

Strategic Resource Plan

2019-20 to 2022-23



Mildura Rural City Council

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What is a strategic resource plan?

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

Plan development

The Act requires a SRP 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.

Council has prepared a SRP for the four years 2019-20 to 2022-23 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 (SFP) 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 SRP.

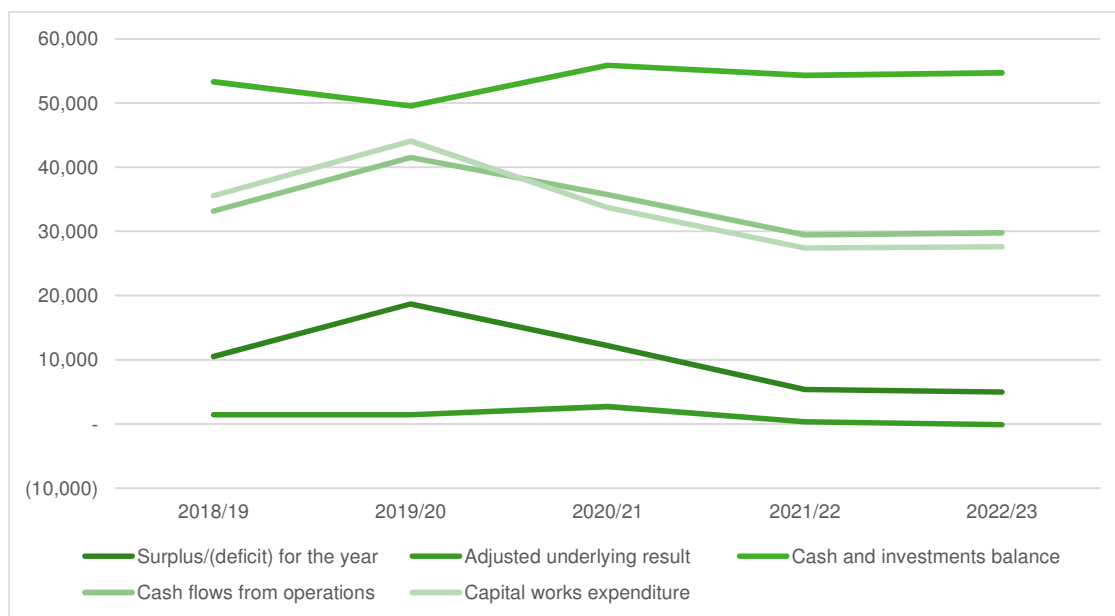
The following provides a summary of the key strategies identified in Council's SFP.

Financial area	Strategy
Rates	Rates will be capped at a 2.50% 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 Consumer Price Index (CPI) predictions.
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"> • iconic in nature • of a size that could not otherwise be funded through the annual capital works program • based on a sound business case including consideration of the following factors: <ul style="list-style-type: none"> • 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 • reasons why the project cannot be funded through normal operational income • a clear statement of how the repayments will be funded and the impact on funding otherwise available for recurrent services or capital works • any financial return to Council which can be used to meet the loan repayments <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	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.
Capital works	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.
Fees and charges	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.

The following table summarises the key financial results for the next four years. The financial 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
Year	Actual		Projections			
	2018/19	2019/20	2020/21	2021/22	2022/23	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	10,520	18,706	12,211	5,383	4,986	-
Adjusted underlying result	1,452	1,428	2,716	348	(104)	+
Cash and investments balance	53,306	49,543	55,893	54,301	54,690	+
Cash flows from operations	33,141	41,518	35,738	29,440	29,763	-
Capital works expenditure	35,568	44,064	33,730	27,406	27,623	-

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



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.

Indicator		Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	+o/-
Operating position										
Adjusted underlying result	Adjusted underlying surplus (deficit) / adjusted underlying revenue		1	11.44%	1.30%	1.27%	2.30%	0.29%	(0.08%)	o
Liquidity										
Working capital	Current assets / current liabilities		2	425.98%	392.18%	351.71%	338.67%	358.05%	360.00%	-
Unrestricted cash	Unrestricted cash / current liabilities		3	257.91%	238.42%	240.34%	241.67%	252.66%	254.42%	o
Obligations										
Loans and borrowings	Interest bearing loans and borrowings / rate revenue		4	30.86%	28.41%	25.91%	30.99%	25.40%	22.54%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue			1.74%	2.67%	2.98%	3.49%	5.95%	3.44%	-
Indebtedness	Non-current liabilities / own source revenue			47.10%	46.84%	44.93%	46.95%	44.66%	42.98%	o
Asset renewal	Asset renewal expenses / asset depreciation		5	75.35%	115.35%	72.85%	90.00%	90.00%	90.00%	o
Stability										
Rates concentration	Rate revenue / adjusted underlying revenue		6	54.10%	62.08%	64.13%	59.95%	63.58%	63.81%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality			0.82%	0.77%	0.74%	0.76%	0.78%	0.80%	o
Efficiency										
Expenditure level	Total expenses/ no. of property assessments			\$3,744.79	\$3,807.38	\$3,816.83	\$3,846.37	\$3,971.47	\$4,108.40	-
Revenue level	Residential rate revenue / no. of residential property assessments			\$1,917.78	\$1,989.36	\$1,972.63	\$2,039.31	\$2,108.01	\$2,178.92	-
Workforce turnover	No. of permanent staff resignations and terminations / average no. of permanent staff for the financial year			14.59%	12.44%	12.48%	12.48%	12.48%	12.48%	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 Council to continue to provide core services and meet its objectives. The 2019-20 year shows a surplus with Council's financial performance expected to drop over the period due to the Victorian State Government's introduction of The Fair Go Rates System. Victorian Councils rates have been capped at the average Victorian CPI of 2.50% for the 2019-20 year.

2. Working capital

The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in 2019-20 year due to completion of Council's 2019-20 Capital Works Program. The trend in later years is to remain steady at an acceptable level.

3. Unrestricted cash

Unrestricted cash represent Council's cash free of external restrictions. As above this is affected by the forward payment of VGC funding.

4. Debt compared to rates

Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

5. Asset renewal

This percentage indicates the extent of Council's renewals 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.

6. Rates concentration

Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. Trend indicates Council 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 2019-20 year is shown below. A Statement of Human Resources is included in our financial statements.

Human Resources

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
			2019/21 \$'000	2021/22 \$'000	2022/23 \$'000
Staff expenditure					
Employee costs - operating	46,657	49,077	50,991	52,980	55,046
Employee costs - capital	2,161	1,903	1,941	1,980	2,019
Total staff expenditure	48,818	50,980	52,932	54,960	57,065
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	509.3	516.8	516.8	516.8	516.8
Total staff numbers	509.3	516.8	516.8	516.8	516.8

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 objectives 'Infrastructure Assets and Facilities and Financial Sustainability'. 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.

As shown below, Council has 516.8 full time equivalent staff (FTE), 497.1 permanent and 0.7 casual staff employed to deliver the Community and Council Plan. In addition Council has 19 FTE staff budgeted in the capital works program, to maintain, upgrade and develop new infrastructure. Capitalised salaries are not shown as part of Council's employee benefits in the Comprehensive Income Statement, but they form part of Council's \$44.06 million capital works program.

A summary of the number of full time equivalent (FTE) Council staff in relation to the above

Department	Budget	Comprises	
	2019/20 FTE	Permanent Full Time	Permanent Part Time
Asset Services	37.8	34.0	3.8
Executive Services	3.0	3.0	-
Community Care Services	109.7	34.0	75.7
Community Futures	35.9	28.0	7.9
Community General Manager	4.9	4.0	0.9
Corporate Administration	28.6	27.0	1.6
Corporate General Manager	5.7	4.0	1.7
Development General Manager	4.0	4.0	-
Development Services	42.9	29.0	13.9
Information Systems	26.0	25.0	1.0
Financial Services	15.5	13.0	2.5
Leisure and Cultural Services	51.8	40.0	11.8
Organisational Development	10.0	8.0	2.0
Parks and Waste Services	67.3	63.0	4.3
Works and Infrastructure Services	54.0	54.0	-
Total permanent staff FTE	497.1	370.0	127.1
Casuals, temporary and other expenditure	0.7		
Capitalised labour costs	19.0		
Total staff FTE	516.8		

Please note that Council has a total head count of 655 staff members budgeted for the 2019-20 year (707 staff 2018-19). This consists of 391 full time, 210 part time and 54 casual staff members.

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.

In late 2017 the Chinese government announced a new policy banning the importation of certain recyclable goods. This had a major impact on Australia's recycling industry, significantly increasing processing costs. To continue this very beneficial environmental and community service these costs need to be recouped to ensure kerbside recycling services are sustained.

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 sustainable community. 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.

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.

Council is charged with maintaining property, infrastructure, plant and equipment forecast to be valued at \$793.36 million at the end of 2019/20 and will increase to \$833.14 million by the end of 2022/23.

In the next financial year we have allocated \$44.06 million to capital works with a total investment over the term of the plan of \$132.82 million.

The following assets and buildings are maintained by Council:

Sealed local roads	1,030 kms
Unsealed local roads	4,061 kms
Kerb and channel	520 kms
Footpaths and trails	425 kms
Drainage (underground)	354 kms
Drainage pits	10,200
Drainage basins / wetlands	84
Recreation reserves	18
Parks	82
Natural areas	12
Community centres and halls	16
Public toilets	80
Other buildings and structures	1,425
Swimming pool facilities	9

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.

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 2019-20 year, Council has decided not to take out new borrowings. After making loan repayments of \$1.10 million, total borrowings will be \$18.63 million as at 30 June 2020. However, Council has forecast to borrow \$6.00 million in 2020-21 to help fund the Mildura South Regional Sporting Precinct. No further future borrowings are forecast over the life of the plan at this stage.

Year	New Borrowings	Principal Paid	Interest Paid	Balance 30 June
	\$'000	\$'000	\$'000	\$'000
2018/19	-	738	1,117	19,733
2019/20	-	1,100	1,042	18,633
2020/21	6,000	1,444	1,165	23,189
2021/22	-	3,537	1,068	19,652
2022/23	-	1,614	1,143	18,038

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

	2018/19 \$'000	2019/20 \$'000	2019/21 \$'000
Total amount borrowed as at 30 June of the prior year	20,471	19,733	18,633
Total amount proposed to be borrowed	-	-	6,000
Total amount projected to be redeemed	(738)	(1,100)	(1,444)
Total amount of borrowings as at 30 June	19,733	18,633	23,189

Strategy / Plan	Strategy / Plan Overview
Aboriginal and Torres Strait Islander Employment Strategy	Details the practical steps that can be taken to ensure positive outcomes for Aboriginal and Torres Strait Islander people seeking employment within Mildura Rural City Council and those already employed by Mildura Rural City Council across three key focus areas: Respect; Relationships; and Opportunities.
Advocacy Plan	Determines the focus of advocacy activities that are in alignment with the Community and Council Plan that will improve the social, economic or environmental wellbeing of the Mildura region.
Arts, Culture and Heritage Strategy	To enrich people's lives through arts and cultural experiences with a focus on four key areas of development: Culture, People, Places and the Organisation.
Asset Management Strategy	A strategy for the implementation and documentation of longer term asset management practices, plans, processes and procedures within Council.
Business Continuity and Disaster Recovery Strategy	Provides a holistic strategic approach to continuing the provision of Council services following a significant interruption or disaster.
CCTV Governance Framework	Provides direction for the provision and operation of CCTV in public spaces throughout the municipality.
Community Engagement Strategy	Identifies key actions for the organisation to implement in order to build the foundations for adopting an organisational approach to engaging with the community.
Community Health and Wellbeing Plan	A statutory plan under the <i>Public Health and Wellbeing Act 2008</i> , sets the broad mission, goals and priorities to enable people living in the municipality to achieve maximum health and wellbeing.
Community Safety Plan	Outlines how Council and eleven partnering organisations will work together to address and improve perceptions of community safety within our community.
Customer Service Strategy	Provides strategic direction and agreed standards for the organisation to strive to provide excellent customer service for internal and external customers.
Deakin Avenue Master Plan	Guides the long term development and management of the avenue including garden beds, trees, monuments, sculptures, nature strips and landscape features.
Deakin Avenue Urban Design Guidelines	Set out a strategic vision for Deakin Avenue that will respond to the future changes and development along the Avenue.
Digital Community Strategy	This strategy developed through Mildura Regional Development (formerly under the auspice of Mildura Development Corporation) provides a framework to ensure the region holds the necessary digital infrastructure necessary for the rollout of the National Broadband Network.
Digital Strategy	This strategy will steer Council's direction with both the development and expanded provision of on line services to the community.
Domestic Animal Management Plan	A statutory plan under the <i>Domestic Animals Act 1994</i> that outlines the services, programs and policies Mildura Rural City has established to address the administration of the Act and the management of dog and cat issues in the community.
Energy Management Plan	Provides a framework for the collaborative management of energy consumption and sets targets for three key Council areas: buildings and facilities, street/public lighting and fleet.
Environmental Education Plan	Documents existing and proposed actions undertaken by Council to inform and educate the community about environmental issues.
Events Strategy	Defines Council's role in supporting and facilitating major and community events and in facilitating business events and conferences.
Finance and Asset Accounting Strategy	A plan to continue to develop and refine Council's financial and accounting processes and practices which ensure we continue to deliver services to Council and the community which meet best value and best practice principles.

Strategy / Plan	Strategy / Plan Overview
Health and Wellbeing Strategy	Establishes the strategic direction of health and wellbeing and articulates Council's commitment to, and focus on, health and wellbeing for all employees across 3 key areas: emotional and psychological wellbeing; physical wellbeing; and tobacco and alcohol.
Healthy Ageing Strategy	Provides strategic direction and service planning for future aged care services to ensure the appropriate support is available to meet the diverse needs of our ageing population.
Human Resources Strategy	Establishes the strategic direction of human resources and articulates Council's commitment to, and focus on, current human resources practices for all employees and the general public across six key areas: recruitment, selection and induction; training and development; performance management; HR systems and processes; work / life balance; and industrial relations.
Information Systems Strategy	A high level strategic plan for managing the organisation's information and technology systems and resources, identifying opportunities and actions to support customers. Focussing on records management, spatial systems, information and communications technologies, corporate applications, project management, systems analysis and innovation.
Integrated Marketing and Communications Strategy	A plan to effectively manage the Mildura Rural City Council brand and ensure Council messages are communicated effectively.
Invasive Plants and Animals Plan	A framework for the long-term strategic management of invasive species through the integration and establishment of partnerships with stakeholders and the community.
Landscape Plan	Establishes common and consistent requirements for sustainable and appropriate landscapes in public open space through the municipality.
Library Service Strategy	Guides Council's direction for the provision of library services.
Litter Strategy	Aims to minimise the incidence of litter and illegal dumping of rubbish in the municipality through a focus on education, enforcement and infrastructure for litter and illegal dumping mitigation.
Mildura CBD Plan	Sets out a strategic vision and framework to guide the growth, development and enhancement of the CBD to 2035.
Mildura Heritage Study	This study will identify items of potential cultural and built heritage within the Mildura and surrounding area.
Mildura Housing and Settlement Strategy	A strategic framework and associated guidelines regarding the rezoning and development of land to ensure that the types of neighbourhoods and housing developed within the municipality will meet current and future needs of the community.
Mildura Regional Development Strategic Plan	Provides a strategy on behalf of Mildura Rural City Council by the Mildura Regional Development for the growth and development of tourism and economic development within the municipality.
Mildura Retail Strategy	A strategy to guide the future location of retail development.
Mildura South Urban Design Plan	This plan outlines the growth and development of the Mildura South Growth Area.
Municipal Early Years Plan	Defines Council's role in service provision, advocacy, leadership, facility provision and community development for children in the early years.
Occupational Health and Safety Strategy	Establishes the strategic direction of Occupational Health and Safety and articulates Council's commitment to, and focus on, current OH&S practices for all employees, contractors and the general public across eight key areas: Strategic Leadership of OH&S; Systems and Processes; Training; Prevention of Bullying and Harassment; Contractor Management; Emergency Management; OH&S Regulations; and Return to Work.
Organisational Development Strategy	Sets out the actions that will enable the organisation to achieve a high standard of operating excellence as measured against the Australian Business Excellence Framework.
Playground Strategy	To guide the provision of playground facilities and infrastructure in public open space.

Strategy / Plan	Strategy / Plan Overview
Procurement Strategy	Established to continue to develop and refine best practice procurement activities and processes so we are able to continue to deliver services to Council and the community that are keeping pace with the needs of Mildura Rural City Council.
Public Lighting Strategy	A strategy to guide appropriate and consistent quality standards and service levels for public and street lighting.
Public Open Space Strategy	Defines Council's framework for the integrated approach to public open space provision.
Public Toilet Strategy	A strategy to guide the location, construction and quality standards of public toilet facilities in the municipality.
Rating Strategy	A strategy designed to ensure the appropriate raising of revenues from rateable properties while also ensuring State Government Differential Guidelines, the Tax Design Principles and the needs of Mildura Rural City Council and ratepayers are met.
Reconciliation Action Plan	Sets the strategic direction in achieving Council's reconciliation vision. The plan provides a comprehensive set of measurable actions and details a range of department and organisational commitments to work towards reconciliation.
Recreation Strategy	Defines Council's framework for the provision of recreation services.
Risk Management Strategy	Details strategy and program management concepts that will be used to ensure and improve upon the organisation's Risk Management program.
Road Management Plan	A statutory plan under the Road Management Act 2004 that sets out the maintenance regime for management of the municipal road network for Mildura Rural City Council. It establishes the management system to inspect, maintain and repair its public roads based on policy and operational objectives having regard to available resources.
Road Safety Strategic Plan	Sets the framework for a structured approach to road safety in both engineering and education programs across three key themes, safer roads and roadsides; safer vehicles; and safer users.
Social Inclusion Strategy	A framework for future action by Council to develop and support diversity and inclusion within our community.
Strategic Financial Plan	A plan which is designed to provide the financial framework for achieving the goals of the Council and Community Plan, and by extending the planning horizon to ten years, creates a financial and governance basis within which the city can ensure its long-term sustainability.
Urban Tree Strategy	A framework ensuring street trees are managed in accordance with industry best practice to provide improved quality and increased numbers of trees within the townships resulting in increased canopy cover.
Urban Weed Strategy	A framework and guidance on procedures for effective weed management by Council, in conjunction with other land managers and private landowners.
Vegetation Management Plan	A framework for the collaborative management of vegetation across Council managed land including parks, gardens, building grounds, Crown Land, natural areas, sporting reserves and roadsides.
Visitor Information Strategy	Defines Council's framework for the provision of visitor information services.
Waste Resource and Recovery Plan	Identifies local waste service and infrastructure needs and sustainability into the future.
Youth Engagement Strategy	Guides Council's youth development and service provision.

Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2019-20 has been supplemented with projection to 2022-23 extracted from the Strategic Resource Plan.

This section includes the following financial statements prepared in accordance with the *Local Government Act 1989* and the Local Government Planning and Reporting regulations 2014.

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

Pending Accounting Standards

The 2019-20 budget has been prepared based on the accounting standards applicable at the date of preparation. This means that pending accounting standards that will be in effect from the 2019-20 financial year have not been considered in the development of the budget.

Standards that are likely to impact on the 2019-20 financial statements, not considered in the preparation of the budget include:

- *AASB 16 Leases*
- *AASB 15 Revenue from Contracts with Customers*, and
- *AASB 1058 Income of Not for Profit Entities*.

While it is not possible to determine the precise impact of these standards at this time, the broad impact on Council is estimated to be as follows:

- *AASB 16 Leases* – Introduces a single lessee accounting model whereby the Council will be required to recognise a right of use asset and associated liability for leases longer than 12 months, except those considered to be of low value.
- *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not for Profit Entities* – Change the way that Councils recognise income and also address matters such as grant funding, contribution of assets and volunteer services. A key change is replacement for some transactions of the criteria of control as a determinant of the timing of income recognition, with the criteria of satisfying performance obligations in an enforceable agreement. These new standards have the potential to impact the timing of how the Council recognises income.

Comprehensive Income Statement

For the four years ending 30 June 2023

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
			2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Income					
Rates and charges	70,059	72,514	75,426	77,995	80,645
Statutory fees and fines	2,523	2,593	2,658	2,724	2,792
User fees	6,578	6,550	6,760	6,976	7,199
Grants - operating	24,315	22,116	22,603	23,100	23,609
Grants - capital	8,162	16,638	11,015	4,386	4,435
Contributions - monetary	1,362	1,304	1,319	1,333	1,348
Contributions - non-monetary	1,847	1,839	1,839	1,839	1,839
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,935)	(1,843)	(1,889)	(1,936)	(1,984)
Other income	6,088	5,840	5,982	6,174	6,371
Total income	118,999	127,551	125,713	122,591	126,254
Expenses					
Employee costs	46,657	49,077	50,991	52,980	55,046
Materials and services	38,857	36,593	38,650	39,887	41,211
Depreciation and amortisation	20,253	20,553	21,065	21,590	22,131
Bad and doubtful debts	149	149	154	159	164
Borrowing costs	1,117	1,042	1,165	1,068	1,143
Other expenses	1,446	1,431	1,477	1,524	1,573
Total expenses	108,479	108,845	113,502	117,208	121,268
Surplus/(deficit) for the year	10,520	18,706	12,211	5,383	4,986
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment /(decrement)	6,000	6,000	6,000	6,000	6,000
Share of other comprehensive income of associates and joint ventures	356	364	372	381	389
Total comprehensive result	16,876	25,070	18,583	11,764	11,375

Balance Sheet

For the four years ending 30 June 2023

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
			2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Assets					
Current assets					
Cash and cash equivalents	51,556	47,793	54,143	52,551	52,940
Trade and other receivables	6,772	6,796	6,835	6,868	6,898
Other financial assets	2,879	2,879	2,879	2,879	2,879
Inventories	677	699	721	744	768
Other assets	289	298	308	318	328
Total current assets	62,173	58,465	64,886	63,360	63,813
Non-current assets					
Trade and other receivables	4,809	4,478	4,135	3,781	3,415
Other financial assets	1,750	1,750	1,750	1,750	1,750
Investments in subsidiaries	51,675	52,039	52,411	52,792	53,181
Property, infrastructure, plant and equipment	764,460	793,362	811,357	822,440	833,135
Intangible assets	7,982	7,982	7,982	7,982	7,982
Total non-current assets	830,676	859,611	877,635	888,745	899,463
Total assets	892,849	918,076	942,521	952,105	963,276
Liabilities					
Current liabilities					
Trade and other payables	1,981	1,981	1,981	1,981	1,981
Trust funds and deposits	1,849	1,849	1,849	1,849	1,849
Provisions	10,923	11,349	11,792	12,252	12,730
Interest-bearing liabilities	1,100	1,444	3,537	1,614	1,166
Total current liabilities	15,853	16,623	19,159	17,696	17,726
Non-current liabilities					
Provisions	21,295	22,126	22,989	23,886	24,818
Interest-bearing liabilities	18,633	17,189	19,652	18,038	16,872
Total non-current liabilities	39,928	39,315	42,641	41,924	41,690
Total liabilities	55,781	55,938	61,800	59,620	59,416
Net assets	837,068	862,138	880,721	892,485	903,860
Equity					
Accumulated surplus	344,092	356,266	368,018	373,035	377,642
Reserves	492,976	505,872	512,703	519,450	526,218
Total equity	837,068	862,138	880,721	892,485	903,860

Statement of Changes in Equity

For the four years ending 30 June 2023

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019 Forecast Actual				
Balance at beginning of the financial year	820,192	335,614	424,554	60,024
Surplus/(deficit) for the year	10,876	10,520	-	356
Net asset revaluation increment/(decrement)	6,000	-	6,000	-
Transfers to other reserves	-	(12,163)	-	12,163
Transfers from other reserves	-	10,121	-	(10,121)
Balance at end of the financial year	837,068	344,092	430,554	62,422
2020 Budget				
Balance at beginning of the financial year	837,068	344,092	430,554	62,422
Surplus/(deficit) for the year	19,070	18,706	-	364
Net asset revaluation increment/(decrement)	6,000	-	6,000	-
Transfers to other reserves	-	(16,323)	-	16,323
Transfers from other reserves	-	9,791	-	(9,791)
Balance at end of the financial year	862,138	356,266	436,554	69,318
2021				
Balance at beginning of the financial year	862,138	356,266	436,554	69,318
Surplus/(deficit) for the year	12,583	12,211	-	372
Net asset revaluation increment/(decrement)	6,000	-	6,000	-
Transfers to other reserves	-	(12,133)	-	12,133
Transfers from other reserves	-	11,674	-	(11,674)
Balance at end of the financial year	880,721	368,018	442,554	70,149
2022				
Balance at beginning of the financial year	880,721	368,018	442,554	70,149
Surplus/(deficit) for the year	5,764	5,383	-	381
Net asset revaluation increment/(decrement)	6,000	-	6,000	-
Transfers to other reserves	-	(12,357)	-	12,357
Transfers from other reserves	-	11,991	-	(11,991)
Balance at end of the financial year	892,485	373,035	448,554	70,896
2023				
Balance at beginning of the financial year	892,485	373,035	448,554	70,896
Surplus/(deficit) for the year	5,375	4,986	-	389
Net asset revaluation increment/(decrement)	6,000	-	6,000	-
Transfers to other reserves	-	(12,584)	-	12,584
Transfers from other reserves	-	12,205	-	(12,205)
Balance at end of the financial year	903,860	377,642	454,554	71,664

Statement of Cash Flows

For the four years ending 30 June 2023

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
	Inflows (Outflows)	Inflows (Outflows)	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Cash flows from operating activities					
Rates and charges	69,981	72,425	75,335	77,902	80,549
Statutory fees and fines	2,523	2,593	2,658	2,724	2,792
User fees	6,817	6,803	7,007	7,236	7,472
Grants - operating	25,531	23,222	23,733	24,255	24,789
Grants - capital	8,570	17,470	11,566	4,605	4,657
Contributions - monetary	1,362	1,304	1,319	1,333	1,348
Interest received	1,483	1,379	1,407	1,452	1,498
Trust funds and deposits taken	6,000	6,000	6,000	6,000	6,000
Other receipts	4,605	4,461	4,575	4,722	4,873
Net GST refund / payment	1,935	1,396	1,848	2,268	2,361
Employee costs	(46,198)	(48,600)	(50,495)	(52,465)	(54,511)
Materials and services	(42,022)	(39,504)	(41,738)	(43,068)	(44,492)
Trust funds and deposits repaid	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Other payments	(1,446)	(1,431)	(1,477)	(1,524)	(1,573)
Net cash provided by/(used in) operating activities	33,141	41,518	35,738	29,440	29,763
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(34,234)	(44,064)	(33,730)	(27,406)	(27,623)
Proceeds from sale of property, infrastructure, plant and equipment	513	605	620	636	652
Repayments of loans and advances	-	320	331	343	354
Net cash provided by/ (used in) investing activities	(33,721)	(43,139)	(32,779)	(26,427)	(26,617)
Cash flows from financing activities					
Finance costs	(1,117)	(1,042)	(1,165)	(1,068)	(1,143)
Proceeds from borrowings	-	-	6,000	-	-
Repayment of borrowings	(738)	(1,100)	(1,444)	(3,537)	(1,614)
Net cash provided by/(used in) financing activities	(1,855)	(2,142)	3,391	(4,605)	(2,757)
Net increase/(decrease) in cash and cash equivalents	(2,435)	(3,763)	6,350	(1,592)	389
Cash and cash equivalents at the beginning of the financial year	53,991	51,556	47,793	54,143	52,551
Cash and cash equivalents at the end of the financial year	51,556	47,793	54,143	52,551	52,940

Statement of Capital Works

For the four years ending 30 June 2023

	Forecast Actual 2018/19 \$'000	Budget 2019/20 \$'000	Strategic Resource Plan Projections		
			2019/21 \$'000	2021/22 \$'000	2022/23 \$'000
Property					
Land	120	-	500	500	500
Total land	120	-	500	500	500
Buildings	4,637	17,607	8,414	2,812	1,434
Total buildings	4,637	17,607	8,414	2,812	1,434
Total property	4,757	17,607	8,914	3,312	1,934
Plant and equipment					
Computers and telecommunications	1,203	947	559	643	739
Fixtures, fittings and furniture	230	30	129	142	156
Library books	524	345	421	463	510
Plant, machinery and equipment	4,844	2,710	2,489	2,738	3,012
Total plant and equipment	6,801	4,032	3,598	3,986	4,417
Infrastructure					
Roads	11,512	10,717	12,880	12,005	13,163
Bridges	556	166	55	61	67
Footpaths and cycle ways	1,452	831	400	600	660
Drainage	3,743	2,646	2,491	2,699	2,969
Recreational, leisure and community facilities	1,505	2,959	1,435	1,100	1,552
Waste management	945	1,480	1,069	1,628	1,790
Parks, open space and streetscapes	3,382	2,476	2,374	1,450	450
Kerb and channel	307	178	110	121	133
Off street car parks	608	858	327	359	395
Other infrastructure	-	114	77	85	93
Total infrastructure	24,010	22,425	21,218	20,108	21,272
Total capital works expenditure	35,568	44,064	33,730	27,406	27,623
Represented by:					
New asset expenditure	4,239	21,069	5,170	2,791	2,697
Asset renewal expenditure	23,361	14,972	18,959	19,431	19,918
Asset expansion expenditure	5,907	2,599	3,693	1,994	1,926
Asset upgrade expenditure	2,061	5,424	5,908	3,190	3,082
Total capital works expenditure	35,568	44,064	33,730	27,406	27,623
Funding sources represented by:					
Grants	8,162	16,638	11,015	4,386	4,435
Contributions	176	165	169	174	180
Council cash	27,230	27,261	22,546	22,846	23,008
Total capital works expenditure	35,568	44,064	33,730	27,406	27,623

Statement of Human Resources

For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2018/19	2019/20	2019/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	46,657	49,077	50,991	52,980	55,046
Employee costs - capital	2,161	1,903	1,941	1,980	2,019
Total staff expenditure	48,818	50,980	52,932	54,960	57,065
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	509.3	516.8	516.8	516.8	516.8
Total staff numbers	509.3	516.8	516.8	516.8	516.8

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

Department	Comprises		
	Budget	Permanent	Permanent
	2019/20	Full Time	Part Time
	\$'000	\$'000	\$'000
Asset Services	4,609	4,148	461
Executive Services	513	513	-
Community Care Services	8,693	2,693	6,000
Community Futures	4,233	3,298	935
Community General Manager	499	404	95
Corporate Administration	3,406	3,211	195
Corporate General Manager	373	260	113
Development General Manager	375	375	-
Development Services	4,155	2,812	1,343
Financial Services	2,730	2,625	105
Information Systems	1,797	1,506	291
Leisure and Cultural Services	5,117	3,954	1,163
Organisational Development	1,804	1,446	358
Parks and Waste Services	6,085	5,700	385
Works and Infrastructure Services	4,618	4,618	-
Total permanent staff expenditure	49,007	37,563	11,444
Casuals, temporary and other expenditure	70		
Capitalised labour costs	1,903		
Total expenditure	50,980		

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

Department	Budget	Comprises	
	2019/20 FTE	Permanent Full Time	Permanent Part Time
Asset Services	37.8	34.0	3.8
Executive Services	3.0	3.0	-
Community Care Services	109.7	34.0	75.7
Community Futures	35.9	28.0	7.9
Community General Manager	4.9	4.0	0.9
Corporate Administration	28.6	27.0	1.6
Corporate General Manager	5.7	4.0	1.7
Development General Manager	4.0	4.0	-
Development Services	42.9	29.0	13.9
Information Systems	26.0	25.0	1.0
Financial Services	15.5	13.0	2.5
Leisure and Cultural Services	51.8	40.0	11.8
Organisational Development	10.0	8.0	2.0
Parks and Waste Services	67.3	63.0	4.3
Works and Infrastructure Services	54.0	54.0	-
Total permanent staff FTE	497.1	370.0	127.1
Casuals, temporary and other expenditure	0.7		
Capitalised labour costs	19.0		
Total staff FTE	516.8		

Please note that Council has a total head count of 655 staff members budgeted for the 2019-20 year (707 staff 2018-19). This consists of 391 full time, 210 part time and 54 casual staff members.

Budgeted Operating Income Statement

For the four years ending 30 June 2023

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Income					
Rates and charges	70,059	72,514	75,426	77,995	80,645
Statutory fees and fines	2,523	2,593	2,658	2,724	2,792
User fees	6,578	6,550	6,760	6,976	7,199
Grants - operating	24,315	22,116	22,603	23,100	23,609
Contributions - monetary	394	339	350	359	368
Other income	6,088	5,840	5,982	6,174	6,371
Total income	109,957	109,952	113,779	117,328	120,984
Expenses					
Employee costs	46,657	49,077	50,991	52,980	55,046
Materials and services	38,857	36,593	38,650	39,887	41,211
Bad and doubtful debts	149	149	154	159	164
Depreciation and amortisation	20,253	20,553	21,065	21,590	22,131
Borrowing costs	1,117	1,042	1,165	1,068	1,143
Other expenses	1,446	1,431	1,477	1,524	1,573
Total expenses	108,479	108,845	113,502	117,208	121,268
Surplus/(deficit) from operations	1,478	1,107	277	120	(284)
Capital funding					
Grants - capital	8,162	16,638	11,015	4,386	4,435
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,935)	(1,843)	(1,889)	(1,936)	(1,984)
Contributions - monetary (capital)	968	965	969	974	980
Contributions - non-monetary (capital)	1,847	1,839	1,839	1,839	1,839
Total surplus/(deficit)	10,520	18,706	12,211	5,383	4,986
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods:					
Net asset revaluation increment/(decrement)	6,000	6,000	6,000	6,000	6,000
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	356	364	372	381	389
Total comprehensive result	16,876	25,070	18,583	11,764	11,375