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STRATEGIC RESOURCE PLAN

For the four years ended 2016-2020

Monday 27 June 2016

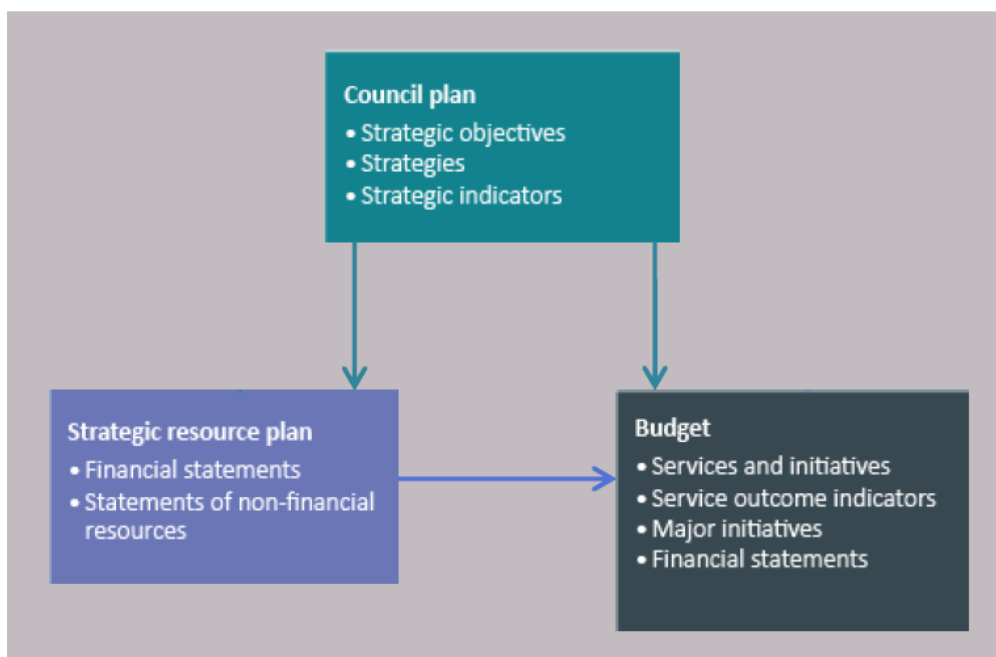
This Strategic Resource Plan has been developed in accordance with the Local Government Better Practice Guide 2016 – Strategic Resource Plan issued by the Department of Environment, Land, Water and Planning on preparing a Strategic Resource Plan in accordance with the legislation.

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1. Background

The *Local Government Act 1989* (the Act) requires council to prepare a strategic resource plan (SRP) for at least the next four financial years that describes both the financial and non-financial resources required to achieve the strategic objectives in the council plan. In preparing the SRP, council must take into account services and initiatives contained in any plan adopted or proposed to be adopted by council.

Council has prepared a SRP for the four years 2016-17 to 2019-20 as part of its integrated planning framework as set out below.



The council plan includes the strategic objectives, strategies for achieving these for at least the next four years and strategic indicators for monitoring achievement of the strategic objectives. The SRP is a plan of the resources for at least the next four years required to achieve the strategic objectives in the council plan. The SRP informs the preparation of the budget which is a plan that describes the services and initiatives to be funded and how they will contribute to the achieving the strategic objectives in the council plan.

2. Objectives of the plan

The overall objective of the SRP is financial sustainability in the medium to long term, while still providing sufficient resources to achieve the council plan strategic objectives. The key objectives which underpin the SRP over the next four years are:

- achieve a breakeven adjusted underlying result
- achieve a balanced budget on a cash basis
- maintain existing service levels
- meet council's asset renewal requirements
- reduce debt to a low to moderate level to allow capacity to fund future infrastructure.

In preparing the SRP, council has also been mindful of the need to comply with the principles of sound financial management in the Act which requires council 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.

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 service levels.</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 assets, as measured by depreciation.</p>
<p><u>Operating performance</u></p> <p>We will ensure that Council generates sufficient ongoing income to fund its services and capital works commitments over the longer term.</p>	<p>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.</p>
<p><u>Cash and liquidity</u></p> <p>We will ensure Council holds sufficient cash and other assets in order to meet payment obligations to suppliers and employees.</p>	<p>Achieve a working capital ratio of at least 1.1: 1 throughout the plan.</p>

3. How the plan was developed

This SRP has been developed through a rigorous process and is based on the following key information:

- audited financial statements as at 30 June 2015
- assumptions provided by council service providers about changes in future income and expenditure
- assumptions provided by council capital works expenditure providers about requirements for future asset renewal, expansion, upgrade and new assets
- assumptions provided by finance regarding future changes in assets, liabilities and equity
- information provided by the executive management team and council.

The financial projections included in the SRP have been developed using a 'four-way' budget model. This methodology is a computer based model, which enables the linking of the comprehensive income statement, balance sheet, statement of cash flows and statement of capital works.

4. Assessment of Council's current financial position

An assessment has been undertaken of the council's current financial position to identify any significant matters which may impact on the SRP. A summary of the budgeted and forecast financial results for the 2015-16 year are in the following table.

Result	Adopted Budget 2015/16 \$'000	Forecast Actual 2015/16 \$'000	Variance Fav/ (Unfav) \$'000
Surplus/(deficit) for the year	6,878	8,211	1,333
Cash and investments balance	39,155	46,037	6,882
Capital works expenditure	27,539	32,390	4,851

A surplus of \$8.21 million is forecast to be achieved, compared with an original budgeted surplus of \$6.88 million. The forecast \$1.33 million favourable variance is primarily due to favourable rates, statutory fees and fines, user fees, capital grants, employee benefits and depreciation which has been offset by 50% of the 2015-16 financial assistance grants being received in the 2014-15 year.

Cash and investments is forecast to be \$46.04 million compared with an original budget of \$39.16 million. The forecast \$6.88 million favourable variance is primarily due to a higher opening cash and investments position compared with budget, a great collection of rates, statutory fees and fines, user fees and other income than budgeted.

Capital works expenditure is forecast to be \$32.39 million compared with an original budget of \$27.54 million. The forecast \$4.85 million favourable variance is due to capital works carry forwards from 2014/15 completed in 2015/16.

The Victorian Government has legislated that local government rates be capped from the 2016/17 year. The rate cap for the 2016/17 year as set by the Minister for Local Government is 2.5 percent. Depending on the level at which rates are capped in future years, Council may need to review the level of services and capital works expenditure which are delivered in future years and/or apply for a higher cap.

5. Key assumptions

There are a number of assumptions underlying the forecasts for income, expenditure, assets, liabilities, equity, cash, capital works expenditure and human resources included in the SRP. These assumptions have been derived from the following sources:

- assessment of the current financial position
- scan of the external economic environment
- forecast changes in population and demographics
- advice from officers responsible for service and capital works planning and delivery
- services and initiatives contained in plans adopted or proposed to be adopted by council.

The key assumptions underlying the SRP are set out below.

General operating

The general assumptions affecting all operating income and expenditure are included the following table.

	2016/17	2017/18	2018/19	2019/20
	%	%	%	%
Consumer Price Index	2.5	2.5	2.5	2.5
Engineering Construction Index	3.2	3.2	3.2	3.2
Non-Residential Building Index	3.5	3.5	3.5	3.5
Rate cap	2.5	2.5	2.5	2.5
Property growth	1.5	1.5	1.5	1.5
Wages growth	4.5	4.0	4.0	4.0
Grants (operating)	2.0	2.0	2.0	2.0
Statutory fees	2.0	2.0	2.0	2.0
Investment return	3.0	3.0	3.0	3.0

Consumer price index

The annual consumer price index (CPI) for the March 2016 quarter for Melbourne was 1.7 percent (ABS release 28 April 2016). The state-wide CPI is forecast to be 2.5 percent in 2016-17, 2.75 percent in 2017-18 and 2.5 percent for the remaining two years of the outlook period (Victorian State Government Budget Papers for 2016-17). For the purposes of developing the SRP, CPI has been set at 2.5 percent for the 2016-17 year and all remaining years and applied to all income and expense types with the exception of those specifically identified in the above table.

Rate cap

The Victorian Government requires local government rates to be capped from 2016-17 onwards. The cap for the 2016-17 year is 2.5 percent and based on the state-wide CPI projections is likely to remain at this level for the forecast period.

Property growth

The municipality is expected to continue growing over the four year period based on current trends. The population growth rate has been forecast to increase by 1.6% 2016/17, 1.7% in 2017/18, 1.6% in 2018/19, and 1.5% in 2019/20.

Wages growth

Council must renegotiate a new Collective Agreement during 2016/17 year for commencement on 1 July 2017. The wages growth in the SRP is based on the last year of the current Enterprise Agreement of 4.5% with 4% in future years.

Grants (operating)

Council receives approximately \$15.29 million annually in operating grants from State and Commonwealth sources for the purposes of funding the delivery of services to ratepayers. This includes \$4.50 million for the 2016/17 year in financial assistance grants. Future increases in operating grants excluding financial assistance grants have been set at CPI minus 0.5 percent in all years.

Statutory fees

Council raises approximately \$7.26 million in fees and fines which are imposed in line with legislation governing local government activities such as animal registrations and parking fines. Future increases in statutory fees have been set at CPI minus 0.5 percent in all years.

Investment return

The official cash rate is now 1.75 percent, following a rate decrease of 0.25 percent by the Reserve Bank on 3 May 2016. Council has set its investment return at 3.0 percent reflecting current investment returns.

Service delivery

The assumptions affecting specific services provided by council are set out below.

Residential garbage and recycling collection

Waste tipping charges associated with the disposal of residential garbage and growth in the number of tenements (1,077 per annum over the four year period) is expected to result in an increase of \$0.20 million per annum excluding CPI. Increases in the landfill levy will also increase the cost of residential garbage disposal by \$0.08 million in the 2016-17 financial year with similar increases forecast in future years.

Property valuation

Council is required to revalue all properties within the municipality every two years. The last general revaluation was carried out as at 1 January 2016 effective for the 2016/17 year and the next revaluation will be undertaken as at 1 January 2018. An allowance of \$0.08 million has been made every two years commencing in 2016/17 to meet the additional cost of resources to complete the revaluation process.

Statutory Planning

The statutory planning unit has been growing significantly over the past three years as the level of property development activity has increased. It is expected that the 2016/17 budget will be insufficient to meet all the needs of the Unit.

The service delivery outcomes measured in financial terms are shown in the following table.

Year	Surplus (Deficit) for the year \$'000	Adjusted Underlying Surplus (Deficit) \$'000	Net Service (Cost) \$'000
2016/17	10,424	5,809	(92,281)
2017/18	4,439	(588)	(93,991)
2018/19	(34)	(5,152)	(95,847)
2019/20	1,096	(4,117)	(98,565)

Service levels have been maintained for 2016/17 but with the introduction of capped rates increases service reviews will need to be undertaken across all services to establish sustainable service levels in future years. Excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result sees significant deficits in 2018/19 and 2019/20. The adjusted underlying

result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.

The net cost of the services provided to the community increases from \$92.28 million to \$98.57 million over the four year period.

Other operating

Other assumptions affecting operating income and expenditure which cannot be directly attributed to specific services are included the following table.

	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000
Supplementary rates	600	600	600	600
Developer contributions (cash)	3,500	3,500	3,500	3,500
Developer contributions (non-cash)	0	0	0	0
Financial assistance grants	4,501	4,591	4,691	4,791
Grants (capital)	2,123	2,154	2,186	2,218
Statutory fees	7,308	7,454	7,603	7,755
Asset sales proceeds	455	455	455	455

Supplementary rates

The municipality is expected to continue growing over the four year period based on current trends in property development. Supplementary rates are estimated to add an additional \$0.60 million in rate revenue in each year.

Developer contributions (cash)

Contributions are levied on developers for the purpose of offsetting future costs associated with the creation of open space and new community infrastructure. Based on current trends, the level of contributions is expected to be \$3.50 million in each year.

Developer contributions (non-cash)

From time to time council receives infrastructure assets from developers at no cost which are recognised as income in the comprehensive income statement. This normally occurs following the completion of a property development, where the developer agrees to construct the required infrastructure including roads, footpaths and drains. At the conclusion of the development, these assets are handed over to council. It is expected that Council will receive some infrastructure assets during the four year period. As the value of assets cannot be reliably measured at this time no allowance has been made.

Financial assistance grants

Council's financial assistance grant allocation has been decreasing in recent years due to the freeze in indexation by the Federal Government and Council's assessment relative to other Victorian councils. While the initial allocation for the 2016/17 year of \$4.50 million is less than the allocation in 2015/16, future allocations show marginal increased to reflect the restoration of indexation to these grants in 2017/18.

Grants (capital)

Council receives both recurrent and non-recurrent government funding for capital works projects. Capital grants are expected to be relatively consistent to reflect Roads to Recovery grants and other capital grants expected to be received in future years.

Asset sales (proceeds)

Council has in the past disposed of assets as part of its plant replacement program for light and heavy vehicle fleet. An amount of \$0.46 million has been forecast in 2016/17 for the expected proceeds from the plant replacement program will similar amounts in future years.

General balance sheet

The general assumptions affecting assets, liabilities and equity balances are set out below:

- 98.5 percent of the total rates and charges raised, is expected to be collected
- trade creditors is based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. The payment cycle is 30 days
- other debtors and creditors are expected to remain consistent with 2015/16 levels
- employee entitlements have increased in accordance with the collective wage agreement outcome offset by the impact of more active management of leave entitlements of staff.

6. Key strategies

6.1 Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website.

6.1.1 Rating context

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for 72.3% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. 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 Victorian community.

However, it has been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly recent changes in property valuations and subsequently rates for some properties in the municipality.

The State Government has introduced the *Fair Go Rates System (FGRS)* which sets out the maximum amount councils may increase rates in a year. For 2016/17 the FGRS cap has been set at 2.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

Council's cost increases for 2016/17 driven by wage increases set under relevant industrial agreements, contract price increases, and increased compliance costs have been limited to just over 3%.

The Council-funded rate rebate, raised to \$150 in 2015/16 will continue to be provided to residential pensioner ratepayers in 2016/17 in addition to the State Government pensioner rates concession. The pensioner rate rebate was first introduced in the 2010/2011 year and is to assist in the proper development of the municipal district, in accordance with section 169 of the Act.

Total rates and charges raised will be \$118.79 million, including an allowance of supplementary rates on new developments and service charges for the optional green waste service and Solar Saver program. The level of rates raised allows Council to maintain the services currently delivered to the community and deliver a substantial capital works program.

Supplementary rates on property developments are forecast to be \$0.60 million in 2016/17, with special charge scheme rates for retail activity areas forecast to be \$0.34 million. The green waste collection service charge of \$2.30 million is included in rates and charges for the 2016/17 year.

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 Darebin.

In order 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 2.5% in line with the rate cap.

6.1.2 Current year rates and charges

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2016.

Year	General Rate Increase %	Green waste Increase %	Total Rates Raised \$'000
2016/17	2.50	3.00	118,788
2017/18	2.50	3.00	121,753
2018/19	2.50	3.00	124,792
2019/20	2.50	3.00	127,907

6.1.3 Rating structure

Council has established a rating structure which is comprised of two elements. These are:

- Property values, which form the central basis of rating under the Local Government Act 1989
- A 'user pays' component to reflect usage of certain services provided by Council

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential or commercial purposes. This distinction is based on the concept that business should pay a fair and equitable contribution to rates, taking into account the benefits those commercial properties derives from the local community.

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis.

The existing rating structure comprises six differential rates (residential, business, vacant residential, vacant business, mixed use occupancy, and vacant retail), and a rate concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to levy the rate for recreational lands at "such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands".

The business rate is set at 175% of the residential rate, the rate concession for recreational land is set at 50% of the commercial rate, the residential vacant land rate is set at 300% of the residential rate, the vacant business land rate is set at 400% of the residential rate, mixed use occupancy land is set at 140% of the residential rate, and vacant retail land is set at 400% of the residential rate. Council also levies green waste charge as allowed under the Act.

The following table summarises the rates to be determined for the 2016/17 year.

Rate type	How applied	2015/16	2016/17	Total Raised \$000's
Residential rates	Cents in \$ of CIV	0.258933	0.233003	93,431
Business rates	Cents in \$ of CIV	0.453133	0.407756	20,527
Vacant residential	Cents in \$ of CIV	0.776799	0.699010	443
Vacant business	Cents in \$ of CIV	1.035732	0.932013	713
Mixed use occupancy	Cents in \$ of CIV	0.362506	0.326205	1,113
Vacant retail	Cents in \$ of CIV	1.035732	0.932013	81
Recreational rates	Cents in \$ of CIV	0.226566	0.203878	30

Council has adopted a formal *Rating Strategy* that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used.

6.1.4 General revaluation of properties

During the 2015/16 year, a revaluation of all properties within the municipality was carried out and will apply from 1 July 2016 for the 2016/17 year. The outcome of the general revaluation has been a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased on average by 13.9% for the two years from 1 January 2014 to 1 January 2016. Of this increase, rateable residential properties have increased by 14.6% and rateable business properties by 11.0%.

The following table summarises the valuation changes between the 2014 and 2016 general revaluations for residential properties by suburb. Rates for individual properties will vary depending on their individual valuation outcomes.

Suburb	Rateable Residential Valuation Change	Rateable Business Valuation Change
Alphington	16.5%	8.6%
Bundoora	10.1%	20.6%
Coburg	18.7%	1.4%
Fairfield	15.2%	8.2%
Kingsbury	11.7%	8.3%
Macleod	8.4%	5.0%
Northcote	17.4%	11.7%
Preston	15.7%	12.0%
Reservoir	12.7%	7.7%
Thornbury	13.2%	10.7%
Darebin average	14.6%	11.0%

In view of the outcomes of the general revaluation of all properties within the Council's municipal district during the 2015/16 year, Council has chosen not to make any changes to the existing rate differential.

6.1.5 Service charges – waste collection

The fundamental issue with funding waste services through general rates is that there is no correlation with consumption.

Waste minimisation may be viewed as an important Council objective. Councils are increasingly looking at their roles in terms of broader environmental responsibilities and sustainability, particularly given pressures for land in metropolitan areas and the role of landfill gas in greenhouse effects. If council considers that waste minimisation is an important objective it follows that ratepayers should be made aware of the significant costs involved. Specific charges are the best means of providing transparency.

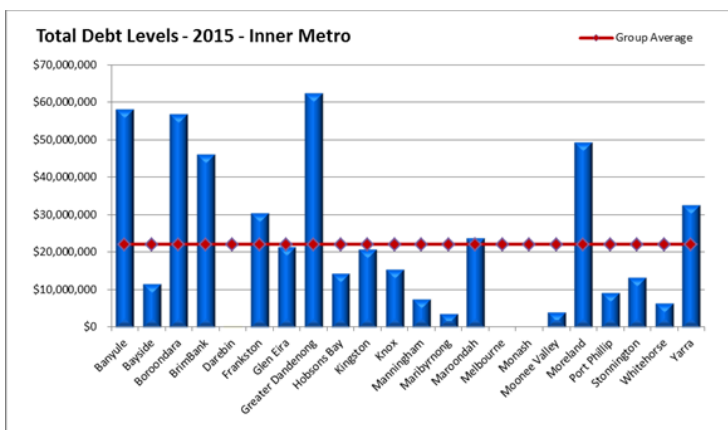
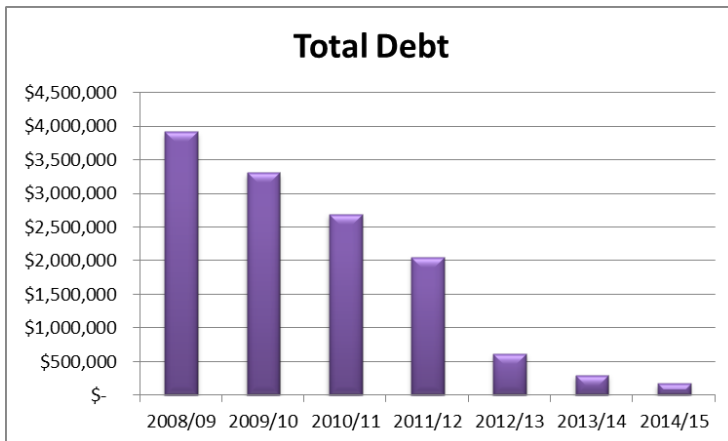
Council has the power to levy a service rate or service charge or combination service rate and charge to fund waste services. The most commonly used service rate or charge is that used to defray garbage collection and recycling costs. Most councils fund waste services through a separate service charge.

Waste services lend themselves to user charges. A unit charge is normally levied on each property that receives or can access the service. The recipient of the benefit of this service can clearly be identified as the property to which it is provided so it is more in the way of a private good rather than a public good.

Darebin currently has an optional green waste service which carries an annual service charge for those who elect to take this service but has no separate charge for general waste and recycled collection services. Council will consider the introduction of services charges for general waste and recycled collection services for the 2017/18 financial year.

6.2 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 14), borrowings was identified as 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 resulting in borrowings reduced to \$0 during 2015/16. With Council considering a number of substantial intergenerational capital works projects, it is timely to reconsider the issue of borrowings.



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. Council is in the process of developing a loan borrowing strategy. The relevant State Government prudential requirements for borrowing are set out below:

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

Council will manage its debt and only undertake additional borrowings in accordance with the following principles:

- Council complies with the Local Government Prudential Guidelines at all times.
- Loans are only taken when Council's Long Term Financial Plan shows that debt management obligations can be met over the life of the loan.
- Loan funds are drawn only at the time when required.
- Loan funds should be considered when funding intergenerational infrastructure initiatives.

For the 2016/17 year, Council has decided not to take out new borrowings. It is likely in future years that borrowings will be required to fund future intergenerational infrastructure initiatives. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2016.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	0	0	0	0
2017/18	0	0	0	0
2018/19	0	0	0	0
2019/20	0	0	0	0

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

	2015/16 \$	2016/17 \$
Total amount borrowed as at 30 June of the prior year	172,000	0
Total amount to be borrowed	0	0
Total amount projected to be redeemed	(172,000)	0
Total amount proposed to be borrowed as at 30 June	0	0

6.3 Infrastructure

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.

Council has demands for capital expenditure for both new assets and renewal of existing assets.

The following table summarises Council's forward outlook on capital expenditure including funding sources for the next four years.

Year	Summary of funding sources				
	Total Capital Program	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000
2016/17	35,840	1,878	3,287	30,675	0
2017/18	40,059	2,596	3,901	33,562	0
2018/19	27,203	2,637	3,980	20,586	0
2019/20	33,304	2,678	4,065	26,561	0

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions public resort and recreation. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

7. Outcomes

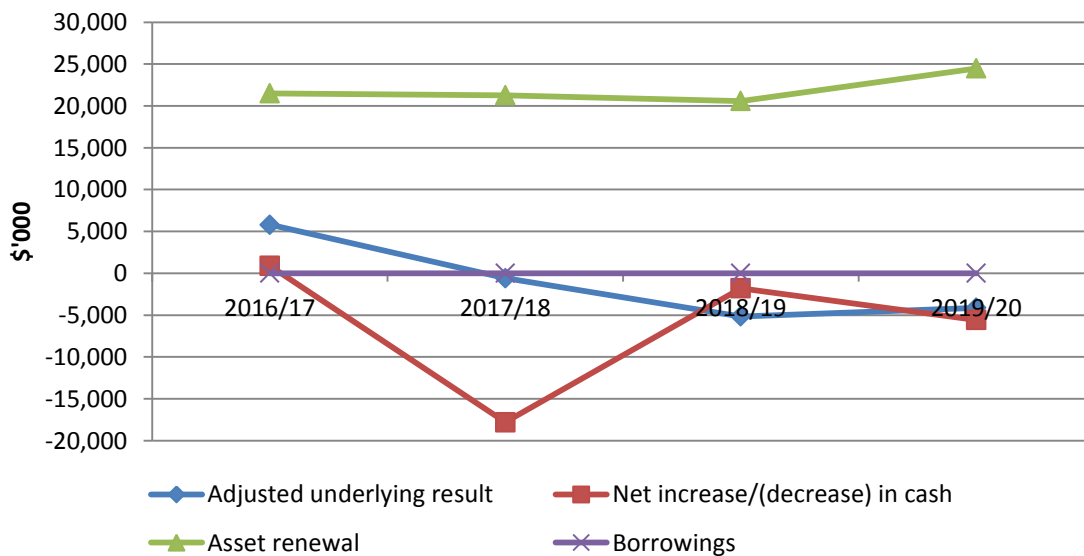
7.1 Financial outcomes

The following financial results, graph and indicators summarise the key financial outcomes for the next four years as set out in the SRP for the 2016-20 years. The attached Appendix includes the financial statements and other financial disclosures required by the Act and regulations.

	2016/17	2017/18	2018/19	2019/20	Trend
	\$'000	\$'000	\$'000	\$'000	+/-
Adjusted underlying result	5,809	(588)	(5,152)	(4,117)	-
Net cost of services	(92,281)	(93,991)	(95,847)	(98,565)	-
Net increase/(decrease) in cash	888	(17,806)	(1,794)	(5,581)	-
Asset renewal	21,494	21,271	20,593	24,482	o
Borrowings	0	0	0	0	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



Indicator	Measure	Budget	Strategic Resource Plan Projections			Trend
		2016/17	2017/18	2017/18	2019/20	+/-
Operating position						
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	3.7%	(0.3%)	(3.1%)	(2.4%)	-
Liquidity						
Working Capital	Current assets / current liabilities	151.5%	129.9%	124.3%	108.6%	-
Unrestricted cash	Unrestricted cash / current liabilities	68.5%	31.0%	25.5%	10.0%	-
Obligations						
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	0.7%	0.0%	0.0%	0.0%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	0.1%	0.0%	0.0%	0.0%	o
Indebtedness	Non-current liabilities / own source revenue	1.5%	1.0%	1.0%	0.9%	o
Asset renewal	Asset renewal expenses / Asset depreciation	103.2%	86.5%	81.3%	92.8%	-
Stability						
Rates concentration	Rate revenue / adjusted underlying revenue	74.3%	74.3%	74.4%	74.5%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.3%	0.3%	0.3%	0.3%	o
Efficiency						
Expenditure level	Total expenses/ no. of property assessments	\$2,274	\$2,389	\$2,473	\$2,477	-
Revenue level	Residential rate revenue / No. of residential property assessments	\$1,515	\$1,591	\$1,702	\$1,822	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	9.3%	9.3%	9.3%	9.3%	o

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Notes to indicators

1 Adjusted underlying result – An indicator of the sustainable operating result required to enable 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 decrease significantly in 2016/17 year due to a run down in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.

3 Debt compared to rates - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

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 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.

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.

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

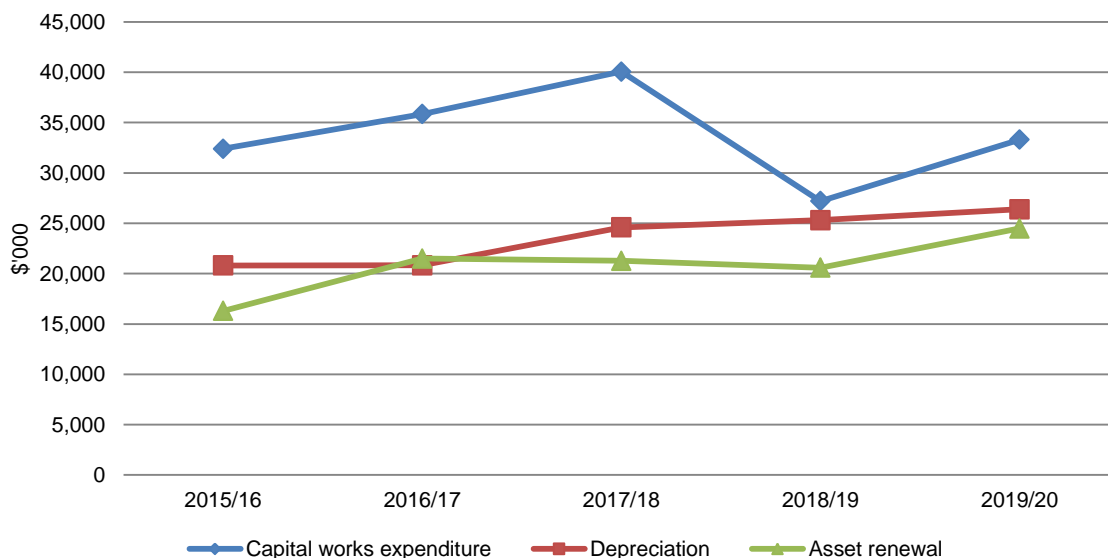
Objective

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. 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 100%. 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

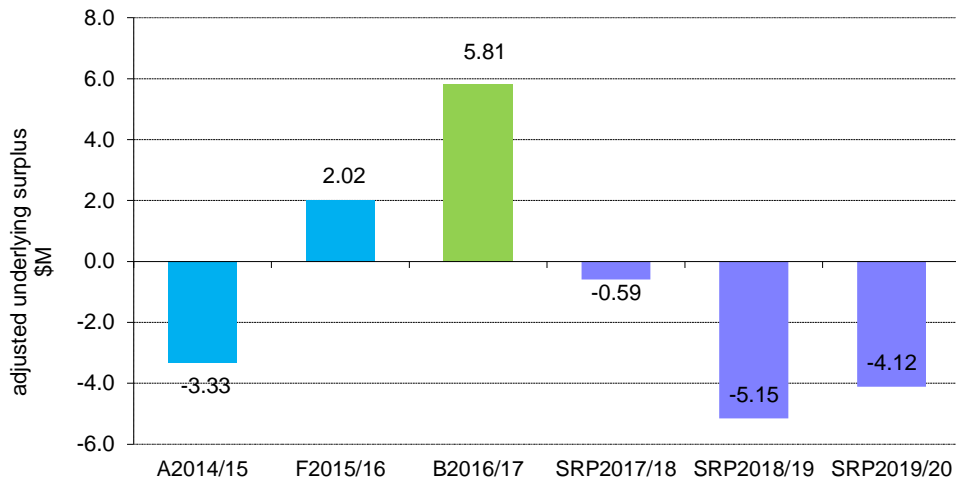
Objective

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 adjusted underlying result, which is a measure of financial sustainability, shows an increasing deficit over the four year period.

Cash and liquidity

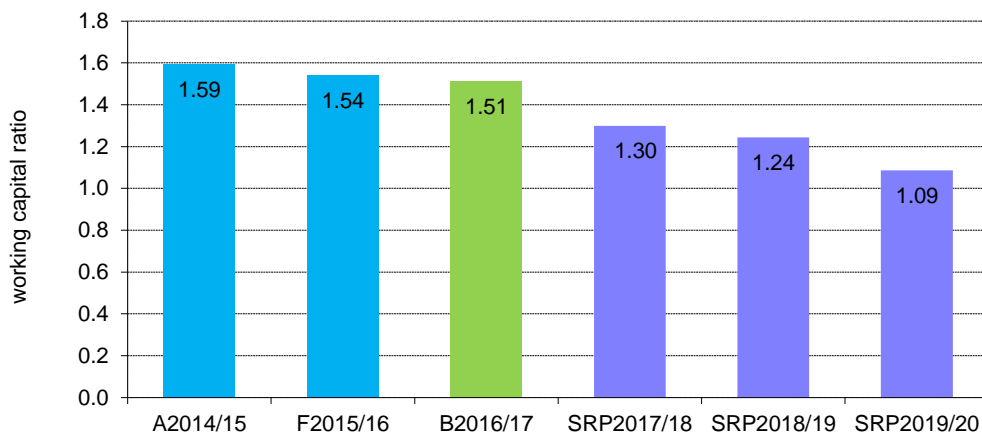
Objective

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 2017 is a financially sound 151% 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 \$1.51 worth of current assets.

The financial position is expected to improve with net assets (net worth) to increase by \$13.25 million to \$1.30 billion with net current assets (working capital) to increase by \$0.51 million to \$21.97 million as at 30 June 2017. (Net assets are forecast to be \$1.28 billion as at 30 June 2016).

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 Non-financial 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 labour which may also impact on its ability to maintain adequate service levels in these areas.

The following table summarises the key non-financial outcomes for the next four years as set out in the SRP for years 2016-20 years. The attached Appendix includes the non-financial statements and other non-financial disclosures required by the Act and Local Government (Planning and Reporting) Regulations 2014.

	2016/17	2017/18	2018/19	2019/20	Trend +/o/-
Employee costs - operating (\$'000)	82,842	85,781	88,784	91,891	-
Employee numbers (FTE)	764	761	761	761	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

7.3 Achievement of SRP objectives

The overall objective of the SRP is financial sustainability in the medium to long term, while still providing sufficient resources to achieve the council plan strategic objectives. The financial outcomes of the SRP are set out below under each of the key objectives which underpin the SRP over the next four years.

1. Achieve a breakeven adjusted underlying result (objective: not achieved)

The adjusted underlying result is a deficit reducing over the four year period. A breakeven result is not expected after 2017/18 (measure: adjusted underlying result).

2. Maintain existing service levels (objective: achieved)

Service levels have been maintained throughout the four year period after allowing for the impact of inflation and other cost indexation (measure: net cost of services and expenditure level).

3. Achieve a balanced budget on a cash basis (objective: not achieved)

The net change in cash is forecast to be significantly negative in years two to four, which indicates an unbalanced budget on a cash basis in those years (measure: net change in cash and unrestricted cash).

4. Meet council's asset renewal requirements (objective: not achieved)

Asset renewal is above the target of 100 percent of depreciation for 2016/17 but only as result of renewal works that have been carried forward from 2015/16. Asset renewal in the remaining years is below the target of 100% of depreciation (measure: asset renewal).

5. Reduce debt to a low to moderate level to allow capacity to fund future infrastructure (objective: achieved)

The level of debt is zero over the four year period (measure: loans and borrowings).

Comprehensive Income Statement

For the four years ending 30 June 2020

	Budget	Strategic Resource Plan Projections		
	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Income				
Rates and charges	118,788	121,753	124,792	127,907
Statutory fees and fines	7,308	7,454	7,603	7,755
User fees	12,400	12,710	13,028	13,353
Grants - Operating	15,292	15,595	15,904	16,219
Grants - Capital	2,123	2,154	2,186	2,218
Contributions - monetary	3,500	3,901	3,980	4,065
Contributions - non-monetary assets	0	0	0	0
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(20)	38	19	0
Other income	4,935	5,010	5,085	5,163
Total income	164,326	168,615	172,597	176,680
Expenses				
Employee costs	82,482	85,781	88,784	91,891
Materials and services	41,544	42,920	44,342	45,811
Bad and doubtful debts	951	1,155	1,204	1,236
Depreciation and amortisation	20,832	24,589	25,313	26,391
Borrowing costs	0	0	0	0
Other expenses	8,093	9,730	12,988	10,254
Total expenses	153,902	164,176	172,631	175,584
Surplus/(deficit) for the year	10,424	4,439	(34)	1,096
Other comprehensive income				
Items that will not be reclassified to surplus or deficit in future periods				
Net asset revaluation increment/(decrement)	5,106	72,298	0	74,986
Total comprehensive result	15,530	76,737	(34)	76,082

Balance Sheet

For the four years ending 30 June 2020

	Budget	Strategic Resource Plan Projections		
	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Assets				
Current assets				
Cash and cash equivalents	42,822	25,016	23,223	17,642
Trade and other receivables	16,250	16,939	17,387	17,805
Other financial assets	4,103	4,103	4,103	4,103
Other assets	1,469	1,469	1,469	1,469
Total current assets	64,644	47,527	46,182	41,019
Non-current assets				
Trade and other receivables	3,156	3,157	3,157	3,158
Property, infrastructure, plant & equipment	1,272,383	1,360,152	1,362,042	1,443,941
Total non-current assets	1,275,539	1,363,309	1,365,199	1,447,099
Total assets	1,340,183	1,410,836	1,411,381	1,488,118
Liabilities				
Current liabilities				
Trade and other payables	19,511	12,948	13,039	13,195
Trust funds and deposits	4,135	4,217	4,304	4,392
Provisions	19,031	19,414	19,800	20,196
Interest-bearing loans and borrowings	0	0	0	0
Total current liabilities	42,677	36,579	37,143	37,783
Non-current liabilities				
Provisions	1,406	1,420	1,434	1,449
Interest-bearing loans and borrowings	0	0	0	0
Total non-current liabilities	1,406	1,420	1,434	1,449
Total liabilities	44,083	37,999	38,577	39,232
Net assets	1,296,100	1,372,837	1,372,804	1,448,886
Equity				
Accumulated surplus	509,891	514,330	514,296	515,392
Reserves	786,209	858,507	858,508	933,494
Total equity	1,296,100	1,372,837	1,373,804	1,448,886

Statement of Changes in Equity

For the four years ending 30 June 2020

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2016/17				
Balance at beginning of the financial year	1,282,854	501,439	769,159	12,256
Surplus/(deficit) for the year	10,424	10,424	-	-
Net asset revaluation increment/(decrement)	5,106	-	5,106	-
Transfer to other reserves	(2,284)	(1,972)	-	(312)
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	1,296,100	509,891	774,265	11,944
2017/18				
Balance at beginning of the financial year	1,296,100	509,891	774,265	11,944
Surplus/(deficit) for the year	4,439	4,439	-	-
Net asset revaluation increment/(decrement)	72,298	-	72,298	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	1,372,837	514,330	846,563	11,944
2018/19				
Balance at beginning of the financial year	1,372,837	514,330	846,563	11,944
Surplus/(deficit) for the year	(34)	(34)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	1,372,803	514,296	846,563	11,944
2019/20				
Balance at beginning of the financial year	1,372,803	514,296	846,563	11,944
Surplus/(deficit) for the year	1,096	1,096	-	-
Net asset revaluation increment/(decrement)	74,986	-	74,986	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
Balance at end of the financial year	1,448,886	515,392	921,549	11,944

Statement of Cash Flows

For the four years ending 30 June 2020

	Budget	Strategic Resource Plan Projections		
	2016/17 \$'000 Inflows (Outflows)	2017/18 \$'000 Inflows (Outflows)	2018/19 \$'000 Inflows (Outflows)	2019/20 \$'000 Inflows (Outflows)
Cash flows from operating activities				
Rates and charges	117,796	120,424	123,598	126,709
Statutory fees and fines	5,883	7,373	7,530	7,683
User fees	13,242	12,571	12,903	13,228
Grants - operating	15,292	15,425	15,751	16,067
Grants - capital	5,623	2,131	2,165	2,198
Interest received	1,612	1,602	1,613	1,621
Other receipts	3,323	7,211	7,367	7,520
Employee costs	(81,315)	(89,862)	(88,728)	(91,793)
Materials and services	(41,195)	(44,961)	(44,314)	(45,762)
Other payments	(9,044)	(9,780)	(12,578)	(9,833)
Net cash provided by/(used in) operating activities	31,217	22,133	25,306	27,637
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	(30,785)	(40,059)	(27,203)	(33,304)
Proceeds from sale of property, infrastructure, plant and equipment	456	37	19	0
Trust funds and deposits	0	83	84	86
Payments of loans and advances	0	0	0	0
Net cash provided by/ (used in) investing activities	(30,329)	(39,939)	(27,099)	(33,218)
Cash flows from financing activities				
Finance costs	0	0	0	0
Proceeds from borrowings	0	0	0	0
Repayment of borrowings	0	0	0	0
Net cash provided by/(used in) financing activities	0	0	0	0
Net increase/(decrease) in cash & cash equivalents	888	(17,806)	(1,794)	(5,581)
Cash and cash equivalents at the beginning of the financial year	41,934	42,822	25,016	23,223
Cash and cash equivalents at the end of the financial year	42,822	25,016	23,223	17,642

Statement of Capital Works

For the four years ending 30 June 2020

	Budget	Strategic Resource Plan Projections		
	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Property				
Land	0	0	0	0
Land improvements	95	104	107	110
Total land	95	104	107	110
Buildings	4,668	17,249	4,880	5,014
Heritage buildings	0	0	0	0
Building improvements	517	0	0	0
Leasehold improvements	2,050	0	0	0
Carry forward capital works	1,211	0	0	0
Total buildings	8,446	17,249	4,880	5,014
Total property	8,541	17,353	4,987	5,124
Plant and equipment				
Heritage plant and equipment	0	0	0	0
Plant, machinery and equipment	2,888	3,112	3,192	3,293
Fixtures, fittings and furniture	155	0	0	0
Computers and telecommunications	1,383	1,435	1,489	1,526
Library books	751	708	725	744
Carried forward capital works	379	0	0	0
Total plant and equipment	5,556	5,255	5,406	5,563
Infrastructure				
Roads	5,353	6,027	5,078	5,218
Transport and road safety	1,610	1,677	1,723	1,770
Bridges	220	229	235	81
Footpaths and cycleways	3,226	2,423	2,482	2,558
Drainage	1,698	394	405	416
Recreational, leisure and community facilities	464	244	250	5,756
Parks, open space and streetscapes	5,707	6,457	6,637	6,818
Off street car parks	0	0	0	0
Other infrastructure	0	0	0	0
Carried forward capital works	3,465	0	0	0
Total infrastructure	21,743	17,451	16,810	22,617
Total capital works expenditure	35,840	40,059	27,203	33,304
Represented by:				
New asset expenditure	8,218	14,514	2,073	3,060
Asset renewal expenditure	21,494	21,271	20,593	24,482
Asset expansion expenditure	585	632	650	1,218
Asset upgrade expenditure	5,543	3,642	3,887	4,544
Total capital works expenditure	35,840	40,059	27,203	33,304

Statement of Human Resources

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16	2016/17	2017/18	2017/18	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	75,825	81,448	85,781	88,784	91,891
Employee costs - capital	1,214	1,034	0	0	0
Total staff expenditure	77,039	82,482	85,781	88,784	91,891
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Employees	761	764	761	761	761
Total staff numbers	761	764	761	761	761

Other information

Summary of planned capital works expenditure for the four years ended 30 June 2020

Capital Works Area	Total \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
2016/17									
PROPERTY									
Land	0	0	0	0	0	0	0	0	0
Land Improvements	95	50	45	0	0	0	50	45	0
Total land	95	50	45	0	0	0	50	45	0
Buildings	5,879	2,346	2,908	475	150	0	0	5,879	0
Heritage buildings	0	0	0	0	0	0	0	0	0
Building improvements	517	226	146	145	0	0	0	517	0
Leasehold improvements	2,050	2,050	0	0	0	0	0	2,050	0
Total Buildings	8,446	4,622	3,054	620	150	0	0	8,446	0
Total property	8,541	4,672	3,099	620	150	0	50	8,491	0
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment	2,958	85	2,843	30	0	0	455	2,503	0
Fixtures, Fittings and Furniture	155	0	155	0	0	0	0	155	0
Computers and Telecommunications	1,692	478	948	131	135	0	0	1,692	0
Library Books	751	69	546	136	0	0	0	751	0
Total plant and equipment	5,556	632	4,492	297	135	0	455	5,101	0
INFRASTRUCTURE									
Roads	6,970	0	6,745	225	0	1,008	0	5,962	0
Transport & road safety	1,610	0	750	860	0	0	0	1,610	0
Bridges	220	150	70	0	0	0	110	110	0
Footpaths and Cycleways	3,226	100	2,262	764	100	0	60	3,166	0
Drainage	1,978	1,320	398	260	0	650	0	1,328	0
Recreational, Leisure and Community Facilities	464	125	180	159	0	0	75	389	0
Parks, Open Space and Streetscapes	7,275	1,219	3,498	2,358	200	220	2,537	4,518	0
Off Street Car Parks	0	0	0	0	0	0	0	0	0
Other Infrastructure	0	0	0	0	0	0	0	0	0
Total infrastructure	21,743	2,914	13,903	4,626	300	1,878	2,782	17,083	0
TOTAL capital works expenditure 2016/17	35,840	8,218	21,494	5,543	585	1,878	3,287	30,675	0

Capital Works Area	Total \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
2017/18									
PROPERTY									
Land	0	0	0	0	0	0	0	0	0
Land Improvements	104	52	52	0	0	0	0	104	0
Total land	104	52	52	0	0	0	0	104	0
Buildings	17,249	12,499	3,800	237	712	0	0	17,249	0
Heritage buildings	0	0	0	0	0	0	0	0	0
Building improvements	0	0	0	0	0	0	0	0	0
Leasehold improvements	0	0	0	0	0	0	0	0	0
Total Buildings	17,249	12,499	3,800	237	712	0	0	17,249	0
Total property	17,353	12,551	3,852	237	712	0	0	17,353	0
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment	3,112	91	2,976	0	45	0	331	2,781	0
Fixtures, Fittings and Furniture	0	0	0	0	0	0	0	0	0
Computers and Telecommunications	1,435	359	933	72	72	0	0	1,435	0
Library Books	708	0	708	0	0	0	0	708	0
Total plant and equipment	5,255	450	4,617	72	117	0	331	4,924	0
INFRASTRUCTURE									
Roads	6,027	0	6,027	0	0	1,470	0	4,557	0
Transport & road safety	1,677	0	839	838	0	0	0	1,677	0
Bridges	229	160	69	0	0	0	0	229	0
Footpaths and Cycleways	2,423	0	2,242	181	0	0	0	2,423	0
Drainage	394	0	276	118	0	0	0	394	0
Recreational, Leisure and Community Facilities	244	61	122	61	0	0	0	244	0
Parks, Open Space and Streetscapes	6,457	1,292	3,228	1,615	323	0	3,000	3,457	0
Off Street Car Parks	0	0	0	0	0	0	0	0	0
Other Infrastructure	0	0	0	0	0	0	0	0	0
Total infrastructure	17,451	1,513	12,803	2,813	323	1,470	3,000	12,981	0
TOTAL capital works expenditure 2017/18	40,059	14,514	21,272	3,122	1,152	1,470	3,331	35,258	0

Capital Works Area	Total \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
2018/19									
PROPERTY									
Land	0	0	0	0	0	0	0	0	0
Land Improvements	107	53	54	0	0	0	0	107	0
Total land	107	53	54	0	0	0	0	107	0
Buildings	4,880	0	3,904	244	732	0	0	4,880	0
Heritage buildings	0	0	0	0	0	0	0	0	0
Building improvements	0	0	0	0	0	0	0	0	0
Leasehold improvements	0	0	0	0	0	0	0	0	0
Total Buildings	4,880	0	3,904	244	732	0	0	4,880	0
Total property	4,987	53	3,958	244	732	0	0	4,987	0
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment	3,192	93	3,052	0	47	0	340	2,852	0
Fixtures, Fittings and Furniture	0	0	0	0	0	0	0	0	0
Computers and Telecommunications	1,489	372	968	75	74	0	0	1,489	0
Library Books	725	0	580	0	145	0	0	725	0
Total plant and equipment	5,406	465	4,600	75	266	0	340	5,066	0
INFRASTRUCTURE									
Roads	5,078	0	5,078	0	0	1,499	0	3,579	0
Transport & road safety	1,723	0	862	861	0	0	0	1,723	0
Bridges	235	164	71	0	0	0	0	235	0
Footpaths and Cycleways	2,482	0	2,297	185	0	0	0	2,482	0
Drainage	405	0	284	121	0	0	0	405	0
Recreational, Leisure and Community Facilities	250	63	125	62	0	0	0	250	0
Parks, Open Space and Streetscapes	6,637	1,327	3,318	1,659	332	0	3,000	3,636	0
Off Street Car Parks	0	0	0	0	0	0	0	0	0
Other Infrastructure	0	0	0	0	0	0	0	0	0
Total infrastructure	16,810	1,554	12,035	2,888	332	1,499	3,000	12,310	0
TOTAL capital works expenditure 2018/19	27,203	2,072	20,593	3,207	1,330	1,499	3,340	22,363	0

Capital Works Area	Total \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
2019/20									
PROPERTY									
Land	0	0	0	0	0	0	0	0	0
Land Improvements	110	55	55	0	0	0	0	110	0
Total land	110	55	55	0	0	0	0	110	0
Buildings	5,014	0	4,012	250	752	0	0	5,014	0
Heritage buildings	0	0	0	0	0	0	0	0	0
Building improvements	0	0	0	0	0	0	0	0	0
Leasehold improvements	0	0	0	0	0	0	0	0	0
Total Buildings	5,014	0	4,012	250	752	0	0	5,014	0
Total property	5,124	55	4,067	250	752	0	0	5,124	0
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment	3,293	96	3,150	0	47	0	351	2,942	0
Fixtures, Fittings and Furniture	0	0	0	0	0	0	0	0	0
Computers and Telecommunications	1,526	382	992	76	76	0	0	1,526	0
Library Books	744	0	595	0	149	0	0	744	0
Total plant and equipment	5,564	478	4,737	76	272	0	351	5,212	0
INFRASTRUCTURE									
Roads	5,218	0	5,218	0	0	1,529	0	3,689	0
Transport & road safety	1,770	0	885	885	0	0	0	1,770	0
Bridges	81	0	81	0	0	0	0	81	0
Footpaths and Cycleways	2,558	0	2,367	191	0	0	0	2,558	0
Drainage	416	0	291	125	0	0	0	416	0
Recreational, Leisure and Community Facilities	5,756	1,164	3,428	550	614	0	0	5,756	0
Parks, Open Space and Streetscapes	6,818	1,364	3,409	1,704	341	0	3,000	3,818	0
Off Street Car Parks	0	0	0	0	0	0	0	0	0
Other Infrastructure	0	0	0	0	0	0	0	0	0
Total infrastructure	22,617	2,528	15,679	3,455	955	1,529	3,000	18,088	0
TOTAL capital works expenditure 2019/20	33,304	3,061	24,483	3,781	1,979	1,529	3,351	28,424	0

Summary of planned human resources expenditure for the four years ending 30 June 2020

	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000
Office of the Chief Executive				
-Permanent full time	2,808	2,921	3,037	3,159
-Permanent part time	116	120	125	130
Total Office of the Chief Executive	2,924	3,042	3,162	3,288
Assets & Business Services				
-Permanent full time	10,004	10,404	10,820	11,253
-Permanent part time	606	630	655	682
Total Assets & Business Services	10,610	11,034	11,475	11,935
Culture, Leisure & Works				
-Permanent full time	16,675	17,342	18,036	18,757
-Permanent part time	1,530	1,591	1,654	1,721
Total Culture, Leisure & Works	18,205	18,933	19,690	20,478
Community Development				
-Permanent full time	12,464	12,962	13,481	14,020
-Permanent part time	15,132	15,738	16,367	17,022
Total Community Development	27,596	28,700	29,847	31,042
Corporate & Planning Services				
-Permanent full time	11,856	12,330	12,824	13,337
-Permanent part time	1304	1,356	1,410	1,467
Total Corporate & Planning Services	13,160	13,687	14,233	14,803
Total casuals and other	8,954	10,386	10,376	10,344
Capitalised labour	1,034	0	0	0
Total staff expenditure	82,482	85,781	88,784	91,891
	EFT	EFT	EFT	EFT
Office of the Chief Executive				
-Permanent full time	24.0	24.0	24.0	24.0
-Permanent part time	1.4	1.4	1.4	1.4
Total Office of the Chief Executive	25.4	25.42	25.42	25.42
Assets & Business Services				
-Permanent full time	95.4	92.4	92.4	92.4
-Permanent part time	6.4	6.4	6.4	6.4
Total Assets & Business Services	101.7	98.7	98.7	98.7
Culture, Leisure & Works				
-Permanent full time	190.0	190.0	190.0	190.0
-Permanent part time	18.3	18.3	18.3	18.3
Total Culture, Leisure & Works	208.3	208.3	208.3	208.3
Community Development				
-Permanent full time	122.8	122.8	122.8	122.8
-Permanent part time	173.1	173.1	173.1	173.1
Total Community Development	295.9	295.9	295.9	295.9
Corporate & Planning Services				
-Permanent full time	112.6	112.6	112.6	112.6
-Permanent part time	19.65	19.65	19.65	19.65
Total Corporate & Planning Services	132.3	132.3	132.3	132.3
Total staff numbers*	763.6	760.6	760.6	760.6

*Excludes casual and home care staff

Glossary

Act	means the <i>Local Government Act 1989</i>
Annual report	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
Asset expansion expenditure	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
Asset expenditure type	means the following types of asset expenditure: (a) asset renewal expenditure; (b) new asset expenditure; (c) asset upgrade expenditure; (d) asset expansion expenditure
Asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
Asset upgrade expenditure	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
Australian Accounting Standards (AASB)	means the accounting standards published by the Australian Accounting Standards Board
Budget	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
Capital works expenditure	means expenditure on non-current assets and includes new assets, asset renewal, asset expansion and asset upgrade
Council Plan	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
Financial resources	means income, expenditure, assets, liabilities, equity, cash and capital works required to deliver the services and initiatives in the budget
Financial statements	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
Financial year	means the period of 12 months ending on 30 June each year
Human resources	means the staff employed by a council

Indicator	means what will be measured to assess performance
Initiatives	means actions that are one-off in nature and/or lead to improvements in service
Major initiatives	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
Minister	means the Minister for Local Government
Model budget	means the <i>Victorian City Council Model Budget</i> prepared annually by the Chartered Accountants in Australia and New Zealand
New asset expenditure	means expenditure that creates a new asset that provides a service that does not currently exist
Non-financial resources	means the resources other than financial resources required to deliver the services and initiatives in the budget
Non-recurrent grant	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
Planning and accountability framework	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
Performance statement	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
Recurrent grant	means a grant other than a non-recurrent grant
Regulations (LGR)	means the Local Government (Planning and Reporting) Regulations 2014
Report of operations	means a report containing a description of the operations of the council during the financial year and included in the annual report
Services	means assistance, support, advice and other actions undertaken by a council for the benefit of the local community
Statement of capital works	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
Strategic objectives	means the outcomes a council is seeking to achieve over the next four years and included in the Council Plan
Strategic Resource Plan	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

Strategies

means high level actions directed at achieving the strategic objectives in the Council Plan

Statement of human resources

means a statement which shows all council staff expenditure and numbers of full time equivalent council staff

Statements of non-financial resources

means a statement which describes the non-financial resources including human resources

Summary of planned capital works expenditure

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

Summary of planned human resources expenditure

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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