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to live

# STRATEGIC RESOURCE PLAN

## For the four years ended 2015-2019

Monday 4 May 2015

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This Strategic Resource Plan has been developed to be in accordance with the Local Government Best Practice Guide issued by Department of Transport, Planning and Local Government Infrastructure on preparing a 4 year Strategic Resource Plan in accordance with the legislation.

## Executive summary

In its 2013-2017 Council Plan, the Darebin Council's vision is: *Darebin, the place to live* and mission: *Working with our diverse community to build a sustainable and liveable city.*

A key part of this vision and mission is the notion of fairness and equity in the decisions that Council makes. This is particularly relevant to the way in which Council raises income and allocates expenditure to fund the many services it delivers and infrastructure that it maintains and upgrades. The principles of fairness and equity guide the actions of Council and are reflected in the goals set out in the Council Plan. These principles underpin the development of this Strategic Resource Plan.

The Strategic Resource Plan (SRP) includes details of both the financial and non-financial resources required to achieve the strategic objectives included in the Council Plan. The SRP is part of Council's ongoing financial planning to assist in adopting each annual budget within a longer term framework.

The SRP supports Council achieving its goals within a framework of financial sustainability. Financial sustainability in the longer term means that planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

The key objectives set out in this SRP are:

Service levels	We will maintain the scope and standard of ongoing services provided to the Darebin community and be flexible to address changing community needs with innovative services and facilities.
Capital works asset renewal	We will focus on renewing community assets such as roads, footpaths, open space and buildings to ensure they are maintained at an appropriate standard to meet required service levels.
Operating performance	We will ensure that Council generates sufficient ongoing income to fund its services and capital works commitments over the longer term.
Cash and liquidity	We will ensure Council holds sufficient cash and other assets in order to meet payment obligations to suppliers and employees.

The objectives are each measured with specific financial indicators.

This SRP provides information on the key assumptions made in projecting Council's financial position over the next four years. It also sets out key Council strategies in relation to the rating structure, rating levels and borrowings.

The SRP has been developed through a rigorous process and is based on a range of key operating and balance sheet assumptions. Any significant adverse change in the key assumptions could result in the non-achievement of some or all of the financial objectives and accordingly the financial outcomes must be considered in light of these assumptions.

Based on the assumptions and modeling that has been performed, each of the objectives set out in the SRP are achieved. The SRP will be reviewed and updated each year to ensure it remains reflective of current circumstances and continues to support Council achieving its broader goals.

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# 1. Background

## 1.1 Legislative and policy framework

The Local Government Act 1989 (the Act), section 126 requires Council to prepare a Strategic Resource Plan (SRP) and include this in the Council Plan

Specifically, the S126 of the Act requires that:

- the Strategic Resource Plan is a plan of the resources required to achieve the Council Plan strategic objectives
- the Strategic Resource Plan must include the financial statements describing the financial resources in respect of at least the next four financial years
- the Strategic Resource Plan must include statements describing the non-financial resources including human resources in respect of at least the next four financial years
- the Strategic Resource Plan must take into account services and initiatives contained in any plan adopted by council and if the council proposes to adopt a plan to provide services or take initiatives, the resources required must be consistent with the Strategic Resource Plan
- council must review their Strategic Resource Plan during the preparation of the Council Plan
- council must adopt the Strategic Resource Plan not later than 30 June each year and a copy must be available for public inspection at the council office and internet website.

In preparing the Strategic Resource Plan, Council should comply with the principles of sound financial management as prescribed in the Act: being to:

- prudently manage financial risks relating to debt, assets and liabilities
- provide reasonable stability in the level of rate burden
- consider the financial effects of council decisions on future generations
- provide full, accurate and timely disclosure of financial information.

## Darebin's Strategic Resource Plan

The SRP forms part of Darebin's Council Plan and contains key objectives, strategies and financial statements for the next four year period.

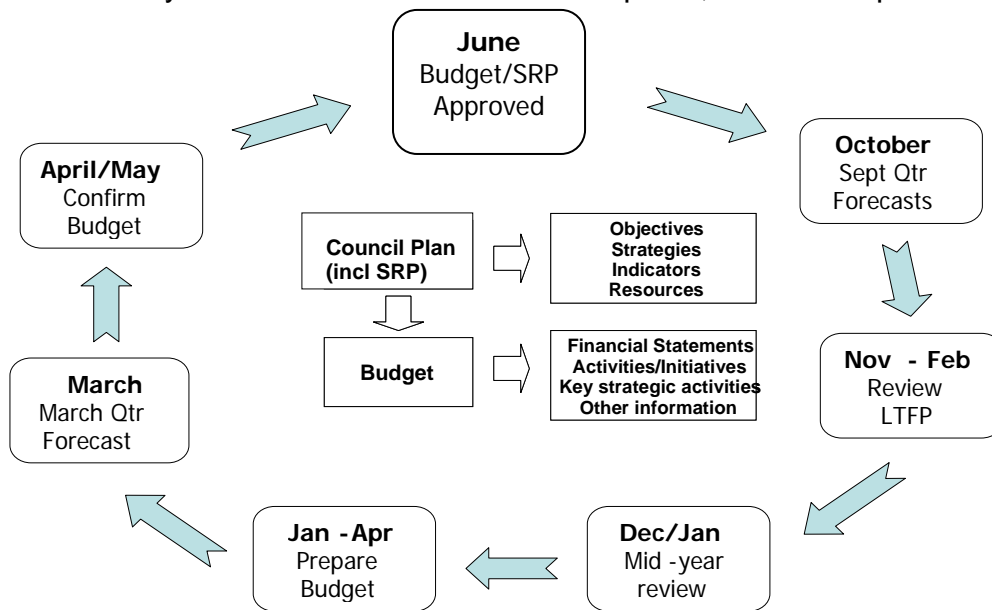
In its 2013-2017 Council Plan, the Darebin Council's vision is: *Darebin, the place to live* and mission: *Working with our diverse community to build a sustainable and liveable city.*

A key part of this vision and mission is the notion of fairness and equity in the decisions that Council makes. This is particularly relevant to the way in which Council raises income and allocates expenditure to fund the many services it delivers and infrastructure that it maintains and upgrades. The SRP has been prepared within this context.

With the current Darebin Council elected until October 2016, the last years of this SRP runs beyond the Council term. Existing Council strategies have been applied in developing this SRP, although the future strategic objectives and associated financial resources will ultimately be the decision of the new Darebin Council.

## 1.2 Relationship to Council’s financial framework

Council has a clearly-defined financial framework in place, which is depicted below.



The Council Plan and SRP provide the longer term framework within which the annual budget and annual service plans are developed. Actual financial performance against the budget is reviewed in detail and reported at different points in the annual cycle.

## 2. Objectives

- The SRP supports Council achieving its goals within a framework of financial sustainability. Financial sustainability in the longer term means that planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

The key objectives set out in this SRP and the measures used to reflect these objectives are:

Objective	Measure
<p><u>Service levels</u></p> <p>We will maintain the scope and standard of ongoing services provided to the Darebin community and be flexible to address changing community needs with innovative services and facilities.</p>	<p>Allowance for continuity of services included within the annual budgets throughout the plan period.</p>
<p><u>Asset renewal</u></p> <p>We will continue to focus on renewing community assets such as roads, footpaths, open space and buildings to ensure they are maintained at an appropriate standard to meet required</p>	<p>Increase in the amount of capital expenditure allocated to asset renewal projects in Council’s capital works program, expressed as a percentage of the amount required to maintain the</p>

service levels.	assets, as measured by depreciation.
<u>Operating performance</u> We will ensure that Council generates sufficient ongoing income to fund its services and capital works commitments over the longer term.	Achieve an underlying operating surplus throughout the term of the SRP. The underlying surplus is measured after adjusting for capital grants that are not necessarily ongoing funding sources and timing differences on grants for provision of services.
<u>Cash and liquidity</u> We will ensure Council holds sufficient cash and other assets in order to meet payment obligations to suppliers and employees.	Achieve a working capital ratio of at least 1.1 : 1 throughout the plan.

### 3. Development of plan

The objectives and strategies set out in the SRP support the achievement of Council's broader goals.

The financial projections set out in this SRP have been developed through a rigorous process and are based on the following key information:

- Audited financial statements as at 30 June 2014
- 2015/16 Annual Budget and updated forecasts for 2014/15 prepared during March 2015.
- Assumptions provided by Council service unit managers about specific changes in future income and expenditure which are expected in order to continue providing the current service levels. These assumptions are reviewed in discussion with the Finance department and Directors.
- Assumptions provided by the Finance department regarding key economic indicators and estimates, and future changes in assets, liabilities and equity.
- Detailed review and input provided by the Executive Management Team and Councillors.

The financial projections have been developed using a model that produces the forecast financial statements for the next four years based on the assumptions that have been applied. The modeling is prepared at a detailed level for each operating program delivered by Council. The parameters applied in the model are presented in section 5.1.

Council has forecast rate increases in line with its previously publicised and adopted Council Plan; the forecast rate increase is 5% for the coming years. This quantum of increase has been used to model the resources required by Council to deliver its services to the community, and to provide the infrastructure so vital to our City. This approach has been taken in full understanding that it is the intention of the State Government to limit Council's capacity to raise revenues in future years by reference to CPI

However, Council is awaiting the outcomes of the Minister's report (to be undertaken by the Essential Services Commission (ESC)) on the application, and scope, of such a

limitation on revenue raising. The ESC's report will include an assessment on the impacts on local government services and infrastructure stemming from the Minister's proposal.

Consequently, and in the absence of specific details on the Minister's final proposal, Council is not in an informed position to undertake the essential discussions with our community on how the Council's adopted Council Plan, the related services and infrastructure developments, may best be revised in light of the Minister's final directions related to rate capping. The communities in the City of Darebin have a number of diverse, social and economic challenges. These factors may enable Council to receive exemptions from rate capping in order to continue to achieve the vision for Darebin to be *"The Place to Live"*.

#### 4. Assessment of Council's current financial position

The following table summarises the key financial results forecast for 2014/15 and the next four years as set out in the SRP for years 2015/16 to 2018/19. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

	Strategic Resource Plan					Trend +/-
	Forecast	Budget	Projections			
	2014/15	2015/16	2016/17	2017/18	2018/19	
	\$000s	\$000s	\$000s	\$000s	\$000s	
Surplus (deficit) for the year	9,482	7,458	7,521	7,605	7,572	o
Adjusted underlying result	1,029	705	753	806	741	o
Cash and investments	37,667	39,596	41,554	43,325	44,677	+
Cash flow from operations	26,977	28,270	29,442	31,470	32,131	+
Working Capital ratio	1.57	1.66	1.72	1.77	1.80	+
Capital works expenditure	39,327	33,881	34,919	37,258	38,716	+

\* Includes carry forward projects and major maintenance

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

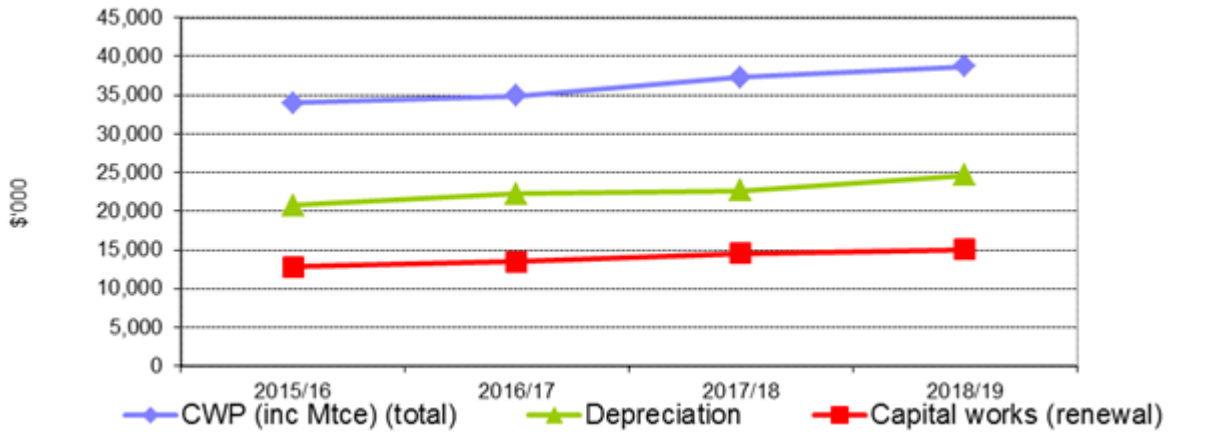
The key outcomes against each of the four objectives are set out below.

##### 4.1 Service levels

Funding for the maintenance of service levels throughout the four-year period has been included in the Strategic Resource Plan (SRP). Annual service plans are prepared for each Council service area which set out the activities and initiatives that will be undertaken each year in support of the goals outlined in the Council Plan.

##### Asset renewal

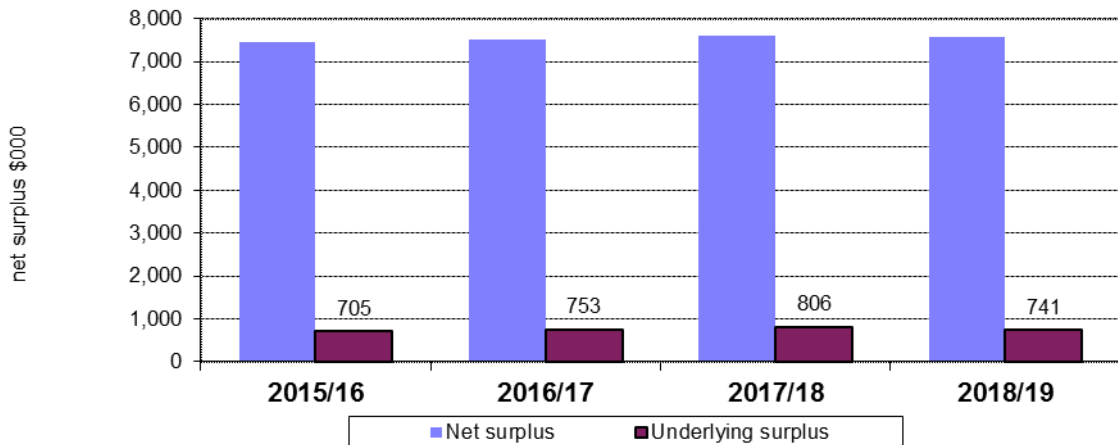
The capital works program over the four year period totals \$144.77 million at an average of \$36.22 million per annum.



The above graph indicates that total funding available for capital works exceeds depreciation in each of the four years. Capital works in the 2014/15 year was inflated due to the impact of projects not completed and carried forward from 2013/14. However, a negative monetary difference between depreciation and renewal expenditure is an indication that there is an increasing gap between renewal investment and assets requiring renewal. This indication is predicated on the asset's life declining at rate that is the same as the straight line depreciation values reported in the financial statements. In reality, the renewal gap can only be reliably estimated when asset condition assessments and the quality of maintenance is also considered. The underlying renewal expenditure compared with depreciation is expected to remain slightly below 60% in the forecast periods. This indicative renewal gap is being addressed in future strategies including the use of asset management plans to identify an improved measure of required renewal spending to replace the relatively simple measure of depreciation.



**Operating performance**

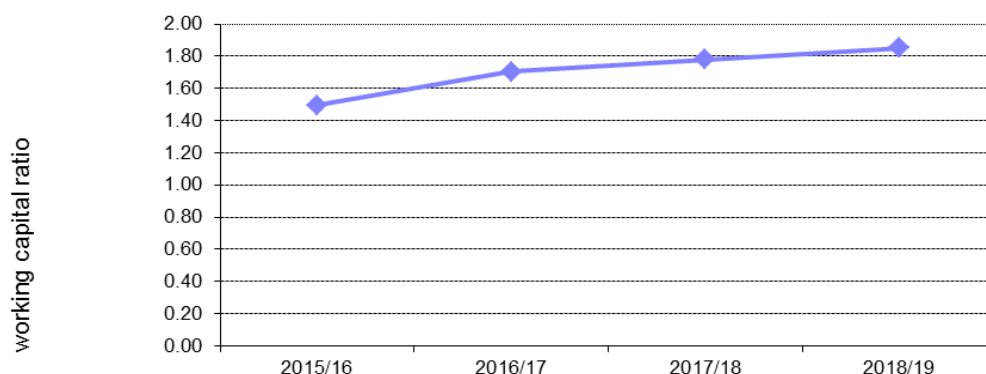


The SRP forecasts that Council will achieve an underlying operating surplus of \$0.705 million in 2015/16 and then remaining generally constant over the 4 year period. The underlying surplus is calculated by excluding the impact of capital grants and contributions and timing differences, such as operating grants, from the net operating surplus.

The underlying result is intended to enable Council to provide for potential Defined Benefits superannuation funding calls and to supplement Council's cash reserves after the payment in 2012/13 of \$13.66 million for the most recent superannuation funding call.



## Cash and liquidity



Cash and investments are forecast to increase from \$39.6 million to \$45.0 million over the four year period. The increase reflects the need for Council to maintain appropriate working capital levels and includes growth to match against increasing liabilities including employee leave provisions and potential superannuation funding calls.

The working capital ratio reflects the difference between the current assets and current liabilities on Council's balance sheet, expressed as a ratio and indicates Council's ability to pay its debts when they come due. Council's working capital ratio is forecast to be 166 as at 30 June 2015 and increasing to 180 at 30 June 2019.

### Summary of financial outcomes

Based on the assumptions and strategies adopted, each of the financial objectives which underpin the SRP have been achieved over the four year period. However, it must be noted that any significant adverse change in the key assumptions, could result in the non-achievement of some or all of the financial objectives and accordingly the financial outcomes must be considered in light of these assumptions. The SRP will be reviewed and updated each year.

### 4.2 Key financial indicators

The following table summarises Council's current and project performance across a range of key financial indicators.

Indicator	Measure	Forecast 2014/15	Budget 2015/16	Strategic Resource Plan			Trend +/-
				2016/17	2017/18	2018/19	
<b>Operating position</b>							
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	0.7%	0.5%	0.5%	0.5%	0.4%	o
<b>Liquidity</b>							
Working Capital	Current assets / current liabilities	156.6%	165.9%	171.6%	176.7%	180.4%	+
Unrestricted cash	Unrestricted cash / current liabilities	67.3%	53.5%	66.0%	69.3%	71.2%	+
<b>Obligations</b>							
Loans and borrowings	Interest bearing loans and borrowings / rate	0.2%	0.0%	0.0%	0.0%	0.0%	+

	revenue						
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	0.1%	0.0%	0.0%	0.0%	0.0%	+
Indebtedness	Non-current liabilities / own source revenue	1.1%	1.0%	0.9%	0.9%	0.9%	+
Asset renewal	Asset renewal expenditure / depreciation	65.6%	60.5%	62.9%	62.5%	62.9%	+
<b>Stability</b>							
Rates concentration	Rate revenue / adjusted underlying revenue	71.7%	73.3%	73.3%	74.4%	74.8%	+
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.3%	0.3%	0.3%	0.3%	0.3%	o
<b>Efficiency</b>							
Expenditure level	Operating expenditure / no. of property assessments	\$2,232	\$2,398	\$2,472	\$2,570	\$2,667	+
Revenue level	Residential rate revenue / No. of residential property assessments	\$1,384	\$1,355	\$1,358	\$1,362	\$1,365	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	12.0%	10.6%	10.6%	10.5%	10.5%	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. Improvement in financial performance expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

**2 Working Capital** – The proportion of current liabilities represented by current assets. Working capital is forecast to remain steady, slightly rising over time, to provide a buffer should there be a further call to contribute addition funds to a superannuation deficit.

**3 Debt compared to rates** – Council is virtually debt free and plans to remain so over the period of the Strategic Resource Plan.

**4 Asset renewal** - This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 may indicate Council is maintaining its existing

assets, while a percentage less than 100 may indicate its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

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

### 4.3 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. A summary of Council's anticipated human resources requirements for the 2015/16 year is shown below and further detail is included in section 4.3.1 Statement of Human in Appendix A.

	Forecast 2014/15	Budget 2015/16	Strategic Resource Plan Projections		
			2016/17	2017/18	2018/19
<b>Staff Expenditure</b>					
Employee Costs - Operating (\$'000)	74,000	78,549	81,487	84,791	88,191
Employee Costs - Capital	0	0	0	0	0
Total	74,000	78,549	81,487	84,791	88,191
<b>Staff numbers</b>					
Employee (EFT)*	657.0	661.8	663.8	665.8	667.8

\* Excludes casual and home care staff

## 5. Key assumptions

### 5.1 General operating assumptions

The revenue and expenditure assumptions underlying the SRP include a range of assumptions both of a general and specific nature. The general operating assumptions affecting all revenue and expenditure are set out in the following table.

	2015/16	2016/17	2017/18	2018/19
	%	%	%	%
Consumer price index	<b>2.50</b>	2.50	2.50	2.50
Wages growth	<b>4.25</b>	4.00	4.00	4.00
Superannuation Guarantee	<b>9.50</b>	9.50	9.50	9.50
Rates growth	<b>5.00</b>	5.00	5.00	5.00
Government funding	<b>2.00</b>	2.00	2.00	2.00
Statutory fees	<b>2.00</b>	2.00	2.00	2.00
Building Price Index	<b>5.00</b>	5.00	5.00	5.00
Investment return	<b>3.40</b>	4.00	5.00	5.00

## 6. Key strategies

### 6.1 Rating strategy

The Act provides for Councils to raise income through levying rates on land and property owners. There is currently no other broad-based way for Councils to raise revenue, and rates effectively represents the balance of funds remaining to fund Council's expenditure after income from grants, user fees and other revenues have been considered. Rates and charges comprise approximately 71% of Council's total revenue and this proportion is expected to increase slightly in future years.

The 2014/2015 Rating strategy details the method by which council systematically considers factors of importance that informs its decisions about the rating system. The rating system determines how Council will raise money from properties within the municipality. It does not influence the total amount of money to be raised, only the share of revenue contributed by each property.

### Rating levels

The following table sets out future proposed increases in rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2015

Year	General Rate Increase %
2014/15	5.00
2015/16	5.00
2016/17	5.00
2017/18	5.00
2018/19	5.00

For planning purposes, rate increases of 5% have been included in the future years of the SRP, however it is noted that these figures are indicative only and may change in the future to reflect changes in circumstances or assumptions that cannot currently be predicted.

Council has forecast rate increases in line with its previously publicised and adopted Council Plan; the forecast rate increase is 5% for the coming years. This quantum of increase has been used to model the resources required by Council to deliver its services to the community, and to provide the infrastructure so vital to our City. This approach has been taken in full understanding that it is the intention of the State Government to limit Council's capacity to raise revenues in future years by reference to CPI.

However, Council is awaiting the outcomes of the Minister's report (to be undertaken by the Essential Services Commission (ESC)) on the application, and scope, of such a limitation on revenue raising. The ESC's report will include an assessment on the impacts on local government services and infrastructure stemming from the Minister's proposal.

Consequently, and in the absence of specific details on the Minister's final proposal, Council is not in an informed position to undertake the essential discussions with our community on how the Council's adopted Council Plan, the related services and infrastructure developments, may best be revised in light of the Minister's final directions related to rate capping. The communities in the City of Darebin have a number of diverse, social and economic challenges. These factors may enable Council to receive exemptions from rate capping in order to continue to achieve the vision for Darebin to be *"The Place to Live"*.

### Rating structure

Three methods of valuing land are allowed under the Act – site value, net annual value and capital improved value. Darebin use capital improved value for rating valuation purposes, along with the majority of other Victorian Councils.

A number of rating options are available for Councils to use which gives some flexibility in how the total amount of rates is allocated. These methods are listed below, together with details of Council's current rating structure:

Rating option	Description	Darebin structure for 2015/16
General rate	A general rate is applied to all properties and can be set as either a uniform rate or a number of differential rates.	Darebin applies the differential rates listed below.
Uniform rate	A uniform rate is a single rate in the dollar that is applied to the value of all properties in the municipality.	Darebin does not apply a uniform rate.
Differential rates	Differential rates are different rates in the dollar that are applied to different classes of properties and are permitted if the	The following differential rates are included for 2015/16:

	<p>Council uses Capital Improved Value as the rating valuation base.</p> <p>The Act allows the use of differential rates if the Council considers that this will contribute to the equitable and efficient carrying out of its functions.</p>	<ul style="list-style-type: none"> <li>• Residential</li> <li>• Business (set at 1.75 times the residential rate)</li> <li>• Recreational (set at 50% of the business rate)</li> <li>• Residential vacant land (set at 3 times the residential rate)</li> <li>• Business vacant land (set at 4 times the residential rate)</li> <li>• Vacant retail land (set at 4 times the residential rate)</li> <li>• Mixed usage occupancy (set at 1.40 times the residential rate)</li> </ul>
<p>Municipal charge</p>	<p>A municipal charge to cover some of the administrative costs of the Council. This is a flat-rate charge applied to all properties.</p>	<p>Darebin does not levy a municipal charge.</p>
<p>Service rates and charges</p>	<p>Service rates or annual service charges (or a combination of both) can be levied for provision of a water supply, collection and disposal or waste, and sewerage services.</p>	<p>Darebin levies a service charge for residents who elect to use the optional green waste service, with a discount for pensioners.</p> <p>Darebin does not levy an environmental charge.</p>
<p>Rebates and concessions</p>	<p>The Act allows Councils to grant a rebate or concession in relation to any rate or charge to assist the proper development of all or part of the municipal district, preserve buildings or places that are of historical or environmental interest, or to restore or maintain buildings or places of historical, environmental, architectural or scientific importance.</p>	<p>A rate rebate for pensioners of \$130 is provided in the 2015/16 rating year to each owner of rateable land who is an "eligible recipient" within the meaning of the State Concessions Act 2004.</p>

Further information on these rates is included in Appendix B and the *2014/2015 Rating Strategy* (available on Darebin's website)

## 6.2 Borrowing strategy

Council has a relatively low level of external borrowings with \$0.136 million outstanding at 30 June 2015. This equates to 0.1% of total rate revenue, and compares with an average borrowing rate of 26.8% of rates for metropolitan Councils in Victoria (2013/14).

In 2015/16 there will be no new borrowings. External borrowings will continue to be low with \$0.036 million outstanding at 30 June 2016.

Council has determined that borrowings will be considered as a means of funding strategic infrastructure initiatives with reference to criteria including funding of projects which are:

- iconic in nature
- of a size that could not otherwise be funded through the annual capital works program
- based on a sound business case including consideration of the following factors:
  - the purposes for which the borrowings are being sought including the level of demonstrated community need for the project and the expected life of the infrastructure
  - reasons why the project cannot be funded through normal operational income
  - a clear statement of how the repayments will be funded and the impact on funding otherwise available for recurrent services or capital works
  - any financial return to Council which can be used to meet the loan repayments

Borrowings may also be required in the future as a means of securing a fixed rate of payment for other liabilities Council may face, for example, should there be a future requirement to contribute additional amounts to the local government defined benefit superannuation fund.

Any future borrowings will be considered carefully in accordance with sound financial management principles and the ability of Council to meet the relevant prudential requirements for borrowing set out by State Government. The relevant State Government prudential requirements for borrowing are set out below, together with Council's 2014/2015 budgeted position at 30 June 2016 and internal limits that Council applies to its own borrowing considerations:

<b>Prudential ratio</b>	<b>Calculation</b>	<b>Rationale</b>	<b>State Govt Limit</b>	<b>Darebin –2015 Budget</b>	<b>Darebin – internal limits</b>
Liquidity (working capital)	Current Assets : Current Liabilities	Reflects ability to repay current commitments from cash or near cash assets	> 1.1 : 1	1.50 : 1	>1.1 : 1*
Debt commitment	Total loans as a percentage of rate revenue	Reflects total loan levels relative to Council rates	<60%	0.9%	<30%

Debt servicing	Total interest costs as a percentage of total revenue	Reflects the proportion of total revenue that is used to service loan interest	<5%	0.2%	<2%
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\* Working capital may reduce to a lower amount upon borrowing if financial projections provide for an increase to 1.1 within five years of the borrowings taking place  
 The following table summarises Council's current and future proposed borrowings and repayments for the next four years, based on existing plans.

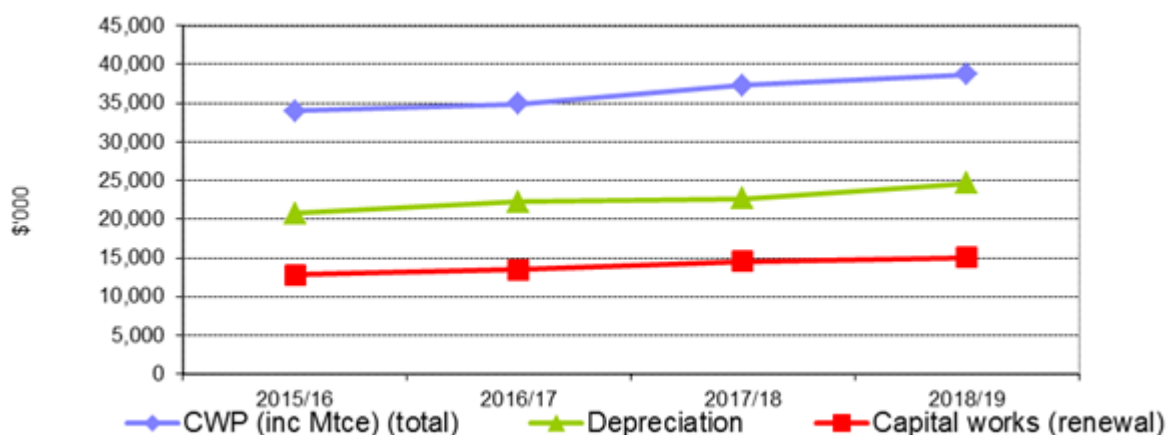
Year	New borrowings \$000s	Loan Principal repay \$000s	Loan Interest Payable \$000s	Balance 30 June \$000s
2016	0	136	7	36
2017	0	36	0	0
2018	0	0	0	0
2019	0	0	0	0

### 6.3 Infrastructure strategy

Council is developing a more detailed understanding of its future infrastructure requirements based on the knowledge provided by various Asset Management Plans, which sets out future capital expenditure requirements of the Council by class of asset. Asset management plans predict infrastructure consumption, renewal needs and consider infrastructure needs to meet future community service expectations. The key aspects of Council's approach to infrastructure management are:

- A long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes;
- Identification of capital projects through the preparation of asset management plans;
- Prioritisation of capital projects within classes on the basis of evaluation criteria;
- Methodology for allocating annual funding to classes of capital projects; and
- Business Case template for officers to document capital project submissions.

A key objective set out in the Strategic Resource Plan is to continue to focus on renewing community assets such as roads, footpaths, open space and buildings to ensure they are maintained at an appropriate standard to meet required service levels. This is measured by the amount of expenditure allocated to asset renewal projects included in Council's capital works program across the plan period.





The above graph indicates that total funding available for capital works exceeds depreciation in each of the four years. Capital works in the 2014/15 year was inflated due to the impact of projects not completed and carried forward from 2013/14. In terms of expenditure, \$13.465 million is specifically for renewal works. Renewal expenditure is lower than depreciation in 2015/16. The future amounts allocated remain below depreciation with the underlying renewal expenditure compared with depreciation expected to remain between 60% and 63% in the forecast periods. The difference between the level of renewal expenditure and depreciation represents the asset renewal gap and contributes to the level of backlog. This gap is being addressed in future strategies including the use of asset management plans to identify an improved measure of required renewal spending to replace the relatively simple measure of depreciation.

The following table summarises Council's capitalised works programs including funding sources for the next four years. This table excludes major maintenance projects.

	Forecast	Budget	Strategic Resource Plan			Trend
	2014/15	2015/16	2016/17	2017/18	2018/19	+/0/-
<b>Capital expenditure</b>						
Capital works						
- Asset renewal	\$13,709	\$13,465	\$14,244	\$15,378	\$15,923	+
- New assets	\$4,896	\$3,998	\$4,229	\$4,566	\$4,727	+
- Asset expansion / upgrade	\$14,036	\$9,256	\$9,791	\$10,571	\$10,945	+
Cash op act/Net capital outlays	107.9%	107.3%	106.0%	104.4%	102.2%	-
Capital works/Rate revenue	31.1%	23.9%	24.2%	24.9%	24.5%	-
Asset renewal/Total depreciation	65.6%	60.5%	62.9%	62.5%	62.9%	o

## 7. Outcomes

### 7.1 Financial outcomes

The SRP supports Council achieving its goals within a framework of financial sustainability. Financial sustainability in the longer term means that planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

The key objectives set out in this SRP and the measures used to reflect these objectives are included below, together with the outcomes for each objective.

#### Service levels

##### Objective

We will maintain the scope and standard of ongoing services provided to the Darebin community and be flexible to address changing community needs with innovative services and facilities.

##### Measure

Allowance for continuity of services included within the annual budgets throughout the plan period.

##### Outcome

Funding for the maintenance of service levels throughout the four-year period has been included in the SRP. Annual service plans are prepared for each Council service area which set out the activities and initiatives that will be undertaken each year in support of the goals outlined in the Council Plan.

#### Asset renewal

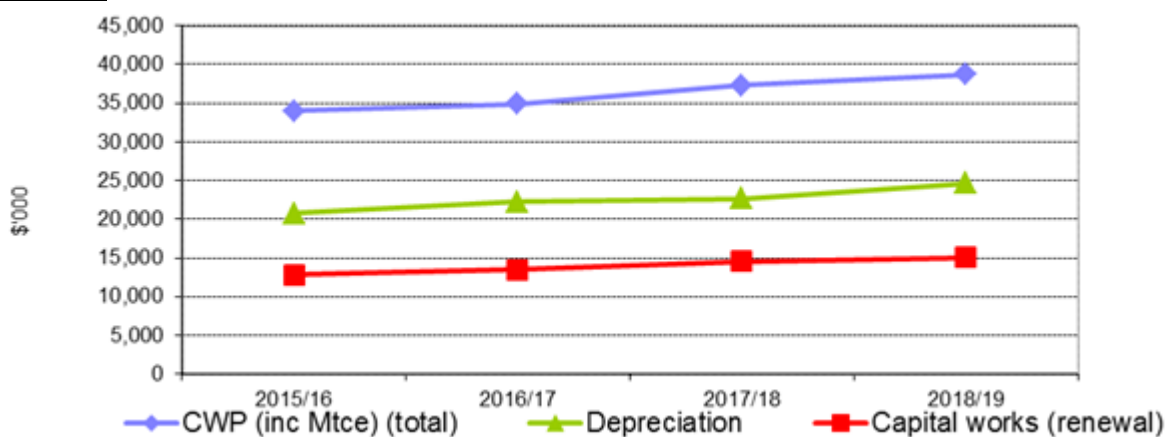
##### Objective

We will continue to focus on renewing our infrastructure such as roads, footpaths, open space and buildings to ensure these community assets are maintained at an appropriate standard to meet required service levels.

##### Measure

Increase in the amount of capital expenditure allocated to asset renewal projects in Council's capital works program, expressed as a percentage of the amount required to maintain the assets, as measured by depreciation.

##### Outcome



The above graph indicates that total funding available for capital works exceeds depreciation in each of the four years. Capital works in the 2014/15 year was inflated due to the impact of projects not completed and carried forward from 2013/14. However, a negative monetary difference between depreciation and renewal expenditure is an indication that there is an increasing gap between renewal investment and assets requiring renewal. This indication is predicated on the asset's life declining at rate that is the same as the straight line depreciation values reported in the financial statements. In reality, the renewal gap can only be reliably estimated when asset condition assessments and the quality of maintenance is also considered. The underlying renewal expenditure compared with depreciation is expected to remain slightly below 60% in the forecast periods. This indicative renewal gap is being addressed in future strategies including the use of asset management plans to identify an improved measure of required renewal spending to replace the relatively simple measure of depreciation.

**Operating performance**

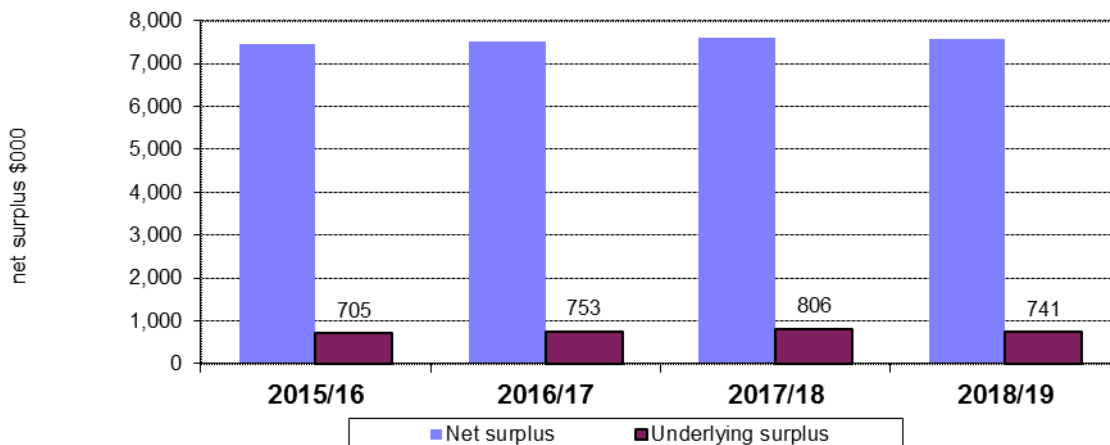
Objective

We will ensure that Council generates sufficient ongoing income to fund its services and capital works commitments over the longer term.

Measure

Achieve an underlying operating surplus throughout the term of the SRP. The underlying surplus is measured after adjusting for capital grants and contributions that are not necessarily ongoing funding sources and timing differences on grants for provision of services.

Outcome



The SRP forecasts that Council will achieve an underlying operating surplus of in all years. The underlying surplus is calculated by excluding the impact of capital grants and contributions and timing differences such as operating grants.

**Cash and liquidity**

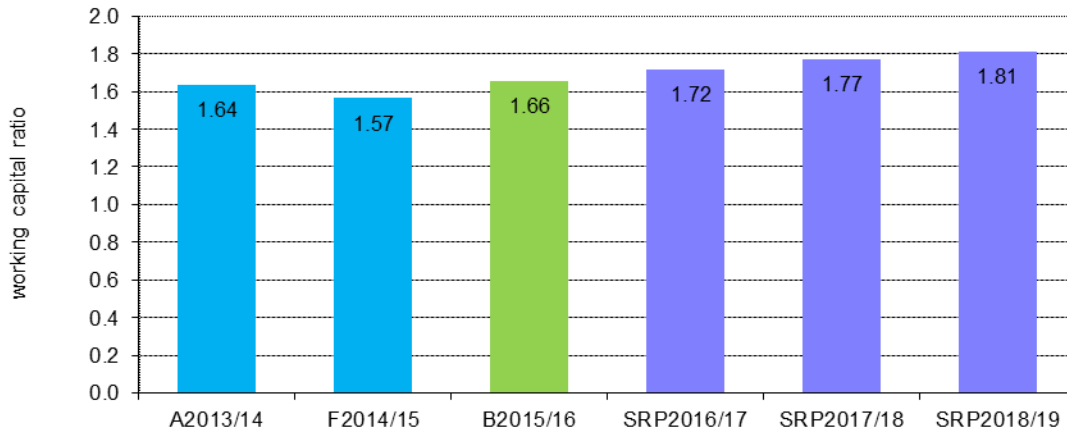
Objective

We will ensure Council holds sufficient cash and other assets in order to meet payment obligations to suppliers and employees.

**Measure**

Achieve a working capital ratio of at least 1.10 : 1 in the plan.

**Outcome**



Working capital represents operating liquidity available to Council. The budgeted working capital at 30 June 2016 is a financially sound 1.66 of current (or short term) assets against current liabilities, representing Council’s ability to meet its current obligations. This means that for every \$1.00 of current liabilities, Council has \$1.66 worth of current assets.

**Summary of financial outcomes**

Based on the assumptions as set out in the above section and associated strategies, each of the financial objectives which underpin the SRP have been achieved over the four year period with the exception of capital renewal. However, it must be noted that any significant adverse change in the key assumptions, could result in the non-achievement of some or all of the financial objectives and the foreshadowed Ministerial ruling in relation to rate capping. Accordingly the financial outcomes must be considered in light of these assumptions. The SRP will be reviewed and updated each year.

**7.2 Human resource outcomes**

In addition to the financial resources to be consumed over the planning period, Council will also utilise non-financial resources, in particular human resources. Appendix B “Non-financial Resources” includes a more detailed analysis of the human resources to be used over the four year period.

On the basis of continuing to provide the same level of service to the community, the level of human resources as measured in Equivalent Full Time (EFT) personnel has been assumed to remain generally constant over the four year period with employee costs increasing in line with wage indexation assumptions inclusive of base rate increases and banding level changes.

Issues which may impact on Council's ability to maintain its current resource level are labour market constraints in highly specialised areas such as traffic engineering and areas where demand is high such as urban planning, although the current economic conditions have resulted in greater availability of labour at the present time. Council also has an ageing workforce, particularly in areas with high levels of manual labor which may also impact on its ability to maintain adequate service levels in these areas.

## List of Appendices

### APPENDIX A

Financial resources

### APPENDIX B

Human resources

### APPENDIX C

Glossary



**CITY OF DAREBIN**  
**Comprehensive Income Statement**  
 For the four years ending 30 June 2019

	<b>Budget</b>	<b>Strategic Resource Plan</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>				
Rates and charges	114,062	118,914	125,094	131,511
User fees	11,959	12,257	12,559	12,976
Statutory fees and fines	6,607	6,929	6,874	7,011
Contributions	5,500	5,500	5,500	5,500
Grants - operating	15,934	16,245	16,562	16,849
Grants - capital and contributions	1,772	1,267	1,299	1,332
Net gain (loss) on disposal of property, infrastructure, plant and equipment	(259)	57	38	19
Other	4,442	4,768	3,924	4,204
<b>Total income</b>	<b>160,016</b>	<b>165,937</b>	<b>171,851</b>	<b>179,402</b>
<b>Expenses</b>				
Employee costs	78,549	81,487	84,791	88,191
Materials and services	42,641	45,131	45,602	45,899
Bad and doubtful debts	802	822	842	863
Finance costs	7	0	0	0
Depreciation and amortisation	22,241	22,645	24,587	25,311
Other	8,318	8,331	8,423	11,566
<b>Total expenses</b>	<b>152,558</b>	<b>158,416</b>	<b>164,246</b>	<b>171,829</b>
<b>Surplus / (deficit) for the year</b>	<b>7,458</b>	<b>7,521</b>	<b>7,605</b>	<b>7,572</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to surplus or deficit in future periods				
Net asset revaluation increment /(decrement)	95,762	0	156,021	0
Share of other comprehensive income of associates and joint ventures				
Items that may be reclassified to surplus or deficit in future periods				
<b>Total comprehensive result</b>	<b>103,220</b>	<b>7,521</b>	<b>163,626</b>	<b>7,572</b>

The above comprehensive income statement should be read in conjunction with the accompanying other information.

**CITY OF DAREBIN**  
**Balance Sheet**  
 For the four years ending 30 June 2019

	<b>Budget</b>	<b>Strategic Resource Plan</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>				
Cash and cash equivalents	24,766	26,724	28,495	29,847
Finance Assets	14,830	14,830	14,830	14,830
Trade and other receivables	18,944	20,451	22,009	23,644
Other assets	87	87	87	87
<b>Total current assets</b>	<b>58,627</b>	<b>62,092</b>	<b>65,421</b>	<b>68,408</b>
<b>Non-Current Assets</b>				
Trade and other receivables	114	114	114	114
Property, infrastructure, plant & equipment	1,260,834	1,265,682	1,426,753	1,432,112
Investment property	3,782	3,782	3,782	3,782
Intangibles	1,574	1,587	1,686	1,815
Other assets	236	236	236	236
<b>Total non-current assets</b>	<b>1,266,540</b>	<b>1,271,400</b>	<b>1,432,571</b>	<b>1,438,058</b>
<b>Total assets</b>	<b>1,325,167</b>	<b>1,333,493</b>	<b>1,497,992</b>	<b>1,506,466</b>
<b>Current Liabilities</b>				
Trade and other payables	16,744	17,000	17,264	17,533
Interest-bearing loans and borrowings	36	36	0	0
Provisions	18,566	19,151	19,759	20,392
<b>Total current liabilities</b>	<b>35,346</b>	<b>36,186</b>	<b>37,024</b>	<b>37,926</b>
<b>Non-Current Liabilities</b>				
Interest-bearing loans and borrowings	0	(36)	0	0
Provisions	1,362	1,362	1,362	1,362
<b>Total non-current liabilities</b>	<b>1,362</b>	<b>1,326</b>	<b>1,362</b>	<b>1,362</b>
<b>Total liabilities</b>	<b>36,708</b>	<b>37,513</b>	<b>38,386</b>	<b>39,288</b>
<b>Net assets</b>	<b>1,288,458</b>	<b>1,295,979</b>	<b>1,459,606</b>	<b>1,467,178</b>
<b>Equity</b>				
Accumulated surplus	502,995	510,515	518,120	525,693
Asset revaluation reserve	771,555	771,555	927,575	927,575
Other reserves	13,909	13,909	13,909	13,909
<b>Total Equity</b>	<b>1,288,458</b>	<b>1,295,979</b>	<b>1,459,605</b>	<b>1,467,177</b>

The above balance sheet should be read in conjunction with the accompanying other information.

**CITY OF DAREBIN**  
**Statement of Changes in Equity**  
For the year ending 30 June 2019

	<b>Total</b>	<b>Accumulated</b>	<b>Revaluation</b>	<b>Other</b>
	<b>\$'000</b>	<b>Surplus</b>	<b>Reserve</b>	<b>Reserves</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2016</b>				
Balance at beginning of the financial year	1,185,239	498,262	675,793	11,184
Surplus/(deficit) for the year	7,458	7,458	-	-
Net asset revaluation increment(decrement)	95,762	-	95,762	-
Transfer to other reserves	0	(5,500)	-	5,500
Transfer from other reserves	0	2,775	-	(2,775)
<b>Balance at end of the financial year</b>	<b>1,288,458</b>	<b>502,995</b>	<b>771,555</b>	<b>13,909</b>
<b>2017</b>				
Balance at beginning of the financial year	1,288,458	502,995	771,555	13,909
Surplus/(deficit) for the year	7,521	7,521	-	-
Net asset revaluation increment(decrement)	0	-	0	-
Transfer to other reserves	0	(5,500)	-	5,500
Transfer from other reserves	0	5,500	-	(5,500)
<b>Balance at end of the financial year</b>	<b>1,295,979</b>	<b>510,515</b>	<b>771,555</b>	<b>13,909</b>
<b>2018</b>				
Balance at beginning of the financial year	1,295,979	510,515	771,555	13,909
Surplus/(deficit) for the year	7,605	7,605	-	-
Net asset revaluation increment(decrement)	156,021	-	156,021	-
Transfer to other reserves	0	(5,500)	-	5,500
Transfer from other reserves	0	5,500	-	(5,500)
<b>Balance at end of the financial year</b>	<b>1,459,605</b>	<b>518,120</b>	<b>927,575</b>	<b>13,909</b>
<b>2019</b>				
Balance at beginning of the financial year	1,459,605	518,120	927,575	13,909
Surplus/(deficit) for the year	7,572	7,572	-	-
Net asset revaluation increment(decrement)	0	-	0	-
Transfer to other reserves	0	(5,500)	-	5,500
Transfer from other reserves	0	5,500	-	(5,500)
<b>Balance at end of the financial year</b>	<b>1,467,177</b>	<b>525,693</b>	<b>927,575</b>	<b>13,909</b>

The above statement of changes in equity should be read in conjunction with the accompanying other information.



CITY OF DAREBIN  
**Statement of Cash Flows**  
 For the four years ending 30 June 2019

	Budget	Strategic Resource Plan		
	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
<b><i>Cash flows from operating activities</i></b>				
Receipts from customers	132,939	139,490	145,887	152,804
Payments to suppliers and employees	(129,506)	(134,931)	(138,785)	(145,617)
	3,433	4,559	7,102	7,187
Interest received	1,631	1,870	1,006	1,264
Government receipts	23,206	23,013	23,362	23,680
<b>Net cash inflow from operating activities</b>	<b>28,270</b>	<b>29,442</b>	<b>31,470</b>	<b>32,131</b>
<b><i>Cash flows from investing activities</i></b>				
Proceeds from sale of prop, plant and equip	482	817	817	817
Repayment of loans and advances	41	0	0	0
Trusts funds and deposits				
Payments for other financial assets	0	0	0	0
Payments for property, infrastructure, plant and equipment	(26,720)	(28,265)	(30,515)	(31,596)
<b>Net cash outflow from investing activities</b>	<b>(26,197)</b>	<b>(27,448)</b>	<b>(29,698)</b>	<b>(30,780)</b>
<b><i>Cash flows from financing activities</i></b>				
Finance costs	(7)	(0)	0	0
Trust funds and deposits		0	0	0
Proceeds from borrowings	0	0	0	0
Repayment of borrowings	(136)	(36)	0	0
<b>Net cash outflow from financing activities</b>	<b>(144)</b>	<b>(36)</b>	<b>0</b>	<b>0</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>				
	<b>1,929</b>	<b>1,958</b>	<b>1,771</b>	<b>1,351</b>
Cash and cash equivalents at beg of year	22,838	24,767	26,725	28,496
<b>Cash &amp; cash equivalents at end of year</b>	<b>24,767</b>	<b>26,725</b>	<b>28,496</b>	<b>29,848</b>
<b><i>Represented by:</i></b>				
Unrestricted cash and investments	10,857	12,815	14,586	15,938
Reserves	13,909	13,909	13,909	13,909
<b>Total cash and investments</b>	<b>24,767</b>	<b>26,725</b>	<b>28,496</b>	<b>29,848</b>

The above statement of cash flows should be read in conjunction with the accompanying other information.

CITY OF DAREBIN  
**Statement of Capital Works**  
 For the four years ending 30 June 2019

	<b>Budget</b>	<b>Strategic Resource Plan</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Works carried forward</b>				
<b>Property</b>				
Land	0	0	0	0
Land Improvements	0	0	0	0
<b>Total land</b>	<b>0</b>			
Buildings	1,428	0	0	0
Building improvements	0	0	0	0
<b>Total buildings</b>	<b>1,428</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total property</b>	<b>1,428</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plant and equipment</b>				
Plant, machinery and equipment	0	0	0	0
Computers and telecommunications	129	0	0	0
<b>Total plant and equipment</b>	<b>129</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Infrastructure</b>				
Roads	0	0	0	0
Transport & Road Safety	950	0	0	0
Footpaths and cycleways	0	0	0	0
Drainage	34	0	0	0
Rec, leisure and community facilities	0	0	0	0
Parks, open space and streetscapes	473	0	0	0
Off street car parks	0	0	0	0
Other infrastructure	0	0	0	0
<b>Total infrastructure</b>	<b>1,457</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total works carried forward</b>	<b>3,014</b>	<b>0</b>	<b>0</b>	<b>0</b>

CITY OF DAREBIN  
**Statement of Capital Works**  
 For the four years ending 30 June 2019

	<b>Budget</b>	<b>Strategic Resource Plan</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>New works</b>				
<b>Property</b>				
Land	0	0	0	0
Land Improvements	135	139	148	146
<b>Total land</b>	<b>135</b>	<b>139</b>	<b>148</b>	<b>146</b>
Buildings	4,658	8,741	9,552	9,862
Building improvements	614	858	937	968
<b>Total buildings</b>	<b>5,272</b>	<b>9,598</b>	<b>10,489</b>	<b>10,829</b>
<b>Total property</b>	<b>5,407</b>	<b>9,737</b>	<b>10,638</b>	<b>10,975</b>
<b>Plant and equipment</b>				
Plant, machinery and equipment	2,708	4,755	4,966	5,376
Fixtures, Fittings and Furniture	130	144	150	163
Computers and telecommunications	1,591	1,191	1,290	1,392
Library books	732	810	845	915
<b>Total plant and equipment</b>	<b>5,161</b>	<b>6,900</b>	<b>7,251</b>	<b>7,846</b>
<b>Infrastructure</b>				
Roads	5,009	3,622	3,884	4,111
Transport & road safety	3,327	2,827	3,030	3,208
Bridges	454	454	487	515
Footpaths and cycleways	2,252	2,252	2,414	2,556
Drainage	1,110	1,045	914	988
Recreation, leisure and community facilities	569	585	626	617
Parks, open space and streetscapes	7,451	7,366	7,875	7,762
Off street car parks	42	43	46	46
Other infrastructure	85	87	93	92
<b>Total Infrastructure</b>	<b>20,299</b>	<b>18,282</b>	<b>19,370</b>	<b>19,894</b>
<b>Total new works</b>	<b>30,867</b>	<b>34,919</b>	<b>37,258</b>	<b>38,716</b>
<b>Total capital works expenditure</b>	<b>33,881</b>	<b>34,919</b>	<b>37,258</b>	<b>38,716</b>

The above statement of capital works should be read in conjunction with the accompanying other information.

CITY OF DAREBIN  
**Statement of Human Resources**  
 For the four years ending 30 June 2019

	Budget	Strategic Resource Plan Projections		
	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
<b>Staff Expenditure</b>				
Employee Costs - Operating	78,549	81,487	84,791	88,191
Employee Costs - Capital	0	0	0	0
Total staff expenditure	78,549	81,487	84,791	88,191
<b>Staff numbers</b>				
Employees*	661.8	663.8	665.8	667.8

\*Excludes casual and home care staff

The above statement of human resources should be read in conjunction with the other information.



## Other Information

For the four years ended 30 June 2019

### 1. Summary of planned capital works expenditure

Capital Works Area	Asset Expenditure Type						Funding Sources				
	Total \$'000	New \$'000	Expansion \$'000	Upgrade \$'000	Renewal \$'000	Maint. \$'000	Total \$'000	Grants \$'000	Contrib'n \$'000	Council cash \$'000	Borrow's \$'000
<b>2016</b>											
<b>Property</b>											
Land	0	0	0	0	0	0	0	0	0	0	0
Land Improvements	135	0	0	0	0	135	135	0	0	135	0
<b>Total land</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>135</b>	<b>0</b>
Buildings	6,086	2,553	268	1,410	1,447	408	6,086	30	0	6,056	0
Building improvements	614	30	0	0	144	440	614	0	0	614	0
<b>Total buildings</b>	<b>6,700</b>	<b>2,583</b>	<b>268</b>	<b>1,410</b>	<b>1,591</b>	<b>848</b>	<b>6,700</b>	<b>30</b>	<b>0</b>	<b>6,670</b>	<b>0</b>
<b>Total property</b>	<b>6,835</b>	<b>2,583</b>	<b>268</b>	<b>1,410</b>	<b>1,591</b>	<b>983</b>	<b>6,835</b>	<b>30</b>	<b>0</b>	<b>6,805</b>	<b>0</b>
<b>Plant and equipment</b>											
Plant, machinery and equipment	2,708	40	0	16	2,270	382	2,708	0	482	2,226	0
Fixtures, Fittings and Furniture	130	0	40	0	90	0	130	0	0	130	0
Computers and telecommunications	1,720	120	244	482	644	230	1,720	0	0	1,720	0
Library books	732	146	586	0	0	0	732	0	0	732	0
<b>Total plant and equipment</b>	<b>5,290</b>	<b>306</b>	<b>870</b>	<b>498</b>	<b>3,004</b>	<b>612</b>	<b>5,290</b>	<b>0</b>	<b>482</b>	<b>4,808</b>	<b>0</b>
<b>Infrastructure</b>											
Roads	5,009	0	0	86	4,363	560	5,009	873	0	4,136	0
Transport & road safety	4,277	250	0	850	800	2,377	4,277	601	0	3,676	0
Bridges	454	0	0	374	0	80	454	0	0	454	0
Footpaths and cycleways	2,252	222	22	137	1,215	656	2,252	0	38	2,214	0
Drainage	1,144	0	50	340	350	404	1,144	50	0	1,094	0
Recreation, leisure and community facilities	569	53	0	102	352	62	569	0	50	519	0
Parks, open space and streetscapes	7,924	584	1,215	3,035	1,664	1,427	7,924	120	10	7,794	0
Off street car parks	42	0	0	0	42	0	42	0	0	42	0
Other infrastructure	85	0	0	0	85	0	85	0	0	85	0
<b>Total Infrastructure</b>	<b>21,756</b>	<b>1,109</b>	<b>1,287</b>	<b>4,923</b>	<b>8,871</b>	<b>5,567</b>	<b>21,756</b>	<b>1,644</b>	<b>98</b>	<b>20,014</b>	<b>0</b>
<b>Total capital works expenditure</b>	<b>33,881</b>	<b>3,998</b>	<b>2,425</b>	<b>6,831</b>	<b>13,465</b>	<b>7,161</b>	<b>33,881</b>	<b>1,674</b>	<b>580</b>	<b>31,627</b>	<b>0</b>

Capital Works Area	Asset Expenditure Type						Funding Sources				
	Total \$'000	New \$'000	Expansion \$'000	Upgrade \$'000	Renewal \$'000	Maint. \$'000	Total \$'000	Grants \$'000	Contrib'n \$'000	Council cash \$'000	Borrow's \$'000
<b>2017</b>											
<b>Property</b>											
Land	0	0	0	0	0	0	0	0	0	0	0
Land Improvements	139	3	1	3	6	125	139	0	0	139	0
<b>Total land</b>	<b>139</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>125</b>	<b>139</b>	<b>0</b>	<b>0</b>	<b>139</b>	<b>0</b>
Buildings	8,741	1,606	645	1,775	3,658	1,057	8,741	23	0	8,718	0
Building improvements	858	94	38	104	214	409	858	0	0	858	0
<b>Total buildings</b>	<b>9,598</b>	<b>1,700</b>	<b>683</b>	<b>1,879</b>	<b>3,871</b>	<b>1,466</b>	<b>9,598</b>	<b>23</b>	<b>0</b>	<b>9,576</b>	<b>0</b>
<b>Total property</b>	<b>9,737</b>	<b>1,703</b>	<b>684</b>	<b>1,882</b>	<b>3,878</b>	<b>1,591</b>	<b>9,737</b>	<b>23</b>	<b>0</b>	<b>9,715</b>	<b>0</b>
<b>Plant and equipment</b>											
Plant, machinery and equipment	4,755	956	384	1,057	2,178	180	4,755	0	817	3,938	0
Fixtures, Fittings and Furniture	144	30	12	33	68	0	144	0	0	144	0
Computers and telecommunications	1,191	214	86	237	487	167	1,191	0	0	1,191	0
Library books	810	169	68	187	385	0	810	0	0	810	0
<b>Total plant and equipment</b>	<b>6,900</b>	<b>1,370</b>	<b>550</b>	<b>1,514</b>	<b>3,119</b>	<b>347</b>	<b>6,900</b>	<b>0</b>	<b>817</b>	<b>6,083</b>	<b>0</b>
<b>Infrastructure</b>											
Roads	3,622	648	261	717	1,477	520	3,622	661	0	2,961	0
Transport & road safety	2,827	276	111	305	628	1,507	2,827	455	0	2,372	0
Bridges	454	79	32	88	181	74	454	0	0	454	0
Footpaths and cycleways	2,252	343	138	379	782	610	2,252	0	0	2,252	0
Drainage	1,045	126	51	139	286	443	1,045	38	0	1,007	0
Recreation, leisure and community facilities	585	110	44	122	251	58	585	0	0	585	0
Parks, open space and streetscapes	7,366	1,225	492	1,354	2,790	1,504	7,366	91	0	7,275	0
Off street car parks	43	9	4	10	21	0	43	0	0	43	0
Other infrastructure	87	18	7	20	42	0	87	0	0	87	0
<b>Total infrastructure</b>	<b>18,282</b>	<b>2,835</b>	<b>1,140</b>	<b>3,134</b>	<b>6,457</b>	<b>4,717</b>	<b>18,282</b>	<b>1,245</b>	<b>0</b>	<b>17,037</b>	<b>0</b>
<b>Total capital works expenditure</b>	<b>34,919</b>	<b>5,907</b>	<b>2,374</b>	<b>6,529</b>	<b>13,454</b>	<b>6,654</b>	<b>34,919</b>	<b>1,267</b>	<b>817</b>	<b>32,834</b>	<b>0</b>

Capital Works Area	Asset Expenditure Type						Funding Sources				
	Total \$'000	New \$'000	Expansion \$'000	Upgrade \$'000	Renewal \$'000	Maint. \$'000	Total \$'000	Grants \$'000	Contrib'n \$'000	Council cash \$'000	Borrow's \$'000
<b>2018</b>											
<b>Property</b>											
Land	0	0	0	0	0	0	0	0	0	0	0
Land Improvements	148	7	3	7	15	117	148	0	0	148	0
<b>Total land</b>	<b>148</b>	<b>7</b>	<b>3</b>	<b>7</b>	<b>15</b>	<b>117</b>	<b>148</b>	<b>0</b>	<b>0</b>	<b>148</b>	<b>0</b>
Buildings	9,552	1,758	707	1,943	4,004	1,139	9,552	23	0	9,529	0
Building improvements	937	116	47	129	265	380	937	0	0	937	0
<b>Total buildings</b>	<b>10,489</b>	<b>1,875</b>	<b>753</b>	<b>2,072</b>	<b>4,270</b>	<b>1,519</b>	<b>10,489</b>	<b>23</b>	<b>0</b>	<b>10,466</b>	<b>0</b>
<b>Total property</b>	<b>10,638</b>	<b>1,881</b>	<b>756</b>	<b>2,079</b>	<b>4,285</b>	<b>1,636</b>	<b>10,638</b>	<b>23</b>	<b>0</b>	<b>10,614</b>	<b>0</b>
<b>Plant and equipment</b>											
Plant, machinery and equipment	4,966	999	402	1,104	2,276	184	4,966	0	817	4,149	0
Fixtures, Fittings and Furniture	150	31	13	35	71	0	150	0	0	150	0
Computers and telecommunications	1,290	234	94	258	533	171	1,290	0	0	1,290	0
Library books	845	177	71	195	402	0	845	0	0	845	0
<b>Total plant and equipment</b>	<b>7,251</b>	<b>1,441</b>	<b>579</b>	<b>1,593</b>	<b>3,282</b>	<b>355</b>	<b>7,251</b>	<b>0</b>	<b>817</b>	<b>6,434</b>	<b>0</b>
<b>Infrastructure</b>											
Roads	3,884	711	286	785	1,618	484	3,884	678	0	3,206	0
Transport & road safety	3,030	287	115	317	653	1,659	3,030	466	0	2,564	0
Bridges	487	87	35	96	199	69	487	0	0	487	0
Footpaths and cycleways	2,414	386	155	427	880	567	2,414	0	0	2,414	0
Drainage	914	113	45	125	257	374	914	39	0	875	0
Recreation, leisure and community facilities	626	120	48	132	272	54	626	0	0	626	0
Parks, open space and streetscapes	7,875	1,323	532	1,462	3,012	1,547	7,875	93	0	7,782	0
Off street car parks	46	10	4	11	22	0	46	0	0	46	0
Other infrastructure	93	20	8	22	44	0	93	0	0	93	0
<b>Total infrastructure</b>	<b>19,370</b>	<b>3,055</b>	<b>1,228</b>	<b>3,377</b>	<b>6,958</b>	<b>4,752</b>	<b>19,370</b>	<b>1,276</b>	<b>0</b>	<b>18,094</b>	<b>0</b>
<b>Total capital works expenditure</b>	<b>37,258</b>	<b>6,378</b>	<b>2,563</b>	<b>7,049</b>	<b>14,525</b>	<b>6,743</b>	<b>37,258</b>	<b>1,299</b>	<b>817</b>	<b>35,142</b>	<b>0</b>

Capital Works Area	Asset Expenditure Type						Funding Sources				
	Total \$'000	New \$'000	Expansion \$'000	Upgrade \$'000	Renewal \$'000	Maint. \$'000	Total \$'000	Grants \$'000	Contrib'n \$'000	Council cash \$'000	Borrow's \$'000
<b>2019</b>											
<b>Property</b>											
Land	0	0	0	0	0	0	0	0	0	0	0
Land Improvements	146	5	2	5	10	125	146	0	0	146	0
<b>Total land</b>	<b>146</b>	<b>5</b>	<b>2</b>	<b>5</b>	<b>10</b>	<b>125</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>146</b>	<b>0</b>
Buildings	9,862	1,809	727	1,999	4,119	1,207	9,862	24	0	9,838	0
Building improvements	968	117	47	130	267	406	968	0	0	968	0
<b>Total buildings</b>	<b>10,829</b>	<b>1,926</b>	<b>774</b>	<b>2,129</b>	<b>4,386</b>	<b>1,614</b>	<b>10,829</b>	<b>24</b>	<b>0</b>	<b>10,805</b>	<b>0</b>
<b>Total property</b>	<b>10,975</b>	<b>1,931</b>	<b>776</b>	<b>2,134</b>	<b>4,397</b>	<b>1,739</b>	<b>10,975</b>	<b>24</b>	<b>0</b>	<b>10,952</b>	<b>0</b>
<b>Plant and equipment</b>											
Plant, machinery and equipment	5,376	1,083	435	1,197	2,466	196	5,376	0	817	4,559	0
Fixtures, Fittings and Furniture	163	34	14	38	77	0	163	0	0	163	0
Computers and telecommunications	1,392	253	102	280	577	180	1,392	0	0	1,392	0
Library books	915	191	77	211	436	0	915	0	0	915	0
<b>Total plant and equipment</b>	<b>7,846</b>	<b>1,561</b>	<b>628</b>	<b>1,726</b>	<b>3,556</b>	<b>376</b>	<b>7,846</b>	<b>0</b>	<b>817</b>	<b>7,029</b>	<b>0</b>
<b>Infrastructure</b>											
Roads	4,111	751	302	830	1,711	517	4,111	695	0	3,417	0
Transport & road safety	3,208	306	123	338	697	1,743	3,208	478	0	2,730	0
Bridges	515	92	37	102	210	74	515	0	0	515	0
Footpaths and cycleways	2,556	407	164	450	928	606	2,556	0	0	2,556	0
Drainage	988	124	50	137	281	397	988	40	0	948	0
Recreation, leisure and community facilities	617	117	47	129	266	57	617	0	0	617	0
Parks, open space and streetscapes	7,762	1,286	517	1,421	2,928	1,610	7,762	95	0	7,666	0
Off street car parks	46	10	4	11	22	0	46	0	0	46	0
Other infrastructure	92	19	8	21	44	0	92	0	0	92	0
<b>Total infrastructure</b>	<b>19,894</b>	<b>3,112</b>	<b>1,251</b>	<b>3,439</b>	<b>7,087</b>	<b>5,005</b>	<b>19,894</b>	<b>1,308</b>	<b>0</b>	<b>18,587</b>	<b>0</b>
<b>Total capital works expenditure</b>	<b>38,716</b>	<b>6,604</b>	<b>2,654</b>	<b>7,299</b>	<b>15,040</b>	<b>7,119</b>	<b>38,716</b>	<b>1,332</b>	<b>817</b>	<b>36,567</b>	<b>0</b>



## 2. Summary of planned human resources expenditure

	2016	2017	2018	2019
	\$'000	\$'000	\$'000	\$'000
<b>Office of the Chief Executive</b>				
-Permanent full time	2,530	2,631	2,736	2,845
-Permanent part time	112	117	121	126
<b>Total Office of the Chief Executive</b>	<b>2,642</b>	<b>2,748</b>	<b>2,857</b>	<b>2,971</b>
<b>Assets &amp; Business Services</b>				
-Permanent full time	9,181	9,548	9,930	10,328
-Permanent part time	1,056	1,098	1,142	1,188
<b>Total Assets &amp; Business Services</b>	<b>10,237</b>	<b>10,646</b>	<b>11,072</b>	<b>11,516</b>
<b>Culture, Leisure &amp; Works</b>				
-Permanent full time	16,733	17,402	18,098	18,822
-Permanent part time	1,546	1,608	1,672	1,739
<b>Total Culture, Leisure &amp; Works</b>	<b>18,279</b>	<b>19,010</b>	<b>19,770</b>	<b>20,561</b>
<b>Community Development</b>				
-Permanent full time	11,798	12,270	12,760	13,271
-Permanent part time	14,960	15,558	16,180	16,828
<b>Total Community Development</b>	<b>26,757</b>	<b>27,828</b>	<b>28,940</b>	<b>30,099</b>
<b>Corporate &amp; Planning Services</b>				
-Permanent full time	12,546	13,047	13,569	14,112
-Permanent part time	846	880	915	952
<b>Total Corporate &amp; Planning Services</b>	<b>13,392</b>	<b>13,927</b>	<b>14,484</b>	<b>15,064</b>
Total casuals and other	7,243	7,327	7,668	7,980
<b>Total staff expenditure</b>	<b>78,549</b>	<b>81,487</b>	<b>84,791</b>	<b>88,191</b>
	EFT	EFT	EFT	EFT
<b>Office of the Chief Executive</b>				
-Permanent full time	22.0	22.0	22.0	22.0
-Permanent part time	1.4	1.4	1.4	1.4
<b>Total Office of the Chief Executive</b>	<b>23.4</b>	<b>23.42</b>	<b>23.42</b>	<b>23.42</b>
<b>Assets &amp; Business Services</b>				
-Permanent full time	88.2	88.2	88.2	88.2
-Permanent part time	16.3	16.3	16.3	16.3
<b>Total Assets &amp; Business Services</b>	<b>104.5</b>	<b>104.51</b>	<b>104.51</b>	<b>104.51</b>
<b>Culture, Leisure &amp; Works</b>				
-Permanent full time	190.0	190.0	190.0	190.0
-Permanent part time	18.9	18.9	18.9	18.9
<b>Total Culture, Leisure &amp; Works</b>	<b>208.9</b>	<b>208.9</b>	<b>208.9</b>	<b>208.9</b>
<b>Community Development</b>				
-Permanent full time	119.8	119.8	119.8	119.8
-Permanent part time	78.4	80.4	82.4	84.4
<b>Total Community Development</b>	<b>198.2</b>	<b>200.2</b>	<b>202.2</b>	<b>204.2</b>
<b>Corporate &amp; Planning Services</b>				
-Permanent full time	117.6	117.6	117.6	117.6
-Permanent part time	9.17	9.17	9.17	9.17
<b>Total Corporate &amp; Planning Services</b>	<b>126.8</b>	<b>126.8</b>	<b>126.8</b>	<b>126.8</b>
<b>Total staff numbers*</b>	<b>661.8</b>	<b>640.4</b>	<b>642.4</b>	<b>644.4</b>

\*Excludes casual and home care staff

## Glossary

<b>Act</b>	means the <i>Local Government Act 1989</i>
<b>Annual report</b>	means a report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement
<b>Asset expansion expenditure</b>	means expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to existing beneficiaries
<b>Asset expenditure type</b>	means the following types of asset expenditure: (a) asset renewal expenditure; (b) new asset expenditure; (c) asset upgrade expenditure; (d) asset expansion expenditure
<b>Asset renewal expenditure</b>	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
<b>Asset upgrade expenditure</b>	means expenditure that: (a) enhances an existing asset to provide a higher level of service; or (b) increases the life of the asset beyond its original life
<b>Australian Accounting Standards (AASB)</b>	means the accounting standards published by the Australian Accounting Standards Board
<b>Budget</b>	means a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the Council Plan
<b>Capital works expenditure</b>	means expenditure on non-current assets and includes new assets, asset renewal, asset expansion and asset upgrade
<b>Council Plan</b>	means a plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting vision and aspirations of the community for the next four year
<b>Financial resources</b>	means income, expenditure, assets, liabilities, equity, cash and capital works required to deliver the services and initiatives in the budget
<b>Financial statements</b>	means the financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports and a statement of capital works and included in the annual report
<b>Financial year</b>	means the period of 12 months ending on 30 June each year
<b>Human resources</b>	means the staff employed by a council

<b>Indicator</b>	means what will be measured to assess performance
<b>Initiatives</b>	means actions that are one-off in nature and/or lead to improvements in service
<b>Major initiatives</b>	means significant initiatives that will directly contribute to the achievement of the Council Plan during the current year and have a major focus in the budget
<b>Minister</b>	means the Minister for Local Government
<b>Model budget</b>	means the <i>Victorian City Council Model Budget</i> prepared annually by the Chartered Accountants in Australia and New Zealand
<b>New asset expenditure</b>	means expenditure that creates a new asset that provides a service that does not currently exist
<b>Non-financial resources</b>	means the resources other than financial resources required to deliver the services and initiatives in the budget
<b>Non-recurrent grant</b>	means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a Council's Strategic Resource Plan
<b>Planning and accountability framework</b>	means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act
<b>Performance statement</b>	means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report
<b>Recurrent grant</b>	means a grant other than a non-recurrent grant
<b>Regulations (LGR)</b>	means the Local Government (Planning and Reporting) Regulations 2014
<b>Report of operations</b>	means a report containing a description of the operations of the council during the financial year and included in the annual report
<b>Services</b>	means assistance, support, advice and other actions undertaken by a council for the benefit of the local community
<b>Statement of capital works</b>	means a statement which shows all capital expenditure of a council in relation to non-current assets and asset expenditure type prepared accordance to the model statement of capital works in the Local Government Financial Report
<b>Strategic objectives</b>	means the outcomes a council is seeking to achieve over the next four years and included in the Council Plan
<b>Strategic Resource Plan</b>	means a plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the Council Plan. Is also referred to as a long term financial plan

<b>Strategies</b>	means high level actions directed at achieving the strategic objectives in the Council Plan
<b>Statement of human resources</b>	means a statement which shows all council staff expenditure and numbers of full time equivalent council staff
<b>Statements of non-financial resources</b>	means a statement which describes the non-financial resources including human resources
<b>Summary of planned capital works expenditure</b>	means a summary of capital works expenditure in relation to non-current assets classified according to the model statement of capital works in the Local Government Financial Report, by asset expenditure type and funding source
<b>Summary of planned human resources expenditure</b>	means a summary of permanent council staff expenditure and numbers of full time equivalent council staff categorised according to the organisational structure of the council



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