

Moonee Valley City Council Strategic Resource Plan

2018/19 - 2021/22

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Background

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

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

Objectives of the plan

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

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

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

- prudently manage financial risks relating to debt, assets and liabilities
- provide reasonable stability in the level of rate burden
- consider the financial effects of council decisions on future generations
- provide full, accurate and timely disclosure of financial information.

Key assumptions

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

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

Appendix - Financial Statements

Comprehensive Income Statement

For the four years ending 30 June 2022

	2019	2020	2021	2022
	\$'000	\$'000	\$'000	\$'000
Income				
Rates and charges	112,973	115,510	118,102	120,752
Statutory fees and fines	7,950	8,187	8,249	8,470
User fees	19,865	20,294	20,859	21,875
Grants - Operating	18,297	17,448	14,358	14,584
Grants - Capital	784	800	800	800
Contributions - monetary	4,701	7,704	10,858	11,353
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	-	-	-
Other income	2,402	2,266	2,285	2,298
Total income	166,971	172,209	175,511	180,133
Expenses				
Employee costs	84,038	84,959	86,598	88,560
Materials and services	50,404	46,395	47,748	48,744
Bad and doubtful debts	330	335	335	335
Depreciation and amortisation	20,196	20,591	20,647	21,008
Borrowing costs	-	1,086.42	1,456.87	1,958.11
Other expenses	454	446	462	447
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	208	384	817	695
Total expenses	155,631	154,196	158,063	161,748
Surplus for the year	11,341	18,013	17,448	18,385
Other comprehensive income				
Other	-	-	-	-
Total comprehensive result	11,341	18,013	17,448	18,385

The above comprehensive income statement should be read in conjunction with the accompanying other information.

Balance Sheet

For the four years ending 30 June 2022

	2019	2020	2021	2022
	\$'000	\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	24,706	22,380	17,220	12,923
Trade and other receivables	15,199	15,275	15,353	15,432
Other financial assets	29,000	26,000	19,000	14,000
Other assets	752	752	752	752
Total current assets	69,658	64,407	52,326	43,108
Non-current assets				
Financial Assets	425	425	425	425
Property, infrastructure, plant & equipment	2,095,271	2,166,784	2,206,086	2,268,629
Investment property	3,422	3,422	3,422	3,422
Intangible assets	106	106	106	106
Total non-current assets	2,099,224	2,170,737	2,210,039	2,272,582
Total assets	2,168,882	2,235,144	2,262,364	2,315,690
Current liabilities				
Trade and other payables	14,758	14,698	14,718	14,733
Trust funds and deposits	3,075	3,075	3,075	3,075
Provisions	15,289	15,959	16,629	17,299
Interest-bearing loans and borrowings	0	604	1,431	2,243
Total current liabilities	33,122	34,336	35,854	37,350
Non-current liabilities				
Provisions	1,775	1,855	1,935	2,015
Interest-bearing loans and borrowings	0	26,002	34,177	45,540
Total non-current liabilities	1,775	27,857	36,112	47,555
Total liabilities	34,897	62,193	71,965	84,905
Net assets	2,133,985	2,172,951	2,190,399	2,230,785
Equity				
Accumulated surplus	524,281	546,831	564,961	583,942
Reserves	1,609,704	1,626,120	1,625,438	1,646,844
Total equity	2,133,985	2,172,951	2,190,399	2,230,785

The above balance sheet should be read in conjunction with the accompanying other information.

Statement of Changes in Equity

For the four years ending 30 June 2022

	Total	Accum	Reval	Other
	\$'000	Surplus	Reserve	Reserves
	\$'000	\$'000	\$'000	\$'000
2019				
Balance at beginning of the financial year	2,122,644	511,036	1,584,642	26,967
Surplus/(deficit) for the year	11,341	11,341	-	-
Net asset revaluation increment/(decrement)	0	-	0	-
Transfer to other reserves	0	(4,150)	-	4,150
Transfer from other reserves	0	6,055	-	(6,055)
Balance at end of the financial year	2,133,985	524,281	1,584,642	25,062
2020				
Balance at beginning of the financial year	2,133,984	524,281	1,584,642	25,062
Surplus/(deficit) for the year	18,013	18,013	-	-
Net asset revaluation increment/(decrement)	20,954	-	20,953.80	-
Transfer to other reserves	-	(4,233)	-	4,233
Transfer from other reserves	-	8,770	-	(8,770)
Balance at end of the financial year	2,172,951	546,831	1,605,596	20,525
2021				
Balance at beginning of the financial year	2,172,950	546,831	1,605,596	20,525
Surplus/(deficit) for the year	17,448	17,448	-	-
Net asset revaluation increment/(decrement)	-	-	0	-
Transfer to other reserves	-	(4,318)	-	4,318
Transfer from other reserves	-	5,000	-	(5,000)
Balance at end of the financial year	2,190,399	564,961	1,605,596	19,843
2022				
Balance at beginning of the financial year	2,190,399	564,961	1,605,596	19,843
Comprehensive result	18,385	18,385	-	-
Reversal of impairment losses on revalued assets	22,001	-	22,001.49	-
Transfer to reserves	-	(4,404)	-	4,404
Transfer from reserves	-	5,000	-	(5,000)
Balance at end of the financial year	2,230,785	583,942	1,627,597	19,247

The above statement of changes in equity should be read in conjunction with the accompanying other information.

Statement of Cash Flows

For the four years ending 30 June 2022

	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000
	Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)
Cash flows from operating activities				
<i>Receipts</i>				
Rates and charges	112,860	115,434	118,024	120,672
Statutory fees and fines	7,950	8,187	8,249	8,470
User fees	21,851	22,323	22,944	24,063
Grants - operating	18,297	17,448	14,358	14,584
Grants - capital	784	800	800	800
Contributions - monetary	4,701	7,704	10,858	11,353
Interest received	1,275	1,275	1,275	1,275
Other receipts	1,127	991	1,010	1,023
Net GST refund / payment	8,388	9,904	8,927	9,037
Employee costs	(83,288)	(84,209)	(85,848)	(87,810)
Materials and services	(56,209)	(51,954)	(53,379)	(54,464)
Net cash provided by/(used in) operating activities	37,736	47,903	47,219	49,004
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	(57,811)	(79,376)	(67,744)	(68,993)
Proceeds from sale of property, infrastructure, plant and equipment	500	626	820	475
Net movement in other financial assets	11,000	3,000	7,000	5,000
Net cash provided by/ (used in) investing activities	(46,312)	(75,749)	(59,924)	(63,518)
Cash flows from financing activities				
Finance costs	0	(1,086)	(1,457)	(1,958)
Proceeds from borrowings	0	28,000	11,000	15,000
Repayment of borrowings	0	(1,394)	(1,998)	(2,825)
Net cash provided by/(used in) financing activities	0	25,520	7,545	10,217
Net increase/(decrease) in cash & cash equivalents	(8,576)	(2,326)	(5,160)	(4,297)
Cash and cash equivalents at the beginning of the financial year	33,282	24,706	22,380	17,220
Cash and cash equivalents at the end of the financial year	24,706	22,380	17,220	12,923

The above statement of cash flows should be read in conjunction with the other information.

Statement of Capital Works

For the four years ending 30 June 2022

	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000
Property				
Land	6,000	5,670	5,670	5,670
Land improvements	-	-	-	-
Total land	6,000	5,670	5,670	5,670
Buildings	-	-	-	-
Heritage buildings	-	-	-	-
Building improvements	2,670	1,049	1,460	1,092
Leasehold improvements	-	-	-	-
Total buildings	2,670	1,049	1,460	1,092
Total property	8,670	6,719	7,130	6,762
Plant and equipment				
Heritage plant and equipment	-	-	-	-
Plant, machinery and equipment	1,923	2,147	2,521	2,664
Fixtures, fittings and furniture	260	178	181	185
Computers and telecommunications	6,150	4,086	559	570
Library books	590	653	666	679
Total plant and equipment	8,923	7,063	3,927	4,098
Infrastructure				
Roads	6,902	5,722	5,462	5,592
Bridges	60	61	62	64
Footpaths and cycleways	1,580	1,187	1,177	1,303
Drainage	2,610	2,066	2,285	2,217
Recreational, leisure and community facilities	20,466	42,614	25,780	27,956
Waste management	-	-	-	-
Parks, open space and streetscapes	4,618	7,196	6,603	7,111
Aerodromes	-	-	-	-
Off street car parks	905	2,987	5,399	8,803
Other infrastructure	84	881	31	32
Total infrastructure	37,225	62,713	46,801	53,076
Total capital works expenditure	54,818	76,495	57,858	63,936
Represented by:				
New asset expenditure	30,811	49,102	36,577	37,664
Asset renewal expenditure	11,413	13,268	12,692	12,932
Asset expansion expenditure	2,950	5,216	11	649
Asset upgrade expenditure	9,645	8,909	8,579	12,692
Total capital works expenditure	54,818	76,495	57,858	63,936

The above statement of capital works should be read in conjunction with the accompanying other information.

Statement of Human Resources

For the four years ending 30 June 2022

	2019	2020	2021	2022
	\$'000	\$'000	\$'000	\$'000
Staff expenditure				
Employee costs - operating	84,038	84,959	86,598	88,560
Employee costs - capital	0	0	0	0
Total staff expenditure	<u>84,038</u>	<u>84,959</u>	<u>86,598</u>	<u>88,560</u>
	EFT	EFT	EFT	EFT
Staff numbers				
Employees	861.6	864.6	867.6	870.6
Total staff numbers	<u>861.6</u>	<u>864.6</u>	<u>867.6</u>	<u>870.6</u>

The above statement of human resources should be read in conjunction with the other information.

Other information

For the four years ended 30 June 2020

1. Summary of planned capital works expenditure

	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019										
Property										
Land	6,000	6,000	-	-	-	6,000	-	-	6,000	-
Land improvements	-	-	-	-	-	-	-	-	-	-
Total land	6,000	6,000	-	-	-	6,000	-	-	6,000	-
Buildings	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-
Building improvements	2,670	-	800	70	1,800	2,670	-	-	2,670	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-
Total buildings	2,670	-	800	70	1,800	2,670	-	-	2,670	-
Total property	8,670	6,000	800	70	1,800	8,670	-	-	8,670	-
Plant and equipment										
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	1,923	-	1,923	-	-	1,923	-	-	1,923	-
Fixtures, fittings and furniture	260	-	220	-	40	260	-	-	260	-
Computers and telecommunications	6,150	5,530	620	-	-	6,150	-	-	6,150	-
Library books	590	-	590	-	-	590	-	-	590	-
Total plant and equipment	8,923	5,530	3,353	-	40	8,923	-	-	8,923	-
Infrastructure										
Roads	6,902	3,334	2,554	-	1,014	6,902	284	150	6,468	-
Bridges	60	-	60	-	-	60	-	-	60	-
Footpaths and cycleways	1,580	200	1,000	-	380	1,580	-	-	1,580	-
Drainage	2,610	-	200	-	2,410	2,610	-	-	2,610	-
Recreational, leisure and community facilities	20,466	15,000	2,271	2,280	915	20,466	200	103	20,164	-
Waste management	-	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	4,618	388	1,145	-	3,085	4,618	300	-	4,318	-
Aerodromes	-	-	-	-	-	-	-	-	-	-
Off street car parks	905	305	-	600	-	905	-	-	905	-
Other infrastructure	84	54	30	-	-	84	-	-	84	-
Total infrastructure	37,225	19,281	7,260	2,880	7,805	37,225	784	253	36,189	-
Total capital works expenditure	54,818	30,811	11,413	2,950	9,645	54,818	784	253	53,781	-

2. Summary of planned capital works expenditure (continued)

	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020										
Property										
Land	5,670	5,670	-	-	-	5,670	-	-	5,670	-
Land improvements	-	-	-	-	-	-	-	-	-	-
Total land	5,670	5,670	-	-	-	5,670	-	-	5,670	-
Buildings	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-
Building improvements	1,049	-	653	70	326	1,049	-	-	1,049	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-
Total buildings	1,049	-	653	70	326	1,049	-	-	1,049	-
Total property	6,719	5,670	653	70	326	6,719	-	-	6,719	-
Plant and equipment										
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	2,147	-	2,147	-	-	2,147	-	-	2,147	-
Fixtures, fittings and furniture	178	-	178	-	-	178	-	-	178	-
Computers and telecommunications	4,086	2,656	1,280	-	150	4,086	-	-	4,086	-
Library books	653	-	653	-	-	653	-	-	653	-
Total plant and equipment	7,063	2,656	4,257	-	150	7,063	-	-	7,063	-
Infrastructure										
Roads	5,722	856	4,406	-	459	5,722	1,000	-	4,722	-
Bridges	61	-	61	-	-	61	-	-	61	-
Footpaths and cycleways	1,187	167	816	-	204	1,187	-	-	1,187	-
Drainage	2,066	-	152	-	1,914	2,066	-	-	2,066	-
Recreational, leisure and community facilities	42,614	37,792	1,600	3,200	21	42,614	-	-	14,614	28,000
Waste management	-	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	7,196	920	1,292	-	4,984	7,196	-	-	7,196	-
Aerodromes	-	-	-	-	-	-	-	-	-	-
Off street car parks	2,987	1,040	-	1,946	-	2,987	-	-	2,987	-
Other infrastructure	881	-	31	-	850	881	-	-	881	-
Total infrastructure	62,713	40,776	8,358	5,146	8,432	62,713	1,000	-	33,713	28,000
Total capital works expenditure	76,495	49,102	13,268	5,216	8,909	76,495	1,000	-	47,495	28,000

3. Summary of planned capital works expenditure (continued)

	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021										
Property										
Land	5,670	5,670	-	-	-	5,670	-	-	5,670	-
Land improvements	-	-	-	-	-	-	-	-	-	-
Total land	5,670	5,670	-	-	-	5,670	-	-	5,670	-
Buildings	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-
Building improvements	1,460	-	666	71	723	1,460	-	-	1,460	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-
Total buildings	1,460	-	666	71	723	1,460	-	-	1,460	-
Total property	7,130	5,670	666	71	723	7,130	-	-	7,130	-
Plant and equipment										
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	2,521	-	2,521	-	-	2,521	-	-	2,521	-
Fixtures, fittings and furniture	181	-	181	-	-	181	-	-	181	-
Computers and telecommunications	559	-	559	-	-	559	-	-	559	-
Library books	666	-	666	-	-	666	-	-	666	-
Total plant and equipment	3,927	-	3,927	-	-	3,927	-	-	3,927	-
Infrastructure										
Roads	5,462	499	4,495	-	468	5,462	1,000	-	4,462	-
Bridges	62	-	62	-	-	62	-	-	62	-
Footpaths and cycleways	1,177	-	832	50	295	1,177	-	-	1,177	-
Drainage	2,285	158	154	-	1,973	2,285	-	-	2,285	-
Recreational, leisure and community facilities	25,780	26,299	1,109	(2,091)	464	25,780	-	-	14,780	11,000
Waste management	-	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	6,603	1,275	1,416	-	3,912	6,603	-	-	6,603	-
Aerodromes	-	-	-	-	-	-	-	-	-	-
Off street car parks	5,399	2,676	-	1,980	743	5,399	-	-	5,399	-
Other infrastructure	31	-	31	-	-	31	-	-	31	-
Total infrastructure	46,801	30,907	8,099	(61)	7,856	46,801	1,000	-	34,801	11,000
Total capital works expenditure	57,858	36,577	12,692	11	8,579	57,858	1,000	-	45,858	11,000

4. Summary of planned capital works expenditure (continued)

	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022										
Property										
Land	5,670	5,670	-	-	-	5,670	-	-	5,670	-
Land improvements	-	-	-	-	-	-	-	-	-	-
Total land	5,670	5,670	-	-	-	5,670	-	-	5,670	-
Buildings	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-
Building improvements	1,092	-	907	15	2,369	1,092	-	-	1,092	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-
Total buildings	1,092	-	907	15	2,369	1,092	-	-	1,092	-
Total property	6,762	5,670	907	15	2,369	6,762	-	-	6,762	-
Plant and equipment										
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	2,664	-	2,179	-	-	2,664	-	-	2,664	-
Fixtures, fittings and furniture	185	-	249	-	53	185	-	-	185	-
Computers and telecommunications	570	-	703	-	-	570	-	-	570	-
Library books	679	-	669	-	-	679	-	-	679	-
Total plant and equipment	4,098	-	3,799	-	53	4,098	-	-	4,098	-
Infrastructure										
Roads	5,592	530	2,894	-	1,335	5,592	1,000	-	4,592	-
Bridges	64	-	68	-	-	64	-	-	64	-
Footpaths and cycleways	1,303	234	1,133	-	500	1,303	-	-	1,303	-
Drainage	2,217	49	227	-	3,171	2,217	-	-	2,217	-
Recreational, leisure and community facilities	27,956	26,420	2,573	501	1,204	27,956	-	-	12,956	15,000
Waste management	-	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	7,111	50	1,297	-	4,060	7,111	-	-	7,111	-
Aerodromes	-	-	-	-	-	-	-	-	-	-
Off street car parks	8,803	4,711	-	132	-	8,803	-	-	8,803	-
Other infrastructure	32	-	34	-	-	32	-	-	32	-
Total infrastructure	53,076	31,994	8,227	633	10,270	53,076	1,000	-	37,076	15,000
Total capital works expenditure	63,936	37,664	12,932	649	12,692	63,936	1,000	-	47,936	15,000

5. Summary of planned human resources expenditure

	2019 \$ 000	2020 \$'000	2021 \$ 000	2022 \$'000
Chief Executive				
- Permanent full time	894	911	931	952
- Permanent part time	91	93	95	97
Total Chief Executive	985	1,004	1,026	1,049
Asset Planning and Strategic Projects				
- Permanent full time	1,544	1,646	1,683	1,722
Total Chief Financial Officer	1,544	1,646	1,683	1,722
Organisational Performance				
- Permanent full time	10,620	10,813	11,070	11,322
- Permanent part time	1,734	1,763	1,804	1,845
- Casuals and other	884	753	569	582
Total Organisational Performance	13,238	13,328	13,444	13,750
Planning & Development				
- Permanent full time	17,403	17,913	18,212	18,628
- Permanent part time	3,512	3,605	3,689	3,774
- Casuals and other	1,331	1,173	1,200	1,227
Total Planning & Development	22,247	22,691	23,101	23,629
City Services				
- Permanent full time	30,020	30,541	31,239	31,939
- Permanent part time	13,624	13,884	14,199	14,523
- Casuals and other	2,380	1,864	1,906	1,949
Total City Services	46,024	46,289	47,344	48,410
Total Staff Expenditure	84,038	84,959	86,598	88,560
	FTE	FTE	FTE	FTE
Chief Executive				
- Permanent full time	5.0	5.0	5.0	5.0
- Permanent part time	1.0	1.0	1.0	1.0
Total Chief Executive	6.0	6.0	6.0	6.0
Asset Planning and Strategic Projects				
- Permanent full time	12.0	13.0	14.0	15.0
Total Chief Financial Officer	12.0	13.0	14.0	15.0
Organisational Performance				
- Permanent full time	92.0	92.0	92.0	92.0
- Permanent part time	19.2	19.2	19.2	19.2
- Casuals and other	8.1	8.1	8.1	8.1
Total Organisational Performance	119.3	119.3	119.3	119.3
Planning & Development				
- Permanent full time	164.7	165.7	166.7	167.7
- Permanent part time	46.0	46.0	46.0	46.0
- Casuals and other	13.3	13.3	13.3	13.3
Total Planning & Development	224.0	225.0	226.0	227.0
City Services				
- Permanent full time	310.9	311.9	312.9	313.9
- Permanent part time	162.1	162.1	162.1	162.1
- Casuals and other	27.3	27.3	27.3	27.3
Total City Services	500.3	501.3	502.3	503.3
Total Staff Expenditure	861.6	864.6	867.6	870.6