



Long term financial plan

2019/20 - 2028/29



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1. Executive summary

1.1 Introduction

Swan Hill Rural City Council covers 6,116 square kilometres and is home to 20,759 people. It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Woorinen, Ultima, Manangatang, Boundary Bend and Tresco. Featuring a modern and thriving regional centre, the Swan Hill municipality also boasts the characteristics of rural living including a strong community and relaxed lifestyle.

Agriculture and manufacturing drive the Swan Hill Rural City economy. Almost 19 per cent of the total economic output from the region comes from agricultural production. Irrigated farming (including stone fruit, grapes, nuts, olives and vegetable production) accounts for over 11 per cent of the total economic output for the municipality, while traditional livestock and broadacre farming accounts for almost four per cent. More than 18 per cent of all jobs in the city are directly related to agriculture. Food manufacturing (processing) accounts for almost 10 per cent of the municipality's economic output. Expansion of horticultural and food processing industries is expected to continue over the life of this plan.

Located along the Murray River, tourism plays an important role in our region's economy. Our climate and natural beauty attracts around 656,000 visitors each year.

1.2 Purpose

The purpose of the Long Term Financial Plan (LTFP) is to set out Council's objectives and recommendations for ensuring that Council's finances remain sustainable in the long term.

Ultimately, Council's finances are sustainable in the long term if they are strong enough to allow Council to manage likely developments and unexpected financial shocks without having to introduce substantial or disruptive revenue (or expenditure) adjustments.

The plan expresses in financial terms the activities that Council proposes to undertake over the short, medium and long term and will guide the future strategies and actions of Council to ensure that it continues to operate in a sustainable manner.

For a situation to be sustainable, both present and future needs must be satisfied. Extending this definition to financial sustainability requires Council to manage its resources so that our financial commitments can easily be met both now and in the future. It ensures equality between generations of ratepayers in that each generation is responsible for the costs of the resources that they consume.

Key financial issues and challenges

The key issues and challenges for Swan Hill Rural City Council include:

- Providing sufficient funding to renew existing assets to ensure they continue to meet community needs
- Managing rate capping imposed on Local Government
- Delivering new and upgraded community infrastructure (roads, buildings, drains, footpaths etc) to address the demands of a growing and changing community
- Continuing to provide an appropriate range and level of services to the community
- Maintaining Council rates and charges to an acceptable level
- Managing ongoing cost shifting from other levels of government, dealing with changes to legislative requirements and the expanding expectations of Local Government
- Managing aged care service reforms
- Managing the extreme nature and uncertainty of future Defined Benefits Superannuation shortfall calls
- Developing the Pioneer Settlement to provide additional revenue raising opportunities
- Managing ongoing revenue from the development and sale of land at Tower Hill Estate
- Managing the introduction of solar farms to the municipality and their effect on the rating income of Council.

Strategies to address these challenges

The key strategies embedded in the LTFP are to:

- Identify alternative revenue streams to take pressure off rate increases (Refer 2.1.3)
- Aggressively pursue government grants to fund new infrastructure and services (Refer 2.1.7 & 2.1.8)
- Actively lobbying for a return of funding for Local Government to a minimum of 1% of Federal Taxation Revenue
- Ensure that service users are making reasonable contributions to the cost of those services through appropriate fees and charges (Refer 2.1.3)
- Seek greater financial and community returns from Council's property portfolio including the rationalisation of property holdings (Refer 2.1.9)
- Review the operating budget to ensure Council is delivering the right services in the most cost effective way, including sharing facilities or services with other organisations (Refer 2.2.2)
- Identify sustainable efficiency gains in the operating budget (Refer 2.2.1 & 2.2.2)
- Ensure that any new programs or projects generate specific community value and are funded in a sustainable way
- Reduce the level of debt held by Council and ensure that any new debt is based on a sound business case and demonstrated community benefit (Refer 2.2.4)
- Increase funding for capital renewal and new/upgrade works (Refer 2.2.2)
- Continue to capture additional Rates due to new development and expansion within the municipality (Refer 2.1.1)

These strategies are interrelated and the implications of particular directions in each area must be considered holistically. Maintaining financial sustainability is a balancing act – managing expectations against available resources and making informed decisions about priorities.

Summary of key outcomes

The LTFP is a 10 year plan that feeds directly into the Annual Budget and the Strategic Resource Plan (four year view). The updated Strategic Resource Plan for 2019/20 seeks to deliver the following key outcomes:

- Maintain Council's liquidity ratio at a level greater than 150 per cent
- A \$5.07 million reduction in net debt from \$5.25 million at the end of 2018/19 to \$0.2 million in 2028/29 – a 97 per cent reduction
- The ongoing renewal of infrastructure assets with more than \$7.1 million forecast in each financial year
- A prudent cash balance with an increase in cash reserves to \$16.8 million in 2028/29.

The successful implementation of the Long Term Financial Plan will ensure that Swan Hill Rural City Council meets or exceeds the targets set by the Victorian Auditor-General for all the financial sustainability indicators it uses to assess councils in Victoria. Refer section 3.2.

1.3 Strategic Planning Framework

The Strategic Resource Plan, included in the Council Plan and updated annually in conjunction with the preparation of the budget, summarises the financial and non-financial impacts of objectives and strategies and determines their sustainability.

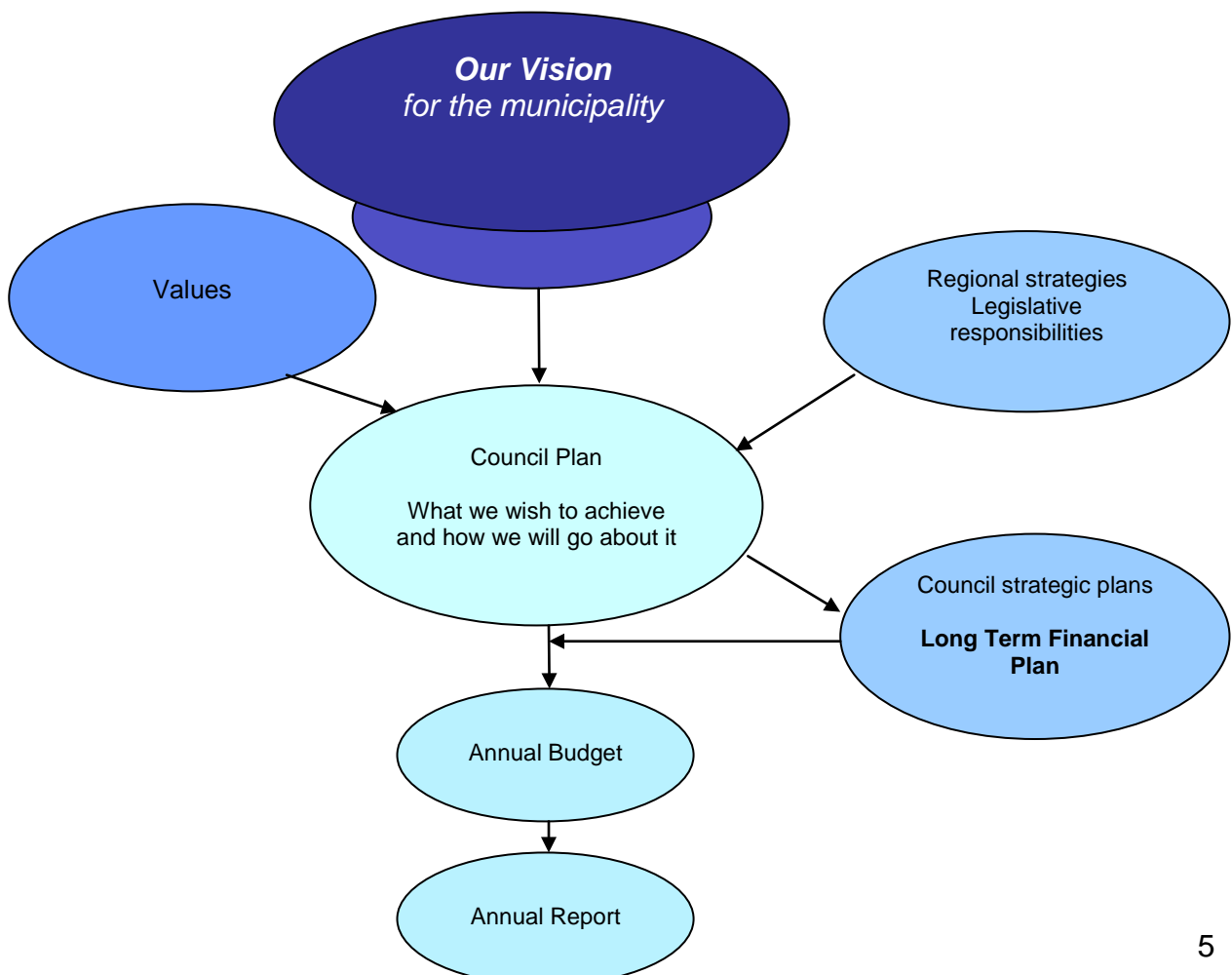
The purpose of the SRP is to:

- Establish a financial framework over the next four years to ensure Council's strategic objectives, as expressed in its Council Plan, are achieved;
- Provide an assessment of the resources (financial and non-financial) required to accomplish the objectives and strategies included in the Council Plan (non-financial resources are assumed to include human resources and Council's asset base, which are all referred to in various parts of the SRP);
- Establish a basis to measure Council's adherence to its policies and strategies; and
- Assist Council to comply with sound financial management principles, in accordance with the Local Government Act (1989) and to plan for the long-term financial sustainability of the municipality.

While compliance with the legislation can be achieved with the development of long-term (four year) financial statements, the 10 year approach adopted by Council is more comprehensive.

A 10 year timeframe more fully supports strategic asset management as many of Council's assets have long lives.

Council's Strategic Planning Framework



1.4 Long Term Financial Plan objectives

The objective of a long term financial plan is to assist Council to set its future financial direction. Longer term planning is essential to assess revenue raising needs and capacity, to vary service levels and undertake major capital works, while ensuring that Council remains financially sustainable in the long term.

Section 136 of the Local Government Act 1989 sets out the following principles of sound financial management:

1. A Council must implement the principles of sound financial management
2. The principles of sound financial management are that a Council must:-
 - a. Manage financial risks faced by the Council prudently, having regard to economic circumstances;
 - b. Pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;
 - c. Ensure that decisions are made and actions are taken having regard to their financial effects on future generations;
 - d. Ensure full, accurate and timely disclosure of financial information relating to the Council.

Implicit in these principles is the requirement to develop a long term plan to guide financial decision making to ensure the financial sustainability of a Council. The key documents that Council uses to set its financial direction are:

- The Annual Budget – one year view
- The Strategic Resource Plan – four year view
- The Long Term Financial Plan – ten year view

One of the challenges for Council is the relatively short term nature of the political cycle in which pressure is often applied to deliver things now or to reduce rates, or both.

If Council is to truly implement sound financial management, these short term pressures should be considered in a longer term planning context and the impact of decisions made now modelled over the 10 year period so that consequences are clear for all stakeholders.

Council's Long Term Financial Plan is based on a series of assumptions made by Council staff and takes into consideration the effects of new and emerging issues.

The outcomes of this review are presented in the following sections of this document.



2. Key assumptions

In developing the revised Long Term Financial Plan a range of issues and challenges have been identified that will have an impact on Council's financial position in the years ahead.

Rate capping was first introduced for the 2016/17 financial year budget. Any increase in Council rates will be capped at a value to be determined by the Minister for Local Government. At this stage the capping of rates will be linked to the Consumer Price Index (CPI). The annual CPI increase used throughout this document is detailed in the table below:

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
CPI	2.25%	2.10%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

Assumptions made for each line item of Council's financial statements are detailed as follows:

2.1 Income

2.1.1 Rates and charges

Rates income is the amount that Council will receive as a result of raising rates and related charges on properties each financial year. Other charges included here are charges levied for the kerbside collection of garbage, recycling and green waste along with the special marketing levy.

Assumptions: Percentage increase (%) consistent with CPI.
Additional rates from expected new development each year.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Rates	1.02%	2.10%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Waste	0%	2.10%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Supplementary Rates (\$'000 p.a.)	132	176	243	161	161	163	181	187	208	197

2.1.2 Statutory fees and fines

Statutory fees and fines comprise income generated for Council as a result of Federal or State legislation or Council by-laws, including planning fees, animal registration, parking fees and fines.

Assumptions: Percentage increase (%) consistent with CPI.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Statutory fees and fines	2.25%	2.10%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

2.1.3 User fees

User fees comprise amounts charged to recipients for Council goods and services to fully or partially cover the cost of delivering those services. In a limited number of cases, Council recovers a gross profit margin as part of the user charge.

Assumptions: Increased patronage at the Heartbeat of the Murray.
 Increased admissions at the Pioneer Settlement due to day-product improvements and additional marketing.
 Council withdrawal from providing Family Day Care services.
 The installation of Jet Fuel facilities at the Swan Hill Aerodrome will provide an additional source of revenue.
 The redevelopment of the Swan Hill Livestock Exchange will result in additional income.
 Additional car parking meter fees to be recognised.
 All other fees and charges to increase 1% higher than CPI.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
User fees and charges	3.25%	3.10%	3.25%	3.25%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Pioneer Settlement Heartbeat of the Murray (\$'000 p.a.)	-	20	-	-	-	-	-	-	-	-
Pioneer Settlement – General Admissions (\$'000 p.a.)	-	-	20	-	-	-	-	-	-	-
Family Day Care (\$'000 p.a.)	-	(50)	-	-	-	-	-	-	-	-
Sale of Jet Fuel (\$'000 p.a.)	-	5	-	-	-	-	-	-	-	-
Livestock Exchange (\$'000 p.a.)	-	25	15	-	-	-	-	-	-	-
Car parking meter fees (\$'000 p.a.)	-	5	-	-	-	-	-	-	-	-

2.1.4 Contributions – cash

Cash contributions are funds received from user groups towards capital works.

Assumptions: Cash contributions included in the 10 year major projects plan.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Major projects and capital works (\$'000 p.a.)	105	54	153	58	177	81	155	314	464	117

2.1.5 Grants – operating (recurrent)

These are Federal and State government grants received for operational projects/programs. To be considered recurrent, the grant funding agreement must be for a term greater than two years. Included within this category is the Victoria Grants Commission funding, funding for Aged Care and Children's Services and further funding for a wide range of services provided by Council.

Assumptions: Grants Commission funding has been forecast to increase by CPI.
All other operational grants are forecast to increase by CPI.
Withdrawal of Family Day Care program funding.
Forecast increase in Victoria Grants Commission allocation.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Grants Commission	2.25%	2.25%	2.25%	2.25%	2.40%	2.50%	2.50%	2.50%	2.50%	2.50%
Operational Grants	2.25%	2.10%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Family Day Care (\$'000 p.a.)	-	(100)	-	-	-	-	-	-	-	-
Victoria Grants Commission (\$'000 p.a.)	-	30	-	-	-	-	-	-	-	-

2.1.6 Grants – operating (non-recurrent)

Non-recurrent operating grants are those where funding is expected as a once off payment or payments to be received within a period less than two years and for operational purposes.

Assumptions: Only non-recurrent operating grants included in the 10 year major projects plan are included in the LTFP.

2.1.7 Grants – capital (recurrent)

Recurrent capital grants are grants acquired for a capital purpose to be received for a period of greater than two years. Included in this item are the grants for the Roads to Recovery program.

Assumptions: It is assumed that the Roads to Recovery program will continue for the life of the LTFP. Total value of funding received is spent on capital works projects.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Roads to Recovery (\$'000 p.a.)	1,147	1,040	1,055	1,070	1,085	1,100	1,115	1,148	1,171	1,195

2.1.8 Grants – capital (non-recurrent)

Non-recurrent capital grants are those where funding is acquired for a capital purpose to be received as a once off payment and for a period of less than two years.

Assumptions: Only capital grants included in the 10 year Major Projects Plan are included in the LTFP.

2.1.9 Net gain / (loss) on disposal of property, infrastructure, plant and equipment

The net gain or loss on disposal of property, infrastructure, plant and equipment relates to the sale of Council assets and is usually associated with land and buildings or plant and equipment replacement.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Plant and Equipment (\$'000 p.a.)	73	295	294	313	376	437	395	415	299	338
Land and Buildings (\$'000 p.a.)	116	60	104	-	-	-	-	-	-	-

2.1.10 Other income

Other income represents income that can't be classed into the above categories, and includes items such as reimbursements, interest on outstanding rates and bank investments, and Council's sale proceeds from the Tower Hill residential development.

Assumptions: Interest income is linked relative to the value of cash holdings.
Other non-specific Council income has assumed an annual percentage increase linked to the increase in average material costs. This includes all reimbursements and Tower Hill sales.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Interest (\$'000 p.a.)	718	697	579	647	679	675	674	671	696	692
Other income	2.25%	2.35%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%

2.2 Expenses

2.2.1 Employee costs

Employee costs include salary, wages and other costs of employing staff (e.g. WorkCover, superannuation, leave entitlements, industry allowances) and involves direct employees and staff employed through agencies.

Assumptions: Annual Enterprise Bargaining Agreement increase and performance based band and level increase for non-managerial staff.
Other oncost movements i.e. superannuation, leave loading, allowances, staff training.

Council's withdrawal from Family Day Care.
Reduction in overtime hours at the Swan Hill Town Hall.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Employee costs – including oncosts	3.00%	3.00%	3.00%	3.25%	3.25%	3.25%	3.50%	3.50%	3.50%	3.50%
Commonwealth Aged Care Reform (\$'000 p.a.)	-	(50)	-	-	-	-	-	-	-	-
Family Day Care (\$'000 p.a.)	-	(78)	-	-	-	-	-	-	-	-
Swan Hill Town Hall (\$'000 p.a.)	-	(10)	-	-	-	-	-	-	-	-

2.2.2 Materials and services

Payments for materials and services comprises goods and services purchased for the general operations and activities of Council and the cost of non-recurrent operational items funded through Council's major projects budget process.

Assumptions: Annual increase on all contract payments, materials and services.
Operational resources as identified in the Council Plan.
Additional resources allocated towards infrastructure maintenance and renewal.
Withdrawal from Family Day Care services.
Library bookmobile reduction of services.
Reduction in Economic Development Investment Incentive.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Contracts and materials	2.25%	2.35%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Utilities	0%	2.10%	5.00%	2.25%	2.50%	5.00%	2.50%	2.50%	5.00%	2.50%
Council plan operational resources (\$'000 p.a.)	-	20	30	30	30	30	30	30	30	30
Infrastructure maintenance and renewal (\$'000 p.a.)	-	40	40	40	40	40	40	40	40	40
Family Day Care (\$'000 p.a.)	-	(113)	-	-	-	-	-	-	-	-
Bookmobile (\$'000 p.a.)	-	(40)	-	-	-	-	-	-	-	-
EDU Investment Incentive (\$'000 p.a.)	-	(25)	-	-	-	-	-	-	-	-

2.2.3 Depreciation and amortisation

Depreciation represents an allocation of the current replacement cost of Council assets over their remaining economic life.

Assumption: Asset and infrastructure modelling has been used to determine depreciation expenditure for the LTFP. The modelling is based on current asset valuations and takes into consideration the forecast capital works and asset disposals.

2.2.4 Finance costs

Finance costs include the interest paid by Council on loans.

The budget reflects the movement in the total outstanding loan balance in accordance with Council's borrowings strategy.

2.2.5 Other expenses

This expense category comprises agency payments and community grants, Councillor allowance expenses, audit fees, legal costs, software licences, bank charges etc.

Assumptions: Other expenses are expected to increase annually by the following percentages.

	Budget	Forecast								
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Other expenses	2.25%	2.35%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%

The income statement, balance sheet and cash flow statements are shown in Appendix A.

3. Financial sustainability

3.1 Introduction

Some councils with sustainability issues may develop infrastructure backlogs due to service expansions, moderate operating cost growth, minimal revenue growth giving rise to persistent underlying operating deficits, and constraints on renewal expenditure.

The Victorian Auditor-General's Office (VAGO) believes that to be financially sustainable, councils need to be able to meet current and future expenditure as it falls due, and to absorb foreseeable changes and financial risks without significantly changing their revenue and expenditure policies.

The use of financial indicators that assess the comparative financial position of each council in Victoria provides a valuable source of information in establishing financial sustainability.

To be effective, it is essential those indicators:

- Measure factors which define financial sustainability;
- Be relatively few in number; and
- Be based on information that is readily available and reliable.

It is important to put indicator results in context and to understand that they only give an indication of where to start looking for the reasons behind deficiencies. Although the indicators provide a robust ready assessment of financial performance and sustainability, they should be interpreted in the context of a council's operating environment.

It is particularly important to consider trend data, both historic and that projected from a council's long term financial plan, in decision-making and in reviewing financial performance.

This section includes:

- Analysis of Council's financial sustainability from the perspective of VAGO; and
- Analysis of Council's long term financial plan Key Performance Indicators (KPIs).

3.2 Victorian Auditor-General's Office Indicators

Insight into the financial sustainability of councils is obtained from analysis of financial sustainability indicators over the 10 year period. The five indicators applied to councils are underlying result, liquidity, indebtedness, self-financing and investment gap.

Financial sustainability should be viewed from both short and long term perspectives. The shorter term indicators involve the Council's ability to maintain a positive operating cash flow and adequate cash holdings, and to generate an operating surplus over time. These are the underlying results and liquidity indicators.

The longer-term indicators signify whether there is adequate funding available to cover long term debt and for spending on asset replacement to enable the Council to maintain the quality of service delivery, meet community expectations and the demand for services. The long term indicators are indebtedness, self-financing and investment gap.

Measures of sustainability

The Victorian Auditor General's Office uses the following measures of financial sustainability.

Indicator	VAGO Target	Calculation	Explanation
Net result	Greater than 0%	Net result / Total revenue	A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long term.
Liquidity	Greater than 1.5	Current Assets / Current Liabilities	Measure of ability to pay existing liabilities within 12 months. A ratio of one or more means there are more cash and liquid assets than short-term liabilities.
Internal financing	Greater than 100%	Net Operating cash flow / Capital expenditure	This indicator examines the capacity of Council to fund capital expenditure using cash generated from operations and government funding each year.
Indebtedness	Less than 40%	Non-current liabilities / Own sourced revenue	Compares non-current liabilities (including loans) to own source revenue. Own-sourced revenue is used because it does not include capital grants.
Capital replacement ratio	Greater than 1.5	Capital spend / Depreciation	Comparison of the rate of spending on infrastructure with its depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciation rate. This is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option.
Renewal gap ratio	Greater than 1.0	Capital expenditure on renewal and upgrade / Depreciation	Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1:1 indicate that spending on existing assets is faster than the depreciation rate.

Swan Hill Rural City Council forecast results of the above indicators are displayed below:

Indicator	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Net result	10.7%	12.1%	16.2%	9.3%	13.2%	9.2%	9.4%	8.3%	8.7%	8.1%
Liquidity	2.87	1.92	2.66	2.80	2.86	2.60	2.69	2.63	2.68	2.67
Internal financing	86.2%	93.0%	105.8%	111.0%	103.1%	96.2%	100.6%	97.4%	103.4%	98.0%
Indebtedness	23.4%	10.6%	9.7%	8.8%	7.8%	5.8%	4.9%	4.1%	3.4%	3.1%
Capital replacement ratio	1.96	1.81	1.96	1.47	1.79	1.68	1.60	1.58	1.52	1.58
Renewal gap ratio	0.98	0.94	0.98	0.87	1.06	1.08	1.13	1.14	0.94	1.02

Risk indicator ranges for the above calculations are defined as follows:

Indicator	Red	Yellow	Green
Underlying result ratio	< -10%	-10% - 0%	> 0%
Liquidity	< =1.0	1.0 - 1.5	> 1.5
Indebtedness	> 60%	40 - 60%	> 40%
Self-financing	> 10%	10% - 20%	> 20%
Investment gap	< =1.0	1.0 - 1.5	> 1.5

4. Asset management and capital works

Council provides, maintains and is responsible for the replacement of \$467 million of assets. The majority of these assets comprise infrastructure like roads, drains, community buildings and recreation centres vital to the social wellbeing and economic development of the municipality and its people.

Council's infrastructure strategy includes the ongoing development and review of management plans for each infrastructure category. These plans include agreed service levels, replacement schedules, upgrade requirements, appropriate rationalisation, and a process for the development of new infrastructure that balances community needs and financial capability. Council is progressively developing the various components of its Infrastructure Strategy to set out the capital expenditure requirements of the Council for the next 10 years and beyond, by asset class. Each asset management plan predicts infrastructure consumption, renewal needs, and considers infrastructure needs to meet future community service expectations.

As the infrastructure ages, there will be an increasing need for greater funding to replace and maintain assets. This will need to be considered in the context of infrastructure growth generated by ongoing development within the municipality.

Over the period of this LTFP, Council is committed to maintaining its existing infrastructure and allocating sufficient resources to ensure that existing infrastructure is maintained to an appropriate standard. Council intends to allocate additional funds annually towards this. In addition, Council will continually review infrastructure assets to ensure the assets are still required to meet community needs, and if this is not the case, rationalise the infrastructure in an appropriate way. Incorporating multi-use or shared-use facilities will also be an ongoing focus over the years of this plan.

On top of additional infrastructure maintenance funds, Council is and will continue to direct more capital funding towards existing infrastructure (replacement and upgrade). Where possible, cash funded reserves will also be established to help future infrastructure replacement demands.

Council funds allocated to asset renewal and upgrade over the life of the plan is as follows:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Renewal expenditure (\$000's p.a.)	9,014	7,100	7,414	8,376	9,927	11,158	12,093	10,568	9,870	11,459
Upgrade expenditure (\$000's p.a.)	141	1,637	2,022	338	1,128	409	239	2,410	1,036	336

Council's asset management plans and strategies form the basis of Council's 10 year major projects plan that is then incorporated into Council's long term financial plan. The 10 year major projects plan is reviewed annually to ensure it represents the current capital expenditure priorities of Council. Appendix C contains the forecast capital works for the 10 years of the LTFP listed by asset category.

Strategic direction

Short term

Council is committed to maintaining its existing infrastructure and allocating sufficient resources to ensure it is maintained to an appropriate standard. Council intends to allocate additional funds to this annually. In addition, Council will continually review infrastructure assets to ensure the assets are still required to meet community needs, and if this is not the case, rationalise the infrastructure in an appropriate way.

Medium / long term

Asset management plans and strategies are being further developed to ensure there is accurate information surrounding the renewal requirements of assets and that there is an increase in renewal expenditure to ensure Council meets its infrastructure renewal requirements. It is then necessary to ensure that the renewal requirements can then be funded via Council's budgeting processes.

5. Rating Strategy

This section of the report considers the Council's rating strategy including strategy development, assumptions underlying the current year rate increase and rating structure.

Strategy development

In developing the Long Term Financial Plan, rates and charges were identified as a significant source of revenue, accounting for 52.8 per cent of total income in 2018/19 and increasing to 58.4 per cent at the plan end date in 2028/29. Like many other rural municipalities, Swan Hill Rural City Council relies heavily on rate income and therefore planning for future rate increases has been an important component of the Long Term Financial Plan process.

Council's Rating Strategy sets out the parameters on which Council will base its general rate and identifies a number of differential rates that will be applied for specific groups of properties.

The Rating Strategy was developed following an extensive public consultation phase that led to some changes to the proposed increase in the commercial differential rate, which after consultation was left unchanged at 25 per cent.

The key elements of the current Rating Strategy are:

- Increases in Capital Improved Value (CIV) due to new developments will be used to generate extra rate revenue, not to reduce the general rate.
- Not-for-profit recreational properties will be rated at the normal applicable rate but will receive a Council contribution/grant equivalent to 50 per cent of the rates applied.
- Commercial properties in Swan Hill and Robinvale will be rated on a differential rate set 30 per cent higher than the general rate.
- Properties within the drainage districts in the townships of Swan Hill and Robinvale will be rated on a differential rate four per cent higher than the rates that would otherwise apply. The additional rate recognises the easier access to services and the additional services, such as drainage, that residents in Swan Hill and Robinvale enjoy.
- Vacant land in the townships of Swan Hill and Robinvale that has remained vacant, i.e. without a dwelling for more than five years since it was last zoned as residential or three years after it was last sold as a subdivided residential allotment, will be rated on a differential rate 200 per cent higher than the rate that would otherwise apply to the property.
- Broadacre cereal/sheep properties receive a 20 per cent discounted differential rate (increased from 15% to 20% in 2019/20).

Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions. Details of the objectives of each differential rate, the types of classes of land that are subject to each differential rate, and the uses of each differential rate are set out on the following pages.

General Rate

The General Rate applies to all properties not covered by a specific differential rate. It represents the basic rate applicable within the municipality.

Urban Rate

- a. **Objective** – The differential is to help reflect the easier access to and additional services, such as drainage and kerb and channel, for properties in Swan Hill and Robinvale
- b. **Types and classes of land** – Residential, recreational and industrial land serviced with Council provided drainage infrastructure
- c. **Geographic location** – Swan Hill and Robinvale townships
- d. **Use of land** – Residential, recreational or industrial
- e. **Planning scheme zone** – Residential, Recreational or Industrial zoned land
- f. **Types of buildings** – Any including vacant land unless specifically covered by the vacant land rate
- g. **Rate** – The rate is set at four per cent higher than the general rate

Vacant Residential Land Rate

- a. **Objective** – To discourage land banking and speculation, encourage the construction of residences and help offset the additional infrastructure costs incurred to service residential land
- b. **Types and classes of land** – Vacant residential land within the townships of Swan Hill and Robinvale that does not have a permanent dwelling established on it five years after it was last zoned Residential or three years after it was last sold as a subdivided residential allotment
- c. **Geographic location** – Swan Hill and Robinvale townships
- d. **Use of land** – Residential
- e. **Planning scheme zone** – All residential zones
- f. **Types of buildings** – Vacant land and land without a permanent dwelling
- g. **Rate** – The rate is set at 208 per cent of the general rate (200 per cent of the Urban Rate), where applicable

Commercial Rate

- a. **Objective** – The differential is set to help reflect the higher level of services and infrastructure to commercial properties in the serviced areas of Swan Hill and Robinvale townships and to help reflect the lower level in movement in commercial property values compared to other properties over the last 20 years
- b. **Types and classes of land** – Land used for Commercial purposes within the Swan Hill and Robinvale townships serviced by Council provided drainage infrastructure
- c. **Geographic location** – Swan Hill and Robinvale townships
- d. **Use of Land** – Commercial
- e. **Planning scheme zoning** – Business, industrial or residential 1 zones
- f. **Types of buildings** – Any building used for a commercial purpose and vacant business land
- g. **Rate** – The rate is set 30 per cent higher than the General Rate (25 per cent higher than the Urban Rate), where applicable

Dry Land Farming Rate

- a. **Objective** – The differential rate is to help reflect the increased difficulty in accessing the full range of Council services that dry land farming properties face, the disproportionate increase in property values over the last five years and the increased risk of seasonal income variations than faced by other farming properties
- b. **Types and classes of land** – Farmland without access to irrigation infrastructure primarily used for broadacre cropping and sheep production within Australia Valuation Property Classification Codes (AVPC) of 510, 520, 523, 524 or 530
- c. **Geographic location** – Anywhere in the municipality
- d. **Use of land** – Broadacre cropping and sheep production with AVPC Codes of 510, 520, 523, 524 or 530
- e. **Planning scheme zoning** – Farm land
- f. **Types of buildings** – Any or none
- g. **Rate** – The rate is set 20 per cent below the General Rate

Special Marketing Levy

- a. **Objective** – The purpose of the special rate is to defray the expenses in relation to the performance of functions within the Swan Hill region, which Council considers necessary and appropriate for the encouragement of business development and commerce through promotion and development of the region as a place to live, work, invest, shop and visit
- b. **Types and classes of land** – Land used for commercial, industrial and tourism and hospitality purposes within the Swan Hill
- c. **Geographic location** – Swan Hill and Lake Boga townships.
- d. **Use of land** – All rateable properties used for commercial, industrial and tourism and hospitality purposes
- e. **Types of buildings** – Any building used for a commercial, industrial, tourism or hospitality purpose

Waste Management

- a. **Objective** – To provide a cost effective, innovative and environmentally responsible waste management service to the municipality. Collection services are provided for garbage, recyclable and green waste
- b. **Types and classes of land** – Residential land within the garbage collection zone that has a permanent dwelling established on it
- c. **Geographic location** – Townships within the Swan Hill Rural City Council municipality.
- d. **Use of land** – Residential and Rural with a private dwelling
- e. **Planning scheme zone** – Residential and Rural zoned land
- f. **Types of buildings** – Residential
- g. **Rate** – Charges for the waste collection service within the municipality for 2019/20 are:

Garbage	120 litre mobile wheelie bin with 240 litre recycling bin	\$300
	240 litre mobile wheelie bin with 240 litre recycling bin	\$455
Green Waste	240 litre mobile wheelie bin	\$95

Solar Farms

- a. **Objective** – To comply with the rating provisions of the Electricity Industry Act 2000.
- b. **Types and classes of land** – Land used to generate electricity for commercial sale through the installation of solar panels or other technologies.
- c. **Geographic location** – Whole municipality
- d. **Use of land** – Farm, industrial or commercial land with commercial grade electricity generation facilities
- e. **Planning scheme zone** – Farm land, industrial or commercial
- f. **Types of buildings** – Solar panels or other technology used to generate electricity
- g. **Rate** – the generation company or associated entity of the generation company shall pay to Council in respect of each financial year:
 - (1) for each power station of the generation company located on the land used for generation functions and within the municipal district of the relevant council, \$40,000, as escalated (by CPI from the base year June 2005); and
 - (2) for each MW of the nameplate rating for each generating unit comprising the power station, \$900, as escalated (by CPI from the base year June 2005).

Strategic direction

Short term

That Council property rates be increased by 1.02% for the 2019/20 year.

Medium / long term

Council aims to increase rates each year by no more than CPI plus annualised supplementary valuations from new development.

6. Long Term Borrowing Strategy

6.1 Introduction

Well managed councils operating in a financially sustainable way are likely to need access to debt at times. An operating surplus does not mean that the amount or timing of cash receipts will be sufficient to meet all outlays when they need to be made. This is particularly relevant to larger projects.

In the development of the LTFP, borrowings were identified as an important funding source for the capital works program. Council has established a goal to advance several key projects to underpin the growth targets in the Council Plan. Council intends to borrow money to help fund key projects. The projects are expected to attract significant external funding thereby providing extra value to ratepayers over and above the cost of the borrowing. The extremely low interest rates make this an attractive way of funding major projects.

It is Council's intention to not exceed \$9 million in outstanding debt, which is well below the level that can be comfortably accommodated. Council has set a goal of reducing debt to under \$0.2 million by the end of 2028/29.

The following table shows the effect of the planned Council borrowings for the next 10 years on total borrowings outstanding at year-end, the annual principal and interest costs and the ratio of principal and interest repayments as a percentage (%) of rates.

Financial Year	Loans outstanding at end of financial year \$'000	Net loans outstanding* \$'000	New borrowings \$'000	Annual principal, interest and reserve funding \$'000	% Rates and charges (adjusted for loan repayment reserve)
2018/19	7,879	5,252	1,800	1,524	5.49%
2019/20	7,903	4,567	500	1,541	5.45%
2020/21	7,857	3,796	500	1,617	5.56%
2021/22	2,707	2,707	-	1,322	4.41%
2022/23	2,451	2,326	-	489	1.59%
2023/24	2,185	1,935	-	489	1.54%
2024/25	1,907	1,532	-	489	1.49%
2025/26	1,118	1,118	-	489	1.45%
2026/27	817	817	-	344	0.99%
2027/28	504	504	-	344	0.96%
2028/29	178	178	-	344	0.93%

*Net loans outstanding = loans outstanding less cash reserves held specifically for repayment of loans

6.2 Borrowing Strategy

Swan Hill Rural City Council's financial ratios are well within the Victorian Government's Prudential Guidelines. All borrowings by individual councils are assessed under a borrowings assessment policy adopted by the Local Government Division.

Council's debt levels are low enough to provide opportunity to use debt as a means of financing new capital including where the life of the asset exceeds a generation of ratepayers.

In establishing an appropriate level of debt, Council has regard for the following:

- Level of debt servicing as a proportion of rate revenue;
- Ability to raise revenue in addition to rates;
- Level of realisable assets to support the indebtedness;
- Community needs;
- Growth within the municipality.

6.3 Local Government Funding Vehicle

Historically Council has borrowed funds from banking institutions. In 2014/15 the Municipal Association of Victoria created the Local Government Funding Vehicle (LGFV). This source of borrowings was created via the pooling of Victorian council's borrowing requirements and then the issue of a bond into the wholesale bond market to source the required funds. This aggregation of council borrowings results in significant savings compared to the individual borrowing of funds from banks.

Council has borrowed via the Local Government Funding Vehicle in 2014/15 (\$4.795 million) and 2015/16 (\$0.5 million), and will assess our borrowing requirements each year to determine if sourcing funds from the LGFV is our most cost effective source of borrowings.

Borrowings through the LGFV are on an interest only basis with 100 per cent of the amount borrowed being repaid at the end of the loan term. To ensure Council has funds to meet these requirements an annual allocation of cash is transferred to a loan repayment reserve.

Strategic direction

Short term

Borrow \$500,000 in 2019/20 to fund capital works projects.

Medium / long term

Borrow another \$500,000 in 2020/21 to fund further capital works projects, and reducing our interest bearing loans and borrowings to \$178,000 by 2028/29.

7. Reserves

7.1 Introduction

Reserves are either 'statutory' or 'discretionary' in nature. Statutory reserves relate to Council held cash and investments that must be expended on a specific purpose, as directed by legislation or other funding body, and include car parking and open space reserves. Discretionary reserves relate to those equity funds (which are cash backed) that can be used at Council's discretion, even though they might be earmarked for a specific purpose.

There is a current danger with holding reserve balances and not having adequate policy framework for the use of the reserves. This is because the funds could be inappropriately spent or used to overcome annual budget shortfalls and hide an underlying financial deficiency.

Interest earnings on cash reserves are usually set below that of interest payments on debt. In holding significant cash reserves and not using the funds to reduce debt, Council is paying a premium on its funds.

7.2 Reserves held by Council

Council's statutory reserves at 30 June 2019 are forecast to be:

Resort and recreation reserve	\$125,682
Car park reserve	\$75,107
EPA License requirements	\$1,374,995

Council's discretionary reserves at 30 June 2019 are forecast to be:

Drainage reserve	\$235,591
Waste management reserve	\$1,706,585
Loan principal repayment reserve	\$2,626,380

Strategic direction

Short term

Build up reserves to meet Asset Management plans, i.e. waste management and loan repayments.

Medium / long term

Council has borrowed funds on an interest only basis with the principal due at the end of the loan. Council is allocating funds to a loan repayment reserve on an annual basis to ensure sufficient funds are available at the end of each loan term to repay the amount borrowed.

8. Conclusion

- A 10 year LTFP plan enables Council to examine in some detail its longer term financial viability.
- It enables Council and management to model different scenarios around rating, debt and the organisational structure and examine those outcomes.
- The 10 year LTFP will be the starting point for future draft budgets.
- The plan is a big picture look at Council's long term financial circumstances.
- The annual rate increase capped by the Minister for Local Government will be adhered to in preparing the budget each year.

9. Appendix A

Swan Hill Rural City Council Budgeted Income Statement

	Budget \$'000	Strategic Resource Plan Projections												
		2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000			
Income														
Rates and charges	28,297	29,067	29,964	30,800	31,830	32,789	33,790	34,901	35,982	37,079				
Statutory fees and fines	961	991	1,013	1,036	1,062	1,089	1,116	1,144	1,172	1,202				
User fees	4,638	4,787	4,977	5,139	5,319	5,505	5,698	5,897	6,104	6,317				
Grants - operating (recurrent)	9,711	9,845	10,066	10,293	10,550	10,814	11,084	11,361	11,646	11,937				
Grants - operating (non-recurrent)	5,304	275	285	291	298	304	311	317	322	324				
Grants - capital (recurrent)	1,147	1,040	1,055	1,070	1,085	1,100	1,115	1,148	1,171	1,195				
Grants - capital (non-recurrent)	2,956	2,500	4,938	986	3,582	1,252	1,296	537	1,100	981				
Contributions - cash	121	54	153	58	177	81	155	314	464	117				
Net gain on disposal of property, infrastructure and equipment	189	355	398	313	376	437	395	415	299	338				
Other income	3,514	3,440	3,384	3,516	3,623	3,693	3,769	3,847	3,950	4,030				
Total Income	56,838	52,354	56,233	53,502	57,902	57,064	58,729	59,881	62,210	63,520				
Expenses														
Employee benefits	(20,083)	(20,639)	(21,253)	(21,939)	(22,647)	(23,378)	(24,191)	(25,032)	(25,902)	(26,803)				
Materials and services	(12,976)	(13,184)	(13,612)	(14,019)	(14,471)	(14,967)	(15,445)	(15,937)	(16,476)	(16,995)				
Depreciation and amortisation	(9,297)	(9,255)	(9,670)	(10,017)	(10,415)	(10,669)	(10,909)	(11,359)	(11,609)	(11,603)				
Bad and doubtful debts	(2)	(11)	(14)	(15)	(15)	(16)	(16)	(16)	(16)	(17)				
Finance costs	(362)	(354)	(212)	(105)	(94)	(83)	(71)	(38)	(25)	(12)				
Other expenses	(8,065)	(2,632)	(2,445)	(2,441)	(2,658)	(2,731)	(2,642)	(2,590)	(2,815)	(3,003)				
Total Expenses	(50,785)	(46,075)	(47,206)	(48,536)	(50,300)	(51,844)	(53,274)	(54,972)	(56,843)	(58,433)				
Surplus for the year	6,053	6,279	9,027	4,966	7,602	5,220	5,455	4,909	5,367	5,087				
Other comprehensive income														
Net asset revaluation increment	2,565	6,717	8,108	6,812	8,622	8,699	9,245	7,462	9,584	7,872				
Comprehensive result	8,618	12,996	17,135	11,778	16,224	13,919	14,700	12,371	14,951	12,959				

Swan Hill Rural City Council

Budgeted Balance Sheet

Budget	Strategic Resource Plan Projections									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets										
Cash and cash equivalents	21,012	20,273	16,691	18,516	19,405	19,166	19,125	19,075	19,872	19,831
Trade and other receivables	2,140	3,017	3,250	3,071	3,332	3,288	3,381	3,448	3,575	3,665
Other assets	772	772	772	772	772	772	772	772	772	772
Total current assets	23,924	24,062	20,713	22,359	23,509	23,226	23,278	23,295	24,219	24,268
Non-current assets										
Trade and other receivables	130	120	109	98	97	97	97	97	97	97
Property, infrastructure, plant and equipment	475,493	487,836	503,336	513,419	528,444	543,584	556,638	568,892	582,828	595,698
Total non-current assets	475,623	487,956	503,445	513,517	528,541	542,681	556,735	568,989	582,925	595,795
Total assets	499,547	512,018	524,158	535,876	552,050	565,907	580,013	592,284	607,144	620,063
Current liabilities										
Trade and other payables	2,448	1,857	1,888	1,933	1,999	2,065	2,112	2,164	2,237	2,320
Interest-bearing loans and borrowings	573	5,184	263	274	286	798	310	323	281	105
Provisions	5,326	5,476	5,626	5,776	5,926	6,076	6,226	6,376	6,526	6,676
Total current liabilities	8,347	12,517	7,777	7,983	8,211	8,939	8,648	8,863	9,044	9,101
Non-current liabilities										
Provisions	1,415	1,423	1,431	1,439	1,447	1,455	1,462	1,471	1,479	1,487
Interest-bearing loans and borrowings	7,384	2,681	2,418	2,144	1,858	1,060	750	426	146	41
Total non-current liabilities	8,799	4,104	3,849	3,583	3,305	2,515	2,212	1,897	1,625	1,528
Total liabilities	17,146	16,621	11,626	11,566	11,516	11,454	10,860	10,760	10,669	10,629
Net assets	482,401	495,397	512,532	524,310	540,534	554,453	569,153	581,524	596,475	609,434
Equity										
Accumulated surplus	288,408	293,827	306,124	309,390	315,800	321,217	326,537	331,356	335,763	340,933
Asset revaluation reserve	178,623	185,341	193,448	200,260	208,882	217,581	226,826	234,288	243,873	251,744
Other reserves	15,370	16,229	12,960	14,660	15,852	15,655	15,790	15,880	16,839	16,757
Total equity	482,401	495,397	512,532	524,310	540,534	554,453	569,153	581,524	596,475	609,434

Swan Hill Rural City Council

Budgeted Cash Flow Statement

Budget	Strategic Resource Plan Projections									
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities										
Receipts										
Rates and charges	28,261	29,152	30,331	31,418	32,226	33,372	34,315	35,479	36,545	37,673
Statutory fees and fines	961	994	1,026	1,057	1,075	1,108	1,133	1,163	1,191	1,221
User fees	5,102	4,801	5,038	5,242	5,385	5,603	5,786	5,995	6,199	6,419
Grants - operating	15,016	10,149	10,478	10,796	10,983	11,316	11,572	11,872	12,155	12,457
Grants - capital	4,103	3,551	6,066	2,098	4,725	2,394	2,448	1,713	2,306	2,211
Contributions – monetary	121	54	153	58	177	81	155	314	464	117
Interest	718	697	579	647	679	675	674	671	696	692
Other revenue	4,431	4,626	5,065	4,851	5,213	5,296	5,331	5,445	5,546	5,751
	58,713	54,024	58,736	56,167	60,463	59,845	61,414	62,652	65,102	66,541
Payments										
Employee benefits	(19,926)	(21,707)	(21,990)	(22,692)	(23,424)	(24,186)	(25,038)	(25,906)	(26,804)	(27,741)
Materials and services	(20,817)	(13,973)	(14,189)	(14,606)	(15,073)	(15,590)	(16,092)	(16,598)	(17,154)	(17,694)
Other payments	(2,262)	(2,790)	(2,549)	(2,543)	(2,769)	(2,847)	(2,754)	(2,698)	(2,931)	(3,125)
	(43,005)	(38,470)	(38,728)	(39,841)	(41,266)	(42,623)	(43,884)	(45,202)	(46,889)	(48,560)
Net cash provided by operating activities	15,708	15,554	20,008	16,326	19,197	17,222	17,530	17,450	18,213	17,981
Cash flows from investing activities										
Payments for property, plant and equipment	(18,226)	(16,717)	(18,909)	(14,707)	(18,629)	(17,893)	(17,426)	(17,912)	(17,616)	(18,349)
Proceeds from sales of property, plant and equipment	946	870	715	574	689	801	724	760	548	620
Net cash used in investing activities	(17,280)	(15,847)	(18,194)	(14,133)	(17,940)	(17,092)	(16,702)	(17,152)	(17,068)	(17,729)
Cash flows from financing activities										
Finance costs	(362)	(354)	(212)	(105)	(94)	(83)	(71)	(38)	(25)	(12)
Proceeds from borrowings	500	500	-	-	-	-	-	-	-	-
Repayment of borrowings	(502)	(592)	(5,184)	(263)	(274)	(286)	(798)	(310)	(323)	(281)
Net cash used in financing activities	(364)	(446)	(5,396)	(368)	(368)	(369)	(869)	(348)	(348)	(293)
Net increase (decrease) in cash and cash equivalents	(1,936)	(739)	(3,582)	1,825	889	(239)	(41)	(50)	797	(41)
Cash and cash equivalents at beginning of year	22,948	21,012	20,273	16,691	18,516	19,405	19,166	19,125	19,075	19,872
Cash and cash equivalents at end of year	21,012	20,273	16,691	18,516	19,405	19,166	19,125	19,075	19,872	19,831

10. Appendix B

Swan Hill Rural City Council Budgeted Capital Works Statement

Budget 2019/20	Strategic Resource Plan Projections									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	650	1,364	1,406	1,448	1,489	1,530	1,571	1,611	1,601	
Land										
Buildings	3,401	7,490	2,535	1,910	1,670	2,100	1,683	2,445	1,313	
Plant & Equipment	1,093	1,224	1,306	1,564	1,819	1,646	1,727	1,246	1,410	
Fixtures, fittings and furniture	18	40	33	33	33	34	34	35	35	
Computers and telecommunications	310	260	262	265	565	268	275	278	534	
Library Books	145	152	157	162	162	167	172	177	177	
Sealed Roads	4,702	3,627	3,876	3,997	4,601	4,867	5,356	4,621	5,557	
Unsealed Roads	1,024	1,164	1,182	1,323	1,620	1,887	1,473	1,738	2,070	
Footpaths	344	249	481	537	592	688	624	464	440	
Drainage	666	49	222	43	223	274	1,224	1,455	225	
Parks & Open Space	4,066	1,555	1,998	2,765	2,178	2,040	2,207	2,011	1,084	
Recreation Leisure	651	120	-	2,940	370	400	-	-	1,300	
Other infrastructure	1,156	20	40	80	80	80	80	80	80	
Waste Management	-	925	-	-	1,000	-	-	-	1,000	
Total capital works	18,226	15,317	13,498	17,067	16,402	15,981	16,426	16,161	16,826	
Represented by:										
Asset renewal	9,014	7,414	8,376	9,927	11,158	12,093	10,568	9,870	11,459	
New assets	9,071	7,878	4,784	6,012	4,835	3,649	3,448	5,255	5,031	
Asset expansion	-	-	-	-	-	-	-	-	-	
Asset upgrade	141	2,022	338	1,128	409	239	2,410	1,036	336	
Total capital works	18,226	17,314	13,498	17,067	16,402	15,981	16,426	16,161	16,826	