

STRATEGIC RESOURCE PLAN 2018-2022

STRATEGIC RESOURCE PLAN DEVELOPMENT

Council is required under the *Local Government Act 1989* (the Act) to develop a Strategic Resource Plan that describes both the financial and non-financial resources required for at least the next four financial years to achieve the strategic objectives in the Council Plan. The Strategic Resource Plan includes a financial allocation plan based on Council's Long Term Financial Plan, Human Resource Strategy, Rating Strategy, Borrowing Strategy and Asset Management Strategy.

Council has prepared a Strategic Resource Plan (SRP) for the four years 2018/19 to 2021/22 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. 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 Plan.

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 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; and
- Provide full, accurate and timely disclosure of financial information.

LONG TERM FINANCIAL PLAN

Council's long-term planning strategy is aimed at creating a sustainable fiscal environment to enable Council to continue to provide the community with high quality services and infrastructure into the medium and long term. The financial plan is a continuation of Council's responsible financial program. It is a financial plan aimed at:

- Balancing the community's needs and ensuring that Council continues to be financially sustainable in the long term
- Increasing Council's commitment to sustainable asset renewal and maintenance of the community's assets
- The maintenance of a strong cash position for financial sustainability
- To achieve efficiencies through targeted savings and an ongoing commitment to contain costs
- Rate and fee increases that are both manageable and sustainable; and
- Providing a framework to deliver balanced budgets including sustainable annual underlying surpluses.

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The assumptions underpinning the Plan are:

- A forward plan average rate increase between 2.25% - 2.5% in line with predicted CPI increases, subject to future year rate caps as announced by the Minister for Local Government
- State and federal government grant funding increases of up to 2.5% per annum
- Fees and charges overall revenue increase by 2.5% per annum
- Maintaining the long-term viability and value of the Council's Development Reserve to provide a funding source for major infrastructure projects
- Interest on investments estimated between 2.5% - 3.1% per annum.
- An increase of 3.3% per annum has been allowed to cover annual EBA increases, periodic increases that occur as staff progress through the employee banding structure provided for in Awards and associated increases in Workcover and training and development costs
- Materials and services cost increases of no more than 2.5% per annum based on estimated CPI increases; and
- A capital works program of more than \$450 million over the next ten years, including a sustainable level of funding for the renewal and maintenance of the community's assets.

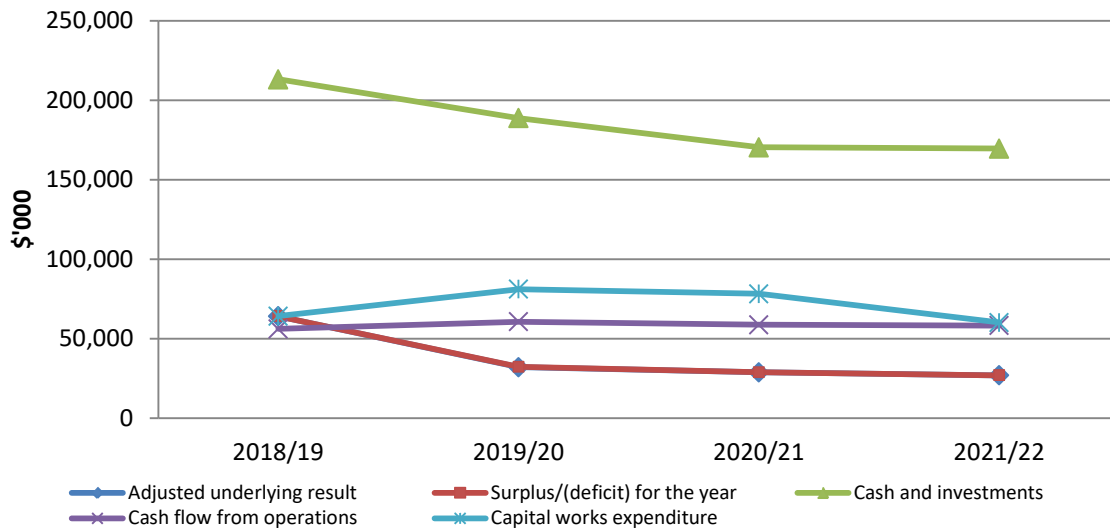
FINANCIAL RESOURCES

The following table summarises the key financial results for the next four years as set out in the SRP for years 2018/19 to 2021/22.

Indicator	Proposed Budget	Strategic Resource Plan Projections		
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Surplus/(deficit) for the year	64,159	32,268	28,868	27,031
Adjusted underlying result	64,159	32,068	28,868	27,031
Cash and investments	213,295	188,844	170,478	169,684
Cash flow from operations	56,242	60,715	58,823	58,288
Capital works expenditure	64,245	81,188	78,299	60,202

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The following graph shows the general financial indicators over the four year period.



The key outcomes of the SRP are as follows:

- **Financial sustainability** – Cash and investments are forecast to peak at \$213.30 million in 2018/19 due to an anticipated property sale, then show a gradual decline over the subsequent three years reflecting the use of reserves for the renewal of major community facilities.
- **Rating levels** – Modest average rate increases of between 2.25% - 2.5% are forecast over the four years in line with the predicted annual increase in CPI.
- **Service delivery** – Service levels are planned to be maintained throughout the four year period, however Council's operating surplus and adjusted underlying surplus are expected to begin to decline as a result of average rate rises being capped at between 2.25% – 2.5% per annum. The adjusted underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.
- **Borrowing strategy** – Borrowings are forecast to reduce from \$5.01 million to nil over the four year period with no new borrowings planned in that period.
- **Asset management strategy** – Capital expenditure over the four year period will total \$283.93 million at an average of \$70.98 million per year and includes a sustainable level of funding for asset renewal and investment in major community facilities such as the Nunawading Community Hub and Whitehorse Centre.

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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 used in the context of the organisation's objectives.

Indicator	Measure	Notes	Budget 2018/19	Strategic Resource Plan 2019/20	2020/21	2021/22	Trend +/-o/-
Operating position							
Adjusted underlying result	Adjusted underlying surplus (deficit) / adjusted underlying revenue	1	27.5%	15.4%	13.7%	12.5%	-
Liquidity							
Working capital	Current assets / current liabilities	2	467.0%	450.9%	397.9%	384.6%	-
Unrestricted cash	Unrestricted cash / current liabilities	3	332.6%	283.1%	218.2%	198.8%	-
Obligations							
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	4.3%	0.0%	0.0%	0.0%	+
Loans and borrowings	Interest and principal repayments / rate revenue		0.2%	4.2%	0.0%	0.0%	+
Indebtedness	Non-current liabilities / own source revenue	5	1.7%	2.0%	2.0%	2.0%	+
Asset renewal	Asset renewal expenditure / depreciation	6	143.9%	183.8%	136.5%	104.6%	o
Stability							
Rates concentration	Rate revenue / adjusted underlying revenue	7	49.7%	57.5%	58.5%	59.1%	-
Rates effort	Rate revenue / property values (CIV)	8	0.1%	0.1%	0.1%	0.1%	o
Efficiency							
Expenditure level	Total expenditure / no. of assessments	9	\$2,264	\$2,318	\$2,355	\$2,397	o
Revenue level	Residential rate revenue / no. of residential assessments	10	\$1,504	\$1,529	\$1,556	\$1,583	o
Workforce turnover	No. of resignations & terminations / average no. of staff	11	15.0%	15.0%	15.0%	15.0%	o

*The 2018/19 Rates Concentration indicator is lower than usual due to a \$34.83 million gain on the sale of 517-521 Station Street, Box Hill. Excluding this transaction, the ratio for 2018/19 is 58.4%

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

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Notes to Indicators

1. **Adjusted underlying result** – An underlying surplus should be generated in the ordinary course of business to continue to provide core services and to provide funding for capital works. A decreasing adjusted underlying surplus over the four year outlook is as a result of rate capping and government grant funding not keeping pace with the increased cost of service delivery.
2. **Working capital** – Sufficient working capital is required to pay bills as and when they fall due. A high or increasing level of working capital suggests an improvement in liquidity.
3. **Unrestricted cash** – Sufficient cash which is free of restrictions is required to pay bills as and when they fall due. A high or increasing level of unrestricted cash suggests an improvement in liquidity.
4. **Loans and borrowings** – The level of debt should be appropriate to the size and nature of a council's activities. A low or decreasing level of debt suggests an improvement in the capacity to meet long term obligations.
5. **Indebtedness** – The level of long term liabilities should be appropriate to the size and nature of a council's activities. A low or decreasing level of long term liabilities suggests an improvement in the capacity to meet long term obligations.
6. **Asset renewal** - This percentage indicates the extent of Council's asset renewal 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.
7. **Rates concentration** – Revenue should be generated from a range of sources. Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. A high or increasing range of revenue sources suggests an improvement in stability.
8. **Rates effort** – The rating level should be set based on the community's capacity to pay. Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. A low or decreasing level of rates suggests an improvement in the rating burden.
9. **Expenditure level** – Resources should be used efficiently in the delivery of services. A low or decreasing level of expenditure suggests an improvement in organisational efficiency.
10. **Revenue level** - Resources should be used efficiently in the delivery of services. A low or decreasing level of rates suggests an improvement in organisational efficiency.
11. **Workforce turnover** - Resources should be used efficiently in the delivery of services. A low or decreasing level of workforce turnover suggests an improvement in organisational efficiency.

NON-FINANCIAL RESOURCES (HUMAN RESOURCES)

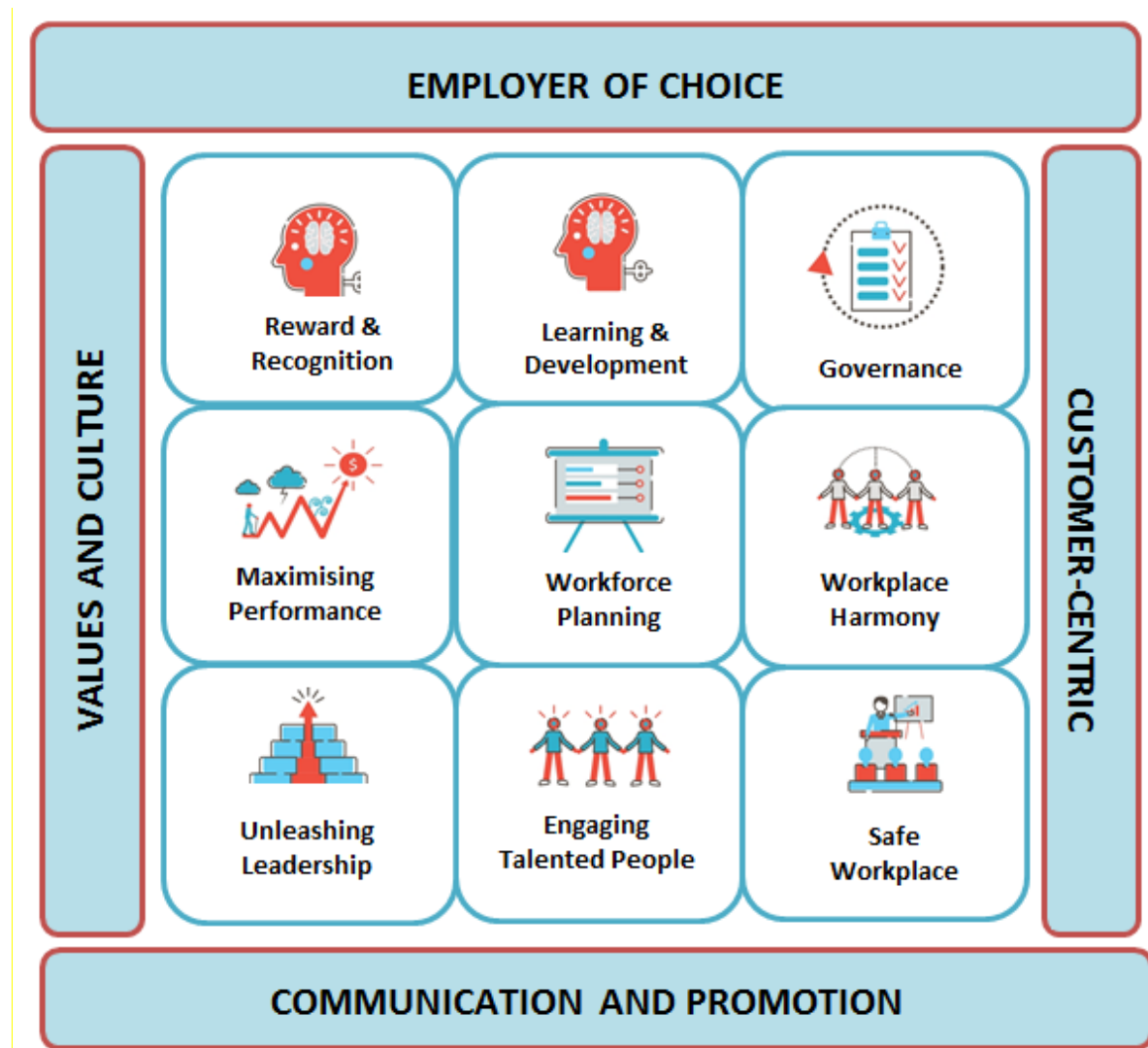
In addition to the financial resources to be utilised over the planning period, Council will also utilise non-financial resources, in particular human resources. The following table summarises Council's anticipated human resources requirements for the next four years as set out in the SRP for years 2018/19 to 2021/22. Refer to the Summary of Planned Human Resources Expenditure for more detail.

	Budget 2018/19 \$'000	Strategic Resource Plan Projections		
		2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Staff expenditure				
Employee costs - operating	75,503	78,367	81,042	83,738
Employee costs - capital	2,117	2,187	2,259	2,334
Total staff expenditure	77,620	80,554	83,301	86,072
	EFT	EFT	EFT	EFT
Approved staff numbers				
Employees	748	746	735	730
Total staff numbers	748	746	735	730

Council recognises that one of its most important assets is its people. The human resources of Council are integral to the provision of a wide range of quality services delivered to the community.

Council's workforce is approximately 1,350 employees, the majority of which are in part-time or casual roles. The Equivalent Full Time (EFT) positions budgeted for 2018/19 is 748, reflecting the hours expected to be worked by all Council employees.

To enable staff to perform their roles to the optimum Council has an Organisation Development (OD) strategy built around an OD framework that aims to "attract, recruit, develop and retain highly skilled, motivated and professional employees..." The strategies and focus of Council's OD activities for the next four years will be in the key areas of the OD framework (see below). Council is also committed to excellence in Occupational Health and Safety, Human Rights and Equal Opportunity, with a number of projects planned in these fields over the next four years. In addition Council's Collective Agreement recognises teamwork, professionalism and a commitment to our residents and customers as key employee values.



RATING INFORMATION

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

Rating Context

In developing the Strategic Resource Plan (section 13), rates were identified as an important revenue source accounting for 58.4% of all Council revenue (excluding the impact of the \$34.83 million gain expected from sale of 517-521 Station Street, Box Hill in 2018/19). Planning for future rate increases has therefore been an important component of the planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and capital works to be undertaken for the Whitehorse community.

Once Council has identified the total budgeted amount required to be collected in rates revenue, the amount of rates payable by each property owner is calculated. Council establishes a rate in the dollar by dividing the total required rate revenue by the total value of all rateable properties in the municipality. The rate in the dollar is then multiplied by the value of each individual property to establish the amount to be paid by each property owner. This amount is known as the General Rates.

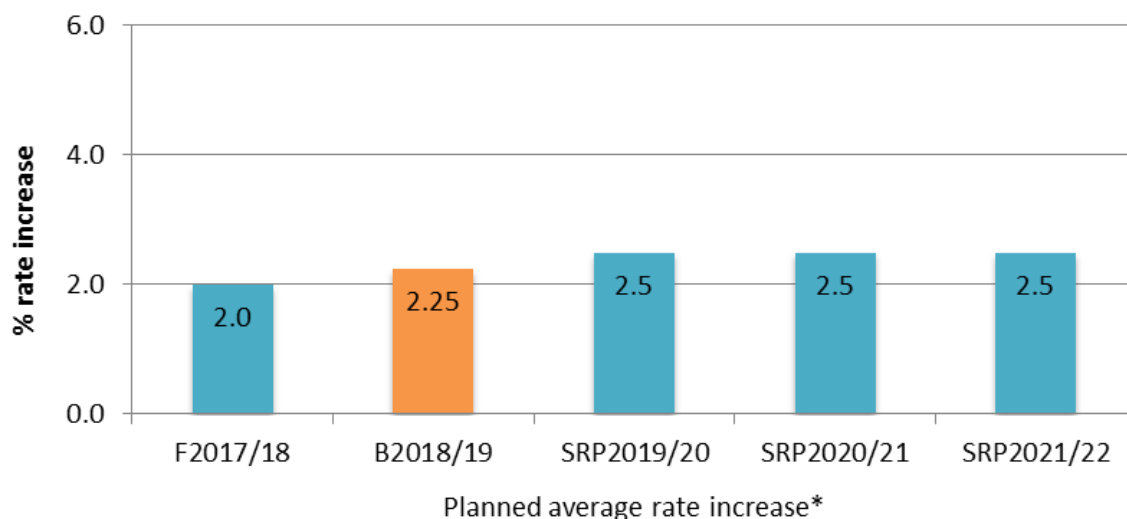
An increase in property values does not cause a rate rise. Property valuations are revenue neutral – they are used to distribute how much each ratepayer will pay, according to the value of their property compared to other properties within the municipality.

Current Year Rate

Whitehorse City Council's Strategic Resource Plan is premised on average rate increases based on predicted CPI increases over the four year outlook. This in line with the rate cap set by the Minister for Local Government under the new Fair Go Rates System (FGRS). For 2018/19, the cap of 2.25% is based on the forecast movement in the Consumer Price Index (CPI) for that period.

An average rate increase of 2.25% for 2018/19 represents a \$34 increase (\$0.65 cents per week) in the average rates per assessment from \$1,528 in 2017/18 to an average of \$1,562 per assessment in 2018/19.

Forecast Annual Average Rate Increases



* Note – the planned general rate increase excludes supplementary rates and interest on overdue rates and is subject to future year rate cap determinations by the Minister for Local Government.

Rating Structure

Having reviewed the various valuation bases for determining the property value component of rates, Council made a decision in 1997/98 to apply a Capital Improved Value (CIV) system on the grounds that it provides the most equitable distribution of rates across the municipality. CIV refers to the total market value of the property including land, buildings and other improvements and is relatively easy to understand for ratepayers.

The existing rating structure comprises a general rate, and a rate concession for recreational land. Under the *Cultural and Recreational Lands Act 1963*, provision is made for a Council to levy the rate for recreational lands at “such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands”. Council does not levy a municipal charge or a waste service charge.

The following table summarises the rates to be determined for the 2018/19 year. A more detailed analysis of the rates to be raised is contained in section 7 Rates and Charges.

Rate type	How applied	2017/18 Cents/\$CIV	2018/19 Cents/\$CIV	Cents in \$ Change	Total Raised \$'000
Residential rates	Cents in \$ of CIV	0.171430	0.147302	(14.1%)	103,772
Commercial rates	Cents in \$ of CIV	0.171430	0.147302	(14.1%)	8,269
Industrial rates	Cents in \$ of CIV	0.171430	0.147302	(14.1%)	2,607
Recreational rates	Cents in \$ of CIV	0.051429	0.041600	(19.1%)	40

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

General Revaluation of Properties

Under the requirements of the *Local Government Act 1989* and the *Valuation of Land Act 1960* Council is required to conduct a revaluation of all rateable assessments every two years. The revaluation is undertaken by independent qualified property valuers and is based on an analysis of property sales. The revaluation is undertaken in accordance with the *Valuation Best Practice Guidelines 2018* and is subject to certification by the Valuer-General Victoria.

While Council proposes an average rate increase that is in line with the 2.25% cap, the actual rate movement experienced by individual ratepayers will be different due to this being a property revaluation year. In a revaluation year, rate increases are impacted by both the average rate increase (2.25%) and the property valuation movement of individual properties relative to the average across the municipality. If your property value increased by more in value relative to the average property value movement across the municipality, your rates will increase by more than 2.25% cent while if your property value increased by less than the average property value movement, your rates will increase by less than 2.25% (and may in fact reduce from the previous year).

It is important to note that a revaluation does not provide Council with any additional rate revenue but can significantly realign how rates are distributed between ratepayers based on individual property valuations.

During the 2017/18 year, a revaluation of all properties within the municipality was carried out and will apply from 1 July 2018 for the 2018/19 year. The outcome of the general revaluation has seen a significant change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by 19.0%. Of this increase, residential properties have increased by 18.8%, commercial properties by 20.7%, industrial properties by 20.0% and cultural and recreational properties by 26.4%.

In aggregate, average rates per assessment will increase by 2.25% compared to 2017/18 as per the rate cap set by the Minister for Local Government. This will be achieved by reducing the rate in the dollar by 14.1% to offset the 19.0% increase in property valuations across the municipal district following the general revaluation.

The valuations are pending certification by the Valuer-General and may be subject to change in accordance with the Valuer-General's direction.

Average valuation and average rate movements by category

The table below summarises the valuation changes between the 2016 and 2018 general revaluations by category. Overall, average property values have increased by 19.0% and average rates will increase by 2.25%.

	Valuation Increase (Decrease)	Rates Increase (Decrease)
Total Average	19.0%	2.25%
Average residential	18.8%	2.1%
Average commercial	20.7%	3.7%
Average industrial	20.0%	3.1%
Average cultural and recreational	26.4%	2.3%

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Average residential valuation and average residential rate movements by suburb

The table below summarises the valuation changes between the 2016 and 2018 general revaluations for residential properties by suburb, together with the rating changes between the 2017/18 and 2018/19 years based on a 2.25% average rate increase and the valuation movements listed.

Residential by Suburb	Valuation Increase (Decrease)	Rates Increase (Decrease)
Residential:		
Balwyn North	13.3%	(2.6%)
Blackburn	18.2%	1.6%
Blackburn North	20.7%	3.7%
Blackburn South	20.6%	3.6%
Box Hill	17.7%	1.1%
Box Hill North	23.7%	6.3%
Box Hill South	17.9%	1.3%
Burwood	16.3%	(0.1%)
Burwood East	21.2%	4.2%
Forest Hill	18.7%	2.0%
Mitcham	19.9%	3.1%
Mont Albert	16.5%	0.1%
Mont Albert North	15.8%	(0.4%)
Nunawading	20.4%	3.5%
Surrey Hills	16.7%	0.3%
Vermont	20.5%	3.6%
Vermont South	15.5%	(0.7%)
Average residential	18.8%	2.1%

** Note the valuation and rates income percentage movements detailed in the tables above differ slightly to those detailed in section 7 of this document. The movements above include supplementary valuations undertaken during 2017/18 in the base, whilst the valuation percentage movements detailed in section 7 of this document do not include supplementary valuations undertaken during 2017/18 in the base.*

BORROWING STRATEGY

This section of the report considers Council's borrowing strategy including strategy development, current year borrowings and proposed borrowing levels for the future.

Strategy Development

In developing the Strategic Resource Plan borrowings were identified as an important funding source for major community infrastructure projects.

Current and Proposed Future Borrowings

Council currently holds borrowings that were used to fund the construction of the Sportlink multipurpose indoor sports facility and the major redevelopment of Aqualink Box Hill. Borrowings are forecast to reduce from \$5.01 million to nil over the four year SRP period with no new borrowings planned.

The following table sets out future proposed borrowings as per Council's Long Term Financial Plan.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2017/18	-	426	232	4,574
2018/19	-	-	212	5,000
2019/20	-	5,000	88	-
2020/21	-	-	-	-
2021/22	-	-	-	-

ASSET MANAGEMENT STRATEGY

Council's infrastructure network represents a significant investment made over many generations and provides the foundation for the social, environmental and economic values of the community. This network provides necessary services and facilities to the community. Stewardship of community assets is a core Council function. Millions of dollars are spent annually managing and maintaining infrastructure and it is important that Council employs high-level management skills, practices and systems to ensure that services are delivered economically and sustainably.

Sound and sustainable asset management is necessary for Council to meet its responsibilities to:

- Provide services to current and future generations
- Provide and maintain necessary community infrastructure; and
- Encourage and support the economic and social development of the area.

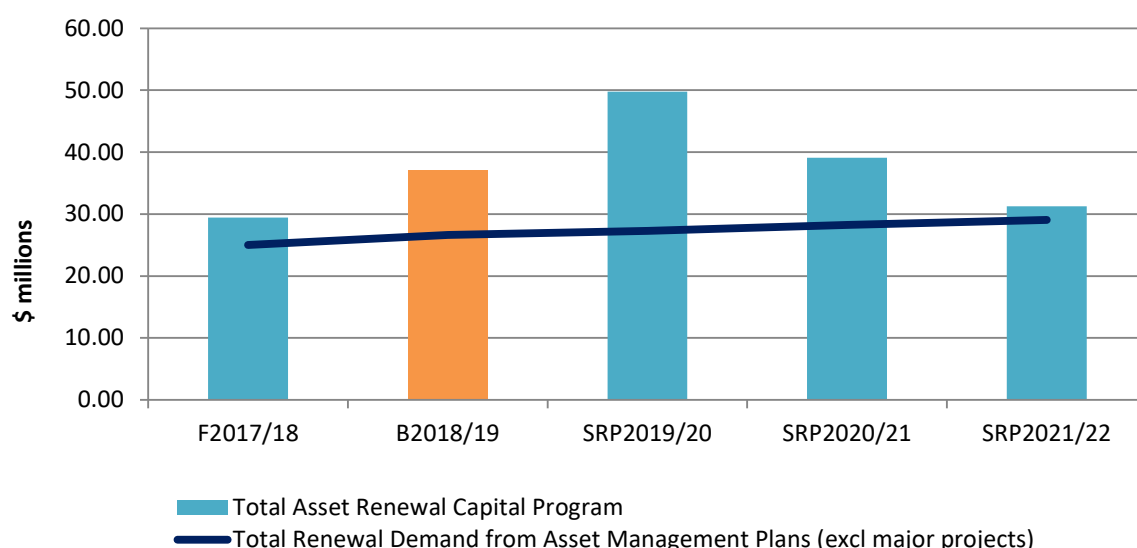
Council's approach to asset management includes: the application of best appropriate asset management practices; the implementation of a rolling Asset Management Strategy Improvement Program; the management of a suite of tactical Asset Management Plans which include defined levels of service; an organisational wide information system for asset data management, reporting and works planning; a planned and fully funded approach to timely asset renewal, and the consideration of lifecycle costing as a precursor to capital investment decisions for new infrastructure.

Council is a participant in the Municipal Association of Victoria's STEP Program, which includes the best practice guidelines contained in the Federal Government's National Asset Management Assessment Framework and Financial Sustainability Programs. Council will continue to respond to the MAV STEP Program obligations by continually enhancing its best practice asset management framework to maintain, as a minimum, a 'core' level of proficiency. This framework extends from Council's Asset Management Policy and Strategy to asset operations and information management systems.

As part of Council's approach to responsible asset management, Council's 10 Year Capital Works Program assigns funding priority to the renewal and upgrade of existing infrastructure over the creation of new assets. This is to ensure Council's existing infrastructure provides levels of service that are affordable and continue to meet broad community expectations. Council's Long Term Financial Plan makes provision to meet forecast renewal and upgrade asset demand funding over the next ten years. This strategy enables a fully funded long term approach to be implemented for capital expenditure on both existing assets and new infrastructure. Council acknowledges that funding for capital works must come primarily from its rate base and be supplemented by other income whenever possible.

The graph below sets out the required level of asset renewal based on Council's Asset Management Plans and the forecast asset renewal funding over the life of Council's Strategic Resource Plan, excluding major projects. Council is providing for a sustainable level of asset renewal funding.

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Asset renewal demand forecasts are regularly reviewed and updated following cyclic asset condition audits and reviews of levels of service.

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

Year	Total Capital Program \$'000	External Sources			Council Cash		
		Grants \$'000	Contributions \$'000	Borrowings \$'000	Proceeds from sale of assets \$'000	Reserves \$'000	Council Operations \$'000
2017/18	41,193	956	1,589	-	1,180	5,785	31,683
2018/19	64,245	-	-	-	1,100	31,868	31,277
2019/20	81,188	1,318	200	-	1,000	20,161	58,509
2020/21	78,299	605	-	-	1,000	28,155	48,539
2021/22	60,202	-	-	-	1,010	5,770	53,422

Major Community Infrastructure Funding Strategy

Council's evaluation process for capital works projects involves multifaceted needs based justification considerations together with whole of life cost assessments prior to the formal consideration and adoption of project budgets by Council. Although a large proportion of capital projects fall into the low to medium cost range, Council adopts a financially responsible and much more detailed and comprehensive assessment of major projects which are defined as being of a value \$10 million or more.

Usually major projects involve the renewal or redevelopment of existing community facilities, for example Nunawading Community Hub (on the alternative former Nunawading Primary School site) and Aqualink Box Hill, but occasionally they may also involve the provision of a new facility following Council's consideration of a comprehensive business case to substantiate need and all relevant financial and budgetary implications.

While few in number, each will, at some point over time, require major redevelopment and upgrade and, in total, represent significant capital outlays. As such, it is important that they be considered and appropriate funding provision be made in Council's long term financial planning.

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In 2014, Council adopted a major project business case assessment methodology together with a funding model following a development and testing process. This funding model has, as its core, a premise that major projects are funded by a mix of funding sources and not rates alone.

Key features of the funding strategy include:

- Prioritising facilities in order of need with project delivery mapped to an affordable funding solution
- Use of many funding sources without over-reliance on rates income
- A funding mix of responsible debt levels, draw down of reserves (and then rebuild by interest reinvestment back into the reserve), strategic asset sales, all available grant sources and rates income
- Explore opportunities for developer and private sector funding participation on a project by project basis
- A minimum of a 15 year planning horizon
- Maintain Councils financial sustainability rating of “low risk” as measured by the Victorian Auditor-General’s Office; and
- On Council approval of a completed business case, the project becomes formally funded and is added to Councils capital works program, budget, and strategic resource plan documents.

As a consequence of this last dot point, over recent years Council has been building up reserve and cash balances to fund major projects once formally approved by Council to proceed.

SERVICE DELIVERY

The key objectives in Council's Strategic Resource Plan which directly impact the future service delivery strategy are to maintain existing service levels and maintain financially sustainable ongoing annual underlying surpluses to enable the delivery of Council's capital works program. The Rating Information also refers to modest average rate increases into the future planned in line with expected CPI increases. With these key objectives as a basis, a number of internal and external influences have been identified which influence the scope and level of services to be provided over the next four years.

The general influences and assumptions for all operating revenue and expenditure over the life of Council's Strategic Resource Plan include the following:

	2018/19	2019/20	2020/21	2021/22
	%	%	%	%
Consumer Price Index	2.25	2.5	2.5	2.5
Average rate increase	2.25	2.5	2.5	2.5
Employee costs *	3.3	3.3	3.3	3.3
Materials and services	2.3	2.5	2.5	2.5
Government funding	2.3	2.5	2.5	2.5
Victorian Grants Commission	1.0	1.0	1.0	1.0
User fees	2.5	2.5	2.5	2.5
Investment returns	2.5	2.8	3.0	3.1

** Employee cost increases include a combination of annual EBA increments and periodic increases that occur as staff progress through the employee banding structure provided for in Awards and associated increases in WorkCover and training and development costs.*

STRATEGIC RESOURCE PLAN - FINANCIAL STATEMENTS

The following eight Strategic Resource Plan financial statements 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
- Summary of planned human resources expenditure
- Summary of planned capital works expenditure

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

COMPREHENSIVE INCOME STATEMENT

For the four years ending 30 June 2022

	Proposed Budget 2018/19 \$'000	Strategic Resource Plan Projections		
		2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Income				
Rates and charges	115,946	119,850	123,710	127,646
Statutory fees and fines	7,610	7,800	7,995	8,195
User fees	40,012	41,013	42,018	43,068
Grants - operating	16,822	19,553	19,971	20,400
Grants - capital	-	1,318	605	-
Contributions - monetary	10,000	10,200	8,000	8,000
Interest income	5,120	5,866	5,665	5,327
Other income	2,933	3,006	3,294	3,274
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	35,046	110	110	111
Total income	233,489	208,716	211,368	216,021
Expenses				
Employee costs	75,503	78,367	81,042	83,738
Materials and services	60,394	63,235	64,955	67,295
Depreciation	25,720	27,069	28,622	29,879
Interest expense	212	88	-	-
Other expenses	7,501	7,689	7,881	8,078
Total expenses	169,330	176,448	182,500	188,990
Surplus/(deficit) for the year	64,159	32,268	28,868	27,031
Other comprehensive income				
Net asset revaluation increment/ (decrement)	-	-	-	-
Total comprehensive result	64,159	32,268	28,868	27,031

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BALANCE SHEET

For the four years ending 30 June 2022

	Proposed Budget 2018/19 \$'000	Strategic Resource Plan Projections		
		2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Assets				
Current assets				
Cash and cash equivalents	213,295	188,844	170,478	169,684
Trade and other receivables	10,836	10,826	10,816	10,806
Other current assets	2,350	2,350	2,350	2,350
Non current assets held for sale	-	-	-	-
Total current assets	226,481	202,020	183,644	182,840
Non-current assets				
Trade and other receivables	44	44	44	44
Investment in associates	7,805	7,805	7,805	7,805
Property, infrastructure, plant and equipment	3,009,223	3,062,353	3,111,039	3,140,364
Total non-current assets	3,017,072	3,070,202	3,118,888	3,148,213
Total assets	3,243,553	3,272,222	3,302,532	3,331,053
Liabilities				
Current liabilities				
Trade and other payables	17,523	17,951	18,390	18,839
Trust funds and deposits	10,320	10,572	10,830	11,094
Interest bearing loans and borrowings	5,000	-	-	-
Provisions	15,650	16,279	16,929	17,606
Total current liabilities	48,493	44,802	46,149	47,539
Non-current liabilities				
Interest bearing loans and borrowings	-	-	-	-
Provisions	1,899	1,991	2,086	2,186
Other liabilities	1,619	1,619	1,619	1,619
Total non-current liabilities	3,518	3,610	3,705	3,805
Total liabilities	52,011	48,412	49,854	51,344
Net assets	3,191,542	3,223,810	3,252,678	3,279,709
Equity				
Accumulated surplus	837,124	874,257	917,820	937,303
Reserves	2,234,725	2,234,725	2,234,725	2,234,725
Other reserves	119,693	114,828	100,133	107,681
Total equity	3,191,542	3,223,810	3,252,678	3,279,709

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

STATEMENT OF CHANGES IN EQUITY

For the four years ending 30 June 2022

	Total Equity \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017/18				
Balance at beginning of the financial year	3,127,383	808,653	2,234,725	84,005
Surplus/(deficit) for the year	64,159	64,159	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to reserves	-	(67,556)	-	67,556
Transfer from reserves	-	31,868	-	(31,868)
Balance at end of the financial year	3,191,542	837,124	2,234,725	119,693
2018/19				
Balance at beginning of the financial year	3,191,542	837,124	2,234,725	119,693
Surplus/(deficit) for the year	32,268	32,268	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to reserves	-	(15,452)	-	15,452
Transfer from reserves	-	20,317	-	(20,317)
Balance at end of the financial year	3,223,810	874,257	2,234,725	114,828
2019/20				
Balance at beginning of the financial year	3,223,810	874,257	2,234,725	114,828
Surplus/(deficit) for the year	28,868	28,868	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to reserves	-	(13,460)	-	13,460
Transfer from reserves	-	28,155	-	(28,155)
Balance at end of the financial year	3,252,678	917,820	2,234,725	100,133
2020/21				
Balance at beginning of the financial year	3,252,678	917,820	2,234,725	100,133
Surplus/(deficit) for the year	27,031	27,031	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to reserves	-	(13,318)	-	13,318
Transfer from reserves	-	5,770	-	(5,770)
Balance at end of the financial year	3,279,709	937,303	2,234,725	107,681

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

STATEMENT OF CASH FLOWS

For the four years ending 30 June 2022

	Proposed Budget 2018/19 \$'000	Strategic Resource Plan Projections		
		2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Cash flows from operating activities				
Rates and charges	115,946	119,850	123,710	127,646
Statutory fees and fines	7,610	7,800	7,995	8,195
User fees	40,012	41,013	42,018	43,068
Grants - operating	16,822	19,553	19,971	20,400
Grants - capital	-	1,318	605	-
Contributions - monetary	10,000	10,200	8,000	8,000
Interest received	5,120	5,866	5,665	5,327
Trust funds and deposits taken	223	252	258	264
Other income	2,933	3,006	3,294	3,274
Employee costs	(74,906)	(77,646)	(80,296)	(82,961)
Materials and services	(60,017)	(62,808)	(64,516)	(66,847)
Other expenses	(7,501)	(7,689)	(7,881)	(8,078)
Net cash provided by/(used in) operating activities	56,242	60,715	58,823	58,288
Cash flows from investing activities				
Repayment of loans and advances	10	10	10	10
Proceeds from sale of property, infrastructure, plant and equipment	54,810	1,100	1,100	1,110
Acquisition of property, infrastructure, plant and equipment	(64,245)	(81,188)	(78,299)	(60,202)
Net cash provided by/(used in) investing activities	(9,425)	(80,078)	(77,189)	(59,082)
Cash flows from financing activities				
Repayment of interest bearing loans and borrowings	(8)	(5,000)	-	-
Interest paid	(212)	(88)	-	-
Net cash provided by/(used in) financing activities	(220)	(5,088)	-	-
Net increase/(decrease) in cash and cash equivalents	46,597	(24,451)	(18,366)	(794)
Cash and cash equivalents at beginning of year	166,698	213,295	188,844	170,478
Cash and cash equivalents at end of year	213,295	188,844	170,478	169,684

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

STATEMENT OF CAPITAL WORKS

For the four years ending 30 June 2022

	Budget 2018/19 \$'000	Strategic Resource Plan 2019/20 \$'000	Projections 2020/21 \$'000	Projections 2021/22 \$'000
Property				
Land	1,680	1,130	1,930	4,670
Buildings	35,755	46,644	48,876	27,095
Building improvements	3,365	7,932	4,653	6,405
Total property	40,800	55,706	55,459	38,170
Plant and equipment				
Plant, machinery and equipment	4,005	3,250	3,250	3,350
Fixtures, fittings and furniture	577	558	977	391
Computers and telecommunications	1,084	1,600	1,392	1,702
Total plant and equipment	5,666	5,408	5,619	5,443
Infrastructure				
Roads	4,686	5,052	4,815	5,227
Bridges	200	100	-	-
Footpaths and cycleways	3,148	2,669	2,988	3,442
Drainage	1,855	2,075	1,895	2,195
Recreational, leisure and community facilities	2,379	3,690	2,035	1,840
Waste management	80	80	1,100	-
Parks, open space and streetscapes	4,456	4,188	3,813	3,560
Off street car parks	975	2,220	575	325
Total infrastructure	17,779	20,074	17,221	16,589
Total capital works	64,245	81,188	78,299	60,202
Represented by:				
Asset renewal	37,000	49,759	39,074	31,259
Asset upgrade	3,729	9,249	2,351	1,714
New assets	20,171	8,470	11,647	10,320
Asset expansion	3,345	13,710	25,227	16,909
Total capital works	64,245	81,188	78,299	60,202

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

STATEMENT OF HUMAN RESOURCES

For the four years ending 30 June 2022

	Budget 2018/19 \$'000	Strategic Resource Plan Projections		
		2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Staff expenditure				
Employee costs - operating	75,503	78,367	81,042	83,738
Employee costs - capital	2,117	2,187	2,259	2,334
Total staff expenditure	77,620	80,554	83,301	86,072
	EFT	EFT	EFT	EFT
Approved staff numbers				
Employees	748	746	735	730
Total staff numbers	748	746	735	730

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

SUMMARY OF PLANNED HUMAN RESOURCES EXPENDITURE

For the four years ending 30 June 2022

	Budget 2018/19 \$'000	Strategic Resource Plan Projections		
		2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Staff expenditure by Division	\$'000	\$'000	\$'000	\$'000
Executive Services				
Full time	2,466	2,570	2,658	2,746
Part time	1,019	1,062	1,098	1,135
Casual	341	355	367	379
Other	147	153	158	163
Total Executive Services	3,973	4,140	4,281	4,423
Corporate Services				
Full time	9,465	9,863	10,199	10,538
Part time	2,086	2,174	2,248	2,323
Casual	1,190	1,240	1,282	1,325
Other	2,425	2,527	2,613	2,700
Total Corporate Services	15,166	15,804	16,342	16,886
City Development				
Full time	7,486	7,801	8,067	8,335
Part time	1,230	1,282	1,326	1,370
Casual	141	147	152	157
Other	484	504	521	538
Capitalised	962	1,011	1,052	1,088
Total City Development	10,303	10,745	11,118	11,488
Human Services				
Full time	12,931	13,475	13,925	14,386
Part time	12,472	12,997	13,440	13,887
Casual	7,475	7,790	8,056	8,324
Other	2,452	2,555	2,642	2,730
Total Human Services	35,330	36,817	38,063	39,327
Infrastructure				
Full time	11,127	11,595	11,990	12,389
Part time	363	378	391	404
Other	203	212	219	226
Capitalised	1,155	863	897	929
Total Infrastructure	12,848	13,048	13,497	13,948
Total staff expenditure	77,620	80,554	83,301	86,072

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

SUMMARY OF PLANNED HUMAN RESOURCES EXPENDITURE (CONTINUED)

For the four years ending 30 June 2022

	Budget	Strategic Resource Plan Projections		
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Staff numbers by Division	EFT	EFT	EFT	EFT
Executive Services				
Full time	19	19	19	18
Part time	13	13	13	13
Casual	4	4	4	4
Total Executive Services	36	36	36	35
Corporate Services				
Full time	87	88	84	83
Part time	20	19	18	18
Casual	-	-	-	-
Total Corporate Services	107	107	102	101
City Development				
Full time	78	77	75	73
Part time	13	13	13	12
Casual	2	1	-	-
Total City Development	93	91	88	85
Human Services				
Full time	131	131	130	130
Part time	163	163	162	162
Casual	89	89	89	89
Total Human Services	383	383	381	381
Infrastructure				
Full time	125	125	124	124
Part time	4	4	4	4
Casual	-	-	-	-
Total Infrastructure	129	129	128	128
Total staff numbers	748	746	735	730

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

SUMMARY OF PLANNED CAPITAL WORKS EXPENDITURE

For the year ending 30 June 2019

	Renewal	Upgrade	New	Expansion	Total	Rates	Reserves	Asset	Contribu	Loans	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Sales	tions	\$'000	\$'000
Property											
Land	0	0	1,680	0	1,680	0	1,680	0	0	0	1,680
Buildings	15,036	1,537	16,375	2,807	35,755	6,632	29,123	0	0	0	35,755
Buildings Improvement	2,862	393	110	0	3,365	3,265	100	0	0	0	3,365
Property Total	17,898	1,929	18,165	2,807	40,800	9,897	30,903	0	0	0	40,800
Plant and equipment											
Plant, Machinery and Equipment	3,950	0	55	0	4,005	2,905	0	1,100	0	0	4,005
Fixtures, Fittings and Furniture	388	27	50	113	577	577	0	0	0	0	577
Computers and Telecommunications	725	190	25	145	1,084	1,084	0	0	0	0	1,084
Plant and Equipment Total	5,062	217	130	258	5,666	4,566	0	1,100	0	0	5,666
Infrastructure											
Roads	4,371	195	120	0	4,686	4,686	0	0	0	0	4,686
Bridges	200	0	0	0	200	200	0	0	0	0	200
Footpaths and Cycleways	2,801	20	327	0	3,148	3,148	0	0	0	0	3,148
Drainage	1,530	280	45	0	1,855	1,855	0	0	0	0	1,855
Recreational, Leisure and Community Facilities	1,776	333	220	50	2,379	2,299	80	0	0	0	2,379
Waste Management	17	34	29	0	80	0	80	0	0	0	80
Parks, Open Space and Streetscapes	2,775	721	730	230	4,456	3,651	805	0	0	0	4,456
Off Street Car Parks	570	0	405	0	975	975	0	0	0	0	975
Infrastructure Total	14,040	1,583	1,876	280	17,779	16,814	965	0	0	0	17,779
Total	37,000	3,729	20,171	3,345	64,245	31,277	31,868	1,100	0	0	64,245

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

SUMMARY OF PLANNED CAPITAL WORKS EXPENDITURE

For the year ending 30 June 2020

	Renewal \$'000	Upgrade \$'000	New Expansion \$'000	Total \$'000	Rates \$'000	Reserves \$'000	Asset Sales \$'000	Grants \$'000	Contribu- tions \$'000	Loans \$'000	Total \$'000
Property											
Land	0	0	1,130	0	0	1,130	0	0	0	0	1,130
Buildings	23,285	5,745	4,091	13,523	27,045	18,500	0	900	200	0	46,645
Buildings Improvement	5,224	1,908	800	0	7,555	377	0	0	0	0	7,932
Property Total	28,509	7,653	6,021	13,523	34,599	20,007	0	900	200	0	55,706
Plant and equipment											
Plant, Machinery and Equipment	3,250	0	0	0	2,250	0	1,000	0	0	0	3,250
Fixtures, Fittings and Furniture	457	14	50	38	558	0	0	0	0	0	558
Computers and Telecommunications	1,360	190	0	50	1,600	0	0	0	0	0	1,600
Plant and Equipment Total	5,067	204	50	88	4,408	0	1,000	0	0	0	5,408
Infrastructure											
Roads	4,737	195	120	0	4,634	0	0	418	0	0	5,052
Bridges	100	0	0	0	100	0	0	0	0	0	100
Footpaths and Cycleways	2,549	20	100	0	2,669	0	0	0	0	0	2,669
Drainage	1,590	200	285	0	2,075	0	0	0	0	0	2,075
Recreational, Leisure and Community Facilities	2,665	665	360	0	3,690	0	0	0	0	0	3,690
Waste Management	17	34	29	0	80	80	0	0	0	0	80
Parks, Open Space and Streetscapes	3,596	278	215	99	4,188	451	0	0	0	0	4,188
Off Street Car Parks	930	0	1,290	0	2,220	0	0	0	0	0	2,220
Infrastructure Total	16,184	1,393	2,399	99	20,074	531	0	418	0	0	20,074
Total	49,760	9,249	8,470	13,710	58,132	20,538	1,000	1,318	200	0	81,188

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

SUMMARY OF PLANNED CAPITAL WORKS EXPENDITURE

For the year ending 30 June 2021

	Renewal \$'000	Upgrade \$'000	New \$'000	Expansion \$'000	Total \$'000	Rates \$'000	Reserves \$'000	Asset Sales \$'000	Contribu- tions \$'000	Grants \$'000	Loans \$'000	Total \$'000
Property												
Land	0	0	1,930	0	1,930	0	1,930	0	0	0	0	1,930
Buildings	15,252	272	8,441	24,910	48,876	23,876	25,000	0	0	0	0	48,876
Buildings Improvement	3,935	643	75	0	4,653	4,330	323	0	0	0	0	4,653
Property Total	19,187	915	10,446	24,910	55,459	28,206	27,253	0	0	0	0	55,459
Plant and equipment												
Plant, Machinery and Equipment	3,250	0	0	0	3,250	2,250	0	1,000	0	0	0	3,250
Fixtures, Fittings and Furniture	876	14	50	38	977	977	0	0	0	0	0	977
Computers and Telecommunications	1,042	245	50	55	1,392	1,392	0	0	0	0	0	1,392
Plant and Equipment Total	5,168	259	100	93	5,619	4,619	0	1,000	0	0	0	5,619
Infrastructure												
Roads	4,495	200	120	0	4,815	4,210	0	0	605	0	0	4,815
Bridges	0	0	0	0	0	0	0	0	0	0	0	0
Footpaths and Cycleways	2,868	20	100	0	2,988	2,988	0	0	0	0	0	2,988
Drainage	1,650	200	45	0	1,895	1,895	0	0	0	0	0	1,895
Recreational, Leisure and Community Facilities	1,770	0	140	125	2,035	1,910	125	0	0	0	0	2,035
Waste Management	231	473	396	0	1,100	0	1,100	0	0	0	0	1,100
Parks, Open Space and Streetscapes	3,430	284	0	99	3,813	3,813	0	0	0	0	0	3,813
Off Street Car Parks	275	0	300	0	575	575	0	0	0	0	0	575
Infrastructure Total	14,719	1,177	1,101	224	17,221	15,391	1,225	0	605	0	0	17,221
Total	39,074	2,351	11,647	25,227	78,299	48,216	28,478	1,000	605	0	0	78,299

Whitehorse City Council - Proposed Strategic Resource Plan 2018-2022

SUMMARY OF PLANNED CAPITAL WORKS EXPENDITURE

For the year ending 30 June 2022

	Renewal	Upgrade	New Expansion	Total	Rates	Reserves	Asset	Contribu	Loans	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Sales	tions	\$'000	\$'000
Property										
Land	0	0	4,670	0	0	4,670	0	0	0	4,670
Buildings	6,274	434	4,570	15,817	25,995	1,100	0	0	0	27,095
Buildings Improvement	5,975	350	80	0	6,205	200	0	0	0	6,405
Property Total	12,249	784	9,320	15,817	32,200	5,970	0	0	0	38,170
Plant and equipment										
Plant, Machinery and Equipment	3,350	0	0	0	2,340	0	1,010	0	0	3,350
Fixtures, Fittings and Furniture	291	3	60	38	391	0	0	0	0	391
Computers and Telecommunications	492	205	50	955	1,702	0	0	0	0	1,702
Plant and Equipment Total	4,133	208	110	993	4,433	0	1,010	0	0	5,443
Infrastructure										
Roads	4,897	205	125	0	5,227	0	0	0	0	5,227
Bridges	0	0	0	0	0	0	0	0	0	0
Footpaths and Cycleways	3,082	20	340	0	3,442	0	0	0	0	3,442
Drainage	1,710	200	285	0	2,195	0	0	0	0	2,195
Recreational, Leisure and Community Facilities	1,700	0	140	0	1,840	0	0	0	0	1,840
Waste Management	0	0	0	0	0	0	0	0	0	0
Parks, Open Space and Streetscapes	3,163	298	0	99	3,560	0	0	0	0	3,560
Off Street Car Parks	325	0	0	0	325	0	0	0	0	325
Infrastructure Total	14,877	723	890	99	16,589	0	0	0	0	16,589
Total	31,259	1,714	10,320	16,909	53,222	5,970	1,010	0	0	60,202