



Murrindindi Shire Council Budget Report – 2017/2018

This Budget Report has been prepared with reference to Chartered Accountants ANZ “Victorian City Council Model Budget 2017/2018” a best practice guide for reporting local government budgets in Victoria.



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Introduction

The seven elected Councillors of the Murrindindi Shire are pleased to present to our community the Annual Budget for 2017/2018. This budget builds on key issues and priorities identified through Council's recent "Have Your Say" community engagement and our new Council Plan 2017-2021 which focuses on the following four key areas:

- Our People
- Our Place
- Our Prosperity
- Our Promise

The Council Plan 2017-2021 sets out our strategic objectives for the full term of the Council. Our focus over the next four years will be to respond to the community's priorities. We will continue the conversation with you about the services and facilities that Council provides and manages with the aim of ensuring our service is efficient and well targeted to community needs, while maintaining or improving service levels for the benefit of all members of our community.

The proposed budget details the resources required over the next year to fund the large range of services we provide to the Murrindindi Shire community. It also includes details of proposed capital expenditure allocations to improve and renew our Shire's physical infrastructure, buildings and roads as well as funding the broad range of operating projects and services for the community.

As Councillors, it is our job to listen to our community and understand your priorities. During and following the Council elections in 2016, and particularly during the extremely successful "Have Your Say" community engagement program, we have consistently heard that Council's services are valued by the community, and that Council also needs to be financially responsible and keep its rates as low as possible. Council has continued its approach to identify savings that do not impact on the delivery of services and to provide increased value for money to ratepayers. One of the most consistent messages we have heard from you is the need for increased focus on economic development, and in particular the support for businesses within our Shire, including support for new investment.

The State Government's Fair Go Rates System (FGRS) has capped rate increases for Victorian Councils to 2% for 2017/18. Council will apply the rate cap for 2017/18, with the exception of commercial and industrial properties. A one-off rate freeze will apply to these properties for 2017/18. This rate freeze is an initial indication of Council's renewed focus to support business growth and new business development across the Murrindindi Shire. Further initiatives will commence throughout the year, arising from the completion of the Economic Development Action Plan.

The decision of the ESC last year to grant Council a variation to the rate cap allowed additional funds to be raised for the future renewal of our assets. With ongoing improvements to our asset management practices, this component of our rate revenue provides the capacity to not only contribute to asset renewal, but also undertake new initiatives that respond to Council's priorities informed by the 'Have Your Say' community engagement. These new initiatives will help us further support business growth, and improve our engagement, communication and service delivery for our community.

We are also committing to review each quarter what additional funds may be available through continued efficiency improvements or additional revenue, to fund other community priorities or to allocate in ways that will continue to assist in managing Council's renewal gap.

Our focus for the next year is to continue to deliver on the projects and services that make our Shire a great place to live and respond to the challenges we are currently facing, as well as support the new initiatives detailed above that we believe will foster new business development and improved services to our community.

We encourage you to read this budget, in conjunction with our new Council Plan 2017-2021.

Crs Charlie Bissett (Mayor), Sandice McAulay (Deputy Mayor), Jackie Ashe, Rebecca Bowles, Leigh Dunscombe, Eric Lording and Margaret Rae

Executive Summary

Council has prepared a new Budget for 2017/2018 which delivers the key strategic objectives of the new Council Plan for 2017-2021. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the rate cap as mandated by the State Government. Council's average rate rise will be marginally below the rate cap due to the one-year rate freeze proposed for all commercial and industrial properties within the Shire, which is one of Council's actions to support the business community.

Whilst the Budget projects a small operational deficit of \$536k for 2017/2018, our cashflow remains strong, with a projected cash increase of \$1.9m. This budget also delivers a capital works budget of over \$7.43m in addition to continuing to fund the numerous services we provide for the Murrindindi Shire community.

1. Key things we are funding

1) Ongoing delivery of services to the Murrindindi Shire community funded by an operating budget of \$33.0m. These services are summarised in Section 2.1.

2) Allocating funding of \$7.43 million for asset renewals, upgrades and expansions. Highlights of the capital program include;

- roads (\$2.70 million) – including reconstructions, roads to recovery projects, resheeting, footpaths and improved road safety measures across the Shire;
- buildings (\$0.9 million) – including renewal of public buildings, playgrounds and halls in Yea, Eildon, Kinglake and Alexandra, as well as upgrade works at the Marysville Caravan Park ;
- footpaths (\$0.23 million) – including further improvements and expansion of the footpath network in Council's major townships;
- recreational facilities (\$0.3 million) – including renewal of the Thornton Recreation Reserve pavilion and court resurfacing at the Alexandra Tennis Club;
- waste management (\$0.5 million) – continued investment in the management of the Alexandra landfill as well as further upgrades to the five resource recovery centres throughout the Shire; and
- plant and equipment (\$1.16 million) – including information technology, library materials and scheduled replacement of parts of Council's fleet and heavy plant.

The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and 12.

2. The Rate Rise

- a. Commercial and industrial properties will not have their rates increased for 2017/18 as Council implements a one-off rate freeze to provide support for the business sector of the Murrindindi Shire.
- b. The average rate for all other properties will be 2.0% in line with the rate cap set by the Minister for Local Government on 19 December 2016 under the Fair Go Rates System.
- c. The key drivers that underpin the overall determination of the rate rise for 2017/18 are:
 - i. To maintain service delivery – balanced with greater service demands from residents
 - ii. To fund renewal of infrastructure and community assets
 - iii. To cope with continued cost shifting from the State Government
 - iv. To cope with a reduction in funding from the Commonwealth Government via the Victoria Grants Commission caused by the freezing of indexation of the grant
- d. This is not a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2016 (as amended by supplementary valuations).
- e. The waste service charge incorporating kerbside collection and recycling will increase by 2.0% and 2.3% respectively per property to ensure that an appropriate provision is maintained for the future management and monitoring of waste facilities, in accordance with environmental legislative requirements.
- f. It should also be noted that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50. The other \$96.50 goes to the State and Federal Governments.
- g. Please refer to Section 7 for further Rates and Charges details.

3. Key Statistics

- Total Operating Revenue: \$32.5M (2016/2017 - \$32.8M)
- Total Operating Expenditure: \$33.0M (2016/2017 - \$33.9M)
- Accounting Result: \$0.5M deficit (2016/2017 - \$1.1M deficit)
(Refer Income Statement in Section 3)

- Cash result: \$1.6M Surplus (2016/2017 - \$3.9M Deficit)
(Refer Statement of Cash Flows in Section 3)
This is the net funding result after considering the requirements to meet loan principal repayments and reserve transfers.

- Total Capital Works Program of \$7.43M (2016/2017 - \$11.91M)
It should be noted that the 2016/2017 revised capital budget was strongly inflated by the \$4.38m of incomplete capital works projects that were carried forward from the previous financial year.

4. Budget Influences

External Influences

The preparation of the budget is influenced by the following external factors:

- The Victorian State Government has introduced a cap on rate increases from 2016/2017. The cap for 2017/2018 has been set at 2.0%
- CPI for Victoria is forecast to be 2.0% for the 2017/2018 year (Victorian Department of Treasury & Finance, 2016-2017 Budget Update).
- The Victorian Wage Price Index is projected to be 2.5% in 2017/2018 (Victorian Department of Treasury & Finance, 2016-2017 Budget Update). Council must renegotiate a new Enterprise Agreement during the 2017/2018 year for commencement on 1 January 2018.
- Uncertainty regarding the future level of Victoria Grants Commission funding, dependent on whether the Federal Government will re-introduce indexation of this significant source of funding allocation to Council. The freezing of indexation for these grants has accounted for more than \$600k in lost revenue for Council over the last 3 years.
- Anticipated increases of 2.0% (or \$1.24 per tonne) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste tipping costs of \$0.20 million. The levy has increased from \$9 per tonne in 2008/2009 to a forecast \$63.27 per tonne in 2017/2018 (703% increase in 9 years).
- Ongoing cost shifting. This occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of the all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government.

Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 16 of this report.

This section includes the following reports and statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

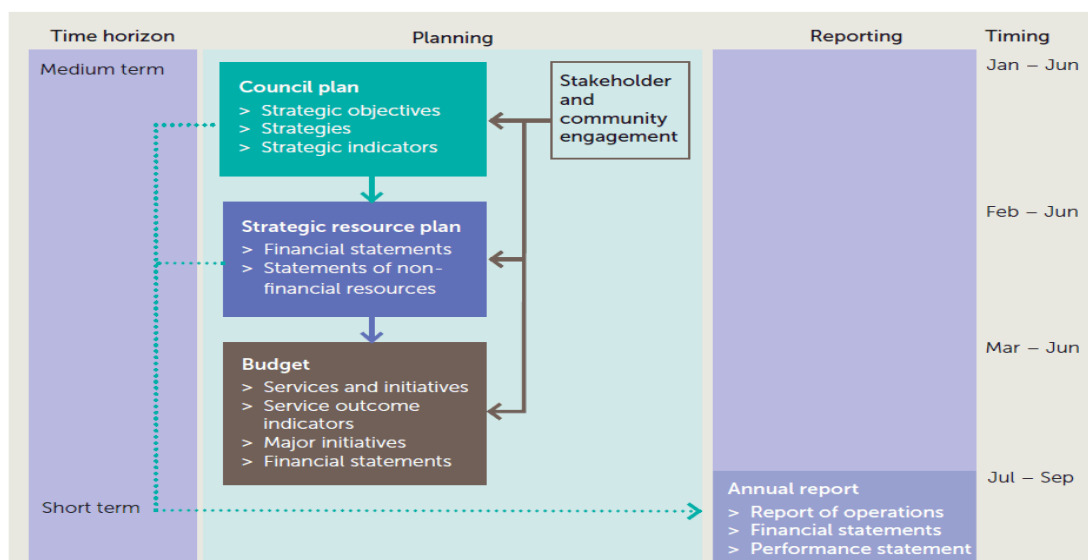
- 1 Links to Council Plan
- 2 Services and service indicators
- 3 Financial Statements
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- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

1. Link to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Murrindindi 2030 Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

1.1 Planning and accountability framework

The Strategic Resource Plan is part of, and prepared in conjunction with, the Council Plan, and is a rolling four year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, taking into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year as part of the commencement of the Annual Budget process.

1.2 Our commitment

We have committed to delivering on four key strategic objectives which will drive the work we do, and the services we deliver over the next four years, in partnership with our community.

We believe these objectives reflect the values, priorities and aspirations of the Murrindindi community as expressed in our 'Have Your Say' community engagement.

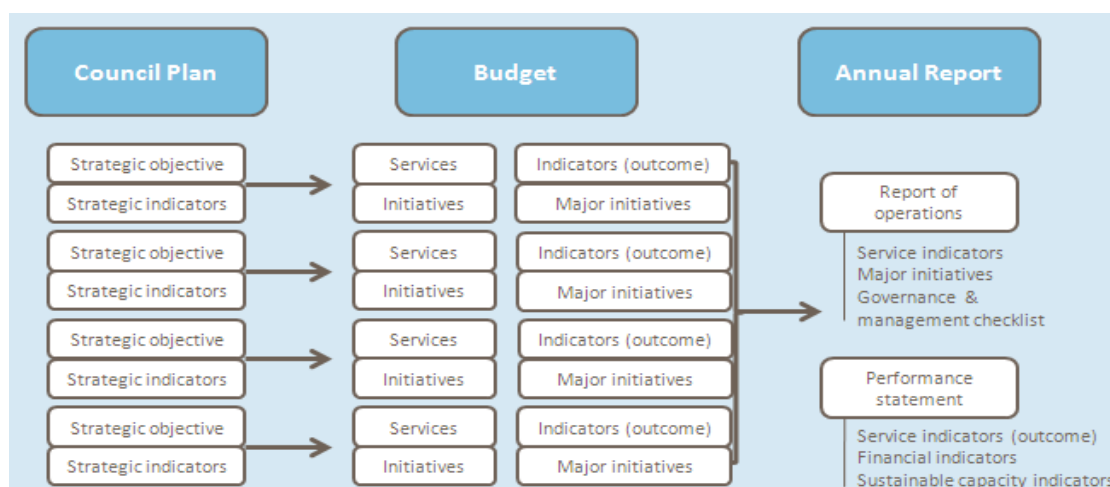
They address the things about the Murrindindi Shire that our community says are important to support opportunity, quality of life, wellbeing and the liveability of our towns and places.

Strategic Objective	Description
1. Our People	Together we will celebrate and encourage diverse, caring and connected communities.
2. Our Place	We will maintain and enhance places to be attractive and liveable, in balance with our natural environment.
3. Our Prosperity	In partnership with the community we will promote an environment in which business and community can thrive.
4. Our Promise	We will all work in collaboration with our communities to deliver the best possible outcomes in all that we do.

Council delivers activities and initiatives under 34 major service categories. Each contributes to the achievement of one of these strategic objectives as set out in our Council Plan for the 2017-2021 years.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2017/2018 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. Council is required by legislation to identify in the Budget initiatives and service performance outcome indicators and report against them in its Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

2.1 Strategic Objective 1: OUR PEOPLE

Together we will celebrate and encourage diverse, caring and connected communities.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Aged & Disability Services	This service area provides a range of services for the aged and people with disabilities including delivered and group meals, domestic support, personal care, social activities and outings, home maintenance and senior citizens clubs.	2,174 <u>-1,822</u> 352
Children & Family Services	This service area provides family orientated support services including maternal and child health, home and centre based childcare and youth support.	1,243 <u>-953</u> 290
Library Services	This service area provides libraries in Alexandra, Yea and Kinglake and visits to Marysville, Buxton, Eildon, Flowerdale and Strath Creek. The service caters for cultural, recreational and educational needs of residents and provides a focal point for the community to meet, relax and enjoy the facilities and services offered.	525 <u>-168</u> 357
Community Service Administration	This includes general administration across all of Council's community services.	485 <u>0</u> 485
Emergency Services	Funding of Council's statutory emergency services obligations.	298 <u>-66</u> 232
Recreation and Youth Services	This service area provides strategic planning to inform the development of recreation and youth services and infrastructure and coordinates council services including recreation facilities, swimming pools, the mobile skate ramp, and all recreation and youth responsibilities within the municipality.	2,710 <u>-250</u> 2,460

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target a HACC service / Municipal population who receive a HACC target population for HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
		Participation in HACC service by Culturally and Linguistically Diverse ("CALD") people (Percentage of the municipal target relation to CALD HACC services) people who receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD HACC services] x100
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population

2.2 Strategic Objective 2: OUR PLACE

We will maintain and enhance places to be attractive and liveable, in balance with our natural environment.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Environmental Management	Manages the overall impact of council's impact on the environment including roadside biodiversity and weed mapping and pest, plant and animal programs.	311 -1 310
Waste Management Services	Provides kerbside rubbish and recycling collection, management of resource recovery centres at Alexandra, Yea, Eildon, Kinglake and Marysville and landfill operations in Alexandra. The service also provides educational programs aimed at reducing the generation of waste and the promotion of recycling initiatives. These operations generate an annual surplus that is allocated to a reserve for future waste management works (ie. future closure and management of landfills).	3,091 <u>-3,900</u> -809
Building Control	Provides statutory building services to the council and community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	456 <u>-329</u> 127
Local Laws	Facilitates a safer community through the provision of school crossing supervision, traffic management, domestic animal management, regulation and enforcement of local laws and community fire prevention.	341 <u>-141</u> 200
Development Approvals	Processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal (VCAT) where necessary. The service also monitors the Murrindindi Planning Scheme as well as preparing major policy documents shaping the future of the shire. It also prepares and processes amendments to the Murrindindi Planning Scheme.	864 <u>-187</u> 677
Environmental Health	Protects the community's health and well being by coordinating food safety support programs and immunisation. In 2017-18 a domestic wastewater management plan will be prepared in accordance with statutory requirements.	293 <u>-138</u> 155
Infrastructure Maintenance	Council has a vast network of infrastructure assets including buildings, roads, bridges, drains, and footpaths. This expenditure provides for ongoing maintenance of Council's infrastructure assets.	4,354 <u>-1,883</u> 2,471
Parks and Gardens	Provides planning, development and maintenance to our public open space, road reserves and parks.	1,470 <u>0</u> 1,470

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100

Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

2.3 Strategic Objective 3: OUR PROSPERITY

In partnership with the community we will promote an environment in which business and community can thrive.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Tourism	Provides support to local visitor information centres, events and regional tourism marketing. Council is also the responsible authority for management of the Yea and Marysville Caravan Parks.	394 -100 294
Economic Development	This service assists business investment and growth and facilitates access to local employment.	335 -61 274
Saleyards	This area covers the management and operations of the Yea Saleyards.	238 -346 -108

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives

Service	Indicator	Performance Measure	Computation
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year / less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x 100

2.4 Strategic Objective 4: OUR PROMISE

We will all work in collaboration with our communities to deliver the best possible outcomes in all that we do.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Councillors	This includes the cost of Council elections, Council chambers, Mayor and Councillors' expenses and civic events.	342 <u>0</u> 342
Chief Executive and Executive Team	This area includes Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas. Income relates to the Victorian Grants Commission annual grant.	957 <u>-2,806</u> -1,849
Communications and Publications	Facilitation of communications, publications, regular radio spots and media releases issued as well as annual reports, strategic documents, the provision of Council's website, Facebook page and community engagement activities.	608 <u>-4</u> 604
Financial Services	Includes the management of Council's finances, payment of salaries, accounts payable & receivable, raising and collection of rates and charges and valuation of properties throughout the municipality.	1,136 <u>-17,646</u> -16,510
Corporate Services	Provides statutory and corporate support services to Council, including the coordination of business papers for meetings of Council and its committees and the coordination of Council's procurement. It is also responsible for enterprise risk management and the provision of document and information management support services to Council, including compliance with statutory obligations under Freedom of Information, Public Records, Information Privacy and Local Government Acts.	856 <u>-144</u> 712
Human Resources	Has a focus on management of OH&S and organisational well being and improving performance through the continuous development, improvement and implementation of our strategies, policies, procedures and training opportunities in relation to human resources.	379 <u>0</u> 379
Information Technology	Provides support, and maintains communications and computing systems, facilities and infrastructure to enable staff to deliver services in a smart, productive and efficient way.	604 <u>0</u> 604
Customer Services	This unit provides front counter services at Alexandra, Yea and Kinglake offices including reception, telephone, receipting of payments, connecting customers with relevant departments, customer request coordination, hall bookings, as well as the provision of a number of other civic services.	528 <u>-1</u> 527
Asset Planning and Management	This unit strategically manages the capital works planning and renewal requirements of all of Council's \$300m worth of public assets. Also included in these costs is Council's annual depreciation costs, the non-cash accounting treatment of assets that shows the gradual reduction in value of assets as they age.	8,017 <u>-1,776</u> 6,241
Asset Rationalisation	Proposed sale of Council Assets: proceeds from sales (\$636K) offset against the carrying value of the assets held on Council's balance sheet (\$885K) Nett loss of (-\$249K). Assets are valued on Council's balance sheet at fair value less accumulated depreciation. Revenue is based on market valuation of what sales of these assets may achieve. It should be noted one of the long term effects of asset rationalisation is the reduction of Councils future operational and renewal costs. In the short term, there is also the benefit of a one off injection of cash from sale, plus the possibility of the property becoming a rateable assessment. Included in 2017/18 is the write out of Bridge Replacements of (\$194K).	0 <u>249</u> 249

Service Performance Outcome Indicators

The following indicator outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community

2.5 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2017/2018 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainability, which are not included in this Budget. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement.

2.6 Reconciliation with budgeted operating result

	Revenue \$'000	Expenditure \$'000	Net Cost (Revenue) \$'000
Our People	(3,259)	7,435	4,176
Our Place	(6,579)	11,180	4,601
Our Prosperity	(507)	967	460
Our Promise	(22,128)	13,427	(8,701)
Total services and initiatives	(32,473)	33,009	536
Other non-attributable			-
Deficit for the year			536

3. Financial Statements

This section presents information in regard to the Financial Statements. The budget information for the years 2017/2018 to 2020/2021 has been extracted from the Strategic Resource Plan.

This section includes the following financial statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources

3.1 Comprehensive Income Statement

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Income					
Rates and charges	19,249	19,833	20,230	20,634	21,047
Statutory fees and fines	738	715	733	751	770
User fees	2,053	1,903	1,951	1,999	2,049
Grants - Operating	7,035	6,938	7,146	7,282	7,421
Grants - Capital	2,563	1,748	1,598	1,598	1,598
Contributions - monetary	80	123	123	123	123
Contributions - non-monetary	-	194	200	200	200
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(161)	(249)	-	-	-
Other income	1,240	1,269	1,294	1,320	1,347
Total income	32,797	32,474	33,275	33,908	34,555
Expenses					
Employee costs	13,354	14,147	14,430	14,719	15,013
Materials and services	11,329	9,493	9,730	9,974	10,223
Bad and doubtful debts	2	-	-	-	-
Depreciation and amortisation	8,833	8,968	9,058	9,148	9,240
Borrowing costs	121	107	104	104	104
Other expenses	290	295	301	307	313
Total expenses	33,929	33,010	33,623	34,251	34,892
Surplus/(deficit) for the year	(1,132)	(536)	(348)	(343)	(338)
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment /(decrement)	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods					
(detail as appropriate)	-	-	-	-	-
Total comprehensive result	(1,132)	(536)	(348)	(343)	(338)

3.2 Balance Sheet

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Assets					
Current assets					
Cash and cash equivalents	22,829	24,448	26,918	27,040	26,307
Trade and other receivables	2,487	2,808	2,836	2,864	2,893
Other financial assets	-	-	-	-	-
Inventories	50	50	50	50	50
Non-current assets classified as held for sale	217	-	-	-	-
Other assets	270	350	350	350	350
Total current assets	25,853	27,656	30,154	30,304	29,601
Non-current assets					
Trade and other receivables	24	46	46	46	46
Investments in associates and joint ventures	-	-	-	-	-
Property, infrastructure, plant & equipment	303,348	301,601	299,791	297,993	296,205
Investment property	-	-	-	-	-
Intangible assets	3,442	3,180	3,069	2,961	2,858
Total non-current assets	306,814	304,827	302,906	301,000	299,108
Total assets	332,667	332,483	333,060	331,304	328,709
Liabilities					
Current liabilities					
Trade and other payables	2,538	2,610	2,688	2,769	2,852
Trust funds and deposits	609	933	933	933	933
Provisions	3,153	3,216	3,248	3,281	3,313
Interest-bearing loans and borrowings	405	401	389	377	366
Total current liabilities	6,705	7,160	7,258	7,360	7,464
Non-current liabilities					
Provisions	5,491	5,291	5,185	5,081	4,980
Interest-bearing loans and borrowings	1,449	1,546	1,500	1,455	1,411
Total non-current liabilities	6,940	6,837	6,685	6,536	6,391
Total liabilities	13,645	13,997	13,943	13,896	13,855
Net assets	319,022	318,486	319,117	317,408	314,854
Equity					
Accumulated surplus	126,568	124,921	124,573	124,230	123,893
Reserves	192,454	193,565	194,546	193,181	190,966
Total equity	319,022	318,486	319,119	317,412	314,859

3.3 Statement of Changes in Equity

For the four years ending 30 June 2021

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2016/2017 Forecast				
Balance at beginning of the financial year	320,154	128,493	177,714	13,947
Surplus/(deficit) for the year	(1,132)	(1,132)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	(2,327)	-	2,327
Transfer from other reserves	-	1,534	-	(1,534)
Balance at end of the financial year	319,022	126,568	177,714	14,740
2017/2018 Budget				
Balance at beginning of the financial year	319,022	126,568	177,714	14,740
Surplus/(deficit) for the year	(536)	(536)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	(1,902)	-	1,902
Transfer from other reserves	-	791	-	(791)
Balance at end of the financial year	318,486	124,921	177,714	15,851

3.4 Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	Projections		
	Inflows (Outflows)	Inflows (Outflows)	2018/19 \$'000 (Outflows)	2019/20 \$'000 (Outflows)	2020/21 \$'000 (Outflows)
Cash flows from operating activities					
Rates and charges	19,214	19,799	19,926	20,325	20,731
Statutory fees and fines & User fees	3,796	3,294	3,310	3,327	3,344
Grants - operating & capital	9,802	8,486	8,274	8,067	7,865
Interest received	711	597	618	640	662
Trust funds and deposits taken	(365)	324	-	-	-
Employee costs	(13,334)	(14,023)	(14,286)	(14,571)	(14,863)
Materials and services	(12,116)	(10,044)	(9,633)	(9,874)	(10,121)
Net cash provided by/(used in) operating activities	7,708	8,433	8,210	7,913	7,619
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(11,912)	(7,434)	(6,100)	(8,170)	(8,746)
Proceeds from sale of property, infrastructure, plant and equipment	655	636	400	400	400
Net cash provided by/ (used in) investing activities	(11,257)	(6,798)	(5,700)	(7,770)	(8,346)
Cash flows from financing activities					
Finance costs	(199)	(109)	(112)	(116)	(119)
Proceeds from borrowings	500	500	500	500	500
Repayment of borrowings	(674)	(407)	(427)	(406)	(386)
Net cash provided by/(used in) financing activities	(373)	(16)	(40)	(22)	(5)
Net increase/(decrease) in cash & cash equivalents	(3,922)	1,619	2,470	121	(732)
Cash and cash equivalents at the beginning of the financial year	26,751	22,829	24,448	26,918	27,040
Cash and cash equivalents at the end of the financial year	22,829	24,448	26,918	27,040	26,307

3.5 Statement of Capital Works

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Property					
Land	-	30	25	25	25
Land improvements	-	-	-	-	-
Total land	-	30	25	25	25
Buildings	1,759	976	798	737	285
Building improvements	-	-	-	-	-
Total buildings	1,759	976	798	737	285
Total property	1,759	1,006	823	762	310
Plant and equipment					
Heritage plant and equipment	-	-	-	-	-
Plant, machinery and equipment	1,693	952	994	959	928
Fixtures, fittings and furniture	-	-	-	-	-
Computers and telecommunications	324	205	162	202	165
Library books	97	99	101	103	105
Total plant and equipment	2,114	1,256	1,257	1,264	1,198
Infrastructure					
Roads	4,491	2,696	2,363	2,507	2,816
Bridges	1,466	885	587	309	463
Footpaths and cycleways	417	231	170	203	313
Drainage	278	227	188	212	211
Recreational, leisure and community facilities	371	338	257	180	180
Waste management	966	465	455	2,733	3,255
Parks, open space and streetscapes	-	-	-	-	-
Off street car parks	50	330	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	8,039	5,172	4,020	6,144	7,238
Total capital works expenditure	11,912	7,434	6,100	8,170	8,746
Represented by:					
New asset expenditure	-	300	0	0	0
Asset renewal expenditure	7,519	5,132	4,679	4,393	6,015
Asset expansion expenditure	1,394	684	521	2,978	2,130
Asset upgrade expenditure	2,999	1,318	900	799	601
Total capital works expenditure	11,912	7,434	6,100	8,170	8,746

3.6 Statement of Human Resources

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Staff expenditure					
Employee costs - operating	13,354	14,147	14,430	14,719	15,013
Employee costs - capital	133	91	-	-	-
Total staff expenditure	13,487	14,238	14,430	14,719	15,013
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	148.0	150.6	149.0	149.0	148.0
Total staff numbers	148.0	150.6	149.0	149.0	148.0

The FTE (full-time equivalent staff levels) included for budgetary purposes is a financial measure, and must include all funded positions for the upcoming financial year, and is not an indication of Council's permanent establishment listing. The variance from the forecast actual result for 2016/17 to next year's budget includes funding allowances for additional temporary resources in the areas of waste management and customer service and an additional permanent

The total staffing number of 150.6 remains above Council's projected establishment listing of 140.4, which is lower than the budgeted amount for 2016/17, which was 141.2. This variance in FTE between 150.6 and 140.4, relates to a number of temporary grant-fund positions in the areas of childcare, municipal emergency management, aged care, disability services and the collection of the State Government's Fires Services Property Levy. Also included in this variance are a small number of fixed-term positions, such as the additional temporary resources for waste management and customer service highlighted above.

A summary of human resources expenditure categorised by the organisational structure of Council is included below:

Department	Budget	Comprises	
	2017/18 \$'000	Permanent Full Time \$'000	Permanent Part Time \$'000
Business Services	2,041	1,254	787
Communications, Library and Customer Service	1,303	602	701
Community Services	3,006	570	2,436
Development Services	1,560	1,098	462
Executive Team and Support	737	638	99
Infrastructure Assets	1,172	865	307
Infrastructure Operations	4,120	3,472	648
Total permanent staff expenditure	13,939	8,499	5,440
Casuals and other expenditure	208		
Capitalised labour costs	91		
Total expenditure	14,238		

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Budget	Comprises	
	FTE	Permanent Full Time	Permanent Part Time
Business Services	20.1	11.0	9.1
Communications, Library and Customer Service	14.1	6.0	8.1
Community Services	34.8	4.6	30.2
Development Services	14.1	10.0	4.1
Executive Team and Support	4.0	3.0	1.0
Infrastructure Assets	10.6	7.6	3.0
Infrastructure Operations	48.7	40.5	8.2
Total	146.4	82.7	63.7
Casuals and other	2.7		
Capitalised labour costs	1.5		
Total staff	150.6		

4. 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 interpreted in the context of the organisation's objectives.

Indicator	Measure	Notes	Forecast		Budget 2017/18	Strategic Resource Plan Projections			Trend + / o / -
			Actual 2015/16	Actual 2016/17		2018/19	2019/20	2020/21	
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-2.6%	-6.5%	-3.1%	-2.0%	-2.0%	-1.9%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	390.2%	385.6%	386.3%	415.4%	411.7%	396.6%	o
Unrestricted cash	Unrestricted cash / current liabilities	3	28.5%	320.4%	322.3%	333.8%	330.7%	317.2%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	11.1%	9.6%	9.8%	9.3%	8.9%	8.4%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		5.1%	4.5%	2.6%	2.7%	2.5%	2.4%	+
Indebtedness	Non-current liabilities / own source revenue		30.7%	29.8%	28.8%	27.6%	26.5%	25.3%	+
Asset renewal	Asset renewal expenditure / depreciation	5	49.4%	85.1%	57.2%	51.7%	48.0%	65.1%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	60.3%	58.8%	61.7%	61.4%	61.4%	61.5%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$3,238	\$3,512	\$3,391	\$3,419	\$3,448	\$3,477	-
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,022	\$1,103	\$1,111	\$1,116	\$1,122	\$1,127	o
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		16.1%	14.0%	10.0%	10.0%	10.0%	10.0%	o

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

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 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 2017/2018 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 Unrestricted Cash - The unrestricted cash ratio for the 2015/16 ratio is adversely affected by an audit requirement to classify any cash held in longer term term-deposits as an investment and not as unrestricted cash. If re-classified as cash, this ratio would be 310% for 2015/16, similar to the projections for this year and next year's budget.

4 Debt compared to rates - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

5 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.

6 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.

5. Other budget information (required by the Regulations)

This section presents other budget related information required by the Regulations.

This section includes the following statements and reports

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

5.1.1 Grants operating - (\$0.09 million decrease)

Operating grants include all funds received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to decrease by 1.4% or \$0.09 million compared to 2016/2017. This is mostly due to the completion of some grant-funded projects that support programs in the Economic, Environment and Community Development areas (eg. Advancing Country Towns, Roadside Weeds and Pests programs and Collaborative Climate Change). A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

Grants - operating	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Aged and Disability	868	875	7
Children Services	714	691	(23)
Victorian Grants Commission	4,271	4,400	128
<i>Recurrent - State Government</i>			
Aged and Disability	334	341	8
Children Services	1	1	-
Environmental Health	13	14	1
Libraries	145	149	4
Maternal and child health	175	175	-
Traffic Control	17	17	-
Total recurrent grants	6,538	6,663	125
<i>Non-recurrent - Commonwealth Government</i>			
<i>Non-recurrent - State Government</i>			
Community Development	63	-	(63)
Economic Development	200	50	(150)
Emergency Management	60	60	-
Environmental Health	5	5	-
Environmental programs	38	1	(37)
Library Services	3	-	(3)
Recreation Services	42	98	56
Youth Services	87	63	(25)
Total non-recurrent grants	497	276	(221)
Total operating grants	7,035	6,938	(97)

5.1.2 Grants capital (\$0.82 million decrease)

Capital grants include all funds received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 31.80% or \$0.82 million compared to 2016/2017 due mainly to specific funding for some large capital works projects in 2016/17 - with minimal State Government capital funding being confirmed for 2017/18. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during 2017/2018. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Grants - capital	Forecast		Variance \$'000
	Actual 2016/17 \$'000	Budget 2017/18 \$'000	
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	1,689	1,598	(91)
<i>Recurrent - State Government</i>			
Library Bookstock	6	6	-
Total recurrent grants	1,695	1,605	(91)
<i>Non-recurrent - Commonwealth Government</i>			
<i>Non-recurrent - State Government</i>			
Buildings	541	143	(398)
Footpaths	21		(21)
Roads	306		(306)
Total non-recurrent grants	868	143	(725)
Total capital grants	2,563	1,748	(815)

5.1.3 Statement of Borrowings

The table below shows information on borrowings specifically required by the Regulations.

	2016/17	2017/18
Total amount borrowed as at 30 June of the prior year	2,028	1,854
Total amount proposed to be borrowed	500	500
Total amount projected to be redeemed	(674)	(407)
Total amount of borrowings as at 30 June	1,854	1,947

Council budgets annually for an allocation of \$500,000 to be borrowed to assist in funding the capital works program, an amount that is only drawn down if required to complete the annual works. If not required, this amount does not get borrowed, as has occurred for the last 3 years. This leads to further savings achieved in reduced interest costs.

6. Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2017/2018 year.

The capital works projects are grouped by class and include the following:

- New works for 2017/2018
- Works carried forward from the 2016/2017 year.

Capital works program

For the year ending 30 June 2018

6.1 New works

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Purchase of Land - Road Reserve	30	-	-	30	-	-	-	30	-
Land	30	-	-	30	-	-	-	30	-
Buildings									
Marysville Caravan Park	92	-	-	92	-	-	-	92	-
Alexandra Visitor Information Centre	15	-	15	-	-	-	-	15	-
Yea Shire Hall - Restoration	120	-	120	-	-	-	-	120	-
Yea Pioneer Reserve - Renewal	10	-	10	-	-	-	-	10	-
13 Webster St Alexandra - House demolition	32	-	-	32	-	-	-	32	-
Eildon Visitor Info Centre - Refurbishment	35	-	18	17	-	-	-	35	-
Marysville Kindergarten & Child Care Centre	5	-	2	3	-	-	3	2	-
Alexandra Library - Carpet Renewal	50	-	50	-	-	-	-	50	-
Yea Pioneer Reserve - Traffic Management	27	-	-	27	-	-	-	27	-
Kinglake Community Centre	30	-	30	-	-	-	-	30	-
Yea Station Reserve - Playground	150	-	150	-	-	75	-	75	-
Alexandra Shire Office - Upgrade & Renewal	130	-	65	65	-	-	-	130	-
Kinglake Office & Library - Floor Coverings	30	-	30	-	-	-	-	30	-
Alexandra Shire Hall - Window Furnishings	25	-	25	-	-	-	-	25	-
Alexandra Chambers & Mayors Office	15	-	13	2	-	-	-	15	-
Yea Office & Library - Floor Coverings	50	-	50	-	-	-	-	50	-
Public Convenience - Yea Rec Reserve	80	-	-	80	-	-	-	80	-
Total Buildings	896	-	578	318	-	75	3	818	-
TOTAL PROPERTY	926	-	578	348	-	75	3	848	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Motor vehicles and plant	952	-	636	-	316	-	-	452	500
Total Plant, Machinery and Equipment	952	-	636	-	316	-	-	452	500
Computers and Telecommunications									
Information technology: GIS	25	-	12	13	-	-	-	25	-
Information technology: PCs and servers	80	-	80	-	-	-	-	80	-
Total Computers and Telecommunications	105	-	92	13	-	-	-	105	-
Library Books									
Library Bookstock	99	-	57	-	42	6	-	93	-
Total Library Books	99	-	57	-	42	6	-	93	-
TOTAL PLANT AND EQUIPMENT	1,156	-	785	13	358	6	-	650	500
INFRASTRUCTURE									
Roads									
Gravel Roads - Resheeting	875	-	875	-	-	875	-	-	-
Gravel Roads - Major Maintenance	425	-	425	-	-	-	-	425	-
Shoulder Resheeting Program	75	-	67	8	-	-	-	75	-
Sealed Roads - Renewal & Major Patching	90	-	90	-	-	-	-	90	-
Sealed Roads - Reseals	670	-	670	-	-	598	-	72	-
Gravel Roads Sealing Program	240	-	39	201	-	125	3	112	-
Bus Shelter Construction	20	-	-	20	-	-	-	20	-
Road Safety - Traffic Control Measures	20	-	-	20	-	-	-	20	-
Road Safety Measures	50	-	-	33	17	-	-	50	-
Kerb & Channel - Renewal	88	-	70	-	18	-	-	88	-
Pendlebury Street Kerbing - Special Charge	53	-	-	53	-	-	27	26	-
Snodgrass Street - Stage 2 - Special Charge	90	-	23	67	-	-	60	30	-
Total roads	2,696	-	2,259	402	35	1,598	90	1,008	-
Bridges									
Bridges and culverts	885	-	678	207	-	-	-	885	-
Total Bridges	885	-	678	207	-	-	-	885	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
Footpaths and Cycleways									
Footpath - Renewal	89	-	80	9	-	-	-	89	-
Footpath - Missing Links	86	-	-	-	86	-	-	86	-
Footpath - Urban Access Improvements	56	-	28	28	-	-	-	56	-
Total Footpaths and Cycleways	231	-	108	37	86	-	-	231	-
Drainage									
Drainage Upgrade - trouble spots	116	-	50	66	-	-	-	116	-
Drainage - Renewal	64	-	64	-	-	-	-	64	-
Total Drainage	180	-	114	66	-	-	-	180	-
Recreational, Leisure and Community Facilities									
Thornton Recreation Reserve Pavilion	190	-	171	19	-	-	-	190	-
Alexandra Lawn Tennis - Court Resurfacing	96	-	96	-	-	68	10	18	-
Kinglake Memorial Recreation Reserve	7	-	7	-	-	-	-	7	-
Parks & Reserves - Access Roads & Paths	17	-	17	-	-	-	-	17	-
Total Recreational, Leisure and Community Facilities	310	-	291	19	-	68	10	232	-
Waste Management									
Landfill Cell Construction	75	-	-	-	75	-	-	75	-
Landfill Cell Design	75	-	-	-	75	-	-	75	-
Landfill Cell Capping	85	-	85	-	-	-	-	85	-
Landfill Ancillary Works- incl Install Bores	55	-	-	-	55	-	-	55	-
Resource Recovery Centre - Upgrades	175	-	175	-	-	-	-	175	-
Waste Management	465	-	260	-	205	-	-	465	-
Off Street Car Parks									
Car parks - Yea Saleyards Truck Parking	300	300	-	-	-	-	-	300	-
Total Off Street Car Parks	300	300	-	-	-	-	-	300	-
TOTAL INFRASTRUCTURE	5,067	300	3,710	731	326	1,666	100	3,301	-
TOTAL NEW CAPITAL WORKS 2017/2018	7,149	300	5,073	1,092	684	1,747	103	4,799	500

6.2 Works carried forward from the 2016/2017 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Timber Tramway Museum - Renewal	30	-	30	-	-	-	-	30	-
Marysville Tourism & Arts Centre (in RAC)	50	-	-	50	-	50	-	-	-
Total Buildings	80	-	30	50	-	50	-	30	-
TOTAL PROPERTY	80	-	30	50	-	50	-	30	-
PLANT AND EQUIPMENT									
Computers and Telecommunications									
Information technology: GIS & EDMS	40	-	15	25	-	-	-	40	-
Information technology - Office Software Upgrade	60	-	-	60	-	-	-	60	-
Total Computers and Telecommunications	100	-	15	85	-	-	-	100	-
TOTAL PLANT AND EQUIPMENT	100	-	15	85	-	-	-	100	-
INFRASTRUCTURE									
Drainage									
Flood Levee Buxton	47	-	-	47	-	-	-	47	-
Total Drainage	47	-	-	47	-	-	-	47	-
Recreational, Leisure and Community Facilities									
Eildon Alliance Boat Ramp works	28	-	14	14	-	-	-	28	-
Total Recreational Leisure and Community Facilities	28	-	14	14	-	-	-	28	-
Off Street Car Parks									
Murchison St Marysville - Carpark	30	-	-	30	-	-	-	30	-
Total Off Street Car Parks	30	-	-	30	-	-	-	30	-
TOTAL INFRASTRUCTURE	105	-	14	91	-	-	-	105	-
TOTAL CARRIED FORWARD WORKS 2016/2017	285	-	59	226	-	50	-	235	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
6.3 Summary									
PROPERTY	1,006	-	608	398	-	125	3	878	-
PLANT AND EQUIPMENT	1,256	-	800	98	358	6	-	750	500
INFRASTRUCTURE	5,172	300	3,724	822	326	1,666	100	3,406	-
TOTAL CAPITAL WORKS	7,434	300	5,132	1,318	684	1,797	103	5,034	500

7. Rates and charges

This section presents information about rates and charges which the Act and the Regulations require to be disclosed in the Council's annual budget.

Rates and charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 61.0% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government has introduced rate capping, known as the Fair Go Rates System ("FGRS"), which sets out the maximum amount by which councils may increase average rates in a year. For 2017/2018 the FGRS rate cap has been set by the Minister for Local Government at 2.0%. The cap applies to both general rates and municipal charges, but not to waste, recycling and Fire Services charges, nor to revenue achieved through supplementary rates (ie. new or improved properties) and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

In order to achieve these objectives, while maintaining service levels and a strong capital expenditure program, the average general rate and municipal charge will increase by 2.0% in line with the rate cap, with the exception of commercial and industrial properties, which will receive a one-off rate freeze for 2017/18. This will result in Council's overall general rate revenue increasing by 1.9%, less than the maximum permitted under the rate cap. Kerbside collection charge will increase by 2.0% and the recycling charge by 2.3%. This will raise total revenue from rates and charges for 2017/18 to \$19.83 million, including \$0.16 million generated from supplementary rates.

The rate in the dollar is presented in the table as cents per \$ of CIV to allow greater understanding of the rates set. For example, whilst the rate in the \$ for vacant land for 2017/18 is to be set at 0.005376, when expressed as cents per \$ of CIV, this is shown as 0.5376. What this means is that for every dollar that the vacant land is rated at, just over half of one cent has been determined as payable in rates for this particular property, e.g. for a plot of vacant land valued at \$100,000, the rate revenue to be paid is \$537.60.

7.1 The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2016/2017 cents/\$CIV	2017/2018 cents/\$CIV	Change
General rate for rateable residential properties	0.3514	0.3584	2.0%
Differential rate for rateable commercial/industrial properties	0.4393	0.4393	0.0%
Differential rate for rateable Rural 1 properties	0.2460	0.2509	2.0%
Differential rate for rateable Rural 2 properties	0.3479	0.3548	2.0%
Differential rate for rateable Vacant Land properties	0.5271	0.5376	2.0%

The above analysis shows that rates are budgeted to increase by no more than 2.0%, in line with the rate cap for 2017/18. Council has elected to not increase rates for commercial and industrial properties in 2017/18, whereas all other rateable properties will see their rate increased by 2.0%.

7.2 The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2016/2017 \$	2017/2018 \$	Change
Residential	5,988,250	6,117,016	2.2%
Commercial and Industrial	829,240	829,240	0.0%
Rural 1	3,134,808	3,198,564	2.0%
Rural 2	2,868,718	2,925,178	2.0%
Vacant Land	599,510	602,515	0.5%
Total amount to be raised by general rates	13,420,526	13,672,513	1.9%

The above analysis shows that overall general rate revenue will increase by 1.9%, due to Council not increasing rates for commercial and industrial properties. Additional revenue from the residential property sector is due to more vacant land parcels being converted to residential properties.

7.3 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2016/17 Number	2017/18 Number	Change
Residential	5,429	5,508	1.5%
Commercial and Industrial	425	429	0.9%
Rural 1	1,332	1,323	-0.7%
Rural 2	1,714	1,737	1.3%
Vacant Land	760	739	-2.8%
Total number of assessments	9,660	9,736	0.8%

7.4 The basis of valuation to be used is the Capital Improved Value (CIV)

7.5 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2016/2017 \$	2017/2018 \$	Change
Residential	1,670,518,800	1,708,632,000	2.3%
Commercial and Industrial	189,091,000	188,764,000	-0.2%
Rural 1	1,273,955,000	1,274,938,000	0.1%
Rural 2	819,159,000	824,421,000	0.6%
Vacant Land	108,448,000	112,075,000	3.3%
Total value of land	4,061,171,800	4,108,830,000	1.2%

7.6 The municipal charge under section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2016/2017 \$	Per Rateable Property 2017/2018 \$	Change
Municipal	320.00	326.00	1.9%

7.7 The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2016/2017 \$	2017/2018 \$	Change
Municipal	2,985,015	3,044,716	2.0%

7.8 The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2016/2017 \$	Per Rateable Property 2017/2018 \$	Change
Kerbside collection	345.50	352.50	2.0%
Recycling	85.50	87.50	2.3%
Total	431.00	440.00	2.1%

7.9 The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of Charge	2016/2017 \$	2017/20'18 \$	Change
Kerbside collection	2,222,601	2,303,235	3.6%
Recycling	559,854	585,813	4.6%
Total	2,782,455	2,889,048	3.8%

7.10 The estimated total amount to be raised by all rates and charges compared with the previous financial year

Type of Charge	2016/2017 \$'	2017/2018 \$'	Change
General rates	13,420,526	13,672,513	1.9%
Municipal charge	2,985,015	3,044,716	2.0%
Kerbside collection and recycling	2,782,455	2,889,048	3.8%
Agreement in lieu of rates (Power Station)	61,333	62,560	2.0%
Supplementary rates and charges	0	164,053	1.0%
Rates and charges	19,249,329	19,832,890	3.0%

Supplementary rate revenue and municipal charge revenue that was generated in 2016/17 is included in the base rates and charges that are used to calculate the rate increase of 2.0% for 2017/18. All supplementary rate and municipal charge revenue forecast to be raised during 2017/18 relates to new property developments, improvements or sub-divisions that are forecast to occur in 2017/18 - and do not impact the average rate increase of 2.0% that is applied for the budgeted financial year, nor is it included in the calculation of Council's compliance with the rate cap. A 1.0% growth target is reflective of the objective of Council to grow the rate base by 1.0% each year.

7.11 Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2017/2018: estimated \$164,053, 2016/2017: \$154,769)
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes commercial/industrial land and vice versa.

7.12 Differential rates

7.12.1 Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.003584 (0.3584 cents in the dollar of CIV) for all rateable residential properties; and
- A differential rate of 0.004393 (0.4393 cents in the dollar of CIV) for all rateable Commercial and Industrial properties (122.6% of general rate); and
- A differential rate of 0.002509 (0.2509 cents in the dollar of CIV) for all rateable Rural 1 properties (70% of general rate); and
- A differential rate of 0.003548 (0.3548 cents in the dollar of CIV) for all rateable Rural 2 properties (99% of general rate); and
- A differential rate of 0.005376 (0.5376 cents in the dollar of CIV) for all rateable Vacant Land properties (150% of general rate).

Each differential rate will be determined by multiplying the Capital Improved Value of each rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council considers that each differential rate will contribute to the efficient carrying out of council functions, though for 2017/18 only, the commercial and industrial sector will not see the rate on their properties increase. Details of the objectives of each differential rate, the types of classes of land, which are subject to each differential rate and the uses of each differential rate, are set out below.

7.12.2 Rural 1 Land

Rural 1 land is any rateable land, which is:

- Not less than 40 hectares in area; and
- shall include non-contiguous assessments within the Shire operating as a single farm enterprise.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets;
- Development and provision of health and community services;
- Provision of general support services; and
- Recognition of the capital required for farming within the Shire and limited access to some services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries.

7.12.3 Rural 2 land

Rural 2 land is any rateable land, which is:

- greater than 4 hectares and less than 40 hectares in area; and
- shall include non-contiguous assessments within the Shire operating as a single farm enterprise.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets;
- Development and provision of health and community services;
- Provision of general support services; and
- Recognition of the capital required for farming within the Shire and limited access to some services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries.

7.12.4 Vacant land

Vacant land is defined as:

- Any land which is located in Council's defined residential, commercial, rural living or industrial zones for planning purposes that is currently undeveloped.
- Undeveloped land is broadly classified as land not containing an approved, habitable structure, or land that has not been developed for the purpose of commercial or industrial use.

The objective of this differential rate is to encourage property owners to develop vacant land identified by Council as suitable for development, rather than simply acquire or hold land for the purpose of future investment without developing it. Encouraging the development of land ensures that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Council.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries.

7.12.5 Commercial / Industrial

Commercial and industrial properties are defined as:

- Any property which is used primarily for commercial and/or industrial purposes and/or,
- Any property zoned as commercial and industrial land under the planning scheme in force in the municipal district which is not deemed vacant as per above.

The objective of this differential rate is to ensure that the owners of the property having the characteristics of Commercial and Industrial Land make an equitable financial contribution to the cost of carrying out Council's functions, including those functions supporting economic development and tourism, and the renewal and maintenance of public infrastructure that is of critical importance and benefit to business owners.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land. For 2017/18, Council has elected to not increase the average rate for properties included in this class.

Land covered by this classification is not affected by ward boundaries.

7.13 Fair Go Rates System Compliance

Murrindindi Shire Council is fully compliant with the State Government's Fair Go Rates System.

Base Average Rates (2016/2017)	\$ 1,705.24
Maximum Rate Increase (set by the State Government)	2.00%
Capped Average Rate (2017/2018)	\$ 1,739.34

Budget Analysis

The following reports provide detailed analysis to support and explain the budget reports in the previous section.

This section includes the following analysis and information.

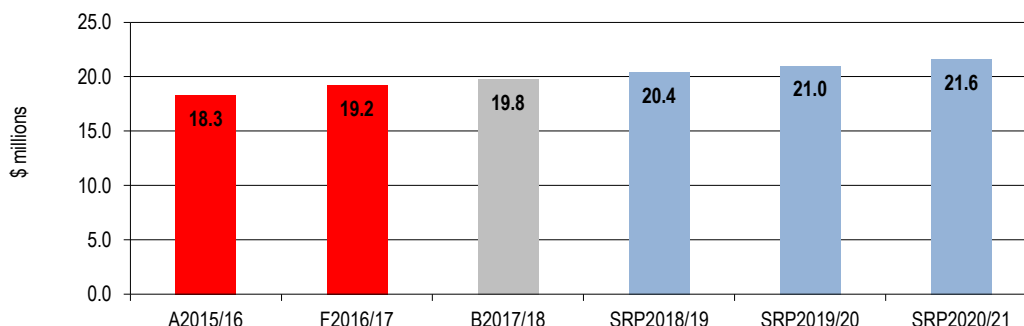
- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Summary of other strategies
- 16 Rating strategy

8. Summary of financial position

Council has prepared a Budget for the 2017/2018 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of Council.

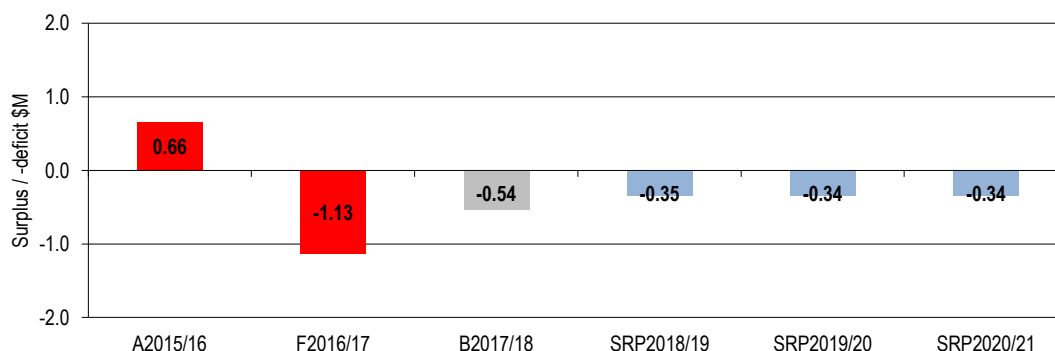
A= Actual F= Forecast B= Budget SRP= Strategic Resource Plan estimates

8.1 Rates and charges



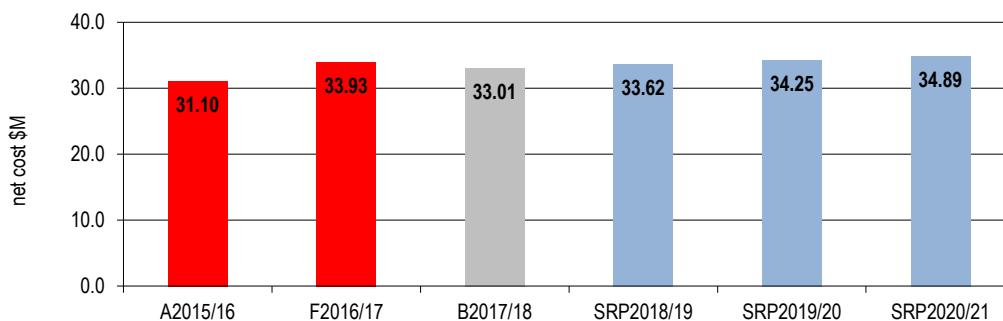
It is proposed that total rates and charges revenue (inclusive of waste charges and supplementary rates) increase by 3.0% for the 2017/18 year, raising total rates of \$19.8 million - see table 7.10 for further details. This is a significant change from previous rating increases, due to the imposition of the State Government mandated rate cap, though Council has also elected to not raise rates for the commercial and industrial sector for the 2017/18 financial year. The average rate increase (which excludes waste charges and supplementary rates) is slightly below the rate cap set by the Minister for Local Government. Refer Sections 7 and 10 for more information.

8.2 Operating Result



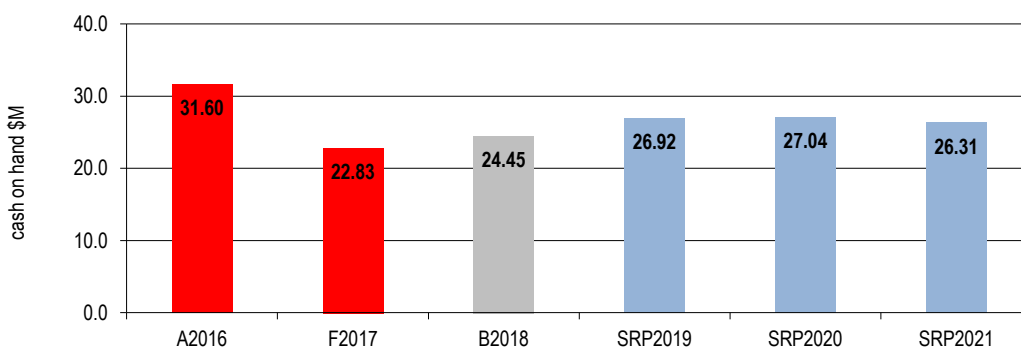
The expected operating result for the 2017/2018 year is a deficit of \$0.54 million, which is an improvement compared to the revised \$1.13 million budget deficit for 2016/17. Future year projections are based on an assumed rate cap of 2.0%. Council is not currently factoring in a request for a rate cap variation during its four year term.

8.3 Services



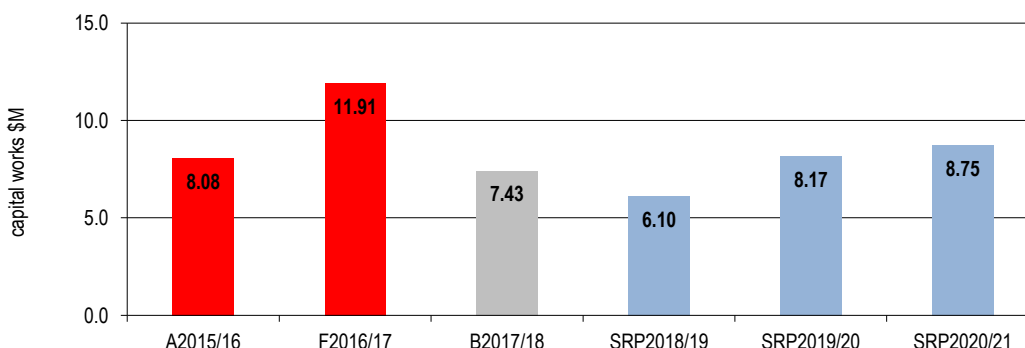
The cost of services delivered to the community for 2017/18 is expected to be \$33.01 million which is a decrease of \$0.92 million compared to 2016/17. Service levels have been maintained at current levels, though Council has committed to further extensive consultation with the community regarding the sustainability of this approach given the constraints of a rate capped environment. Refer Section 2 for a full list of services and their associated costs.

8.4 Cash and investments



Cash and investments are forecast to increase during 2017/18 by \$1.6 million, in line with Council's financial strategy to ensure that funds are available for planned future capital requirements and to ensure continued delivery of services to the community. Refer also Section 4 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

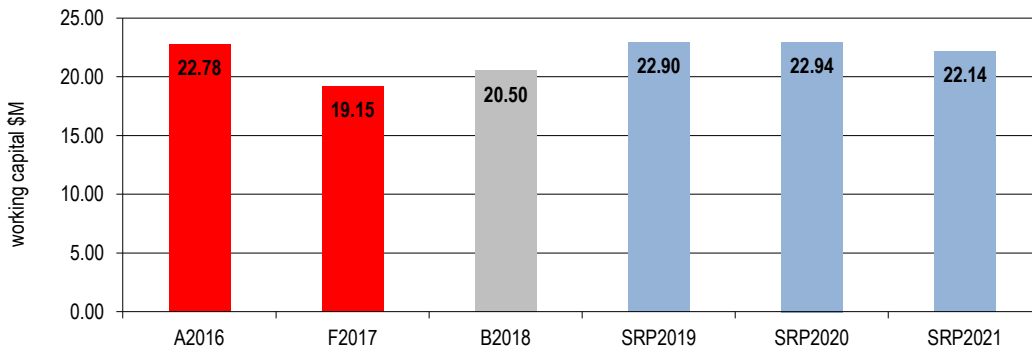
8.5 Capital works



The capital works program for 2017/2018 is budgeted to be \$7.43 million of which \$0.28 million relates to projects which will be carried forward from the 2016/2017 year. The carried forward component is fully funded from the 2016/2017 budget. Of the \$7.43 million of capital funding required, \$1.80 million will come from external grants with the balance funded from Council cash, borrowings and contributions. The capital expenditure program has been set and prioritised based on a rigorous process of asset review that has enabled Council to assess needs and develop sound business and funding cases for each project.

Refer also Section 4 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

8.6 Financial position



The financial position is expected to improve with net assets (net worth) to increase by \$1.65 million to \$20.5 million although net current assets (working capital) is currently forecast to reduce by \$3.63 million to \$19.15 million as at 30 June 2017. Council's commitment to reducing debt, whilst managing its cash reserves to fund both current and future asset management and service delivery requirements, shows continued improved working capital growth over the life of the long term financial plan.

Refer also Section 4 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

9. Budget influences

This section sets out the key budget influences and the factors that arise from the internal and external environment within which Council operates.

9.1 Snapshot of Murrindindi Shire

Our shire is 60 to 90 minutes north east of Melbourne. Our amazing landscape includes beautiful National Parks and State Forests, fertile farming land, the scenic Goulburn River, Lake Eildon and abundant creeks and rivers.

Removed from the fast pace of big city living yet easily accessible from Melbourne and regional hubs, the shire promotes quality of life and a laidback lifestyle. The area has five key service centres in Alexandra, Eildon, Kinglake, Marysville and Yea that provide a range of businesses and facilities, educational hubs, medical services and a range of lifestyle choices and visitor accommodation.

These service centres are complemented by a number of diverse townships including: Acheron • Buxton • Cathkin • Castella • Flowerdale • Glenburn • Gobur • Highlands • Homewood • Kanumbra • Kinglake West • Koriella • Limestone • Molesworth • Murrindindi • Narbethong • Rubicon • Strath Creek • Taggerty • Terip Terip • Thornton • Toolangi • Woodbourne • Yarck.

Our history

The Taungurung and Wurundjeri peoples are the traditional owners of the land now known as the Murrindindi Shire.

European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s after the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Bradford, Eltham, Whittlesea and Euroa.

On 7 February 2009, the Victorian bushfires claimed 95 lives in our shire and burned more than 1500 square kilometres (40 per cent of the shire). Our shire has shown amazing resilience to come back from this natural disaster and we have a community that continues to grow and prosper today.

Population

We have a small population in a large and diverse Shire. More than 80 per cent of our 13,595 population were born in Australia. Other common countries of birth include England 4.2 per cent, New Zealand 1.1 per cent, Germany 0.7 per cent, Scotland 0.6 per cent and Netherlands 0.6 per cent.

Ageing Population

Our highest proportion of the population (31.6 per cent) is aged between 45 and 64 and we are getting older. The percentage of those aged over 65 is expected to rise from 18.6 per cent in 2010 to 23.6 per cent in 2021, compared to the Victorian anticipated increase from 13.7 per cent to 20.2 per cent.

Employment

We have a strong workforce with around 54 per cent employed full time, 34 per cent employed part-time and 4.8 per cent unemployed which is below the state average for unemployment.

Our major employment sectors include management at 18 per cent, technicians and trades workers at 17 per cent, professionals at 15 per cent, labourers at 12 per cent and community and personal service workers at 12 per cent.

Those who have made the choice to live in Murrindindi Shire also have relatively easy access to all the City of Melbourne has to offer while living in a very special part of the world.

Agriculture, viticulture, horticulture and aquaculture are significant drivers of our economy as is our hospitality and tourism industry.

Our region supplies most of Australia's strawberry runner stock and 80 per cent of Australian trout stock. Our favourable climate conditions allow for the growing of stone fruits, berries and turf production. We also have a vibrant beef, sheep and grain industry.

Education also provides employment opportunities as does medical services and Local Government. With over a million visitors each year, our tourism sector is a key economic driver that provides eco-tourism opportunities through to luxury holiday stays.

9.2 External influences

Several factors outside Council's control have influenced the development of the 2017/18 Budget, as outlined in further detail below:

- Consumer Price Index (CPI) increases on goods and services of 1.4% through the year to the September quarter 2016. State-wide CPI is forecast to be 2.0% for the 2017/2018 year (Victorian Budget Papers 2016/17).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2016 was 3.4% (ABS release 18 August 2016). The wages price index in Victoria is projected to be 2.5% per annum in 2017/2018 increasing to 3.0% and 3.5% in the subsequent two years (Victorian Budget Papers 2016/2017). Council must renegotiate a new Collective Agreement during the 2017/2018 year for commencement on 1 January 2018.
- Funding received through Roads to Recovery has now been extended through to 2019. The funding allocations are based on the recommendations of State Local Government Grant Commissions. Councils can use the funding they receive to make urgent repairs and upgrades to their local road networks.
- Anticipated increase of 2.0% (or \$1.24 per tonne) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste tipping costs. The levy has increased from \$9 per tonne in 2008/2009 to a forecast \$63.27 per tonne in 2017/2018 (703% increase in 9 years).
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. This has been seen through the Commonwealth government's decision to freeze the indexation of funds received by Councils over the last 3 years via the Federal Assistance Grants Scheme - which has cost Council over \$600k in lost revenue to support services. Examples of services that are subject to Cost Shifting include school crossing supervisors, library services, roadside pest plant and animal management services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council.

9.4 Budget principles

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. The principles included:

- Existing fees and charges to be increased in line with CPI or market levels. A benchmarking exercise across the private and public sector was undertaken to ensure fees are comparable where appropriate;
- Grants to be based on confirmed funding levels;
- New revenue sources to be identified where possible;
- Service levels to be maintained at 2016/17 levels with the aim to use less resources with an emphasis on innovation and efficiency;
- Salaries and wage increases to be kept in line with the current Enterprise Agreement;
- Construction and material costs to increase in line with the Local Government Cost Index;
- Any employee-related proposals to be considered by Council on the merits of a business case;
- Real savings in expenditure and increases in revenue identified through various service level reviews to be preserved; and
- Operating revenues and expenses arising from completed 2016/17 capital projects to be included.

9.5 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2017/2018 to 2020/2021 (Section 14.), Rating Information (Section 15.) and Other Long Term Strategies (Section 16.) including borrowings, infrastructure and service delivery.

10. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of Council for the 2017/2018 year.

10.1 Budgeted income statement

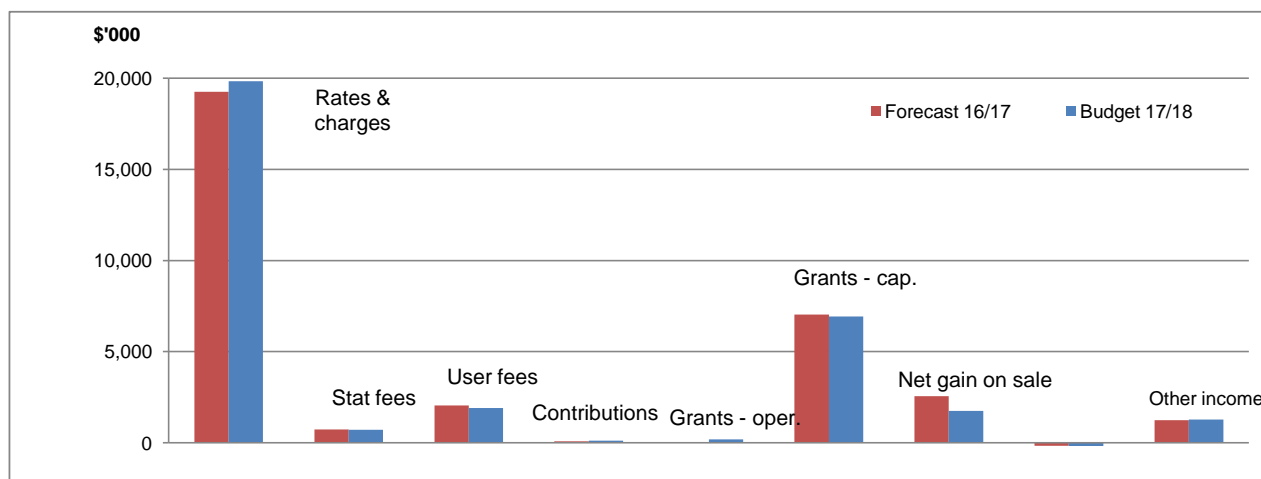
	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Total income	10.2	32,797	32,474	(323)
Total expenses	10.3	(33,929)	(33,010)	919
Surplus (deficit) for the year		(1,132)	(536)	596
Grants – capital non-recurrent	5.1.2	(868)	(143)	725
Contributions - non-monetary assets	10.2.5	0	(194)	(194)
Capital contributions - other sources	10.2.4	(25)	(118)	(93)
Adjusted underlying surplus (deficit)	10.1.1	(2,025)	(991)	1,034

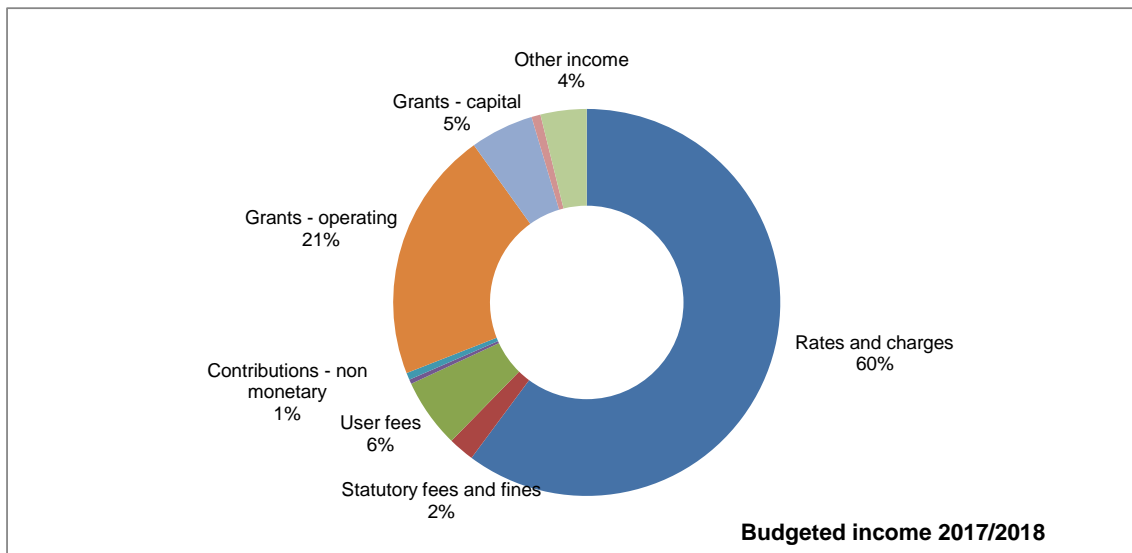
10.1.1 Adjusted underlying deficit (\$1.03 million decrease)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure used in local government of financial sustainability and Council's ability to achieve its service delivery objectives. It is not impacted on by capital income items which can often mask the operating result. The adjusted underlying result for the 2017/2018 year is a deficit of \$0.99 million which is an improvement of \$1.03 million from the 2016/2017 year.

10.2 Income

Income Types	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Rates and charges	10.2.1	19,249	19,833	584
Statutory fees and fines	10.2.2	738	715	(23)
User fees	10.2.3	2,053	1,903	(150)
Contributions - monetary	10.2.4	80	123	43
Contributions - non monetary	10.2.5	0	194	194
Grants - operating	5.1.1	7,035	6,938	(97)
Grants - capital	5.1.2	2,563	1,748	(815)
Net gain on disposal of property, infrastructure, plant & equipment	10.2.6	(161)	(249)	(88)
Other income	10.2.7	1,240	1,269	29
Total income		32,797	32,474	(323)





10.2.1 Rates and charges (\$0.58 million increase)

It is proposed that income raised by all rates and charges be increased by \$0.58 million to \$19.83 million. This includes an increase in general rates revenue of 1.9%, the Municipal Charge of 2.0%; kerbside waste collection by 3.6% and recycling of 4.6%; and forecasts supplementary rate revenue to generate a further \$0.16 million in 2017/18

Section 7. Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2017/2018 and the rates and charges specifically required by the Regulations.

10.2.2 Statutory fees and fines

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations, environmental health registrations, planning fees and costs associated with requests for Freedom of Information. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fee revenue is forecast to decrease marginally compared to 2016/17 as Caravan Park registrations are only due every 3 years.

A detailed listing of statutory fees is included in Appendix A.

10.2.3 User fees

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include charges for use of community facilities and the provision of human services such as home help services, saleyards fees & waste management fees. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or benchmarked market levels.

User charges are projected to decrease by \$0.15 million over 2017/2018. This is primarily due to lower revenue from aged care services and less income relating to the changed operational management for the Alexandra Community Leisure Centre.

A detailed listing of fees and charges is included in Appendix A.

10.2.4 Contributions - monetary

Contributions are funds paid by developers that relate to public recreation, drainage and car parking in accordance with planning permits issued for property development.

10.2.5 Contributions - non monetary

Non-monetary contributions relate to gifted assets that are received from developers for public recreation, drainage and car parking in accordance with planning permits issued for property development in lieu of making a monetary payment to Council.

10.2.6 Net gain on disposal of property, infrastructure, plant and equipment

Proceeds from the disposal of Council assets relate mainly to the planned cyclical replacement of part of the plant and vehicle fleet and sale of properties including surplus land throughout the municipality.

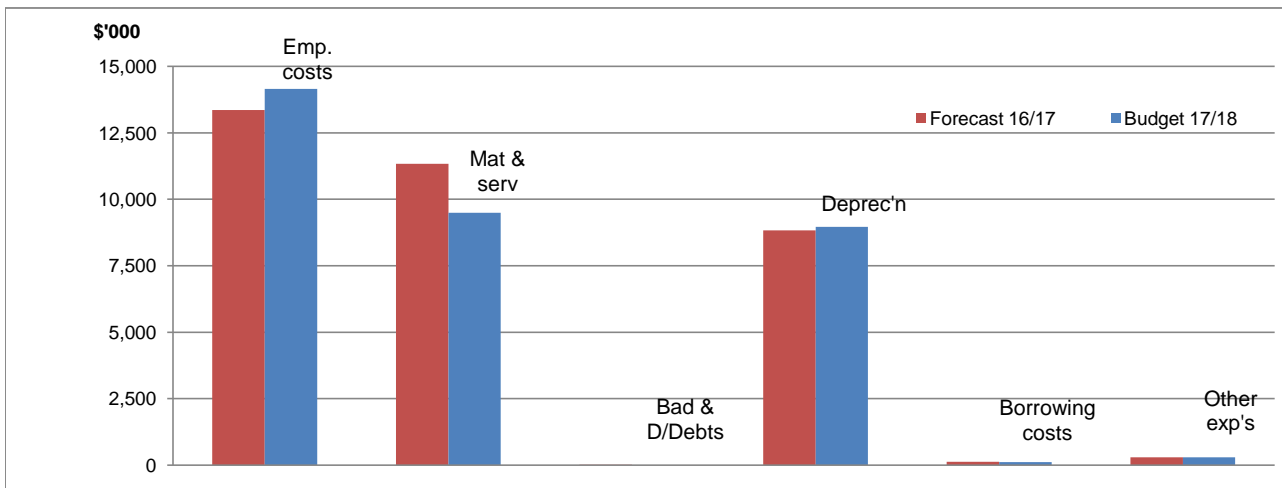
Proposed sale of Council Assets accounts for the offsetting of proceeds from sales against the carrying value of the assets held on Council's balance sheet. Assets are valued at fair value less accumulated depreciation. Revenue is based on market valuation of what projected sales may achieve, which may be different to the carrying value recorded by Council.

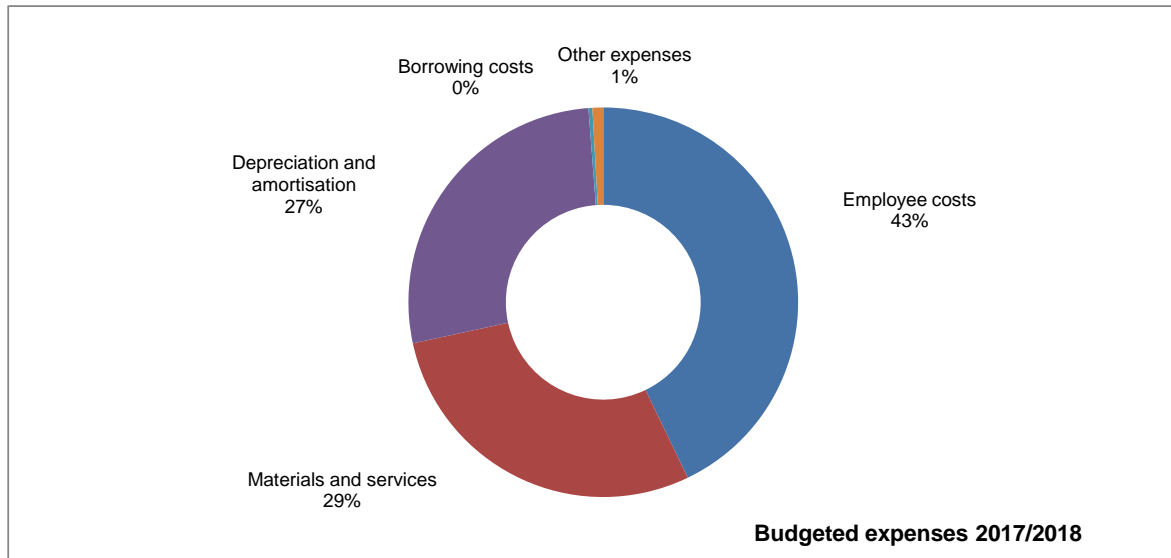
10.2.7 Other income

Other income relates to a range of items such as cost recovery and other miscellaneous income items. It consists primarily of interest revenue on investments and rate arrears and rent revenue that Council receives from various lease or licence agreements.

10.3 Expenses

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Employee costs	10.3.1	13,354	14,147	793
Materials and services	10.3.2	11,329	9,493	(1,836)
Bad and doubtful debts	10.3.3	2	0	(2)
Depreciation and amortisation	10.3.4	8,833	8,968	135
Borrowing costs	10.3.5	121	107	(14)
Other expenses	10.3.6	290	295	5
Total expenses		33,929	33,010	(919)





10.3.1 Employee costs

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, fringe benefits, employer superannuation, rostered days off, etc. The following analysis of Council's total human resources includes capitalised labour costs, which are not reflected in Council's operating statement, and thus not shown in the table and charts in Section 10.3.

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Department	Budget 2017/2018 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Business Services	2,041	1,254	787
Communications, Library and Customer Service	1,303	602	701
Community Services	3,006	570	2,436
Development Services	1,560	1,098	462
Executive Team and Support	737	638	99
Infrastructure Assets	1,172	865	307
Infrastructure Operations	4,120	3,472	648
Total permanent staff expenditure	13,939	8,499	5,440
Casuals and other expenditure	208		
Capitalised labour costs	91		
Total expenditure	14,238		

A summary of the number of full time equivalent (FTE) Council staff in relation to this expenditure is included below:

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
Business Services	20.1	11.0	9.1
Communications, Library and Customer Service	14.1	6.0	8.1
Community Services	34.8	4.6	30.2
Development Services	14.1	10.0	4.1
Executive Team and Support	4.0	3.0	1.0
Infrastructure Assets	10.6	7.6	3.0
Infrastructure Operations	48.7	40.5	8.2
Total	146.4	82.7	63.7
Casuals and other	2.7		
Capitalised labour costs	1.5		
Total staff	150.6		

10.3.2 Materials and services (\$1.83 million decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by \$1.83 million compared to 2016/2017.

Materials & Services Expenditure Type	Forecast	Budget	Variance
	Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Utilities	511	491	(20)
Contractors	8,165	6,550	(1,615)
Legal Expenses	265	265	0
Insurance	435	446	11
Materials	852	890	38
Contributions	686	530	(156)
Consultants	415	321	(94)
Total Materials & Services expenditure	11,329	9,493	(1,836)

External contractors are forecast to decrease by 19.8% or \$1.61 million compared to 2016/17. The main areas contributing to this are the decrease of grant funded operational projects received during 2016/17 or carried forward from previous years, as well as Council election expenses which occurred in 2016/17 and reduced leachate cartage cost for the Alexandra Landfill.

10.3.3 Depreciation and amortisation

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$0.13 million for 2017/2018 is due mainly to the completion of the 2017/2018 capital works program and the full year effect of depreciation on the 2016/2017 capital works program. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program in 2017/2018.

10.3.4 Borrowing costs

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements.

10.3.5 Other expenses

Other expenses relate to rates and charges waived for charitable and not-for-profit organisations, Councillors' allowances and remuneration for auditors and audit committee members.

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/2018 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment
- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		19,214	19,799	585
User fees and fines		3,796	3,294	(502)
Grants - operating		9,802	8,486	(1,316)
Grants - capital		-	-	-
Interest		711	597	(114)
Other receipts		(365)	324	689
		33,158	32,500	(658)
<i>Payments</i>				
Employee costs		(13,334)	(14,023)	(689)
Other payments		(12,116)	(10,044)	2,072
		(25,450)	(24,067)	1,383
Net cash provided by operating activities		7,708	8,433	725
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant & equip.		(11,912)	(7,434)	4,478
Proceeds from sale of property, infrastructure, plant & equipment		655	636	(19)
Payments for investments		-	-	-
Proceeds from investments		-	-	-
Loans and advances made		-	-	-
Repayments of loans and advances		-	-	-
Net cash used in investing activities		(11,257)	(6,798)	4,459
Cash flows from financing activities	11.1.3			
Finance costs		(199)	(109)	90
Proceeds from borrowings		500	500	-
Repayment of borrowings		(674)	(407)	267
Net cash used in financing activities		(373)	(16)	357
Net decrease in cash and cash equivalents		(3,922)	1,619	5,541
Cash and cash equivalents at the beginning of the year		26,751	22,829	(3,922)
Cash and cash equivalents at end of the year	11.1.4	22,829	24,448	1,619

11.1.1 Operating activities (\$0.72 million increase)

The increase in cash inflows from operating activities is due mainly to a \$2.07 million reduction in expected operational cashflow primarily due to savings in materials and services, which offsets the reduced grant income forecast to be received in 2017/18.

The net cash flows from operating activities does not equal the surplus (deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Surplus (deficit) for the year	(1,132)	(536)	596
Depreciation	8,833	8,968	135
Loss (gain) on disposal of property, infrastructure, plant & equipment	161	249	88
Finance costs (cash proportion)	199	109	(90)
Net movement in current assets and liabilities	(353)	(357)	(4)
Cash flows available from operating activities	7,708	8,433	725

11.1.2 Investing activities (\$4.46 million decrease)

The payments for investing activities represents the capital works expenditure explained in section 10 of this budget. Proceeds from the sale of assets are forecast to be consistent in 2017/2018 compared to 2016/17.

11.1.3 Financing activities (\$0.36 million increase)

For 2017/2018 the total of principal repayments is \$0.41 million and finance charges is \$0.1 million as Council continues to decrease its debt.

11.1.4 Cash and cash equivalents at end of the year (\$1.62 million increase)

Overall, total cash and investments is forecast to increase by \$1.62 million to \$24.45 million as at 30 June 2018, reflecting Council's strategy of funding both current and future infrastructure renewal requirements, whilst maintaining service delivery to the community. This is explained further in Section 8.

11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part (ie. held for legislated purposes), and not fully available for Council's operations. The budgeted cash flow statement at Section 11.1 indicates that Council is estimating that at 30 June 2018 it will have cash and investments of \$24.45 million. The allocation of these funds are detailed further in the following table.

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Total cash and investments		22,829	24,448	1,619
Restricted cash and investments				
- Statutory reserves	11.2.1	(449)	(438)	11
- Cash held to fund carry forward capital works	11.2.2	(285)	-	285
- Trust funds and deposits		(609)	(933)	(324)
Unrestricted cash and investments	11.2.3	21,486	23,077	1,591
- Discretionary reserves	11.2.4	(14,291)	(15,413)	(1,122)
Unrestricted cash adjusted for discretionary reserves	11.2.5	7,195	7,664	469

11.2.1 Statutory reserves (\$0.44 million)

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

11.2.2 Cash held to fund carry forward capital works

There is no amount shown as cash held to fund carry forward works at 30 June 2018, as it is expected that the capital works budget in the 2017/2018 financial year will be fully completed. Section 6 contains further details on capital works funding.

11.2.3 Unrestricted cash and investments (\$23.08 million)

The amount shown is in accordance with the definition of unrestricted cash included in the Regulations. These funds are free of statutory reserve funds and cash to be used to fund capital works expenditure from the previous financial year.

11.2.4 Discretionary reserves (\$15.41 million)

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds are to be used for those earmarked purposes. During the 2017/2018 year \$1.12 million is budgeted to be transferred to Discretionary Reserves. The decisions about future use of these funds have been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

11.2.5 Unrestricted cash adjusted for discretionary reserves (\$7.66 million)

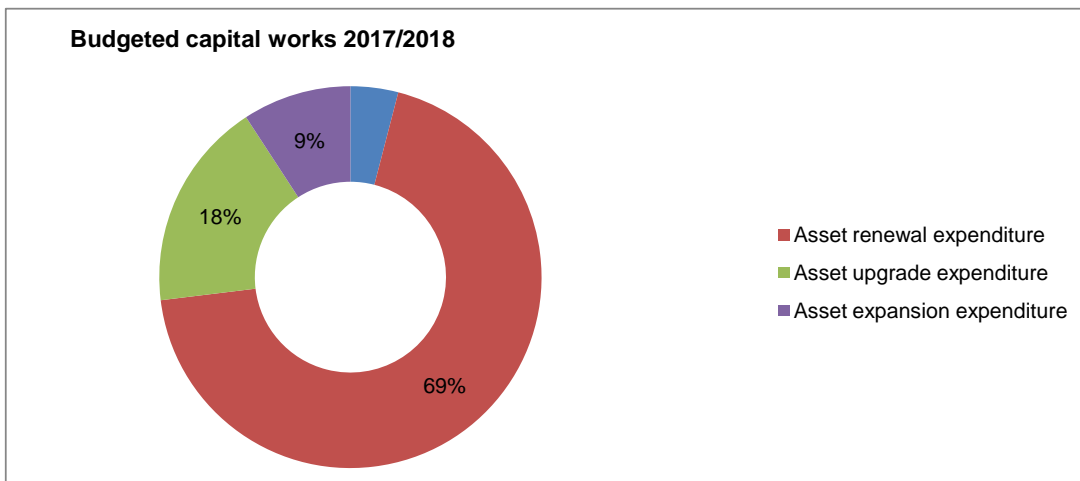
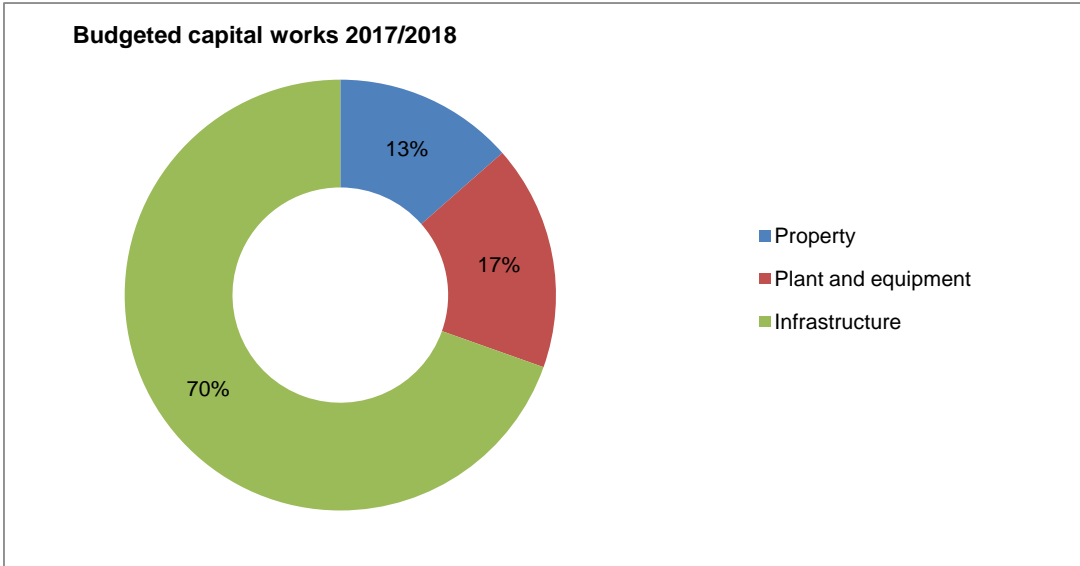
These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds and has increased unrestricted cash levels by \$1.09 million from last year's budget.

12. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2017/18 year and the sources of funding for the capital budget. Variance is based on comparison to prior year adopted budget to provide a more meaningful comparison without the distortion of carried forward projects from prior years. Section 3.5 provides comparison against actual forecast expenditure for 2016/17. Further detail on the capital works program can be found in Section 6.

12.1 Capital works

Capital Works Areas	Ref	Adopted Budget 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Works carried forward	12.1.1			
Property				
Buildings		116	80	(36)
Total property		<u>116</u>	<u>80</u>	<u>(36)</u>
Plant and equipment				
Computers and telecommunications		-	100	100
Total plant and equipment		<u>-</u>	<u>100</u>	<u>100</u>
Infrastructure				
Roads		101	-	(101)
Drainage		47	47	-
Recreational, leisure and community		50	28	(22)
Off street car parks		-	30	30
Total infrastructure		<u>198</u>	<u>105</u>	<u>(93)</u>
Total works carried forward		<u>314</u>	<u>285</u>	<u>(29)</u>
New works				
Property	12.1.2			
Land		-	30	30
Total land		<u>-</u>	<u>30</u>	<u>30</u>
Buildings		348	896	548
Total buildings		<u>348</u>	<u>896</u>	<u>548</u>
Total property		<u>348</u>	<u>926</u>	<u>578</u>
Plant and equipment	12.1.3			
Plant, machinery and equipment		939	952	13
Computers and telecommunications		173	105	(68)
Library books		97	99	2
Total plant and equipment		<u>1,209</u>	<u>1,156</u>	<u>(53)</u>
Infrastructure	12.1.4			
Roads		3,541	2,696	(845)
Bridges		1,147	885	(262)
Footpaths and cycleways		168	231	63
Drainage		196	180	(16)
Recreational, leisure and community		111	310	199
Waste management		120	465	345
Total infrastructure		<u>5,283</u>	<u>5,067</u>	<u>(216)</u>
Total new works		<u>6,840</u>	<u>7,149</u>	<u>309</u>
Total capital works expenditure		<u>7,154</u>	<u>7,434</u>	<u>280</u>
Represented by:				
New asset expenditure	12.1.5	-	300	300
Asset renewal expenditure	12.1.5	5,998	5,132	(866)
Asset upgrade expenditure	12.1.5	804	1,318	514
Asset expansion expenditure	12.1.5	352	684	332
Total capital works expenditure		<u>7,154</u>	<u>7,434</u>	<u>280</u>



Source: Section 3. A more detailed listing of capital works is included in Section 6.

12.1.1 Carried forward works (\$0.28 million)

At the end of each financial year there are likely to be projects which are either incomplete or not commenced due to factors including timing issues, weather delays and extended consultation.

12.1.2 Property (\$0.93 million)

The property class comprises buildings and building improvements including community facilities, municipal offices, sports facilities and pavilions.

12.1.3 Plant and equipment (\$1.16 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications, and library books.

12.1.4 Infrastructure (\$5.07 million)

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other structures.

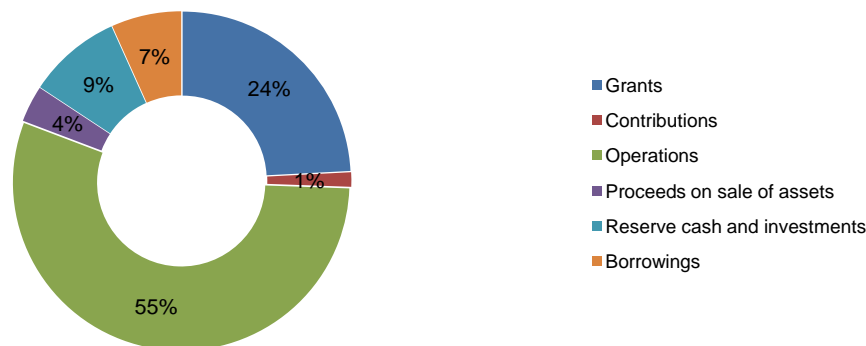
12.1.5 Asset renewal (\$5.13 million), upgrade (\$1.32 million) and expansion (\$0.68 million)

A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of expansion or upgrade of existing assets but will create additional financial responsibility for future operation, maintenance and ultimately, capital renewal. Council's focus on asset management remains heavily weighted towards the renewal of Council's large array of existing asset responsibilities, with upgrades and expansion primarily in the areas of waste, plant, community facilities and road sealing.

12.2 Funding sources

Sources of funding	Ref	Adopted Budget 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Works carried forward				
Current year funding				
Grants		-	50	50
Contributions		-	-	-
Borrowings		-	-	-
Council cash				
- operations		314	235	(79)
- proceeds on sale of assets		-	-	-
- reserve cash and investments		-	-	-
- unrestricted cash and investments		-	-	-
Total works carried forward	12.2.1	314	285	(29)
New works				
Current year funding				
Grants	12.2.2	2,637	1,747	(890)
Contributions		-	103	103
Borrowings		500	500	-
Council cash				
- operations	12.2.3	3,487	3,869	382
- proceeds on sale of assets	12.2.4	216	261	45
- reserve cash and investments	12.2.5	-	669	669
- unrestricted cash and investments	12.2.6	-	-	-
Total new works		6,840	7,149	309
Total funding sources		7,154	7,434	280

Budgeted total funding sources 2017/2018



12.2.1 Carried forward works (\$0.28 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including timing issues, weather delays and extended consultation. For the 2016/2017 year it is forecast that \$0.28 million of capital works will be incomplete and need to be carried forward into the 2017/2018 year.

12.2.2 Grants - Capital (\$1.75 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for Roads to Recovery projects (\$1.60 million) plus other projects as detailed in Section 6.

12.2.3 Council cash - operations (\$3.87 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$3.87 million will be generated from operations (eg. Via rates, charges and sale of assets) to fund the 2017/2018 capital works program.

12.2.4 Council cash - proceeds from sale of assets (\$0.26 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$0.26 million.

12.2.5 Reserve cash - reserve cash and investments (\$0.67 million)

Council has significant cash reserves, which it is currently using to fund its annual capital works program. The reserves include monies set aside for specific purposes such as Waste Management and non-specific reserves such as the Infrastructure Renewal Reserve. For 2017/2018 \$0.67 million of these reserves will be used to fund part of the new capital works program including the Landfill & Resource Recovery Centres (\$0.47 million), Marysville Caravan Park (\$0.09 million), Gravel Road Sealing Program (\$0.09 million) and Footpaths Missing Links (\$0.02 million).

13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016/2017 and 2017/2018. It also considers a number of key financial performance indicators.

13.1 Budgeted balance sheet

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		22,829	24,448	1,619
Trade and other receivables		2,487	2,808	321
Financial assets		-	-	-
Other assets		537	400	(137)
Total current assets		25,853	27,656	1,803
Non-current assets	13.1.1			
Trade and other receivables		24	46	22
Property, infrastructure, plant and equipment		306,790	304,781	(2,009)
Total non-current assets		306,814	304,827	(1,987)
Total assets		332,667	332,483	(184)
Current liabilities	13.1.2			
Trade and other payables		3,147	3,543	(396)
Provisions		3,153	3,216	(63)
Interest-bearing loans and borrowings		405	401	4
Total current liabilities		6,705	7,160	(455)
Non-current liabilities	13.1.2			
Provisions		5,491	5,291	200
Interest-bearing loans and borrowings		1,449	1,546	(97)
Total non-current liabilities		6,940	6,837	103
Total liabilities		13,645	13,997	(352)
Net assets		319,022	318,486	(536)
Equity	13.1.4			
Accumulated surplus		126,568	124,921	(1,647)
Reserves		192,454	193,565	1,111
Total equity		319,022	318,486	(536)

Source: Section 3

13.1.1 Current Assets (\$1.80 million increase) and Non-Current Assets (\$1.99 million decrease)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to increase by \$1.61 million during the year mainly to fund the increase in reserves of \$1.11 million.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The \$2.01 million decrease in this balance is attributable to the net result of the capital works program (\$7.43 million of new assets), Contributed Assets (\$0.19 million), depreciation of assets (\$8.97 million) and the sale of property, plant and equipment (\$0.66 million).

13.1.2 Current Liabilities (\$0.45 million increase) and Non Current Liabilities (\$0.1 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2016/2017 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are only expected to increase marginally due to more active management of entitlements.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting a repayment of loan principal of \$0.41 million over the year.

13.1.3 Working Capital (\$1.3 million increase)

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	Forecast		
	Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	25,853	27,656	(1,803)
Current liabilities	6,705	7,160	(455)
Working capital	19,148	20,496	(1,348)
Restricted cash and investment current assets			
- Statutory reserves	(449)	(438)	(11)
- Cash used to fund carry forward capital works	(285)	-	(285)
- Trust funds and deposits	(609)	(933)	-
Unrestricted working capital	18,414	20,058	(1,644)
Discretionary Reserves			
- Infrastructure Maintenance Reserves	(7,262)	(7,230)	(32)
- Waste Reserve	(5,854)	(6,997)	1,143
- Other Reserves	(1,175)	(1,186)	11
Discretionary Reserves	(14,291)	(15,413)	1,122

In addition to the restricted cash shown above, Council is also projected to hold \$15.41 million in discretionary reserves at 30 June 2018. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds are to be used for those earmarked purposes.

13.1.4 Equity (\$0.53 million decrease)

Total equity always equals net assets and is made up of the following components:

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations.
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time.

13.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2018 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 98.5% of total rates and charges raised will be collected in the 2017/2018 year;
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 30 days; and
- Other debtors and creditors to remain consistent with 2016/2017 levels.

Long Term Strategies

This section includes the following analysis and information.

- 14 Strategic resource plan
- 15 Rating information
- 16 Other long term strategies

14. Strategic resource plan

This section includes information from the Strategic Resource Plan to provide background on the long term financial projections of the Council.

14.1 Plan development

The Act requires a Strategic Resource Plan (SRP) to be prepared 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 Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared an SRP for the four years 2017/2018 to 2020/2021 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the SRP, are:

- Establish a financial framework over the next 4 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 implementation of its policies and strategies, and
- Assist Council to comply with sound financial management principles, in accordance with the Act and to plan for the long-term financial sustainability of the municipality.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

14.2 Financial resources

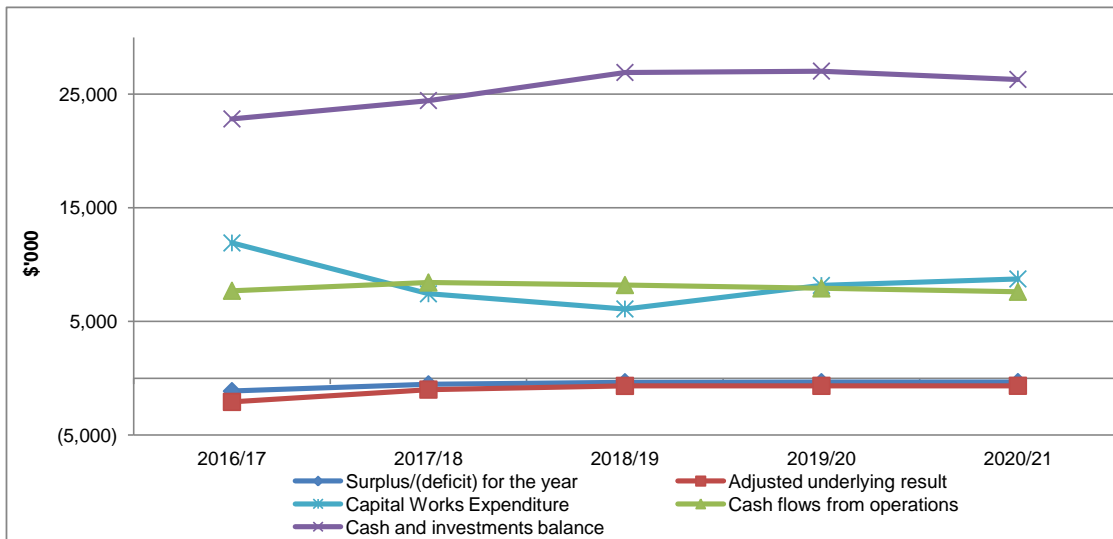
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017/2018 to 2020/2021. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend +/-
	Actual		Projections			
	2016/17	2017/18	2018/19	2019/20	2020/21	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	(1,132)	(536)	(348)	(343)	(338)	o
Adjusted underlying result	(2,080)	(996)	(671)	(666)	(661)	+
Cash and investments balance	22,829	24,448	26,918	27,040	26,307	o
Cash flows from operations	7,708	8,433	8,210	7,913	7,619	-
Capital works expenditure	11,912	7,434	6,100	8,170	8,746	+

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

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



The key outcomes of the Plan are as follows:

- **Financial sustainability (Section 11)** - Cash and investments are forecast to increase marginally over the four year period, which indicates a growth budget on a cash basis in each year in accordance with Council's long term financial strategies
- **Rating levels (Section 15)** – Modest rate increases are forecast over the four years at an average of 2.0%, the assumed rate cap that is to be confirmed each year by the Minister for Local Government.
- **Service delivery strategy (section 16)** – Service levels have been maintained throughout the four year period. However, excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result is a deficit reducing over the four year period. The underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.
- **Borrowing strategy (Section 16)** – Borrowings are forecast to reduce over the four year period. This includes new borrowings of \$500k per annum throughout the long term plan.
- **Infrastructure strategy (Section 16)** - Capital expenditure over the four year period will total \$30.15 million at an average of \$7.54 million over the next four years.

15. Rating information

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

15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges were identified as an important source of revenue, accounting for 61.0% of the total revenue received by Council for 2017/18. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

15.2 Future rates and charges

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2017, and proposed rate caps set by the State Government.

Year	General Rate Increase %	Municipal Charge Increase %	Garbage Charge Increase %	Recycling Charge Increase %	Total Rates Raised \$'000
2016/17	4.30	4.20	2.50	3.00	19,249
2017/18	1.90	1.90	2.00	2.30	19,833

15.3 Rating structure

Council has established a rating structure which comprises three key elements. These are:

- Property values, form the central basis of rating under the *Local Government Act 1989*
- A user pays component to reflect usage of certain services provided by Council
- A fixed municipal charge per property to cover some of the administrative costs of the Council.

Striking a proper balance between these elements provides equity in the distribution of the rate burden across residents.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential or commercial purposes. This distinction is based on the concept that business should pay a fair and equitable contribution to rates taking into account the benefits those commercial properties derive from the local community.

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality as detailed in its Rating Strategy that was adopted in March 2015.

The existing rating structure comprises a general residential rate and a number of differential rates (commercial, vacant land and rural 1 and rural 2 assessments). These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. The commercial rate will be 122.6% of the residential rate for 2017/18 and the vacant land rate is set at 150% of the residential rate. Rates for rural properties are set at 70% for rural 1 properties (greater than 40 ha), and at 99% for rural 2 properties (2 to 40 ha). Council also levies a municipal charge, a kerbside collection charge and a recycling charge as allowed under the Act. Further details are set out in Section 7.

The following table summarises the rates to be determined for the 2017/2018 year. A more detailed analysis of the rates to be raised is contained in Section 7 Rates and Charges.

Rate type	How applied	2016/17	2017/18	Total Raised \$	Change
Residential	Cents/\$ CIV	0.3514	0.35840	6,117,016	2.2%
Commercial and Industrial	Cents/\$ CIV	0.4393	0.43930	829,240	0.0%
Rural 1	Cents/\$ CIV	0.2460	0.25090	3,198,564	2.0%
Rural 2	Cents/\$ CIV	0.3479	0.35480	2,925,178	2.0%
Vacant Land	Cents/\$ CIV	0.5271	0.53760	602,515	0.5%
Municipal charge	\$/ property	\$320.00	\$326.00	3,044,716	1.9%
Kerbside collection charge	\$/ property	\$345.50	\$352.50	2,303,235	2.0%
Recycling charge	\$/ property	\$85.50	\$87.50	585,813	2.3%

Council adopted the *Rating Strategy* in March 2015 that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used.

16. Summary of other strategies

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure planning and management and service delivery.

16.1 Borrowings

In developing the Strategic Resource Plan SRP (see Section 14), borrowings was identified as an important funding source for capital works programs. In the past, Council has borrowed strongly to finance infrastructure projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain capital works programs.

For the 2017/2018 year, Council will reduce its total borrowings to \$1.95 million as at 30 June 2018. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017.

Year	New B'wings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	500	674	199	1,854
2017/18	500	407	109	1,947
2018/19	500	427	112	2,020
2019/20	500	406	116	2,114
2020/21	500	386	119	2,228

The table below shows information on borrowings specifically required by the Regulations.

	2016/2017 \$'000	2017/2018 \$'000
Total amount borrowed as at 30 June of the prior year	2,028	1,854
Total amount proposed to be borrowed	500	500
Total amount projected to be redeemed	(674)	(407)
Total amount of borrowings as at 30 June	1,854	1,947

16.2 Infrastructure Planning and Management

Council has developed various Asset Management Plans, each of which sets out the capital expenditure requirements of Council for the next 10 years by class of asset, and is a key input to the SRP. It models infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. These plans have been developed through a rigorous process of review and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of evaluation criteria
- Methodology for allocating annual funding to classes of capital projects
- Business Case template for officers to document capital project submissions.

At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements. While the Asset Management Plans are endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, it is known that in future years the required asset renewal is not being addressed, thus creating an asset renewal gap and increasing the level of backlog.

In updating Asset Management Plans for the 2017/18 year, the following influences have had a significant impact:

- Managing the amount of cash and investment reserves to fund future capital expenditure renewal;
- Environmental issues at the Alexandra Landfill requiring attention and the development of plans to ensure that all future liabilities associated with the rehabilitation of the site are appropriately funded; and
- Availability of significant Federal funding for the upgrade of roads.

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

Year	Summary of funding sources				
	Total Capital	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000
2016/17	11,912	2,563	25	8,824	500
2017/18	7,434	1,797	103	5,034	500
2018/19	6,100	1,598	-	4,002	500
2019/20	8,170	1,598	-	6,072	500
2020/21	8,746	1,598	-	6,648	500

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, drainage and public resort and recreation. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14.) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve a breakeven operating result within five to six years. The Rating Information (see Section 15.) also refers to modest rate increases into the future. With these key objectives as a basis, a number of internal and external influences have been identified which will have a significant impact on the scope and level of services to be provided over the next four years.

The general influences affecting all operating revenue and expenditure include the following:

	2017/2018	2018/2019	2019/2020	2020/2021
	%	%	%	%
Consumer Price Index	2.00	2.25	2.25	2.50
Average Weekly Earnings	3.66	3.75	3.75	3.75
Local Gov Cost Index	3.00	3.25	3.25	3.50
Rate increases	2.00	2.00	2.00	2.00
Property growth	1.00	1.00	1.00	1.00
Government funding	2.00	2.00	2.00	2.00
Statutory fees	2.00	2.00	2.00	2.00
Investment return	3.00	3.00	3.00	3.00

Appendix A Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2017-18 year.

Council officers, under delegation from the CEO, may waive or amend certain fees where appropriate and under specific circumstances.

Fees that set by the State Government (ie. statutory in nature) are highlighted in yellow - and are only noted by Council and included for the community's reference

Fees & Charges	Ref	2016-17	2017-18
Administration Charges		Adopted	Budget
Photocopy / Incoming Fax Charges - A4 Black & White	Per copy	0.30	0.30
Photocopy / Incoming Fax Charges - A4 Black & White - double sided	Per double sided copy	0.60	0.60
Photocopy / Incoming Fax Charges - A4 Colour	Per copy	1.00	1.00
Photocopy / Incoming Fax Charges - A4 Colour - double sided	Per double sided copy	2.00	2.00
Photocopy / Incoming Fax - A3 Black & White	Per copy	0.60	0.60
Photocopy / Incoming Fax - A3 Black & White - double sided	Per double sided copy	1.20	1.20
Photocopy / Incoming Fax - A3 Colour	Per copy	2.00	2.00
Photocopy / Incoming Fax - A3 Colour - double sided	Per double sided copy	4.00	4.00
Photocopy / Incoming Fax - AO B&W Photocopies	Per copy	8.00	8.00
Photocopy / Incoming Fax - A1 B&W Photocopies	Per copy	6.80	6.80
Photocopy / Incoming Fax - A2 B&W Photocopies	Per copy	5.50	5.50
Photocopy / Incoming Fax Charges - Planning Photo A3	Per copy	1.00	1.00
Freedom of Information Request - Statutory (Photocopy / Incoming Faxing additional)	Per application	27.90	28.40
FAXING		2.00	2.00
Freedom of Information - Search Charges	\$20.00 per hour	1.5 fee units per hour	1.5 fee units per hour
Freedom of Information requests - Supervision Charges	\$5.00 per qtr hour	1.5 fee units	1.5 fee units
Freedom of Information requests - B & W Photocopy / Incoming Fax (A4)	Per copy	0.20	0.20
Freedom of Information - health explanation provided by a suitably qualified practitioner	Per qtr hour or part there of	1.9 fee units to a maximum of 6 fee units	1.9 fee units to a maximum of 6 fee units
Freedom of Information - provision of a health information summary	Per qtr hour or part there of	1.9 fee units to a maximum of 6 fee units	1.9 fee units to a maximum of 6 fee units
General - Rates etc.			
Land Information Certificate Receipt	Per certificate	25.40	25.90
Reprint of lost/misplaced Rates Notice	Per certificate	5.00	5.00
Streets & Open Space			
A frame sign	Per sign for 2 years	63.00	65.00
Development Services			
Drainage Point of Discharge information (BCA Scheduled fee)	Per information certificate	64.10	65.40
Works Maintenance Bonds (Refundable)		5% of Cost of works	5% of Cost of works
Checking Engineering Plans	Per application	0.75% of value of works	0.75% of value of works
Supervision Fees of Works	Per application	2.5% of value of works	2.5% of value of works
Municipal Roads <50kph			
Major Works (A)	Per application	327.60	334.15
Major Works (B)	Per application	83.60	85.30
Minor Works (A)	Per application	129.60	132.20
Minor Works (B)	Per application	83.60	85.30
Municipal Roads >50kph			
Major Works (A)	Per application	600.80	612.80
Major Works (B)	Per application	327.60	334.15
Minor Works (A)	Per application	129.60	132.20
Minor Works (B)	Per application	83.60	85.30
(A) On Roadway, shoulder or pathway			
(B) Not on Roadway, shoulder or pathway			
Driveway crossings and service connections are generally considered as minor works			

Fees & Charges	Ref	2016-17	2017-18
Building			
Domestic Building Applications:			
Dwellings additions / alterations			
Up to \$40,000	Per permit	484.00	498.00
Up to \$120,000 in value (4 inspections)	Per permit		
Up to \$157,000 in value (4 inspections)	Per permit	864.00	888.00
Over \$120,000 in value (4 inspections)	Per permit		
Over \$157,000 in value (4 inspections)	Per permit	\$cost/200 + gst	\$cost/200 + gst
New Dwellings			
Up to \$200,000	Per permit		
Up to \$261,500	Per permit	1436.00	1,488.00
Over \$200,000	Per permit		
Over \$261,500	Per permit	\$cost/200 + gst	\$cost/200 + gst
e.g. cost of works new dwelling \$250,000 / 200 = \$1,250 + gst + \$30 Lodgement fee + government levy			
Shed / Carport / Verandas	Per permit	482.00	495.00
Sheds over 50m2	Per permit	654.00	670.00
Swimming Pools	Per permit	654.00	670.00
Re-stumping	Per permit	327.00	335.00
Underpinning	Per permit	327.00	335.00
Demolition Permits			
- Dwellings	Per permit	338.00	350.00
- Commercial / Industrial up to 200m2	Per permit	654.00	680.00
Fences	Per permit	261.00	270.00
Commercial Building Applications:			
as per AIBS Guidelines 4 (\$cost / 2000 + V cost)			
e.g. cost of works \$250,000 / 2000 = \$125, V\$250,000 = \$500, \$125 + \$500 = \$625 x 4 = \$2,500 + GST + \$37.40 Lodgement fee + govt. levy			
		as per AIBS Guidelines 4(\$cost/2000+Sqrt\$cost)	as per AIBS Guidelines 4(\$cost/2000+Sqrt\$cost)
Construction value \$100,000	Per application	1611.39	1,611.39
Construction value \$250,000	Per application	2760.00	2,760.00
Building Commission's Operations Levy			
Domestic Building Permits - where value of works is greater than \$10,000	Levy per permit	0.128% of \$	0.128% of \$
Commercial Building Permits - where value of works is greater than \$10,000	Levy per permit	0.128% of \$	0.128% of \$
Extension of Time	Per application	201.00	207.00
Amendment to Permit / Variation to Plan	Per application	Min. \$63.00	Min. \$130.00
Inspection of dwelling - relocation (plus deposit \$50.00)	Per application	427.00	437.00
Inspection Fees - expired permits - final certificate required	Per application	201.00	210.00
Copy of Plans- (Dwellings)	Per set	52.00	55.00
Copy of Plans- (Commercial/Industrial)	Per set	81.00	85.00
Building Permit Search Fee	Per search	73.00	75.00
Modification to siting requirements	Per application	256.90	256.90
Application to build over easement	Per application	201.00	210.00
Building Information Certificate	Per certificate	51.15	51.15
Solicitor's Inquiries	Per inquiry	47.50	47.50
Complex Property Inquiry - Commercial/Industrial	Per inquiry	76.50	76.50
Building Control Lodgement Fees (Domestic & Commercial)	Per lodgement	38.30	38.30
Report and Consent to demolish	Per lodgement	NEW	
Fee for Building in a flood prone area	Per lodgement	NEW	256.90
Health			
Septic Tank Fees domestic	Per permit	518.00	530.00
Septic Tank Alteration	Per permit	287.00	295.00
Septic Tank Fees commercial	Per permit	518.00	530.00
Septic Tank Permit extension	Per permit	145.00	147.00
Food Premises Registration (New categories)			
Category 3	Per registration	173.50	177.00
Category 2	Per registration	309.00	315.00
Category 1	Per registration	386.00	394.00
Prescribed Accommodation Registration			
Level 1 - up to 25 beds	Per registration	144.00	144.00
Level 2 - 26 to 50 beds	Per registration	196.00	196.00
Level 3 - 51 to 74 beds	Per registration	262.00	262.00
Level 4 - 75 to 100 beds	Per registration	327.00	327.00
Level 5 - 101 to 125 beds	Per registration	394.00	394.00
Hair Dressers Registration	Per registration	170.00	173.00
Skin Penetration Registration	Per registration	170.00	173.00
Caravan Parks Registration - per site	Per site registration	3.35	NA
Business Registration Transfers - Health	Per transfer	140.00	140.00
Inspections - Health	Per inspection	140.00	140.00
Flu shots to external organisations	Per shot	19.00	19.50

Fees & Charges	Ref	2016-17	2017-18
Local Laws			
Disabled Parking Permits	Per permit	6.50	6.70
Animal Impoundment Fees (Daily)			
Dog	Per dog	81.00	83.00
Dog (Concession owner)	Per dog	40.50	43.00
Cattle - first	Per head	88.00	90.00
Goats & Pigs	Per head	47.00	48.00
Horses	Per head	88.00	90.00
Sheep Pound	Per head	23.50	24.00
Each additional animal	Per head	3.50	3.50
Sustenance	Per head	20.50	21.00
All other animals (birds & poultry)	Per head	2.00	2.10
- sustenance	Per head	1.30	1.30
Livestock transport	Flat rate	N/A	250.00
Animal Registrations			
Dog Tag Replacement Fee	Per tag	4.00	4.20
Cat Tag Replacement Fee	Per tag	4.00	4.20
Dog/cat registration - not desexed	Per dog/cat	126.00	129.00
Dog cat registration - not desexed (Concession)	Per dog/cat	63.00	65.00
Dog/cat Registration - Desexed	Per dog/cat	42.00	43.00
Dog/cat Registration - Desexed (Concession)	Per dog/cat	21.00	22.00
Guide dog registration & re-registration	Per dog	0.00	0.00
Restricted breeds/Declared Animals	Per animal	235.00	240.00
Dog/cat discounted registration	Per dog/cat	42.00	43.00
Dog/cat discounted registration - concession	Per dog/cat	21.00	22.00
New dog/cat registration (after 1 January - pro rata)	Per dog/cat	N/A	65.00
New dog cat registration (after 1 January - pro rata)- Concession	Per dog/cat	N/A	33.00
New Dog/cat Registration (after 1 January) - pro rata- Desexed	Per dog/cat	N/A	22.00
New Dog/cat Registration (after 1 January) - pro rata- Desexed - Concession	Per dog/cat	N/A	11.00
Fire Prevention			
Fire Prevention Slashing of Private Blocks - Administration Charges	Per infringement	N/A	50.00
Planning Charges			
Advertising fee			
Public notice in paper (to be inserted by Council)	Per notice	170.00	170.00
Public notice on site (when erected for applicant)	Per notice	79.00	79.00
Admin. Charge	Per notice	39.00	39.00
Satisfaction Matters			
Satisfaction matters - As prescribed in regulation			
Assessing a Plantation Development Notice	Per assessment	135.00	135.00
Assessing a Timber Harvesting Plan	Per assessment	150.00	150.00
Subdivision Certification Fees			
Public Open Space Contributions		5% of land value	5% of land value
Preparation of Engineering Plans By Council	Per set	3.5% of works value	3.5% of works value
Planning Fees			
Tree removal	Per application	102.00	1,240.70
Shed <\$10,000	Per application	102.00	188.20
House \$10,000 - \$100,000	Per application	239.00	592.50
House > \$100,000	Per application	490.00	1,212.80
Building works <100,000	Per application	604.00	1,080.40
Building works >\$100,001 - \$1,000,000	Per application	707.00	1,456.70
Building works >\$1,000,001 - \$5,000,000	Per application	815.00	3,213.20
2 lot subdivision	Per application	386.00	1,240.70
Change in use	Per application	502.00	1,240.75
Creation of easement	Per application	404.00	1,240.70
Section 173 Agreements			
Administrative fee	Per agreement	130.00	130.00
Applicant must also pay the full cost of assessment of a Section 173 agreement by council's solicitors			
Planning Permit / Consent Fees			
Planning Consents	Per application	102.00	306.70
Extension of time for Planning Permit & Consents	Per application	130.00	130.00
Approval of Endorsed Plan/s	Per approval	130.00	130.00
Amendment of Endorsed Plan/s	Per amendment	130.00	130.00
Planning Permit / Consent archive search fee	Per item	74.00	73.00
Planning - Archive Search Fee	Per item	74.00	73.00
Planning Scheme Amendments			
Amendments - As prescribed in regulations			
When an independent panel report is required, the proponent must pay full panel charges for the hearing and panel report			

Fees & Charges	Ref	2016-17	2017-18
Planning Enforcement			
Planning infringement notice - As prescribed in regulation		704.20	777.30
Community Services			
Community Bus rental per day			
- Not for Profit	Half day	70.00	72.00
- Not for Profit	Full day	115.00	118.00
- Disability Rate 1/2 Day Hire	Half day	35.00	36.00
- Business	Full day	n/a	
Refundable Bond		100.00	103.00
HACC charges			
Cheviot Planned Activity Group			
- Low Income & Medium Income	Per service	7.50	7.70 venue based program 13.05 for activity and transport based programs plus cost of meal/venue entry if applicable
- Medium Income	Per service	7.50	7.70 venue based program 13.05 for activity and transport based programs plus cost of meal/venue entry if applicable
- High Income (Core)	Per service	13.60	13.95 venue based program 19.50 for activity and transport based programs plus cost of meal/venue entry if applicable
- High Income (High Care)	Per service	19.00	19.50 venue based program 24.80 for activity and transport based programs plus cost of meal/venue entry if applicable
Allied Health Support			
- Low Income	Per consultation	9.80	n/a
- Medium Income	Per consultation	98.90	n/a
- High Income (Core)	Per hour	98.90	n/a
Food Services (Meals)			
- Low Income	Per meal	9.00	9.25
- Medium Income	Per meal	9.00	9.25
- High Income	Per meal	15.70	16.10
Home Care			
- Low Income	Per hour	6.00	6.15
- Medium Income	Per hour	15.55	15.95
- High Income	Per hour	45.70	46.85
Property Maintenance			
- Low Income	Per hour	12.00	12.30
- Medium Income	Per hour	18.00	18.45
- High Income	Per hour	47.40	48.60
Personal Care			
- Low Income	Per hour	4.50	4.60
- Medium Income	Per hour	9.00	9.20
- High Income	Per hour	45.70	46.85
Respite Care			
- Low Income	Per hour	3.00	3.10
- Medium Income	Per hour	4.40	4.50
- High Income	Per hour	45.70	46.85
Respite Care in home overnight			
- Low Income	Per 10 hours	16.60	17.00 per ten hour block
- Medium Income	Per 10 hours	21.40	21.90 per ten hour block
- High Income	Per 10 hours	147.75	147.75 per ten hour block
Nursing			
- Low Income	Per visit	3.80	n/a
- Medium Income	Per visit	33.00	n/a
- High Income	Per visit	90.65	n/a
PRIVATE CLIENTS - AGED AND DISABILITY SERVICES			
Home Care			
Mon - Fri - 7am - 7pm	Per hour	47.50	49.90
Mon - Fri - outside hours - and Saturday (first 2 hours)	Per hour	56.65	59.50

Fees & Charges	Ref	2016-17	2017-18
Mon - Fri - outside hours - and Saturday (hours thereafter)	Per hour	64.80	68.05
Sunday all day	Per hour	74.30	78.00
Public Holidays	Per hour	77.85	81.75
Travel rate	Per hour	46.15	48.45
Travel cost	Per kilometre	1.45	1.50
Personal Care and Respite Care			
Mon - Fri - 7am - 7pm			52.75
Mon - Fri - outside above hours - and Saturday (first 2 hours)			62.30
Mon - Fri - outside above hours - and Saturday (hours thereafter)			71.30
Sunday all day			81.75
Public Holidays			85.65
Travel rate			48.45
Travel cost			48.45
Home Maintenance			
Mon - Fri 7am - 7pm	Per hour	63.10	66.25
Mon - Fri (outside above hours)	Per hour	68.60	72.05
Travel rate	Per hour	16.25	48.45
Travel cost	Per kilometre	1.55	1.60
Food Services (Meals)			
	Per meal	16.30	17.10
Cheviot Social Support			
- High	Per hour	23.60	24.80
- Core Meal	Per meal	16.30	17.10
Swimming Pools			
Admissions			
Adults	Per adult	6.00	6.00
Children	Per child	5.00	5.00
Family	2 Adults + 1 or more children	17.00	17.00
Seasons Tickets *			
Senior	Per person	75.00	75.00
Junior / Concession	Per person	52.00	52.00
1 Adult and 1 Dependent Child		81.00	81.00
1 Adult and 2 or more Dependent Children		130.00	130.00
2 Adults with 1 or more Dependent Children		156.00	156.00
* Season Tickets for Public Hours Only			
Multi Pass- Adult	Per adult - 10 visits	42.00	42.00
Multi Pass- Child	Per child - 10 visits	35.00	35.00
School Fees			
Schools/all private hirers	Per hour	35.00	40.00
Hirers who require Lifeguard	Per hour	75.00	\$80/hr \$240 min with one guard \$120/hr - \$360min with two guards
Public Hire Facilities			
Public Liability Insurance (for all facilities)	Per hire	\$35.00	\$35.00
Yea Town Hall Hire			
Commercial	per hour	90.00	\$90.00
Commercial	Per 1/2 day	\$270.00	\$270.00
Commercial	Per Full day	\$540.00	\$540.00
Bond	Per rental period	\$235.00	\$235.00
Non commercial	per hour	45.00	\$45.00
Non commercial	1/2 day	\$135.00	\$135.00
Non commercial	Full day	\$270.00	\$270.00
Bond	Per rental period	\$120.00	\$120.00
Fee for hire for funeral (excludes wakes)	Per hire	\$80.00	\$100.00
Commercial	Per hire	\$200.00	\$200.00
Bond	Per hire	\$1,000.00	\$1,000.00
Non-commercial	Per hire	\$100.00	\$100.00
Bond	Per hire	\$500.00	\$500.00
Yea Chambers			
Commercial	Per 1/2 day	\$60.00	\$60.00
Commercial	Per Full day	\$120.00	\$120.00
Bond	Per rental period	\$120.00	\$120.00
Non commercial	Per 1/2 day	\$30.00	\$30.00
Non commercial	Per Full day	\$60.00	\$60.00
Bond	Per rental period	\$60.00	\$60.00
Alexandra Town Hall Charges			
Commercial	1/2 day	\$125.00	\$125.00

Fees & Charges	Ref	2016-17	2017-18
Commercial	Full day	\$250.00	\$250.00
Bond	Per rental period	\$235.00	\$235.00
Non commercial	1/2 day	\$60.00	\$60.00
Non commercial	Full day	\$120.00	\$120.00
Bond	Per rental period	\$120.00	\$120.00
Piano Hire Fee	Per hire	\$120.00	\$120.00
Kinglake Community Centre			
Stadium Hire	Hourly rate	\$30.00	\$30.00
Stadium Hire	Daily rate	\$240.00	\$240.00
Stadium Hire	Weekend rate	\$400.00	\$400.00
Lounge, Hall and Craft Room - Casual Hire	Hourly rate	\$30.00	\$30.00
Lounge, Hall and Craft Room - User Group with Agreement Hire	Hourly rate	\$15.00	\$15.00
Lounge, Hall and Craft Room	Daily rate	\$120.00	\$120.00
Lounge, Hall and Craft Room	Weekend rate	\$240.00	\$240.00
Foyer	Flat rate per function	\$100.00	\$100.00
Servery	Flat rate per function	\$50.00	\$50.00
Kitchen and Servery	Flat rate per function	\$100.00	\$100.00
Thornton Hall			
Commercial (profit) casual hire	Hourly rate	\$20.00	\$20.00
Community group (non-profit) casual hire	Hourly rate	\$15.00	\$15.00
Commercial (profit) casual hire	Daily rate	\$125.00	\$125.00
Community group (non-profit) casual hire	Daily rate	\$100.00	\$100.00
Commercial (profit) casual hire	Weekend rate	\$200.00	\$200.00
Community group (non-profit) casual hire	Weekend rate	\$150.00	\$150.00
Bond	Per rental period	\$235.00	\$235.00
Alexandra Community Leisure Centre			
Stadium Court Fees – Senior Game	Per Game	\$60.00	\$60.00
Stadium Court Fees – Senior Training or Casual Hire	Per Hour	\$30.00	\$30.00
Stadium Court Fees – Junior Game	Per Game	\$50.00	\$50.00
Stadium Court Fees – Junior Training or Casual Hire	Per Hour	\$25.00	\$25.00
Stadium Fees –Casual Hire	Per Day	\$240.00	\$240.00
Squash Court Fees – Pennant	Per Court	\$45.00	\$45.00
Squash Court Fees – Club Training	Per Court Per Hour	15.00	15.00
Squash Court Fees – Casual Hire	Per Court Per Hour	20.00	20.00
Murrindindi Library Services			
Murrindindi Library - Photocopy / Incoming Fax Charges - A4 Black & White	Per copy	0.30	0.30
Murrindindi Library - Photocopy / Incoming Fax Charges - A4 Black & White - double sided	Per double sided copy	0.60	0.60
Murrindindi Library - Photocopy / Incoming Fax Charges - A4 Colour	Per copy	1.00	1.00
Murrindindi Library - Photocopy / Incoming Fax Charges - A4 Colour - double sided	Per double sided copy	2.00	2.00
Murrindindi Library - Photocopy / Incoming Fax - A3 Black & White	Per copy	0.60	0.60
Murrindindi Library - Photocopy / Incoming Fax - A3 Black & White - double sided	Per double sided copy	1.20	1.20
Murrindindi Library - Photocopy / Incoming Fax - A3 Colour	Per copy	2.00	2.00
Murrindindi Library - Photocopy / Incoming Fax - A3 Colour - double sided	Per double sided copy	4.00	4.00
Murrindindi Library - Inter Library Loan Fees (Non Academic Library)	Per item	3.00	3.00
Murrindindi Library - Academic Library Loan Fees	(\$10 + \$16.50) Per item	(\$3 + 16.50) Per item	(\$3 + 16.50) Per item
Murrindindi Library Overdue Fees	Per day per item	0.30	25c
Murrindindi Library Reimbursement Lost Item	Per Item	\$5 plus book cost	book cost
Murrindindi Library Internet Printing - A4 Black & white	Per page	0.30	0.30
Murrindindi Library Internet Printing - A4 colour	Per page	1.00	1.00
Murrindindi Library Internet Printing - A3 Black & white	Per page	0.60	0.60
Murrindindi Library Internet Printing - A3 Colour	Per page	2.00	2.00
Replacement Membership Cards	per Card	3.50	2.50
Value Added Library Programs (Holiday Activities)	per participant	Min \$2.00	\$0.00
Saleyards			
Yea Saleyard Agent Fees	Per head	0.50	\$0.50
Yea Saleyard Fees - Cow & Calf	Per head	10.20	\$11.00
Yea Saleyard Fees - Cattle	Per head	9.20	\$10.00
Yea Saleyard Fees - Bulls	Per head	15.00	\$15.00
Yea Saleyard Fees - Scanning	Per head	2.55	\$2.55
Yea Post Breeder Tags - No Tag	Per head	35.00	\$35.00
Yea Post Breeder Tags - Dead Tag	Per head	11.00	\$11.00
Yea Non-Sale Day Fee (Private)	Per head	1.20	\$1.20

Fees & Charges	Ref	2016-17	2017-18
Yea Non-Sale Day Fee (Agent)	Per annum	400.00	\$400.00
Yea Saleyard Fees - Hay	Per Bale		Cost plus \$1.00
Yea Saleyards - Weigh Fee	Per head	N/A	TBA
WASTE			
Waste direct to landfill (over weighbridge)			
Compacted Commercial / Business (Industrial) Waste (Direct to Landfill)	per tonne	169.00	178.00
Construction/Demolition material (Industrial) (direct to landfill)	per tonne	169.00	178.00
Commercial/Business (Industrial) Waste - general	per tonne	169.00	178.00
Residential/Municipal General Waste (direct to landfill)	per tonne	146.00	155.00
Clean fill	per tonne	55.00	32.00
Asbestos cement sheet (direct to landfill) - wrapped - max 10m2 per day, no commercial disposal	per tonne	169.00	178.00
Minimum gate fee	per tonne	52.00	52.00
Account card replacement fee	per item	30.00	30.00
Public Weighing	per weigh		20.00
Transfer Station & Tipping Fees			
Shire Residents and Ratepayers			
Commercial/Business (Industrial) Waste	per cubic metre	99.00	100.00
Residential (Municipal) Waste – all kinds	per cubic metre	39.00	40.00
Loose Garbage Bags	per bag	5.00	
Motor Cycle Tyre	each	4.00	4.00
Car Tyre	per cubic metre	9.00	5.00
4wd / Light truck tyre	each	12.00	8.00
Truck Tyre	each	27.00	15.00
Super single/large truck tyre	each	45.00	45.00
Tractor Tyre < 1m diameter	each	80.00	72.00
Tractor Tyre > 1m diameter	each	80.00	115.00
Earthmover equipment tyre (grader, front end loader etc)	each		138.00
Tyre on rim	each	+2.00	+ 3.00
Greenwaste Cuttings	per cubic metre	14.00	14.00
Natural timber >25cm diameter	per metre	2.00	2.00
Comingled Recyclables (Commercial)	per cubic metre	7.00	7.00
Comingled Recyclables (Residential)	per cubic metre	0.00	0.00
Waste Motor Oil	per litre	0.00	0.10c + \$1 per container
Domestic Gas Bottle - small	per bottle	6.00	6.00
Domestic Gas Bottle - medium	per bottle	8.00	8.00
Domestic Gas Bottle - large /acetylene	per bottle	13.00	13.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (must still be clean) - less than 20 litres.	Per container	6.00	6.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (must still be clean) - more than 20 litres.	Per container	8.00	8.00
Mattress - single		25.00	25.00
Mattress -double	per item	30.00	25.00
Couch - 1 seat	per item		
Couch - 2/3 seat	per item		
White Goods, except fridges	per item	10.00	10.00
Fridges	per item	10.00	10.00
Car Batteries	per item	0.00	0.00
Scrap Steel	per m3	10.00	10.00
Electronic waste (excluding white goods)	per item	10.00	0.00
Commercial collection charges			
Commercial garbage bin hire	per item per year	12.00	12.00
Commercial garbage bin per lift	per item	16.00	12.00
Commercial recycle bin hire	per item per year	12.00	12.00
Commercial recycle bin per lift	per item	8.00	7.00
Event bin charges			
Event bin delivery	per item	4.00	4.00
Event bin top hire	per item	0.00	0.00
Garbage bin - supply and clear - 1st five bins (public events only) only if recycling is included	per item	16.00	0.00
Recycle bin - supply and clear - 1st five bins (public events only)	per item	8.00	0.00
Garbage bin - supply and clear - bins in excess of 5 bins (all bins for private event)	per item	16.00	17.00
Recycle bin - supply and clear - bins in excess of 5 bins (all bins for private event)	per item	8.00	17.00
Special garbage clearance only	per item		14.00

Budget processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the Local Government Act 1989 (the Act) and the Local Government (Planning and Reporting) Regulations 2014 (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2017/2018 budget, which is included in this report, is for 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ending 30 June 2018 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

A 'proposed' budget is prepared in accordance with the Act and submitted to Council in April/May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

With the introduction of the State Government's Rate Capping legislation in 2015 Councils are now unable to solely determine the level of rate increase and instead must use a maximum average rate increase determined by the Minister for Local Government which is announced in December for application in the following financial year.

If a Council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will determine whether the rate increase variation submission has been successful by 31 May, or at a later date as set by the Minister.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

Budget process	Timing
1. Minister of Local Government announces maximum rate increase	Dec
2. Officers update Council's long term financial projections	Dec/Jan
3. Council to advise ESC if it intends to make a rate variation submission	Jan/Feb
4. Council submits formal rate variation submission to ESC	N/A
5. Officers prepare operating and capital budgets	Jan/Feb
6. Councillors consider draft budgets at informal briefings	Mar/Apr
7. Proposed budget submitted to Council for approval to advertise	26-Apr
8. Public notice advising intention to adopt budget	May
9. Budget available for public inspection and comment	01-May
10. Public submission process undertaken	May
11. Submissions period closes (28 days)	01-Jun
12. Submissions considered by Council/Committee	Jun
13. Budget and submissions presented to Council for adoption	Jun
14. Copy of adopted budget submitted to the Minister	30-Jun