



**GLEN EIRA CITY COUNCIL**

**GLEN EIRA  
CITY COUNCIL**

BENTLEIGH  
BENTLEIGH EAST  
BRIGHTON EAST  
CARNEGIE  
CAULFIELD  
ELSTERNWICK  
GARDENVALE  
GLEN HUNTLY  
MCKINNON  
MURRUMBEENA  
ORMOND  
ST KILDA EAST

# **DRAFT STRATEGIC RESOURCE PLAN 2019–2020 to 2028–2029**

Ordinary Council Meeting  
30 April 2019



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## **1 Purpose**

Section 126 of the *Local Government Act* requires a *Strategic Resource Plan* (SRP) to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the *Council and Community Plan*. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

The SRP gives effect to the *Council and Community Plan*. “The primary object of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions” – section 3c (1) of the *Local Government Act*.

## **2 Plan Development**

Council has prepared a *Strategic Resource Plan* (SRP) for the ten years 2019-20 to 2028-29 as part of its ongoing financial planning to assist in adopting a budget within a longer term strategic framework. The SRP takes the strategic objectives and strategies as specified in the *Council and Community Plan* and gives effect to them in financial terms for the next ten years (The Act requires a four year plan. Council chooses to produce a 10 year plan).

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council’s strategic objectives as specified in the *Council and Community Plan*. The key financial objectives, which underpin the SRP, are:

- Manage finances appropriately within the constraints set by the State Government’s Rate Capping regime.
- Renew and upgrade our ageing assets and community facilities.
- Maintain essential services at not less than current levels.
- Set fee increases that are manageable and sustainable.
- Invest in continuous improvement, technology and other enablers to efficiency and embrace customer outcomes.
- Keep day-to-day costs manageable and rates below our peers.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in section 136 of the Act:

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

### **3 Background**

The SRP is updated annually through a process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives. Please note that the SRP is subject to change on an annual basis as its preparation is undertaken using the best assumptions available to Council at that time.

Glen Eira warrants its position as one of the most financially sustainable Councils in Victoria. The long-term SRP from 2019-20 to 2028-29 aims to maintain and build on this position by sustaining solid operational surpluses, increasing Council's renewal, upgrade and new investment in community assets, and ensuring that Council's liquidity position is healthy.

In recent years, Council has made a concerted effort to contain costs and direct necessary funding to capital expenditure. This approach has ensured the City's infrastructure and community facilities are improving and that Council provides the facilities and services that the community needs at a price that the community is prepared to pay. To achieve this, Council must continue to carefully manage finances and use innovation and continuous improvement measures to ensure services are the most efficient and cost-effective that can be provided.

It is the decision of Council to determine the priority for spending on the operational services that Council provides as well as the investment in the capital works program.

The SRP for 2019-20 to 2028-29 shows very steady operational surpluses ranging from \$18m to \$27m per annum over the next 10 years. These are necessary to ensure cash reserves are contributing to fund the long-term capital works program.

The SRP has a challenging capital works program. Council has committed to undertaking a significant strategic work plan over the coming 10 years, which includes completing a comprehensive update of the *Glen Eira Planning Scheme*, and implementing our approach to place based planning and integrated transport.

This important work will set the future 10-20 year strategic direction in the key areas of land-use, transport, economic development and urban design. The average spend across the 10 year period is approximately \$54m.

Council also needs to ensure that working capital is maintained such that sufficient cash reserves are available to meet normal cash flow requirements and meet potential emergencies.

The long-term financial position within the SRP is based on Council funding the entire Capital Works Program (including Council borrowings). Consideration of alternative funding options (besides borrowings), may be explored and this is likely to depend on specific site options available with different partners.

## 4 Assumptions/Deliverables

The SRP assumes a rate increase of 2.5 per cent in 2019-20 and 2.0 per cent in future years. This is the fourth year of Victorian Councils operating under a rate cap. Previous year caps were also based on forecast CPI and set at 2.25 per cent for 2018-19, 2.0 per cent for 2017-18 and 2.5 per cent for 2016-17.

Council must manage the budget and long-term plan appropriately within the constraints set by the State Government's Rate Capping regime.

The SRP is based on the assumptions set out below:

### 4.1 Operational

#### *i. Income*

- Council's SRP is based on an average rates per assessment increase of 2 per cent. The budget assumes an additional 800 to 1,000 property assessments per annum. The average Rates per Assessment for 2019-20 is estimated at \$1,423. The 10 year outlook is based on 2 per cent increase each year.
- Waste management charges are levied on a basis of cost recovery.  
Glen Eira's policy is to levy waste and recycling charges on the basis of cost recovery. This is consistent with the position of the majority of Councils given that waste charges are outside the Minister's Rate Cap. The budget reflects both an increase in Waste and Recycling Charges as well as increased contractor expenses.
- Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, health act registrations and parking fines. Increases are set at 2 per cent per annum.
- User fees relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of leisure, community facilities and the provision of human services such as Family Day Care and Community Care Services. Increases are set at 2 per cent per annum.
- Operating grant funding received from State and Federal sources is set at 2 per cent per annum. One-off non-recurrent grant funding includes funding for the Carnegie Pool Redevelopment, (subject to the Sports and Recreation Victoria *Better Pools Program* of \$2.5m over 2022-23 and 2023-24) and Murrumbena Park facilities of \$1m (over 2020-21 and 2021-22).

#### *ii. Expenses*

- Contractor payments – increase by 2 per cent per annum which covers items such as: waste management, tipping fees, parks and grounds maintenance, traffic management, IT support, agency staff etc.
- Equivalent full-time staffing is capped at current levels.
- Election costs of \$600k every 4 years.
- Clayton South Regional Landfill Site – allowances of \$211k per annum, being Glen Eira's contribution for post closure rehabilitation costs from 2021-22 onwards.

**iii. Other Assumptions in the SRP:**

- No provision or allowance has been made for any call from the defined benefits fund.
- No additional income, grant funding or public/private sector partnerships has been factored into considerations for strategic projects such as structure plan projects.

**4.2 Capital Works Program**

Council's base capital program is approximately \$34m (excluding Strategic and Major Projects).

Projects in the 10 year Capital Works Program (per annum) include:

**i. Strategic Projects**

- Carnegie Pool Redevelopment, capital costs of \$39m from 2020-21 to 2023-24. There are a number of government grants available to assist in the financing of this development which Council would be eligible to apply for. The main one is the 'Better Pools' program which allocates \$2.5m.
- Lord Reserve/Koornang Park Masterplan Precinct Implementation - \$3m over 2019-20 and 2024-25.
- Pavilion Design and Construction Program - \$2m-\$3m on average.
- Open Space Strategy Implementation \$3m - 2023-24 onwards. Unallocated (i.e. non project specific) of \$3m has been allowed in the SRP from 2023-24.

**ii. City Futures (Activity Centres)**

Council has committed to undertaking a significant strategic work plan over the coming 4 years to complete a comprehensive update of the Planning Scheme, place based planning and integrated transport. This important work will set the future 10-20 year strategic direction in the key areas of land-use, transport, economic development and urban design.

Funding of \$90m has been allocated in the SRP to fund structure plan works in Elsternwick, Carnegie and Bentleigh over the next 10 years (estimate \$140m of works over 15 years). Funding for this is to implement major projects identified in the Structure Plans, including new buildings, new public plazas, etc. and includes the following:



ELSTERNWICK  
**STRUCTURE PLAN**  
2018-2031



*Elsternwick Community Hub & Park*



*Stanley Street East Car Park*



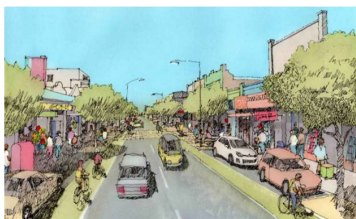
*Selwyn Street Cultural Precinct*



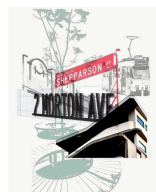
*Carre Street Pedestrian Amenity*

- Elsternwick Community Hub & Park - \$31.8m (majority of spend in 2026-27 to 2028-29). Create a new community hub and improved car parking in place of the existing car park between Staniland Grove and Orrong Road.
- Stanley Street East Multi-deck Car Park - \$17.3m (majority of spend in 2024-25 to 2025-26). Creation of a new multi-level car park in place of the existing Stanley Street east car park.
- Selwyn Street Cultural Precinct - \$5.5m (to be completed in 2023-24). Facilitate a new cultural precinct centred around Selwyn Street.
- Carre Street Pedestrianisation - to be completed in 2032-33. Partial closure of Carre Street to create a pedestrian forecourt activated by the adjoining retail uses.

CARNEGIE  
**STRUCTURE PLAN**  
2018-2031



*Koornang Road Streetscape*



*Shepparson Avenue Market*

- Koornang Road Streetscape Upgrade & Pedestrianisation - \$6.15m (majority of spend in 2023-24 to 2025-26). Improvement of the Koornang Road retail streetscape.
- Shepparson Avenue Market Development - \$17.56m. Redevelop the existing Shepparson Avenue car park site to provide a market at ground floor and incorporating opportunities for employment and diverse housing in upper levels.

**BENTLEIGH  
STRUCTURE PLAN  
2018-2031**



*Eat Street*



*Bentleigh Library Upgrade*

- Eat Street (Rotunda) - \$1.8m (to be completed in 2019-20). Create a pedestrian-only mall area with outdoor seating, activated by cafes, restaurants and bars with increased trading hours.
- Bentleigh Library Upgrade - \$3.5m (to be completed in 2020-21). Improve Bentleigh Library and the surrounding area, including expansion of the facility and introduction of a new civic forecourt.
- Horsley Street Multi-deck Car Park - \$1.6m (however, majority of spend in 2029-30 and 2030-31).

**INTEGRATED TRANSPORT  
STRATEGY  
2018-2031**



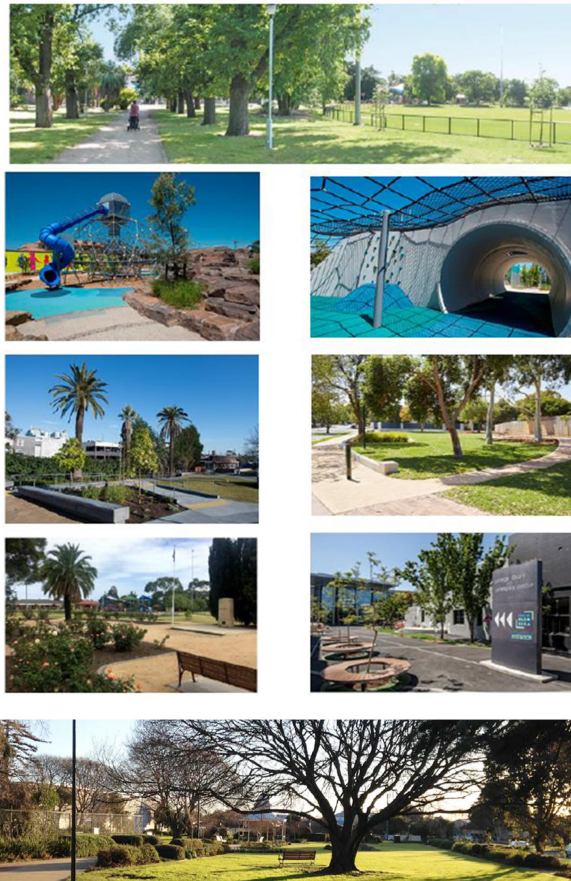
- To implement the new Integrated Transport Strategy with projects including new bicycle paths, new pedestrian improvements, wayfinding signage, parking improvements, etc. - \$10.2m.
- Streetscape and Activity Centre Minor Improvements Program - \$1.8m.



**iii. Open Space & Recreational Projects**

Council receives open space levies pursuant to clause 52.01 of the *Glen Eira Planning Scheme*. Open Space initiatives included in this SRP:

- Open Space Masterplan construction and landscape enhancement works - \$1.6m per annum
- Car Parks (upgrades/renewals at sports grounds/reserves) - \$1.1m per annum
- Major Playground Upgrade - \$1m per annum
- Parks & Gardens Upgrades - \$1m per annum
- Sportsgrounds Lighting - \$700k per annum
- Warm Season Grasses - \$650k per annum.



**iv. Infrastructure Renewals**

- Rates revenue has been applied to ensure that capital expenditure is increased to address the infrastructure renewal gap and complete additional capital works projects. Included in the capital program is annual renewal and upgrade of Council's major infrastructure assets such as Roads \$4m, Drainage Improvement Program \$4m, Footpaths \$2.2m, Local Road Resurfacing \$1.5m and Car Park Renewals \$700k.

**v. Other Capital Projects**

- Building Renewal works – \$5m per annum includes cyclical renewal works for public toilet upgrades, floor coverings, plant and equipment, solar projects, signage and replacement of plant and equipment. This includes Town Hall accommodation works of \$2m in 2020-21 to 2023-24.
- Energy efficiency lighting – \$5m in 2028-29; upgrade of residential street lighting to LEDs.
- Replacement of Fleet and Plant – \$1.7m per annum - includes plant and equipment at Parks, Depot and Town Hall.
- Information Technology - \$1.5m per annum includes:
  - Renewing base infrastructure such as storage, servers, networking and end-user tools (desktops; laptops; tablets; monitors).
  - Defining and building the technology foundations to support Council's Transformation Program including service design, reviewing the current state architecture and business applications.
- Transport and Planning projects – \$1.2m per annum includes safety projects at cross intersections, pedestrian, safer speed limits, school safety, shopping centres, sustainable transport and disabled parking upgrades.
- Library Book Collections – approximately \$1m per annum, includes: purchase of books, DVDs, magazines, games, eBooks and eMagazines.

### 4.3 Cash Position/Liquidity Ratio

Our forecast cash balance has improved but is still expected to remain at relatively low levels for the next few years but sufficient to cover current liabilities.

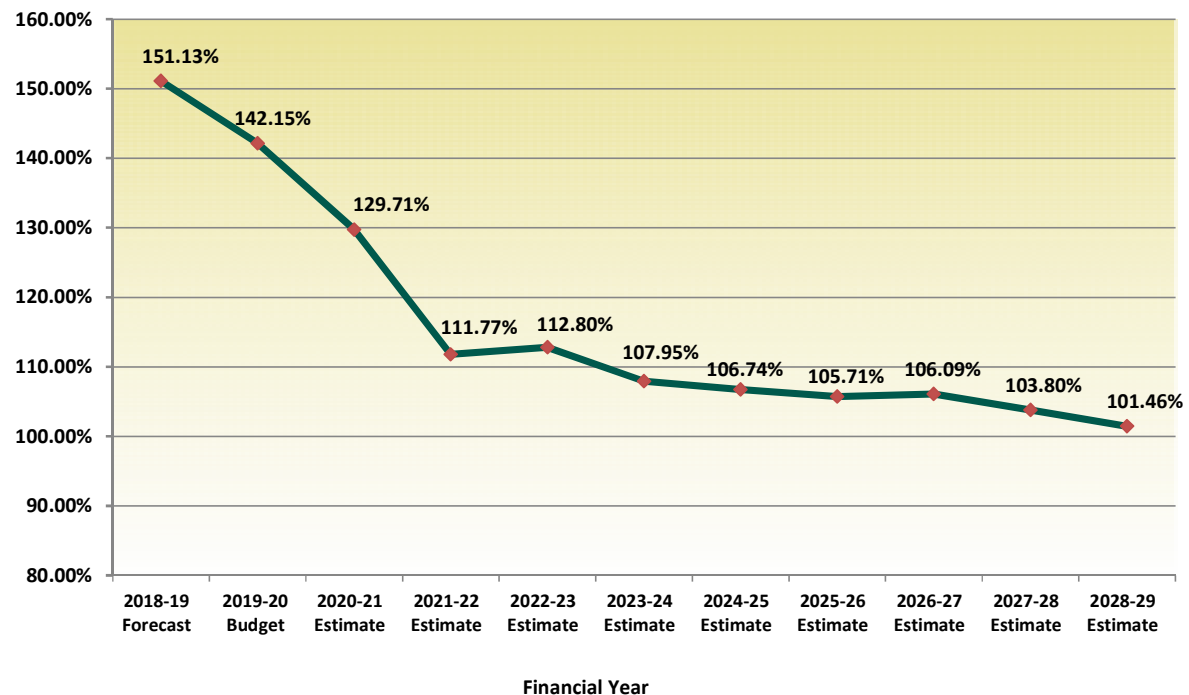
Council should hold sufficient cash to cover 'Restricted Assets' such as:

- **Residential Accommodation Deposits (\$29m)** – relates to resident accommodation deposits for Council's nursing homes at Warrawee, Rosstown and Spurway. These deposits are to be refunded (less retention income) when residents leave the facility. These funds are to be invested in cash and term deposit accounts in accordance with the *Aged Care Act 1997*. Council is liable to repay deposits as and when required; and
- **Refundable Deposits (\$5m)** – are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

An item placing additional pressure on Council's Liquidity Ratio is the classification of leave entitlements. Although a majority of leave entitlements are not expected to be settled within 12 months, almost all leave entitlements are classified as current liability provisions in Council's balance sheet, placing greater pressure on the liquidity ratio.

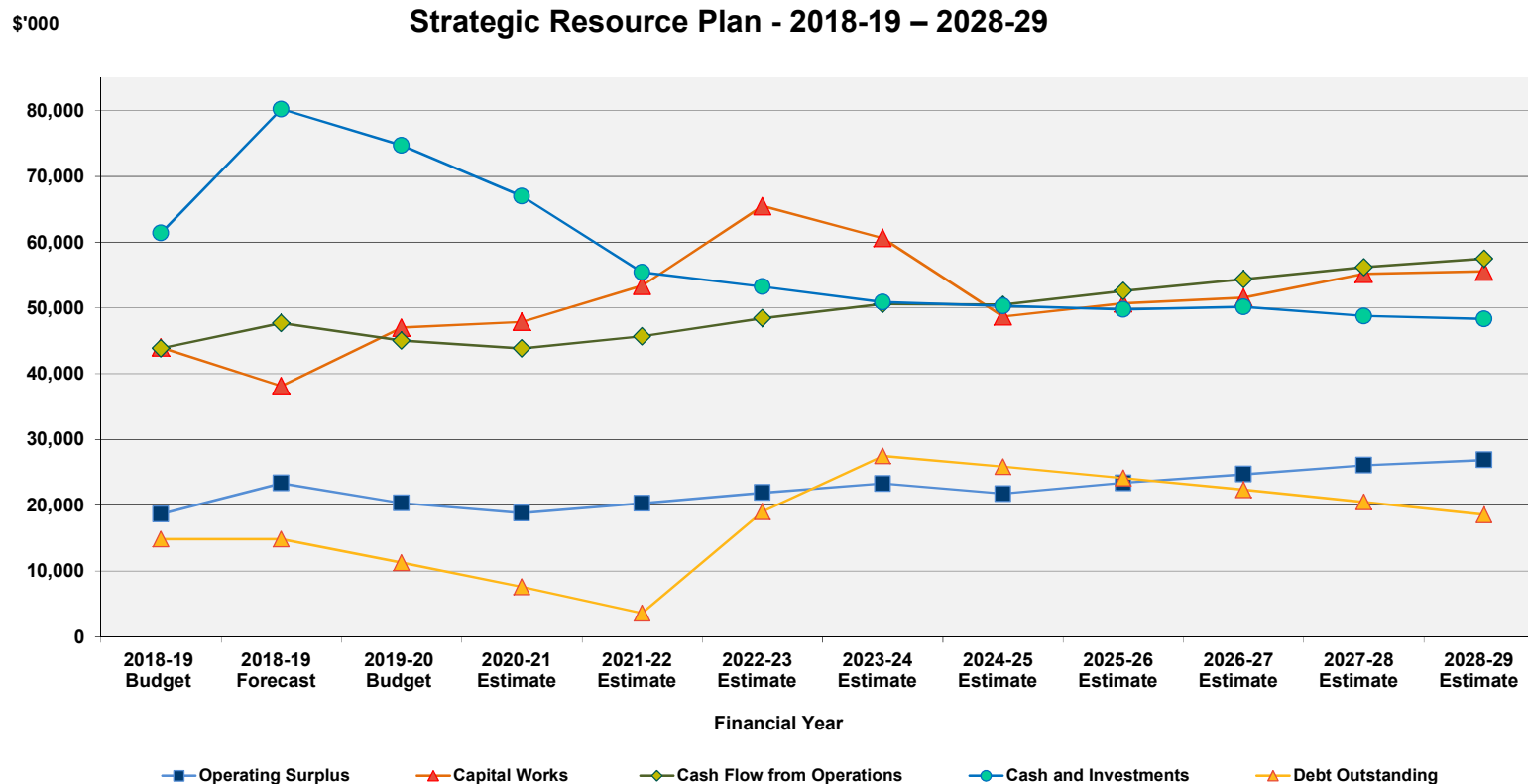
Percentage (%)

### Liquidity Ratio (Working Capital)



## 5 Financial Resources

The following graph summarises the key financial results for the years 2018-19 to 2028-29. The graph below shows that: the operating result remains positive, capital works averages over \$53m and loans will be used to partially fund major projects from 2022-23 with repayments over fifteen years. The level of projected cash incorporates capital expenditure and current rates projections. The financial statements include a more detailed analysis of the financial resources to be used over the ten year period (refer to Section 11).



The following table summarises the key financial results for the years 2018-19 to 2028-29. Section 11 includes a more detailed analysis of the financial resources to be used over the ten year period.

<b>Key Financial Results</b>													
	2018-19 Budget	2018-19 Forecast	2019-20 Budget	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate	Trend + / o / -
Operating Surplus	18,656	23,363	20,332	18,806	20,298	21,905	23,309	21,771	23,406	24,718	26,079	26,888	+
Capital Works	44,005	38,128	47,024	47,886	53,390	65,486	60,615	48,707	50,709	51,578	55,192	55,556	+
Cash Flow from Operations	43,862	47,708	45,048	43,845	45,687	48,459	50,615	50,488	52,582	54,361	56,196	57,488	+
Cash and Investments	61,398	80,249	74,723	66,995	55,416	53,239	50,889	50,298	49,779	50,170	48,783	48,322	-
Debt Outstanding	14,848	14,848	11,277	7,592	3,596	19,015	27,497	25,869	24,152	22,362	20,499	18,556	-

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



## 6 Financial Performance Indicators

### 6.1 Local Government Performance Reporting Framework Indicators (LGPRF)

The Local Government Performance Reporting Framework is a mandatory system of performance reporting for all Councils. The regulations include a set of 12 financial performance indicators, which aim to provide information on the effectiveness of financial management.

The following tables highlight Council's current and projected performance across a range of these key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Financial Performance Indicators for the years ending 30 June 2018-29																
Indicator	Measure	Notes	2018-19 Budget	2018-19 Forecast	2019-20 Budget	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate	Trend +/-	
<b>Operating Position</b>																
Adjusted Underlying Result	Adjusted Underlying Surplus	1	9.61%	11.60%	9.44%	9.38%	9.99%	10.10%	10.51%	10.10%	10.61%	10.95%	11.28%	11.35%	+	
	Adjusted Underlying Revenue															
<b>Liquidity</b>																
Working Capital	Current Assets/ Current Liabilities	2	122.96%	151.13%	142.15%	129.71%	111.77%	112.80%	107.95%	106.74%	105.71%	106.09%	103.80%	101.46%	-	
Unrestricted Cash	Unrestricted Cash/ Current Liabilities		43.12%	67.31%	57.09%	54.27%	35.88%	33.56%	29.47%	28.03%	26.76%	26.92%	24.40%	23.33%	-	

#### 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

## 2019-20 to 2028-29 Strategic Resource Plan

### Financial Performance Indicators for the years ending 30 June 2018-29

Indicator	Measure	Notes	2018-19 Budget	2018-19 Forecast	2019-20 Budget	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate	Trend +/-
<b>Obligations</b>															
Loans and Borrowings	Interest-bearing Loans and Borrowings Rate Revenue	3	13.58%	13.52%	9.92%	6.48%	2.97%	15.24%	21.35%	19.51%	17.69%	15.91%	14.17%	12.46%	o
Loans and Borrowings	Interest and Principal Repayments Rate Revenue		3.67%	3.67%	3.53%	3.41%	3.46%	4.37%	2.06%	2.01%	1.97%	1.92%	1.86%	1.81%	+
Indebtedness	Non-current Liabilities Own Source Revenue		10.13%	10.15%	7.71%	5.08%	2.59%	13.33%	17.54%	16.08%	14.68%	13.29%	11.93%	10.59%	o
Asset Renewal	Asset Renewal Asset Depreciation	4	86.13%	89.39%	80.15%	82.49%	84.61%	88.17%	95.48%	78.52%	79.48%	84.10%	92.21%	102.31%	o
<b>Stability</b>															
Rates Concentration	Rate Revenue Adjusted Underlying Revenue	5	60.58%	59.58%	61.39%	61.71%	62.01%	62.33%	62.62%	62.84%	63.15%	63.45%	63.74%	64.04%	o
Rates Effort	Rate Revenue Property Values (CIV)		0.17%	0.17%	0.17%	0.16%	0.16%	0.16%	0.16%	0.15%	0.15%	0.15%	0.14%	0.14%	o
<b>Efficiency</b>															
Expenditure Level	Total Expenditure No. of Assessments		\$ 2,439	\$ 2,429	\$ 2,471	\$ 2,496	\$ 2,511	\$ 2,540	\$ 2,569	\$ 2,618	\$ 2,638	\$ 2,664	\$ 2,690	\$ 2,725	+
Revenue Level	Residential Rates Revenue No. of Residential Assessments		\$ 1,650	\$ 1,557	\$ 1,636	\$ 1,661	\$ 1,690	\$ 1,720	\$ 1,756	\$ 1,788	\$ 1,820	\$ 1,854	\$ 1,888	\$ 1,923	+
Workforce Turnover	No. of Resignations & Terminations Average Number of Staff		10.69%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	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 Financial Performance Indicators (LGPRF)**

### **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. Council continues to retain a positive result over the next 10 years.

### **2. Working Capital**

The proportion of current liabilities represented by current assets. This measures the ability to pay existing liabilities in the next 12 months. A ratio of more than 100 per cent means there are more short term assets than short-term liabilities.

Council needs to ensure working capital is maintained such that sufficient cash reserves are available to meet normal cash flow requirements. Over the last few years, Council has invested heavily in its capital works program by fully utilising cash reserves.

Council should hold sufficient cash to cover 'Restricted Assets' such as: Residential Aged Care Deposits, Contract Deposits and *Fire Services Property Levy*.

The trend of working capital is forecast to remain at a level of more than 100 per cent from 2019-20.

### **3. Debt Compared to Rates**

Trend indicates Council's reliance on debt against its annual rate revenue.

### **4. Asset Renewal**

This percentage indicates the extent of Council's renewal expenditure on new capital works projects against its depreciation charge.

### **5. Rates Concentration**

Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will still be consistently reliant on rate revenue compared to all other revenue sources.

## 7 Non-financial Resources

### 7.1 Human Resources

In addition to the financial resources to be consumed over the planning period, Council also utilises non-financial resources, in particular human resources. Glen Eira has capable and diverse staff required to provide a range of quality services to the community. Recruitment, development and retention of our staff are critical for the organisation to be able to provide services to our community.

The 2019-20 Budget provides for 860.19 full-time equivalent (FTE) staff in a range of positions across the organisation. The status of these FTE's comprises of: 471.3 full-time, 283.13 permanent part-time and 105.76 casuals. The increase in EFT during 2018-19 is mostly due to previously contracted services being brought in house. This has reduced the overall cost of delivering these services.

The ages of staff vary, with Glen Eira Sports and Aquatic Centre (GESAC) attracting a younger age group of employees in the fitness and aquatic areas.

A detailed Statement of Human Resources is included in Section 11.

The following table summarises the non-financial resources for the next ten years.

#### Statement of Human Resources for the years ending 30 June 2019 - 2029

Staff Expenditure	2018-19 Budget	2018-19 Forecast	2019-20 Budget	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Employee Costs - Operating	79,458	78,878	83,725	85,516	87,872	89,965	92,247	94,573	96,946	99,127	101,357	103,638
Employee Costs - Capital	(2,246)	(2,246)	(2,476)	(2,537)	(2,601)	(2,659)	(2,727)	(2,796)	(2,867)	(2,932)	(2,998)	(3,065)
<b>Total Staff Expenditure</b>	<b>77,212</b>	<b>76,632</b>	<b>81,250</b>	<b>82,979</b>	<b>85,272</b>	<b>87,305</b>	<b>89,520</b>	<b>91,777</b>	<b>94,078</b>	<b>96,195</b>	<b>98,359</b>	<b>100,572</b>
Staff Numbers	2018-19 Budget	2018-19 Forecast	2019-20 Budget	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
Employees (Full-time Equivalent)	831.10	848.10	860.19	858.19	857.69	856.69	856.69	856.69	856.69	856.69	856.69	856.69

## **7.2 Risk Management**

Glen Eira City Council is committed to ensuring strategic and operational risks are appropriately managed to protect Council and the community.

Council is committed to protecting its revenue, expenditure and assets from any attempt by members of the public, contractors, agents, intermediaries, volunteers, or its own staff to gain financial or other benefits by deceit, bias or dishonest conduct.

Council has a well-developed and mature risk management framework. Through a strategic risk review process, coupled with the incorporation of the top 10 risks in every Council business plan, Council has a thorough understanding of the risks and opportunities it needs to manage.

The challenge ahead is to create true business success by being able to demonstrate that all risks are considered in every decision made. The Risk Management Unit, in collaboration with Council's business unit managers, ensures existing and emerging risk issues are identified, discussed and mitigated. Assistance is offered through advice, support and training to all staff.

Council's Audit and Risk Committee considers a number of risk management reports prepared by management. The Committee reviews specific risk areas across Council and in some instances across specific projects, and examines the controls in place to mitigate those risks.

The risk management function works in collaboration with Council's business unit managers to ensure risk is well understood and managed. Assistance is offered through advice, support and training to all staff. Management of risk at the business unit level was reported by the auditors to be excellent. Risk management has been embraced by staff and this responsibility has been included in position descriptions.

Every manager has a risk register to monitor the operational risks within their business units. Managers are provided with refresher training on how to review identified risks, add new risks and assess the effectiveness of the controls while providing detailed information about the way the risk is managed.

Council's key assurance activities have been mapped to its strategic risks. The assurance map considers the key risks to Council in achieving its objectives and performance expectations, the assurance activities that have been conducted and the operation of controls that apply to those risks.



## **8 Glen Eira Rating Strategy**

### **8.1 Rating context**

The whole community pays taxes and rates. Of the total tax revenue collected by all levels of government, currently councils across Australia collect 3.5 per cent. The other 96.5 per cent goes to federal and state governments. The more tax revenue that federal and state governments return to local projects, the less pressure there will be on rates.

Glen Eira City Council's ("Council's") reliance on rates is influenced by policy and legislative factors that preclude or limit Council's ability to charge. Council does not have discretion to set user fees and charges for a range of services where this is set out in State legislation or regulation, such as prescribed fees for planning permits, or in funding agreements with other levels of Government such as those applying to aged services and maternal and child health.

From 2016-17 onwards, Council's ability to raise revenue from rate income has been impacted by the State Government's introduction of the *Fair Go Rates System* (FGRS).

### **8.2 State Taxation of Glen Eira Property**

#### ***i. Fire Services Property Levy (FSPL)***

From 1 July 2013, the State Government commenced using Local Governments' rate systems as a collection agent for the *Fire Services Property Levy*. The Levy is listed on Council rate notices, collected by Councils and paid to the State Government. The amount of the State Levy collected in Glen Eira is estimated at approximately \$12.67m for 2018-19.

#### ***ii. State Landfill Levy***

The *State Government Landfill Levy* is the amount that Council pays to the State Government for every tonne of waste delivered to landfill. The government uses the levy to promote recycling and related programs and the levy reflects the government's policy to reduce waste going to landfill.

The landfill levy is beyond Council's control.

Since 2009, the State Government's Landfill Levy has increased from \$9 to \$64 per tonne (a 611 per cent increase). It is estimated that Council will pay approximately \$1.92m in 2019-20 for the State Government Landfill Levy which is 25 per cent of Glen Eira's total waste collection and disposal costs.

### **8.3 The Rating System**

The rates system is set down in State Government legislation. One of the easiest ways to explain this system is that if you own one per cent of the value of property in a municipality, you pay one per cent of the total rates.

Rates are set according to how much your property is worth compared to the rest of the municipality. For example, a \$700,000 property in a wealthy municipality may be below the average house value so the owner would pay below the average rates, while a \$700,000 property in a less affluent municipality might be well above the average house value so the owner would pay above average rates.

#### **8.4 The Rating Framework at Glen Eira Council**

Glen Eira City Council has adopted the Net Annual Value (NAV) system for rating purposes. NAV for non-residential properties is the assessed rental value. In accordance with legislation this must be at least 5 per cent of the Capital Improved Value (CIV) for any property. For residential properties it is fixed at 5 per cent of the CIV, but for commercial or industrial properties there is no set amount and will generally be higher.

##### **i. Recreational Land**

Council provides rate relief to recreational land as provided under the Cultural and *Recreational Lands Act 1963*. This Act effectively provides Council with the power to apply a discount to Cultural and Recreational properties.

##### **ii. Rebates**

Under the *Pensioner Rate Assistance Scheme*, anyone who has been issued with a pensioner concession card by Centrelink or Veterans' Affairs, or a Veterans' Affairs Gold Card specifying War Widow or TPI, is entitled to a State Government rebate on their rates bill. The available State Government concession is 50 per cent of rates to a maximum of approximately \$234 for 2019-20.

Glen Eira City Council is one of the few Councils to provide an additional rebate to further assist all who are eligible for the State Government rebate. The maximum total Council and State Government rebate granted is \$270 (Council's portion is approximately \$36 in 2019-20).

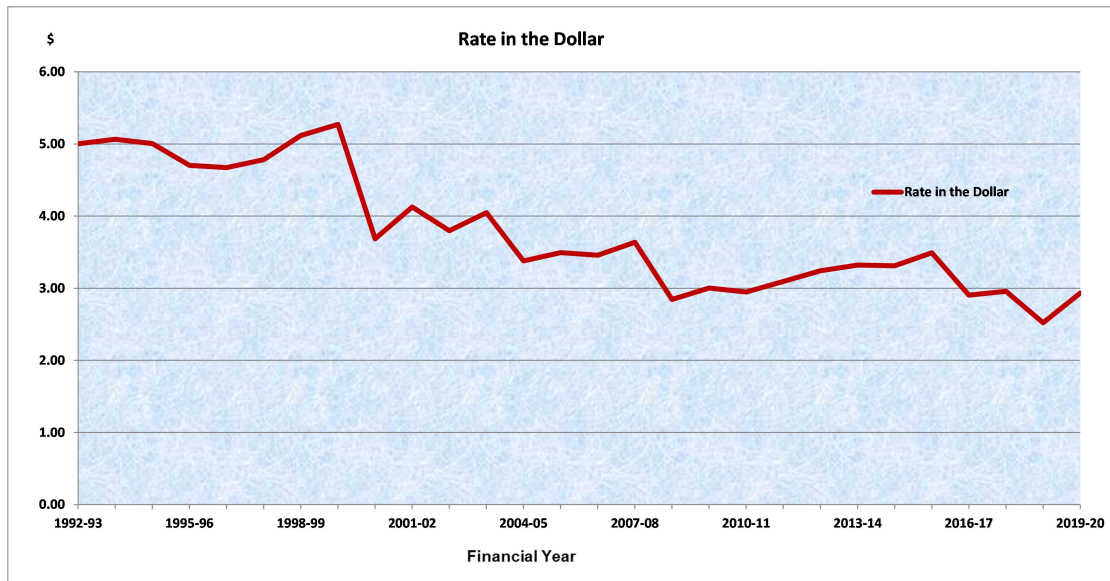
#### **8.5 General Revaluation of Properties**

As of 1 July 2018, the Valuer-General has been conducting a revaluation of all properties every year. The current revaluation is effective as at 1 January 2019. The current capital improved value of all rateable property is approximately \$64.7 billion.

The property values are used:

- by State Government to levy land tax and the *Fire Services Property Levy* (effective 1 July 2013); and
- by Council to levy rates.

A revaluation has no effect on Council's total rate income. Rising property values do not impact on Council's total revenue collection. They usually result in the adjustment, by Council, of a lower rate in the dollar to offset the overall increase in property values. For example, the rate in the dollar in 1991-92 (City of Caulfield) was 7.1178 of net annual value. The rate in the dollar in 2019-20 is 2.9333.



A revaluation can affect the rates on an individual property. Rates are redistributed according to the shift in property values that have occurred in different parts of the municipality. In a revaluation year some ratepayers may experience a change in their rates depending on the type of property they own, where it is located and how its value has moved relative to the average.

### 8.6 Strategic Resource Plan

In developing the SRP, rate revenue was identified as an important source of revenue, accounting for approximately 51 per cent of the total revenue received by Council annually.

Planning for future rate increases has been an important component of the Strategic Resource Planning process. The State Government has introduced the *Fair Go Rates System* which sets out the maximum amount councils may increase rates in a year. The SRP assumes an average rate increase of 2 per cent per annum.

Glen Eira continues to have the second-lowest average rates and charges in metropolitan Melbourne.

### 8.7 Current and Future year Rate Increases

It is predicted that the 2019-20 operating position will be impacted by wages growth and reductions in government funding. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve operating surpluses and capital investment as set out in the SRP.

Council's SRP is based on the Rate Cap announcement by the Minister of 2.5 per cent for 2019-20. The SRP assumes an additional 800 to 1,000 property assessments per annum. The average Rates per Assessment for 2019-20 is estimated at \$1,423.

Council is expected to continue to have the second-lowest average rates and charges in metropolitan Melbourne.

The table below shows the average rates per assessment forecasted for the 10 year outlook.

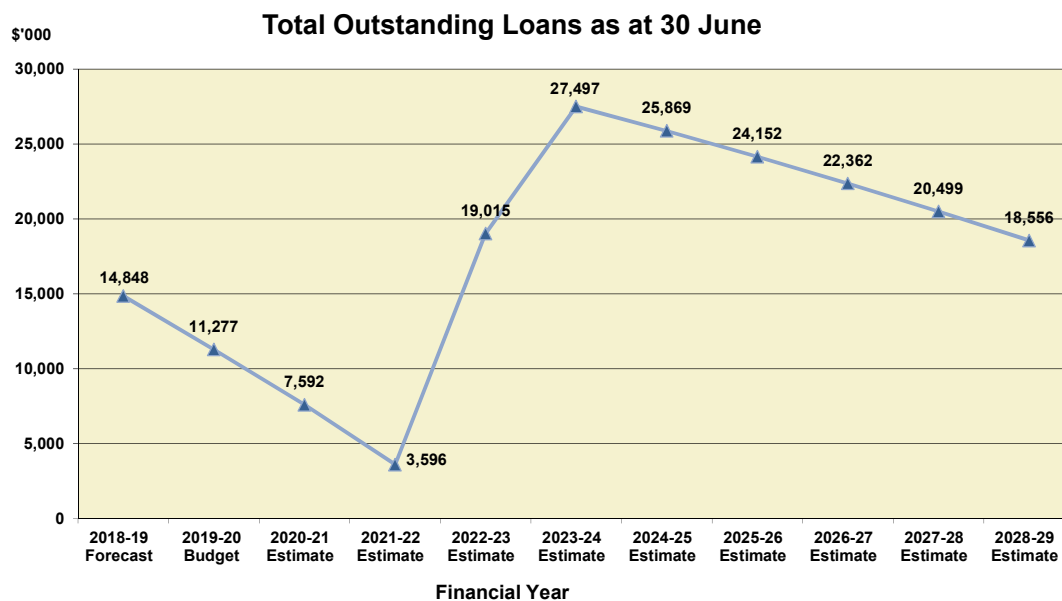
<b>Rate Increases</b>		
<b>Year</b>	<b>Increase in Average Rates per Assessment (capped)</b>	<b>Average Rates per Assessment</b>
	<b>(%)</b>	<b>(\$)</b>
2019-20 Estimate	2.50%	1,423
2020-21 Estimate	2.00%	1,452
2021-22 Estimate	2.00%	1,481
2022-23 Estimate	2.00%	1,510
2023-24 Estimate	2.00%	1,540
2024-25 Estimate	2.00%	1,571
2025-26 Estimate	2.00%	1,603
2026-27 Estimate	2.00%	1,635
2027-28 Estimate	2.00%	1,667
2028-29 Estimate	2.00%	1,701

## 9 Borrowings Strategy / Funding Options

Loan repayments of approximately \$4m per annum have been included in the SRP. Borrowings outstanding as at 30 June 2020 are projected to be \$7.6m. The loan will be re-paid in 2022-23.

New borrowings of \$30m have been assumed in the Strategic Resource Plan to fund major and strategic projects from 2023-24. This is considered an appropriate funding source for long term community assets.

The long-term financial position within the SRP is based on Council funding the entire Capital Works Program (including Council borrowings). Consideration of alternative funding options (besides borrowings), may be explored and this is likely to depend on specific site options available with different partners.



As can be seen from the graph above, Council intends to borrow funds in 2023-24 (\$20m) and 2024-25 (\$10m) and to repay this over 15 years.

The following table sets out the schedule of borrowings and repayments, based on the forecast financial position of Council out to 2028-29.

Borrowings				
Year	New Borrowings	Repayment of Borrowings	Interest Paid for Borrowings and Leasing	Balance 30 June
	\$'000	\$'000	\$'000	\$'000
2018-19 Forecast	-	3,455	571	14,848
2019-20 Budget	-	3,571	439	11,277
2020-21 Estimate	-	3,685	301	7,592
2021-22 Estimate	-	3,995	182	3,596
2022-23 Estimate	20,000	4,581	868	19,015
2023-24 Estimate	10,000	1,519	1,131	27,497
2024-25 Estimate	-	1,627	1,044	25,869
2025-26 Estimate	-	1,717	975	24,152
2026-27 Estimate	-	1,789	903	22,362
2027-28 Estimate	-	1,864	828	20,499
2028-29 Estimate	-	1,943	750	18,556



## **10 Infrastructure Strategy**

Council is committed to the long term sustainability of its major community assets. To this end, over the years, Council has developed and implemented the following Asset Management Plans:

- Stormwater Drainage
- Roads and Right of Ways
- Pathways
- Buildings and Structures
- Recreation

The plans provide the framework for meeting the desired levels of service from our community assets, in the most cost effective manner for the present and the future. The plans incorporate the main elements of planning, creating, operating, maintaining, replacing and renewing Council assets.

Using the basis of the various Asset Management Plans, capital expenditure requirements of Council have been estimated for the next 10 years (which is a key input to the SRP). The key processes to determine Council's long-term infrastructure funding requirements are as follows:

- Long term capital planning process which integrates with the *Council and Community 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.
- Business Case template for officers to document capital project submissions.

The plans provide the framework for meeting the desired levels of service from our community assets, in the most cost effective manner for the present and the future.

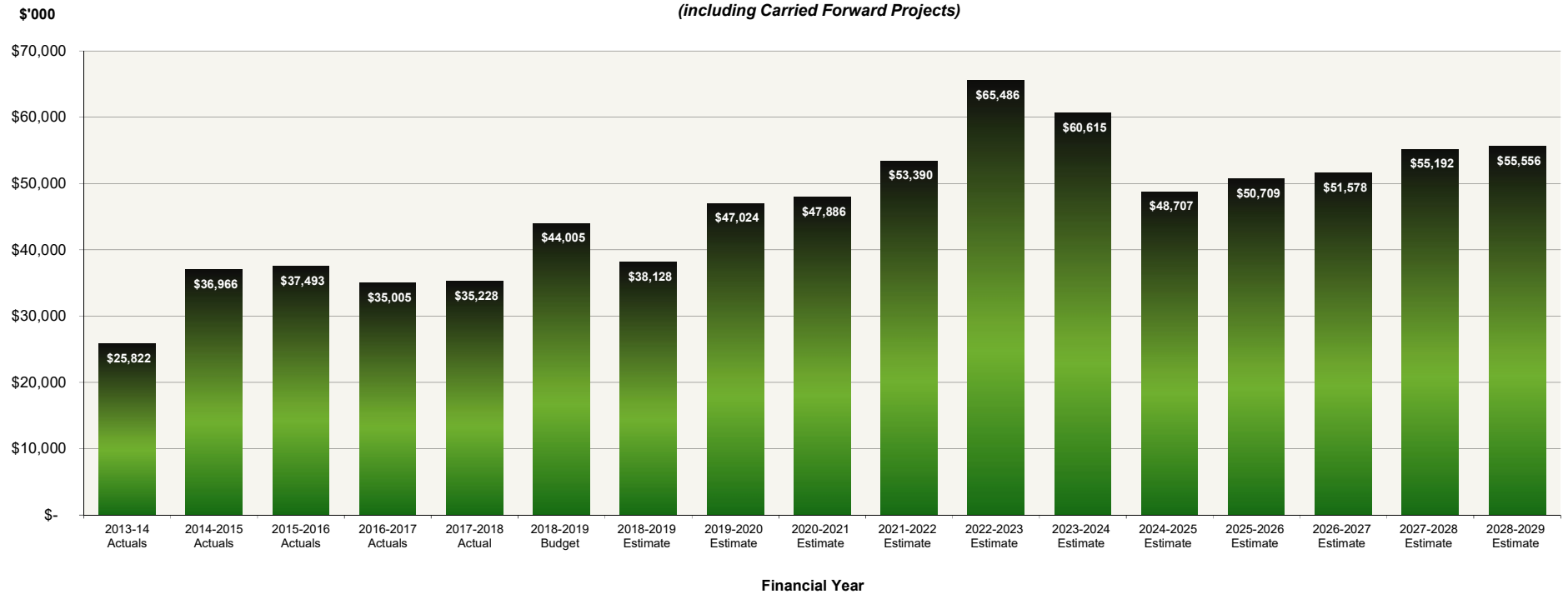
A key objective of the *Infrastructure Strategy* is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

Most of the condition data Council has about its community assets is now reliable and up to date. It shows that Council's assets, on average, are in very good condition. Further, over 90 per cent of the assets are in good to excellent condition.

With a robust financial strategy in place, Council is in a good position to continue to maintain its existing community assets to the standard the community expects. This is a substantial turnaround from 1999 when Council became increasingly aware that many of its assets were run down and not financially sustainable.

The graph below highlights the growth in Capital expenditure since 2013-14 and Council's forward outlook on capital expenditure to 2028-29.

**Capital Works Program Expenditure 2013-14 to 2028-29**  
*(including Carried Forward Projects)*



## **11 Financial Statements**

The following eight Financial Statements for the *Strategic Resource Plan* form a special purpose financial report prepared specifically to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Statement of Human Resources - Staff Expenditure
- Statement of Human Resources - Staff Numbers

**Comprehensive Income Statement for the years ending 30 June 2019 - 2029**

	2018-19 Budget	2018-19 Forecast	2019-20 Budget	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>												
Rates Revenue	92,145	92,652	95,833	98,876	102,334	105,891	109,549	112,997	116,539	120,178	123,915	127,754
Supplementary Rates	800	788	850	850	850	850	850	850	850	850	850	850
Waste and Recycling Charges	16,367	16,382	17,009	17,350	17,697	18,051	18,412	18,780	19,155	19,538	19,929	20,328
Statutory Fees and Fines	8,116	9,992	8,546	8,632	8,718	8,805	8,893	8,982	9,072	9,163	9,254	9,347
User Fees	29,514	29,106	28,206	29,037	29,889	30,764	31,661	32,583	33,234	33,899	34,577	35,268
Other Income	1,942	2,623	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,557
Interest Received	1,500	1,765	2,000	1,757	1,764	1,671	1,679	1,686	1,694	1,702	1,710	1,718
Contributions - Monetary	9,000	9,541	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Grants - Operating	21,555	21,965	23,439	23,907	24,386	24,873	25,371	25,878	26,396	26,924	27,462	28,011
Grants - Capital	1,378	2,052	2,855	1,013	821	1,679	1,688	447	456	465	474	484
<b>Total Income</b>	<b>182,318</b>	<b>186,867</b>	<b>189,296</b>	<b>191,978</b>	<b>197,015</b>	<b>203,141</b>	<b>208,660</b>	<b>212,760</b>	<b>217,953</b>	<b>223,275</b>	<b>228,729</b>	<b>234,317</b>
<b>Expenses</b>												
Employee Costs	77,212	76,632	81,250	82,979	85,272	87,305	89,520	91,777	94,078	96,195	98,359	100,572
Materials and Consumables	5,962	5,572	5,918	6,036	6,157	6,280	6,405	6,533	6,664	6,797	6,933	7,072
Contractor Payments	34,570	35,862	35,914	37,528	37,878	38,635	39,408	40,796	41,000	41,820	42,657	44,110
Maintenance	7,472	7,283	7,632	7,784	7,940	8,099	8,061	8,222	8,387	8,554	8,725	8,900
Utilities	5,168	4,730	4,987	5,087	5,189	5,293	5,399	5,506	5,617	5,729	5,844	5,960
Insurance	1,053	1,240	1,310	1,337	1,363	1,391	1,418	1,447	1,476	1,505	1,535	1,566
Grants and Subsidies	1,312	1,316	1,304	1,330	1,357	1,384	1,412	1,440	1,469	1,498	1,528	1,559
Other Expenses	5,706	6,525	5,933	6,051	6,172	6,296	6,422	6,550	6,681	6,815	6,951	7,090
Borrowing Costs	554	571	439	301	182	868	1,131	1,044	975	903	828	750
Depreciation and Amortisation	23,557	22,712	23,019	23,479	23,949	24,428	24,917	26,415	26,943	27,482	28,032	28,592
Net Loss on Sale/Disposal of Property, Infrastructure, Plant and Equipment	1,095	1,062	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258	1,258
<b>Total Expenses</b>	<b>163,662</b>	<b>163,505</b>	<b>168,964</b>	<b>173,172</b>	<b>176,716</b>	<b>181,236</b>	<b>185,350</b>	<b>190,989</b>	<b>194,547</b>	<b>198,557</b>	<b>202,650</b>	<b>207,429</b>
<b>Surplus for the year</b>	<b>18,656</b>	<b>23,363</b>	<b>20,332</b>	<b>18,806</b>	<b>20,298</b>	<b>21,905</b>	<b>23,309</b>	<b>21,771</b>	<b>23,406</b>	<b>24,718</b>	<b>26,079</b>	<b>26,888</b>

**Balance Sheet for the years ending 30 June 2019 - 2029**

	2018-19 Budget	2018-19 Forecast	2019-20 Budget	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>												
<b>Current Assets</b>												
Cash and Cash Equivalents	61,398	80,249	74,723	66,995	55,416	53,239	50,889	50,298	49,779	50,170	48,783	48,322
Trade and Other Receivables	12,739	13,815	13,815	13,815	14,315	14,815	14,815	15,814	16,814	17,813	18,814	18,814
Other Financial Assets	1,497	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
<b>Total Current Assets</b>	<b>75,634</b>	<b>95,689</b>	<b>90,163</b>	<b>82,435</b>	<b>71,356</b>	<b>69,679</b>	<b>67,329</b>	<b>67,737</b>	<b>68,218</b>	<b>69,608</b>	<b>69,222</b>	<b>68,761</b>
<b>Non-Current Assets</b>												
Investments in Joint Operations	1,592	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457	1,457
Financial Assets	5	5	5	5	5	5	5	5	5	5	5	5
Intangible Assets	764	563	563	563	563	563	563	563	563	563	563	563
Property, Infrastructure, Plant & Equipment	2,222,727	2,555,850	2,578,137	2,600,985	2,628,869	2,668,369	2,702,509	2,723,244	2,745,452	2,767,990	2,793,592	2,818,998
<b>Total Non-Current Assets</b>	<b>2,225,088</b>	<b>2,557,875</b>	<b>2,580,162</b>	<b>2,603,010</b>	<b>2,630,894</b>	<b>2,670,394</b>	<b>2,704,534</b>	<b>2,725,269</b>	<b>2,747,477</b>	<b>2,770,015</b>	<b>2,795,617</b>	<b>2,821,023</b>
<b>Total Assets</b>	<b>2,300,722</b>	<b>2,653,564</b>	<b>2,670,325</b>	<b>2,685,446</b>	<b>2,702,249</b>	<b>2,740,073</b>	<b>2,771,863</b>	<b>2,793,006</b>	<b>2,815,695</b>	<b>2,839,623</b>	<b>2,864,839</b>	<b>2,889,784</b>
<b>Liabilities</b>												
<b>Current Liabilities</b>												
Trade and Other Payables	14,717	13,925	13,925	13,925	14,426	14,926	14,925	14,925	14,925	14,925	14,925	14,925
Trust Funds and Deposits	29,874	32,353	32,353	32,353	32,353	32,353	32,353	32,353	32,353	32,353	32,353	32,353
Provisions	13,350	13,468	13,468	13,468	13,468	13,468	13,468	14,468	15,468	16,468	17,468	18,468
Interest-Bearing Liabilities	3,571	3,571	3,685	3,805	3,596	1,026	1,627	1,717	1,789	1,864	1,943	2,024
<b>Total Current Liabilities</b>	<b>61,512</b>	<b>63,317</b>	<b>63,432</b>	<b>63,551</b>	<b>63,843</b>	<b>61,773</b>	<b>62,373</b>	<b>63,463</b>	<b>64,535</b>	<b>65,610</b>	<b>66,689</b>	<b>67,770</b>
<b>Non-Current Liabilities</b>												
Provisions	1,431	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Interest-Bearing Liabilities	11,277	11,277	7,592	3,786	0	17,989	25,870	24,152	22,363	20,498	18,556	16,532
Other Liabilities	2,420	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820	2,820
<b>Total Non-Current Liabilities</b>	<b>15,128</b>	<b>15,457</b>	<b>11,772</b>	<b>7,966</b>	<b>4,180</b>	<b>22,169</b>	<b>30,050</b>	<b>28,332</b>	<b>26,543</b>	<b>24,678</b>	<b>22,736</b>	<b>20,712</b>
<b>Total Liabilities</b>	<b>76,640</b>	<b>78,774</b>	<b>75,203</b>	<b>71,518</b>	<b>68,023</b>	<b>83,942</b>	<b>92,423</b>	<b>91,795</b>	<b>91,078</b>	<b>90,288</b>	<b>89,425</b>	<b>88,482</b>
<b>Net Assets</b>	<b>2,224,082</b>	<b>2,574,790</b>	<b>2,595,122</b>	<b>2,613,928</b>	<b>2,634,226</b>	<b>2,656,131</b>	<b>2,679,441</b>	<b>2,701,211</b>	<b>2,724,617</b>	<b>2,749,336</b>	<b>2,775,414</b>	<b>2,801,302</b>
<b>Equity</b>												
Accumulated Surplus	969,644	968,542	988,874	1,007,680	1,027,979	1,049,884	1,073,193	1,094,964	1,118,370	1,143,088	1,169,167	1,195,055
Reserves	1,254,438	1,606,248	1,606,248	1,606,248	1,606,248	1,606,248	1,606,248	1,606,248	1,606,248	1,606,248	1,606,248	1,606,248
<b>TOTAL EQUITY</b>	<b>2,224,082</b>	<b>2,574,790</b>	<b>2,595,122</b>	<b>2,613,928</b>	<b>2,634,226</b>	<b>2,656,131</b>	<b>2,679,441</b>	<b>2,701,211</b>	<b>2,724,617</b>	<b>2,749,336</b>	<b>2,775,414</b>	<b>2,801,302</b>

## 2019-20 to 2028-29 Strategic Resource Plan

### Statement of Changes in Equity for the years ending 30 June 2019-23

	Total	Accumulated Surplus	Reserves
	\$'000	\$'000	\$'000
<b>2018-19 Budget</b>			
Balance at beginning of the financial year	2,205,927	943,675	1,262,252
Comprehensive result	18,656	18,656	-
Movement in assets and liabilities	(500)	(500)	-
Movement in Reserves	-	7,814	7,814
<b>Balance at end of financial year</b>	<b>2,224,082</b>	<b>969,644</b>	<b>1,254,438</b>
<b>2018-19 Forecast</b>			
Balance at beginning of the financial year	2,551,427	941,638	1,609,789
Comprehensive result	23,363	23,363	-
Movement in assets and liabilities	-	-	-
Movement in Reserves	-	3,541	3,541
<b>Balance at end of financial year</b>	<b>2,574,790</b>	<b>968,542</b>	<b>1,606,248</b>
<b>2019-20 Budget</b>			
Balance at beginning of the financial year	2,574,790	968,542	1,606,248
Comprehensive result	20,332	20,332	-
Movement in assets and liabilities	-	-	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,595,122</b>	<b>988,874</b>	<b>1,606,248</b>
<b>2020-21 Estimate</b>			
Balance at beginning of the financial year	2,595,122	988,874	1,606,248
Comprehensive result	18,806	18,806	-
Movement in assets and liabilities	-	-	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,613,928</b>	<b>1,007,680</b>	<b>1,606,248</b>
<b>2021-22 Estimate</b>			
Balance at beginning of the financial year	2,613,928	1,007,680	1,606,248
Comprehensive result	20,298	20,298	-
Movement in assets and liabilities	-	-	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,634,226</b>	<b>1,027,979</b>	<b>1,606,248</b>
<b>2022-23 Estimate</b>			
Balance at beginning of the financial year	2,634,226	1,027,979	1,606,248
Comprehensive result	21,905	21,905	-
Movement in assets and liabilities	-	-	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,656,131</b>	<b>1,049,884</b>	<b>1,606,248</b>

## 2019-20 to 2028-29 Strategic Resource Plan

<b>Statement of Changes in Equity for the years ending 30 June 2024-29</b>			
	Total	Accumulated Surplus	Public Open Space Reserve
	\$'000	\$'000	\$'000
<b>2023-24 Estimate</b>			
Balance at beginning of the financial year	2,656,131	1,049,884	1,606,248
Comprehensive result	23,309	23,309	-
Movement in assets and liabilities	-	-	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,679,441</b>	<b>1,073,193</b>	<b>1,606,248</b>
<b>2024-25 Estimate</b>			
Balance at beginning of the financial year	2,679,441	1,073,193	1,606,248
Comprehensive result	21,771	21,771	-
Movement in provisions	-	-	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,701,211</b>	<b>1,094,964</b>	<b>1,606,248</b>
<b>2025-26 Estimate</b>			
Balance at beginning of the financial year	2,701,211	1,094,964	1,606,248
Comprehensive result	23,406	23,406	-
Movement in assets and liabilities	-	-	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,724,617</b>	<b>1,118,370</b>	<b>1,606,248</b>
<b>2026-27 Estimate</b>			
Balance at beginning of the financial year	2,724,617	1,118,370	1,606,248
Comprehensive result	24,718	24,718	-
Movement in assets and liabilities	-	-	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,749,336</b>	<b>1,143,088</b>	<b>1,606,248</b>
<b>2027-28 Estimate</b>			
Balance at beginning of the financial year	2,749,336	1,143,088	1,606,248
Comprehensive result	26,079	26,079	-
Movement in assets and liabilities	-	-	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,775,414</b>	<b>1,169,167</b>	<b>1,606,248</b>
<b>2028-29 Estimate</b>			
Balance at beginning of the financial year	2,775,414	1,169,167	1,606,248
Comprehensive result	26,888	26,888	-
Movement in assets and liabilities	(1,000)	(1,000)	-
Movement in Reserves	-	-	-
<b>Balance at end of financial year</b>	<b>2,801,302</b>	<b>1,195,055</b>	<b>1,606,248</b>



**Statement of Cash Flows for the ending 30 June 2018 - 2028**

	2018-19 Budget	2018-19 Forecast	2019-20 Budget	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)	Inflow/ (Outflow)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash Flow from Operating Activities</b>												
Rates Revenue	92,945	93,440	96,683	99,726	103,184	106,741	110,399	113,847	117,389	121,028	124,765	128,604
Waste and Recycling Charges	16,367	16,382	17,009	17,350	17,697	18,051	18,412	18,780	19,155	19,538	19,929	20,328
Statutory Fees and Fines	8,116	9,992	8,546	8,632	8,718	8,805	8,893	8,982	9,072	9,163	9,254	9,347
User Fees	29,514	29,106	28,206	29,037	29,889	30,764	31,661	32,583	33,234	33,899	34,577	35,268
Other Receipts	1,942	2,623	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,557
Interest Received	1,500	1,765	2,000	1,757	1,764	1,671	1,679	1,686	1,694	1,702	1,710	1,718
Contributions - Monetary	9,000	9,541	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Grants - Operating	21,555	21,965	23,439	23,907	24,386	24,873	25,371	25,878	26,396	26,924	27,462	28,011
Grants - Capital	1,378	2,052	2,855	1,013	821	1,679	1,688	447	456	465	474	484
Employee Costs	(77,212)	(76,632)	(81,250)	(82,979)	(85,272)	(87,305)	(89,520)	(91,777)	(94,078)	(96,195)	(98,359)	(100,572)
Materials and Services	(55,537)	(56,003)	(57,065)	(59,103)	(59,884)	(61,081)	(62,103)	(63,945)	(64,612)	(65,904)	(67,222)	(69,167)
Other Payments	(5,706)	(6,525)	(5,933)	(6,051)	(6,172)	(6,296)	(6,422)	(6,550)	(6,681)	(6,815)	(6,951)	(7,090)
<b>Net Cash provided by/(used in) Operating Activities</b>	<b>43,862</b>	<b>47,708</b>	<b>45,048</b>	<b>43,845</b>	<b>45,687</b>	<b>48,459</b>	<b>50,615</b>	<b>50,488</b>	<b>52,582</b>	<b>54,361</b>	<b>56,196</b>	<b>57,488</b>
<b>Cash Flow from Investing Activities</b>												
Proceeds from Sale of Property, Infrastructure, Plant & Equipment	501	488	460	300	300	300	300	300	300	300	300	300
Payments for Property, Infrastructure, Plant & Equipment	(44,005)	(38,128)	(47,024)	(47,886)	(53,390)	(65,486)	(60,615)	(48,707)	(50,709)	(51,578)	(55,192)	(55,556)
<b>Net Cash provided by/(used in) Investing Activities</b>	<b>(43,504)</b>	<b>(37,641)</b>	<b>(46,564)</b>	<b>(47,586)</b>	<b>(53,090)</b>	<b>(65,186)</b>	<b>(60,315)</b>	<b>(48,407)</b>	<b>(50,409)</b>	<b>(51,278)</b>	<b>(54,892)</b>	<b>(55,256)</b>
<b>Cash Flow from Financing Activities</b>												
Proceeds from Borrowings	-	-	-	-	-	20,000	10,000	-	-	-	-	-
Repayment of Borrowings	(3,455)	(3,455)	(3,571)	(3,685)	(3,995)	(4,581)	(1,519)	(1,627)	(1,717)	(1,789)	(1,864)	(1,943)
Finance Costs	(554)	(571)	(439)	(301)	(182)	(868)	(1,131)	(1,044)	(975)	(903)	(828)	(750)
<b>Net Cash provided by/(used in) Financing Activities</b>	<b>(4,009)</b>	<b>(4,025)</b>	<b>(4,010)</b>	<b>(3,987)</b>	<b>(4,177)</b>	<b>14,551</b>	<b>7,350</b>	<b>(2,671)</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>(2,692)</b>	<b>(2,693)</b>
Net Increase/(Decrease) in Cash held	(3,651)	6,042	(5,526)	(7,728)	(11,580)	(2,177)	(2,350)	(591)	(519)	391	(1,388)	(461)
Cash and Cash Equivalents at the Beginning of the Financial Year	65,049	74,207	80,249	74,723	66,995	55,416	53,239	50,889	50,298	49,779	50,170	48,783
<b>Cash and Cash Equivalents at End of Year</b>	<b>61,398</b>	<b>80,249</b>	<b>74,723</b>	<b>66,995</b>	<b>55,416</b>	<b>53,239</b>	<b>50,889</b>	<b>50,298</b>	<b>49,779</b>	<b>50,170</b>	<b>48,783</b>	<b>48,322</b>

**Statement of Capital Works for the years ending 30 June 2019- 2029**

Capital Works Area	2018-19 Budget \$'000	2018-19 Forecast \$'000	2019-20 Budget \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	2026-27 Estimate \$'000	2027-28 Estimate \$'000	2028-29 Estimate \$'000
<b>Carried forward expenditure from previous financial year</b>	<b>5,000</b>	<b>5,124</b>	<b>6,000</b>	-	-	-	-	-	-	-	-	-
<b>New Works</b>												
<b>Property</b>												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	8,082	8,082	8,961	14,830	9,453	6,014	7,881	5,824	5,992	7,783	8,269	5,847
<b>Total Property</b>	<b>8,082</b>	<b>8,082</b>	<b>8,961</b>	<b>14,830</b>	<b>9,453</b>	<b>6,014</b>	<b>7,881</b>	<b>5,824</b>	<b>5,992</b>	<b>7,783</b>	<b>8,269</b>	<b>5,847</b>
<b>Plant and Equipment</b>												
Plant, Machinery and Equipment	2,142	2,142	2,492	1,756	1,473	1,528	1,697	1,574	1,594	2,686	1,627	1,794
Computers and Telecommunications	831	831	2,036	1,372	1,399	1,427	1,456	1,485	1,515	1,545	1,576	1,608
Library Books and Materials	889	889	910	910	1,428	928	947	966	1,985	985	1,005	1,025
Other	1,517	1,517	1,235	804	1,335	1,260	1,083	1,099	1,082	1,094	1,353	5,839
<b>Total Plant and Equipment</b>	<b>5,379</b>	<b>5,379</b>	<b>6,674</b>	<b>4,842</b>	<b>5,636</b>	<b>5,144</b>	<b>5,183</b>	<b>5,124</b>	<b>6,176</b>	<b>6,310</b>	<b>5,561</b>	<b>10,265</b>
<b>Infrastructure</b>												
Roads	8,655	8,655	7,066	7,408	7,671	8,051	8,230	8,392	8,507	8,655	8,704	8,854
Footpaths	2,270	2,270	2,385	1,994	2,034	2,075	2,116	2,158	2,202	2,246	2,291	2,336
Drainage	3,641	3,641	3,400	3,789	3,864	3,942	4,020	4,101	4,183	4,266	4,352	4,439
Open Space and Recreation	8,007	8,007	7,956	7,723	12,532	27,811	22,535	9,558	10,800	9,919	13,166	9,765
Car Parks	400	400	850	1,750	1,750	1,850	2,650	10,350	9,850	1,900	2,350	2,850
Streetscape Works	2,570	2,570	3,732	5,550	10,450	10,600	8,000	3,200	3,000	10,500	10,500	11,200
<b>Total Infrastructure</b>	<b>25,544</b>	<b>25,544</b>	<b>25,389</b>	<b>28,214</b>	<b>38,301</b>	<b>54,328</b>	<b>47,552</b>	<b>37,759</b>	<b>38,541</b>	<b>37,486</b>	<b>41,362</b>	<b>39,444</b>
<b>Total New Works</b>	<b>39,005</b>	<b>39,005</b>	<b>41,024</b>	<b>47,886</b>	<b>53,390</b>	<b>65,486</b>	<b>60,615</b>	<b>48,707</b>	<b>50,709</b>	<b>51,578</b>	<b>55,192</b>	<b>55,556</b>
Carried forward projects to the next financial year	-	(6,000)	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>44,005</b>	<b>38,128</b>	<b>47,024</b>	<b>47,886</b>	<b>53,390</b>	<b>65,486</b>	<b>60,615</b>	<b>48,707</b>	<b>50,709</b>	<b>51,578</b>	<b>55,192</b>	<b>55,556</b>

**Statement of Capital Works for the years ending 30 June 2019- 2029**

Capital Works Area	2018-19 Budget \$'000	2018-19 Forecast \$'000	2019-20 Budget \$'000	2020-21 Estimate \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	2026-27 Estimate \$'000	2027-28 Estimate \$'000	2028-29 Estimate \$'000
<b>Total Capital Expenditure</b>	<b>44,005</b>	<b>38,128</b>	<b>47,024</b>	<b>47,886</b>	<b>53,390</b>	<b>65,486</b>	<b>60,615</b>	<b>48,707</b>	<b>50,709</b>	<b>51,578</b>	<b>55,192</b>	<b>55,556</b>
<b>Represented by:</b>												
Asset Renewal Expenditure	19,945	19,945	18,129	19,038	19,925	21,185	23,408	20,426	21,097	22,777	25,480	28,844
Asset Upgrade Expenditure	15,022	9,022	16,383	19,852	22,988	34,672	27,623	18,201	19,211	19,421	19,297	16,403
Asset Expansion Expenditure	759	759	2,636	6,408	7,626	7,939	7,080	8,321	7,850	7,552	7,806	8,436
Asset New Expenditure	8,278	8,402	9,875	2,588	2,852	1,691	2,504	1,759	2,551	1,829	2,609	1,873
<b>Total Capital Expenditure</b>	<b>44,005</b>	<b>38,128</b>	<b>47,024</b>	<b>47,886</b>	<b>53,390</b>	<b>65,486</b>	<b>60,615</b>	<b>48,707</b>	<b>50,709</b>	<b>51,578</b>	<b>55,192</b>	<b>55,556</b>
<b>Funding sources represented by:</b>												
Grants	1,378	2,052	2,855	1,013	821	1,679	1,688	447	456	465	474	484
Council Cash	42,626	36,076	44,169	46,873	52,569	43,807	48,927	48,261	50,253	51,114	54,718	55,073
Borrowings	-	-	-	-	-	20,000	10,000	-	-	-	-	-
<b>Total Capital Funding</b>	<b>44,005</b>	<b>38,128</b>	<b>47,024</b>	<b>47,886</b>	<b>53,390</b>	<b>65,486</b>	<b>60,615</b>	<b>48,707</b>	<b>50,709</b>	<b>51,578</b>	<b>55,192</b>	<b>55,556</b>

**Statement of Human Resources - Staff Expenditure for the years ending 30 June 2019 - 2029**

Description	2018-19 Budget	2018-19 Forecast	2019-20 Budget	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff Expenditure</b>												
<b>Community Wellbeing</b>												
Permanent Full-time	11,190	11,190	12,346	12,654	12,971	13,262	13,600	13,945	14,300	14,621	14,950	15,287
Permanent Part-time	21,512	21,512	21,830	22,325	22,832	23,346	23,940	24,548	25,172	25,739	26,318	26,910
<b>Total Community Wellbeing</b>	<b>32,702</b>	<b>32,702</b>	<b>34,175</b>	<b>34,980</b>	<b>35,803</b>	<b>36,609</b>	<b>37,539</b>	<b>38,493</b>	<b>39,472</b>	<b>40,360</b>	<b>41,268</b>	<b>42,197</b>
<b>Infrastructure, Environment and Leisure</b>												
Permanent Full-time	12,849	13,517	14,169	14,524	14,887	15,222	15,608	16,005	16,412	16,781	17,159	17,545
Permanent Part-time	571	571	587	602	617	630	646	663	680	695	711	727
<b>Total Infrastructure, Environment and Leisure</b>	<b>13,420</b>	<b>14,088</b>	<b>14,756</b>	<b>15,125</b>	<b>15,503</b>	<b>15,852</b>	<b>16,255</b>	<b>16,668</b>	<b>17,092</b>	<b>17,476</b>	<b>17,870</b>	<b>18,272</b>
<b>Planning and Place</b>												
Permanent Full-time	7,642	8,036	8,636	8,741	8,960	9,017	9,246	9,481	9,722	9,941	10,165	10,394
Permanent Part-time	1,285	1,285	1,696	1,699	1,742	1,781	1,826	1,872	1,920	1,963	2,007	2,053
<b>Total Planning and Place</b>	<b>8,927</b>	<b>9,321</b>	<b>10,332</b>	<b>10,440</b>	<b>10,701</b>	<b>10,798</b>	<b>11,072</b>	<b>11,354</b>	<b>11,643</b>	<b>11,904</b>	<b>12,172</b>	<b>12,446</b>
<b>Corporate Services</b>												
Permanent Full-time	7,853	7,853	8,676	8,893	9,116	9,321	9,558	9,801	10,050	10,276	10,507	10,743
Permanent Part-time	951	951	1,210	1,240	1,271	1,300	1,333	1,367	1,401	1,433	1,465	1,498
<b>Total Corporate Services</b>	<b>8,804</b>	<b>8,804</b>	<b>9,886</b>	<b>10,133</b>	<b>10,387</b>	<b>10,620</b>	<b>10,890</b>	<b>11,167</b>	<b>11,451</b>	<b>11,709</b>	<b>11,972</b>	<b>12,241</b>
<b>City Management</b>												
Permanent Full-time	2,585	2,678	3,324	3,407	3,493	3,571	3,662	3,755	3,851	3,937	4,026	4,116
Permanent Part-time	448	448	106	108	111	114	117	120	123	125	128	131
<b>Total City Management</b>	<b>3,033</b>	<b>3,126</b>	<b>3,430</b>	<b>3,516</b>	<b>3,604</b>	<b>3,685</b>	<b>3,779</b>	<b>3,875</b>	<b>3,973</b>	<b>4,063</b>	<b>4,154</b>	<b>4,247</b>
<b>Total Permanent Staff Expenditure</b>	<b>66,886</b>	<b>68,041</b>	<b>72,580</b>	<b>74,194</b>	<b>75,998</b>	<b>77,564</b>	<b>79,536</b>	<b>81,557</b>	<b>83,631</b>	<b>85,512</b>	<b>87,436</b>	<b>89,404</b>
Casuals and Other Expenditure	12,572	10,837	11,146	11,322	11,875	12,401	12,711	13,016	13,315	13,615	13,921	14,234
Capitalised Labour Costs	(2,246)	(2,246)	(2,476)	(2,537)	(2,601)	(2,659)	(2,727)	(2,796)	(2,867)	(2,932)	(2,998)	3,065
<b>Total Expenditure</b>	<b>77,212</b>	<b>76,632</b>	<b>81,250</b>	<b>82,979</b>	<b>85,272</b>	<b>87,305</b>	<b>89,520</b>	<b>91,777</b>	<b>94,078</b>	<b>96,195</b>	<b>98,359</b>	<b>100,572</b>

**Statement of Human Resources - Staff Numbers for the years ending 30 June 2019 - 2029**

Description	2018-19 Budget EFT Number	2018-19 Forecast EFT Number	2019-20 Budget EFT Number	2020-21 Estimate EFT Number	2021-22 Estimate EFT Number	2022-23 Estimate EFT Number	2023-24 Estimate EFT Number	2024-25 Estimate EFT Number	2025-26 Estimate EFT Number	2026-27 Estimate EFT Number	2027-28 Estimate EFT Number	2028-29 Estimate EFT Number
<b>Staff Expenditure</b>												
<b>Community Wellbeing</b>												
Permanent Full-time	122.29	122.29	132.09	132.09	132.09	132.09	132.09	132.09	132.09	132.09	132.09	132.09
Permanent Part-time	243.91	243.91	242.94	242.44	241.94	241.94	241.94	241.94	241.94	241.94	241.94	241.94
<b>Total Community Wellbeing</b>	<b>366.20</b>	<b>366.20</b>	<b>375.03</b>	<b>374.53</b>	<b>374.03</b>	<b>374.03</b>	<b>374.03</b>	<b>374.03</b>	<b>374.03</b>	<b>374.03</b>	<b>374.03</b>	<b>374.03</b>
<b>Environment and Infrastructure</b>												
Permanent Full-time	112.80	124.80	126.21	126.21	126.21	126.21	126.21	126.21	126.21	126.21	126.21	126.21
Permanent Part-time	6.85	6.85	6.85	6.85	6.85	6.85	6.85	6.85	6.85	6.85	6.85	6.85
<b>Total Environment and Infrastructure</b>	<b>119.65</b>	<b>131.65</b>	<b>133.06</b>	<b>133.06</b>	<b>133.06</b>	<b>133.06</b>	<b>133.06</b>	<b>133.06</b>	<b>133.06</b>	<b>133.06</b>	<b>133.06</b>	<b>133.06</b>
<b>Planning and Place</b>												
Permanent Full-time	75.00	79.00	80.00	79.00	79.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00
Permanent Part-time	15.68	15.68	19.80	19.30	19.30	19.30	19.30	19.30	19.30	19.30	19.30	19.30
<b>Total Planning and Place</b>	<b>90.68</b>	<b>94.68</b>	<b>99.80</b>	<b>98.30</b>	<b>98.30</b>	<b>97.30</b>	<b>97.30</b>	<b>97.30</b>	<b>97.30</b>	<b>97.30</b>	<b>97.30</b>	<b>97.30</b>
<b>Corporate Services</b>												
Permanent Full-time	73.00	73.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00	81.00
Permanent Part-time	9.98	9.98	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48
<b>Total Corporate Services</b>	<b>82.98</b>	<b>82.98</b>	<b>93.48</b>	<b>93.48</b>	<b>93.48</b>	<b>93.48</b>	<b>93.48</b>	<b>93.48</b>	<b>93.48</b>	<b>93.48</b>	<b>93.48</b>	<b>93.48</b>
<b>City Management</b>												
Permanent Full-time	21.00	22.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
Permanent Part-time	4.06	4.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06
<b>Total City Management</b>	<b>25.06</b>	<b>26.06</b>	<b>27.06</b>	<b>27.06</b>	<b>27.06</b>	<b>27.06</b>	<b>27.06</b>	<b>27.06</b>	<b>27.06</b>	<b>27.06</b>	<b>27.06</b>	<b>27.06</b>
<b>Total Permanent Staff</b>	<b>684.57</b>	<b>701.57</b>	<b>728.43</b>	<b>726.43</b>	<b>725.93</b>	<b>724.93</b>	<b>724.93</b>	<b>724.93</b>	<b>724.93</b>	<b>724.93</b>	<b>724.93</b>	<b>724.93</b>
Casuals and Other	118.53	118.53	105.76	105.76	105.76	105.76	105.76	105.76	105.76	105.76	105.76	105.76
Capitalised Labour	28.00	28.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
<b>Total Staff</b>	<b>831.10</b>	<b>848.10</b>	<b>860.19</b>	<b>858.19</b>	<b>857.69</b>	<b>856.69</b>	<b>856.69</b>	<b>856.69</b>	<b>856.69</b>	<b>856.69</b>	<b>856.69</b>	<b>856.69</b>