



City of Port Phillip

**STRATEGIC
RESOURCE
PLAN**

2016-20

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Overview and Context

The Strategic Resource Plan (SRP) outlines our planned investment of financial and non-financial resources in 2016 to 2020. The SRP identifies the resources required by us to deliver the Council Plan 2013-17 objectives and all planned Council services and initiatives. The SRP is part of the Council Plan 2013-17 and should be read in conjunction with it.

The SRP is revised annually to reflect information gathered through the annual budget process and significant external factors that impact on Council. In preparing the SRP, we have undertaken a robust budget and planning process, focusing on maximising outcomes for the community within the limited resources available.

We face six significant, long-term challenges. How we respond to these challenges will impact the design of our City, our infrastructure and the services we provide to our community.

Population

Australia is one of the fastest growing developed nations in the world, growing at a faster rate than the United States of America, Canada, the United Kingdom and New Zealand¹. Australia recently reached a population of 24 million. By 2036, Port Phillip is expected to grow to more than 130,200 people (a 33 per cent increase from 2011). This forecast could increase further as more accurate growth scenarios are developed for Fishermans Bend Urban Renewal Area.

Growth will not be uniform across the City. South Melbourne, St Kilda Road and Port Melbourne are predicted to grow significantly, while other neighbourhoods will have low or no growth. In 2036 our people will be older and will likely be more diverse, as the number of people born overseas grows. More than two-thirds of our households will be single person and couples without children.

Population growth will increase demand for all Council services and amenities. The cost of providing services will increase and demand will stretch services which will be increasingly delivered from ageing infrastructure. Younger residents may expect a 24/7 entertainment culture, bringing associated alcohol and drug issues.

More people will use our parks, villages, roads and footpaths, beaches and public transport. There may be more tension, as public spaces will have to cater for different uses.

Urbanisation

Population growth will drive an increase in urban density. More than 18,630 dwellings will be needed to accommodate the expected population growth in Port Phillip. Perhaps more, if the Fisherman Bend population projections increase. Over the next 20 years, South Melbourne, St Kilda Road and Port Melbourne will account for more than half of all housing growth in the City.

We will see more infill and medium to high density residential developments in Port Phillip. Housing affordability will decrease as demand for all types of housing increases. Our people may have to travel further for employment as traditional employment precincts are converted to residential use.

Climate change

Australia's weather is becoming hotter, dryer and more extreme. Melbourne is predicted to experience a 0.6°C increase in average temperatures by 2030. There will be a corresponding two per cent decrease in rainfall, a 10-15 per cent increase in storm intensity, and projected sea level rise of between 10-20 centimetres.

Port Phillip is the playground for Melbourne. Our City's beach lifestyle and coastal activities are very attractive and important to residents and visitors. However, Port Phillip is built on reclaimed land to the south and north. Much of the City is only one to three metres above sea level and so is exposed to the impacts of climate change, especially flooding and erosion.

We can expect increased flooding of coastal properties and public amenities, storm damage to infrastructure, beach erosion, decreased water quality and security of water supply, reduced summer outdoor activities and hotter urban spaces.

¹ Australia Bureau of Statistics, annual population change year ending 30 June 2015

Legislative and policy influence

All Victorian councils operate in a complex legislative and policy environment that includes 75 Acts of Parliament and 28 Regulations. The key Act (the Local Government Act) is under review. The trend of government cost shifting and increased compliance will likely continue. In 2014/15 we absorbed \$1.1 million of extra costs because of cost shifting, at the same time that local government's ability to control revenue is constrained by rate capping. We are experiencing increased strain on our financial sustainability

The Victorian Government's cap on local government rate increases is forecast to impact our bottom line by \$67 million over the next 10 years if we don't make changes to the way we operate. Difficult decisions will need to be made about our services.

Changing economic conditions

Port Phillip's economy was close to \$12 billion in 2014, contributing 4.3 per cent of the greater Melbourne economy. Our economy grew significantly in the early 2000s but has been stagnant over the last 10 years. In recent years we have experienced some growth in the number of businesses and jobs - particularly in construction, manufacturing and some services (professional, scientific and technical, financial and insurance, rental, hiring and real estate, and healthcare and social assistance). But 75 per cent of our working population leave the area for work.

Fishermans Bend is currently home to over 750 businesses and approximately 11,000 workers. The transition of Fishermans Bend to a mixed use community will have a significant impact on the number and type of businesses and jobs in that area.

Our people can expect to spend more time travelling to work outside of the City. We may also continue to experience a change in the nature of our business community as high rental prices put pressure on smaller businesses. We may experience a decrease in creativity and vibrancy if artists and creative businesses relocate outside of Port Phillip.

Rapid evolution of new technology

The world is becoming more connected. People, businesses and governments are increasingly moving online to connect, to deliver and access services, to obtain information and to perform transactions like shopping and working. In 2011, 78 per cent of Port Phillip residents had access to the internet.

We can expect increasing demand for online services, and engagement through social media and other digital means.

We will need to respond to this demand, and think about how we operate and support people to connect with Council. The digital shift will reshape how we deliver services and engage our community in decision making.

Responding to the Impact of Rates Capping

The Victorian Government announced in late December 2015 a rates cap for 2016/17 applying to all local authorities of 2.5 per cent, based on projected movements in the Consumer Price Index (CPI).

To address the challenge of rates capping, we needed to find savings of around \$1.4 million in 2016/17 on current budget estimates, based on assumptions in the 10-Year Financial Plan. The gap was \$67 million over 10 years if the State Government's policy on rate capping continues. For the four years of this SRP, the cumulative rates cap challenge was quantified at \$8.5 million.

Through identifying a further \$2 million in efficiency savings and a disciplined budget preparation process we have produced a balanced Budget for 2016/17 without any impact on service levels. The Budget also includes a modest surplus of \$0.7 million.

The following table recalculates the cumulative rates cap challenge for the period 2016-2020. The rates cap challenge now stands at \$6.8 million.

Key assumptions and rates capping (based on CPI less an efficiency factor)				
	2016/17	2017/18	2018/19	2019/20
10 Year Financial Plan (prior to development of the Budget 2016/17)				
Projected rate increases	2.5%	2.45%	2.4%	2.35%
Projected employee expenses	2.75%	2.75%	2.75%	3.5%
Annual rates cap challenge	\$1.4m	\$2.4m	\$1.7m	\$3.1m
Cumulative rates cap challenge	\$1.4m	\$3.8m	\$5.5m	\$8.5m
Strategic Resource Plan 2016-20				
Projected rate increase	2.5%	2.45%	2.3%	2.15%
Projected employee expenses	2.5%	2.5%	2.5%	2.5%
Annual rates cap challenge	-	\$0.15m	\$2.9m	\$3.7m
Cumulative rates cap challenge	-	\$0.15m	\$3.1m	\$6.8m

To date we have managed the rates capping challenge by identifying further efficiency savings and a disciplined budget process. However, over the medium-term we will be required to fundamentally review the sustainability of our operations.

To meet this challenge and close the rates cap gap over the remaining three years of this SRP, we have included annual savings targets of:

- \$0.15 million in 2017/18
- \$2.9 million in 2018/19 and
- \$3.7 million in 2019/20

We will achieve the savings target in each year by identifying:

- opportunities to further reduce our cost base without impacting service levels (such as efficiencies identified through improvements in processes, procurement and project planning and delivery)
- opportunities to ensure that user fees and charges reflect the benefit that individual community members receive (that is, rates funding is not unreasonably subsidising services that provide private benefit)
- 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.

Ensuring Financial Sustainability

This SRP demonstrates that we plan to invest our financial resources in a way that maintains financial sustainability. This is illustrated by the results of the financial performance indicators and measures in the Local Government Performance Reporting Framework included in this SRP.

The principles of sound financial management prescribed in the *Local Government Act 1989* have been considered when preparing this plan. Those principles are 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.

We have our own financial principles² to ensure continued operating viability, sustainable funding of assets and the ability to absorb the impact of unexpected budget shocks.

Financial principles	Measures
1. The City of Port Phillip (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, our financial decision-making is guided by key strategies as follows.

² Approved by Council in November 2015, as part of the 10-Year Financial Plan

Non-financial resource investment

Delivering greater value to the community requires investment in organisational culture and capability. The organisation has adopted a 'Community First' mindset to support delivery of the best possible community outcomes. This requires all Council staff to view their actions through the community's eyes.

We have also made a significant investment in building the capability of our 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 and productivity savings through continuous improvement initiatives and better budgeting
- undertake long-term service planning and performance measurement.

Use of rate revenue

Our main revenue source is assessment rates on properties in the municipality. The principles underpinning our rating strategy are:

- 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 a small minority of councils that provide a pensioner rate rebate in addition to the State Government pensioner rate rebate.
- 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

- 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.
- Where possible, internal borrowings accessing funds in Council's general reserves and replenishing them in future years, will be used instead of external borrowings.

Infrastructure and asset management

- 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 rate revenue, reserves, sales of existing assets, government grants or external borrowings.
- Our investment and asset management strategies, purchasing arrangements and other financial tools should encourage environmental responsibility.

Financial Resource Planning Assumptions

The SRP is updated annually after consulting the community and following a disciplined budget and project prioritisation process. Scenario analysis is then performed to achieve the financial outcomes that best support sound financial management and delivery of the Council Plan.

The income and expenditure estimates for 2016/17 have been developed as part of our annual budget process, with detailed explanations for movements included in the Budget 2016/17. Key assumptions have been applied to develop forecasts for the remainder of the four-year planning period:

- a general increase in fees and charges consistent with CPI
- 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*.

Assumption	Rationale			
	2016/17	2017/18	2018/19	2019/20
Consumer Price Index (CPI)	2.50%	2.50%	2.40%	2.30%
	The 2016/17 CPI rate has been set by the Victorian Government and is in line with the rates cap. CPI rates for future years have been sourced from the most recent <i>Deloitte Access Economic Business Outlook</i> .			
	2.50%	2.45%	2.30%	2.15%
Rates cap (CPI less an efficiency factor)	The 2016/17 rate cap has been set by the Victorian Government at 2.50%. This did not include an efficiency dividend as proposed by the Essential Services Commission. Council has included the efficiency dividend in the assumptions for future rate increases.			
Growth in the rate base	1.3% per annum (based on a rolling three year average).			
Parking revenue	Parking fees increase by 2.50% per annum and fines by 2.00% per annum (averaged to 2.25% per annum). A provision has been made for the loss of parking revenue in St Kilda Road due to the development of Melbourne Metro of \$1.5 million between 2017/18 and 2019/20.			
User fees and charges	Increased by CPI.			
Contributions – monetary (open space)	Remains constant at \$4.1 million per annum based on five year historical average with increases in 2018/19 and 2019/20 related to FBURA			
Government grants	Operating grants increased by CPI. Capital grants remain constant at \$1.3 million.			
	2.80%	2.70%	2.80%	3.10%
Interest received	Based on the <i>Deloitte Access Economic Business Outlook</i> forecast for the 90 day bill rate plus a margin of 0.5%.			

Assumption	Rationale
Employee costs	Employee costs to increase by 2.50% for 2016/17 and for future years.
Contract services, utility costs, professional services, materials and other expenditure	Increased by CPI. Adjustments have been made in future years to reflect the impact of known changes in costs and/or revenue including variations for election costs, valuation costs and revenue.
Service growth	The cost of service growth in relation to the development within the Fishermans Bend Urban Renewal Area (FBURA) and is included for 2017/18 and onwards.
Depreciation	Depreciation has been increased as a product of new assets being created consistent with the planned capital program.
Operating projects	Increased by CPI
Capital projects	As per the 10 year financial plan with a provision of \$1 million for unspecified projects in Fishermans Bend in 2017/18 and \$4 million in each of the 2018/19 and 2019/20 financial years.
Borrowings	No planned borrowings over the next 4 years.
Reserves	<p>The use of reserves remains consistent with past practice. This includes the following assumptions:</p> <ul style="list-style-type: none"> • open space receipts and out-goings are equivalent (each year) • sustainable transport reserve receipts and out-goings are equivalent (each year) • a debt repayment reserve is used to accumulate the capital necessary to retire council debt.

Notable financial outcomes

The notable financial outcomes in this SRP are:

- **Sustainable operations.** Operating surpluses are forecast in all four years (an annual average of \$10 million) and the 'Adjusted underlying result' indicator is projected to be positive in each of the four years.
- **Financial assets.** Cash and investments are forecast to decrease over the four year period from \$53.2 million to \$39.6 million. This reflects the impact of rates capping and the use of internal borrowings to fund large inter-generational growth projects in Fishermans bend. This has been mitigated by the inclusion of savings target of \$6.8 million over the life of the plan.
- **Borrowings.** Debt reduces slightly over the period (annual average \$8.25 million) and mainly relates to Council's current \$7.5 million fixed term, fixed interest loan. Council's loans and borrowings indicators reflect this, improving slightly over the period.
- **Infrastructure and renewal investment.** Capital expenditure over the four year period will total \$150.6 million at an annual average of \$37.7 million.

Financial Statements

Comprehensive Income Statement

For the four years ending 30 June 2020

	Budget	Forecast	Budget 2016/17 \$'000	Strategic Resource Plan		
	2015/16	Actual		Projections		
	\$'000	2015/16 \$'000		2017/18	2018/19	2019/20
			\$'000	\$'000	\$'000	\$'000
Income						
Rates and charges	113,146	113,047	117,223	121,626	126,204	130,883
Statutory fees and fines						
Parking fines	19,153	19,253	19,842	20,430	20,838	21,255
Other statutory fees and fines	4,348	3,899	4,072	4,174	4,274	4,372
User fees						
Parking fees	13,740	13,740	13,827	14,618	14,996	15,383
Other user fees	14,393	15,820	15,666	16,096	16,482	16,861
Grants - operating	10,243	8,525	9,759	10,003	10,243	10,479
Grants - capital	1,734	2,196	876	1,300	1,300	1,300
Contributions - monetary	2,500	6,100	4,100	4,100	4,488	4,773
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	0	0	0	0	0	0
Other income	11,544	11,944	12,901	12,812	13,429	13,521
Total Income	190,801	194,524	198,266	205,158	212,254	218,826
Expenses						
Employee costs	80,245	80,372	83,759	86,610	89,540	92,556
Materials and services*	62,826	68,547	69,456	71,689	71,642	73,281
Bad and doubtful debts	3,723	3,424	3,499	3,480	3,480	3,480
Depreciation and amortisation	18,644	19,216	21,232	22,001	22,760	23,273
Borrowing costs	459	459	563	459	459	459
Other expenses	11,960	10,871	9,810	9,712	9,984	10,200
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	0	3,100	2,733	2,715	2,715	2,715
Total Expenses	177,857	185,989	191,052	196,666	200,580	205,964
Surplus / (Deficit) for the year*	12,944	8,535	7,214	8,492	11,673	12,862

* Surplus includes annual savings target which has been allocated to materials and services (2017/18-2019/20)

Income Statement converted to Cash

For the four years ending 30 June 2020

	Forecast		Budget 2016/17 \$'000	Strategic Resource Plan Projections		
	Budget 2015/16 \$'000	Actual 2015/16 \$'000		2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Income						
Rates and charges	113,146	113,047	117,223	121,626	126,204	130,883
Statutory fees and fines						
Parking fines	19,153	19,253	19,842	20,430	20,838	21,255
Other statutory fees and fines	4,348	3,899	4,072	4,174	4,274	4,372
User fees						
Parking fees	13,740	13,740	13,827	14,618	14,996	15,383
Other user fees	14,393	15,820	15,666	16,096	16,482	16,861
Grants - operating	10,243	8,525	9,759	10,003	10,243	10,479
Grants - capital	1,734	2,196	876	1,300	1,300	1,300
Contributions - monetary	2,500	6,100	4,100	4,100	4,488	4,773
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	0	0	0	0	0	0
Other income	11,544	11,944	12,901	12,812	13,429	13,521
Proceeds from sale of assets	3,000	0	4,785	285	285	285
Total Income	193,801	194,524	203,051	205,443	212,539	219,111
Expenses						
Employee costs	80,245	80,372	83,759	86,610	89,540	92,556
Materials and services	62,826	68,547	69,456	71,839	74,587	76,976
Bad and doubtful debts	3,723	3,424	3,499	3,480	3,480	3,480
Depreciation and amortisation	18,644	19,216	21,232	22,001	22,760	23,273
Borrowing costs	459	459	563	459	459	459
Other expenses	11,960	10,871	9,810	9,712	9,984	10,200
Written down value of assets sold or disposed	3,000	3,100	7,518	3,000	3,000	3,000
Total Expenses	180,857	185,989	195,837	197,101	203,810	209,944
Operating surplus (deficit) for the year	12,944	8,535	7,214	8,342	8,728	9,167
CONVERSION TO CASH						
Less cash items not included in the operating result						
Capital expenditure	36,177	36,204	38,747	37,263	36,720	37,905
Loan repayments	0	0	0	0	0	0
Lease repayments	587	587	500	348	120	0
Borrowings	(610)	0	0	0	0	0
Transfers to/(from) statutory reserves	(208)	(2,940)	(608)	(1,629)	388	673
Transfers to/(from) general reserves	587	(7,318)	(359)	(1,163)	1,405	1,757
	36,533	26,533	38,280	34,819	38,633	40,335
Plus non cash items included in operating result						
Depreciation	18,644	19,216	21,232	22,001	22,760	23,273
Written down value of assets sold or disposed	3,000	3,100	7,518	3,000	3,000	3,000
Work in progress reallocated to operating	0	410	1,200	1,200	1,200	1,200
Surplus/(deficit) for the year	(1,945)	4,728	(1,116)	(276)	(2,944)	(3,695)
Accumulated position brought forward						
Carry Over Surplus/(Deficit)	2,193	2,193	1,742	626	350	(2,594)
Operating portfolio expenditure allocation	0	0	0	0	0	0
Capital deferral expenditure from prior years	0	(5,179)	0	0	0	0
ANNUAL RATES CAP CHALLENGE	248	1,742	626	350	(2,594)	(6,289)
Annual Savings Target	0	0	0	150	2,944	3,695
Accumulated Savings Target	0	0	0	0	150	3,094
TOTAL SAVINGS TARGET	0	0	0	150	3,094	6,789
CASH SURPLUS/(DEFICIT)	248	1,742	626	500	500	500

Balance Sheet

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16	2016/17	2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	50,236	41,799	37,706	38,322	39,576
Trade and other receivables	10,859	10,886	10,914	10,940	10,965
Other financial assets	4,000	4,000	4,000	4,000	4,000
Non current assets classified as held for sale	-	-	-	-	-
Other assets	1,659	1,659	1,659	1,659	1,659
Total current assets	66,754	58,344	54,278	54,921	56,200
Non-current assets					
Investments in associates and joint ventures	382	382	382	382	382
Other financial assets	235	235	235	235	235
Property, infrastructure, plant and equipment	2,345,737	2,360,913	2,373,175	2,384,135	2,395,767
Total non-current assets	2,346,354	2,361,530	2,373,792	2,384,752	2,396,384
Total assets	2,413,108	2,419,874	2,428,070	2,439,673	2,452,584
LIABILITIES					
Current liabilities					
Trade and other payables	13,060	13,092	13,125	13,156	13,187
Trust funds and deposits	7,765	7,784	7,804	7,822	7,840
Provisions	11,543	11,543	11,543	11,543	11,543
Interest-bearing loans and borrowings	500	348	120	301	301
Total current liabilities	32,867	32,767	32,592	32,823	32,871
Non-current liabilities					
Provisions	2,502	2,502	2,502	2,502	2,502
Interest-bearing loans and borrowings	8,571	8,223	8,103	7,802	7,802
Total non current liabilities	11,073	10,725	10,605	10,304	10,304
Total liabilities	43,940	43,492	43,197	43,127	43,175
NET ASSETS	2,369,168	2,376,382	2,384,874	2,396,547	2,409,409
Equity					
Accumulated surplus	641,704	649,885	661,169	671,049	681,481
Asset revaluation reserve	1,707,738	1,707,738	1,707,738	1,707,738	1,707,738
Other reserves	19,726	18,759	15,967	17,760	20,190
TOTAL EQUITY	2,369,168	2,376,382	2,384,874	2,396,547	2,409,409

Statement of Changes in Equity

For the four years ending 30 June 2020

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017				
Balance at beginning of the financial year	2,369,168	641,704	1,707,738	19,726
Comprehensive result	7,214	7,214	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to other reserves	-	(12,248)	-	12,248
Transfer from other reserves	-	13,215	-	(13,215)
Balance at end of the financial year	2,376,382	649,885	1,707,738	18,759
2018				
Balance at beginning of the financial year	2,376,382	649,885	1,707,738	18,759
Comprehensive result	8,492	8,492	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to other reserves	-	(6,357)	-	6,357
Transfer from other reserves	-	9,150	-	(9,150)
Balance at end of the financial year	2,384,874	661,170	1,707,738	15,966
2019				
Balance at beginning of the financial year	2,384,874	661,170	1,707,738	15,966
Comprehensive result	11,673	11,673	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to other reserves	-	(6,894)	-	6,894
Transfer from other reserves	-	5,100	-	(5,100)
Balance at end of the financial year	2,396,547	671,049	1,707,738	17,760
2020				
Balance at beginning of the financial year	2,396,547	671,049	1,707,738	17,760
Comprehensive result	12,862	12,862	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Transfer to other reserves	-	(7,231)	-	7,231
Transfer from other reserves	-	4,800	-	(4,800)
Balance at end of the financial year	2,409,410	681,481	1,707,738	20,191

Statement of Cash Flows

For the four years ending 30 June 2020

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2015/16		2017/18	2018/19	2019/20
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Rates and charges	112,996	117,196	121,599	126,178	130,857
Statutory fees and fines				0	0
Parking fines	15,829	16,343	16,950	17,358	17,775
Other statutory fees and fines	3,899	4,072	4,174	4,274	4,372
User fees				0	0
Parking fees	13,740	13,827	14,618	14,996	15,383
Other user fees	15,857	15,685	16,115	16,501	16,879
Grants - operating	8,525	9,759	10,003	10,243	10,479
Grants - capital	2,196	876	1,300	1,300	1,300
Contributions - monetary	6,100	4,100	4,100	4,488	4,773
Other receipts	11,944	12,901	12,812	13,429	13,521
Employee costs	(80,372)	(83,759)	(86,610)	(89,540)	(92,556)
Materials and services	(65,371)	(69,422)	(71,658)	(71,611)	(73,251)
Other payments	(10,871)	(9,810)	(9,712)	(9,984)	(10,200)
Net cash provided by operating activities	34,472	31,768	33,691	37,632	39,332
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(36,204)	(38,747)	(37,263)	(36,720)	(37,905)
Payments for deferred projects	0	(5,179)	0	0	0
Proceeds from the sale of property, infrastructure, plant and equipment	0	4,785	285	285	285
Net cash used in investing activities	(36,204)	(39,141)	(36,978)	(36,435)	(37,620)
Cash flows from financing activities					
Finance costs	(459)	(563)	(459)	(459)	(459)
Proceeds from borrowings	0	0	0	0	0
Repayment of borrowings	(587)	(500)	(348)	(120)	0
Net cash used in financing activities	(1,046)	(1,063)	(807)	(579)	(459)
Net increase (decrease) in cash and cash equivalents	(2,778)	(8,436)	(4,094)	618	1,253
Cash and cash equivalents at beginning of year	53,014	50,236	41,799	37,705	38,323
Cash & cash equivalents at end of year	50,236	41,799	37,705	38,323	39,576

Statement of Capital Works

For the four years ending 30 June 2020

	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Property					
Land	6,332	0	0	0	0
Land improvements (marine assets)	-	0	0	0	0
Total land	6,332	0	0	0	0
Building improvements	9,495	16,763	14,950	12,629	13,370
Leasehold improvements	0	0	0	0	0
Heritage buildings	0	0	0	0	0
Total buildings	9,495	16,763	14,950	12,629	13,370
Total property	15,827	16,763	14,950	12,629	13,370
Plant and equipment					
Plant, machinery and equipment	400	495	750	750	750
Fixtures, fittings and furniture	50	85	85	85	85
Computers and telecommunications	2,496	2,351	2,064	1,146	1,146
Heritage and art works	0	39	29	29	29
Library books	795	814	814	814	814
Motor vehicles	1,399	1,039	1,039	1,039	1,039
Total plant and equipment	5,140	4,823	4,781	3,863	3,863
Infrastructure					
Roads	7,020	5,506	6,830	6,080	6,080
Bridges	37	0	0	0	0
Footpaths and cycleways	2,958	2,313	2,700	2,700	2,700
Drainage	1,307	1,360	1,490	1,490	1,490
Parks, open space and streetscapes	3,204	7,431	6,252	9,698	10,142
Off street car parks	0	0	0	0	0
Other infrastructure	711	550	260	260	260
Total infrastructure	15,237	17,160	17,532	20,228	20,672
Total capital works expenditure	36,204	38,746	37,263	36,720	37,905
Represented by:					
New asset expenditure	12,511	11,630	10,907	7,715	8,034
Asset renewal expenditure	18,013	20,412	19,962	21,009	21,243
Asset expansion expenditure	807	45	50	50	50
Asset upgrade expenditure	4,873	6,658	6,344	7,946	8,578
Total capital works expenditure	36,204	38,746	37,263	36,720	37,905

Statement of Human Resources

For the four years ending 30 June 2020

	Budget	Forecast	Budget 2016/17 \$'000	Strategic Resource Plan		
	2015/16	Actual		Projections		
	\$'000	2015/16 \$'000		2017/18	2018/19	2019/20
			\$'000	\$'000	\$'000	
Staff expenditure						
Employee costs - operating	80,245	80,372	83,759	86,610	89,540	92,556
Employee costs - capital	911	911	942	966	990	1,015
Total staff expenditure	81,156	81,283	84,701	87,576	90,530	93,571
	EFT	EFT	EFT	EFT	EFT	EFT
Staff numbers						
Employees - operating	802.2	798.9	806.9	817.5	828.2	839.1
Employees - capital	8.2	8.2	8.2	8.2	8.2	8.2
Total staff numbers	810.4	807.1	815.1	825.7	836.4	847.3

Note for movements in staff expenditure and numbers:

Council's labour budget for 2016/17 has increased by 3.2 per cent from the previous year's budget. This increase is due to a number of factors:

- 2.5 per cent budget increase to cover for Enterprise Agreement increase and banding movements
- 0.5 per cent increase in work cover premium predominantly related to bringing the street and beach cleaning service in house
- an increase in agency staff to manage temporary vacancies and emergency management services.

The growth in full time equivalent staff from 2017/18 to 2019/20 is based on an assumption of 2.5 per cent growth in service provision in the municipality, consistent with the financial assumptions for growth. Our expenditure on management staff has decreased each year over the last two budgets from 8.3 per cent of total labour spend in 2014/15 to 7.12 per cent in 2016/17.

Non-Financial Resources

Council culture

We deliver a broad range of services. To strengthen the delivery of the Council Plan and our key strategic priorities, we have adopted an organisational strategy called 'Community First'.

The Community First strategy ensures that all Council actions are viewed through the community's eyes, to deliver the best possible services, projects and outcomes for the community.

To build our 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

Our employees are our most valued resource. We have a diverse workforce of committed individuals with an extensive range of skills and experience. We aspire 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, we are committed to professional development, mentoring, open communication and maintaining a safe and respectful working environment.

In response to the financial challenges we face, a significant investment has been made in building the capability of our staff. This includes improving the ability of 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 our 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 17.

Non-Financial Resources

Summary of Planned Human Resources

For the four years ending 30 June 2020

	Forecast		Budget 2016/17 \$'000	Strategic Resource Plan Projections		
	Budget 2015/16 \$'000	Actual 2015/16 \$'000		2017/18 \$'000	2018/19 \$'000	2019/20 \$'000
Staff expenditure						
Chief Executive Officer	6,056	6,052	5,955	6,161	6,374	6,592
Community Development	27,448	27,055	27,583	28,536	29,515	30,524
Infrastructure & Amenity	18,710	18,419	19,088	19,752	20,435	21,138
Organisational Performance	11,764	11,390	12,267	12,693	13,132	13,583
People & Culture	1,430	1,585	1,765	1,830	1,896	1,964
Place Strategy & Development	10,514	10,495	10,866	11,247	11,638	12,041
	75,870	74,996	77,524	80,219	82,990	85,842
Casual labour	1,224	1,374	1,850	1,896	1,944	1,992
Other labour (agency staff, maternity leave, FBT)	3,151	4,002	4,385	4,495	4,607	4,722
Capital Projects	911	911	942	966	990	1,015
Total staff expenditure	81,156	81,283	84,701	87,576	90,530	93,571
Staff numbers						
	EFT	EFT	EFT	EFT	EFT	EFT
Chief Executive Officer						
- Full time	3.0	41.0	41.0	41.5	42.1	42.6
- Part time	-	13.9	13.9	14.1	14.3	14.4
- Casuals	-	2.5	2.5	2.5	2.6	2.6
	3.0	57.4	57.4	58.1	58.9	59.7
Community Development						
- Full time	176.1	176.0	175.0	177.3	179.6	181.9
- Part time	136.7	141.6	141.6	143.4	145.3	147.2
- Casuals	11.7	12.5	12.5	12.7	12.8	13.0
	324.5	330.1	329.1	333.4	337.7	342.1
People & Culture						
- Full time	59.8	11.0	13.0	13.2	13.3	13.5
- Part time	10.6	0.8	0.8	0.8	0.8	0.8
- Casuals	1.0	-	-	-	-	-
	71.4	11.8	13.8	14.0	14.2	14.3
Infrastructure & Amenity						
- Full time	178.4	177.4	177.4	179.8	182.2	184.7
- Part time	19.3	20.1	20.5	20.8	21.0	21.3
- Casuals	1.3	0.9	1.4	1.4	1.4	1.5
	199.1	198.4	199.3	202.0	204.7	207.5
Organisational Performance						
- Full time	87.8	89.4	89.4	90.6	91.7	92.9
- Part time	13.9	15.1	15.1	15.3	15.5	15.7
- Casuals	-	-	-	-	-	-
	101.7	104.5	104.5	105.9	107.2	108.6
Place Strategy & Development						
- Full time	92.4	87.0	92.0	93.2	94.4	95.6
- Part time	10.3	9.7	10.8	10.9	11.1	11.2
- Casuals	-	-	-	-	-	-
	102.7	96.7	102.8	104.1	105.5	106.9
Capital Projects	8.2	8.2	8.2	8.2	8.2	8.2
Total staff numbers (FTE)	810.4	807.1	815.1	825.7	836.4	847.3

Summary of Capital Works Expenditure

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

Capital Works 2016/17	Operating		Capital		Project		Asset expenditure types					Funding sources				
	Cost \$'000	Cost \$'000	Cost \$'000	Cost \$'000	Cost \$'000	Cost \$'000	Operating \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Reserves \$'000	Cash \$'000	Borrowings \$'000	
Property																
Land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Land improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	640	16,763	17,403			640	5,653	6,855	4,211	45		645	5,927	10,832		
Leasehold Improvements	0	0	0			0	0	0	0	0	0	0	0	0	0	0
Heritage buildings	0	0	0			0	0	0	0	0	0	0	0	0	0	0
Total property	640	16,763	17,403			640	5,653	6,855	4,211	45		645	5,927	10,832		
Plant and equipment																
Plant, machinery and equipment	0	495	495			0	0	295	200	0	0	0	0	0	0	495
Fixtures, fittings and furniture	0	85	85			0	0	85	0	0	0	0	0	0	0	85
Computers and telecommunications	185	2,351	2,536			185	937	1,282	133	0	0	0	500	2,036	0	0
Heritage plant and equipment	0	39	39			0	10	29	0	0	0	0	0	39	0	0
Library books	0	814	814			0	0	814	0	0	0	0	0	814	0	0
Motor vehicles	0	1,039	1,039			0	0	1,039	0	0	0	0	0	1,039	0	0
Total plant and equipment	185	4,823	5,008			185	947	3,544	333	0		0	500	4,508		
Infrastructure																
Roads	50	5,506	5,556			50	13	4,683	810	0	0	165	130	5,261	0	0
Bridges	0	0	0			0	0	0	0	0	0	0	0	0	0	0
Footpaths and cycleways	437	2,313	2,750			437	325	1,663	325	0	0	66	634	2,050	0	0
Drainage	50	1,360	1,410			50	370	990	0	0	0	0	0	1,410	0	0
Parks, open space and streetscapes	1,695	7,431	9,126			1,695	4,023	2,428	980	0	0	0	5,265	3,861	0	0
Off street car parks	0	0	0			0	0	0	0	0	0	0	0	0	0	0
Other infrastructure	110	550	660			110	300	250	0	0	0	0	300	360	0	0
Total infrastructure	2,342	17,160	19,502			2,342	5,031	10,014	2,115	0		231	6,329	12,942		
TOTAL capital works expenditure 2016/17	3,167	38,746	41,913			3,167	11,630	20,412	6,658	45		876	12,756	28,282		0

Summary of Capital Works Expenditure

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

Capital Works 2017/18	Operating Cost		Project Cost	Asset expenditure types					Funding sources				
	\$'000	\$'000		Operating \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Reserves \$'000	Cash \$'000	Borrowings \$'000	
Property													
Land	0	0	0	0	0	0	0	0	0	0	0	0	0
Land improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	600	14,950	15,550	600	6,021	4,654	4,225	50	975	2,004	12,571	0	0
Leasehold improvements	0	0	0	0	0	0	0	0	0	0	0	0	0
Heritage buildings	0	0	0	0	0	0	0	0	0	0	0	0	0
Total property	600	14,950	15,550	600	6,021	4,654	4,225	50	975	2,004	12,571	0	0
Plant and equipment													
Plant, machinery and equipment	0	750	750	0	0	550	200	0	0	0	750	0	0
Fixtures, fittings and furniture	0	85	85	0	0	85	0	0	0	0	85	0	0
Computers and telecommunications	100	2,064	2,164	100	818	1,156	90	0	0	0	2,164	0	0
Heritage plant and equipment	0	29	29	0	0	29	0	0	0	0	29	0	0
Library books	0	814	814	0	0	814	0	0	0	0	814	0	0
Motor vehicles	0	1,039	1,039	0	0	1,039	0	0	0	0	1,039	0	0
Total plant and equipment	100	4,781	4,881	100	818	3,673	290	0	0	0	4,881	0	0
Infrastructure													
Roads	50	6,830	6,880	50	0	5,617	1,213	0	325	0	6,555	0	0
Bridges	0	0	0	0	0	0	0	0	0	0	0	0	0
Footpaths and cycleways	400	2,700	3,100	400	300	2,100	300	0	0	700	2,400	0	0
Drainage	50	1,490	1,540	50	500	990	0	0	0	0	1,540	0	0
Parks, open space and streetscapes	1,700	6,252	7,952	1,700	3,268	2,668	316	0	0	6,790	1,162	0	0
Off street car parks	0	0	0	0	0	0	0	0	0	0	0	0	0
Other infrastructure	100	260	360	100	0	260	0	0	0	0	360	0	0
Total infrastructure	2,300	17,532	19,832	2,300	4,068	11,635	1,829	0	325	7,490	12,017	0	0
TOTAL capital works expenditure 2017/18	3,000	37,263	40,263	3,000	10,907	19,962	6,344	50	1,300	9,494	29,469	0	0

Summary of Capital Works Expenditure

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

Capital Works 2018/19	Operating Cost			Capital Cost			Project Cost			Asset expenditure types					Funding sources			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Operating	New	Renewal	Upgrade	Expansion	Grants	Reserves	Cash	Borrowings			
Property																		
Land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Land improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Buildings	600	12,629	13,229	600	2,407	5,935	600	2,407	4,237	5,935	50	975	300	11,954	0	0		
Leasehold Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Heritage buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total property	600	12,629	13,229	600	2,407	5,935	600	2,407	4,237	5,935	50	975	300	11,954	0	0		
Plant and equipment																		
Plant, machinery and equipment	0	750	750	0	0	200	0	0	550	200	0	0	0	750	0	0		
Fixtures, fittings and furniture	0	85	85	0	0	0	0	0	85	0	0	0	0	85	0	0		
Computers and telecommunications	100	1,146	1,246	100	0	90	100	0	1,056	90	0	0	0	1,246	0	0		
Heritage plant and equipment	0	29	29	0	0	0	0	0	29	0	0	0	0	29	0	0		
Library books	0	814	814	0	0	0	0	0	814	0	0	0	0	814	0	0		
Motor vehicles	0	1,039	1,039	0	0	0	0	0	1,039	0	0	0	0	1,039	0	0		
Total plant and equipment	100	3,863	3,963	100	0	290	100	0	3,573	290	0	0	0	3,963	0	0		
Infrastructure																		
Roads	50	6,080	6,130	50	0	463	50	0	5,617	463	0	325	0	5,805	0	0		
Bridges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Footpaths and cycleways	400	2,700	3,100	400	300	300	400	300	2,100	300	0	0	700	2,400	0	0		
Drainage	50	1,490	1,540	50	500	0	50	500	990	0	0	0	0	1,540	0	0		
Parks, open space and streetscapes	1,700	9,698	11,398	1,700	4,508	958	1,700	4,508	4,233	958	0	0	4,100	7,298	0	0		
Off street car parks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other infrastructure	100	260	360	100	0	0	100	0	260	0	0	0	0	360	0	0		
Total infrastructure	2,300	20,228	22,528	2,300	5,308	1,721	2,300	13,200	1,721	0	0	325	4,800	17,403	0	0		
TOTAL capital works expenditure 2018/19	3,000	36,720	39,720	3,000	7,715	7,946	3,000	21,010	7,946	50	1,300	5,100	33,320	0	0	0		

Summary of Capital Works Expenditure

Capital Works Program 2019/20 – by Asset Type and Funding Source

Capital Works 2019/20	Operating Cost			Capital Cost			Project Cost			Asset expenditure types					Funding sources				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Operating	New	Renewal	Upgrade	Expansion	Grants	Reserves	Cash	Borrowings	
										\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Property																			
Land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Land improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	600	13,370	13,970	600	2,615	4,249	6,456	50	0	0	0	0	0	0	975	0	12,995	0	0
Leasehold improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Heritage buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total property	600	13,370	13,970	600	2,615	4,249	6,456	50							975	0	12,995	0	0
Plant and equipment																			
Plant, machinery and equipment	0	750	750	0	0	550	200	0	0	0	0	0	0	0	0	0	0	750	0
Fixtures, fittings and furniture	0	85	85	0	0	85	0	0	0	0	85	0	0	0	0	0	0	85	0
Computers and telecommunications	100	1,146	1,246	100	0	1,056	90	0	0	0	1,056	90	0	0	0	0	0	1,246	0
Heritage plant and equipment	0	29	29	0	0	29	0	0	0	0	29	0	0	0	0	0	0	29	0
Library books	0	814	814	0	0	814	0	0	0	0	814	0	0	0	0	0	0	814	0
Motor vehicles	0	1,039	1,039	0	0	1,039	0	0	0	0	1,039	0	0	0	0	0	0	1,039	0
Total plant and equipment	100	3,863	3,963	100	0	3,573	290	0							0	0	3,963	0	0
Infrastructure																			
Roads	50	6,080	6,130	50	0	5,617	463	0	0	0	5,617	463	0	0	325	0	5,805	0	0
Bridges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Footpaths and cycleways	400	2,700	3,100	400	300	2,100	300	0	0	0	2,100	300	0	0	0	700	2,400	0	0
Drainage	50	1,490	1,540	50	500	990	0	0	0	0	990	0	0	0	0	0	1,540	0	0
Parks, open space and streetscapes	1,700	10,142	11,842	1,700	4,619	4,454	1,069	0	0	0	4,454	1,069	0	0	0	4,100	7,742	0	0
Off street car parks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other infrastructure	100	260	360	100	0	260	0	0	0	0	260	0	0	0	0	0	360	0	0
Total infrastructure	2,300	20,672	22,972	2,300	5,419	13,421	1,832	0							325	4,800	17,847	0	0
TOTAL capital works expenditure 2019/20	3,000	37,905	40,905	3,000	8,034	21,243	8,578	50							1,300	4,800	34,805	0	0

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	Actual 2014/15	Forecast 2015/16	Budget 2016/17	Strategic Resource Plan			Trend +/-
						Projections			
						2017/18	2018/19	2019/20	
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-0.64%	0.13%	1.16%	1.55%	2.85%	3.19%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	220.80%	203.10%	178.06%	166.54%	167.33%	170.97%	o
Unrestricted cash*	Unrestricted cash / current liabilities		80.04%	69.20%	46.56%	42.76%	38.82%	35.12%	-
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	8.47%	8.02%	7.31%	6.76%	6.42%	6.19%	+
Loans and borrowings	Interest and principal repayments / rate revenue		0.97%	0.93%	0.91%	0.66%	0.46%	0.35%	+
Indebtedness	Non-current liabilities / own source revenue		6.65%	6.23%	5.84%	5.59%	5.25%	5.09%	+
Asset renewal	Asset renewal expenditure / depreciation	4	73.23%	93.74%	96.14%	90.73%	92.31%	91.28%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	60.23%	60.70%	60.65%	60.89%	61.13%	61.52%	o
Rates effort	Rate revenue / property values (CIV)		0.22%	0.22%	0.19%	0.20%	0.21%	0.22%	o
Efficiency									
Expenditure level	Total expenditure / no. of assessments		\$2,623.49	\$2,701.29	\$2,736.00	\$2,774.78	\$2,788.18	\$2,820.70	+
Expenditure level	Specific purpose grants expended / Specific purpose grants received		100.00%	84.00%	100.00%	100.00%	100.00%	100.00%	o
Revenue level	Residential rate revenue / No. of residential assessments		\$1,359.31	\$1,440.83	\$1,484.87	\$1,520.51	\$1,555.48	\$1,588.92	o
Workforce turnover	No. of resignations & terminations / average no. of staff		9.95%	17.22%	10.00%	10.00%	10.00%	10.00%	o

Notes to indicators

1. Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance is expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.
2. Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease significantly in 2016/17 year due to a run down in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.
3. Debt compared to rates – Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.
4. Asset renewal - This percentage indicates the extent of Council's 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 is our primary planning document. It outlines the priorities that guide decision making and the initiatives that will achieve our strategic objectives. Council has also adopted plans and strategies to support the delivery of the Council Plan, by providing detail about how specific policy objectives will be achieved.

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

The table below shows the significant strategies, policies, plans and guidelines and the initiatives that are linked to those documents and the amount funded in this SRP. The figures include all projects in Budget 2016/17 and initiatives where we provide support to other agencies through grants or subscriptions.

The allocation of resources is often guided by multiple Council Plan objectives and/or strategies. The resources identified below are cash allocations (that is, both capital and operating, project and recurrent investments) and may be funded from multiple sources, including external sources such as grants.

Consistent with legislative obligations and best practice, we review our Council Plan priorities and resource allocation annually. Estimates for 2017/18 and beyond represent current planning assumptions and should be considered provisional. These investments will be subject to evaluation and prioritisation in the relevant budget year.

Planning instrument	Description and resources allocated (\$'000)			
	2016/17	2017/18	2018/19	2019/20
Council Plan 2013-17	Highlights strategic priorities to be delivered over the planning period. This includes: <ul style="list-style-type: none"> managing growth and planning for Fishermans Bend restoring and securing the future of the Palais Theatre building and operating a new park and cultural precinct on the St Kilda Triangle site creating and maintaining unique and vibrant communities in the municipality's special and cared for places. Funding in 2016/17 is to develop a new Council Plan and Municipal Public Health & Wellbeing Plan to cover the period 2017-21.			
	\$295	\$0	\$0	\$0
Municipal Public Health & Wellbeing Plan 2013 - 2017	Identifies ways local government can work with the whole community to promote the health and wellbeing of all residents. <hr/> No resources are specifically allocated under this plan. As a strategic document, it guides policy making, program and budget decisions in 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.			
Port Phillip Planning Scheme	<ul style="list-style-type: none"> Provides a clear and consistent framework within which decisions about the use and development of land can be made Expresses state, regional, local and community expectations for areas and land uses Provides for the implementation of State, regional and local policies affecting land use and development. Funding in 2016/17 is to amend and review the current scheme as well to develop the St Kilda Marina design principles.			
	\$625	\$0	\$0	\$0

Planning instrument	Description and resources allocated (\$'000)			
	2016/17	2017/18	2018/19	2019/20
Strategies				
Activating Laneways Strategy	Identifies a selection of lanes within and/or close to key areas such as Activity Centres, regionally significant open spaces and public transport networks, and provides a framework to promote future activity within them. Funding is for the Laneway Upgrade program.			
	\$230	\$350	\$350	\$350
Activity Centres Strategy (Implementation Plan)	Provides a holistic understanding of the complex role and function of activity centres and the contribution that they can make to creating sustainable local communities. Funding in 2016/17 is to complete the Acland Street upgrade and to plan and implement the redevelopment of the Carlisle Street Supermarket site.			
	\$2,992	\$0	\$0	\$0
Ageing Well in Port Phillip Strategy 2006-16	Provides the foundations for a city where older people are supported, connected and valued for their contribution to community and family life. Funding is for a review of home and aged care services (in response to reforms) and to install a senior fitness stations.			
	\$244	\$75	\$0	\$0
Asset Management Strategy (Capital renewals expenditure)	Council's asset management is complex and impacts on nearly all areas of Council responsibilities. 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. Funding is expenditure on renewals for assets that are not allocated to other identified strategies or plans such as renewal of buildings, litter bins, community facilities and Council's Fleet. Also included is works on the Palais Theatre, Gasworks and Linden Gallery buildings and delivery of enhanced asset management capability.			
	\$10,302	\$5,044	\$3,376	\$3,376
Business Technology Strategy	Renews and upgrades core ICT infrastructure and systems, and delivers new capability including mobility, digital, business intelligence and GIS. Funding is for renewal of Core IT infrastructure, IT costs associated with Council elections, valuation system replacement and improvements to existing hardware and software applications.			
	\$1,846	\$1,246	\$1,246	\$1,246
Economic Development Strategy 2012-16	Supports our vision of Port Phillip being a vibrant, inclusive, prosperous and sustainable local economy that meets the needs and aspirations of our community. Funding in 2016/17 is a contribution to St Kilda Tourism and Events. Council supports St Kilda Tourism and Events to be predominantly funded from special rates in future years.			
	\$200	\$0	\$0	\$0
Events Strategy 2015-17	Plans, attracts and directs events to ensure our city is welcoming, healthy, safe and vibrant for all. Funding is for the St Kilda Festival and St Kilda Film Festival, grants for Local Festivals, contributions to Pride March and Yalukit Willam Ngarree.			
	\$2,009	\$1,989	\$1,989	\$1,989
Family Youth and Children Strategy	Guides development and implementation of policies and plans and drives service delivery and planning for children, middle years, youth and families. Funding is to for works at Bubup Nairn, Eildon Road, Elwood and The Avenue Children Centres, as well as service reviews and planning.			
	\$1,090	\$835	\$300	\$0

Planning instrument	Description and resources allocated (\$'000)			
	2016/17	2017/18	2018/19	2019/20
Fishermans Bend Planning & Economic Development Strategy	Guides the continued transition of Fishermans Bend from a traditional industrial area into a diverse, inner city business and employment precinct. Funding is for the Ferrars Street Education and Community Precinct project and Fishermans Bend review. In addition the draft SRP includes funding for unspecified projects in the FBURA precinct of \$9 million.			
	\$5,744	\$4,662	\$4,000	\$4,000
Housing Strategy 2007-17	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. Funding is for an annual cash contribution to an affordable housing reserve to support the delivery of new projects and for establishment of an Expression of Interest process to ensure the allocation of property assets (and supporting financial contributions) to local housing organisation/s deliver greatest benefit back to Port Phillip community.			
	\$550	\$500	\$500	\$500
Open Space Strategy 2009	Guides delivery of 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. Funding is to renew park and street furniture and signage.			
	\$800	\$555	\$555	\$555
Playspace Strategy 2011	Sets the vision, policy context and framework for future development of play spaces and prioritises play spaces for upgrade and renewal. Funding is to renew parks and playgrounds, including play space rectification at Clark Street Children Centre and a design for a playground upgrade at Murphy Reserve.			
	\$1,210	\$990	\$990	\$990
Road User Safety Strategy 2013-20 Safer Streets	Sets out the goals for eliminating fatalities and reducing the risk of injury on our roads so that people of all ages and abilities can travel on our road network safely and that vulnerable road users have confidence to travel freely in the City. Funding is to implement Stage 2 of the Queens Lane and Wellington Street projects and develop a separate queuing lane at the Beach and Princes streets roundabout to reduce the wait time residents experience to enter and exit Beacon Cove during peak cruise ship season.			
	\$620	\$825	\$75	\$75
Sport and Recreation Strategy 2015-24	Supports the planning and provision of recreation and sport facilities and services to the local community. Funding is to redevelop St Kilda and South Melbourne Life Saving clubs, upgrade of Peanut Farm and JL Murphy pavilions, resurfacing netball courts at RF Julier Reserve and renew recreation reserves and sports playing fields.			
	\$3,077	\$7,005	\$3,742	\$505
Sustainable Public Lighting Strategy for Streets and Open Space 2011-16	Provides the framework for achieving our zero net Council emissions by 2020 goal by providing direction for improvement where it is needed. Funding is to complete the Port Melbourne Light Rail lighting upgrade and renew public space lighting.			
	\$400	\$330	\$330	\$330
Sustainable Transport Strategy: A Connected and Liveable City	Supports our vision 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. Funding is to implement Walk Plan and Bike Plan initiatives, renew parking ticket machines, trial parking sensors and Pay-by-phone and to develop an Integrated Transport Strategy.			
	\$2,150	\$1,400	\$1,400	\$1,400

Planning instrument	Description and resources allocated (\$'000)			
	2016/17	2017/18	2018/19	2019/20
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 the community and Council, and the framework for measuring progress against our sustainability challenges. Funding is to install solar panels on Council buildings, refurbish the Eco Centre, implement Water Urban Design (WSUD) initiatives, other Toward Zero initiatives and contributions to relevant organisations.			
	\$1,678	\$1,353	\$1,353	\$1,353
Plans				
Access Plan 2013-18	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. Funding is for building compliance works on community assets and public space accessibility improvements.			
	\$1,561	\$350	\$350	\$350
Catani Gardens and Southern Foreshore Management Plan 2010	Provides operational guidance on the future use, maintenance and management of the reserve precinct as well as longer term direction on strategic development where appropriate. Funding is for urgent structural rectification of the Carlo Catani Wall.			
	\$300	\$300	\$0	\$0
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. Funding is to renew foreshore assets, implement vegetation and concept design for the public realm at Waterfront Place in Port Melbourne.			
	\$685	\$635	\$635	\$435
Friends of Suai Strategic Plan 2010-20	Strengthens capability and involvement in the Covalima community, practices good governance and management in our Friendship, builds community awareness and our knowledge of Friendship between our Communities. Funding is for our contribution to Friends of Suai.			
	\$43	\$43	\$43	\$43
Inner Melbourne Action Plan	Sets out 11 regional strategies and 57 actions to make the Inner Melbourne Region more liveable. Funding is for our contribution to the Inner Melbourne Action Plan.			
	\$95	\$95	\$95	\$95
Public Toilet Plan 2013-23	Supports clean, safe, accessible public toilets to all local residents and visitors to the municipality. Funding is to upgrade existing or construct new toilets and includes facilities at St Kilda Life Saving Club, South Melbourne Life Saving Club, Point Ormond and city-wide way finding signage.			
	\$480	\$500	\$500	\$500
Road Management Plan	Outlines our road management responsibilities, lists the road assets and details the standards of service, maintenance and construction for roads within the City. Funding is to renew roads and kerbs, footpaths and laneways.			
	\$6,531	\$7,880	\$7,880	\$7,880
South Melbourne Market Strategic Plan 2015-20	Five-year strategic planning for managing the South Melbourne Market to achieve its goals over the next five years. Funding is for renewal works and fit-out of stalls.			
	\$525	\$135	\$135	\$135

Planning instrument	Description and resources allocated (\$'000)			
	2016/17	2017/18	2018/19	2019/20
St Kilda Triangle Masterplan	Proposes a cultural precinct to complement the Palais Theatre and Luna Park – a precinct of uses and activities that recognises and supports St Kilda’s continuing contribution to the vibrancy of Melbourne and Australia. Funding in 2016/17 is to prepare planning controls to facilitate the Masterplan, continue government advocacy, investigate project staging, prepare preliminary designs for possible early works and undertake market testing.			
	\$50	No resources are currently specifically allocated under this Masterplan, which will include selecting a preferred tenderer and delivery partner and opening and managing the site as per the St Kilda Triangle Cultural Charter.		
Storm Water Management Plan	Provides direction for the environmental management of stormwater and presents an integrated approach to stormwater management, which maintains the traditional function of preventing adverse flooding, but also places emphasis on improving water quality and environmental amenity of stormwater systems. Funding is to renew drains.			
	\$1,043	\$1,043	\$1,043	\$1,043
Waste Management and Resource Recovery Plan 2009-14	A framework for delivering waste management services and achieving effective resource recovery over the next five years. Funding in 2016/17 is to plan future requirements for the Council depot, waste management and resource recovery services.			
	\$60	\$0	\$0	\$0
Policies				
Arts and Culture Policy 2011	Articulates our commitment to supporting a culturally vibrant city and outlines principles and objectives for arts and cultural services, programs and facilities. Funding is to support the management and operation of Gasworks and Linden Gallery, library purchases and contributions to the Cultural Development Fund.			
	\$1,908	\$1,772	\$1,844	\$1,844
City of Port Phillip Security Camera Footage Policy 2012	Sets policy and processes for the retention, release and return of City of Port Phillip security footage. Funding is to improvement town hall security.			
	\$100	\$316	\$0	\$0
Community Grants Subsidies and Donations Policy	Sets direction for transparent and effective administration of community grants programs, subsidy schemes and donations. Funding is to support community facilities, community projects and village impact grants.			
	\$563	\$563	\$563	\$563
Memorials and Monuments Policy	Guides management of existing memorials and decision-making for new memorials. Funding is for the memorials and monuments renewal program.			
	\$70	\$70	\$70	\$70
Soil Contamination Management Policy	Outlines our approach to assessing and managing potentially contaminated land that we own or manage. Funding in 2016/17 is for Peanut Farm soil management and for planning for site reinstatement after the State government site remediation.			
	\$100	\$0	\$0	\$0

Planning instrument	Description and resources allocated (\$'000)			
	2016/17	2017/18	2018/19	2019/20
Guidelines				
Tree Management Policy and Strategy – Greening Port Phillip 2010	Supports 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. Funding is for street tree and park tree improvement programs.			
	\$540	\$500	\$500	\$500
Village Impact Program Guidelines	Contributes to increasing the use and enjoyment of public spaces in our Vibrant Villages by prioritising and delivering small infrastructure projects in our villages. Funding in 2016/17 is for the Vibrant Villages program and to install CCTV in Fitzroy St, St Kilda.			
	\$324	\$0	\$0	\$0



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