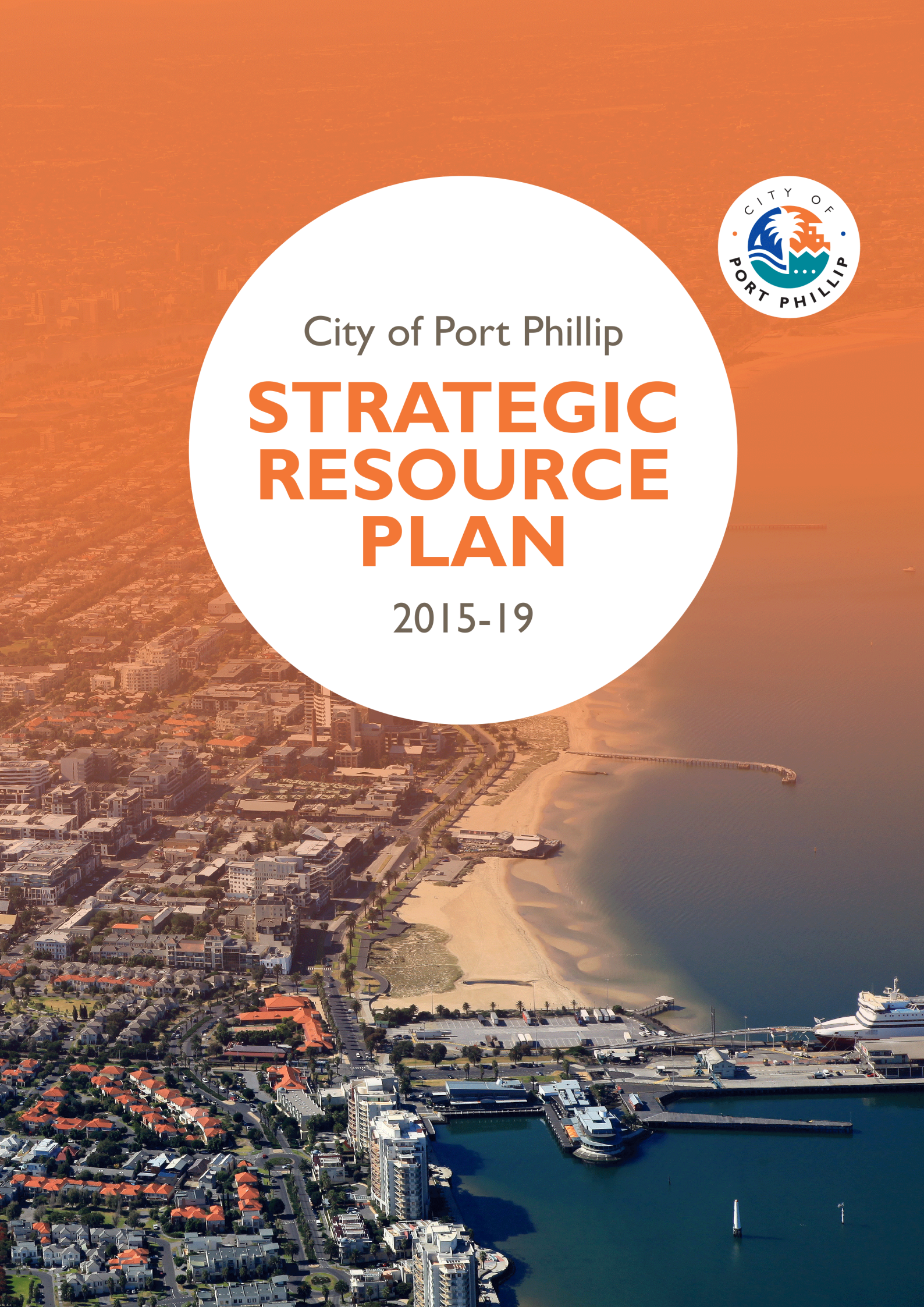




City of Port Phillip

# STRATEGIC RESOURCE PLAN

2015-19







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## Overview and Context

### Background

The Strategic Resource Plan (SRP) outlines Council's planned investment of financial and non-financial resources over the four-year period 2015-19. The purpose of the SRP is to identify the resources required by Council to deliver on the objectives set out in the Council Plan 2013-17 and all Council services and initiatives planned to be delivered in the planning period.

The SRP forms part of the Council Plan 2013-17 and should be read in conjunction with it. The Council Plan sets out Council's vision for the City of Port Phillip and articulates the desired outcomes, strategies and initiatives for achieving that vision. It is structured around four focus areas, being:

- A Well-Governed City
- A Healthy, Creative and Inclusive City
- A Strong, Innovative and Adaptive City
- A Liveable and Connected City

The four-year SRP is prepared and revised annually to reflect the changing environment within which Council delivers the Council Plan. This includes consideration of the information gathered through the disciplined annual budget process that Council undertakes as well as the significant external factors that impact on Council at any point in time.

### Key SRP Outcomes

The key outcome of the SRP is a balanced budget over the four years. To support achieving a balanced budget, the following rate increases have been included.

	2015/16	2016/17	2017/18	2018/19
Rate increase	4.75%	3.5%	3.5%	2.5%
Projected increase in consumer price index (CPI)	2.5%	3.0%	2.7%	2.5%
Approximate difference in annual revenue (\$m)	\$2.5	\$0.6	\$1.0	-

In preparing the SRP, Council has undertaken a robust budget and planning process, with a focus on maximising outcomes for the community within the limited resources available. The main challenges and considerations of Council in developing the SRP are summarised below.

### Rate Affordability and Rate Capping

Council recognises the rising community concern regarding the affordability of Council services, with rates and other essential services forming an increasing share of average household expenditure.

The community's expectation for better value in Council service delivery has been reflected in Council's decision making. Council has recently launched a number of initiatives to ensure that its services are delivered in the most efficient and effective manner possible. These initiatives include a successful drive for efficiency savings, with Council identifying permanent operational savings of \$3 million for Budget 2015/16, in addition to the \$2 million of savings identified for Budget 2014/15. These initiatives have been supported by improved capability in Council planning, process improvement and project management.

The State Government will also respond to the affordability concerns of the community by capping rate increases to CPI from 2016/17. The forecast rate increases included in this SRP are higher than the projected CPI increases in each year, leaving a 'gap' as outlined in the table above.

This 'gap' represents a significant challenge for Council. While the initiatives to improve Council's efficiency and effectiveness will position Council favourably to manage this, the long-term magnitude of the rate capping challenge will require Council to fundamentally review the sustainability of its operations. This includes consideration of:

- Options to further reduce Council's cost base.
- Opportunities to collect revenue from those who directly benefit from Council services and can reasonably afford to pay.
- Service delivery options, including fundamental changes to the way services are currently delivered and consideration of service level reductions in areas of lower strategic priority.
- Applying to the independent economic regulator (which will administer the rate capping framework) for rate increases above CPI, where those increases are justifiable to the community.

### Renewing Community Assets

Council owns and controls a wide variety of assets ranging from land and buildings to roads, drains, footpaths and open space improvements. The total value of Council's fixed assets is \$2.1 billion and is largely the product of investment by prior generations in the municipality. Consistent with the trend across the local government sector, Council is facing escalating costs to maintain and renew its ageing asset base. The risk of insufficient asset renewal investment is that assets deteriorate much faster than necessary, costing Council more in the long run and potentially compromising service levels.

The continued use or viability of some assets is considered a high priority because they are of high economic, architectural, historical and/or cultural significance to the community. One such asset is the iconic Palais Theatre in St Kilda, for which Council has management responsibility.

Council has committed to contributing a total of \$7.5 million to the urgent repair and restoration of the Palais Theatre. Of this commitment, \$1.4 million has already been spent. A further \$3.5 million is proposed for 2015/16 and the remainder is planned to be spent from 2016/17 to 2017/18. This is one of the key reasons for Council's proposed rates increases exceeding CPI. In addition to Council's contribution, the State Government will also contribute a total of \$13.4 million to these works. Council is working closely with the State Government to confirm a strategic works program that ensures the on-going viability of this asset within the resources available.

### Impacts of State and Commonwealth Government Policy

Effective from 1 January 2015, the Victorian Government has extended the current Congestion Levy further into the City of Port Phillip to include the suburbs of Albert Park, Middle Park, Port Melbourne, South Melbourne, St Kilda and St Kilda West. The Congestion Levy imposes a \$950 per space charge on off-street car parks where a fee is currently charged for parking. The total cost impact on Council is expected to be approximately \$1.0 million.

Council considers that a full pass-through of the Congestion Levy to affected car parks would ultimately lead to significant negative impact on visitation and trade in those areas. In order to best manage this impact, Council's Congestion Levy liability is proposed to be recovered through a combination of:

- Raising the car parking fees in car parks captured by the Congestion Levy.
- Raising the parking fees across a broader section of the municipality.
- A contribution of rate revenue.

Additionally, the Commonwealth Government has withdrawn funding for the Adventure Playgrounds in the municipality. Council is proposing to meet the full funding requirements of Adventure Playgrounds to ensure that this highly valued service continues (at a cost of \$250,000 in 2015/16).

### Growth in the Municipality

The Council faces a period of significant growth in the municipality due to urban densification and development in the Fishermans Bend Urban Renewal Area (FBURA). Current planning projections provide for a possible population increase of 120,000 people in the next 40 years, more than doubling the current population in the municipality. Council is continuing to invest in planning for growth in the municipality, including FBURA, to ensure that service outcomes meet the expectations of current and future generations.

Consistent with community feedback, Council is taking a prudent approach to planning for growth in FBURA, with no capital investment in community infrastructure included in this SRP. However, Council is working closely with State Government on a potential package of work in the Montague Precinct, where development is expected to occur first within FBURA. Should a significant Council investment be proposed in 2015/16, community consultation will be performed at that time.

To the extent that growth related investment is required ahead of growth occurring, it will be financed through borrowings, rather than rates revenue, and repaid from future developer contributions.

### Housing Affordability

Council continues to support affordable housing initiatives in the municipality. The Budget 2015/16 includes \$500,000 to support the delivery of new community housing in the City of Port Phillip, which differs from public housing as the focus is on housing persons with significant links to Port Phillip, including being long term residents. This is an increase of \$100,000 from 2014/15. This provides affordable housing at a time when public housing is no longer expanding.

### Environmental Sustainability

As a major focus of the Council Plan, significant resources have been allocated to environmental sustainability in this SRP. Over \$4 million of sustainability initiatives have been included in 2015/16, with further significant investment being planned for subsequent years. The initiatives to be delivered in 2015/16 include (but are not limited to):

- Walk and Bike Plans (\$1 million) – improving bike riding and walking infrastructure and networks across Port Phillip while continuing to motivate more people to ride more often and to more places.
- Retrofits program (\$760,000) – reducing emissions and energy costs through retrofitting Council buildings, including installing solar panels at the St Kilda town Hall (\$508,000), preparation for solar panel installation at South Melbourne Market, and energy efficiency works across our major energy using buildings.
- Water Sensitive Urban Design initiatives (\$400,000) – designing and delivering new rain gardens and to maintain best-practice urban water sensitive design across Council's public space assets.
- Stormwater harvesting (\$200,000) - establishing the feasibility of stormwater harvesting at Albert Park Lake (with Parks Victoria and City of Melbourne) to help deliver alternative water to open space areas around the City.

### SRP Supporting Financial Sustainability

Council decision making continues to have reference to principles of sound financial management to ensure Council's finances remain prudent and sustainable. This SRP outlines the Council principles by which financial resources are managed to support financial sustainability.

The notable financial outcomes of the SRP are as follows:

- **Sustainable operations** – Operating surpluses are forecast in all four years of the plan (an annual average of \$18.5 million) and the 'Adjusted underlying result' indicator remains higher than its current position in each of the four years.
- **Financial assets** – Cash and investments are forecast to slightly increase over the four year period from \$48.33 million to \$48.37 million, indicating the budget is balanced on a cash basis in each year. Working capital also increases over the period.
- **Borrowings** – Debt reduces slightly over the period (annual average \$8.27 million) and mainly relates to Council's current \$7.5 million fixed term, fixed interest loan. Council's loans and borrowings indicators reflect this, slightly improving over the period.
- **Infrastructure and renewal investment** - Capital expenditure over the four year period will total \$140.83 million at an annual average of \$35.21 million. This includes a capital renewal investment that is greater than depreciation in all four years of the planning period.



### **Non-Financial Resource Investment**

Council recognises that delivering greater value to the community requires investment in its own organisational culture and capability. In order to support delivery of the best possible outcomes for our community, Council has adopted a 'Community First' mindset. This requires all Council staff to view their actions through the community's eyes.

Council has also made a significant investment in building the capability of its people. This includes improving the ability of Council staff to:

- Manage and prioritise projects with the support of new processes and systems.
- Identify and realise efficiency savings through continuous improvement initiatives such as LEAN and better budgeting.
- Undertake long-term service planning and performance measurement.

This SRP contains more detailed information regarding Council's staff expenditure and numbers.



## Ensuring Financial Sustainability

In addition to identifying the resources necessary for Council to deliver on the Council Plan 2013-17, this SRP will demonstrate that Council plans to invest its financial resources in a way that will maintain financial sustainability. This is illustrated in the results of the financial performance indicators and measures in the Local Government Performance Reporting Framework that have been included in this SRP.

Council has considered the principles of sound financial management prescribed in the *Local Government Act 1989* in the process of preparing this plan, being to:

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

To support financial sustainability, Council has its own financial principles which aim to ensure continued operating viability, sustainable funding of assets and the ability to absorb the impact of unexpected budget shocks. These are outlined in the table below.

Financial principles	Measures
1. CoPP will have an ongoing balanced budget and ideally a small surplus.	1 Expenditure on operating activities will be in line with or lower than income from operating activities, producing a surplus. Any surplus achieved will be carried over to subsequent years.
	2 Rate revenue will remain at a constant percentage of total revenue (target between 50% and 60% of total revenue) and other revenue will be strengthened over the medium term to reduce reliance on rate revenue.
	3 Services will be expanded where the expansions are sustainable within operating revenue, or funded by extra revenue.
2. The CoPP asset base will be maintained, enhanced and expanded.	4 The total pool of assets will increase in value each year – excluding the effect of any revaluation adjustments.
	5 Assets will be managed in accordance with community need, optimum utilisation and long-term efficiency.
	6 Capital expenditure on existing assets (asset renewals) will be higher than depreciation.
	7 Debt will be managed prudently so that the cost of debt servicing can be redirected into service delivery, where appropriate.
3. Liquidity will be maintained at levels that ensure adequate working capital without the need to resort to borrowings or a bank overdraft.	8 General reserves will be maintained at levels sufficient to ensure operational liquidity.
	9 Council will consider new loans for strategic property acquisitions and funding community capital works projects that will be supported by other cost efficiencies, supplemented by revenue streams, enhanced service delivery, or provide benefits to future generations.
	10 Reserves may be built up over time to enable Council to part fund periodic large capital expenditure items.
4. Capital works will address community needs without ignoring long term financial impacts.	11 CoPP's capital assets will be enhanced and preserved to ensure that Council's service delivery capabilities are maintained and improved where possible.
	12 CoPP will provide new assets in a way that assists in clustering community assets for social, service delivery and financial effectiveness.
5. CoPP will proactively lead, develop and build organisational culture whilst promoting a work life balance.	13 CoPP will provide leadership and learning to its staff that builds relationships and where core learning objectives will focus on customer service, the provision of excellent service, technical skills, leadership and innovation.
	14 CoPP will support the development of policy and practice in the workplace and community to increase organisational effectiveness.



In addition to the principles of sound financial management outlined above, Council is guided by a number of key strategies that guide its financial decision making. The principles behind these strategies are outlined below.

### **Use of Rate Revenue**

Council's main revenue source is assessment rates on properties in the municipality. Council's rating strategy is supported by the following principles:

- Local government rates are levied in accordance with a ratepayer's capacity to pay as measured by the Net Annual Value (NAV) of property owned within the municipality. Rates levied are therefore directly proportional to the NAV of individual properties. Other measures such as concessions, deferral of rate payments and other discounts to fees and charges will be applied by Council to address equity and access issues.
- Universal services are funded from the broadest forms of income; rates and parking revenue.
- Fees for subsidised services provided by Council in a market such as childcare and aged care will be based on a clearly articulated policy position. To achieve equitable outcomes, these services will be funded through a mix of user charges, government grants and rates.
- Specific individual regulatory services such as, but not limited to, animal licences, parking permits and planning permits will be funded, where possible, through user charges (some may be set by statute) and otherwise through rates.
- Special rates are levied against retail tenants in various shopping precincts and this rate income is then distributed to centralised trader associations to spend on the improvement of the shopping strip for the benefit of all traders.
- Council provides for rate concessions for recreational land and pensioners. The City of Port Phillip is one of few councils that provide a pensioner rate rebate in addition to the State Government pensioner rate rebate.
- Furthermore, self-funded retirees are entitled to request Council to defer their rates indefinitely at a discounted interest rate. Persons experiencing financial hardship may also, subject to application and financial assessment, access this benefit.

### **Use of Borrowings**

Council's borrowings strategy is supported by the following principles:

- Borrowings will not be used to fund ongoing operations.
- A prudent and fiscally responsible approach will be applied in considering any proposals for new debt to deliver Council objectives.
- Where debt is increased, the servicing costs ideally need to be funded from future revenue streams or cost savings that can be expected from the investment of the funds raised.
- Borrowings are also appropriate for the purpose of funding large non-recurrent capital works projects that can be expected to provide benefits to future generations.
- Debt levels will be reduced progressively to enable the cost of debt servicing to be redirected into service delivery or building up cash backed reserves.





## Infrastructure and Asset Management

Council's infrastructure and asset management strategy is supported by the following principles:

- Council is committed to spending what is required to renew and enhance its asset base to ensure its ongoing fitness for use. The capital budget takes into account expected asset deterioration, increased asset utilisation (capacity requirements) and technology development.
- Renewal of existing assets is generally funded from the depreciation expense that is provided each year. This needs to be applied to the different asset subsets (drainage, roads, buildings and land improvements) to ensure consistency across the entire network of assets that Council manages.
- Maintenance of capital expenditure at levels that will replenish existing assets is a higher priority than debt reduction and investment in new assets, as asset funding shortfalls will transfer the liability to future generations.
- Asset acquisitions and capital works projects are funded from either rate revenue, reserves, sales of existing assets, government grants or external borrowings.
- Council's investment and asset management strategies, purchasing arrangements and other financial tools should encourage environmental responsibility.

## Financial Resource Planning Assumptions

The SRP is updated annually following consultation with the community and a disciplined budget and project prioritisation process. Following this, scenario analysis is performed to achieve the financial outcomes that best support sound financial management and delivery of the Council Plan.

The income and expenditure estimates for 2015/16 have been developed in Council's annual budget process, with detailed explanations for those movements included in Council's Budget 2015/16. The following key assumptions have been applied to develop forecasts for the remainder of the four-year planning period:

- A general increase in fees and charges of 2.5% per annum.
- A general increase in forward operating expenditure consistent with CPI, with allowance for growth.
- An increase in capital expenditure consistent with CPI and an increase in renewals based on the increase in Council's asset base.

A more detailed explanation of SRP planning assumptions is provided below. The assumptions for CPI and interest rates have been sourced from the *Deloitte Access Economic Business Outlook*.

Income statement assumptions				
Growth in the rate base	1.3% per annum.			
	2015/16	2016/17	2017/18	2018/19
CPI	2.50%	3.00%	2.70%	2.50%
Parking revenue	Parking revenue from ticket machines increased by 4% in 2015/16 (based on a partial pass-through of the Congestion Levy) and CPI from 2016/17. Parking revenue from fines increased by 2% per annum.			
User fees and charges	Increased by CPI.			
Open space contributions	Remains constant at \$2.5m per annum based on historical average.			
Government grants	Operating grants increased by CPI. Capital grants remain constant at \$1.3m plus a contribution for the renewal of the Palais Theatre.			
	2015/16	2016/17	2017/18	2018/19
Interest received	3.05%	3.25%	3.60%	4.20%
Employee costs	Employee benefits to increase by 2.75% consistent with mid-point of CPI projections with an additional 1.3% increase applied for service growth.			
Contract services	Increased by CPI with an additional 1.3% increase applied for service growth.			
Utility costs, professional services, materials and other expenditure	Increased by CPI.			
Borrowing costs	The interest rate on borrowings is based on Council's current \$7.5 million debt (4.65% p.a. fixed rate over a seven year term).			
Depreciation	Depreciation has been increased as a product of new assets being created consistent with the planned capital program.			
Balance sheet assumptions				
Capital renewals	Underlying capital expenditure increased by CPI, with renewals increasing consistent with depreciation. Additional capital expenditure for the restoration of the Palais Theatre has been included.			
Asset sales	Sale of assets of low strategic value \$3 million in 2015/16 (\$2.5 million of which has been transferred to reserves for future strategic asset purchases).			
Payables and receivables	These move as a percentage of income and expenditure.			
Other balance sheet items	Trust funds, provisions and other balance sheet items are not expected to change significantly over the life of the SRP.			
Borrowings	Primarily based on Council's current \$7.5 million loan. A further \$1.2 million of debt will also be used in 2015/16 and 2106/17 for those projects that generate sufficient return to repay that debt.			

## Financial Statements

### Budgeted Income Statement converted to Cash

For the four years ending 30 June 2019

	Forecast	Budget 2015/16 \$'000	Strategic Resource Plan Projections		
	Actual		2016/17	2017/18	2018/19
	2014/15 \$'000		\$'000	\$'000	\$'000
<b>Income</b>					
Rates and charges	106,980	113,146	118,599	124,317	129,058
Parking revenue	28,160	29,279	30,011	30,716	31,407
User fees & charges	15,554	15,936	16,414	16,858	17,279
Statutory fees & fines	2,540	2,804	2,888	2,966	3,040
Open space contributions	2,563	2,500	2,500	2,500	2,500
Grants - operating	10,116	10,243	10,550	10,835	11,106
Grants - capital	1,400	1,734	1,300	1,300	1,300
Interest received	1,300	1,260	1,333	1,701	2,035
Rent	8,134	8,369	8,621	8,853	9,075
Other income	3,059	3,234	3,531	3,421	3,707
<b>Total Income</b>	<b>179,805</b>	<b>188,506</b>	<b>195,748</b>	<b>203,468</b>	<b>210,507</b>
<b>Expenses</b>					
Employee benefits	75,303	80,245	83,494	86,876	90,394
Contract services	42,230	42,784	44,624	46,409	48,173
Materials & other expenses	23,760	22,139	22,804	23,419	24,005
Professional services	6,477	8,300	7,551	7,209	7,389
Utilities	2,854	2,884	2,970	3,051	3,127
Bad and doubtful debts	101	109	100	100	100
Borrowing costs	323	459	377	402	395
Depreciation	18,644	18,644	20,062	21,179	22,285
<b>Total Expenses</b>	<b>169,691</b>	<b>175,564</b>	<b>181,983</b>	<b>188,645</b>	<b>195,868</b>
<b>Operating surplus (deficit) for the year</b>	<b>10,114</b>	<b>12,942</b>	<b>13,766</b>	<b>14,823</b>	<b>14,639</b>
<b>CONVERSION TO CASH</b>					
<b>Less cash items not included in the operating result</b>					
Capital expenditure	30,276	36,177	33,984	35,423	35,245
Loan repayments	637	587	497	454	235
Borrowings	0	(610)	(610)	0	0
Proceeds on Sale of Assets	0	(3,000)	0	0	0
Transfers to/(from) statutory reserves	(637)	(208)	0	0	0
Transfers to/(from) general reserves	(1,210)	587	203	125	1,444
	<b>29,066</b>	<b>33,533</b>	<b>34,074</b>	<b>36,002</b>	<b>36,924</b>
<b>Plus non cash items included in operating result</b>					
Depreciation	18,644	18,644	20,062	21,179	22,285
<b>Surplus/(deficit) for the year</b>	<b>(307)</b>	<b>(1,947)</b>	<b>(246)</b>	<b>0</b>	<b>0</b>
<b>Accumulated position brought forward</b>					
Carry Over Surplus/(Deficit)	2,500	2,193	246	(0)	(0)
Brought forward surplus to fund capital carry over		0	0	0	0
<b>Surplus/(Deficit) Carried Forward</b>	<b>2,193</b>	<b>246</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>



## Financial Statements

### Budgeted Comprehensive Income Statement

For the four years ending 30 June 2019

	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Strategic Resource Plan Projections		
			2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
<b>Income</b>					
Rates and charges	106,980	113,146	118,599	124,317	129,058
Parking revenue	28,160	29,279	30,011	30,716	31,407
User fees & charges	15,554	15,936	16,414	16,858	17,279
Statutory fees & fines	2,540	2,804	2,888	2,966	3,040
Open space contributions	2,563	2,500	2,500	2,500	2,500
Grants - operating	10,116	10,243	10,550	10,835	11,106
Grants - capital	1,400	1,734	1,300	1,300	1,300
Interest received	1,300	1,260	1,333	1,701	2,035
Rent	8,134	8,369	8,621	8,853	9,075
Other income	3,059	3,235	3,531	3,421	3,707
Fair value adjustments for investment property			0	0	0
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method			0	0	0
<b>Total income</b>	<b>179,805</b>	<b>188,506</b>	<b>195,748</b>	<b>203,468</b>	<b>210,507</b>
<b>Expenses</b>					
Employee benefits	75,303	80,245	83,494	86,876	90,394
Contract services	42,230	42,784	44,624	46,409	48,173
Materials & other expenses	23,760	22,139	22,804	23,419	24,005
Professional services	6,477	8,300	7,551	7,209	7,389
Utilities	2,854	2,884	2,970	3,051	3,127
Bad and doubtful debts	101	109	100	100	100
Borrowing costs	323	459	377	402	395
Depreciation	18,644	18,644	20,062	21,179	22,285
<b>Total Expenses</b>	<b>169,691</b>	<b>175,564</b>	<b>181,983</b>	<b>188,645</b>	<b>195,868</b>
<b>Surplus (deficit) for the year</b>	<b>10,114</b>	<b>12,942</b>	<b>13,766</b>	<b>14,823</b>	<b>14,639</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to surplus or deficit:</i>					
Impairment of fire impacted infrastructure	0	0	0	0	0
Net asset revaluation increment /(decrement)	0	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	0	0	0	0	0
<b>Comprehensive result</b>	<b>10,114</b>	<b>12,942</b>	<b>13,766</b>	<b>14,823</b>	<b>14,639</b>

## Financial Statements

### Budgeted Balance Sheet

For the four years ending 30 June 2019

	Forecast	<b>Budget</b>	Strategic Resource Plan Projections		
	Actual		2016/17	2017/18	2018/19
	2014/15		\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	25,715	24,147	24,103	24,227	25,673
Financial Assets	22,620	22,640	22,660	22,680	22,701
Trade & other receivables	10,197	10,223	10,248	10,274	10,300
Other assets	2,877	2,877	2,877	2,877	2,877
<b>Total current assets</b>	<b>61,409</b>	<b>59,887</b>	<b>59,888</b>	<b>60,058</b>	<b>61,550</b>
<b>Non Current Assets</b>					
Financial assets	235	235	235	235	235
Property, infrastructure, plant and equipment	2,130,306	2,144,839	2,158,761	2,173,005	2,185,965
<b>Total non current assets</b>	<b>2,130,541</b>	<b>2,145,074</b>	<b>2,158,996</b>	<b>2,173,240</b>	<b>2,186,200</b>
<b>Total assets</b>	<b>2,191,950</b>	<b>2,204,960</b>	<b>2,218,884</b>	<b>2,233,297</b>	<b>2,247,750</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	18,207	18,253	18,299	18,344	18,390
Trust funds and deposits	3,193	3,193	3,193	3,193	3,193
Provisions	10,583	10,583	10,583	10,583	10,583
Interest bearing liabilities	587	497	454	235	235
<b>Total current liabilities</b>	<b>32,570</b>	<b>32,526</b>	<b>32,529</b>	<b>32,355</b>	<b>32,401</b>
<b>Non Current Liabilities</b>					
Provisions	2,732	2,732	2,732	2,732	2,732
Interest bearing loans and borrowings	7,863	7,976	8,132	7,897	7,662
<b>Total non current liabilities</b>	<b>10,595</b>	<b>10,708</b>	<b>10,864</b>	<b>10,629</b>	<b>10,394</b>
<b>Total liabilities</b>	<b>43,165</b>	<b>43,234</b>	<b>43,393</b>	<b>42,984</b>	<b>42,795</b>
<b>Net assets</b>	<b>2,148,784</b>	<b>2,161,726</b>	<b>2,175,491</b>	<b>2,190,313</b>	<b>2,204,954</b>
<b>Equity</b>					
Accumulated surplus	636,819	649,382	662,944	677,641	690,838
Asset revaluation reserve	1,489,683	1,489,683	1,489,683	1,489,683	1,489,683
Other reserves	22,282	22,661	22,864	22,989	24,433
<b>Total equity</b>	<b>2,148,784</b>	<b>2,161,726</b>	<b>2,175,491</b>	<b>2,190,313</b>	<b>2,204,954</b>

## Financial Statements

### Budgeted Statement of Changes in Equity

For the four years ending 30 June 2019

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2016</b>				
Balance at beginning of the financial year	2,148,784	636,819	1,489,683	22,282
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	12,942	12,942	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	208	-	(208)
Transfer from reserves	-	(587)	-	587
<b>Balance at end of the financial year</b>	<b>2,161,727</b>	<b>649,383</b>	<b>1,489,683</b>	<b>22,661</b>
<b>2017</b>				
Balance at beginning of the financial year	2,161,727	649,383	1,489,683	22,661
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	13,766	13,766	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	0	-	0
Transfer from reserves	-	(203)	-	203
<b>Balance at end of the financial year</b>	<b>2,175,492</b>	<b>662,945</b>	<b>1,489,683</b>	<b>22,864</b>
<b>2018</b>				
Balance at beginning of the financial year	2,175,492	662,945	1,489,683	22,864
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	14,823	14,823	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	0	-	0
Transfer from reserves	-	(125)	-	125
<b>Balance at end of the financial year</b>	<b>2,190,314</b>	<b>677,642</b>	<b>1,489,683</b>	<b>22,989</b>
<b>2019</b>				
Balance at beginning of the financial year	2,190,314	677,642	1,489,683	22,989
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	14,639	14,639	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	0	-	0
Transfer from reserves	-	(1,444)	-	1,444
<b>Balance at end of the financial year</b>	<b>2,204,955</b>	<b>690,839</b>	<b>1,489,683</b>	<b>24,433</b>



## Financial Statements

### Budgeted Statement of Cash Flows

For the four years ending 30 June 2019

	Forecast				
	Actual	Budget	Strategic Resource Plan Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
Rates and garbage charges	106,932	113,120	118,574	124,291	129,033
Parking fees and fines	28,160	29,279	30,011	30,716	31,407
User charges and other fines	15,554	15,936	16,414	16,858	17,279
Statutory fees and fines	2,540	2,804	2,888	2,966	3,040
Grants - operating	10,116	10,243	10,550	10,835	11,106
Grants - capital	1,400	1,734	1,300	1,300	1,300
Contributions - cash	2,563	2,500	2,500	2,500	2,500
Interest	1,300	1,260	1,333	1,701	2,035
Rent	8,134	8,369	8,621	8,853	9,075
Other receipts	3,059	3,235	3,531	3,421	3,707
Employee costs	(75,303)	(80,245)	(83,494)	(86,876)	(90,394)
Payments to suppliers	(42,230)	(42,784)	(44,624)	(46,409)	(48,173)
Other payments	(33,146)	(33,387)	(33,380)	(33,734)	(34,574)
<b>Net cash provided by operating activities</b>	<b>29,079</b>	<b>32,065</b>	<b>34,224</b>	<b>36,423</b>	<b>37,340</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment	(30,276)	(36,177)	(33,984)	(35,423)	(35,245)
Proceeds from the sale of property, plant and equipment	0	3,000	0	0	0
Trust funds and deposits	0	0	0	0	0
Repayment of loans and advances	0	0	0	0	0
<b>Net cash used in investing activities</b>	<b>(30,276)</b>	<b>(33,177)</b>	<b>(33,984)</b>	<b>(35,423)</b>	<b>(35,245)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(323)	(459)	(377)	(402)	(395)
Repayment of borrowings	(637)	(587)	(497)	(454)	(235)
Proceeds from borrowings	0	610	610	0	0
<b>Net cash provided by (used in) financing activities</b>	<b>(960)</b>	<b>(436)</b>	<b>(264)</b>	<b>(856)</b>	<b>(630)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,157)</b>	<b>(1,548)</b>	<b>(24)</b>	<b>144</b>	<b>1,466</b>
Cash & cash equivalents at beginning of year	50,492	48,335	46,787	46,763	46,907
<b>Cash &amp; cash equivalents at end of year</b>	<b>48,335</b>	<b>46,787</b>	<b>46,763</b>	<b>46,907</b>	<b>48,373</b>

## Financial Statements

### Budgeted Statement of Capital Works

For the four years ending 30 June 2019

	Forecast	<b>Budget</b>	Strategic Resource Plan Projections		
	Actual		2016/17	2017/18	2018/19
	2014/15		\$'000	\$'000	\$'000
<b>Property</b>					
Buildings	8,084	13,035	11,921	8,622	7,251
<b>Total property</b>	<b>8,084</b>	<b>13,035</b>	<b>11,921</b>	<b>8,622</b>	<b>7,251</b>
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,653	2,284	1,828	3,441	3,562
Computers and telecommunications	1,525	1,185	550	250	250
Library books	709	795	795	815	795
<b>Total plant and equipment</b>	<b>3,887</b>	<b>4,264</b>	<b>3,173</b>	<b>4,506</b>	<b>4,607</b>
<b>Infrastructure</b>					
Roads	8,457	10,479	9,568	6,898	6,380
Footpaths and cycleways	2,243	3,100	3,427	3,100	3,100
Drainage	1,346	1,440	1,550	1,560	1,571
Parks, open space and streetscapes	5,691	3,859	2,724	2,717	2,570
Other infrastructure	569	0	1,621	8,020	9,766
<b>Total infrastructure</b>	<b>18,306</b>	<b>18,878</b>	<b>18,890</b>	<b>22,295</b>	<b>23,387</b>
<b>Total capital works expenditure</b>	<b>30,276</b>	<b>36,177</b>	<b>33,984</b>	<b>35,423</b>	<b>35,245</b>
<b>Represented by:</b>					
Asset renewal expenditure	17,154	23,614	21,062	22,778	22,285
New asset expenditure	8,837	7,146	5,779	7,210	8,021
Asset expansion expenditure	4,015	1,494	704	2,558	2,910
Asset upgrade expenditure	271	3,923	6,439	2,877	2,029
<b>Total capital works expenditure</b>	<b>30,277</b>	<b>36,177</b>	<b>33,984</b>	<b>35,423</b>	<b>35,245</b>

## Financial Statements

### Budgeted Statement of Human Resources

For the four years ending 30 June 2019

	Forecast		Budget 2015/16 \$'000	Strategic Resource Plan Projections		
	Budget 2014/15 \$'000	Actual 2014/15 \$'000		2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
	EFT	EFT		EFT	EFT	EFT
<b>Staff expenditure</b>						
Employee costs - operating	75,133	75,303	<b>80,245</b>	83,494	86,876	90,394
<b>Total staff expenditure</b>	<b>75,133</b>	<b>75,303</b>	<b>80,245</b>	<b>83,494</b>	<b>86,876</b>	<b>90,394</b>
<b>Staff numbers</b>						
Employees	795.1	801.9	<b>810.4</b>	821.0	831.7	842.5
<b>Total staff numbers</b>	<b>795.1</b>	<b>801.9</b>	<b>810.4</b>	<b>821.0</b>	<b>831.7</b>	<b>842.5</b>

#### Note for movements in staff expenditure and numbers:

Council's labour budget for 2015/16 has increased by 6.8% from the previous year's budget. This increase is due to a number of factors, comprising:

- Funding for the final year of the current Enterprise Agreement (3.5%).
- Work cover premium increases (0.3%).
- A provision, based on historical averages for re-structuring costs (0.4%).
- A 10.7 Full Time Equivalent (FTE) increase in staffing numbers due to transferring external contract staff to council staff. This has no cost impact on the budget overall but does increase the costs accounted for as labour by 1.7% (Council achieved a reduction in contract services in Budget 2015/16 compared to Budget 2014/15, refer to Council's Budget 2015/16 Appendix A1).
- A 4.8 FTE increase to increase parking officers, strengthen project management and deliver safety and amenity improvements in public spaces (especially during summer) (0.7%).
- The remaining labour cost growth is attributable to additional salary increments linked to reclassifications of existing roles (0.2%).

The growth in full time equivalent staff from 2016/17 to 2018/19 is based on an assumption of 1.3% growth in service provision in the municipality, consistent with the financial assumptions for growth.



## Non-Financial Resources

### Council Culture

Council delivers a broad range of services. To strengthen the delivery of the Council Plan and Council's key strategic priorities, Council has developed an organisational strategy called 'Community First'.

Community First is a mindset whereby all Council actions are viewed through the community's eyes, ensuring delivery of the best possible services, projects and outcomes for the community Council serves.

To build Council capability, the Community First strategy has five key priority areas of enterprise-wide focus:

- Enterprise Portfolio Management
- Great Places & Precincts
- Continuous Service and Business Improvement
- Aligned Organisational Culture & Capability
- Good Governance

### Council Staff

The Council's employees are its most valued resource. Council has a diverse workforce of committed individuals with an extensive range of skills and experience. Council aspires to be an employer of choice and to operate collectively as one organisation focused on the achievement of the Council Plan initiatives. To enable this, Council is committed to professional development, mentoring, open communication and maintaining a safe and respectful working environment.

In response to the financial challenges that Council is facing, a significant investment has been made in building the capability of Council staff. This includes improving the ability of Council staff to:

- Manage and prioritise projects with the support of new processes and systems.
- Identify and realise efficiency savings through continuous improvement initiatives such as LEAN and better budgeting.
- Undertake long-term service planning and performance measurement.

This SRP outlines Council's planned staff expenditure and staff numbers (expressed in full time equivalent positions) in the Budgeted Statement of Human Resources and the Summary of Planned Human Resources.

A detailed explanation of the movement in total staff expenditure and numbers is provided on page 14.

## Non-Financial Resources

### Summary of Planned Human Resources

For the four years ending 30 June 2019

	Forecast		Budget 2015/16 \$'000	Strategic Resource Plan Projections		
	Budget 2014/15 \$'000	Actual 2014/15 \$'000		2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
<b>Staff expenditure</b>						
Chief Executive Office	441	581	619	644	670	697
Community Development	25,865	24,627	26,204	27,265	28,370	29,519
Governance & Culture	6,721	7,058	7,035	7,320	7,616	7,924
Infrastructure & Amenity	17,396	17,244	19,063	19,835	20,638	21,474
Organisational Performance	10,145	10,616	11,692	12,165	12,658	13,170
Place Strategy & Development	10,774	10,535	11,108	11,558	12,026	12,513
	<b>71,342</b>	<b>70,661</b>	<b>75,720</b>	<b>78,787</b>	<b>81,978</b>	<b>85,298</b>
Casual labour	880	1,341	1,156	1,203	1,252	1,303
Other labour (agency staff, maternity leave, FBT)	2,910	3,300	3,368	3,504	3,646	3,794
<b>Total staff expenditure</b>	<b>75,133</b>	<b>75,303</b>	<b>80,245</b>	<b>83,494</b>	<b>86,876</b>	<b>90,394</b>
	EFT	EFT	EFT	EFT	EFT	EFT
<b>Staff numbers</b>						
Chief Executive Office						
- Full time	3.0	3.0	3.0	3.0	3.1	3.1
- Part time	-	-	-	-	-	-
- Casuals	-	-	-	-	-	-
	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.1</b>	<b>3.1</b>
Community Development						
- Full time	179.1	179.7	176.1	178.4	180.7	183.0
- Part time	136.5	136.5	136.7	138.4	140.2	142.1
- Casuals	8.4	8.3	11.7	11.9	12.0	12.2
	<b>324.0</b>	<b>324.6</b>	<b>324.5</b>	<b>328.7</b>	<b>332.9</b>	<b>337.3</b>
Governance & Culture						
- Full time	61.1	60.8	59.8	60.6	61.4	62.2
- Part time	9.5	9.5	10.6	10.7	10.8	11.0
- Casuals	1.1	1.1	1.0	1.0	1.0	1.0
	<b>71.7</b>	<b>71.4</b>	<b>71.4</b>	<b>72.3</b>	<b>73.2</b>	<b>74.2</b>
Infrastructure & Amenity						
- Full time	184.0	182.8	185.0	187.4	189.8	192.3
- Part time	12.8	14.9	19.3	19.6	19.8	20.1
- Casuals	0.8	0.8	1.3	1.4	1.4	1.4
	<b>197.6</b>	<b>198.5</b>	<b>205.7</b>	<b>208.3</b>	<b>211.1</b>	<b>213.8</b>
Organisational Performance						
- Full time	82.0	91.7	89.4	90.5	91.7	92.9
- Part time	14.7	11.3	13.9	14.1	14.3	14.5
- Casuals	-	-	-	-	-	-
	<b>96.7</b>	<b>103.0</b>	<b>103.3</b>	<b>104.6</b>	<b>106.0</b>	<b>107.3</b>
Place Strategy & Development						
- Full time	88.7	88.4	92.4	93.6	94.8	96.0
- Part time	13.0	13.0	10.3	10.5	10.6	10.7
- Casuals	0.4	0.0	-	-	-	-
	<b>102.1</b>	<b>101.5</b>	<b>102.7</b>	<b>104.0</b>	<b>105.4</b>	<b>106.8</b>
<b>Total staff numbers (FTE)</b>	<b>795.1</b>	<b>801.9</b>	<b>810.4</b>	<b>821.0</b>	<b>831.7</b>	<b>842.5</b>

Note: A detailed explanation of the movement in total staff expenditure and numbers is provided on page 14.

## Summary of Capital Works Expenditure

### Capital Works Program 2015/16 – by Asset Type and Funding Source

Capital Works 2015/16	Project Cost \$'000	Asset expenditure types				Funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Reserves \$'000	Council Cash \$'000	Borrowings \$'000	
<b>Property</b>										
Buildings	13,035	3,293	6,164	2,085	1,494	220	1,735	10,770	310	
<b>Total Property</b>	<b>13,035</b>	<b>3,293</b>	<b>6,164</b>	<b>2,085</b>	<b>1,494</b>	<b>220</b>	<b>1,735</b>	<b>10,770</b>	<b>310</b>	
<b>Plant and equipment</b>										
Plant, machinery & equipment	1,489	35	1,454	0	0	0	0	1,489	0	
Computers & telecommunications	1,980	528	1,320	132	0	0	0	1,680	300	
Library books	795	0	795	0	0	0	0	795	0	
<b>Total plant and equipment</b>	<b>4,264</b>	<b>563</b>	<b>3,569</b>	<b>132</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,964</b>	<b>300</b>	
<b>Infrastructure</b>										
Roads	10,479	2,059	7,473	948	0	1,479	999	8,001	0	
Footpaths and cycleways	3,100	500	2,100	500	0	0	0	3,100	0	
Drainage	1,440	400	1,040	0	0	35	0	1,405	0	
Parks, open space & streetscapes	3,859	332	3,269	259	0	0	2,379	1,480	0	
<b>Total infrastructure</b>	<b>18,878</b>	<b>3,291</b>	<b>13,881</b>	<b>1,706</b>	<b>0</b>	<b>1,514</b>	<b>3,378</b>	<b>13,986</b>	<b>0</b>	
<b>Total capital works expenditure 2015/16</b>	<b>36,177</b>	<b>7,146</b>	<b>23,614</b>	<b>3,923</b>	<b>1,494</b>	<b>1,734</b>	<b>5,113</b>	<b>28,720</b>	<b>610</b>	



## Summary of Capital Works Expenditure

### Capital Works Program 2016/17 – by Asset Type and Funding Source

Capital Works 2016/17	Project Cost \$'000	Asset expenditure types				Funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Reserves \$'000	Cash \$'000	Borrowings \$'000	
<b>Property</b>										
Buildings	11,921	1,894	5,139	4,185	703	0	0	11,611	310	
<b>Total Property</b>	<b>11,921</b>	<b>1,894</b>	<b>5,139</b>	<b>4,185</b>	<b>703</b>	<b>0</b>	<b>0</b>	<b>11,611</b>	<b>310</b>	
<b>Plant and equipment</b>										
Plant, machinery & equipment	1,828	36	1,792	0	0	0	0	1,828	0	
Computers & telecommunications	550	0	550	0	0	0	0	250	300	
Library books	795	0	795	0	0	0	0	795	0	
<b>Total plant and equipment</b>	<b>3,173</b>	<b>36</b>	<b>3,137</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,873</b>	<b>300</b>	
<b>Infrastructure</b>										
Roads	9,568	2,473	5,705	1,391	0	1,300	550	7,718	0	
Footpaths and cycleways	3,427	664	2,100	664	0	0	0	3,427	0	
Drainage	1,550	510	1,040	0	0	0	0	1,550	0	
Parks, open space & streetscapes	2,724	200	2,324	200	0	0	2,500	224	0	
Other infrastructure	1,621	3	1,617	0	0	0	0	1,621	0	
<b>Total infrastructure</b>	<b>18,890</b>	<b>3,849</b>	<b>12,786</b>	<b>2,254</b>	<b>0</b>	<b>1,300</b>	<b>3,050</b>	<b>14,540</b>	<b>0</b>	
<b>Total capital works expenditure 2015/16</b>	<b>33,984</b>	<b>5,779</b>	<b>21,062</b>	<b>6,439</b>	<b>703</b>	<b>1,300</b>	<b>3,050</b>	<b>29,024</b>	<b>610</b>	

## Summary of Capital Works Expenditure

### Capital Works Program 2017/18 – by Asset Type and Funding Source

Capital Works 2017/18	Project Cost \$'000	Asset expenditure types				Funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Reserves \$'000	Council Cash \$'000	Borrowings \$'000	
<b>Property</b>										
Buildings	8,622	1,758	4,890	1,291	683	0	0	8,622	0	0
<b>Total Property</b>	<b>8,622</b>	<b>1,758</b>	<b>4,890</b>	<b>1,291</b>	<b>683</b>	<b>0</b>	<b>0</b>	<b>8,622</b>	<b>0</b>	<b>0</b>
<b>Plant and equipment</b>										
Plant, machinery & equipment	3,441	758	2,334	22	328	0	0	3,441	0	0
Computers & telecommunications	250	0	250	0	0	0	0	250	0	0
Library books	815	0	815	0	0	0	0	815	0	0
<b>Total plant and equipment</b>	<b>4,506</b>	<b>758</b>	<b>3,399</b>	<b>22</b>	<b>328</b>	<b>0</b>	<b>0</b>	<b>4,506</b>	<b>0</b>	<b>0</b>
<b>Infrastructure</b>										
Roads	6,898	120	5,968	810	0	1,300	550	5,048	0	0
Footpaths and cycleways	3,100	500	2,100	500	0	0	0	3,100	0	0
Drainage	1,560	520	1,040	0	0	0	0	1,560	0	0
Parks, open space & streetscapes	2,717	150	2,417	150	0	0	2,500	217	0	0
Other infrastructure	8,020	3,404	2,966	104	1,547	0	0	8,020	0	0
<b>Total infrastructure</b>	<b>22,295</b>	<b>4,694</b>	<b>14,491</b>	<b>1,564</b>	<b>1,547</b>	<b>1,300</b>	<b>3,050</b>	<b>17,945</b>	<b>0</b>	<b>0</b>
<b>Total capital works expenditure 2015/16</b>	<b>35,423</b>	<b>7,210</b>	<b>22,779</b>	<b>2,877</b>	<b>2,558</b>	<b>1,300</b>	<b>3,050</b>	<b>31,073</b>	<b>0</b>	<b>0</b>

## Summary of Capital Works Expenditure

### Capital Works Program 2018/19 – by Asset Type and Funding Source

Capital Works 2018/19	Project Cost \$'000	Asset expenditure types				Funding sources				
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Reserves \$'000	Council Cash \$'000	Borrowings \$'000	
<b>Property</b>										
Buildings	7,251	1,965	3,758	751	777	0	0	7,251	0	0
<b>Total Property</b>	<b>7,251</b>	<b>1,965</b>	<b>3,758</b>	<b>751</b>	<b>777</b>	<b>0</b>	<b>0</b>	<b>7,251</b>	<b>0</b>	<b>0</b>
<b>Plant and equipment</b>										
Plant, machinery & equipment	3,562	857	2,306	25	374	0	0	3,562	0	0
Computers & telecommunications	250	0	250	0	0	0	0	250	0	0
Library books	795	0	795	0	0	0	0	795	0	0
<b>Total plant and equipment</b>	<b>4,607</b>	<b>857</b>	<b>3,351</b>	<b>25</b>	<b>374</b>	<b>0</b>	<b>0</b>	<b>4,607</b>	<b>0</b>	<b>0</b>
<b>Infrastructure</b>										
Roads	6,380	120	5,800	460	0	1,300	550	4,530	0	0
Footpaths and cycleways	3,100	500	2,100	500	0	0	0	3,100	0	0
Drainage	1,571	531	1,040	0	0	0	0	1,571	0	0
Parks, open space & streetscapes	2,570	175	2,220	175	0	0	0	2,570	0	0
Other infrastructure	9,766	3,873	4,015	118	1,760	0	2,500	7,266	0	0
<b>Total infrastructure</b>	<b>23,387</b>	<b>5,199</b>	<b>15,175</b>	<b>1,253</b>	<b>1,760</b>	<b>1,300</b>	<b>3,050</b>	<b>19,037</b>	<b>0</b>	<b>0</b>
<b>Total capital works expenditure 2015/16</b>	<b>35,245</b>	<b>8,021</b>	<b>22,285</b>	<b>2,029</b>	<b>2,910</b>	<b>1,300</b>	<b>3,050</b>	<b>30,895</b>	<b>0</b>	<b>0</b>

## Financial Performance Indicators

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

Indicator	Measure	Notes	Forecast	Budget	Strategic Resource Plan			Trend
			Actual 2014/15	2015/16	Projections 2016/17	2017/18	2018/19	
<b>Operating position</b>								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	3.5%	4.7%	5.2%	5.5%	5.2%	+
<b>Liquidity</b>								
Working Capital	Current assets / current liabilities	2	188.5%	184.1%	184.1%	185.6%	190.0%	o
Unrestricted cash	Unrestricted cash / current liabilities		80.0%	74.2%	73.5%	73.9%	73.9%	-
<b>Obligations</b>								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	7.9%	7.5%	7.2%	6.5%	6.1%	+
Loans and borrowings	Interest and principal repayments / rate revenue		0.6%	0.5%	0.4%	0.4%	0.2%	+
Indebtedness	Non-current liabilities / own source revenue		6.3%	6.1%	5.9%	5.6%	5.2%	+
Asset renewal	Asset renewal expenditure / depreciation	4	92.0%	126.7%	105.0%	107.5%	100.0%	-
<b>Stability</b>								
Rates concentration	Rate revenue / adjusted underlying revenue	5	60.8%	61.4%	61.8%	62.3%	62.4%	-
Rates effort	Rate revenue / property values (CIV)		0.22%	0.23%	0.24%	0.24%	0.25%	+
<b>Efficiency</b>								
Expenditure level	Total expenditure / no. of assessments		\$2,465	\$2,512	\$2,566	\$2,620	\$2,680	o
Expenditure level	Specific purpose grants expended / Specific purpose grants received		90.0%	95.0%	100.0%	100.0%	100.0%	o
Revenue level	Residential rate revenue / No. of residential assessments		\$1,375	\$1,441	\$1,491	\$1,543	\$1,582	o
Workforce turnover	No. of resignations & terminations / average no. of staff		11.85%	10.25%	10.00%	10.00%	10.00%	o

Key to Forecast Trend:

- + Forecast improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecast 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.
2. Working Capital – The proportion of current liabilities represented by current assets.
3. Debt compared to rates – A measure of Council's ability to manage and repay debt. The VAGO prudential borrowing guidelines provide for a maximum of 60% debt compared to rates.
4. Asset renewal - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.
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.



## Linking Council Planning to the Strategic Resource Plan

The Council Plan 2013-17, of which this SRP forms part, is the primary planning document of Council. It outlines the priorities that guide Council decision making and the initiatives to achieve Council’s strategic objectives over the planning period. Council has also adopted a range of plans and strategies to support the delivery of the Council Plan by providing greater detail and addressing specific policy objectives.

The *Local Government Act 1989* stipulates that this SRP ‘must take into account services and initiatives contained in any plan adopted by the Council’. Council undertakes a disciplined annual budget process to ensure that future organisational resources are allocated in a way that best delivers on the Council Plan. All Council resource allocation decisions are made with reference to Council Plan priorities and objectives.

To support transparency and accountability, Council is required by legislation to identify major initiatives and service performance outcomes in the annual budget and report against them in the annual report. Council has also included this information in its Budget 2015/16.

The significant Council strategies, plans and initiatives that are funded in this SRP are contained in the table below. It should be noted that the allocation of Council’s resources are often guided by multiple Council Plan focus areas or strategies. Additionally, the resources identified below are cash allocations (that is, includes both capital and operating, project and recurrent investments) and may be funded from multiple sources, including external sources such as grants.

Consistent with its legislative obligations and best practice, Council reviews its Council Plan priorities and resource allocation annually. Estimates provided for 2016/17 and beyond represent Council’s current planning assumptions and should be considered provisional. These investments will be subject to formal evaluation and prioritisation in the relevant budget year.

This is the first time Council has included this information in the SRP. Council has undertaken an initial audit of existing Council planning documents, however it expects to continuously improve the information set on which the table is based.

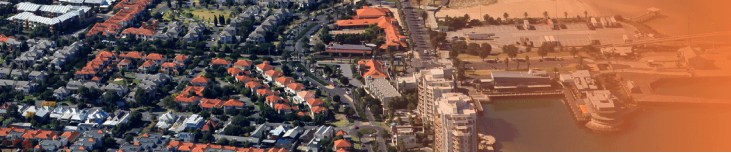
Planning instrument	Description and resources allocated (\$'000)			
	2015/16	2016/17	2017/18	2018/19
<b>Council Plan – Strategic priorities</b>				
Council Plan 2013-17	<p>The Council Plan 2013-17 highlights a number of strategic priorities to be delivered over the planning period. This includes:</p> <ul style="list-style-type: none"> <li>• Managing growth and planning for Fishermans Bend.</li> <li>• Restoring and securing the future of the Palais Theatre.</li> <li>• Building and operating a new park and cultural precinct on the St. Kilda Triangle site.</li> <li>• Creating and maintaining unique and vibrant communities in the municipality’s special and cared for places.</li> </ul> <p>The Council Budget 2015/16 lists the major initiatives and projects linked to the strategic priorities outlined above (refer to Appendix C and Appendix D).</p>			
<b>Strategies, plans and policies</b>				
Municipal Public Health & Wellbeing Plan 2013 - 2017	<p>Identifies ways local government can work with the whole community to promote the health and wellbeing of all residents.</p> <hr/> <p>No resources are specifically allocated under this plan. As a strategic document, it guides Council when making policy, program and budget decisions across all areas. The plan provides a framework for working collaboratively with stakeholders and for advocating to State and Federal Government on issues of local importance.</p>			

Planning instrument (continued)	Description and resources allocated (\$'000)			
	2015/16	2016/17	2017/18	2018/19
Access Plan 2013-2018	Represents a 'whole of organisation' approach to addressing access and inclusion. It reflects the need for all areas of Council to work together in a coordinated manner to improve access for all.			
	No resources are specifically allocated under this plan. The plan informs 'how' Council implements its plans and strategies.			
Ageing Well Strategic Plan	Addresses the opportunities and challenges posed by a significant growth in the ageing population forecast for the next 10 years, the shift away from residential to community care and the changing needs and expectations of older people.			
	\$166	\$166	\$166	\$166
Multicultural Strategic Framework	Guides the development and implementation of broad ranging council policy and programs provided to our multicultural residents and groups.			
	\$94	\$94	\$94	\$94
Economic Development Strategy 2012-16	Supports Council's vision of Port Phillip being a vibrant, inclusive, prosperous and sustainable local economy that meets the needs and aspirations of our community.			
	\$929	\$957	\$983	\$1,008
Public Toilet Plan 2013-2023	Supports the provision of clean, safe, accessible public toilets to all local residents and visitors to the municipality.			
	\$600	\$500	\$500	\$500
Open Space Strategy 2009	Guides Council's delivery of its vision for a city where public open spaces define the city's character and respond to its people's need for places to rest, recreate and be inspired.			
	\$440	\$440	\$195	-
Sport and Recreation Strategy	Supports the planning and provision of recreation and sport facilities and services to the local community.			
	\$505	\$514	\$523	-
Foreshore Management Plan 2012	Guides how to protect, maintain and manage the city's coastline. It provides strategic directions to address unsustainable impacts on the Port Phillip coast and community.			
	\$1,860	\$1,150	\$764	-
Playspace Strategy 2011	Sets the vision, policy context and framework for future development of play spaces in the municipality and prioritises play spaces for upgrade and renewal.			
	\$660	\$670	\$690	-
Tree Management Policy and Strategy – Greening Port Phillip 2010	Supports Council achieving a healthy and diverse urban forest that uses innovative greening solutions to enhance the community's daily experience, ensuring environmental, economic, cultural and social sustainability for future generations.			
	\$690	\$690	\$690	\$690

Planning instrument (continued)	Description and resources allocated (\$'000)			
	2015/16	2016/17	2017/18	2018/19
St Kilda Botanical Gardens Future Directions Plan	Provides direction for strategic planning for capital and maintenance works including a healthy tree and plant collection suitable to a low rainfall climate.			
	-	\$585	-	-
Public Lighting Policy	Specifically addresses lighting within the public domain. It provides a basis for the development of a coherent and unified approach to lighting across the city.			
	\$530	\$150	\$250	-
Open Space Water Management Plan	To support council better manage existing water sources, find and use alternative water sources, and adapt our open spaces to a drier and hotter climate.			
	No resources are specifically allocated under this plan. The plan informs Council project delivery and planning in other service areas, including the planned Albert Park Stormwater Harvesting project (under consideration for funding as part of the Water Plan).			
Towards Zero – Sustainable Environment 2007	Provides the community with a clear statement of the key sustainability challenges faced by the City and the policy and strategy directions that needed to be pursued over the next 5-10 years. In addition, it sets targets for both the community and Council, and the framework for measuring progress against our sustainability challenges.			
	No resources are specifically allocated under this plan. This strategy informs Council's other sustainability plans and initiatives.			
Bike Plan 2011-2020 (Pedal Power: Making bike riding better)	Focuses on improving bike riding infrastructure and networks across Port Phillip while continuing to motivate more people to ride more often and to more places.			
	\$596	\$612	\$628	\$1,206
Walk Plan 2011-2020 (Feet First: Making pedestrians the priority)	The Walk Plan's focus is on improving walking infrastructure across Port Phillip while continuing to motivate more people to walk more often and to more places.			
	\$822	\$845	\$869	\$1,737
Greenhouse Plan	Supports Council's Toward Zero Sustainable Environment Strategy, which governs the broad direction, action and progress of Council's environmental strategies in key sustainability challenges.			
	\$760	\$760	\$400	-
Water Plan	Supports Council's vision to become a water sensitive city which is adaptive and resilient to low water availability and the impacts of climate change.			
	\$400	\$3,510	\$2,020	-
Sustainable Transport Strategy: A Connected and Liveable City	Supports Council's vision is for a connected and liveable city where residents, visitors and workers can live and travel car free by improving the convenience, safety, accessibility and range of sustainable travel choices across the municipality.			
	\$37	\$37	\$37	\$37
Port Phillip Housing Strategy	Sets out a broad vision for housing and residential development in Port Phillip and makes recommendations regarding the future management of housing and residential development in the City.			
	\$500	\$500	\$500	\$500



Planning instrument (continued)	Description and resources allocated (\$'000)			
	2015/16	2016/17	2017/18	2018/19
Signage Strategy	Ensures consistency and continuity when implementing the Council's signage system.			
	\$5	\$50	-	-
Domestic Animal Management Plan 2012-2016	Outlines the services, programs and policies the Council has established to address the administration of the <i>The Domestic Animals Act 1994</i> and the management of dog and cat issues in their community.			
	\$173	\$177	\$183	\$187
<b>Masterplans, structure plans and design frameworks</b>				
Balaclava Walk Masterplan	Proposes an integrated vision for the Balaclava Station precinct that comprises the redevelopment of the station, development of the adjoining car park for community and private housing, improved public space and walkway connections (Balaclava Walk in particular), and a high quality interchange between the station and Carlisle Street tram services.			
	\$225	\$300	-	-
Bay Street Activity Centre Structure Plan	Directs growth and identifies potential opportunities for improvements in the Bay Street, Port Melbourne area. The plan also proposes to improve public space, traffic and accessibility and strengthen community connections.			
	The investment in this structure plan is currently being finalised.			
Carlisle Street Activity Centre Structure Plan & Urban Design Framework	Reinforces the centre's role as a highly accessible civic and service 'hub' to support a diverse and engaged community.			
	\$40	\$350	\$100	-
Emerald Hill Masterplan	Provides the design direction for the Emerald Hill precinct to improve the Library and Heritage Centre forecourt, the South Melbourne Town Hall forecourt and surrounding streetscapes.			
	\$116	\$1,429	\$916	-
Fitzroy Street Streetscape Plan	Provides the design direction for elements such as pedestrian spaces, roads, parking areas, bicycle routes, parks and leisure facilities, landscape and visual amenity.			
	\$1,359	-	-	-
Port Melbourne Waterfront Urban Design Framework	Delivers on the vision for making the Port Melbourne Waterfront a significant and celebrated part of greater Melbourne; a place that is valued by locals for its history and environment, and an active and welcome destination for visitors.			
	\$90	\$200	\$2,000	-
St. Kilda Activity Centre Strategic Framework	Reinforces the centre's role as a highly accessible civic and service 'hub' to support a diverse and engaged community.			
	-	\$10	\$10	-
J.L. Murphy Reserve Masterplan	Ensures that the space continues to be sustainable and meets the needs of the community into the future under changing climate conditions and population.			
	\$229	-	-	-
Alma Park East St. Kilda Masterplan	Outlines the upgrades to the public toilets and pavilion in Alma Park to create a multi-functional space for sports clubs and community groups.			
	\$35	-	-	-



Planning instrument (continued)	Description and resources allocated (\$'000)			
	2015/16	2016/17	2017/18	2018/19
<b>Asset management</b>				
	Council's asset management is complex and impacts on nearly all areas of council responsibilities.			
Asset Management Strategy (Capital renewals expenditure)	Renewals are capital works that are required to ensure that Council intervenes in an optimal manner to protect and renew infrastructure assets. This supports on-going service and financial sustainability. The forecast below does not include the cost associated the restoration of the Palais Theatre.			
	\$20,114	\$20,062	\$21,179	\$22,285



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[www.portphillip.vic.gov.au/contact\\_us.htm](http://www.portphillip.vic.gov.au/contact_us.htm)

Phone: 03 9209 6777

Fax: 03 9536 2722

SMS: 0432 005 405

email: [assist@portphillip.vic.gov.au](mailto:assist@portphillip.vic.gov.au)

You can also visit our website [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au)

**Postal address:** City of Port Phillip, Private Bag 3, PO St Kilda, VIC 3182



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