



**Murrindindi**  
Shire Council

## **2008 / 2009 BUDGET**

Adopted by Council  
5 August 2008

This Budget Report has been prepared with reference to The Institute of Chartered Accountants in Australia, *Victorian City Council Model Budget - 2008/2009: a best practice guide for reporting local government budgets in Victoria*.

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## **Executive Summary**

The 2008/2009 budget outlines how Council will earn and spend its monies in the coming year to improve conditions for residents and visitors. It has been prepared against the initiatives outlined under the themes of Environment, Community, Infrastructure, Local Economy and Governance in the Council Plan 2006-2010, with some additional initiatives through Council resolutions.

The budget document is presented in three parts:

**Part 1** (Sections 1 to 3) explains the 2008/2009 Budget in the manner to which it relates to the objectives, activities and initiatives expressed in the Council Plan 2006/2010.

**Part 2** (Sections 4 to 9) explains the financial statements that are included in the Appendixes

**Part 3** (Appendixes A to D) presents the Budgeted Standard Statements, Statutory Disclosures, Capital Works Program and Schedule of Fees and Charges.

The budget is set within a long term financial plan that keeps the Murrindindi Shire Council financially viable. However, due to the rising costs of fuel, commodities, interest rates, employee costs and the Consumer Price Index, we are travelling close to our cash reserves requirements. Consequently Council is in the regrettable position of having to increase rates by an average of 6.5% for properties receiving rate increases that include a garbage charge where Capital Improved Values (CIV) have not been significantly adjusted by the 2008 revaluation. If Council opted for a lower increase we would not be able to provide the same level of service.

A brief summary of key aspects of the financial statements is set out below:

### **Rates and Charges**

Rates and charges have been increased in accordance with the long term financial plan and can be summarised as follows:

Garbage charge of 3.7% increase from \$202.50 to \$210.00

Recycling charge increase of 3.0% from \$60.00 to \$61.80

Municipal charge increase of 7.85% from \$191.00 to \$206.00

Average rate increase of 6.5%

An estimated 1% growth in the number of rateable properties

See Appendix B – Statutory Disclosures for details of rates and charges.

### **Grants**

The Council continues to be heavily reliant on state and federal grants. There has been an increase in operating grant payments from the Victorian Grants Commission, however, the completion of \$1,445,358 of grant-funded works in 2007/ 2008 has seen the overall level of grant funds reduce by \$741,549 in 2008/2009.

See section 4.1 for details of all grants.

### **Employee Benefits**

Increased Council employee costs are a result of an Enterprise Bargaining Agreement (EBA) under *Section 170LT of the Workplace Relations Act 1996* and approved by the *Australian*

*Industrial Relations Commission.* The Council EBA is set for review in February 2009 and the outcome of that review may impact on the budget as presented.

Employee benefits will increase by 5.5% in accordance with Council's EBA. Further increases have been approved to provide for compliance with Australian Life Guard Association guidelines for swimming pools and to increase operating hours at the Yea Customer Service Centre. An initiative to employ staff to manage and extend hours at the transfer stations has also added to an increase in employee benefits, however the cost is merely transferred from paying contractors to paying employees, which is expected to provide a better outcome.

The number of effective full time employees (EFT) is expected to increase by 2.2 above the 2007/ 2008 year as a result of the above initiatives.

See section 8 (Non Financial Resources) for a detailed analysis of employee costs.

### **Cash flow**

Council's forecast cash position at 30 June 2009 is \$3,413,038. This figure represents the cash reserves of the Council of \$3,380,406 and provides some additional working capital and provides some additional working capital. Having reserves as cash is considered to be a key strength of the Council's finances.

### **Capital Works**

Another positive aspect of the budget is the Council's continued investment in renewing, upgrading and expanding its existing infrastructure. This year the Council plans to invest \$1.9 million in new assets, within a total capital program of \$6.5 million.

See Appendix C for details of the capital works program.

### **Loans and Debt**

The Council's total debt at 30 June 2009 will be \$5,104,212 and this is in line with the long-term financial plan. Council will make interest payments of \$404,357 and principal of \$1,053,063 in 2008/2009.

It is intended to borrow a further \$1,000,000 in 2008/ 2009, \$250,000 of which is a contingency in case Council has to carry costs associated with the Taylor Bay Left Arm special charge scheme. Further, to provide a contingency for the potential carrying costs associated with the Taylor Bay Left Arm special charge scheme, another \$250,000 has been factored into the new borrowings for 2008/ 2009. This equates to an estimated \$1,000,000 in new loans in 2008/ 2009.

During the past nine months the Council has undertaken a process of reviewing its vision and key directions for the future which will require a major review of the next four year Council Plan. This budget does not fully address emerging themes of climate change, more resources for community development, environment and eco tourism. These issues will be further addressed as part of 2009/ 2010 budget process.

I commend this budget to you.



Mark Henderson  
Chief Executive Officer

## Overview

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### 1. Linking the Budget to the Council Plan

#### 1.1 Our Purpose

##### Our Vision

By 2010 the Murrindindi Shire Council will be a progressive, financially strong organisation providing excellent service to motivated communities within a healthy environment.

##### Our Mission

To care for, foster and promote the Murrindindi Shire.

##### Our Values

<b>Respect</b>	We will respect other people and their opinions
<b>Consistency</b>	We will be consistent in the application of our principles, policies and processes
<b>Integrity</b>	We will do what we say and say what we mean
<b>Accountability</b>	We will accept responsibility for our actions
<b>Innovation</b>	We will consider new ideas, opportunities and better ways of doing things.

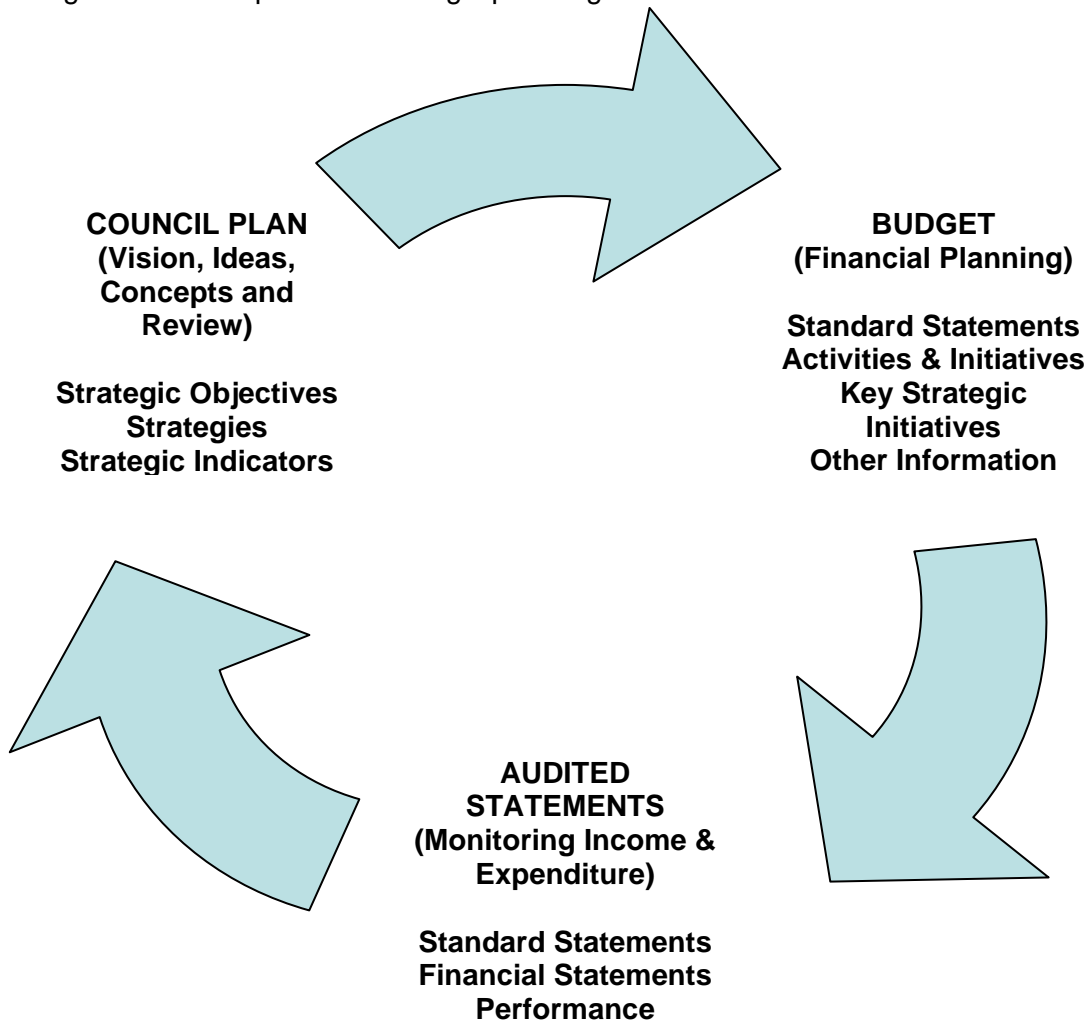
#### 1.2 Strategic objectives

Strategic Objective	Description
Environment	To ensure that land use is strategically planned and implemented To protect and enhance our natural environment
Community	To promote safe, healthy, active communities
Infrastructure	To maintain and improve our infrastructure To foster civic pride
Local Economy	To encourage economic growth
Governance	To be consistent, fair and transparent in our decision making To improve our performance and sustainability To foster civic pride To value our staff To be a financially strong organisation To promote public involvement in policy development and implementation

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### 1.3 Strategic Planning Framework

The Strategic Resource Plan (long term financial plan) included in the Council Plan 2006 – 2010 summarises the financial and non-financial impacts of the objectives and strategies of the Council Plan and determines the sustainability of these objectives and strategies. The Annual Budget 2008/2009 has been framed within the Strategic Resource Plan. Activities and initiatives have been included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the strategic planning framework of Council.



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, must be completed within six months of the general election and it is reviewed each year in February/March to ensure there is sufficient time for the development of Activities and Initiatives and Key Strategic Activities in draft form prior to commencement of the Annual Budget process in March. It also allows time for targets to be established during the Strategic Resource Planning process to guide the preparation of the Annual Budget.

This budget has been prepared in accordance with Local Government Act 1989 Financial Regulations, accepted accounting practices and the *Best practice guide for reporting local government budgets in Victoria 6<sup>th</sup> edition*, which is reviewed and released annually by The Institute of Chartered Accountants in Australia in conjunction with the Municipal Association of Victoria, Finpro and LGPro.

## 2. Activities, initiatives and key strategic activities

This section provides a description of the activities and initiatives to be funded in the Budget for the 2008/ 2009 year and how these will contribute to achieving the strategic objectives specified in the Council Plan. It also includes a number of key strategic activities and performance targets and measures in relation to these.

### 2.1 Theme 1: Environment

#### 2.1.1 Objectives

- To ensure that land use is strategically planned and implemented
- To protect and enhance our natural environment

Strategies the Council will use during the year to achieve the objectives above are:

- Work within the strategic framework.
- Strengthen the Council's role in environmental issues and activities.
- Improve statutory planning processes to deliver timely decisions that are aligned with the strategic framework.
- Manage waste streams and facilities in accordance with best practice and Environment Protection Authority (EPA) guidelines.
- Improve waste water management across the Shire.
- Reduce green house gas emissions and strive to become a carbon neutral institution.
- Work with permit applicants to ensure that conditions are adhered to.

Activities set out below are those the Council undertakes to meet the needs of the community on environmental matters. Figures in brackets ( ) represent income to the activities listed.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

#### 2.1.2 Activities

**Note:** where not specified, services will be funded from net operating budgets.

Service Category	Description	Expenditure
		(Revenue) Net Cost \$'000
Planning and Subdivision	This service provides for the implementation of the Murrindindi Planning Scheme and Planning and Environment Act. Decision-making is performed under delegation from the Council. The service provides statutory and strategic planning which facilitate sustainable land use and development.	522 <u>(188)</u> <b>334</b>
Building Inspection and Control	This service provides for the administration and enforcement of building legislation. Services include the processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	237 <u>(220)</u> <b>17</b>

Environmental Health	This service is responsible for the regulation of food safety and accommodation standards throughout the Shire. There is also a focus on broader environmental and public health issues including wastewater management, infectious disease, health promotion and complaint investigation. This also includes the cost of Departmental Manager.	303 <u>(102)</u> <b>201</b>
Local Laws	This service monitors and enforces the Council's local laws. Issues raised by the community relate to domestic pets, livestock on the road and minor neighbour disputes. The service provides 24 hour response and works closely with other agencies.	354 <u>(124)</u> <b>230</b>
Waste and Environment	This service provides for the operation of a landfill site, transfer station facilities in larger towns, and garbage/recycling collection from most residential properties. A financial reserve is operated to ensure that the net cost of providing waste services is not met from general rate revenue raised. Future capital works and landfill rehabilitation cost will be met from the waste reserve.	1,979 <u>(2,063)</u> <b>(84)</b>

### 2.1.3 Initiatives

**Note:** where not specified, services will be funded from net operating budgets.

Service Category	Description
<b>Planning and Subdivisions</b>	Participate in the Peri Urban rural land use planning program to investigate a new suite of rural zones.
	Complete development plans for Industrial zoned land in Alexandra and Yea.
	Progress the Heritage Study. Stage 2 of the Heritage study will be undertaken with a grant from Heritage Victoria of \$40,000 and a contribution from Council of \$5,000.
	Develop a strategy and resource plan to support Council's recently adopted Environment Policy. This \$45,000 initiative will be funded by a \$30,000 grant from Department Sustainability and Environment (DSE) and a \$15,000 Council contribution.
	Complete existing or undertake new Planning Scheme Amendments, including C17 (Alexandra and Small Towns Urban Design Framework's) and implementation of the Yea Flood Study. The cost to Council of the annual amendment program is expected to be \$35,000.
	Complete the Local Priority Statement as part of the Department of Sustainability and Environment (DSE) Sustainability Accord.
	Complete the three (3) year monitoring report on the performance of the Murrindindi Planning Scheme and processes (statutory requirement).
	Complete and adopt the Waste Water Management Plan for Murrindindi.



Service Category	Description								
<b>Planning and Subdivisions</b>	Continue to work on innovative water and wastewater initiatives through the Kinglake Waste Water Innovation Project. Subject to a successful grant application undertake an Urban Design Framework Study of Kinglake. The total cost of this initiative will be \$40,000. \$20,000 may be provided by Regional Development Victoria (RDV).								
<b>Assets and Infrastructure.</b>	Clarify Council's role in roadside management and standards.								
<b>Waste and Environment</b>	The Council is currently considering recommendations from the draft Waste Strategy that considers the replacement of street and park litter bins in Alexandra, Yarck, Molesworth and Yea following community consultation. The Council intends to transfer the cost of replacement from the Waste Reserve during the 2008/ 2009 year. It is anticipated that the cost of replacement will be as follows: <table border="0" style="margin-left: 40px;"> <tr> <td>Litter Bins – Parks and Reserves</td> <td style="text-align: right;">\$20,700</td> </tr> <tr> <td>Litter Bins – Public Place Recycling</td> <td style="text-align: right;">\$21,390</td> </tr> <tr> <td>Litter Bins – Street Bins</td> <td style="text-align: right;"><u>\$38,110</u></td> </tr> <tr> <td>Total cost</td> <td style="text-align: right;"><u>\$80,200</u></td> </tr> </table>	Litter Bins – Parks and Reserves	\$20,700	Litter Bins – Public Place Recycling	\$21,390	Litter Bins – Street Bins	<u>\$38,110</u>	Total cost	<u>\$80,200</u>
Litter Bins – Parks and Reserves	\$20,700								
Litter Bins – Public Place Recycling	\$21,390								
Litter Bins – Street Bins	<u>\$38,110</u>								
Total cost	<u>\$80,200</u>								
	Expand the green waste mulching program. A further \$45,000 will be spent to introduce the service to Eildon and continue the 2007/ 2008 increased service levels at Yea. Previously, the program only operated at Alexandra after green waste was brought in from other areas.								
	Complete the change over to Council staffing at the Waste Transfer Stations.								

#### 2.1.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Replacement of street and parks litter bins in Alexandra and Marysville	Project completed by due date and within budget	Management reports.	Completion by March 2009.
Town Planning	Community satisfaction rating for town planning	Annual community satisfaction survey.	> 59%

## 2.2 Theme 2: Community

### 2.2.1 Objectives

- To promote safe, healthy, active communities

Strategies the Council will use during the year to achieve the above objectives are:

- Support an integrated approach to health and well being.
- Strengthen relationships with other agencies.
- Develop improved processes for response and recovery from emergencies.
- Advocate, facilitate and deliver services for all ages.
- Link our communities and transport hubs.
- Assist communities to develop their priorities and find creative ways to deliver them.
- Foster community ownership.
- Improve accessibility to services and facilities.
- Develop our libraries as a focus of community strengthening activities.
- Promote good health and safety.
- Support arts and cultural experiences.
- Provide leisure opportunities to residents that provide broad benefits.
- Implement insurance recommendations in relation to recreation reserves.

Activities set out below are those the Council undertakes to meet the needs of the community. Figures in brackets ( ) represent income to the activities listed.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

### 2.2.2 Activities

**Note:** where not specified, services will be funded from net operating budget.

Service Category	Description	Expenditure (Revenue) Net Cost \$'000
Children Services	Provides childcare at the Kinglake Child Care Centre, Maternal and Child Health Services at seven (7) locations, Family Day Care in carer's and client's homes and also implements the strategies outlined in the <i>Early Years Strategy 2007</i> .	1079 <u>(807)</u> 272
Aged and Disability Services	Provides home delivered meals, personal care, respite care, veteran affairs and high need care, dementia care, home maintenance, planned activities and outings, and senior citizens clubs. Case management and the co-ordination of volunteers are also provided under this service.	1,621 <u>(1,337)</u> 284
Community Services Administration	The management of the community services department along with key projects such as the Inclusiveness Planning Project (access for all), Transport Connections and Community.	379 <u>(106)</u> 273

<b>Service Category</b>	<b>Description</b>	<b>Expenditure (Revenue) Net Cost \$'000</b>
Family and Youth Services	Provides for FReeZa (drug and alcohol free) concerts and a contribution to the operations of Berry Street Victoria. The recently adopted <i>Youth Strategy 2007</i> activities will also be addressed as funding allows through this program.	42 <u>(22)</u> <b>20</b>
Housing Projects	Maintenance of several low income housing units.	14 <u>(8)</u> <b>6</b>
Marysville Retirement Village	Council contribution to the operation and maintenance of a Retirement Village via a Committee of Management and Residents Association comprising eleven units and a village hall.	16 <u>(11)</u> <b>5</b>
Pre-School and Playgroup Centres	Contribution towards the operating cost of pre schools and playgroups.	27 <u>(0)</u> <b>27</b>
Customer Services	A primary point of contact for Council services and functions is provided through offices at Alexandra, Yea and Kinglake.	430 <u>(4)</u> <b>426</b>
Library Services	Programs and lending facilities at three (3) locations and one mobile library. The service at Kinglake and Yea is shared with Customer Service activities.	564 <u>(142)</u> <b>422</b>
Caravan Parks	Caravan parks at Yea and Marysville that are located on crown land are provided via this service. The parks are self funding and leased to operators.	45 <u>(45)</u> <b>0</b>
Community Grants Program	The Community Grants Program has been established to strengthen our communities. Regular assessment occurs throughout the year.	60 <u>(0)</u> <b>60</b>
Community Halls and Properties	A provision for the insurance and some operating costs at a range of community buildings across the Shire. Hall rental of Council run halls is also included.	31 <u>(12)</u> <b>19</b>
Recreation	The activities of the recreation officer and includes special projects and the mobile skate ramp.	117 <u>(285)</u> <b>(168)</b>
Parks and Gardens	The maintenance of parks and gardens across the Shire including park furniture and pathways.	1,017 <u>(0)</u> <b>1,017</b>
Leisure Centre	The operation of the Alexandra Community Leisure Centre. Any surplus on operations is transferred to a maintenance reserve for future works. Council contributes \$12,000 per annum to the Leisure Centre.	60 <u>(60)</u> <b>(0)</b>

Service Category	Description	Expenditure (Revenue) <b>Net Cost</b> <b>\$'000</b>
Sporting Pavilions	A provision for the insurance and some contribution to operating costs at several sporting pavilion and facilities.	33 (0) <b>33</b>
Swimming Pools	The operation of four outdoor swimming pools over a 16 week summer period. Employee costs relate to 6.8% of total cost due to compliance with staffing specified by the The Royal Life Saving Association guidelines. Other costs relate to maintaining the pools over a 12 month period and the financial costs of recently recognised capital works requirements. Entry fees raised approximately \$65,000 for the season.	305 (65) <b>240</b>

### 2.2.3 Initiatives

**Note:** where not specified, services will be funded from net operating budget.

Service Category	Description
<b>Community Services</b>	Evaluate and update the <i>Murrindindi Public Health Plan / Well Being Plan</i> (MPHP) in consultation with health service providers to support co-operative planning. The review of the MPHP was undertaken with Department of Human Services (DHS) grant funding in the previous year. A grant of \$6,000 was received from DHS to undertake this review.
	Finalise the <i>Positive Ageing Strategy</i> . A grant of \$10,000 from the Department for Victorian Communities (DVC) Office of Senior Victorians was received in 2007/2008 to assist in preparing this strategy.
	Undertake the <i>Transport Connections Program</i> . A recent successful grant application of \$300,000 from the Department of Planning and Community Development (DPCD) provides for the full funding of a transport co-ordinator and operation of a reference group to address transport disadvantage issues over a three year period.
	Implement year three of a four year community building project in Kinglake Ranges. This Initiative is fully funded by the Department of Planning and Community Development
	Monitor the delivery of community building capacity across the Shire. This will be further considered during 2008/ 2009.
	Consider the appointment of a community development worker. This initiative will be considered during 2008/ 2009 and is dependent upon grant funding.
	Develop a policy for the use of council assets by the community.

Service Category	Description
	Complete the development of an arts and culture policy.
	Review Council's role in supporting committees of management.
	Subject to successful grant applications, upgrade the outdoor play area at the Kinglake Child Care Centre. The net capital cost of the project will be \$18,750.
	Subject to a successful grant application, undertake a Yea Pool Feasibility Study to identify further upgrade to site infrastructure. The total cost of this initiative will be \$20,000. \$10,000 may be funded by Sport and Recreation Victoria (SRV).
<b>Assets &amp; Infrastructure</b>	Finalise investigating provision of public toilets.
<b>Community Services &amp; Assets &amp; Infrastructure</b>	Address Yea Pioneer Reserve traffic management issues.
<b>Library and Customer Service</b>	Provide additional hours of opening and provide additional programs at the Yea Library and Customer Service Centre. The additional cost to Council of this initiative will be \$25,000 per annum. This initiative will bring Yea into line with the Councils other customer service centres.
	Complete the library shelving project at the Yea Library. The cost of this initiative is contained in the capital section of the budget.

#### 2.2.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Health and Human Services	Community satisfaction rating for Health and Human Services	Annual community satisfaction survey.	>76%
Complete the capital works program	Completion by 30 June 2009	Report to Council on a quarterly basis	>80%

## 2.3 Theme 3: Infrastructure

### 2.3.1 Objectives

- To maintain and improve our infrastructure
- To foster civic pride

Strategies the Council will use during the year to achieve the above objectives are:

- Address the infrastructure renewal gap.
- Integrate the organisation's approach to asset management.
- Pursue innovative funding sources and strategies for the renewal and upgrading of infrastructure.
- Comply with insurance recommendations and address risk issues.
- Improve Council facilities.
- Ensure our infrastructure is maintained to the standard adopted by the Council.
- Ensure our systems including staff, plant, equipment and depots are appropriate to deliver the highest possible standards of service.

Activities set out below are those the Council undertakes to meet the needs of the community. Figures in brackets ( ) represent income to the activities listed.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

Large capital and recurrent grants and contributions are received under this theme. The details of the income are described under the analysis of the Operating Statement.

See section 6 and Appendix C for details of capital works projects.

### 2.3.2 Activities

Service Category	Description	Expenditure
		(Revenue) Net Cost \$'000
<b>Assets and Infrastructure</b>	Maintenance of bicycle and walking paths.	27 (0) <b>27</b>
	Maintenance of bridges.	219 (0) <b>219</b>
	Maintenance of drainage.	100 (0) <b>100</b>
	Maintenance of footpaths and kerbs.	75 (0) <b>75</b>
	Maintenance of roads.	1,920 (0) <b>1,920</b>

<b>Assets and Infrastructure</b>	Maintenance of roadsides.	457 (0) <b>457</b>
	Maintenance of public buildings.	283 (0) <b>283</b>
	Maintenance of public conveniences.	220 (0) <b>220</b>

### 2.3.3 Initiatives

**Note:** where not specified, services will be funded from net operating budget.

Service Category	Description
<b>Assets and Infrastructure</b>	Complete the <i>Road Asset Management Plan (RAMP)</i> .
	Commence the development of an <i>Overall Asset Management Strategy (OAMS)</i> .
	Prepare and adopt a Special Charge Scheme policy.
	Review and adopt the <i>Building Asset Management Strategy</i> . The completion of the Strategy is dependent upon the completion of an audit of Council's buildings. Refer item below.
	Undertake independent audits of the condition of the Council's road and building infrastructure and prioritize works programs. The estimated cost to Council is \$90,000.
	Complete and publish the <i>Infrastructure Manual</i> .
	Develop and implement a programmed maintenance system for Infrastructure Maintenance.
	Undertake a review of the depot operation and accommodation requirements for the Shire.
	Consider a signage policy, including road signs and town signs.
	Continue to audit the condition of trees in public areas. The cost to Council is \$7,700 per annum.
	Commence a program of the removal and replacement of the high risk trees in public areas. An amount of \$50,000 has been provided in 2008/ 2009 to commence this program.
	Investigate and (if feasible) establish an in house building maintenance team. The net cost of this initiative will be \$40,000 in 2008/ 2009.

Service Category	Description
	Reinstate the Drysdale and Hill Street gravel pits as required by licence conditions. The cost of this initiative will be \$10,000.
<b>Assets and Infrastructure &amp; Economic Development &amp; Tourism</b>	Complete the review of the location of public toilets in Alexandra (Refer capital program for funding for a new facility).

See Appendix C for greater detail in relation to capital projects

#### 2.3.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Reduce the Infrastructure Gap	Infrastructure Gap.	Annual Report and Road and Bridge Strategy 2007/08.	< \$1.2 mil
Reduce the Renewal Gap	Renewal Gap.	Annual Report	>70%
Complete the capital works program	Completion of program.	Report to Council on a quarterly basis	>80%



## 2.4 Theme 4: Local Economy

### 2.4.1 Objectives

- To encourage economic growth

Strategies the Council will use during the year to achieve the above objectives are:

- Strengthen local industries and value add
- Provide support to new and expanding businesses
- Provide opportunities for industrial development
- Attract investment
- Provide event co-ordination
- Manage building development in a planned and sustainable way across the Shire
- Provide sale yard facilities for the farming community (see Governance)
- Pursue a more coordinated approach to visitor information services across the Shire
- Continue to strengthen and develop the tourism industry
- Pursue investment in new tourism product and infrastructure
- Participate in cooperative marketing and public relations initiatives

Activities set out below are those the Council undertakes to meet the needs of the community. Figures in brackets ( ) represent income to the activities listed.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

### 2.4.2 Activities

**Note:** where not specified, services will be funded from net operating budget.

Service Category	Description	Expenditure
		(Revenue) Net Cost \$'000
Business Infrastructure	The pursuit of improved services and infrastructure for businesses including improved Broadband services.	1 <u>(0)</u> 1
Management and Administration	The cost of the Economic Development management and administration.	179 <u>(0)</u> 179
Events Facilitation	The co-ordination, development, support and promotion of major approved events across the Shire including the Herald Sun Tour.	47 <u>(0)</u> 47
Industrial Land	The facilitation of future development processes in the Yea and Alexandra industrial areas and for the state government industrial land survey response.	10 <u>(0)</u> 10
Industry Development Initiatives	Initiatives designed to strengthen and develop businesses and industries in the Shire, including business forums, training, business awards programs, membership of Timbertowns and development of a peak body for Lake Eildon.	25 <u>(0)</u> 25

Service Category	Description	Expenditure (Revenue) <b>Net Cost</b> <b>\$'000</b>
Private Investment Attraction	Attracting appropriate investment into the Shire and provides for facilitated assistance to key development projects.	21 <u>(5)</u> <b>16</b>
Murrindindi Regional Tourism Association (MRTA) Communications	Improved communications between the regional tourism body, Council, local business associations and individual businesses. Production of a <i>Calendar of Events</i> and <i>Murrindindi Business Matters</i> newsletter is also included.	6 <u>(0)</u> <b>6</b>
MRTA industry Development	Support to assist the MRTA to implement business planning and training initiatives with tourism associations and tourism operators. The MRTA meets its own operating costs.	40 <u>(0)</u> <b>40</b>
MRTA Marketing	The delivery of collaborative tourism marketing opportunities and involvement in tourism campaigns to the north (NEVTi) and south (YRRM).	50 <u>(0)</u> <b>50</b>
Tourism Operations	The administration cost of the Tourism Unit including the Tourism Industry Officer and Tourism Services Officer.	122 <u>(0)</u> <b>122</b>
Tourism Product Development	Identifying and improving the quality and depth of tourism product and attractions available to visitors and improving/ developing touring routes etc.	39 <u>(0)</u> <b>39</b>
Tourism Strategic Development	Visitor research to assist in developing longer term plans for tourism development in the Shire.	10 <u>(0)</u> <b>10</b>

### 2.4.3 Initiatives

**Note:** where not specified, services will be funded from net operating budget.

Service Category	Description
<b>Economic Development and Tourism</b>	Finalise the <i>Economic Development Strategy and Action Plan 2008 – 2012</i> . An allocation of \$9,500 to complete the Economic Development Strategy and Action Plan 2008/ 2012 has been 50% funded by Regional Development Victoria.
	Implement tourism signage audit recommendations.
	Complete a nature based tourism feasibility study. A grant of \$15,000 from Tourism Victoria matched with a \$15,000 contribution from Council will be used to undertake the study.
	Conduct the visitor research project to contribute to planning within the tourism industry.

Service Category	Description
<b>Economic Development and Tourism</b>	Allocate resources for the employment of an Events Coordinator at a net cost of \$44,000.
<b>Civic</b>	Provide a seed funding pool of \$91,000 to take advantage of grant opportunities from other levels of government.
	Provide additional resources to Australia Day Ambassadors and community events. The total cost of this initiative will be \$9,600.
<b>Corporate Services</b>	Advise the Saleyard Committees of Management that they need to employ resources to manage their operations. This will relieve pressure for Council staff resources.

#### 2.4.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Community Satisfaction	Economic Development	State Government annual community survey	>60%

## 2.5 Theme 5: Governance

### 2.5.1 Objectives

- To be consistent, fair and transparent in our decision making
- To improve our performance
- To foster civic pride
- To value our staff
- To be a financially strong organisation

Strategies the Council will use during the year to achieve the above objectives are:

- Act with probity and due diligence
- Continue to improve Council systems, processes and relationships
- Ensure our customers have a positive experience
- Improve service delivery and efficiency
- Improve our image and communication
- Be proactive in reducing organisational risk and improve our risk profile
- Promote the Shire
- Foster leadership
- Be an employer of choice
- Strengthen the Council's financial position.

Activities set out below are those the Council undertakes to meet the needs of the community. Figures in brackets ( ) represent income to the activities listed.

In addition to the activities of the Council, the new initiatives to be undertaken during the forthcoming year have also been described.

Please note that a significant component of the Council's total revenue is contained in this program and cannot be directly attributed to the activities below. Rate income is an example of this.

See Appendix A - Operating Statement for details.

### 2.5.2 Activities

**Note:** where not specified, services will be funded from net operating budget.

Service Category	Description	Expenditure (Revenue) <b>Net Cost</b> <b>\$'000</b>
<b>Executive and Organisational Development</b>	The cost of the Chief Executive Officer, secretarial support and two (2) General Managers as well as the Organisational Development and Risk Management functions. Costs of this service cannot be readily attributed to other activities across the organisation. Associated costs include employee benefits, motor vehicle costs, seed funding allocation, staff training and sundry administration expenses.	916 <u>(0)</u> <b>916</b>
<b>Kinglake Community</b>	Year 3 of a Community Building project over 3 years for the Kinglake Ranges. This program is funded by	122 <u>(138)</u>

<b>Building Initiative</b>	Department of Planning and Community Development.	(16)
<b>Communications and Public Relations</b>	The management and provision of advice on external and internal communication and publications and advertising.	164 (0) <b>164</b>
<b>Corporate Services</b>	Financial functions and reporting, information technology and administrative functions of the organisation.	1,680 (288) <b>1,392</b>
<b>Council</b>	The elected Councillors and democratic functions of the Shire. Associated costs include election expenses, financing costs, annual memberships, audit expenses, councilor expenses, community events and grants, and administration costs for Council support.	708 (1) <b>707</b>
<b>Engineering Services</b>	Design, tendering, contract management and supervision of various works within the capital works program and subdivisions. Service levels for asset maintenance are also set and monitored by Engineering Services.	621 (52) <b>569</b>
<b>Rates and Valuations</b>	The rating and valuation systems of the Council. The provision of information to Land Victoria is also included.	238 (252) <b>(14)</b>
<b>Saleyards</b>	The operation of the Alexandra and Yea saleyards. The surplus on operations is allocated to the saleyards reserve for future works.	99 (155) <b>(56)</b>

### 2.5.3 Initiatives

**Note:** where not specified, services will be funded from net operating budget.

Service Category	Description
<b>Corporate Services</b>	Finalise the establishment of the intranet site.
	Undertake a review and make recommendations on the records management function of the Council including historical and operational hard copy and electronic records. The additional cost required to undertake this initiative in 2008/09 is \$80,000.
<b>Civic</b>	Develop a policy on seeking grants.
<b>Communications and Public Relations</b>	Complete and implement the <i>Communications Strategy</i> .
	Consider, adopt and implement the priority actions contained in the <i>Branding Strategy</i> as opportunities and funding allow. A \$38,000 initiative will specifically address the replacement of some boundary entry signage in the Shire in 2008/2009. The project will be spread over a period of two years at total cost of \$70,000.

Service Category	Description
<b>Organisational Development</b>	Investigate and commence a <i>Workforce Development Plan</i> . An amount of \$30,000 has been provided in 2008/2009 for staff training.
	Commence the development of a skills register across the Shire.
<b>Executive and Civic Services</b>	Develop risk assessment processes and guidelines relating to the management of major projects.
	Develop a policy about acquiring and owning public buildings.
	Further develop the Community Grants Policy.
	Provide for a seven ward local government election in November 2008, which is a requirement of the <i>Local Government Act 1989</i> . The cost of the election will be \$77,000 for services provided by the Victorian Electoral Commission.
	Provide additional resources for Councillors as set out in the <i>Local Government (Councilor Remuneration Review) Panel Report</i> . The additional cost for 2008/2009 may be \$67,000.
Provide additional resources to the Internal Audit committee. The cost of this initiative will be \$5,000.	
Provide an induction program for Councillors following the 2008 elections. The cost of this initiative will be \$10,000, however grant funding may become available.	

#### 2.5.4 Key strategic activities

Strategic Activity	Performance Measure	How Data is Reported	Performance Target
Advocacy	Community satisfaction rating for Council's advocacy and community representation on key local issues	Local Government Victoria Annual Community Satisfaction Survey	>62%
Community Engagement	Council's satisfaction rating for engagement in decision making on key local issues	Local Government Victoria Annual Community Satisfaction Survey	>63%
Business Excellence/ Best Value program	Completion of Business Excellence / Best Value requirements	Annual Report	100%

### **3. Budget influences**

This section sets out the key influences on the 2008/2009 budget.

#### **3.1 External influences**

##### **3.1.1 State Government 2007-2008 budget**

The State Government expects the Victorian economy to weaken slightly in 2008/09 with economic growth slowing from 3.25% to 3.00%.

Unemployment will rise slightly in coming years but remain at historically low levels.

Wages pressures will continue to outstrip CPI.

The real value of general purpose government grants will be eroded by wages, CPI and population growth.

##### **3.1.2 Municipal Association of Victoria (MAV) items of note re state budget**

The MAV has provided items of note in the state budget which may have an influence on coming financial years for the Murrindindi Shire Council which include:

- Significant new investment in hospitals and schools
- Increased resources for Maternal and Child Health services
- Funding for the connected libraries program
- Wireless internet for libraries, computer safety, movement of library materials statewide and a business case for a statewide library membership card.
- Funding for a Councillor induction training program
- Funding to improve rural land use planning
- Planning for growing communities, expert groups.
- Improved regulation of family day care and outside school hours care in line with the Children's Services Act.
- Funding for walking and cycling infrastructure
- Funding for improved management of weeds and pests
- Funding for the co-location of kindergarten infrastructure on school sites and the refurbishment of existing kindergartens.
- Reductions in Work Cover premiums by 5%.

See [www.budget.vic.gov.au](http://www.budget.vic.gov.au) for more information on the State Government Budget

##### **3.1.3 Federal Government 2007-2008 budget**

The commonwealth budget focused on fulfilling the Government's election commitments including income tax cuts and maintaining the budget surplus exceeding 1% of GDP.

Major initiatives include the expansion of support to households with children, the increase of the childcare rebate, the introduction of a 50% education tax refund, lifting the Medicare surcharge threshold to \$100,000 and a \$2.2 billion housing affordability package.

In addition, budget surpluses for 2008/ 2009 and 2009/ 2010 will be directed to three funds:

- The *Building Australia Fund* of \$20 billion for road, rail, broadband and port infrastructure
- The *Education Investment Fund* of \$11 billion for capital expenditure on higher education institutions, and
- The *Health and Hospitals Fund* of \$10 billion for capital expenditure on hospitals and health facilities for major medical research

### **3.1.4 MAV items of note re federal budget**

The MAV has provided items of note in the Federal Budget which may have an influence on coming financial years for the Murrindindi Shire Council which include:

- A review of federal, state and local government taxes (discussion paper due in July 2008)
- Maintenance of *Roads to Recovery* funding for 2008/2009. Continued implementation of land and transport infrastructure election commitments from 2009/10 to 2013/14 with timing and specific funding arrangements to be negotiated in 2008. This suggests a strong indication that *Roads to Recovery* will be maintained, but may lead to an expansion of the project's eligibility to include bike paths, footpaths and other road infrastructure.
- *Better Regions*  
\$176 million over four years has been allocated for infrastructure that was previously funded by Area Consultative Committees.
- *Regional and Local Community Infrastructure Program*  
The budget appears to indicate a new fund from 2009/ 2010 but does not specify a quantum of funding. This may be linked to the *Building Australia Fund* mentioned above.
- *National Water Security Plan for Cities and Towns*  
Funding projects that generate water savings for sports grounds and recreation reserves.
- *National Rainwater and Grey Water* initiative  
Funding for grey water systems in homes.
- *One Stop Green Shop*  
Government and local government household energy, water and resource efficiency programs.
- *Farming Future*  
To assist the agriculture sector to adapt and respond to climate change.
- *Caring for Our Country*  
This program replaces various trust, land care and stewardship programs.
- *Climate Change*  
Renewable energy, clean coal, energy innovation, green cars, clean business and a green loan program.
- *Broadband Guarantee*.  
Broadband access is available across Australia
- *Childcare*  
Rebate to working parents increased from 30% to 50% of out of pocket expenses for childcare and increases amount payable per child annually to \$7,500. There is also a provision for building new childcare centres.

See [www.budget.gov.au](http://www.budget.gov.au) for more information about the Federal Government Budget.



### 3.2 Internal influences

The Shire of Murrindindi is a small rural shire that is characterised by a low rate base, dispersed population and an area of 4,000 square kilometres.

These characteristics exacerbate the rising costs of fuel and commodity prices which have an impact on products such as road surfacing. It is estimated that a fuel increase of 10 cents per litre adds \$40,000 to Council's operating costs. An amount of \$130,000 has been provided in the 2008/ 2009 Budget to offset rising fuel costs. In more stable times this money would have been provided to improve services.

Rising interest rates and inflation also impact on the Shire's dispersed population. Council is aware that farming and rural families may have less capacity to pay increased rates.

The Shire of Murrindindi is also a popular destination for weekend and holiday travel. This has resulted in a non resident population of around 30%. As a consequence the weekend peak population has an impact on service delivery and on the volunteer and community bases during the week.

During 2007/ 2008 the Council invested significant time in reviewing its vision for the future. Themes of increased community development, addressing climate change and eco tourism have not been able to be addressed as part of this budget. It is expected that the work done to date will provide input into the review of the Council Plan 2009 – 2013.

Council has also received the *Community Satisfaction Survey* (2008) recently. Whilst many services received a higher score than previously, feedback from the Community suggests that further attention should be given to local roads and footpaths, town planning, economic development and recreation facilities.

The Budget initiatives and capital program sets out the Council's response to providing improved services to its communities for 2008/ 2009.

### 3.3 Other influences

The Municipal Association of Victoria (MAV) 2007 *Rates Fact Sheets* provide information detailing issues which may influence coming financial years. Information is reproduced below.

#### ***Local government cost pressures***

##### ***a. Cost shifting***

*Cost shifting is the transfer of responsibility for delivering commonwealth and state government programs and services to local government, with no or insufficient funding.*

*The services influenced by this process include:*

- *Maternal and child health*
- *Kindergarten infrastructure*
- *Immunisation programs*
- *Home and community care*
- *Public libraries*

##### ***b. Ageing infrastructure***

*Funding for the maintenance of ageing infrastructure is recognized as a major cost pressure for councils. To address the infrastructure renewal gap and prevent it from widening further, councils need to significantly increase spending on asset renewal and capital works programs.*

**c. Local Government cost index**

The local government cost index, developed by MAV, is a CPI comparison that calculates any change in costs to deliver goods and services provided by Victorian councils. To deliver the same level and range of services as in 2007 it will cost local government 4.4 percent more in 2008 due to growth in construction, material and wage costs.

**d. Declining government grants**

Core financial assistance through commonwealth tax distribution to local government has declined in 2007/2008, despite a growing number of services delivered by councils.

### **3.4 Murrindindi Shire Council Budget principles**

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
- Grants to be based on confirmed funding levels
- New revenue sources to be identified where possible
- Operating cost increases to be limited to 3% and service levels to be maintained at 2007/ 2008 levels with the aim to use less resources and an emphasis on innovation and efficiency
- Salaries and wages to be increased in line with Council's *Enterprise Bargaining Agreement*
- Contract labor to be minimised
- New initiatives or new employee proposals which are not cost neutral to be justified through a business case
- Real savings in expenditure and increases in revenue identified in 2007/ 2008 to be preserved
- Operating revenues and expenses arising from completed 2007/ 2008 capital projects to be included.

### **3.5 Legislative requirements**

The 2008/ 2009 budget, which is included in this report, is for the year 1 July 2008 to 30 June 2009 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2009 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. The budget also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken, and other financial information which Council requires in order to make an informed decision about the adoption of the budget.

## ***Budget Analysis***

### **4. Analysis of Budgeted Standard Income Statement**

This section analyses the expected revenues and expenses of the Council for the 2008/ 2009 year.

#### **4.1 Revenue from ordinary activities**

<b>Revenue Types</b>	<b>Refc.</b>	<b>Forecast Actual 2007/08 \$'000</b>	<b>Budget 2008/09 \$'000</b>	<b>Variance \$'000</b>
Rates and charges	4.1.1	10,757	11,550	793
Special Charge Scheme	4.1.2	93	990	897
Statutory fees and fines	4.1.3	552	567	15
User fees	4.1.4	1,758	2,680	922
Grants - Operating	4.1.5	4,847	5,170	323
Grants - Capital	4.1.6	2,526	1,462	(1,064)
Interest	4.1.7	376	371	(5)
Other revenue	4.1.8	427	436	9
Contributions Cash	4.1.9	294	107	(187)
Reimbursements	4.1.10	132	127	(5)
<b>Total operating revenue</b>		<b>21,762</b>	<b>23,460</b>	<b>1,698</b>
Net gain on sale of assets	4.1.11	98	16	(82)

See Appendix A for details.

#### **4.1.1 Rates and charges (\$793,227 increase)**

Rates are calculated on the basis of a 7.37% increase in total revenue (or \$793,227 over 2007/2008) to \$11,550,037. It is estimated there will be a growth in the number of properties in the Shire during 2008/2009 and this will deliver an additional 1% of rate revenue.

Rates will increase at an average of 6.53% for those properties where Capital Improved Values (CIV) have not been significantly adjusted by the 2008 revaluation, and which also receive garbage and recycling services.

Included also in the \$793,227 increase in revenue is the following:

- An increase in garbage charges of 3.7% from \$202.50 to \$210.00 which provides additional revenue of \$54,663.
- An increase in recycling charges of 3.0% from \$60.00 to \$61.80, which provides additional revenue of \$10,021.
- An increase in the municipal charge of 7.85% from \$191.00 to \$206.00, which provides additional revenue of \$150,964.

See Appendix B (Statutory Disclosures) for a more detailed analysis of the rates and charges to be levied for 2008/ 2009.

#### **4.1.2 Special Charge schemes (\$897,000 increase)**

Two special charge schemes were proposed in 2007/2008, however, due to the lead time required to begin the projects both have been carried forward to 2008/2009. Green Street Alexandra special charge scheme is expected to raise revenues of \$90,000 and Taylor Bay Left Arm \$900,000, with capital outlays of \$177,000 and \$906,000 respectively.

#### **4.1.3 Statutory fees and fines (\$15,655 increase)**

Statutory fees are levied in accordance with legislation and include animal registrations, Health Act registrations, building permits and certificates, septic tank inspections and planning and building inspection fees. Where legislation does not dictate the size of an increase the budget principle of 3% (refer section 3.5) has been applied.

See Appendix D for a schedule of fees and fines.

#### **4.1.4 User fees (\$922,067 increase)**

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include external works, use of leisure and other community facilities, and the provision of human services such as child care, and home and community care services.

In 2007/ 2008 Council received \$560,000 less income than expected because Murrindindi Construction focused on internal Council work rather than external projects. The focus on internal works has resulted in all programmed maintenance programs being completed.

Income from Council operated quarries reflects a \$77,000 increase in budget for 2008/ 2009 over the forecast for 2007/ 2008.

Every two years land revaluations are conducted at Council's expense. On alternate years this data is sold to the State Revenue Office, generating some revenue to recoup this expense. The Council paid for a revaluation in 2007/ 2008, and \$80,000 revenue is budgeted to be received in 2008/ 2009.

Other user fees have been estimated to increase at 3.0% for the budget period.

#### 4.1.5 Grants – Operating (\$323,179 increase)

Recurrent grants include all monies received from state and federal sources for the purposes of funding the delivery of Council's recurrent services to ratepayers. Contributions from other parties towards property development costs are also included. Operating grants have increased in total by 6.25% since last year, which is largely due to the increased payments from the Victorian Grants Commission. Significant movements in grant funding are summarised below:

Grant Funding - Recurrent	Forecast Actual 2007/08 \$	Budget 2008/09 \$	Variance \$
050042 In Home Child Care (IHCC)	13,048	8,000	(5,048)
050043 In Home Child Care– operating grant	5,605	52,000	46,395
050121 Rural Transaction Centre Kinglake	3,640	3,835	195
050150 Maternal & Child Health Service	109,000	112,000	3,000
050152 Children's Services Funding	500	500	0
050160 Immunisation	8,000	8,500	500
050200 Home Care	297,000	302,929	5,929
050220 Respite Care	76,656	78,633	1,977
050048 National Competition Policy	8,331	0	(8,331)
050222 Respite Home and Community	34,850	35,514	664
050225 Community Care Packages	35,280	38,502	3,222
050226 Personal Care	41,534	47,689	6,155
050230 Property Maintenance	24,550	25,097	547
050241 Assessment and Care Management	62,592	63,969	1,377
050250 Senior Citizens Week	2,000	1,700	(300)
050335 Social Support Core	56,134	57,763	1,629
050350 Meals on Wheels	18,595	19,900	1,305
050365 Planned Activity Group	106,041	108,580	2,539
050366 Volunteer Co-ordination	10,250	10,547	297
050370 Kinglake Child Care Centre	210,623	248,500	37,877
050390 Aged & disability co ordination	42,170	43,000	830
050430 Family Day Care	44,810	39,000	(5,810)
050440 Family Day Care Operating	174,000	190,000	16,000
050640 School Crossing Supervision	10,420	10,420	0
050660 State Emergency Service	15,690	16,050	360
050840 Murrindindi Library Service	111,400	114,742	3,342
<b>Sub Total</b>	<b>1,522,719</b>	<b>1,637,370</b>	<b>114,651</b>
050045 Grants Commission	2,009,050	2,140,618	131,568
050940 Local Roads – Grants Commission	1,314,679	1,391,639	76,960
<b>TOTAL</b>	<b>4,846,448</b>	<b>5,169,627</b>	<b>323,179</b>

**4.1.6 Grants – Capital (\$1.064 million decrease)**

Non-recurrent grants include all state and federal sources for one-off capital works or major projects. Overall, the level of non-recurrent grants has decreased by \$1,063,728 compared to 2007/ 2008.

The table below lists the non-recurrent grants that will be managed and finalised during the coming year:

<b>Grant Funding – Non-Recurrent</b>	<b>Forecast Actual 2007/08 \$</b>	<b>Budget 2008/09 \$</b>	<b>Variance \$</b>
050153 Walking School Bus	9,000	9,000	0
050190 Other Health Initiatives	6,000	5,000	(1,000)
050200 Home Care	14,760	10,000	(4,760)
050242 Assessment Agency (HACC)	0	20,000	20,000
050265 Roads to Recovery Program	775,624	775,624	0
050370 Kinglake CCC Playground	4,000	18,750	14,750
050389 UDF Kinglake		20,000	20,000
050391 CBI Quickwins Project		10,000	10,000
050393 Kinglake Ranges CBI	32,872	107,706	74,834
050399 Murrindindi Transport Connections	98,146	100,560	2,414
050401 Positive Ageing Project Funding	5,000	5,000	0
050405 FREEZA	19,450	19,450	0
050650 Fire Protection Works	11,294	0	(11,294)
050688 Environment Strategy	0	30,000	30,000
050737 Provincial Victoria Campaign	0	5,000	5,000
50786 Thornton Netball courts	44,000	11,000	(33,000)
050840 Murrindindi Library Service	33,134	19,500	(13,634)
050856 Bollygum State Park Grant		60,000	60,000
050857 Bollygum Park RDV Grant		60,000	60,000
050894 Bollygum Park DPCD Grant		148,320	148,320
050949 Kinglake West Mechanics Institute	27,300	27,300	0
<b>Total</b>	<b>1,080,580</b>	<b>1,462,210</b>	<b>381,630</b>

The table below lists grants that were managed and finalised during the 2007/ 2008 financial year. At the time of developing this budget document it was not expected that any of these grants would be made available again in the 2008/ 2009 financial year. The information is provided as an indication of the reduction in non-recurrent revenue from 2007/ 2008, which included some large capital projects.

<b>Grant Funding – Non-Recurrent</b>	<b>Forecast Actual 2007/08 \$</b>
050141 Yea Community Services Centre Upgrade	65,500
050283 Eildon Town Entrance Revitalization	140,000
050394 Inclusiveness Planning Project	6,745
050546 Eco Recycle Grant	2,650
050562 Preventing Graffiti Community Grant	728
050658 Emergency Power Generator	47,000
050664 Emergency Disaster Funds - Fires	35,000
050667 Drought Relief Water Supplies	11,015
050670 Planning General	27,000
050684 Drought - Mental Health First Aid	568
050747 Provincial Economic Partnership	25,000
050776 CJ Dennis Hall Toolangi	7,500
050779 Thornton Playground	40,000
050785 Yea Hall Clock Project	20,200
050787 Yea Netball Courts	13,631
050788 Kinglake Football Netball Club	20,000
050789 UGFWG - Motivational Workshops	2,967
050804 Yea Pool Re-Development Feasibility	10,000
050820 Marysville Caravan Park	19,871
050830 Yea Caravan Park	25,000
050860 Kinglake Community Pavilion	100,000
050897 Acheron Hall	9,000
050903 Yea Pioneer Reserve - funding	6,000
050905 Yea Railway project - Stage 2	16,000
050908 Playground Major Works Strategy	2,763
050921 Yea Wetlands - Stage 2	32,500
050923 Community Facility Funding Kinglake	10,000
050928 Yea Racecourse Re-development	40,500
050933 Multi Purpose Community Centre St	7,500
050937 Statewide Black spot - Local Roads	387,037
050938 Highlands Hall – Federal funding	51,111
050939 Highlands Hall – State funding	33,775
050942 Infrastructure - Storm Damage	48,797
050945 DOI Bus Stop Upgrades	180,000
<b>Total</b>	<b>1,445,358</b>

See section 6 for a detailed analysis of the capital budget.  
See Appendix C for detailed information on the capital works program.

In summary, the impact of the recurrent and non-recurrent grants over two years is as tabled below:

	Forecast Actual 2007/08 \$	Budget 2008/09 \$	Variance \$
Total all Non-recurrent grants	1,080,580	1,462,210	381,360
Total operating grants	4,846,448	5,169,627	323,179
Completed and withdrawn	1,445,358		(1,445,358)
<b>Net effect of Grants</b>	<b>7,372,386</b>	<b>6,631,837</b>	<b>(740,549)</b>

#### **4.1.7 Interest (\$5,000 decrease)**

Interest earned is forecast to decline by 1% or \$5,000 compared to 2007/ 2008 forecast, as cash reserves will reduce.

It should be noted that the special charge schemes could have an impact on the amount of funds available for investment during the budget period which is why the contingency has been allocated in case Council needs to seek short-term funding from a lending institution.

See Appendix A - Budgeted Standard Cash Flow Statement for further detail.

#### **4.1.8 Other revenue (\$9,000 increase)**

Other revenue relates to rental income, leases, investments interest, cost recoups, and other miscellaneous income items, such as interest accrued on rate arrears. It also includes interest revenue on rate arrears.

Rental income has been budgeted to provide \$94,000 in 2008/2009 compared to \$92,000 in 2007/ 2008. This represents a 2% increase.

The largest component of this revenue stream is the return on investment the Council has made in plant, trucks and vehicle, which is offset in the plant operating account and has no influence on cash at the end of the reporting period.

#### **4.1.9 Contributions - cash (\$187,000 decrease)**

Contributions relate to monies paid by in accordance with public open space, cost sharing of projects, sponsorships and joint ventures.

The 2008/2009 budget of \$107,000 is made up of sponsorship of \$6,700, public open space contributions of \$50,000, a contribution to the Rotary Park upgrade by carrying forward unspent funds from \$2006/2007 of \$49,000, and sundry minor income streams.

#### **4.1.10 Reimbursements (\$5,000 decrease)**

The total budget of \$127,000 allows for recovery of legal costs associated with rates of \$75,000, reimbursements from Veteran's Affairs for provision of services totalling \$37,000 and sundry small reimbursements.

#### **4.1.11 Net gain on sale of assets (\$82,000 decrease)**

Proceeds from the sale of Council assets is forecast to be \$318,143 for 2008/ 2009 and relate mainly to the planned replacement of part of the plant and vehicle fleet. The written down value of assets sold is forecast to be \$302,164.



## 4.2 Expenses from ordinary activities

Expenditure Types	Ref	Forecast	Budget	Variance
		Actual 2007/08 \$'000	2008/09 \$'000	\$'000
Employee benefits	4.2.1	9,054	9,810	(756)
Materials & Services	4.2.2	6,960	8,181	(1,221)
Depreciation and amortisation	4.2.5	4,538	4,847	(309)
Other expenses	4.2.8	152	203	(51)
Interest / Finance costs	4.2.4	390	404	(14)
<b>Total operating expenditure</b>		<b>21,094</b>	<b>23,445</b>	<b>(2,351)</b>

See Appendix A for detailed information.

### 4.2.1 Employee benefits (\$755,533 increase)

Employee benefits include all labor-related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements and superannuation. Employee costs do not include any motor vehicle costs associated with or attributed to the employment of staff.

Employee costs are forecast to increase by 8.35% or \$755,533 compared to 2007/ 2008, however, it should be noted that the employee costs for 2007/ 2008 were artificially reduced by \$142,197 due to a number of vacant positions not being filled during that time. Other key factors include:

- 5.5% salary increase in line with Council's Enterprise Bargaining Agreement (EBA), plus increments
- Increase in Work Cover premium of \$11,000
- Employment of staff to manage and extend transfer station operating rather than via external contract (offset by a reduction in contractor charges).
- Increase in staff numbers resulting from Work Cover claims
- Increase in fixed term staff for grant-funded projects
- Increase service levels and opening times at Yea Office
- Maternity leave relief for three positions
- Extra resources for pool administration

Summary of average staff numbers during budgeted period. See also section 8.3.

Employee type	Budget 2007/08	Budget	Variance
	EFTs	2008/09	
Effective Full Time (EFT)	142.4	144.6	(2.2)
Casual	3.5	1.1	2.4
Fixed Term	2.4	3.4	(1.0)
	148.3	149.1	(0.8)

#### 4.2.2 Materials and services (\$1,221,151 increase)

Materials and services includes the purchase of consumables and payments to contractors for the provision of services. Utility costs are also recorded in this section.

Materials and services are forecast to increase by \$1,221,151 compared to 2007/2008. This is consistent with the Strategic Resource Plan as detailed in Section 8.1, item 7.

The table below summarises the types of expenses reported in Materials and Contractors.

Materials & Services Expenditure Type	Forecast	Budget 2008/09	Variance	
	Actual 2007/08			
Utilities	370,023	385,299	(15,276)	(4%)
Contractors	4,665,062	5,450,920	(785,858)	(17%)
Legal Expenses	116,848	122,400	(5,552)	(5%)
Insurance	331,577	351,583	(20,006)	(6%)
Materials	970,703	1,381,043	(410,340)	(42%)
Contributions	291,814	267,346	24,468	8%
Consultancies	213,663	222,250	(8,587)	(4%)
<b>Total Materials &amp; Services</b>	<b>6,959,690</b>	<b>8,180,841</b>	<b>(1,221,151)</b>	<b>(18%)</b>

Utility costs relate to telecommunications, including usage of telephones and other services such as water, gas and electricity. Utility costs are forecast to increase by 4% (on average) or \$15,276 compared to 2007/ 2008. The most notable increase in costs in this area is an anticipated 33% increase in internet and broadband access as a result of providing an additional connection to the depot to increase speed, more users of this technology, and the rising cost of the service. Council is undertaking a review of Internet Service Provision (ISP) offerings which may reduce costs.

Contractors relate to works or services contracted by the Murrindindi Shire Council. Some of these works and services include the provision of maintenance services, garbage recycling, meal production, software maintenance, valuation services, and systems development.

The budget for legal expenses in the 2008/ 2009 financial year reflects an increase of \$5,552 from the 2007/ 2008 forecast as a result of recent activity in planning and development.

Insurance refers to all insurance covers required to be held by Council. Council's insurance premiums were reduced by \$25,000 in 2007/ 2008 due to fewer claims. Anticipating a similar reduction this year, Council's premium allocation has been reduced by \$30,000. This saving has been re-allocated to increase seed funding for grant opportunities.

A total of \$111,000 seed funding has been allocated for the 2008/ 2009 financial year (including the \$30,000 above). Of this amount \$20,000 has already been allocated to support the proposed Kinglake UDF project and \$18,750 has been allocated to the proposed Kinglake Child Care Centre play area upgrade, subject to successful grant applications.

The increase in materials results from carrying works forward from the 2007/ 2008 financial year for completion in the 2008/ 2009 financial year. Materials includes an estimated amount of \$130,000 budgeted as a contingency against the rising cost of fuel. The cost of vehicle tyres is expected to increase by approximately \$11,000.

\$56,770 has been allocated to the replacement of minor equipment (\$23,000 increase over the 2007/ 2008 forecast) however this is aligned to the 2007/ 2008 budget figure of \$55,000.

A budget of \$267,346 has been allocated for Council to provide contributions and grants to various community groups including emergency services, information centres and other local organisations.

#### 4.2.3 Finance Costs (\$14,000 increase)

Finance costs relate to financial institution charges on borrowed funds. The increase in borrowing costs results from the planned increase in borrowings as outlined in the *Strategic Resource Plan* in the 2008/ 2009 financial year. Repayments of loan principle is set out in the Budgeted Standard Balance Sheet in Appendix A and the Analysis of Budgeted Cash Position in section 5 of this document.

A \$250,000 contingency has been factored into the budget to support the possibility of funding Special Charge Schemes on a short term basis as described in section 4.1.2 of this document.

#### 4.2.4 Depreciation and amortisation (\$309,000 increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant, equipment and infrastructure assets. The increase of \$309,000 for 2008/ 2009 is aligned with expectations. Investments in new assets and increasing value of assets raise the base amount from which the depreciation is calculated, therefore as Council continues to improve assets and infrastructure this figure will continue to increase.

#### 4.2.5 Other expenses (\$51,000 increase)

Other expenditure relates to rates and charges waived for charitable and not-for-profit organisations, auditor's remuneration and Councillor's allowances. The increase is due to an increase in auditor remuneration of \$6,000, and a forecast of \$2,505 of rates waived for charitable and not-for-profit organisations. Following the release of *Local Government (Councillor Remuneration Review) Panel Report*, Councillors allowances and entitlements have been increased. From December 2008 the number of Councillors elected to the Murrindindi Shire Council will increase from six to seven.

### 4.3 Underlying result

	Forecast Actual 2007/08 \$'000	Budget 2008/09 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>765</b>	<b>29</b>	<b>(736)</b>
Net gain on disposal of property, infrastructure, plant and equipment	(98)	(16)	82
Grants – Capital	(1,645)	(1,061)	584
User Charges (contributions)	(209)	(1,002)	(793)
<b>Underlying surplus (deficit)</b>	<b>(1,187)</b>	<b>(2,050)</b>	<b>(863)</b>

The underlying result is the net surplus or deficit for the year adjusted for capital contributions, gains or losses on disposal of non-operating assets sold and other once-off adjustments. It is a measure of financial sustainability as it is not impacted by non-recurring or once-off items of revenues and expenses, which can often mask the operating result.

Within the context of the operating statement for 2008/2009 council expects to have a \$2 million deficit. An increase of \$863,000 over the 2007/2008 year. This does not mean that Council does not have cash to continue operating, but rather that Council will not be able to fund all the proposed infrastructure projects without grants; highlighting Councils reliance on

external funding. Rather than raising more revenue through rates (i.e. asking the rate payers to fund infrastructure projects). If Council does not secure grant funds it will simply not be able to do these works next year; although there is a risk that labour and materials will be more expensive in the future reducing how much can be achieved for this same amount.

## 5. Analysis of Budgeted Standard Cash Flow Statement

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2008/ 2009 year.

Budgeted cash flows are a key factor for the Council in setting the level of rates and guiding the level of sustainable capital expenditure.

Readers should note that it is not necessarily easy to correlate Council's cash flow at a point in time with the accrual accounting records that capture Council's transactions. For example, if invoices are raised to the value of \$100,000 it might be that 90% of these invoices have been receipted at the end of the reporting period. In this scenario the cash flow statement will reflect cash received of \$90,000 and the Balance Sheet will reflect the difference of \$10,000 in Receivables.

### 5.1 Budgeted Standard Cash Flow Statement

	Refc	Forecast Actual 2007/08 \$'000	Budget 2008/09 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>	5.1.1			
<i>Receipts</i>				
Receipts from ratepayers		10,755	11,510	755
User fees and charges and reimbursements		3,282	4,808	1,526
Grants		8,392	6,782	(1,610)
Interest		390	371	(19)
<i>Payments</i>				
Payments to suppliers		(7,495)	(8,318)	(823)
Payments to employees		(8,859)	(9,584)	(725)
Interest expense		(346)	(356)	(10)
<b>Net cash provided by operating activities</b>		<b>6,120</b>	<b>5,212</b>	<b>(907)</b>
<b>Cash flows from investing activities</b>	5.1.2			
Payment for fixed assets		(6,505)	(6,528)	(23)
Proceeds from sale of fixed assets		313	318	5
<b>Net cash used in investing activities</b>		<b>(6,192)</b>	<b>(6,210)</b>	<b>(18)</b>
<b>Cash flows from financing activities</b>	5.1.3			
Trust funds and Deposits		(126)	7	133
Proceeds from Borrowings		500	1,000	500
Payment of Borrowings		(931)	(1,053)	(122)
<b>Net cash used in financing activities</b>		<b>(557)</b>	<b>(46)</b>	<b>511</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(629)</b>	<b>(1,044)</b>	<b>(414)</b>
Cash and cash equivalents at the beginning of the period		5,086	4,457	(629)
<b>Cash and cash equivalents at end of the year</b>	5.1.4	<b>4,457</b>	<b>3,413</b>	<b>(1,044)</b>

See Appendix A for details

### 5.1.1 Cash flows from operating activities (\$907,000 decrease in cash)

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.

The decrease in cash inflows from operating activities is due mainly to a decrease in revenues outlined in the analysis of operating budget in section 4 and includes reduction in Government grants of \$1,064,000 and the increase in payments to employees of \$756,000.

The increase in user charges, compared to the 2007/ 2008 forecast, is influenced by proposed external works in 2008/ 2009. As previously explained, external works income for the 2007/ 2008 financial year is low in comparison as the business unit focused on Council generated works during that year.

Revenue from rates is expected to increase by \$812,000, which includes rate increases as outlined in section 4.1 – Operating revenue.

Payments to employees includes all payments of normal time wages, overtime, allowances, and on-costs as determined in Councils *Enterprise Bargaining Agreement* and detailed in section 8.3 of this document. At 30 June 2009 it is anticipated that an accrual adjustment of \$225,886 will occur to pick up the following balance sheet entries:

Wages owing	\$15,000
Provisions	\$210,886.

An increase in payments to suppliers results from an increase in service delivery costs and those projects that form part of the 2008/ 2009 budget.

The net cash flows from operating activities does not equal the operating result 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. By way of example, Employee benefits on the Income Statement reports \$9,810,000 and Payments to Employees on the Cash Flow Statement reports \$9,584,000, the difference is reflected on the balance sheet in prepayments and provisions. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table:

	Forecast Actual 2007/08 \$'000	Budget 2008/09 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>765</b>	<b>29</b>	<b>(736)</b>
Depreciation	4,538	4,847	309
Loss (gain) on sale of assets	(98)	( 16)	82
<b>Net movement in current assets and liabilities</b>			
(Increase)/decrease trade and other receivables	1,049	17	(1,032)
(Increase)/decrease in inventories	60	(13)	(73)
(Increase)/decrease in other current assets	(23)	15	38
Increase/(decrease) in provisions	242	261	19
Increase/(decrease) in trade and other payables	(414)	72	486
<b>Cash Flows from operating activities</b>	<b>6,120</b>	<b>5,212</b>	<b>(907)</b>

### 5.1.2 Cash flows from investing activities (\$18,000 decrease in cash)

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.

The cash from investing activities is a result of a minor increase in revenue from sale of fixed assets and an increase in payments for fixed assets of \$23,000.

See Appendix C for a summary of the Capital Works Program.

### 5.1.3 Cash flows from financing activities (\$511,000 increase)

The increase reflects an increase from \$500,000 borrowing in 2007/ 2008 compared to \$1,000,000 borrowing in the 2008/ 2009 year, \$250,000 of which is related to the possibility of seeking short term funding to facilitate the Taylor Bay Left Arm Special Charge Scheme. There is also an increase in loan repayments of \$122,000 from 2007/ 2008 which is consistent with the Council Plan and Strategic Resource Plan. Trust funds and deposits are reduced by \$133,000 from 2007/ 2008.

### 5.1.4 Cash and cash equivalents at end of the year (\$1,043,000 decrease)

Overall, total cash and investments is forecast to decrease by \$1,043,000 as at 30 June 2009 by using carried forward capital works and sufficient reserves of cash and investments to renew existing and create new infrastructure. This is achieved with a minimum increase in Investing Activities and an increase of \$511,000 in Financing Activities.

## 5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that at 30 June 2009 Council will have cash and investments of \$3,380,406, which is restricted as shown in the following table:

	Refc	Forecast Actual 2008 \$'000	Budget 2009 \$'000	Variance \$'000
<b>Total cash and investments</b>		<b>4,456</b>	<b>3,413</b>	<b>(1,043)</b>
Restricted cash and investments				
Statutory reserves	5.2.1	849	782	(67)
Discretionary reserves	5.2.2	1,629	1,234	(395)
Long service leave	5.2.3	1,127	1,252	125
Trusts and Securities	5.2.4	113	113	0
<b>Total restricted cash and investments</b>		<b>3,718</b>	<b>3,381</b>	<b>(337)</b>

See Appendix A for Budgeted Statement of Investment Reserves.

All reserve funds are backed by cash. Council sets the level of cash required when determining the budget to include other non-discretionary funds such as deposits, trust funds, investment funds held as security and provision for employee entitlements (balance of investment required under *Local Government Long Service Leave Regulations*) and a nominal amount (25%) of Employee Annual Leave Entitlements. As employees do not all take leave at the same time, experience has demonstrated that holding 25% of leave entitlements is adequate for any given year.

### 5.2.1 Statutory reserves balance \$782,035

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

### 5.2.2 Discretionary reserves balance \$1,233,856

The Council has previously made decisions on the purpose of the discretionary reserve. Auditors have suggested in the past that these reserves form part of Council's equity which can be applied to its capital program.

### 5.2.3 Long service leave balance \$1,252,015

These funds are separately identified as restricted to ensure there are sufficient funds to meet Council's obligations as set out in the *Local Government (Long Service Leave) Regulations 2002*.

### 5.2.4 Trusts and securities balance \$113,000

These funds relate to bank securities in favour of the Minister of Resources for works authorities relating to Drysdale's Quarry of \$19,500 and Topsy Gully Quarry of \$93,000. The securities relate to mining licences and are tied funds.

## 5.3 Reconciliation of cash and operating results

Reconciliation of cash and operating result	Forecast		
	Actual 2007/08 \$'000	Budget 2008/09 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>765</b>	<b>29</b>	<b>(736)</b>
Depreciation	4,538	4,847	309
Loss (gain) on sale of assets	(98)	( 16)	82
Net movement in current assets and liabilities	915	352	(563)
<b>Cash flows available from operating activities</b>	<b>6,120</b>	<b>5,212</b>	<b>(908)</b>
Proceeds from sale of assets	313	318	5
Repayment of borrowings	(931)	(1,053)	(122)
Loan Funds new borrowings	500	1,000	500
Net movement in deposits and advances	(126)	7	133
<b>Cash flows available for capital works</b>	<b>5,876</b>	<b>5,484</b>	<b>(392)</b>
Capital expenditure	(6,505)	(6,528)	(23)
<b>Net cash outflows</b>	<b>(629)</b>	<b>(1,044)</b>	<b>(415)</b>
Cash and Cash equivalents at beginning of the year	5,086	4,457	(629)
<b>Cash and Cash equivalents at the end of the year</b>	<b>4,457</b>	<b>3,413</b>	<b>(1,044)</b>

Cash flow available for capital works is expected to decrease by \$392,000 to \$5,484,000 during the 2008/ 2009 year. Total net cash out flows is expected to decrease by \$415,000 for the 2008/ 2009 year. Cash and cash equivalents at the end of the year and over the term of the *Strategic Resource Plan* is sufficient to cover reserves.



## 6. Analysis of Budgeted Standard Capital Works Statement

This section analyses the planned capital expenditure budget for the 2008/ 2009 year and the sources of funding for the capital budget.

### 6.1 Capital works

Capital Works Areas	Ref	Forecast		Variance
		Actual 2007/08 \$'000	Budget 2008/09 \$'000	
<b>New works for 2008/09</b>				
Land	6.1.2	15	0	(15)
Buildings	6.1.3	961	1,036	75
Plant & Machinery	6.1.4	660	486	(174)
Motor Vehicles	6.1.5	333	377	44
Roads Streets & Bridges	6.1.6	3,925	4,261	336
Drainage	6.1.7	197	143	(54)
Historical Assets	6.1.8	4	4	0
Furniture & Equipment	6.1.9	315	114	(201)
Library book stock	6.1.10	95	107	12
<b>Total new works</b>		<b>6,505</b>	<b>6,528</b>	<b>23</b>
<b>Represented by:</b>				
Renewal	6.1.11	2,646	2,513	(133)
Upgrade	6.1.12	1,985	2,125	140
Expansion	1.1.13	130	35	(95)
New assets	6.1.14	1,744	1,855	111
<b>Total capital works</b>		<b>6,505</b>	<b>6,528</b>	<b>23</b>

See Appendix C for a more detailed listing of the capital works program.

#### 6.1.1 Carried forward works (\$505,540)

At the end of each financial year there are projects that are either incomplete or not commenced due to unexpected factors such as planning issues, weather delays or extended consultation. For the 2007/ 2008 year it is forecast that \$505,540 of capital works will be incomplete and be carried forward into the 2008/ 2009 year.

See Appendix C – Capital Works Program for details.

#### 6.1.2 Land (\$0)

Council has no plans to purchase any new parcels of land during the budget period.

### 6.1.3 Buildings (\$1,036,320)

Buildings include community facilities, municipal offices, sports facilities, and pavilions.

For the 2008/ 2009 year \$1,036,320 will be expended on building projects that are listed in the table below:

	Carried Forward 2007/08 \$	Externally Funded \$	Internally Funded \$	Total Project cost \$
<b>Buildings Capital Works</b>				
<b>SUMMARY</b>				
1. Enhancement	0	0	35,000	35,000
2. New	9,000	288,320	320,000	617,320
3. Renewal	53,000	11,000	159,500	223,500
4. Upgrade	33,000	0	127,500	160,500
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>95,000</b>	<b>299,320</b>	<b>642,000</b>	<b>1,036,320</b>

### 6.1.4 Plant and equipment (\$486,439)

Plant and equipment refers to major plant and machinery purchases. For the 2008/ 2009 year it is anticipated that \$486,006 will be expended on the replacement of major plant and equipment as listed in Appendix C. The following table provides an extract from Appendix C.

	Carried Forward 2007/08 \$	Externally Funded \$	Internally Funded \$	Total Project cost \$
<b>Plant &amp; Equipment &amp; Vehicles</b>				
<b>New</b>				
<b>Major Plant &amp; Machinery</b>				
- Bulk bin trailer		101,390	19,727	121,117
- Prime Mover		67,404	0	67,404
- Truck 7.5GVM		72,670	0	72,670
- Truck 10.4GVM		84,255	0	84,255
- Tractor		123,750	0	123,750
- Quad Bike & Trailer			10,250	10,250
- Truck Modifications P3349			5,330	5,330
- Modifications Broom P3203			1,230	1,230
<b>TOTAL PLANT &amp; EQUIPMENT</b>		<b>449,469</b>	<b>36,537</b>	<b>486,006</b>

### 6.1.5 Passenger vehicles (\$377,433)

Passenger vehicles relate to sedans and utilities acquired to enable delivery of service. Some vehicles are available to senior officers for private use. For the 2008/ 2009 year it is anticipated that \$377,433 will be expended on the replacement of passenger vehicles. Where possible and/or viable, Council will use more economical vehicles.

### 6.1.6 Roads, streets and bridges (\$4,261,070)

During the 2008/ 2009 year \$4,261,070 will be expended on capital projects (including local roads, car parks, footpaths, bike paths, bridges and culverts, declared main roads, traffic devices, street lighting and traffic signals). We will also spend \$120,000 on expansion or new projects, \$1,904,380 on infrastructure upgrades and \$2,236,690 on renewal.

See Appendix C – Capital Works Program for a detailed list of these allocations.

Roads Streets & Bridges Capital Works	Carried Forward 2007/08 \$	Externally Funded \$	Internally Funded \$	Total Project cost \$
<b>SUMMARY</b>				
New	0	100,000	20,000	120,000
Renewal	258,540	775,624	1,202,526	2,236,690
Upgrade	117,000	1,132,380	655,000	1,904,380
<b>TOTAL ROADS STREETS &amp; BRIDGES</b>	<b>375,540</b>	<b>2,008,004</b>	<b>1,877,526</b>	<b>4,261,070</b>

### 6.1.7 Drains (\$143,045)

For the 2008/ 2009 year \$143,045 will be expended on drainage projects. Drains include drains in road reserves, retarding basins and waterways.

See Appendix C – Capital Works Program for a detailed list of these allocations.

Drainage Capital Works	Carried Forward 2007/08 \$	Externally Funded \$	Internally Funded \$	Total Project cost \$
<b>SUMMARY</b>				
1. Enhancement	0	0	0	0
2. New	0	0	30,000	30,000
3. Renewal	0	0	53,045	53,045
4. Upgrade	0	0	60,000	60,000
<b>TOTAL DRAINAGE</b>	<b>0</b>	<b>0</b>	<b>143,045</b>	<b>143,045</b>

### 6.1.8 Historical Assets (\$3,500)

Historical assets refer to purchases of local artwork through the local Rotary Art Shows.

### 6.1.9 Furniture & Equipment (\$114,084)

Furniture and equipment refers to the purchase of replacement computers and other information technology equipment, with \$10,000 for the replacement of minor equipment.

### 6.1.10 Library Book Stock (\$107,000)

In 2007/ 2008 \$107,000 has been allocated for the purchase of library book stock that is partly supported by grant funds of \$6,500.

See Appendix C – Capital Works Program for further information.

## 6.2 Capital Works Expenditure Type (Enhancement, New, Renewal and Upgrade)

A distinction is made between spending to acquire new assets, renewal of existing asset to extend the serviceable life to that which it had originally. An example is expansion or upgrade of existing assets. Expenditure on new assets may result in an additional responsibility for future operation, maintenance and capital renewal.

See Appendix C - Capital Works Program which groups all proposed projects into these four expenditure types.

## 6.3 Funding sources

Sources of Funding	Ref	Forecast	Budget	Variance
		Actual 2007/08 \$'000	2008/09 \$'000	\$'000
<b>External</b>				
Grants - Capital	6.3.1	1,645	1,061	(584)
Contributions	6.3.2	209	1,002	793
Loans	6.3.3	500	750	250
Proceeds on sale of assets	6.3.4	312	317	5
		<b>2,666</b>	<b>3,130</b>	<b>464</b>
<b>Internal</b>				
Reserve cash and investments	6.3.5	95	234	139
Surplus b/forward	6.3.6	1,346	506	(840)
Operations	6.3.7	2,398	2,658	260
		<b>3,839</b>	<b>3,398</b>	<b>(441)</b>
<b>Total funding sources</b>		<b>6,505</b>	<b>6,528</b>	<b>23</b>

### 6.3.1 Grants - Capital (\$1,061,444)

Capital grants include all monies received from state, federal and community sources for the purposes of funding capital works or major projects on a one off basis. The above table indicates that Council will receive \$584,000 less in capital grants in the 2008/ 2009 financial year as compared to the 2007/ 2008 budgeted amount.

See section 4.1.6 for a list of significant grants included in the 2008/ 2009 budget.

### 6.3.2 Contributions (\$1,002,380)

Contributions include monies received from community sources and special charge schemes raised to fund infrastructure works. In 2008/ 2009 we expect to receive \$892,000 for road construction of Taylor Bay Left Arm, \$90,000 for road construction of Green Street Alexandra, and \$20,000 for upgrade of Rotary Park Alexandra.

### **6.3.3 Loans (\$1,000,000)**

\$750,000 will be borrowed to support Council's capital works program as determined by our plant replacement strategy, draft Borrowing Strategy and the Strategic Resource Plan. A further short term loan of \$250,000 has been included to provide a contingency support the Taylor Bay Left Arm project until the project is completed and settled.

### **6.3.4 Proceeds from sale of assets (\$316,643)**

Proceeds from sale of assets includes motor vehicle and plant sales at the time of replacement as determined by Council's plant replacement strategy, fleet management company, and Strategic Resource Plan.

### **6.3.5 Reserve investments (\$234,252)**

Reserve cash and investments include monies set aside for specific purposes.

For 2008/ 2009 the following will be used to fund part of the capital works program including:

\$15,000	Alexandra saleyards
\$20,000	Yea saleyards
\$20,000	Rotary Park upgrade
\$20,000	Yea Caravan Park Toilet upgrade
\$110,000	Bollygum Park
\$49,252	Eildon Capital

See Appendix A - Statement of Investment Reserves for more detailed information.

### **6.3.6 Surplus brought forward (\$505,540)**

In addition to reserve investments, Council also has uncommitted cash and investments which represent working capital and funds preserved from the previous year mainly as a result of grants and contributions being received in advance. It is forecast that \$506,000 will be available from the 2007/ 2008 year to fund the 2008/ 2009 capital.

See Appendix C - Capital Works Program for a more complete list of carried forward projects.

### **6.3.7 Operations (\$2,658,199)**

Council generates cash from its operating activities which is used as a funding source for the capital works program. It is forecast that \$2,658,000 will be generated from operations to fund the 2008/ 2009 capital works program.

See section 5.1 for more information on funds from operations.

## 7. Analysis of Budgeted Standard Balance Sheet

This section analyses the movements in assets, liabilities and equity between 2007/ 2008 and 2008/ 2009. It also considers a number of key performance indicators (KPI's).

### 7.1 Key assumptions

In preparing the budgeted Balance Sheet for the year ended 30 June 2009 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- All rates and charges will be collected in the 2008/ 2009 year (2007/ 2008 100% forecast actual)
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle 30 days.
- Trade receivables (debtors) has been increased to identify outstanding receivables of 25% of the Taylor Bay Special Charge Scheme.
- Trade payables (creditors) to remain consistent with 2007/ 2008
- Employee entitlements to be increased in line with Enterprise Bargaining Agreement. No increase in the average rates of leave taken is expected
- Repayment of loan principle is to be \$992,978
- Total capital expenditure to be \$6,528,458
- A total of \$223,626 is to be transferred from reserves to accumulated surplus, representing funding of the capital works program for the 2007/ 2008 year. These funds were held for this specific purpose.
- No provision has been made for emergency response. In the event of a disaster Council would re-adjust its funding allocations. Council is required to meet the first \$35,000 of expenditure.

## 7.2 Budgeted balance sheet

	Ref	Forecast Actual 2008 \$'000	Budget 2009 \$'000	Variance \$'000
<b>Current assets</b>	7.2.1			
Cash and cash equivalents		4,456	3,413	(1,043)
Trade and other receivables		1,384	1,136	(248)
Accrued Income		40	45	5
Prepayments		300	280	(20)
Inventories		207	220	13
<b>Total current assets</b>		<b>6,387</b>	<b>5,094</b>	<b>(1,293)</b>
<b>Non-current assets</b>	7.2.1			
Property, infrastructure, plant and equipment		192,657	204,035	11,378
Trade and other receivables		47	278	231
<b>Total non-current assets</b>		<b>192,704</b>	<b>204,313</b>	<b>11,609</b>
<b>Total assets</b>		<b>199,091</b>	<b>209,407</b>	<b>10,316</b>
<b>Current liabilities</b>	7.2.2			
Trade and other payables		1,650	1,722	(72)
Trust funds and deposits		602	609	(7)
Provisions		1,881	2,059	(178)
Interest-bearing loans and borrowings		1,027	1,167	(140)
<b>Total current liabilities</b>		<b>5,160</b>	<b>5,557</b>	<b>(397)</b>
<b>Non-current liabilities</b>	7.2.2			
Provisions		1,361	1,444	(83)
Interest-bearing loans and borrowings		4,130	3,937	193
<b>Total non-current liabilities</b>		<b>5,491</b>	<b>5,381</b>	<b>110</b>
<b>Total liabilities</b>		<b>10,651</b>	<b>10,938</b>	<b>(287)</b>
<b>Net assets</b>	7.2.3	<b>188,440</b>	<b>198,469</b>	<b>10,029</b>
<b>Equity</b>	7.2.4			
Accumulated surplus		80,838	81,827	1,444
Surplus for year		766	29	(736)
Reserves General		1,501	1,277	(224)
Reserves – Asset Revaluation		105,336	115,336	10,000
<b>Total equity</b>		<b>188,440</b>	<b>198,469</b>	<b>10,029</b>

See Appendix A

**7.2.1 Current Assets (\$1,293,000 decrease) and Non-Current Assets (\$11,609,000 increase)**

Cash and cash equivalents includes 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. The reduction in current assets is primarily due to applying cash reserves to capital expenditure.

See section 5 - Analysis of budgeted cash position for a more detailed analysis of this change.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term receivables are expected to present a better result at June 2009 compared to June 2008 through better management of collecting outstanding grants and private debtor revenue.

The long term receivable (non-current) has been increased to allow for the possible outstanding debt relating to the Taylor Bay Left Arm Special Charge Scheme in accordance with agreed repayment terms. Rate and other debtor balances are not expected to change significantly.

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 and equipment which has been built up by the Council over many years.

The increase in non-current assets is as a result of Council's investment in the capital works program (\$6,528,458), asset revaluation movement (\$11,000,000), the depreciation of non-current assets (\$4,847,351) and the disposal, through sale of property, plant and equipment (\$302,164)

**7.2.2 Current Liabilities (\$397,000 increase) and Non-Current Liabilities (\$110,000 decrease)**

Trade and other payables are those to whom Council owes money as at 30 June 2008. These liabilities are budgeted to remain consistent with 2007/ 2008 levels.

Provisions include accrued long service leave, annual leave and rostered days off which are owed 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 to repay loan principal of \$1,053,063 over the year.

The increase in current liabilities (that is, obligations Council must pay within the next year) is mainly due to an increase in annual leave entitlements for staff of \$178,000. Borrowings has increased by \$140,000 as a result of increasing loans by \$500,000 to fund capital projects in 2007/ 2008 and \$1,000,000 in the 2008/ 2009 year.



The increase in non-current liabilities (that is obligations Council must pay beyond the next year) is mainly because repayment of the balance on borrowings made during the financial year does not reduce the principle of the loan.

### **7.2.3 Net Assets (\$10,029,000 increase)**

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June 2009.

The net increase in assets (equity) due to the investment in the capital works program and the increasing value of non-current assets plus the movement in interest bearing liabilities (loans).

### **7.2.4 Equity (\$10,029,000 increase)**

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 Accumulated 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.

During the year an amount of \$223,626 (net) is budgeted to be transferred from other reserves to accumulated surplus. This reflects the use of investment cash reserves to partly fund the capital works program. This is a transfer between equity balances only and does not impact on the total balance of equity.

## ***Long Term Strategies***

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### **8. Strategic resource plan and key financial indicators**

This section considers the long term financial projections of the Council. The Act requires a Strategic Resource Plan to be prepared covering both financial and non-financial resources and key financial indicators for at least the next four financial years to support the Council Plan.

#### **8.1 Plan development**

Council has prepared a *Strategic Resource Plan* (SRP) for the four years 2008/ 2009 to 2011/ 2012, and beyond, 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:

- Maintain existing service levels
- Achieve a breakeven operating result
- Maintain a capital expenditure program of at least \$6.5 million per annum
- Achieve a balanced budget on a cash basis.

In preparing the SRP, the 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.

The Standard Statements provided with this report support the principles of the *Strategic Resource Plan* in demonstrating financial sustainability over the planning period.

The following is an extract from the *Strategic Resource Plan 2008 - 2012*:

1. Rates are calculated on the basis of an increase of 7% for 2008-2009 and 6% increase in the following years. Council estimates a growth in the number of properties in the Shire which will deliver a further 1% rate revenue per annum. It is pointed out that the proposed increases are not binding until the Council sets the annual budget.  
(See Appendix B - Statutory Disclosures for details of rates calculations).
2. A 3% revenue increase has been applied to Statutory Fees. Legislation sets specific amounts for some of these charges. A schedule of fees and fines is reviewed and adopted by the Council during the annual budget development process to capture legislative changes and to review the individual charges.  
(See Appendix D Schedule of Fees and Fines for details).
3. A 3% revenue increase has been applied to recurrent grant income. An estimate based on historic data has been used for non-recurrent (capital) grants that are offset by expenditure of the same value.

4. A consideration of 1% of general rates revenue has been applied to seed funding to provide opportunities for Council to accept future grants that will require council contribution.
5. Revenue from interest for money on deposit has been calculated by assuming an average income based on historic data.
6. Employee costs are calculated using increases that apply to Council's Enterprise Bargaining Agreement (EBA) and any fluctuation in work cover premiums that may occur. The EBA has established a 4.5% increase in base salaries and allows for annual employment award increases that have been estimated at 0.5% per annum overall. The number of equivalent full time employees in 2006/07 was 144.3. Whilst there needs to be restraint in increasing the number of employees, the Council recognises that grant opportunities, changing priorities and reviews of how services are undertaken may result in a variation to the number of employees overall. The Murrindindi Shire Council Enterprise Bargaining Agreement (EBA) is scheduled for review in February 2009. This review could impact on the figures as stated in this Strategic Resource Plan. Further, the EBA salary increases may not be sufficient to secure and keep skilled staff in key positions in the current competitive environment.
7. Expenditure for materials and services has included an estimate of a 3% per annum increase over the planning period. It is acknowledged that inflationary pressures may place undue stress on this estimate. Continuous improvement activities will result in an offset to some extent through efficiency gains. As part of the annual budget review Council may decide to increase the provision for materials and services. This will result in additional pressure on other parts of the budget such as rate revenue or service delivery
8. Interest on debt expenses has been calculated using an average interest rate of 7%. It is believed that interest rate rises in the early part of 2008 have now peaked.
9. All other expenditure has been calculated using a 3% increase over the planning period.

(See Appendix D Schedule of Fees and Fines for details).

The Plan continues to demonstrate a positive increase in net assets as a result of Council's commitment to reducing the infrastructure gap while continuing to increase ratepayer equity. At the end of each reporting period the Cash Flow Statement confirms an ability to maintain required cash levels.

The Standard Statement of Capital Works provides a breakdown of the types of capital works that will be undertaken over the planning period. In the 2007/ 2008 financial year planned capital works funded by Council equate to approximately 22% of rates revenue.

The *Strategic Resource Plan* demonstrates Council's commitment to reducing the infrastructure gap while continuing to increase ratepayer equity. The *Strategic Resource Plan* that forms part of the *Council Plan 2006 – 2010 Year 3 Review* is available for further information on request

## 8.2 Key financial indicators

The following table highlights Council's current and projected performance across a range of key financial indicators (KPIs). KPIs provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Key financial Indicators	Notes	Forecast Actual 2007/08	Budget 2008/2009
<b>Financial Performance</b>			
Underlying result / Underlying revenue	1	-5.96%	-9.58%
Operating expenses / Assessment		\$2,298	\$2,533
Rate revenue / Underlying revenue	2	54.04%	53.98%
Rate revenue / Assessment		\$1,172	\$1,248
Debt Servicing / Total revenue		1.79%	1.72%
Grants / Total revenue		33.88%	28.72%
Fees & charges / Total revenue		11.04%	18.06%
<b>Financial Position</b>			
Indebtedness / Rate revenue	3	47.94%	44.19%
Underlying result / Total assets		-0.60%	-0.98%
Net realisable assets / Assessment		\$5,786	\$5,819
Current assets / Current liabilities		123.80%	91.67%
Total liabilities / Assessment		\$1,160	\$1,182
<b>Capital Expenditure</b>			
Capital works		\$6,505,152	\$6,528,458
> Capital renewals		\$2,645,805	\$2,513,235
> New assets		\$1,743,971	\$1,855,343
Cash operating activities / Net Capital Outlays	4	159.46%	153.48%
Capital works / Rate revenue		60.47%	56.52%
Capital renewals / Total Depreciation	5	58.30%	51.85%

### Notes to indicators

**1. Underlying operating result** - Improvement in financial performance is expected over the longer term. However, in 2008/09 the increase in the percentage of the performance indicator reflects the increased reliance on contributions from external resources and loans. This increase has a direct relationship with the effect of funding the special charge schemes and the decrease in grant funding outlined earlier in this report. Future years indicate an improvement in this trend.

**2. Rate revenue/Underlying revenue** - Reflects the extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council is less reliant on rate revenue compared to all other revenue sources.

**3. Indebtedness/Rate revenue** - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

**4. Cash Operating Activities/Net Capital outlays** - The trend indicates Council expects to continue servicing its capital works expenses from cash generated from operating activities rather than relying on its existing cash reserves or further borrowings.

**5. Capital renewals/Total depreciation** - This percentage indicates the extent of Council's renewals against its depreciation charge (representing the decline in value of its existing capital assets). A percentage (%) greater than 100 indicates Council is renewing or maintaining its existing assets, whilst a percentage (%) less than 100 means its assets are deteriorating faster than being renewed and will require future capital expenditure to renew assets to their existing condition.

### 8.3 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also allocate human resources. The following table summarises the non-financial resources for the next four (4) years.

Indicator	Budget	Forecast	Budget	Strategic Resource Plan		
	2007/08	2007/08	2008/09	Projections		
	\$'000	\$'000	\$'000	2008/09	2009/10	2010/11
Employee costs	9,104	9,054	9,810	10,014	10,465	10,936
Employee numbers						
Effective full Time (EFT)	142.4		144.6	145.7	145.7	145.7
Employee numbers						
Casual	3.5		1.1	1.1	1.1	1.1
Employee numbers						
Fixed Term	2.4		3.4	-	-	-

The income statement reflects an increase in employee costs in 2008/ 2009 compared to the 2007/ 2008 of 8.34%.

This increase is distorted by the fact that the forecast for 2007/ 2008 actually presents a favourable variance of \$142,197 compared to the 2007/ 2008 budgeted figure. This has occurred due to vacant positions not being filled or being filled for only part of the reporting period.

To report an accurate measure of increase in costs for employees it would be more prudent to report only on the allocation to EFT, as casual positions change depending on demand and fixed term positions are often grant funded or related to specific one off projects.

Comparisons based on EFT costs are detailed in the tables below:

	Forecast	Budget
	2007/08	2008/09
	\$'000	\$'000
Employee costs (EFT)	8,392	8,910
<b>Summary of 08/09 increase</b>		
Base 2007/08		8,392
4.5% EBA		378
Banding increase		82
Extra resource - Pools		11
Extra Hours – Yea office		26
Effect of backfill positions		21
Total Employee costs		8,910
Effective increase 6%		518

	Forecast 2007/08	Budget 2008/09
Reconciliation	\$'000	\$'000
Employee costs (EFT)	8,392	8,910
Overtime	226	306
Allowances	183	195
Fixed Term and/or grant funded	214	220
Transfer Stations	39	179
	<u>9,054</u>	<u>9,810</u>

Further increases include an anticipated increase in Workcover premiums of approximately \$11,000.

Increases in employee remuneration are a result of Council's Enterprise Bargaining Agreement (EBA) which is compliant with Section 170LT of the *Workplace Relations Act 1996* and approved by the Australian Industrial Relations Commission.

Council's EBA is set for review in February 2009 and the outcome of that review may impact on this budget and the longer term financial planning.

Employee benefits do not include the cost of motor vehicles.

Items that make up the above totals include all of the following which are in accordance with Council's EBA:

#### Wages

- ordinary time earnings
- overtime
- allowances (uniform, on call, standby, private car use)

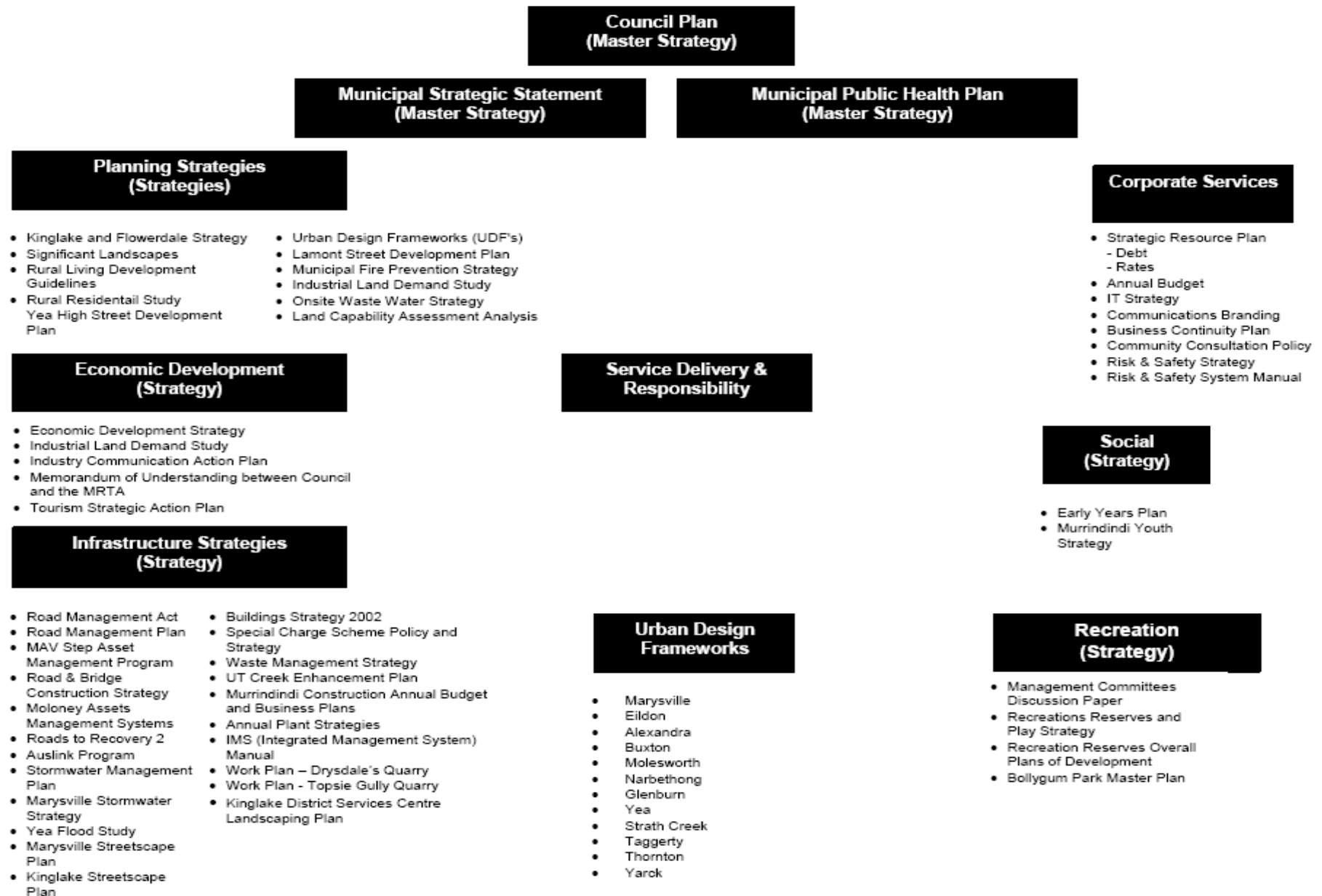
#### Oncosts

- superannuation
- sick leave
- annual leave
- leave loading
- 48/52
- public holidays
- long service leave
- Workcare
- Workcover premium
- compassionate leave

## **9. Other Strategies**

This budget is influenced by a range of strategies that were considered by Council in prior financial years and the financial implications of these strategies have been further considered in the 2008/ 2009 budget process.

The diagram over page sets out the strategies undertaken by the Council which inform the Council Plan, Strategic Resource Plan and Annual Budget.





## ***Appendices***

### **Appendix A      Budgeted Standard Statements**

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2008/ 2009 to 2011/ 2012 has been extracted from the Strategic Resource Plan.

Appendix A includes the following information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement
- Budgeted Statement of Investment Reserves

**Budgeted Standard Income Statement (see section 4)**

For the four years ending 30 June 2012

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2007/08	2008/09	2009/10	2010/11	2011/12
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenues from ordinary activities (see 4.1)</b>					
Rates charges	10,757	<b>11,550</b>	12,359	13,224	14,149
Special charge	93	<b>990</b>	0	0	0
Statutory fees and fines	552	<b>567</b>	598	616	635
User fees	1,758	<b>2,680</b>	2,940	3,023	3,117
Grants - Operating	4,847	<b>5,170</b>	5,257	5,409	5,566
Grants - Capital	2,526	<b>1,462</b>	1,809	1,981	1,759
Interest	376	<b>371</b>	275	275	275
Contributions	294	<b>107</b>	222	228	235
Reimbursements	132	<b>127</b>	101	103	105
Other revenue	427	<b>436</b>	464	477	492
<b>Total revenues</b>	<b>21,762</b>	<b>23,460</b>	<b>24,025</b>	<b>25,336</b>	<b>26,633</b>
<b>Expenses from ordinary activities (see 4.2)</b>					
Employee benefits	9,054	<b>9,810</b>	10,014	10,465	10,936
Materials and services	6,960	<b>8,181</b>	8,174	8,419	8,672
Depreciation and amortisation	4,538	<b>4,847</b>	4,836	5,057	5,270
Finance Costs	390	<b>404</b>	389	366	360
Other expenses	152	<b>203</b>	210	217	224
<b>Total expenses</b>	<b>21,094</b>	<b>23,445</b>	<b>23,623</b>	<b>24,523</b>	<b>25,462</b>
Net gain on disposal of property, infrastructure, plant and equipment	98	<b>16</b>	0	0	0
<b>Surplus (deficit) for the year</b>	<b>765</b>	<b>29</b>	<b>402</b>	<b>813</b>	<b>871</b>
<b>Underlying result (see 4.3)</b>					
Net gain (loss) on disposal of property, plant and equipment, infrastructure					
Proceeds from Sale of Fixed Assets	312	<b>318</b>	400	408	403
Carrying amount of Fixed Assets	215	<b>302</b>	400	408	403
	<b>97</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Budgeted Standard Balance Sheet**  
 For the four years ending 30 June 2012

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2008	2009	2010	2011	2012
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>					
Cash and cash equivalents	4,456	<b>3,413</b>	3,646	4,332	4,502
Trade and other receivables	1,384	<b>1,136</b>	1,193	1,252	1,315
Accrued Income	40	<b>45</b>	50	50	50
Prepayments	300	<b>280</b>	300	300	300
Inventories	207	<b>220</b>	220	220	220
Total current assets	<u>6,387</u>	<u><b>5,094</b></u>	<u>5,409</u>	<u>6,154</u>	<u>6,387</u>
<b>Non-current assets</b>					
Trade and other receivables	47	<b>278</b>	40	40	40
Property, infrastructure, plant and equipment	192,657	<b>204,035</b>	214,271	224,845	235,921
Total non-current assets	<u>192,704</u>	<u><b>204,313</b></u>	<u>214,311</u>	<u>224,885</u>	<u>235,961</u>
Total assets	<u>199,091</u>	<u><b>209,407</b></u>	<u>219,721</u>	<u>231,039</u>	<u>242,348</u>
<b>Current liabilities</b>					
Trade and other payables	1,650	<b>1,722</b>	1,635	1,684	1,734
Trust funds and deposits	602	<b>609</b>	730	730	730
Provisions	1,881	<b>2,059</b>	2,152	2,248	2,350
Interest-bearing loans & borrowings	1,027	<b>1,167</b>	597	673	723
Total current liabilities	<u>5,160</u>	<u><b>5,557</b></u>	<u>5,113</u>	<u>5,336</u>	<u>5,537</u>
<b>Non-current liabilities</b>					
Provisions	1,361	<b>1,444</b>	1,514	1,587	1,664
Interest-bearing loans & borrowings	4,130	<b>3,937</b>	3,823	3,632	3,391
Total non-current liabilities	<u>5,491</u>	<u><b>5,381</b></u>	<u>5,337</u>	<u>5,219</u>	<u>5,055</u>
Total liabilities	<u>10,651</u>	<u><b>10,938</b></u>	<u>10,450</u>	<u>10,555</u>	<u>10,592</u>
Net assets	<u>188,440</u>	<u><b>198,469</b></u>	<u>209,271</u>	<u>220,484</u>	<u>231,756</u>
<b>Equity</b>					
Accumulated surplus	80,838	<b>81,827</b>	81,831	82,233	83,046
Surplus for year	765	<b>29</b>	402	813	871
Reserves General	1,501	<b>1,277</b>	1,302	1,302	1,302
Reserves – Asset Revaluation	105,336	<b>115,336</b>	125,736	136,136	146,536
Total equity	<u>188,440</u>	<u><b>198,469</b></u>	<u>209,271</u>	<u>220,484</u>	<u>231,756</u>

**Budgeted Standard Cash Flow Statement (see section 5)**  
 For the four years ending 30 June 2012

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2007/08	2008/09	2009/10	2010/11	2011/12
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
<b>Cash flows from operating activities</b>					
<i>Receipts</i>					
Rates	10,755	<b>11,510</b>	12,359	13,224	14,149
User charges & other fines	3,283	<b>4,808</b>	4,486	4,388	4,522
Grants	8,392	<b>6,781</b>	7,066	7,390	7,324
Interest	390	<b>371</b>	270	275	275
<i>Payments</i>					
Payments to Suppliers	(7,495)	<b>(8,318)</b>	(8,471)	(8,587)	(8,845)
Payments to Employees	(8,859)	<b>(9,584)</b>	(9,904)	(10,350)	(10,816)
Finance Costs	(346)	<b>(356)</b>	(336)	(310)	(302)
Net cash provided by operating activities	6,120	<b>5,212</b>	5,469	6,029	6,307
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment, infrastructure	(6,505)	<b>(6,528)</b>	(5,071)	(5,638)	(6,349)
Proceeds from sale of property, plant and equipment, infrastructure	313	<b>318</b>	400	408	403
Net cash used in investing activities	(6,192)	<b>(6,210)</b>	(4,672)	(5,230)	(5,946)
<b>Cash flows from financing activities</b>					
Trust funds and deposits	(126)	<b>7</b>	121	0	0
Proceeds from interest-bearing loans and borrowings	500	<b>1,000</b>	500	500	500
Repayment of interest-bearing loans and borrowings	(931)	<b>(1,053)</b>	(1,185)	(614)	(691)
Net cash provided by (used in) financing activities	(557)	<b>(46)</b>	(564)	(114)	(191)
Net decrease in cash and cash equivalents	(629)	<b>(1,044)</b>	234	685	170
Cash and cash equivalents at beg of year	5,086	<b>4,457</b>	3,413	3,646	4,332
Cash and cash equivalents at end of year	4,457	<b>3,413</b>	3,646	4,332	4,502

**Budgeted Standard Capital Works Statement (see section 6)**

For the four years ending 30 June 2012

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2007/08	2008/09	2009/10	2010/11	2011/12
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital works areas</b>					
Land	15	0	0	0	0
Buildings	961	1,036	170	620	670
Plant & Machinery	660	486	534	486	500
Passenger Vehicles	333	377	396	416	437
Roads Streets & Bridges	3,925	4,261	3,639	3,822	4,393
Drainage	197	143	108	118	122
Historical Assets	4	4	5	5	5
Furniture & Equipment	315	114	114	66	118
Library Book stock	95	107	105	105	105
Works in Progress	0	0	0	0	0
<b>Total capital works</b>	<b>6,505</b>	<b>6,528</b>	<b>5,071</b>	<b>5,638</b>	<b>6,349</b>
<b>Represented by:</b>					
Asset renewal	2,646	2,513			
Asset Upgrade	1,985	2,125			
Asses Expansion	130	35			
New Assets	1,744	1,855			
<b>Total capital works</b>	<b>6,505</b>	<b>6,528</b>			

**Reconciliation of net movement in property, plant and equipment**

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2007/08	2008/09	2009/10	2010/11	2011/12
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total capital works</b>	<b>6,505</b>	<b>6,528</b>	<b>5,071</b>	<b>5,638</b>	<b>6,349</b>
Asset revaluation movement	9,950	10,000	10,400	10,400	10,400
Depreciation and amortisation	(4,538)	(4,847)	(4,836)	(5,057)	(5,270)
Written down value of assets sold	(215)	(302)	(400)	(408)	(403)
Granted assets	0	0	0	0	0
Recognition of previously unrecognised assets	0	0			
<b>Net movement in property, plant and equipment</b>	<b>11,702</b>	<b>11,379</b>	<b>10,236</b>	<b>11,573</b>	<b>11,076</b>

**Budgeted Statement of Investment Reserves (see section 5)**

For the four years ending 30 June 2009

		Forecast Actual	Budget	Variance
	Ref	2007/2008	2008/2009	
		\$	\$	\$
<b>Total cash and investments</b>				
Restricted cash and investments				
<b>- Statutory reserves</b>				
Public Open Space		310,305	230,305	(80,000)
Deposits		377,640	392,520	14,880
General Trust Accounts		161,511	159,210	(2,301)
<b>Total Statutory Reserves</b>	<b>5.2.1</b>	<b>849,456</b>	<b>782,035</b>	<b>(67,421)</b>
<b>- Discretionary reserves</b>				
Infrastructure Contributions - Parking		30,680	30,680	0
Garbage Reserve		754,971	658,333	(96,638)
Coster Street Units Reserve		17,719	17,663	(56)
Shaw Avenue Redevelopment Reserve		49,252	0	(49,252)
Alexandra Community Leisure Centre		9,858	10,378	520
Road Maintenance Reserve		16,044	16,044	0
Yea Saleyards Reserve		229,298	263,228	33,930
Alexandra Saleyards Reserve		22,946	10,816	(12,130)
Yea Caravan Park Reserve		31,117	11,117	(20,000)
Marysville Caravan Park Reserve		28,560	28,560	0
Provision for Employee Entitlement - A/L		179,706	187,037	7,331
R2R - Supplementary		258,540	0	(258,540)
<b>Total Discretionary Reserves</b>	<b>5.2.2</b>	<b>1,628,691</b>	<b>1,233,856</b>	<b>(394,835)</b>
<b>- Long service leave</b>				
Provision for Employee Entitlement - LSL		1,126,927	1,252,015	125,088
<b>Total Discretionary Reserves</b>	<b>5.2.3</b>	<b>1,126,927</b>	<b>1,252,015</b>	<b>125,088</b>
<b>Unrestricted Cash and Investments</b>				
Quarry Security ANZ		112,500	112,500	0
<b>Total Unrestricted Cash and Investments</b>	<b>5.2.4</b>	<b>112,500</b>	<b>112,500</b>	<b>0</b>
<b>TOTAL RESTRICTED AND UNRESTRICTED CASH AND INVESTMENTS</b>		<b>3,717,574</b>	<b>3,380,406</b>	<b>(337,168)</b>

## **Appendix B                    Statutory disclosures**

Appendix B presents information which the Act and the Regulations require to be disclosed in the Council's annual budget.

The Appendix includes the following budgeted information:

### Rates & Charges Statutory Information

#### Statutory disclosures

1. Borrowings
2. Rates and charges
3. Differential rates

Murrindindi Shire Council									
Rates and Charges Statutory Information									
ITEMS	Rate in the \$/cost per assessment		Variance		Amount raised \$		Variance		
	2007/08	2008/09	\$	%	2007/08	2008/09	\$	%	
					forecast	Budget			
General	\$0.002689	\$0.002665	(\$0.000024)	-0.89%	\$3,417,961	\$3,566,504	\$148,543	4.35%	
Commercial	\$0.002689	\$0.002665	(\$0.000024)	-0.89%	\$458,297	\$469,216	\$10,919	2.38%	
Rural 1	\$0.002017	\$0.001999	(\$0.000018)	-0.89%	\$1,806,175	\$2,062,354	\$256,179	14.18%	
Rural 2	\$0.002689	\$0.002665	(\$0.000024)	-0.89%	\$1,638,805	\$1,786,576	\$147,771	9.02%	
Municipal Charge	\$191.00	\$206.00	\$15.00	7.85%	\$1,688,822	\$1,839,786	\$150,964	8.94%	
Agreement in Lieu of Rates					\$49,457	\$50,941	\$1,484	3.00%	
Supplementary Valuation - (pro-rata within year)					\$78,181	\$90,864	\$12,683	0.00%	
<b>SUB TOTAL</b>					<b>\$9,137,698</b>	<b>\$9,866,241</b>	<b>\$728,543</b>	<b>7.97%</b>	
Garbage	\$202.50	\$210.00	\$7.50	3.70%	\$1,254,687	\$1,309,350	\$54,663	4.36%	
Recycling	\$60.00	\$61.80	\$1.80	3.00%	\$364,425	\$374,446	\$10,021	2.75%	
<b>TOTAL General Rates &amp; Charges</b>					<b>\$10,756,810</b>	<b>\$11,550,037</b>	<b>\$793,227</b>	<b>7.37%</b>	
<b>Other - Special Charge Projects</b>									
Marks & Pratts Road	n/a	n/a	n/a	n/a	\$93,335	\$0	(\$93,335)	0.00%	
Greens Street	n/a	n/a	n/a	n/a	\$0	\$90,000	(\$90,000)	0.00%	
Taylor Bay Left Arm	n/a	n/a	n/a	n/a	\$0	\$900,000	(\$900,000)	0.00%	
<b>TOTAL - Special Charge Projects</b>					<b>\$93,335</b>	<b>\$990,000</b>	<b>\$896,665</b>	<b>0.00%</b>	
<b>TOTAL ALL RATES &amp; CHARGES</b>					<b>\$10,850,145</b>	<b>\$12,540,037</b>	<b>\$1,689,892</b>	<b>15.57%</b>	

ITEMS	Number of assessment		Variance		Valuation Base \$ CIV		Variance		
	2007/2008	2008/2009	No.	%	2007/2008	2008/2009	\$	%	
					re classified				
General	5759	5816	57	0.99%	\$1,291,098,900	\$1,338,275,200	\$47,176,300	3.65%	
Commercial	481	478	-3	-0.62%	\$170,717,700	\$176,066,000	\$5,348,300	3.13%	
Rural 1	1238	1243	5	0.40%	\$897,215,000	\$1,031,693,000	\$134,478,000	14.99%	
Rural 2	1701	1719	18	1.06%	\$618,528,000	\$670,385,000	\$51,857,000	8.38%	
<b>TOTAL</b>	<b>9179</b>	<b>9256</b>	<b>77</b>	<b>0.84%</b>	<b>\$2,977,559,600</b>	<b>\$3,216,419,200</b>	<b>\$238,859,600</b>	<b>8.02%</b>	

BORROWINGS	
<b>ITEMS</b>	<b>2008/2009</b>
Total amount borrowed by Council as at 30th June 2008	\$5,157,275
Add proposed borrowings for the year	\$1,000,000
Deduct amount proposed to be redeemed	(\$1,053,063)
Projected closing balance as at 30th June 2009	\$5,104,212
<b>Cost of Debt Servicing</b>	<b>\$354,310</b>

plus Landfill Rehab interest \$50,047 total \$404,357.



## Statutory disclosures

### 1. Borrowings

	2007/08 \$	2008/09 \$
New borrowings (other than refinancing)	500,000	750,000
New borrowing – Special Charge Scheme		250,000
<b>Debt redemption</b>	<b>931,062</b>	<b>1,053,063</b>

New borrowings for 2008/ 2009 provides for the possibility of borrowing \$250,000 on a short-term basis to fund the completion of the Taylor Bay Left Arm Special Charge Scheme.

### 2. Rates and charges

#### 2.1 The proposed rate in the dollar for each type of rate to be levied

Type of Property	2007/08 cents/\$CIV	2008/09 cents/\$CIV
General rate for rateable residential properties	0.2689	0.2665
General rate for rateable business properties	0.2689	0.2665
Differential rate for rateable Rural 1 properties	0.2017	0.1999
General rate for rateable Rural 2 properties	0.2689	0.2665

#### 2.2 The estimated amount to be raised by each type of rate to be levied

Type of Property	2007/08 \$	2008/09 \$
Residential	3,417,961	3,566,504
Commercial	458,297	469,216
Rural 1	1,806,175	2,062,354
Rural 2	1,638,805	1,786,576
Agreement in Lieu of Rates (Power Station)	49,457	50,941
Supplementary Valuations (pro rate within year)	78,181	90,864

#### 2.3 The estimated total amount to be raised by rates

	2007/08 \$	2008/09 \$
<b>Total rates to be raised</b>	<b>7,448,876</b>	<b>8,026,455</b>

#### 2.4 The proposed percentage change in the rate in the dollar for each type of rate to be levied, compared to that of the previous financial year

Type of Property	2007/08 Change %	2008/09 Change %
Residential	6.00	(0.89)
Commercial	6.00	(0.89)
Rural 1	6.00	(0.89)
Rural 2	6.00	(0.89)

**2.5 The number of assessments for each type of rate to be levied, compared to the previous year**

Type of Property	2007/08	2008/09
Residential	5,759	5,816
Commercial	481	478
Rural 1	1,238	1,243
Rural 2	1,701	1,719
<b>Total number of assessments</b>	<b>9,179</b>	<b>9,256</b>

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

**2.7 The estimated total value of land in respect of which each type of rate is to be levied, compared with the previous year**

Type of Property	2007/08 \$	2008/09 \$
Residential	1,291,098,900	1,338,275,200
Commercial	170,717,700	176,066,000
Rural 1	897,215,000	1,031,693,000
Rural 2	618,528,000	670,385,000
<b>Total</b>	<b>2,977,559,600</b>	<b>3,216,419,200</b>

**2.8 The proposed unit amount to be levied for each type of charge under section 162 of the Act**

Type of Charge	Per Rateable Property 2007/08 \$	Per Rateable Property 2008/09 \$
Municipal	191.00	206.00
Garbage - Kerbside collection	202.50	210.00
Recycling	60.00	61.80
<b>Total</b>	<b>453.50</b>	<b>477.80</b>

**2.9 The estimated amounts to be raised for each type of charge to be levied, compared to the previous year**

Type of Charge	2007/08 \$	2008/09 \$
Municipal	1,688,822	1,839,786
Garbage - Kerbside collection	1,254,687	1,309,350
Recycling	364,425	374,446
<b>Total</b>	<b>3,307,934</b>	<b>3,523,582</b>

**2.10 The estimated total amount to be raised by rates and charges**

	2007/08 \$	2008/09 \$
Rates and charges	10,678,629	11,459,173
Supplementary rates	78,181	90,864
<b>Total</b>	<b>10,756,810</b>	<b>11,550,037</b>

### **2.11 Changes which may affect estimated amounts raised by rates and charges**

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

- The making of supplementary valuations
- The variation of returned levels of value (e.g. valuation appeals)
- Changes in use of land such that rateable land becomes non-rateable land and vice versa
- Changes in use of land such that residential land becomes business land and vice versa.

## **3. Differential rates**

### **3.1 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 0.2665% (0.2665 cents in the dollar of CIV) for all rateable residential properties, commercial properties and Rural 2 properties.
- A differential rate of 0.1999% (0.1999 cents in the dollar of CIV) for all rateable Rural 1 properties (75% of general rate)

The differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant percentages indicated above. Murrindindi Shire Council believes the differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

### **3.2 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 operated 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
- Recognition of the capital intensive nature of 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 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.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries. The use of the land within this differential rate, in the case of improved land, is any use of land.

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## **Appendix C          Capital Works Program**

Appendix C presents a listing of the capital works projects that are scheduled to be undertaken during the 2008/ 2009 financial year.

The capital works projects include works carried forward from the 2007/ 2008 year and new works for 2008/ 2009.

The capital works projects are grouped as follows:

1. Enhancement
2. New works for 2008/ 2009
3. Renewal
4. Upgrade

**Capital Works Program**  
 For the year ending 30 June 2009

Capital Works Areas	Carried Forward 2007/08	Externally Funded 2008/09	Internally Funded 2008/09	Total Project Cost
	\$	\$ (contributions, grants, loans, asset sales)	\$ (Reserve, surplus, operating)	\$
<b>1. Enhancement</b>				
<b>Buildings</b>				
- Alexandra Saleyards			15,000	15,000
- Yea Saleyards			20,000	20,000
<b>Total Enhancement</b>	<b>0</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>
<b>2. New works for 2008/2009</b>				
<b>Buildings</b>				
- Landfill Capital Cell Construction			100,000	100,000
- Rotary Park Upgrade Project	9,000	20,000	20,000	49,000
- Bollygum Park				
- Bollygum Park DPCD		148,320		148,320
- Bollygum Park RDV		60,000	50,000	110,000
- Bollygum Skate Park		60,000	60,000	120,000
- Alexandra Public Convenience			90,000	90,000
<b>Drainage</b>				
- Drainage Network Expansion			30,000	30,000
<b>Furniture &amp; Equipment</b>				
- Furniture & Equipment (IT)	35,000		56,731	91,731
- Yea Library shelving			10,353	10,353
- Pools equipment replacement			12,000	12,000
<b>Heritage Assets</b>				
- Art Show prizes			3,500	3,500
<b>Library</b>				
- Library Bookstock - Adult		6,500	69,766	76,266
- Library Bookstock - Junior			30,734	30,734
<b>Major Plant &amp; Machinery</b>				
- Bulk bin trailer		101,390	19,727	121,117
- Prime Mover		67,404	0	67,404
- Truck 7.5GVM		72,670	0	72,670
- Truck 10.4GVM		84,255	0	84,255
- Tractor		123,750	0	123,750
- Quad Bike & Trailer			10,250	10,250
- Truck Modifications P3349			5,330	5,330
- Modifications Broom P3203			1,230	1,230
<b>Passenger Vehicles</b>		367,174	10,259	377,433

<b>Capital Works Areas</b>	<b>Carried Forward 2007/08</b>	<b>Externally Funded 2008/09</b>	<b>Internally Funded 2008/09</b>	<b>Total Project Cost</b>
	\$	\$ (contributions, grants, loans, asset sales)	\$ (Reserve, surplus, operating)	\$
<b>Roads Streets &amp; Bridges</b>				
- Bus Shelter Construction			10,000	10,000
- Myrtle St Alexandra Footpath			10,000	10,000
- Footpaths - Missing links		100,000	0	100,000
<b>Total New</b>	<b>44,000</b>	<b>1,211,463</b>	<b>599,880</b>	<b>1,855,343</b>
<b>3. Renewal</b>				
<b>Buildings</b>				
- Alexandra Transfer Station			20,000	20,000
- Eildon Transfer Station			15,000	15,000
- Kinglake Transfer Station			10,000	10,000
- Marysville Transfer Station			20,000	20,000
- Yea Transfer Station works			10,000	10,000
- Yarck Public Convenience	10,000		15,000	25,000
- Alexandra Swimming Pool			15,500	15,500
- Yea Swimming Pool			38,000	38,000
- Eildon Swimming Pool			4,000	4,000
- Marysville Swimming Pool			12,000	12,000
- Thornton Netball Courts	43,000	11,000		54,000
<b>Drainage</b>				
- Drainage Renewal			53,045	53,045
<b>Roads Streets &amp; Bridges</b>				
- Gravel Roads - Resheeting		775,624	68,428	844,052
- Sealed Roads - Reseals	258,540		526,526	785,066
- Sealed Roads - Pavement renewal			169,744	169,744
- Eildon Capital Projects			50,000	50,000
<b>Bridges</b>				
- Bridge / component renewal			264,164	264,164
- Load capacity upgrade			25,000	25,000
<b>Footpaths</b>				
- Footpath Renewal			37,132	37,132
<b>Kerbs</b>				
- Kerb Renewal			61,532	61,532
<b>Total Renewal</b>	<b>311,540</b>	<b>786,624</b>	<b>1,415,071</b>	<b>2,513,235</b>

Capital Works Areas	Carried Forward 2007/08	Externally Funded 2008/09	Internally Funded 2008/09	Total Project Cost
	\$	\$ (contributions, grants, loans, asset sales)	\$ (Reserve, surplus, operating)	\$
<b>4. Upgrade</b>				
<b>Buildings</b>				
- CJ Dennis Hall - Toolangi	15,000		7,500	22,500
- Yea Community House DDA Access	6,000			6,000
- Yea Caravan Pk - toilet upgrade			20,000	20,000
- Yea Pioneer Reserve	12,000			12,000
- Yea Town Hall			40,000	40,000
- Public convenience upgrades			60,000	60,000
<b>Drainage</b>				
- Lyell St & Kings Rd Drainage			48,000	48,000
- Drainage upgrade trouble spots			12,000	12,000
<b>Roads Streets &amp; Bridges</b>				
- Final Seals			67,000	67,000
- Taylor Bay Left Arm		892,380		892,380
- Pendlebuury Street	30,000			30,000
- Kinglake Glenburn Road			260,000	260,000
- Minor Capital works UDF		150,000	0	150,000
- Urban Access Improvements			20,000	20,000
- Whanregarwen Road-pavement			220,000	220,000
- Spring Creek Road/pavement/seal			70,000	70,000
- Bayley Street - seal car parking			10,000	10,000
- Green Street	87,000	90,000		177,000
- Highlands road Guardrail			8,000	8,000
<b>TOTAL UPGRADE</b>	<b>150,000</b>	<b>1,132,380</b>	<b>842,500</b>	<b>2,124,880</b>
<b>SUMMARY</b>				
<b>1. Enhancement</b>	0	0	35,000	35,000
<b>2. New</b>	44,000	1,211,463	599,880	1,855,343
<b>3. Renewal</b>	311,540	786,624	1,415,071	2,513,235
<b>4. Upgrade</b>	150,000	1,132,380	842,500	2,124,880
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>505,540</b>	<b>3,130,467</b>	<b>2,892,451</b>	<b>6,528,458</b>
<b>SUMMARY BY CATEGORY</b>				
Land	0	0	0	0
Buildings	95,000	299,320	642,000	1,036,320
Plant & Machinery	0	816,643	46,796	863,439
Roads Streets & Bridges	375,540	2,008,004	1,877,526	4,261,070
Drainage	0	0	143,045	143,045
Historical Assets	0	0	3,500	3,500
Furniture & Equipment	35,000	0	79,084	114,084
Library Book Stock	0	6,500	100,500	107,000



<b>Capital Works Areas</b>	<b>Carried Forward 2007/08</b>	<b>Externally Funded 2008/09</b>	<b>Internally Funded 2008/09</b>	<b>Total Project Cost</b>
	<b>\$</b>	<b>\$</b> (contributions, grants, loans, asset sales)	<b>\$</b> (Reserve, surplus, operating)	<b>\$</b>
	<b>505,540</b>	<b>3,130,467</b>	<b>2,892,451</b>	<b>6,528,458</b>

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**Appendix D Schedule of fees and fines**

<b>4.1.3 Fees &amp; Fines</b>			
	<b>Reference</b>	<b>2007/08</b>	<b>2008/09</b>
<b>Administration Charges</b>			
Photocopy Charges - A4	per copy	0.30	0.30
Photocopy Charges - A3	per copy	0.60	0.60
Photocopy Charges - Planning Photo A3	per copy	0.60	0.60
Facsimile Charges - Sending		\$4.95+\$3.30 Hand	\$4.95+\$3.30 Hand
Facsimile Charges - Receiving		\$1.10+\$2.20 Hand	\$1.10+\$2.20 Hand
Sale of Council Agenda	download from web		
Freedom of Information Receipt		21.50	22.70
Sale of "Redgate" Book		5.00	5.00
Sale of Yea History Book		10.00	10.00
Rural Road Numbers		0.00	0.00
<b>General-Rates etc.</b>			
General Rates Receipt			
Land Information Certificate Receipt		20.00	20.00
<b>Asset &amp; Development</b>			
Works Permit (Easement Drain Stormwater Connection)		35.00	35.00
Vehicle Crossing Permit (see consent to Work on Road Reserve)			
Drainage Point of Discharge information		0.00	20.00
Plan Checking and Supervision Fees (See Planning Charges?)			
Works Maintenance Bonds (Refundable)		5% of Cost of works	5% of Cost of works
Consent to Work on Road Reserve application - Non utility			
	Statutory fee set at the 1st of July each year		
	Current (1 July 2007) One fee unit = \$11.02 ( was \$10.75)		
Municipal Roads <50kph			
Major Works (A)	20	220.40	227.00
Major Works (B)	5	55.10	56.75
Minor Works (A)	11.5	126.70	130.53
Minor Works (B)	5	55.10	56.75
Municipal Roads >50kph			
Major Works (A)	45	495.90	510.75
Major Works (B)	25	275.50	283.75
Minor Works (A)	11.5	126.70	130.53
Minor Works (B)	5	55.10	56.75
(A) On Roadway, shoulder or pathway			
(B) Not on Roadway, shoulder or pathway			
Driveway crossings and service connections are generally considered as minor works			
<b>Building Charges</b>			
<u>Domestic Building Applications:</u>			
Dwellings additions / alterations			
Up to \$120,000 in value ( 4 inspections )		660.00	660.00
Over \$120,000 in value (4 inspections )		\$cost / 200 + gst	
New Dwellings			
Up to \$200,000		1100.00	1100.00
Over \$200,000		\$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 / Verandahs		370.00	370.00
Sheds over 50m2		500.00	500.00
Swimming Pools		500.00	500.00
Re-stumping		250.00	250.00
Underpinning		250.00	250.00
Demolition Permits			
- Dwellings		370.00	370.00
- Commercial / Industrial up to 200m2		500.00	500.00
Fences		200.00	200.00
<u>Commercial Building Applications:</u>			
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 + \$30 Lodgement fee + govt. levy			
construction value \$100,000		1611.39	1611.39
construction value \$250,000		2750.00	2750.00
Building Commission's Operations Levy			
Domestic Building Permits - where value of works is grater than \$10,000		0.160 cents in \$	0.160 cents in \$
Commercial Building Permits - where value of works is grater than \$10,000		0.128 cents in \$	0.128 cents in \$
Extension of Time		165.00	165.00
Amendment to Permit		55.00 to 220.00	55.00 to 220.00
Inspection of dwelling - relocation ( plus deposit \$50.00 )		350.00	350.00
Inspection Fees - expired permits - final certificate required		165.00	165.00
Copy of Plans- (Dwellings)	per set	44.00 minimum	44.00 minimum
Copy of Plans- (Commercial/Industrial)	per set	66.00 minimum	66.00 minimum
Building Permit Search Fee		60.00	60.00
Modification to siting requirements		200.00	205.00
Application to build over easement		150.00	150.00
Building Information Certificate		40.00	41.00
Solicitor's Inquiries		40.00	41.00
Complex Property Inquiry - Commercial/Industrial		66.00	66.00
Building Control Lodgment Fees (Domestic)		30.00	30.75
Building Control Lodgment Fees (Commercial)		30.00	30.75

### Schedule of fees and fines

<b>Health</b>			
Septic Tank Fees domestic	per permit	300.00	300.00
Septic Tank Fees commercial	per permit	300.00	300.00
<b>Food Premises Registration</b>			
Category D		120.00	120.00
Category C		220.00	220.00
Category B		240.00	240.00
Category A		300.00	300.00
<b>Prescribed Accommodation Registration</b>			
Level 1 - up to 25 beds		95.00	95.00
Level 2 - 26 to 50 beds		145.00	145.00
Level 3 - 51 to 74 beds		195.00	195.00
Level 4 - 75 to 100 beds		245.00	245.00
Level 5 - 101 to 125 beds		295.00	295.00
<b>Health (Continued )</b>			
Hair Dressers Registration		120.00	125.00
Skin Penetration Registration		120.00	125.00
Caravan Parks Registration - per site		2.50	2.50
Transfers - Health		110.00	110.00
Inspections - Health		110.00	110.00
Head Lice Lotion		N/A	N/A
<b>Local Laws</b>			
Disabled Parking Permits	per permit	5.00	5.00
Dog Pounds Receipt		33.00	33.00
Dog Pounds Receipt		55.00	55.00
Cattle Pound Receipt	\$2 per head for additional stock	60.00	60.00
- sustenance	per head/per day	11.00	11.00
Goats & Pigs Pound Receipt	\$2 per head for additional stock	30.00	30.00
- sustenance	per head/per day	11.00	11.00
Horses Pound Receipt	\$2 per head for additional stock	60.00	60.00
- sustenance	per head/per day	11.00	11.00
Sheep Pound Receipt		15.00	15.00
- sustenance	per head/per day	5.00	5.00
All other animals (birds & poultry)		1.10	1.10
- sustenance	per head/per day	1.10	1.10
<b>Animal Registrations</b>			
Dog Tag Replacement Fee		2.50	2.50
Cat Tag Replacement Fee		2.50	2.50
Column 1 New Dog Registration		70.00	70.00
Column 2 New Dog Registration - <b>Desexed</b>		30.00	30.00
Column 1 New Dog Registration (Pensioner discount)		35.00	35.00
Column 2 New Dog - <b>Desexed</b> (Pensioner discount)		15.00	15.00
Guide Dog/Greyhound New registration		0.00	0.00
Column 1 Dog Re-registration		70.00	70.00
Column 2 Dog Re-registration - <b>Desexed</b>		30.00	30.00
Column 1 Dog Re-registration (Pensioner discount)		35.00	35.00
Column 2 Dog Re-registration - <b>Desexed</b> (Pensioner discount)		15.00	15.00
Guide Dog/Greyhound Re-registration		0.00	0.00
Column 1 Cat New Registration		70.00	70.00
Column 2 Cat New Registration - <b>Desexed</b>		30.00	30.00
Column 1 Cat New Reg. ( Pension Discount)		35.00	35.00
Column 2 Cat New Reg. - <b>Desexed</b> (Pensioner discount)		15.00	15.00
Column 1 Cat - Re-registration		70.00	70.00
Column 2 Cat Re-registration - <b>Desexed</b>		30.00	30.00
Column 1 Cat Re-registration ( Pensioner discount)		35.00	35.00
Column 2 Cat Re-registration - <b>Desexed</b> (Pensioner discount)		15.00	15.00
Restricted breeds/Declared Animals		150.00	150.00
<b>Planning Charges</b>			
	per copy	0.30	0.30
Plan prints(A0,A1,A2)	per copy	5.50,4.40,3.30	5.5,4.4,3.3
<b>Advertising fee</b>			
Public notice in paper (to be inserted by Council)	per application	99.00	99.00
Public notice on site (to be when erected for applicant)	per notice	55.00	55.00
Admin. Charge	per application	27.50	27.50
<b>Satisfaction Matters</b>			
Satisfaction matters - As prescribed in regulation			
Assessing a Plantation Development Notice	per assessment	100.00	100.00
Assessing a Timber Harvesting Plan	per assessment	100.00	100.00

### Schedule of fees and fines

<b>Subdivision Certification Fees</b>			
Public Open Space Contributions	per application	5%	5%
Preparation of Engineering Plans By Council	per application	3.50%	3.50%
Checking Engineering Plans	per application	0.75%	0.75%
Supervision Fees of Works	per application	2.50%	2.50%
Approval of Engineering Plans externally prepared	per application	cost + 5%	cost + 5%
Inspection of subdivision works	per application	cost + 5%	cost + 5%
<b>Planning Certificates</b>			
Planning Certificates - As prescribed in regulation	T15	16.80	17.20
Fast Tracking of Planning Certificates	per certificate	33.60	34.40
<b>Planning Fees</b>			
	T45		
Shed, tree removal	planning certificate	94.00	96.00
house \$10,000 - \$100,000		220.00	225.00
house > \$100,000		451.00	462.00
building works \$10,001 - \$250,000		556.00	569.00
building works >\$250,001 - \$500,000		650.00	666.00
building works >\$500,001		750.00	768.00
2 lot subdivision		356.00	364.00
other subdivision		719.00	736.00
change in use		462.00	473.00
creation of easement		355.00	381.00
<b>Section 173 Agreements</b>			
Administrative fee	per agreement	110.00	110.00
Applicant must also pay the full cost of assessment of a Section 173 agreement by council's solicitors			
<b>Planning Permit Fees</b>			
Planning Applications - As prescribed in regulations			
Extension of time for Planning Permit	per permit	100.00	100.00
Amendment of Planning Permit	per permit		
Approval of Endorsed Plan/s	per permit	100.00	100.00
Amendment of Endorsed Plan/s	per permit	100.00	100.00
<b>Planning Scheme Amendments</b>			
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			
<b>Planning Enforcement</b>			
Planning enforcement - As prescribed in regulation			
<b>Community Services</b>			
Shire Centre Based Meals Receipts	per meal	6.50	7.50
Shire ADASS User Charges		6.00	7.50
Shire Meals on Wheels - Debtor Receipt	per meal	7.20	7.60
Family Day care Debtor Receipt	per child per hour	.60c hr admin	.60 hr admin
Kinglake Child Care Debtor Receipt	1/2 day	27.75	
	Full day	50.40	
	Weekly	205.00	
Baby Bassinet Loan Receipt - fee		30.00	30.00
Baby Bassinet Loan Receipt - deposit		20.00	20.00
<b>HACC charges for private clients only:</b>			
<b>Home Help, Personal Care &amp; Respite Debtor Receipt</b>			
Mon - Fri 6am - 6pm	per hour	34.00	36.95
Mon - Fri out of hours per hour for the first 2 hours		37.83	39.34
per hour for hours thereafter		46.51	48.37
Saturday for the 1st two hours	per hour	37.83	43.20
Saturday per hour for hours thereafter		46.51	51.95
Sunday all day	per hour	53.15	57.75
Public Holidays	per hour	55.75	60.60
Travel Cost - agreed rate per kilometre for allowable travel expense	6 cyl	0.95	1.05
	4 cyl	0.95	1.05
<b>Home Maintenance Debtor Receipt</b>			
Mon - Fri 6am - 6pm	per hour	45.15	49.05
Mon - Fri 6am -8pm	per hour	49.15	53.40
Travel Cost - agreed rate per kilometre for allowable travel expense		0.95	1.05
Overnight Care 10pm - 6am	per night		

### Schedule of fees and fines

<b>Waste Management</b>			
<b>Shire Residents and Ratepayers</b>			
<b>Shire Tip Fees at Transfer Stations &amp; Landfills</b>			
Compacted Garbage (Direct to Landfill)	per cubic metre	18.70	20.00
Construction material per m3 - NON Recyclable (formerly Building Rubble)	per cubic metre	16.50	17.60
Loose Garbage	per cubic metre	12.10	13.00
Loose Garbage	per tonne		60.00
0.25m3- eg 240 lt bin		3.50	4.50
0.5m3 - eg car boot		6.00	6.50
1m3 - eg 6x4 trailer or ute at water level		12.10	13.00
2m3 - eg tandem trailer at water level		24.20	26.00
Car Tyre	each	5.50	5.50
Motor Cycle Tyre	each	3.00	3.00
4wd / Light truck tyre			8.00
Light Truck Tyre	each	5.50	12.00
Truck Tyre	each	15.00	16.00
Tractor Tyre	each	25.00	26.00
Earthmover Tyre	each	25.00	26.80
Leaves/grass	per cubic metre	0.00	0.00
Greenwaste Cuttings (Commercial)	per cubic metre	7.70	8.20
Cars - (tyres removed)	per vehicle	27.50	28.00
Comingled Recyclables (Commercial)	per cubic metre	6.60	11.00
Comingled Recyclables (Residential)	per cubic metre	0.00	0.00
Waste Motor Oil	per litre	0.33	0.00
Loose Garbage Bags		2.20	2.30
Domestic Gas Bottle - all sizes	per bottle	10.00	10.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (either unsuitable of unclean).	Per cubic metre	3.00	13.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (either unsuitable of unclean).	Per container less than 20 litre	3.00	2.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (either unsuitable of unclean).	Per container freater than 20 litres	5.00	3.00
White Goods		0.00	0.00
Mattress - single		0.00	7.00
Mattress - large		0.00	14.00
Batteries		0.00	0.00
Scrap Steel		0.00	0.00
Recycle Cardboard paper - commercial	per cubic metre	0.00	7.00
Recyclable Cardboard paper - Residential	per cubic metre	0.00	0.00
<b>Non-Shire Residents and Ratepayers</b>			
<b>Shire Tip Fees at Transfer Stations &amp; Landfills</b>			
Compacted Garbage (Direct to Landfill)	per cubic metre	44.00	40.00
Construction material - NON Recyclable (formerly "building rubble")	per cubic metre	25.30	35.20
Loose Garbage	per cubic metre	25.30	26.00
Loose Garbage	per tonne		120.00
0.25m3 - eg 240ltr bin		6.50	6.50
0.5m3 - eg car boot		12.50	13.00
1m3 - eg 6x4 trailer or ute at water level		25.30	26.00
2m3 - eg tandem trailer at water level		50.60	52.00
Car Tyre	each	8.00	8.25
Motor Cycle Tyre	each	5.00	4.50
4wd/ Light Truck Tyre	each	8.00	12.00
Truck Tyre	each	20.00	24.00
Tractor Tyre	each	30.00	40.20
Earthmover Tyre	each	30.00	40.20
Leaves/Grass	per cubic metre	0.00	0.00
Greenwaste Cuttings (Commercial)	per cubic metre	25.30	16.40
Car body	per vehicle	33.00	42.00
Recyclables (Commercial)	per cubic metre	11.00	10.50
Recyclables (Residential)			0.00
Waste Motor Oil	per litre	0.55	0.00
Loose Garbage Bags		4.40	5.00
Domestic Gas Bottle - all sizes	per bottle	15.00	15.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (either unsuitable of unclean).	Per cubic metre	3.00	26.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (either unsuitable of unclean).	Per container less than 20 litre	3.00	4.00
Plastic Chemical Containers - not eligible for "DrumMuster" collection (either unsuitable of unclean).	Per container freater than 20 litres	5.00	6.00
Plastic Chemical Containers (non Drummuster)		5.00	6.00
White Goods		6.60	7.00
Mattress - single		8.00	14.00
Mattress - large		16.00	28.00
Batteries		0.00	0.00
Scrap Steel		0.00	0.00
Recycle Cardboard paper		0.00	0.00

**End of Murrindindi Shire Council Budget Report**