Financial Plan
2025–2035

Financial Plan

8 September 2025

Contents

1. Legislative Requirements
2. Financial Plan Context
3. Financial Plan Statements
4. Financial Performance Indicators
5. Strategies and Plans
6. Engagement

Acknowledgement of County

Frankston City Council acknowledges the Bunurong people of the Kulin Nation as the Traditional Custodians of the lands and waters in and around Frankston City, and value and recognise local Aboriginal and Torres Strait Islander cultures, heritage and connection to land as a proud part of a shared identity for Frankston City.

Council also respectfully acknowledges the Bunurong Land Council as the Registered Aboriginal Party responsible for managing the Aboriginal cultural heritage of the land and waters where Frankston City Council is situated.

1. Legislative Requirements

Executive Summary

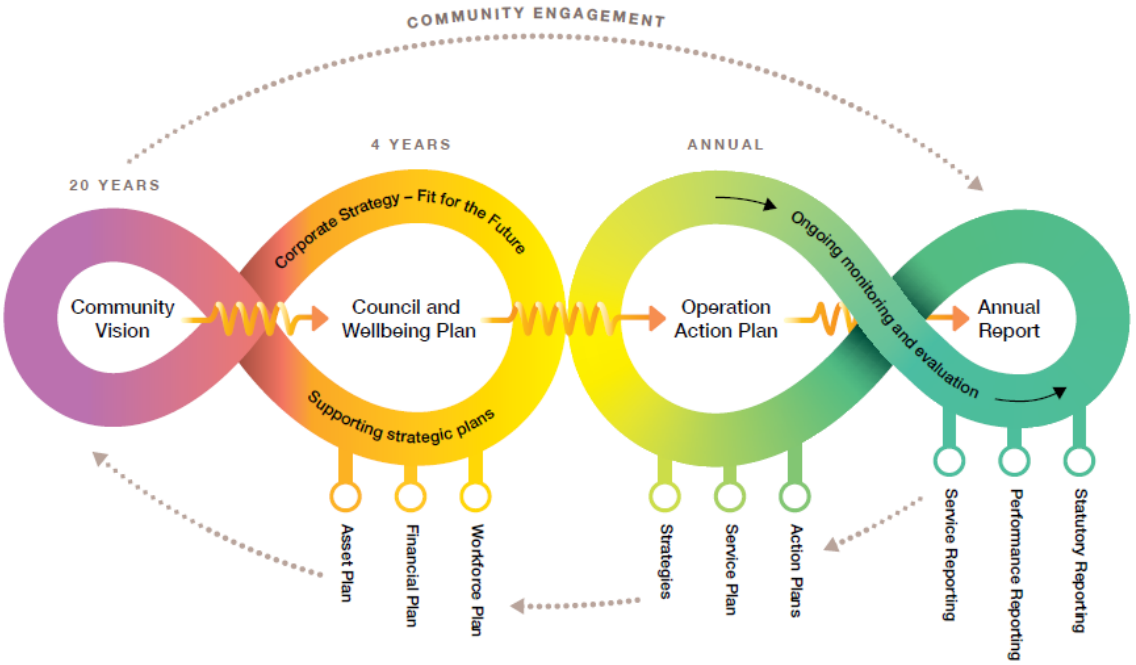
The Financial Plan defines the broad financial boundaries for Council over the next ten years and provides clear direction on the allocation, management and use of financial resources. This is to keep our Council financially sustainable over the short, medium and long-term as we maintain services and assets, respond to growth and deliver on our strategic priorities, identifying steps to take now – for today – to remain financially sustainable into the next decade and beyond – for tomorrow, working towards our ideal community landscape.

Legislative Requirements

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

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

The following diagram demonstrates how each element might inform or be informed by other parts of Council's Integrated Planning and Reporting Framework.



The ***Local Government Act 2020 (The Act)*** requires Councils to prepare a ten year Financial Plan in the year following a general election through the introduction of governance and supporting principles which include an integrated approach to planning, monitoring and performance reporting.

Governance Principles

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

- Council decisions are made and actions taken in accordance with the relevant law.
- Priority is given to achieving the best outcomes for the municipal community, including future generations.
- The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is promoted.
- The municipal community is engaged in strategic planning and strategic decision making.
- Innovation and continuous improvement is pursued.
- Collaboration with other Councils and Governments and statutory bodies is sought.
- The ongoing financial viability of the Council is ensured.
- Regional, state and national plans and policies are to be taken into account in strategic planning and decision making.
- The transparency of Council decisions, actions and information is to be ensured.

In giving effect to the overarching governance principles, a Council must also take into account the following supporting principles:

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

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

Financial Management Principles
The Financial Plan demonstrates the following financial management principles:

- Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- Management of the following financial risks:
    - Failure to adequately identify, plan and deliver services to the approved service standards that the community needs.
    - Failure to plan for and manage Council's finances (Long Term Financial Sustainability).
- Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- Council maintains accounts and records that explain its financial operations and financial position.

Service Performance Principles
The Financial Plan demonstrates the following service performance principles:

- Services are provided in an equitable manner and are responsive to the diverse needs of the community.
- The Council and Wellbeing Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council and Wellbeing Plan will be funded.
- Services are accessible to the relevant users within the community.
- Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to

communicate council's performance regarding the provision of quality and efficient services.

- Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- Council is developing a service delivery framework that considers and responds to community feedback and complaints regarding service provision.

Community Engagement Principles

The Financial Plan demonstrates the following community engagement principles:

- A community engagement with a clearly defined objective and scope.
- Participants in community engagement have access to objective, relevant and timely information to inform their participation.
- Participants in community engagement are representative of the persons and groups affected by the matter that is the subject of the community engagement.
- Participants in community engagement we provided reasonable support to enable meaningful and informed engagement.
- Participants in community engagement were informed of the ways in which the community engagement process will influence Council decision making.

Asset Plan Integration

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

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

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

In addition to identifying the operational and strategic practices that ensure that Council manages assets across their life cycle in a financially sustainable manner, the Asset Plan quantifies the asset portfolio and the financial implications of those practices.

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

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

The revenue raised by a local government is for delivering services and infrastructure to benefit those providing the revenue – the local community. The Revenue and Rating Plan is therefore linked to planned expenditure in the annual budget and strategic financial planning. They cannot be separated as any increase in spending by a council must be matched by revenue.

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

Additionally, it defines the amounts of rates to be generated either through a uniform rate, or from different ratepayer/property classes through municipal charges, differential rates, service rates and charges, and special rates and charges (where they have been adopted). The Revenue and Rating Plan therefore defines what each source of revenue is, how income will be raised and the policy rationale/assumptions for each, to fund the Council's proposed expenditure detailed in their budget.

Our commitment to gender equality
We are committed to ensuring that everyone in our community is treated with dignity, respect and fairness. We consider the gender, equality and diversity of all people in our community as we develop our plans, strategies and services. We will uphold our requirements in the Victorian Government's Gender Equality Act 2020 and will continue to seek ways to improve all that we do to make Frankston a safe, respectful and inclusive community.

2. Financial Plan Context

This section describes the context and external / internal environment and consideration in determining the 10-year financial projections and assumptions. Our financial strategy identifies the approach Council intends to take to achieve its financial policies, and financial sustainability. This section describes the context and external / internal environment and consideration in determining the 10-year financial projections and assumptions.

Financial Policy Statements

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

Below are the key measures that we use to ensure that Council is financially sustainable into the future.

Policy Statement	Measure	Target	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35	Trend ↑→↓
Consistent underlying surplus result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	>0%	(1.2%)	(0.9%)	(0.6%)	(0.5%)	0.5%	0.7%	0.8%	0.7%	1.3%	1.5%	↑
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due	Current assets / current liabilities	>1	133.4%	124.3%	118.7%	117.5%	125.0%	132.1%	138.9%	147.8%	157.9%	169.1%	↑
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as weell as to address unforeseen cash imposts if required	Unrestricted cash/ current liabilities	>20%	43.3%	40.6%	41.1%	41.0%	45.8%	52.6%	57.4%	63.6%	71.2%	79.8%	↑
That Council applies loan funding tonew capital and maintains total borrowings in line with rate income and growth of the municipality	Interest bearing loans and borrowings / rate revenue	<60%	23.6%	31.1%	32.2%	29.0%	25.1%	21.0%	17.0%	13.0%	9.5%	6.3%	↓
Ensures that Council can repay its borrowing commitments from the income generated internally	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	<5%	13.5%	4.2%	5.2%	5.5%	5.3%	4.5%	4.4%	4.3%	3.7%	3.4%	↓
Ensures that Council can repay long term obligations from the income generated internally	Non-current liabilities / own source revenue	<60%	18.6%	23.5%	23.9%	21.5%	19.0%	15.8%	12.7%	9.9%	7.3%	5.1%	↓
Allocate sufficient funds towards renewal capital in order to adequately replace assets and infrastructure	Asset renewal and upgrade expenses / depreciation	>100%	110.8%	129.7%	105.6%	110.6%	87.9%	86.6%	85.6%	69.0%	74.1%	77.7%	↓

Assumptions to the financial plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2025/26 to 2034/35. The assumptions comprise the annual escalations / movement for each line item of the Comprehensive Income Statement.

Escalation Factors	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Rates and Charges	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Statutory fees and fines	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
User Fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Grants - Operating	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Grants - Capital	As per Capital Works Program									
Contributions - monetary	Based on Planning Trend									
Employee costs	AS per Council's Enterprise Agreement									
Materials and services	1.00%	1.00%	1.00%	1.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Depreciation	As per Additions from Capital Works program									

Rates and charges

Average base rate revenue will increase by 3.0% for the 2025/26 year, based on the state government rate cap, with estimated future annual increases of 2.5% per annum for the ensuing years of the long-term financial plan.

Estimates of rate revenue is not a straight line projection due to the unpredictability of volumes and value of supplementary rates processed each financial year.

Waste charges are proposed to increase in order to cover the total costs of waste. Future years waste charges are estimated to increase in line with the contractual cost escalation to ensure Council continues to recover the full costs of providing waste services.

Statutory fees and fines

The Financial Plan indexes statutory fees, set by legislation by 2%. This is often a best case scenario given some fees are outside of the control of Council and therefore may be subject to increases less than CPI, and in many cases, doesn't increase at all.

User fees

Revenue from user fees is expected to increase by 3% for the 2025/26 year, unless benchmarked against the sector. Details of user fees for the 2025/26 budget year can be found in Council's schedule of Fees and Charges in the 2025/26 Annual Budget.

Revenue increases for the ensuing years are based on a conservative annual rate of increase of 3%.

Grants

Council currently receives grants for tied (specific purpose grants) and un-tied Financial Assistance grant funding received via the Victorian Local Government Grants Commission (VLGGC). Operating grants are expected to increase on an annual basis by approximately 1%.

Contributions

Council receives Open Space Contributions from developers. These contributions represent funds to enable council to provide the necessary infrastructure and infrastructure improvements to accommodate development growth. These contributions are statutory contributions and are transferred to a restricted reserve until utilised for a specific purpose through the capital works program or delivered as works in kind by developers.

Employee costs

The 2025/26 year includes 3.25% increase for employee costs that mainly reflects the salary increase, banding adjustment, organisation restructure and superannuation guarantee increase.

Increases in employee costs are linked to Council's Enterprise Agreement (EA). The future years reflect annual increases to provide for anticipated annual EA. Council's current EA expires on 30 June 2026.

Materials and services

Materials and services costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are more driven by contract pricing. Other associated costs included are utilities, materials and consumable items for a range of services. These costs are managed tightly year on year.

Depreciation & amortisation

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

Borrowing costs

Borrowing costs comprise the interest expense to service Council's loan portfolio that is described in the Borrowing Strategy.

Other Matters impacting the 10-year financial projections

Description of the current challenges and expected future events likely to impact the Financial Plan projections.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. As a result of the volatility in financial markets, the likelihood of making such contributions in future periods exists.

3. 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
- Borrowing Requirements
- Reserves

Comprehensive Income Statement

Comprehensive Income Statement	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000	Budget 2029-30 $'000	Budget 2030-31 $'000	Budget 2031-32 $'000	Budget 2032-33 $'000	Budget 2033-34 $'000	Budget 2034-35 $'000
Income										
Rates and charges	155,780	160,605	165,159	170,147	175,216	180,373	185,616	190,951	196,381	201,909
Statutory fees and fines	6,984	7,122	7,262	7,405	7,551	7,700	7,853	8,008	8,166	8,327
User fees	33,740	33,698	34,473	35,439	36,433	37,455	38,506	39,587	40,699	41,841
Grants - Operating	22,256	22,479	22,703	22,930	23,160	23,391	23,625	23,861	24,100	24,341
Grants - Capital	25,557	31,284	20,710	32,253	16,143	15,183	8,698	1,618	3,788	6,788
Contributions - monetary	2,727	3,310	2,450	2,440	2,170	2,250	3,225	2,110	2,110	2,110
Contributions - non-monetary	800	800	800	800	800	800	800	800	800	800
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	1,022	917	1,128	854	737	777	809	791	814	814
Other income	6,014	6,224	6,437	6,653	6,773	6,896	7,022	7,152	7,285	7,422
Total income	**254,880**	**266,439**	**261,122**	**278,921**	**268,983**	**274,825**	**276,154**	**274,878**	**284,143**	**294,352**
Expenses										
Employee costs	100,756	103,513	106,562	109,702	112,934	116,261	119,687	123,215	126,846	130,586
Materials and services	84,299	85,449	86,487	88,445	88,624	90,539	92,501	95,511	96,571	98,682
Depreciation	38,002	38,675	39,845	40,616	41,607	42,598	43,590	44,582	45,575	46,568
Amortisation - intangible assets	1,230	1,305	1,408	1,481	1,377	1,213	942	790	736	633
Amortisation - right of use assets	355	355	355	266	-	-	-	-	-	-
Bad and doubtful debts	256	256	256	256	256	256	256	256	256	256
Borrowing costs	2,047	1,960	2,364	2,365	2,210	1,975	1,749	1,505	1,212	924
Finance Costs - leases	27	19	11	3	-	-	-	-	-	-
Other expenses	4,986	5,035	5,086	5,138	5,188	5,292	5,398	5,506	5,617	5,729
Total expenses	**231,958**	**236,567**	**242,374**	**248,272**	**252,196**	**258,134**	**264,123**	**271,365**	**276,813**	**283,378**
Surplus/(deficit) for the year	**22,922**	**29,872**	**18,748**	**30,649**	**16,787**	**16,691**	**12,031**	**3,513**	**7,330**	**10,974**
Other comprehensive income										
Net asset revaluation increment /(decrement)	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive result	**22,922**	**29,872**	**18,748**	**30,649**	**16,787**	**16,691**	**12,031**	**3,513**	**7,330**	**10,974**

Balance Sheet

Balance Sheet	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000	Budget 2029-30 $'000	Budget 2030-31 $'000	Budget 2031-32 $'000	Budget 2032-33 $'000	Budget 2033-34 $'000	Budget 2034-35 $'000
Assets										
Current assets										
Cash and cash equivalents	35,087	34,478	35,246	36,121	42,074	48,976	56,080	64,018	73,483	84,021
Trade and other receivables	28,240	29,341	29,557	30,465	30,779	31,603	32,383	33,097	34,076	35,104
Other financial assets	13,547	11,547	10,047	9,047	9,047	9,047	9,047	9,047	9,047	9,047
Inventories	282	291	299	308	318	327	337	347	358	368
Other assets	4,704	4,845	4,991	5,140	5,295	5,453	5,617	5,786	5,959	6,138
Total current assets	**81,860**	**80,502**	**80,140**	**81,081**	**87,513**	**95,406**	**103,464**	**112,295**	**122,923**	**134,678**
Non-current assets										
Trade and other receivables	164	51	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-
Investments in associates, joint arrangement and subsidiaries	-	-	-	-	-	-	-	-	-	-
Property, infrastructure, plant & equipment	2,160,505	2,206,642	2,231,501	2,259,830	2,267,262	2,272,901	2,273,304	2,263,464	2,256,318	2,252,406
Right-of-use assets	976	621	266	-	-	-	-	-	-	-
Intangible assets	2,782	3,003	2,540	1,900	1,477	623	- 10	91	124	- 264
Total non-current assets	**2,164,427**	**2,210,317**	**2,234,307**	**2,261,730**	**2,268,739**	**2,273,524**	**2,273,294**	**2,263,555**	**2,256,442**	**2,252,142**
Total assets	**2,246,287**	**2,290,819**	**2,314,447**	**2,342,811**	**2,356,252**	**2,368,930**	**2,376,758**	**2,375,850**	**2,379,365**	**2,386,820**
Liabilities										
Current liabilities										
Trade and other payables	27,041	27,852	28,688	29,548	30,435	31,348	32,288	33,257	34,255	35,282
Trust funds and deposits	7,069	7,281	7,499	7,724	7,956	8,194	8,440	8,693	8,954	9,223
Unearned Income / revenue	3,562	3,669	3,779	3,893	4,010	4,130	4,254	4,381	4,513	4,648
Provisions	19,105	19,678	20,269	20,877	21,503	22,148	22,813	23,497	24,202	24,928
Interest-bearing liabilities	4,213	5,913	6,992	6,962	6,086	6,383	6,697	6,153	5,915	5,552
Lease liabilities	353	361	276	-	-	-	-	-	-	-
Total current liabilities	**61,343**	**64,754**	**67,503**	**69,004**	**69,990**	**72,203**	**74,492**	**75,981**	**77,839**	**79,633**
Non-current liabilities										
Provisions	4,652	4,792	4,936	5,084	5,236	5,393	5,555	5,722	5,893	6,070
Interest-bearing liabilities	32,554	44,024	46,194	42,353	37,869	31,486	24,790	18,636	12,722	7,169
Lease liabilities	637	276	93	-	-	-	-	-	-	-
Total non-current liabilities	**37,843**	**49,092**	**51,223**	**47,437**	**43,105**	**36,879**	**30,345**	**24,358**	**18,615**	**13,239**
Total liabilities	**99,186**	**113,846**	**118,726**	**116,441**	**113,095**	**109,082**	**104,837**	**100,339**	**96,454**	**92,872**
Net assets	**2,147,101**	**2,176,973**	**2,195,721**	**2,226,370**	**2,243,157**	**2,259,848**	**2,271,921**	**2,275,511**	**2,282,911**	**2,293,948**
Equity										
Accumulated surplus	916,077	949,596	970,332	1,001,216	1,016,493	1,032,824	1,043,037	1,044,767	1,050,307	1,059,484
Reserves	1,231,024	1,227,377	1,225,389	1,225,154	1,226,664	1,227,024	1,228,884	1,230,744	1,232,604	1,234,464
Total equity	**2,147,101**	**2,176,973**	**2,195,721**	**2,226,370**	**2,243,157**	**2,259,848**	**2,271,921**	**2,275,511**	**2,282,911**	**2,293,948**

Statement of Changes in Equity

Statement of Changes in Equity	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2026			
Balance at beginning of the financial year	874,322	1,215,569	34,288
Surplus/(deficit) for the year	22,922	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(4,978)	-	4,978
Transfers from other reserves	23,811	-	(23,811)
Balance at end of the financial year	**916,077**	**1,215,569**	**15,455**
2027			
Balance at beginning of the financial year	916,077	1,215,569	15,455
Surplus/(deficit) for the year	29,872	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(3,804)	-	3,804
Transfers from other reserves	7,451	-	(7,451)
Balance at end of the financial year	**949,596**	**1,215,569**	**11,808**
2028			
Balance at beginning of the financial year	949,596	1,215,569	11,808
Surplus/(deficit) for the year	18,748	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(3,840)	-	3,840
Transfers from other reserves	5,828	-	(5,828)
Balance at end of the financial year	**970,332**	**1,215,569**	**9,820**
2029			
Balance at beginning of the financial year	970,332	1,215,569	9,820
Surplus/(deficit) for the year	30,649	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(3,875)	-	3,875
Transfers from other reserves	4,110	-	(4,110)
Balance at end of the financial year	**1,001,216**	**1,215,569**	**9,585**
2030			
Balance at beginning of the financial year	1,001,216	1,215,569	9,585
Surplus/(deficit) for the year	16,787	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(2,860)	-	2,860
Transfers from other reserves	1,350	-	(1,350)
Balance at end of the financial year	**1,016,493**	**1,215,569**	**11,095**

Statement of Changes in Equity (continued)

Statement of Changes in Equity	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2031			
Balance at beginning of the financial year	1,016,493	1,215,569	11,095
Surplus/(deficit) for the year	16,691	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(2,860)	-	2,860
Transfers from other reserves	2,500	-	(2,500)
Balance at end of the financial year	**1,032,824**	**1,215,569**	**11,455**
2032			
Balance at beginning of the financial year	1,032,824	1,215,569	11,455
Surplus/(deficit) for the year	12,031	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(2,860)	-	2,860
Transfers from other reserves	1,000	-	(1,000)
Balance at end of the financial year	**1,042,995**	**1,215,569**	**13,315**
2033			
Balance at beginning of the financial year	1,042,995	1,215,569	13,315
Surplus/(deficit) for the year	3,513	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(2,860)	-	2,860
Transfers from other reserves	1,000	-	(1,000)
Balance at end of the financial year	**1,044,648**	**1,215,569**	**15,175**
2034			
Balance at beginning of the financial year	1,044,648	1,215,569	15,175
Surplus/(deficit) for the year	7,330	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(2,860)	-	2,860
Transfers from other reserves	1,000	-	(1,000)
Balance at end of the financial year	**1,050,118**	**1,215,569**	**17,035**
2035			
Balance at beginning of the financial year	1,050,118	1,215,569	17,035
Surplus/(deficit) for the year	10,974	-	-
Net asset revaluation increment/(decrement)	-	-	-
Transfers to other reserves	(2,860)	-	2,860
Transfers from other reserves	1,000	-	(1,000)
Balance at end of the financial year	**1,059,232**	**1,215,569**	**18,895**

Statement of Cash Flows

Statement of Cash Flows	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000	Budget 2029-30 $'000	Budget 2030-31 $'000	Budget 2031-32 $'000	Budget 2032-33 $'000	Budget 2033-34 $'000	Budget 2034-35 $'000
Cash flows from operating activities										
Receipts										
Rates and charges	155,947	160,140	164,657	169,598	174,654	179,801	185,034	190,360	195,779	201,296
Statutory fees and fines	7,228	7,373	7,520	7,671	7,824	7,981	8,140	8,303	8,469	8,638
User fees	36,318	36,270	37,102	38,142	39,212	40,312	41,442	42,604	43,800	45,031
Grants - operating	22,734	23,016	23,137	23,482	23,553	23,777	23,948	24,116	24,379	24,652
Grants - capital	25,557	31,284	20,710	32,253	16,143	15,183	8,698	1,618	3,788	6,788
Contributions - monetary	2,741	3,327	2,462	2,452	2,181	2,261	3,241	2,121	2,121	2,121
Interest received	1,890	1,990	2,089	2,189	2,189	2,188	2,188	2,188	2,187	2,187
Net Trust funds and deposits taken and repaid	206	212	218	225	232	239	246	253	261	269
Other receipts	4,462	4,558	4,639	4,685	4,796	4,925	5,057	5,189	5,327	5,467
Net GST refund / payment	10,492	11,611	10,792	10,533	9,478	8,959	8,788	8,358	8,420	8,796
Employee costs	(100,512)	(103,318)	(106,361)	(109,494)	(112,720)	(116,040)	(119,460)	(122,980)	(126,604)	(130,336)
Materials and services	(97,777)	(100,300)	(99,545)	(102,027)	(100,416)	(102,350)	(104,075)	(106,548)	(107,994)	(110,599)
Short-term, low value and variable lease payments	(568)	(574)	(579)	(585)	(591)	(603)	(615)	(627)	(640)	(653)
Other payments	(4,617)	(4,664)	(4,710)	(4,757)	(4,805)	(4,901)	(4,999)	(5,099)	(5,201)	(5,305)
Efficiency Factor	-	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) operating activities	**64,101**	**70,925**	**62,131**	**74,367**	**61,730**	**61,732**	**57,633**	**49,856**	**54,092**	**58,352**
Cash flows from investing activities										
Payments for property, infrastructure, plant and equipment	(71,362)	(85,738)	(65,050)	(69,185)	(49,395)	(47,996)	(43,698)	(35,034)	(38,596)	(42,302)
Proceeds from sale of property, infrastructure, plant and equipment	1,472	1,367	1,578	1,304	1,187	1,227	1,259	1,241	1,264	1,264
Proceeds from sale of investments	2,500	2,000	1,500	1,000	-	-	-	-	-	-
Net cash provided by/ (used in) investing activities	**(67,390)**	**(82,371)**	**(61,972)**	**(66,881)**	**(48,208)**	**(46,769)**	**(42,439)**	**(33,793)**	**(37,332)**	**(41,038)**
Cash flows from financing activities										
Finance costs	(2,047)	(1,960)	(2,364)	(2,365)	(2,210)	(1,975)	(1,707)	(1,428)	(1,142)	(861)
Proceeds from borrowings	9,490	18,024	9,475	3,170	1,670	-	-	-	-	-
Repayment of borrowings	(18,999)	(4,855)	(6,226)	(7,041)	(7,029)	(6,086)	(6,383)	(6,697)	(6,153)	(5,915)
Repayment of lease liabilities	(345)	(353)	(268)	(369)	-	-	-	-	-	-
Interest paid - lease liability	(27)	(19)	(11)	- 3	-	-	-	-	-	-
Net cash provided by/(used in) financing activities	**(11,928)**	**10,837**	**606**	**(6,608)**	**(7,569)**	**(8,061)**	**(8,090)**	**(8,125)**	**(7,295)**	**(6,776)**
Net increase/(decrease) in cash & cash equivalents	**(15,217)**	**(609)**	**765**	**878**	**5,953**	**6,902**	**7,104**	**7,938**	**9,465**	**10,538**
Cash and cash equivalents at the beginning of the financial year	50,304	35,087	34,478	35,243	36,121	42,074	48,976	56,080	64,018	73,483
Cash and cash equivalents at the end of the	**35,087**	**34,478**	**35,243**	**36,121**	**42,074**	**48,976**	**56,080**	**64,018**	**73,483**	**84,021**

Statement of Capital Works

Statement of Capital Works	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000	Budget 2029-30 $'000	Budget 2030-31 $'000	Budget 2031-32 $'000	Budget 2032-33 $'000	Budget 2033-34 $'000	Budget 2034-35 $'000
Property										
Land	-	-	-	-	-	-	-	-	-	-
Total land	-	-	-	-	-	-	-	-	-	-
Buildings	36,872	48,910	30,770	30,235	22,380	19,315	7,215	5,010	9,496	13,390
Total buildings	**36,872**	**48,910**	**30,770**	**30,235**	**22,380**	**19,315**	**7,215**	**5,010**	**9,496**	**13,390**
Total property	**36,872**	**48,910**	**30,770**	**30,235**	**22,380**	**19,315**	**7,215**	**5,010**	**9,496**	**13,390**
Plant and equipment										
Plant, machinery and equipment	3,545	3,755	4,131	2,626	2,768	2,613	2,995	2,525	3,215	2,615
Fixtures, fittings and furniture	500	520	445	775	275	260	295	275	310	290
Computers and telecommunications	2,285	3,053	1,889	1,682	1,909	535	425	1,273	930	305
Library books	560	585	580	590	610	650	650	705	735	755
Total plant and equipment	**6,890**	**7,913**	**7,045**	**5,673**	**5,562**	**4,058**	**4,365**	**4,778**	**5,190**	**3,965**
Infrastructure										
Roads	7,034	5,445	5,670	5,307	6,428	6,848	7,633	6,398	6,418	8,408
Bridges	155	170	170	210	530	475	500	510	530	550
Footpaths and cycleways	3,927	7,214	5,225	11,045	4,360	3,785	4,470	6,128	5,578	4,384
Drainage	2,768	1,976	1,780	2,805	2,260	2,590	2,980	1,977	2,704	4,020
Recreational, leisure and community facilities	5,464	4,320	5,225	7,000	5,980	5,650	10,915	6,973	5,680	5,385
Waste management	225	210	300	400	-	-	-	-	-	-
Parks, open space and streetscapes	9,387	11,080	10,265	7,890	2,875	5,625	5,960	2,900	3,887	3,500
Off street car parks	140	-	100	120	520	1,150	1,160	1,860	613	200
Other infrastructure	-	-	-	-	-	-	-	-	-	-
Total infrastructure	**29,100**	**30,415**	**28,735**	**34,777**	**22,953**	**26,123**	**33,618**	**26,746**	**25,410**	**26,447**
Total capital works expenditure	**72,862**	**87,238**	**66,550**	**70,685**	**50,895**	**49,496**	**45,198**	**36,534**	**40,096**	**43,802**
Represented by:										
New asset expenditure	17,452	18,262	14,557	14,151	9,120	9,380	5,924	3,817	5,369	6,610
Asset renewal expenditure	29,871	31,295	31,807	36,168	28,517	29,821	31,940	27,307	29,353	31,279
Asset expansion expenditure	13,309	18,831	9,929	11,620	5,190	3,215	1,964	1,963	978	991
Asset upgrade expenditure	12,230	18,850	10,257	8,746	8,068	7,080	5,370	3,447	4,396	4,922
Total capital works expenditure	**72,862**	**87,238**	**66,550**	**70,685**	**50,895**	**49,496**	**45,198**	**36,534**	**40,096**	**43,802**
Funding sources represented by:										
Grants	25,557	31,284	20,710	32,253	16,143	15,183	8,698	1,618	3,788	6,788
Contributions	617	1,200	340	330	60	140	1,115	-	-	-
Council cash	37,198	36,730	36,025	34,932	33,022	34,173	35,385	34,916	36,308	37,014
Borrowings	9,490	18,024	9,475	3,170	1,670	-	-	-	-	-
Total capital works expenditure	**72,862**	**87,238**	**66,550**	**70,685**	**50,895**	**49,496**	**45,198**	**36,534**	**40,096**	**43,802**

Statement of Human Resources

Staff expenditure	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000	Budget 2029-30 $'000	Budget 2030-31 $'000	Budget 2031-32 $'000	Budget 2032-33 $'000	Budget 2033-34 $'000	Budget 2034-35 $'000
Staff expenditure										
Employee costs - operating	100,756	103,513	106,562	109,702	112,934	116,261	119,687	123,215	126,846	130,586
Employee costs - capital	3,664	3,756	3,849	3,946	4,044	4,145	4,249	4,355	4,464	4,576
Total staff expenditure	**104,420**	**107,269**	**110,411**	**113,648**	**116,978**	**120,407**	**123,936**	**127,570**	**131,310**	**135,162**

Staff numbers	3664 0 FTE	3755.5 0 FTE	3849.2625 0 FTE	3945.919062 0 FTE	4044.117039 0 FTE	4145.569965 0 FTE	4248.734214 0 FTE	4355.12757 0 FTE	4464.380759 0 FTE	4576.140278 0 FTE
Staff numbers										
Employees	892.09	892.09	892.09	892.09	892.09	892.09	892.09	892.09	892.09	892.09
Total staff numbers	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**

A summary of human resources 2025/26 expenditure categorised according to the organisation structure of Council is included below:

Directorate	Total $'000	Permanent Full Time $'000	Permanent Part Time $'000	Permanent Casual $'000	Permanent Temporary $'000
Chief Executive Officer	667	667	-	-	-
Corporate and Commercial Services	9,336	8,500	384	81	371
Communities	38,305	23,284	12,597	1062	1,362
Customer Innovation and Arts	23,445	17,683	4,408	1225	129
Infrastructure and Operations	25,338	24,421	434	117	366
Peninsula Leisure Pty Ltd	10,083	3,270	944	5869	-
Total permanent staff expenditure	**107,174**	**77,825**	**18,767**	**8,354**	**2,228**
Other employee related expenditure	910				
Capitalised labour costs	- 3,664				
Total staff	**104,420**				

Directorate	Total	Permanent Full Time	Permanent Part Time	Permanent Casual	Permanent Temporary
Chief Executive Officer	2.00	2.00	-	-	-
Corporate and Commercial Services	66.28	60.00	3.40	0.88	2.00
Communities	312.08	173.00	115.42	11.57	12.09
Customer Innovation and Arts	183.23	124.00	44.89	13.34	1.00
Infrastructure and Operations	219.90	213.00	3.63	1.27	2.00
Peninsula Leisure Pty Ltd	108.60	32.00	12.00	64.60	-
Total permanent staff expenditure	**892.09**	**604.00**	**179.34**	**91.66**	**17.09**

Planned Human Resources Expenditure

	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000	Budget 2029-30 $'000	Budget 2030-31 $'000	Budget 2031-32 $'000	Budget 2032-33 $'000	Budget 2033-34 $'000	Budget 2034-35 $'000
Chief Executive Officer										
Permanent - Full time										
Female	186	191	195	200	205	210	216	221	227	232
Male	481	493	505	518	531	544	558	572	586	601
Self-described gender										
Permanent - Part time										
Female										
Male										
Self-described gender										
Total Chief Executive Officer	**667**	**684**	**701**	**718**	**736**	**755**	**774**	**793**	**813**	**833**
Corporate and Commercial Services										
Permanent - Full time										
Female	6,199	6,477	6,639	6,805	6,975	7,149	7,328	7,511	7,699	7,892
Male	2,432	2,616	2,681	2,748	2,817	2,887	2,960	3,034	3,109	3,187
Vacant	240	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	228	272	278	285	293	300	307	315	323	331
Male	82	122	125	128	131	135	138	141	145	149
Vacant	74	-	-	-	-	-	-	-	-	-
Total Chief Financial Officer	**9,255**	**9,486**	**9,724**	**9,967**	**10,216**	**10,471**	**10,733**	**11,001**	**11,276**	**11,558**
Communities										
Permanent - Full time										
Female	14,192	15,185	15,564	15,954	16,352	16,761	17,180	17,610	18,050	18,501
Male	8,506	9,357	9,591	9,830	10,076	10,328	10,586	10,851	11,122	11,400
Vacant	1,245	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	11,949	12,537	12,850	13,171	13,501	13,838	14,184	14,539	14,902	15,275
Male	786	1,095	1,122	1,150	1,179	1,208	1,239	1,270	1,301	1,334
Vacant	564	-	-	-	-	-	-	-	-	-
Total Communities	**37,242**	**38,173**	**39,127**	**40,106**	**41,108**	**42,136**	**43,189**	**44,269**	**45,376**	**46,510**
Customer Innovation and Arts										
Permanent - Full time										
Female	12,798	13,252	13,583	13,923	14,271	14,627	14,993	15,368	15,752	16,146
Male	4,753	5,006	5,131	5,259	5,390	5,525	5,663	5,805	5,950	6,099
Vacant	261	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	3,715	3,821	3,917	4,015	4,115	4,218	4,323	4,431	4,542	4,656
Male	667	697	714	732	751	769	789	808	829	849
Vacant	26	-	-	-	-	-	-	-	-	-
Total Business Innovation and Culture	**22,220**	**22,776**	**23,345**	**23,929**	**24,527**	**25,140**	**25,768**	**26,413**	**27,073**	**27,750**
Infrastructure and Operations										
Permanent - Full time										
Female	4,716	5,619	5,760	5,904	6,051	6,202	6,357	6,516	6,679	6,846
Male	18,540	19,789	20,283	20,790	21,310	21,843	22,389	22,949	23,522	24,111
Vacant	1,532	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	337	345	354	363	372	381	391	401	411	421
Male	97	99	102	104	107	110	112	115	118	121
Self-described gender	-	-	-	-						
Total Infrastructure and Operations	**25,222**	**25,853**	**26,499**	**27,161**	**27,840**	**28,536**	**29,250**	**29,981**	**30,731**	**31,499**
Peninsula Leisure Pty Ltd										
Permanent - Full time										
Female	1,990	2,040	2,091	2,143	2,197	2,252	2,308	2,365	2,425	2,485
Male	1,280	1,312	1,345	1,378	1,413	1,448	1,484	1,522	1,560	1,599
Self-described gender										
Permanent - Part time										
Female	750	769	788	808	828	849	870	892	914	937
Male	194	199	204	209	214	219	225	231	236	242
Self-described gender										
Total Peninsula Leisure Pty Ltd	**4,214**	**4,319**	**4,427**	**4,538**	**4,651**	**4,768**	**4,887**	**5,009**	**5,134**	**5,263**
Casuals, temporary and other expenditure	9,264	9,734	10,438	11,175	11,944	12,746	13,584	14,460	15,372	16,325
Less capital expenditure	- 3,664	- 3,756	- 3,849	- 3,946	- 4,044	- 4,145	- 4,249	- 4,355	- 4,464	- 4,576
Total operating staff expenditure	**104,420**	**107,269**	**110,411**	**113,648**	**116,978**	**120,407**	**123,936**	**127,570**	**131,310**	**135,162**

Full Time Equivalents	Budget 2025-26 FTE	Budget 2026-27 FTE	Budget 2027-28 FTE	Budget 2028-29 FTE	Budget 2029-30 FTE	Budget 2030-31 FTE	Budget 2031-32 FTE	Budget 2032-33 FTE	Budget 2033-34 FTE	Budget 2034-35 FTE
Chief Executive Officer										
Permanent - Full time										
Female	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Male	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Self-described gender										
Permanent - Part time										
Female										
Male										
Self-described gender										
Total Chief Executive Officer	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Corporate and Commercial Services										
Permanent - Full time										
Female	44.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00
Male	16.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Vacant	2.00	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	2.10	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Male	0.70	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Vacant	0.60	-	-	-	-	-	-	-	-	-
Total Chief Financial Officer	**65.40**	**65.40**	**65.40**	**65.40**	**65.40**	**65.40**	**65.40**	**65.40**	**65.40**	**65.40**
Communities										
Permanent - Full time										
Female	107.00	113.50	113.50	113.50	113.50	113.50	113.50	113.50	113.50	113.50
Male	59.00	65.50	65.50	65.50	65.50	65.50	65.50	65.50	65.50	65.50
Vacant	13.00	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	107.59	110.18	110.18	110.18	110.18	110.18	110.18	110.18	110.18	110.18
Male	8.75	11.34	11.34	11.34	11.34	11.34	11.34	11.34	11.34	11.34
Vacant	5.17	-	-	-	-	-	-	-	-	-
Total Communities	**300.51**	**300.51**	**300.51**	**300.51**	**300.51**	**300.51**	**300.51**	**300.51**	**300.51**	**300.51**
Customer Innovation and Arts										
Permanent - Full time										
Female	90.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00
Male	33.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Vacant	2.00	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	38.79	38.92	38.92	38.92	38.92	38.92	38.92	38.92	38.92	38.92
Male	5.84	5.97	5.97	5.97	5.97	5.97	5.97	5.97	5.97	5.97
Vacant	0.26	-	-	-	-	-	-	-	-	-
Total Business Innovation and Culture	**169.89**	**169.89**	**169.89**	**169.89**	**169.89**	**169.89**	**169.89**	**169.89**	**169.89**	**169.89**
Infrastructure and Operations										
Permanent - Full time										
Female	40.00	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50
Male	160.00	167.50	167.50	167.50	167.50	167.50	167.50	167.50	167.50	167.50
Vacant	15.00	-	-	-	-	-	-	-	-	-
Permanent - Part time										
Female	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Male	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Vacant	-	-	-	-	-	-	-	-	-	-
Total Infrastructure and Operations	**218.63**	**218.63**	**218.63**	**218.63**	**218.63**	**218.63**	**218.63**	**218.63**	**218.63**	**218.63**
Peninsula Leisure Pty Ltd										
Permanent - Full time										
Female	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Male	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Self-described gender										
Permanent - Part time										
Female	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60
Male	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Self-described gender										
Total Peninsula Leisure Pty Ltd	**44.00**	**44.00**	**44.00**	**44.00**	**44.00**	**44.00**	**44.00**	**44.00**	**44.00**	**44.00**
Casual staff	91.66	91.66	91.66	**91.66**	**91.66**	**91.66**	**91.66**	**91.66**	**91.66**	**91.66**
Total staff numbers	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**	**892.09**

4. 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	Budget 2025-26	Budget 2026-27	Budget 2027-28	Budget 2028-29	Budget 2029-30	Budget 2030-31	Budget 2031-32	Budget 2032-33	Budget 2033-34	Budget 2034-35	Trend ↑→↓
Operating position												
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	(1.2%)	(0.9%)	(0.6%)	(0.5%)	0.5%	0.7%	0.8%	0.7%	1.3%	1.5%	↑
Liquidity												
Working capital	Current assets / current liabilities	133.4%	124.3%	118.7%	117.5%	125.0%	132.1%	138.9%	147.8%	157.9%	169.1%	↑
Unrestricted cash	Unrestricted cash/ current liabilities	43.3%	40.6%	41.1%	41.0%	45.8%	52.6%	57.4%	63.6%	71.2%	79.8%	↑
Obligations												
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	23.6%	31.1%	32.2%	29.0%	25.1%	21.0%	17.0%	13.0%	9.5%	6.3%	↓
Loans and borrowings repayments	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	13.5%	4.2%	5.2%	5.5%	5.3%	4.5%	4.4%	4.3%	3.7%	3.4%	↓
Indebtedness	Non-current liabilities / own source revenue	18.6%	23.5%	23.9%	21.5%	19.0%	15.8%	12.7%	9.9%	7.3%	5.1%	↓
Asset renewal and upgrade	Asset renewal and upgrade expenses / depreciation	110.8%	129.7%	105.6%	110.6%	87.9%	86.6%	85.6%	69.0%	74.1%	77.7%	↓
Stability												
Rates concentration	Rate revenue / adjusted underlying revenue	68.0%	68.5%	68.6%	68.8%	69.2%	69.4%	69.7%	69.9%	70.1%	70.2%	↑
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	→
Efficiency												
Expenditure level	Total expenses / No. of property assessments	$3,515	$3,531	$3,564	$3,598	$3,603	$3,636	$3,668	$3,716	$3,740	$3,778	↑
Rate revenue level	Rate revenue / No. of property assessments	$1,832	$1,861	$1,890	$1,919	$1,948	$1,977	$2,006	$2,034	$2,063	$2,092	↑
Sustainability capacity indicators												
Own-source revenue per head of municipal population	Own-source revenue / Municipal population	$1,391	$1,411	$1,436	$1,462	$1,489	$1,516	$1,543	$1,571	$1,598	$1,626	↑
Recurrent grants per head of municipal population	Recurrent grants / Municipal population	$158	$160	$161	$161	$159	$159	$155	$155	$155	$155	→
Expenses per head of municipal population	Total expenses / Municipal population	$1,585	$1,600	$1,623	$1,646	$1,656	$1,678	$1,700	$1,729	$1,746	$1,770	↑
Infrastructure per head of municipal population	Value of infrastructure / Municipal population	$8,159	$8,389	$8,471	$8,574	$8,537	$8,488	$8,406	$8,259	$8,131	$8,025	↑

5. Strategies and Plans

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

Borrowing Strategy

Current Debt Position

The total amount borrowed as at 30 June 2025 is $46.3 million.

Future Borrowing Requirements

The following table highlights Council's projected loan balance, including new loans and loan repayments for the 10 years of the Financial Plan.

	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000	Budget 2029-30 $'000	Budget 2030-31 $'000	Budget 2031-32 $'000	Budget 2032-33 $'000	Budget 2033-34 $'000	Budget 2034-35 $'000
Opening balance	46,276	36,767	49,937	53,186	49,315	43,955	37,869	31,486	24,789	18,636
Plus new loans	9,490	18,024	9,475	3,170	1,670	0	0	0	-	-
Less Principal repayment	(18,999)	(4,854)	(6,226)	(7,041)	(7,030)	(6,086)	(6,383)	(6,697)	(6,153)	(5,915)
Closing balance	**36,767**	**49,937**	**53,186**	**49,315**	**43,955**	**37,869**	**31,486**	**24,789**	**18,636**	**12,721**
Interest payment	2,047	1,960	2,364	2,365	2,210	1,975	1,707	1,428	1,142	861

Reserves Strategy

Victorian local government councils have traditionally operated with reserve funds that are amounts of money set aside for specific purposes in later years. In general, these funds do not have bank accounts of their own but are a theoretical split up of the cash surplus that Council has on hand. The following section provides a description of what reserve funds Council holds and their purpose.

The current reserve funds utilised by Frankston City Council and the purpose of each reserve are:

- **Public resort and recreation reserve**

  The public resort and recreation reserve is established to hold funds contributed by developers for works associated with developing improved open space and recreational facilities within Frankston City Council. Funds are contributed in accordance with Section 18 of the Subdivision Act and transfers are restricted to the purpose of creating open space such as parks, playgrounds, pavilions and other such items where it is deemed that these works should occur at a later point than the initial development. Separate locations have been established to record revenues received from developers

that are to be applied specifically to undertaking future capital works within these locations.

Typical sources of inflows and outflows:

Inflows are solely composed of contributions from subdividers in lieu of the 5 per cent Public Open Space requirement. In terms of outflows, Council considers the following position in terms of utilising these funds as stated below:

> *"That Council maintain an annual balance of $0.3 million in the Public Resort and Recreation Reserve and utilise the remaining funds in delivering capital works in accordance with the Reserve purpose."*

Council has a large amount of undeveloped open space and this Financial Plan has been based on the principle that these funds in this reserve should be utilised for the combined purposes of developing this land for passive recreation and for significant upgrade works within structured recreation.

The current financial statements do not include the full expenditure of this reserve fund to the extent noted above. Further reviews are currently being undertaken to provide an accurate assessment of what work can realistically be undertaken in the financial periods over the life of this Financial Plan.

- **Native vegetation reserve**

The purpose of this reserve is to enable Council under the native vegetation framework to demonstrate that where there has been a loss of remnant vegetation it has been off set in a location that is sustainable and can be protected into the future. The income and expenditure will occur over different years.

Typical sources of inflows and outflows:

Inflows will be typically from developments where due to site constraints the remnant vegetation cannot be protected on site and the state requires these to be offset and maintained over a 10 year period.

Outflows from this reserve will be in the form of agreed expenditure over the life of this reserve.

- **Infrastructure reserve**

The purpose of this reserve is to set aside funding for roads and drains in growth areas.

Typical sources of inflows and outflows:

Outflows from this reserve will be in the form of agreed projects for roads and drains.

- **Unexpended grants reserve**

The purpose of this reserve is to quarantine operating Federal and Victorian government funding relating received in prior periods for work to be carried out in future periods. With the changes in Accounting Standards that came into effect in 2019-20, any unspent grant that is received for a specific purpose is recognised as a liability in the balance sheet and only unspent funding that is not tied to a specific purpose is transferred to the reserve at the end of the year.

Typical sources of inflows and outflows:

Inflows are solely composed of significant grant funds and restricted for specific projects or expenditure in future periods.
Outflows from this reserve will be transfers back to operations or specific projects as per unexpended grant listing.

- **Economic Development grants reserve**

The purpose of this reserve is to quarantine unexpended business and façade grants until they are fully claimed by the recipients.
Typical sources of inflows and outflows:
Inflows are solely composed of grant funds waiting to be acquitted by the recipients of business and façade grants.

- **Capital projects reserve**

The capital projects reserve has been established by Council and represents funding allocated to capital projects that have not been delivered in a prior year.
Typical sources of inflows and outflows:
Inflows are solely composed of funding allocated to capital projects that have not been delivered in a prior year as the delivery is either delayed or project is not going ahead.
Outflows from this reserve will be transfers back to specific projects as per long term infrastructure plan.

- **Strategic assets reserve**

The strategic projects reserve has been established by Council with the proceeds to fund works considered by Council to be of a strategic nature.
Typical sources of inflows and outflows:
Inflow to this reserve will typically be from the sale of Council land and when Council achieves a surplus outcome at the conclusion of financial years and resolves to transfer surplus funds into this reserve.
In the future, outflows are anticipated to be for the funding of major capital works projects or where Council is required to source major funding where there is no option but to utilise cash reserves.

- **Resource efficiency reserve**

The purpose of this reserve is to provide Council with an opportunity to set aside funds and highlight the benefit of energy conservation measures to save money and achieve Council's greenhouse reduction goals.
Typical sources of inflows and outflows:
Inflows to this reserve are the annual expected savings from energy reduction projects.
Outflows from this reserve will be the reinvestment in future years for further works to minimise energy consumption. Whilst the Financial Plan presently does not show any outflows, this is simply due to uncertainty in respect of when they are likely to arise and it is expected the reserve will be accessed over the life of this plan.

- **Local Government Funding Vehicle (sinking fund)**

The purpose of this reserve is to partly provide for the principal repayments required on maturity of the interest-only Local Government Funding Vehicle (LGFV) and to provide future borrowing capacity for major infrastructure projects.

Typical sources of inflows and outflows:

Inflows will comprise savings derived from annual loan repayments and interest savings compared to the original budget provision of these items. Inflows will also include 'transfers in' required to fund debt redemption commitments (interest expense and principal repayments).

- **PARC asset management reserve**

This reserve has been established to provide a source of funding for the portion of the PARC asset management plan that Council is responsible for.

Typical sources of inflows and outflows:

Inflows are composed of funding that is transferred annually from the accumulated surplus to cover the expenditure contained in the PARC asset management plan.
Outflows from this reserve will be transfers back to operations or specific projects as may be determined by Council and PARC.

- **Waste, Recycling and Resource Recovery reserve**

The purpose of this reserve is to ensure all revenue from the waste charge is fully expended on waste related activities only.

- **Other reserves**

These reserves have been established to provide a source of funding for car parking and subdivisional works.

Typical sources of inflows and outflows:

Inflows are composed of funding for car parking and subdivisional works.
Outflows from this reserve will be transfers back to operations or specific projects as may be determined by Council.

Reserves Balance Summary

Reserves balance summary	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000	Budget 2029-30 $'000	Budget 2030-31 $'000	Budget 2031-32 $'000	Budget 2032-33 $'000	Budget 2033-34 $'000	Budget 2034-35 $'000
Restricted reserves										
Public Resort & Recreation										
Opening balance	1,178	1,225	644	(226)	(126)	1,784	2,544	4,654	6,764	8,874
Transfer to reserve	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110
Transfer from reserve	(2,063)	(2,691)	(2,980)	(2,010)	(200)	(1,350)	0	0	0	0
Closing balance	**1,225**	**644**	**(226)**	**(126)**	**1,784**	**2,544**	**4,654**	**6,764**	**8,874**	**10,984**
Native Vegetation										
Opening balance	49	38	38	38	38	38	38	38	38	38
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	(11)	-	-	-	-	-	-	-	-	-
Closing balance	**38**	**38**	**38**	**38**	**38**	**38**	**38**	**38**	**38**	**38**
Subdivision Roadworks										
Opening balance	133	133	133	133	133	133	133	133	133	133
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-
Closing balance	**133**	**133**	**133**	**133**	**133**	**133**	**133**	**133**	**133**	**133**
Infrastructure Reserve										
Opening balance	74	74	74	74	74	74	74	74	74	74
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-
Closing balance	**74**	**74**	**74**	**74**	**74**	**74**	**74**	**74**	**74**	**74**
Carparking										
Opening balance	10	10	10	10	10	10	10	10	10	10
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-
Closing balance	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**	**10**
Total Restricted										
Opening balance	1,444	1,480	899	29	129	2,039	2,799	4,909	7,019	9,129
Transfer to reserve	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110
Transfer from reserve	(2,074)	(2,691)	(2,980)	(2,010)	(200)	(1,350)	0	0	0	0
Closing balance	**1,480**	**899**	**29**	**129**	**2,039**	**2,799**	**4,909**	**7,019**	**9,129**	**11,239**

Reserves balance summary	Budget 2025-26 $'000	Budget 2026-27 $'000	Budget 2027-28 $'000	Budget 2028-29 $'000	Budget 2029-30 $'000	Budget 2030-31 $'000	Budget 2031-32 $'000	Budget 2032-33 $'000	Budget 2033-34 $'000	Budget 2034-35 $'000
Discretionary Reserves										
Unexpended Grants Reserve										
Opening balance	655	655	351	351	351	351	351	351	351	351
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	- -	304	-	-	-	-	-	-	-	-
Closing balance	**655**	**351**	**351**	**351**	**351**	**351**	**351**	**351**	**351**	**351**
Capital Projects Reserve										
Opening balance	5,597	2,402	546	(302)	(302)	(302)	(302)	(302)	(302)	(302)
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	- 3,195	(1,856)	(848)	-	-	-	-	-	-	-
Closing balance	**2,402**	**546**	**(302)**	**(302)**	**(302)**	**(302)**	**(302)**	**(302)**	**(302)**	**(302)**
Strategic Asset Reserve										
Opening balance	519	519	519	519	519	519	519	519	519	519
Transfer to reserve	-	0	0	0	-	-	-	-	-	0
Transfer from reserve	0	0	-	-	-	0	-	-	-	-
Closing balance	**519**	**519**	**519**	**519**	**519**	**519**	**519**	**519**	**519**	**519**
PARC Asset Management and Strategic Asset Reserve										
Opening balance	9,322	7,977	7,071	6,801	6,466	6,066	5,666	5,416	5,166	4,916
Transfer to reserve	1,655	1,694	1,730	1,765	750	750	750	750	750	750
Transfer from reserve	(3,000)	(2,600)	(2,000)	(2,100)	(1,150)	(1,150)	(1,000)	(1,000)	(1,000)	(1,000)
Closing balance	**7,977**	**7,071**	**6,801**	**6,466**	**6,066**	**5,666**	**5,416**	**5,166**	**4,916**	**4,666**
Resource Efficiency Fund										
Opening balance	88	88	88	88	88	88	88	88	88	88
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-
Closing balance	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**	**88**
Waste Reserve										
Opening balance	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-
Closing balance	**2,239**	**2,239**	**2,239**	**2,239**	**2,239**	**2,239**	**2,239**	**2,239**	**2,239**	**2,239**
Economic Development										
Opening balance	95	95	95	95	95	95	95	95	95	95
Transfer to reserve	-	-	-	-	-	-	-	-	-	-
Transfer from reserve	-	-	-	-	-	-	-	-	-	-
Closing balance	**95**	**95**	**95**	**95**	**95**	**95**	**95**	**95**	**95**	**95**
LGFV (Sinking Fund)										
Opening balance	14,329	0	0	0	-	-	-	-	-	-
Transfer to reserve	1,213	0	0	0	-	-	-	-	-	-
Transfer from reserve	- 15,542	-	-	0	-	-	-	-	-	-
Closing balance	**0**	**0**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Discretionary										
Opening balance	32,844	13,975	10,909	9,791	9,456	9,056	8,656	8,406	8,156	7,906
Transfer to reserve	2,868	1,694	1,730	1,765	750	750	750	750	750	750
Transfer from reserve	(21,737)	(4,760)	(2,848)	(2,100)	(1,150)	(1,150)	(1,000)	(1,000)	(1,000)	(1,000)
Closing balance	**13,975**	**10,909**	**9,791**	**9,456**	**9,056**	**8,656**	**8,406**	**8,156**	**7,906**	**7,656**
Reserves Summary										
Opening balance	34,288	15,455	11,808	9,820	9,585	11,095	11,455	13,315	15,175	17,035
Transfer to reserve	4,978	3,804	3,840	3,875	2,860	2,860	2,860	2,860	2,860	2,860
Transfer from reserve	(23,811)	(7,451)	(5,828)	(4,110)	(1,350)	(2,500)	(1,000)	(1,000)	(1,000)	(1,000)
Closing balance	**15,455**	**11,808**	**9,820**	**9,585**	**11,095**	**11,455**	**13,315**	**15,175**	**17,035**	**18,895**

6. Engagement

The community is at the heart of the Integrated Planning and Reporting Framework, with the Community Vision 2040 serving as an aspirational guide for the future of Frankston City. This vision reflects what the community values most about the municipality and its identity as a place to live, work, study, and visit.

The Community Vision is a legislated requirement and is developed through deliberative engagement with the local community.

The Integrated Planning and Reporting Framework integrates all Key Strategies and Plans into the overarching Council and Wellbeing Plan through the concept of the Golden Thread. This visual representation highlights the organisation's commitment to engaging with the community at every level of the framework, in alignment with legislative requirements.

A Community Panel was established in 2024 to enable Council to undertake deliberative engagement on the Community Vision 2040, Council and Wellbeing Plan, Financial Plan and the Asset Plan. The Community Panel made up of 39 members actively participated in five workshops and considered broader community feedback, listened to subject matter experts and respectfully discussed experiences, ideas and options.

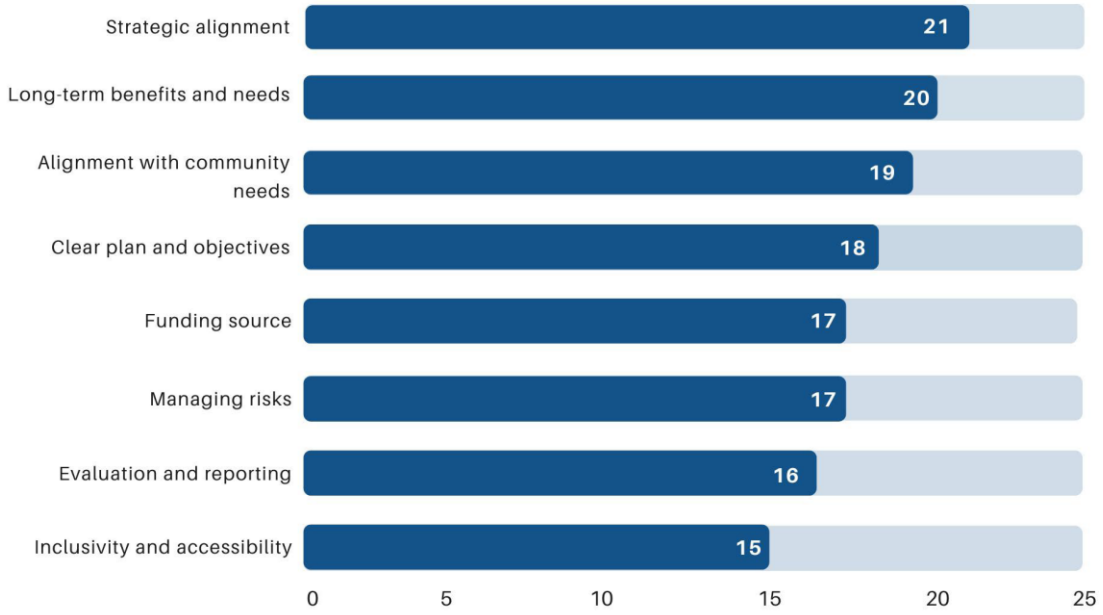
In the financial plan workshop, panel members heard a presentation from the subject matter expert, and participated in group discussion about criteria Council should consider to help make decisions on budget submissions. Each panel member was then tasked with individually allocating a total of 100 points across 8 decision making criteria, with a maximum of 50 points for one criteria. Allocation of points was done online, with panel members using and Engage Frankston 'Fund it' tool.

The table below shows the ranking of criteria from highest to lowest point allocation. The criteria that received the highest points included strong strategic alignment and long term benefits and alignment with community need. This reflects a clear preference for initiatives that align with Frankston City's Vision 2040 and strategic plans while addressing broader community goals.

Inclusivity and accessibility, evaluation and reporting were criteria which received a lower allocation of points, and less of a priority for panel members considering how Council should allocate funds. Overall, the fairly even distribution of points across all criteria demonstrates

a balanced approach, with panel members noting all criteria need to be considered to some level.

Results of decision making criteria priority



Rationale for allocation of points

After panel members allocated their 100 points, there was a whole group discussion to allow people to provide their reasons for how they prioritised the budget submission criteria, panel members also had the opportunity to add their reasons into the Engage Frankston portal.

The panel members allocated their points based on a mix of principles emphasising alignment with the community vision, equitable resource distribution, and long-term planning. Some recognised the value of pre-existing plans like the Urban Forest and biodiversity strategies, and the work the community and Council have put into those plans.

Strategic alignment was a recurring theme, as members emphasised the importance of ensuring council actions reflect the community's vision. Clear planning, evaluation, and risk mitigation were also deemed critical for effective project execution, ensuring transparency and measurable outcomes. A focus on the "greatest good for the greatest number" underpinned some decisions, reflecting a humanitarian approach to resource allocation.

Long-term impacts, beyond immediate electoral cycles, were a priority for members. They expressed concerns about kneejerk decisions and overdevelopment that ignores community needs, advocating instead for thoughtful, community-centric planning. Connectedness to public spaces and activities, along with council transparency in budgeting and project outcomes, were also mentioned as critical factors in decision-making.

The top 3 criteria of strategic alignment, long term benefits and alignment with community needs were used in assessing the 2025/26 budget submissions received. Councillors considered each submission at their planning workshop on 1 March 2025. These criteria will be embedded in the submission process going forward.

FRANKSTON CITY COUNCIL

30 Davey Street
Frankston VIC 3199
Australia

PO Box 490
Frankston VIC 3199

Phone 1300 322 322
frankston.vic.gov.au