

DRAFT FINANCIAL PLAN 2025–35





Acknowledgement of Traditional Owners

The City of Melbourne respectfully acknowledges the Traditional Owners of the land we govern, the Wurundjeri Woi-wurrung and Bunurong / Boon Wurrung peoples of the Kulin Nation and pays respect to their Elders past and present.

We acknowledge and honour the unbroken spiritual, cultural and political connection they have maintained to this unique place for more than 2000 generations.

We accept the invitation in the Uluru Statement from the Heart and are committed to walking together to build a better future.

Council Plan 2025-29

The Council Plan 2025-29 sets out our strategic direction and commitment to the community for the next four years.

[to be updated with new Council Plan outputs following community consultation]

For more information visit melbourne.vic.gov.au/council-plan

*[To be updated with Contents page following
community consultation]*

31 October 2025

Cover image: City of Melbourne CBD

Disclaimer

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MELBOURNE CITY COUNCIL

The current Council was elected in October 2024 on a 4-year term. The Council is made up of 11 elected councillors, including the Lord Mayor and Deputy Lord Mayor.



From left to right: Councillor Andrew Rowse, Councillor Rafael Camillo, Councillor Dr Olivia Ball, Councillor Davydd Griffiths, Councillor Dr Owen Guest, Deputy Lord Mayor Roshena Campbell, Lord Mayor Nick Reece, Councillor Mark Scott, Councillor Gladys Liu, Councillor Kevin Louey and Councillor Philip Le Liu.

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1 INTRODUCTION

[To be updated with the key highlights following community consultation]



DOGHOUSE
DIGITAL AGENCY

The Waiters
Restaurant
MIO

PIZZA
PIZZA
PIZZA

BAR
CARLO

LOOP
ROOF

HFP
Hillside Food & Drink
Hillside Food & Drink

THEORY
THEORY

LOOP ROOF
Rooftop Cocktail
Bar & Garden
Level 3 & 4
Rooftop

IMPROV
IMPROV

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 and Reporting Framework set out in the *Local Government Act 2020*.

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 holds itself accountable (Annual Report).

At the City of Melbourne, we follow an integrated approach to planning, monitoring, and performance reporting. Through this structured approach – engagement, planning, delivery and monitoring – we aim to achieve meaningful outcomes for our community.

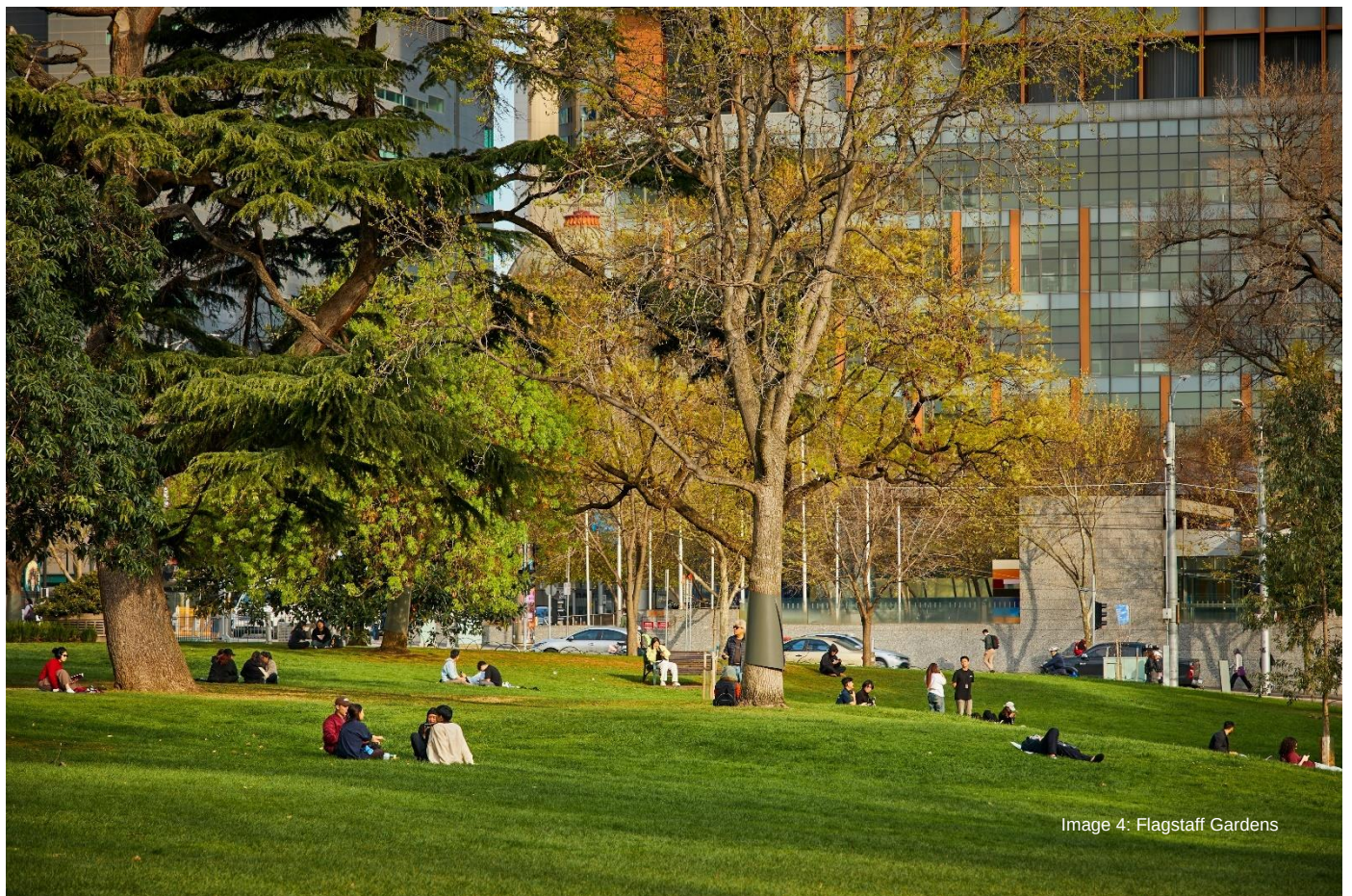
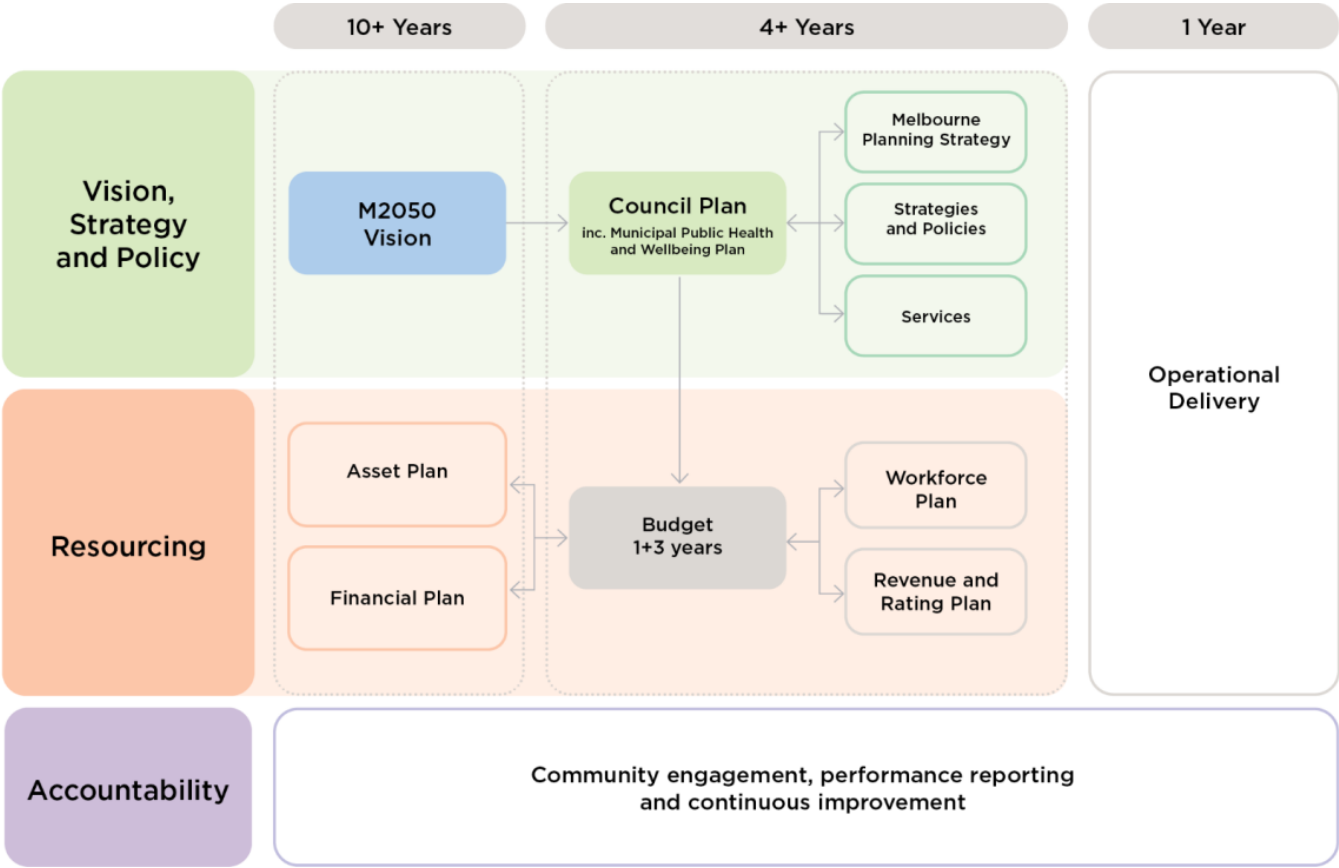


Image 4: Flagstaff Gardens

The following figure demonstrates how each element interacts with other parts of the City of Melbourne’s Integrated Strategic Planning and Performance Framework.



2.1 Strategic planning principles

The Financial Plan is a 10-year projection of how we can fund the Council Plan to achieve the Community Vision in a financially sustainable way. It is developed in the context of these strategic planning principles:

- an integrated approach to planning, monitoring and performance reporting
- addressing the Community Vision by funding the aspirations of the Council Plan
- articulating the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision
- identifying and addressing the risks to effective implementation of the Financial Plan
- ongoing monitoring and reviewing of progress so that the Financial Plan can 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:
 - financial viability of the Council (refer to section 3.1. Financial policy statements)
 - management of current and future liabilities of the Council. The estimated 10-year liabilities are disclosed in section 4.2. Balance Sheet projections
 - the beneficial enterprises of Council (where appropriate).
3. Financial policies and strategic plans are designed to provide financial stability and predictability of the financial impact on the municipal community.
4. Council maintains accounts and records that explain its financial operations and financial position (refer section 3.3 Financial Plan assumptions).

2.3 Service performance principles

In line with Service Performance Principles set out in *Local Government Act 2020*, City of Melbourne's services are designed to be purposeful, targeted to community needs and offer value for money. The service performance principles are:

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan to achieve the Community Vision may be funded.
- b) Services are accessible to the relevant users within the community.
- c) Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate Council's performance regarding the provision of quality and efficient services.
- d) Council seeks to continuously improve service delivery to the municipal community in response to performance monitoring.

Council's service delivery includes a fair and effective process for considering and responding to complaints about service provision.

2.3.1 Service performance outcome indicators

Service performance outcome indicators are a prescribed set of indicators set by the Victorian Government to measure whether the stated service objective has been achieved.

AQUATIC FACILITIES Utilisation of aquatic facilities	ANIMAL MANAGEMENT Animal management prosecutions	FOOD SAFETY Critical and major non-compliance outcome notifications
GOVERNANCE Satisfaction with community consultation and engagement	LIBRARIES Library membership	MATERNAL AND CHILD HEALTH (MCH) Participation in the MCH service Participation in MCH service by Aboriginal children
ROADS Sealed local roads maintained to condition standards	STATUTORY PLANNING Planning applications decided within required timeframes	WASTE COLLECTION Kerbside collection waste diverted from landfill

2.4 Engagement principles and approach

The *Local Government Act 2020* requires Council to use deliberative engagement to develop the Community Vision, Council Plan, Financial Plan and Asset Plan. The definition of deliberative engagement sits within our Community Engagement Policy.

City of Melbourne uses the International Association of Public Participation (IAP2) Spectrum of Engagement to guide our planning. The IAP2 Spectrum is a useful, widely recognised tool that identifies 5 levels of participation. For each level, there is a corresponding goal, commitment and role for Council and the community in the process.

The Financial Plan was developed using the ‘involve’ level of public participation. We worked together with members of the community to ensure its concerns and aspirations were understood. Those concerns and aspirations were considered and incorporated into the plan where possible. We also provided feedback on how participant’s input influenced the development of the Financial Plan.

This level of public participation was achieved using deliberative engagement practices, as required under the *Local Government Act 2020*.

As stated in our Community Engagement Policy, deliberative engagement is a process used to reach an outcome or decision for complex issues. It is an inclusive and transparent process in which participants are provided with:

- a clear purpose from the outset of what will be achieved and why
- relevant evidence and background information to analyse
- sufficient time to explore, assess and discuss options
- practical support to enable participation in the process.

For more information on the City of Melbourne’s Community Engagement Policy, visit: melbourne.vic.gov.au/community-engagement-policy

In alignment with this policy, we engaged the community in a variety of ways to canvas a wide range of community views:

- Melbourne 2050 Summit: broad community engagement of approximately 700 diverse stakeholders and community members
- a People’s Panel: a deliberative community panel of diverse group of 48 randomly selected Melburnians
- targeted roundtables: Youth Roundtable and First Nations Roundtable
- broader community engagement through Participate Melbourne.

2.4.1 People’s Panel

Through a structured, deliberative engagement process, a community panel of diverse participants met for 5 workshops across 3 weeks. The group discussed City of Melbourne’s approach to the Melbourne 2050 Vision and Council Plan, including the Municipal Health and Wellbeing Plan, the Asset Plan and the Financial Plan.

Numerous members of the community with connection to City of Melbourne applied to participate in the People’s Panel, including business owners, workers, residents, owner-occupiers, renters, landowners, First Nations peoples, people with disability and members of the LGBTIQ+ community. They represented diverse age groups, employment and education types, and cultural backgrounds.

After a process of independent and random selection, 48 people were selected to participate in the workshops.

As the City of Melbourne’s budget for the next 4 years (2025–26 to 2028–29) has been set, the panel’s remit was to deliberate on City of Melbourne’s financial plan from 2029–30 onwards.

The People’s Panel deliberated on this question:

“Our city is evolving, and this presents opportunities and challenges for all. What do you want Melbourne to be in 2050, and what is important for us to do now to get there?”

The panel was provided with information, resources and access to subject matter experts to facilitate their deliberation and provided recommendations to City of Melbourne on a set of principles to guide Council’s strategic planning and priorities.

Eight guiding principles were identified to aid with planning the ambitious goals of setting the City of Melbourne up to succeed by 2050. These guiding principles, and the way each principle guides City of Melbourne's decisions, are:

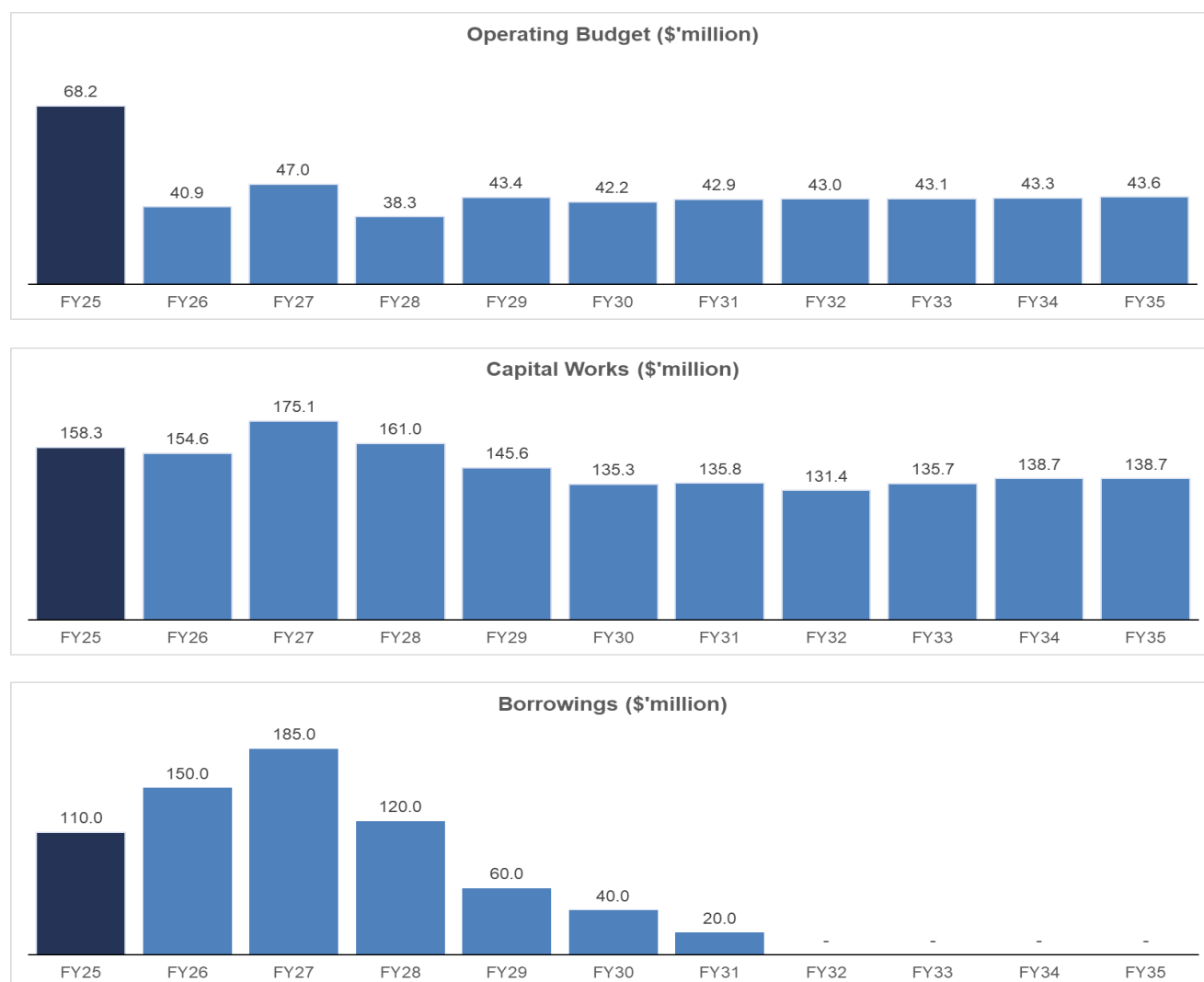
1. Future-focused resource stewardship
 - To invest public resources where they deliver the greatest long-term benefit to Melbourne's resilience and liveability, choosing strategic, evidence-based spending over immediacy.
2. Deepening connection to Country
 - For narm / Melbourne to exemplify Treaty with all residents sharing a deep connection to Country in the same way First Peoples do. A proud city that creates intergenerational and intercultural belonging through caring for Country and embracing collective intelligence.
3. Creativity and innovation
 - To nurture a culture of bold imagination. Melbourne will be at the forefront of creativity, innovation and problem-solving by empowering diverse communities, supporting risk-taking, and making space for new ideas that benefit all.
4. Climate action as collective responsibility
 - To prioritise reducing emissions, eliminating waste and regenerating ecosystems in all policies, partnerships and decisions. To embrace shared commitment and accountability between industry, community and government.
5. Future Ready Melbourne
 - Future-readiness is imperative. To achieve this, City of Melbourne will prioritise responsiveness and adaptation.
 - To consider the implications, consequences and impact across the board. Long-term planning ensures Melbourne systems remain robust and flexible whatever the future holds.

6. Always consider health and wellbeing
 - To always consider public health in all dimensions: social, physical and environmental. To build towards 2050, education and prevention initiatives are fundamental in contributing to public safety, health and wellbeing.
7. Safe and accessible by design
 - To ensure everyone feels equally safe and capable of getting in, through and around at any time, in any way, mode or means. To ensure that the city is accessible and safe for all people, especially the most vulnerable members of the community.
 - Decisions for the creation, adaptation and reinvigoration of urban and built environments should be made on a holistic basis with respect to design, activities and operations. Individual mobility and safety should be prioritised as far as possible while preserving the city's unique character and heart.
8. A people-centered city enabling affordable, equitable living opportunities
 - To prioritise equity and inclusion for all residents, workers, students and visitors by providing attractive green open spaces and community infrastructure. Putting people at the centre of affordable and sustainable solutions to meet the needs of an evolving community.

In line with the *Local Government Act 2020*, City of Melbourne commits to applying these 8 principles in decision-making. The financial plan ensures:

- Future-focused resource stewardship through strategic planning and investing of resources (such as funds, assets and workforce) to deliver long-term benefits for a Future Ready Melbourne.
- An appropriate level of resources is planned and allocated to advance the implementation of other guiding principles in Council's decision-making and long-term plans.

Figure 2: Summary of the City of Melbourne's 10-year Financial Plan



With a backdrop of increasing expenditure growth pressures, Council is focused on efficiency savings in all service areas to deliver a long-term operating surplus forecast. Similarly, when accounting for capital contributions and gains on disposal of fixed assets, Council expects the long-term underlying forecast results to remain in surplus.

To ensure a Future Ready Melbourne, Council will apply a more focused capital works program. We will deliver on current requirements while ensuring that Council remains financially sustainable. We will also consider the community's needs for the future. This is evident through a moderately phased-out capital spend, as shown in Figure 2.

Considering community's guiding principles for decision-making, Council will ensure Future Focused Resource Stewardship by continuing the structured debt repayment program to futureproof Council's financial strength. This is evident through the full debt repayment by 2031–32, as shown in Figure 2.



2.4.2 Community engagement on the draft Financial Plan

[To be included following community engagement in August/September]

City of Melbourne considered community views as it developed this 10-year Financial Plan.

After incorporating feedback from the Melbourne 2050 Summit, Youth Roundtable, First Nations Roundtable and People's Panel, we sought further community feedback from a broad range of stakeholders. Consultation was open for 4 weeks and included engagement with industry and businesses, in alignment with the City of Melbourne's Community Engagement Policy.

Overall feedback that we received from the broad community engagement period during August and September 2025 is that the financial plan *[to be updated with commentary and infographics]*

2.5 Asset Plan integration

City of Melbourne's 10-year Asset Plan identifies the operational and strategic practices that guide us as we manage our assets across their life cycles, in a financially sustainable way. The Asset Plan and the associated asset management policies provide City of Melbourne with a sound base to understand the risks related to managing our assets for the community's benefit. The Asset Plan also quantifies the asset portfolio and the financial implications of those operational and strategic practices.

It is important that City of Melbourne's strategic financial planning principles are well integrated with the Asset Plan 2025–35. This integration helps us ensure that future funding is allocated in a way that supports service delivery that is consistent with the Community Vision and Council Plan. It also guides the effective and sustainable management of our assets into the future.

The Asset Plan informs the 10-year Financial Plan by identifying the amount of capital renewal that is required over the life of each asset category, as well as necessary funding for backlog and maintenance.

The Financial Plan determines how much funding is available to support City of Melbourne's assets. It incorporates the knowledge from an ongoing review of the condition of our assets, risks related to assets, service levels, asset priority, overall affordability and the necessary intervention required for each asset class identified by the Asset Plan.

Together, the Financial Plan and Asset Plan seek to balance projected investment requirements against long-term projected budgets.

2.5 Revenue and Rating Plan integration

Our Revenue and Rating Plan sets out the principles that guide how we calculate and raise the revenue needed to fund City of Melbourne activities. It also sets out how the funding burden will be apportioned between ratepayers and other users of our facilities and services. The Revenue and Rating Plan does not set revenue targets. It outlines the strategic framework and decisions that inform how City of Melbourne will calculate and collect revenue to ensure continued financial sustainability, so we are well placed to deliver services and infrastructure for the community.

It is important that City of Melbourne's strategic financial planning principles are well integrated with the Revenue and Rating Plan 2025–29. This integration helps us ensure that Council's revenue is raised from the community in a manner that supports our longer-term financial plans and broader plans as set out in the Community Vision and Council Plan.

The Revenue and Rating Plan informs the 10-year Financial Plan by defining what each source of revenue is, how income will be raised and the policy rationale for each, to fund proposed expenditure in future. It is linked to planned expenditure and cannot be separated, as any increase in spending by Council must be matched by revenue.

This integrated financial planning ensures that Council's services, infrastructure and activities are appropriately and sustainably funded by revenue sources such as:

- rates and charges
- statutory fees and fines
- user fees
- grants
- cash and non-cash contributions from other parties
- sale of assets or disposals
- other income.

Together, the Financial Plan and Revenue and Rating Plan seek to balance projected revenue sources against projected budgets in the long-term.



3 FINANCIAL PLAN CONTEXT

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

3.1 Financial policy statements

This section defines the key policy statements, and associated measures, that demonstrate Council's financial sustainability so that it can fund the aspirations of the Community Vision and the Council Plan. The Financial Plan has been developed in line with parameters (targets) highlighted in the table below. Where some of the targets are not met, the Council is aiming to achieve the targets on average over 10 years.



Image 7: Collins Square, Docklands

Policy Statement	Measure	Target	Forecast Actual	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Consistent underlying surplus results (\$'000)	Adjusted underlying result greater than \$0	\$0	\$564	\$151	\$224	\$354	\$533	\$654	\$714	\$858	\$959	\$1,180	\$1,391	
Ensure Council maintains sufficient working capital to meet its debt obligations as they fall due.	Current Assets / Current Liabilities greater than 1.25	1.25	0.7	0.7	1.5	0.9	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Asset renewal and upgrade expenses / Depreciation above 100%	100%	106.6%	128.3%	167.5%	149.6%	132.8%	120.7%	119.2%	112.5%	114.0%	114.3%	112.1%	
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings / Rate revenue to remain below 60%	60%	30.9%	40.8%	46.9%	30.5%	16.0%	11.2%	6.5%	2.1%	2.0%	2.0%	1.9%	
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Unrestricted cash / current liabilities to be maintained above 80%	80%	97.8%	88.0%	168.3%	161.1%	117.8%	85.9%	84.0%	85.3%	76.2%	77.7%	79.0%	
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for new and renewal capital.	Capital Outlays as a % of Own Source Revenue to remain within 30%	30%	28.3%	29.1%	28.6%	26.0%	20.7%	18.8%	18.0%	17.1%	17.3%	17.3%	17.0%	

3.2 Strategic priorities

[To be updated with finalised Vision/Council Plan following community consultation]

Following a series of community engagement activities, Council has identified the following strategic priorities to support the aspirations of the Council Plan. The strategic priorities are included to the 10-year Financial Plan and, where appropriate, referenced in the commentary throughout the plan.

In response to the Community Vision, Council has developed the strategic priorities for the Council Plan 2025–29. Our vision for Melbourne anchors and connects these objectives to deliver real outcomes for the community.

Strategic priorities	Overview
Governing for the future	
Healthy, safe and connected communities	
Living sustainably	
Vibrant and creative Melbourne	
Leveraging our economic strengths	
Building a city for people	

Council's strategies

Council's strategies can be broadly divided by 5 major areas:

- strategies, frameworks and action plans
- place-based structure plans and master plans
- public open space master plans
- urban forest precinct plans
- major streetscape master plans.

3.3 Assumptions to the Financial Plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2024–25 to 2034–35. The assumptions comprise the annual escalation or movement for each line item of the Comprehensive Income Statement.

In delivering the Financial Plan, we keep the assumptions from 2025–26 to 2034–35 consistent with our Council Plan 2025–29 and Budget 2025–26.

Escalation Factors (% movement)	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
CPI	3.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Enterprise Agreement	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Rates and charges	0.9%	5.8%	2.7%	2.4%	2.4%	2.4%	2.4%	2.4%	2.3%	2.3%
Statutory fees and fines	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
User fees	2.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Grants - Operating	(14.3%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants - Capital	28.0%	(11.5%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Contributions - monetary	(43.8%)	56.3%	(34.6%)	30.0%	(6.3%)	3.0%	0.0%	0.0%	0.0%	0.0%
Contributions - non-monetary	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other income	(39.3%)	10.8%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%
Employee costs	2.4%	6.5%	2.6%	3.3%	1.7%	2.5%	2.0%	1.8%	1.8%	1.8%
Materials and services	(0.9%)	1.9%	2.9%	2.0%	2.5%	1.9%	2.0%	2.0%	2.0%	2.0%
Bad and doubtful debts	(1.1%)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Depreciation & Amortisation	0.4%	3.9%	2.9%	2.0%	2.1%	1.7%	2.4%	2.0%	2.0%	2.0%
Borrowing and Finance Costs	52.1%	36.8%	(28.4%)	(37.1%)	(18.3%)	(22.9%)	(28.5%)	4.0%	3.9%	3.8%
Other expenses	(69.4%)	9.2%	0.3%	1.8%	1.9%	1.5%	2.2%	1.8%	1.8%	1.8%
Grants and contributions expenses	0.6%	4.0%	3.0%	2.0%	2.2%	1.8%	2.5%	2.0%	2.0%	2.0%

3.3.1 Rates and charges

Rates and charges mainly include rates income, supplementary rates and a waste management charge. Base rate revenue will increase by 3.0 per cent for 2025–26 year, based on the statewide rate cap determined by the Essential Services Commission, consistent with the current inflation forecast by the Victorian Government's Department of Treasury and Finance. An average increase of 2.50 per cent per annum based on consumer price index (CPI) forecast over the forecast period. A total rebate of \$10.3 million is expected in 2025–26 for the entire community, due to cost-of-living pressures.

Supplementary rates reflect additional revenue generated through ongoing property development within the municipality. The \$10.3 million cost-of-living rate rebate is reflected in supplementary rates and rate adjustments offsetting the supplementary rates income. We expect that supplementary rates will stabilise and increase during the outer years in line with the property developments.

The residential and commercial waste charge covers Victorian Government taxes, street cleaning and amenity, and the collection and disposal of waste, including recycling, food and garden organics, dumped waste, business and electronic waste. It does not generate any income for the Council. The waste management charge is estimated to approximately increase as per the CPI forecast over the forecast period.

3.3.2 Statutory fees and fines

Statutory fees and fines are predominantly represented by revenue from parking fines. It is expected that statutory fees and fines revenue will increase by approximately 0.5 per cent over the forecast period, due to anticipated increase in volume of parking infringements and town planning activity. The modest rate of 0.5 per cent will support local business and development.

3.3.3 User fees

Revenue from user fees is predominantly generated by parking fees. Revenue from parking fees is expected to increase by approximately 2.1 per cent for 2025–26 and by 1.0 per cent from 2026–27 onwards. Revenue is forecasted to increase in tandem with City of Melbourne's Transport Strategy.

Details of user fees for 2026–30 can be found in Council's Schedule of Fees and Charges, adopted in conjunction with the Budget 2025–26.

3.3.4 Grants

City of Melbourne currently receives tied (specific purpose) and untied grant funding.

Capital grants revenue will decrease by 11.5 per cent in 2026–27. Operating and capital grants revenue is forecast to remain conservative without increases in the forecast period due to the nature of the grants.

From 2025–26 to 2028–29, an approximate of \$28.7 million out of the recent budgeted \$57.6 million relates to grants attributable to the Transport and Amenity Program. A total amount of \$73.2 million is recently endorsed for the program. The current agreement for the Transport and Amenity Program expires in December 2027 with extensions to the program to be agreed on a yearly basis. As such, any potential increases in grants or contributions beyond 2027 will be assessed through our annual budget and planning process.

3.3.5 Contributions

There are two types of contributions, monetary contributions and non-monetary contributions.

3.3.5.1 Monetary contributions

Council receives contributions from developers and other parties. These contributions represent funds to enable the City of Melbourne to provide the infrastructure and infrastructure improvements needed to accommodate development growth. The contributions are for specific purposes. These contributions are statutory contributions and are transferred to a restricted reserve until used for a specific purpose through the capital works program, or until delivered as 'works in kind' by developers.

Revenue from contributions is mainly sourced from Public Open Space and Developer Contribution Plans (DCP). Council forecasts conservatively the DCP contributions expected to be received from Arden, Macaulay and municipal purposes over the forecast period.

3.3.5.2 Non-monetary contributions

Non-monetary contributions relate to assets given to the City of Melbourne as 'works in kind'. This is considered revenue from DCP, as developers deliver infrastructure assets to the City of Melbourne instead of providing cash. No works in kind are forecasted to be received by the City of Melbourne over the forecast period.

3.3.6 Other income

Revenue from other income mainly comprises investment income plus the recovery income from a variety of sources, and rental income received from the hire of City of Melbourne properties. As the economy recovers, rental income from City of Melbourne properties and dividend income are expected to increase.

Other income is expected to decrease in 2025–26 due to one-off divestment of assets in 2024–25. Other income is expected to increase in 2026–27 due to increase in interest forecast and to stabilise at a normal level throughout the remaining forecast period.

3.3.7 Employee costs

Employee costs are forecast to increase by 2.5 per cent on average over the forecast period. This can be attributed to:

- increase of the number of full-time employees by an average of 1.5 per cent each year, to ensure quality service delivery to the community from rising population and demand
- increase in wages by 2.0 per cent based on the most recent Enterprise Agreement
- increase in the superannuation (Superannuation Guarantee will be 12.0 per cent from 1 July 2025).

3.3.8 Materials and services

Material costs include items required for the maintenance and repair of City of Melbourne-owned buildings, roads, drains and footpaths which are governed more by demand level and market forces based on availability than CPI. Other associated costs included under this category are utilities, materials and consumable items for a range of services. City of Melbourne also uses external consultants on a range of matters, including legal services and audit. On average, these costs are forecast to be 2.0 per cent over the forecast period.

3.3.9 Depreciation and amortisation

Depreciation and amortisation estimates have been based on the projected capital spending contained within this 10-year Financial Plan. Depreciation and amortisation rates are assumed based on the asset category and corresponding useful lives of the assets.

3.3.10 Borrowing costs

Borrowing costs comprise the interest expense required to service Council's loan portfolio that is described in Section 6.1 Borrowing Strategy.

City of Melbourne is on a pathway of structured debt repayments, reducing debt from \$110.0 million in 2025–26 to become debt free by 2031–32 and significantly reducing the borrowing costs over the forecast period.

Most of the interest expense is likely to be capitalised according to City of Melbourne's policy. However, for transparency purposes the interest expense is disclosed under operating expenditure until decisions

are made regarding what proportion of the interest can be capitalised.

3.3.11 Other expenses

Other expenses include administration costs such as councillor allowances, election costs, sponsorships, partnerships, lease expenditure, emergency services and volunteers fund, audit costs and other costs associated with the day-to-day running of the City of Melbourne. From 2026–27 onwards, the increase is forecast to be broadly in line with CPI.

3.3.12 Grants and contributions expenses

Grants and contributions expenses are forecast to increase by 2.2 per cent on average over the forecast period to support local groups largely making an impact in the areas of community wellbeing, city services, arts and culture, events partnerships and economic development.

3.4 Other matters impacting the 10-year financial projections

AAS 16 Leases and its impact on Council's debt cap and financial ratios

In 2019–20, Australian Accounting Standard 16 (AAS 16) replaced the previous concept of operating and finance leases (for lessees). Lessees are required to recognise most of their leases on the balance sheet. This key change means that operating leases are recognised and the financial position of Council includes more assets and liabilities.

AAS 16 affects the Council's ability to borrow, due to its impacts on the Council's key borrowing ratios. This limits Council's ability to enter into long-term lease transactions.

Developer Contributions Plan (DCP) assumptions

Any figures that relate to DCP are based on preliminary DCP calculations as of July 2025. DCP at the City of Melbourne is evolving and will change as necessary.

4 FINANCIAL PLAN STATEMENTS

This section presents information regarding the Financial Plan statements for the 10 years from 2025 to 2035:

- Comprehensive income statement
- Balance sheet
- Statement of changes in equity
- Statement of cash flows
- Statement of capital works
- Statement of human resources.

The following estimated financial statements set out the forecast financial results for the City of Melbourne from 2024–25 to 2034–35. The forecast financial statements have been prepared with the City of Melbourne's financial policy objectives and strategies statement.

The statements have been prepared in accordance with applicable Australian Accounting Standards that meets the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*. This forms the basis of Council's Annual Financial Report which is part of the broader Integrated Strategic Planning and Reporting Framework.

Appropriate professional judgement has been applied when preparing the forecast financial statements. However, with the uncertainty from the current geopolitical environment and the global economic conditions, the forecast estimates within the Financial Plan are subject to a degree of uncertainty.

4.1 Comprehensive income statement

Forecast / Actual		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income / Revenue												
Rates and charges		390,312	393,668	416,611	427,849	438,311	448,728	459,353	470,191	481,245	492,520	504,021
Statutory fees and fines		54,781	55,002	55,275	55,550	55,827	56,104	56,383	56,664	56,945	57,229	57,513
User fees		91,043	92,987	93,902	94,826	95,759	96,701	97,653	98,614	99,585	100,565	101,556
Grants - operating		18,432	15,797	15,797	15,797	15,797	15,797	15,797	15,797	15,797	15,797	15,797
Grants - capital		21,667	27,743	24,543	24,543	24,543	24,543	24,543	24,543	24,543	24,543	24,543
Contributions - monetary		29,154	16,380	25,598	16,733	21,746	20,385	21,003	21,003	21,003	21,003	21,003
Contributions - non-monetary		-	-	-	-	-	-	-	-	-	-	-
Net gain (or loss) on disposal of property, infrastructure, plant and equipment		27,036	-	-	-	-	-	-	-	-	-	-
Fair value adjustments for investment property		(6,025)	-	-	-	-	-	-	-	-	-	-
Other income		37,834	22,956	25,446	26,010	26,573	27,137	27,700	28,264	28,827	29,391	29,954
Total income / revenue		664,234	624,533	657,173	661,308	678,556	689,395	702,432	715,075	727,946	741,048	754,388
Expenses												
Employee costs		211,753	216,939	231,076	237,028	244,959	249,132	255,348	260,526	265,277	269,981	274,769
Materials and services		238,184	235,999	240,523	247,535	252,374	258,605	263,570	268,731	274,105	279,587	285,179
Depreciation		67,076	67,479	70,178	72,283	73,729	75,351	76,670	78,586	80,158	81,761	83,396
Amortisation - intangible assets		15,156	15,247	15,856	16,332	16,659	17,025	17,323	17,756	18,111	18,474	18,843
Depreciation - right of use assets		2,991	2,820	2,831	2,843	2,854	2,865	2,877	2,888	2,900	2,911	2,923
Bad and doubtful debts		12,459	12,325	12,386	12,448	12,510	12,573	12,635	12,698	12,762	12,825	12,889
Borrowing costs		4,080	6,775	9,713	6,300	3,150	2,100	1,050	-	-	-	-
Finance Costs - leases		1,476	1,674	1,843	1,972	2,056	2,153	2,229	2,346	2,439	2,534	2,631
Other expenses		42,896	24,382	25,782	26,317	26,822	27,389	27,849	28,519	29,068	29,628	30,199
Total expenses		596,070	583,639	610,188	623,058	635,113	647,193	659,552	672,051	684,820	697,702	710,830
Surplus/(deficit) for the year		68,164	40,894	46,985	38,250	43,443	42,202	42,880	43,024	43,125	43,347	43,558
Other comprehensive income												
Items that will not be reclassified to surplus or deficit in future periods												
Net asset revaluation gain/(loss)		235,063	93,852	131,849	6,846	6,843	6,840	6,838	6,835	(18,168)	(18,171)	(18,174)
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-	-	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods												
Gain defined benefit plans		-	-	-	-	-	-	-	-	-	-	-
Profit/ (Loss) from sale of subsidiary		-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income		235,063	93,852	131,849	6,846	6,843	6,840	6,838	6,835	(18,168)	(18,171)	(18,174)
Total comprehensive result		303,227	134,746	178,835	45,097	50,287	49,042	49,718	49,859	24,957	25,176	25,384

4.2 Balance sheet

Forecast / Actual		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets												
Current assets												
Cash and cash equivalents	47,722	46,949	170,620	75,488	21,901	18,103	19,509	27,196	28,227	28,876	31,738	
Trade and other receivables	41,884	42,358	42,836	43,320	43,810	44,305	44,806	45,312	45,824	46,342	46,865	
Other financial assets	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	
Other assets	10,685	10,867	11,052	11,240	11,431	11,625	11,823	12,024	12,228	12,436	12,647	
Total current assets	125,292	125,174	249,508	155,048	102,141	99,033	101,137	109,532	111,279	112,654	116,251	
Non-current assets												
Other financial assets	37,903	131,903	138,903	145,903	152,903	159,903	166,903	173,903	180,903	187,903	194,903	
Investments in associates, joint arrangements and subsidiaries	28,477	28,477	28,477	28,477	28,477	28,477	28,477	28,477	28,477	28,477	28,477	
Property, infrastructure, plant & equipment	4,966,743	5,043,864	5,122,642	5,188,450	5,226,794	5,255,560	5,280,448	5,300,084	5,321,387	5,343,343	5,363,664	
Right-of-use assets	9,767	9,779	9,790	9,801	9,813	9,824	9,836	9,847	9,859	9,871	9,883	
Investment property	225,327	225,327	225,327	225,327	225,327	225,327	225,327	225,327	225,327	225,327	225,327	
Intangible assets	48,301	52,863	57,411	59,995	58,689	55,926	52,515	48,213	44,001	39,735	35,099	
Total non-current assets	5,316,519	5,492,212	5,582,550	5,657,954	5,702,002	5,735,018	5,763,505	5,785,852	5,809,954	5,834,656	5,857,353	
Total assets	5,441,811	5,617,386	5,832,058	5,813,002	5,804,144	5,834,051	5,864,642	5,895,384	5,921,233	5,947,309	5,973,603	
Liabilities												
Current liabilities												
Trade and other payables	86,789	87,223	87,659	88,097	88,538	88,980	89,425	89,872	90,322	90,773	91,227	
Trust funds and deposits	32,329	32,329	32,329	32,329	32,329	32,329	32,329	32,329	32,329	32,329	32,329	
Contract and other liabilities	-	-	-	-	-	-	-	-	-	-	-	
Provisions	46,419	46,883	47,352	47,825	48,303	48,786	49,274	49,767	50,265	50,767	51,275	
Interest-bearing liabilities	-	-	-	-	-	-	-	-	-	-	-	
Lease liabilities	2,219	2,166	2,114	2,063	2,013	1,965	1,918	1,872	1,827	1,783	1,740	
Total current liabilities	167,755	168,600	169,453	170,314	171,184	172,061	172,947	173,840	174,743	175,653	176,572	
Non-current liabilities												
Trust funds and deposits	5,803	5,803	5,803	5,803	5,803	5,803	5,803	5,803	5,803	5,803	5,803	
Provisions	4,803	4,846	4,890	4,934	4,978	5,023	5,068	5,114	5,160	5,206	5,253	
Interest-bearing liabilities	110,000	150,000	185,000	120,000	60,000	40,000	20,000	-	-	-	-	
Lease liabilities	8,478	8,418	8,359	8,301	8,243	8,185	8,128	8,071	8,014	7,958	7,903	
Total non-current liabilities	129,084	169,068	204,053	139,038	79,024	59,011	38,999	18,988	18,978	18,968	18,959	
Total liabilities	296,839	337,668	373,506	309,352	250,208	231,072	211,946	192,828	193,720	194,621	195,531	
Net assets	5,144,972	5,279,718	5,458,553	5,503,649	5,553,936	5,602,978	5,652,696	5,702,555	5,727,513	5,752,688	5,778,072	
Equity												
Accumulated surplus	2,229,962	2,351,708	2,508,324	2,540,066	2,571,986	2,604,023	2,636,118	2,668,354	2,675,687	2,683,240	2,691,000	
Reserves	2,915,010	2,928,010	2,950,229	2,963,583	2,981,950	2,998,955	3,016,578	3,034,202	3,051,825	3,069,449	3,087,072	
Total equity	5,144,972	5,279,718	5,458,553	5,503,649	5,553,936	5,602,978	5,652,696	5,702,555	5,727,513	5,752,688	5,778,072	

4.3 Statement of changes in equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2025 Forecast / Actual				
Balance at beginning of the financial year	4,841,745	2,183,986	2,541,860	115,900
Surplus/(deficit) for the year	68,164	68,164	-	-
Net asset revaluation gain/(loss)	235,063	-	235,063	-
Transfers to other reserves	-	(22,187)	-	22,187
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,144,972	2,229,962	2,776,923	138,087
2026				
Balance at beginning of the financial year	5,144,972	2,229,962	2,776,923	138,087
Surplus/(deficit) for the year	40,894	40,894	-	-
Net asset revaluation gain/(loss)	187,704	93,852	93,852	-
Transfers to other reserves	-	(13,000)	-	13,000
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,373,570	2,351,708	2,870,775	151,087
2027				
Balance at beginning of the financial year	5,373,570	2,351,708	2,870,775	151,087
Surplus/(deficit) for the year	46,985	46,985	-	-
Net asset revaluation gain/(loss)	263,698	131,849	131,849	-
Transfers to other reserves	-	(22,219)	-	22,219
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,684,254	2,508,324	3,002,624	173,306
2028				
Balance at beginning of the financial year	5,684,254	2,508,324	3,002,624	173,306
Surplus/(deficit) for the year	38,250	38,250	-	-
Net asset revaluation gain/(loss)	13,693	6,846	6,846	-
Transfers to other reserves	-	(13,354)	-	13,354
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,736,197	2,540,066	3,009,470	186,660
2029				
Balance at beginning of the financial year	5,736,197	2,540,066	3,009,470	186,660
Surplus/(deficit) for the year	43,443	43,443	-	-
Net asset revaluation gain/(loss)	13,687	6,843	6,843	-
Transfers to other reserves	-	(18,367)	-	18,367
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,793,327	2,571,986	3,016,314	205,027

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2030				
Balance at beginning of the financial year	5,793,327	2,571,986	3,016,314	205,027
Surplus/(deficit) for the year	42,202	42,202	-	-
Net asset revaluation gain/(loss)	13,681	6,840	6,840	-
Transfers to other reserves	-	(17,005)	-	17,005
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,849,210	2,604,023	3,023,154	222,032
2031				
Balance at beginning of the financial year	5,849,210	2,604,023	3,023,154	222,032
Surplus/(deficit) for the year	42,880	42,880	-	-
Net asset revaluation gain/(loss)	13,675	6,838	6,838	-
Transfers to other reserves	-	(17,623)	-	17,623
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,905,765	2,636,118	3,029,992	239,656
2032				
Balance at beginning of the financial year	5,905,765	2,636,118	3,029,992	239,656
Surplus/(deficit) for the year	43,024	43,024	-	-
Net asset revaluation gain/(loss)	13,669	6,835	6,835	-
Transfers to other reserves	-	(17,623)	-	17,623
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,962,459	2,668,354	3,036,826	257,279
2033				
Balance at beginning of the financial year	5,962,459	2,668,354	3,036,826	257,279
Surplus/(deficit) for the year	43,125	43,125	-	-
Net asset revaluation gain/(loss)	(36,336)	(18,168)	(18,168)	-
Transfers to other reserves	-	(17,623)	-	17,623
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,969,248	2,675,687	3,018,658	274,903
2034				
Balance at beginning of the financial year	5,969,248	2,675,687	3,018,658	274,903
Surplus/(deficit) for the year	43,347	43,347	-	-
Net asset revaluation gain/(loss)	(36,342)	(18,171)	(18,171)	-
Transfers to other reserves	-	(17,623)	-	17,623
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,976,253	2,683,240	3,000,487	292,526
2035				
Balance at beginning of the financial year	5,976,253	2,683,240	3,000,487	292,526
Surplus/(deficit) for the year	43,558	43,558	-	-
Net asset revaluation gain/(loss)	(36,348)	(18,174)	(18,174)	-
Transfers to other reserves	-	(17,623)	-	17,623
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	5,983,463	2,691,000	2,982,313	310,149

4.4 Statement of cash flows

Forecast / Actual											
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities											
Rates and charges	397,245	393,668	416,611	427,849	438,311	448,728	459,353	470,191	481,245	492,520	504,021
Statutory fees and fines	55,819	54,765	55,036	55,308	55,582	55,857	56,133	56,410	56,689	56,970	57,251
User fees	92,362	92,751	93,663	94,584	95,514	96,453	97,402	98,361	99,329	100,307	101,294
Grants - operating	18,472	15,797	15,797	15,797	15,797	15,797	15,797	15,797	15,797	15,797	15,797
Grants - capital	24,320	27,743	24,543	24,543	24,543	24,543	24,543	24,543	24,543	24,543	24,543
Contributions - monetary	29,292	16,380	25,598	16,733	21,746	20,385	21,003	21,003	21,003	21,003	21,003
Interest received	1,712	1,140	1,131	1,694	2,258	2,821	3,385	3,948	4,512	5,075	5,639
Dividends received	17,568	4,318	4,315	4,312	4,309	4,306	4,302	4,299	4,296	4,292	4,289
Trust funds and deposits taken	17,073	-	-	-	-	-	-	-	-	-	-
Other receipts	21,353	17,316	19,816	19,816	19,816	19,816	19,816	19,816	19,816	19,816	19,816
Net GST refund / payment	31,271	-	-	-	-	-	-	-	-	-	-
Employee costs	(208,717)	(216,432)	(230,564)	(236,510)	(244,436)	(248,604)	(254,815)	(259,988)	(264,734)	(269,432)	(274,214)
Materials and services	(308,057)	(248,150)	(252,735)	(259,808)	(264,708)	(271,000)	(276,027)	(281,250)	(286,687)	(292,232)	(297,887)
Short-term, low value and variable lease payments	(907)	2,820	2,831	2,843	2,854	2,865	2,877	2,888	2,900	2,911	2,923
Other payments	(22,457)	(27,201)	(28,613)	(29,160)	(29,676)	(30,254)	(30,726)	(31,407)	(56,968)	(57,539)	(58,122)
Net cash provided by/(used in) operating activities	166,349	134,914	147,430	138,001	141,910	141,712	143,042	144,611	121,740	124,031	126,353
Cash flows from investing activities											
Payments for property, infrastructure, plant and equipment	(168,546)	(164,407)	(169,361)	(157,007)	(127,425)	(118,380)	(115,469)	(111,678)	(115,360)	(117,925)	(117,925)
Proceeds from sale of property, infrastructure, plant and equipment	56,011	-	125,000	-	-	-	-	-	-	-	-
Proceeds from sale of / (Payments for) investments	(25,000)	-	-	-	-	-	-	-	-	-	-
Loans and advances made	-	-	-	-	-	-	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by/ (used in) investing activities	(137,535)	(164,407)	(44,361)	(157,007)	(127,425)	(118,380)	(115,469)	(111,678)	(115,360)	(117,925)	(117,925)
Cash flows from financing activities											
Finance costs	(4,115)	(6,775)	(9,713)	(6,300)	(3,150)	(2,100)	(1,050)	-	-	-	-
Proceeds from borrowings	-	40,000	35,000	-	-	-	-	-	-	-	-
Repayment of borrowings	-	-	-	(65,000)	(60,000)	(20,000)	(20,000)	(20,000)	-	-	-
Interest paid - lease liability	(495)	(1,674)	(1,843)	(1,972)	(2,056)	(2,153)	(2,229)	(2,346)	(2,439)	(2,534)	(2,631)
Repayment of lease liabilities	(2,820)	(2,831)	(2,843)	(2,854)	(2,865)	(2,877)	(2,888)	(2,900)	(2,912)	(2,923)	(2,935)
Net cash provided by/(used in) financing activities	(7,430)	28,720	20,602	(76,126)	(68,072)	(27,130)	(26,168)	(25,245)	(5,350)	(5,457)	(5,566)
Net increase/(decrease) in cash & cash equivalents											
Cash and cash equivalents at the beginning of the financial year	21,384	(773)	123,671	(95,132)	(53,587)	(3,798)	1,405	7,688	1,030	649	2,862
Cash and cash equivalents at the end of the financial year	26,338	47,722	46,949	170,620	75,488	21,901	18,103	19,509	27,196	28,227	28,876
Cash and cash equivalents at the end of the financial year	47,722	46,949	170,620	75,488	21,901	18,103	19,509	27,196	28,227	28,876	31,738



4.5 Statement of capital works

Forecast / Actual												
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Property												
Land	-	-	-	-	-	-	-	-	-	-	-	
Land improvements	-	-	-	-	-	-	-	-	-	-	-	
Total land	-	-	-	-	-	-	-	-	-	-	-	
Buildings	33,712	32,921	37,285	34,279	31,010	28,809	28,927	27,977	28,899	29,542	29,542	
Heritage buildings	-	-	-	-	-	-	-	-	-	-	-	
Building improvements	44,984	43,928	49,752	45,740	41,378	38,441	38,599	37,331	38,562	39,420	39,420	
Leasehold improvements	723	706	800	736	665	618	621	600	620	634	634	
Total buildings	79,419	77,556	87,837	80,755	73,053	67,868	68,146	65,909	68,082	69,595	69,595	
Total property	79,419	77,556	87,837	80,755	73,053	67,868	68,146	65,909	68,082	69,595	69,595	
Plant and equipment												
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-	-	
Plant, machinery and equipment	5,045	4,927	5,580	5,130	4,641	4,312	4,329	4,187	4,325	4,421	4,421	
Fixtures, fittings and furniture	1,222	1,194	1,352	1,243	1,124	1,044	1,049	1,014	1,048	1,071	1,071	
Computers and telecommunications	19,074	18,627	21,096	19,395	17,545	16,300	16,367	15,829	16,351	16,715	16,715	
Library books	1,645	1,606	1,819	1,673	1,513	1,406	1,411	1,365	1,410	1,441	1,441	
Total plant and equipment	26,987	26,354	29,847	27,441	24,824	23,062	23,156	22,396	23,134	23,649	23,649	
Infrastructure												
Roads	4,219	4,120	4,667	4,290	3,881	3,606	3,620	3,502	3,617	3,697	3,697	
Bridges	2,751	2,687	3,043	2,797	2,531	2,351	2,361	2,283	2,358	2,411	2,411	
Footpaths and cycleways	10,463	10,217	11,572	10,639	9,624	8,941	8,978	8,683	8,969	9,168	9,168	
Drainage	6,446	6,295	7,129	6,554	5,929	5,508	5,531	5,349	5,526	5,648	5,648	
Recreational, leisure and community facilities	2,235	2,182	2,471	2,272	2,055	1,910	1,917	1,854	1,916	1,958	1,958	
Waste management	371	362	410	377	341	317	318	308	318	325	325	
Parks, open space and streetscapes	22,260	21,738	24,619	22,634	20,476	19,022	19,100	18,473	19,082	19,506	19,506	
Aerodromes	-	-	-	-	-	-	-	-	-	-	-	
Off street car parks	-	-	-	-	-	-	-	-	-	-	-	
Other infrastructure	3,168	3,094	3,504	3,221	2,914	2,707	2,718	2,629	2,716	2,776	2,776	
Total infrastructure	51,912	50,694	57,415	52,785	47,751	44,362	44,543	43,081	44,501	45,491	45,491	
Total capital works expenditure	158,318	154,604	175,099	160,981	145,628	135,291	135,846	131,385	135,717	138,735	138,735	
Represented by:												
New asset expenditure	67,372	44,306	26,265	24,147	21,844	20,294	20,377	19,708	20,358	20,810	20,810	
Asset renewal expenditure	51,604	56,072	96,305	88,540	80,096	74,410	74,715	72,262	74,645	76,304	76,304	
Asset expansion expenditure	111	540	-	-	-	-	-	-	-	-	-	
Asset upgrade expenditure	39,231	53,686	52,530	48,294	43,689	40,587	40,754	39,416	40,715	41,620	41,620	
Total capital works expenditure	158,318	154,604	175,099	160,981	145,628	135,291	135,846	131,385	135,717	138,735	138,735	
Funding sources represented by:												
Grants	30,009	29,305	27,529	16,376	14,611	13,574	13,630	13,182	13,617	13,919	13,919	
Contributions	4,240	4,141	9,977	4,607	8,176	7,596	7,627	7,376	7,620	7,789	7,789	
Council cash	57,706	56,352	137,593	139,998	122,841	114,122	114,590	110,827	114,481	117,027	117,027	
Borrowings	66,363	64,806	-	-	-	-	-	-	-	-	-	
Total capital works expenditure	158,318	154,604	175,099	160,981	145,628	135,291	135,846	131,385	135,717	138,735	138,735	

4.6 Statement of human resources

Staff numbers	2024/25 FTE	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE	2031/32 FTE	2032/33 FTE	2033/34 FTE	2034/35 FTE
Staff numbers											
Employees	1,517	1,532	1,555	1,574	1,594	1,614	1,638	1,663	1,688	1,713	1,739
Total staff numbers	1,517	1,532	1,555	1,574	1,594	1,614	1,638	1,663	1,688	1,713	1,739

Department	10-Year	Comprises			
	Total \$'000	Permanent Full Time \$'000	Part Time \$'000	Casual \$'000	Temporary \$'000
Executive Services	68,800	68,800	-	-	-
Business Excellence	491,255	453,308	9,779	28,169	-
Infrastructure and Amenity	410,724	328,806	18,424	63,494	-
Strategy Planning and Climate Change	304,159	254,430	4,294	45,434	-
Community and City Services	692,455	582,388	89,212	20,855	-
Business, Economy and Activation	362,694	319,234	23,955	19,505	-
Customer Experience and Communications	174,244	145,857	14,056	14,331	-
Total permanent staff expenditure	2,504,330	2,152,822	159,720	191,788	-
Other employee related expenditure	-	-	-	-	-
Capitalised labour costs	-	-	-	-	-
Total staff expenditure	2,504,330	2,152,822	159,720	191,788	-

Department	10-Year Average FTE	Comprises			
		Permanent Full Time	Part Time	Casual	Temporary
Executive Services	29	29	-	-	-
Business Excellence	291	268	6	17	-
Infrastructure and Amenity	268	215	12	41	-
Strategy Planning and Climate Change	197	165	3	29	-
Community and City Services	507	426	65	15	-
Business, Economy and Activation	230	203	15	12	-
Customer Experience and Communications	109	91	9	9	-
Total staff	1,631	1,397	110	124	-

4.7 Planned human resource expenditure

	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'000
Executive Services										
Permanent - Full time	5,958	6,346	6,510	6,728	6,842	7,013	7,155	7,286	7,415	7,546
Women	3,277	3,491	3,580	3,700	3,763	3,857	3,935	4,007	4,078	4,151
Men	2,681	2,856	2,929	3,027	3,079	3,156	3,220	3,279	3,337	3,396
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	-	-	-	-	-	-	-	-	-	-
Women	-	-	-	-	-	-	-	-	-	-
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Executive Services	5,958	6,346	6,510	6,728	6,842	7,013	7,155	7,286	7,415	7,546
Business Excellence										
Permanent - Full time	39,257	41,815	42,892	44,327	45,083	46,207	47,144	48,004	48,855	49,722
Women	20,414	21,744	22,304	23,050	23,443	24,028	24,515	24,962	25,405	25,855
Men	18,843	20,071	20,588	21,277	21,640	22,180	22,629	23,042	23,451	23,866
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	847	902	925	956	973	997	1,017	1,036	1,054	1,073
Women	440	469	481	497	506	518	529	538	548	558
Men	406	433	444	459	467	478	488	497	506	515
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Business Excellence	40,104	42,717	43,817	45,284	46,055	47,204	48,161	49,040	49,909	50,794
Infrastructure and Amenity										
Permanent - Full time	28,475	30,331	31,112	32,153	32,701	33,516	34,196	34,820	35,437	36,066
Women	12,814	13,649	14,000	14,469	14,715	15,082	15,388	15,669	15,947	16,230
Men	15,661	16,682	17,111	17,684	17,985	18,434	18,808	19,151	19,490	19,836
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	1,596	1,700	1,743	1,802	1,832	1,878	1,916	1,951	1,986	2,021
Women	718	765	784	811	825	845	862	878	894	909
Men	878	935	959	991	1,008	1,033	1,054	1,073	1,092	1,112
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Infrastructure and Amenity	30,071	32,030	32,855	33,954	34,533	35,395	36,112	36,771	37,423	38,086
Strategy Planning and Climate Change										
Permanent - Full time	22,034	23,470	24,074	24,880	25,304	25,935	26,461	26,944	27,421	27,908
Women	11,678	12,439	12,759	13,186	13,411	13,746	14,024	14,280	14,533	14,791
Men	10,356	11,031	11,315	11,694	11,893	12,190	12,437	12,663	12,888	13,117
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	372	396	406	420	427	438	447	455	463	471
Women	197	210	215	223	226	232	237	241	245	250
Men	175	186	191	197	201	206	210	214	218	221
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Strategy Planning and Climate Change	22,406	23,866	24,481	25,300	25,731	26,373	26,908	27,398	27,884	28,379

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	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Community and City Services										
Permanent - Full time	50,436	53,722	55,106	56,950	57,920	59,365	60,569	61,674	62,767	63,880
Women	33,792	35,994	36,921	38,156	38,806	39,775	40,581	41,321	42,054	42,800
Men	16,644	17,728	18,185	18,793	19,114	19,591	19,988	20,352	20,713	21,080
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	7,726	8,229	8,441	8,724	8,872	9,094	9,278	9,447	9,615	9,785
Women	5,176	5,514	5,656	5,845	5,944	6,093	6,216	6,330	6,442	6,556
Men	2,550	2,716	2,786	2,879	2,928	3,001	3,062	3,118	3,173	3,229
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Community and City Services	58,161	61,952	63,547	65,673	66,792	68,459	69,847	71,121	72,382	73,666
Business, Economy and Activation										
Permanent - Full time	27,646	29,448	30,206	31,217	31,749	32,541	33,201	33,806	34,406	35,016
Women	19,905	21,202	21,748	22,476	22,859	23,429	23,904	24,340	24,772	25,211
Men	7,741	8,245	8,458	8,741	8,890	9,111	9,296	9,466	9,634	9,804
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	2,075	2,210	2,267	2,342	2,382	2,442	2,491	2,537	2,582	2,628
Women	1,494	1,591	1,632	1,687	1,715	1,758	1,794	1,826	1,859	1,892
Men	581	619	635	656	667	684	698	710	723	736
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Business, Economy and Activation	29,721	31,657	32,473	33,559	34,131	34,983	35,692	36,343	36,987	37,643
Customer Experience and Communications										
Permanent - Full time	12,631	13,455	13,801	14,263	14,506	14,868	15,169	15,446	15,720	15,999
Women	8,842	9,418	9,661	9,984	10,154	10,407	10,618	10,812	11,004	11,199
Men	3,789	4,036	4,140	4,279	4,352	4,460	4,551	4,634	4,716	4,800
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	1,217	1,297	1,330	1,374	1,398	1,433	1,462	1,488	1,515	1,542
Women	852	908	931	962	979	1,003	1,023	1,042	1,060	1,079
Men	365	389	399	412	419	430	439	447	454	463
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Customer Experience and Communications	13,849	14,751	15,131	15,637	15,904	16,301	16,631	16,934	17,235	17,540
Casuals, temporary and other expenditure	16,609	17,691	18,147	18,754	19,074	19,550	19,946	20,310	20,670	21,037
Total staff expenditure	216,878	231,011	236,961	244,890	249,062	255,276	260,453	265,203	269,905	274,691

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	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE	2030/31 FTE	2031/32 FTE	2032/33 FTE	2033/34 FTE	2034/35 FTE
Executive Services										
Permanent - Full time	28	28	28	29	29	30	30	31	31	31
Women	15	15	16	16	16	16	17	17	17	17
Men	12	13	13	13	13	13	14	14	14	14
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	-	-	-	-	-	-	-	-	-	-
Women	-	-	-	-	-	-	-	-	-	-
Men	-	-	-	-	-	-	-	-	-	-
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Executive Services	28	28	28	29	29	30	30	31	31	31
Business Excellence										
Permanent - Full time	252	256	259	262	265	269	273	278	282	286
Women	131	133	135	136	138	140	142	144	146	149
Men	121	123	124	126	127	129	131	133	135	137
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	5	6	6	6	6	6	6	6	6	6
Women	3	3	3	3	3	3	3	3	3	3
Men	3	3	3	3	3	3	3	3	3	3
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Business Excellence	257	261	264	268	271	275	279	284	288	292
Infrastructure and Amenity										
Permanent - Full time	202	205	207	210	212	215	219	222	225	229
Women	91	92	93	94	96	97	98	100	101	103
Men	111	112	114	115	117	119	120	122	124	126
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	11	11	12	12	12	12	12	12	13	13
Women	5	5	5	5	5	5	6	6	6	6
Men	6	6	6	6	7	7	7	7	7	7
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Infrastructure and Amenity	213	216	219	221	224	228	231	234	238	242
Strategy Planning and Climate Change										
Permanent - Full time	155	157	159	161	163	166	168	171	173	176
Women	82	83	84	85	87	88	89	90	92	93
Men	73	74	75	76	77	78	79	80	81	83
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	3	3	3	3	3	3	3	3	3	3
Women	1	1	1	1	1	1	2	2	2	2
Men	1	1	1	1	1	1	1	1	1	1
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Strategy Planning and Climate Change	158	160	162	164	166	168	171	174	176	179

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	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Community and City Services										
Permanent - Full time	400	406	412	417	422	428	435	441	448	454
Women	268	272	276	279	283	287	291	296	300	305
Men	132	134	136	138	139	141	143	146	148	150
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	61	62	63	64	65	66	67	68	69	70
Women	41	42	42	43	43	44	45	45	46	47
Men	20	21	21	21	21	22	22	22	23	23
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Community and City Services	462	469	475	481	487	494	501	509	516	524
Business, Economy and Activation										
Permanent - Full time	190	193	196	198	201	204	207	210	213	216
Women	137	139	141	143	144	147	149	151	153	156
Men	53	54	55	55	56	57	58	59	60	61
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	14	15	15	15	15	15	16	16	16	16
Women	10	10	11	11	11	11	11	11	12	12
Men	4	4	4	4	4	4	4	4	4	5
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Business, Economy and Activation	205	208	210	213	216	219	222	226	229	232
Customer Experience and Communications										
Permanent - Full time	85	87	88	89	90	91	93	94	95	97
Women	60	61	61	62	63	64	65	66	67	68
Men	26	26	26	27	27	27	28	28	29	29
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Permanent - Part time	8	8	8	9	9	9	9	9	9	9
Women	6	6	6	6	6	6	6	6	6	7
Men	2	3	3	3	3	3	3	3	3	3
Persons of self-described gender	-	-	-	-	-	-	-	-	-	-
Total Customer Experience and Communications	94	95	96	97	99	100	102	103	105	106
Casuals and temporary staff	117	118	120	121	123	125	127	128	130	132
Total staff numbers	1,532	1,555	1,574	1,594	1,614	1,638	1,663	1,688	1,713	1,739

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5 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.



Image 10: Webb Bridge, South Wharf

Indicator	Measure	Notes	Forecast Actual 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Trend
Operating position														
Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business)	Adjusted underlying surplus (or deficit) (Adjusted underlying surplus (deficit) / Adjusted underlying revenue)	1	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	+
Liquidity														
Working Capital (sufficient working capital is available to pay bills as and when they fall due)	Current assets compared to current liabilities Current assets / current liabilities	2	74.7%	74.2%	147.2%	91.0%	59.7%	57.6%	63.0%	63.7%	64.1%	65.8%	65.8%	o
Unrestricted cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due)	Unrestricted cash compared to current liabilities Unrestricted cash / current liabilities	3	97.8%	88.0%	168.3%	161.1%	117.8%	85.9%	84.0%	76.2%	77.7%	79.0%	79.0%	+
Obligations														
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Loans and borrowings compared to rates Interest bearing loans and borrowings / rate revenue	4	30.9%	40.8%	46.9%	30.5%	16.0%	11.2%	6.5%	2.1%	2.0%	1.9%	1.9%	+
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Loans and borrowings compared to repayments Interest and principal repayments on interest bearing loans and borrowings / rate revenue	5	1.9%	2.9%	3.5%	17.8%	15.5%	6.0%	5.7%	1.1%	1.1%	1.1%	1.1%	+
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	Non-current liabilities compared to own-source revenue Non-current liabilities / own source revenue	6	21.7%	29.9%	34.5%	23.0%	12.8%	9.4%	6.1%	2.9%	2.8%	2.7%	2.7%	+
Asset renewal (assets are renewed as planned)	Asset renewal compared to depreciation Asset renewal and upgrade expense / Asset depreciation	7	106.6%	128.3%	167.5%	149.6%	132.8%	120.7%	119.2%	112.5%	114.0%	114.3%	112.1%	+
Stability														
Rates concentration (revenue is generated from a range of sources)	Rates compared to adjusted underlying revenue Rate revenue / adjusted underlying revenue	8	61.7%	65.0%	66.2%	66.6%	67.0%	67.3%	67.7%	68.0%	68.3%	68.6%	69.0%	o
Rates effort (rating level is set based on the community's capacity to pay)	Rates compared to property values Rate revenue / CIV of rateable properties in the municipality	9	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	o
Efficiency														
Expenditure level (resources are used efficiently in the delivery of services)	Expenses per property assessment Total expenses / no. of property assessments Average rate per property	10	\$4,221	\$4,071	\$4,203	\$4,261	\$4,282	\$4,302	\$4,324	\$4,343	\$4,361	\$4,376	\$4,390	o
Revenue level (resources are used efficiently in the delivery of services)	Revenue assessment General rates and municipal charges / no. of property assessments	11	\$2,764	\$2,746	\$2,870	\$2,926	\$2,955	\$2,983	\$3,012	\$3,039	\$3,065	\$3,089	\$3,113	o

Key to Forecast Trend:

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

Note:

1. Adjusted underlying result is expected to improve as compared to the past and forecast to remain positive over the forecast period.
2. Working capital is expected to be comparable to the past and forecast to remain in a steady level over the forecast period.
3. Unrestricted cash is forecast to trend positively over the forecast period, with sufficient cash to pay bills as they fall due.
4. Loans and borrowings compared to rates is expected to improve over the forecast period as Council continues with the structured debt repayment program.
5. Loans and borrowings repayments compared to rates is expected to positively trend towards zero over the forecast period as Council continues with the structured debt repayment program.
6. Non-current liabilities compared to own-source revenue is forecast to improve over the forecast period as Council repays its debt.
7. Asset renewal compared to depreciation trends positively over the forecast period, with ratios over 100 per cent indicating that there is lesser risk of insufficient spending on Council's asset base.
8. Rates compared to adjusted underlying revenue is forecast to remain in a steady level over the forecast period.
9. Rates compared to property values is forecast to remain in a steady level over the forecast period.
10. Expenses per property assessment is forecast to remain in a steady level over the forecast period.
11. Average rate per property assessment is forecast to remain in a steady level over the forecast period.



6 STRATEGIES AND PLANS

This section describes the strategies and plans that support the 10-year financial projections included in the Financial Plan 2025–35.

6.1 Borrowing strategy

6.1.1 Current debt position and future borrowing requirements

The total amount borrowed as at 30 June 2025 is forecast to be \$110.0 million. City of Melbourne is on a pathway of structured debt repayments, reducing debt from \$110.0 million in 2025–26 to become debt free by 2031–32. City of Melbourne will continue to deliver its capital works program over the forecast period.

	Forecast / Actual 2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Opening balance	110,000	110,000	150,000	185,000	120,000	60,000
Plus New loans	-	40,000	35,000	-	-	-
Less Principal repayment	-	-	-	(65,000)	(60,000)	(20,000)
Closing balance	110,000	150,000	185,000	120,000	60,000	40,000
Interest payment	(4,080)	(6,775)	(9,713)	(6,300)	(3,150)	(2,100)

	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000	2034/35 \$'000
Opening balance	40,000	20,000	-	-	-
Plus New loans	-	-	-	-	-
Less Principal repayment	(20,000)	(20,000)	-	-	-
Closing balance	20,000	-	-	-	-
Interest payment	(1,050)	-	-	-	-

6.1.3 Performance indicators

The following table highlights City of Melbourne's projected performance across a range of debt management performance indicators. Over the period of 10 years, on average, the City of Melbourne aims to be in line with target performance indicators.

City of Melbourne maintains its loan borrowing within prudent limits as demonstrated by the following performance indicators.

Total borrowings / rates revenue

The target for this indicator is to remain less than 70.0 per cent over the forecast period as per the City of Melbourne's Borrowing Policy.

Debt servicing / rates revenue

The target for this indicator is to remain less than or equal to 5.0 per cent. Over the forecast period, this indicator is forecasted to remain below the target.

Total repayment and interest / rates revenue

The target for this indicator is to remain less than or equal to 20.0 per cent over the forecast period. Over the forecast period, this indicator is forecasted to remain below the target.

Indebtedness / own-source revenue

The target for this indicator is to remain less than or equal to 60.0 per cent. Over the forecast period, this indicator is expected to remain below the target.

Performance Indicator	Target	Forecast / Actual 2024/25	2025/26	2026/27	2027/28	2028/29
		%	%	%	%	%
Total borrowings / Rate revenue	Below 70%	30.9%	40.8%	46.9%	30.5%	16.0%
Debt servicing / Rate revenue	Below 5%	1.4%	2.1%	2.8%	1.9%	1.2%
Debt commitment / Rate revenue	Below 20%	1.9%	2.9%	3.5%	17.8%	15.5%
Indebtedness / Own source revenue	Below 60%	21.7%	29.9%	34.5%	23.0%	12.8%

Performance Indicator	Target	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
		%	%	%	%	%	%
Total borrowings / Rate revenue	Below 70%	11.2%	6.5%	2.1%	2.0%	2.0%	1.9%
Debt servicing / Rate revenue	Below 5%	0.9%	0.7%	0.5%	0.5%	0.5%	0.5%
Debt commitment / Rate revenue	Below 20%	6.0%	5.7%	5.4%	1.1%	1.1%	1.1%
Indebtedness / Own source revenue	Below 60%	9.4%	6.1%	2.9%	2.8%	2.8%	2.7%

6.2 Reserves strategy

6.2.1 Current reserves

Public Open Space Reserve

- **Purpose:** the Public Open Space Reserve holds funds contributed by developers for land purchase, open space establishment and upgrades. 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. City of Melbourne Open Space Strategy's Open Space Contributions Framework sets out that open space contributions by developers provide for the open space demand created by forecast populations of residents and workers. Expenditure from the Public Open Space Reserve ensures there is sufficient distribution of quantity and quality open space to serve the future population of the City of Melbourne.
- **Movements:** transfers to the reserve (inflows) comprise contribution income from subdividers in accordance with the rates specified under Clause 53.01 of the Melbourne Planning Scheme. Transfers from the reserve (outflows) are applied to fund open space capital projects on an annual basis. Inflow to the reserve comes from developers who pay a percentage of the site value. It is expected that the Public Open Space Reserve will have an inflow of \$8 million per annum over the forecast period.

Development Contribution Plan Reserve

- **Purpose:** the Development Contribution Plan Reserve (DCP) holds funds contributed by developers for land purchase and construction of new and upgraded infrastructure as outlined in the draft Arden DCP and Macaulay DCP. Development contributions are collected in accordance with the interim rate in the Melbourne Planning Scheme until the final DCPs are incorporated.

DCPs provide for the charging of a Development Infrastructure Levy pursuant to section 46J(a) of the Act: towards works, services or facilities. They also provide for the charging of a Community Infrastructure Levy pursuant to section 46J(b) of the Act as some items are classified as community infrastructure under the Act.

The DCPs are implemented in the Melbourne Planning Scheme through Schedule 2 and 3 to the DCP Overlay (DCPO2 and DCPO3). The DCPs form part of the Melbourne Planning Scheme pursuant to section 46I of the Act and are incorporated documents under Clause 72.04 of the Melbourne Planning Scheme.

The DCPs set out that contributions by developers provide for the infrastructure demand created by forecast populations of residents and workers expected in each precinct. Expenditure from the Development Contributions Reserve ensures that there is sufficient infrastructure to serve the future population of Arden and Macaulay, and that the cost of delivering this new infrastructure is equitably shared. Expenditure from a separate fund also ensures compliance with the Act. Contributions are spent where they are collected, and any interest is accounted for. It may also facilitate borrowing by City of Melbourne to allow for upfront and early delivery of infrastructure.

- **Movements:** Transfers from this reserve will be for nominated capital works for development infrastructure projects and community infrastructure projects. These funds are tied directly to the income received or cash funds refunded to developers for capital works completed directly by the developer. It is expected that the City of Melbourne will collect on average \$10 million a year over the forecast period.

Investments Revaluation Reserve

- **Purpose:** the Investments Revaluation Reserve is used to record the increased (or decreased) value of the City of Melbourne's share of Regent Management Pty Ltd assets over time.
- **Movements:** We have not forecast any expected movement in the reserve over the forecast period.

Tree Compensation Reserve

- **Purpose:** the Tree Compensation Reserve typically holds funds collected from developers requiring the removal of public trees to make way for development activity. All options to retain trees are exhausted before tree removal is agreed upon and revenue is collected.

Revenue is initially recognised in the Parks and City Greening branch. It is then transferred to and held in a reserve within the balance sheet for future use. Expenditure from the reserve is overseen by the Urban Forest Fund Steering Group, which provides advice and sign-off on projects to accelerate greening the municipality through projects that go beyond City of Melbourne's business-as-usual works. The Urban Forest Fund and Canopy Uplift programs are funded by the Tree Compensation Reserve.

- **Movements:** Based on the historical trend, on average from 2019–20 to 2023–24, actual movements in tree compensation reserve fluctuated between \$4 million to \$5 million. The average growth is zero per cent over the period. As such, no significant growth or forecast is expected over the 10-year forecast period.

6.2.2 Reserve usage projections

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

Reserves	Restricted / Discretionary	Forecast / Actual											
		2024/25 \$000's	2025/26 \$000's	2026/27 \$000's	2027/28 \$000's	2028/29 \$000's	2029/30 \$000's	2030/31 \$000's	2031/32 \$000's	2032/33 \$000's	2033/34 \$000's	2034/35 \$000's	
Public Open Space Reserve													
Opening balance	Restricted	91,503	113,690	121,690	129,690	137,690	145,690	153,690	161,690	169,690	177,690	185,690	185,690
Transfer to reserve		22,187	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-	-
Closing balance		113,690	121,690	129,690	137,690	145,690	153,690	161,690	169,690	177,690	185,690	193,690	193,690
Development Contributions Reserve													
Opening balance	Restricted	12,868	12,868	17,868	32,087	37,441	47,808	56,813	66,436	76,060	85,683	95,307	95,307
Transfer to reserve		-	5,000	14,219	5,354	10,367	9,005	9,623	9,623	9,623	9,623	9,623	9,623
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-	-
Closing balance		12,868	17,868	32,087	37,441	47,808	56,813	66,436	76,060	85,683	95,307	104,930	104,930
Investments Revaluation Reserve													
Opening balance	Discretionary	6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846
Transfer to reserve		-	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-	-
Closing balance		6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846	6,846
Tree Compensation Reserve													
Opening balance	Restricted	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683
Transfer to reserve		-	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserve		-	-	-	-	-	-	-	-	-	-	-	-
Closing balance		4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683

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