



Mildura Rural City Council

# Strategic Resource Plan

2016-2017 to 2019-2020



## What is a strategic resource plan?

The Strategic Resource Plan provides details of the financial and non-financial resources required to achieve Council's strategic objectives, as outlined in the Council Plan. The Strategic Resource Plan is updated annually and is reflected in our Annual Budget.

## Plan development

The Act requires a Strategic Resource Plan to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan.

The 2016/17 financial year is our last year of the Council Plan, a new plan will be developed along with the community and elected members.

Council has prepared a Strategic Resource Plan (SRP) for the four years 2016/17 to 2019/20 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving our strategic objectives as specified in the Council Plan.

The key financial objectives, which underpin the SRP, are:

- Existing service levels are to be maintained
- Achieve a breakeven operating result
- Continue to fund asset renewal
- Maintain a capital expenditure program at an affordable level
- Achieve a balanced budget on a cash basis.

In preparing the SRP, we have to be mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Local Government Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a rigorous process of consultation with Council service providers, followed by a detailed sensitivity analysis to achieve the key financial objectives.

## Financial Resources

We have developed a Strategic Financial Plan setting out the strategies to be employed to support the achievement of Council Plan objectives within a sustainable financial framework. The outcomes of this plan are reflected in the following Budgeted Standard Statements, and form part of the overall Strategic Resource Plan.

The following provides a summary of the key strategies identified in Council’s Strategic Financial Plan.

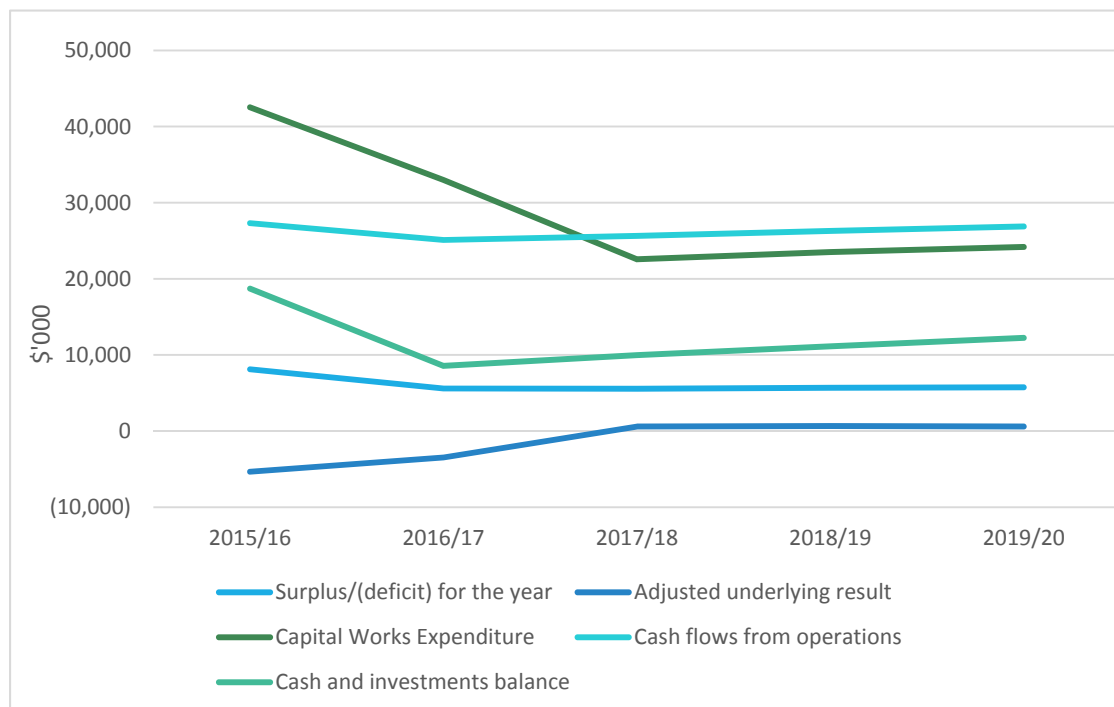
Financial Area	Strategy
Rates	Rates will be capped at a 2.5% base average increase in accordance with Victorian State Government legislation. This increase is required to cover general cost movements, including labour and non-labour costs, and sufficient to fund required service levels and capital works activities. Future rate increases are based on the December Victorian State Government Budget CPI predictions of 2.5% for the following 4 years, including the efficiency factor as proposed by the Essential Services Commission.

Financial Area	Strategy
Loan Borrowings	<p>Borrowings will be used to fund capital projects of a magnitude that could not otherwise be funded from on-going income sources. Our borrowings will be set at a financially sustainable level and within agreed limits (no greater than 40% of rate revenue).</p> <p>We have determined that borrowings will be considered as a means of funding strategic infrastructure initiatives with reference to criteria including funding of projects which are:</p> <ul style="list-style-type: none"> <li>• iconic in nature</li> <li>• of a size that could not otherwise be funded through the annual capital works program</li> <li>• based on a sound business case including consideration of the following factors: <ul style="list-style-type: none"> <li>• the purposes for which the borrowings are being sought including the level of demonstrated community need for the project and the expected life of the infrastructure</li> <li>• reasons why the project cannot be funded through normal operational income</li> <li>• a clear statement of how the repayments will be funded and the impact on funding otherwise available for recurrent services or capital works</li> <li>• any financial return to Council which can be used to meet the loan repayments</li> </ul> </li> </ul> <p>Borrowings may also be required in the future as a means of securing a fixed rate of payment for other liabilities we may face, for example a future requirement to contribute additional amounts to the local government defined benefit superannuation fund.</p> <p>Any future borrowings will be considered carefully in accordance with sound financial management principles and the ability of Council to meet the relevant prudential requirements for borrowing set out by State Government.</p>
Recurrent Operating Expenditure	<p>Funding for recurrent operating expenditure will be determined annually in line with general cost movements and other cost drivers. Services provided by us will be reviewed in light of the Council Plan and other service specific strategic plans.</p>
Capital Works	<p>We will endeavour to dedicate sufficient resources to maintain and in some instances, improve the existing asset base in the long term, with remaining funds being allocated to acquire/develop new assets.</p>
Fees and Charges	<p>Fees and charges are reviewed for appropriateness annually as part of the budget process. The review considers the cost of the service, the price charged by comparable service providers (where applicable) and the extent to which we are required to work within statutory limitations.</p>

The following table summarises the key financial results for the next four years. The Standard Statements provide a more detailed analysis of the financial resources to be used over the next four years.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2015/16	2016/17	2017/18	2018/19	2019/20	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	8,109	5,591	5,548	5,683	5,736	+
Adjusted underlying result	(5,332)	(3,461)	579	644	581	o
Cash and investments balance	18,706	8,565	9,969	11,128	12,241	+
Cash flows from operations	27,321	25,109	25,624	26,275	26,859	o
Capital works expenditure	42,533	32,989	22,557	23,510	24,184	o

The following graph shows the general financial indicators over the four year period.



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

Indicator	Measure	Notes	Forecast			Strategic Resource Plan Projections			Trend +o/-
			Actual 2014/15	Actual 2015/16	Budget 2016/17	2017/18	2018/19	2019/20	
<b>Operating position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	9.5%	-4.7%	-2.8%	0.5%	0.6%	0.5%	+
<b>Liquidity</b>									
Working capital	Current assets / current liabilities	2	263.1%	159.7%	102.6%	108.0%	111.7%	114.8%	-
Unrestricted cash	Unrestricted cash / current liabilities		123.1%	71.9%	49.7%	52.1%	54.7%	57.0%	+
<b>Obligations</b>									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	35.9%	31.4%	32.3%	29.5%	26.8%	24.3%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		5.3%	5.1%	4.3%	3.5%	3.3%	3.2%	-
Indebtedness	Non-current liabilities / own source revenue		39.9%	36.0%	37.7%	35.5%	33.3%	31.2%	-
Asset renewal	Asset renewal expenditure / depreciation	4	79.7%	108.2%	102.3%	90.0%	90.0%	90.0%	o
<b>Stability</b>									
Rates concentration	Rate revenue / adjusted underlying revenue	5	59.4%	70.8%	60.7%	67.5%	67.8%	68.0%	+
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.84%	0.86%	0.80%	0.82%	0.85%	0.87%	+
<b>Efficiency</b>									
Expenditure level	Total expenditure / no. of property assessments		\$3,225	\$3,262	\$3,824	\$3,468	\$3,555	\$3,650	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,437	\$1,495	\$1,552	\$1,590	\$1,641	\$1,693	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		13.1%	12.3%	12.3%	12.3%	12.3%	12.3%	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

**1 Adjusted underlying result** – An indicator of the sustainable operating result required to enable us to continue to provide core services and meet its objectives. Improvement in financial performance is expected over the period, although continued losses means reliance on our cash reserves or increased debt to maintain services.

**2 Working capital** - The proportion of current liabilities represented by current assets. Working capital is forecast to decrease significantly in 2016/17 year due to a run down in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.

**3 Debt compared to rates** – The trend indicates we are reducing reliance on debt against its annual rate revenue through redemption of long term debt.

**4 Asset renewal** - This percentage indicates the extent of our renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates that we are maintaining our 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.

**5 Rates concentration** - Reflects extent of reliance on rate revenues to fund all of our on-going services. Trend indicates we will become more reliant on rate revenue compared to all other revenue sources.



## Non-financial resources

In addition to the financial resources to be consumed over the planning period, we will also consume non-financial resources, in particular human resources. A summary of our anticipated human resources requirements for the 2016/17 year is shown below. A statement of Human Resources is included in our Financial Statements.

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
<b>Staff expenditure</b>					
Employee costs - operating	42,627	<b>44,742</b>	46,276	47,957	49,699
Employee costs - capital	1,697	<b>2,360</b>	2,445	2,533	2,624
<b>Total staff expenditure</b>	<b>44,324</b>	<b>47,102</b>	<b>48,721</b>	<b>50,490</b>	<b>52,323</b>
	EFT	<b>EFT</b>	EFT	EFT	EFT
<b>Staff numbers</b>					
Employees	497.32	<b>498.32</b>	497.32	497.32	497.32
<b>Total staff numbers</b>	<b>497.32</b>	<b>498.32</b>	<b>497.32</b>	<b>497.32</b>	<b>497.32</b>

Our financial projections included within the Financial Statements, allow for a consistent level of staff over the four-year outlook period (excluding grant funded positions).

We are committed to managing our resources effectively and efficiently to deliver value to the people of our communities and this is highlighted through our strategic objective 'Management of Resources'.

Through our Key Result Area 'Organisational Management' we focus on our organisation's commitment to continuous improvement and our commitment to the development and well being of all staff.

## Infrastructure

Infrastructure refers to the assets that we manage and maintain for the community. These include:

- Local roads, footpaths, kerb and channel and drainage
- Buildings such as community halls, maternal and child health centres, pre-schools, child care centres and civic properties
- Sports reserves, bushland reserves, parks and open space
- Street and park furniture
- Waste management facilities

As custodians of the municipality's physical assets, we are working towards a goal of managing infrastructure in a sustainable manner.

Our approach recognises the impact of the physical environment, built and natural, on community life. Community health and wellbeing is enhanced when the amenity of public space is sensitive to the built and natural environment, and supports activity and participation in community life.

We recognised, in our strategic planning, that strong asset management is necessary in order to provide appropriate types and quality of infrastructure, for both current and future community needs.

We have allocated significant financial resources to capital works, for the maintenance and upgrade of existing infrastructure and the development of new infrastructure, over the next four years.

In the next financial year we have allocated \$32.99 million to capital works with a total investment over the term of the plan of \$103.24 million.

The following assets and buildings are maintained by Council:

Sealed local roads	1,020 kms
Unsealed local roads	4,120 kms
Kerb and channel	505 kms
Footpaths and trails	390 kms
Drainage (underground)	325 kms
Drainage pits	8,973
Community halls	13
Sporting pavilions	79
Swimming pools	18
Community service facilities	29
Public toilets	123
Other buildings and structures	1,104
Sports reserves	20
Community parks	25
Neighbourhood parks	46
Natural areas	20
Playgrounds	47

## Key Challenges

This section provides an overview of the key challenges we are facing.

### Introduction of Rate Capping

The Victorian State Government has introduced rate capping for Local Government for the 2016/17 Annual Budget. The rate cap set for the 2016/17 is 2.5% capped increase on the average rate base.

We are currently facing the “tightening” of other revenue streams. The current trend indicates a growing reliance on rates as a source of revenue to fund operations as opposed to revenue derived through fees and charges and grant funding. Rate capping has put more constraint on capacity to raise future revenue.

It is widely accepted that long standing capping regimes existing in other states has led to substandard public infrastructure and a reduction in services.

### Federal Assistance Grants

Indexation on Victoria Grants Commission funding has been frozen for 3 years. Indexation is due to be reinstated in the 2017/18 year.

The freezing of indexation will have on average a \$1.174 million impact per annum for 3 years.

### Renegotiation of Enterprise Bargaining Agreement

The cost structure of Local Government is highly dependent on employee costs. Employee costs currently account for 41% of total expenditure. We have renegotiated a new Enterprise Bargaining Agreement which has come into effect in the 2015/16 year. As such this will have a material effect over the life of the agreement

Year	EBA Increase %
2014/15	3.50%
2015/16	2.70%
2016/17	2.50%
2017/18	2.50%
2018/19	2.50%
2019/20	2.50%

### Cost Shifting

Cost shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by Local Governments do not increase in line with real cost increases. Examples of services that are subject to cost shifting include school crossing supervision, library services, maternal and child health and home and community care for aged residents. In all these services the level of payment received by us from the State Government does not reflect the real cost of providing the service to the community.

## **Infrastructure**

The maintenance and renewal of existing infrastructure is a key long term issue for local government and our capital works program will continue to be primarily focused on the renewal of existing assets including road networks and buildings.

Over the past twelve months we have undertaken a number of major capital projects including the Mildura Riverfront Precinct Redevelopment, extensive upgrade of our sealed and unsealed roads, footpaths, kerb and channel, school crossings and walking tracks. Also significant resources have gone into maintaining our drainage infrastructure and local parks and recreation facilities. Next year Council will complete the Mildura Riverfront Precinct Redevelopment as well as spending on roads, drainage and other infrastructure.

## **Service delivery and growing community expectations**

Mildura Rural City Council encompasses almost 10% of the state. The vast area increases service delivery costs when compared to metropolitan Councils and resourcing ratios are higher as a result, because services need to be accessible to all as far as practicable.

The community demand and expectations on our services is increasing. The priorities of existing and potential new services need to be continually reviewed, particularly in light of likely funding trends in future years and changes in community expectations and demographics. As a result we are systematically reviewing the service levels currently provided.

## **Environmental sustainability**

We acknowledge that we have a significant responsibility to future generations in contributing to the creation and maintenance of a healthy and sustainable environment. The challenge for us is to lead the way for the community through a focus on efficient use of water, energy and the reduction of greenhouse emissions and support for initiatives that establish our municipality as a “solar city”. Contributing to the enhancement of the natural areas that connect the municipality to the Murray River and National Park networks remains a key focus.

## **Recreational demands**

Our Council Plan reflects the strong desire for our community, through participation in recreational and other activities, to enhance their physical and social well-being. A focus on providing access to appropriate recreational facilities and services that can also cater for state, national and international events. The challenge for us into the future is to secure the funds for the development of other facilities, as identified in a number of master plans and strategies, whilst at the same time ensuring the lifecycle and operating costs do not overburden our financial capacity.

## Strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

### Borrowings

In developing the Strategic Resource Plan (SRP), borrowings were identified as an important funding source for capital works programs. In the past, we have borrowed strongly to finance large infrastructure projects and since then has been in a phase of debt reduction. Whilst there is increased borrowings of \$3.00 million for the Mildura Airport Runway Reconstruction, the loan will be passed on to Mildura Airport Pty Ltd as a financial asset with the same repayment terms. We will be contributing \$4.00 million of our funds towards from cash reserves for the Mildura Airport Runway Reconstruction.

This approach has resulted in a reduction in debt servicing costs but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. Our long-term borrowing strategy focuses on reaching a debt position that provides future flexibility to use loan funds, without unduly exposing us to a high debt burden.

For the 2016/17 year, we have decided to take out new borrowings of \$3.00 million to fund the Mildura Airport Runway Upgrade. After making loan repayments of \$1.59 million, total borrowings will be \$20.82 million as at 30 June 2017. However, it is likely that in future years, borrowings will be required to fund future infrastructure initiatives. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2016.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2015/16	0	1,926	1236	19,406
2016/17	3,000	1,591	1,181	20,815
2017/18	0	1,100	1230	19,715
2018/19	0	1,132	1167	18,583
2019/20	0	1,182	1101	17,401

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

	2015/16 \$'000	2016/17 \$'000
Total amount borrowed as at 30 June of the prior year	21,332	<b>19,406</b>
Total amount proposed to be borrowed	0	<b>3,000</b>
Total amount projected to be redeemed	(1,926)	<b>(1,591)</b>
Total amount of borrowings as at 30 June	19,406	<b>20,815</b>

## Summary of other strategies

These are the current adopted plans and strategies that form the basis of the Strategic Resource Plan.

### Plans

Advocacy Plan 2013 - 2016  
Community Access and Inclusion Plan 2014-2018  
Council Plan 2013 -2017  
Domestic Animal Management Plan 2014-2017  
Early Years Plan 2015-2018  
Energy Management Plan 2012 - 2017  
Environmental Education Plan 2015-2019  
Events Strategic Plan  
Information Systems Strategic Plan 2013 – 2015  
Invasive Plants and Animals Plan 2015-2019  
Koorlong Residential Development Plan  
Merbein Community Plan 2014-2019  
Mildura Airport Business Plan 2014  
Mildura Local Indigenous Network Community Plan  
Mildura Major Sporting Reserves Master Plan 2009 - 2020  
Mildura South Precinct Structure Plan  
Murrayville and District Community Plan 2013-2018  
Old Aerodrome Sporting Complex Stakeholder Review 2009  
Ouyen Community Plan  
Risk Management Strategy 2012-2016  
Township Recreation Reserve Master Plan 2009-2019  
Underbool and District Community Plan 2014-2019  
Walpeup, Torrita and Districts Community Plan 2014-2019  
Aquatic Facilities Redevelopment Strategy 2014 - 2020

### Strategies

Community Engagement Strategy 2014-2018  
Community Health and Wellbeing Plan 2013-2017  
Community Safety Plan 2015-2020  
Cultural Diversity and Inclusion Strategy 2012-2017  
Emergency Management Strategy  
Environmental Strategy for Stormwater 2014-2018  
Heritage Strategy  
Integrated Marketing & Communications Strategy 2013 – 2017  
Mildura Indoor Sport Stadium Strategy 2009-2019  
Mildura Major Sporting Reserves Review  
Mildura Tracks & Trails Strategy  
Municipal Emergency Management Strategy 2012 - 2017  
Occupational Health & Safety Strategy 2013 - 2017  
Old Aerodrome Sporting Complex Stakeholder Review 2009  
Organisational Development Strategy 2013 - 2017  
Public Open Space Strategy 2004 - 2016  
Recreation Strategy 2008 - 2018  
Risk Management Strategy 2012-2016  
Sunraysia Drainage Strategy  
Visitor Information Strategy 2013 – 2016  
Youth Engagement Strategy 2015-2018

## Financial statements

The statements following give information in relation to an aspect of Council's financial management.

### Comprehensive Income Statement

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
<b>Income</b>					
Rates and charges	61,861	<b>64,419</b>	66,823	69,220	71,696
Statutory fees and fines	1,748	<b>2,021</b>	2,051	2,082	2,113
User fees	5,920	<b>5,466</b>	5,644	5,827	6,016
Grants - Operating	12,702	<b>29,044</b>	19,188	19,667	20,158
Grants - Capital	12,821	<b>8,173</b>	4,081	4,138	4,241
Contributions - monetary	944	<b>1,179</b>	1,198	1,216	1,234
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	300	<b>307</b>	312	317	322
Other income	4,851	<b>4,939</b>	4,910	4,991	5,074
<b>Total income</b>	<b>101,147</b>	<b>115,548</b>	<b>104,207</b>	<b>107,458</b>	<b>110,854</b>
<b>Expenses</b>					
Employee costs	42,627	<b>44,742</b>	46,276	47,957	49,699
Materials and services	30,428	<b>44,975</b>	31,521	32,431	33,492
Bad and doubtful debts	164	<b>188</b>	194	200	206
Depreciation and amortisation	17,555	<b>17,908</b>	18,446	18,999	19,568
Borrowing costs	1,236	<b>1,181</b>	1,230	1,167	1,101
Other expenses	1,028	<b>963</b>	992	1,021	1,052
<b>Total expenses</b>	<b>93,038</b>	<b>109,957</b>	<b>98,659</b>	<b>101,775</b>	<b>105,118</b>
<b>Surplus/(deficit) for the year</b>	<b>8,109</b>	<b>5,591</b>	<b>5,548</b>	<b>5,683</b>	<b>5,736</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods:</b>					
Net asset revaluation increment /(decrement)	5,000	<b>5,000</b>	5,000	5,000	5,000
Share of other comprehensive income of associates and joint ventures	326	<b>335</b>	345	356	366
<b>Total comprehensive result</b>	<b>13,435</b>	<b>10,926</b>	<b>10,893</b>	<b>11,039</b>	<b>11,102</b>



## Balance Sheet

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	18,706	8,565	9,969	11,128	12,241
Trade and other receivables	5,963	5,939	5,938	5,931	5,918
Other financial assets	2,288		2,288	2,288	2,288
		2,288			
Inventories	859	883	909	936	964
Other assets	267	274	282	290	299
<b>Total current assets</b>	<b>28,083</b>	<b>17,949</b>	<b>19,386</b>	<b>20,573</b>	<b>21,710</b>
<b>Non-current assets</b>					
Trade and other receivables	1,924	4,720	4,365	3,989	3,590
Investments in subsidiary	30,708	31,043	31,388	31,744	32,110
Other financial assets	1,475	1,475	1,475	1,475	1,475
Property, infrastructure, plant & equipment	685,311	705,392	714,503	724,014	733,630
Intangible assets	5,409		5,409	5,409	5,409
		5,409			
<b>Total non-current assets</b>	<b>724,827</b>	<b>748,039</b>	<b>757,140</b>	<b>766,631</b>	<b>776,214</b>
<b>Total assets</b>	<b>752,910</b>	<b>765,988</b>	<b>776,526</b>	<b>787,204</b>	<b>797,924</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	3,656	3,656	3,656	3,656	3,656
Trust funds and deposits	1,527	1,527	1,527	1,527	1,527
Provisions	10,812	11,219	11,627	12,049	12,487
Interest-bearing loans and borrowings	1,591	1,100	1,132	1,182	1,236
<b>Total current liabilities</b>	<b>17,586</b>	<b>17,502</b>	<b>17,942</b>	<b>18,414</b>	<b>18,906</b>
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	17,815	19,715	18,583	17,401	16,165
Provisions	8,933	9,269	9,606	9,955	10,317
<b>Total non-current liabilities</b>	<b>26,748</b>	<b>28,984</b>	<b>28,189</b>	<b>27,356</b>	<b>26,482</b>
<b>Total liabilities</b>	<b>44,334</b>	<b>46,486</b>	<b>46,131</b>	<b>45,770</b>	<b>45,388</b>
<b>Net assets</b>	<b>708,576</b>	<b>719,502</b>	<b>730,395</b>	<b>741,434</b>	<b>752,536</b>
<b>Equity</b>					
Accumulated surplus	299,223	310,375	315,205	320,240	325,262
Reserves	409,353	409,127	415,190	421,194	427,274
<b>Total equity</b>	<b>708,576</b>	<b>719,502</b>	<b>730,395</b>	<b>741,434</b>	<b>752,536</b>

## Statement of Changes in Equity

For the four years ending 30 June 2020

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2017</b>				
Balance at beginning of the financial year	708,576	299,223	385,083	24,270
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	5,926	5,591	-	335
Net Asset Revaluation increment (decrement)	5,000	-	5,000	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(1,615)	-	1,615
Transfer from reserves	-	7,176	-	(7,176)
<b>Balance at end of the financial year</b>	<b>719,502</b>	<b>310,375</b>	<b>390,083</b>	<b>19,044</b>
<b>2018</b>				
Balance at beginning of the financial year	719,502	310,375	390,083	19,044
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	5,893	5,548	-	345
Net Asset Revaluation increment (decrement)	5,000	-	5,000	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(2,096)	-	2,096
Transfer from reserves	-	1,378	-	(1,378)
<b>Balance at end of the financial year</b>	<b>730,395</b>	<b>315,205</b>	<b>395,083</b>	<b>20,107</b>
<b>2019</b>				
Balance at beginning of the financial year	730,395	315,205	395,083	20,107
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	6,039	5,683	-	356
Net Asset Revaluation increment (decrement)	5,000	-	5,000	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(2,114)	-	2,114
Transfer from reserves	-	1,466	-	(1,466)
<b>Balance at end of the financial year</b>	<b>741,434</b>	<b>320,240</b>	<b>400,083</b>	<b>21,111</b>
<b>2020</b>				
Balance at beginning of the financial year	741,434	320,240	400,083	21,111
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	6,102	5,736	-	366
Net Asset Revaluation increment (decrement)	5,000	-	5,000	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(2,132)	-	2,132
Transfer from reserves	-	1,418	-	(1,418)
<b>Balance at end of the financial year</b>	<b>752,536</b>	<b>325,262</b>	<b>405,083</b>	<b>22,191</b>

## Statement of Cash Flows

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual 2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	61,683	<b>64,255</b>	66,630	69,027	71,503
Statutory fees and fines	1,748	<b>2,021</b>	2,051	2,082	2,113
User fees	6,214	<b>5,738</b>	5,925	6,117	6,315
Grants - operating	13,337	<b>30,496</b>	20,147	20,650	21,166
Grants - capital	13,462	<b>8,582</b>	4,285	4,345	4,453
Contributions - monetary	944	<b>1,179</b>	1,198	1,216	1,234
Interest received	1,071	<b>1,178</b>	1,086	1,102	1,119
Trust funds and deposits taken	6,000	<b>6,000</b>	6,000	6,000	6,000
Other receipts	3,780	<b>3,761</b>	3,824	3,889	3,955
Net GST refund / payment	1,474	<b>2,365</b>	1,709	1,764	1,831
Employee costs	(41,849)	<b>(43,999)</b>	(45,531)	(47,186)	(48,899)
Materials and services	(33,515)	<b>(49,504)</b>	(34,708)	(35,710)	(36,879)
Trust funds and deposits repaid	(6,000)	<b>(6,000)</b>	(6,000)	(6,000)	(6,000)
Other payments	(1,028)	<b>(963)</b>	(992)	(1,021)	(1,052)
<b>Net cash provided by/(used in) operating activities</b>	27,321	<b>25,109</b>	25,624	26,275	26,859
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(42,533)	<b>(32,989)</b>	(22,557)	(23,510)	(24,184)
Proceeds from sale of property, infrastructure, plant and equipment	500	<b>307</b>	312	317	322
Loan and advances made	-	<b>(3,000)</b>	-	-	-
Payments of loans and advances	192	<b>204</b>	355	376	399
<b>Net cash provided by/ (used in) investing activities</b>	(41,841)	<b>(35,478)</b>	(21,890)	(22,817)	(23,463)
<b>Cash flows from financing activities</b>					
Finance costs	(1,236)	<b>(1,181)</b>	(1,230)	(1,167)	(1,101)
Proceeds from borrowings	-	<b>3,000</b>	-	-	-
Repayment of borrowings	(1,926)	<b>(1,591)</b>	(1,100)	(1,132)	(1,182)
<b>Net cash provided by/(used in) financing activities</b>	(3,162)	<b>228</b>	(2,330)	(2,299)	(2,283)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	(17,682)	<b>(10,141)</b>	1,404	1,159	1,113
Cash and cash equivalents at the beginning of the financial year	36,388	<b>18,706</b>	8,565	9,969	11,128
<b>Cash and cash equivalents at the end of the financial year</b>	18,706	<b>8,565</b>	9,969	11,128	12,241

## Statement of Capital Works

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>					
Land	967	1,080	420	444	604
<b>Total land</b>	967	1,080	420	444	604
Buildings	5,340	6,644	2,575	2,814	2,924
<b>Total buildings</b>	5,340	6,644	2,575	2,814	2,924
<b>Total property</b>	6,307	7,724	2,995	3,258	3,528
<b>Plant and equipment</b>					
Plant, machinery and equipment	3,315	2,519	2,587	2,638	2,689
Fixtures, fittings and furniture	288	377	294	300	306
Computers and telecommunications	1,045	1,521	796	812	828
Library books and artworks acquisition	340	320	326	333	340
<b>Total plant and equipment</b>	4,988	4,737	4,003	4,083	4,163
<b>Infrastructure</b>					
Roads	12,290	12,474	8,374	8,541	8,712
Bridges	41	110	12	12	12
Footpaths and cycleways	983	1,272	1,023	1,043	1,064
Drainage	7,002	2,257	2,302	2,648	2,701
Recreational, leisure and community facilities	1,041	1,068	1,089	1,111	1,133
Waste management	434	473	482	492	502
Parks, open space and streetscapes	9,331	2,414	1,808	1,844	1,881
Off street car parks	116	460	469	478	488
<b>Total infrastructure</b>	31,238	20,528	15,559	16,169	16,493
<b>Total capital works expenditure</b>	42,533	32,989	22,557	23,510	24,184
<b>Represented by:</b>					
New asset expenditure	5,593	4,694	861	1,235	1,294
Asset renewal expenditure	19,000	18,319	16,601	17,099	17,611
Asset expansion expenditure	11,569	2,395	1,575	1,606	1,646
Asset upgrade expenditure	6,371	7,581	3,520	3,570	3,633
<b>Total capital works expenditure</b>	42,533	32,989	22,557	23,510	24,184

**Statement of Human Resources**  
For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff expenditure</b>					
Employee costs - operating	42,627	<b>44,742</b>	46,276	47,957	49,699
Employee costs - capital	1,697	<b>2,360</b>	2,445	2,533	2,624
<b>Total staff expenditure</b>	44,324	<b>47,102</b>	48,721	50,490	52,323
	EFT	<b>EFT</b>	EFT	EFT	EFT
<b>Staff numbers</b>					
Employees	497.32	<b>498.32</b>	497.32	497.32	497.32
<b>Total staff numbers</b>	497.32	<b>498.32</b>	497.32	497.32	497.32

## 6. Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2016/17 year.

The capital works projects are grouped by class and include the following:

- New works for 2016/17
- Works carried forward from the 2015/16 year.

## Capital works program

For the year ending 30 June 2017

### 6.1 New works

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>PROPERTY</b>									
Land	1,080	1,080	-	-	-	-	-	1,080	-
Land Improvements	-	-	-	-	-	-	-	-	-
<b>Buildings</b>									
Arts Centre Upgrade	951	705	50	196	-	237	-	714	-
Mildura Riverfront Precinct Redevelopment	1,135	-	57	511	567	1,135	-	-	-
Minor Projects	12	-	-	12	-	-	-	12	-
Solar Initiatives	170	170	-	-	-	-	-	170	-
Specific Buildings	2,029	-	467	1,529	33	-	-	2,029	-
Swimming Pool Upgrade Program	51	6	45	-	-	-	-	51	-
<b>Total Buildings</b>	<b>4,348</b>	881	619	2,248	600	1,372	-	2,976	-
<b>TOTAL PROPERTY</b>	<b>5,428</b>	1,961	619	2,248	600	1,372	-	4,056	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>PLANT AND EQUIPMENT</b>									
<b>Plant, Machinery and Equipment</b>									
Fleet Replacement	2,300	-	2,300	-	-	-	-	2,300	-
Furniture and Equipment Acquisition	5	-	5	-	-	-	-	5	-
Specific Buildings Upgrade	5	-	4	1	-	-	-	5	-
Stormwater Replacement and Modification	209	-	125	42	42	-	-	209	-
<b>Total Plant, Machinery and Equipment</b>	<b>2,519</b>	-	2,434	43	42	-	-	2,519	-
<b>Fixtures, Fittings and Furniture</b>									
Mildura CBD Development Works Program	40	-	40	-	-	-	-	40	-
Swimming Pool Upgrade Program	100	-	100	-	-	-	-	100	-
Minor Projects	7	-	7	-	-	-	-	7	-
Waste Management Program	120	-	-	80	40	-	-	120	-
<b>Total Fixtures, Fittings and Furniture</b>	<b>267</b>	-	147	80	40	-	-	267	-
<b>Computers and Telecommunications</b>									
IT Hardware / Software	780	33	714	31	2	-	-	780	-
<b>Total Computers and Telecommunications</b>	<b>780</b>	33	714	31	2	-	-	780	-
<b>Library Books</b>									
Library Book Acquisition Program	250	-	250	-	-	-	-	250	-
Art Works Acquisition & Conservation Program	70	40	30	-	-	-	-	70	-
<b>Total Library Books</b>	<b>320</b>	40	280	-	-	-	-	320	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>3,886</b>	73	3,575	154	84	-	-	3,886	-



Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INFRASTRUCTURE</b>									
<b>Roads</b>									
Asphalt	700	-	490	210	-	-	-	700	-
Australian Level Crossing Assessment Model	50	-	25	25	-	-	-	50	-
Blackspot (Vicroads)	139	-	70	41	28	139	-	-	-
Capital Works Design	100	-	100	-	-	-	-	100	-
Caravan Park Upgrade	89	-	89	-	-	-	-	89	-
Disabled Access Improvements	61	-	-	61	-	-	-	61	-
Gravel Resheeting	900	-	900	-	-	-	-	900	-
Intersections Improvement	234	-	139	95	-	-	-	234	-
Kerb and Channel	150	-	150	-	-	-	-	150	-
Major Road Upgrade	600	-	300	300	-	-	50	550	-
Resealing	1,700	-	1,700	-	-	-	-	1,700	-
Road Rehab and Reconstruction	320	-	210	110	-	-	-	320	-
Road Safety Works	116	-	12	46	58	-	-	116	-
Road Upgrade and Widening	805	-	540	265	-	-	-	805	-
Road to Recovery Reconstruction	3,230	-	1,842	1,388	-	3,230	-	-	-
Road to Recovery Resurfacing	1,527	-	1,527	-	-	1,527	-	-	-
Road to Recovery Gravel Resheets	1,200	-	1,200	-	-	1,200	-	-	-
School Crossing Upgrade	20	-	-	20	-	-	-	20	-
Specific Buildings Upgrade	140	-	140	-	-	-	-	140	-
Street Lighting Upgrade	30	-	-	30	-	-	-	30	-
Waste Management	325	-	151	174	-	-	-	325	-
<b>Total Roads</b>	<b>12,436</b>	-	<b>9,585</b>	<b>2,765</b>	<b>86</b>	<b>6,096</b>	<b>50</b>	<b>6,290</b>	-
<b>Bridges</b>									
Specific Buildings Upgrade	110	-	110	-	-	-	-	110	-
<b>Total Bridges</b>	<b>110</b>	-	<b>110</b>	-	-	-	-	<b>110</b>	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>Footpaths and Cycleways</b>									
Bicycle Facilities Program (Vicroads)	48	48	-	-	-	-	-	48	-
Footpath	378	205	173	-	-	-	-	378	-
Parks and Natural Area Development	15	-	15	-	-	-	-	15	-
Specific Buildings Upgrade	5	-	5	-	-	-	-	5	-
<b>Total Footpaths and Cycleways</b>	<b>446</b>	253	193	-	-	-	-	446	-
<b>Drainage</b>									
Asset Condition Inspections	403	-	403	-	-	-	-	403	-
Stormwater Extension	979	541	208	120	110	-	-	979	-
Stormwater Replacement and Modification	568	-	568	-	-	-	-	568	-
<b>Total Drainage</b>	<b>1,950</b>	541	1,179	120	110	-	-	1,950	-
<b>Recreational, Leisure and Community Facilities</b>									
Parks and Natural Area Development	40	-	40	-	-	-	-	40	-
Recreation Facilities	386	4	15	367	-	80	143	163	-
Specific Buildings Upgrade	29	-	20	9	-	-	-	29	-
Sporting Reserves Master Plan Upgrade	613	533	56	24	-	73	185	355	-
<b>Total Rec, Leisure and Comm'y Facilities</b>	<b>1,068</b>	537	131	400	-	153	328	587	-
<b>Waste Management</b>									
Waste Management	423	-	343	80	-	-	-	423	-
<b>Total Waste Management</b>	<b>423</b>	-	343	80	-	-	-	423	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Project cost \$'000	New \$'000	Renewal \$'000	Council cash \$'000	Project cost \$'000
<b>Parks, Open Space and Streetscapes</b>									
Caravan Park Upgrade	52	-	39	13	-	-	-	52	-
Parks and Natural Area Development	283	35	125	89	34	-	-	283	-
Parks Irrigation	51	-	32	19	-	-	-	51	-
Playground Equipment Replacement	142	-	142	-	-	-	-	142	-
Recreation Facilities	155	-	155	-	-	-	-	155	-
Mildura Riverfront Precinct Redevelopment	1,000	-	300	500	200	552	-	448	-
Specific Buildings Upgrade	231	-	228	1	2	-	-	231	-
<b>Total Parks, Open Space and Streetscapes</b>	<b>1,914</b>	35	1,021	622	236	552	-	1,362	-
<b>Off Street Car Parks</b>									
Car parks	76	76	-	-	-	-	-	76	-
<b>Total Off Street Car Parks</b>	<b>76</b>	76	-	-	-	-	-	76	-
<b>TOTAL INFRASTRUCTURE</b>	<b>18,423</b>	1,442	12,562	3,987	432	6,801	378	11,244	-
<b>TOTAL NEW CAPITAL WORKS 2015/16</b>	<b>27,737</b>	3,476	16,756	6,389	1,116	8,173	378	19,186	-

**6.2 Works carried forward from the 2015/16 year**

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>PROPERTY</b>									
<b>Buildings</b>									
Mildura Riverfront Precinct Redevelopment	1,702	-	85	766	851	1,702	-	-	-
Specific Buildings Upgrade	594	-	445	149	-	-	-	594	-
<b>Total Buildings</b>	<b>2,296</b>	-	530	915	851	1,702	-	594	-
<b>TOTAL PROPERTY</b>	<b>2,296</b>	-	530	915	851	1,702	-	594	-
<b>PLANT AND EQUIPMENT</b>									
<b>Fixtures, Fittings and Furniture</b>									
Mildura Riverfront Precinct Redevelopment	110	-	17	11	82	110	-	-	-
<b>Fixtures, Fittings and Furniture</b>	<b>110</b>	-	17	11	82	110	-	-	-
<b>Computers and Telecommunications</b>									
Mildura Riverfront Precinct Redevelopment	741	741	-	-	-	741	-	-	-
<b>Total Computers and Telecommunications</b>	<b>741</b>	741	-	-	-	741	-	-	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>851</b>	741	17	11	82	851	-	-	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Project cost \$'000	New \$'000	Renewal \$'000	Council cash \$'000	Project cost \$'000
<b>INFRASTRUCTURE</b>									
<b>Roads</b>									
Road Safety Works	38	-	38	-	-	-	-	38	-
<b>TOTAL ROADS</b>	<b>38</b>	-	38	-	-	-	-	38	-
<b>Footpaths and Cycleways</b>									
Bicycle Facilities Program (Vicroads)	61	61	-	-	-	-	-	61	-
Recreation Facilities	465	139	140	139	47	225	-	240	-
Major Projects	300	-	300	-	-	-	-	300	-
<b>Total Footpaths and Cycleways</b>	<b>826</b>	200	440	139	47	225	-	601	-
<b>Drainage</b>									
Stormwater Extension	299	-	-	-	299	-	-	299	-
Stormwater Replacement and Modification	8	8	-	-	-	-	-	8	-
<b>Total Drainage</b>	<b>307</b>	8	-	-	299	-	-	307	-
<b>Waste Management</b>									
Waste Management	50	-	-	50	-	-	-	50	-
<b>Total Waste Management</b>	<b>50</b>	-	-	50	-	-	-	50	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Project cost \$'000	New \$'000	Renewal \$'000	Council cash \$'000	Project cost \$'000
<b>Parks, Open Space and Streetscapes</b>									
Major Projects	500	-	500	-	-	-	-	500	-
<b>Total Parks, Open Space and Streetscapes</b>	<b>500</b>	-	500	-	-	-	-	500	-
<b>Off Street Car Parks</b>									
Car parks	384	269	38	77	-	-	-	384	-
<b>Total Off Street Car Parks</b>	<b>384</b>	269	38	77	-	-	-	384	-
<b>TOTAL INFRASTRUCTURE</b>	<b>2,105</b>	477	1,016	266	346	225	-	1880	-
<b>TOTAL CARRIED FWD WORKS 2014/15</b>	<b>5,252</b>	1,218	1,563	1,192	1,279	2,778	-	2,474	-

<b>6.3 Summary</b>									
PROPERTY	7,724	1,961	1,149	3,163	1,451	3,074	-	4,650	-
PLANT AND EQUIPMENT	4,737	814	3,592	165	166	851	-	3,886	-
INFRASTRUCTURE	20,528	1,919	13,578	4,253	778	7,026	378	13,124	-
<b>TOTAL CAPITAL WORKS</b>	<b>32,989</b>	4,694	18,319	7,581	2,395	10,951	378	21,660	-

## Budgeted Operating Income Statement

The following statement gives information in relation to an aspect of Council's Operating Income Statement displaying the operating result.

### Budgeted Operating Income Statement

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rates and charges	61,861	<b>64,419</b>	66,823	69,220	71,696
Statutory fees and fines	1,748	<b>2,021</b>	2,051	2,082	2,113
User fees	5,920	<b>5,466</b>	5,644	5,827	6,016
Grants - operating	12,702	<b>29,044</b>	19,188	19,667	20,158
Contributions - monetary	324	<b>300</b>	310	315	320
Other income	4,851	<b>4,939</b>	4,910	4,991	5,074
<b>Total Income</b>	<b>87,406</b>	<b>106,189</b>	<b>98,926</b>	<b>102,102</b>	<b>105,377</b>
<b>Expenses</b>					
Employee benefits	42,627	<b>44,742</b>	46,276	47,957	49,699
Materials and services	30,428	<b>44,975</b>	31,521	32,431	33,492
Bad and doubtful debts	164	<b>188</b>	194	200	206
Depreciation and amortisation	17,555	<b>17,908</b>	18,446	18,999	19,568
Borrowing costs	1,236	<b>1,181</b>	1,230	1,167	1,101
Other expenses	1,028	<b>963</b>	992	1,021	1,052
<b>Total Expenses</b>	<b>93,038</b>	<b>109,957</b>	<b>98,659</b>	<b>101,775</b>	<b>105,118</b>
<b>Surplus (Deficit) from operations</b>	<b>(5,632)</b>	<b>(3,768)</b>	<b>267</b>	<b>327</b>	<b>259</b>
Grants - capital	12,821	<b>8,173</b>	4,081	4,138	4,241
Net gain on disposal of property, infrastructure, plant and equipment	300	<b>307</b>	312	317	322
Contributions - monetary (capital)	620	<b>879</b>	888	901	914
<b>Surplus (deficit)</b>	<b>8,109</b>	<b>5,591</b>	<b>5,548</b>	<b>5,683</b>	<b>5,736</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods:</b>					
Net asset revaluation increment / (decrement)	5,000	<b>5,000</b>	5,000	5,000	5,000
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	326	<b>335</b>	345	356	366
<b>Total Comprehensive result</b>	<b>13,435</b>	<b>10,926</b>	<b>10,893</b>	<b>11,039</b>	<b>11,102</b>