Rural City of
Wangaratta

Draft

Financial Plan 2025-2035

Welcome

Welcome to the Rural City of Wangaratta (RCOW) Financial Plan 2025 – 2035. The 2020 Local Government Act requires all councils to publish a 10 year Financial Plan following each council election.

The Plan is an important part of council's Integrated Planning Framework. Strategies outlined in the Plan will feed into our budgeting as well as other strategic planning documents within council's Integrated Planning Framework.

Acknowledgement of Country

We acknowledge the traditional custodians of the lands, on which the Rural City of Wangaratta Communities reside. We pay our respect to their Elders past, present and emerging, and celebrate and respect their continuing cultures.

We are committed to walking beside traditional owners and custodians and Aboriginal and Torres Strait Islander peoples living and working within the Rural City of Wangaratta as we move toward reconciliation.

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1. Financial Plan 2025-2035

The Local Government Act of 2020 requires all councils to publish a plan setting out Council's financial outlook for the next 10 years.

The Financial Plan outlines our long-term strategy to fund projects, initiatives, and programs that matter most to the Rural City of Wangaratta community. It supports the delivery of priorities and actions identified in the Community Vision 2045 and Council Plan 2025-29; both developed in partnership with our community. The Financial Plan also ensures that ongoing funding is in place for essential services that Council provides on a daily basis, such as roads maintenance, waste, and Children's and Aged Care services.

What are the Community Vision and Council Plan?

The Community Vision is a long-term plan for the community, by the community. It paints a picture of what we want the future to look like and outlines strategies on how we are going to get there.

The Council Plan is a key medium-term strategic plan that describes the strategic objectives, actions to achieve the objectives, indicators for measuring progress and the resources required to implement the plan for the next four years.

Wangaratta Children's Services Centre

How does the Financial Plan connect to these?

The Council Plan contains strategies which will be funded via our Financial Plan. Our Community Vision 2045 identifies the key themes and focus areas for our community and the Financial Plan seeks to balance these priorities in a financially sustainable way.

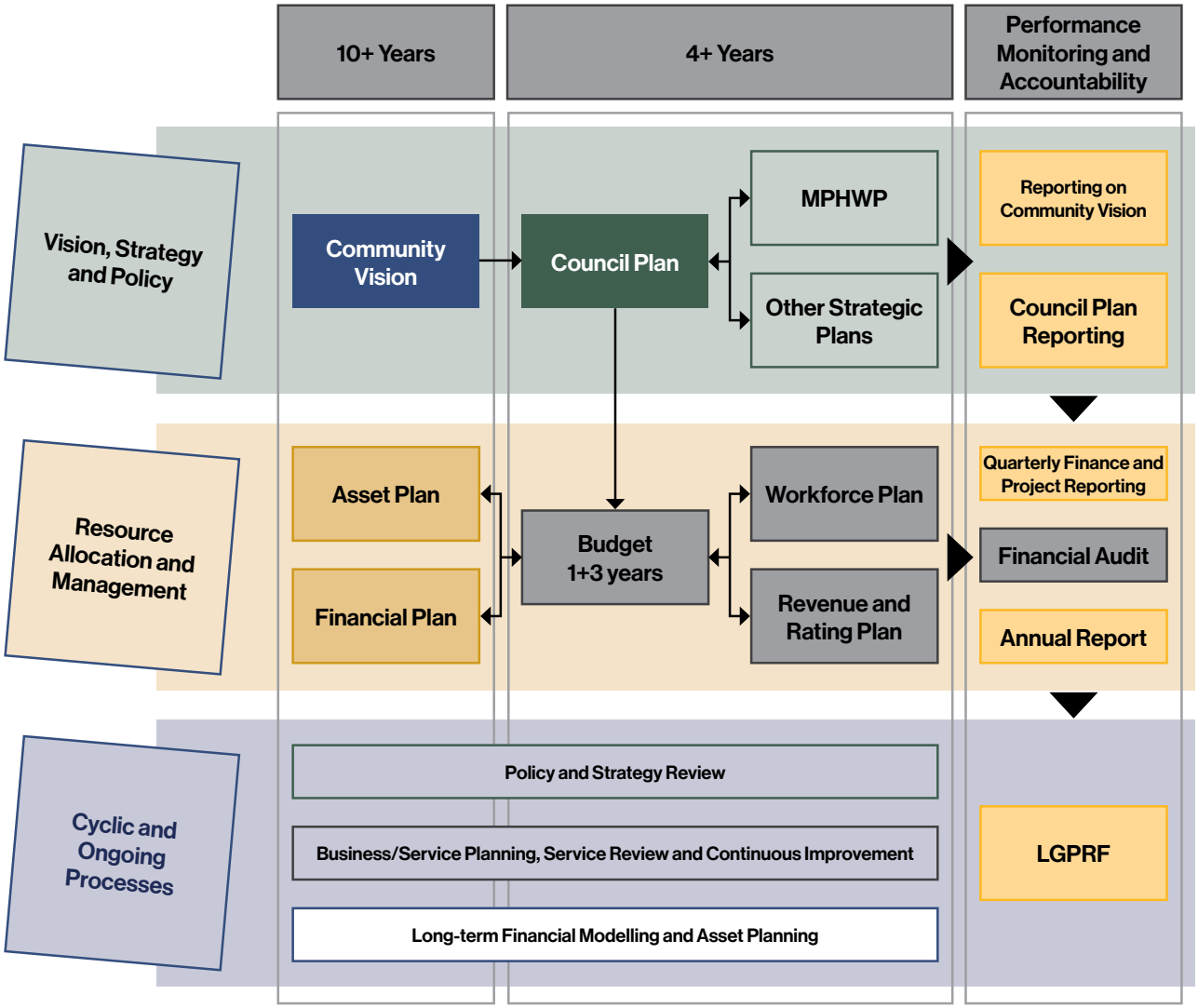
It's vital our planning framework is integrated to ensure we are making decisions now and into the future that are appropriately funded, and we can afford.

The Financial Plan also works together with our Annual Budget, our Revenue & Rating Plan and Asset Plan.

2. 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 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 figure demonstrates how each element might inform or be informed by other parts of the integrated framework.



Source: Financial Plan, Better Practice Guide, Department of Jobs, Precincts and Regions

2.1 Strategic Planning Principles

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

1. Council has an integrated approach to planning, monitoring and performance reporting.
2. The Financial Plan addresses the Community Vision by funding the aspirations of the Council Plan.
3. The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
4. Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 3.3 below.
5. The Financial Plan provides for the strategic planning principles and progress monitoring and reviews to identify and adapt to changing circumstances.

2.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

1. Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
2. Management of the following financial risks:
   - the financial viability of Council (refer to section 3.1 Financial Policy Statements).
   - the management of current and future liabilities of the Council. The estimated 10 year-liabilities are disclosed (refer to section 5 Balance Sheet projections).
   - the beneficial enterprises of Council (where appropriate).
3. Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
4. Council maintains accounts and records that explain its financial operations and financial position (refer section 5 Financial Statements).

2.3 Service Performance Principles

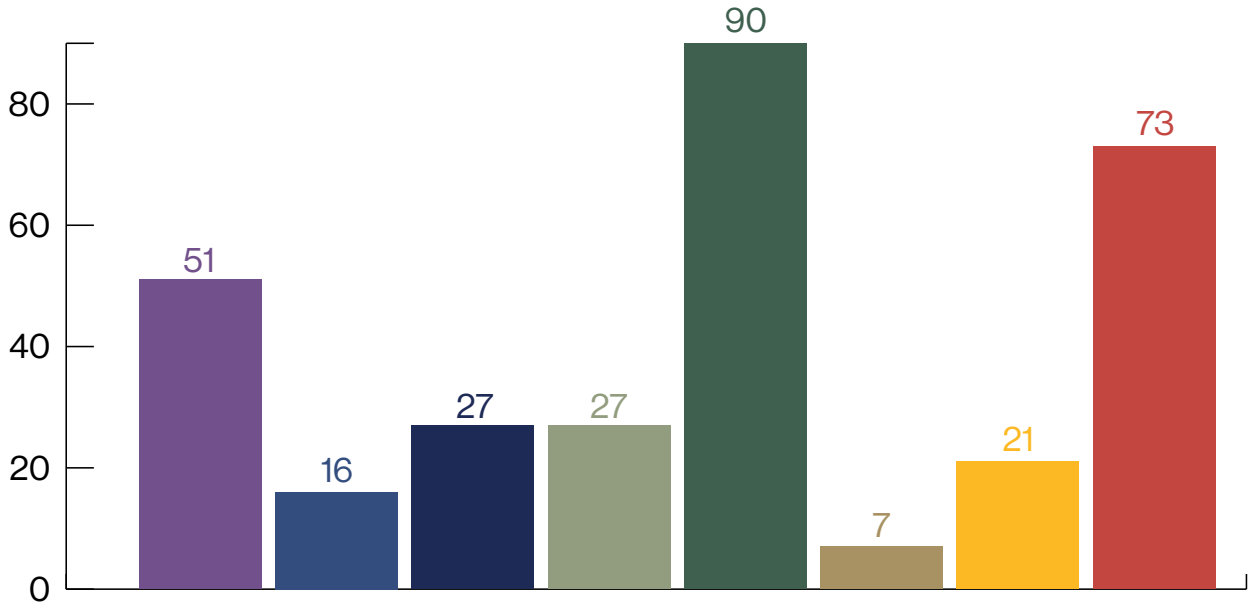
Council services are designed to address community needs and provide value for money outcomes for our community. The service performance principles are listed below:

1. Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan and Annual Budget identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
2. Services are accessible to the relevant users within the community.
3. 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.
4. Council has a program of financial sustainability reviews to continually improve the efficiency and performance of service delivery and meet value for money outcomes for our community.

2.4 Community Engagement

The Financial Plan has been developed concurrently with the Council Plan and Community Vision. These documents have come together with the contributions of more than 2,000 people and 3,200 ideas from the community and service providers working in the municipality. Details of Council's community engagement activities and the contributions and ideas shared are set out in the Council Plan and Community Vision.

The Community Engagement Report was noted by Council at the 27 May 2025 Council meeting. Council also undertook community engagement in the development of the Revenue and Rating Plan 2025 – 2029. Over 60% of respondents stated that financial sustainability is very important. Feedback was received on the areas of focus to ensure financial stability into the future:.



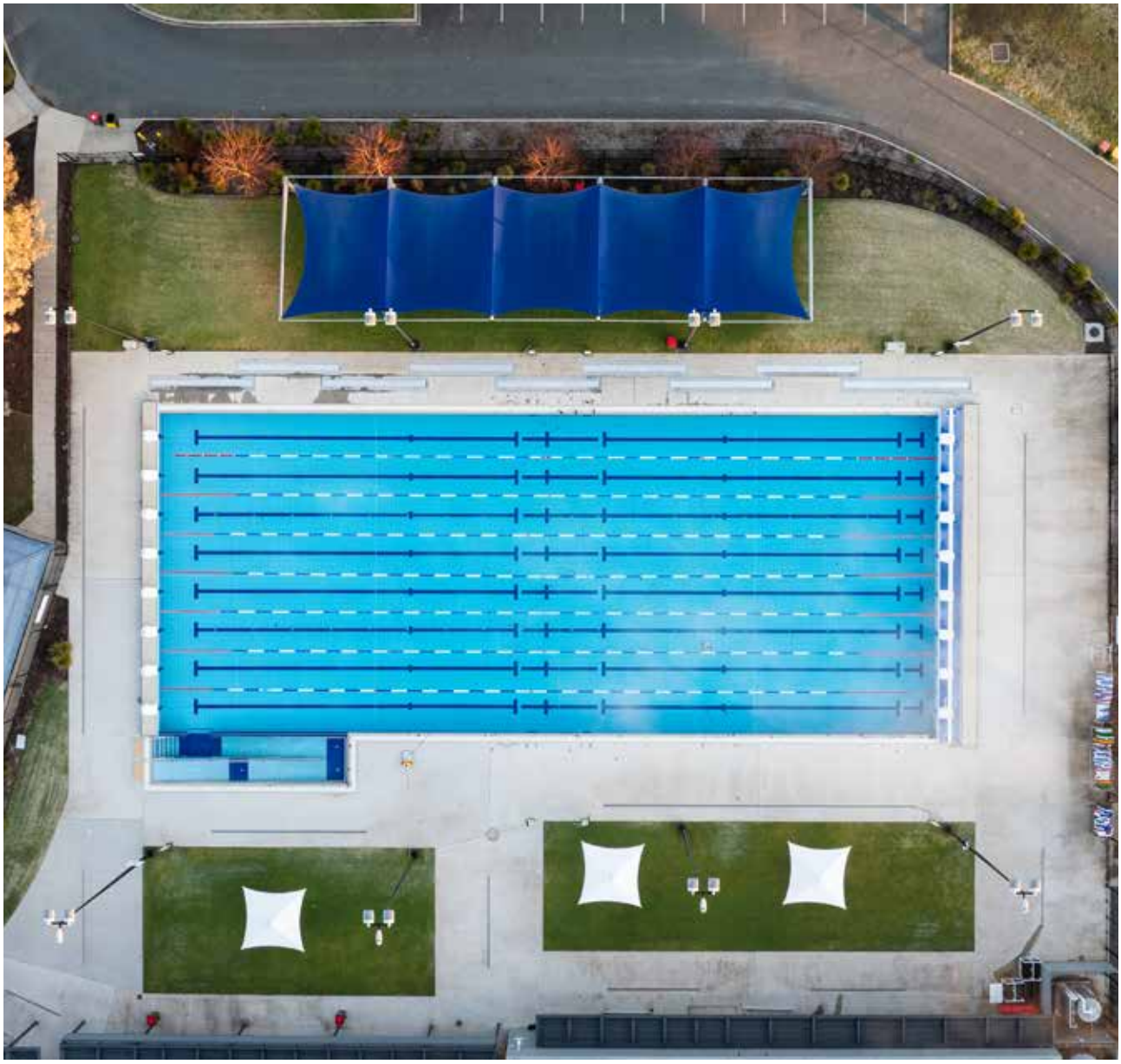
- Reducing operating costs/cutting services
- Increasing user fees
- Removing subsidies and discounts for fees and charges
- Increasing fines and infringements
- Maximising grant revenue
- Introducing a Municipal Charge (a flat charge that councils charge to offset some of the council's administrative costs)
- Growing council borrowings (using debt so future ratepayers also contribute to the cost of major community investments)
- Disposing or rationalising council assets (e.g. buildings)

2.5 Asset Plan Integration

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

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

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



Wangaratta Sports & Aquatic Centre

3. Financial Plan Context

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

Balancing asset renewal, service delivery, and affordability is a core challenge in Council's financial planning. Ageing infrastructure and rising community expectations demand ongoing investment, while essential services must be maintained despite increasing costs. External pressures – such as rate capping, variable grant funding, and economic conditions – add complexity. Council is focused on delivering value through productivity gains, service reviews, and responsible financial management to support community wellbeing and long-term asset sustainability.

Council will continue to assess and refine its financial strategies to ensure decisions are based on robust data and a comprehensive understanding of community impacts. Whether adjusting infrastructure investment, exploring service transformation opportunities or considering a rate cap variation, Council will make informed decisions based on service planning reviews, asset condition data, and ongoing dialogue with ratepayers to ensure that any changes reflect both financial sustainability and community priorities.

3.1 Financial Policy Statements

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

Policy Statement	Measure	Target	Forecast Actual	Budget	Projections								
			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Consistent underlying surplus results	Adjusted underlying surplus result greater than zero		(2,152)	(2,498)	(3,343)	(3,276)	(4,048)	(3,066)	(3,189)	(2,699)	(3,207)	(2,154)	(2,173)
Ensure Council maintains sufficient working capital to meet its obligations as they fall due	Working capital ratio above 1.00	> 100%	110%	176%	157%	138%	101%	104%	96%	90%	54%	72%	61%
Council maintains cash balances to meet restricted funds and reserve fund obligations	Cash balances exceed total of Restricted funds and Reserve balances	> 0	(30,082)	(24,579)	(5,743)	(5,404)	(9,663)	(11,041)	(13,476)	(14,699)	(16,787)	(10,591)	(13,331)
Ensure Council borrowings are within affordable limits	Non-current liability / Own source revenue below 60%	< 60%	49%	52%	51%	49%	42%	44%	44%	44%	30%	40%	37%
Allocate adequate funds for renewal/ upgrade in order to replace assets as they reach end of service life	Renewal gap ratio between 80% and 110%	80% < Target > 110%	94%	88%	98%	98%	98%	98%	98%	98%	98%	98%	98%

We are not achieving our targets in some instances. The exceptions are identified below and an assessment of the risk to our financial sustainability is provided.

Wangaratta Organics Processing Facility

Description of target not achieved	Assessment of risk to financial sustainability
Underlying surplus result not achieved	Medium – Council forecasts an adjusted underlying deficit in all years of the Financial Plan. Council has recorded an average adjusted underlying deficit of $0.6m between 2013/14 and 2023/24. Depreciation expense has increased by $4.2m between 2023/24 to 2025/26. This is a 25% increase over 2 years and this is causing a deterioration in the adjusted underlying deficit position. Council will undertake a review of the asset registers and depreciation calculations during the 2025/26 and 2026/27 years. This will provide assurance on the increased depreciation expense and guide the discussions on whether Council is under or over investing in asset renewal and upgrade expenditure.
Working capital is not above 1 in all years	Medium –Cash balances are decreasing in the later years of the Financial Plan. This is due to the desire to minimise renewal gap for our infrastructure assets. The renewal and upgrade capital expenditure in the Financial Plan is based on comparatively high depreciation expense and is subject to an extensive review of Council's assets during the course of 2025/26 and 2026/27. It is possible that Council is showing an over investment in renewal and upgrade expenditure and this will improve our working capital position, as well as our surplus result.
Cash balances do not exceed total of Restricted funds and Reserve balances	Medium – Council's cash balances are decreasing over the Financial Plan years. As mentioned above the working capital ratio is not above 1 in all years. Council proposes to remove discretionary reserves (refer to section 7.2) which will improve performance against this measure. Further, Council will restate the waste reserve to reflect the impact of the Minister's Good Practice Guidelines for Service Rates and Charges (December 2023). It is expected that this will reduce the value of the waste reserve. As such, this measure is expected to improve in the next 12 months. Notwithstanding the expected improvement in this measure, our performance will remain below our target level. Future reductions to capital works renewal and upgrade expenditure as well as any improvements in our operational performance will assist to improve this measure.

3.2 Strategic Actions

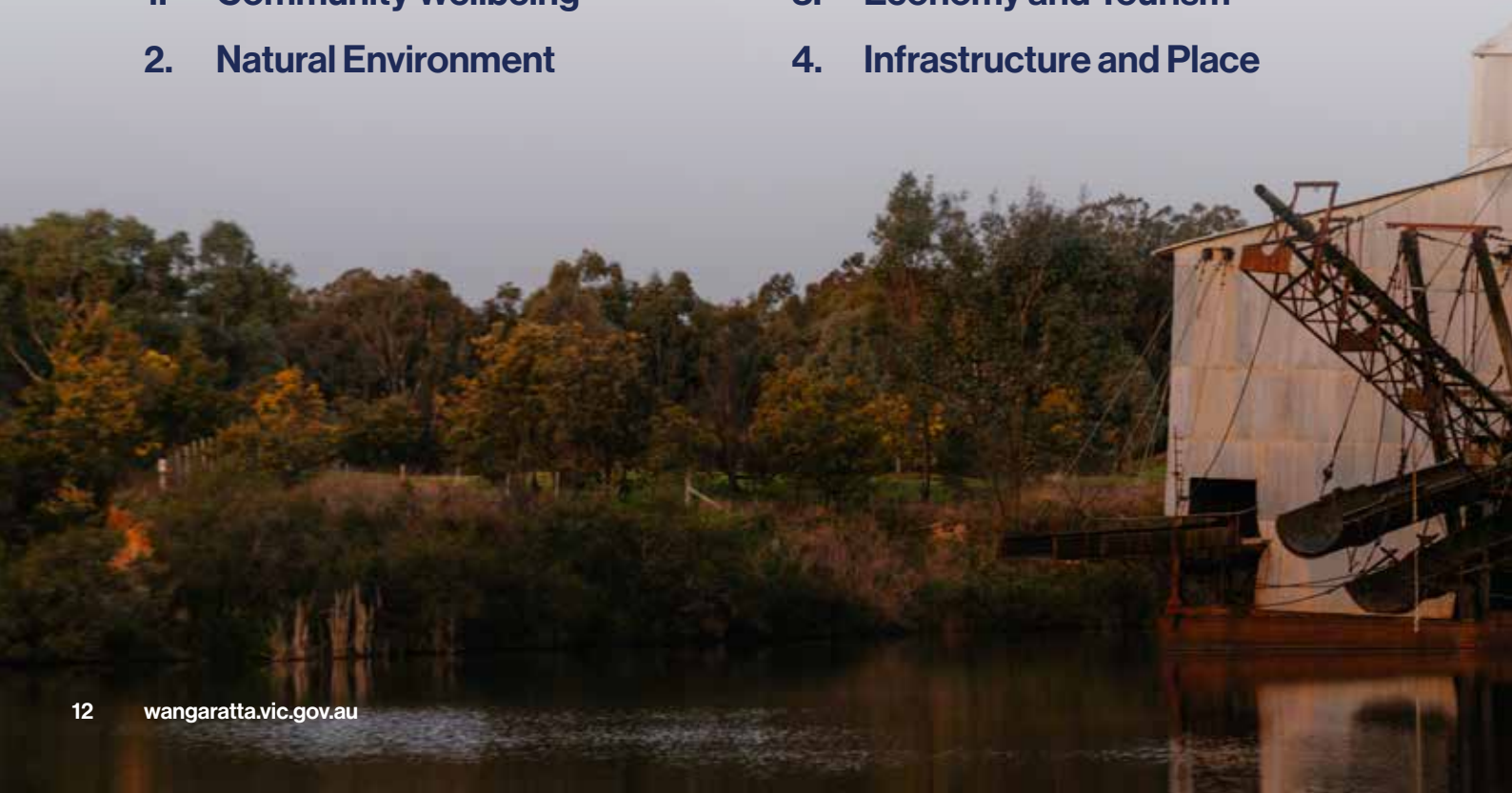
The Community Vision 2045 sets the foundation for all Council plans and strategies to ensure actions undertaken by Council are guided by community aspirations now and into the future.

Ten priorities were developed:

1. The Rural City of Wangaratta, is a place for everyone.
2. Community health and wellbeing.
3. Places and spaces for community connection and culture.
4. Transport, roads and infrastructure.
5. Care for nature and the environment.
6. Cost of living and affordability.
7. Community safety.
8. Violence and harm from drug and alcohol use.
9. Local economy and employment.
10. Communication, accountability and transparency.

In the Council Plan 2025 – 2029 there are four strategic themes:

1. Community Wellbeing
2. Natural Environment
3. Economy and Tourism
4. Infrastructure and Place



To ensure Council has a capacity to work towards achievement of the Community Vision and the Council Plan, a Financial Plan has been prepared to guide the financial resources of Council over the next 10 years.

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

1. Council adopts the budgeted statement of financial performance (Comprehensive Income Statement); statement of financial position (Balance Sheet); statement of cash flows (Cash Flow) and statement of capital works (Capital Works) as an integral part of the budget setting process for current and future budgets.
2. Council will develop and implement a Financial Sustainability Plan to improve the underlying surplus result, with particular focus on:
   - Delivering efficiency and cost savings
   - Careful management and prioritisation of expenditure
   - Setting fair and appropriate user charges
   - Improved asset management planning, including lifecycle management.

Council will undertake the following specific actions:

1. Progressively review services to ensure they are financially sustainable and the community is receiving value for money.
2. Invest in continuous improvement, delivery of the Information, Communication and Technology (ICT) Strategy and other enablers to drive efficiency and enhanced customer outcomes.
3. Maximise grant income from the Commonwealth and State Governments to fund required infrastructure and service delivery standards.
4. Undertake a comprehensive review of Council's asset management practices, including reviewing the utilisation of assets and identify opportunities for the potential divestment or repurposing of underutilised assets.
5. Perform a review of the asset registers and depreciation calculations. This will provide assurance on the increased depreciation expense and will, together with condition data, guide the discussions on whether Council is under or over investing in renewing and upgrading assets.
6. Undertake an independent assessment of Council's financial sustainability, including a review of Council's financial assumptions and projections.

The strategic actions are referenced throughout this Financial Plan, where appropriate.

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3.3 Financial Risks

Our Financial Plan, and in particular our key assumptions, are developed having regard to our strategic and operating risks.

In addition to our financial management practices such as regular budget reviews, formal processes for the approval of budget variations, and ongoing monitoring of changes to both revenues and expenditures, we also implement risk management strategies to mitigate potential financial uncertainties. This proactive approach ensures that we can respond swiftly and responsibly to changing circumstances while safeguarding our financial stability.

Risks that we are monitoring and managing in the context of the Financial Plan are:

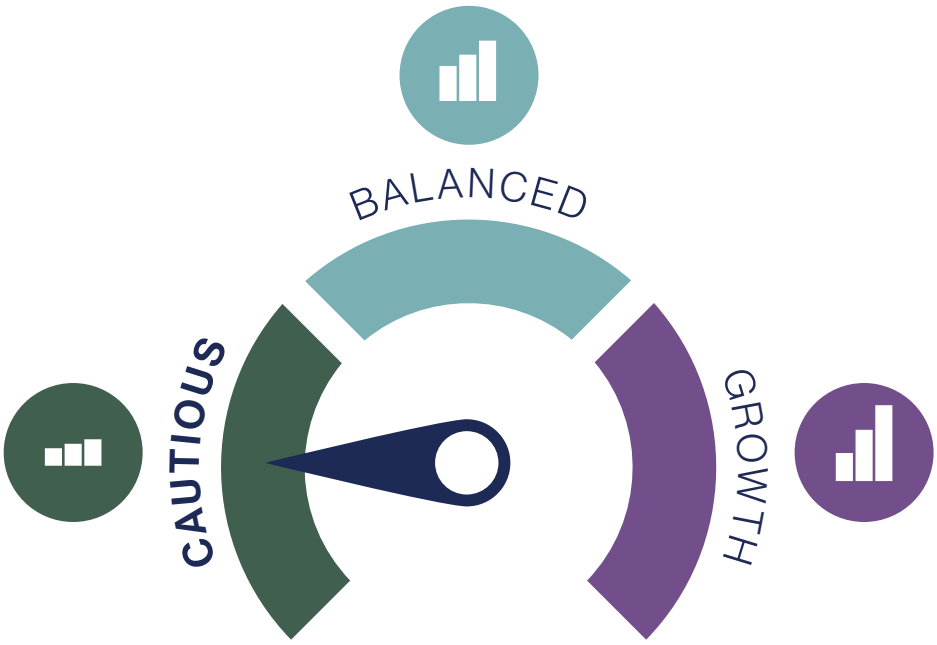
1. Rate cap below CPI
2. Freezing of indexation on operating grants
3. Removal or reduction of grant funding from State and Commonwealth Governments
4. Continued cost shifting from other levels of Government, including increasing compliance and regulatory requirements
5. Shortfall in the defined benefit plan of Vision Super
6. Changes to waste management regulatory requirements and associated increase in costs, including imposition of 'rate cap' like restriction on waste charges revenue
7. Financial impacts of natural disasters, or other substantial global events
8. Financial impact of recession on local community
9. Expansion of asset base with unbudgeted asset renewal
10. Increase in asset lifecycle costs due to escalation of construction costs and growing need for upgrade rather than renewal of infrastructure assets
11. Increase in cost of borrowing through increases in interest rates

Rural City of Wangaratta Parking Inspector

4. Financial Plan Forecast Assumptions

The Financial Plan is based on key assumptions about what might happen in the future. It is also sensitive to changes in these key assumptions.

We think about these assumptions in three ways:



In the past we have sought to have a balanced approach to financial opportunities and risks. More recently, the substantial disparity between increases in rates income compared to the escalation in operating and capital expenditure has caused us to reconsider our approach. For the foreseeable future we believe a more cautious approach is warranted. Our Financial Plan extends beyond election cycles and reflects a commitment to future generations – we want to ensure we can respond to future events, opportunities and pressures.

The following may be a feature of Council's increasingly cautious approach to financial management:

- Focusing on essential expenditures and postponing non-critical items.
- Allocating funds to maintain and renew existing assets rather than investing in new ones.
- Requiring quarterly financial reports with strict compliance to budget limits, mandating that all budget modifications or variations must be cost neutral or generate additional revenue.
- Establishing thresholds that trigger specific budget adjustments or changes to service delivery standards to address potential deviations.
- Adjusting the scale or quality of services if the costs of delivering services exceed revenue growth.

We use our Risk Management Framework to formulate and assess our key forecasting assumptions and identify the likelihood and consequence of changes. To assess our assumptions, we use a range of information: historical trends, State or Commonwealth Government sources, consensus data and projected cost estimates. Our confidence in the accuracy of our assumptions is greatest in the near-future and decreases as we approach 10 years.

In this section you can see what our key assumptions are and the sensitivity we have to movements in them. Our sensitivity to these assumptions helps us allocate into the classifications of Cautious, Balanced and Growth

Assumptions Financial Plan
For the ten years ending June 2035

	Budget Projections									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rates (ie Rate Cap)	3.00%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Growth in properties	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Waste fees	0.00%	2.50%	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%
CPI Cost escalation		2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Wage growth	3.50%	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Grant indexation (recurrent operating)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest rate on new borrowings	5.00%	4.88%	4.88%	4.88%	4.88%	4.88%	4.88%	4.88%	4.88%	4.88%

Refer to the commentary below for additional details regarding our assumptions for the next 10 years.

4.1 Sensitivity to changes in assumptions

	Cautious	Balanced	Growth	Impact of a 1% Change
Rates (ie Rate Cap)	2.00%	2.50%	3.50%	$351,784
Growth in properties	1.25%	2.00%	3.00%	$351,784
Waste fees	2.00%	3.00%	4.00%	$95,672
User fees	3.00%	3.50%	4.00%	$151,591
CPI Cost escalation (materials & service)	2.00%	3.00%	4.00%	$299,449
Wage growth	2.50%	3.00%	3.50%	$361,500
Grant indexation (recurrent operating)	2.00%	3.00%	4.00%	$197,220
Asset renewal gap	100.00%	90.00%	80.00%	$209,350

Our spending can be divided into roughly three parts – employee costs, materials and services and capital assets. These three expenditure categories could be funded by a mixture of income sources with varying degrees of probability:

- certain – rates and charges and Victorian Local Government Grants Commission grants
- likely – user fees, statutory fees and fines, operating grants and capital grants
- possible – proceeds on sale of assets

Capital grants can fall into each of the three categories above. Roads to Recovery capital grants are recurrent and are set for a 5 year period. We assume that the program will continue for all years of the Financial Plan. A number of other State or Commonwealth funded programs, whilst not recurrent in nature, are more likely than not to continue throughout the period of the Financial Plan. As such, we expect Council will be able to apply and be successful for a number of capital grant programs that will co-fund a range of renewal, upgrade and new capital works.

The 10-year Financial Plan does not incorporate unlikely or impossible funding sources as the probability of these occurring is considered too low and would lead to an unrealistic 10-year view of our financial position.

Importantly, if there are changes to the sources of income we would also review the expenditure categories and reduce fixed or variable operating or capital costs as necessary.

4.2 What is the plan for rates?

Our Financial Plan has a long-term assumption that the annual Rate Cap will be 2%. We expect a 1.25% growth in our rating base due to new residential development, subdivisions or capital improvements across the local economy.

Given Council's financial position and the projected cash balances over the life of the Financial Plan it is not feasible to foresee a scenario where Council would not increase rates by the maximum rate cap set by the Victorian Government.

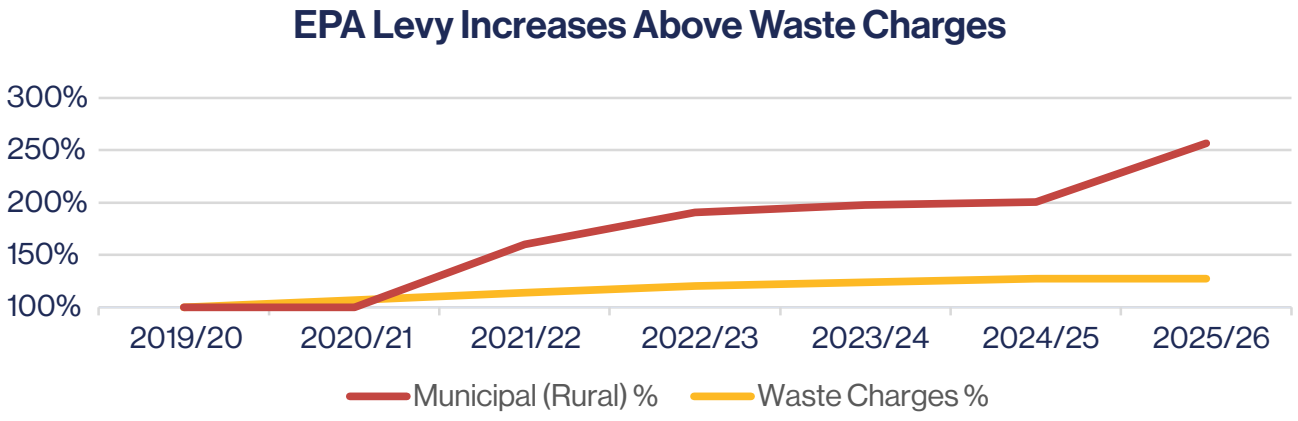
We continue to focus our efforts on a future of Financial Sustainability for Council in order to strengthen our long-term financial outlook. Through this work, Council will explore and dedicate efforts to generating savings and transforming services to mitigate the need for a higher rate cap. A rate cap variation is an option we may need to consider in the future; however, it is not a feature of our Financial Plan at this time.

Resource & Recovery Waste Transfer Station

4.3 What is the plan for waste charges?

Managing our waste is a big job – and one that is so important to the health and wellbeing of our community and the environment. Council's waste charges allow for the collection, processing and disposal of kerbside general waste, recycling, including glass, and organics. Our waste charges also cover the operation of our transfer stations, education programs and eventual rehabilitation of landfill and transfer stations.

Disposing of our waste takes tens of years in the stages of planning, construction, operating and rehabilitation. We need to ensure that the bin charges cover the costs of each of these stages and that we can meet our rehabilitation requirements in the future. The Victorian Government has substantially increased the municipal waste levy rates over the last 10 years. Whilst our waste charges have increased over the last 10 years they have not increased at the same rate as the Victorian Government imposed levy. We assume the waste levy will not continue to increase at these historical levels. Changes from this position would require us to reevaluate our forecast increases in waste charges.



Note: Waste Charges based on a property with a 240L Waste and Recycling collection and an Organic waste collection

The Environment Protection Authority has oversight of the management of our active and closed landfills. Our rehabilitation plans and the associated financial provision are based on meeting our legislative responsibilities and obligations. The regulatory and community expectations associated with operating and rehabilitating landfills have increased over the last 10 years and will undoubtedly continue to do so in the coming years. We review our provision for rehabilitation every year to ensure we are able to meet these future obligations and increases in waste charges are forecast to cater for these inevitable increases in costs.

At 30 June 2024 Council had a provision of over $15 million for future rehabilitation costs associated with the Bowser landfill and a number of rural transfer stations or closed landfill sites. Our Financial Plan includes planned expenditure on rehabilitation activities over the next 10 years of more than $12 million. It is expected that Council will borrow to fund the planned rehabilitation activities.

The Financial Plan forecasts an increase in annual waste charges of 2.5% in 2026/27 and 2% per annum for all future years. Our assumption is that any lesser increases will be financially unviable and lead to a risk of Council not being able to meet our rehabilitation obligations in the future

4.4 What is the plan for user fees?

Revenues from user fees is assumed to increase at 3% per annum over the life of the Financial Plan. Increases to user fees will therefore exceed the projected rate cap by 1% each year of the Financial Plan.

The 2025/26 Budget included an increase of more than 22% in user fees compared to the 2024/25 forecast. This increase reflects an increase in the user fees and also a substantial increase in expected utilisation of Council services, including the changes to the single assessment system for aged care.

Council is increasingly reliant on user fee income and more than 15% of our income sources are projected to come from user fees over the life of the Financial Plan. As such, changes in the annual fee increases will have a meaningful impact on Council's overall financial sustainability. The annual budget setting process will continue to include a thorough review of user fees to ensure they remain affordable, fair and appropriate.

4.5 How do we forecast changes to operating grants?

Operating grant funding received from State and Commonwealth sources is assumed to increase at 2% per annum. We receive a range of recurrent operating grants and many of these are critical to our service delivery in areas such as the Library, Gallery, Performing Arts and Convention Centre, Maternal and Child Health and Aged and Disability.

The removal (also known as freezing) of indexation by State or Commonwealth Governments would have a very significant impact on our 10-year Financial Plan. For example, if our largest grant (allocated by the Victorian Local Government Grants Commission) was to be frozen and did not increase by our forecast of 2% per annum this would have a total unfavourable impact of more than $9.3 million over 10 years. The decision to freeze the indexation just one year would have a total unfavourable impact of close to $2 million over the 10 years (assuming the 2026/27 was the year indexation was frozen).

It is possible the Commonwealth Government could freeze the indexation given continued dialogue about government deficits, cost of living pressures and desires to provide tax cuts to individuals. All levels of Government are challenged with managing their budgets and a similar response was taken during the Global Financial Crisis and is not without precedent.

Non-recurrent grants

Our Financial Plan differentiates between recurrent and non-recurrent operating grants. We don't forecast any non-recurrent operating grants beyond the end of their known term. This is because the amount and nature of these operating grants changes in response to the priorities of the State and Commonwealth Governments.

These non-recurrent operating grants allow us to extend our existing service delivery or provide one-off services such as bushfire recovery and resilience programs or pest and weed support for communities impacted by drought. Inevitably we do receive a number of non-recurrent operating grants each year. These typically have obligations to increase or match spending on materials and services or employee benefits. Our Financial Plan includes these financial inflows and outflows when they are reasonably certain.

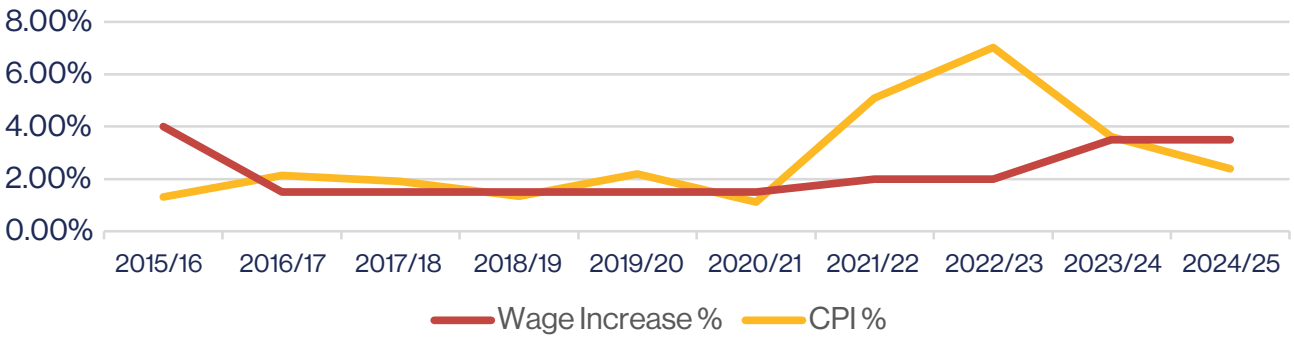
4.6 What is the plan for increasing employee costs?

Our employees are paid under two different Enterprise Agreements – one specific for the Wangaratta Sports and Aquatic Centre and the other for all other employees. There are no plans to increase overall staffing levels over the life of the Financial Plan.

The Enterprise Agreement for the Wangaratta Sports and Aquatic Centre has a notional expiry date of September 2027. Our main Enterprise Agreement is due for negotiation in the next 12 months.

Our Financial Plan allows for an increase in employee benefits in line with recent industry increases and the broader wage growth across Victoria. We do not expect the Commonwealth Government to increase superannuation thresholds any further, given the increase from 9% (2013) to 12% (2026).

Wage Increases Below CPI in Recent Years



Note: CPI calculated based on 31 March quarter, as published by Australian Bureau of Statistics

4.7 What is the plan for increasing expenses?

Material and service costs include items required for the maintenance and repairs of Council buildings, parks, roads, drains and footpaths. Other costs included under this category are waste collection and disposal, payments to family day care providers, supply of community meals and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audits. Cost increases for these items are governed by market forces based on availability rather than CPI alone. These costs have been projected to increase on average at 2 per cent year on year.

We are currently undertaking a Financial Sustainability Program in order to strengthen our long-term financial outlook. Through this program, Council will make every possible effort to generate its own savings. Productivity gains are critical to this and we have plans in place to ensure we are optimising our supply chains, utilising available technologies and systems and delivering the services our community needs.

Advocating and securing funding for the Wangaratta Creative Precinct is identified as a key initiative in the Council Plan 2025 – 2029. Due to the substantial size of the Creative Precinct project and the uncertain funding source for this project, the Creative Precinct operating model and increases in Council's costs are not reflected in the Financial Plan.

The Creative Precinct Business Case and Concept Design contains the expected program, financial and activity models which show an increase in the overall cost of the existing services. Council would need to adjust other Council services if the Creative Precinct was not able to secure commitments from State and Commonwealth to increase grant funding for the increase in annual operating costs. These assumptions and impacts on the Financial Plan will be re-assessed if and when Council is successful in securing funding for the Creative Precinct.

4.8 What is the plan for depreciation expense?

Council's depreciation expense is projected to be relatively stable over the coming 10 years, with increases of around 3% per annum to reflect revaluations of our assets for escalation in replacement costs. Over the 10 years this would result in depreciation expense increasing by around 20%.

In comparison, Council's depreciation expense has increased by almost 50% from 2016/17 to 2025/26 (budgeted depreciation). Given the order of magnitude of the increase, the impact depreciation has on the adjusted underlying result of Council and to ensure the long term cost of asset ownership and renewal is appropriately reflected in the Financial Council, Council will perform a review of the asset registers and depreciation calculations. This will provide assurance on the increased depreciation expense and will, together with condition data, guide the discussions on whether Council is under or over investing in renewing and upgrading assets.

Whorouly- Bobinawarrah Road

4.9 What is the plan for capital expenditure and grants?

In setting this plan there are significant choices we have made to ensure that Council finances remain within sensible financial limits and are affordable for everyone.

Our Financial Plan sees a decrease in capital spending compared to 2024. Since 2020 we've seen the largest investments we have ever made in our assets. Investment in new assets leads to increased ongoing operating costs and our Financial Plan seeks to meet the community demands for new and improved assets.

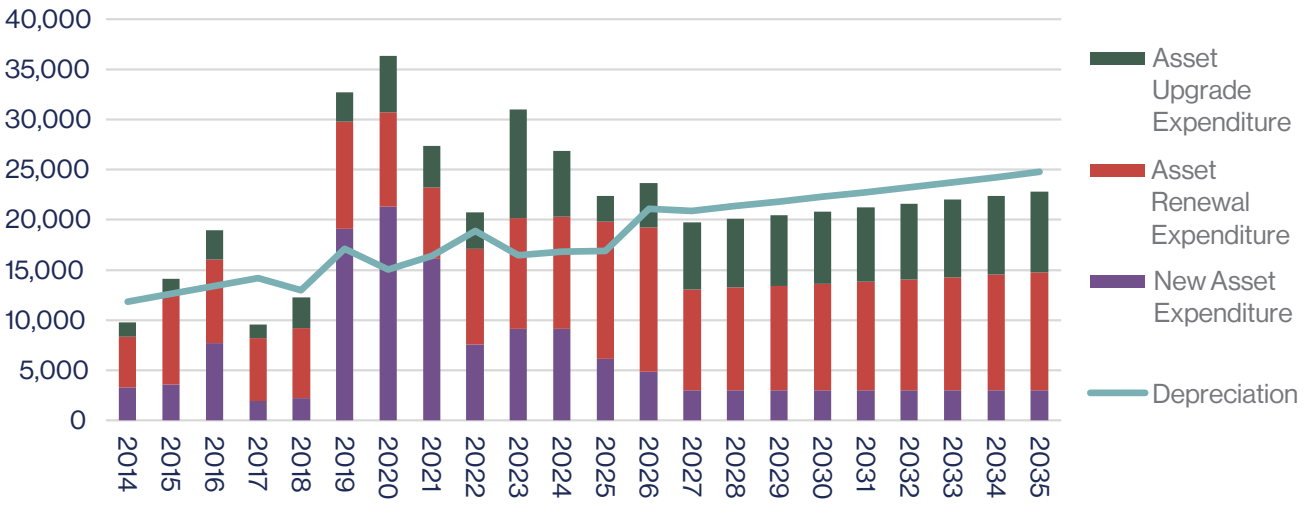
Our Financial Plan projects a substantial reduction in spending on new assets (compared to the last seven years), with no more than $3 million in any given year. Our renewal and upgrade capital expenditure are on average increasing over the Financial Plan (target renewal gap of ratio of around 100%). If we maintained high levels of spending on new assets, we would experience serious financial strain and in fact run out of money.

Decreasing our projected renewal and upgrade expenditure to the bottom range of the target (80%) would result in an overall improvement of $33.7m to Council's cash position at 30 June 2035. This improvement also assumes a change to the level of capital grant funding given the reduction in capital works expenditure. As such, the size of the improvement is not equal to the reduction in the expenditure alone. Whilst this improvement in our cash position is welcome, it does come at the cost of not renewing or upgrading our assets and possible reduction in asset service levels. Given the review of the asset registers and depreciation calculations mentioned in section 4.8 it is prudent to reflect a target of 100% for asset renewal at this time.

We all want to ensure the assets we use today will be here in the future. That's why replacing and upgrading our existing assets is a significant portion of our capital projects each year. Our teams work hard to maintain our network of assets and plan for their continued replacement and upgrade. We plan to build, improve and care for our assets – that means responding to changes in demand as well as building climate-resilient infrastructure.

The Asset Plan is a key input into the Financial Plan and we will seek to balance projected investment requirements against projected budgets. Our Asset Plan will include how we identify, plan and decommission building assets that are no longer safe or functional, where a viable alternative is available. We will consult with you on all proposals to decommission our building assets.

Capital Works Expenditure



Capital projects can be funded from a range of sources:

1. Rates
2. Commonwealth Government grants – e.g., Roads to Recovery
3. State Government grants – e.g., Regional Roads Victoria
4. Development contributions
5. Community group contributions
6. Borrowings

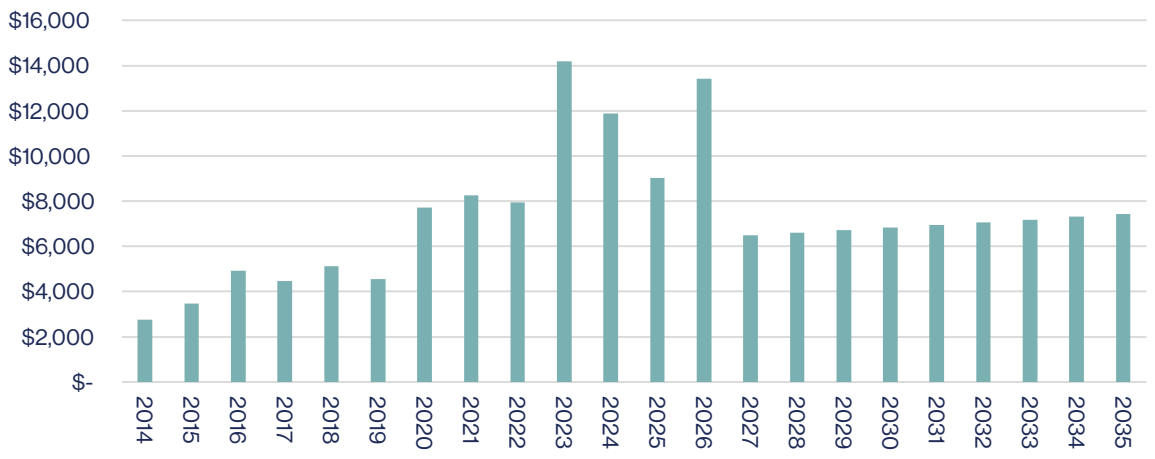
The Financial Plan assumes a number of capital grants from State and Commonwealth Governments. These assumptions are informed based on previous experience with funding ratios and priority infrastructure areas.

Importantly, capital grants available to us from State and Commonwealth Governments often come with a requirement for Council to match the funding. As such, it's critical we align our priority programs and infrastructure needs with the available grant money. Securing grant money is a positive outcome for us, but not if it means we don't have the money available to pursue our strategic priorities.

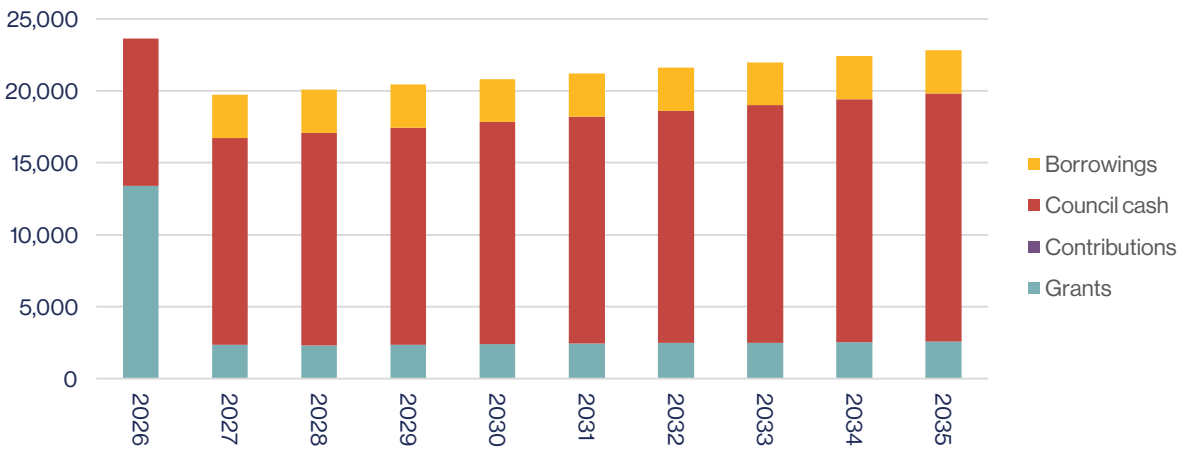
Council has achieved great success in securing capital grants, with a noticeable increase since 2020. The below chart illustrates these achievements. Given the challenges in forecasting the availability of State and Commonwealth grant programs the later years of our Financial Plan are cautious and reflect an easing of the availability of these grants. These assumptions are reviewed frequently and in particular around election periods and any change in Government.

Advocating and securing funding for the Wangaratta Creative Precinct is identified as a key initiative in the Council Plan 2025 – 2029. Due to the substantial size of the Creative Precinct project and the uncertain funding source for this project, the Creative Precinct capital works and associated changes to the operating model are not included in the Financial Plan 2025 – 2035. The Creative Precinct will likely require a combination of philanthropic funding and State and Commonwealth funding – for both the capital works and ongoing operations – in order for this project to progress over the next 10 years. The likelihood of receiving grant funding for the entirety of the Creative Precinct project is low given that almost all State and Commonwealth grant programs require matched funding from councils.

Grant Funding – Capital



Funding Sources - Capital Works Expenditure



You can view details of our capital investments in 25/26 in the Annual Budget.

4.10 What is the plan for borrowings?

Borrowing money to fund investments in assets is a critical part of how we fund our activities, in particular our new capital investments. We would be unable to meet the needs and preferences for growth of the municipality without borrowing. Borrowing enables us to smooth the cost out over the next few years and balance it across generations.

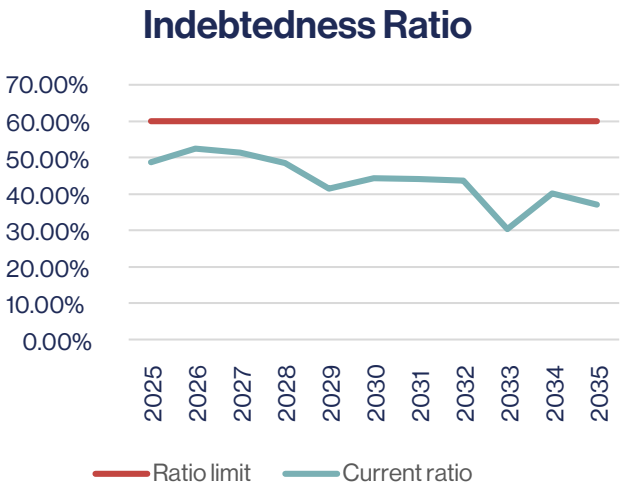
Affordability of borrowings is important. Our weighted average cost of debt on 30 June 2025 is 2.35%, with effective interest rates ranging between 0.69% and 3.97%. Council's current cost of servicing debt is very low, especially given price inflation has exceeded the cost of this debt.

We expect future borrowings to occur at interest rates of closer to 5%. As such Council's finance costs will increase over the Financial Plan.

It is important we have sensible limits on our borrowing to ensure that the impact on affordability of rates is maintained and leaves enough 'headroom' to ensure we can repay our debt, and respond to future events, opportunities and pressures. Our 'headroom' is the difference between our proposed debt limit and the debt limit adopted in our Borrowings Policy (indebtedness ratio of 60%).

The headroom is required to cover unknown costs from unexpected future events. For example, another global pandemic, increasing frequency and severity of natural disasters, or any other event or issue that future generations may have to grapple with, especially ones that impact our revenue streams.

We also need to leave room for future cost risks that are known – insurance, water reform, interest rate changes, the price of carbon, and the need to adapt to climate change. Other known risks are projects for which alternative funding sources have been identified, but not confirmed. Uncertainty of these funding sources means there remains a risk to Council's financial position and therefore it makes sense to leave some headroom should alternative funding models fail to be secured. Without headroom they would not be able to be progressed.



The indebtedness ratio is only one of three indicators we review and manage when assessing our ability to borrow and meet our operating and capital cash flow requirements. Councils typically have a low-risk profile for financing indicators, which means the 60% ratio reflects an overall conservatism. Our current borrowings are below the 60% ratio and we are assessed as low risk.

The Financial Plan proposes new borrowings for the following reasons:

1. Rollover of interest only loan of $7.051 million in the 2025/26 year (identified in the 2025/26 Budget);
2. Fund new capital works expenditure, subject to securing capital grant funding outcomes across our various capital works expenditures (renewal, upgrade and new); and
3. Fund landfill rehabilitation requirements

4.11 How do we monitor and respond to changes in assumptions?

Our Financial Plan will be updated internally twice a year through our annual planning process. Our economic assumptions will be closely monitored and any resulting updates to our long-term plans will be made through this process and the adoption of the Annual Budget. We have higher levels of certainty for the assumptions we make within the next 3 years. We have lower levels of confidence in the later years which is to be expected. If there are unfavourable changes to our assumptions, we have time to put in place mitigating actions in the short to medium term.

Wangaratta Performing Arts & Convention Centre

5. Financial Plan Statements

This section presents the key statements comprising the Financial Plan for the 10 years to 2034/35:

- **Comprehensive Income Statement**
- **Adjusted Underlying Result**
- **Balance Sheet**
- **Statement of Changes in Equity**
- **Statement of Cash Flows**
- **Statement of Capital Works**
- **Statement of Human Resources**
- **Planned Human Resource Expenditure**

Lake William Hovell

Comprehensive Income Statement

For the ten years ending June 2035

	Forecast Actual	Budget	Projections								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Income											
Rates and charges	41,979	**43,341**	44,840	46,178	47,557	48,978	50,442	51,952	53,508	55,112	56,766
Statutory fees and fines	1,153	**1,383**	1,411	1,439	1,468	1,497	1,527	1,558	1,589	1,621	1,653
User fees	12,053	**14,718**	15,159	15,614	16,082	16,565	17,062	17,574	18,101	18,644	19,203
Grants - Operating	18,773	**19,785**	19,722	20,116	20,489	20,929	21,348	21,775	22,180	22,654	23,107
Grants - Capital	9,014	**13,405**	6,483	6,594	6,708	6,824	6,943	7,064	7,187	7,313	7,441
Contributions - monetary	99	**1,542**	0	0	0	0	0	0	0	0	0
Contributions - non-monetary	6,498	**3,500**	4,080	4,162	4,245	4,330	4,416	4,505	4,687	4,780	4,876
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	465	**371**	0	0	0	0	0	0	0	0	0
Fair value adjustments for investment property	0	**0**	0	0	0	0	0	0	0	0	0
Share of net profits/(losses) of associates and joint ventures	0	**0**	0	0	0	0	0	0	0	0	0
Other income	2,837	**1,658**	1,157	1,124	1,084	983	945	929	933	928	930
Total income	92,872	**99,702**	92,852	95,228	97,633	100,106	102,683	105,356	108,185	111,052	113,977
Expenses											
Employee costs	32,837	**35,237**	36,150	37,235	38,352	39,310	40,293	41,300	42,333	43,391	44,476
Materials and services	29,768	**28,534**	29,945	30,516	31,827	31,606	32,444	32,833	34,258	34,356	35,010
Depreciation	16,860	**21,062**	20,948	21,482	22,027	22,585	23,156	23,739	24,335	24,944	25,566
Amortisation - intangible assets	224	**242**	148	148	148	148	148	148	148	14	0
Depreciation - right of use assets	121	**43**	203	203	203	203	203	203	203	203	203
Allowance for impairment losses	0	**0**	0	0	0	0	0	0	0	0	0
Borrowing costs	567	**505**	520	586	639	680	832	874	903	916	1,340
Finance costs - leases	7	**4**	43	43	43	43	43	43	43	43	43
Other expenses	1,003	**613**	629	645	661	677	694	711	729	747	766
Total expenses	81,387	**86,240**	88,585	90,857	93,900	95,253	97,813	99,852	102,951	104,614	107,404
Surplus/(deficit) for the year	11,485	**13,462**	4,267	4,371	3,733	4,853	4,870	5,504	5,234	6,438	6,573
Other comprehensive income											
Items that will not be reclassified to surplus or deficit in future periods:											
Net asset revaluation increment											
Share of other comprehensive income of											
Items that may be reclassified to surplus or deficit in future periods (detail as appropriate)											
Total comprehensive result	11,485	**13,462**	4,267	4,371	3,733	4,853	4,870	5,504	5,234	6,438	6,573

Adjusted Underlying Result

For the ten years ending June 2035

	Forecast Actual	Budget	Projections								
	2025 $'000	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000
Total income	92,872	**99,702**	92,852	95,228	97,633	100,106	102,683	105,356	108,185	111,052	113,977
Total expenses	81,387	**86,240**	88,585	90,857	93,900	95,253	97,813	99,852	102,951	104,614	107,404
Surplus/(deficit) for the year	11,485	**13,462**	4,267	4,371	3,733	4,853	4,870	5,504	5,234	6,438	6,573
Less non-operating income and											
Grants - Capital (non-recurrent)	(7,040)	**(10,918)**	(3,530)	(3,485)	(3,537)	(3,590)	(3,643)	(3,698)	(3,754)	(3,811)	(3,870)
Contributions - monetary (capital)	(99)	**(1,542)**	0	0	0	0	0	0	0	0	0
Contributions - non-monetary	(6,498)	**(3,500)**	(4,080)	(4,162)	(4,245)	(4,330)	(4,416)	(4,505)	(4,687)	(4,780)	(4,876)
Adjusted Underlying surplus/(deficit)	(2,152)	**(2,498)**	(3,343)	(3,276)	(4,048)	(3,066)	(3,189)	(2,699)	(3,207)	(2,154)	(2,173)

Balance Sheet

For the ten years ending June 2035

	Forecast Actual 2025 $'000	Budget 2026 $'000	Projections 2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000
Assets											
Current assets											
Cash and cash equivalents	18,450	**23,791**	21,257	18,288	14,382	11,041	9,129	8,500	7,202	6,442	4,652
Trade and other receivables	3,127	**3,157**	3,190	3,219	3,249	3,280	3,312	3,345	3,379	3,414	3,451
Other financial assets	4,102	**3,984**	3,869	3,758	3,650	3,546	3,444	3,346	3,251	3,158	3,068
Inventories	2	**2**	2	2	2	2	2	2	2	2	2
Prepayments	742	**742**	742	742	742	742	742	742	742	742	742
Non-current assets classified as held for sale	277	**0**	0	0	0	0	0	0	0	0	0
Other assets	620	**620**	620	620	620	620	620	620	620	620	620
Total current assets	27,320	**32,297**	29,681	26,630	22,646	19,232	17,250	16,556	15,196	14,379	12,535
Non-current assets											
Trade and other receivables	324	**324**	324	324	324	324	324	324	324	324	324
Property, infrastructure, plant & equipment	804,349	**810,420**	817,487	824,609	831,783	839,008	846,284	853,608	861,072	868,584	876,142
Right of use assets	104	**61**	498	455	412	369	326	283	240	197	154
Intangible assets	1,290	**1,048**	900	753	605	457	310	162	14	0	0
Total non-current assets	806,067	**811,853**	819,210	826,140	833,124	840,158	847,243	854,377	861,651	869,105	876,620
Total assets	833,388	**844,150**	848,891	852,770	855,770	859,390	864,493	870,933	876,846	883,484	889,156
Liabilities											
Current liabilities											
Trade and other payables	4,428	**4,385**	4,513	4,602	4,754	4,780	4,894	4,972	5,136	5,181	5,282
Trust funds and deposits	3,938	**3,820**	3,705	3,594	3,486	3,382	3,280	3,182	3,087	2,994	2,904
Contract and other liabilities	164	**164**	164	164	164	164	164	164	164	164	164
Provisions	6,432	**6,566**	6,683	6,804	9,413	7,035	7,144	7,256	16,434	7,488	7,609
Interest-bearing loans and borrowings	9,784	**3,345**	3,663	3,997	4,343	2,973	2,242	2,592	2,960	4,067	4,563
Lease liabilities	42	**42**	181	160	160	160	160	160	160	160	160
Total current liabilities	24,789	**18,322**	18,909	19,322	22,320	18,494	17,885	18,327	27,941	20,055	20,682
Non-current liabilities											
Provisions	15,819	**15,922**	16,012	16,105	13,717	13,799	13,883	13,969	4,994	5,085	5,177
Interest-bearing loans and borrowings	12,599	**16,306**	15,643	14,645	13,302	15,813	16,571	16,979	17,019	25,015	23,393
Lease liabilities	63	**21**	480	480	480	480	480	480	480	480	480
Total non-current liabilities	28,482	**32,249**	32,135	31,231	27,499	30,092	30,934	31,428	22,494	30,580	29,051
Total liabilities	53,271	**50,571**	51,044	50,553	49,820	48,586	48,819	49,755	50,434	50,634	49,733
Net assets	780,117	**793,579**	797,846	802,218	805,951	810,804	815,674	821,179	826,412	832,850	839,423
Equity											
Accumulated surplus	199,439	**212,901**	238,551	246,210	249,634	256,372	260,732	265,621	270,135	283,480	289,115
Reserves	580,678	**580,678**	559,295	556,008	556,317	554,432	554,943	555,557	556,277	549,371	550,308
Total equity	780,117	**793,579**	797,846	802,218	805,951	810,804	815,674	821,179	826,412	832,850	839,423

Statement of Changes In Equity

For the ten years ending June 2035

	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2025				
Balance at beginning of the financial year	768,632	187,954	540,512	40,166
Impact of adoption of new accounting standards				
Adjusted opening balance				
Surplus/(deficit) for the year	11,485	11,485	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	0	0	0	0
Transfer from other reserves	0	0	0	0
Balance at end of the financial year	**780,117**	**199,439**	**540,512**	**40,166**
2026				
Balance at beginning of the financial year	780,117	199,439	540,512	40,166
Surplus/(deficit) for the year	13,462	13,462	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	0	0	0	0
Transfer from other reserves	0	0	0	0
Balance at end of the financial year	**793,579**	**212,901**	**540,512**	**40,166**
2027				
Balance at beginning of the financial year	793,579	212,901	540,512	40,166
Surplus/(deficit) for the year	4,267	4,267	0	0
Net asset revaluation gain/(loss)	0		0	0
Transfer to other reserves	0	(117)	0	117
Transfer from other reserves	0	21,500	0	(21,500)
Balance at end of the financial year	**797,846**	**238,551**	**540,512**	**18,783**
2028				
Balance at beginning of the financial year	797,846	238,551	540,512	18,783
Surplus/(deficit) for the year	4,371	4,371	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	0	(212)	0	212
Transfer from other reserves	0	3,500	0	(3,500)
Balance at end of the financial year	**802,218**	**246,210**	**540,512**	**15,496**
2029				
Balance at beginning of the financial year	802,218	246,210	540,512	15,496
Surplus/(deficit) for the year	3,733	3,733	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	1	(309)	0	310
Transfer from other reserves	0	0	0	0
Balance at end of the financial year	**805,951**	**249,634**	**540,512**	**15,805**

Statement of Changes In Equity

For the ten years ending June 2035

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	$'000	$'000	$'000	$'000
2030				
Balance at beginning of the financial year	805,951	249,634	540,512	15,805
Surplus/(deficit) for the year	4,853	4,853	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	0	(409)	0	409
Transfer from other reserves	0	2,295	0	(2,295)
Balance at end of the financial year	**810,804**	**256,373**	**540,512**	**13,920**
2031				
Balance at beginning of the financial year	810,804	256,373	540,512	13,920
Surplus/(deficit) for the year	4,870	4,870	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	0	(511)	0	511
Transfer from other reserves	0	0	0	0
Balance at end of the financial year	**815,674**	**260,732**	**540,512**	**14,431**
2032				
Balance at beginning of the financial year	815,675	260,732	540,512	14,431
Surplus/(deficit) for the year	5,504	5,504	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	0	(615)	0	615
Transfer from other reserves	0	0	0	0
Balance at end of the financial year	**821,179**	**265,621**	**540,512**	**15,045**
2033				
Balance at beginning of the financial year	821,179	265,621	540,512	15,045
Surplus/(deficit) for the year	5,234	5,234	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	0	(720)	0	720
Transfer from other reserves	0	0	(0)	0
Balance at end of the financial year	**826,412**	**270,135**	**540,512**	**15,766**
2034				
Balance at beginning of the financial year	826,412	270,135	540,512	15,766
Surplus/(deficit) for the year	6,438	6,438	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	0	(828)	0	828
Transfer from other reserves	0	7,735	0	(7,735)
Balance at end of the financial year	**832,850**	**283,480**	**540,512**	**8,859**
2035				
Balance at beginning of the financial year	832,850	283,480	540,512	8,859
Surplus/(deficit) for the year	6,573	6,573	0	0
Net asset revaluation gain/(loss)	0	0	0	0
Transfer to other reserves	0	(938)	0	938
Transfer from other reserves	0	0	0	0

Statement of Cash Flows

For the ten years ending June 2035

	Forecast Actual 2025 $'000 Inflows (Outflows)	Budget 2026 $'000 Inflows (Outflows)	Projections 2027 $'000 Inflows (Outflows)	2028 $'000 Inflows (Outflows)	2029 $'000 Inflows (Outflows)	2030 $'000 Inflows (Outflows)	2031 $'000 Inflows (Outflows)	2032 $'000 Inflows (Outflows)	2033 $'000 Inflows (Outflows)	2034 $'000 Inflows (Outflows)	2035 $'000 Inflows (Outflows)
Cash flows from operating activities											
Rates and charges	43,357	**43,311**	44,807	46,149	47,527	48,947	50,410	51,919	53,474	55,077	56,730
Statutory fees and fines	1,153	**1,383**	1,411	1,439	1,468	1,497	1,527	1,558	1,589	1,621	1,653
User fees	12,053	**14,718**	15,159	15,614	16,082	16,565	17,062	17,574	18,101	18,644	19,203
Grants - operating	18,773	**19,785**	19,722	20,116	20,489	20,929	21,348	21,775	22,180	22,654	23,107
Grants - capital	6,831	**13,405**	6,483	6,594	6,708	6,824	6,943	7,064	7,187	7,313	7,441
Contributions - monetary	99	**1,542**	0	0	0	0	0	0	0	0	0
Interest received	1,300	**1,000**	486	440	386	270	219	189	178	157	144
Other receipts	1,537	**658**	671	684	698	712	726	741	756	771	786
Employee costs	(32,837)	**(35,001)**	(35,942)	(37,020)	(38,131)	(39,122)	(40,100)	(41,103)	(42,130)	(43,183)	(44,263)
Materials and services	(28,436)	**(29,310)**	(30,560)	(31,182)	(32,444)	(34,845)	(33,126)	(33,565)	(34,919)	(44,214)	(35,765)
Other payments	(128)	**(50)**	0	0	0	0	0	0	0	0	0
Net cash provided by/(used in) operating activities	23,703	**31,441**	22,237	22,835	22,783	21,778	25,009	26,151	26,416	18,839	29,037
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(22,409)	**(23,633)**	(23,935)	(24,441)	(24,957)	(25,481)	(26,015)	(26,559)	(27,112)	(27,675)	(28,248)
Proceeds from sale of property, infrastructure, plant and equipment	1,054	**698**	0	0	0	0	0	0	0	0	0
Net (increase)/decrease in other financial assets	5,898	**118**	115	111	108	105	101	98	95	93	90
Net cash provided by/ (used in) investing activities	(15,458)	**(22,817)**	(23,820)	(24,330)	(24,849)	(25,376)	(25,914)	(26,461)	(27,017)	(27,582)	(28,158)
Cash flows from financing activities											
Finance costs	(567)	**(505)**	(520)	(586)	(639)	(680)	(832)	(874)	(903)	(916)	(1,340)
Proceeds from borrowings	0	**7,051**	3,000	3,000	3,000	5,484	3,000	3,000	3,000	12,063	2,941
Repayment of borrowings	(2,682)	**(9,784)**	(3,345)	(3,663)	(3,997)	(4,343)	(2,973)	(2,242)	(2,592)	(2,960)	(4,067)
Interest paid - lease liability	(7)	**(4)**	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)
Repayment of lease liabilities	(132)	**(42)**	(42)	(181)	(160)	(160)	(160)	(160)	(160)	(160)	(160)
Net cash provided by/(used in) financing activities	(3,388)	**(3,284)**	(950)	(1,473)	(1,839)	258	(1,008)	(319)	(698)	7,984	(2,669)
Net increase/(decrease) in cash & cash equivalents	4,857	**5,340**	(2,534)	(2,969)	(3,906)	(3,341)	(1,912)	(629)	(1,299)	(759)	(1,790)
Cash and cash equivalents at the beginning of the financial year	13,593	**18,450**	23,790	21,256	18,288	14,381	11,040	9,128	8,499	7,201	6,441
Cash and cash equivalents at the end of the financial year	18,450	**23,790**	21,256	18,288	14,381	11,040	9,128	8,499	7,201	6,441	4,651

Statement of Capital Works

For the ten years ending June 2035

	Forecast Actual 2025 $'000	Budget 2026 $'000	Projections 2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000
Property											
Land	0	**0**	0	0	0	0	0	0	0	0	0
Land improvements	30	**186**	1,190	1,218	1,246	1,275	1,305	1,335	1,365	1,396	1,428
Total land	30	**186**	1,190	1,218	1,246	1,275	1,305	1,335	1,365	1,396	1,428
Buildings	1,551	**2,878**	3,973	4,000	4,028	4,057	4,086	4,115	4,145	4,176	4,207
Heritage buildings	0	**0**	0	0	0	0	0	0	0	0	0
Building improvements	0	**0**	0	0	0	0	0	0	0	0	0
Leasehold improvements	0	**0**	0	0	0	0	0	0	0	0	0
Total buildings	1,551	**2,878**	3,973	4,000	4,028	4,057	4,086	4,115	4,145	4,176	4,207
Total property	1,581	**3,064**	5,163	5,218	5,275	5,332	5,391	5,450	5,511	5,572	5,635
Plant and equipment											
Heritage plant and equipment	0	**0**	0	0	0	0	0	0	0	0	0
Plant, machinery and equipment	3,657	**4,977**	1,234	1,264	1,295	1,326	1,357	1,389	1,422	1,455	1,489
Fixtures, fittings and furniture	165	**14**	13	14	14	14	15	15	16	16	16
Computers and telecommunications	220	**148**	201	206	211	216	221	226	232	237	242
Art Collection	22	**9**	0	0	0	0	0	0	0	0	0
Library books	204	**208**	334	342	350	359	367	376	385	394	403
Total plant and equipment	4,269	**5,355**	1,783	1,826	1,870	1,915	1,960	2,006	2,053	2,101	2,150
Infrastructure											
Roads	6,384	**5,930**	9,704	9,938	10,177	10,420	10,668	10,920	11,176	11,437	11,703
Bridges	1,791	**3,460**	1,458	1,493	1,529	1,565	1,602	1,640	1,679	1,718	1,758
Footpaths and cycleways	823	**506**	1,268	1,298	1,330	1,361	1,394	1,427	1,460	1,494	1,529
Drainage	3,063	**3,137**	1,301	1,332	1,363	1,394	1,426	1,459	1,492	1,526	1,561
Recreational, leisure and community	634	**1,661**	1,249	1,280	1,310	1,342	1,373	1,406	1,439	1,473	1,507
Waste management	0	**270**	238	244	249	255	261	268	274	280	287
Parks, open space and streetscapes	1,920	**50**	995	1,019	1,044	1,068	1,094	1,120	1,146	1,173	1,200
Aerodromes	80	**0**	173	177	181	186	190	194	199	204	208
Off street car parks	42	**0**	90	92	95	97	99	102	104	106	109
Other infrastructure	1,822	**200**	514	524	535	545	556	567	579	590	602
Total infrastructure	16,560	**15,214**	16,989	17,397	17,812	18,234	18,664	19,103	19,548	20,002	20,463
Total capital works expenditure	22,409	**23,633**	23,935	24,441	24,957	25,481	26,015	26,559	27,112	27,675	28,248
Represented by:											
New asset expenditure	6,157	**4,865**	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Asset renewal expenditure	13,661	**14,355**	14,236	14,580	14,931	15,287	15,650	16,020	16,396	16,779	17,169
Asset expansion expenditure	0	**0**	0	0	0	0	0	0	0	0	0
Asset upgrade expenditure	2,591	**4,412**	6,699	6,861	7,026	7,194	7,365	7,539	7,716	7,896	8,079
Total capital works expenditure	22,409	**23,633**	23,935	24,441	24,957	25,481	26,015	26,559	27,112	27,675	28,248
Funding sources represented by:											
Grants	0	**13,405**	3,530	3,485	3,537	3,590	3,643	3,698	3,754	3,811	3,870
Contributions	0	**0**	0	0	0	0	0	0	0	0	0
Council cash	22,409	**10,228**	17,405	17,956	18,420	18,891	19,372	19,861	20,358	20,864	21,378
Borrowings	0	**0**	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total capital works expenditure	22,409	**23,633**	23,935	24,441	24,957	25,481	26,015	26,559	27,112	27,675	28,248

Statement of Resources

For the ten years ending June 2035

Staff expenditure	Budget	Projections								
	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000
Total staff expenditure										
Women	**21,612**	22,172	22,837	23,522	23,522	23,522	23,522	23,522	23,522	23,522
Men	**13,625**	13,978	14,397	14,829	14,829	14,829	14,829	14,829	14,829	14,829
Persons of self-described gender	**0**	0	0	0	0	0	0	0	0	0
Total staff expenditure	**35,237**	36,150	37,235	38,352	38,352	38,352	38,352	38,352	38,352	38,352
Permanent full time										
Women	**10,591**	10,865	11,191	11,527	11,527	11,527	11,527	11,527	11,527	11,527
Men	**12,758**	13,089	13,481	13,886	13,886	13,886	13,886	13,886	13,886	13,886
Persons of self-described gender	**0**	0	0	0	0	0	0	0	0	0
Total	**23,349**	23,954	24,673	25,413	25,413	25,413	25,413	25,413	25,413	25,413
Permanent part time										
Women	**9,508**	9,754	10,047	10,348	10,348	10,348	10,348	10,348	10,348	10,348
Men	**429**	440	453	467	467	467	467	467	467	467
Persons of self-described gender	**0**	0	0	0	0	0	0	0	0	0
Total	**9,937**	10,194	10,500	10,815	10,815	10,815	10,815	10,815	10,815	10,815
Casual and temporary										
Women	**1,513**	1,552	1,599	1,647	1,647	1,647	1,647	1,647	1,647	1,647
Men	**438**	449	463	477	477	477	477	477	477	477
Persons of self-described gender	**0**	0	0	0	0	0	0	0	0	0
Total	**1,951**	2,002	2,062	2,123	2,123	2,123	2,123	2,123	2,123	2,123

Staff numbers	Budget	Projections								
	2026 FTE	2027 FTE	2028 FTE	2029 FTE	2030 FTE	2031 FTE	2032 FTE	2033 FTE	2034 FTE	2035 FTE
Total staff numbers										
Women	**195**	195	195	195	195	195	195	195	195	195
Men	**148**	148	148	148	148	148	148	148	148	148
Persons of self-described gender	**0**	0	0	0	0	0	0	0	0	0
Total staff numbers	**343**	343	343	343	343	343	343	343	343	343
Permanent full time										
Women	**105**	105	105	105	105	105	105	105	105	105
Men	**134**	134	134	134	134	134	134	134	134	134
Persons of self-described gender	**0**	0	0	0	0	0	0	0	0	0
Total	**239**	239	239	239	239	239	239	239	239	239
Permanent part time										
Women	**78**	78	78	78	78	78	78	78	78	78
Men	**9**	9	9	9	9	9	9	9	9	9
Persons of self-described gender	**0**	0	0	0	0	0	0	0	0	0
Total	**87**	87	87	87	87	87	87	87	87	87
Casual and temporary										
Women	**12**	12	12	12	12	12	12	12	12	12
Men	**4**	4	4	4	4	4	4	4	4	4
Persons of self-described gender	**0**	0	0	0	0	0	0	0	0	0
Total	**16**	16	16	16	16	16	16	16	16	16

Planned Human Resource Expenditure

For the ten years ending June 2035

	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000	2034 $'000	2035 $'000
Executive Services										
Permanent - Full time										
Women	0	0	0	0	0	0	0	0	0	0
Men	318	326	336	346	355	364	373	382	392	401
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Women	58	60	61	63	65	66	68	70	71	73
Men	0	0	0	0	0	0	0	0	0	0
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Casual and temporary										
Women	0	0	0	0	0	0	0	0	0	0
Men	0	0	0	0	0	0	0	0	0	0
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Total Executive Services	376	386	397	409	419	430	441	452	463	475
Corporate & Leisure										
Permanent - Full time										
Women	2,756	2,827	2,912	3,000	3,075	3,151	3,230	3,311	3,394	3,479
Men	2,299	2,359	2,429	2,502	2,565	2,629	2,695	2,762	2,831	2,902
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Women	1,430	1,467	1,511	1,556	1,595	1,635	1,676	1,718	1,761	1,805
Men	67	69	71	73	75	77	79	80	83	85
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Casual and temporary										
Women	1,247	1,279	1,318	1,357	1,391	1,426	1,462	1,498	1,536	1,574
Men	214	220	226	233	239	245	251	257	264	270
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Total Corporate & Leisure	8,013	8,221	8,467	8,721	8,939	9,163	9,392	9,627	9,867	10,114
Community and Infrastructure										
Permanent - Full time										
Women	4,252	4,362	4,493	4,628	4,744	4,862	4,984	5,108	5,236	5,367
Men	8,928	9,159	9,434	9,717	9,960	10,209	10,464	10,726	10,994	11,269
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Women	6,074	6,231	6,418	6,611	6,776	6,946	7,119	7,297	7,480	7,667
Men	240	246	254	261	268	274	281	288	296	303
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Casual and temporary										
Women	183	188	193	199	204	209	214	220	225	231
Men	0	0	0	0	0	0	0	0	0	0
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Total Community and Infrastructure	19,677	20,187	20,792	21,416	21,952	22,500	23,063	23,640	24,231	24,836
Sustainability & Culture										
Permanent - Full time										
Women	3,583	3,676	3,786	3,900	3,997	4,097	4,200	4,305	4,412	4,522
Men	1,213	1,244	1,282	1,320	1,353	1,387	1,422	1,457	1,494	1,531
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Permanent - Part time										
Women	1,946	1,996	2,056	2,118	2,171	2,225	2,281	2,338	2,396	2,456
Men	122	125	129	133	136	140	143	147	150	154
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Casual and temporary										
Women	83	85	88	90	93	95	97	100	102	105
Men	224	230	237	244	250	256	263	269	276	283
Persons of self-described gender	0	0	0	0	0	0	0	0	0	0
Total Sustainability & Culture	7,171	7,357	7,578	7,805	8,000	8,200	8,405	8,615	8,830	9,051
Total staff expenditure	**35,237**	**36,150**	**37,235**	**38,352**	**39,310**	**40,293**	**41,300**	**42,333**	**43,391**	**44,476**

	2026 FTE	2027 FTE	2028 FTE	2029 FTE	2030 FTE	2031 FTE	2032 FTE	2033 FTE	2034 FTE	2035 FTE
Executive Services										
Permanent - Full time										
Women	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Men	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent - Part time										
Women	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76
Men	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual and temporary										
Women	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Men	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Executive Services	3.76	3.76	3.76	3.76	3.76	3.76	3.76	3.76	3.76	3.76
Corporate & Leisure										
Permanent - Full time										
Women	24.56	24.56	24.56	24.56	24.56	24.56	24.56	24.56	24.56	24.56
Men	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent - Part time										
Women	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04
Men	3.46	3.46	3.46	3.46	3.46	3.46	3.46	3.46	3.46	3.46
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual and temporary										
Women	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60
Men	3.49	3.49	3.49	3.49	3.49	3.49	3.49	3.49	3.49	3.49
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Corporate & Leisure	80.15	80.15	80.15	80.15	80.15	80.15	80.15	80.15	80.15	80.15
Community and Infrastructure										
Permanent - Full time										
Women	47.36	47.36	47.36	47.36	47.36	47.36	47.36	47.36	47.36	47.36
Men	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent - Part time										
Women	47.38	47.38	47.38	47.38	47.38	47.38	47.38	47.38	47.38	47.38
Men	4.37	4.37	4.37	4.37	4.37	4.37	4.37	4.37	4.37	4.37
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual and temporary										
Women	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
Men	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Community and Infrastructure	198.32	198.32	198.32	198.32	198.32	198.32	198.32	198.32	198.32	198.32
Sustainability & Culture										
Permanent - Full time										
Women	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Men	12.31	12.31	12.31	12.31	12.31	12.31	12.31	12.31	12.31	12.31
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent - Part time										
Women	12.16	12.16	12.16	12.16	12.16	12.16	12.16	12.16	12.16	12.16
Men	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual and temporary										
Women	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Men	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Persons of self-described gender	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Sustainability & Culture	60.35	60.35	60.35	60.35	60.35	60.35	60.35	60.35	60.35	60.35
Total staff numbers	**342.58**	**342.58**	**342.58**	**342.58**	**342.58**	**342.58**	**342.58**	**342.58**	**342.58**	**342.58**

6. Financial Performance Indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Indicator	Measure	Notes	Actual 2024	Forecast Actual 2025	Budget 2026	Strategic Resource Plan Projections 2027	2028	2029	2030	2031	2032	2033	2034	2035	+/o/-	Trend
Operating position																
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue		-5.9%	-2.72%	**-2.98%**	-3.92%	-3.74%	-4.51%	-3.33%	-3.37%	-2.78%	-3.22%	-2.10%	-2.06%	-	
Liquidity																
Working Capital	Current assets / current liabilities		169.7%	110.21%	**176.28%**	157%	137.82%	101.46%	103.99%	96.45%	90.34%	54.39%	71.70%	60.61%	-	
Unrestricted cash	Unrestricted cash / current liabilities		40.5%	74.43%	**129.85%**	112.42%	94.65%	64.44%	59.70%	51.04%	46.38%	25.77%	32.12%	22.49%	-	
Obligations																
Loans and borrowings	Interest bearing loans and borrowings / rate revenue		62.0%	53.32%	**45.34%**	43.05%	40.37%	37.10%	38.36%	37.30%	37.67%	37.34%	52.77%	49.25%	+	
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		8.0%	7.74%	**23.74%**	8.62%	9.20%	9.75%	10.26%	7.54%	6.00%	6.53%	7.03%	9.53%	+	
Indebtedness	Non-current liabilities / own source revenue		54.0%	48.70%	**52.46%**	51.36%	48.53%	41.54%	44.24%	44.21%	43.64%	30.34%	40.08%	36.98%	+	
Asset renewal	Asset renewal expenditure / depreciation		105.4%	94.46%	**87.92%**	98.29%	98.21%	98.12%	98.02%	97.91%	97.80%	97.68%	98.07%	97.98%	o	
Stability																
Rates concentration	Rate revenue / adjusted underlying revenue		45.9%	45.25%	**44.15%**	48.29%	48.49%	48.71%	48.93%	49.12%	49.31%	49.46%	49.63%	49.80%	o	
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.36%	0.28%	**0.29%**	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	o	
Efficiency																
Expenditure level	Total expenditure / no. of property assessments		$ 5,832	$ 4,931	**$ 5,190**	$ 5,297	$ 5,386	$ 5,506	$ 5,513	$ 5,576	$ 5,595	$ 5,659	$ 5,631	$ 5,652	-	
Revenue level	Residential rate revenue / No. of residential property assessments		$ 1,955	$ 1,761	**$ 2,227**	$ 2,321	$ 2,411	$ 2,495	$ 2,574	$ 2,647	$ 2,715	$ 2,778	$ 2,835	$ 2,887	o	
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		15.3%	15.00%	**15.00%**	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	o	
Sustainable Capacity																
Population	Total expenses/ Municipal population		$ 3,110	$ 2,788	**$ 2,955**	$ 3,035	$ 3,113	$ 3,217	$ 3,264	$ 3,351	$ 3,421	$ 3,527	$ 3,584	$ 3,680	o	
Population	Value of property, infrastructure and plant & equipment / Municipal population		$ 24,307	$ 27,558	**$ 27,766**	$ 28,009	$ 28,253	$ 28,498	$ 28,746	$ 28,995	$ 29,246	$ 29,502	$ 29,759	$ 30,018	o	
Population	Municipal population / Kilometres of local roads		15.10	$ 15	**$ 15**	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	$ 15	o	
Own-source revenue	Own source revenue / Municipal population		$ 2,350	$ 2,004	**$ 2,106**	$ 2,144	$ 2,205	$ 2,268	$ 2,331	$ 2,398	$ 2,467	$ 2,540	$ 2,614	$ 2,691	o	
Recurrent grants	Recurrent grants / Municipal population		$ 435	$ 680	**$ 748**	$ 777	$ 796	$ 812	$ 828	$ 844	$ 861	$ 879	$ 896	$ 914	o	

Wangaratta Art Gallery

7. Strategies & Plans

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

7.1 Borrowing Strategy

Council's Borrowings Policy was adopted in June 2021. The Borrowings Policy explains that the assessment of borrowings will be performed with a focus on sustainable debt levels, whereby:

- Availability of capital for investment is first determined; and
- Capital is subsequently allocated in line with strategic objectives.

All borrowings must meet the following requirements:

- Council will not borrow to fund operating expenditure. Operating expenditure will be funded from operating revenue sources. Any exception to this requires a Council resolution and is likely to occur in exceptional circumstances beyond the control of Council. For example, a shortfall in the defined benefit plan of Vision Super compelling Council to make an unbudgeted contribution.
- Council will not borrow to fund renewal capital works.
- Borrowings must be linked to the financing of capital expenditure.
- The term of any borrowing must not exceed the economic life of the asset to which it relates.
- Borrowings will fall within the below target debt range:
    - New borrowings must not exceed VAGO's high risk rating for Indebtedness, being more than 60% non-current liability to own-source revenue.
    - Borrowings must maintain an average forecast 10-year target debt ratio of less than 7%.

Further details of our planned borrowings can be found in section 4.8.

7.1.1 Current debt position

The total amount borrowed at 30 June 2025 is $22.388 million. These borrowings almost exclusively relate to capital projects which have been completed over the last 10 years. An interest only loan of $7.052 million is due for repayment in the 2025/26 year and is planned to be refinanced/rolled over into a principal and interest loan.

7.1.2 Future Debt Position

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

Future Borrowing Requirements

For the ten years ending June 2035

	Forecast Actual	Budget				Projections					
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance	25,066	**22,384**	19,650	19,305	18,642	17,644	18,785	18,812	19,570	19,978	29,081
Plus New loans	0	**7,051**	3,000	3,000	3,000	5,484	3,000	3,000	3,000	12,063	2,941
Less Principal repayments	(2,682)	**(9,784)**	(3,345)	(3,663)	(3,997)	(4,343)	(2,973)	(2,242)	(2,592)	(2,960)	(4,067)
Closing balance	22,384	**19,650**	19,305	18,642	17,644	18,785	18,812	19,570	19,978	29,081	27,955
Interest payment	(574)	**(509)**	(563)	(629)	(682)	(723)	(875)	(917)	(946)	(959)	(1,383)

Performance indicator	Target	Forecast Actual	Budget				Projections					
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		%	%	%	%	%	%	%	%	%	%	%
Non-current liability / Own source revenue	Below 60%	48.70%	**52.46%**	51.36%	48.53%	41.54%	44.24%	44.21%	43.64%	30.34%	40.08%	36.98%

7.2 Reserves Strategy

Council maintains both Statutory and Discretionary Reserves that acknowledge the receipt of funds from particular sources to be applied on programs that are consistent with the purpose of that Reserve fund. Council's Reserve Accounting Policy was adopted in June 2021 and notes that the creation of new Reserves should be a last resort after due consideration of the effectiveness of long-term financial planning and management for the future obligations.

Reserve Account	Purpose	Movements
Cemetery	This reserve will assist in funding perpetual maintenance for Wangaratta Cemetery.	Transfer from the reserve (outflows) are aligned to operational requirements of the Cemetery.
Plant Replacement	This reserve will fund the replacement of Council's plant and equipment at the end of the service life.	Recommended to be closed at 30 June 2025 and align future budgeting for capital replacement of plant with other council asset classes.
Redevelopment of Assets	This reserve supports Council's acquisition, development and sale of industrial and commercial land within the municipality.	Recommended to be closed at 30 June 2025. Council to assess merits of future funding for development of industrial land on a competitive basis with other council services / requirements.
Waste	This reserve retains funds collected for the collection and disposal of waste (under section 162(1)(b) of the Local Government Act 1989.	Inflows to the reserve are sourced from the operation of Council's waste services. Transfers from the reserve (outflows) are for operating, capital and rehabilitation costs associated with the delivery of Council's current and future waste services.
Statutory – Planning & Environment & Subdivisions	This reserve retains funds collected from developers associated with the subdivision of land for the provision and delivery of infrastructure in accordance with the Planning and Environment Act 1987 and Subdivision Act 1988. Development Contribution Plans and Infrastructure Contribution Plans were established to manage the proceeds contributed by developers.	Transfers to the reserve (inflows) comprise of monetary levies and in-kind associated with developments. Transfers from the reserve (outflows) are applied to fund capital works for development infrastructure projects and community infrastructure projects and funds refunded to developers for capital works completed directly by the developer.

Reserve Usage Projections

For the ten years ending June 2035

Reserves	Statutory / Discretionary	Forecast Actual	Budget	Projections								
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cemetery	**Discretionary**											
Opening balance		293	**308**	323	338	353	368	383	398	413	428	443
Transfer to reserve		15	**15**	15	15	15	15	15	15	15	15	15
Transfer from reserve		0	**0**	0	0	0	0	0	0	0	0	0
Closing balance		308	**323**	338	353	368	383	398	413	428	443	458
Plant replacement	**Discretionary**											
Opening balance		9,725	**9,725**	9,725	0	0	0	0	0	0	0	0
Transfer to reserve		0	**0**	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	**0**	9,725	0	0	0	0	0	0	0	0
Closing balance		9,725	**9,725**	0	0	0	0	0	0	0	0	0
Redevelopment of assets	**Discretionary**											
Opening balance		868	**868**	868	0	0	0	0	0	0	0	0
Transfer to reserve		53	**0**	0	0	0	0	0	0	0	0	0
Transfer from reserve		53	**0**	868	0	0	0	0	0	0	0	0
Closing balance		868	**868**	0	0	0	0	0	0	0	0	0
Waste	**Discretionary**											
Opening balance		25,498	**24,883**	24,868	14,413	11,461	11,755	10,205	10,701	11,300	12,006	5,434
Transfer to reserve		(668)	**(15)**	102	197	295	394	496	600	705	813	923
Transfer from reserve		(53)	**0**	10,557	3,150	0	1,945	0	0	0	7,385	0
Closing balance		24,883	**24,868**	14,413	11,461	11,755	10,205	10,701	11,300	12,006	5,434	6,356
Statutory - Planning and Environment & Subdivisions	**Statutory**											
Opening balance		3,782	**4,382**	4,382	4,032	3,682	3,682	3,332	3,332	3,332	3,332	2,982
Transfer to reserve		600	**0**	0	0	0	0	0	0	0	0	0
Transfer from reserve		0	**0**	350	350	0	350	0	0	0	350	0
Closing balance		4,382	**4,382**	4,032	3,682	3,682	3,332	3,332	3,332	3,332	2,982	2,982

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