

proposed  
**knox**  
**strategic**  
**resource**  
**plan**



*Knox City Council*

**2017-18 to 2020-21**



# **Proposed Strategic Resource Plan**

## **2017-18 to 2020-21**

### **(a) Plan development**

The Local Government Act 1989 requires that a Strategic Resource Plan be prepared and adopted describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Community and Council Plan 2017-21.

Council has developed this Strategic Resource Plan 2017-18 to 2020-21. This Plan details the financial and non-financial resources required for the next four years to resource the directions that have been established in the Community and Council Plan 2017-21. The four-year forecast provides a high-level, medium term view of how Council intends to use and govern its resources to achieve the strategic direction.

For further context, it is recommended that the Strategic Resource Plan 2017-18 to 2020-21 is read in conjunction with the Community and Council Plan 2017-21 and the proposed 2017-18 Annual Budget.

### **(b) Financial Resources**

The financial outcomes and forecast long-term financial statements provided in this Strategic Resource Plan are reviewed on an annual basis. The Financial Plan presented in this section is the position of Council as part of the proposed 2017-18 Annual Budget.



## Comprehensive Income Statement For the year ending 30 June

	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>				
Rates and Charges	106,858	109,304	111,813	114,387
User Fees	14,843	15,169	15,678	16,484
Statutory Fees and Fines	2,833	2,795	2,848	2,900
Grants - Operating	23,611	23,821	24,135	24,563
Grants - Capital	5,229	6,086	2,107	2,129
Contributions - Monetary	4,932	4,911	5,161	5,412
Contributions - Non Monetary	2,000	2,000	2,000	2,000
Other Income	3,025	3,180	3,028	3,191
<b>TOTAL INCOME</b>	<b>163,331</b>	<b>167,266</b>	<b>166,770</b>	<b>171,066</b>
<b>EXPENSES</b>				
Employee Costs	68,236	69,171	71,220	73,417
Materials and Services	56,597	55,773	56,801	57,509
Contributions and Donations	5,395	5,508	5,603	5,699
Depreciation and Amortisation	22,933	22,966	23,902	24,691
Borrowing Costs	164	953	1,486	2,028
Bad and Doubtful Debts	64	65	67	68
Net Loss (Gain) on Disposal of Property, Infrastructure, Plant and Equipment	1,239	1,433	3,820	(19,613)
Other Expense	558	572	586	600
<b>TOTAL EXPENSE</b>	<b>155,186</b>	<b>156,441</b>	<b>163,485</b>	<b>144,399</b>
<b>SURPLUS (DEFICIT)</b>	<b>8,145</b>	<b>10,825</b>	<b>3,285</b>	<b>26,667</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>8,145</b>	<b>10,825</b>	<b>3,285</b>	<b>26,667</b>
<b>LESS</b>				
Grants - capital - non recurrent	3,164	4,000	0	0
Contributions and donations - capital	172	0	0	0
Contributions - non monetary	2,000	2,000	2,000	2,000
<b>UNDERLYING SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>2,809</b>	<b>4,825</b>	<b>1,285</b>	<b>24,667</b>



## Balance Sheet For the year ending 30 June

	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	38,382	32,727	28,795	49,702
Trade and other receivables	10,161	10,445	10,738	11,040
Other assets	1,527	1,565	1,605	1,645
Inventories	4	4	4	4
<b>TOTAL CURRENT ASSETS</b>	<b>50,074</b>	<b>44,741</b>	<b>41,142</b>	<b>62,391</b>
<b>NON CURRENT ASSETS</b>				
Investments in associates	3,741	3,741	3,741	3,741
Property, infrastructure, plant and equipment	1,751,517	1,777,418	1,794,138	1,802,342
Intangible assets	1,312	1,312	1,312	1,312
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,756,570</b>	<b>1,782,471</b>	<b>1,799,191</b>	<b>1,807,395</b>
<b>TOTAL ASSETS</b>	<b>1,806,644</b>	<b>1,827,212</b>	<b>1,840,333</b>	<b>1,869,786</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	25,395	21,597	21,036	20,198
Trust funds and deposits	2,802	2,872	2,944	3,018
Provisions	17,746	18,312	18,879	19,464
Interest-bearing loans and borrowings	1,415	2,373	3,066	3,587
<b>TOTAL CURRENT LIABILITIES</b>	<b>47,359</b>	<b>45,154</b>	<b>45,925</b>	<b>46,267</b>
<b>NON CURRENT LIABILITIES</b>				
Provisions	7,720	7,750	7,780	7,811
Interest-bearing loans and borrowings	22,763	34,680	43,715	46,128
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>30,483</b>	<b>42,430</b>	<b>51,495</b>	<b>53,939</b>
<b>TOTAL LIABILITIES</b>	<b>77,842</b>	<b>87,584</b>	<b>97,420</b>	<b>100,206</b>
<b>NET ASSETS</b>	<b>1,728,803</b>	<b>1,739,628</b>	<b>1,742,913</b>	<b>1,769,580</b>
<b>EQUITY</b>				
Accumulated surplus	637,704	654,550	658,071	684,721
Reserves	1,091,099	1,085,078	1,084,842	1,084,859
<b>TOTAL EQUITY</b>	<b>1,728,803</b>	<b>1,739,628</b>	<b>1,742,913</b>	<b>1,769,580</b>



## Statement of Changes in Equity For the year ending 30 June

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2018</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,720,658</b>	<b>620,162</b>	<b>1,067,083</b>	<b>33,413</b>
Surplus/(deficit) for the year	8,145	8,145	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(4,652)	0	4,652
Transfer from other reserves	0	14,049	0	(14,049)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>1,728,803</b>	<b>637,704</b>	<b>1,067,083</b>	<b>24,016</b>
<b>2019</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,728,803</b>	<b>637,704</b>	<b>1,067,083</b>	<b>24,016</b>
Surplus/(deficit) for the year	10,825	10,825	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(4,520)	0	4,520
Transfer from other reserves	0	10,541	0	(10,541)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>1,739,628</b>	<b>654,550</b>	<b>1,067,083</b>	<b>17,995</b>
<b>2020</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,739,628</b>	<b>654,550</b>	<b>1,067,083</b>	<b>17,995</b>
Surplus/(deficit) for the year	3,285	3,285	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(4,658)	0	4,658
Transfer from other reserves	0	4,894	0	(4,894)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>1,742,913</b>	<b>658,071</b>	<b>1,067,083</b>	<b>17,759</b>
<b>2021</b>				
<b>BALANCE AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,742,913</b>	<b>658,071</b>	<b>1,067,083</b>	<b>17,759</b>
Surplus/(deficit) for the year	26,667	26,667	0	0
Net asset revaluation increment (decrement)	0	0	0	0
Transfer to other reserves	0	(4,911)	0	4,911
Transfer from other reserves	0	4,894	0	(4,894)
<b>BALANCE AT END OF THE FINANCIAL YEAR</b>	<b>1,769,580</b>	<b>684,721</b>	<b>1,067,083</b>	<b>17,776</b>



## Statement of Cash Flows For the four years ending 30 June 2021

	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Rates and charges	106,834	109,150	111,655	114,225
Statutory fees and fines	2,796	2,756	2,808	2,858
User fees	14,756	15,078	15,584	16,386
Grants - operating	23,611	23,821	24,135	24,563
Grants - capital	5,229	6,086	2,107	2,129
Contributions - monetary	4,932	4,911	5,161	5,412
Interest	1,701	1,700	1,700	1,700
Other receipts	1,324	1,480	1,328	1,491
Net movement in trust deposits	68	70	72	74
Employee costs	(67,676)	(68,575)	(70,623)	(72,801)
Materials and services	(56,414)	(55,585)	(56,608)	(57,311)
Contributions and Donations	(5,395)	(5,508)	(5,603)	(5,699)
Other payments	(558)	(572)	(586)	(600)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>31,208</b>	<b>34,812</b>	<b>31,129</b>	<b>32,427</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property, infrastructure, plant and equipment	1,361	1,167	2,727	28,167
Payments for property, infrastructure, plant and equipment	(55,927)	(53,556)	(46,031)	(40,592)
Payments for investments	0	0	0	0
Proceeds from sale of investments	0	0	0	0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(54,566)</b>	<b>(52,389)</b>	<b>(43,304)</b>	<b>(12,425)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Finance costs	(164)	(953)	(1,486)	(2,028)
Proceeds from borrowings	19,950	14,291	12,100	6,000
Repayment of borrowings	(522)	(1,416)	(2,372)	(3,066)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>19,264</b>	<b>11,922</b>	<b>8,242</b>	<b>906</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(4,094)</b>	<b>(5,654)</b>	<b>(3,933)</b>	<b>20,908</b>
Cash and cash equivalents at the beginning of the financial year	42,476	38,382	32,728	28,795
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>38,382</b>	<b>32,728</b>	<b>28,795</b>	<b>49,702</b>



## Statement of Capital Works For the four years ending 30 June 2021

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>CAPITAL WORKS PROGRAM BY ASSET CLASS</b>				
<b>PROPERTY</b>				
Land	8,085	0	0	0
Land improvements	0	0	0	0
Buildings	37,471	20,842	20,937	14,304
<b>TOTAL PROPERTY</b>	<b>45,556</b>	<b>20,842</b>	<b>20,937</b>	<b>14,304</b>
<b>PLANT AND EQUIPMENT</b>				
Plant, machinery and equipment	2,254	2,115	2,463	2,271
Fixtures, fittings and furniture	0	0	0	0
Computers and telecommunications	7,356	6,406	4,657	2,835
Artworks	61	64	69	70
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>9,671</b>	<b>8,585</b>	<b>7,189</b>	<b>5,176</b>
<b>INFRASTRUCTURE</b>				
Roads	8,000	8,000	8,500	8,900
Bridges	1,000	4,220	500	500
Footpaths and cycleways	3,373	4,432	3,953	5,048
Drainage	2,575	2,280	3,350	4,295
Recreational, leisure and community facilities	6,682	8,264	8,221	7,182
Off street car parks	550	700	530	750
Other infrastructure	1,571	1,271	1,504	1,812
<b>TOTAL INFRASTRUCTURE</b>	<b>23,751</b>	<b>29,167</b>	<b>26,558</b>	<b>28,487</b>
<b>TOTAL CAPITAL WORKS INCLUDING CAPITALISED EXPENDITURE AND OPERATING PROJECTS EXPENDITURE</b>	<b>78,978</b>	<b>58,594</b>	<b>54,684</b>	<b>47,967</b>
<b>REPRESENTED BY</b>				
Asset renewal	28,098	27,484	30,596	31,443
Asset upgrade	18,348	17,625	10,376	7,806
Asset new	27,167	11,264	13,712	8,718
Asset expansion	5,365	2,221	0	0
<b>TOTAL CAPITAL WORKS INCLUDING CAPITALISED EXPENDITURE AND OPERATING PROJECTS EXPENDITURE</b>	<b>78,978</b>	<b>58,594</b>	<b>54,684</b>	<b>47,967</b>



**Statement of Capital Works (continued)**  
**For the four years ending 30 June 2021**

	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL WORKS FUNDING SOURCE</b>				
<b>EXTERNAL</b>				
Loan Proceeds	19,950	14,291	12,100	6,000
Grants - Capital	5,229	6,086	2,107	2,129
Contributions - Capital	172	0	0	0
<b>TOTAL EXTERNAL FUNDING</b>	<b>25,351</b>	<b>20,377</b>	<b>14,207</b>	<b>8,129</b>
<b>INTERNAL</b>				
Proceeds from Sale of Fixed Assets	1,361	1,167	2,727	28,167
Movement in Reserve funds	14,049	10,541	4,894	4,894
Rate Funding	38,217	26,509	32,856	6,777
<b>TOTAL INTERNAL FUNDING</b>	<b>53,627</b>	<b>38,217</b>	<b>40,477</b>	<b>39,838</b>
<b>TOTAL CAPITAL WORKS FUNDING SOURCES INCLUDING CAPITALISED EXPENDITURE AND OPERATING PROJECTS EXPENDITURE</b>	<b>78,978</b>	<b>58,594</b>	<b>54,684</b>	<b>47,967</b>





**(c) Non-Financial Resources**

**Human Resources**

**Statement of Human Resources  
For the year ending 30 June**

	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000
	EFT	EFT	EFT	EFT
<b>STAFF EXPENDITURE</b>				
Employee costs - operating	68,236	69,171	71,220	73,417
Employee costs - capital	1,094	1,097	1,114	1,132
<b>TOTAL STAFF EXPENDITURE</b>	<b>69,330</b>	<b>70,268</b>	<b>72,334</b>	<b>74,549</b>
<b>STAFF NUMBERS</b>				
Equivalent full time (EFT) employees	710.30	708.85	708.85	708.85
<b>TOTAL STAFF NUMBERS</b>	<b>710.30</b>	<b>708.85</b>	<b>708.85</b>	<b>708.85</b>



**Other Information**

**2. Summary of Planned Human Resources Expenditure  
 For the year ending 30 June**

	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000
	EFT	EFT	EFT	EFT
<b>STAFF EXPENDITURE</b>				
CEO and Council				
Permanent Full Time	565	583	602	621
Permanent Part Time	0	0	0	0
City Development				
Permanent Full Time	8,418	8,526	8,766	9,041
Permanent Part Time	3,283	3,325	3,419	3,526
Community Services				
Permanent Full Time	12,539	12,668	13,023	13,411
Permanent Part Time	17,473	17,653	18,147	18,688
Corporate Development *				
Permanent Full Time	8,910	9,106	9,400	9,699
Permanent Part Time	3,307	3,380	3,489	3,600
Engineering and Infrastructure *				
Permanent Full Time	13,209	13,379	13,787	14,207
Permanent Part Time	1,626	1,648	1,701	1,755
<b>TOTAL STAFF EXPENDITURE *</b>	<b>69,330</b>	<b>70,268</b>	<b>72,334</b>	<b>74,549</b>
<b>STAFF NUMBERS</b>				
CEO and Council				
Permanent Full Time	3.00	3.00	3.00	3.00
Permanent Part Time	0.00	0.00	0.00	0.00
City Development				
Permanent Full Time	77.30	77.14	77.14	77.14
Permanent Part Time	37.28	37.20	37.20	37.20
Community Services				
Permanent Full Time	130.97	130.71	130.71	130.71
Permanent Part Time	196.25	195.85	195.85	195.85
Corporate Development				
Permanent Full Time	81.07	80.91	80.91	80.91
Permanent Part Time	35.06	34.99	34.99	34.99
Engineering and Infrastructure				
Permanent Full Time	138.40	138.11	138.11	138.11
Permanent Part Time	10.96	10.93	10.93	10.93
<b>TOTAL STAFF NUMBERS</b>	<b>710.30</b>	<b>708.85</b>	<b>708.85</b>	<b>708.85</b>

\* Total Staff Expenditure includes Employee Costs – Capital (employee costs that are allocated to the delivery of Capital Works projects).

