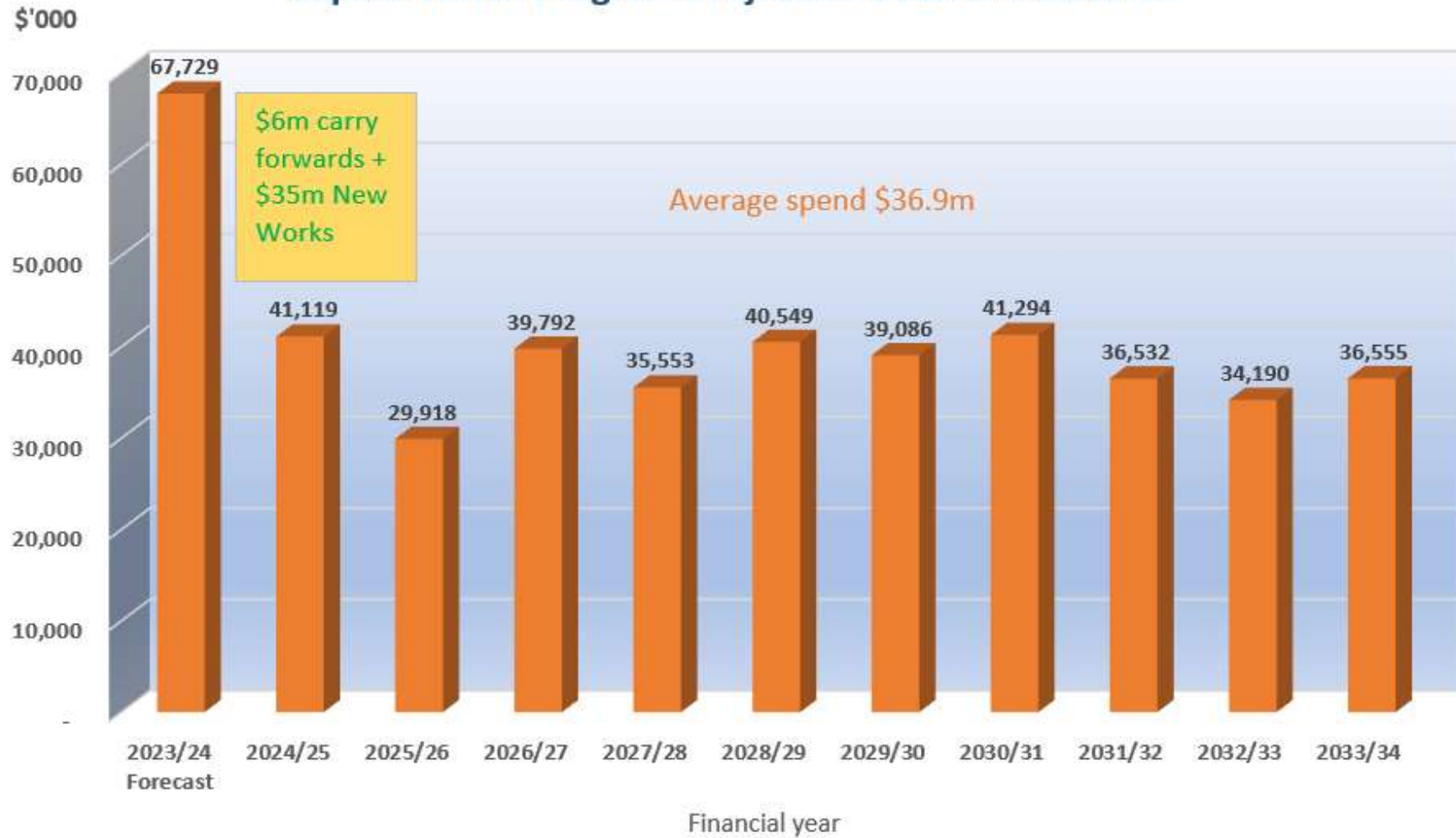
4.5 continued

**Statement of Capital Works for the years ending 30 June 2024 - 2034**

Capital Works Area	2023/24 Forecast \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000
<b>Total Capital Expenditure</b>	<b>67,729</b>	<b>41,119</b>	<b>29,918</b>	<b>39,792</b>	<b>35,553</b>	<b>40,549</b>	<b>39,086</b>	<b>41,294</b>	<b>36,532</b>	<b>34,190</b>	<b>36,555</b>
<b>Represented by:</b>											
Asset Renewal Expenditure	36,072	18,170	13,595	12,667	19,889	18,393	17,182	18,916	18,110	19,016	18,371
Asset Upgrade Expenditure	24,544	15,566	9,757	3,191	5,108	7,643	7,700	8,145	4,708	5,130	6,024
Asset Expansion Expenditure	149	646	1,168	1,849	2,310	2,776	4,055	4,463	2,078	2,385	2,227
Asset New Expenditure	6,964	6,737	5,398	22,086	8,245	11,738	10,149	9,769	11,636	7,660	9,934
<b>Total Capital Expenditure</b>	<b>67,729</b>	<b>41,119</b>	<b>29,918</b>	<b>39,792</b>	<b>35,553</b>	<b>40,549</b>	<b>39,086</b>	<b>41,294</b>	<b>36,532</b>	<b>34,190</b>	<b>36,555</b>
<b>Funding sources represented by:</b>											
Grants	8,623	8,918	4,411	760	464	476	487	499	511	523	536
Council Cash & Reserve	25,406	32,201	25,507	35,868	35,088	40,073	34,599	36,795	36,021	33,667	36,020
Borrowings	33,700	-	-	3,165	-	-	4,000	4,000	-	-	-
<b>Total Capital Funding</b>	<b>67,729</b>	<b>41,119</b>	<b>29,918</b>	<b>39,792</b>	<b>35,553</b>	<b>40,549</b>	<b>39,086</b>	<b>41,294</b>	<b>36,532</b>	<b>34,190</b>	<b>36,555</b>

The graph below highlights the movement in capital spend since 2023-24 and Council's forward outlook on capital expenditure to 2033-34.

### Capital Works Program Projection 2023-24 - 2033-34



4.6 Statement of Human Resources – Staff Numbers

Statement of Human Resources - Staff Numbers for the years ending 30 June 2024 - 2034											
Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	Forecast	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
<b>Community Wellbeing</b>											
Permanent Full-time	93.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00
Female	75.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00
Male	18.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Permanent Part-time	193.55	191.95	191.95	191.95	191.95	191.95	191.95	191.95	191.95	191.95	191.95
Female	172.54	171.12	171.12	171.12	171.12	171.12	171.12	171.12	171.12	171.12	171.12
Male	21.01	20.83	20.83	20.83	20.83	20.83	20.83	20.83	20.83	20.83	20.83
<b>Total Community Wellbeing</b>	<b>286.55</b>	<b>279.95</b>	<b>279.95</b>	<b>279.95</b>	<b>279.95</b>	<b>279.95</b>	<b>279.95</b>	<b>279.95</b>	<b>279.95</b>	<b>279.95</b>	<b>279.95</b>
<b>Sustainability, Assets and Leisure</b>											
Permanent Full-time	163.00	156.00	157.00	157.00	157.00	157.00	157.00	157.00	157.00	157.00	157.00
Female	34.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Male	129.00	124.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
Permanent Part-time	26.05	27.23	28.23	28.23	28.23	28.23	28.23	28.23	28.23	28.23	28.23
Female	19.51	20.40	21.15	21.15	21.15	21.15	21.15	21.15	21.15	21.15	21.15
Male	6.54	6.83	7.08	7.08	7.08	7.08	7.08	7.08	7.08	7.08	7.08
<b>Total Sustainability, Assets and Leisure</b>	<b>189.05</b>	<b>183.23</b>	<b>185.23</b>	<b>185.23</b>	<b>185.23</b>	<b>185.23</b>	<b>185.23</b>	<b>185.23</b>	<b>185.23</b>	<b>185.23</b>	<b>185.23</b>
<b>Planning and Place</b>											
Permanent Full-time	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00
Female	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00
Male	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Permanent Part-time	19.16	19.16	19.16	19.16	19.16	19.16	19.16	19.16	19.16	19.16	19.16
Female	14.71	14.71	14.71	14.71	14.71	14.71	14.71	14.71	14.71	14.71	14.71
Male	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45
<b>Total Planning and Place</b>	<b>101.16</b>	<b>101.16</b>	<b>101.16</b>	<b>101.16</b>	<b>101.16</b>	<b>101.16</b>	<b>101.16</b>	<b>101.16</b>	<b>101.16</b>	<b>101.16</b>	<b>101.16</b>
<b>Customer and Corporate Affairs</b>											
Permanent Full-time	74.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00
Female	40.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00
Male	34.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Permanent Part-time	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09	21.09
Female	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47
Male	4.62	4.62	4.62	4.62	4.62	4.62	4.62	4.62	4.62	4.62	4.62
<b>Total Customer and Corporate Affairs</b>	<b>95.09</b>	<b>99.09</b>	<b>99.09</b>	<b>99.09</b>	<b>99.09</b>	<b>99.09</b>	<b>99.09</b>	<b>99.09</b>	<b>99.09</b>	<b>99.09</b>	<b>99.09</b>
<b>City Management</b>											
Permanent Full-time	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00
Female	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Male	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Permanent Part-time	6.83	6.83	6.83	6.83	6.83	6.83	6.83	6.83	6.83	6.83	6.83
Female	6.83	6.83	6.83	6.83	6.83	6.83	6.83	6.83	6.83	6.83	6.83
<b>Total City Management</b>	<b>50.83</b>	<b>50.83</b>	<b>50.83</b>	<b>50.83</b>	<b>50.83</b>	<b>50.83</b>	<b>50.83</b>	<b>50.83</b>	<b>50.83</b>	<b>50.83</b>	<b>50.83</b>
<b>Total Permanent Staff</b>	<b>722.68</b>	<b>714.26</b>	<b>716.26</b>	<b>716.26</b>	<b>716.26</b>	<b>716.26</b>	<b>716.26</b>	<b>716.26</b>	<b>716.26</b>	<b>716.26</b>	<b>716.26</b>
Casuals and Other	73.98	97.46	104.60	104.60	104.60	104.60	104.60	104.60	104.60	104.60	104.60
Capitalised Labour	22.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
<b>Total Staff</b>	<b>818.66</b>	<b>836.72</b>	<b>845.86</b>	<b>845.86</b>	<b>845.86</b>	<b>845.86</b>	<b>845.86</b>	<b>845.86</b>	<b>845.86</b>	<b>845.86</b>	<b>845.86</b>

Refer to Section 6.5 for details on Council's Gender Equality Plan and Section 6.9 on Council's Workforce Plan.



## 5 Financial Performance Indicators

### 5.1 Local Government Performance Reporting Framework Indicators (LGPRF)

The Local Government Performance Reporting Framework is a mandatory system of performance reporting for all Councils. The regulations include a set of 12 financial performance indicators, which aim to provide information on the effectiveness of financial management. The following tables highlight Council's current and projected performance across a range of these key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Targeted performance indicators - Financial													
Indicator	Measure	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Trend +/-
<b>Operating Position</b>													
Adjusted Underlying Result	<u>Adjusted Underlying Surplus</u> <u>Adjusted Underlying Revenue</u>	0.06%	-0.30%	1.54%	2.37%	2.39%	2.03%	2.59%	2.83%	3.20%	3.39%	4.06%	+
<b>Liquidity</b>													
Working Capital	<u>Current Assets/</u> <u>Current Liabilities</u>	131.38%	122.19%	129.19%	123.06%	119.42%	107.67%	105.64%	101.68%	91.34%	99.06%	108.40%	-
Unrestricted Cash	<u>Unrestricted Cash/</u> <u>Current Liabilities</u>	42.22%	42.12%	49.15%	47.43%	43.23%	30.83%	29.43%	25.24%	21.85%	18.78%	28.34%	-
<b>Obligations</b>													
Loans and Borrowings	<u>Interest-bearing Loans and</u> <u>Borrowings</u> <u>Rate Revenue</u>	45.18%	41.71%	38.95%	37.45%	33.89%	30.39%	29.32%	27.52%	23.18%	14.81%	12.19%	+
Loans and Borrowings	<u>Interest and Principal</u> <u>Repayments</u> <u>Rate Revenue</u>	2.51%	3.53%	3.58%	4.01%	4.03%	3.93%	3.94%	4.59%	4.68%	8.63%	2.82%	-
Indebtedness	<u>Non-current Liabilities</u> <u>Own Source Revenue</u>	37.44%	34.21%	32.08%	30.55%	27.74%	25.01%	23.60%	22.01%	15.30%	13.14%	11.00%	+
Asset Renewal	<u>Asset Renewal+Upgrade</u> <u>Asset Depreciation</u>	231.95%	124.09%	84.23%	55.76%	86.18%	86.08%	80.72%	85.63%	70.79%	73.44%	72.40%	-

**Targeted performance indicators - Financial**

Indicator	Measure	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Trend +/o/-
<b>Stability</b>													
Rates Concentration	<u>Rate Revenue</u> Adjusted Underlying Revenue	69.21%	68.50%	67.33%	67.50%	67.66%	67.99%	68.20%	68.48%	68.64%	68.78%	68.95%	o
Rates Effort	<u>Rate Revenue</u> Property Values (CIV)	0.16%	0.16%	0.15%	0.15%	0.15%	0.14%	0.14%	0.14%	0.14%	0.13%	0.13%	+
<b>Efficiency</b>													
Expenditure Level	<u>Total Expenditure</u> No. of Assessments	\$ 2,800	\$ 2,902	\$ 2,933	\$ 2,969	\$ 3,018	\$ 3,071	\$ 3,103	\$ 3,142	\$ 3,182	\$ 3,230	\$ 3,261	o
Revenue Level	<u>Sum of all General Rates and Municipal Charges</u> No. of Assessments	\$ 1,571	\$ 1,603	\$ 1,621	\$ 1,661	\$ 1,694	\$ 1,728	\$ 1,762	\$ 1,797	\$ 1,833	\$ 1,869	\$ 1,907	o
Workforce Turnover	<u>No. of Resignations &amp; Terminations</u> Average Number of Staff	12.77%	12.88%	12.63%	12.61%	12.60%	12.58%	12.57%	12.56%	12.54%	12.53%	12.51%	o

Key to Forecast Trend:

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

## 5.2 Notes to Financial Performance Indicators (LGPRF)

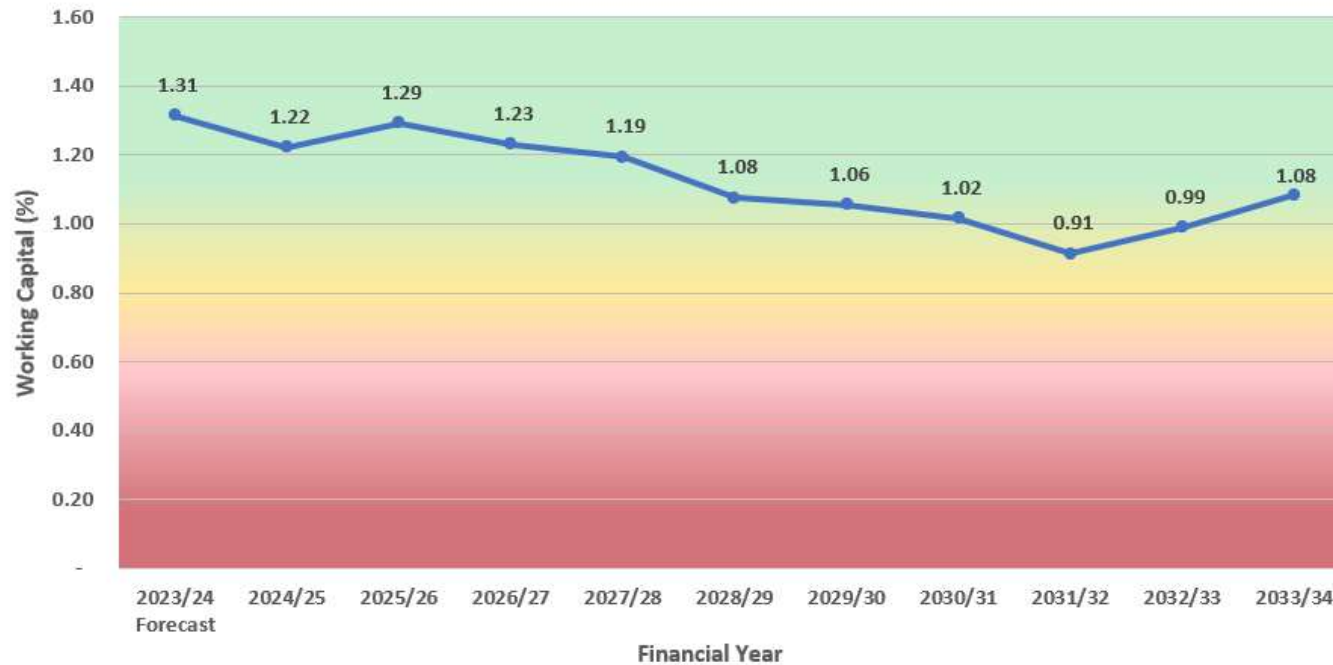
### Adjusted Underlying Result

An adjusted underlying surplus is generated in the ordinary course of business. An indicator of the sustainable operating result is required to enable Council to continue to provide core services and meet its objectives. The negative result of this indicator for 2024-25 is attributed to the impact of capital grant funding such as Packer Park Pavilion upgrade and Carnegie Memorial Swimming Pool. The indicator is showing a positive trend from 2025-26.

### Working Capital

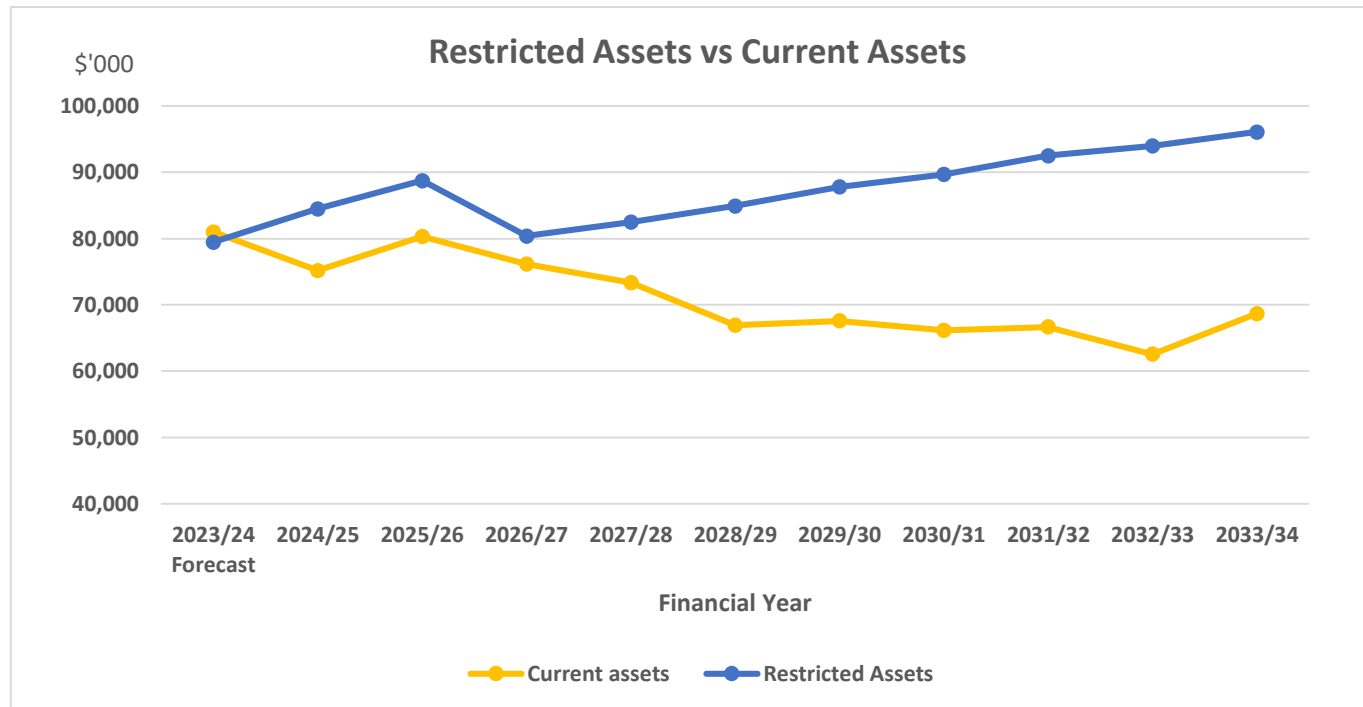
The proportion of current liabilities represented by current assets. Council needs to ensure sufficient working capital is available to pay bills as and when they fall due. A ratio of more than 100 per cent means there are more short-term assets than short-term liabilities. The trend of working capital is forecast to be above 100 per cent for the majority over the 2024-34 period.

Working Capital (Liquidity Ratio)





Restricted assets include items such as: residential aged care bonds, contractor deposits, employee entitlements and the open space reserve. Council's current cash reserves is yet to recoup our restricted assets due to impact of COVID. Whilst Council will nearly be able to cash back its reserves by 2026-27, greater intervention is required in the years following to build the resilience necessary to respond to risk and unknown factors – many of which are outside of Council's control.



### Loans and borrowings

The indicators show whether the level of interest-bearing loans and borrowings is appropriate to the size and nature of Council's activities. Council's borrowings will peak at 2024-25 due to strategic capital projects but will show a downward trend after that.

### Asset Renewal

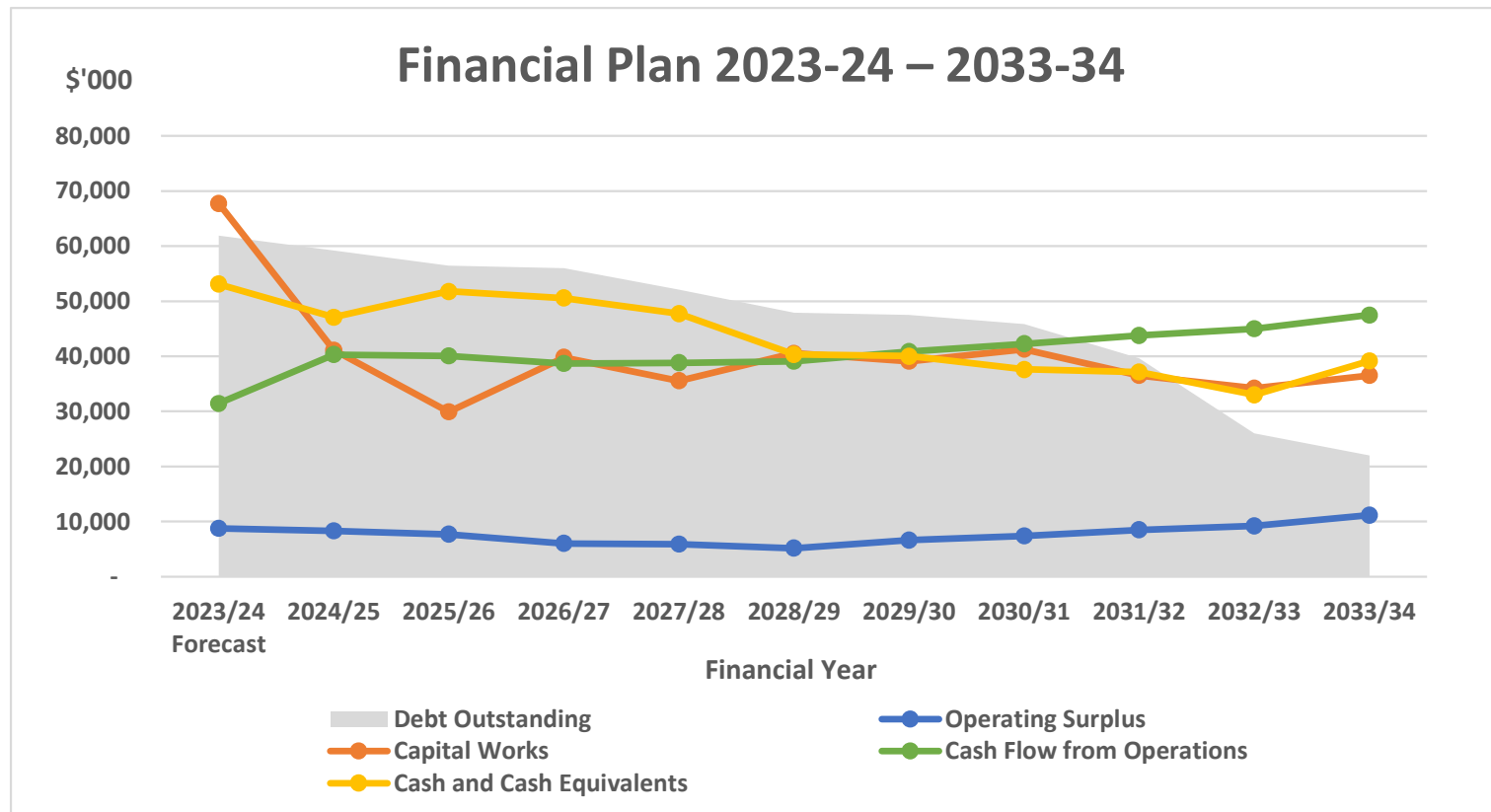
This percentage indicates the extent of Council's renewal and upgrade expenditure on new capital works projects against its depreciation charge.

**Rates Concentration**

Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will still be consistently reliant on rate revenue compared to all other revenue sources.

**5.3 Financial Resources**

The following graph summarises the key financial results for the years ending 30 June 2024 to 2034. The graph below shows: the operating result improving; capital works averaging over \$36m; and loans will be used to partially fund major projects from 2023-24 with repayments over fifteen years. The level of projected cash incorporates capital expenditure and current rates projections. The financial statements include a more detailed analysis of the financial resources to be used over the ten-year period.



The following table summarises the key financial results for the years 2023-24 to 2033-34.

### Key Financial Results for the years ending 30 June 2024 - 2034

Statement	2023/24 Forecast \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	Trend +/-
Operating Surplus	8,735	8,290	7,720	6,015	5,881	5,184	6,641	7,375	8,491	9,196	11,165	+
Capital Works	67,729	41,119	29,918	39,792	35,553	40,549	39,086	41,294	36,532	34,190	36,555	o
Cash Flow from Operations	31,456	40,307	40,036	38,691	38,831	39,065	40,856	42,241	43,798	44,970	47,489	+
Cash and Cash Equivalents	53,107	47,105	51,759	50,560	47,751	40,351	40,011	37,598	37,129	33,018	39,142	-
Debt Outstanding	61,878	59,204	56,424	55,979	52,046	47,948	47,529	45,834	39,654	26,033	22,006	+

#### Key to Forecast Trend:

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

## 6 Strategies and Plans

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

### 6.1 Borrowing Strategy

Loan borrowing is a responsible financial management tool that can provide Council an appropriate mechanism to enable it to implement its Council Plan objectives. This is considered an appropriate funding source for long-term community assets. Borrowing is a useful instrument for spreading the costs of an asset over its useful life or time that the asset provides services to the ratepayers so that ratepayers who benefit from the assets, pay for their consumption over time, providing inter-generational benefits to the community. Loans can only be approved by Council resolution.

#### Current Debt Position

In the past, Council borrowed to finance the construction of GESAC. The loan was fully paid during the 2022-23 financial year. Council is projected to hold approximately \$62m in loans at the end of 2023-24, to undertake intergenerational capital works projects and environmental initiatives. Council has drawdown the following loans:

- *2019 Community Infrastructure Loans Scheme*
  - Eat Street Community Space Project (\$2m)
  - Bentleigh Library Redevelopment (\$5m)
- *2020 Community Sports Infrastructure Loans Scheme*
  - Carnegie Memorial Swimming Pool Redevelopment (\$10m)
- General Loans from Treasury Corporation of Victoria (\$47m).

Council intends to increase its borrowings by \$11.2m in the later years of the Financial Plan to fund strategic projects such as the Selwyn Street Cultural Precinct in Elsternwick.

An average loan principal and interest repayments of approximately \$7m per annum have been included in the Financial Plan.

#### Future Borrowing Requirements

It is important to note that Borrowings provide Council with cash to create an asset (available cash) and a liability (obligation to repay) with the repayment of principal being a reduction in the liability and the interest treated as an expense.

Borrowings may also be required in the future to fund other liabilities. For example, Council may be subject to a call on future contributions to the Local Government Defined Benefits Fund which is dependent on market-forces.

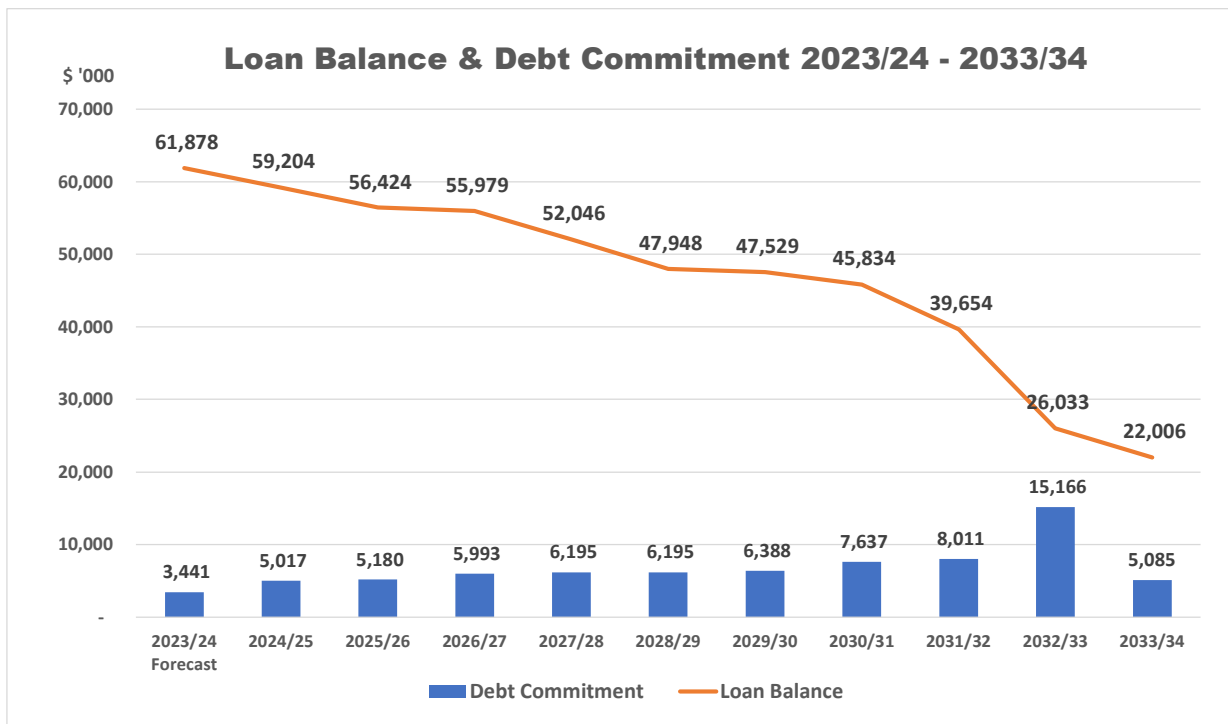
The following financial sustainability principles must be adhered to with new borrowings:

- The purpose for borrowing is consistent with Council's strategic objectives as detailed in the Council Plan.
- Borrowings must be carefully considered in accordance with sound financial management principles and the ability of Council to meet the relevant prudential requirements.
- The nature of any borrowings (short or long-term) and the interest rate (fixed or variable) will consider the purpose of the borrowings and seek to minimise interest rate exposure.
- Borrowings must only be applied where it can be proven that repayments can be met in the Financial Plan.
- Borrowings are not to be used to finance ongoing recurrent operational expenditure.

- Borrowings are appropriate for funding large capital works where the benefits are provided to future generations.
- Council will maintain its debt at levels which are sustainable in accordance with the thresholds of the Victorian Auditor-General’s Sustainability Indicators. Council will aim for an indebtedness ratio of less 40% relating to the ability to repay debt from own-source revenue (which excludes grants and contributions).

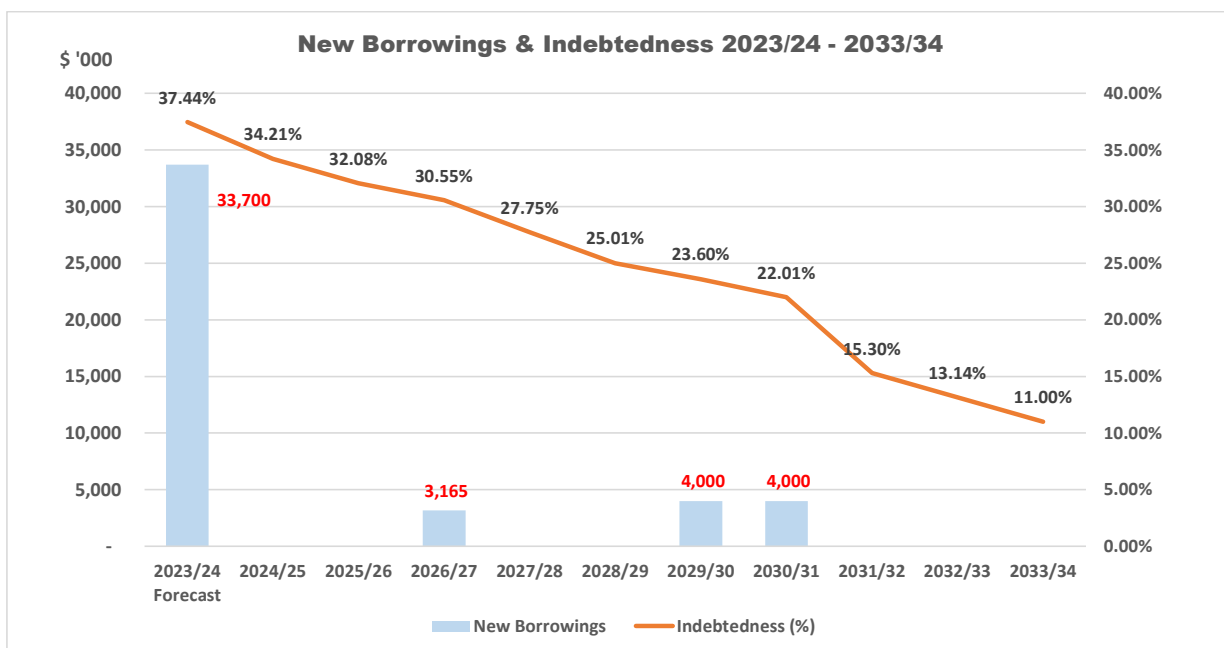
The following table and graph highlight Council’s projected loan balance, including new loans and loan repayments for the 10 years of the Financial Plan:

Borrowings for the years ending 30 June 2024 - 2034												
	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Opening balance	30,054	61,878	59,204	56,424	55,979	52,046	47,948	47,529	45,834	39,654	26,033	
Plus New loans	33,700	-	-	3,165	-	-	4,000	4,000	-	-	-	
Less Principal repayment	(1,876)	(2,674)	(2,780)	(3,610)	(3,933)	(4,098)	(4,419)	(5,695)	(6,180)	(13,621)	(4,027)	
<b>Closing balance</b>	<b>61,878</b>	<b>59,204</b>	<b>56,424</b>	<b>55,979</b>	<b>52,046</b>	<b>47,948</b>	<b>47,529</b>	<b>45,834</b>	<b>39,654</b>	<b>26,033</b>	<b>22,006</b>	
Interest payment	(1,565)	(2,343)	(2,399)	(2,383)	(2,262)	(2,097)	(1,969)	(1,942)	(1,831)	(1,545)	(1,058)	



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

Borrowing Indicators for the years ending 30 June 2024 - 2034												
	Target	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Total borrowings / Rate revenue	< 50%	45.18%	41.71%	38.95%	37.45%	33.89%	30.39%	29.32%	27.52%	23.18%	14.81%	12.19%
Debt servicing / Rate revenue	< 5%	1.14%	1.65%	1.66%	1.59%	1.47%	1.33%	1.21%	1.17%	1.07%	0.88%	0.59%
Debt commitment / Rate revenue	< 10%	2.51%	3.53%	3.58%	4.01%	4.03%	3.93%	3.94%	4.59%	4.68%	8.63%	2.82%
Indebtedness / Own source revenue	< 40%	37.44%	34.21%	32.08%	30.55%	27.75%	25.01%	23.60%	22.01%	15.30%	13.14%	11.00%



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

## 6.2 Reserves Strategy

Councils have traditionally operated with reserve funds that are amounts of money set aside for specific purposes in later years. In general terms, these funds do not have bank accounts of their own but are a theoretical split up of the cash surplus that Council has on hand. Ideally reserves will be cash backed in order to form an important source of funding for the Financial Plan. The following are the reserve funds that Council holds:

### Open Space Reserve

Council collects a Public Open Space contribution in many circumstances when land is subdivided within the municipality. The requirement for this is in the Glen Eira Planning Scheme at clause 53.01.

As part of applicable subdivisions, a landowner is required to make a contribution based on the site value, which Council uses to either purchase land to create new open spaces such as public parks, playgrounds and reserves, or to make improvements within our existing open space areas. Our open space planning is informed by the City of Glen Eira *Open Space Strategy*.

There are different contribution rates that apply in different parts of the municipality. These include:

- In the area known as Caulfield Village, 5% of the site value of the land which is contained within the Mixed-Use Precinct and the Smith Street Precinct, and 4% of the site value of the land which is contained within the Residential Precinct.
- In the area known as East Village, in accordance with the East Village Comprehensive Development Plan, May 2020 and East Village Development Contributions Plan, May 2020.
- All other land, 8.3% of the site value of the land effective March 2023.

The purpose of the Open Space Reserve is to set aside any funds received from the sale of public open space which includes any land set aside in a plan or land in a plan zoned or reserved under a planning scheme for public recreation or public resort; or as parklands; or for similar purposes as defined in the *Subdivision Act 1988*.

### Strategic Asset Development Reserve

Is a reserve to be established for the net sale proceeds of any Council owned land or buildings to be transferred to pending consideration by Council of the application of these funds.

The following table shows the projections of reserves for the years 2023-24 to 2033-34.

Reserves for the years ending 30 June 2024 - 2034											
	2023/24 Forecast	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Open space planning, development and improvements reserve</b>											
Opening Balance	18,959	18,818	23,618	27,968	21,343	23,888	25,773	28,103	29,430	31,700	33,451
Transfer to reserve	4,054	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Transfer from reserve	(4,195)	(200)	(650)	(11,625)	(2,455)	(3,115)	(2,670)	(3,673)	(2,730)	(3,249)	(2,900)
<b>Closing balance</b>	<b>18,818</b>	<b>23,618</b>	<b>27,968</b>	<b>21,343</b>	<b>23,888</b>	<b>25,773</b>	<b>28,103</b>	<b>29,430</b>	<b>31,700</b>	<b>33,451</b>	<b>35,551</b>
<b>Strategic Asset Development Reserve</b>											
Opening Balance	-	1,260	1,260	1,260	-	-	-	-	-	-	-
Transfer to reserve	1260	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	(1,260)	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>1,260</b>	<b>1,260</b>	<b>1,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 6.3 Climate Emergency Strategy 2021-2025 and Action Plan

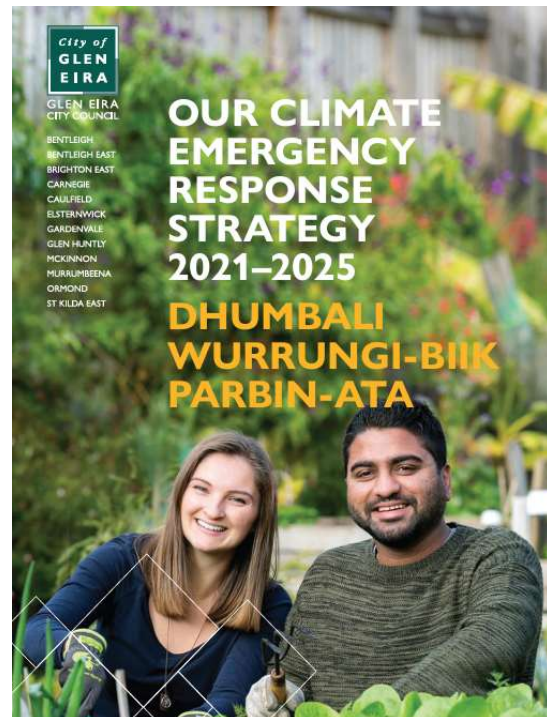
In May 2020, Council declared a climate emergency and joined the growing movement calling for urgent action to address climate change. Our Climate Emergency Strategy sets out how we will:

- respond to the climate emergency in our own operations.
- support the community to take action.
- advocate to, and partner with governments to drive stronger action.

The Strategy builds on the work completed to date and supersedes our Environmental Sustainability Strategy 2016–2021. It helps deliver the Community Vision and because climate change has a direct or indirect impact on all Council operations, it is an overarching Strategy that sits directly under the Council Plan 2021–25 in Council’s integrated planning framework. The implementation of the Strategy is supported by Our Action Plan with specific, timebound actions. While the Strategy is led by the Climate and Sustainability team, actions will be integrated into annual work plans right across Council to ensure climate action is truly integrated into our planning, delivery and reporting systems.

In the Strategy, Council is committing to deliver 70 actions to help deliver six goals:

- GOAL 1** We embed climate change action in everything that we do
- GOAL 2** Our community is active and mobilised on climate action
- GOAL 3** Council-owned buildings and infrastructure are resilient and safe for our staff and community
- GOAL 4** Our community is protected from the worst impacts of climate change
- GOAL 5** Net zero Council emissions by 2025
- GOAL 6** Net zero community emissions by 2030.



Our Action Plan will be updated annually to reflect changing needs and opportunities and respond to evaluation findings. A new Strategy and associated Action Plan will be developed in 2026.



## 6.4 Asset Plan and Asset Management Framework

As legislated by section 92 of *Local Government Act 2020*, Council is required to develop, adopt and keep in force the Asset Plan in accordance with its deliberative engagement practices. The Asset Plan includes information about maintenance, renewal, acquisition, expansion, upgrade, disposal and decommissioning in relation to each class of infrastructure asset under the control of the Council. Moreover, the Asset Plan aims to transparently set the direction and priorities that support the efficient and responsible management of Council’s infrastructure assets on behalf of the community.

The Asset Plan is supported by the Asset Management Framework, which is representative of a suite of documents which includes the Asset Management Policy, Asset Management Strategy and Asset Management Plans. The Asset Management Framework provides detail on the Council’s asset management processes, procedures and systems which support the long-term sustainability of its major community assets.

Recognising this, the major Assets groups that Council manages, in alignment with its Asset Management Framework include:

Our Assets		
	<p><b>Roads and Transport</b>            Roads - 465km            Right of Ways – 33km            Footpaths – 866km            Local Area Traffic Management Devices – 1370            Kerb and Channel – 832km            Carparks – 168,500 sqm</p>	<p><b>Replacement Value: \$398.2 M</b>  <b>Annual Depreciation: \$7.1 M</b></p>
	<p><b>Buildings and Facilities</b>            511 buildings and community facilities</p>	<p><b>Replacement Value: \$298.6M</b>  <b>Annual Depreciation: \$5.5 M</b></p>
	<p><b>Stormwater Drainage</b>            Pipes – 600 km            Pits – 25,200</p>	<p><b>Replacement Value: \$197.0 M</b>  <b>Annual Depreciation: \$ 2.0 M</b></p>
	<p><b>Open Space</b>            Open space reserves – 72            Playgrounds - 47            Parks, reserves, sporting grounds – 186 hectares</p>	<p><b>Replacement Value: \$113.1 M</b>  <b>Annual Depreciation: \$5.4 M</b></p>

The plans provide the framework for meeting the desired levels of service from our community assets in the most cost-effective manner for the present and the future. The plans incorporate the main elements of planning, creating, operating, maintaining, replacing and renewing Council assets. Council's forecast capital expenditure requirements for the next 10 years are informed by the Asset Plan and the Asset Management Plans. Recognising this, the key processes to determine Council's long-term infrastructure funding requirements are as follows:

- Long-term capital planning process which integrates with the Council Plan, Financial Plan, Asset Plan and Budget processes.
- Identification of capital projects through the preparation of asset management plans.
- Prioritisation of capital projects via evaluation criteria, which aligns with the asset management plans.
- Business Case template for officers to document capital project submissions.

A key objective of the Asset Plan and Asset Management Framework is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal, then Council's capacity to deliver services to the community via investment in the aforementioned assets, will deteriorate.

Over the years Council has been building a strong base of condition data information which provide guidance on the state of Council's assets and thus their impacts on the service provision to the community.

The data highlights that the majority of Council's assets, on average, are in good condition. With a robust financial strategy in place, Council is in a good position to continue to maintain its existing community assets to the standard the community expects. This is a substantial turnaround from 1999 when Council became increasingly aware that many of its assets were run down and not financially sustainable.

## 6.5 Gender Equality Plan

Council's first Gender Equality Action Plan 2022-25 was endorsed at a Council meeting on 15 March 2022. This Action Plan demonstrates our organisational commitment to gender equality, to ensure we continue our journey to be an equitable workplace for people of all genders.

Council's vision for gender equality: Glen Eira aspires to lead the way on gender equality, by acting on inequalities, ensuring that all voices are heard and that opportunities are offered fairly and equitably to employees of all genders.

The Gender Equality Action Plan 2022–25 is informed by the data which has been gathered through a workplace gender audit which includes the People Matter Survey and developed based on two rounds of feedback from employees and from Council.

The three strategic directions are:

- Improve the gender composition of Council.
- Provide a safe and inclusive workplace.
- Reduce the gender pay gap.

Glen Eira's first Gender Equality Action Plan 2022–25 represents a collaborative effort across Council business units, with input from employees across all parts of the organisation, Councillors and experts from Women's Health in the Southeast (WHISE).

The Gender Equality Action Plan 2022–25 meets our obligations as set out under the Gender Equality Act 2020 (Vic).



## 6.6 Municipal Public Health and Wellbeing Plan 2021-25

The Municipal Public Health and Wellbeing Plan 2021-25 is a strategic plan that aims to build a healthy and sustainable community. It considers the needs of the whole community and will develop priorities and actions that respond to the Victorian Public Health and Wellbeing Plan 2019-23.

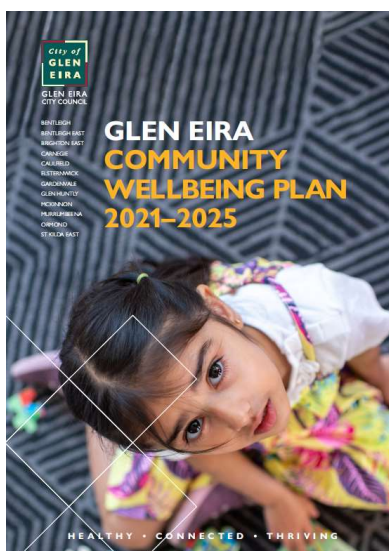
Council is taking an integrated approach to the Municipal Public Health and Wellbeing Plan 2021-25 by recognising the diversity of the community and incorporating the Disability Action Plan, Family Violence Prevention Plan, Positive Ageing Strategy and Youth Strategy. Through this holistic approach, the Municipal Public Health and Wellbeing Plan 2021-25 will specifically identify and address the needs of people from all backgrounds and at all stages of life.

Council’s approach to community engagement is based on the Community Engagement Policy 2021, the Community Engagement Strategy 2018-21 and Connecting with Young People Strategy 2018-21. These documents are informed by the International Association of Public Participation engagement framework which provides guidance about the types of engagement that are suitable for the various levels of influence that a community can have over decision-making.

The timing of the development of both the Council Plan and Municipal Public Health and Wellbeing Plan has led to an integrated approach to the community engagement process that will inform these plans. Feedback and input from the community about how they can live happy, healthy and well in Glen Eira will provide valuable insights for both plans as well as streamlining engagement activities.

The objectives of the community engagement process for the Council Plan 2021-25 and Municipal Public Health and Wellbeing Plan 2021-25 are to:

- Collaborate with a range of people across the City of Glen Eira to understand the needs, aspirations and priorities of all people across our diverse community.
- Accurately represent community need, opinions and aspirations in the final plans and associated actions and report back to the community how their input was used to inform decision-making.



The six priority areas of the *Community Wellbeing Plan 2021-2025* are:



## 6.7 Integrated Transport Strategy 2018-2031

Council's *Integrated Transport Strategy* sets out the high-level strategic transport direction for the municipality. The *Strategy* provides a cohesive framework that integrates transport and land use planning with the collective vision set by the structure planning program.

The vision presented in the *Integrated Transport Strategy* is for a 50:50 mode share of car and non-car trips by 2031. To achieve this vision, there must be accessible and convenient alternate transport options available. The *Integrated Transport Strategy* proposes four premium transit corridors that seek to prioritise travel modes on identified routes to create a more efficient road and transportation network. These are:

- Efficient Driving Routes.
- Express Public Transport Routes
- Great Walking and Shopping Streets.
- Safe Cycling Streets.

## 6.8 Cycling Action Plan 2019-2024

The objective of the *Cycling Action Plan 2019-2024* is to provide the direction for achieving the strategic cycling vision outlined in the *Integrated Transport Strategy*.

The vision is to enable cycling to become a safe and attractive form of transportation for people of all ages and abilities. The approach is to consider all modes of transport equally, with a focus on improving cycling infrastructure around the municipality, and where identified prioritising cycling in the hierarchy of on-road users. This includes recognising the role cycling plays in linking other modes, such as cycling to and from train stations.



## 6.9 Workforce Plan

Our Strategic Workforce Plan 2021–2025 has been developed to outline Glen Eira’s current and future workforce requirements and to identify opportunities and initiatives that are required to deliver our strategic and operational imperatives.

The Plan has been developed following amendments to the Local Government Act 2020 (s46) and forms an integral part of Glen Eira’s Integrated Planning and Reporting Framework (IPRF). The current version of the Plan forms the foundation for further refinement in the years to come as part of our ongoing planning cycle.

The Plan identifies specific workforce-related priorities to support and guide our workforce strategy in support of the implementation of the Glen Eira Council Plan and Glen Eira Together— Our Organisational Plan (Organisational Plan). The Plan has been developed by key stakeholders from across the organisation and has been guided by the ‘gap model’ approach to workforce planning. Throughout the process, future workforce implications and solutions have been identified by Council, leading to the development of key workforce outcomes aligned with Strategic Direction 1 in our Organisational Plan:

Strategic direction 1: Our people, our workforce — We have the culture, workforce and leadership to enable future success:

- develop leadership excellence and capability;
- maximise our culture, engagement and organisational readiness;
- drive employee health and wellbeing; and
- develop and support professional growth, performance, and career opportunities.

The Glen Eira Strategic Workforce Plan Action Plan 2021 – 2025 identifies a number of strategic priorities, actions and measures and indicative time frames to address the gaps and opportunities identified in the following areas:

- Leadership
- Culture
- Skills, Training, Learning and Development
- Performance
- Organisation and Role Design
- Talent
- Diversity and Inclusion

As our work environment continues to change in response to the external environment and new challenges, our Strategic Workforce Plan and Action Plan will help us achieve a workplace with the right people, in the right place, with the right capabilities at the right time.



## 6.10 Open Space Strategy

The Open Space Strategy guides the future planning, provision, design and management of public open space in Glen Eira for the next 15 years. This includes understanding and addressing the open space needs of the existing community and planning ahead to anticipate and meet the open space needs of the forecast population within the municipality.

Part of the scope for the Strategy is to provide an integrated framework that supports the justification for a fair and equitable open space contribution program. This is so Council can incorporate the program, with appropriate policy directions, into the Glen Eira Planning Scheme. The Strategy includes specific actions with broad opinions of costs allocated to them in order to justify the underlying contribution rate. This also provides direction for Council and the community on the range of open space projects to be undertaken in the municipality during the 15-year open space program.

Open space is the publicly owned land that is currently set aside or has the potential in the future to be set aside primarily for recreation, nature conservation and passive outdoor enjoyment. This includes parks, reserves, gardens, larger urban and civic spaces and forecourts.

## 6.11 Urban Forest Strategy

Our urban forest is the sum of all trees, understorey, shrubs and ground covers and grasses across the municipality — public and private.

The urban forest is supported by soil, water and nutrients and provides a wealth of benefits ranging from shade provision; carbon storage; habitat for wildlife; reducing air pollution; neighbourhood amenity; stormwater capture; as well as assisting in the mitigation of the effects of climate change.

Our urban forest will be green, resilient, and healthy creating a liveable and sustainable City for current and future generations where trees and vegetation are a core element.

Guided by our Vision and supported by the direction provided in Living Melbourne: Our Metropolitan Urban Forest, the Urban Forest Strategy sets out the following five action areas to enable and inspire our whole community to better protect and strengthen our natural assets:

1. **Maintain and protect** Glen Eira's public and private land urban forest.
2. **Grow the future urban forest** through designed solutions for trees and innovative green infrastructure on public and private land.
3. **Adapt to climate change** and reduce urban heat impacts through embedding leading practice urban forest management into Council's decision-making, investment and processes.
4. **Engage and collaborate** across sectors with the community, developers and other agencies.
5. **Monitor and evaluate** the progress of the urban forest, including progress towards targets.

## 6.12 Risk Management Strategy

Glen Eira City Council is committed to ensuring strategic and operational risks are appropriately managed to protect Council and the community.

Council has a well-developed and mature risk management framework. Through a strategic risk review process, coupled with the incorporation of the top 10 risks in every Council business plan, Council has a thorough understanding of the risks and opportunities it needs to manage.

The challenge ahead is to create true business success by being able to demonstrate that all risks are considered in every decision made. The Risk Management Unit, in collaboration with Council's business unit managers, ensures existing and emerging risk issues are identified, discussed and mitigated. Assistance is offered through advice, support and training to all staff.

Council's Audit and Risk Committee considers a number of risk management reports prepared by management. The Committee reviews specific risk areas across Council and in some instances across specific projects and examines the controls in place to mitigate those risks.

The risk management function works in collaboration with Council's business unit managers to ensure risk is well understood and managed. Assistance is offered through advice, support and training to all staff. Management of risk at the business unit level was reported by the auditors to be excellent. Risk management has been embraced by staff and this responsibility has been included in position descriptions.

Every manager has a risk register to monitor the operational risks within their business units. Managers are provided with refresher training on how to review identified risks, add new risks and assess the effectiveness of the controls while providing detailed information about the way the risk is managed.

Council's key assurance activities have been mapped to its strategic risks. The assurance map considers the key risks to Council in achieving its objectives and performance expectations, the assurance activities that have been conducted and the operation of controls that apply to those risks.



### 6.13 Organisational Plan

Our Organisational Plan reflects our shared priorities and commitments for the next four years. It is different from the Council Plan, which is externally focused and describes how Council will deliver the outcomes to the community.

By comparison the Organisational Plan is internally focused, outlining the priorities and initiatives we will focus on to ensure we have the right culture, people, processes, policies and systems to be successful. The Organisational Plan also helps explain to everyone who works at Glen Eira how their work contributes to our broader goals.

The Organisational Plan is a rolling four-year document and will evolve over time as our internal and external circumstances change. To ensure we have clear and tangible goals, the Organisational Plan will be supported by an annual action plan and regular reporting about our progress and achievements.

The six long-term goals as stated in the Organisational Plan that Glen Eira wants to deliver or contribute to achieving over the next four years are:

	<b>OUR PEOPLE, OUR WORKFORCE</b>	We have the culture, workforce and leadership to enable future success.
	<b>DIGITALLY ENABLED</b>	Our technology and digital capabilities support our strategic goals.
	<b>CUSTOMER CENTRIC</b>	We are customer centric and deliver innovation that improves the customer experience.
	<b>STRATEGIC AND FUTURE FOCUSED</b>	We think strategically, evolving our organisation to position us for success
	<b>WELL GOVERNED AND ACCOUNTABLE</b>	We plan and manage our resources to ensure our long-term financial sustainability whilst proactively managing our risks.
	<b>COMMITTED TO SUSTAINABILITY</b>	We are committed to taking action on climate change and achieving zero net emissions by 2025.

The priorities described in our Organisational Plan will also inform the development of business unit plans and individual performance development plans (PDPs).

The Organisational Plan has been informed by and is aligned to the aspirations outlined in the 2040 Community Vision and the Council Plan 2021–2025. It also incorporates initiatives contained in other strategies and plans that inform operational priorities and activities across Council.

The Organisational Plan has been developed following engagement with Council staff during July and August 2021 and the opportunity to provide feedback on the draft plan in October 2021.

## 6.14 Advocacy Policy

Council has developed an Advocacy Policy to provide direction and guidance in relation to its work in advocating for and on behalf of the community to raise awareness and seek support and funding from government and other stakeholders. The development of an Advocacy Policy was identified as a key action in the Council Plan 2021-2025 and the Annual Action Plan for 2021-2022.

The Advocacy Policy outlines the objectives, roles, responsibilities, and principles which will guide Council's advocacy efforts. The Advocacy Policy is supported by a list of Advocacy Priorities for 2024-25 which are Council's highest priorities for funding and support over the next twelve months. With state and federal elections occurring during 2022 it is critical that Council has an effective and impactful plan for advocacy to maximise the benefits for the Glen Eira Community.

The Advocacy Policy outlines Council's approach and provides guidance in terms of how advocacy initiatives will be supported. To provide transparency to community and guidance to officers, the Policy outlines the advocacy approach Council will take to promoting and highlighting advocacy priorities according to the categories described below.

Category	Approach
Category 1	Advocacy initiative that requires considerable resources to conduct a coordinated educational campaign to build support. This category links directly to Council's top strategic priorities.
Category 2	Advocacy initiative that requires a more targeted, behind the scenes approach such as letters to politicians, or meeting with certain stakeholder groups. Also links directly to Council's top strategic priorities.
Category 3	Advocacy initiatives that are miscellaneous and/or opportunistic in nature whilst still aligning to GECC's agreed strategic directions.
Category 4	Initiatives that may appeal to philanthropic interests that add value to the services, projects and facilities provided for the community. Any such initiatives must align with the Philanthropic Partnership Policy.
General	Advocacy Priorities that sit outside of the key four themes but are worthy of Council's advocacy efforts

The Policy provides guidance on the progression of major strategic advocacy initiatives. At the same time, it recognises that the approach must be agile and able to identify and swiftly execute advocacy opportunities as they arise as a key part of effective advocacy.

The following principles are set out in the Policy to guide the ongoing assessment of advocacy opportunities that emerge outside of the agreed annual plan:

- Alignment to Council's strategic priorities
- Alignment to Council's values
- Relevance to Council's adopted Financial Plan
- Transparency of funding arrangements
- Appropriate governance of funding partners
- Relevance to Council's asset management plans.