



OUR ANNUAL BUDGET AND FINANCIAL OUTLOOK

2025-26 to 2028-29

Contents

	Page
Executive Summary	1

Budget Reports

1. Link to the Council Plan	5
2. Services and service performance indicators	9
3. Financial statements	18
4. Notes to the financial statements	25
5. Financial performance indicators	39
6. Schedule of fees and charges	43

Disclaimer

The information contained in this document is for general guidance only. It is not professional advice and should not be used, relied upon or treated as a substitute for specific professional advice. Given the changing nature of laws, rules and regulations, and the inherent hazards of electronic communication, there may be delays, omissions or inaccuracies in information contained in this document.

The model budget, including financial statements, has been prepared in accordance with the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*. While every effort has been made to ensure that the information contained in this document has been accurate and complies with relevant Victorian legislation, each Council remains responsible to ensure that the budget they prepare is compliant with all statutory requirements.

Acknowledgement of Traditional Owners and Aboriginal and Torres Strait Islander people

Darebin City Council acknowledges the Wurundjeri Woi-wurrung people as the traditional owners and custodians of the land and waters we now call Darebin and affirms that Wurundjeri Woi-wurrung people have lived on this land for millennia, practicing their customs and ceremonies of celebration, initiation and renewal. Council acknowledges that Elders past, present and emerging are central to the cohesion, intergenerational wellbeing and ongoing self-determination of Aboriginal communities. They have played and continue to play a pivotal role in maintaining and transmitting culture, history and language.

Council respects and recognises Aboriginal and Torres Strait Islander communities' values, living culture and practices, including their continuing spiritual connection to the land and waters and their right to self-determination. Council also recognises the diversity within Aboriginal and Torres Strait Islander communities.

Aboriginal and Torres Strait Islander people and communities have had and continue to play a unique role in the life of the Darebin municipality. Council recognises and values this ongoing contribution and its significant value for our city and Australian society more broadly.

Extract from Darebin City Council's Statement of commitment to Traditional Owners and Aboriginal and Torres Strait Islander people 2019

Executive Summary

Following extensive community consultation, and months of careful planning, the 2025-26 Budget has been compiled for community exhibition. The budget is designed to bring to life the aspirations set out in the Darebin 2041 Community Vision in a way that is responsible at a time when recent price rises are challenging community and council.

In designing this budget, the Council has engaged the community to understand what matters most to the people of Darebin. This important work has identified community priorities and will help Council make important financial decisions, which balance current and future needs, while also ensuring long-term financial sustainability.

As for many other local governments, the current economic landscape is presenting significant financial challenges for Darebin City Council. Recent inflation and rapid rises in construction costs have created significant cost pressures. The community continues to struggle with cost-of-living impacts at a time when Council's budget no longer funds as much as it used to.

To fulfill Council's obligations to responsibly manage its finances, the challenging economic environment has meant an extensive review of plans and priorities to ensure we can continue to deliver what matters most to the Darebin community, whilst being financially sustainable and fiscally responsible. The budget includes a range of funded services and projects designed to achieve the strategic objectives outlined in the Our Darebin Plan while maintaining financial sustainability.

Council has prepared a budget for 2025-2026 and budget projections until 2028-29 that is financially responsible, aligned to the Community Vision and considers the feedback provided through extensive deliberative Community engagement processes conducted in July and December 2024, various Councillor workshops and engagement with Council's expert Audit and Risk Committee.

Darebin's Our Darebin Plan 2025-29 establishes strategic directions and priorities for the next four years, aimed at enhancing Darebin as a thriving community for all. This plan serves as a crucial step towards realizing the community's desired future, as outlined in the Darebin 2041 Community Vision. Integrated within the Our Darebin Plan is the Health and Wellbeing Plan, which details the support and services available to promote community well-being. Committed to serving the needs of its community within the 3% Rate Cap for 2025-26, Darebin City Council has prepared a budget that balances financial sustainability with the continued funding and delivery of these essential community services.

The Council encourages community feedback on the budget to ensure it accurately reflects the needs and priorities of Darebin residents. The final budget will be adopted following a period of community consultation and council consideration of community feedback.

To find the most accurate and up to date information, refer to the official Darebin City Council website and public consultation documents.

Key Assumptions

A summary of key financial assumptions in the budget are as follows:

- a) Ongoing delivery of services to the Darebin community funded by a budget of \$229M. The services are summarised in Section 2.
- b) Continued investment in property assets (\$14M), infrastructure assets (\$20M) and plant & equipment (\$4M). This includes land and land improvements (\$1M), buildings (\$13M), roads (\$9M), footpath and bicycle paths (\$3M), parks, open spaces and streetscapes (\$1.5M) and recreational, leisure and community facilities (\$2.7M). The Statement of Capital Works can be found in Section 3 with further details on the capital works budget in Section 4.5.
- c) The financial sustainability ratios indicate sufficient working capital to fund ongoing liabilities.
- d) The projected asset renewal sustainability indicators for the upcoming four-year period reveal a medium-risk strategy focused on maintaining assets to a reasonable standard; however, asset condition data reveals a funding gap, necessitating further long-term capital investment. It will be important to reassess this gap and review long-term funding at the next review of the Asset Plan and Financial Plan.
- e) Council set long term budget parameters in March 2025 to ensure financial sustainability, support ongoing delivery of community services now and improve services in the long term. To balance all these things, the operational budget strategy is for a deficit over the next 4 years in the investment phase of the long term financial plan and then for surpluses in the later part of the 10 year plan.
- f) Recognizing the need for modernization, the budget reflects Council's endorsement of a \$36.44 million investment in digital transformation. This vital initiative will yield numerous benefits, including smarter and safer technologies, enhanced service delivery, robust cyber risk management, superior customer experience for basic services, and notable efficiency gains. Consequently, substantial improvements in financial performance are projected from FY 2029-30 following the successful implementation of this program. This approach is on par with other municipalities, and consistent with recommendations from municipal monitors
- g) The 4-year forecast also includes savings target of \$9.7M to be operationalised over the four years. These targets can be achieved through a combination of annual cost savings and/or identification of additional revenue sources. This was included to address the challenges of recent price inflation which has increased much faster than revenue. To respond to these challenges Council made resolutions in June and December 2024, which required the CEO to present long term financial sustainability options to address structural budget challenges for Council's consideration.
- h) No additional borrowings have been forecasted over the 4-year period.

Budget Influences

Some of the key external influences in the budget are as follows:

- The Victorian Government has set the Rate Cap for 2025-26 at 3% and the average forecasted Consumer Price Index (CPI) of 3.5%.
- The minimum superannuation guarantee is legislated to increase from 11.5% to 12% on 1 July 2025.
- The levy payable to the State Government for disposal of waste has increased by \$40 per tonne (29.9% increase) from 1 July 2025 reflecting the increased cost of waste management.
- Ongoing adverse financial impacts of cost shifting from State and Federal Governments and reliance of Commonwealth and State Government Grants.
- From 1 July 2025, the State Government is replacing the Fire Services Property Levy with the Emergency Services and Volunteers Fund (ESVF) which will be collected through the rates notices. For details of changes, refer to the Department of Treasury and Finance website. This does not have a specific impact on Council's budget, but it will have an impact on the community.
- Workers Compensation Premiums are forecasted to increase by 25% in 2025-26. This is in addition to the significant increases in prior years.

Financial Sustainability

Financial sustainability has been a key focus in the development of the 2025-26 budget and forecasted projections until 2028-29. This approach is supported by the Darebin 2041 Community Vision of "Darebin is renowned for its collaborative engagement, integrity, transparency and commitment to financial sustainability".

This budget invests in long term financial sustainability at the same time as maximising provision of services for community now. Achieving financial sustainability relies on achieving targets in the budget for additional revenue or cost reduction. There are two risks that it will be important to monitor: the risk of failing to achieve the targets in practice – in which case corrective action would be needed; or the risk of unexpected external 'shocks' at a time when there is little buffer to absorb unexpected costs – again, corrective action would be needed.

Asset Management

Council remains committed to the renewal and enhancement of its key assets, with a planned investment of \$133M over four years. This investment is informed by the asset condition data, covering buildings, transport and drainage infrastructure, as well as parks and open spaces. For further details, refer to Section 3. This approach is a medium risk approach with a tight asset renewal ratio and risk beyond the four years of a growing renewal gap. It will be important to monitor this, and the success of strategies to address this risk such as work to increase revenue for capital works.

Future economic risks will continue to be managed with transparency and robust manner in alignment with the Local Government Act 2020 and in support of the Council Vision.

The budget has been developed through a rigorous process of consultation and review and management endorses it as financially responsible.

Economic Assumptions

Assumption	Notes	Forecast	Budget	Projections			Trend
		2024/25	2025/26	2026/27	2027/28	2028/29	+/-
Consumer Price Index (CPI)	1	4.00%	3.50%	3.00%	2.80%	2.80%	+
Rates and charges	2	2.75%	3.00%	2.50%	2.50%	2.50%	o
Waste Charge	3	6.30%	5.00%	4.50%	4.30%	4.30%	+
Statutory fees and fines		5.00%	3.50%	3.00%	2.80%	2.80%	-
User fees		2.75%	3.00%	2.50%	2.50%	2.50%	-
Grants - Operating		2.00%	2.00%	2.00%	2.00%	2.00%	o
Grants - Capital		2.00%	2.00%	2.00%	2.00%	2.00%	o
Contributions - monetary		1.00%	1.00%	1.00%	1.00%	1.00%	o
Other income		1.00%	3.50%	3.00%	2.80%	2.80%	-
Interest Rate (Investments)		4.25%	4.15%	4.00%	4.00%	4.00%	-
Employee costs	4	3.34%	4.00%	2.63%	2.63%	2.63%	+
Materials and services	5	6.30%	5.00%	4.50%	4.30%	4.30%	+
Utilities	6	9.70%	6.50%	6.00%	5.80%	5.80%	+
Corporate Insurances	7	20.00%	20.00%	15.00%	15.00%	15.00%	o
Depreciation & Amortisation		3.00%	3.00%	3.00%	3.00%	3.00%	o
Interest Rate (loans)		5.50%	5.00%	5.00%	5.00%	5.00%	o
Other expenses		2.50%	3.50%	3.00%	2.80%	2.80%	+

Notes to Assumptions

1. CPI

Measures changes in the prices of goods and services purchased by households, and its fluctuations directly impact Council costs by influencing expenses like raw materials, labor, transportation and service contracts.

2. Rates and Charges

Base rate revenue will increase by 3% for the 2025-26 year, based on the state government rate cap, with estimated future annual increases of 2.5% per annum for the remainder of the 10-year plan, slightly below estimated CPI. In addition, it is expected that during the 2025-26 year a further increase of \$461,000 per annum will be received for growth (additional properties) as a result of supplementary rates.

3. Waste Charge

State Government landfill levies and inflationary pressures on service contracts significantly drive waste collection and disposal costs. Escalation factors set at CPI plus 1.5%

4. Statutory Fees & Fines

The Financial Plan indexes statutory fees, set by legislation, according on the estimated annual rate of CPI. This is often a best- case scenario given some fees are outside of the control by Council and therefore may be subject to increases lower or higher than CPI

5. User Fees

Revenue from user fees is expected to increase in line with the rate cap each year. Details of user fees for the 2025-26 budget year can be found in Council's schedule of Fees and Charges that is adopted in conjunction with the budget.

6. Grants

Council currently receives grants for tied (specific purpose grants) and un-tied Financial Assistance grant funding received via the Victorian Local

Government Grants Commission (VLGGC). Operating grants are expected to increase on an annual basis by approximately 2.0%.

7. Contributions

Council receives contributions from developers. These contributions represent funds to enable council to provide the necessary infrastructure and infrastructure improvements to accommodate development growth. The contributions are for specific purposes and often require Council to outlay funds for infrastructure works.

In some cases, these contributions are statutory contributions and are transferred to a restricted reserve until utilised for a specific purpose through the capital works program or delivered as works in kind by developers

8. 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 Council buildings.

9. Employee costs

In 2025-26, employee costs are projected to increase by 4.0%. This primarily reflects a 3.0% salary increase for all staff as per the Enterprise Bargaining Agreement (EBA), a 0.5% rise to cover increased Superannuation Guarantee Contributions, and an additional 0.5% to fund the anticipated increase in the annual Workers Compensation insurance premium. For subsequent years, annual increases are expected to be 85% of the projected rate cap, pending ongoing EBA negotiations

10. Materials & Services

Material costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are more governed by market forces based on supply & demand, rather than CPI.

Other associated costs included under this category are materials and consumable items for a range of services. Council also utilises external expertise on a range of matters, including legal services and audit. These costs are escalated based on CPI plus a factor of 1.5% year on year.

11. Utilities

Utility costs cover Council's energy consumption for water, electricity, and gas. These costs have increased significantly over the past 2-3 years, exceeding CPI. With these high prices expected to persist, a utility escalation factor of CPI plus 3% has been applied throughout the Finance Plan.

12. Corporate Insurances

This section covers Council's insurance premiums, including Motor Vehicle, Cyber, Public & Professional Liability, and Industrial Special Risk, among others. These insurances mitigate Council's exposure and risk profile. Premiums have risen significantly over the past 2-3 years, exceeding CPI. A further 20% increase is anticipated for 2025-26 compared to 2024-25. For financial modelling from year 2 onwards, Council is conservatively factoring in a 15% annual increase based on current market conditions

13. Depreciation & Amortisation

Depreciation estimates are based on the projected capital expenditure in this Finance Plan. However, depreciation is subject to periodic asset revaluations and indexation informed by current market conditions. This can lead to significant year-on-year fluctuations in the annual depreciation expense, making precise predictions difficult.

14. Borrowing Costs

Borrowing costs comprise the interest expense to service Council's loan portfolio that is described in Section 4.2.3 Borrowing Plan

15. Other Expenses

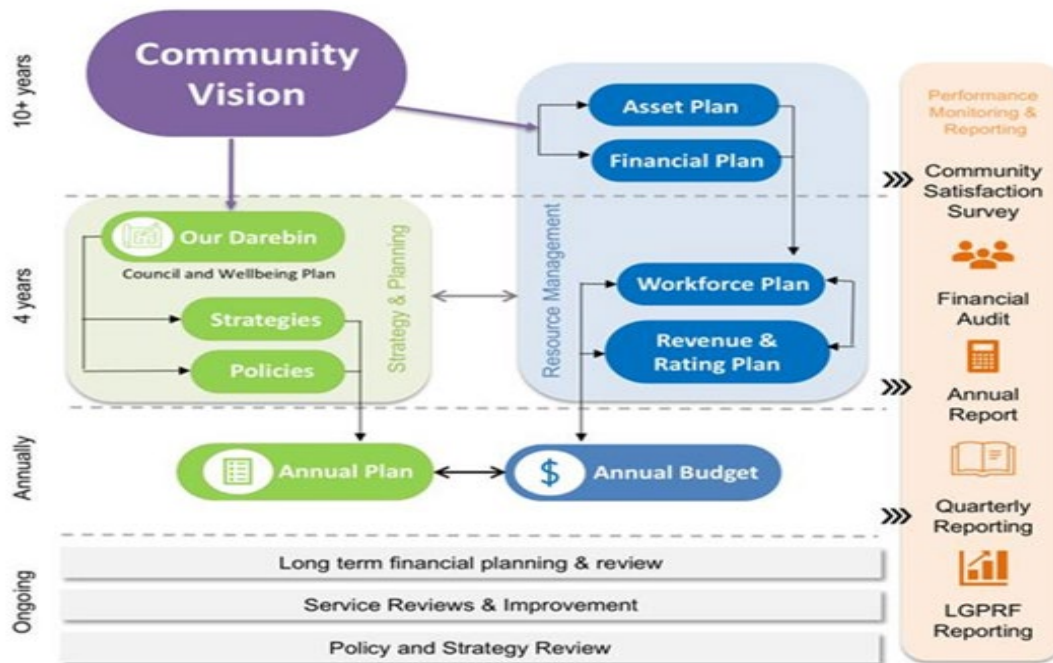
Other expenses include administration costs such as Councillor allowances, election costs, sponsorships, partnerships, community grants, lease expenditure, fire services property levy, audit costs and other costs associated with the day to day running of Council. Annual cost escalation expected to be in line with CPI.

1. Link to the Integrated Strategic Planning and Reporting Framework

This section describes how the Budget links to the achievement of the Community Vision and Council Plan within an overall integrated strategic planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision and Financial Plan), medium term (Council Plan, Workforce Plan, and Revenue and Rating Plan) and short term (Budget) and then holding itself accountable (Annual Report).

1.1 Legislative planning and accountability framework

The Budget is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The diagram below depicts Darebin's integrated planning and reporting framework that applies to local government in Victoria. At each stage of the integrated strategic planning and reporting framework there are opportunities for community and stakeholder input. This is important to ensure transparency and accountability to both residents and ratepayers.



The timing of each component of the integrated strategic planning and reporting framework is critical to the successful achievement of the planned outcomes.

1.1.2 Key planning considerations

Service level planning

Although councils have a legal obligation to provide some services— such as animal management, local roads, food safety and statutory planning—most council services are not legally mandated, including some services closely associated with councils, such as libraries, building permits and sporting facilities. Further, over time, the needs and expectations of communities can change. Therefore councils need to have robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works.

Community consultation needs to be in line with a councils adopted Community Engagement Policy and Public Transparency Policy.

1.2 Our purpose

Our Vision

Our Darebin Plan 2025-29

The Our Darebin Plan 2025-29 has been developed using the context of strategic planning principles, financial management principles, engagement principles, service performance principles and asset plan integration. It integrates the Community Vision, Council Plan and Municipal Health and Wellbeing Plan.

Its development has been informed by Darebin 2041 Community Vision, revised by the Our Darebin community panel in December 2025 and adopted by Council on 24 February 2025. It addresses the Vision through six Strategic Directions that are aligned with the Vision Pillars. The priorities for this four-year plan provide a view of how Council will work towards achieving the 20-year Community Vision aspirations.

Council has prepared a Budget for 2025-26 to resource the Our Darebin Plan 2025-29 to work towards the aspirations of the Darebin 2041 Community Vision. The Budget 2025-26 outlines the resources required to deliver services, infrastructure and projects that are relevant and valued by our community and delivered within the rate increase mandated by the State Government.

Darebin 2041 Community Vision

Darebin 2041 Community Vision comprises four statements underpinned by four Pillars that provide context and describe the community's aspirations.

Darebin is an equitable, vibrant, healthy and connected community where all residents and businesses experience safety, fulfilment and prosperity

Darebin respects and celebrates Aboriginal and Torres Strait Islander people, and our diverse communities.

Darebin has responded effectively to the climate emergency by implementing a circular economy and creating a sustainable green and liveable environment.

Darebin is renowned for its collaborative engagement, integrity, transparency and commitment to financial sustainability.

Pillar 1: Vibrant, Healthy and Connected

- ‘One Darebin’ – a place where no suburb or person is left behind.
- Basic needs in health, housing, employment, education and community safety are met and advocated for.
- Darebin is a city with access to amenities and services within walking distance of our homes.
- Safe and accessible transport for all is provided and promoted.
- Sustaining community ownership of services and maintaining the health and wellbeing of all, across all life stages.
- There are equitable and diverse opportunities for employment and volunteering.
- Darebin consists of vibrant, safe and dynamic spaces with community amenities and events.
- Darebin is a Victorian centre for creative industry and the arts.

Pillar 2: Respectful and inclusive

- Diverse communities are celebrated and we uplift different voices to places of power.
- Aboriginal and Torres Strait Islander values, living culture and connection to Country are recognised.
- Connection to, and preservation of, local history acknowledging past harm and trauma.

Pillar 3: Sustainable, Green & Livable	Urgent action is taken on the climate emergency, including leading and educating communities and businesses.
	Darebin is innovative in facilitating the most effective and efficient recycling and waste management strategies and has established a circular economy.
	Ecological solutions are integrated into the built environment, such as rapidly expanding canopy cover to respond to a warming climate.
	Traditional Owner, the Wurundjeri Woi-wurrung people's knowledge of Country is incorporated into environmental initiatives.
	Regenerating, enhancing and protecting waterways, ecosystems and biodiversity.
	Business investment and growth is encouraged and incentivised in the sustainability sector.
Pillar 4: Collaborative. Transparent and Responsible	Development and the built environment are designed for liveability and sustainability.
	Sustainable development and retrofitting practices are promoted which protect natural assets and strive for zero carbon emissions
	Our Darebin is responsible, and responsive, to our community's needs, now and into the future.
	Meaningful and impactful engagement occurs regularly with residents, service providers and businesses to build trust in decisions and processes.
	Decisions are made which are community driven, collaborative, transparent and socially just and equitable.
	There is a commitment to financial sustainability in all decisions so as to ensure the best outcomes for both current and future generations.
	Innovative socially and economically beneficial solutions are created to maximise the use of under-utilised open spaces, buildings, streets and other assets

1.3 Strategic objectives

Our Darebin Plan 2025-29 includes six Strategic Directions aligned to the Community Vision Pillars.

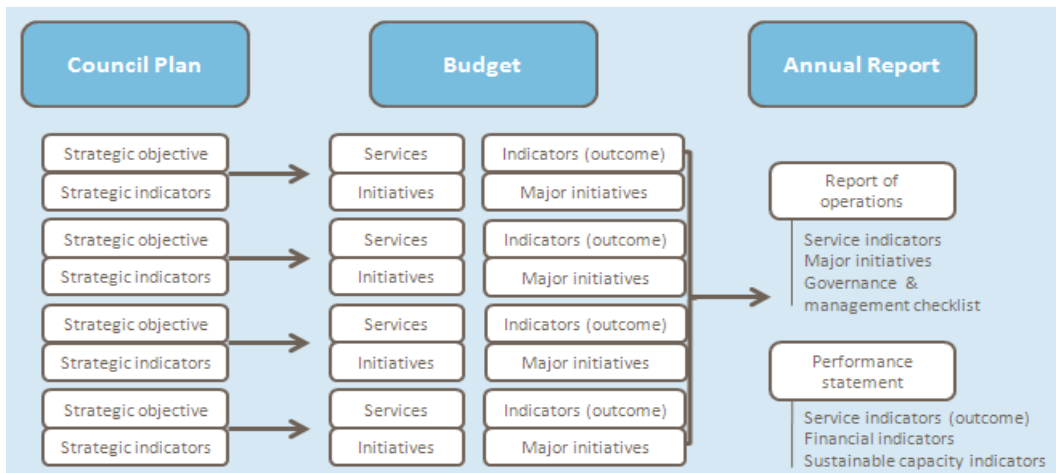


Each Strategic Direction has a Strategic Objective that articulates the outcomes Council is seeking – what the future looks like. The following table lists the six Strategic Directions as described in the Our Darebin Plan 2025 – 29.

Strategic Objective	Description
1 Health & Wellbeing	A City where everyone in the community can access the opportunities, infrastructure and services they need to be physically and mentally safe and healthy.
2 Aboriginal Culture and Knowledge	A City that celebrates Aboriginal and Torres Strait Islander culture, values, knowledge and traditions, respects the right for self-determination and takes deliberate action toward truth-telling.
3 Equity, Diversity and Inclusion	A City where our rich diversity is celebrated, everyone can thrive and belong, and our services, programs, places and spaces are equitable, responsive, inclusive and accessible to all.
4 Climate Leadership and Response	A City that is a climate leader, drives opportunities for achieving zero emissions, adapts by transforming how we provide services, open spaces and infrastructure, and works with our community to build ongoing resilience.
5 Vibrant Places and Economy	A City that is liveable with vibrant places and spaces, safe streets and a thriving local economy.
6 Decision making, community engagement and transparency	A City that is well-managed, transparent and trusted by its community and partners.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2025/26 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Jobs, Precincts and Regions

2.1 Strategic Direction 1: Health & Wellbeing

To achieve the Objective of this Strategic Direction Council will:

- Collaborate and partner with health organisations to deliver positive health and wellbeing opportunities
- Create an enabling environment for positive mental health.
- Foster a safe and respectful community environment
- Maintain and improve community facilities, parks and open spaces to maximise positive health benefits and support for physical activity

Key Initiatives

- 1) Develop a business case including concept design plans for the Reservoir Leisure Centre redevelopment
- 2) Prepare an Advocacy and Funding Plan for Reservoir Leisure Centre
- 3) Upgrade and renew sporting infrastructure to support gender-inclusion at JC Donath Pavilion and DR Atkinson Reserve.
- 4) Renew play space at DR Atkinson Reserve
- 5) Renovate sportsground at Pitcher Park
- 6) Complete the construction of KP Hardiman Pavilion
- 7) Commence the design work to replace Bill Lawry Pavilion

Service Performance Outcome Indicators

Service	Indicator	2023/24 Actual	2024/25 Forecast	2025/26 Budget
Libraries*	Participation	34.93%	34.00%	34.00%
Maternal and Child Health*	Participation in MCH Service	73.63%	74.00%	74.00%
	Participation in MCH Service by Aboriginal children	77.32%	75.00%	75.00%
Aquatic Facilities*	Utilisation	7.74%	12.01%	12.62%
Food Safety*	Health & Safety	100.00%	100.00%	90.00%
Animal Management*	Health & Safety	100.00%	100.00%	100.00%

* refer to table at end of section 2 for information on the calculation of Service Performance Outcome Indicators

2.2 Strategic Direction 2: Aboriginal Culture and Knowledge

To achieve the Objective of this Strategic Direction Council will:

- Commit to a journey of Self-Determination with Wurundjeri Woi-wurrung People and Aboriginal and Torres Strait Islander communities
- Preserve, celebrate and educate the Darebin community about Aboriginal heritage and living culture
- Build a culturally safe Council and organisation to deliver inclusive and culturally safe spaces and services

Key Initiatives

- 1) Council formally release a position of support on the Statewide Treaty and deliver community education events on the Statewide Treaty, in collaboration with First Peoples' Assembly.
- 2) Complete stage one of Truth Telling project, opening a Truth-Telling display in Bundoora Park Farm to the public.
- 3) Finalise Aboriginal Action Plan and deliver year 1 activities.
- 4) Continue Aboriginal grants program.

Service Performance Outcome Indicators

Nil

2.3 Strategic Direction 3: Equity, Diversity and Inclusion

To achieve the Objective of this Strategic Direction Council will:

- Enrich, diversify, and grow the creative economy and cultural ecology in Darebin by delivering events, festivals, arts centres, arts programming and curation that resonate with local communities.
- Develop and deliver Council services, programs, places and spaces that respond to the diversity of needs, rights and priorities to ensure a just society.
- Create an approach to supporting the community that recognises life stages, transitions, and events shape individuals and their needs.

Key Initiatives

- 1) Develop a refreshed Darebin Disability Access and Inclusion Plan with annual action plan
- 2) Continue to develop the Darebin Cultural Diversity Inclusion Action Plan and implement year one activities
- 3) Continue to develop the LGBTQIA+ Action Plan and implement year one activities.
- 4) Complete the Towards Zero Homelessness Darebin Project and commence implementation of the recommended Darebin partnership model.
- 5) Deliver the Darebin Assertive Community Outreach (DACO) program to support people experiencing homelessness.
- 6) Expand Maryborough kindergarten to create additional kindergarten places.

Service Performance Outcome Indicators

Nil

2.4 Strategic Direction 4: Climate Leadership and Response

To achieve the Objective of this Strategic Direction Council will:

- Work alongside Wurundjeri Woi-wurrung and all Aboriginal and Torres Strait Islander people to maintain and share their culture and knowledge to protect, preserve, revitalise, and heal Country to support self-determination and maintain a thriving, resilient natural environment.
- Work towards achieving zero emissions by pursuing ambitious energy efficiency and renewable energy opportunities for Council operations and buildings, and for Darebin homes, businesses, organisations and transportation.
- Adapt Council services, assets and infrastructure to respond to climate change projections.
- Support community and business to successfully adapt and cope with the impacts of climate change

Key Initiatives

- 1) Maintain and increase the number of trees in public places including streets and parks, prioritising the principle pedestrian network, locations with currently lower numbers of trees and parts of the city where community has higher levels of disadvantage.
- 2) Continue to protect and manage creek corridors, waterways and biodiversity throughout Darebin directly and in partnership.
- 3) Deliver the Climate Emergency Plan and develop a new three-year action plan - starting in 2026.
- 4) Continue to provide recycling services to residents and support to recycle better by providing good information on how to use the services.
- 5) Undertake capital works progressively to increase the capacity of the drainage network and reduce flood risk in targeted locations.
- 6) Deliver a comprehensive heat health program to support residents most at risk of severe heat impacts including: developing a communications campaign to raise awareness of heat health risk; expanding the reach of Keep Cool in Darebin campaign; supporting at least five community organisations to build capacity around heat health.

Service Performance Outcome Indicators

Service	Indicator	2023/24 Actual	2024/25 Forecast	2025/26 Budget
Waste Management*	Waste Diversion	52.27%	53.50%	53.00%

* refer to table at end of section 2 for information on the calculation of Service Performance Outcome Indicators

2.5 Strategic Direction 5: Vibrant Places and Economy

To achieve the objective of this Strategic Direction Council will:

- Plan for housing growth and development that meets the needs of our diverse community
- Manage Darebin's transports network to increase safety, accessibility and sustainability
- Support social and economic revitalisation and help Darebin become a great place to visit and do business
- Enhance and maintain public spaces and infrastructure to improve amenity (Basic Services)

Key Initiatives

- 1) Adopt the finalised Darebin Housing Strategy Part 1 (Growth & Need) and Part 2 (Character & Design) and prepare part 4 (Planning Scheme Amendment) to update residential zones and policy in the Darebin Planning Scheme.
- 2) Prepare and consult on updated draft open space strategy including an assessment of community access to a variety of park functions, including dog parks and play spaces.
- 3) Design and construct priority transport safety infrastructure
- 4) Develop Place Vision and Action Plans for Reservoir, Fairfield and Northcote to guide social and economic revitalisation and activation of activity centres.
- 5) Commence the replacement of Kendall-Harding Bridge, in partnership with Merri-bek Council.
- 6) Maintain Council infrastructure including footpaths, roads, drains, parks, playspaces and community facilities at good standard.

Service Performance Outcome Indicators

Service	Indicator	2023/24 Actual	2024/25 Forecast	2025/26 Budget
Statutory Planning*	Service standard	61.25%	60.00%	60.00%
Roads*	Condition	94.87%	94.50%	95.00%

* refer to table at end of section 2 for information on the calculation of Service Performance Outcome Indicators

2.6 Strategic Direction 6: Decision making, community engagement and transparency

To achieve the Objective of this Strategic Direction Council will:

- Listen and engage with our community, advocate and work in partnerships to respond to current and future needs
- Improve customer experience and enable community members to access our services in a way that suits them
- Make informed decisions, be transparent and accountable, and a trusted custodian of community aspirations and data.
- Deliver responsible and transparent stewardship by managing our community assets, resources and finances well.
- Maximise the benefits the community gain from Council properties and facilities through strategic and improved use

Key Initiatives

- 1) Develop a four-year advocacy framework including a one-year advocacy statement based on organisational strategic priorities.
- 2) Review existing partnerships and Community Grant Program
- 3) Conduct a procurement process to select an IT partner to support us to upgrade our core systems.
- 4) Adopt the Customer Experience Strategy and associated action plan
- 5) Adopt a good governance action plan and commence implementation
- 5) Offer available Council properties via an EOI process, evaluate applications and establish leases or licences with tenant organisations.

Service Performance Outcome Indicators

Service	Indicator	2023/24	2024/25	2025/26
		Actual	Forecast	Budget
Governance*	Consultation and engagement	70.00%	70.00%	70.00%

* refer to table at end of section 2 for information on the calculation of Service Performance Outcome Indicators

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Consultation and engagement	Satisfaction with community consultation and engagement. (Community satisfaction rating out of 100 with the consultation and engagement efforts of Council)	Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement
Statutory planning	Service standard	Planning applications decided within required timeframes (percentage of regular and VicSmart planning application decisions made within legislated timeframes)	[Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x100
Roads	Condition	Sealed local roads below the intervention level (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100
Libraries	Participation	Library membership (Percentage of the population that are registered library members)	[Number of registered library members / Population] x100
Waste management	Waste diversion	Kerbside collection waste diverted from landfill. (Percentage of recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of population)	Number of visits to aquatic facilities / Population
Animal Management	Health and safety	Animal management prosecutions. (Percentage of animal management prosecutions which are successful)	Number of successful animal management prosecutions / Total number of animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance outcome notifications. (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100
Maternal and Child Health	Participation	Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the financial year) / Number of children enrolled in the MCH service] x100
		Participation in the MCH service by Aboriginal children. (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the financial year) / Number of Aboriginal children enrolled in the MCH service] x100

Cost of Services

Service area	Description of services provided	2023/24 Actual \$'000	2024/25 Forecast \$'000	2025/26 Budget \$'000
Civic Compliance Services	Responsible for Council's animal management, <i>Inc</i> Local Laws, Planning Enforcement, Traffic Enforcement and School Crossings Supervision Service.	7,373	6,736	6,843
	<i>Exp</i>	6,776	7,822	8,323
	<i>Surplus / (deficit)</i>	597	(1,086)	(1,480)
Open spaces and Parks Services	Develops and implements policies and programs <i>Inc</i> that contribute to the sustainable management of the Municipality's natural resources and environment. Includes development, oversight and implementation of strategies including Open Space Strategy, Urban Forest Strategy, Parks Asset Management Strategy Responsible for the management and maintenance of approximately 600ha of open space including 130 playgrounds, several wetlands, pathways, seating, garden beds, waterways, catchments, dams and street trees and more than 100,000 trees in parks and reserves.	807	300	1,650
	<i>Exp</i>	14,424	16,044	18,640
	<i>Surplus / (deficit)</i>	(13,616)	(15,744)	(16,990)
Recreation and leisure Services	Supporting the Darebin community to get active <i>Inc</i> through formal and informal opportunities including: sports clubs, programs, and facilities.	6,733	10,080	10,417
	<i>Exp</i>	16,519	16,216	16,038
	<i>Surplus / (deficit)</i>	(9,786)	(6,137)	(5,621)
City Health Protection Services	Responsible for Council's environmental health <i>Inc</i> service (enforcement of the Food Act, Health Act, Tobacco Act and Environment Protection Act and associated regulations).	1,054	1,143	1,202
	<i>Exp</i>	1,246	1,163	1,296
	<i>Surplus / (deficit)</i>	(192)	(20)	(94)
Aboriginal Culture & Knowledge Services	Recognising the Wurundjeri Woi-wurrung people, <i>Inc</i> as the Traditional Owners of the land who have cared for Country for many thousands of years.	2	-	-
	<i>Exp</i>	189	499	442
	<i>Surplus / (deficit)</i>	(187)	(499)	(442)
Aged and disability Services	Supports, informs and advocates for the needs of <i>Inc</i> Darebin's diverse older residents, people living with disability and those who care for them, to live independently and well. Programs and services include social connection, clubs, groups and venues, access to community, and Home Support services such as domestic assistance and assisted shopping.	8,474	8,118	10,282
	<i>Exp</i>	15,475	15,617	15,696
	<i>Surplus / (deficit)</i>	(7,002)	(7,499)	(5,414)

Service area	Description of services provided	2023/24 Actual \$'000	2024/25 Forecast \$'000	2025/26 Budget \$'000
Community Equity & Inclusion Services	This service area develops policy and implements projects which address disadvantage and make Darebin a healthier, safer and more inclusive place for all residents including Emergency Management, Community Development and Wellbeing, Access and Inclusion and Equity and Diversity	<i>Inc</i> 62 <i>Exp</i> 4,133 <i>Surplus / (deficit)</i> (4,071)	79 4,417 (4,339)	80 4,092 (4,012)
Creative culture and community facilities	This service area provides a program of arts and cultural events and activities and develops policies and strategies to facilitate arts practice in the municipality and management and operation of the Bundoora Homestead Art Centre and the Darebin Art and History Collection, and coordination of Darebin Arts Centre and Northcote Town Hall and community venues. Services include Cultural Infrastructure, Collections, Festivals and Events and Community Hubs	<i>Inc</i> 1,675 <i>Exp</i> 7,756 <i>Surplus / (deficit)</i> (6,080)	1,495 8,290 (6,796)	1,563 8,898 (7,335)
Families, youth and children Services	Responsible for a diverse range of services that includes immunisation, maternal and child health services, family and early parenting programs, supported playgroups, toy library, support and resourcing to early childhood education and care services, Best Start, pre-school field officer program, childcare and kindergarten registration system, and a range of services and supports to young people from the Hub at Northland, Decibels Youth Music Centre and through outreach and Youth Voice projects.	<i>Inc</i> 3,790 <i>Exp</i> 9,746 <i>Surplus / (deficit)</i> (5,956)	3,866 10,825 (6,958)	3,956 11,542 (7,587)
Climate & Natural Environmental Services	Leads reform and improvement projects, and management of risk relating to climate, energy, waste, biodiversity, contaminated land and water. Delivers climate, energy, recycling, waste minimisation, litter and water education programs, support community led programs, runs recycling trials, work with other Councils and State Government on regional/state programs, develops / delivers circular economy proposals.	<i>Inc</i> 948 <i>Exp</i> 3,383 <i>Surplus / (deficit)</i> (2,435)	1,508 3,332 (1,824)	1,668 3,402 (1,734)
Waste Management Services	Collection of general waste, recyclables, FOGO and dumped rubbish, street and right of way cleansing, the hard waste collection service, and in-house management of the operations of the Darebin Resource and Recovery Centre	<i>Inc</i> 5,175 <i>Exp</i> 24,360 <i>Surplus / (deficit)</i> (19,185)	5,514 24,488 (18,974)	5,817 28,115 (22,299)
City Development Services	Administers the Darebin Planning Scheme through determination of planning applications in line with Council's governance practices (Statutory Planning) as well as delivering services to ensure compliance with building legislation and industry standards.	<i>Inc</i> 4,942 <i>Exp</i> 9,791 <i>Surplus / (deficit)</i> (4,849)	7,895 10,131 (2,236)	7,069 11,278 (4,208)
Economic Development Services	Economic Development develops and implements strategies and activities which aim to foster a resilient economy. Our services include providing local employment opportunities; attracting a range of new industries; supporting and working with local businesses, and associations to help them improve business performance and enhance promotions; and working with neighbouring municipalities and our partners to increase economic growth	<i>Inc</i> 788 <i>Exp</i> 2,592 <i>Surplus / (deficit)</i> (1,804)	- 1,764 (1,764)	38 1,725 (1,687)

Service area	Description of services provided	2023/24 Actual \$'000	2024/25 Forecast \$'000	2025/26 Budget \$'000
Facilities, infrastructure and maintenance Services	Responsible for planning, management and maintenance of roads, footpaths, drains, bridges, facilities, properties as well as network of street, directional, parking, regulatory and advisory signs. Oversees and coordinates the delivery of the capital works program including the delivery of major infrastructure projects.	<i>Inc</i> 3,474 <i>Exp</i> 12,772 <i>Surplus / (deficit)</i> (9,298)	4,017 13,188 (9,171)	6,583 14,504 (7,922)
Safe & Sustainable Transportation Services	Delivers a wide range of statutory and non statutory road management functions including: Local Area Placemaking transport investigation and improvement programs, parking change management requests, construction permits, cross-over (new driveway) applications. The service also provides transport engineering advice for capital projects, transport policies, referrals for statutory planning applications, speed limit reductions, and transport permits to use road space.	<i>Inc</i> 195 <i>Exp</i> 3,524 <i>Surplus / (deficit)</i> (3,328)	192 3,593 (3,401)	283 4,044 (3,761)
Communication, advocacy and Engagement Services	Using demographic data to undertake consultation, facilitation, engagement and evaluation to inform the promotion and advocacy of social justice, community inclusion, infrastructure and equity. Work with other levels of government, partners, stakeholders and media on issues that are important to the Darebin community. Additionally, this service provides the customer interface for most services and a wide range of transactions. Service is delivered via customer service centres, a telephone call centre, our website and an after-hours emergency service.	- <i>Exp</i> 4,591 <i>Surplus / (deficit)</i> (4,591)	- 5,050 (5,050)	- 5,544 (5,544)
Corporate governance Services	This service includes direct administrative support to the Mayor and Councillors, coordination of Council and Committee meetings, and includes the Chief Executive Officer, Executive Management Team, as well as the administration of Council business, policy support, corporate strategy and corporate risk. Additionally, the Mayor and Councillors are responsible for the governance and leadership of the community, and for providing strategic direction to the organisation	<i>Inc</i> 89 <i>Exp</i> 9,435 <i>Surplus / (deficit)</i> (9,347)	174 11,953 (11,779)	174 10,568 (10,394)
Customer Experience & Transformation Services	This service focuses on improving customer experience across the organisation through continuous improvement activities such as service reviews, process improvement, system optimisation and customer experience practices.	- <i>Exp</i> 180 <i>Surplus / (deficit)</i> (180)	- 1,068 (1,068)	- 6,884 (6,884)
Financial Management Services	Provides financial services and support to internal and external customers and includes management of Council's finances, raising and collection of rates and charges, and valuation of properties	<i>Inc</i> 191 <i>Exp</i> 3,656 <i>Surplus / (deficit)</i> (3,465)	178 3,706 (3,527)	191 3,881 (3,690)

2.3 Reconciliation with budgeted operating result

17

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2025/26 has been supplemented with projections to 2028/29

This section includes the following financial statements prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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

Comprehensive Income Statement

For the four years ending 30 June 2029

		Forecast Actual	Budget	Projections		
		2024/25	2025/26	2026/27	2027/28	2028/29
	NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
Income / Revenue						
Rates and charges	4.1.1	157,373	165,573	170,655	175,841	181,184
Statutory fees and fines	4.1.2	9,060	9,312	9,545	9,783	10,028
User fees	4.1.3	13,224	14,842	15,213	15,593	15,983
Grants - operating	4.1.4	18,309	19,720	20,114	20,517	20,927
Grants - capital	4.1.4	2,922	7,036	2,781	4,366	2,790
Contributions - monetary	4.1.5	5,009	4,281	5,134	6,143	7,471
Contributions - non-monetary	4.1.5	-	-	-	-	-
Net gain (or loss) on disposal of property, infrastructure, plant and equipment		350	450	450	450	450
Fair value adjustments for investment property		-	-	-	-	-
Share of net profits (or loss) of associates and joint ventures		-	-	-	-	-
Other income	4.1.6	9,100	7,767	7,339	7,302	7,366
Total income / revenue		215,347	228,981	231,231	239,994	246,199
Expenses						
Employee costs	4.1.7	(105,933)	(111,095)	(111,480)	(111,215)	(113,267)
Materials and services	4.1.8	(62,071)	(73,333)	(78,947)	(82,801)	(87,700)
Depreciation	4.1.9	(34,288)	(34,823)	(35,868)	(36,944)	(38,052)
Amortisation - intangible assets	4.1.10	(532)	(81)	(81)	(81)	(81)
Depreciation - right of use assets	4.1.11	(151)	(51)	(25)	-	-
Bad & Doubtful Debts		(1,648)	(1,350)	(1,345)	(1,345)	(980)
Borrowing costs		(1,608)	(1,443)	(1,273)	(1,096)	(912)
Finance costs - leases		-	(1)	(0)	-	-
Other expenses	4.1.12	(5,249)	(5,384)	(5,546)	(5,701)	(5,860)
Total expenses		(211,480)	(227,561)	(234,565)	(239,183)	(246,852)
Surplus/(deficit) for the year		3,867	1,420	(3,333)	812	(653)
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation gain /(loss)		-	-	-	-	-
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods						
(detail as appropriate)		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive result		3,867	1,420	(3,333)	812	(653)

Balance Sheet

For the four years ending 30 June 2029

		Forecast Actual	Budget	Projections		
		2024/25	2025/26	2026/27	2027/28	2028/29
NOTES		\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Current assets						
Cash and cash equivalents		33,753	30,153	25,107	26,325	22,264
Trade and other receivables		23,431	21,500	21,910	22,724	23,828
Other financial assets		31,526	31,526	31,526	31,526	31,526
Inventories		61	61	61	61	61
Prepayments		-	-	-	-	-
Non-current assets classified as held for sale		-	-	-	-	-
Contract assets		-	-	-	-	-
Other assets		961	961	961	961	961
Total current assets	4.2.1	89,732	84,201	79,565	81,598	78,641
Non-current assets						
Trade and other receivables		2,569	2,582	2,595	2,608	2,621
Other financial assets		6	6	6	6	6
Investments in associates, joint arrangement and subsidiaries		-	-	-	-	-
Property, infrastructure, plant & equipment		1,905,678	1,909,402	1,906,737	1,901,228	1,899,324
Right-of-use assets	4.2.4	71	20	-	-	-
Investment property		9,840	9,840	9,840	9,840	9,840
Intangible assets		807	726	646	565	484
Total non-current assets	4.2.1	1,918,971	1,922,576	1,919,824	1,914,246	1,912,275
Total assets		2,008,703	2,006,777	1,999,389	1,995,844	1,990,915
Liabilities						
Current liabilities						
Trade and other payables		10,204	11,309	11,844	12,160	12,720
Trust funds and deposits		6,953	6,953	6,953	6,953	6,953
Contract and other liabilities		2,396	2,396	2,396	2,396	2,396
Provisions		22,127	22,127	22,127	22,127	22,127
Interest-bearing liabilities	4.2.3	4,398	4,569	4,746	4,930	5,122
Lease liabilities	4.2.4	72	21	-	-	-
Total current liabilities	4.2.2	46,150	47,375	48,066	48,567	49,318
Non-current liabilities						
Provisions		2,485	2,485	2,485	2,485	2,485
Interest-bearing liabilities	4.2.3	34,845	30,274	25,528	20,598	15,475
Lease liabilities	4.2.4	-	-	-	-	-
Total non-current liabilities	4.2.2	37,330	32,759	28,013	23,083	17,960
Total liabilities		83,480	80,135	76,079	71,649	67,279
Net assets		1,925,223	1,926,643	1,923,309	1,924,195	1,923,637
Equity						
Accumulated surplus		609,395	607,384	602,089	600,677	600,024
Reserves		1,315,828	1,319,259	1,321,220	1,323,518	1,323,612
Total equity		1,925,223	1,926,643	1,923,309	1,924,195	1,923,637

Statement of Changes in Equity

For the four years ending 30 June 2029

		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	NOTES	\$'000	\$'000	\$'000	\$'000
2025 Forecast Actual					
Balance at beginning of the financial year		1,918,169	602,342	1,301,563	14,264
Surplus/(deficit) for the year		3,867	3,867	-	-
Net asset revaluation gain/(loss)		-	-	-	-
Transfer (to)/from reserves		3,187	3,186	-	1
Balance at end of the financial year		1,925,223	609,395	1,301,563	14,265
2026 Budget					
Balance at beginning of the financial year		1,925,223	609,395	1,301,563	14,265
Surplus/(deficit) for the year		1,420	1,420	-	-
Net asset revaluation gain/(loss)		-	-	-	-
Transfer (to)/from reserves	4.3.1	-	(3,431)	-	3,431
Balance at end of the financial year	4.3.2	1,926,643	607,384	1,301,563	17,696
2027					
Balance at beginning of the financial year		1,926,643	607,384	1,301,563	17,696
Surplus/(deficit) for the year		(3,333)	(3,333)	-	-
Net asset revaluation gain/(loss)		-	-	-	-
Transfer (to)/from reserves		-	(1,961)	-	1,961
Balance at end of the financial year		1,923,309	602,089	1,301,563	19,657
2028					
Balance at beginning of the financial year		1,923,309	602,089	1,301,563	19,657
Surplus/(deficit) for the year		812	812	-	-
Net asset revaluation gain/(loss)		74	-	74	-
Transfer (to)/from reserves		-	(2,224)	-	2,224
Balance at end of the financial year		1,924,195	600,677	1,301,637	21,881
2029					
Balance at beginning of the financial year		1,924,195	600,677	1,301,637	21,881
Surplus/(deficit) for the year		(653)	(653)	-	-
Net asset revaluation gain/(loss)		94	-	94	-
Transfer (to)/from reserves		-	-	-	-
Balance at end of the financial year		1,923,637	600,024	1,301,731	21,881

Statement of Cash Flows

For the four years ending 30 June 2029

	Notes	Forecast	Budget	Projections		
		Actual 2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		159,618	166,460	169,140	174,356	179,584
Statutory fees and fines		10,066	10,263	10,458	10,722	10,988
User fees		14,693	16,357	16,669	17,089	17,513
Grants - operating		18,493	19,789	19,979	20,386	20,787
Grants - capital		2,951	7,060	3,106	4,218	2,901
Interest received		2,841	2,433	2,000	2,000	2,000
Other receipts		12,329	10,609	11,356	12,439	13,923
Net GST refund / payment		3,196	3,955	4,710	4,968	5,266
Employee costs		(108,183)	(110,679)	(111,465)	(111,237)	(113,176)
Materials and services		(62,182)	(66,816)	(70,226)	(73,375)	(76,604)
Other payments		(15,319)	(19,084)	(22,196)	(23,640)	(25,842)
Net cash provided by/(used in) operating activities	4.4.1	38,503	40,347	33,531	37,926	37,340
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(32,484)	(38,547)	(33,203)	(31,360)	(36,054)
Proceeds from sale of property, infrastructure, plant and equipment		385	495	495	495	495
Payments for investments		-	-	-	-	-
Proceeds from sale of investments		-	-	-	-	-
Loans and advances made		-	-	-	-	-
Payments of loans and advances		-	-	-	-	-
Net cash provided by/ (used in) investing activities	4.4.2	(32,099)	(38,052)	(32,708)	(30,865)	(35,559)
Cash flows from financing activities						
Finance costs		(1,762)	(1,443)	(1,273)	(1,096)	(912)
Proceeds from borrowings		-	-	-	-	-
Repayment of borrowings		(4,235)	(4,399)	(4,569)	(4,746)	(4,930)
Interest paid - lease liability		-	(1)	(0)	-	-
Repayment of lease liabilities		-	(51)	(26)	-	-
Net cash provided by/(used in) financing activities	4.4.3	(5,997)	(5,895)	(5,869)	(5,843)	(5,843)
Net increase/(decrease) in cash & cash equivalents		407	(3,600)	(5,045)	1,218	(4,061)
Cash and cash equivalents at the beginning of the financial year		33,346	33,753	30,153	25,107	26,325
Cash and cash equivalents at the end of the financial year		33,753	30,153	25,107	26,325	22,264

Statement of Capital Works

For the four years ending 30 June 2029

	NOTES	Forecast Actual	Budget	Projections		
		2024/25	2025/26	2026/27	2027/28	2028/29
		\$'000	\$'000	\$'000	\$'000	\$'000
Property						
Land		-	1,070	300	300	300
Land improvements		868	-	-	1,570	-
Total land		868	1,070	300	1,870	300
Buildings		7,679	8,451	4,901	6,918	9,545
Heritage buildings		-	-	-	-	-
Building improvements		1,334	4,908	1,290	3,015	1,330
Leasehold improvements		-	-	-	-	-
Total buildings		9,013	13,359	6,191	9,933	10,875
Total property		9,881	14,429	6,491	11,803	11,175
Plant and equipment						
Heritage plant and equipment		-	-	-	-	-
Plant, machinery and equipment		2,484	2,344	4,361	3,400	3,245
Fixtures, fittings and furniture		55	80	131	153	134
Computers and telecommunications		4,948	1,050	386	201	2,180
Library books		800	700	774	810	848
Total plant and equipment		8,287	4,174	5,652	4,564	6,407
Infrastructure						
Roads		4,799	8,859	8,447	7,748	9,338
Bridges		209	1,040	1,560	200	260
Footpaths and cycleways		2,855	3,390	1,900	1,046	1,950
Drainage		2,406	1,504	1,451	1,460	1,689
Recreational, leisure and community facilities		337	2,716	1,266	1,823	1,507
Waste management		-	432	4,817	535	562
Parks, open space and streetscapes		3,710	1,510	1,359	1,968	2,935
Aerodromes		-	-	-	-	-
Off street car parks		-	83	110	113	131
Other infrastructure		-	410	150	100	100
Total infrastructure		14,316	19,944	21,060	14,993	18,472
Total capital works expenditure	4.5.1	32,484	38,547	33,203	31,360	36,054
Represented by:						
New asset expenditure		2,787	2,367	6,232	3,267	1,843
Asset renewal expenditure		21,981	28,851	23,587	22,930	29,791
Asset expansion expenditure		790	4,483	1,460	2,910	1,718
Asset upgrade expenditure		6,926	2,847	1,924	2,253	2,702
Total capital works expenditure	4.5.1	32,484	38,547	33,203	31,360	36,054
Funding sources represented by:						
Grants		2,922	7,036	2,781	4,366	2,790
Contributions		5,009	4,281	5,134	6,143	7,471
Council cash		24,553	27,230	25,288	20,852	25,793
Borrowings		-	-	-	-	-
Total capital works expenditure	4.5.1	32,484	38,547	33,203	31,360	36,054 -

Statement of Human Resources

For the four years ending 30 June 2029

	Forecast	Budget	Projections		
	Actual				
	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	105,933	111,095	111,480	111,215	113,267
Employee costs - capital	2,756	2,481	2,558	2,637	2,719
Total staff expenditure	108,689	113,576	114,038	113,852	115,986
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	926.1	895.4	895.4	895.4	895.4
Total staff numbers	926.1	895.4	895.4	895.4	895.4

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Division	Budget	Comprises			
		Permanent			
		Full Time	Part time	Casual	Temporary
	2025/26				
	\$'000	\$'000	\$'000	\$'000	\$'000
City Sustainability & Strategy	21,546	17,680	3,724	89	53
Infrastructure, Operations & Finance	30,124	29,209	724	-	191
Community	42,828	19,960	19,747	2,617	504
Customer & Corporate	17,160	14,568	1,932	182	479
Total permanent staff expenditure	111,658	81,416	26,128	2,887	1,228
Other employee related expenditure	1,917				
Capitalised labour costs	(2,481)				
Total expenditure	111,095				

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Division	Budget	Comprises			
		Permanent			
		Full Time	Part time	Casual	Temporary
	2025/26				
City Sustainability & Strategy	166	127.8	36.5	1.3	0.4
Infrastructure, Operations & Finance	239	232.0	5.6	-	1.5
Community	374	150.9	180.9	37.4	5.2
Customer & Corporate	116	93.0	17.4	2.6	3.0
Total staff	895.4	603.7	240.4	41.2	10.1

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's budget.

As per the *Local Government Act 2020*, Council is required to have a Revenue and Rating Plan which is a four year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2025/26 the FGRS cap has been set at 3.00%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 3.00% in line with the rate cap.

This will raise total rates and charges for 2025/26 to \$165M.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	2024/25	2025/26	Change	%
	Forecast Actual	Budget		
	\$'000	\$'000	\$'000	
General rates*	132,745	137,768	5,023	3.78%
Supplementary rates and rate adjustments	450	436	- 14	(3.19%)
General Rates Pensioner Rebate	(23)	(13)	10	(43.48%)
Interest on rates and charges	500	513	13	2.50%
Green waste bin income	1,154	1,225	70	6.10%
Waste Charge - Kerbside & Public	23,539	27,000	3,461	14.71%
Waste Charge Rebate / Concession	(2,302)	(2,741)	(438)	19.04%
Special rates and charges	1,311	1,386	76	5.77%
Total rates and charges	157,373	165,574	8,201	5.21%

75

4.1.1(b) The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2024/25 cents/\$CIV*	2025/26 cents/\$CIV*	Change
General rate for rateable Residential Properties	0.00174674	0.00181084	3.67%
General rate for rateable Commercial Properties	0.00305680	0.00316897	3.67%
General rate for Vacant Residential Land	0.00524022	0.00543252	3.67%
General rate for Vacant Business Land	0.00698960	0.00724336	3.63%
General rate for Mixed Use Occupancy	0.00244544	0.00253517	3.67%
General rate for Vacant Retail Land	0.00698696	0.00698696	0.00%
General rate for Cultural and Recreation Properties	0.00152840	0.00158448	3.67%

(* Use CIV or NAV depending on the valuation basis used by the Council)

4.1.1(c) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2024/25 \$'000	2025/26 \$'000	Change	
			\$'000	%
General rate for rateable Residential Properties	108,801	112,180	3,379	3.11%
General rate for rateable Commercial Properties	22,826	23,430	604	2.65%
General rate for Vacant Residential Land	428	410 -	19	-4.35%
General rate for Vacant Business Land	580	605	24	4.17%
General rate for Mixed Use Occupancy	1,099	1,122	24	2.15%
General rate for Vacant Retail Land	-	-	-	0.00%
General rate for Cultural and Recreation Properties	21	22	1	2.61%
Total amount to be raised by general rates	133,755	137,768	4,013	3.00%

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2024/25 Number	2025/26 Number	Change	
			Number	%
General rate for rateable Residential Properties	69,154	69,840	686	0.99%
General rate for rateable Commercial Properties	4,799	4,867	68	1.42%
General rate for Vacant Residential Land	95	85 -	10	(10.53%)
General rate for Vacant Business Land	51	47 -	4	(7.84%)
General rate for Mixed Use Occupancy	534	535	1	0.19%
General rate for Vacant Retail Land	4	- -	4	-100.00%
General rate for Cultural and Recreation Properties	9	9	-	-
Total number of assessments	74,646	75,383	737	0.99%

4.1.1(e) The basis of valuation to be used is the Capital Improved Value (CIV)

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year. It should be noted that the budget is based on the 2025/26 revaluation data provided by the Valuer Generals Office.

Type or class of land	2024/25 \$'000	2025/26 \$'000	Change	
			\$'000	%
General rate for rateable Residential Properties	62,287,867	61,948,967	(338,900)	(0.54%)
General rate for rateable Commercial Properties	7,467,402	7,393,702	(73,700)	(0.99%)
General rate for Vacant Residential Land	81,720	75,395	(6,325)	(7.74%)
General rate for Vacant Business Land	83,075	83,475	400	0.48%
General rate for Mixed Use Occupancy	449,215	442,625	(6,590)	(1.47%)
General rate for Vacant Retail Land	-	-	-	-
General rate for Cultural and Recreation Properties	13,735	13,595	(140)	(1.02%)
Total value of land	70,383,014	69,957,759	(425,255)	-0.60%

4.1.1(i) The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year and detailed disclosure of the actual service/s rendered for the amount levied

Type of Charge	Per Rateable Property 2024/25	Per Rateable Property 2025/26	Change	
	\$	\$	\$	%
Kerbside waste costs	307.49	356.66	49	15.99%
Public waste costs	0.00005621	0.000085990	0.000029780	52.98%

4.1.1(j) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of Charge	2024/25 \$	2025/26 \$	Change	
			\$	%
Kerbside waste costs	19,722	22,927	3,205	16.25%
Public waste costs	3,816	4,073	257	6.73%
Total	23,538	27,000	3,462	14.71%

4.1.1(k) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2024/25	2025/26	Change	
	\$'000	\$'000	\$'000	%
<i>General rates</i>	133,673	138,703	5,030	3.76%
<i>Special Rates</i>	1,311	1,386	76	5.77%
<i>Green waste bin income</i>	1,154	1,225	70	6.10%
<i>Kerbside waste costs</i>	19,722	22,927	3,205	16.25%
<i>Public waste costs</i>	3,816	4,073	257	6.73%
<i>Waste Charge Rebate / Concession</i>	(2,302)	(2,741)	(438)	19.04%
Total Rates and charges	157,373	165,574	8,200	5.21%

4.1.1(l) Fair Go Rates System Compliance

Darebin City Council is required to comply with the State Government's Fair Go Rates System (FGRS). The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

	2024/25	2025/26
Total Rates	133,734,241	137,746,394
Number of rateable properties	74,637	75,374
Base Average Rate	1,743.84	1,774.28
Maximum Rate Increase (set by the State Government)	2.75%	3.00%
Capped Average Rate	\$ 1,791.80	\$ 1,827.50
Maximum General Rates and Municipal Charges Revenue	\$ 133,734,241	\$ 137,746,268
Budgeted General Rates and Municipal Charges Revenue	\$ 133,734,241	\$ 137,746,394
Budgeted Supplementary Rates	\$ 450,000	\$ 435,625
Budgeted Total Rates and Municipal Charges Revenue	\$ 134,184,241	\$ 138,182,019

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2025/26: estimated \$436,000 and 2024/25: \$450,000)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

The 2025-26 budget amounts are based on the 2025-26 revaluation data provided by the Valuer Generals Office.

The rate and amount of rates payable in relation to land in each category of differential are:

- ☐ A general rate of 0.181084% (0.00181084 cents in the dollar of CIV) for all rateable residential land
- A general rate of 0.316897% (0.00316897 cents in the dollar of CIV) for all rateable business land.
- A general rate of 0.543252% (0.00543252 cents in the dollar of CIV) for all rateable vacant residential land
- A general rate of 0.724336% (0.00724336 cents in the dollar of CIV) for all rateable vacant business land.
- A general rate of 0.253517% (0.00253517 cents in the dollar of CIV) for all rateable mixed use occupancy land
- A general rate of 0.698696% (0.00698696 cents in the dollar of CIV) for all rateable vacant retail land
- A general rate of 0.158448% (0.00158448 cents in the dollar of CIV) for all rateable recreational land

Each differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council believes each differential rate will contribute to the equitable and efficient carrying out of Council functions. Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out the Revenue & Rating Plan.

4.1.2 Statutory fees and fines

	Forecast Actual	Budget	Change	
	2024/25 \$'000	2025/26 \$'000	\$'000	%
Environmental Health Fees	1,112	1,170	58	5.22%
Statutory Planning Fees	1,468	1,310	(158)	(10.78%)
Building Supervision Fees	1,089	952	(137)	(12.61%)
Pool Safety Registration Fees	29	5	(24)	(83.89%)
Sustainable Transport Fees	0	70	70	16,573.23%
Animal Control Fees	746	776	31	4.11%
Traffic Enforcement Fees	3,729	4,062	333	8.94%
Local Laws Fees	404	425	21	5.26%
Planning Scheme Amendments Fees	3	45	42	1,275.79%
Residential Garbage Fees	140	144	4	3.00%
Fees - Land Certificates (Stat) Fees	178	191	13	7.23%
Council Elections Fees	162	162	0	-
Total statutory fees and fines	9,060	9,312	252	2.78%

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, Public Health and Wellbeing Act 2008 registrations and parking fines. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to increase by 2.8% or \$252K compared to forecast due mainly to Traffic Enforcement Fees. A detailed listing of statutory fees is included in **attachment 1** to this document

4.1.3 User fees

	Forecast Actual	Budget	Change	
	2024/25 \$'000	2025/26 \$'000	\$'000	%
Aged and health services	860	1,371	511	59.44%
Arts and culture services	762	1,076	314	41.22%
Families, youth and children programs	274	336	62	22.62%
Leisure centres and recreation services	-	-	0	#DIV/0!
Library services	96	98	2	2.57%
Registration and other permit services	5,877	6,198	322	5.47%
Other fees and charges	267	12	(255)	(95.52%)
Total user fees	8,135	9,091	956	11.75%

User fees relate mainly relate to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of leisure, entertainment and other community facilities and the provision of human services such as home help services. In setting the budget, key principles for determining the level of user charges has been to reflect increases in CPI, alignment to market rates and equity.

Total budgeted user fees of \$14.8M is an increase of 12.2% on forecast (\$13.2M), mainly driven through an increase in fee income generated from Leisure & Recreation services and increases to the State Government landfill levy, passed on through increased Resource Recovery fees.

A detailed listing of fees and charges is included in **attachment 1** to this document.

4.1.4 Grants

Grants are required by the Act and the Regulations to be disclosed in Council's budget.

	Forecast Actual	Budget	Change	
	2024/25	2025/26		
	\$'000	\$'000	\$'000	%
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	11,711	13,526	1,815	15%
State funded grants	9,520	13,230	3,710	39%
Total grants received	21,231	26,756	5,525	26%
(a) Operating Grants				
Recurrent - Commonwealth Government				
Financial Assistance Grants	5,155	5,246	92	1.78%
Aged care	5,557	7,280	1,723	31.02%
Recurrent - State Government				
Sustainable Transport Services	25	25	0	2.00%
Family and Children Services	1,367	1,367	0	0.00%
Aged Care Services	1,751	1,790	39	2.20%
Youth Programs	47	48	1	2.00%
Maternal & Child Health Programs	1,692	1,752	60	3.55%
Immunisation Programs	135	126	(9)	(6.67%)
Library Services	1,071	1,071	0	-
Equity & Wellbeing Services	75	76	1	2.00%
Other Services	49	-	(49)	(100.00%)
Recurrent - Other				
Environmental Services	9	10	1	15.56%
Family and Children Services	807	663	(144)	(17.87%)
Fuel Rebate	70	71	1	2.00%
Arts & Culture Services	7	8	0	2.00%
Festivals & Events Services	35	37	2	4.29%
Total recurrent grants	17,853	19,572	1,719	9.63%
Non-recurrent - State Government				
Building Services	150	-	(150)	(100.00%)
Family, Children and Youth Services	239	130	(109)	(45.65%)
Transport Safety Programs	-	18	18	100.00%
Other Services	67	-	(67)	(100.00%)
Total non-recurrent grants	456	148	(308)	-67.53%
Total operating grants	18,309	19,720	1,411	7.71%
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	1,000	1,000	-	-
Recurrent - State Government				
Library Services	18	18	-	-
Total recurrent grants	1,018	1,018	-	-
Non-recurrent - State Government				
Recreational, Leisure & Community Facilities	1,516	3,237	1,721	113.50%
Transport Projects	362	2,081	1,720	475.66%
Parks & open Space Projects	26	700	674	2,566.67%
Total recurrent grants	1,904	6,018	4,114	216.08%
Total capital grants	2,922	7,036	4,114	140.80%
Total Grants	21,231	26,756	5,525	26.02%

4.1.5 Contributions

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change	
			\$'000	%
Monetary	5,009	4,281	(729)	-14.54%
Non-monetary	-	-	-	0.00%
Total contributions	5,009	4,281	(729)	-14.54%

Contributions relate to monies paid by developers regarding public resort and recreation, developer Contribution scheme, drainage and car parking in accordance with planning permits issued for property development.

Contribution income is expected to decrease by 14.5% or \$729k compared to forecast, due mainly to the one-off contributions received from State Government in support of the Level Crossing Removal Project this financial year.

4.1.6 Other income

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change	
			\$'000	%
Interest on Investments	3,197	2,434	(763)	(23.86%)
Property rentals and leases	625	637	12	1.92%
Recovery of costs	1,774	1,460	(313)	(17.68%)
Other items	3,504	3,235	(269)	(7.67%)
Total other income	9,100	7,767	(1,333)	(14.65%)

Other income relates to a range of items such as interest on investments, cost recoups and other miscellaneous income items.

Other income is decreasing by 14.7% or \$1.3M compared to forecast, due mainly to lower interest income received on investments in line with expected interest rate cuts.

4.1.7 Employee costs

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change	
			\$'000	%
Wages, salaries and related oncosts	86,242	88,850	2,608	3.02%
Superannuation	10,109	10,867	758	7.50%
Workcover	3,851	4,891	1,040	27.01%
Fringe Benefits tax	115	118	3	2.61%
Other employee costs	5,616	6,369	753	13.41%
Total employee costs	105,933	111,095	5,162	4.87%

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc.

Employee costs increasing in line with EBA arrangements & Superannuation legislated by the Government.

4.1.8 Materials and services

	Forecast Actual	Budget	Change	
	2024/25 \$'000	2025/26 \$'000	\$'000	%
Contract Payments	38,254	48,088	9,834	25.71%
Information Technology	4,853	5,356	503	10.37%
Bank Charges	452	497	45	9.93%
Supplies and Consumables	4,195	4,432	237	5.66%
Printing	364	375	11	3.15%
Postage	436	367	(69)	(15.85%)
Publications Libraries	167	253	85	51.02%
Insurances	2,780	3,184	404	14.53%
Plant and Equipment Expenses	446	499	54	12.10%
Other Services	3,121	2,816	(305)	(9.78%)
Fees and Charges	1,488	1,616	128	8.57%
Utilities Expenses	5,516	5,850	334	6.05%
Total materials and services	62,071	73,333	11,262	18.14%

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs.

A \$11.3M (18.1%) increase in Materials & Services costs is projected, primarily driven by investments in Digital Transformation. These investments aim to automate and enhance internal processes, leading to long-term efficiency gains and cost reductions.

4.1.9 Depreciation

	Forecast Actual	Budget	Change	
	2024/25 \$'000	2025/26 \$'000	\$'000	%
Property	11,690	12,094	404	3.46%
Plant & equipment	3,624	3,949	325	8.97%
Infrastructure	18,974	18,780	(194)	(1.02%)
Total depreciation	34,288	34,823	535	1.56%

Depreciation, an accounting method that distributes asset value over its useful life, is projected to increase by \$535K in 2025-26. This rise is primarily due to the anticipated growth of Council's asset base resulting from the 2025-26 Capital Works Program.

4.1.10 Amortisation - Intangible assets

	Forecast Actual	Budget	Change	
	2024/25 \$'000	2025/26 \$'000	\$'000	%
Intangible assets	532	81	(451)	(84.77%)
Total amortisation - intangible assets	532	81	(451)	(84.77%)

4.1.11 Depreciation - Right of use assets

	Forecast Actual	Budget	Change	
	2024/25 \$'000	2025/26 \$'000	\$'000	%
Right of use assets	151	51	(100)	(66.45%)
Total depreciation - right of use assets	151	51	(100)	(66.45%)

4.1.12 Other expenses

	Forecast Actual	Budget	Change	
	2024/25 \$'000	2025/26 \$'000	\$'000	%
Auditors remuneration - VAGO	91	94	4	3.97%
Auditors remuneration - Internal	170	153	(17)	(9.77%)
Community grants and other contributions	2,872	2,847	(25)	(0.88%)
Councillors emoluments	459	496	37	7.96%
Fines Victoria processing costs	180	184	5	2.50%
Fire services levy	159	160	1	0.71%
Lease payments	426	488	61	14.40%
Legal expenses	867	936	69	7.90%
Other minor expenses	25	26	1	2.50%
Total other expenses	5,249	5,384	135	2.56%

Other items of expense relate to a range of unclassified items including contributions to community groups, legal expenses, audit fees and other miscellaneous expenditure items.

Other expenses are forecast to increase by 2.5% or \$135k compared to current year forecast, mainly driven by increased legal expenses to support the on-going EBA negotiations.

4.2 Balance Sheet

4.2.1 Assets

Cash and cash equivalents comprise cash on hand, bank balances, and highly liquid investments with maturities of three months or less.

Trade and other receivables represent amounts owed to Council, primarily from ratepayers. This includes deferred payments under Council's Solar Saver program, which offers extended repayment terms for solar panel installations.

Other assets consist of prepaid expenses, inventory held for operational use or resale, and revenues expected within the next 12 months.

Property, infrastructure, plant, and equipment constitute Council's most significant asset category, reflecting the accumulated value of land, buildings, roads, vehicles, and other assets. The net increase in this balance sheet item is largely due to the combined effect of capital works expenditures (\$38.5M) and asset depreciation (\$34.8M)

4.2.2 Liabilities

Trade and other payables are those to whom Council owes money as at 30 June.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are only expected to increase marginally due to more active management of entitlements despite factoring in an increase for Collective Agreement outcomes.

4.2.3 Borrowings

The table below shows information on borrowings specifically required by the Regulations.

	Forecast Actual	Budget	Projections		
	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$	2028/29 \$
Amount borrowed as at 30 June of the prior year	43,478	39,243	34,844	30,274	25,528
Amount proposed to be borrowed	-	-	-	-	-
Amount projected to be redeemed	(4,235)	4,399	4,569	4,746	4,930
Amount of borrowings as at 30 June	39,243	34,844	30,274	25,528	20,598
Amount (of opening balance) to be refinanced	-	-	-	-	-

4.3 Statement of changes in Equity

4.3.1 Reserves

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Council has a number of other reserves to separately identify funds to meet a specific purpose in the future. A number of these are actively used and current, however some of these have not been used for some time and/or have small amounts of funds reserved. It is recommended that review of reserves be completed by end 2026-27. Reserves outlined in the Financial Plan are below. All of these were current in 2024-25 except for one which is proposed for establishment in 2025-26: the Major Facilities Redevelopment Fund.

Drainage

The drainage development reserve is used to provide partial funding for the replacement of Council's drainage network. Funding is provided from developer contributions for drainage which is initially recognised in the comprehensive income statement and then transferred to the reserve from accumulated surplus to facilitate separate tracking of the total funds received but not yet spent. There is no budgeted movement in this reserve for 2025-26.

Car park development

The car park development reserve is used to provide funding for future development and ongoing maintenance of car parks within the municipality. Funding is derived from unspent contributions from commercial developers for cash in lieu of constructed car parks. This funding is initially recognised in the comprehensive income statement and then transferred to the reserve from accumulated surplus to facilitate separate tracking of the total funds received but not yet spent. There is no budgeted movement in this reserve for 2025-26.

Public open space and recreation

The public open space and recreation reserve is used to provide funding for future purchases and improvements of open space. Funding is provided from developers' contributions for open space which is initially recognised in the comprehensive income statement and then transferred to the reserve from accumulated surplus to facilitate separate tracking of the total funds received but not yet spent. There is no budgeted movement in this reserve for 2025-26, with 100% of revenue expected to be spent.

Plant Replacement

Purpose – This reserve is to set aside funds to replace Council's heavy plant and equipment at the end of the service life.

Movements – Inflows to the reserve are mainly sourced from budget savings in depot maintenance and operations. Transfers from the reserve are aligned to Council's replacement schedule to fund plant acquisitions on an annual basis. There is no budgeted movement in this reserve for 2025-26

Developer contribution scheme

The developer contribution reserve is used to provide for the future funding of Council's asset base. These assets include community facilities, parkland, and the drainage and road networks. Funding is provided by way of a developer's contribution, whereby the developer funds only the renewal of assets from that location. This funding is initially recognised in the comprehensive income statement and then transferred to the reserve from accumulated surplus to facilitate separate tracking of the total funds received but not yet spent.

Major Facilities Redevelopment Fund

The objectives of this fund is as follows:

Ensure the long-term sustainability and functionality of critical infrastructure, facilitate strategic upgrades and modernization, manage significant capital expenditures, and promote responsible asset management. By accumulating funds over time, Council mitigates the financial impact of large-scale redevelopment projects, preventing sudden and disruptive budget strain.

Funding for this reserve will be determined annually based on the Council's cash surplus as of June 30th. Specifically, 25% of any surplus exceeding the minimum cash balance of \$42M plus a 10% risk factor will be allocated to the fund. Projections within the Long-Term Financial Plan (LTFP) indicate that up to \$7.6M over the next four years may be transferred to the reserve, contingent on Council's financial performance.

A comprehensive policy and procedure for the management of this reserve will be developed and presented for Council endorsement in the 2025-26 financial year, with provisions for regular reviews and updates.

4.3.2 Equity

Total equity always equals net assets and is made up of the following components:

Asset revaluation reserve: Which represents the difference between the previously recorded value of assets and their current valuations

Other reserves: Funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed.

Accumulated surplus: The value of all net assets less Reserves that have accumulated over time

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/used in operating activities

Operating activities are expected to generate \$1.8M more cash compared to the 2024-25 forecast. This net increase is primarily attributed to increased cash inflows from rates, user fees, and grants.

It is important to note that the net cash flow from operating activities differs from the annual surplus (deficit) due to the exclusion of non-cash items, such as depreciation and amortization, from the Cash Flow Statement

4.4.2 Net cash flows provided by/used in investing activities

The increase in payments for investing activities is mainly driven by a increase in cash being used to deliver the capital works program compared to 2024-25 forecast, as disclosed in section 4.5 of this budget report.

4.4.3 Net cash flows provided by/used in financing activities

No new borrowings planned in the 2025-26 budget. Current loan liability used to fund construction of the Northcote Aquatic & Recreation Centre redevelopment

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2025/26 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Property	9,881	14,429	4,548	46.03%
Plant and equipment	8,287	4,174 -	4,113	-49.63%
Infrastructure	14,316	19,944	5,628	39.31%
Total	32,484	38,547	6,063	18.66%

	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
Property	14,429	624	8,316	1,273	4,215	4,690	2,854	6,885	-
Plant and equipment	4,174	-	4,174	-	-	-	-	4,174	-
Infrastructure	19,944	1,742	16,360	1,574	268	2,345	1,427	16,171	-
Total	38,547	2,367	28,851	2,847	4,483	7,036	4,281	27,230	-

A comprehensive breakdown of individual capital project budgets within the model is provided in the supporting attachments to the Council's broader budget documentation, which is available on its website.

**Summary of Planned Capital Works Expenditure
For the years ending 30 June 2027, 2028 & 2029**

2026/27	Asset Expenditure Types				
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000
Property					
Land	300	-	255	45	-
Land improvements	-	-	-	-	-
Total Land	300	-	255	45	-
Buildings	4,901	49	4,068	588	196
Heritage Buildings	-	-	-	-	-
Building improvements	1,290	142	103	26	1,019
Leasehold improvements	-	-	-	-	-
Total Buildings	6,191	191	4,171	614	1,215
Total Property	6,491	191	4,426	659	1,215
Plant and Equipment					
Heritage plant and equipment	-	-	-	-	-
Plant, machinery and equipment	4,361	-	4,361	-	-
Fixtures, fittings and furniture	131	-	131	-	-
Computers and telecommunications	386	-	386	-	-
Library books	774	-	774	-	-
Total Plant and Equipment	5,652	-	5,652	-	-
Infrastructure					
Roads	8,447	1,014	6,927	507	-
Bridges	1,560	343	1,217	-	-
Footpaths and cycleways	1,900	114	1,786	-	-
Drainage	1,451	189	537	493	232
Recreational, leisure and community facilities	1,266	-	1,076	177	13
Waste management	4,817	4,320	497	-	-
Parks, open space and streetscapes	1,359	14	1,291	54	-
Aerodromes	-	-	-	-	-
Off street car parks	110	48	62	-	-
Other infrastructure	150	-	117	33	-
Total Infrastructure	21,060	6,041	13,509	1,265	245
Total Capital Works Expenditure	33,203	6,232	23,587	1,924	1,460

2027/28	Asset Expenditure Types				
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000
Property					
Land	300	-	255	45	-
Land improvements	1,570	1,570	-	-	-
Total Land	1,870	1,570	255	45	-
Buildings	6,918	69	5,742	830	277
Heritage Buildings	-	-	-	-	-
Building improvements	3,015	332	241	60	2,382
Leasehold improvements	-	-	-	-	-
Total Buildings	9,933	401	5,983	890	2,659
Total Property	11,803	1,971	6,238	935	2,659
Plant and Equipment					
Heritage plant and equipment	-	-	-	-	-
Plant, machinery and equipment	3,400	-	3,400	-	-
Fixtures, fittings and furniture	153	-	153	-	-
Computers and telecommunications	201	-	201	-	-
Library books	810	-	810	-	-
Total Plant and Equipment	4,564	-	4,564	-	-
Infrastructure					
Roads	7,748	930	6,353	465	-
Bridges	200	44	156	-	-
Footpaths and cycleways	1,046	63	983	-	-
Drainage	1,460	190	540	496	234
Recreational, leisure and community facilities	1,823	-	1,550	255	18
Waste management	535	-	535	-	-
Parks, open space and streetscapes	1,968	20	1,870	79	-
Aerodromes	-	-	-	-	-
Off street car parks	113	50	63	-	-
Other infrastructure	100	-	78	22	-
Total Infrastructure	14,993	1,296	12,128	1,317	252
Total Capital Works Expenditure	31,360	3,267	22,930	2,253	2,910

2028/29	Asset Expenditure Types				
	Total \$'000	New \$'000	Renewal \$'000	Expansion \$'000	Upgrade \$'000
Property					
Land	300	-	255	45	-
Land improvements	-	-	-	-	-
Total Land	300	-	255	45	-
Buildings	9,545	95	7,922	1,145	382
Heritage Buildings	-	-	-	-	-
Building improvements	1,330	146	106	27	1,051
Leasehold improvements	-	-	-	-	-
Total Buildings	10,875	242	8,029	1,172	1,433
Total Property	11,175	242	8,284	1,217	1,433
Plant and Equipment					
Heritage plant and equipment	-	-	-	-	-
Plant, machinery and equipment	3,245	-	3,245	-	-
Fixtures, fittings and furniture	134	-	134	-	-
Computers and telecommunications	2,180	-	2,180	-	-
Library books	848	-	848	-	-
Total Plant and Equipment	6,407	-	6,407	-	-
Infrastructure					
Roads	9,338	1,121	7,657	560	-
Bridges	260	57	203	-	-
Footpaths and cycleways	1,950	117	1,833	-	-
Drainage	1,689	220	625	574	270
Recreational, leisure and community facilities	1,507	-	1,281	211	15
Waste management	562	-	562	-	-
Parks, open space and streetscapes	2,935	29	2,788	117	-
Aerodromes	-	-	-	-	-
Off street car parks	131	58	73	-	-
Other infrastructure	100	-	78	22	-
Total Infrastructure	18,472	1,601	15,100	1,485	285
Total Capital Works Expenditure	36,054	1,843	29,791	2,702	1,718

5a. Targeted performance indicators

The following tables highlight Council's current and projected performance across a selection of targeted service and financial performance indicators. These indicators provide a useful analysis of Council's intentions and performance and should be interpreted in the context of the organisation's objectives.

The targeted performance indicators below are the prescribed performance indicators contained in Schedule 4 of the *Local Government (Planning and Reporting) Regulations 2020*. Results against these indicators and targets will be reported in Council's Performance Statement included in the Annual Report.

Targeted performance indicators - Service

Indicator	Measure	Notes	Actual 2023/24	Forecast 2024/25	Target 2025/26	Target Projections			Trend +/-
						2026/27	2027/28	2028/29	
Governance									
Consultation and engagement (Council decisions made and implemented with community input)	Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	o
Roads									
Condition (sealed local roads are maintained at the adopted condition standard)	Sealed local roads below the intervention level Number of kms of sealed local roads below the renewal intervention level set by Council / Kms of sealed local roads	2	94.87%	94.50%	95.00%	95.00%	95.00%	95.00%	o
Statutory planning									
Service standard (planning application processing and decisions are in accordance with legislative requirements)	Planning applications decided within the relevant required time Number of planning application decisions made within the relevant required time / Number of planning application decisions made	3	61.25%	60.00%	60.00%	60.00%	60.00%	60.00%	+
Waste management									
Waste diversion (amount of waste diverted from landfill is maximised)	Kerbside collection waste diverted from landfill Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins	4	52.27%	53.50%	53.00%	54.00%	55.00%	56.00%	+

Targeted performance indicators - Financial

Indicator	Measure	Notes	Actual	Forecast	Target	Target Projections			Trend
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	+o/-
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	5	181%	194%	178%	166%	168%	159%	-
Obligations									
Asset renewal (assets are renewed as planned)	Asset renewal compared to depreciation Asset renewal and upgrade expense / Asset depreciation	6	68%	94%	91%	71%	68%	85%	o
Stability									
Rates concentration (revenue is generated from a range of sources)	Rates compared to adjusted underlying revenue Rate revenue / adjusted underlying revenue	7	34%	73%	73%	73%	73%	73%	o
Efficiency									
Expenditure level (resources are used efficiently in the delivery of services)	Expenses per property assessment Total expenses / no. of property assessments	8	\$2,731.55	\$2,833.11	\$3,018.73	\$3,081.22	\$3,111.16	\$3,179.52	-

5b. 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 interpreted in the context of the organisation's objectives.

The financial performance indicators below are the prescribed financial performance indicators contained in Part 3 of Schedule 3 of the *Local Government (Planning and Reporting) Regulations 2020*. Results against these indicators will be reported in Council's Performance Statement included in the Annual Report.

Indicator	Measure	Notes	Actual 2023/24	Forecast 2024/25	Budget 2025/26	Projections 2026/27	2027/28	2028/29	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	9	55%	1%	(2%)	(2%)	(1%)	(1%)	-
Liquidity									
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	10	96%	108%	97%	85%	87%	77%	-
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	11	29%	25%	21%	18%	15%	11%	+
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / rate revenue		4%	4%	4%	3%	3%	3%	+
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		10%	19%	16%	13%	11%	8%	+
Stability									
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 municipal district	12	0.18%	0.19%	0.20%	0.20%	0.20%	0.20%	o
Efficiency									
Revenue level (resources are used efficiently in the delivery of services)	Average rate per property assessment General rates and municipal charges / no. of property assessments	13	\$2,062	\$2,108	\$2,196	\$2,196	\$2,196	\$2,196	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

Notes to indicators

5a

1. Satisfaction with community consultation and engagement

Council adopted a Community Engagement Policy in February 2021 which aims to put the community at the heart of our decision-making. This policy has improved our community engagement approach, and this should translate into a gradual improvement in the result for this indicator.

2. Sealed local roads below the intervention level

Forecast is based on the planned renewal expenditure on road and our target to maintain the current service level for the next four years.

3. Planning applications decided within the relevant required time

Darebin has historically not performed well against this indicator; however Council expects this figure to continue to improve over time as the result of investments into systems upgrades and process improvements. A target of 60% has been set because this is the average achieved by comparable inner-metro councils.

4. Kerbside collection waste diverted from landfill

Forecast results seems achievable given the implementation of a universal FOGO (Food and Green Organic Waste Program) and Darebin Resource Recovery Centre (due to more material filtering through a re-sale shop that would otherwise become landfill).

5. Working Capital

A general measure of the organisation's liquidity and its ability to meet its commitments as and when they fall due

6. Asset renewal

This indicates the extent of Council's renewal and upgrade of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

7. Rates concentration

A general measure of the organisations dependency on rate revenue to generate a surplus operating performance year on year.

8. Expenditure level

A general measure of how much Council spends to deliver key services to each property and can be compared to the Revenue Level measure as stated below to measure costs versus income on a per property basis.

5b

9. Adjusted underlying result

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Deterioration expected over the 4 year estimates mainly due to significant investment in digital transformation over same period. Improvement in financial performance expected over the long term, financial plan.

10. Unrestricted Cash

A general measure of the organisation's liquidity and its ability to meet its commitments as and when they fall due with available cash, free from restrictions.

Unrestricted Cash means all cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, other than restricted cash.

Restricted cash means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted and includes cash to be used to fund capital works expenditure from the previous financial year. □

11. Debt compared to rates

One of two general measures used to ensure the level of interest-bearing loans and borrowings is appropriate to the size and nature of Council's activities.

12. Rates effort

This measure is intended to examine the community's capacity to pay its rates liabilities

13. Revenue level

A general measure of how much revenue Council generates per property, that can be used to deliver key services to each property. This measure can be compared to the Expenditure Level indicator to measure costs versus income on a per property basis.

6. Schedule of Fees and Charges

This appendix presents the fees and charges of a statutory/non-statutory nature which will be charged in respect to various goods and services during the financial year 2025-26.
Fees and charges are based on information available at the time of publishing and may vary during the financial year subject to any changes in Council's policy or External legislation.

Refer attachment 1 for full 2025-26 Fees & Charges price schedule.

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