

HUME CITY COUNCIL

Financial Plan

2025/26–2034/35



Hume
Proud



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Acknowledgement of Country

Hume City Council recognises the rich Aboriginal heritage within the municipality and acknowledges the Wurundjeri Woi-wurrung, including the existing family members of the Gunung-Willam-Balluk clan, as the Traditional Custodians of this land. Council embraces Aboriginal and Torres Strait Islander living cultures as a vital part of Australia's identity and recognises, celebrates and pays respect to Elders past and present.

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1. Introduction

The Hume City Council Long Term Financial Plan 2025/26–2034/35 (the Financial Plan) outlines the financial framework to support the delivery of Council's services, infrastructure, and strategic priorities over the next decade. It is a key component of Council's integrated planning and reporting framework and is aligned to the Hume Community Vision 2045 and the Council Plan 2025–2029.

Together with the Council Plan, Asset Plan and Revenue and Rating Plan, the Financial Plan forms part of Council's legislated integrated strategic planning framework under the Local Government Act 2020.

The Financial Plan is also underpinned by Council's Revenue and Rating Plan, which sets out the principles and mechanisms by which revenue is raised – through rates, fees and charges – in a fair, transparent and sustainable manner. Together, these plans ensure that financial decisions support long-term service and infrastructure delivery while maintaining affordability and equity across the community.

Hume City is one of Australia's fastest-growing and most culturally diverse communities, presenting both opportunities and challenges. The Financial Plan has been developed in the context of sustained population growth, increasing service demand, cost pressures, legislative reforms, climate change impacts, and the constraints of the State Government's rate capping framework.

Council continues to call for urgent reform of the developer contribution system to ensure growth area municipalities like Hume are not left to carry the financial burden of infrastructure delivery without adequate State funding.

This Plan builds on Council's commitment to responsible financial management, social justice, and service equity. It supports Hume's aspirations to be a thriving community with a strong sense of belonging, ensuring that Council remains well positioned to meet current and future community needs.



2. Financial Plan Summary

The Financial Plan ensures Council can maintain financial sustainability while delivering on the four strategic priorities of the Council Plan 2025–2029:

- 1. A liveable city of well-designed and connected places** – Supporting growth with investment in essential infrastructure, roads, transport, and open space.
- 2. A climate resilient city with a healthy natural environment** – Funding sustainable initiatives, environmental protection, and adaptation strategies.
- 3. A healthy community that is inclusive and proud** – Prioritising services that promote community wellbeing, social connection, and equity.
- 4. A well governed Council that is strategic and trusted** – Ensuring transparency, accountability, and continuous improvement in service delivery and financial stewardship.

The financial forecasts and funding strategies contained in this Plan are informed by the Revenue and Rating Plan, which outlines how Council raises income through rates, charges, and fees in a fair, transparent and sustainable way. This ensures that financial planning decisions are consistent with Council’s revenue planning framework and community expectations around equity and affordability

Over the next 10 years, Council forecasts approximately \$1.48 billion in capital investment, focused on renewing existing assets and delivering new infrastructure in growth areas. The Plan assumes continued efficiency gains, prudent cash management, no new borrowings, and diversification of revenue sources to support affordability and service delivery

This Financial Plan is underpinned by:

- Strong alignment to the Council Plan and Asset Plan
- Assumptions that reflect current economic conditions
- Robust community engagement through a deliberative panel process
- A performance framework to monitor long-term financial sustainability

Council’s financial planning is underpinned by a pooled cash management approach that tracks long-term obligations while preserving liquidity and flexibility.

Council will continue to adapt and respond to emerging risks and opportunities to ensure that its services and infrastructure investments deliver maximum community benefit, now and into the future.



3. Legislative Planning and Framework

The Local Government Act 2020 (s.91) requires Council to develop, adopt and keep in force a Financial Plan with an outlook of at least 10 years to show how the viability and financial sustainability of Hume City Council will be achieved and maintained. The Plan sets the broad fiscal boundaries for the Council Plan and Asset Plan, and Council's other strategic documents.

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

3.1 Hume Strategic Planning Framework

Our Strategic Planning Framework (Framework) shows how our high order strategic and operational planning documents align and inform each other in a cascading order to collectively deliver Council's strategic direction and work towards the achievement of the Community Vision – 'a thriving community with a strong sense of belonging'.

The Framework responds to the Local Government Act 2020 (s. 89) by taking an integrated approach to strategic planning and reporting. This ensures we manage our resources effectively and adapt to the evolving community needs, in turn delivering maximum impact to our community. The reporting component also ensures we provide transparency and accountability around our performance, delivery of the Council Plan and achievement of our strategic direction.

The Framework is underpinned by Council's long-standing commitment to advancing social justice in our city, as outlined in our Social Justice Charter.



Figure 1: Hume City Council's Strategic Planning Framework (SPF)

The Community Vision, sitting at the top of the Framework is an overarching long-term aspirational document that helps guide Council's strategic direction by maintaining focus on what's important to our community.

The Council Plan sets out the strategic direction (priorities) for the organisation and what Council seeks to achieve over the four-year council term. It sets the strategic context for all other strategies, plans and policies, and informs the prioritisation, allocation and management of our assets and resources to ensure that Council's work, advocacy and decisions align to the Community Vision.

The Financial Plan sets out the broad financial boundaries for the Council Plan, Asset Plan, and Council's other strategic documents to ensure the long-term financial sustainability of Council will be achieved and maintained.

The Asset Plan outlines how Council will strategically manage our assets and infrastructure through their lifecycle (from development or acquisition through to disposal) to support service delivery and meet the needs of our community.

3.2 Deliberative Community Engagement Process

The Financial Plan, Asset Plan and overarching Council Plan are the most important pieces of strategic work a council will develop at the start of a new council term.

These plans have been informed by a deliberative engagement process via a community panel made up of 47 panel members, who combined, are as close to representative of our community as possible (based on ABS Census data). The deliberative engagement process was designed in accordance with the Local Government Act 2020 and our Community Engagement Policy (2021).

Over four sessions, the panel was provided updated information on Hume City, including current challenges and opportunities, and tasked with reviewing the Community Vision to ensure it continues to reflect the future aspirations of our community. On the 10 February 2025, Council adopted the refreshed Hume Community Vision 2045, which has informed the strategic direction of the Council Plan, and in turn, the Financial Plan and Asset Plan.

At the final session, the panel was provided with information on the development of the Financial Plan and Asset Plan and the financial challenges that Council is facing. The panel was then tasked with providing feedback on how decisions can be fair and balanced across different community needs, the role of data verses community views in decision making, and preferences around rate rises verses service cuts. The feedback is captured in an Engagement Summary Report that can be found on Council's website and has informed the development of both the Financial Plan and Asset Plan.

3.3 Monitoring and Review of the Financial Plan

The Financial Plan Statements articulate the 10-year financial resources required to deliver the strategic direction set out in the Council Plan and work towards the achievement of the Community Vision. The Financial Plan will be monitored and reviewed to adapt to the evolving needs of our growing community.

3.4 Financial Management Principles

All Victorian councils operate under the State Government's rate capping framework, which significantly limits Council's capacity to raise revenue through general rates. At the same time, councils are facing mounting cost pressures, including ongoing cost shifting from other levels of government. These structural constraints are not expected to ease in the foreseeable future, placing continued pressure on local government finances.

Hume City is experiencing rapid population and household growth, particularly across its northern growth corridor. While this growth contributes additional rate revenue and developer-donated assets, it also brings increased demand for services, infrastructure delivery, and asset renewal and maintenance – such as roads, open spaces, footpaths, and community facilities. The Financial Plan has been developed to account for these demands, ensuring Council remains financially sustainable while responding to the needs of a growing municipality.

The core objective of the Financial Plan is to ensure that Council can maintain, and where required expand, existing service levels in a financially responsible and sustainable manner. It also ensures adequate funding for the renewal, upgrade, expansion, and delivery of new infrastructure assets under Council's stewardship.

The Financial Plan establishes a prudent and robust financial framework that integrates key financial strategies to guide decision-making, supports the delivery of strategic objectives, and provides a performance measurement framework aligned with Council's policies and plans. It ensures compliance with sound financial management principles as set out in the Local Government Act 2020, and underpins Council's long-term financial sustainability.

The Financial Plan reflects Council's commitment to sound financial management and demonstrates alignment with the following principles:

Revenue, expenditure, assets, liabilities, investments, and financial transactions are managed in accordance with Council's adopted financial policies and long-term strategic plans.

Financial risks are actively identified and managed, including:

- Ensuring the ongoing financial viability and sustainability of Council.
- Managing current and future liabilities in a responsible and transparent manner.
- Council manages its financial risks by strengthening its operating cash position through productivity initiatives, disciplined expenditure control, and efficiency-focused service planning – ensuring it can sustainably fund services, infrastructure, and future liabilities without over-reliance on borrowings or asset sales.
- Council is currently debt-free, and no borrowings have been forecast in this Financial Plan.
- Financial policies and strategic planning frameworks are designed to promote long-term financial stability, resilience, and predictability for the community.
- Council maintains comprehensive financial records and reporting systems to accurately reflect its financial performance and position (refer to Section 5 – Financial Plan Statements).
- The Financial Plan provides for the impacts of population and household growth, including the associated financial challenges of maintaining, expanding, and funding service delivery and infrastructure requirements.

3.5 Service Planning Principles

Hume City is a key part of Melbourne's northern growth corridor and is home to one of Australia's fastest growing and most culturally diverse communities.

Council has undertaken significant planning for this growth to ensure we deliver the services, programs and infrastructure that meet the needs our growing community, today and into the future, whilst ensuring our long-term financial sustainability.

Council plans and delivers its services to the community in accordance with the following service performance principles in the Local Government Act 2020 (s.106):

- Services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community
- Services should be accessible to the members of the municipal community for whom the services are intended
- Quality and costs standards for services set by the Council should provide good value to the municipal community
- Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring
- Service delivery must include a fair and effective process for considering and responding to complaints about service provision.

3.6 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 is a document that communicates the importance and magnitude of the infrastructure assets for which Council is the custodian. This results in a more informed community and a mutual understanding of the best use of Council assets in the interest of the community. It 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 provides Council with a sound base to understand the risk associated with managing its assets for the community's benefit.

The Asset Plan is designed to inform the 10-year Financial Plan by identifying the amount of capital renewal, backlog and maintenance funding that is required over the life of next 10 years for each asset category. The level of funding will incorporate knowledge of asset condition and assessment of risk for each asset class.

The Asset Plan quantifies the asset portfolio and the financial implications of owning, operating and maintaining those assets. Together the Financial Plan and Asset Plan seek to balance projected investment requirements against projected budgets.



4. Financial Plan Context

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

4.1 Municipal demographics

As of 2025, Hume City is home to approximately 278,200 residents and is expected to grow to 411,700 by 2046. This significant growth reflects Hume's status as one of Australia's fastest-growing and most culturally diverse municipalities, with residents born in over 170 countries and speaking more than 155 languages. Hume also has a relatively young population profile, with more than one in four residents aged under 18, and a higher-than-average proportion of family households compared to Greater Melbourne.

Hume's population growth is primarily driven by migration and the availability of land for urban development. However, forecasts over the next decade indicate a moderation in the rate of growth, as the supply of greenfield land becomes increasingly constrained. The Urban Growth Boundary, Melbourne Airport Environs Overlays, and the protection of the Melbourne Green Wedge limit further residential expansion.

As an interface council located on the fringe of metropolitan Melbourne, Hume is one of ten municipalities forming a transition between urban and rural areas.

To fund the infrastructure required to support growth, Council manages multiple Development Contributions Plans (DCPs) and Infrastructure Contributions Plans (ICPs), which establish the levies that developers must contribute towards infrastructure and community facilities.

While these contributions are a critical source of funding, the timing of development means Council is often required to deliver infrastructure in advance of receiving all associated developer contributions. This introduces financial risk, as Council remains ultimately responsible for delivering the infrastructure identified in DCPs and ICPs, regardless of whether sufficient contributions have been collected.

Where developer contributions are insufficient to meet infrastructure costs, Council must secure additional funding through government grants or, where necessary, supplement the shortfall through general revenue, including rates. The Financial Plan recognises this challenge and ensures that Council is strategically managing both current obligations and future investment needs in a financially sustainable manner.

4.2 Financial challenges

Over the next 21 years an estimated 133,000 additional residents will make the City of Hume their home, pushing the population past 400,000. As the sphere of government closest to the community, Council must deliver the services and infrastructure that underpin a liveable, inclusive city. We take seriously our responsibility to understand community expectations and to focus on what matters most.

Rapid growth brings opportunity but also pressure. Council must simultaneously cater for new neighbourhoods and maintain high-quality services and facilities for long-established communities – all while remaining financially sustainable. Rising construction and operating costs, supply-chain pressure, and the State-imposed rate cap limit our primary revenue stream. At the same time, our asset base is expanding and ageing, demanding increased renewal and maintenance funding.

Council's financial position is currently stable yet underlying operating deficits in recent years and declining unrestricted cash signal emerging risk. The post-COVID environment – characterised by elevated inflation, labour shortages and materials scarcity – has amplified cost pressures. Without decisive action these factors could erode our capacity to meet service-level commitments and manage assets responsibly.

To respond to these financial challenges and secure long-term sustainability, Council has adopted a strategic and proactive approach.

Transforming how we work: embracing new ideas, investing in new digital technology, and continuous-improvement methodologies to lift productivity and reduce cost.

Diversifying revenue: continuing to identify sources of alternative revenue streams and advocate for external funding to reduce the burden on rate revenue.

Maintaining liquidity: protecting adequate unrestricted cash reserves to ensure financial flexibility and resilience.

Rigorous financial management: strengthening forecasting, performance monitoring, and transparent reporting – to ensure that emerging risks are identified early and addressed proactively.

Ensure funding allocation to meet renewal requirements and legislative requirements for DCP/ICP projects.

Through these measures Council is confident it can continue to deliver high-quality services, responsibly manage a growing asset portfolio, and build a resilient financial foundation for the decades ahead.

4.3 Economic environment

Over the next decade, the economic environment is expected to remain moderately uncertain, shaped by both domestic monetary policy and international geopolitical developments. Key economic indicators such as the Consumer Price Index (CPI), interest rates, and global trade dynamics will have a material influence on the financial settings for local government.

Inflation is expected to gradually stabilise after a period of volatility, with the national Consumer Price Index (CPI) projected to return to the Reserve Bank of Australia's (RBA) target range of 2–3% over the medium term. Nevertheless, factors such as ongoing supply chain disruptions, fluctuating energy prices, and tight labour market conditions may continue to place intermittent upward pressure on costs. Council's expenditure – particularly on materials and contracted services – is likely to remain exposed to these inflationary pressures. In response to the current cost environment, this Long-Term Financial Plan assumes a CPI higher than the rate cap in 2026/27 and 2027/28, with CPI projections aligning with the rate cap from 2028/29 onward.

Following a significant tightening cycle, interest rates are expected to stabilise in the near term, with the possibility of a gradual decline later in the decade. The RBA is anticipated to proceed cautiously, balancing the dual objectives of inflation management and economic growth. Reflecting this outlook, the Long-Term Financial Plan assumes a gradual reduction in investment returns, with interest income forecast to decline over the 10-year horizon in line with a lower interest rate environment compared to the current economic environment.

A significant source of economic uncertainty stems from recent global trade tensions, particularly the imposition of new tariffs by the United States. These measures have introduced volatility into international markets and may dampen global economic growth if retaliatory actions escalate. Australia's export-oriented economy, highly integrated into Asia-Pacific supply chains, may be indirectly affected through reduced demand for commodities and higher import costs. This could translate to broader economic softness, impacting revenue streams such as grants, developer contributions, and consumer-driven fees and charges.

Given this backdrop, prudent financial management and scenario planning will be essential to maintaining long-term sustainability and service delivery capacity. The Long-Term Financial Plan has been prepared with assumptions that reflect current economic conditions and outlook, enabling responsiveness to future changes over the coming decade.

4.4 Waste charge

The cost of providing waste and recycling services continues to rise at a rate exceeding the annual rate cap, largely driven by legislative service changes and market pressures.

To ensure the long-term financial sustainability of waste service delivery, Council introduced a separate Waste Services Charge in 2023/24. This decision followed extensive community engagement and consultation with the Essential Services Commission (ESC).

The charge was implemented to recover the full cost of waste and recycling services and does not generate any surplus or profit for Council.

The Victorian Government Minister's *Good Practice Guidelines for Service Rates and Charges*, issued on 22 December 2023 and effective from 1 March 2024, have not been applied in this Long-Term Financial Plan, as the Guidelines are not mandatory. Council acknowledges the intent of the Guidelines; however, given the recent indication from the new Minister for Local Government that the Guidelines will be reviewed and re-written, Council has maintained its current approach to the waste charge.

This decision has been made to preserve financial sustainability. Full implementation of the existing Guidelines would have placed significant pressure on Council's budget, reduced its capacity to maintain existing service levels, and limited its ability to plan for future infrastructure renewal and meet the evolving needs of the community.

4.5 Cost shifting

Local Government provides a service to the community on behalf of the State and Commonwealth Government. Over time the funds received by local governments have not increased in line with real cost increases. Examples of services that are subject to cost shifting include maternal and child health, school crossing supervisors, library services and home and community care for aged residents. In the Financial Plan, government grants and statutory fees are forecast to increase in line population growth and the funding shortfall for providing these services has been absorbed by Council's own source revenue and savings in expenditure through efficiency gains.

Since the introduction of rate capping in 2015, it is vital that councils have robust service planning and review processes to ensure the services Council provide are both cost effective and meeting community needs.

In response to ongoing cost shifting pressures, Council lodged a submission with the State Government outlining its concerns regarding the extent to which responsibilities and associated costs have been transferred from State to Local Government. The submission highlighted that, in the context of rate capping, such cost shifting significantly constrains Council's capacity to sustainably fund the future operational and infrastructure needs of the community.

4.6 Council's Approach to Financial Sustainability

This section outlines Council's key financial sustainability policy statements and supporting measures that demonstrate Council's capacity to fund the aspirations of the **Hume Community Vision 2045** and deliver on the strategic priorities of the **Council Plan 2025–2029**.

Balancing asset renewal needs with financial sustainability

Council's Financial Plan is grounded in the principle of long-term service and infrastructure sustainability, underpinned by a financially responsible approach to planning and delivery. While estimates of infrastructure investment needs often use depreciation as a baseline, Council recognises that straight-line depreciation is not a reliable indicator of actual renewal demand, particularly where assets are relatively new. Most physical deterioration tends to occur later in an asset's life, meaning early-life depreciation often overstates renewal requirements.

To support sound capital forecasting, Council is enhancing its asset management practices/systems – prioritising updated condition assessments, lifecycle modelling, and asset performance analysis – to ensure renewal and maintenance needs are evidence-based and appropriately timed.

A key objective of this Plan is to maintain a positive adjusted underlying result to generate the operating cash necessary to meet future infrastructure renewal needs, support sustainable service delivery, and avoid deferring obligations to future ratepayers.

While provisions and reserves are maintained for key obligations such as developer contributions, landfill rehabilitation and employee entitlements, Council does not physically quarantine cash for each of these. Instead, it applies a pooled cash management approach, supported by internal tracking of future commitments and prudent liquidity oversight, to ensure that sufficient capacity is available when required – balancing financial flexibility with long-term responsibility.

Sustainable Service Delivery

Council is committed to maintaining and, where required, expanding existing service levels in a manner that is financially viable over the long term. This will be achieved through the following measures:

- **Targeting a positive adjusted underlying result** throughout the Financial Plan period, which reflects the true operating position of Council by excluding one-off and capital-related items.
- **Maintaining a working capital ratio above 2.0**, ensuring Council retains the ability to meet its short-term financial obligations (\$2 of current assets for every \$1 of current liabilities).
- **Aligning rate increases with forecast movements in the Consumer Price Index (CPI)**, consistent with the State Government's rate capping framework.
- **Advocating for increased State and Federal funding**, highlighting the financial pressures of growth and cost-shifting under rate capping to ensure sustainable service and infrastructure delivery.
- **Indexing discretionary user fees and charges** in line with service delivery costs and Council's Setting of Fees and Charges Policy.
- **Maximising the efficient use and financial return of Council assets**, including the review of property holdings.
- **Driving operational efficiency and innovation** to contain expenditure and improve service delivery, ensuring value for money for the community.

Asset and Infrastructure Sustainability

Ensuring sufficient funding is allocated to the renewal, upgrade and expansion of Council assets is critical to maintaining service levels over the long term. Council will:

- **Prioritise asset renewal and upgrade works** (where upgrades include significant renewal components) based on asset condition assessments, inspections, and lifecycle forecasts.
- **Apply the principles of the Capital Investment Policy**, which prioritises funding for asset renewal and upgrades over new or expansion projects, ensuring asset sustainability is not compromised.
- **Develop and maintain a 10-year capital works program** that responds to service level needs, growth, and community expectations, ensuring sufficient investment across new, renewal, upgrade and expansion categories.
- **Manage financial risks associated with Developer Contribution Plans (DCPs) and Infrastructure Contributions Plans (ICPs)**, including the delivery of infrastructure ahead of receiving full contributions.
- **Utilise reserve funds** in line with their stated purpose to support the delivery of capital works and maintain Council's financial resilience.

4.7 Financial Outlook

Hume City Council maintains a sound financial position under this Financial Plan. Council generates strong operational cash flows and plans to retain its debt-free status over the forecast period. This reflects Council's prudent financial management and long-term planning discipline.

The Financial Plan positions Council to maintain its current financial strength while Council's Long-Term Financial Plan is grounded in the principle of long-term service and infrastructure sustainability responding to future challenges and opportunities. Through disciplined financial management, ongoing advocacy, and a continued focus on innovation and efficiency, Council will ensure the delivery of high-quality services and infrastructure for the Hume community – now and into the future.

4.8 Assumptions to the Financial Plan statements

The 2025/26 budget, which forms the first year of this Financial Plan, has been developed based on historical actuals and serves as the foundation for projecting future years.

To model years two to ten, a range of variables were applied to the base year data, incorporating both growth and price indexation assumptions across revenue and expenditure items.

It is important to note that a uniform percentage increase has not been applied across all items. Specific adjustments have been made to reflect anticipated changes in operational activities, such as election costs or one-off financial impacts. As such, projections cannot be derived by simply applying a flat percentage to the previous year's figures.

The following table outlines the key assumptions used to forecast revenue and expenditure within Council's Comprehensive Income Statement for the 10-year period from 2025/26 to 2034/35. Items not driven by standard trend-based assumptions are detailed separately below the table.

ESCALATION FACTORS	% movement								
	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Consumer Price Index (CPI)	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Rate Cap Increase	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Population Growth	2.31%	2.14%	2.02%	1.98%	1.96%	2.02%	1.95%	1.93%	1.93%
Households Growth	2.40%	2.27%	2.20%	2.15%	2.13%	2.18%	2.12%	2.11%	2.11%
User Fees*	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Statutory Fees*	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Operating Grants*	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Contributions – Non-Monetary**	2.40%	2.27%	2.20%	2.15%	2.13%	2.18%	2.12%	2.11%	2.11%
Employee Costs (EBA increase)***	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials and Services*	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Utilities*	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Expenses*	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

* % increase in the above table does not include growth.
** Contributions – Non-monetary projection is driven by household growth.
*** The current EBA expired on 30 June 2025. Future EBA increases are based on the rate cap forecast.

4.8.1 Rates and charges

Base rate revenue for 2025/26 will increase by 3.0%, in line with the State Government's rate cap. Future annual increases are projected to align with forecast CPI over the remainder of the Financial Plan period.

Additionally, an estimated \$3 million in supplementary rates is expected to be generated in 2025/26 due to property growth. In subsequent years, growth-related revenue is forecast to increase in line with projected household growth.

A Memorandum of Understanding (MOU) has been established with the Australia Pacific Airports (Melbourne) Pty Ltd (APAM) to provide a clear framework for calculating payments in lieu of rates (RIL) from 1 July 2024. The 10-year agreement includes structured annual increases, starting from a significant base amount. This provides greater long-term certainty and a stable revenue stream for Council.

The other RIL agreement is with Note Printing Australia which is a wholly owned subsidiary of the Reserve Bank of Australia that produces bank notes and passports. The ensuing year's RIL are projected to increase in accordance with CPI.

4.8.2 Statutory fees and fines

Statutory fees primarily consist of charges and fines set by legislation, including those for animal registrations, Food Act registrations, and parking infringements. Changes to these fees are governed by legislative requirements and are not determined by Council.

For the purposes of the Financial Plan, statutory fees are indexed annually by 0.5% plus projected population growth. As these fees are regulated externally, the assumed increase is lower than CPI.

The 2025/26 statutory fee projections have been determined by management based on expected service activity and anticipated price adjustments.

4.8.3 User fees

User fees primarily relate to the recovery of costs associated with delivering Council services. These include fees for access to leisure and community facilities, landfill services, and human services such as family day care and home support.

In line with Council's Setting of Fees and Charges Policy, user fees are generally projected to increase by 2.5% per year plus population growth over the Financial Plan period. However, Council undertakes benchmarking against comparable councils and service providers as part of its annual review process. Where this analysis supports a variation, individual fee increases may exceed the standard 2.5%, particularly where there is a need to align with market rates, improve cost recovery, or respond to service cost pressures.

Specific user fees for the 2025/26 budget year are outlined in Council's Schedule of Fees and Charges, which is adopted alongside the Budget.

4.8.4 Grants – operating

Grants comprise funding received from State and Federal governments to support the delivery of Council services to the community. Operating grants are projected to increase annually in line with forecast CPI and population growth.

The 2025/26 budget for grants was determined based on known funding commitments and expected activity levels, rather than applying a standard incremental increase.

4.8.5 Grants – capital

Capital grants are allocated to support specific capital projects, with funding levels varying considerably depending on the nature and scale of projects within the Capital Works Program. Accordingly, projections for future capital grants are based on historical trends and patterns across the forward estimates.

4.8.6 Contributions – monetary

Council receives developer contributions to support the delivery of infrastructure and land improvements required to accommodate development growth. These contributions are tied to specific purposes and, in some cases, Council must deliver the associated works before receiving the funds.

As statutory contributions, the funds are held in a restricted reserve until they are applied to eligible projects within the Capital Works Program or used to reimburse developers for over-provided in-kind items.

Projected contribution levels are based on forecasted net developable areas provided by developers and account for any credits issued for in-kind contributions.

4.8.7 Contributions – non-monetary

Council receives non-monetary assets from developers, such as roads, footpaths, and open space, as part of development contributions. Projected values of these contributed assets are based on forecast household growth within the municipality, using historical average asset values per 1% increase in household growth.

4.8.8 Other income

Other income primarily includes interest earned on investments, rental income from investment properties and facility hire, as well as various forms of cost recovery. Rental and interest income are projected to increase in line with CPI and expected movements in interest rates.

4.8.9 Employee costs

Employee costs include all labour-related expenditure, such as wages, allowances, leave entitlements, employer superannuation contributions, and staff training and development.

The current Enterprise Bargaining Agreement (EBA) expired on 30 June 2025, and at the time of preparing the 2025/26 Annual Budget, a new agreement had not yet been finalised. For the purposes of the Financial Plan, projected EBA increases have been aligned with the forecast rate cap.

The municipality's residential population is expected to grow by an average of 2.08% per year through to 2035, resulting in increased demand for services. To support this, a modest annual increase of 0.6% in staff numbers has been factored in, reflecting efficiency gains and cost containment over the Financial Plan period. Council remains committed to identifying and implementing more effective ways to deliver services to the community.

4.8.10 Materials and services

Materials and services cover the purchase of consumables and payments to contractors for service delivery, including the maintenance and repair of Council infrastructure assets. These costs are subject to market conditions. This category also includes externally sourced services such as legal, consulting, and other specialist support.

Expenditure in this area is projected to increase annually by CPI plus an average of 1.6%, which is below the city's population growth rate, reflecting expected efficiency gains over the Financial Plan period.

Utility expenses – comprising electricity, water, gas, and telecommunications – are also included under materials and services. These are required to operate Council buildings and services. Utility costs are forecast to rise by 3% per year, with an additional 1.6% increase to accommodate the growing number of Council-owned assets. These projections take into account anticipated savings from climate action initiatives, such as solar panel installations and other energy efficiency measures.

4.8.11 Depreciation & amortisation

Depreciation is a non-cash accounting expense that reflects the consumption or use of Council's property, plant, equipment, and infrastructure assets – such as roads, drains, and buildings – over time. Although it does not involve an immediate cash outflow, it highlights the ongoing need for asset renewal and maintenance to ensure service continuity.

Under lease accounting standards, a right-of-use asset represents Council's entitlement to use a leased asset over the term of the lease. Instead of recording lease payments as expenses, the cost is recognised through amortisation of the right-of-use asset and an associated interest charge on the lease liability. All lease agreements with terms exceeding 12 months have been incorporated into this Financial Plan.

Depreciation is projected to increase over the Financial Plan period, in line with the growth of Council's asset base. Estimates have been informed by projected capital investment and anticipated contributed assets. Depreciation has also been adjusted to reflect indexed increases in the replacement cost of Council's fixed assets.

4.8.12 Finance/borrowing costs

Throughout the Financial Plan period, Council is expected to maintain sufficient cash reserves to support its operating requirements and capital investment activities, including asset renewal, upgrades, expansions, and the delivery of new assets. As a result, there is no anticipated need for loan borrowings to sustain current service levels or to fund the long-term capital works program outlined in this Plan.

Finance costs included in the Financial Plan primarily relate to non-cash accounting entries. These reflect the net present value (NPV) of Council's future obligations for employee entitlements and landfill rehabilitation and aftercare. In accordance with accounting standards, changes in these liabilities due to movements in discount and inflation rates – referred to as the unwinding of the interest effect – are recorded as finance costs.

4.8.13 Other expenses

Other expenses include a range of miscellaneous items such as community contributions, bank fees, short-term and low-value leases, councillor allowances, and the write-off of the remaining written-down value of infrastructure assets that are renewed during the year.

These expenses are projected to increase annually in line with CPI, with an additional average growth of 1.60% per year.

The 2025/26 budget for this category was not determined using a standard incremental increase but was instead based on known and identifiable cost factors.

4.8.14 Reimbursement to developers for LIK/WIK projects

Under the Developer Contribution Plan (DCP) framework, developers may provide Land-in-Kind (LIK) or Works-in-Kind (WIK) to Council instead of making cash payments. In cases where the value of the LIK or WIK exceeds the developer's levy obligation, Council is required to reimburse the developer for the difference. The projected reimbursement is based on the gap between the indexed value of the in-kind contributions and the levies payable, as determined by forecasted net developable areas.

4.8.15 Payment to ICP developer for land equalization

Under the Infrastructure Contributions Plan (ICP) framework, a land contributions model ensures that all landowners within the ICP area contribute equitably to the provision of land for public purposes. Landowners who contribute more than their proportional share of land are compensated by those who contribute less. This is achieved through land equalisation payments, where landowners who underprovide public purpose land pay a land equalisation amount.

Council is responsible for collecting these equalisation amounts from developers who underprovide public land and reimbursing those who overprovide, once the relevant land parcels are vested in Council.

Land equalisation and land credit amounts are adjusted annually on 1 July in accordance with the adjustment methodology specified in the ICP. A formal valuation is conducted every third financial year, while in the intervening years, adjustments are based on the Public Land Index prepared by the Valuer-General Victoria and published by the Department of Energy, Environment and Climate Action (DEECA).

For the purposes of long-term financial planning, these amounts are assumed to increase by 5% annually, based on historical trends.

4.9 Other factors influencing the 10-year financial projections

A range of current challenges and anticipated future developments are expected to influence Council's long-term financial outlook. These are outlined below:

4.9.1 Rates revenue dependency

Rates will continue to be Council's primary source of revenue over the Financial Plan period. The introduction of the Victorian Government's Fair Go Rates System (FGRS) has heightened the focus on long-term financial sustainability by limiting annual rate increases to the rate cap – set at 3% for 2025/26 – unless a variation is approved by the Essential Services Commission.

Council remains committed to maintaining service delivery and investing in community infrastructure. However, with rate capping limiting revenue-raising capacity, Council must increasingly explore alternative revenue streams and funding opportunities to reduce reliance on property rates over time.

4.9.2 Waste charge framework

Council's current waste charge is designed to fully recover the cost of delivering waste and recycling services, including kerbside and public waste services.

The Minister's Good Practice Guidelines for Service Rates and Charges (released on 22 December 2023 and effective from 1 March 2024) initially posed significant risks to Council's financial sustainability. However, recent advice from the new Minister for Local Government suggests that these Guidelines will be reviewed and reissued. As a result, Council has retained its existing waste charge model in this Financial Plan.

Should future changes to the Guidelines restrict Council's ability to recover full waste service costs through waste charges, it may be necessary to apply for a special rate variation to shift a portion of these costs back into general rates, ensuring continued financial sustainability and service delivery.

4.9.3 Growth area challenges

The City of Hume is experiencing strong population and household growth, particularly in its northern corridor. While this growth contributes to increased rate revenue and developer-delivered assets, it also generates higher demand for services and infrastructure – including roads, open space, footpaths, and community facilities.

As both a Collecting and Development Agency under the Development Contributions Plan (DCP) and Infrastructure Contributions Plan (ICP) systems, Council is responsible for the timely and cost-effective delivery of infrastructure to support this growth. These projects are primarily funded through developer levies and land equalisation payments.

A major challenge lies in the timing mismatch between infrastructure delivery and the collection of contributions. Often, Council must acquire land or deliver infrastructure before sufficient contributions have been received, particularly in the later stages of Precinct Structure Plan (PSP) areas. In these instances, early-stage levies – set at lower indexed rates – may be inadequate to meet the increased costs of land and construction, creating a funding gap.

To mitigate this, Council may need to forward-fund infrastructure or purchase land in advance of contributions, placing pressure on cash flow.

Additionally, some DCP and ICP infrastructure items require Council co-contributions, adding further strain – especially amid inflationary pressures, workforce shortages, and supply chain constraints. ICP funding does not fully cover infrastructure costs.

For example, under the Sunbury ICP, Council must contribute ~ 21.5% towards the Community and recreation levy and absorb any funding shortfalls from cost increases or delays. These gaps place pressure on Council's finances and highlight the need to review contribution rates to support sustainable growth. Council continues to advocate to both State and Federal governments for increased external funding to ensure the sustainable and equitable delivery of infrastructure to support its growing communities.

4.9.4 Cost shifting from other levels of government

Cost shifting remains a significant issue for Victorian councils, where responsibilities are transferred from State or Federal Governments without adequate funding. Examples include maternal and child health, public libraries, and school crossing supervision.

Moreover, many statutory fees are set externally, limiting Council's ability to fully recover service delivery costs. As a result, ratepayers often bear the shortfall, particularly under the constraints of rate capping.

To address this challenge, Council will continue to:

- Conduct regular service reviews to assess efficiency and value.
- Adjust discretionary user fees based on actual service delivery costs, rather than applying standard CPI increases.
- Advocate for more equitable funding arrangements with higher levels of government, and
- Explore strategies to improve asset performance and generate stronger financial returns.

4.9.5 Future defined benefits superannuation obligations

The Defined Benefits Superannuation Scheme provides lump sum benefits based on years of service and final average salary. It is a multi-employer fund, with pooled assets and liabilities that are not allocated to individual employers.

Council contributes to the fund at rates determined by the scheme's Trustee. If the Fund Actuary identifies a shortfall in the fund's assets relative to its vested benefits, all participating employers – including Council – are required to make additional contributions to address the funding gap.

Council's last required contribution, or "superannuation call," occurred in 2011, when it paid \$11.3 million following an actuarial assessment of the scheme's funding position.

A triennial actuarial review of the Defined Benefit category as at 30 June 2023 confirmed a vested benefit index (VBI) of 104.1%. The most recent interim investigation, as at 30 June 2024, reported a VBI of 105.4%.

Should the VBI fall below 100% in the future, Council would be liable for a share of any resulting funding shortfall. To manage this risk, Council must ensure it maintains sufficient cash reserves to meet any potential future calls without compromising financial stability.

4.9.6 Capital works program

Council prioritises capital works projects in line with its Capital Investment Policy, with a focus on renewal and growth projects tied to Development Contributions Plans (DCP) and Infrastructure Contributions Plans (ICP) taking precedence.

Asset Management Plans for each major infrastructure class inform the renewal needs, help set funding priorities, and support a strategic approach to allocating resources for new and upgrade works.

A 10-year Capital Works Plan has been developed, guided by the infrastructure requirements outlined in the Hume Growth Infrastructure Plans and Council's Asset Management Plans. The objective is to progressively increase investment in asset renewal while also ensuring adequate funding for new and upgraded infrastructure.

Capital investment over the Financial Plan period is projected to total approximately \$1.48 billion, averaging \$147 million per year.

5. Financial Plan Statements

This section presents information regarding the Financial Plan Statements for the 10 years from 2025/26 to 2034/35.

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

5.1 Comprehensive Income Statement

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
Rates and charges	273,339	288,415	305,602	318,467	334,547	351,118	368,908	387,576	407,136	427,690
Statutory fees and fines	19,937	20,656	21,202	21,487	22,276	22,825	23,399	23,696	24,557	25,153
User fees	31,641	33,166	34,710	36,287	37,919	39,617	41,413	43,265	45,191	47,202
Grants - Operating	85,166	89,180	93,322	97,544	101,912	106,459	111,266	116,222	121,376	126,754
Grants - Capital	9,513	10,505	10,467	10,267	8,030	8,030	8,030	8,030	8,030	8,030
Contributions - monetary	31,404	47,103	58,539	56,363	54,484	57,574	52,676	77,828	69,501	84,662
Contributions - non-monetary	98,706	104,849	100,741	99,022	98,718	99,319	102,917	102,111	102,928	104,463
Net gain on disposal of property, infrastructure, plant and equipment	-	-	-	-	-	-	-	-	-	-
Fair value adjustments for investment property	685	869	886	908	930	953	976	1,000	1,024	1,049
Other income	16,694	15,836	15,482	15,132	15,135	15,293	15,503	15,868	16,338	16,911
Total income	567,085	610,579	640,951	655,477	673,951	701,188	725,088	775,596	796,081	841,914
Expenses										
Employee costs	188,669	196,435	204,521	212,736	221,245	230,095	239,299	248,871	258,826	269,179
Materials and services	163,210	173,112	178,658	185,297	192,761	202,240	212,393	224,912	234,568	246,574
Depreciation	89,481	93,652	100,397	106,617	112,689	118,526	124,145	129,884	135,926	141,773
Amortisation - intangible assets	-	-	-	-	-	-	-	-	-	-
Amortisation - right of use assets	470	470	458	437	445	460	476	494	282	-
Bad and doubtful debts	-	-	-	-	-	-	-	-	-	-
Borrowing costs	1,285	1,315	1,345	1,376	1,407	1,440	1,473	1,508	1,544	1,581
Finance Costs - leases	225	205	183	161	137	110	80	45	8	-
Other expenses	16,630	16,960	17,292	17,625	17,962	18,309	18,666	19,036	19,414	19,802
Reimbursement to developer for LIK/WIK projects	6,567	5,632	6,054	2,489	3,976	-	7,244	24,077	21,673	17,842
Payment to ICP developer for land equalization	14,558	3,124	6,137	-	19,805	24,040	5,183	15,472	11,159	10,403
Total expenses	481,095	490,905	515,045	526,738	570,427	595,220	608,959	664,299	683,400	707,154
Surplus for the year	85,990	119,674	125,906	128,739	103,524	105,968	116,129	111,297	112,681	134,760
Other comprehensive income*										
Net asset revaluation increment	115,981	120,832	126,162	131,029	136,025	141,232	146,887	153,006	158,291	163,976
Total comprehensive result	201,971	240,506	252,068	259,768	239,549	247,200	263,016	264,303	270,972	298,736

* Items that will not be reclassified to surplus or deficit in future periods

5.2 Balance Sheet

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets										
Current assets										
Cash and cash equivalents	249,534	201,915	200,000	220,297	214,985	195,860	180,761	211,346	235,509	285,929
Trade and other receivables	72,262	73,840	75,517	77,296	79,179	81,172	83,277	85,502	87,850	90,328
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
Other assets	4,055	4,166	4,281	4,388	4,497	4,610	4,725	4,843	4,964	5,088
Total current assets	325,851	279,921	279,798	301,981	298,661	281,642	268,763	301,691	328,323	381,345
Non-current assets										
Trade and other receivables	161	161	161	161	161	161	161	161	161	161
Property, infrastructure, plant & equipment	6,725,185	7,001,346	7,241,124	7,477,981	7,722,279	7,987,363	8,267,598	8,500,613	8,749,966	8,998,770
Right-of-use assets	3,130	2,747	2,369	2,000	1,614	1,201	758	282	-	-
Investment property	35,452	36,321	37,209	38,115	39,046	39,998	40,975	41,975	42,999	44,048
Total non-current assets	6,763,928	7,040,575	7,280,863	7,518,257	7,763,100	8,028,723	8,309,492	8,543,031	8,793,126	9,042,979
Total assets	7,089,779	7,320,496	7,560,661	7,820,238	8,061,761	8,310,365	8,578,255	8,844,722	9,121,449	9,424,324
Liabilities										
Current liabilities										
Trade and other payables	36,224	38,300	32,018	31,731	31,331	33,554	35,800	35,200	37,697	38,316
Trust funds and deposits	3,169	569	1,264	840	3,421	1,917	3,917	2,917	4,417	3,417
Provisions	41,785	43,763	45,822	47,964	50,190	52,505	54,913	57,416	60,019	62,726
Interest-bearing liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	420	429	426	460	504	552	605	361	-	-
Total current liabilities	81,598	83,061	79,530	80,995	85,446	88,528	95,235	95,894	102,133	104,459
Non-current liabilities										
Trust funds and deposits	19,403	19,898	19,197	20,026	17,250	15,693	13,693	14,693	13,193	14,193
Provisions	74,864	63,459	56,134	54,041	54,786	55,170	55,909	56,757	57,772	58,586
Interest-bearing liabilities	-	-	-	-	-	-	-	-	-	-
Lease liabilities	2,944	2,602	2,254	1,864	1,420	915	343	-	-	-
Total non-current liabilities	97,211	85,959	77,585	75,931	73,456	71,778	69,945	71,450	70,965	72,779
Total liabilities	178,809	169,020	157,115	156,926	158,902	160,306	165,180	167,344	173,098	177,238
Net assets	6,910,970	7,151,476	7,403,546	7,663,312	7,902,859	8,150,059	8,413,075	8,677,378	8,948,351	9,247,086
Equity										
Accumulated surplus	2,920,476	3,025,076	3,124,370	3,228,750	3,335,635	3,441,527	3,570,928	3,681,622	3,782,912	3,889,172
Reserves	3,990,494	4,126,400	4,279,175	4,434,563	4,567,227	4,708,535	4,842,150	4,995,759	5,165,441	5,357,917
Total equity	6,910,970	7,151,476	7,403,545	7,663,313	7,902,862	8,150,062	8,413,078	8,677,381	8,948,353	9,247,089



5.3 Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2026				
Balance at beginning of the financial year	6,709,000	2,829,065	3,700,902	179,033
Surplus for the year	85,990	85,990	-	-
Net asset revaluation increment	115,981	-	115,981	-
Transfers to other reserves	-	(30,814)	-	30,814
Transfers from other reserves	-	36,236	-	(36,236)
Balance at end of the financial year	6,910,971	2,920,477	3,816,883	173,611
2027				
Balance at beginning of the financial year	6,910,971	2,920,477	3,816,883	173,611
Surplus for the year	119,674	119,674	-	-
Net asset revaluation increment	120,832	-	120,832	-
Transfers to other reserves	-	(46,510)	-	46,510
Transfers from other reserves	-	31,435	-	(31,435)
Balance at end of the financial year	7,151,477	3,025,076	3,937,715	188,686
2028				
Balance at beginning of the financial year	7,151,477	3,025,076	3,937,715	188,686
Surplus for the year	125,906	125,906	-	-
Net asset revaluation increment	126,162	-	126,162	-
Transfers to other reserves	-	(57,943)	-	57,943
Transfers from other reserves	-	31,331	-	(31,331)
Balance at end of the financial year	7,403,545	3,124,370	4,063,877	215,298
2029				
Balance at beginning of the financial year	7,403,545	3,124,370	4,063,877	215,298
Surplus for the year	128,739	128,739	-	-
Net asset revaluation increment	131,029	-	131,029	-
Transfers to other reserves	-	(55,764)	-	55,764
Transfers from other reserves	-	31,405	-	(31,405)
Balance at end of the financial year	7,663,313	3,228,750	4,194,906	239,657
2030				
Balance at beginning of the financial year	7,663,313	3,228,750	4,194,906	239,657
Surplus for the year	103,524	103,524	-	-
Net asset revaluation increment	136,025	-	136,025	-
Transfers to other reserves	-	(53,882)	-	53,882
Transfers from other reserves	-	57,243	-	(57,243)
Balance at end of the financial year	7,902,862	3,335,635	4,330,931	236,296

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2031				
Balance at beginning of the financial year	7,902,862	3,335,635	4,330,931	236,296
Surplus for the year	105,968	105,968	-	-
Net asset revaluation increment	141,232	-	141,232	-
Transfers to other reserves	-	(56,969)	-	56,969
Transfers from other reserves	-	56,893	-	(56,893)
Balance at end of the financial year	8,150,062	3,441,527	4,472,163	236,372
2032				
Balance at beginning of the financial year	8,150,062	3,441,527	4,472,163	236,372
Surplus for the year	116,129	116,129	-	-
Net asset revaluation increment	146,887	-	146,887	-
Transfers to other reserves	-	(52,068)	-	52,068
Transfers from other reserves	-	65,340	-	(65,340)
Balance at end of the financial year	8,413,078	3,570,928	4,619,050	223,100
2033				
Balance at beginning of the financial year	8,413,078	3,570,928	4,619,050	223,100
Surplus for the year	111,297	111,297	-	-
Net asset revaluation increment	153,006	-	153,006	-
Transfers to other reserves	-	(77,217)	-	77,217
Transfers from other reserves	-	76,614	-	(76,614)
Balance at end of the financial year	8,677,381	3,681,622	4,772,056	223,703
2034				
Balance at beginning of the financial year	8,677,381	3,681,622	4,772,056	223,703
Surplus for the year	112,681	112,681	-	-
Net asset revaluation increment	158,291	-	158,291	-
Transfers to other reserves	-	(68,887)	-	68,887
Transfers from other reserves	-	57,496	-	(57,496)
Balance at end of the financial year	8,948,353	3,782,912	4,930,347	235,094
2035				
Balance at beginning of the financial year	8,948,353	3,782,912	4,930,347	235,094
Surplus for the year	134,760	134,760	-	-
Net asset revaluation increment	163,976	-	163,976	-
Transfers to other reserves	-	(84,045)	-	84,045
Transfers from other reserves	-	55,545	-	(55,545)
Balance at end of the financial year	9,247,089	3,889,172	5,094,323	263,594

5.4 Statement of Cash Flows

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities										
Rates and charges	271,444	286,429	303,518	316,283	332,261	348,726	366,404	384,955	404,393	424,820
Statutory fees and fines	20,033	20,751	21,297	21,581	22,370	22,918	23,492	23,789	24,649	25,245
User fees	31,956	33,479	35,022	36,597	38,227	39,925	41,719	43,569	45,494	47,503
Grants - operating	85,166	89,180	93,322	97,544	101,912	106,459	111,266	116,222	121,376	126,754
Grants - capital	8,277	10,505	10,467	10,267	8,030	8,030	8,030	8,030	8,030	8,030
Contributions - monetary	31,404	47,103	58,539	56,363	54,484	57,574	52,676	77,828	69,501	84,662
Interest received	11,000	10,000	9,500	9,000	8,850	8,850	8,900	9,100	9,400	9,800
Trust funds and deposits taken	1,549	1,147	647	1,752	728	443	-	-	-	-
Other receipts	5,694	5,836	5,982	6,132	6,285	6,443	6,603	6,768	6,938	7,111
Employee costs	(183,305)	(194,044)	(207,234)	(210,917)	(219,354)	(227,476)	(235,871)	(245,958)	(255,769)	(266,734)
Materials and services	(167,123)	(173,145)	(178,836)	(185,212)	(192,941)	(201,834)	(212,198)	(224,065)	(233,837)	(246,132)
Short-term, low value and variable lease	(256)	(264)	(271)	(278)	(284)	(292)	(299)	(306)	(314)	(322)
Trust funds and deposits repaid	(719)	(3,252)	(652)	(1,348)	(923)	(3,504)	-	-	-	-
Other payments	(5,641)	(5,830)	(6,019)	(6,208)	(6,398)	(6,597)	(6,805)	(7,022)	(7,246)	(7,478)
Net cash provided by operating activities	109,479	127,895	145,282	151,556	153,247	159,665	163,917	192,910	192,615	213,259
Cash flows from investing activities										
Payments for property, infrastructure, plant and equipment	(138,713)	(166,933)	(135,194)	(128,983)	(134,981)	(154,936)	(166,757)	(122,926)	(136,051)	(135,394)
Payment to DCP developers for LIK/WIK	(6,567)	(5,632)	(6,054)	(2,489)	(3,976)	-	(7,244)	(24,077)	(21,673)	(17,842)
Payment to ICP developers for land equalisation	(14,558)	(3,124)	(6,137)	-	(19,805)	(24,040)	(5,183)	(15,472)	(11,159)	(10,403)
Proceeds from sale of property, infrastructure,										
plant and equipment	800	800	800	800	800	800	800	800	800	800
Proceeds from sale of investments	-	-	-	-	-	-	-	-	-	-
Net cash provided by/ (used in) investing activities	(159,038)	(174,889)	(146,585)	(130,672)	(157,962)	(178,176)	(178,384)	(161,675)	(168,083)	(162,839)
Cash flows from financing activities										
Interest paid - lease liability	(225)	(205)	(183)	(161)	(137)	(110)	(80)	(45)	(8)	-
Repayment of lease liabilities	(398)	(420)	(429)	(426)	(460)	(504)	(552)	(605)	(361)	-
Net cash used in financing activities	(623)	(625)	(612)	(587)	(597)	(614)	(632)	(650)	(369)	-
Net increase/(decrease) in cash & cash equivalents	(50,182)	(47,619)	(1,915)	20,297	(5,312)	(19,125)	(15,099)	30,585	24,163	50,420
Cash and cash equivalents at the beginning of the financial year	299,716	249,534	201,915	200,000	220,297	214,985	195,860	180,761	211,346	235,509
Cash and cash equivalents at the end of the financial year	249,534	201,915	200,000	220,297	214,985	195,860	180,761	211,346	235,509	285,929

5.5 Statement of Capital Works

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property										
Land	1,180	18,885	1,722	3,185	8,709	20,978	43,902	-	-	-
Land improvements	37,676	40,213	26,843	36,633	35,566	22,537	26,123	25,036	30,095	9,901
Total land	38,856	59,098	28,565	39,818	44,275	43,515	70,025	25,036	30,095	9,901
Buildings	38,154	16,141	21,719	25,293	6,321	5,053	8,188	18,240	29,359	34,727
Total buildings	38,154	16,141	21,719	25,293	6,321	5,053	8,188	18,240	29,359	34,727
Total property	77,010	75,239	50,284	65,111	50,596	48,568	78,213	43,276	59,454	44,628
Plant and equipment										
Heritage	84	115	74	179	30	148	67	107	61	194
Plant, machinery and equipment	10,349	9,440	7,366	6,423	7,207	6,392	5,281	9,808	3,932	6,139
Furniture and Equipment	12,832	18,605	16,175	8,946	5,808	5,981	7,874	5,992	6,210	6,407
Total plant and equipment	23,265	28,160	23,615	15,548	13,045	12,521	13,222	15,907	10,203	12,740
Infrastructure										
Roads	31,827	64,222	52,314	37,517	58,382	64,641	71,195	56,394	62,032	72,453
Bridges	1,039	537	112	495	1,445	25,732	-	-	-	-
Footpaths and cycleways	7,271	6,465	6,424	4,921	5,344	5,500	5,546	5,767	5,888	6,111
Drainage	3,376	2,675	5,362	2,533	1,956	1,528	1,581	1,630	1,650	1,698
Car parks	5,257	1,601	2,851	6,378	7,883	1,499	1,552	1,601	1,622	1,671
Total infrastructure	48,770	75,500	67,063	51,844	75,010	98,900	79,874	65,392	71,192	81,933
Total capital works expenditure	149,045	178,899	140,962	132,503	138,651	159,989	171,309	124,575	140,849	139,301
Represented by:										
New asset expenditure	25,469	50,697	31,513	48,068	52,217	43,603	88,574	45,634	48,838	38,682
Asset renewal expenditure	66,249	64,906	62,068	56,513	58,161	49,289	56,300	58,361	43,897	60,645
Asset expansion expenditure	14,002	3,540	2,030	5,422	15,490	52,914	13,706	-	16,852	8,009
Asset upgrade expenditure	43,325	59,756	45,351	22,500	12,783	14,183	12,730	20,580	31,262	31,965
Total capital works expenditure	149,045	178,899	140,962	132,503	138,651	159,989	171,310	124,575	140,849	139,301
Funding sources represented by:										
Grants	9,513	10,505	10,467	10,267	8,030	8,030	8,030	8,030	8,030	8,030
Contributions	-	-	-	-	-	-	-	-	-	-
Council cash	139,532	168,394	130,495	122,236	130,621	151,959	163,280	116,545	132,819	131,271
Borrowings	-	-	-	-	-	-	-	-	-	-
Total capital works expenditure	149,045	178,899	140,962	132,503	138,651	159,989	171,310	124,575	140,849	139,301

5.6 Statement of Human Resources

Staff expenditure	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total staff expenditure										
Male	64,920.73	67,562.18	70,311.78	73,108.39	75,981.96	78,967.96	82,071.63	85,298.36	88,651.73	92,137.47
Female	121,121.44	126,094.82	131,271.80	136,534.30	142,009.04	147,703.09	153,626.36	159,787.25	166,193.53	172,857.34
Self-described gender	320.48	333.67	347.40	361.36	375.81	390.84	406.48	422.74	439.65	457.23
Casual	9,162.23	9,539.36	9,932.04	10,330.98	10,743.57	11,172.64	11,618.85	12,082.89	12,565.46	13,067.31
Total staff expenditure	195,524.87	203,530.02	211,863.02	220,335.02	229,110.38	238,234.54	247,723.33	257,591.24	267,850.36	278,519.36

Permanent full time and part time										
Male	64,920.73	67,562.18	70,311.78	73,108.39	75,981.96	78,967.96	82,071.63	85,298.36	88,651.73	92,137.47
Female	121,121.44	126,094.82	131,271.80	136,534.30	142,009.04	147,703.09	153,626.36	159,787.25	166,193.53	172,857.34
Self-described gender	320.48	333.67	347.40	361.36	375.81	390.84	406.48	422.74	439.65	457.23
Total	186,362.64	193,990.66	201,930.98	210,004.04	218,366.81	227,061.90	236,104.48	245,508.35	255,284.90	265,452.05

Staff numbers	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Total staff numbers										
Male	507.19	510.32	513.46	516.10	518.35	520.62	522.90	525.19	527.49	529.80
Female	959.28	965.05	970.75	975.54	980.98	986.44	991.94	997.46	1,003.01	1,008.58
Self-described gender	2.74	2.75	2.77	2.78	2.78	4.78	6.78	8.78	10.78	12.78
Casual	100.30	100.90	101.51	102.01	102.52	103.03	103.54	104.05	104.57	105.08
Total staff numbers	1,569.50	1,579.02	1,588.49	1,596.43	1,604.63	1,614.87	1,625.16	1,635.48	1,645.85	1,656.25

Permanent full time and part time										
Male	507.19	510.32	513.46	516.10	518.35	520.62	522.90	525.19	527.49	529.80
Female	959.28	965.05	970.75	975.54	980.98	986.44	991.94	997.46	1,003.01	1,008.58
Self-described gender	2.74	2.75	2.77	2.78	2.78	4.78	6.78	8.78	10.78	12.78
Total	1,469.20	1,478.12	1,486.98	1,494.42	1,502.11	1,511.85	1,521.62	1,531.43	1,541.28	1,551.17



Summary of Planned Human Resources Expenditure

For the ten years ending 30 June 2035

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer										
Permanent - Full time & Part time	657.55	684.62	712.80	741.43	767.38	794.24	822.03	850.81	880.58	911.40
Women	657.55	684.62	712.80	741.43	767.38	794.24	822.03	850.81	880.58	911.40
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Officer	657.55	684.62	712.80	741.43	767.38	794.24	822.03	850.81	880.58	911.40
Customer and Strategy										
Permanent - Full time & Part time	15,348.50	15,980.27	16,638.08	17,306.38	17,998.64	18,718.58	19,467.33	20,246.02	21,055.86	21,898.09
Women	8,566.36	8,918.96	9,286.10	9,659.09	10,045.46	10,447.28	10,865.17	11,299.77	11,751.77	12,221.84
Men	6,782.14	7,061.31	7,351.98	7,647.29	7,953.18	8,271.31	8,602.16	8,946.24	9,304.09	9,676.26
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	-	-	-
Total Customer and Strategy	15,348.50	15,980.27	16,638.08	17,306.38	17,998.64	18,718.58	19,467.33	20,246.02	21,055.86	21,898.09
City Services and Living										
Permanent - Full time & Part time	91,997.61	95,784.39	99,727.24	103,732.99	107,981.35	112,402.56	117,004.86	121,795.95	126,780.81	131,969.77
Women	78,271.37	81,493.16	84,847.72	88,255.80	91,885.08	95,662.44	99,595.13	103,689.83	107,950.45	112,386.19
Men	13,405.76	13,957.57	14,532.11	15,115.83	15,720.46	16,349.28	17,003.25	17,683.38	18,390.71	19,126.34
Persons of self-described gender	320.48	333.67	347.40	361.36	375.81	390.84	406.48	422.74	439.65	457.23
Casuals	8,946.32	9,314.57	9,697.99	10,087.53	10,491.03	10,910.67	11,347.10	11,800.98	12,273.02	12,763.94
Total City Services and Living	100,943.93	105,098.96	109,425.23	113,820.51	118,472.38	123,313.23	128,351.96	133,596.93	139,053.83	144,733.71
Infrastructure and Assets										
Permanent - Full time & Part time	36,165.45	37,654.08	39,204.07	40,778.78	42,409.93	44,106.33	45,870.58	47,705.40	49,613.62	51,598.16
Women	8,523.85	8,874.71	9,240.03	9,611.17	9,995.62	10,395.44	10,811.26	11,243.71	11,693.46	12,161.20
Men	27,641.60	28,779.37	29,964.04	31,167.61	32,414.31	33,710.88	35,059.32	36,461.69	37,920.16	39,436.97
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	69.28	72.13	75.10	78.12	81.24	84.49	87.87	91.39	95.04	98.84
Total Infrastructure and Assets	36,234.73	37,726.22	39,279.17	40,856.90	42,491.17	44,190.82	45,958.45	47,796.79	49,708.66	51,697.01

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
City Planning and Places										
Permanent - Full time & Part time	18,526.43	19,289.01	20,083.02	20,889.69	21,725.28	22,594.29	23,498.06	24,437.99	25,415.51	26,432.13
Women	10,570.62	11,005.72	11,458.76	11,919.02	12,395.78	12,891.62	13,407.28	13,943.57	14,501.31	15,081.37
Men	7,955.81	8,283.29	8,624.26	8,970.67	9,329.50	9,702.68	10,090.78	10,494.42	10,914.19	11,350.76
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	31.67	32.97	34.33	35.71	37.14	38.62	40.17	41.78	43.45	45.18
Total City Planning and Places	18,558.10	19,321.98	20,117.35	20,925.40	21,762.42	22,632.92	23,538.23	24,479.76	25,458.95	26,477.31
Finance and Governance										
Permanent - Full time & Part time	9,053.46	9,426.12	9,814.13	10,208.34	10,565.63	10,935.42	11,318.16	11,714.30	12,124.30	12,548.65
Women	5,965.59	6,211.14	6,466.82	6,726.57	6,962.00	7,205.67	7,457.87	7,718.89	7,989.05	8,268.67
Men	3,087.87	3,214.97	3,347.31	3,481.77	3,603.63	3,729.75	3,860.30	3,995.41	4,135.24	4,279.98
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	114.96	119.69	124.62	129.62	134.16	138.86	143.72	148.75	153.95	159.34
Total Finance and Governance	9,168.42	9,545.81	9,938.75	10,337.96	10,699.79	11,074.28	11,461.88	11,863.05	12,278.25	12,707.99
People & Culture										
Permanent - Full time & Part time	7,757.84	8,077.17	8,409.65	8,747.44	9,053.60	9,370.48	9,698.45	10,037.89	10,389.22	10,752.84
Women	6,651.71	6,925.50	7,210.58	7,500.21	7,762.72	8,034.41	8,315.62	8,606.67	8,907.90	9,219.68
Men	1,106.13	1,151.66	1,199.07	1,247.23	1,290.88	1,336.07	1,382.83	1,431.23	1,481.32	1,533.17
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	-	-	-
Total People & Culture	7,757.84	8,077.17	8,409.65	8,747.44	9,053.60	9,370.48	9,698.45	10,037.89	10,389.22	10,752.84
Total staff expenditure - operating										
Capitalised labour costs										
Permanent - Full time & Part time	6,855.80	7,095.00	7,342.00	7,599.00	7,865.00	8,140.00	8,425.00	8,720.00	9,025.00	9,341.00
Women	1,914.39	1,981.00	2,049.00	2,121.00	2,195.00	2,272.00	2,352.00	2,434.00	2,519.00	2,607.00
Men	4,941.41	5,114.00	5,293.00	5,478.00	5,670.00	5,868.00	6,073.00	6,286.00	6,506.00	6,734.00
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	-	-	-
Total Capitalised labour costs	6,855.80	7,095.00	7,342.00	7,599.00	7,865.00	8,140.00	8,425.00	8,720.00	9,025.00	9,341.00
Total staff expenditure										
Total staff expenditure	195,524.87	203,530.02	211,863.02	220,335.02	229,110.38	238,234.54	247,723.33	257,591.24	267,850.36	278,519.36

Summary of Planned Human Resources Expenditure

For the ten years ending 30 June 2035

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Chief Executive Officer										
Permanent - Full time & Part time	2.00	2.01	2.02	2.03	2.03	2.03	2.03	2.03	2.03	2.03
Women	2.00	2.01	2.02	2.03	2.03	2.03	2.03	2.03	2.03	2.03
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	-	-	-
Total Chief Executive Officer	2.00	2.01	2.02	2.03	2.03	2.03	2.03	2.03	2.03	2.03
Customer and Strategy										
Permanent - Full time & Part time	113.20	113.88	114.56	115.14	115.71	116.29	116.87	117.46	118.04	118.63
Women	63.18	63.56	63.94	64.26	64.58	64.90	65.23	65.55	65.88	66.21
Men	50.02	50.32	50.62	50.88	51.13	51.39	51.64	51.90	52.16	52.42
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	-	-	-
Total Customer and Strategy	113.20	113.88	114.56	115.14	115.71	116.29	116.87	117.46	118.04	118.63
City Services and Living										
Permanent - Full time & Part time	785.70	790.51	795.26	799.23	804.21	809.22	814.25	819.31	824.39	829.50
Women	668.47	672.58	676.62	680.00	684.40	688.82	693.27	697.73	702.22	706.73
Men	114.49	115.18	115.87	116.45	117.03	117.62	118.20	118.79	119.39	119.99
Persons of self-described gender	2.74	2.75	2.77	2.78	2.78	2.78	2.78	2.78	2.78	2.78
Casuals	92.20	92.75	93.31	93.78	94.25	94.72	95.19	95.67	96.14	96.62
Total City Services and Living	877.90	883.27	888.57	893.01	898.46	903.94	909.44	914.98	920.54	926.13
Infrastructure and Assets										
Permanent - Full time & Part time	293.10	295.18	297.26	299.01	300.51	302.01	303.52	305.04	306.56	308.09
Women	69.08	69.50	69.91	70.26	70.61	70.97	71.32	71.68	72.04	72.40
Men	224.02	225.68	227.35	228.75	229.89	231.04	232.20	233.36	234.53	235.70
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	0.80	0.80	0.81	0.81	0.82	0.82	0.83	0.83	0.83	0.84
Total Infrastructure and Assets	293.90	295.98	298.07	299.82	301.32	302.83	304.34	305.87	307.40	308.93

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
City Planning and Places										
Permanent - Full time & Part time	126.30	127.06	127.82	128.46	129.10	130.75	132.40	134.05	135.70	137.36
Women	72.06	72.50	72.93	73.29	73.66	74.03	74.40	74.77	75.15	75.52
Men	54.24	54.56	54.89	55.16	55.44	55.72	56.00	56.28	56.56	56.84
Persons of self-described gender	-	-	-	-	-	1.00	2.00	3.00	4.00	5.00
Casuals	6.30	6.34	6.38	6.41	6.44	6.47	6.50	6.54	6.57	6.60
Total City Planning and Places	132.60	133.40	134.20	134.87	135.54	137.22	138.90	140.58	142.27	143.96
Finance and Governance										
Permanent - Full time & Part time	60.90	61.27	61.63	61.94	61.94	62.94	63.94	64.94	65.94	66.94
Women	40.13	40.37	40.61	40.81	40.81	40.81	40.81	40.81	40.81	40.81
Men	20.77	20.90	21.02	21.13	21.13	21.13	21.13	21.13	21.13	21.13
Persons of self-described gender	-	-	-	-	-	1.00	2.00	3.00	4.00	5.00
Casuals	1.00	1.01	1.01	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Total Finance and Governance	61.90	62.27	62.65	62.96	62.96	63.96	64.96	65.96	66.96	67.96
People & Culture										
Permanent - Full time & Part time	35.40	35.61	35.83	36.01	36.01	36.01	36.01	36.01	36.01	36.01
Women	30.35	30.53	30.72	30.87	30.87	30.87	30.87	30.87	30.87	30.87
Men	5.05	5.08	5.11	5.13	5.13	5.13	5.13	5.13	5.13	5.13
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	-	-	-
Total People & Culture	35.40	35.61	35.83	36.01	36.01	36.01	36.01	36.01	36.01	36.01
Capitalised labour costs										
Permanent - Full time & Part time	52.60	52.60	52.60	52.60	52.60	52.60	52.60	52.60	52.60	52.60
Women	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Men	38.60	38.60	38.60	38.60	38.60	38.60	38.60	38.60	38.60	38.60
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	-	-	-
Total Capitalised labour costs	52.60	52.60	52.60	52.60	52.60	52.60	52.60	52.60	52.60	52.60
Total staff numbers										
Total staff numbers	1,569.50	1,579.02	1,588.49	1,596.43	1,604.63	1,614.87	1,625.16	1,635.48	1,645.85	1,656.25

6. Financial Performance Indicators

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



Indicator	Measure	Notes	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	2034 /35	+ /o /-
Operating position													
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	4.1	-4%	1%	3%	4%	0%	0%	1%	0%	0%	3%	+
Liquidity													
Working Capital	Current assets / current liabilities	4.2	399%	337%	352%	373%	350%	318%	282%	315%	321%	365%	+
Unrestricted cash	Unrestricted cash / current liabilities	4.3	81%	5%	-32%	-37%	-37%	-54%	-52%	-20%	-7%	15%	+
Obligations													
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4.4	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	4.4	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	o
Indebtedness	Non-current liabilities / own source revenue	4.5	28%	24%	21%	19%	18%	17%	16%	15%	14%	14%	+
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	4.6	122%	133%	107%	74%	63%	54%	56%	61%	55%	65%	-
Stability													
Rates concentration	Rate revenue / adjusted underlying revenue	4.7	59%	58%	57%	58%	59%	59%	60%	58%	59%	59%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality	4.8	0.32%	0.33%	0.33%	0.34%	0.34%	0.35%	0.35%	0.36%	0.36%	0.37%	+
Efficiency													
Expenditure level	Total expenses / no. of property assessments	4.9	\$4,363	\$4,348	\$4,461	\$4,464	\$4,732	\$4,835	\$4,841	\$5,171	\$5,210	\$5,280	+
Revenue level	Total rate revenue / no. of property assessments	4.10	\$1,714	\$1,754	\$1,808	\$1,846	\$1,892	\$1,939	\$1,988	\$2,038	\$2,089	\$2,141	+

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

6.1 Adjusted underlying result ratio

This ratio indicates Council's ability to achieve a sustainable operating result, which is essential for maintaining core service delivery and meeting strategic objectives.

Department of Jobs, Skills, Industry and Regions (DJSIR) adjusted underlying result

For the purposes of the Performance Statement, the adjusted underlying result is defined as the net surplus or deficit (per Australian Accounting Standards) expressed as a percentage of adjusted underlying revenue. Adjusted underlying revenue includes total income excluding non-recurrent capital grants, non-monetary contributions, and other capital funding sources. The ratio is calculated as:

$$\frac{(\text{Adjusted underlying revenue} - \text{total expenditure})}{\text{adjusted underlying revenue}}$$

Over the Financial Plan period (2025/26 to 2034/35), this ratio is projected to remain positive, ranging from 0.3% to 4.1%, with the exception of 2025/26, where a temporary deficit of 4.4% is forecast due to timing of expenditure and funding, as outlined in the above table.

6.2 Working Capital ratio

The working capital ratio is a measure of Council's short-term financial health and its capacity to meet current liabilities using current assets. It is calculated by:

$$\frac{\text{Total current assets}}{\text{total current liabilities}}$$

A ratio above 100% indicates that Council is able to meet its short-term obligations, while a ratio below this threshold may suggest liquidity concerns.

Over the Financial Plan period, the working capital ratio is expected to decline from 399% to 365%, reflecting the planned use of cash reserves to fund significant investments in the Capital Works Program. Despite this reduction, the ratio remains well above the minimum threshold, indicating a strong liquidity position.

6.3 Unrestricted Cash ratio

The unrestricted cash ratio measures the proportion of Council's unrestricted cash compared to current liabilities. A ratio above 100% indicates that Council holds sufficient available cash to meet its short-term obligations.

Restricted cash refers to funds held for specific purposes, as defined under AASB 107 Statement of Cash Flows, and includes statutory reserves, trust funds, deposits, and cash allocated to prior-year capital works not yet completed.

Council's unrestricted cash ratio is projected to fall below zero between 2027/28 and 2033/34, primarily due to the scale of the capital works program, the upfront delivery of DCP/ICP infrastructure, and land equalisation payments occurring ahead of the receipt of corresponding developer contributions. It is important to note that while the unrestricted cash is lower than the total statutory reserves during this period, the majority of these reserves relate to DCP/ICP contributions – long-term obligations tied to future infrastructure delivery. Throughout the 10-year planning period, Council maintains a minimum cash balance of over \$180 million, ensuring it has sufficient liquidity to meet all short-term obligations. The unrestricted cash ratio is expected to recover from 2034/35 onwards with a projected ratio of 15% by that year, reflecting improved financial capacity.

6.4 Loans and Borrowings

Council has sufficient cash reserves over the Financial Plan period to fund its operating and capital activities, including asset renewal, upgrades, expansions, and new infrastructure. As a result, there is no requirement for new borrowings to support service delivery or capital investments. Consequently, Council's loan and borrowings ratio remains at 0% throughout the Financial Plan period.

6.5 Indebtedness ratio

The indebtedness ratio assesses the appropriateness of Council's long-term liabilities relative to its revenue capacity. A lower ratio indicates stronger financial flexibility to meet future obligations.

This ratio is forecast to decline from 28% to 14% over the 10-year period, largely driven by increased rates and user fee revenues associated with population growth.

6.6 Asset renewal ratio

The asset renewal ratio measures Council's annual expenditure on asset renewal and upgrades relative to depreciation, which represents the theoretical annual consumption of the asset base.

A ratio above 100% generally indicates that Council is reinvesting sufficiently to maintain its assets. However, the ideal benchmark for this ratio depends on the age profile of Council's assets and the rate of historical, current, and future asset growth.

It is important to note that depreciation is calculated on a straight-line basis, in accordance with Australian Accounting Standards, and often does not reflect the actual condition or timing of required renewal. For instance, an infrastructure asset may show significant depreciation halfway through its life without any physical deterioration. In practice, most condition decline occurs in the final quarter of an asset's lifecycle.

As a growth municipality, Hume's asset base is relatively new. As such, the annual renewal needs identified in the long-term capital works program – based on the most recent asset condition audits – are currently lower than the accounting depreciation expense.

Over the Financial Plan period, Council's asset renewal ratio is projected to decrease from 122% to 65%. This is due to significant growth-related capital works and the addition of developer-contributed assets, which increase depreciation without creating an immediate renewal need due to their long useful lives.

Depreciation is a component of the adjusted underlying result. By maintaining a positive underlying result, Council is able to build retained earnings to support future renewal investment as asset needs emerge.

6.7 Rates concentration ratio

The rates concentration ratio measures the extent to which Council relies on rate revenue to fund its ongoing services.

It is calculated by comparing rate revenue to adjusted underlying revenue, which excludes non-recurrent capital grants, non-monetary contributions, and other capital funding sources.

Over the Financial Plan period, this ratio is projected to remain between 57% and 60%, highlighting Council's strong reliance on rate revenue as its primary funding source for core service delivery.

6.8 Rates effort ratio

The rates effort ratio provides an indication of the community's capacity to pay by measuring rate revenue as a percentage of the total capital improved value (CIV) of rateable properties within the municipality.

Over the Financial Plan period, this ratio is expected to increase from 0.32% to 0.37%, suggesting that rate revenue growth is aligned with the increase in property values across the municipality.

6.9 Expenditure level ratio

This ratio represents the total expenditure divided by the number of property assessments. This ratio shows the average operating expense outlay for each rateable property.

Over the Financial Plan period, this ratio is forecast to increase within the range of \$4,363 to \$5,280 in line with growth in the municipality and increases in expenditure as a result of price increases for contracts, materials, utilities and EBA.

6.10 Revenue level ratio

This ratio represents the total rate revenue divided by the number of property assessments. Rate revenue includes revenue from general rates, municipal charges, service rates and service charges. This ratio shows the average rate revenue that Council receives for each rateable property.

Over the Financial Plan period, this ratio is forecast to increase within the range of \$1,714 to \$2,141 in line with the expected rate increases (within the rate cap) and forecast growth within the municipality.



7. Strategies and Plans

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

7.1 Rating and Other Revenue strategies

7.1.1 Rates Revenue

Council's rating strategy is governed by the annual rate cap set by the Minister for Local Government under the Victorian Government's Fair Go Rates System (FGRS). For 2025/26, the cap has been set at 3%, aligned with forecast Consumer Price Index (CPI). Over the Financial Plan period, rate increases are expected to continue to align with forecast CPI.

In some cases, land that is exempt from general rates may still be subject to alternative arrangements, such as payments in lieu of rates (RIL). Council currently has a Memorandum of Understanding (MOU) with Australia Pacific Airports (Melbourne) Pty Ltd (APAM), under which RIL is paid. This agreement represents a significant portion of Council's rate revenue.

Operating under a rate-capped environment presents ongoing financial pressures for Council. These are compounded by rising service delivery costs, growing community demand, and cost shifting from other levels of government – where responsibilities are transferred to local government without adequate or ongoing funding. This limits Council's ability to respond to increasing cost-of-living pressures while maintaining service levels and investing in critical infrastructure.

To help address some of these pressures and support long-term financial sustainability, Council has a separate waste charge for the provision of waste and recycling services. This is outlined in Council's Revenue and Rating Plan and ensures that the cost of delivering these services is recovered on a transparent and equitable basis.

7.1.2 Grant Revenue

Council will continue to actively advocate for ongoing grant funding to support the delivery of essential community services. In addition, applications for specific operating and capital project grants will be pursued based on the strategic merit and eligibility of each individual project.

7.1.3 Fees and charges revenue

One of Council's major revenue sources is derived from fees and charges, which fall into two broad categories. Statutory fees are set by legislation and can only be adjusted in accordance with annual increases determined by the Victorian Government. Discretionary fees, on the other hand, are set by Council and reflect what is considered fair and equitable for the services provided.

Council will continue to review its fees and charges in line with the Setting of Fees and Charges Policy, ensuring they remain appropriate, transparent, and financially sustainable. This Financial Plan assumes an average annual increase of 2.5% to 3% for discretionary fees, reflecting the rising cost of service delivery. These costs are influenced not only by CPI, but also by increases in labour, contract, and utility expenses.

Regular review of all fees and charges – at least annually – will remain a key part of Council's financial strategy to ensure pricing remains appropriate and responsive to market conditions and service cost pressures.

7.1.4 Other revenue

To reduce reliance on rates, Council will continue to explore and pursue alternative revenue streams. This includes securing the most competitive investment rates and terms to maximise income from cash holdings, identifying commercial opportunities, and leveraging Council-owned assets more effectively to generate additional revenue. These initiatives aim to support a more diversified and sustainable financial base.

7.2 Achieving Financial Sustainability through Strategic Efficiency and Service Reform

Hume City Council faces significant cost and service pressures due to continued population growth, with the municipality's population doubling since 2001 and forecast to exceed 342,000 by 2035. In this context, the Financial Plan prioritises long-term community value and service sustainability by focusing on strategic efficiency gains across all areas of Council operations.

Council is committed to delivering services in the most cost-effective manner through ongoing service reviews, improved procurement practices, and targeted workforce and digital investments. These measures are essential to ensure that the modest forecast growth in expenditure remains well below the projected annual population growth. Achieving this outcome will require continuous improvement in prioritisation, process optimisation, and the management of discretionary expenditure.

A measured approach to workforce growth is also critical to financial sustainability. While new roles will largely be limited to those funded by external sources such as grants or cost-recovered services, Council recognises that selective internal capacity growth may be necessary to support growing frontline service demands. In such cases, proposals will be subject to rigorous justification, ensuring alignment with long-term affordability and efficiency objectives.

Looking ahead, a targeted Workforce Strategy and future productivity assessments will support efforts to improve technical efficiency – particularly in high-cost areas – through process reviews, smarter rostering, and workload analysis. Service areas with significant labour and procurement costs are a key focus for identifying improvement opportunities. Council is working towards a

more strategic and data-informed approach to resourcing and service delivery, supported by the rollout of digital tools and a commitment to enhancing strategic procurement practices that drive long-term value and efficiency.

A central enabler of productivity improvement is Council's Digital Transformation Project (DTP), which is reshaping service delivery and internal operations. By automating routine processes, consolidating legacy systems, and enabling data-informed decision-making, DTP is expected to unlock workforce capacity, reduce operating costs, and create "digital capacity" to scale services without proportionate increases in staff or infrastructure. This will be critical under Victoria's rate capping regime.

To further enhance operational efficiency, Council intends to introduce a formalised service planning program that incorporates three dimensions of economic efficiency:

- Technical Efficiency – delivering the same outputs with fewer resources,
- Productive Efficiency – delivering services in more cost-effective ways, such as outsourcing or shared service models,
- Allocative Efficiency – ensuring that services align with community expectations, Council priorities, and available funding.

This program enables Council to assess the funding and delivery model of each service, including the potential for cost recovery through user fees or commercialisation where appropriate, and to ensure that subsidies are justified by public benefit.

Moreover, each year Council undertakes a detailed review of its operating budget to identify opportunities for cost savings and reallocation of resources. Service areas with significant labour and procurement costs are a key focus for identifying improvement opportunities. Council is working towards a more strategic and data-informed approach to resourcing and service delivery, supported by

the rollout of digital tools and a commitment to enhancing strategic procurement practices that drive long-term value and efficiency. Council is also strengthening its asset management maturity to inform infrastructure planning and reduce the long-term cost of maintaining and renewing assets.

Together, these strategies form an integrated approach to financial sustainability – one that acknowledges fiscal constraints while positioning Hume City Council to respond to future challenges and growth with resilience, efficiency, and a focus on community value.

7.3 Borrowing Strategy

7.3.1 Current Debt Position

No borrowings have been included in the Financial Plan period. Council has sufficient cash reserves to fund its daily operational activities and capital works requirements.

7.4 Reserves Strategy

Hume has operated with Reserve funds that are amounts of money set aside for specific purposes in later years. These funds do not have separate bank accounts but represent a theoretical split of the cash surplus that Council has on hand.

While internal borrowings – where reserve funds are temporarily used to fund short-term requirements and repaid with interest – can offer a structured funding mechanism, Council has elected to maintain a pooled cash approach. This approach provides greater flexibility and operational efficiency by managing all available cash collectively while internally tracking reserve balances to ensure they are available when required. Council does not physically quarantine cash for each reserve but instead ensures transparency through regular reconciliations, reporting, and alignment with future obligations.

This methodology supports Council's long-term financial sustainability objectives without the administrative complexity of formal internal loan arrangements.

The following sections outline the Reserve funds Council holds and their purpose.

7.4.1 Current Reserves

7.4.1.1 Public Open Space Reserve

The Open Space reserve is established to hold funds contributed by developers for works associated with developing improved open space facilities within Hume City Council. Funds are contributed in accordance with the *Subdivision Act 1988* and transfers are restricted to the purpose of creating or improving public open space such as parks, playgrounds and other land improvements within the municipality where it is deemed that these works should occur at a later point than the initial development. Separate reserves have been established to record revenues received from developers in each suburb that are to be applied specifically to undertaking future capital works within these suburbs.

This reserve will be used to fund future open space projects in line with Council's adopted Open Space Strategy. Expenditure on eligible land improvement assets from the capital works program will be reconciled annually and deducted from the appropriate income catchment reserve.

7.4.1.2 Developer Contribution Reserve

All income received via developer contribution agreements will be recorded against reserves in the Balance Sheet where there is a future obligation on Council. A separate reserve is to be created for each Developer Contribution Plan (DCP), Infrastructure Contribution Plan (ICP) or Section 173 Agreement¹.

An annual reconciliation process will be implemented to remove any expenditure incurred from the corresponding reserve when the relevant project has been delivered through the capital works program.

7.4.1.3 Investment Reserve and Asset Optimisation

Council is committed to maximising the community value of its \$7 billion asset base by optimising property utilisation and unlocking value beyond traditional rates income. To support this objective, Council has established an Investment Reserve to fund works considered to be of strategic value.

Inflow to the reserve will generally come from 50% of the proceeds from Council's land sales, with funds allocated to future strategic capital works projects that align with Council's priorities. As part of a broader Strategic Property Management Framework under development, Council will enhance its approach to managing and leveraging property assets to support long-term financial sustainability.

An annual reconciliation process will be undertaken to remove any expenditure from the reserve once the associated capital works project has been delivered, ensuring transparency and appropriate use of the funds.

7.4.1.4 Landfill Reserve

This reserve has established based on the EPA request to set aside the funding for possible remedial works required to fix any pollution issues at Council's landfill sites.

7.4.2 Reserve Usage Projections

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

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

Reserves	Restricted / Discretionary	2025/26	2026/27	2027/28	2028/29	2029/30	2030/ 31	2031/ 32	2032/33	2033/34	2034/35
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Public Open Space Reserve	Restricted										
Opening balance		1,884	1,150	75	75	75	75	75	75	75	75
Transfer to reserve		924	-	-	-	-	-	-	-	-	-
Transfer from reserve		(1,658)	(1,075)	-	-	-	-	-	-	-	-
Closing balance		1,150	75	75	75	75	75	75	75	75	75
Development Contributions Reserve	Restricted										
Opening balance		159,337	159,049	176,654	204,210	228,569	225,208	225,284	212,012	212,615	224,005
Transfer to reserve		29,891	46,510	57,943	55,764	53,882	56,969	52,068	77,217	68,887	84,045
Transfer from reserve		(30,179)	(28,905)	(30,386)	(31,405)	(57,243)	(56,893)	(65,340)	(76,614)	(57,496)	(55,545)
Closing balance		159,049	176,654	204,210	228,569	225,208	225,284	212,012	212,615	224,005	252,505
Landfill Reserve	Restricted										
Opening balance		500	500	500	500	500	500	500	500	500	500
Transfer to reserve		-	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-
Closing balance		500	500	500	500	500	500	500	500	500	500
Reserves Summary	Total Restricted										
Opening balance		161,721	160,699	177,228	204,785	229,144	225,782	225,858	212,586	213,189	224,579
Transfer to reserve		30,814	46,510	57,943	55,764	53,882	56,969	52,068	77,217	68,887	84,045
Transfer from reserve		(31,836)	(29,980)	(30,386)	(31,405)	(57,243)	(56,893)	(65,340)	(76,614)	(57,496)	(55,545)
Closing balance		160,699	177,228	204,785	229,144	225,782	225,858	212,586	213,189	224,579	253,080

Reserves	Restricted / Discretionary	2025/26	2026/27	2027/28	2028/29	2029/30	2030/ 31	2031/ 32	2032/33	2033/34	2034/35
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment Reserve	Discretionary										
Opening balance		17,312	12,912	11,457	10,512	10,512	10,512	10,512	10,512	10,512	10,512
Transfer to reserve		-	-	-	-	-	-	-	-	-	-
Transfer from reserve		(4,400)	(1,455)	(945)	-	-	-	-	-	-	-
Closing balance		12,912	11,457	10,512	10,512	10,512	10,512	10,512	10,512	10,512	10,512
Reserves Summary	Total Discretionary										
Opening balance		17,312	12,912	11,457	10,512	10,512	10,512	10,512	10,512	10,512	10,512
Transfer to reserve		-	-	-	-	-	-	-	-	-	-
Transfer from reserve		(4,400)	(1,455)	(945)	-	-	-	-	-	-	-
Closing balance		12,912	11,457	10,512	10,512	10,512	10,512	10,512	10,512	10,512	10,512
Reserves Summary											
Opening balance		179,033	173,611	188,685	215,297	239,656	236,294	236,370	223,098	223,701	235,091
Transfer to reserve		30,814	46,510	57,943	55,764	53,882	56,969	52,068	77,217	68,887	84,045
Transfer from reserve		(36,236)	(31,435)	(31,331)	(31,405)	(57,243)	(56,893)	(65,340)	(76,614)	(57,496)	(55,545)
Closing balance		173,611	188,685	215,297	239,656	236,294	236,370	223,098	223,701	235,091	263,592

7.5 Operating Cash and Long-Term Financial Sustainability

Council recognises that strengthening its operating cash position is critical to achieving long-term financial sustainability – especially in a rate-capped environment where a significant proportion of revenue is fixed and service demand continues to grow.

Operating cash funds day-to-day service delivery but also plays a critical role in:

- Funding the renewal and maintenance of infrastructure,
- Rebuilding reserves for known liabilities such as landfill restoration and DCP/ICP commitments,
- Reducing reliance on borrowings or asset sales to meet capital needs,
- Responding to external shocks without significant disruption to services.

The independent financial sustainability assessment highlighted that Council's unrestricted cash balance is projected to fall into a negative position – creating significant financial risk if not addressed. Improving the underlying operating result is the only structural way to reverse this trend.

Council's strategy to strengthen its operating cash includes:

- Investing in workforce and digital transformation initiatives to unlock productivity
- Embedding allocative and productive efficiency through structured service planning
- Containing operating expenditure growth below the rate of population and household growth
- Reviewing the funding model for services impacted by cost shifting

These initiatives are designed to improve Council's ability to fund essential services and infrastructure over the long term using internally generated funds.



8. Glossary of Terms

Term	Definition
Adjusted Underlying Result	A measure of Council's financial sustainability. It excludes non-recurrent capital grants, non-monetary asset contributions, and other one-off income from the operating result to show the true ongoing surplus or deficit from operations.
Asset Plan	A legislated plan outlining how Council will manage community infrastructure assets over their lifecycle. It integrates with the Financial Plan to identify capital renewal and maintenance funding needs over a 10-year horizon.
Capital Works	Expenditure on acquiring, constructing, renewing, upgrading or expanding Council assets such as roads, buildings, open space or drainage systems.
Community Vision	A long-term aspirational statement that captures the shared hopes and priorities of the community. It guides Council's strategic direction and informs the Council Plan and Financial Plan.
Consumer Price Index (CPI)	A measure of inflation used to estimate changes in the cost of goods and services over time. CPI influences cost assumptions in the Financial Plan.
Cost Shifting	Occurs when responsibility for providing a service is transferred from higher levels of government (State or Federal) to local government without matching funding. Common in areas like maternal and child health or school crossing supervision.
Council Plan	A four-year strategic plan that sets Council's priorities, strategic objectives, and actions. It aligns with the Community Vision and informs the Financial and Asset Plans.
Debt-Free Status	Refers to Council's financial position of not having any outstanding borrowings. Hume City Council has planned to remain debt-free throughout the Financial Plan period.
Deliberative Engagement	A structured form of community consultation that involves informed discussions among a representative group of residents, used to guide key strategic plans.

Term	Definition
Depreciation	The accounting process of allocating the cost of an asset over its useful life. It reflects the wear and tear of assets and impacts Council's operating result.
Developer Contributions	Payments or in-kind works made by developers to Council to help fund infrastructure required due to growth (see DCP and ICP).
Development Contributions Plan (DCP)	A statutory plan that sets out levies developers must pay toward infrastructure projects to support new developments.
Fair Go Rates System (FGRS)	The Victorian Government's rate capping framework, introduced in 2016, which limits the annual increase in general rates.
Financial Plan	A legislated 10-year document that outlines Council's long-term financial projections, strategies, and sustainability measures to support delivery of the Council Plan and Asset Plan.
Financial Performance Indicators	A set of ratios used to assess Council's financial sustainability, such as working capital, asset renewal, and adjusted underlying result.
Grants – Capital	Funding received from other levels of government for specific capital projects. Often tied to particular infrastructure and subject to funding agreements.
Grants – Operating	Ongoing funding received from State or Federal governments to support Council's day-to-day services such as libraries or aged care.
Infrastructure Contributions Plan (ICP)	A planning tool used in growth areas to collect contributions from developers to fund essential infrastructure and land acquisition.

Term	Definition
Internal Borrowings	A financial mechanism where reserve funds are temporarily used to finance other Council activities, with a requirement to repay the reserve (often with interest). While some councils implement formal internal borrowing policies, Hume City Council maintains a pooled cash approach. Under this method, cash is managed collectively rather than assigned to specific reserves. Reserve balances are internally tracked to ensure that funds remain available for future obligations, without requiring formal loan structures or repayments.
Land Equalisation Payments	Payments made under the ICP system to ensure fair distribution of land contributions among developers when some contribute more land than required.
Long Term Financial Plan (LTFP)	Same as the Financial Plan. A 10-year outlook that ensures Council's financial sustainability and capacity to deliver services and capital works.
Material and Services Costs	Expenses related to external service contracts, utilities, consumables, consulting, and other non-staff operating costs.
Municipal Public Health and Wellbeing Plan (MPHWP)	A component of the Council Plan that addresses health and wellbeing priorities and legislative requirements under the Public Health and Wellbeing Act 2008.
Non-Monetary Contributions	Assets (such as roads, parks or drainage) handed over to Council by developers instead of cash payments. They increase Council's asset base.
Operating Cash	The cash generated from Council's core operations (excluding capital activities), used to fund day-to-day services, infrastructure renewal, and reserves. Strong operating cash is critical to long-term financial sustainability, especially in a constrained revenue environment.
Operating Result	The difference between total income and total operating expenses. A surplus indicates income exceeds expenses; a deficit indicates the reverse.
Pooled Cash Approach	A method of cash management where all available Council funds are held and managed collectively, rather than being physically segregated by reserve or funding source. While individual reserves are tracked internally for reporting and accountability, the cash is not quarantined in separate accounts. This approach provides greater flexibility, simplifies financial administration, and ensures liquidity is maintained across the organisation to meet future obligations.

Term	Definition
Rate Cap	The maximum percentage by which councils can increase general rates revenue from one year to the next, as determined annually by the Minister for Local Government.
Rating Strategy	A component of the Revenue and Rating Plan that sets out how rates are calculated, including differential rates, municipal charges, and waste charges.
Reserves	Funds set aside for specific future purposes (e.g. asset renewal, carried forward projects). They are not generally available for other uses.
Revenue and Rating Plan	A four-year strategic plan that explains how Council will raise income from rates, fees and charges. It forms part of the integrated planning framework and supports the LTFP.
Revenue Planning Framework	Council's approach to raising revenue fairly, transparently and sustainably, based on principles in the Revenue and Rating Plan and aligned with community expectations.
Service Planning	The process by which Council reviews and plans services to ensure they are equitable, efficient, and responsive to community needs.
Statutory Fees and Fines	Income from fees and penalties set by legislation, such as animal registration or parking fines. These are generally outside Council's control.
Supplementary Rates	Additional rates revenue generated from new properties or property improvements that were not part of the previous year's valuation base.
Unrestricted Cash	Cash and equivalents not tied to specific reserves or legislative obligations. It reflects Council's liquidity and capacity to respond to unforeseen events or operational needs. Sustained negative unrestricted cash indicates structural financial imbalance.
Working Capital	The difference between current assets and current liabilities. It measures Council's ability to meet short-term obligations.



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Financial Plan
2025/26–2034/35



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