



# Strathbogie *shire*

**Strathbogie Shire Council**

**Budget Report - 2015/2016**

This Budget Report has been prepared with reference to Chartered Accountants Australia and New Zealand "Victorian City Council Model Budget 2015/2016" a best practice guide for reporting local government budgets in Victoria.

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## Mayor's introduction

It gives me great pleasure to present this Budget to the community of Strathbogie Shire.

We will increase rates by 4.0 percent in the 2015/16 financial year. This level allows us to maintain existing service levels, fund a number of new initiatives and continue to address Council's infrastructure renewal demands.

Improved waste management practices will be introduced in 2015/16, enabling the separate collection of organic waste for conversion to reusable compostible material. This process will significantly reduce the amount of waste going to landfill, delivering long-term environmental and economic benefits.

The new system, which is in line with best practice waste management methodology, will require the introduction of an additional bin for the collection of organic waste and changes to the collection schedule for existing recyclable and non-recyclable household waste.

The new waste management system will be the subject of a broad community education program, explaining the waste collection and treatment regimes and the new cost structures. The education program will be run simultaneously and in conjunction with the budget process.

The total Capital Works program will be \$6.77 million.

Highlights of the Capital Works program include:

- Buildings program \$0.43 million
- Roads program \$3.67 million
- Bridges program \$1.05 million
- Plant & Machinery \$0.77 million
- Information systems \$0.25 million
- Footpaths \$0.14 million
- Kerb and channel \$0.20 million
- Drainage \$0.06 million

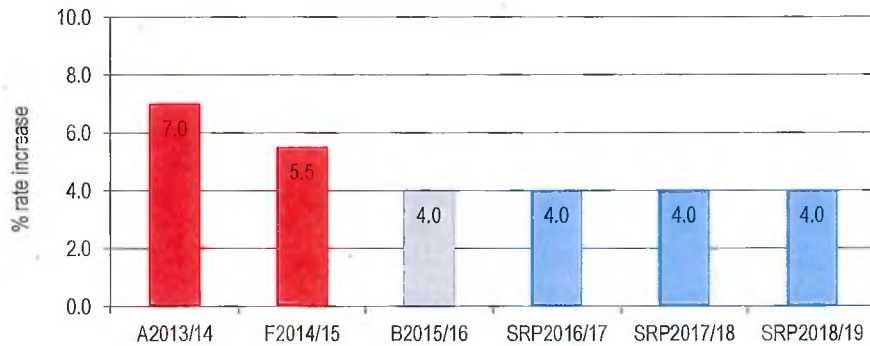
This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible.

**Cr Debra Swan**  
**Mayor**

## Chief Executive Officer's summary

Council has prepared a Budget for the 2015/16 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

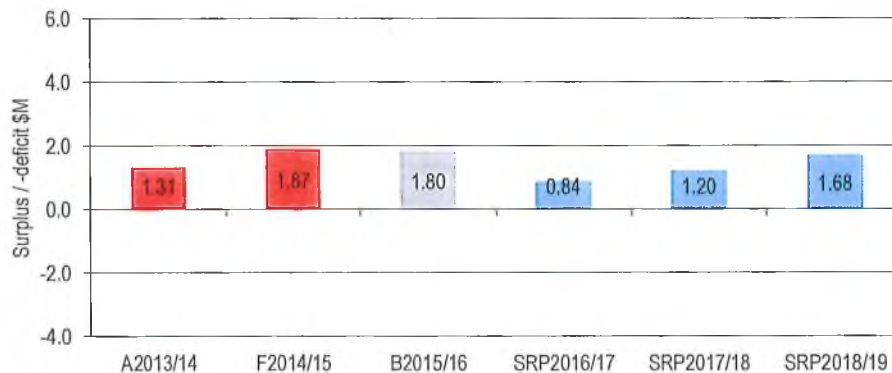
### 1. Rates & Charges



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

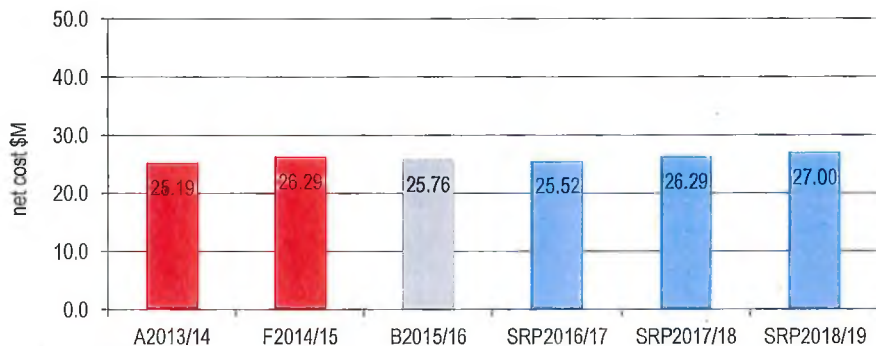
It is proposed that general rates increase by 4.0% for the 2015/16 year, raising total rates & charges of \$17.23 million, including an estimated \$0.13 million from supplementary rates. The 4.0% increase enables maintenance of existing service levels and meets the cost of a number of external influences affecting the operating budget including a \$0.15 million reduction in the Victorian Grants Commission allocation, and discontinuation of the \$1.0 million State Government Roads & Bridges program. The rates increase also enables Council to maintain its strong emphasis on infrastructure renewal. This rate increase is in line with the level foreshadowed in Council's Strategic Resource Plan adopted in the previous year. (The rate increase for the 2014/15 year was 5.5%).

### 2. Operating result



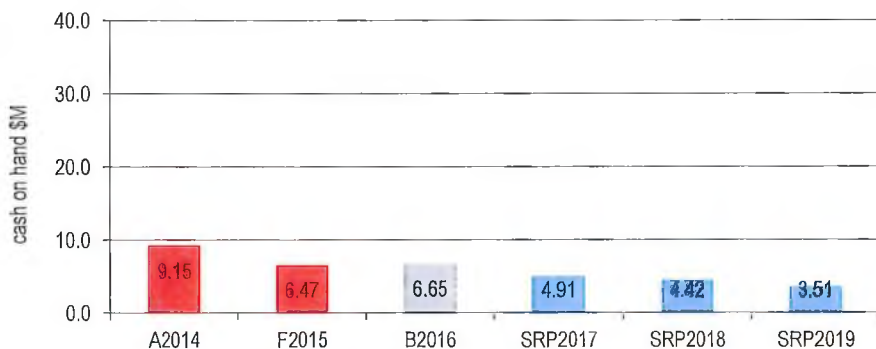
The expected operating result for the 2015/16 year is a surplus of \$1.80 million, which is decrease of \$0.06 million on 2014/15. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a surplus of \$1.43 million, which is an increase of \$0.83 million over 2014/15 - refer to section 7 of this summary for further information. (The forecast operating result for the 2014/15 year is a surplus of \$1.87 million).

### 3. Services



The net cost of services delivered to the community for the 2015/16 year is expected to be \$25.76 million which is a decrease of \$0.53 million over 2014/15. For the 2015/16 year, service levels generally have been maintained and a number of initiatives proposed. It should be noted however that the delivery of Home Care services by Council will be discontinued in 2015/16. The discontinuation of these services has significantly reduced both Council revenue and expenditure. The Department of Human Services is currently in the process of securing a new provider for these services. (The forecast net cost for the 2014/15 year is \$26.29 million).

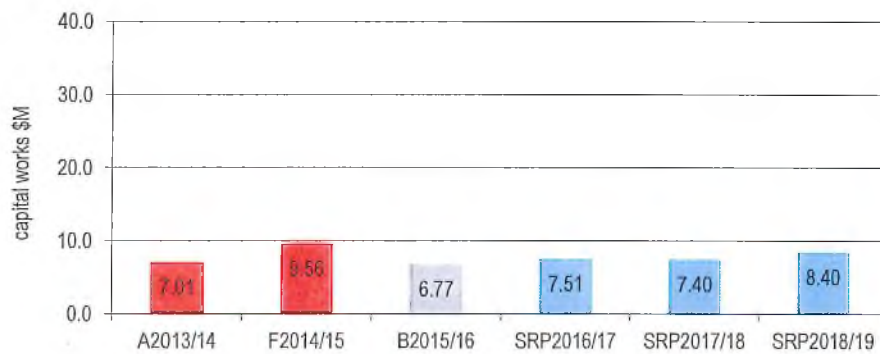
### 4. Cash and investments



Cash and investments are expected to increase by \$0.18 million during the year to \$6.65 million as at 30 June 2016. . (Cash and investments are forecast to be \$6.47 million as at 30 June 2015).



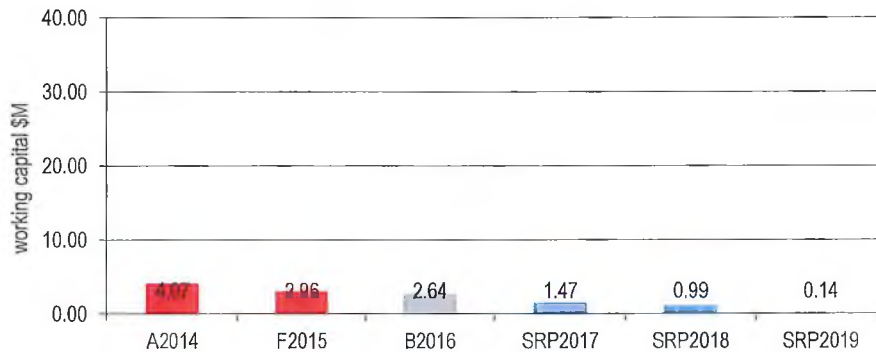
## 5. Capital works



The capital works program for the 2015/16 year is expected to be \$6.77 million. Of the \$6.77 million of capital funding required, \$2.92 million will come from external grants with the balance of \$3.85 million from Council cash. The Council cash amount comprises asset sales (\$0.30 million) and cash generated through operations in the 2015/16 financial year (\$3.55 million). The capital expenditure program has been set and prioritised based on a rigorous process that has enabled Council to assess needs and develop sound business cases for each project. Council has maintained its strong focus on the strategic investment in infrastructure renewal. (Capital works is forecast to be \$9.56 million for the 2014/15 year).

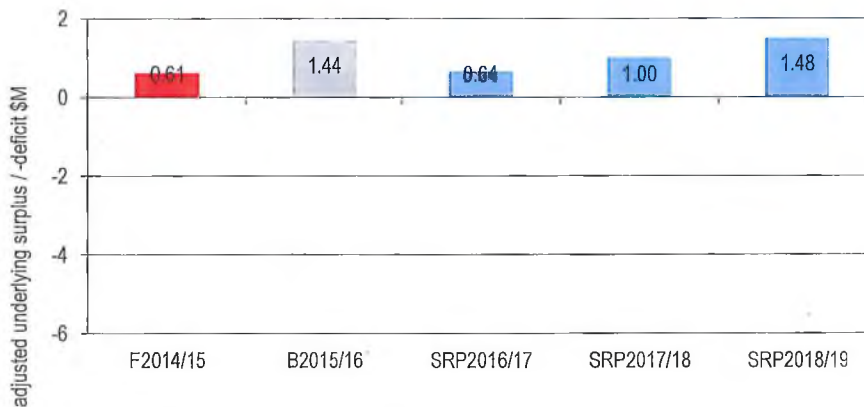


## 6. Financial position



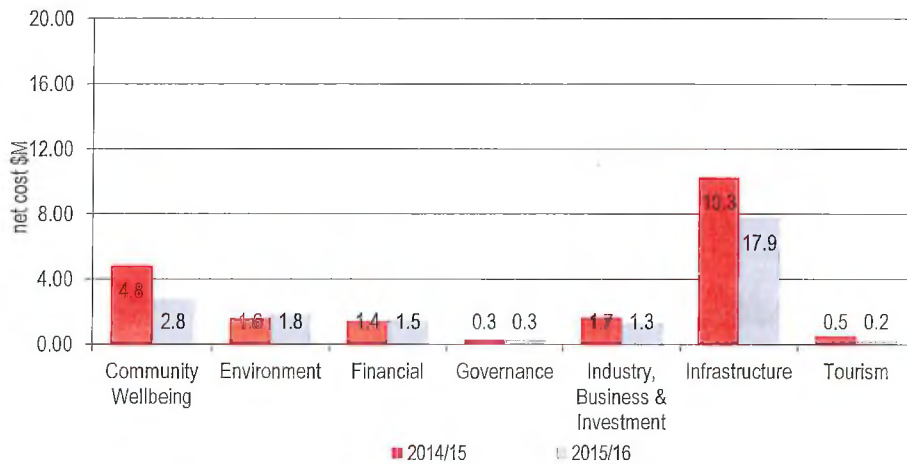
The financial position is expected to improve with net assets (net worth) to increase by \$1.60 million to \$240.89 million although net current assets (working capital) will reduce by \$0.32 million to \$2.96 million as at 30 June 2016. (Total equity is forecast to be \$239.29 million as at 30 June 2015).

## 7. Financial sustainability



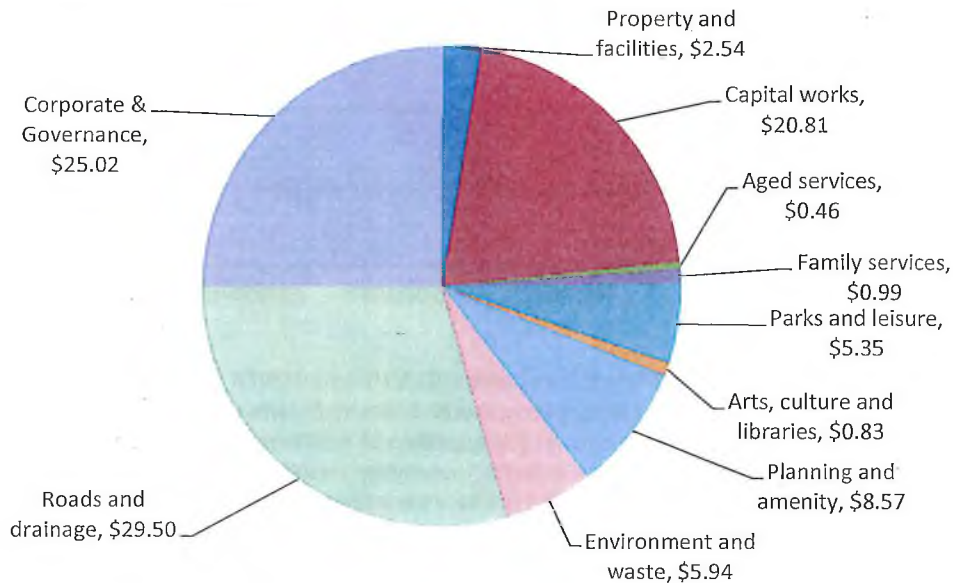
A high level Strategic Resource Plan for the years 2015/16 to 2018/19 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows continuing surpluses over the four year period.

## 8. Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2015/16 year.

## 9. Council expenditure allocations



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends.

This budget has been developed through a rigorous process of consultation and review and management endorses it as financially responsible. More detailed budget information is available throughout this document.

**Steve Crawcour**  
Chief Executive Officer

## Budget processes

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

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

The 2015/16 budget, which is included in this report, is for the year 1 July 2015 to 30 June 2016 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2016 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's long term financial projections. Financial projections for at least four years are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with Officers preparing the operating and capital components of the annual budget during January and February. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during March and April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including public information sessions, focus groups and other techniques. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

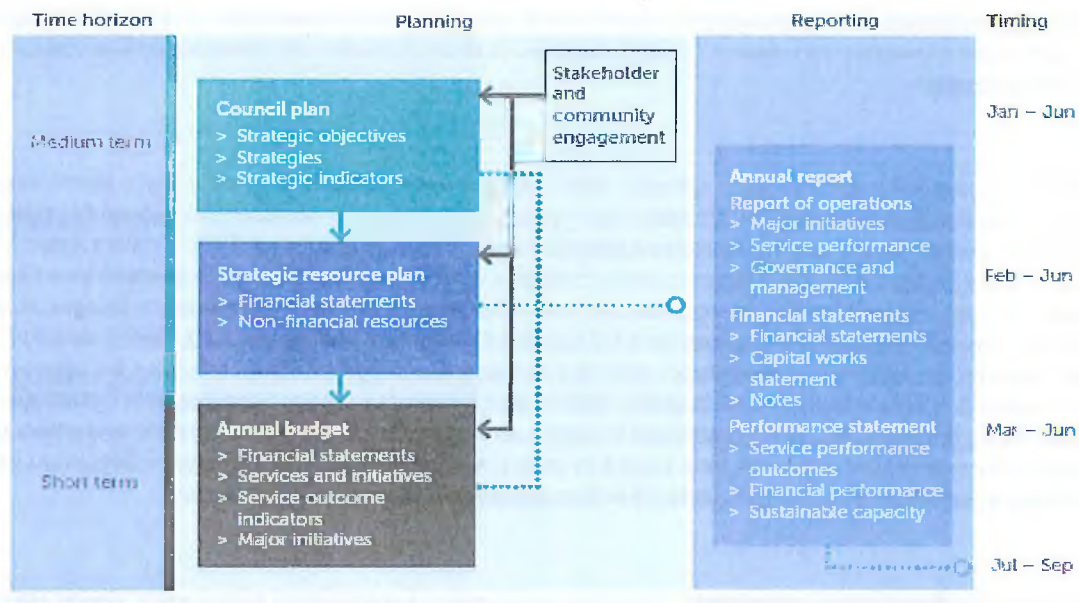
Budget process	Timing
1. Officers update Council's long term financial projections	Nov/Dec
2. Officers prepare operating and capital budgets	Nov/Dec
3. Councillors consider draft budgets at informal briefings	Feb/Mar
4. Proposed budget submitted to Council for approval	Mar
5. Public notice advising intention to adopt budget	Apr
6. Budget available for public inspection and comment	Apr
7. Public submission process undertaken	May
8. Submissions period closes (28 days)	May
9. Submissions considered by Council/Committee	May
10. Budget and submissions presented to Council for adoption	June
11. Copy of adopted budget submitted to the Minister	June
12. Revised budget where a material change has arisen	Sep-Jun

## 1. Linkage to the Council Plan

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

### 1.1 Planning and accountability framework

The Strategic Resource Plan, included in the Council Plan, summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the services and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Transport, Planning and Local Infrastructure

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

## 1.2 Our Purpose

### Our Vision:

"A Shire that drives and supports investment for population growth, shared wealth and wellbeing."

### Our Mission:

"To actively consult with community, investors and industry through advocacy and collaboration; delivering quality infrastructure, lifestyle and sustainable economic and community development."

### Our Guiding Principles:

Councillors and staff at Strathbogie Shire Council are committed to the following principles (values) as a guide to all its decisions and actions:

**Good Governance** – We value innovation, integrity, accountability, strength, and consistency in leadership and decision making with adherence to robust, transparent and equitable policies and processes.

**Working together** – We value the ability to maximise outcomes by working in partnership and collaboration with an engaged community, government, regional bodies and other stakeholders.

**Quality Services** – We value the role of research, strategic planning, flexibility and innovation in delivering accessible and effective services and regional solutions that enhance the quality of life.

**Social Inclusion** – We value widespread participation in civic and community life among people of all abilities and backgrounds.

**Environment** – We value the shire's natural and built environment and the importance of local amenity on quality of life.

**Stability** – We value sound financial and resource planning and management to ensure Council's long term sustainability and provision of quality services and infrastructure.

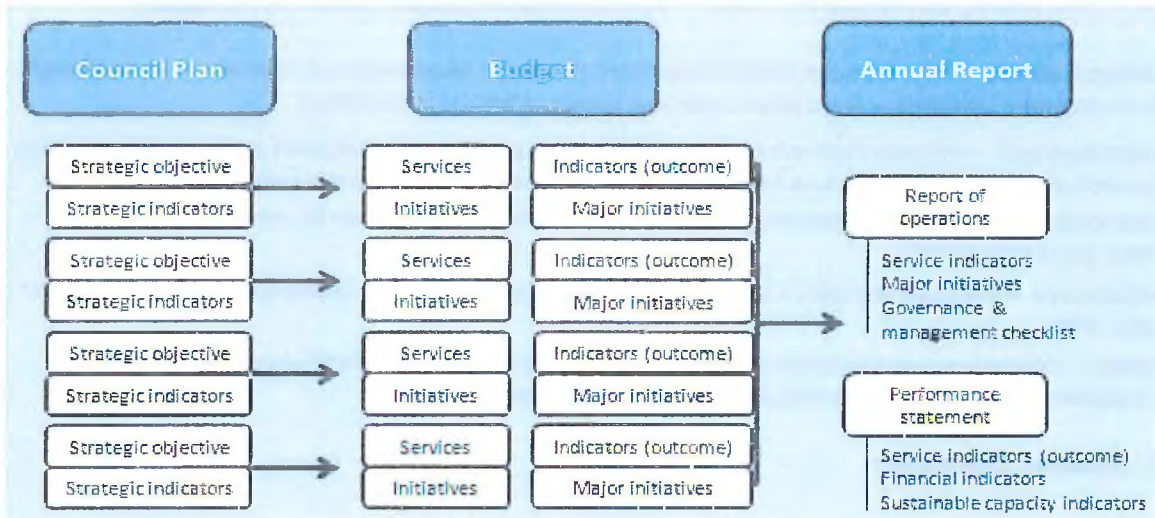
## 1.3 Strategic objectives

Council delivers activities and initiatives under various service categories. Each contributes to the achievement of one of the seven Strategic Objectives as set out in the Council Plan for the 2013-17 years. The following table lists the seven Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. Community Wellbeing	Plan, support and / or deliver a broad range of responsive and accessible services to our diverse community.
2. Environment	Continue to protect and enhance the natural and built environment for current and future generations.
3. Financial	Provide best practice management and administrative systems and structures to support the delivery of Council services and programs.
4. Governance	Provide all our stakeholders with consistent and timely decision making.
5. Industry, Business and Investment	Pursue opportunities to increase the range of businesses and industries in the Shire to further strengthen our economy.
6. Infrastructure	Provide well maintained, affordable and appropriate infrastructure.
7. Tourism and Hospitality	Ensure a coordinated and effective approach to economic and tourism development is maintained at all times.

## 2. Activities, initiatives and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2015/16 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives, initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify initiatives, major initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



To achieve our objective of Advocacy and Leadership, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, and service performance indicators for each business area are described below.

## 2.1 Strategic Objective 1: Community Wellbeing

Plan, support and / or deliver a broad range of responsive and accessible services to our diverse community.

### Services

Business area	Description of services provided	Expenditure
		(Revenue) Net Cost \$
Environmental Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities, immunisation programs and public health promotions. The service also	212,200 (90,400) <b>121,800</b>
Libraries and Arts	This service provides public library services at three locations and a community cinema in Euroa. It provides a customer focused service that caters for the cultural, educational and recreational needs of residents and	269,000 (35,300) <b>233,700</b>
Community Grants and Recreational Planning	This service provides funding for the development of community facilities and activities	219,200 (2,500) <b>216,700</b>
Maternal and Child Health	This service provides family oriented, visiting and centre based maternal and child health services.	158,300 (107,500) <b>50,800</b>
Youth Services	This service provides youth facilities and a range of recreation and education based youth activities. Programs include Freeza, National Youth Week and L2P driving experience.	162,600 (53,500) <b>109,100</b>
Aged and Disabled Community Care and Support	This service provides a range of home and community care services for the aged and disabled including home delivered meals, personal care, transport, dementia care, home maintenance, housing support and senior	148,100 (37,800) <b>110,300</b>
Street Lighting	This service enhances public safety and community access by providing street lighting in urban areas	134,400 0 <b>134,400</b>
Parks and Reserves	This service is responsible for the management, maintenance and safety of parks and gardens, sporting grounds and playground facilities.	1,520,000 (8,800) <b>1,511,200</b>
Emergency Services	This service includes financial assistance for the SES service, fire prevention activities and flood risk planning and mitigation.	342,000 (69,700) <b>272,300</b>

## 2.1 Strategic Objective 1: Community Wellbeing

### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Libraries and Arts	Participation	Active library members (Percentage of the municipal population that are active library)	[Number of active library members / municipal population] x100
Aged and Disabled Community Care and Support	Participation	Participation in HACC service (Percentage of the municipal target population that receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
Aged and Disabled Community Care and Support	Participation	Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people that receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
Maternal and Child Health	Participation	Participation in MCH key ages and stages visits (Percentage of children attending the MCH key ages and stages visits)	Number of actual MCH visits / Number of expected MCH visits] x100
Maternal and Child Health	Participation	Participation in MCH key ages and stages visits by Aboriginal children (Percentage of Aboriginal children attending the MCH key ages and stages visits)	[Number of actual MCH visits for Aboriginal children / Number of expected MCH visits for Aboriginal children] x100
Environmental Health	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100



## 2.2 Strategic Objective 2: Environment

To continue to protect and enhance the natural and built environment for current and future generations.

### Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Sustainability Management	Council is committed to responsible and sustainable management of the Shire's natural resources. Programs in this service area include Pests and Weeds program, Implementation of Council's environmental strategy and Carbon Footprint Assessment program.	19,100 0 19,100
Waste Management	This service includes kerbside garbage and recycling collections, transfer station operations and waste management of public areas. Waste management charges are calculated on a full cost recovery basis. The surplus of \$555,900 is absorbed by attributable overhead costs	1,914,700 (2,470,600) (555,900)

### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Waste Management	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

## 2.3 Strategic Objective 3: Financial

Provide best practice management and administrative systems and structures to support the delivery of Council services and programs.

### Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Financial & Administration Services	This service area provides financial advice and support to the providers of all Council services, including budget preparation, long term financial planning, periodic reporting, processing of debtors and creditors, and statutory financial requirements, including FBT and GST reporting..	1,465,100 0 1,465,100

## 2.4 Strategic Objective 4: Governance

To provide all our stakeholders with consistent and timely decision making.

### Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Governance	This area of governance includes the Mayor, Councillors, Chief Executive Officer and other Executive Management costs which cannot be easily attributed to the direct service provision areas.	277,200 (2,400) 274,800

**Service Performance Outcome Indicators**

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions	Community satisfaction rating

## 2.5 Strategic Objective 5: Industry, Business and Investment

Pursue opportunities to increase the range of businesses and industries in the Shire to further strengthen our economy.

### Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Planning	This service area processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It also prepares and processes amendments to the Council Planning Scheme and carries out research on demographic, development, economic and social issues affecting Council.	1,055,600 (79,300) <b>976,300</b>
Building	This service area provides statutory building services to the community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of Council buildings and investigations of complaints and illegal works.	98,200 (35,000) <b>63,200</b>
Grants	This service area researches grant funding opportunities for Council projects and programs and manages the associated application, monitoring and aquital processes.	114,100 0 <b>114,100</b>
Strategic Projects	This service area provides resources for key strategic projects which generally have longer term outcomes for the development of the Shire. These projects often involve partnerships with other tiers of government and are often supported by external funding	122,400 0 <b>122,400</b>
Saleyards	This service area refers to the Euroa Saleyards. The saleyards operate on an approximately one sale per month basis.	190,600 (206,000) <b>(15,400)</b>

### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were upheld in favour of the Council)	[Number of VCAT decisions that upheld Council's decision in relation to a planning application / Number of decisions in relation to planning applications subject to review by VCAT] x100
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions

## 2.6 Strategic Objective 6: Infrastructure

Provide well maintained, affordable and appropriate infrastructure.

### Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Municipal Buildings	This service area is responsible for the maintenance of Council owned and controlled buildings.	432,600 (39,500) 393,100
Swimming Pools and Beaches	Council operates outdoor pools in Euroa, Nagambie, Violet Town and Avenel.	394,200 (15,300) 378,900
Roads and Bridge Maintenance Operations	This service area is responsible for the maintenance of Council's roads and bridges network.	9,597,400 (2,617,800) 6,979,600

### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Pool Facilities	Utilisation	Utilisation of pool facilities (The number of visits to pool facilities per head of municipal population)	Number of visits to pool facilities / Municipal population
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

## 2.7 Strategic Objective 7: Tourism

Ensure a coordinated and effective approach to economic and tourism development is maintained at all times.

### Services

Business area	Description of services provided	(Revenue) Net Cost \$
Boating Operations and Safety	Council is the boating authority for Nagambie Lakes. This service area provides patrol services, maintenance of boating infrastructure and support for on-water recreational activities.	128,900 (50,200) <b>78,700</b>
Tourism	Strathbogie Shire has a high tourism profile with broad ranging attractions including, natural environment, water based activities, wineries events and festivals. This service area is responsible for promoting the area generally and supporting local tourism bodies and tourism related events.	112,900 (10,000) <b>102,900</b>
Nagambie Lakes Regatta Centre Precinct	The Nagambie Lakes Regatta Centre is a major national rowing complex which conducts many high profile State and National championships. This service area provides support for the attraction, promotion and management of rowing and other water based events at the Regatta Centre.	193,900 (53,000) <b>140,900</b>
Events	This service area provides support for the planning, promotion and management of community based events.	68,900 0 <b>68,900</b>
Caravan Parks	Council has control of caravan parks at Nagambie Lakes and Euroa. The parks are operated by Council contractors.	13,700 (228,600) <b>(214,900)</b>

### 2.7 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on within the

### 2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
<b>Total services and initiatives</b>	<b>13,152,100</b>	<b>19,365,300</b>	<b>-6,213,200</b>
Other non-attributable	2,943,200		
<b>Deficit before funding sources</b>	<b>16,095,300</b>		
<b>Funding sources:</b>			
Rates & charges	14,979,800		
Capital grants	2,920,300		
<b>Total funding sources</b>	<b>17,900,100</b>		
<b>Surplus for the year</b>	<b>1,804,800</b>		

### **3. Budget influences**

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

#### **3.1 Snapshot of Strathbogie Shire Council**

Strathbogie Shire Council is situated midway between Melbourne and Albury in northeast Victoria. The municipality covers 3,300 square kilometres and has a population of approximately 10,000.

of Goulburn, Euroa and Violet Town, and part of the City of Seymour. Today, Council operates within a structure of seven community-elected Councillors, with one Councillor elected annually by the Council to serve as the Mayor.

##### **Population**

In June 2011, the resident population of the shire was 10,060 people. The Shire is experiencing population growth particularly in the Nagambie area.

##### **Ageing population**

The population is ageing with numbers larger than Regional Victorian averages for the age groups 50 to 59, 60 to 69 and 70 to 84.

#### **3.2 External influences**

because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- The Enterprise Bargaining Agreement (EBA). Agreed increase 3% pa
- Consumer Price Index (CPI) increases of < 4% per annum
- Receipt of significant capital works funding of \$2.92 million
- State and Federal budgetary tightening with consequential impacts for Local Government
- Climate and other environmental impacts

### **3.3 Internal influences**

As well as external influences, there are also a number of internal influences which will have a significant impact on the preparation of the 2015/16 Budget. These include:

- The transfer of Home Care services to an alternative service provider, resulting in significant offsetting revenue and expenditure impacts.
- The implementation of a new waste management regime, including organic waste collection and treatment, resulting in significant reductions in waste going to landfill sites Shepparton

### **3.4 Budget principles**

budgets. The principles include:

- Existing fees and charges to be increased generally in line with CPI or market levels
- Grants to be based on confirmed funding levels where possible
- New revenue sources to be identified where possible
- Service levels to be maintained at 2014/15 levels with an aim to use less resources with an emphasis on innovation and efficiency
- Real savings in expenditure and increases in revenue identified in 2014/15 to be preserved

### **3.4 Long Term Strategies**

The budget includes consideration of a number of long term strategies which assist Council in considering the Budget in a strategic financial management context. These include a Strategic Resource Plan for the years 2015 to 2019, Rating Strategy (section 9) and Other Long Term Strategies (section 10) including borrowings, infrastructure and service delivery.

## 4. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2015/16 year.

### 4.1 Budgeted income statement

Forecast				
	Ref	Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
Total income	4.2	28,158	27,568	(590)
Total expenses	4.3	(26,291)	(25,764)	527
<b>Surplus (deficit) for the year</b>		<b>1,867</b>	<b>1,804</b>	<b>(63)</b>
Grants –non-recurrent capital	4.2.6	(1,257)	(366)	891
Contributions - non-monetary assets		0	0	0
Capital contributions - other sources	4.2.4	0	0	0
<b>Adjusted underlying surplus (deficit)</b>		<b>610</b>	<b>1,438</b>	<b>828</b>

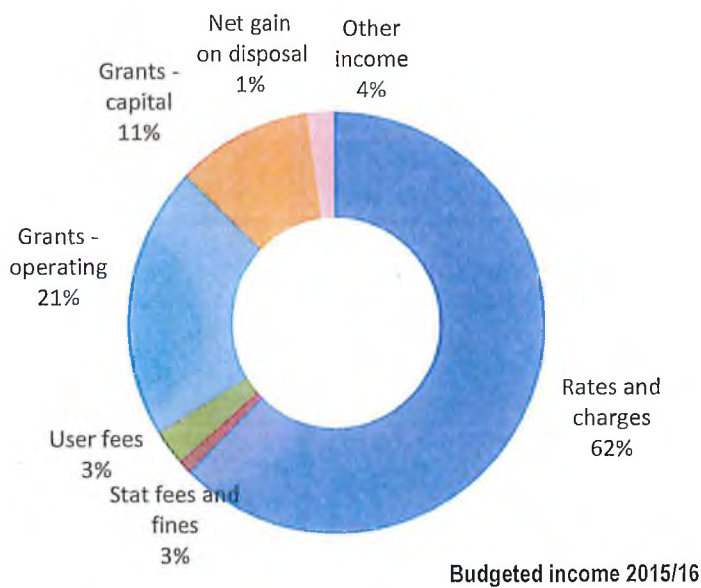
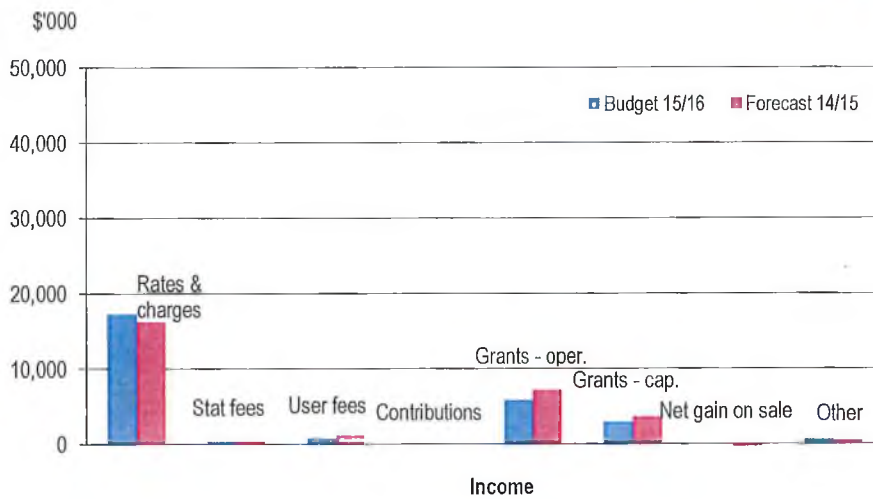
#### 4.1.1 Adjusted underlying surplus (\$0.83 million increase)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2015/16 year is a surplus of \$1.44 million which is an increase of \$0.83 million from the 2014/15 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.



## 4.2 Income

Income Types	Ref	Forecast	Budget	Variance
		Actual 2014/15 \$'000	2015/16 \$'000	\$'000
Rates and charges	4.2.1	16,171	17,234	1,063
Statutory fees and fines	4.2.2	271	278	7
User fees	4.2.3	1,098	743	(355)
Contributions - monetary	4.2.4	0	15	15
Grants - operating	4.2.5	7,129	5,792	(1,337)
Grants - capital	4.2.6	3,591	2,920	(671)
Net gain on disposal of property, infrastructure, plant & equip.	4.2.7	(521)	0	521
Other income	4.2.8	419	586	167
<b>Total income</b>		<b>28,158</b>	<b>27,568</b>	<b>(590)</b>



Source: Appendix A

#### **4.2.1 Rates and charges (\$1.06 million increase)**

charge component being maintained at the current level, \$266. A new system of waste management will be introduced for 2015/16, including the addition of a collection service for organic waste. Waste management services are based on a full cost recovery basis, reflecting the actual cost to Council of those services. Section 9. "Rating Information" includes a more detailed analysis of the rates and charges to be levied for 2015/16. Information on rates and charges specifically required by the Regulations is included in Appendix B.

#### **4.2.2 Statutory fees and fines (\$0.01 million increase)**

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include animal registrations and *Public Health and Wellbeing Act 2008* registrations. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to increase by 2.6% or \$0.01 million compared to 2014/15.

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

#### **4.2.3 User fees (\$0.36 million decrease)**

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

User charges are projected to decrease by 32.3% or \$0.36 million over 2014/15. The decrease is primarily attributable to the transfer of Home Care service delivery to an alternative provider, resulting in a reduction of \$0.34 million in fees from this source.

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

#### **4.2.4 Contributions - monetary (\$0.02 million increase)**

Contributions relate to monies paid by developers in regard to public resort and recreation, drainage and car parking in accordance with planning permits issued for property development.

#### 4.2.5 Grants - operating (\$1.34 million decrease)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants has decreased by 18.8% or \$1.34 million compared to 2014/15. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

Operating Grant Funding Type and Source	Forecast		Variance
	Actual 2014/15 \$'000	Budget 2015/16 \$'000	
<i>Recurrent - Commonwealth Government</i>			
Victorian Grants Commission	4,862	4,907	45
Commonwealth Roads of Access	25	26	1
<i>Recurrent - State Government</i>			
Aged care	1101	34	(1,067)
School crossing supervisors	16	16	0
Maternal and child health	105	107	2
Recreation	7	7	0
Community safety	74	64	(10)
Youth	88	53	(35)
Pests & Plants Program	49	0	(49)
Fire Service Levy Financial Support	15	39	24
Staff Training	18	0	(18)
<b>Total recurrent grants</b>	<b>6,360</b>	<b>5,253</b>	<b>(1,107)</b>
<i>Non-recurrent - State Government</i>			
Nagambie Main Street	500	500	0
Euroa Memorial Oval	235	0	(235)
Boating Safety	0	29	29
Recreation	24	0	(24)
Regional Victoria Living Expo	10	10	0
<b>Total non-recurrent grants</b>	<b>769</b>	<b>539</b>	<b>(230)</b>
<b>Total operating grants</b>	<b>7,129</b>	<b>5,792</b>	<b>(1,337)</b>

The decrease in recurrent operating grants is primarily a consequence of the transfer of Home Care services to an alternative provider, resulting in a reduction of \$1.07 million in grants from this source.

#### 4.2.6 Grants - capital (\$0.67 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 18.7% or \$0.67 million compared to 2014/15 due mainly to specific funding for some large capital works projects. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2015/16 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Capital Grant Funding Type and Source	Forecast		Variance \$'000
	Actual	Budget	
	2014/15 \$'000	2015/16 \$'000	
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	975	2,054	1,079
<i>Recurrent - State Government</i>			
State Government Roads & Bridges	1,000	0	(1,000)
Local Government Infrastructure Program	359	500	141
Total recurrent grants	<b>2,334</b>	<b>2,554</b>	<b>220</b>
<i>Non-recurrent - Commonwealth Government</i>			
<i>Non-recurrent - State Government</i>			
Buildings	615		(615)
Bridges	0	260	260
Floodplain Management	504	0	(504)
Waste Management	138	106	(32)
Total non-recurrent grants	<b>1,257</b>	<b>366</b>	<b>(891)</b>
Total capital grants	<b>3,591</b>	<b>2,920</b>	<b>(671)</b>

#### 4.2.7 Net loss on disposal of property, infrastructure, plant and equipment (\$0.52 million decrease)

Proceeds from the disposal of Council assets is forecast to be \$0.30 million for 2015/16 and relate mainly to the planned cyclical replacement of part of the plant and vehicle fleet. The written down value of assets sold is forecast to be \$0.30 million.

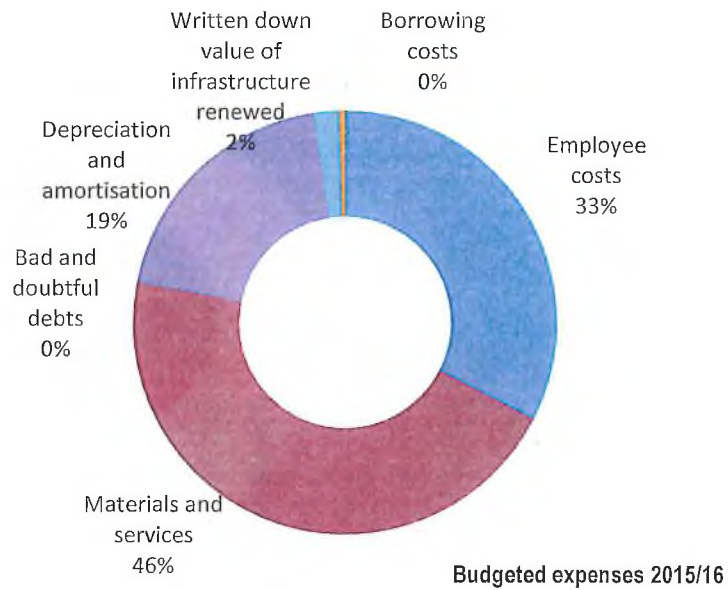
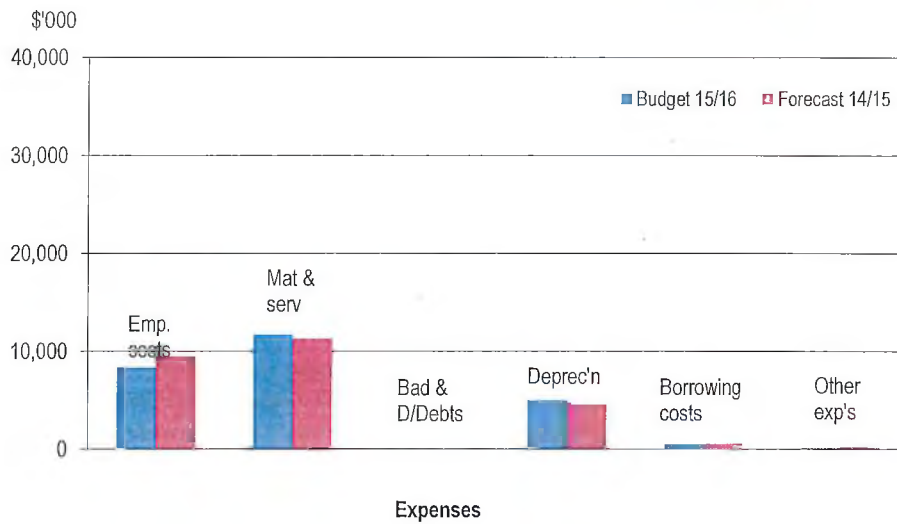
#### 4.2.8 Other income (\$0.17 million increase)

Other income relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to increase by 39.9% or \$0.17 million compared to 2014/15. The increase relates primarily to a new income stream from sale of organic waste from the new organic waste collection service (\$0.07 million) and the inclusion of previously unbudgeted income from the recovery of work cover claims \$0.08 million).

### 4.3 Expenses

Expense Types	Ref	Forecast		Variance
		Actual 2014/15 \$'000	Budget 2015/16 \$'000	
Employee costs	4.3.1	9,428	8,317	(1,111)
Materials and services	4.3.2	11,221	11,637	416
Bad and doubtful debts		5	0	(5)
Depreciation and amortisation	4.3.3	4,736	4,988	252
Written down value of infrastructure renewed	4.3.4	547	500	(47)
Borrowing costs	4.3.5	161	120	(41)
Other expenses	4.3.6	193	202	9
<b>Total expenses</b>		<b>26,291</b>	<b>25,764</b>	<b>(536)</b>



Source: Appendix A

#### 4.3.1 Employee costs (\$1.11 million decrease)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc.

Employee costs are forecast to decrease by 11.8% or \$1.11 million compared to 2014/15. This decrease relates to two key factors:

- Renegotiation of Council's Enterprise Bargaining Agreement (EBA) which is estimated to cost \$1.30 million in 2015/16

Increases in line with EBA and award related increments, approximately \$0.33 million.

Decrease related to the transfer of Home Care services to an alternative service provider, \$1.41 million.

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

Department	Budget 2015/16 \$'000	Permanent Full time \$'000	Comprises:	
			Permanent Part Time \$'000	Casual \$'000
Executive Services	315	315	-	-
Corporate & Community	1,792	1,116	576	100
Asset Services	4,849	4,230	559	60
Sustainable Development	1,361	939	422	-
<b>Total</b>	<b>8,317</b>	<b>6,600</b>	<b>1,557</b>	<b>160</b>

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

Department	Budget FTE	Permanent Full time	Comprises:	
			Permanent Part Time	Casual
Executive Services	2	2	-	-
Corporate & Community	19	11	7	1
Asset Services	62	53	8	1
Sustainable Development	14	10	4	-
<b>Total</b>	<b>97</b>	<b>76</b>	<b>19</b>	<b>2</b>

The most significant increases in employee costs by service unit are summarised below:

Department	ServiceUnit	Forecast	Budget 2015/16 \$'000	Variance \$'000
		Actual 2014/15 \$'000		
Corporate & Community	Home Care	1,527	116	(1,411)

#### 4.3.2 Materials and services (\$0.42 million increase)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to increase by 3.7% or \$0.42 million compared to 2014/15.

#### 4.3.3 Depreciation and amortisation (\$0.25 million increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$0.25 million for 2015/16 is due mainly to the completion of the 2015/16 capital works program and the full year effect of depreciation on the 2014/15 capital works program. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2015/16 year.

#### 4.3.4 Written down value of infrastructure renewed (\$0.05 million decrease)

This is the cost of writing off the residual value of infrastructure assets at the time of their renewal. The transaction has no cash impact and is similar to depreciation in its application.

#### 4.3.5 Borrowing costs (\$0.04 million decrease)

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

#### 4.3.6 Other expenses (\$0.01 million increase)

Other expenses relate to a range of unclassified items, not elsewhere included.



## 5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2015/16 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

### 5.1 Budgeted cash flow statement

	Ref	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
		Inflows (Outflows)	Inflows (Outflows)	
<b>Cash flows from operating activities</b>	5.1.1			
Rates and charges		16,171	17,234	1,063
Statutory fees and fines		271	278	7
User fees		1,098	743	(355)
Grants - operating		7,129	5,792	(1,337)
Grants - capital		3,591	2,920	(671)
Interest received		150	155	5
Other receipts		270	446	176
Employee costs		(9,428)	(8,317)	1,111
Materials and services		(12,912)	(11,637)	1,275
Other payments		(193)	(202)	(9)
<b>Net cash provided by/(used in) operating</b>		<b>6,147</b>	<b>7,412</b>	<b>1,265</b>
<b>Cash flows from investing activities</b>	5.1.2			
Payments for property, infrastructure, plant and		(9,561)	(6,770)	2,791
Proceeds from sale of property, infrastructure, plant		2,040	300	(1,740)
and equipment				
Payments for landfill rehabilitation		(525)	0	525
<b>Net cash provided by/ (used in) investing activities</b>		<b>(8,046)</b>	<b>(6,470)</b>	<b>1,576</b>
<b>Cash flows from financing activities</b>	5.1.3			
Finance costs		(161)	(120)	41
Proceeds from borrowings		0	0	0
Repayment of borrowings		(626)	(636)	(10)
<b>Net cash provided by/(used in) financing activities</b>		<b>(787)</b>	<b>(756)</b>	<b>31</b>
<b>Net increase/(decrease) in cash &amp; cash</b>		<b>(2,686)</b>	<b>186</b>	<b>2,872</b>
<b>equivalents</b>				
Cash and cash equivalents at the beginning of the		9,154	6,468	(2,686)
financial year				

Cash and cash equivalents at the end of the financial year

5.1.4

6,468	6,654	186
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### 5.1.1 Operating activities (\$1.27 million increase)

The increase in cash inflows from operating activities is primarily related to increased rates and charges revenue (\$1.06 million). Cash inflows and outflows related to the transfer of Home Care services are generally offsetting.

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

	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>1,867</b>	<b>1,804</b>	(63)
Depreciation	4,736	4,988	252
Loss (gain) on disposal of property, infrastructure, plant & equipment	521	0	(521)
Finance Costs	161	120	(41)
Written down value of infrastructure renewed	547	500	(47)
Net movement in current assets and liabilities	(1,364)	(758)	606
<b>Cash flows available from operating activities</b>	<b>6,468</b>	<b>6,654</b>	186

### 5.1.2 Investing activities (\$1.58 million increase)

The decrease in payments for investing activities results from a reduction of \$2.79 million in the capital works program and \$0.53 million for landfill rehabilitation, offset by reduced proceeds from sale of assets of \$1.74 million.

### 5.1.3 Financing activities (\$0.03 million increase)

For 2015/16 the total of principal repayments is \$0.64 million and finance charges is \$0.12 million.

### 5.1.4 Cash and cash equivalents at end of the year (\$0.19 million increase)

Overall, total cash and investments is forecast to increase by \$0.19 million to \$6.65 million as at 30 June 2016, The cash flow statement reflects Council's strategy of using excess cash and investments to renew existing infrastructure. This is consistent with Council's Strategic Resource Plan (see Section 8).

## 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 Council is estimating at 30 June 2015 it will have cash and investments of \$6.65 million, which has been restricted as shown in the following table.

	Ref	Forecast Actual 2015 \$'000	Budget 2016 \$'000	Variance \$'000
<b>Total cash and investments</b>		<b>6,468</b>	<b>6,654</b>	186
Restricted cash and investments				
- Statutory reserves	5.2.1	(150)	0	150
- Cash held to carry forward capital works	5.2.2	0	0	0
- Trust funds and deposits		0	0	0
<b>Unrestricted cash and investments</b>	5.2.3	<b>6,318</b>	<b>6,654</b>	336
- Discretionary reserves	5.2.4	(750)	(650)	100
<b>Unrestricted cash adjusted for discretionary reserves</b>	5.2.5	<b>5,568</b>	<b>6,004</b>	436

#### **5.2.1 Statutory reserves (\$0.00 million)**

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

#### **5.2.2 Cash held to fund carry forward capital works**

There is no amount shown as cash held to fund carry forward works at 30 June 2016, as it is expected that the capital works budget in the 2015/16 financial year will be fully completed. Section 6.2 contains further details on capital works funding.

#### **5.2.3 Unrestricted cash and investments (\$6.65 million)**

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

#### **5.2.4 Discretionary reserves (\$0.65 million)**

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

#### **5.2.5 Unrestricted cash adjusted for discretionary reserves (\$6.00 million)**

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

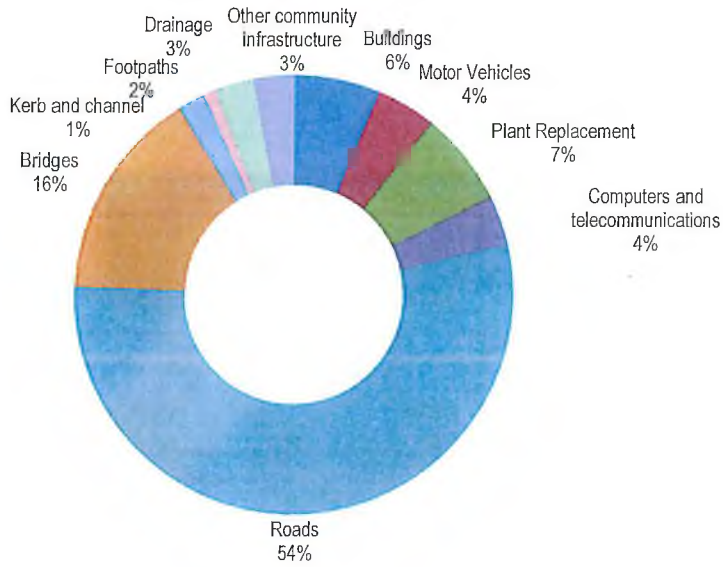
## 6. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2015/16 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Appendix C.

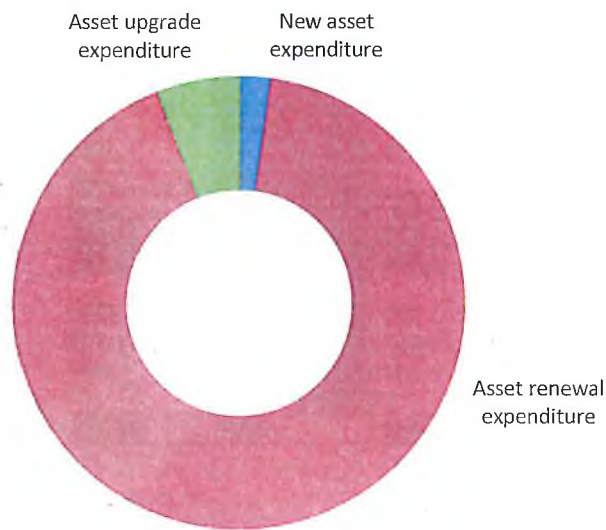
### 6.1 Capital works

Capital Works Areas	Ref	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
<b>Works carried forward</b>	6.1.1	1270	0	(1,270)
<b>New works</b>				
<b>Property</b>	6.1.2			
Land		1,029	0	(1,029)
Buildings		1,596	425	(1,171)
Total property		2,625	425	(2,200)
<b>Plant, machinery and equipment</b>	6.1.3			
Motor Vehicles		350	300	(50)
Plant Replacement		470	470	0
Total plant, machinery and equipment		820	770	(50)
<b>Furniture and equipment</b>	6.1.4			
Computers and telecommunications		150	250	100
		150	250	100
<b>Infrastructure</b>	6.1.5			
Roads		3,506	3,670	164
Bridges		717	1,052	335
Footpaths		105	139	34
Kerb and channel		80	62	(18)
Drainage		288	195	(93)
Other community infrastructure		0	206	206
Total infrastructure		4,696	5,325	629
<b>Total new works</b>		<b>8,291</b>	<b>6,770</b>	<b>(1,522)</b>
<b>Total capital works expenditure</b>		<b>9,561</b>	<b>6,770</b>	<b>(2,792)</b>
<b>Represented by:</b>				
New asset expenditure	6.1.6	523	147	(376)
Asset renewal expenditure	6.1.6	7,937	6,216	(1,721)
Asset upgrade expenditure	6.1.6	1,101	407	(694)
Asset expansion expenditure	6.1.6	0	0	0
<b>Total capital works expenditure</b>		<b>9,561</b>	<b>6,770</b>	<b>(2,791)</b>

**Budgeted capital works 2015/16**



**Budgeted capital works 2015/16**



Source: Appendix A. A more detailed listing of capital works is included in Appendix C.

#### **6.1.1 Carried forward works (\$0.00 million)**

It is assumed that all works scheduled for 2014/15 and 2015/16 will be completed within their respective budget periods.

#### **6.1.2 Property (\$0.43 million)**

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

For the 2015/16 year, \$0.43 million will be expended on building and building improvement projects.

#### **6.1.3 Plant, machinery and equipment (\$0.77million)**

Plant and equipment includes plant, machinery and equipment and motor vehicles.

For the 2015/16 year, \$0.77 million will be expended on plant, machinery and equipment. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$0.47 million), upgrade and replacement of motor vehicles (\$0.30 million).

#### **6.1.4 Furniture and equipment (\$0.25 million)**

For 2015/16 year, \$0.25 million will be expended on computer equipment.

#### **6.1.5 Infrastructure (\$5.33 million)**

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

For the 2015/16 year, \$3.67 million will be expended on road projects. The more significant projects include reseal program (\$1.30 million), rehabilitation program (\$1.20 million), resheeting program (\$0.63 million) and shoulder pavement program (\$0.32 million).

\$1.05 million will be expended on bridge projects. The more significant of these include Kirwan's Bridge (\$0.40 million) and Kelly's Bridge, Creighton Creek Road (\$0.12 million) and Cullen's Road Bridge (\$0.10 million).

#### **6.1.6 Asset renewal (\$6.22 million), new assets (\$0.15 million), upgrade (\$0.41 million)**

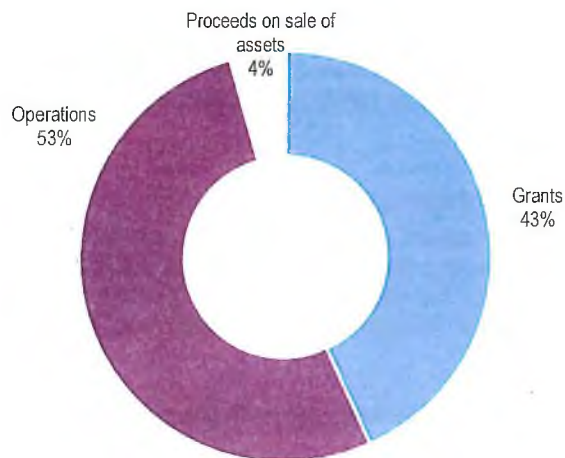
A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of expansion or upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

Council has continued its strong focus on asset renewal (\$6.22 million), with renewal expenditure exceeding 90% of the capital works budget

## 6.2 Funding sources

Sources of funding	Ref	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
<b>Works carried forward</b>	6.2.1			
<b>Current year funding</b>				
- unrestricted cash and investments		1,270	0	(1,270)
<b>Total works carried forward</b>		<b>1,270</b>	<b>0</b>	<b>(1,270)</b>
<b>New works</b>				
<b>Current year funding</b>				
Grants	6.2.2	3,590	2,920	(670)
Council cash				
- operations	6.2.3	2,661	3,550	889
- proceeds on sale of assets	6.2.4	2,040	300	(1,740)
- reserve cash and investments	6.2.5	0	0	0
- unrestricted cash and investments	6.2.6	0	0	0
<b>Total new works</b>		<b>8,291</b>	<b>6,770</b>	<b>(1,521)</b>
<b>Total funding sources</b>		<b>9,561</b>	<b>6,770</b>	<b>(2,791)</b>

### Budgeted total funding sources 2015/16



Source: Appendix A



#### **6.2.1 Carried forward works (\$0.0 million)**

It is assumed that all works scheduled for 2014/15 and 2015/16 will be completed within their respective budget periods. Consequently there will be no funding requirement for carried forward capital works.

#### **6.2.2 Grants - Capital (\$2.92 million)**

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants are budgeted to be received for Roads to Recovery projects (\$2.05 million), Local Government Infrastructure Program (\$0.50 million), Kirwan's Bridge (\$0.20 million) and transfer station upgrades (\$0.11 million).

#### **6.2.3 Council cash - operations (\$3.55 million)**

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$3.55 million will be generated from operations to fund the 2015/16 capital works program. This amount equates to the cash generated from operating activities of \$7.41 million as set out in Section 5. 'Analysis of Budgeted Cash Position' adjusted for capital grants of \$2.92 million and borrowing costs of \$0.64 million.

#### **6.2.4 Council cash - proceeds from sale of assets (\$0.30 million)**

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$0.30 million.



## 7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2014/15 and 2015/16. It also considers a number of key financial performance indicators.

### 7.1 Budgeted balance sheet

	Ref	Forecast Actual 2015 \$'000	Budget 2016 \$'000	Variance \$'000
<b>Current assets</b>	7.1.1			
Cash and cash equivalents		6,468	6,654	186
Trade and other receivables		1,468	1,468	0
Other assets		124	124	0
<b>Total current assets</b>		<b>8,060</b>	<b>8,246</b>	186
<b>Non-current assets</b>	7.1.1			
Trade and other receivables		226	226	0
Property, infrastructure, plant and equipment		238,254	239,536	1,282
<b>Total non-current assets</b>		<b>238,480</b>	<b>239,762</b>	1,282
<b>Total assets</b>		<b>246,540</b>	<b>248,008</b>	1,468
<b>Current liabilities</b>	7.1.2			
Trade and other payables		2,078	2,586	(508)
Provisions		2,388	2,388	0
Interest-bearing loans and borrowings		636	636	0
<b>Total current liabilities</b>		<b>5,102</b>	<b>5,610</b>	(508)
<b>Non-current liabilities</b>	7.1.2			
Provisions		665	665	0
Interest-bearing loans and borrowings		1,484	840	644
<b>Total non-current liabilities</b>		<b>2,149</b>	<b>1,505</b>	644
<b>Total liabilities</b>		<b>7,251</b>	<b>7,115</b>	136
<b>Net assets</b>		<b>239,289</b>	<b>240,893</b>	1,604
<b>Equity</b>	7.1.4			
Accumulated surplus		76,611	78,315	1,704
Asset Revaluation Reserve		161,928	161,928	0
Other Reserves		750	650	(100)
<b>Total equity</b>		<b>239,289</b>	<b>240,893</b>	1,604

Source: Appendix A

#### **7.1.1 Current Assets (\$0.19 million increase) and Non-Current Assets (\$1.28 million increase)**

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$0.19 million during the year mainly to fund the capital works program during the year.

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

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

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The increase in this balance is attributable to the net result of the capital works program (\$6.77 million of new assets), depreciation of assets (\$4.99 million), written down value of infrastructure renewed (\$0.50 million) and the sale of property, plant and equipment (\$0.30 million).

#### **7.1.2 Current Liabilities (\$0.51 million increase) and Non Current Liabilities (\$0.64 million decrease)**

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2014/15 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay loan principal of \$0.64 million over the year.

### 7.1.3 Working Capital (\$0.32 million decrease)

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

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

	Forecast		Variance
	Actual 2015 \$'000	Budget 2016 \$'000	
<b>Current assets</b>	8,060	8,246	(186)
<b>Current liabilities</b>	5,102	5,610	(508)
<b>Working capital</b>	2,958	2,636	322
Restricted cash and investment current assets			
- Statutory reserves	0	0	0
- Cash used to fund carry forward capital works	0	0	0
- Trust funds and deposits	0	0	0
<b>Unrestricted working capital</b>	<b>2,958</b>	<b>2,636</b>	<b>322</b>

In addition to the restricted cash shown above, Council is also projected to hold \$0.65 million in discretionary reserves at 30 June 2016. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

#### **7.1.4 Equity (\$1.60 million 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. The increase in accumulated surplus of \$1.70 million results directly from the operating surplus for the year.

#### **7.2 Key assumptions**

In preparing the Budgeted Balance Sheet for the year ending 30 June 2016 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Trade and other receivables - the long term financial planning model parameters assume these figures will remain constant.
- Employee provision increases due to Enterprise Bargaining and Award related outcomes are offset by more stringent management of excess leave accumulations.
- Repayment of loan principal to be \$0.64 million
- Total capital expenditure to be \$6.77 million

## 8. Strategic resource plan and financial performance indicators

This section includes an extract of the adopted Strategic Resource Plan to provide information on the long term financial projections of the Council.

### 8.1 Plan development

The Act requires a Strategic Resource Plan to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared an SRP for the four years 2015/16 to 2018/19 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
- Maintain operating and underlying operating surpluses
- Maintain a capital expenditure program which meets infrastructure renewal demand
- Achieve a balanced budget on a cash basis.

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

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

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

## 8.2 Financial resources

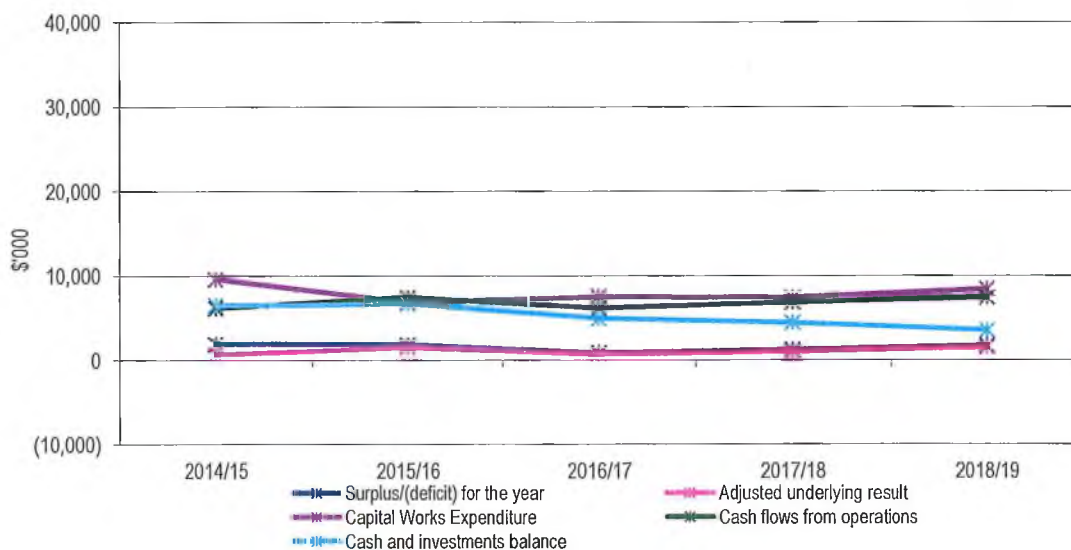
The following table summarises the key financial results for the next four years as set out in the SRP for years 2015/16 to 2018/19. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual	2015/16	Projections			+/-
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	
Surplus/(deficit) for the year	1,867	1,804	843	1,200	1,684	-
Adjusted underlying result	610	1,438	643	1,000	1,484	+
Cash and investments balance	6,468	6,654	4,905	4,420	3,510	-
Cash flows from operations	6,147	7,412	6,144	6,835	7,411	o
Capital works expenditure	9,561	6,770	7,511	7,400	8,400	-

Key to Forecast Trend:

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

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



The key outcomes of the Plan are as follows:

- **Financial sustainability (Section 5)** - Cash and investments is forecast to decrease over the four year period from \$6.65 million to \$3.37 million.
- **Rating levels (Section 9)** – Modest rate increases are forecast over the four years at an average of 4.0%.
- **Service delivery strategy** – Service levels have been maintained throughout the four year period. Despite this, operating surpluses and adjusted underlying surpluses are forecast in each of the forecast years. The underlying result is a measure of financial sustainability and is an important measure as non-recurrent capital items can often mask the operating result.
- **Borrowing strategy (Section 10)** – Borrowings are forecast to reduce from \$2.12 million to \$0.70 million over the four year period.
- **Infrastructure strategy (Section 10)** - Capital expenditure over the four year period will total \$89.84 million at an average of \$22.46 million.





### 8.3 Financial performance indicators

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

Indicator	Measure	Notes	Forecast	Budget	Strategic Resource Plan			Trend +/-
			Actual 2014/15	2015/16	Projections 2016/17 2017/18 2018/19			
<b>Operating position</b>								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	7.1%	6.9%	2.9%	4.0%	5.4%	o
<b>Liquidity</b>								
Working Capital	Current assets / current liabilities	2	180.0%	166.0%	129.0%	118.0%	98.0%	-
Unrestricted cash	Unrestricted cash / current liabilities		0.0%	114.0%	76.0%	62.0%	42.0%	-
<b>Obligations</b>								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	17.0%	12.0%	8.0%	5.0%	4.0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		5.0%	4.0%	4.0%	3.0%	1.0%	+
Indebtedness	Non-current liabilities / own source revenue		16.0%	12.0%	9.0%	7.0%	6.0%	+
Asset renewal	Asset renewal expenditure / depreciation	4	168.0%	125.0%	132.0%	123.0%	137.0%	o
<b>Stability</b>								
Rates concentration	Rate revenue / adjusted underlying revenue	5	62.0%	66.0%	71.0%	71.0%	71.0%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		1.0%	1.0%	1.0%	1.0%	1.0%	o
<b>Efficiency</b>								
Expenditure level	Total expenditure / no. of property assessments		\$3,585	\$3,489	\$3,436	\$3,521	\$3,591	o
Revenue level	Residential rate revenue / No. of residential property assessments				\$1,466	\$1,585	\$1,714	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		5.0%	5.0%	5.0%	5.0%	5.0%	o

Key to Forecast Trend:

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

## Notes to indicators

**1 Adjusted underlying result** - An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

**2 Working Capital** - The proportion of current liabilities represented by current assets. Working capital is forecast to decrease over the forecast period.

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

**4 Asset renewal** - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

**5 Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.

## 8.4 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. A summary of Council's anticipated human resources requirements for the 2015/16 year is shown below and further detail is included in section 4.3.1 of this budget. A statement of Human Resources is included in Appendix A.

Indicator	Forecast		Strategic Resource Plan Projections		
	Actual 2014/15	Budget 2015/16	2016/17	2017/18	2018/19
Employee costs (\$'000)					
- Operating	9,334	8,234	8,482	8,736	8,996
- Capital	94	83	86	88	91
Total	9,428	8,317	8,567	8,824	9,088
Employee numbers (EFT)	118	97	98	99	100

## 9. Rating information

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

### 9.1 Strategy development

Rates and charges are a key component of Council revenue, accounting for 62% of the total revenue received annually.

Council has a Rating Strategy which, in conjunction with the relevant sections of the Local Government Act 1989, provides the principles for Council's rating system. The strategy was implemented in the 2010/11 budget year after extensive community consultation and input. The strategy has since been reviewed annually and refined.

### 9.2 Current year rate increase

The proposed increase in **rates and municipal charges** for 2015/16 is 4%. The municipal charge component will be maintained at its current level of \$266. The combined **rates, municipal and service charges** increase is 5.49%.

The waste management charges are determined on a full cost recovery basis and reflect the actual cost to Council of providing the service.

Improved waste management practices will be introduced in 2015/16, enabling the separate collection of organic waste for conversion to reusable compostable material. This process will significantly reduce the amount of waste going to landfill, delivering long-term environmental and economic benefits.

The new system, which is in line with best practice waste management methodology, will necessitate the introduction of an additional bin for the collection of organic waste (in rural areas) and changes to the collection schedule for existing recyclable and non-recyclable household waste.

The new waste management system will be the subject of a broad community education program, explaining the waste collection and treatment regimes and the new cost structures. The education program will be run simultaneously and in conjunction with the budget process.

The following table sets out future proposed rate increases and total rates to be raised, in accordance with the budget and forecasts

Year	Total Rates & Municipal Charge Increase %	Total Rates, Municipal & Waste Services Increase %	Total Rates, Municipal & Waste Services Charges Raised \$000
2015/16	4	5.5	17,234
2016/17	4	4	18,041
2017/18	4	4	18,886
2018/19	4	4	19,770

The following table summarises the rates to be raised for the 2013/14 year. A more detailed analysis of the rates to

		2014/15	2015/16
General/Residential	Cents/ \$ of CIV	0.5106248	0.5334707
Residential Vacant land (175%)	Cents/ \$ of CIV	0.8935934	0.9335737
Farm Differential (85%)	Cents/ \$ of CIV	0.4340311	0.4534501
Commercial/Industrial Rate (115%)	Cents/ \$ of CIV	0.6127498	0.6401648
Vacant Comm/Industrial Land (175%)	Cents/ \$ of CIV	1.0723121	1.1202885
Municipal charge	\$ per property	266.00	266.00
Kerbside collection - residential	\$ per property	339.00	151.00
Kerbside collection - commercial	\$ per property	679.00	302.00
Recycling charge	\$ per property	168.00	89.00
Organic Waste Charge	\$ per property	N/A	179.00
Program	\$ per property	N/A	126.00

### 9.3 General revaluation of properties

The latest general revaluation of properties was undertaken with the effective revaluation date being 1 January 2014.

## 10. Other strategies

This sections sets out the strategies that have been developed and incorporated into the Strategic Resource Plan.

### 10.1 Borrowings

This budget proposes no new borrowings in 2015/16.

The following table sets out future proposed borrowings, in accordance with the budget forecast.

Year	New Borrowings \$'000	Principal \$'000	Interest \$'000	Balance 30 June \$'000
2014/15	0	626	161	2,121
2015/16	0	636	120	1,485
2016/17	0	609	81	876
2017/18	0	172	53	704

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

	2014/15 \$	2015/16 \$
Total amount borrowed as at 30 June of the prior year	2,747,457	2,121,621
Total amount to be borrowed	0	0
Total amount projected to be redeemed	(625,836)	(636,274)
Total amount proposed to be borrowed as at 30 June	2,121,621	1,485,347

## Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 10 of this report.

This information has not been included in the main body of the budget report in the interests of clarity and conciseness. Council has decided that whilst the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Financial statements	59
B	Rates and charges	66
C	Capital works program	71
D	Fees and charges schedule	81

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**Comprehensive Income Statement**

For the four years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rates and charges	16,171	17,234	18,041	18,886	19,770
Statutory fees and fines	271	278	286	295	304
User fees	1,098	743	773	804	836
Grants - Operating (Recurrent)	6,360	5,253	4,911	5,107	5,311
Grants - Operating (Non-recurrent)	769	539			
Grants - Capital (Recurrent)	2,334	2,554	1,546	1,608	1,672
Grants - Capital (Non-recurrent)	1,257	366	200	200	200
Contributions - monetary	0	0	0	0	0
Contributions - non-monetary	0	15	15	0	0
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(521)	0	0	0	0
Fair value adjustments for investment property	0	0	0	0	0
Share of net profits/(losses) of associates and joint ventures	0	0	0	0	0
Other income	419	586	592	591	591
<b>Total income</b>	<b>28,158</b>	<b>27,568</b>	<b>26,364</b>	<b>27,490</b>	<b>28,684</b>
<b>Expenses</b>					
Employee costs	9,428	8,317	8,567	8,824	9,088
Materials and services	11,221	11,637	11,323	11,606	11,954
Bad and doubtful debts	5	0	0	0	0
Depreciation and amortisation	4,736	4,988	4,851	5,100	5,201
Written down value of infrastructure renewed	547	500	500	500	500
Borrowing costs	161	120	72	47	37
Other expenses	193	202	208	214	221
<b>Total expenses</b>	<b>26,291</b>	<b>25,764</b>	<b>25,521</b>	<b>26,291</b>	<b>27,000</b>
<b>Surplus/(deficit) for the year</b>	<b>1,867</b>	<b>1,804</b>	<b>843</b>	<b>1,200</b>	<b>1,684</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods:</b>					
Net asset revaluation increment /(decrement)	0	0	0	0	0
Share of other comprehensive income of	0	0	0	0	0
<b>Items that may be reclassified to surplus or deficit in future periods</b>					
(detail as appropriate)					
<b>Total comprehensive result</b>	<b>1,867</b>	<b>1,804</b>	<b>843</b>	<b>1,200</b>	<b>1,684</b>

**Balance Sheet**

For the four years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan		
	Actual 2015 \$'000	2016 \$'000	Projections		
			2017 \$'000	2018 \$'000	2019 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6,468	<b>6,654</b>	4,905	4,420	3,510
Trade and other receivables	1,468	<b>1,468</b>	1,910	2,023	2,113
Other assets	124	<b>124</b>	124	124	124
<b>Total current assets</b>	<b>8,060</b>	<b>8,246</b>	<b>6,939</b>	<b>6,567</b>	<b>5,747</b>
<b>Non-current assets</b>					
Trade and other receivables	226	<b>226</b>	226	226	226
Property, infrastructure, plant & equipment	238,254	<b>239,536</b>	241,396	254,966	257,365
<b>Total non-current assets</b>	<b>238,480</b>	<b>239,762</b>	<b>241,622</b>	<b>255,192</b>	<b>257,591</b>
<b>Total assets</b>	<b>246,540</b>	<b>248,008</b>	<b>248,561</b>	<b>261,759</b>	<b>263,338</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	2,078	<b>2,586</b>	2,907	3,008	3,087
Provisions	2,388	<b>2,388</b>	2,388	2,388	2,388
Interest-bearing loans and borrowings	636	<b>636</b>	173	184	134
<b>Total current liabilities</b>	<b>5,102</b>	<b>5,610</b>	<b>5,468</b>	<b>5,580</b>	<b>5,609</b>
<b>Non-current liabilities</b>					
Provisions	665	<b>665</b>	665	665	665
Interest-bearing loans and borrowings	1,484	<b>840</b>	692	509	374
<b>Total non-current liabilities</b>	<b>2,149</b>	<b>1,505</b>	<b>1,357</b>	<b>1,174</b>	<b>1,039</b>
<b>Total liabilities</b>	<b>7,251</b>	<b>7,115</b>	<b>6,825</b>	<b>6,754</b>	<b>6,648</b>
<b>Net assets</b>	<b>239,289</b>	<b>240,893</b>	<b>241,736</b>	<b>255,005</b>	<b>256,690</b>
<b>Equity</b>					
Accumulated surplus	76,611	<b>78,315</b>	79,158	80,357	82,042
Asset Revaluation Reserve	161,928	<b>161,928</b>	161,928	173,998	173,998
Other Reserves	750	<b>650</b>	650	650	650
<b>Total equity</b>	<b>239,289</b>	<b>240,893</b>	<b>241,736</b>	<b>255,005</b>	<b>256,690</b>

**Statement of Changes in Equity**

For the four years ending 30 June

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2016</b>				
Balance at beginning of the financial year	239,289	76,611	161,928	750
Surplus/(deficit) for the year	1,804	1,804	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	(200)	(100)	-	(100)
<b>Balance at end of the financial year</b>	<b>240,893</b>	<b>78,315</b>	<b>161,928</b>	<b>650</b>
<b>2017</b>				
Balance at beginning of the financial year	240,893	78,315	161,928	650
Surplus/(deficit) for the year	843	843	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>241,736</b>	<b>79,158</b>	<b>161,928</b>	<b>650</b>
<b>2018</b>				
Balance at beginning of the financial year	241,736	79,158	161,928	650
Surplus/(deficit) for the year	1,200	1,200	-	-
Net asset revaluation increment/(decrement)	12,070	-	12,070	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>255,006</b>	<b>80,358</b>	<b>173,998</b>	<b>650</b>
<b>2019</b>				
Balance at beginning of the financial year	255,006	80,358	173,998	650
Surplus/(deficit) for the year	1,684	1,684	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	-	-	-
<b>Balance at end of the financial year</b>	<b>256,690</b>	<b>82,042</b>	<b>173,998</b>	<b>650</b>

## Statement of Cash Flows

For the four years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	16,171	17,234	17,738	18,809	19,709
Statutory fees and fines	271	278	282	294	303
User fees	1,098	743	760	800	833
Grants - operating	7,129	5,792	4,828	5,086	5,295
Grants - capital	3,591	2,920	1,717	1,800	1,866
Interest received	150	155	152	154	155
Other receipts	270	446	444	434	434
Employee costs	(9,428)	(8,317)	(8,430)	(8,780)	(9,054)
Materials and services	(12,912)	(11,637)	(11,142)	(11,550)	(11,910)
Other payments	(193)	(202)	(205)	(213)	(220)
<b>Net cash provided by/(used in) operating activities</b>	<b>6,147</b>	<b>7,412</b>	<b>6,144</b>	<b>6,835</b>	<b>7,411</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(9,561)	(6,770)	(7,511)	(7,400)	(8,400)
Proceeds from sale of property, infrastructure, plant and equipment	2,040	300	300	300	300
Payments for landfill rehabilitation	(525)	0	0	0	0
<b>Net cash provided by/ (used in) investing activities</b>	<b>(8,046)</b>	<b>(6,470)</b>	<b>(7,211)</b>	<b>(7,100)</b>	<b>(8,100)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(161)	(120)	(72)	(47)	(37)
Proceeds from borrowings	0	0	0	0	0
Repayment of borrowings	(626)	(636)	(610)	(173)	(184)
<b>Net cash provided by/(used in) financing activities</b>	<b>(787)</b>	<b>(756)</b>	<b>(682)</b>	<b>(220)</b>	<b>(221)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(2,686)</b>	<b>186</b>	<b>(1,749)</b>	<b>(485)</b>	<b>(910)</b>
Cash and cash equivalents at the beginning of the financial year	9,154	6,468	6,654	4,905	4,420
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6,468</b>	<b>6,654</b>	<b>4,905</b>	<b>4,420</b>	<b>3,510</b>

## Statement of Capital Works

For the four years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>					
Land	1613	0	0	0	0
<b>Total land</b>	<b>1613</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Buildings	1,450	425	1,768	2,081	2,304
<b>Total buildings</b>	<b>1,450</b>	<b>425</b>	<b>1,768</b>	<b>2,081</b>	<b>2,304</b>
<b>Total property</b>	<b>3,063</b>	<b>425</b>	<b>1,768</b>	<b>2,081</b>	<b>2,304</b>
<b>Plant and equipment</b>					
Plant, machinery and equipment	970	770	1,012	1,002	1,004
Computers and telecommunications	190	250	294	294	294
<b>Total plant and equipment</b>	<b>1,160</b>	<b>1,020</b>	<b>1,306</b>	<b>1,296</b>	<b>1,298</b>
<b>Infrastructure</b>					
Roads	3,562	3,671	4,012	3,550	4,311
Bridges	717	1052	385	432	441
Footpaths and cycleways	105	139	35	34	36
Drainage	599	195	5	7	10
Other community infrastructure	275	206	0	0	0
Kerb & Channel	80	62	0	0	0
<b>Total infrastructure</b>	<b>5,338</b>	<b>5,325</b>	<b>4,437</b>	<b>4,023</b>	<b>4,798</b>
<b>Total capital works expenditure</b>	<b>9,561</b>	<b>6,770</b>	<b>7,511</b>	<b>7,400</b>	<b>8,400</b>
<b>Represented by:</b>					
New asset expenditure	523	147	376	370	420
Asset renewal expenditure	7,937	6,216	6,384	6,290	7,140
Asset expansion expenditure	0	0	0	0	0
Asset upgrade expenditure	1,101	407	751	740	840
<b>Total capital works expenditure</b>	<b>9,561</b>	<b>6,770</b>	<b>7,511</b>	<b>7,400</b>	<b>8,400</b>

**Statement of Human Resources**  
For the four years ending 30 June 2019

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
<b>Staff expenditure</b>					
Employee costs - operating	9,334	<b>8,234</b>	8,534	8,846	9,169
Employee costs - capital	94	<b>83</b>	86	89	93
<b>Total staff expenditure</b>	<b>9,428</b>	<b>8,317</b>	<b>8,621</b>	<b>8,935</b>	<b>9,261</b>
	FTE	FTE	FTE	FTE	FTE
<b>Staff numbers</b>					
Employees	118	<b>97</b>	98	99	100
<b>Total staff numbers</b>	<b>118</b>	<b>97</b>	<b>98</b>	<b>99</b>	<b>100</b>

## **Appendix B**

### **Rates and charges**

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



## Rates and charges

### 1. Rates and charges

NOTE: Rates data has been calculated using a forecasting model, subject to the finalisation of the 1 January 2014 municipal revaluation. While total rates revenue is not expected to change, application of the actual valuations returned will marginally impact the forecast figures.

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

Type or class of land	2013/14 cents/\$CIV	2014/15 cents/\$CIV	Change
General rate for rateable residential properties	0.5106248	0.5334707	4.47%
General rate for rateable vacant residential properties	0.8935934	0.9335737	4.47%
General rate for rateable farm properties	0.4340311	0.4534501	4.47%
General rate for rateable commercial/industrial properties	0.6127498	0.6401648	4.47%
General rate for rateable vacant comm/ind properties	1.0723121	1.1202885	4.47%

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

Type or class of land	2014/15 \$	2015/16 \$	Change
Residential	5,565,141	5,858,111	5.26%
Vacant Residential	513,987	566,293	10.18%
Farm	5,785,730	6,099,690	5.43%
Commercial/Industrial	596,992	634,004	6.20%
Vacant Commercial/Industrial	8,289	8,660	4.48%
<b>Total amount to be raised by general rates</b>	<b>12,470,140</b>	<b>13,166,758</b>	<b>5.59%</b>

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

Type or class of land	2014/15 \$	2015/16 \$	Change
Residential	4,307	4,346	0.91%
Vacant Residential	393	403	2.54%
Farm	2,195	2,202	0.32%
Commercial/Industrial	280	284	1.43%
Vacant Commercial/Industrial	7	7	0.00%
<b>Total number of assessments</b>	<b>7,182</b>	<b>7,242</b>	<b>0.84%</b>

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

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

Type or class of land	2014/15 \$	2015/16 \$	Change
Residential	1,086,146,000	1,104,691,540	1.71%
Vacant Residential	57,546,000	60,658,580	5.41%
Farm	1,328,656,000	1,345,173,405	1.24%
Commercial/Industrial	97,041,000	99,037,570	2.06%
Vacant Commercial/Industrial	773,000	773,000	0.00%
<b>Total value of land</b>	<b>2,570,162,000</b>	<b>2,610,334,095</b>	<b>1.56%</b>



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

Type of Charge	Per Rateable Property 2014/15 \$	Per Rateable Property 2015/16 \$	Change
Municipal	266	266	0.0%

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

Type of Charge	2014/15 \$	2015/16 \$	Change
Municipal	1,735,121	1,753,121	1.04%

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

Type of Charge	Per Rateable Property 2014/15 \$	Per Rateable Property 2015/16 \$	Change
Kerbside collection - 80 Litre	339	151	-55.46%
Kerbside collection - 120 Litre	339	151	-55.46%
Kerbside collection - 240 Litre	679	302	-55.52%
Recycling - 120 Litre	168	89	-47.02%
Recycling - 240 Litre	168	89	-47.02%
Recycling - 360 Litre	168	89	-47.02%
Organics Collection - 120 Litre	N/A	179	N/A
Organics Collection - 240 Litre	N/A	219	N/A
Transfer Station/Tree Management Service Charge	N/A	126	N/A

1.9 The estimated total amount to be raised by each type of service rate or charge, and the estimated

Type of Charge	2014/15 \$	2015/16 \$	Change
Kerbside collection - 120 Litre	1,317,529	596,151	-54.75%
Kerbside collection - 240 Litre	47,310	21,046	-55.51%
Recycling	600,864	323,819	-46.11%
Organics Collection	N/A	542,370	N/A
Transfer Station/Tree Management Service Charge	N/A	830,426	N/A
<b>Total</b>	<b>1,965,703</b>	<b>2,313,812</b>	<b>17.71%</b>

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

Type of Charge	2014/15 \$	2015/16 \$	Change
Rates and charges	16,170,964	17,233,691	6.57%

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

There are no known significant changes which may affect the estimated amounts to be raised by rates and

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

## 2. Differential rates

### 2.1 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 0.5334707% (0.5334707 cents in the dollar of CIV) for all rateable Residential properties and Farm zoned properties which do not meet the Farm differential criteria;
- A differential rate of 0.9335737% (0.9335737 cents in the dollar of CIV) for all rateable Vacant Residential properties.
- A differential rate of 0.4534501% (0.4534501 cents in the dollar of CIV) for all rateable Farm properties.
- A differential rate of 0.6401648% (0.6401648 cents in the dollar of CIV) for all rateable Commercial/Industrial properties.
- A differential rate of 1.1202885% (1.1202885 cents in the dollar of CIV) for all rateable Vacant Commercial/Industrial properties.

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

Council considers that each differential rate will contribute to the 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.

### 2.2 Vacant Residential Land Differential Rate

A differential rate will be applied for vacant residential land.

The reasons for the application of a vacant residential differential rate are to ensure the equitable and efficient carrying out of Council's functions and to ensure the appropriate distribution of costs associated with the delivery of services. The differential is also applied to encourage the development of vacant residential land for the general benefit of the community.

Land classed as vacant residential is identified as that land which is categorised within the rating system as having a residential use and having improvements valued at not greater than \$20,000. Vacant residential land which is considered contiguous with occupied residential land will be rated as residential.

The characteristics of the land classed as vacant residential are that it is located within a residential (or township or similar) zone, is permitted for residential development and has improvements of not greater than \$20,000.

### 2.3 Commercial/Industrial Differential Rate

A differential rate will be applied to land used for commercial or industrial purposes.

The reasons for the application of a commercial/industrial differential rate are to ensure the equitable and efficient carrying out of Council's functions and to ensure the appropriate distribution of costs associated with the delivery of services which specifically benefit commercial/industrial properties.

Services specifically benefiting commercial/industrial properties include;

- street cleaning, streetscape infrastructure maintenance, waste management, environmental health, compliance - and animal control, street tree management and improvements to commercial and industrial areas.

The appropriate level for the commercial/industrial differential rate is considered to be 120% of the general rate, subject to the following transitional arrangements -

Land classed as commercial/industrial is identified as that land which is categorised within the rating system as having a commercial or industrial use.

The characteristics of the land classed as commercial/industrial are that it is used for the purposes of retail, wholesale, tourism activities, accommodation, professional or other commercial services or for manufacturing, maintenance, storage and distribution of goods or other industrial services.

#### **2.4 Vacant Commercial/Industrial Differential Rate**

A differential rate will be applied for vacant commercial/industrial land.

The reasons for the application of a vacant commercial/industrial differential rate are to ensure the equitable

Land classed as vacant commercial/industrial is identified as that land which is categorised within the rating system as having a commercial or industrial use and having improvements valued at not greater than \$20,000. Vacant commercial/industrial land which is considered contiguous with occupied commercial/industrial land will be rated as commercial/industrial.

The characteristics of the land classed as vacant commercial/industrial are that it is located within a commercial or industrial zone, is permitted for commercial or industrial development and has improvements of not greater than \$20,000.

#### **2.5 Farm Differential Rate**

A differential rate will be applied to land used for farming purposes.

The reason for the application of a farm differential rate is to ensure the equitable and efficient carrying out of Council's functions.

Specifically, reasons include –

Acknowledgement that land invested in farming is intrinsic to the activity, distinguishing it from land upon which an activity is based.

Acknowledgement that farming viability generally requires broadacre investment and recognition of the consequent adverse rating impacts of that investment.

Acknowledgement that farmers are key contributors to the successful management of the rural environment and that the general community derives benefit from that management.

Recognition of the importance of farming as a local economic generator with flow on impacts for local business and employment.

The importance of maintaining the Shire's rural amenity for the enjoyment of residents and the attraction of tourists.

The application of a farm differential is consistent with the general practice of rural local governments.

National economic importance of encouraging investment in primary industry.

The appropriate level for the farm differential rate is considered to be 85% of the general rate.

Land classed as farm is identified as that land which is situated within the farming zone, is not less than 40 hectares in area and is not classified as having a commercial or industrial use. Land classified as having a commercial or industrial use will be rated accordingly.

Land situated within the farming zone of less than 40 hectares may be considered for the farm differential rate, subject to satisfying Council's criteria for recognition as a bone fide farming activity. Typically such consideration would apply to intensive farming pursuits.

The characteristics of the land classed as farm are that it is used to;

- propagate, cultivate or harvest plants, including cereals, flowers, fruit, seeds, trees, turf, and vegetables; or
- keep, breed, board, or train animals, including livestock, and birds; or
- propagate, cultivate, rear, or harvest living resources of the sea or inland waters.

## Appendix C Capital works program

This appendix presents a listing of the capital works projects that will be undertaken for the 2015/16 year.

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

- New works for 2015/16
- Works carried forward from the 2014/15 year.

**Capital works program**  
For the year ending 30 June 2016

**1. New works**

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
<b>PROPERTY</b>									
<b>Buildings</b>									
Strathbogrie Memeorial Hall	3		3						3
Nagambie Glass Square Bowling Club Rooms	30		30						30
Nagambie Glass Square Tennis Club Rooms	20		20						20
Violet Town Bowls club shed	15		15						15
Brock Street Toilet Cubicle refurbishment	22		22						22
Euroa Civic Centre - Damp proofing	10		10						10
Euroa Caravan Park - amenities building deck replacement	35		35						35
Euroa Caravan Park - switch room renewal	5		5						5
Euroa Caravan Park Lease Upgrade	30			30					30
Roof Euroa Civic Centre	97		97						97
Euroa Guides Hall	8		8						8
Euroa Depot - sewer connection	10		10						10
Euroa Band Hall William Pearson	20		20						20
RSL Hall Memorial Park, Euroa - Stage 2 painting & rendering the exterior of building	45		45						45
Nagambie Lakes Community House - Restumping	10		10						10
Boho South Hall - Kitchen referb	10		10						10
Decommission Locksley Tennis Club toilets	5		5						5
Decommission Violet Town Shadforth Reserve Toilet	15		15						15

Violet Town Old Library - white ant damage (stage 2)	10	10			10
Violet Town Depot - Stage 2	25	25			25
<b>Total Buildings</b>	<b>425</b>	<b>370</b>	<b>30</b>	<b>0</b>	<b>425</b>
<b>TOTAL PROPERTY</b>	<b>425</b>	<b>370</b>	<b>30</b>	<b>0</b>	<b>425</b>

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
<b>PLANT AND EQUIPMENT</b>									
<b>Plant, Machinery and Equipment</b>									
Plant replacement	470		470					470	
Motor vehicle replacement	300		300					300	
<b>Total Plant, Machinery and Equipment</b>	<b>770</b>	<b>0</b>	<b>770</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>770</b>	<b>0</b>
<b>Furniture and Equipment</b>									
<b>Computers and Telecommunications</b>									
Information technology	250		250					250	
<b>Total Computers and Telecommunications</b>	<b>250</b>	<b>0</b>	<b>250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250</b>	<b>0</b>
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>1,020</b>	<b>0</b>	<b>1,020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,020</b>	<b>0</b>



Capital Works Area	Project cost \$'000	Asset expenditure type					Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000	
<b>INFRASTRUCTURE</b>										
<b>Roads</b>										
Reseal Program	1,296		1296							
Rehabilitation Program	1,201		1201			2,660		791		
Shoulder Pavement Program	321		321							
Resheeting Program	633		633							
Birkett Street - Railway pedestrian crossing	25	25						25		
Mitchellstown Road - Signage Upgrade	2				2			2		
Garret St Euroa shoulder widening & Seal - Graham to Sutherland St	20				20			20		
Charles St resheet & seal - Frost St to Hay Street	38				38			38		
Binney St - ramp for disabled bay	5				5			5		
Euroa Mansfield Road, Seven Creeks to Anderson St Stage 1	130				130			130		
<b>Total roads</b>	<b>3,671</b>	<b>25</b>	<b>3,451</b>	<b>195</b>	<b>0</b>	<b>2,660</b>	<b>0</b>	<b>1,011</b>	<b>0</b>	<b>0</b>
<b>Bridges</b>										
Kirwan's Bridge	400		400					200		200
Kelly's Bridge, Creighton's Creek Road	120		120					60		60
Currie's Road Bridge No 30	45		45					45		45
Avenel Longwood Bridge No 63	65		65					65		65
Arcadia-Tamleugh Road Bridge No 105	28		28					28		28
Abutment works as per Moloney 2015 report	139		139					139		139
Cullens Road Bridge No 86	100		100					100		100
*High Street- Violet Town Bridge No 90	155		155					155		155
<b>Total Bridges</b>	<b>1,052</b>	<b>0</b>	<b>1,052</b>	<b>0</b>	<b>0</b>	<b>260</b>	<b>0</b>	<b>792</b>	<b>0</b>	<b>0</b>

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
<b>Footpaths</b>									
Binney St asphalt renewal-Bury to Brock (both sides)	22		22					22	
Elizabeth Street	18		18					18	
High St - Nagamble (south)	18		18					18	
McGinness Street	16		16					16	
Lighting of Nagamble Foreshore walkway	25	13		12				25	
Avenel - Livingstone St - gravel paths	40	40						40	
<b>Total Footpaths</b>	<b>139</b>	<b>53</b>	<b>74</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>139</b>	<b>0</b>
<b>Kerb and channel</b>									
Gobur Street	11		11					11	
Kirkland Avenue	21		21					21	
Fancourt street	16		16					16	
Fancourt street	14		14					14	
<b>Total</b>	<b>62</b>	<b>0</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>
<b>Drainage</b>									
Pit lid inserts	1		1					1	
Barwon Street Nagamble	20			20				20	
Thorndike Road	20			20				20	
Rowe Street, Euroa Stage 1	100		50	50				100	
Saxon Street Euroa - stage 2	50			50				50	
Kennedy Street drainage improvement -open drain	4	4						4	
<b>Total Drainage</b>	<b>195</b>	<b>4</b>	<b>51</b>	<b>140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>195</b>	<b>0</b>

Capital Works Area	Project cost \$'000	New				Renewal		Upgrade		Expansion		Grants Contributions		Council cash		Borrow's	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Community infrastructure</b>																	
Heritage Signs Plaques	7					7											7
Spring Creek Road - Shelter & Pathway	10	10															10
Brock Street Drainage - Replace & relay brick pavers	8					8											8
Creation of easement for Flood Levees	15	15															15
Euroa Skate Park - Shade Sail	15	15															15
Nagamble Oval	16					16											16
Avenel Oval	15					15											15
Euroa Friendlies Oval	16					16											16
Violet Town Oval	16					16											16
Longwood Oval	31					31											31
Longwood Recreation Reserve Tree Removal	30							30									30
Play equipment Bi-Centennial Park, Euroa	13					13											13
Replacement of fences, bollards and park lighting	14					14											14
<b>Total community infrastructure</b>	<b>206</b>	<b>40</b>	<b>136</b>	<b>30</b>	<b>0</b>	<b>136</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>206</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL INFRASTRUCTURE</b>	<b>5,325</b>	<b>122</b>	<b>4,826</b>	<b>377</b>	<b>0</b>	<b>4,826</b>	<b>377</b>	<b>0</b>	<b>2,920</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,405</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL NEW CAPITAL WORKS 2015/16</b>	<b>6,770</b>	<b>147</b>	<b>6,216</b>	<b>407</b>	<b>0</b>	<b>6,216</b>	<b>407</b>	<b>0</b>	<b>2,920</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2. Works carried forward from the 2014/15 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
<b>TOTAL CARRIED FWD WORKS 2014/15</b>	0	0	0	0	0	0	0	0	0
<b>TOTAL CAPITAL WORKS</b>	0	0	0	0	0	0	0	0	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrow's \$'000
<b>3. Summary</b>									
PROPERTY	425	25	370	30	0	0	0	425	0
PLANT AND EQUIPMENT	1,020	0	1,020	0	0	0	0	1,020	0
INFRASTRUCTURE	5,325	122	4,826	377	0	2,920	0	2,405	0
<b>TOTAL CAPITAL WORKS</b>	<b>6,770</b>	<b>147</b>	<b>6,216</b>	<b>407</b>	<b>0</b>	<b>2,920</b>	<b>0</b>	<b>3,850</b>	<b>0</b>

**Appendix D**  
**Fees and charges schedule**

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2015/16 year.



Budget 2015/2016 - Council Fees		Fee Unit	Current Fees 2014/15 (ex GST)	Proposed Fees 2015/16 (ex GST)	% Increase 2015/16 (Ex GST)	GST Applicable	Fee 2015/16 (Inc GST)
<b>Community Transport</b>							
<b>Euroa Cinema</b>							
Single Ticket	1 ticket	\$9.10	\$9.10	0.00%	Yes	10.00	
Book of Tickets	5 tickets	\$36.36	\$36.36	-0.01%	Yes	40.00	
<b>Swimming Pools</b>							
Family	Season	76.36	78.65	3.00%	Yes	87.00	
Adult	Season	50.91	52.44	3.00%	Yes	58.00	
Child	Season	33.64	34.65	3.00%	Yes	38.00	
Adult	Day	4.55	4.68	3.00%	Yes	5.00	
Child	Day	3.64	3.75	3.00%	Yes	4.00	
<b>Tip/Transfer Station Fees</b>							
Commercial Garbage (Residents)	m3	47.27	49.09	3.84%	Yes	54.00	
Commercial Garbage (Non - Residents)	m3	86.36	89.09	3.16%	Yes	98.00	
Domestic Garbage (Residents)	m3	30.00	30.91	3.03%	Yes	34.00	
Domestic Garbage (Non - Residents)	m3	60.00	61.80	3.00%	Yes	68.00	
Greenwaste (Residents)	m3	15.45	16.36	5.86%	Yes	18.00	
Greenwaste (Non-Residents)	m3	20.00	21.82	9.10%	Yes	24.00	
Whitegoods (Requiring degassing)	unit	8.18	9.09	11.10%	Yes	10.00	
Mattresses/Mattress Bases (Single) (Residents)	unit	14.55	16.36	12.48%	Yes	18.00	
Mattresses/Mattress Bases (Single) (Non-Residents)	unit	29.09	32.73	12.51%	Yes	36.00	
Mattresses/Mattress Bases (Double) (Residents)	unit	20.91	22.73	8.71%	Yes	25.00	
Mattresses/Mattress Bases (Double) (Non-Residents)	unit	41.82	45.45	8.68%	Yes	50.00	
Tyres - Car (Residents)	unit	7.27	7.27	-0.04%	Yes	8.00	
Tyres - Car (Non-Residents)	unit	9.09	9.09	-0.01%	Yes	10.00	
Tyres - Light Truck/4WD (Residents)	unit	10.00	10.91	9.10%	Yes	12.00	
Tyres - Light Truck/4WD (Non-Residents)	unit	13.64	13.64	0.03%	Yes	15.00	
Tyres - Heavy Truck (Residents)	unit	22.73	22.73	0.01%	Yes	25.00	
Tyres - Heavy Truck (Non-Residents)	unit	27.27	27.27	-0.01%	Yes	30.00	
Tyres - Tractor (Residents)	unit	45.45	54.55	20.01%	Yes	60.00	
Tyres - Tractor (Non-Residents)	unit	54.55	63.64	16.67%	Yes	70.00	
Tyres - Earthmoving (Residents)	unit	56.36	90.91	61.29%	Yes	100.00	
Tyres - Earthmoving (Non-Residents)	unit	68.18	109.09	60.00%	Yes	120.00	
Commingled Recyclables - Residential (Residents)	m3	No charge					
Commingled Recyclables - Residential (Non-Residents)	m3	6.36	6.36	-0.06%	Yes	7.00	
Commingled Recyclables -Commercial/Business (Residents)	m3	4.55	4.55	0.10%	Yes	5.00	
Commingled Recyclables -Commercial/Business (Non-Residents)	m3	9.09	9.09	-0.01%	Yes	10.00	
Gas Bottles (<9kg) (Residents)	unit	5.45	5.45	-0.08%	Yes	6.00	
Gas Bottles (<9kg) (Non-Residents)	unit	9.09	9.09	-0.01%	Yes	10.00	
Gas Bottles (9kg) (Residents)	unit	7.27	7.27	-0.04%	Yes	8.00	
Gas Bottles (9kg) (Non-Residents)	unit	13.64	13.64	0.03%	Yes	15.00	
Gas Bottles (>9kg) (Residents)	unit	12.73	12.73	0.02%	Yes	14.00	
Gas Bottles (>9kg) (Non-Residents)	unit	20.00	20.00	0.00%	Yes	22.00	
TV's/Computers	unit		27.27	#DIV/0!	Yes	30.00	
<b>General File/Permit Retrieval</b>							
Admin Fee Electronic Retrieval of file (Planning, Building,Health, Septic, Food)	per file		33.00		Yes	36.30	
plus scan up to A3 1-50 pages	page		0.15		Yes	0.17	
plus scan up to A3 51-100 pages	page		0.14		Yes	0.15	
plus scan greater than A3	page		1.40		Yes	1.50	
Admin Fee Hard Copy Retrieval of file (Planning, Building,Health, Septic, Food)	per file		33.00		Yes	36.30	
Scan up to A3 1-50 pages plus general photocopying charge	page		0.15		Yes	0.17	
Scan up to A3 51-100 pages plus general photocopying charge	page		0.14		Yes	0.15	
Scan greater than A3 plus general photocopying charge	page		1.40		Yes	1.50	
<b>General Photocopying</b>							
A4 (each)	page	1.00	0.91	-9.09%	Yes	1.00	
A3 (each)	page	2.00	1.82	-9.09%	Yes	2.00	
A2 (each)	page	3.00	2.73	-9.09%	Yes	3.00	
A1 (each)	page	5.00	4.55	-9.09%	Yes	5.00	

<u>Building Fees</u>						
<b>Domestic Building Works:</b>						
New Dwellings up to \$180,000	app'n	2546.00	2,622.38	3.00%	No	2,622.00
New Dwellings Over \$180,000	app'n	2812.00	2,896.36	3.00%	No	2,896.00
Additions to Dwelling, Garage, Decks, Pergolas, Fencing, Masts etc. \$0 - \$30,000	app'n	795.00	818.85	3.00%	No	819.00
Additions Over \$30,000 to \$180,000	app'n	1167.00	1,202.01	3.00%	No	1,202.00
<b>Industrial / Commercial</b>						
Minor Works to \$10,000	app'n	1920.00	1,977.60	3.00%	No	1,978.00
Minor Works \$10,000 to \$30,000 (Cost of works x 0.0145+\$2,000)	app'n	Cost formula				
Building Works \$30,000 to \$500,000 (Cost of works x 0.0145+\$2,000)	app'n	Cost formula				
Building Works Above \$500,000 (POA)	app'n	POA				
<b>Service Fees</b>						
Building Permit Extension Class 1	app'n	190.00	195.70	3.00%	No	196.00
Building Permit Extension Class 10	app'n	106.00	109.18	3.00%	No	109.00
Essential Safety Measures Report per hour (Minimum 2 hour charge)	hour	160.00	164.80	3.00%	No	165.00
Occupancy Inspection per hour (Minimum 2 hour charge)	hour	160.00	164.80	3.00%	No	165.00
Building Permit Amendments per hour (Minimum 2 hour charge)	hour	160.00	164.80	3.00%	No	165.00
Preparation of Reports per hour (Minimum 2 hour charge)	hour	160.00	164.80	3.00%	No	165.00
Installation Permit (Removable Dwellings under Residential Tenancies Act)	app'n	850.00	875.50	3.00%	No	876.00
P.O.P.E. Places Of Public Entertainment Approval	app'n	1545.00	1,591.35	3.00%	No	1,591.00
P.O.P.E. Siting MBS approvals (Min 2 hours)	hour		164.80	#DIV/0!	No	165.00
<b>Road Opening Permit Fees</b>						
Vehicle Crossing	Permit	69.00	152.30	120.72%	No	152.00
Other Road Openings - per Regulations						
Permit for removal of fallen timber	Permit	10.00	10.00		No	10.00
<b>Domestic Animal Registration Fees</b>						
Standard Fee (As Set by Council)	Animal	165.00	169.95	3.00%	No	170.00
Reduced Fee (Set by the Act =not greater than 33.33% of Maximum Fee)	Animal	38.00	39.14	3.00%	No	39.00
Pensioner Fee (Set by the Act = 50% of Reduced Fees)	Animal	19.00	19.57	3.00%	No	20.00
Declared dogs (no concession)	Animal	-	250.00	#DIV/0!	No	250.00
<b>Pound Fees</b>						
Domestic Animals (Dogs/Cats)	Day	16.50	17.00	3.00%	No	17.00
Domestic Animal - Administration Fee (Accounting/Advertising/Release etc)		100.00	103.00	3.00%	No	103.00
Domestic Animals - After Hours Collection Fee when impounded	Collection	100.00	103.00	3.00%	No	103.00
Livestock - Sheep	Head/Day	6.20	6.39	3.00%	No	6.00
Livestock - Cattle	Head/Day	16.50	17.00	3.00%	No	17.00
Livestock - Horses	Head/Day	16.50	17.00	3.00%	No	17.00
Livestock - Stallions & Bulls	Head/Day	59.00	60.77	3.00%	No	61.00
Livestock - Other	Head/Day	16.50	17.00	3.00%	No	17.00
Transport - By Staff	Trip	101.00	104.03	3.00%	No	104.00
Transport - By Contractor	Trip					
Livestock - Administration Fee (Accounting/Advertising/Release etc)	Offence	101.00	104.03	3.00%	No	104.00
<b>Impound/Call Out Fees</b>						
Staff impound/Call out fee		101.00	104.03	3.00%	No	104.00
Contractor impound/Call out fee						
<b>Surrender of Animals</b>						
Animals to be euthanased where owner surrenders -		85.00	87.55	3.00%	No	88.00
All animals		85.00	87.55	3.00%	No	88.00
<b>Other Fees</b>						
Vet Fees (all animals)		At Cost +10%			Yes	-
<b>Domestic Animal Business</b>						
Registration and Renewal		222.00	228.66	3.00%	No	229.00
Additional Inspections		106.00	110.00	3.77%	No	110.00
New Business Establishment Fee		-	228.66	#DIV/0!	No	229.00



<b>Local Laws - Permits</b>						
Permit to graze livestock by resident owner		37.00	38.11	3.00%	No	38.00
Other Permits (Administration Fee)	Permit	69.00	71.07	3.00%	No	71.00
Annual Permits, including single item street trading		69.00	71.07	3.00%	No	71.00
Annual Permits for multiple use in street trading		120.00	123.60	3.00%	No	124.00
<b>Saleyards</b>						
Agents Yard Fee for sale days (cattle sold per head) or		0.30	0.31	3.00%	Yes	0.34
Fee per sale (whichever is greater Crush Use Weighings Scanning Sheep Horse Alpaca Llama Truck wash		309.00	318.27	3.00%	Yes	350.00
		4.10	4.22	3.00%	Yes	4.60
		2.60	2.68	3.00%	Yes	2.90
		0.25	0.26	3.00%	Yes	0.30
		5.65	5.82	3.00%	Yes	6.40
		5.65	5.82	3.00%	Yes	6.40
		5.65	5.82	3.00%	Yes	6.40
		1.55	1.60	3.00%	Yes	1.80
<b>Fees Associated with Sales</b>						
2nd day before sale day (after mid-day)		8.75	9.01	3.00%	Yes	9.90
Day before sale day		8.75	9.01	3.00%	Yes	9.90
Sale day		8.75	9.01	3.00%	Yes	9.90
Day after Sale day (before 5.00pm)		8.25	8.50	3.00%	Yes	9.30
Use of yards as a trans-shipment point (max. 12hours)		227.00	233.81	3.00%	Yes	257.20
Single Truck Operators		113.00	116.39	3.00%	Yes	128.00
<b>Health Fees</b>						
<b>Food Premises etc Fees</b>						
Class 1 Food Premises (includes one routine inspection and audit)	Permit	488.00	502.64	3.00%	No	503.00
- Additional fees for late registration (add 50% of scheduled fee)		244.00	251.32	3.00%	No	251.00
Class 2 Food Premises (includes one routine inspection and compliance check)	Permit	488.00	502.64	3.00%	No	503.00
- Additional fees for late registration (add 50% of scheduled fee)		244.00	251.32	3.00%	No	251.00
Class 2 with 3rd party FSP (includes one routine inspection and compliance check)	Permit	488.00	502.64	3.00%	No	503.00
- Additional fees for late registration (add 50% of scheduled fee)		244.00	251.32	3.00%	No	251.00
Class 3 Food Premises (includes one routine inspection)	Permit	212.00	218.36	3.00%	No	218.00
- Additional fees for late registration (add 50% of scheduled fee)		106.00	109.18	3.00%	No	109.00
New Business Establishment Fee	Permit		50% of scheduled fee			
More than 5 persons employed (\$10 per person to a maximum \$2,500)	Permit	10.00	10.30	0.00%	No	10.00
Sporting Clubs/Community Groups (not for profit)	Permit	-				
<b>Food vehicle</b>						
Class 2	Permit	276.00	284.28	3.00%	No	284.00
Class 3	Permit	170.00	175.10	3.00%	No	175.00
<b>Temporary Food Stall</b>						
<b>Single event</b>						
Class 2	Permit	117.00	120.51	3.00%	No	121.00
Class 3	Permit	64.00	65.92	3.00%	No	66.00
Class 4 (sausage sizzle etc, for fund raising)	Permit	-	-	#DIV/0!	No	-
Single event for Sporting Clubs/Community Groups (not for profit) registered in Starthobgic	Permit	-	-	#DIV/0!	No	-
<b>Annual Fee</b>						
Class 2	Permit	212.00	218.36	3.00%	No	218.00
Class 3	Permit	106.00	109.18	3.00%	No	109.00
Class 4 (sausage sizzle etc, for fund raising)	Permit	-				
Food stall for Sporting Clubs/Community Groups (not for profit)	Permit					
<b>Refunds</b>						
Refund due to closure	Permit	No refund	No Refund	0.00%	No	No Refund
<b>Submission of plans</b>						
Application fee for submission of plans (50% of applicable registration fee)				50% of scheduled fee	0.00%	No
<b>Inspections</b>						
Additional inspections (all categories)	Each	106.00	109.18	3.00%	No	109.00
Pre Inspection of New Premise prior to opening	Each	106.00	109.18	3.00%	No	109.00
Pre Inspection of Premise being sold	Each	106.00	109.18	3.00%	No	109.00
Priority inspection request (within 5 days)	Each	159.00	163.77	3.00%	No	164.00
Urgent inspection request (within 48 hrs)	Each	276.00	284.28	3.00%	No	284.00



<b>Public Health &amp; Well being Act Fees</b>						
Hairdressers, beauty parlours, skin penetration or similar	Permit	148.00	152.44	3.00%	No	152.00
Allied Health and Alternative Therapy Including Massage Therapy and Acupuncture, etc		148.00	152.44	3.00%	No	152.00
Joint Hairdressers, beauty parlours, skin penetration or similar	Permit	148.00	152.44	3.00%	No	152.00
Prescribed Accommodation	Permit	190.00	195.70	3.00%	No	196.00
New Business Establishment Fee	50% of scheduled fee			#DIV/0!	No	-
<b>Septic Tank Application Fees</b>						
New Installation	Permit	372.00	383.16	3.00%	No	383.00
Alteration	Permit	190.00	195.70	3.00%	No	196.00
<b>Boat Ramp Fees</b>						
Boat Ramp	Day	10.00	10.30	3.00%	Yes	11.00
Boat Ramp Residents	Annum	67.27	69.29	3.00%	Yes	76.00
Boat Ramp Non-Residents	Annum	110.00	113.30	3.00%	Yes	125.00
<b>Regatta Centre Building</b>						
Downstairs Function area - no staff - 1/2 day hire (4 hours)	1/2 Day	62.00	62.00	0.00%	Yes	68.00
Downstairs Function area - no staff - full day hire (8 hours)	Full Day	144.00	144.00	0.00%	Yes	158.00
Upstairs Conference area - no staff - 1/2 Day hire (4 hours)	1/2 Day	62.00	62.00	0.00%	Yes	68.00
Upstairs Conference area - no staff - Full Day hire (8 hours)	Full Day	144.00	144.00	0.00%	Yes	158.00
Kitchen - commercial (if selling) - 1/2 Day hire (4 hours)	1/2 Day	103.00	103.00	0.00%	Yes	113.00
Kitchen - commercial (if selling) - Full Day hire (8 hours)	Full Day	206.00	206.00	0.00%	Yes	227.00
Kitchen - private function 1/2 Day Hire (4 hours)	1/2 Day	52.00	52.00	0.00%	Yes	57.00
Kitchen - private function Full Day Hire (8 hours)	Full Day	103.00	103.00	0.00%	Yes	113.00
Boatshed - showers & toilets - 1/2 Day (4 hours)	1/2 Day	52.00	52.00	0.00%	Yes	57.00
Boatshed - showers & toilets - Full Day (8 hours)	Full Day	103.00	103.00	0.00%	Yes	113.00
Entire Regatta Centre Building not including kitchen - no staff - 1/2 Day hire (4 hours)	1/2 Day	165.00	165.00	0.00%	Yes	182.00
Entire Regatta Centre Building not including kitchen - no staff - Full Day hire (8 hours)	Full Day	330.00	330.00	0.00%	Yes	363.00
Peninsular - 1/2 Day hire (4 hours)	1/2 Day	412.00	412.00	0.00%	Yes	453.00
Peninsular - Full Day hire (8 hours)	Full Day	824.00	824.00	0.00%	Yes	906.00
Training Camps - Groups of 50 or less	Day	52.00	52.00	0.00%	Yes	57.00
Training Camps - Groups of more than 51	Day	103.00	103.00	0.00%	Yes	113.00
Entire Venue - no staff - 1/2 Day hire (4 hours)	1/2 Day	515.00	515.00	0.00%	Yes	567.00
Entire Venue - no staff - Full Day hire (8 hours)	Day	1,030.00	1,030.00	0.00%	Yes	1,133.00
<b>Tourist Attraction Signage</b>						
4' Standard Name Blade	Sign	170.00	170.00	0.00%	Yes	187.00
Other sizes	Sign					
<b>Official Visitor Guide (OVG) Advertising</b>						
1/4 Page	Advertisement		268.18	#DIV/0!	Yes	295.00
1/2 Page	Advertisement		450.00	#DIV/0!	Yes	495.00
Full Page	Advertisement		813.64	#DIV/0!	Yes	895.00
Back Cover	Advertisement		1,177.27	#DIV/0!	Yes	1,295.00
Inside Back Cover	Advertisement		995.45	#DIV/0!	Yes	1,095.00
<b>Wesley Hall User Fees</b>						
Main Hall - half day hire	1/2 Day	160.00	160.00	0.00%	Yes	176.00
Main Hall - full day hire	Full Day	300.00	300.00	0.00%	Yes	330.00
Main Hall - evening hire	Evening	160.00	160.00	0.00%	Yes	176.00
Kitchen - half day hire	1/2 Day	60.00	60.00	0.00%	Yes	66.00
Kitchen - full day hire	Full Day	108.00	108.00	0.00%	Yes	119.00
Bond		309.00	309.00	0.00%	Yes	340.00

