

Council Budget

2020-21

This annual budget has been prepared with reference to Local Government Victoria's Victoria City Council Model Budget 2020-21: A best practice guide for reporting local government budgets in Victoria.



Mildura Rural City Council

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Disclaimer

Council's Annual Budget including financial statements, has been prepared in accordance with the requirements of the *Local Government Act 1989* and the *Local Government Planning and Reporting Regulations 2014*. Council has prepared the Annual Budget using the Model Budget 2020-21 and the Local Government Better Practice Guide developed by Local Government Victoria (LGV).

LGV convened a working group to guide the development of both the Model Budget 2020-21 and the Local Government Better Practice Guide (BPG). The working group for the Model Budget 2020-21 is comprised of representatives from the accounting profession, local government practitioners, the local government finance professionals (FINPro) and LGV. Technical advice and assistance in preparing the Model Budget and BPG was provided by Crowe Horwath.

The 2020-21 Model Budget template and BPG can be accessed on LGV's website:

<https://www.localgovernment.vic.gov.au/strengthening-councils/sector-guidance-planning-and-reporting>

Acknowledgment of Country

Council acknowledges the traditional custodians of the land comprising the Mildura Rural City Council area, and those of our neighbouring municipalities. We pay our respects to Elders past and present, and celebrate and respect their continuing culture and connection to the land.

Chief Executive Officer Introduction

On behalf of Council, I'm pleased to present Mildura Rural City Council's 2020-21 Annual Budget.

Our Budget is one of our organisation's most important documents, determining how we go about providing the more than 100 essential services, facilities and infrastructure to residents throughout our region.

Crucially, it also aids us in achieving the overarching aims outlined in our organisation's guiding document – the 2017-2021 Community and Council Plan, which focuses on the following key areas:

- Community
- Economy
- Environment
- Council

The development of this year's budget has coincided with the unprecedented impacts of the Coronavirus pandemic (COVID-19), the Millewa drought and sand drift, and the significant toll it's taken on many individuals, businesses and community groups in our region.

We're certainly aware there are some in our community doing it extremely tough and we've worked to ensure our draft budget not only recognises this hardship, but provides support.

As a result, we have allocated \$1.5 million to a community recovery fund to support our community through the social and economic elements of this emergency. At time of writing this document the full impact of COVID-19 is not known and as such where and how the funds will be used will be guided by a recovery plan which is currently being developed and discussed further in the executive summary. Council has already instigated a number of measures with waivers, deferrals and payment plans to assist those who need it.

While a rate increase in line with the 2.00% average rate cap is proposed, the actual rate increase for individual ratepayers will vary depending on their property valuations. It is through this rate increase that the Community recovery package can be provided and targeted at those affected.

Despite the difficult start to the 2020 year, we're committed to maintaining the momentum of the past 12 months with our strong focus on capital works project delivery and providing the services the community needs. This includes the delivery of emergency services and modified methods of service delivery during challenging times.

These projects are significant drivers for our region's broader economy, generating jobs and growth. This is more important than ever given the tough times I know many residents and businesses have endured in the first half of this year and may continue into the new financial year.

The biggest of these projects - the Mildura South Regional Sporting Precinct - will enter an exciting phase over the coming 12 months as it really begins to take shape above ground.

On 27 May 2020 the Federal Government announced a \$2 million contribution to the installation of an Instrument Landing System (ILS) at Mildura Airport. A further \$1 million will be contributed by Mildura Airport and \$1 million by Council. An ILS is a precision radio navigation and ground-based aid, adopted by airports and airlines worldwide. It allows aircraft to approach and land in weather conditions that would otherwise have resulted in a missed approach and possible diversion to another airport. Mildura is a recognised destination for aircraft requiring an alternate destination due to adverse weather conditions or experiencing an on-board emergency.

Highlights of the coming 12 months' capital works program include:

- \$13.25 million for roads projects
- \$1.16 million for parks, open space and streetscape projects
- \$24.32 million for building projects
- \$0.65 million for waste management projects
- \$5.98 million for drainage projects
- \$1.35 million for recreational, leisure and community facilities

Our 2020-21 Annual Budget is the result of an extensive and rigorous process and has our endorsement as being financially responsible.

Sarah Philpott
Chief Executive Officer
Mildura Rural City Council

Executive Summary

As a local government organisation we deliver more than 100 different services, facilities and infrastructure for people who live, work and visit our region. The work we do is vital to ensure our regional city continues to grow and attract new business and investment. This year also sees the ongoing implementation of the new Local Government Act 2020, Gender Equality Act 2020 and amendments that may occur in more than 150 pieces of legislation, regulations and guidelines that Council must work within.

The 2020-21 Annual Budget, like many councils, has been severely impacted by both the local and global effects of the COVID-19 pandemic and other events such as drought. The budget seeks to balance the demand for services and infrastructure, while also aiding the community's recovery from this worldwide pandemic. On top of this, Council also needs to take into account the community's capacity to pay in accordance with the State Government's rate capping requirements.

In 2020-21 Council will introduced a kerbside Food Organics and Garden Organics (FOGO) service. A FOGO service involves the kerbside collection of food and garden organic material such as food scraps, vegetables, fruit, meat, tea leaves, paper, lawn clippings, small branches, leaves and weeds. This material will ultimately be sent to a processing facility to produce a compost product. A kerbside FOGO service is introduced to divert organic material from being disposed in landfill.

Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

The 2020-21 Annual Budget includes a range of services and initiatives to be funded, which will contribute to achieving the strategic objectives specified in the Community and Council Plan 2017-2021.

An ongoing systematic approach to review all services throughout Council occurs to identify possible cost savings and align with the needs of the community. It is an ongoing process of continuous improvement with a focus on sustainable, high quality, responsive and accessible services. The Australian Business Excellence Framework (ABEF) is an integrated leadership and management system across Council that describes the elements essential to organisations sustaining high levels of performance.

Over the past 12 months, we have continued to review and refine operations in a bid to reduce costs where we can. We have looked at how our resources are allocated and we are working to deliver our services as efficiently and effectively as possible.

It is proposed that general rates effort increase by 2.00% for the 2020-21 year, providing total rates of \$76.88 million. The 2.00% increase in rates effort will go towards maintaining service levels and meeting the cost of a number of external influences affecting the operating budget. This rates effort increase is in line with the Minister for Local Government Fair Go Rates System (FGRS) rate cap of 2.00%.

This budget projects a surplus of \$7.30 million for 2020-21. This is due to capital funding received for the construction of the Mildura South Regional Sporting Precinct. Our operating result, after removing the effect of capital grants and other capital funding sources, is a deficit \$0.02 million.

COVID-19 Community Recovery

Council has responsibilities for relief and recovery under the Emergency Management Act, and as part of our role in supporting our community through the pandemic.

There are five elements of relief and recovery for Mildura:

- Social Environment
- Economic Environment
- Built Environment
- Environment
- Agriculture

In this pandemic, the social and economic impacts are the key areas for attention.

Executive Summary

From a social perspective, Council's goals include:

- Assisting those affected with access to information and linking services and supports such as accommodation, food assistance and other relief
- Reducing the risk to public health
- Providing timely information about the pandemic and recovery
- Creating connections between community members, Council and other service agencies

From an economic perspective, Council's goals include:

- Providing support for business for those sectors most effected (which may include targeted hardship assistance, promotional packages, and the like)
- Focussing on emerging domestic tourism initiatives
- Keeping business informed of a range of business support and assistance

Council's recovery planning is underway, and decisions on the final package will be made by Council. Council has however provided a \$1.50 million community recovery fund to target recovery to the community, but other supports to community will be provided from within Council's existing resources, and through economic and recovery stimulus grants and programs provided by State and Commonwealth governments.

Key things we are funding

Ongoing delivery of services to the Mildura community is funded by a net budget of \$71.15 million. These services are summarised in Section 2.

As detailed in the Chief Executive Officer introduction Council is also allocating funds for a Community recovery fund, sand-drift affected road restoration and contribution towards an Instrument Landing System (ILS) at the Mildura Airport.

For the 2020-21 year, \$50.74 million will be spent on capital works projects:

- \$13.25 million will be spent on road projects. This includes Federally funded Roads to Recovery Program projects.

- \$1.16 million will be invested in parks, open space and streetscapes.

Significant projects include:

- Nowingi playground upgrade.
- Lake Cullulleraine foreshore amenities upgrade.
- Jaycee Park infants playground replacement.
- Mansell Reserve playground replacement.
- Renewal, new and expansion of closed circuit television.
- Quandong Park West playground replacement.
- Mildura boat ramp, marina bay and river bank erosion works.

- \$24.32 million will be spent on building and building improvement projects.

Significant projects include:

- Mildura South Regional Sporting Precinct construction.
- Old Powerhouse Theatre upgrade.
- Lake Cullulleraine caravan park amenities block replacement.
- Lake Cullulleraine multipurpose centre upgrade.
- Aquatic facilities upgrade program.
- Old Aerodrome Soccer Sporting Pavilion extension.
- Old Aerodrome Sporting Complex Pavilion upgrade.

- \$0.65 million will be invested in waste management, including:

- Mildura Landfill capping.
- Mildura Landfill weighbridge design.
- Rural transfer station design.

Executive Summary

- \$5.98 million will be spent on drainage projects.
Significant projects include:
 - Mildura South Regional Sporting Precinct drainage works.
 - Construction Ontario Avenue and Sixteenth Street spur-line stage 1.
 - Stormwater inspection and assessment program.
 - Construction Etiwanda spur-line between Fourteenth Street and Fifteenth Street stage 3.
- \$1.35 million on recreational, leisure and community facilities.
Significant projects include:
 - Installation of competition standard lighting at Old Aerodrome Sporting Complex oval no. 2.
 - Renewal of netball court and installation of lighting at Nangiloc Recreation Reserve.
 - Construction of additional netball court at Lake Cullulleraine.
 - Upgrade of cricket net at Quandong Park.

The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Section 4.5.

The rate rise

The base average rate will rise by 2.00% in line with the order by the Minister for Local Government in December 2019 in accordance with the Fair Go Rates System (FGRS).

All of Victoria's 79 councils have been operating under rate caps since 1 July 2016.

Each year the Minister for Local Government sets a cap on rate increases based on that period's Consumer Price Index (CPI) and advice from the Essential Services Commission (ESC). The decision must be made by 31 December each year to apply to rates in the following financial year.

As a direct outcome of Council's ongoing effort to identify savings in a financially sustainable manner, there has been a decline in rate increases from a high of 6.00% in 2012-13. Recognising the community's capacity to pay, Council commenced work to reduce rate increases prior to the introduction of a rate cap by the State.

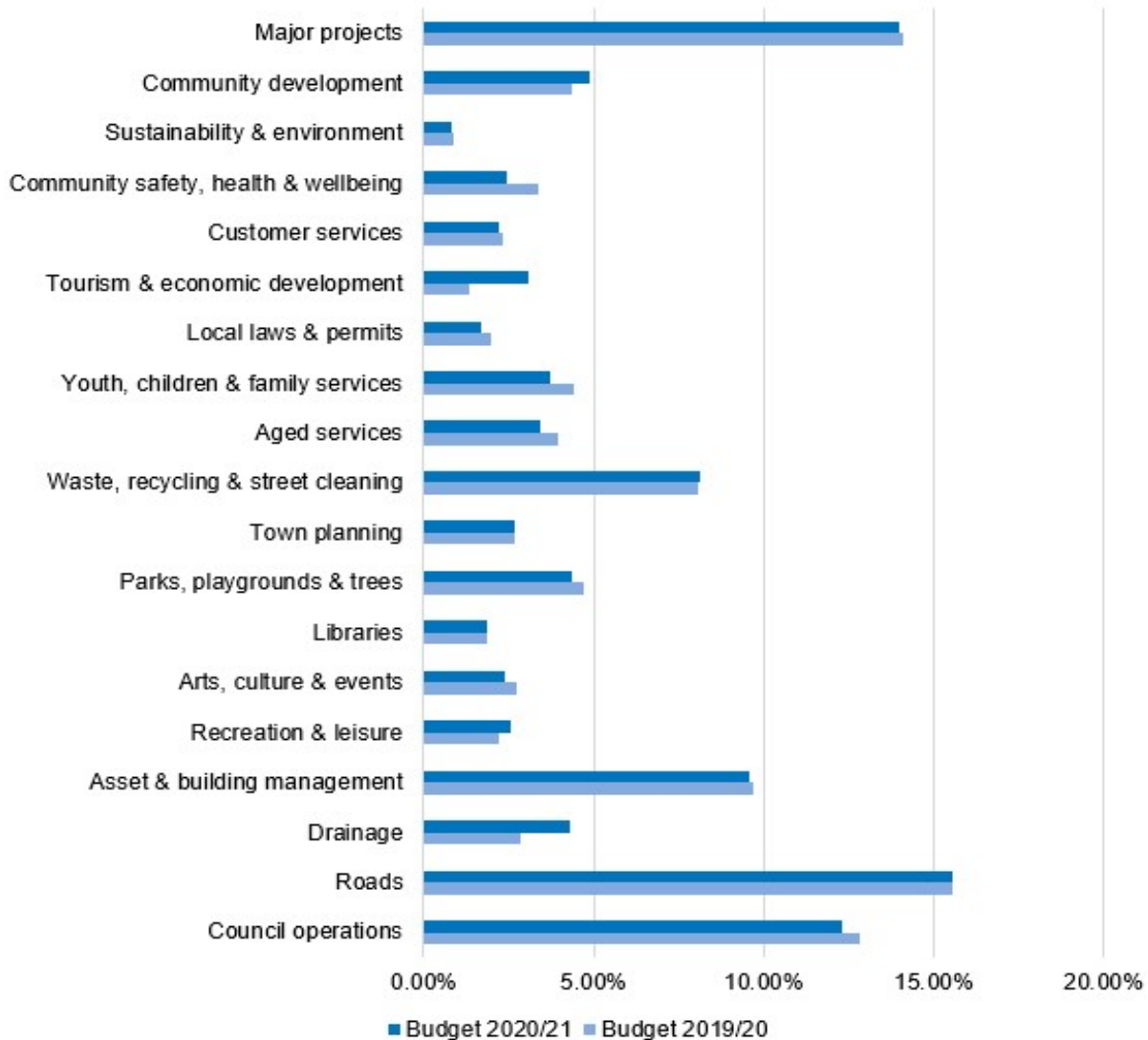
For every \$100 in taxes paid by Victorian residents, only \$3.50 is collected through rates by local government. The remaining \$96.50 is paid directly to the State and Federal Governments.

Executive Summary

Council expenditure allocations

The below chart provides an indication of how we allocate our expenditure across the main services that we deliver. It shows how much is allocated to each service area for every \$100 that Council spends.

Council Expenditure Allocations



Key budget statistics

- Adjusted underlying operating result:
Operating deficit of \$0.02 million (2019-20 = Surplus of \$1.65 million)
(Note: the underlying operating result is an important measure of financial sustainability, as it excludes income which is to be used for capital from being allocated to cover operating expenses).
- Cash result:
\$15.65 million deficit (2019-20 = \$13.49 million surplus)
The \$13.49 million surplus for 2019-20 included \$17.55 million for capital grants mostly relating to Mildura South Regional Sporting Precinct. The capital expenditure for this projects will be spent in the 2020-21 budget which contributes to the cash deficit of \$15.65 million in 2020-21. This is also the net funding result after considering the funding requirements to meet loan principal repayments and the reserve transfers.

(Refer Statement of Cash Flows in Section 3)

Executive Summary

Total capital works program:

\$50.74 million

Funded from:

\$24.77 million from Council operations (rates funded)

\$0.87 million from contributions

\$17.10 million from external grants

\$8.00 million from new borrowings

(Refer Statement of Capital Works Section 3 and 4.5)

Budget influences

As a result of the city's demographic profile, there are a number of budget implications in the short and long term as follows:

- Mildura Rural City Council encompasses 22,330 square kilometres, which is 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 city is substantially developed and is experiencing only a small increase in property numbers. The budget implications arise due to the need to install, maintain and replace important infrastructure such as drainage.
- Approximately 15% of our ratepayers are entitled to the pensioner rebate. As pensioners are often asset rich but income poor, the adoption of significant rate increases has a real impact on the disposable income of a significant proportion of our community.

External influences

The preparation of the budget is influenced by the following external factors:

- The Federal Assistance Grant payments have been 50% forward paid this year. This is now an annual occurrence and the 50% advanced payment will be assumed to be received annually each year in June. This is merely a timing difference and has no overall effect on Council's budget or grant allocations.
- The freezing of Federal Assistance Grants funding for three years from 2014-15 to 2016-17. It is estimated to cost Council accumulatively \$18.3 million dollars over the 10-year period from 2014-15 to 2023-24.
- The Victorian Government has introduced a cap on rate increases from 2016-17. The cap for 2020-21 has been set at 2.00%, which is based on the state-wide CPI forecast for the 2020-21 year.
- Preparation of the 2020-21 Annual Budget has been undertaken during unprecedented times, in the face of both a health and economic crisis as a result of the global COVID-19 pandemic. Council has taken these significant local and global impacts into account when preparing this budget, including future challenges and the potential for continuing economic uncertainty.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of government in Australia. In addition, Councils are entrusted with the maintenance of more than 85% of all local roads across Australia and more than 30% of all Australian public assets including bridges, parks, footpaths, drainage and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.
- The Environmental Protection Authority (EPA) waste management levy will increase in 2020-21 by an approximate amount of \$0.70 million. The exact amount is dependent on volume of landfill.

Executive Summary

Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2020-21 budget. These matters and their financial impact are set out below:

- Our asset renewal requirements continue to increase each year as our asset base grows. In the 2020-21 financial year Council's property, infrastructure, plant and equipment is forecast to increase in value by \$49.72 million.
- Continued construction of Mildura South Regional Sporting Precinct. This is one part of the Mildura Future Ready advocacy and funding strategy, and the largest initiative Mildura Rural City Council has undertaken.
- Increased debt servicing costs as a result of new borrowings required to complete construction of the Mildura South Regional Sporting Precinct, supplementing the contributions from State and Federal Governments and sporting and community associations.
- This budget supports the implementation of a \$4 million Instrument Landing System (ILS) at Mildura Airport. This is supported by \$2.00 million of Federal Grant Funding, a \$1.00 million Mildura Airport contribution, and a \$1.00 million Council contribution which is included in the 2020-21 Annual Budget.
- \$1.50 million has been allocated to a community recovery fund to support our community. At time of writing this document the full impact of COVID-19 is not known and as such where and how the funds will be used will be guided by a recovery plan which is currently being developed.
- Reviews of our services have found cost savings which will assist with ongoing financial sustainability.

Cost shifting

A significant issue for this Council and all Councils is the cost shifting from the State and Federal Governments onto local government. Cost shifting occurs when Commonwealth and State programs transfer responsibilities to local government with insufficient funding or grants which don't keep pace with delivery costs.

Examples include increasing waste levy on each tonne of landfill, increasing costs of providing services such as maternal and child health, school crossing supervision, home care, and responsibility for weeds on roadsides and legislative obligations in regards to emergency relief and recovery such as COVID-19.

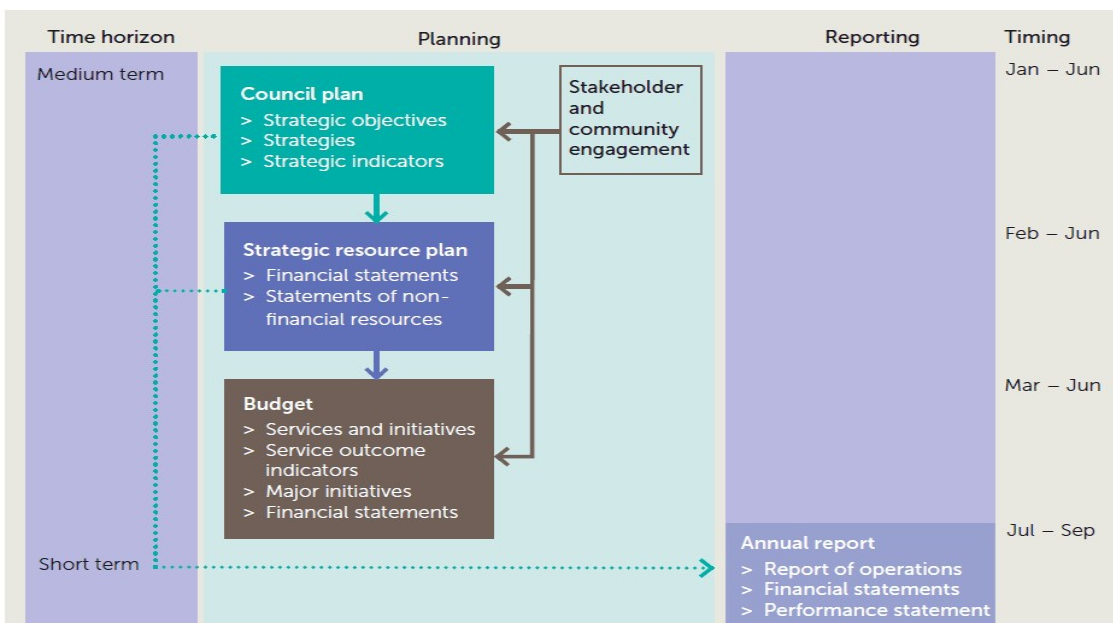
1. Link to the Community and Council Plan

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

The new Local Government Act 2020 will result in significant change and at time of writing this document is still being developed. Some provisions will come into force on 1 July this year, with others becoming operative on 24 October (being the date of Council elections). For a period, the new Act will co-exist with a large number of the provisions in the existing *Local Government Act*.

1.1 Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, considering the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

Feeding in to the above, Council has a long term plan which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term Community Plan.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes and will be adjusted in accordance with the *Local Government Act* and associated dates of its provisions coming into affect.

1.1.2 Key planning considerations

Service level planning

Although Councils have a legal obligation to provide some services— such as emergency management, animal management, local roads, food safety and statutory planning—most Council services are not legally mandated, including some services closely associated with Councils, such as libraries, building permits and sporting facilities. Further, over time, the needs and expectations of communities can change.

Therefore, Councils need to have robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, Councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works.

1.2 Our purpose

Our vision

Making this the most liveable, people-friendly community in Australia

Our values

Respect – We will be respectful towards others and value differences

Honesty – We will be ethical and open

Integrity – We will be reliable and trustworthy in all that we do

Transparency – We will be objective and fair in our communications and decisions

Accountability – We will be consistent and responsible for our actions

Our principles

Leadership

By providing clear direction through strategies and plans, Council will achieve agreed outcomes for the community.

Customers

Council is here to provide services to the whole municipality and therefore our community should have a say in what we do and how we do it.

Systems Thinking

Council recognises that achieving excellent outcomes for our community is done through all parts of the organisation working together effectively and with other levels of government and the wider community.

People

By involving and developing people, Council enhances commitment, performance and working relationships to improve organisational outcomes.

Continuous Improvement

To remain relevant and capable of producing excellent results, our organisation needs to continually learn and adapt.

Information and Knowledge

Council will make the best quality decisions when effort is spent to collect and present all objective relevant data and information.

Variation

By addressing the underlying factors that cause our processes to deliver inconsistent or unpredictable outcomes (variation), Council's customers will receive the highest standards of service.

Corporate and Social Responsibility

Council will manage its operations to comply with the law and ethical standards and to produce an overall positive impact on our community.

Sustainable Results.

To deliver sustainable results, Council must have a culture that promotes accountability through all levels of the organisation.

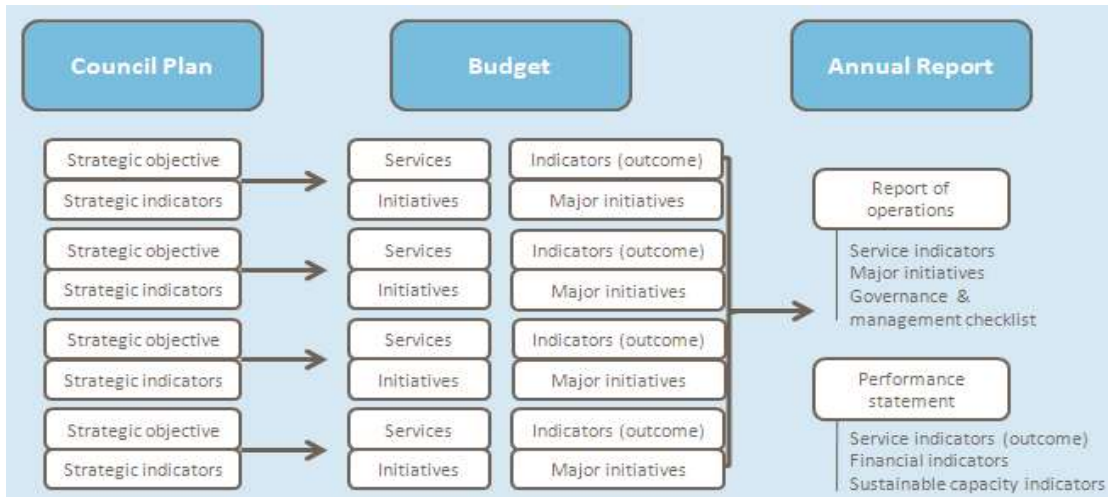
1.3 Strategic objectives

Council delivers activities and initiatives under 33 major service categories. Each contributes to the achievement of one of the four strategic objectives set out in the Community and Council Plan 2017-2021. The following table lists the four strategic objectives as described in the Community and Council Plan.

Strategic Objective	Description
1 Community	We will create a safe, supportive place to live, where diversity and lifestyle opportunities are enhanced.
2 Environment	We will create and promote sustainable natural and built environments.
3 Economy	We will encourage diverse and sustainable economic development that provides growth in jobs, investment and quality of life.
4 Council	We will manage resources in a sustainable manner to provide services that are relevant, of a high standard and respond to identified community needs.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2020-21 year and how these will contribute to achieving the strategic objectives outlined in the Community and Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify initiatives and service performance outcome indicators in the Budget, and report against them in its Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

Services for which there are prescribed performance indicators to be reported on in accordance with the regulations are shown in **bold** and underlined in the following sections.

2.1 Strategic Objective 1: Community

To achieve the strategic objective of Community, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Services

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Aged and disability services	This service provides a range of home and community care services for the aged and people with a disability including home care, personal care, respite care, home maintenance and planned activity groups.	<i>Exp</i>	5,271	5,597	5,666
		<i>Rev</i>	4,100	4,099	4,009
		<i>NET</i>	1,171	1,498	1,657
Community health	This service provides family oriented support services including universal and enhanced maternal and child health and immunisation.	<i>Exp</i>	1,736	2,131	1,911
		<i>Rev</i>	1,015	1,071	1,153
		<i>NET</i>	721	1,060	758
Early years	Provides family day care, centre based child care and other early years planning and programs such as Best Start and supported playgroups.	<i>Exp</i>	2,679	2,879	2,980
		<i>Rev</i>	2,463	2,598	2,602
		<i>NET</i>	216	281	378
Youth services	This service provides youth oriented services including education programs, personal development programs, and health and safety programs.	<i>Exp</i>	1,226	1,486	1,007
		<i>Rev</i>	808	882	504
		<i>NET</i>	418	604	503
Environmental health	This service protects the community's health and well-being through coordination of regulatory services of premises for food safety , accommodation, hair and beauty, skin penetration businesses, tobacco retailers, smoke free legislation and wastewater disposal. The service also works to rectify any public health concerns relating to unreasonable noise emissions, air quality issues and smells etc.	<i>Exp</i>	786	951	1,023
		<i>Rev</i>	370	427	466
		<i>NET</i>	416	524	557

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Arts and culture	This service provides arts and culture activities throughout the municipality. With the delivery of visual and performing arts programs and services at Mildura Arts Centre across gallery and heritage, community cultural development, marketing and development (including customer service/box office ticketing, café and theatre) and technical services. The presentation of an entrepreneur program in both the visual and performing arts through funding from Creative Victoria, as well as the venue hires of the theatre auditorium and foyer spaces for local and commercial organisations. This service also includes overseeing Mildura's most important heritage building Rio Vista Historic House, as well as Mildura Station Homestead and venue hires of woolshed and cottage.	<i>Exp</i>	2,657	2,899	2,952
		<i>Rev</i>	1,221	1,466	1,362
		<i>NET</i>	1,436	1,433	1,590
Libraries	This service provides public libraries at five locations plus outreach library services to four remote locations. It provides a customer focused service that caters for the cultural, educational and recreational needs of residents and visitors. The service also provides a focal point for the community where they can meet, relax and enjoy the facilities, programs and services offered.	<i>Exp</i>	2,260	2,480	2,409
		<i>Rev</i>	429	442	439
		<i>NET</i>	1,831	2,038	1,970
Recreation and sport	This service includes management of recreation facilities (wet and dry) including aquatic facilities , facility redevelopment, provision of grant funding for grass roots participation.	<i>Exp</i>	2,021	2,097	2,326
		<i>Rev</i>	208	133	154
		<i>NET</i>	1,813	1,964	2,172
Community development	This service has the responsibility to support and develop community initiatives listed in individualised, township based community plans and to strengthen local community's capacity to drive its own growth, economic, social and physical development. The service is a conduit between Council services and the wider community.	<i>Exp</i>	2,507	3,281	2,519
		<i>Rev</i>	1,047	466	-
		<i>NET</i>	1,460	2,815	2,519

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Social development and projects	This service has the responsibility to frame and respond to the challenges of social inclusion across a broad range of areas. It is the responsibility of this service to ensure that issues of a social policy nature are responded to appropriately by Council. The area also manages a broad range of specific project based initiatives including Advancing Country Towns, Northern Mallee Community Partnership and Community safety.	<i>Exp</i>	1,220	1,719	1,049
		<i>Rev</i>	1,063	1,145	531
		<i>NET</i>	157	574	518
Civic compliance	This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment providing animal management services including a cat trapping program, a dog and cat collection service, a lost and found notification service, a pound service, a registration and administration service, an after hours service and an emergency service. It also provides education, regulation and enforcement of the general local law and relevant State legislation.	<i>Exp</i>	2,020	2,016	2,020
		<i>Rev</i>	1,323	1,496	1,423
		<i>NET</i>	697	520	597

Major Initiatives

- 1) Construction of the Mildura South Regional Sporting Precinct.

Other Initiatives

- 2) Eighth Street Intersection Upgrade. This project will improve the safety of this intersection. The intersection has had several minor accidents and is considered high risk as the traffic has increased significantly.
- 3) Conceptual design and parameters for the redevelopment of the Mildura Animal Pound (including isolation facility). The aim is to consolidate all animal management facilities on the one site and provide for a more cost effective and efficient delivery of animal management services.
- 4) Implement the new Library Service Strategy.
- 5) Implement the new Youth Engagement Strategy.
- 6) Develop Municipal Early Years Strategy.
- 7) Develop Early Years Infrastructure Strategy.
- 8) Review and develop Healthy Aging Strategy.
- 9) Develop Alfred Deakin Centre Master Plan.
- 10) Review and implement the new Recreation Strategy.
- 11) Review Arts, Culture and Heritage Strategy.
- 11) Develop community plans for Underbool, Walpeup and Murrayville.
- 12) Be Collective Project - Increasing volunteering opportunities and participation across the municipality

Service Performance Outcome Indicators

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Budget
Maternal and child health*	Participation in MCH service	81.17%	77.00%	80.00%
Maternal and child health*	Participation in MCH service by Aboriginal children	67.53%	56.00%	61.00%
Libraries*	Participation	11.33%	10.50%	11.00%
Aquatic facilities*	Utilisation	3.42%	7.50%	9.00%
Animal management*	Health and safety	N/A	N/A	N/A
Food safety*	Health and safety	92.86%	70.00%	85.00%

* Refer to Section 2.5 for information on the calculation of Service Performance Outcome Indicators.

2.2 Strategic Objective 2: Environment

To achieve the strategic objective of **Environment**, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Services

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Engineering services	This service undertakes design, tendering, contract, project management, and supervision of various infrastructure works within Council's capital works program. The service also approves and supervises private development activities such as subdivisions and infrastructure associated with unit developments.	<i>Exp</i>	2,412	3,336	3,474
		<i>Rev</i>	439	832	640
		<i>NET</i>	1,973	2,504	2,834
Asset management	This service prepares long term maintenance management programs for Council's infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These assets include road and drainage networks, municipal buildings, pavilions and other recreational equipment and outdoor spaces.	<i>Exp</i>	1,863	1,401	1,412
		<i>Rev</i>	16	67	-
		<i>NET</i>	1,847	1,334	1,412
Works and infrastructure services	This service inspects and maintains Council's main civil infrastructure assets in a sustainable and prioritised manner to a defined service level. These include roads , laneways, car parks, footpaths, shared/bike paths and Council's drainage network. The service also includes delivery of civil capital works projects, plus inspection and maintenance of VicRoads arterial roads located within the municipality.	<i>Exp</i>	7,391	8,198	8,098
		<i>Rev</i>	1,127	1,012	1,031
		<i>NET</i>	6,264	7,186	7,067

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Statutory planning	The statutory planning service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary.	<i>Exp</i>	1,690	1,654	1,726
		<i>Rev</i>	825	757	620
		<i>NET</i>	865	897	1,106
Building facilities	This service is responsible for the maintenance, management, and strategic planning for Council's buildings, land, property leases and licenses.	<i>Exp</i>	6,517	6,882	6,937
		<i>Rev</i>	190	31	20
		<i>NET</i>	6,327	6,851	6,917
Parks services	This service is divided into several operational units including tree pruning, planting, removal of vegetation, planning and street tree strategies. It maintains public spaces including parks and gardens, as well as ovals and recreational spaces and provides for the management of conservation and parkland areas, and other areas of environmental significance.	<i>Exp</i>	6,123	6,547	6,765
		<i>Rev</i>	49	14	13
		<i>NET</i>	6,074	6,533	6,752
Waste management	This service provides waste collection and waste management services including kerbside collection service, the operation of three landfills and eight rural transfer stations, litter bin collection, street sweeping, bin maintenance, and event bins.	<i>Exp</i>	8,551	9,590	12,147
		<i>Rev</i>	1,704	1,645	2,184
		<i>NET</i>	6,847	7,945	9,963
Building and enforcement	This service provides statutory building services to the Council community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	<i>Exp</i>	605	657	657
		<i>Rev</i>	387	449	367
		<i>NET</i>	218	208	290

Service area	Description of services provided	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000	
Environmental sustainability	This service develops, coordinates and implements environmental policy, plans, strategies and initiatives and works with other services to improve Council's environmental performance. Reducing energy and water usage within Council operations, protecting and enhancing Council managed natural areas and roadsides, and educating the community are key priority areas for environmental sustainability.	<i>Exp</i>	926	806	779
		<i>Rev</i>	206	168	165
		<i>NET</i>	720	638	614
Strategic planning	Strategic planning monitors Council's planning scheme as well as consulting and preparing major policy documents shaping the future of the city. It also prepares and processes amendments to the Council planning scheme and carries out research on demographic, urban development, economic and social issues affecting Council.	<i>Exp</i>	906	1,038	1,380
		<i>Rev</i>	36	1	-
		<i>NET</i>	870	1,037	1,380

Major Initiatives

- 1) Kerbside Food Organics and Garden Organics: Council has introduced a kerbside Food Organics and Garden Organics (FOGO service) in mid 2020. A FOGO service involves the kerbside collection of food and garden organic material such as food scraps, vegetables, fruit, meat, tea leaves, paper, lawn clippings, small branches, leaves and weeds. This material would ultimately be sent to an EPA approved processing facility to produce a compost product. A kerbside FOGO service is being introduced to divert organic material from being disposed of into landfill.
- 2) Deakin Avenue Redevelopment seventh and eighth street: Council is continuing to develop Deakin Avenue in line with the Deakin Avenue Masterplan between seventh and eighth street. This project will deliver improved urban design through centre aligned pathways, lighting and landscaping while preserving existing limestone and other historical structures. A key element is the management and removal of the existing ageing sugar gums which have reached the end of their useful life.
- 3) Playground Strategy: Council is a place with a diverse range of accessible play-spaces that provide opportunities for all children and their families to play safely and creatively in public open space. Playgrounds are a key component of our public open space and will reflect the high quality of public open spaces across the municipality. This Playground Strategy is intended to guide the provision of playground facilities and infrastructure in public open space in Mildura Rural City Council for the next five years.
- 4) Public Toilet Strategy: Commence implementation of the public toilet strategy that guides location, design, safety and prioritising delivery of Council owned and managed assets that are well designed, accessible and easy to maintain.

- 6) Etiwanda Avenue drainage spur-line upgrade between sixteenth street and fifteenth street: This project will allow the stormwater generated from future residential developments within the catchment area to be drained to the outfall system via an expanded drainage network. A higher level of flood protection to the community will be achieved from providing an engineered drainage system in this area. This project will be completed over two financial years.
- 7) Major road reconstruction in Millewa region for roads affected by sand-drift: This program will enable a number of key roads in the Millewa region to be reconstructed in order to repair damage caused by significant sand drift and to reduce the impact from future sand storm events by rebuilding these roads with sand protection measures.

Other Initiatives

- 8) Condition inspection of Council buildings to enable longer term renewal and maintenance planning for Council owned building network.
- 9) Rehabilitation of the Mildura Landfill: Council is commencing the progressive rehabilitation of the Mildura Landfill.
- 10) Nichols Point Recreation Reserve stormwater upgrade: This project will reduce the potential for flooding of the reserve from stormwater and provide a higher level of protection to the irrigation pumping system.
- 11) Quena Street and Coorong Avenue intersection upgrade: Upgrade works to this intersection will renew the road pavement and improve delineation of the junction to improve traffic safety. Renewal of the road asset will ensure that the road junction is fit for purpose and provides the expected level of service to the community.
- 12) Seventeenth Street (Deakin Avenue to San Mateo Avenue) road upgrade: A section of this road (starting from the new roundabout at Deakin Avenue) will be upgraded to renew the road pavement and surfacing together with improved road shoulders. This work is essential to ensure that the road network is fit for purpose and provides the expected level of service to the community.
- 13) San Mateo Avenue micro surfacing: This project will increase the useful pavement life by renewing the surface shape and water resistance of the seal.
- 14) Stage 2 Mildura Riverfront - Mildura Riverfront Revitalisation Project in conjunction with Victorian Planning Authority.
- 15) Implement Invasive Plants and Animals Plan
- 16) Implement Environmental Education Plan
- 17) Implement Native Vegetation Plan
- 18) Implement Energy Management Plan
- 19) Review Irymple Structure Plan
- 20) Commence Mildura East Strategic Framework
- 21) Develop Accommodation Strategy

Service Performance Outcome Indicators

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Budget
Statutory Planning*	Decision making	83.33%	80.00%	85.00%
Waste collection *	Waste diversion	30.37%	15.00%	23.00%
Roads*	Satisfaction	57	58	59

* Refer to Section 2.5 for information on the calculation of Service Performance Outcome Indicators.

2.3 Strategic Objective 3: Economy

To achieve the strategic objective of **Economy**, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area is described below.

Services

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Economic development and tourism	The economic development and tourism service assists the organisation to: <ul style="list-style-type: none"> • facilitate growth within Council by working with industry and business to grow/sustain existing business and develop new investment opportunities • encourage and form strategic alliances with key stakeholders in industry and government to help build a vibrant and sustainable community • commit to working in partnership with Mildura Regional Development to maximise economic development within the Council region through specialised projects and initiatives • through facilitation of tourism enquiries and booking of accommodation, the Visitor Information Centre (VIC) is responsible for assistance and providing specialised services that are tailored to meet customer and client needs. 	<i>Exp</i>	3,294	2,946	5,966
		<i>Rev</i>	1,513	426	2,361
		<i>NET</i>	1,781	2,520	3,605
Events	The business conferencing and event services are responsible for assistance and facilitation of business enquiries, events and conferencing. Services are specialised and tailored to meet customer and client needs.	<i>Exp</i>	567	1,066	1,222
		<i>Rev</i>	3	13	-
		<i>NET</i>	564	1,053	1,222

Major Initiatives

- 1) Contributions towards the installation of an Instrument Landing System at the Mildura Airport is a major initiative being undertaken.

Other Initiatives

- 1) Implementation of the Events Strategy
- 2) Review of Visitor Information Strategy
- 3) Funds provided to Mildura Regional Development to achieve economic and tourism outcomes for the community
- 4) Continue to work with Mildura Airport and Mildura City Heart to achieve their required outcomes for the community.

2.4 Strategic Objective 4: Council

To achieve the strategic objective of **Council**, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area are described below.

Services

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Chief executive office	This area of governance includes the Mayor, Councillors, Chief Executive Officer and associated support, and impacts of COVID-19.	<i>Exp</i>	1,612	1,792	3,208
		<i>Rev</i>	6	500	1
		<i>NET</i>	1,606	1,292	3,207
Organisational development	This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resource, industrial relations, and occupational health and safety services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units. It also includes the payment of salaries and wages to Council employees.	<i>Exp</i>	2,350	2,420	2,405
		<i>Rev</i>	399	259	251
		<i>NET</i>	1,951	2,161	2,154
Marketing and communications	This service works with all areas of the organisation to ensure the community is informed about and involved in Council decisions, services, projects and facilities. Key tasks include media liaison, online communications, website management, publication development, graphic design, advertising and marketing.	<i>Exp</i>	653	869	1,012
		<i>Rev</i>	-	-	-
		<i>NET</i>	653	869	1,012
Customer support	Customer support is the first point of contact the public has with Council and acts as the interface between the organisation and the community. This service provides face-to-face service in three Council service centres, call centre operations, processes customer requests and payments and issues permits and receipts. Customer service staff also provide internal administrative support to the whole organisation.	<i>Exp</i>	1,322	1,483	1,635
		<i>Rev</i>	22	22	19
		<i>NET</i>	1,300	1,461	1,616

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Financial services	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, raising and collection of rates and charges, and valuation of properties throughout the municipality.	<i>Exp</i>	1,879	1,836	1,917
		<i>Rev</i>	418	1,045	358
		<i>NET</i>	1,461	791	1,559
Information systems	This service enables and supports the information and communication technology (ICT) needs of all of Council. This encompasses all mobile and fixed voice, data record management, GIS and software applications across all sites and field operations to all staff enabling the timely and efficient delivery of services to the community.	<i>Exp</i>	3,881	4,625	4,892
		<i>Rev</i>	-	-	-
		<i>NET</i>	3,881	4,625	4,892
Governance and risk	This area provides a range of governance and statutory services. Services include legislative compliance, maintenance of public registers and coordination of Council meetings, coordination of legal services, insurance, business risk management, and business continuity services and property management services. It also provides leadership in emergency management through planning for disaster emergencies and coordinating emergency services and support agencies in their planning and response to emergencies.	<i>Exp</i>	2,492	2,625	3,087
		<i>Rev</i>	617	638	554
		<i>NET</i>	1,875	1,987	2,533
Procurement and fleet	This service purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet. In addition, it also provides procurement and contracting of services.	<i>Exp</i>	4,395	4,484	4,733
		<i>Rev</i>	6,760	6,767	6,936
		<i>NET</i>	(2,365)	(2,283)	(2,203)

Major Initiatives

- 1) Community recovery plan development and a \$1.5 million community recovery fund is a major initiative to be undertaken during 2020-21.

Other Initiatives

- 2) Council is required to undertake an annual audit program conducted by independent external auditors to verify Council has robust systems and processes in place.
- 3) Council website review and update to increase community engagement, particularly with online capabilities and further improve general communication.
- 4) Continued implementation of Rating Strategy 2019-2023. The objective of the strategy is to ensure financial sustainability and meets the needs of the community in a financially responsible manner.
- 5) Undertake municipal elections
- 6) Develop new Community and Council Plan
- 7) Continue implementing required changes under the new *Local Government Act 2020*

Service Performance Outcome Indicators

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Budget	
Governance	Satisfaction		53	54	55

* Refer to Section 2.5 for information on the calculation of Service Performance Outcome Indicators.

2.5 Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions. (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community).	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community.
Statutory planning	Decision making	Council planning decisions upheld at Victorian Civil Administration Tribunal (VCAT). (Percentage of planning application decisions subject to review by VCAT and that were not set aside).	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100.
Roads	Satisfaction	Satisfaction with sealed local roads. (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads).	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

Service	Indicator	Performance Measure	Computation
Libraries	Participation	Active library members. (Percentage of the municipal population that are active library members).	[Number of active library members / Municipal population] x100.
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill. (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill).	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100.
Aquatic facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of municipal population).	Number of visits to aquatic facilities / municipal population.
Animal management	Health and safety	Animal management prosecutions. (Number of successful animal management prosecutions).	Number of successful animal management prosecutions.
Food safety	Health and safety	Critical and major non-compliance notifications. (Percentage of critical and major non-compliance notifications that are followed up by Council).	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100.

Service	Indicator	Performance Measure	Computation
Maternal and child health	Participation	Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service).	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100.
		Participation in MCH service by Aboriginal children. (Percentage of Aboriginal children enrolled who participate in the MCH service).	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100.

2.6 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Strategic Objective 1: Community	13,219	25,862	12,643
Strategic Objective 2: Environment	38,335	43,375	5,040
Strategic Objective 3: Economy	4,827	7,188	2,361
Strategic Objective 4: Council	14,770	22,889	8,119
Total	71,151	99,314	28,163
Other non-attributable	5,748		
Deficit before funding sources	76,899		
Funding sources added in:			
Rates and charges revenue	76,878		
Capital income	7,322		
Deficit/(surplus) funds for the year	(7,301)		

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2020-21 has been supplemented with projection to 2023-24 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 2020-21 budget has been prepared based on the accounting standards applicable at the date of preparation. It has been updated to include the impact of *AASB 16 Leases*, *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not-for-Profit Entities*, but pending accounting standards that will be in effect from the 2020-21 financial year have not been considered in the development of the budget.

Standards that are likely to impact on the 2020-21 financial statements, not considered in the preparation of the budget include:

AASB 1059 Service Concession Arrangements: Grantors

Comprehensive Income Statement

For the four years ending 30 June 2024

	Notes	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2019/20	2020/21	2021/22	2022/23	2023/24
		\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Rates and charges	4.1.1	73,123	76,878	79,330	81,445	83,611
Statutory fees and fines	4.1.2	2,573	2,271	2,316	2,362	2,409
User fees	4.1.3	6,499	7,123	7,265	7,410	7,558
Grants - operating	4.1.4	24,142	24,161	22,765	23,334	23,917
Grants - capital	4.1.4	17,553	5,691	9,012	3,164	3,189
Contributions - monetary	4.1.5	1,353	1,892	1,278	1,287	1,296
Contributions - non-monetary	4.1.5	1,839	1,839	1,894	1,932	1,971
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(1,820)	(1,843)	(1,880)	(1,918)	(1,956)
Other income	4.1.6	5,710	5,455	5,547	5,658	5,771
Total income		130,972	123,467	127,527	124,674	127,766
Expenses						
Employee costs	4.1.7	48,786	50,581	52,318	54,114	55,972
Materials and services	4.1.8	38,852	43,760	42,284	43,320	44,618
Depreciation	4.1.9	20,311	18,711	19,179	19,657	20,147
Amortisation - intangible assets	4.1.10	242	230	236	242	248
Bad and doubtful debts		149	133	136	139	142
Borrowing costs		1,042	1,273	1,292	1,164	1,092
Other expenses	4.1.11	1,494	1,478	1,511	1,545	1,580
Total expenses		110,876	116,166	116,956	120,181	123,799
Surplus/(deficit) for the year		20,096	7,301	10,571	4,493	3,967
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment /(decrement)		18,534	18,534	18,534	18,534	18,534
Share of other comprehensive income of associates and joint ventures		364	1,393	627	641	655
Total comprehensive result		38,994	27,228	29,732	23,668	23,156

Balance Sheet

For the four years ending 30 June 2024

	Notes	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2019/20	2020/21	2021/22	2022/23	2023/24
		\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Current assets						
Cash and cash equivalents		85,878	70,227	60,922	62,160	63,565
Trade and other receivables		7,208	7,268	7,282	7,294	7,302
Other financial assets		2,850	2,850	2,850	2,850	2,850
Inventories		588	601	615	629	643
Other assets		1,593	1,629	1,666	1,703	1,741
Total current assets	4.2.1	98,117	82,575	73,335	74,636	76,101
Non-current assets						
Trade and other receivables		4,157	3,814	3,460	3,094	2,716
Other financial assets		1,750	1,750	1,750	1,750	1,750
Investments in associates, joint arrangement and subsidiaries		52,787	54,180	54,807	55,447	56,103
Property, infrastructure, plant and equipment		839,179	888,902	925,376	947,212	968,863
Intangible assets		10,761	10,761	10,761	10,761	10,761
Total non-current assets	4.2.1	908,634	959,407	996,154	1,018,264	1,040,193
Total assets		1,006,751	1,041,982	1,069,489	1,092,900	1,116,294
Liabilities						
Current liabilities						
Trade and other payables		1,983	1,983	1,983	1,983	1,983
Trust funds and deposits		2,231	2,231	2,231	2,231	2,231
Provisions		11,708	12,110	12,526	12,956	13,401
Interest-bearing liabilities	4.2.3	1,100	1,364	3,639	1,719	1,275
Total current liabilities	4.2.2	17,022	17,688	20,379	18,889	18,890
Non-current liabilities						
Provisions		28,104	29,069	30,067	31,100	32,167
Interest-bearing liabilities	4.2.3	17,535	23,907	17,993	18,194	17,363
Total non-current liabilities	4.2.2	45,639	52,976	48,060	49,294	49,530
Total liabilities		62,661	70,664	68,439	68,183	68,420
Net assets		944,090	971,318	1,001,050	1,024,717	1,047,874
Equity						
Accumulated surplus		370,777	374,343	394,465	394,266	396,530
Reserves		573,313	596,975	609,585	630,451	651,344
Total equity		944,090	971,318	1,004,050	1,024,717	1,047,874

Statement of Changes in Equity

For the four years ending 30 June 2024

	Notes	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020 Forecast Actual					
Balance at beginning of the financial year		905,096	340,627	490,721	73,748
Surplus/(deficit) for the year		20,460	20,096	-	364
Net asset revaluation increment/(decrement)		18,534	-	18,534	-
Transfers to other reserves		-	(8,551)	-	8,551
Transfers from other reserves		-	18,605	-	(18,605)
Balance at end of the financial year		944,090	370,777	509,255	64,058
2021 Budget					
Balance at beginning of the financial year		944,090	370,777	509,255	64,058
Surplus/(deficit) for the year		8,694	7,301	-	1,393
Net asset revaluation increment/(decrement)		18,534	-	18,534	-
Transfers to other reserves	4.3.1	-	(7,997)	-	7,997
Transfers from other reserves	4.3.1	-	4,262	-	(4,262)
Balance at end of the financial year	4.3.2	971,318	374,343	527,789	69,186
2022					
Balance at beginning of the financial year		971,318	374,343	527,789	69,186
Surplus/(deficit) for the year		11,198	10,571	-	627
Net asset revaluation increment/(decrement)		18,534	-	18,534	-
Transfers to other reserves		-	(7,326)	-	7,326
Transfers from other reserves		-	13,876	-	(13,876)
Balance at end of the financial year		1,001,050	391,464	546,323	63,263
2023					
Balance at beginning of the financial year		1,001,050	391,464	546,323	63,263
Surplus/(deficit) for the year		5,134	4,493	-	641
Net asset revaluation increment/(decrement)		18,534	-	18,534	-
Transfers to other reserves		-	(6,859)	-	6,859
Transfers from other reserves		-	5,168	-	(5,168)
Balance at end of the financial year		1,024,718	394,266	564,857	65,595
2024					
Balance at beginning of the financial year		1,024,718	394,266	564,857	65,595
Surplus/(deficit) for the year		4,622	3,967	-	655
Net asset revaluation increment/(decrement)		18,534	-	18,534	-
Transfers to other reserves		-	(6,859)	-	6,859
Transfers from other reserves		-	5,156	-	(5,156)
Balance at end of the financial year		1,047,874	396,530	583,391	67,953

Statement of Cash Flows

For the four years ending 30 June 2024

	Notes	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2019/20	2020/21	2021/22	2022/23	2023/24
		\$'000	\$'000	\$'000	\$'000	\$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		73,059	76,813	79,263	81,377	83,542
Statutory fees and fines		2,573	2,271	2,316	2,362	2,409
User fees		6,706	7,363	7,556	7,709	7,866
Grants - operating		25,349	25,369	23,903	24,501	25,113
Grants - capital		18,431	5,976	9,463	3,322	3,348
Contributions - monetary		1,362	1,892	1,278	1,287	1,296
Interest received		1,610	1,521	1,535	1,566	1,597
Trust funds and deposits taken		6,000	6,000	6,000	6,000	6,000
Other receipts		4,091	3,934	4,012	4,092	4,174
Net GST refund / payment		1,480	2,531	2,280	2,641	2,734
Employee costs		(48,300)	(50,136)	(51,858)	(53,638)	(55,480)
Materials and services		(41,786)	(47,267)	(45,613)	(46,720)	(48,116)
Trust funds and deposits repaid		(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Other payments		(1,494)	(1,478)	(1,511)	(1,545)	(1,580)
Net cash provided by/(used in) operating activities	4.4.1	43,081	28,789	32,624	26,954	26,903
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(28,402)	(50,739)	(37,958)	(23,816)	(24,139)
Proceeds from sale of property, infrastructure, plant and equipment		628	605	617	629	642
Repayments of loans and advances		320	331	343	354	366
Net cash provided by/ (used in) investing activities	4.4.2	(27,454)	(49,803)	(36,998)	(22,833)	(23,131)
Cash flows from financing activities						
Finance costs		(1,042)	(1,273)	(1,292)	(1,164)	(1,092)
Proceeds from borrowings		-	8,000	-	-	-
Repayment of borrowings		(1,100)	(1,364)	(3,639)	(1,719)	(1,275)
Net cash provided by/(used in) financing activities	4.4.3	(2,142)	5,363	(4,931)	(2,883)	(2,367)
Net increase/(decrease) in cash and cash equivalents		13,485	(15,651)	(9,305)	1,238	1,405
Cash and cash equivalents at the beginning of the financial year		72,393	85,878	70,227	60,922	62,160
Cash and cash equivalents at the end of the financial year		85,878	70,227	60,922	62,160	63,565

Statement of Capital Works

For the four years ending 30 June 2024

	Notes	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2019/20	2020/21	2021/22	2022/23	2023/24
		\$'000	\$'000	\$'000	\$'000	\$'000
Property						
Land		1,190	509	1,500	500	500
Total land		1,190	509	1,500	500	500
Buildings		13,064	24,324	3,500	1,800	1,854
Total buildings		13,064	24,324	3,500	1,800	1,854
Total property		14,254	24,833	5,000	2,300	2,354
Plant and equipment						
Computers and telecommunications		888	354	1,059	1,090	1,123
Fixtures, fittings and furniture		42	45	46	48	50
Library books		493	350	360	371	382
Plant, machinery and equipment		4,533	2,481	3,000	2,600	2,678
Total plant and equipment		5,956	3,230	4,465	4,109	4,233
Infrastructure						
Roads		19,901	13,253	14,800	10,793	11,090
Bridges		444	-	100	12	12
Footpaths and cycle ways		1,203	150	155	160	165
Drainage		4,229	5,981	4,500	3,200	3,500
Recreational, leisure and community facilities		406	1,351	1,500	562	579
Waste management		1,852	650	1,000	1,365	500
Parks, open space and streetscapes		1,802	1,163	5,824	1,100	1,500
Kerb and channel		178	111	114	115	115
Off street car parks		17	17	500	100	100
Total infrastructure		30,032	22,676	28,493	17,407	17,561
Total capital works expenditure 4.5.1		50,242	50,739	37,958	23,816	24,148
Represented by:						
New asset expenditure		16,628	27,588	7,169	2,067	2,027
Asset renewal expenditure		22,272	18,260	17,474	17,909	18,356
Asset expansion expenditure		3,299	212	5,121	1,477	1,448
Asset upgrade expenditure		8,043	4,679	8,194	2,363	2,317
Total capital works expenditure 4.5.1		50,242	50,739	37,958	23,816	24,148
Funding sources represented by:						
Grants		9,697	17,102	9,012	3,164	3,189
Contributions		91	870	1,012	1,016	1,020
Council cash		40,454	24,767	27,934	19,636	19,939
Borrowings		-	8,000	-	-	-
Total capital works expenditure 4.5.1		50,242	50,739	37,958	23,816	24,148

Statement of Human Resources

For the four years ending 30 June 2024

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2019/20	2020/21	2021/22	2022/23	2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	48,786	50,581	52,318	54,114	55,972
Employee costs - capital	1,903	3,316	1,980	2,019	2,059
Total staff expenditure	50,689	53,897	54,298	56,133	58,031
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	522.9	522.9	522.9	522.9	522.9
Total staff numbers	522.9	522.9	522.9	522.9	522.9

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

Department	Comprises			
	Budget	Permanent	Permanent	Casual
	2020/21	Full Time	Part Time	
	\$'000	\$'000	\$'000	\$'000
Asset Services	2,620	2,368	252	-
Executive Services	536	536	-	-
Community Care Services	8,589	3,038	5,495	56
Community Futures	4,366	2,811	1,525	30
Community General Manager	533	477	56	-
Corporate Administration	3,750	3,421	315	14
Corporate General Manager	378	378	-	-
Development General Manager	368	368	-	-
Development Services	4,339	3,215	1,106	18
Financial Services	2,868	2,788	80	-
Information Systems	1,809	1,501	308	-
Leisure and Cultural Services	5,078	3,894	1,180	4
Organisational Development	1,877	1,471	405	1
Parks and Waste Services	6,534	6,120	414	-
Works and Engineering Services	6,936	6,936	-	-
Total permanent staff expenditure	50,581	39,322	11,136	123
Capitalised labour costs	3,316			
Total expenditure	53,897			

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

Department	Budget	Comprises		Casual
	2020/21 FTE	Permanent Full Time	Permanent Part Time	
Asset Services	26.4	24.0	2.4	-
Executive Services	3.0	3.0	-	-
Community Care Services	99.0	35.0	63.3	0.7
Community Futures	38.9	25.0	13.6	0.3
Community General Manager	4.5	4.0	0.5	-
Corporate Administration	31.8	29.0	2.7	0.1
Corporate General Manager	2.0	2.0	-	-
Development General Manager	2.0	2.0	-	-
Development Services	47.2	35.0	12.0	0.2
Financial Services	22.6	22.0	0.6	-
Information Systems	15.7	13.0	2.7	-
Leisure and Cultural Services	52.1	40.0	12.1	-
Organisational Development	12.8	10.0	2.8	-
Parks and Waste Services	71.9	67.3	4.6	-
Works and Engineering Services	62.0	62.0	-	-
Total permanent staff FTE	491.9	373.3	117.3	1.3
Capitalised labour costs	31.0			
Total staff FTE	522.9			

Please note that Council has a total head count of 664 staff members budgeted for the 2020-21 year (655 staff 2019-20). This consists of 406 full time, 214 part time and 44 casual staff members.

Budgeted Operating Income Statement

For the four years ending 30 June 2024

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2019/20	2020/21	2021/22	2022/23	2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Rates and charges	73,123	76,878	79,330	81,445	83,611
Statutory fees and fines	2,573	2,271	2,316	2,362	2,409
User fees	6,499	7,123	7,265	7,410	7,558
Grants - operating	24,142	24,161	22,765	23,334	23,917
Contributions - monetary	484	261	266	271	276
Other income	5,701	5,455	5,547	5,658	5,771
Total income	112,522	116,149	117,489	120,480	123,542
Expenses					
Employee costs	48,786	50,581	52,318	54,114	55,972
Materials and services	38,852	43,760	42,284	43,320	44,618
Bad and doubtful debts	149	133	136	139	142
Depreciation	20,553	18,941	19,415	19,899	20,395
Borrowing costs	1,042	1,273	1,292	1,164	1,092
Other expenses	1,494	1,478	1,511	1,545	1,580
Total expenses	110,876	116,166	116,956	120,181	123,799
Surplus/(deficit) from operations	1,646	(17)	533	299	(257)
Capital funding					
Grants - capital	17,553	5,691	9,012	3,164	3,189
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,820)	(1,843)	(1,880)	(1,918)	(1,956)
Contributions - monetary (capital)	878	1,631	1,012	1,016	1,020
Contributions - non-monetary (capital)	1,839	1,839	1,895	1,932	1,971
Total surplus/(deficit)	20,096	7,301	10,572	4,493	3,967
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods:					
Net asset revaluation increment / (decrement)	18,534	18,534	18,534	18,534	18,534
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	364	1,393	627	641	655
Total comprehensive result	38,994	27,228	29,733	23,667	23,156

4. Notes to the financial statements

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

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

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

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2020-21 the FGRS cap has been set at 2.00%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.00% in line with the rate cap.

This will raise total rates and charges for 2020-21 of \$76,878 million.

The figures in the Rates and charges section are based upon a 100% Residential differential rate, 76% Dryland Farm differential rate, 76% Irrigated Farm differential rate, 120% Business differential rate and a 10% Cultural and Recreation Land differential rate.

In 2020-21 Council is introducing a kerbside Food Organics and Garden Organics (FOGO) services. A FOGO service involves the kerbside collection of food and garden organic material such as food scraps, vegetables, fruit, meat, tea leaves, paper, lawn clippings, small branches, leaves and weeds. Also the Environmental Protection Authority (EPA) levy has significantly increased in 2020-21. This will be funded by an increase in the waste management charge that is included as part each rate payers Council's rates notices.

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

	Forecast	Budget	Change	
	Actual 2019/20 \$'000	2020/21 \$'000	\$'000	%
General rates*	62,100	63,952	1,852	3.0%
Waste management charge	9,741	11,628	1,887	19.4%
Abandonments	(10)	(10)	0	0.0%
Special rates and charges	610	625	15	2.5%
Supplementary rates and rate adjustments	500	500	0	0.0%
Cultural land	17	16	(1)	(5.9%)
Other	165	167	2	1.2%
Total rates and charges	73,123	76,878	3,755	5.1%

*These items are subject to the rate cap established under the FGRS. The change from the previous year reflects an increase in property assessments in the municipality and valuation changes.

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

Type or class of land	2019/20 cents/\$CIV*	2020/21 cents/\$CIV*	Change
Residential differential rate	0.00643030	0.00620605	(3.5%)
Dryland farm differential rate	0.00488703	0.00471660	(3.5%)
Irrigated farm differential rate	0.00488703	0.00471660	(3.5%)
Business differential rate	0.00771636	0.00744726	(3.5%)
Cultural and recreation	0.00064303	0.00062061	(3.5%)
Mildura City Heart special rate*	0.00248870	0.00251790	1.2%

* Mildura City Heart special rate is levied only on those properties in the specified zone and paid directly to Mildura City Heart Inc.

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

Type or class of land	2019/20 \$'000	2020/21 \$'000	Change \$'000	%
Residential differential rate	38,514	39,867	1,353	3.5%
Dryland farm differential rate	4,177	4,175	(2)	(0.0%)
Irrigated farm differential rate	5,642	6,223	581	10.3%
Business differential rate	13,767	13,687	(80)	(0.6%)
Cultural and recreational	17	16	(1)	(5.9%)
Total amount to be raised by general rates	62,117	63,968	1,851	3.0%
Mildura City Heart special rate	610	625	15	2.5%
Total amount to be raised by general rates	62,727	64,593	1,866	3.0%

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

Type or class of land	2019/20 Number	2020/21 Number	Change \$'000	%
Residential differential rate	23,514	23,813	299	1.3%
Dryland farm differential rate	1,545	1,547	2	0.1%
Irrigated farm differential rate	1,796	1,782	(14)	(0.8%)
Business differential rate	2,388	2,408	20	0.8%
Cultural and recreational	89	85	(4)	(4.5%)
Total number of rateable assessments	29,332	29,635	303	1.0%
Mildura City Heart special rate	368	369	1	0.3%

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

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year.

Type or class of land	2019/20 \$'000	2020/21 \$'000	Change \$'000	%
Residential differential rate	5,984,883	6,423,854	438,971	7.3%
Dryland farm differential rate	854,722	885,082	30,360	3.6%
Irrigated farm differential rate	1,153,474	1,319,485	166,011	14.4%
Business differential rate	1,725,648	1,837,820	112,172	6.5%
Cultural and recreational	27,312	26,552	(760)	(2.8%)
Total value of land	9,746,039	10,492,793	746,754	7.7%
Mildura City Heart special rate	245,108	248,223	3,115	1.3%

4.1.1(g) The municipal charge under Section 159 of the Act compared with the previous financial year.

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2019/20	2020/21	\$	%
Municipal	\$ -	\$ -	\$ -	0.0%

4.1.1(h) The estimated total amount to be raised by municipal charges compared with the previous financial year.

Type of Charge	2019/20	2020/21	Change	
	\$'000	\$'000	\$'000	%
Municipal	-	-	-	0.0%

4.1.1(i) The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year.

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2019/20	2020/21	\$	%
Municipal waste	187	229	42	22.2%
Kerbside collection - landfill	120	59	(61)	(50.6%)
Kerbside collection - recycling	59	76	17	28.8%
Kerbside collection - organics	-	71	71	100.0%
Total	366	435	69	18.8%

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

Type of Charge	2019/20	2020/21	Change	
	\$'000	\$'000	\$'000	%
Municipal waste	4,968	6,118	1,150	23.1%
Kerbside collection - landfill	3,215	1,665	(1,550)	(48.2%)
Kerbside collection - recycling	1,558	1,990	432	27.7%
Kerbside collection - organics	-	1,855	1,855	100.0%
Total	9,741	11,628	1,887	19.4%

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

Type of Charge	2019/20	2020/21	Change	
	\$'000	\$'000	\$'000	%
General rates	62,117	63,968	1,851	3.0%
Municipal waste and kerbside collections	9,741	11,628	1,887	19.4%
Rates and charges	71,858	75,596	3,738	5.2%
Special rate	610	625	15	2.5%
Total rates and charges	72,468	76,221	3,753	5.2%

4.1.1(l) Fair Go Rates System compliance.

Mildura Rural City Council is required to comply with the State Government's Fair Go Rates System (FGRS).

The table below details the budget assumptions consistent with the requirements of the FGRS.

	Annual Budget 2019/20 \$'000	Budget 2020/21 \$'000
Total rates	\$60,112	\$63,968
Number of rateable properties*	29,243	29,635
Base average rates	\$2,056	\$2,159
Maximum rate increase (set by the State Government)	2.50%	2.00%
Capped average rate	\$2,107	\$2,202
Maximum general rates and municipal charges revenue	\$61,615	\$65,247
Budgeted general rates and municipal charges revenue	\$61,615	\$63,952
Budgeted supplementary rates	\$500	\$500
Budgeted total rates and municipal charges revenue	\$62,115	\$64,452

* Estimated total rates and number of properties as at 30 June

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

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

- The making of supplementary valuations (2020-21: estimated \$0.50 million and 2019-20: \$0.50 million)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa;
- Changes of use of land such that residential land becomes business land and vice versa.

4.1.1(n) Differential rates

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

- Residential differential rate of 0.620605% (0.00620605 cents in the dollar of CIV) for all rateable residential properties
- Dryland farm differential rate of 0.47166% (0.0047166 cents in the dollar of CIV) for all rateable dryland farming properties
- Irrigated farm differential rate of 0.47166% (0.0047166 cents in the dollar of CIV) for all rateable irrigated farming properties
- Business differential rate of 0.744726% (0.00744726 cents in the dollar of CIV) for all rateable business properties
- Cultural and recreational concessional rate of 0.062061% (0.00062061 cents in the dollar of CIV) for all rateable cultural and recreational properties

Each differential rate will be determined by multiplying the CIV of each rateable land by the relevant percentages indicated above.

Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions. Details of the objectives of each differential rate, the types of classes of land, which are subject to each differential rate and the uses of each differential rate, are set out in Mildura Rural City Council's Rating Strategy 2020-2024 which is available for viewing on the Mildura Rural City Council's website.

4.1.2 Statutory fees and fines

	Forecast	Budget	Change	
	Actual	2020/21		
	2019/20	2020/21	\$'000	%
	\$'000	\$'000	\$'000	%
Permits	460	367	(93)	(20.2%)
Statutory planning fees	735	615	(120)	(16.3%)
Infringements and costs	807	726	(81)	(10.0%)
Land information certificates	113	110	(3)	(2.7%)
Valuations database	241	244	3	1.2%
Other statutory fees and fines	217	209	(8)	(3.7%)
Total statutory fees and fines	2,573	2,271	(302)	(11.7%)

Statutory fees and fines (\$0.30 million decrease)

Statutory fees relate mainly to fees and fines levied in accordance with legislation including animal registrations, and registrations and parking fines per the *Public Health and Wellbeing Act 2008*. Increases in statutory fees are made in accordance with legislative requirements. Fees will be amended in line with any increase should one be determined by the Victorian State Government over the course of the 2020-21 year.

Statutory fees are forecast to decrease by 11.7% or \$0.30 million compared to 2019-20 forecast. The decrease in fees relate to permits, statutory planning fees and infringements due to impact of COVID-19 and required restrictions.

A detailed listing of statutory fees can be obtained from the Fees and Charges Schedule 2020-21 which can be viewed on Mildura Rural City Council's website.

4.1.3 User fees

	Forecast	Budget	Change	
	Actual	2020/21		
	2019/20	2020/21	\$'000	%
	\$'000	\$'000	\$'000	%
Rent/lease fees	732	663	(69)	(9.4%)
Animal control and local laws	517	521	4	0.8%
Child care/children's programs	377	534	157	41.6%
Aged and health services	966	1,076	110	11.4%
Other fees and charges	460	370	(90)	(19.6%)
Contract works	783	830	47	6.0%
Entrance charges	675	617	(58)	(8.6%)
Environmental health services	310	312	2	0.6%
Waste management services	1,526	2,040	514	33.7%
Commission/agency fees	153	160	7	4.6%
Total user fees	6,499	7,123	624	9.6%

User fees (\$0.62 million decrease)

User charges relate to the recovery of service delivery costs through the charging of fees to users of Council's services. These include separate rating schemes, use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home help services. In setting the budget, the key principle for determining the level of user charges is cost recovery and that any increase does not exceed the Local Government Cost Index or market levels.

Overall user charges income is projected to increase from 2019-20. The majority of the increase in user fees and charges has come from Waste Management and Landfill fees, due to a significant increase in the Environmental Protection Authority (EPA) levy.

A detailed listing of user fees can be obtained from the Fees and Charges Schedule 2020-21 which can be viewed on Council's website.

4.1.4 Grants

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

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change	
			\$'000	%
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	34,724	24,500	(10,224)	(29.4%)
State funded grants	6,971	5,352	(1,619)	(23.2%)
Total grants received	41,695	29,852	(11,843)	(28.4%)
Operating Grants				
Recurrent - Commonwealth Government				
Aged care	2,150	2,147	(3)	(0.1%)
Family day care	180	130	(50)	(27.8%)
Federal Assistance Grants	15,625	16,093	468	3.0%
Recurrent - State Government				
Aged care	651	523	(128)	(19.7%)
Arts and culture	190	190	-	0.0%
Environmental health	31	30	(1)	(3.2%)
Community health	986	1,078	92	9.3%
Early years	251	290	39	15.5%
Libraries	401	400	(1)	(0.2%)
Primary care partnerships	407	412	5	1.2%
Road maintenance	127	120	(7)	(5.5%)
School crossing supervisor	173	175	2	1.2%
Social development	75	-	(75)	(100.0%)
Youth services	292	163	(129)	(44.2%)
Total recurrent grants	21,539	21,751	212	1.0%
Non-recurrent - Commonwealth Government				
Airport	-	2,000	2,000	100.0%
Drought relief	500	-	(500)	(100.0%)
Non-recurrent - State Government				
Aged care	67	3	(64)	(95.5%)
Asset management	67	5	(62)	(92.5%)
Community development	465	-	(465)	(100.0%)
Community health	16	16	-	0.0%
Drought relief	670	-	(670)	(100.0%)
Early years	38	5	(33)	(86.8%)
Economic development and tourism	4	-	(4)	(100.0%)
Environment	160	166	6	3.8%
Governance and risk	120	120	-	0.0%
Libraries	2	-	(2)	(100.0%)
Parks and gardens	1	-	(1)	(100.0%)
Social development	491	93	(398)	(81.1%)
Youth services	2	2	-	0.0%
Total non-recurrent grants	2,603	2,410	(193)	(7.4%)
Total operating grants	24,142	24,161	19	0.1%

Operating Grants (\$0.02 million increase)

Operating grants include all monies received from state and federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to increase slightly by 0.1% or \$0.02 million compared to 2019-20.

A list of operating grants by type and source, classified into recurrent and non-recurrent, is included on the previous page.

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change	
			\$'000	%
Capital Grants				
<i>Recurrent - Commonwealth Government</i>				
Roads to Recovery	2,705	4,130	1,425	52.7%
Total recurrent grants	2,705	4,130	1,425	52.7%
<i>Non-recurrent - Commonwealth Government</i>				
Building	13,564	-	(13,564)	(100.0%)
<i>Non-recurrent - State Government</i>				
Buildings	63	1,553	1,490	2,365.1%
Roads	963	-	(963)	(100.0%)
Library books and art works	14	-	(14)	(100.0%)
Parks, open space and streetscapes	24	8	(16)	(66.7%)
Plant and machinery	30	-	(30)	(100.0%)
Waste management	190	-	(190)	(100.0%)
Total non-recurrent grants	14,848	1,561	(13,287)	(89.5%)
Total capital grants	17,553	5,691	(11,862)	(67.6%)
Total grants	41,695	29,852	(11,843)	(28.4%)

Capital Grants (\$11.86 million decrease)

Capital grants include all monies received from state, federal sources for the purposes of funding our capital works program. Overall, the level of capital grants has decreased by 67.6% or \$11.86 million compared to 2019-20. The decrease is due to the majority of funding for Mildura South Regional Sporting Precinct being included in the 2019-20 financial year.

A list of capital grants by type and source, classified into recurrent and non-recurrent, is included above.

4.1.5 Contributions

	Forecast	Budget	Change	
	Actual	2020/21	\$'000	%
	2019/20	2020/21		
	\$'000	\$'000	\$'000	%
Monetary	1,353	1,892	539	39.8%
Non-monetary	1,839	1,839	-	0.0%
Total contributions	3,192	3,731	539	16.9%

Contributions (\$0.54 million increase)

Monetary contributions relate to monies paid by developers in regard to public amenities and recreation, drainage and car parking in accordance with planning permits issued for property development. Non-monetary contributions relate to assets that are handed over to Council, generally by developers, in the construction of residential sub-divisions.

Monetary contributions are projected to increase by \$0.54 million or 16.9% compared to 2019-20.

4.1.6 Other income

	Forecast	Budget	Change	
	Actual	2020/21	\$'000	%
	2019/20	2020/21		
	\$'000	\$'000	\$'000	%
Interest	1,310	1,306	(4)	(0.3%)
Interest on rates	300	215	(85)	(28.3%)
Sales	425	354	(71)	(16.7%)
Other	8	8	-	0.0%
Child care reimbursement	1,610	1,640	30	1.9%
Fuel tax rebate	220	225	5	2.3%
WorkCover costs reimbursements	250	250	-	0.0%
Legal costs recouped	215	215	-	0.0%
Airport reimbursement	10	10	-	0.0%
Cemetery reimbursement	325	95	(230)	(70.8%)
Utilities reimbursement	2	4	2	100.0%
Youth case management reimbursement	584	333	(251)	(43.0%)
Other costs reimbursed	451	800	349	77.4%
Total other income	5,710	5,455	(255)	(4.5%)

Other income (\$0.26 million decrease)

Other income as shown above relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to decrease compared to 2019-20. This relates predominantly to interest on rates, sales income and youth case management reimbursement which are all forecast lower in 2020-21. Cemetery reimbursement will also decrease due to restructure and additional support provided by Council during the 2020-21 financial year.

4.1.7 Employee costs

	Forecast	Budget	Change	
	Actual	2020/21	\$'000	%
	2019/20	2020/21		
	\$'000	\$'000	\$'000	%
Wages and salaries	44,566	46,204	1,638	3.7%
Payroll tax	14	14	-	0.0%
Superannuation	4,006	4,153	147	3.7%
Fringe benefits tax	200	210	10	5.0%
Total employee costs	48,786	50,581	1,795	3.7%

Employee costs (\$1.80 million increase)

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

Employee costs are forecast to increase by 3.7% or \$1.80 million in comparison to 2019-20. Of this, wages and salaries are forecast to increase by \$1.64 million or 3.7%.

From the Statement of Human Resources in Section 3 Council has 492 full time equivalent staff (FTE). In addition Council has 31 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 \$50.74 million capital works program.

4.1.8 Materials and services

	Forecast	Budget	Change	
	Actual	2020/21	\$'000	%
	2019/20	2020/21		
	\$'000	\$'000	\$'000	%
Contract payments	8,886	8,657	(229)	(2.6%)
Consultants	2,367	1,983	(384)	(16.2%)
Environmental protection waste levy	1,725	2,708	983	57.0%
Facilities maintenance	2,365	2,429	64	2.7%
Grants, contributions and donations	3,403	6,533	3,130	92.0%
Utilities	3,811	3,818	7	0.2%
Office administration	1,108	1,054	(54)	(4.9%)
General maintenance	461	451	(10)	(2.2%)
Materials purchased	3,665	3,062	(603)	(16.5%)
Plant and vehicle costs	2,239	2,312	73	3.3%
Information technology	1,586	1,662	76	4.8%
Insurance	1,168	1,260	92	7.9%
Training	1,278	1,236	(42)	(3.3%)
Other materials and contractors	313	427	114	36.4%
Swimming pools	1,363	1,450	87	6.4%
Waste management contracts	3,114	4,718	1,604	51.5%
Total materials and services	38,852	43,760	4,908	12.6%

Material and services (\$4.9 million increase)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to increase by 12.6% or \$4.9 million compared to 2019-20.

Materials and services have increased partly due to the installation of the Instrument Landing System at the Mildura Airport of \$3.00 million. The Instrument Landing System is being funded by Council contribution of \$1.00 million and a Federal grant of \$2.00 million. Mildura Airport will also contribute \$1.00 million to the overall project. Included is \$1.50 million for the community recovery fund, drought relief to combat sand drift, and other measures costing \$1.40 million. Waste management contracts have also increase by \$1.60 million.

4.1.9 Depreciation

	Forecast	Budget	Change	
	Actual	2020/21		
	2019/20	2020/21	\$'000	%
	\$'000	\$'000	\$'000	%
Buildings	2,651	2,563	(88)	(3.3%)
Plant and equipment	3,221	3,209	(12)	(0.4%)
Infrastructure	14,439	12,939	(1,500)	(10.4%)
Total depreciation	20,311	18,711	(1,600)	(7.9%)

Depreciation (\$1.6 million decrease)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. Refer to Section 4.5 for a more detailed analysis of Council's capital works program for the 2020-21 year.

4.1.10 Amortisation - intangible assets

	Forecast	Budget	Change	
	Actual	2020/21		
	2019/20	2020/21	\$'000	%
	\$'000	\$'000	\$'000	%
Intangible assets	242	230	(12)	(5.0%)
Total amortisation - intangible assets	242	230	(12)	(5.0%)

Amortisation (\$0.01 million decrease)

This relates to the amortisation (depreciation) of computer software which is forecast to decrease by \$0.01 million or 5% compared to 2019-20.

4.1.11 Other expenses

	Forecast	Budget	Change	
	Actual	2020/21		
	2019/20	2020/21	\$'000	%
	\$'000	\$'000	\$'000	%
Auditors' remuneration - VAGO - audit of the financial statements and performance statement	60	60	-	0.0%
Auditors' remuneration - internal	139	129	(10)	(7.2%)
Councillors' allowances	338	343	5	1.5%
Refunds	25	20	(5)	(20.0%)
Operating lease rentals	369	383	14	3.8%
Other	563	543	(20)	(3.6%)
Total other expenses	1,494	1,478	(16)	(1.1%)

Other expenses (\$0.02 million decrease)

Other expenses relate to a range of unclassified items, including auditors remuneration, college lease, elected members' vehicle allowance, stock adjustment/write off expense and planning fee refunds. Other expenses are forecast to remain relatively stable with an increase of just 1%.

4.2 Balance Sheet

4.2.1 Assets

Current assets (\$15.54 million decrease) and Non-current assets (\$50.77 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$15.65 million during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short-term debtors are not expected to change significantly in the budget. Non-current trade and other receivables relate to loans to community organisations such as the Mildura Airport Pty Ltd.

Other assets include items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months. Financial assets are short term deposits greater than 90 days but less than 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment and other infrastructure which has been built up by Council over many years. The \$49.72 million increase in this balance is attributable to the \$50.74 million capital works program.

Please refer to Section 3 Balance Sheet for more details.

4.2.2 Liabilities

Current liabilities (\$0.67 million increase) and Non-current liabilities (\$7.34 million increase)

Provisions include accrued long service leave, annual leave and rostered days off (RDOs) owing to employees. These employee entitlements are expected to increase by \$0.43 million in total. These entitlements are being actively managed through Council's employee policies.

4.2.3 Borrowings

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

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000
Amount borrowed as at 30 June of the prior year	19,735	18,635
Amount proposed to be borrowed	-	8,000
Amount projected to be redeemed	(1,100)	(1,364)
Amount of borrowings as at 30 June	18,635	25,271

Borrowings are an important funding source for capital works programs. In the past, Council has borrowed 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. Council's long-term borrowing strategy focuses on reaching a debt position that provides future flexibility to use loan funds, without unduly exposing Council to a high debt burden.

For the 2019-20 year, after making loan repayments of \$1.10 million, total borrowings will be \$18.64 million as at 30 June 2020. Council has forecast to borrow \$8.00 million in 2020-21 to help fund the Mildura South Regional Sporting Precinct. Total borrowings will be \$25.27 million as at 30 June 2021. No further borrowings are forecast over the life of the plan at this stage.

Please refer to Council's Strategic Resource Plan 2020-21 to 2023-24 for further details on Council's borrowing strategies. The Strategic Resource Plan 2020-21 to 2023-24 is available on Council's website.

4.3 Statement of Changes in Equity

4.3.1 Reserves

Council's reserves include both discretionary and statutory reserves. Statutory reserves must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

Discretionary reserves, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution, these funds should be used for those earmarked purposes.

Transfers to reserves

Transfer to reserves includes both statutory and discretionary reserves. Statutory reserves transfers includes money from developer contributions and from lease income received for crown land.

Discretionary reserve transfers includes money set aside for the land reserves which is used for acquiring strategic pieces of land needed for drainage basins. Also the landfill reserve also receives funds needed for the future after care of the site.

Transfers from reserves

Money transferred from Council's reserves is predominantly for funding required for the 2020-21 capital works program. The majority of the funds are coming from Council's landfill reserve, land reserve and developer contributions reserves.

4.3.2 Equity

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

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

Reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the accumulated surplus of the Council to be separately disclosed.

Accumulated surplus is the value of all net assets less reserves that have accumulated over time. The accumulated surplus is the net result of the comprehensive result and net transfers to reserves, which excludes the asset revaluation reserve.

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/used in operating activities

Net cash flows provided by/used in operating activities (\$14.29 million decrease)

The decrease in cash inflows from operating activities is due to decrease in capital grants in 2020-21. The majority of capital grants relating to the construction of the Mildura South Regional Sporting Precinct were budgeted in 2019-20, with related expenditure occurring in 2020-21.

The net cash flows from operating activities does not equal the surplus (deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Statement of Cash Flows.

4.4.2 Net cash flows provided by/used in investing activities

Net cash flows provided by/used in investing activities (\$22.35 million increase)

The increase is due to the construction of the Mildura South Regional Sporting Precinct which has increased Council's 2020-21 capital works program as disclosed in Section 3 and 4.5. This has increased payments for property, infrastructure, plant and equipment. The capital works program is also influenced by such things as the availability of grant funding and local capacity to complete the works.

4.4.3 Net cash flows provided by/used in financing activities

Net cash flows provided by/used in financing activities (\$7.51 million increase)

Council has forecast to borrow \$8.00 million in 2020-21 to supplement the contributions from State and Federal Government to fund construction of the Mildura South Regional Sporting Precinct. Council is also expecting principal repayments of \$1.36 million and finance charges of \$1.27 million.

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2020-21 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change \$'000	%
Property	14,254	24,833	10,579	74.2%
Plant and equipment	5,956	3,230	(2,726)	(45.8%)
Infrastructure	30,032	22,676	(7,356)	(24.5%)
Total	50,242	50,739	497	1.0%

4.5.1 Summary

Property (\$10.58 million increase)

Property overall has increased by 74.2% or \$10.58 million compared to 2019-20. This budget includes construction of the Mildura South Regional Sporting Precinct, upgrade of the Riverfront Powerhouse Theatre, replacement of Lake Cullulleraine caravan park amenities block, upgrade of Lake Cullulleraine multipurpose centre, and upgrade to the aquatic facilities and lighting upgrade of Mildura Library at The Alfred Deakin Centre.

Plant and equipment (\$2.73 million decrease)

Plant and equipment overall has decreased by 45.8% or \$2.73 million compared to 2019-20 due to reduction of hardware replacement, and replacement of Mildura Waves circulation heat pumps and variable speed drive.

Infrastructure (\$7.36 million decrease)

Infrastructure overall has decreased by 24.5% or \$7.36 million compared to 2019-20, due to a reduction in grant funding for major road lighting upgrade, road rehabilitation and reconstruction. Budgeting for the Mildura South Regional Sporting Precinct in 2019-20 was included in the infrastructure category, this is now included in property category for 2020-21 budget. The 2019-20 budget also included a once off purchase of mobile kerbside organics bins as part of the green waste initiative, which is not required in the 2020-21 budget.

	Project Cost \$'000	Asset Expenditure Types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	14,149	10,754	1,748	1,647	-	2,053	640	3,956	8,000
Plant and equipment	3,230	66	2,801	363	-	-	-	3,230	-
Infrastructure	17,698	3,386	12,945	1,367	-	3,638	190	13,370	-
Total	35,077	14,206	17,494	3,377	-	5,691	830	20,556	8,000

4.5.1 New assets (\$14.20 million), Asset renewal (\$17.49 million), Upgrade (\$3.38 million) and Expansion (\$nil)

A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of expansion or upgrade of existing assets, but will result in an additional burden for future operation, maintenance and capital renewal.

The major project included in the above categories, which constitute expenditure on new assets are Mildura South Regional Sporting Precinct. The remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset Expenditure Types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land									
Land acquisition	509	509	-	-	-	-	-	509	-
Buildings									
Art Centre upgrade program	60	-	-	60	-	-	-	60	-
Drought program	575	272	303	-	-	-	-	575	-
Furniture and equipment acquisition	85	-	85	-	-	-	-	85	-
Mildura South Regional Sporting Precinct	9,973	9,973	-	-	-	1,333	640	-	8,000
Riverfront precinct	1,000	-	-	1,000	-	-	-	1,000	-
Solar initiatives	50	-	50	-	-	-	-	50	-
Specific building upgrade program	1,457	-	1,011	446	-	220	-	1,237	-
Swimming pool upgrade program	440	-	299	141	-	-	-	440	-
TOTAL PROPERTY	14,149	10,754	1,748	1,647	-	1,553	640	3,956	8,000
PLANT AND EQUIPMENT									
Computers and telecommunications									
IT hardware and software	354	-	106	248	-	-	-	354	-
Fixtures, fittings and furniture									
Arts centre	45	-	-	45	-	-	-	45	-
Library books									
Art works acquisition and conservation	70	-	-	70	-	-	-	70	-
Library book acquisition	280	-	280	-	-	-	-	280	-
Plant, machinery and equipment									
Fleet replacement	2,400	-	2,400	-	-	-	-	2,400	-
Minor	15	-	15	-	-	-	-	15	-
Waste management	66	66	-	-	-	-	-	66	-
TOTAL PLANT AND EQUIPMENT	3,230	66	2,801	363	-	-	-	3,230	-

Capital Works Area	Project Cost \$'000	Asset Expenditure Types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE									
Roads									
Asphalt	788	-	788	-	-	-	-	788	-
Bus shelter	170	150	20	-	-	130	-	40	-
Design	50	-	50	-	-	-	-	50	-
Environmental management initiatives	450	-	450	-	-	-	-	450	-
Gravel resheeting	1,100	-	1,100	-	-	-	-	1,100	-
Intersection improvements	95	-	95	-	-	-	-	95	-
Mildura South Regional Sporting Precinct	650	650	-	-	-	-	-	650	-
Resealing	1,800	-	1,800	-	-	-	-	1,800	-
Road rehabilitation and reconstruction	90	12	68	10	-	-	-	90	-
Road to Recovery resealing	2,000	-	2,000	-	-	2,000	-	-	-
Road to Recovery resheeting	2,000	-	2,000	-	-	2,000	-	-	-
Sand-drift	1,000	-	1,000	-	-	-	-	1,000	-
Stabilisation program	250	-	250	-	-	-	-	250	-
Shoulder rehabilitation	1,200	-	1,200	-	-	-	-	1,200	-
Footpaths and cycle ways									
Footpath	150	-	150	-	-	-	-	150	-
Drainage									
Asset condition inspection	350	-	350	-	-	-	-	350	-
Mildura South Regional Sporting Precinct	2,380	2,380	-	-	-	-	-	2,380	-
Stormwater extension	35	-	35	-	-	-	-	35	-
Stormwater replacement and modifications	48	-	48	-	-	-	-	48	-
Recreational, leisure and community facilities									
Drought projects	300	-	300	-	-	-	-	300	-
Recreation facilities program	30	-	-	30	-	-	-	30	-
Sporting reserves master plan upgrade program	1,021	-	255	766	-	-	190	831	-

Capital Works Area	Project Cost \$'000	Asset Expenditure Types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Waste management									
Waste management	650	-	100	550	-	-	-	650	-
Parks, open space and streetscapes									
Drought program	195	19	176	-	-	-	-	195	-
Furniture and equipment acquisition	130	-	130	-	-	-	-	130	-
Parks irrigation	86	-	75	11	-	8	-	78	-
Playground equipment replacement	552	158	394	-	-	-	-	552	-
Kerb and channel									
Kerb and channel	111	-	111	-	-	-	-	111	-
Off street car parks									
Car parking development	17	17	-	-	-	-	-	17	-
TOTAL INFRASTRUCTURE	17,698	3,386	12,945	1,367	-	4,138	190	13,370	-
TOTAL CAPITAL WORKS	35,077	14,206	17,494	3,377	-	5,691	830	20,556	8,000

4.5.2 Current Budget

Property (\$14.15 million)

The property class comprises buildings and building improvements including community facilities, municipal offices, sports facilities, pavilions and swimming pools.

For 2020-21, \$14.15 million will be expended on building and building improvement projects. The more significant projects include:

- Mildura South Regional Sporting Precinct construction
- Riverfront Powerhouse Theatre upgrade
- Lake Cullulleraine caravan park amenities block replacement
- Lake Cullulleraine multipurpose centre upgrade
- Aquatic facilities upgrade
- Lighting upgrade of Mildura Library at The Alfred Deakin Centre

Plant and equipment (\$3.23 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications, Mildura Arts Centre gallery and theatre equipment upgrade and library books.

For the 2020-21 year, \$3.23 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$2.40 million), replacement of information technology, purchase of Geographic Information System, library material purchases and hook lift bins for landfills.

Infrastructure (\$17.70 million)

Infrastructure includes roads, footpaths and cycle ways, drainage, recreation, leisure and community facilities, waste management, parks, open space and streetscapes, kerb and channel and off street car parks .

For the 2020-21 year, expenditure on road projects will be \$11.64 million. The more significant projects include Federally funded Roads to Recovery projects (\$4.00 million), resealing, gravel resheeting, road rehabilitation and reconstruction program, intersection improvements, asphalt works, shoulder rehabilitation, sand drift works, major road lighting upgrades, stabilisation program and bus shelter upgrade.

Expenditure on footpaths and cycle ways projects will be \$0.15 million. The projects include renewal and upgrade to existing footpaths, including new and missing link footpaths throughout the municipality.

Expenditure on drainage projects will be \$2.81 million. This includes a Stormwater inspection and assessments of multiple zones and Mildura South Regional Sporting Precinct drainage works.

Expenditure on Recreational, leisure and community facilities projects will be \$1.35 million. The projects include installation of competition standard lighting at Old Aerodrome Sporting Complex oval no. 2, renewal of netball court and installation of lighting at Nangiloc Recreation Reserve, construction of additional netball court at Lake Cullulleraine and upgrade of cricket net at Quandong Park.

Expenditure on waste management projects will be \$0.65 million. These projects include Mildura Landfill capping design, Mildura Landfill weighbridge design and rural transfer station design.

Expenditure on parks, open space and streetscape projects will be \$0.96 million. The more significant projects include Nowingi Precinct playground upgrade, upgrade Lake Cullulleraine foreshore amenities, replacement Quandong Park West playground, replacement Mansell Reserve playground, replacement of Jaycee Park infants playground and renewal of closed circuit television.

Expenditure on kerb and channel projects will be \$0.11 million.

4.5.3 Works carried forward from the 2019-20 year

Capital Works Area	Project Cost \$'000	Asset Expenditure Types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Mildura South Regional Sporting Precinct Specific Building	10,265	10,265	-	-	-	10,265	-	-	-
Sporting reserves master plan upgrade program	95	-	23	-	72	-	-	95	-
	324	-	-	184	140	-	40	284	-
TOTAL PROPERTY	10,684	10,265	23	184	212	10,265	40	379	-
INFRASTRUCTURE									
Roads									
Road rehabilitation and reconstruction	784	-	590	194	-	-	-	784	-
Road safety	300	-	-	300	-	-	-	300	-
Road upgrade and widening	346	-	-	346	-	-	-	346	-
Waste management	180	-	126	54	-	-	-	180	-
Drainage									
Mildura South Regional Sporting Precinct Stormwater extension program	1,735	1,735	-	-	-	1,146	-	589	-
	1,433	1,380	-	53	-	-	-	1,433	-
Parks, open space and streetscapes									
Riverfront precinct	200	-	30	170	-	-	-	200	-
TOTAL INFRASTRUCTURE	4,978	3,115	746	1,117	-	1,146	-	3,832	-
TOTAL CARRIED FORWARD CAPITAL WORKS 2019-20	15,662	13,380	769	1,301	212	11,411	40	4,211	-

4.5.3 Works carried forward from the 2019-20 year (\$15.66 million)

At the end of each financial year, there are projects which are either incomplete or not commenced due to factors including planning issues, extended consultation and weather delays. It should be noted that 30 June is a point in time and projects may be multi-year projects. For example, a grant with income recognised when money is received, but the works may not be completed until the following year, resulting in funds being carried forward between financial years. There may also be situations where a project is physically completed by June 30, but not all invoices have been received resulting in the project not being financially complete by June 30, also requiring funds to be carried into the next financial year.

For the 2019-20 year, it is forecast that \$15.66 million of capital works will be incomplete and be carried forward into the 2020-21 year. The more significant projects include:

- Construction of Mildura South Regional Sporting Precinct
- Construction of Ontario Avenue and Sixteenth Street drainage spur line stage 1
- Etiwanda Avenue and Fifteenth Street drainage spur line stage 3
- Roadside drainage improvements of Second Street Merbein
- Reconstruction of Meridian Road stage 2
- Reconstruction of Eighth Street between Walnut Avenue and the Railway Line
- Reconstruction from 435 San Mateo Avenue to De Garis Drive
- Road and intersection upgrade at the Mildura Landfill
- River bank erosion mitigation at Mildura Boat Ramp and mouth of Marina Bay
- Upgrade of the Old Aerodrome Sporting Complex Pavilion
- Extension of the Old Aerodrome Soccer Sporting Pavilion.

5. 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
			2018/19	2019/20	2020/21	2021/22	2022/23	2022/24	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / adjusted underlying revenue	1	6.61%	2.20%	1.89%	2.49%	0.45%	(0.04%)	-
Liquidity									
Working capital	Current assets / current liabilities	2	507.85%	576.41%	466.84%	359.86%	395.13%	402.86%	+
Unrestricted cash	Unrestricted cash / current liabilities	3	392.97%	362.40%	347.12%	254.15%	277.58%	283.41%	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	28.34%	25.70%	33.13%	27.48%	24.63%	22.46%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		2.62%	2.95%	3.46%	6.26%	3.57%	2.85%	-
Indebtedness	Non-current liabilities / own source revenue		51.98%	51.92%	57.75%	50.88%	50.88%	49.85%	-
Asset renewal	Asset renewal expenses / asset depreciation	5	73.92%	109.65%	97.59%	91.11%	91.11%	91.11%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	60.42%	62.93%	63.41%	65.70%	66.57%	66.69%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.76%	0.74%	0.73%	0.74%	0.76%	0.77%	o
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		\$3,667.96	\$3,842.08	\$3,982.08	\$3,970.29	\$4,038.91	\$4,118.66	+
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,914.97	\$2,003.98	\$2,067.71	\$2,112.46	\$2,158.18	\$2,204.83	+
Workforce turnover	No. of permanent staff resignations and terminations / average no. of permanent staff for the financial year		22.86%	8.28%	8.15%	8.15%	8.15%	8.15%	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 2020-21 year shows a deficit of \$0.02 million. Victorian Councils rates have been capped at the average Victorian CPI of 2.00% for the 2020-21 year.

2. Working capital

The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in 2020-21 year due to completion of Council's 2020-21 Capital Works Program including completion of Mildura South Regional Sporting Precinct. It will further decrease in 2021-22 and then remain steady in further years at an acceptable level.

3. Unrestricted cash

Unrestricted cash represent Council's cash free of external restrictions.

4. Debt compared to rates

The proportion of debt to rates will increase in 2020-21 due to new borrowings of \$8.00 million. From 2021-22 onwards Council will continue our normal trend of 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.