

# LODDON SHIRE COUNCIL

## BUDGET FOR YEAR ENDED 30 JUNE 2015

ADOPTED 12 AUGUST 2014



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## **MAYOR'S INTRODUCTION**

It is my pleasure to present the 2014/15 Budget to Loddon Shire ratepayers and residents.

There have been a number of major influences considered when developing this budget. These considerations have resulted in a 5.5% increase in the general rate and municipal charge in 2014/15 when compared to the budgeted figure in 2013/14.

Some of the major factors taken into consideration by Council were:

- the slightly improved climatic outlook
- the ongoing financial support provided by the Victorian Government
- the increasing demand for services from the community and an expectation that at least all services will be maintained at their present standard
- a careful analysis of the reserve funds available to Council to minimise the impact of any rate increases on the Loddon community
- Council's desire to continue to support Community Planning and to drive strategic outcomes from a community level.

Some of the highlights contained in the 2014/15 Budget include:

- full funding of Council's ongoing commitment to community planning of \$250k
- the continued commitment to investment in information technology
- strong investment in local road and related infrastructure maintenance
- revenue from the state government of \$1m for local road infrastructure
- a continued focus and investment of funds in township street improvement and streetscape projects with a total budget for 2014/15 of \$663k
- \$300k allocation for works associated with the Building Asset Management Plan
- continued support for both the Aged Services and Early Years programs.

Having overseen the preparation of the draft budget I wish to assure the people of Loddon that a rigorous and detailed process has been followed.

I am very satisfied that this budget is a sound and financially responsible budget which responds, to the extent possible, to the expectations and demands of the Loddon community, given the limited resources of this organisation. This budget however, also delivers on our responsibilities to provide effective infrastructure to our community.

This Budget is now placed on public exhibition and I would value any comments that members of the community may wish to make.

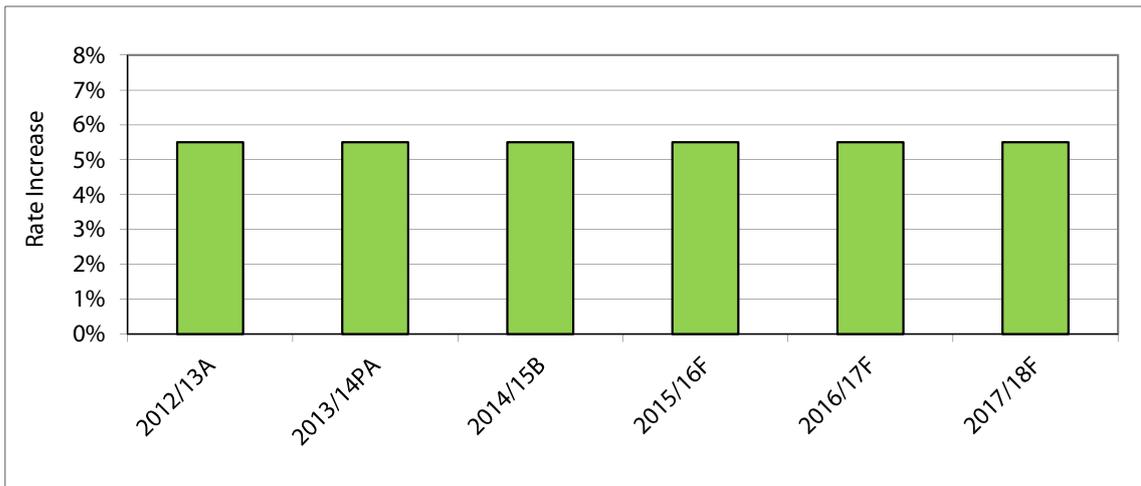
**Cr. Gavan Holt**  
**Mayor**

**CHIEF EXECUTIVE OFFICER'S SUMMARY**

The executive summary provides key information about the rate increase, operating result, service levels, cash and investments, capital works, financial position, financial sustainability and key strategic activities of the Council.

The graphs presented below show trends over a number of financial years. The years are marked with letters to indicate actual results (A), projected actuals for the current year (PA), budgets (B) and strategic resource plan estimates (F).

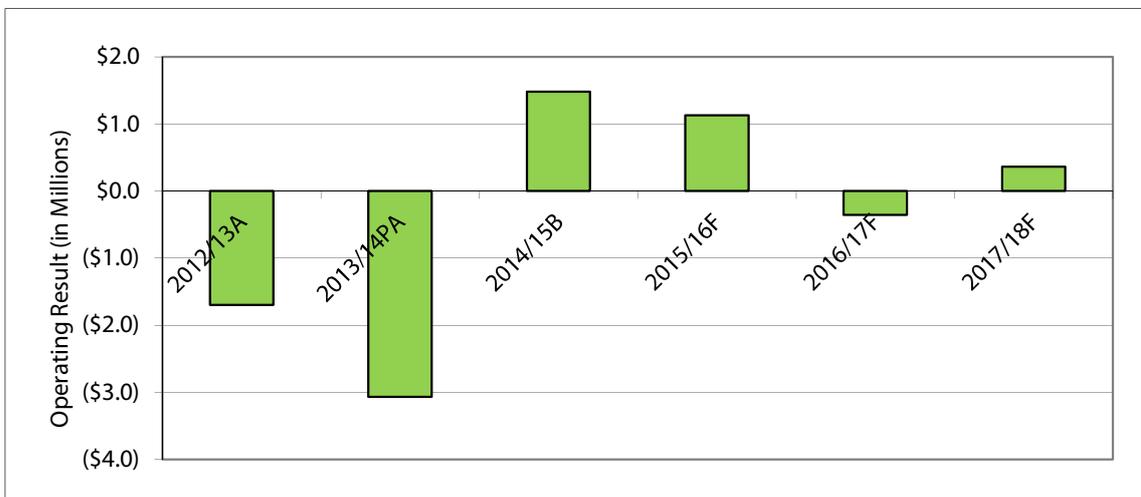
**1. Rates**



It is proposed that general rates increase by 5.5% for the 2014/15 year. Council has budgeted to use \$28k from its water unbundling reserve and \$136k from the rates reserve to fund the increase in revenue required by Council for the year. The full reserve amount will not be used in this financial year, so the balance will remain in reserve for use in future years. This rate increase is in line with the level outlined in Council's previously agreed rating strategy. (The rate increase for the 2013/14 year was 5.5%).

Note: Council's Rates & Charges, as per Operating Revenue (Section 4 of the Executive Summary), is \$8.6m. (This figure includes Garbage and Kerbside Recycling Charges). A full analysis of rates and charges can be found in Section 9 - Rating Strategy.

**2. Operating result**

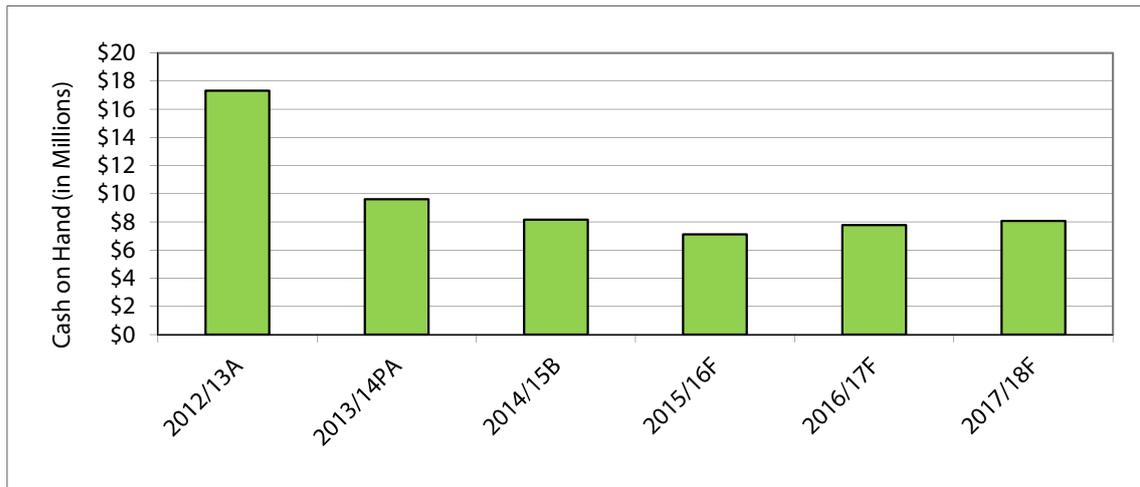


**CHIEF EXECUTIVE OFFICER'S SUMMARY (Continued)**

**2. Operating result (continued)**

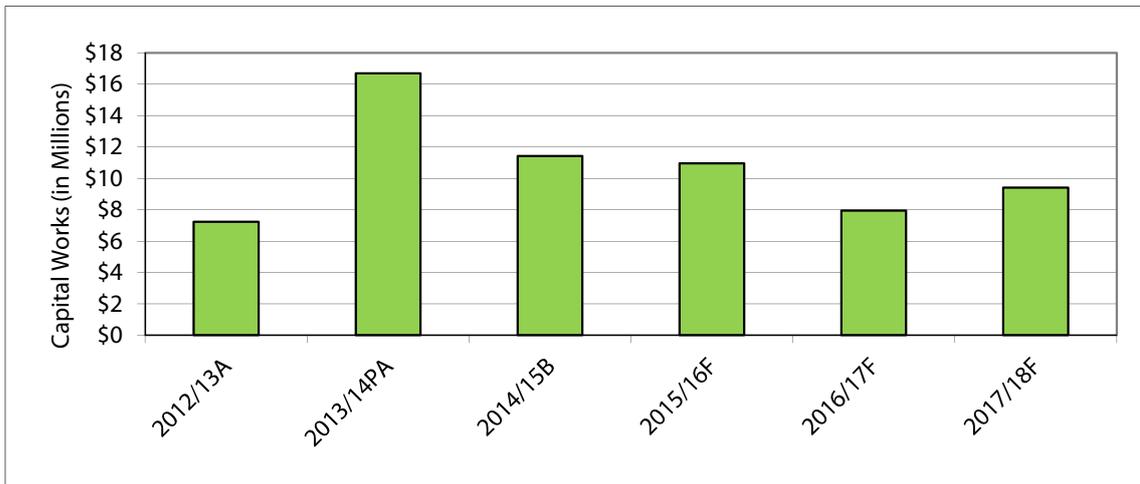
The expected operating result for the 2014/15 year is a surplus of \$1.48m compared to a projected actual deficit of \$3.47m in 2013/14. The notable changes in operating income for 2014/15 includes a year of funding from the Victorian Grants Commission of \$3.47m. In 2013/14 there was only a 50% payment as 50% was paid up front in 2011/12.

**3. Cash & investments**



Cash and investments is expected to decrease by \$1.44m from \$9.61m at 30 June 2014 to \$8.17m at 30 June 2015.

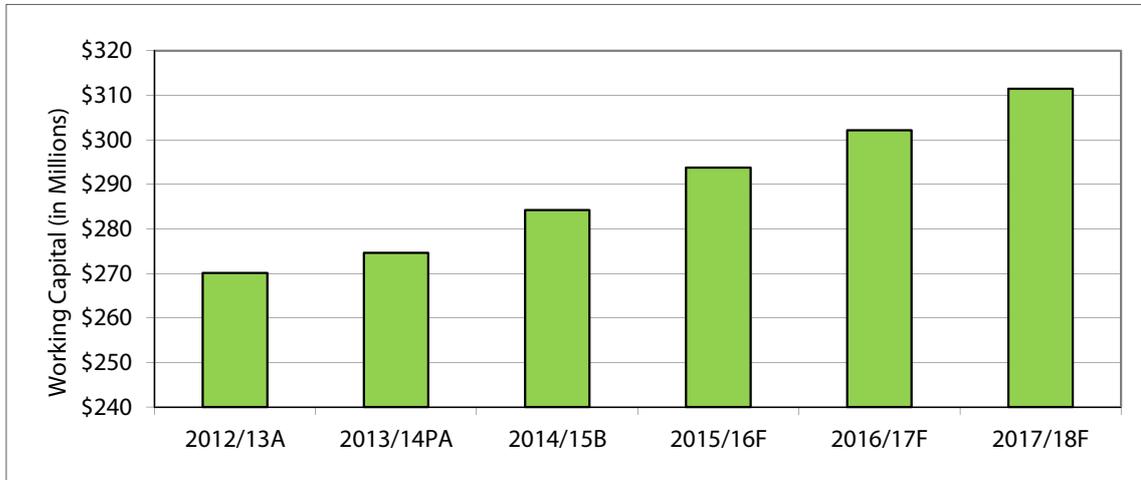
**4. Capital works**



The capital works program for the 2013/14 year is projected to be \$16.71m while the capital works program for 2014/15 is expected to be \$11.43m. In 2014/15, of the capital funding required, \$3.21m will come from Council operations, \$5.51m from external grants and contributions, \$275k from the sale of assets, and the balance of \$2.43m from reserves.

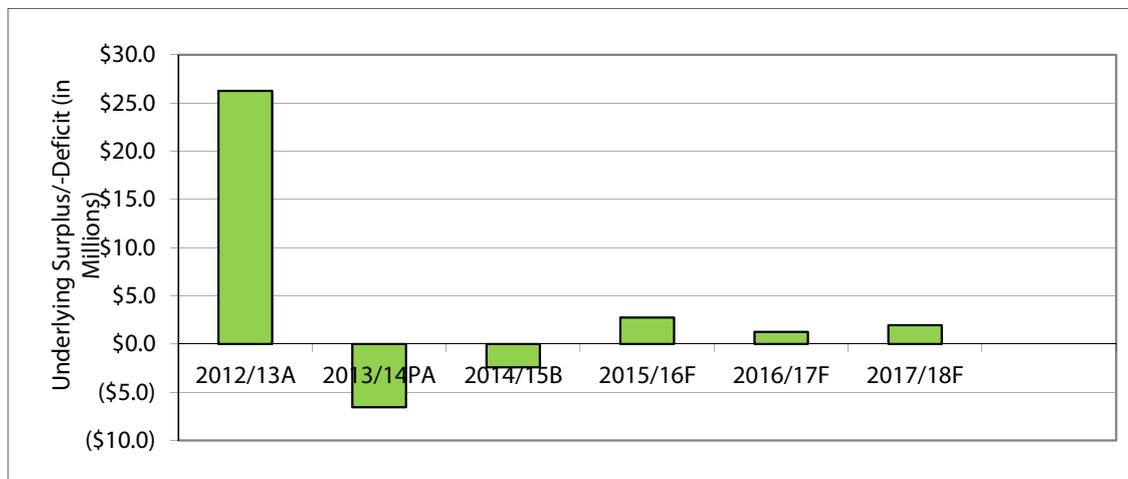
**CHIEF EXECUTIVE OFFICER'S SUMMARY (Continued)**

**5. Financial position**



Net assets (the net worth of Council) is expected to increase by \$9.57m to \$284.2m during the 2014/15 financial year. Net current assets (current assets less current liabilities, otherwise known as working capital) is expected to increase by \$1.3m to \$5.7m. Net Current Assets outlines Council's ability to meet its commitments in the short term.

**6. Financial sustainability**



The underlying surplus/(deficit) is calculated by deducting capital grants and contributions and the net gain or loss on disposal of assets from the operating surplus/(deficit). By taking these items from the operating surplus/(deficit) those items which recur normally every year are isolated from those items which can occur in some years and not others.

Council's underlying deficit is budgeted to be \$2.41 m in 2014/15.

**John McLinden**  
**Chief Executive Officer**

## **BUDGET PROCESSES**

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 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 2014/15 Budget, which is included in this report, is for the year 1 July 2014 to 30 June 2015 and is prepared in accordance with the Act and Regulations. The Budget includes financial statements being a budgeted Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and a Statement of Capital Works. These statements have been prepared for the year ended 30 June 2015 in accordance with the Act and Regulations, and consistent with the 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.

The preparation of the Budget begins with officers preparing a draft budget in accordance with the Act and submitted to Council 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 website. Council also provides copies of the Draft Budget at post offices and neighbourhood houses/community resource centres within the municipality. A person has the 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.

The Budget is required to be adopted by 31 August and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

### Option 1

14 April - Draft Budget distributed to Councillors
29 April - Council meets to consider the Draft Budget
10 June - Council resolves to advertise the Draft Budget
17 June - (Loddon Times) & 11 June (Bendigo Advertiser) - Advertise "Draft Budget"
11 June to 9 July - Budget available for public inspection and comment
22 July - Council meets to consider public submissions and adopt the Budget
23 July (Bendigo Advertiser) & 29 July (Loddon Times) - Public Notice "Budget Adopted"
July - Copy of Budget submitted to Minister

### Option 2

14 April - Draft Budget distributed to Councillors
29 April - Council meets to consider the Draft Budget
24 June - Council resolves to advertise the Draft Budget
1 July - (Loddon Times) & 25 June (Bendigo Advertiser) - Advertise "Draft Budget"
25 June to 23 July - Budget available for public inspection and comment
12 August - Council meets to consider public submissions and adopt the Budget
13 August (Bendigo Advertiser) & 19 August (Loddon Times) - Public Notice "Budget Adopted"
August - Copy of Budget submitted to Minister

### Option 3

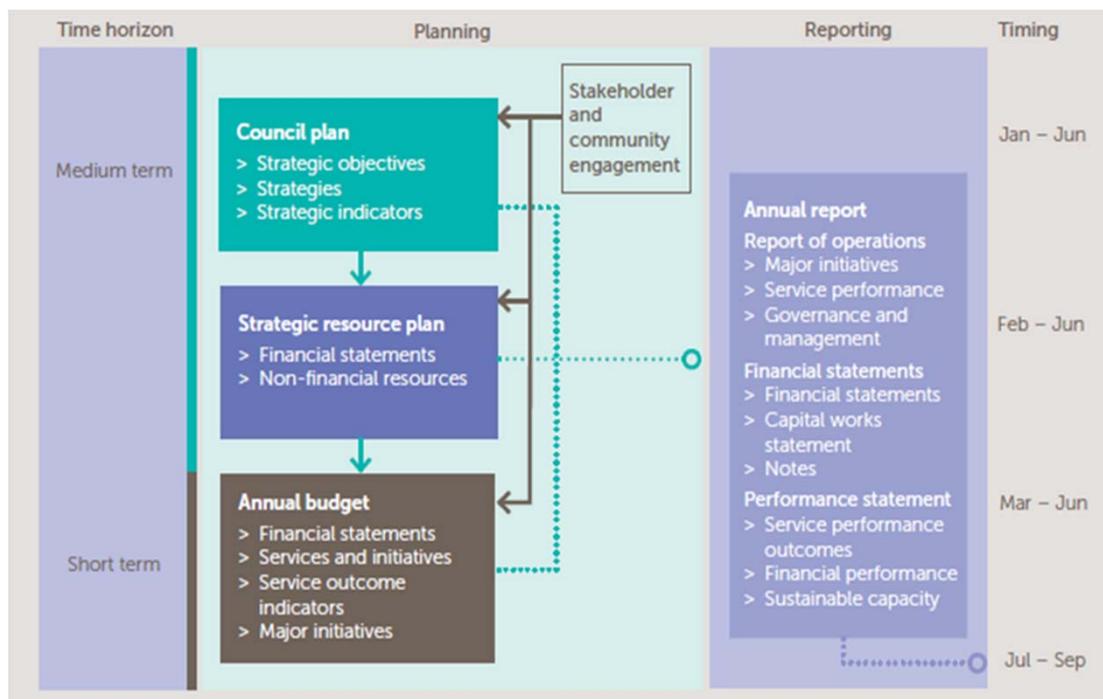
14 April - Draft Budget distributed to Councillors
29 April - Council meets to consider the Draft Budget
8 July - Council resolves to advertise the Draft Budget
15 July - (Loddon Times) & 9 July (Bendigo Advertiser) - Advertise "Draft Budget"
9 July to 5 August - Budget available for public inspection and comment
12 August - Council meets to consider public submissions and adopt the Budget
13 August (Bendigo Advertiser) & 19 August (Loddon Times) - Public Notice "Budget Adopted"
August - Copy of Budget submitted to Minister

## 1 LINKAGE TO THE COUNCIL PLAN

The Budget has been developed within an overall planning framework, which guides the Council in identifying community needs and aspirations over time. The long and medium term strategies are identified through the Community Vision and Council Plan. Short term objectives are defined in the Annual Budget, which is then assessed to ensure accountability is maintained (Audited Financial Statements).

### 1.1 Strategic planning framework

The Strategic Resource Plan, included in the Council Plan, is a rolling four year plan that outlines the financial and non-financial resources that Council required to achieve the strategic objectives described in the Council Plan. 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 strategic planning framework of Council.



The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process. It also allows time for targets to be established during the Strategic Resource Planning process to guide the preparation of the Annual Budget.

## **1. LINKAGE TO THE COUNCIL PLAN (Continued)**

### **1.2 Our purpose**

#### Our Vision

*"Strong communities proud of their individual identities"*

#### Our Mission

*"Deliver services that enhance the sustainability and liveability of our communities"*

#### Our Purpose

Our purpose is to build a prosperous and highly liveable environment for our community. Our strengths and points of competitive advantage are as follows:

- the towns are stable and safe and have a thriving culture of volunteerism and community engagement
- the Shire has a diverse agricultural sector
- hosts a large number of agrifood manufacturing businesses which brings a range of additional skills to the region and increases the value of our regional economic output
- area has a rich and varied history and heritage including the gold rush, eucalyptus production and the pioneering era
- the Mediterranean climate, sporting and outdoor activities, affordable housing, proximity to Bendigo and our accessibility to Melbourne by train or road, make it a great place to live, work, visit and play
- a number of natural attractions, including the river and lakes which positions us well to develop a strong nature-based tourism sector
- dissected by two major arterial highways that link us to the rest of the south-eastern Australia and which allow a large number of vehicles to pass through our Shire, creating economic opportunities.

#### Our Values

##### **Leadership**

Means acting ethically, dealing with suspected wrongdoing, doing the right thing even in the face of adversity, giving proper advice fearlessly, taking initiative, being innovative and acting strategically.

##### **Integrity**

Means obeying the law, following the intention of policies and procedures, fully disclosing actual or potential conflicts of interest, acting honestly and responsibly and observing organisational values and codes of conduct.

##### **Accountability**

Means having justifiable reasons for decision and actions, obtaining value for money, continuously improving, keeping proper records, and submitting to scrutiny.

##### **Impartiality**

Means being fair by being fully informed, considering only relevant matters, and dispassionately assessing without dear, favour or bias.

##### **Respect**

Means being open to feedback and other views, communicating with clarity and sensitivity, giving all relevant information, providing reasons for decisions, collaborating and working effectively in teams, being courteous and being punctual.

## **1. LINKAGE TO THE COUNCIL PLAN (Continued)**

### **1.3 Core business of Council**

In preparing the Council Plan, the Council has articulated the scope of its role in:

#### **1 - Leadership**

Providing vision and leadership in planning for our community's longer term future.

#### **2 - Provision of well being services**

Cost effectively providing for the basic needs of our communities.

#### **3 - Planning for future needs**

Anticipating and planning for demographic and economic shifts.

#### **4 - Economic development**

Supporting the growth and diversification of our economy, based on areas of competitive advantage.

#### **5 - Providing quality infrastructure**

Developing and maintaining both built and natural assets appropriate to community priorities.

#### **6 - Financial stability**

Planning and managing for long-term financial needs and keeping our rate payers informed about the financial situation.

#### **7 - Education and life-long learning**

Advocating for better youth engagement and life-long learning outcomes.

#### **8 - Compliance**

Ensuring we are compliant with all legislative reporting requirements.

#### **9 - Regulation**

Ensuring community compliance with local regulations.

#### **10 - Advocacy and partnerships**

Collaborating internally and externally to achieve our region's goals.

Promoting the interests and position of our Council.

### **1.4 Strategic platforms**

In addition Council has identified 7 high level strategic platforms which are priority activities for the Council over the next 4 years. These are:

- 1 - Build a network of strong communities
- 2 - Grow our population through appropriate development
- 3 - Champion our agrifood enterprises
- 4 - Make our towns liveable & memorable
- 5 - Grow and diversify our economy
- 6 - Support our transitioning townships.

The Budget includes projects that sit under the strategic platforms that will be delivered in 2014/15. They are considered high priority projects in attempting to achieve the strategic platform objectives.

### **1.5 Strategic enablers**

In order to deliver Council's strategies, it is acknowledged that Council requires a number of enablers to be in place. These are explained below:

- talented, motivated professionals who gain job satisfaction from being part of a team
- the ability to innovate and think laterally
- delivery of service excellence
- transparent communication
- effective and efficient operating systems and procedures
- sound financial management protocols
- sustainability focus to asset management
- skills in lobbying and advocacy.

## **1. LINKAGE TO THE COUNCIL PLAN (Continued)**

### **1.6 Reporting framework**

Council has retained its current reporting structure, which includes 6 Key Direction Areas, as follows:

#### **1 - Economic development & tourism**

To promote economic growth through the retention and development of agriculture and business, and the development and promotion of tourism.

#### **2 - Leadership**

To provide Loddon Shire with strategic direction, representation and advocacy to promote good government, realisation of opportunities and to build confidence, pride and unity within the community.

#### **3 - Works & infrastructure**

Infrastructure to be provided in an efficient manner that meets the needs of the community.

#### **4 - Good management**

Ensure best practice management of human, physical and financial resources.

#### **5 - Environment**

To promote and enhance the natural and built environment for the enjoyment of future generations.

#### **6 - Community services & recreation**

To enhance the quality of life of all ages through the provision of community services and support of community organisations.

## **2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS**

This section provides a description of the services and initiatives to be funded in the Budget for the 2014/15 year and how these will contribute to achieving the strategic platform specified in the Council Plan. It also includes a number of initiatives, major initiatives and service performance outcome indicators. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. This section also includes performance targets and measures in relation to each activity.

### **2.1 Strategic platforms**

The following provides a brief outline of the strategic platform areas outlined within the Council Plan.

#### 2.1.1 Strategic platform 1 - build a network of strong communities

**Objective:**

*Support our townships in preserving their individuality whilst leveraging their collective strength.*

**Key priorities:**

- a) Build unique brand identities for each of our communities based on their geography, history and characteristics.
- b) Use community planning to allow our communities to create their own futures.
- c) Build a spirit of connectivity and mutual support amongst the communities of Loddon Shire.
- d) Leverage social media to better communicate with our residents.
- e) Promote a calendar of events across the region and support them.
- f) Drive improvement in life services including lobbying for assistance with child care short fall.
- g) Support volunteer organisations to remain active within the community.

#### 2.1.2 Strategic platform 2 - grow our population through appropriate development

**Objective:**

*Capitalise on the demand for lifestyle properties, without compromising premium agricultural land or our*

**Key priorities:**

- a) Implement planning strategies that accelerate growth in appropriate areas.
- b) Adopt a pro-development attitude to planning and stimulate investment needed to service the community's changing housing requirements.
- c) Improve our turnaround time on planning approvals for housing projects.
- d) Attract investors to develop infrastructure and services.

#### 2.1.3 Strategic platform 3 - champion our agrifood enterprises

**Objective:**

*Be an advocate for our agrifood sector and ensure it is adequately resourced to remain the backbone of our shire's economy.*

**Key priorities:**

- a) Remove the road blocks for new agrifood enterprises or expansion of existing ones.
- b) Maintain planning protocols that protect prime agricultural land.
- c) Engage with the agribusiness sector in a regular and more formal way.
- d) Continue to seek out agrifood value-adding opportunities.

## **2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)**

### **2.1 Strategic platforms (continued)**

#### 2.1.4 Strategic platform 4 - make our towns liveable and memorable

**Objective:**

*Improve the liveability of our main townships by making them attractive to existing residents, prospective residents and tourists.*

**Key priorities:**

- a) Renew the streetscape in our major towns.
- b) Enhance our overall amenities by offering improved, but rationalised facilities in line with financial resources.
- c) Work with our business community to foster a customer service culture.
- d) Lift local hospitality capability.
- e) Enforce a clean up of our towns.
- f) Improve storm and waste water management.
- g) Improve the appearance and functionality of recreation and public spaces.
- h) Take leadership in building infrastructure, amenities and services appropriate to town needs.
- i) Set the benchmark for RV friendly towns.

#### 2.1.5 Strategic platform 5 - grow and diversify our economy

**Objective:**

*Attract investment that introduces new industries, presents opportunity for existing businesses and grows our*

**Key priorities:**

- a) Exploit our existing strengths and areas of competitive advantage to grow and diversify the economy.
- b) Build our tourism sector product, capability and promotion appropriate to the different range of products in the north and south of the shire.
- c) Promote development of tourist accommodation.

#### 2.1.6 Strategic platform 6 - support our transitioning townships

**Objective:**

*Support small town communities to retain the best possible quality of life in the face of a declining population with increasing needs.*

**Key priorities:**

- a) Support initiatives that assist community members who may be isolated or at risk.
- b) Rationalise community facilities to provide less but better facilities and amenities.
- c) Ensure that residents of small towns have access to a set of basic services.

#### 2.1.7 Strategic platform 7 - connect with the next generation

**Objective:**

*Engage with youth the equip them for a positive future and keep our communities young, vibrant and energised.*

**Key priorities:**

- a) Identify the needs of young people and develop future leaders.
- b) Create an arts and culture youth engagement program.
- c) Support youth mentoring.

**2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS**  
**(Continued)**

**2.2 Service performance outcome indicators**

<b>Governance</b>			
<b>Council plan reference</b>	<b>Performance measure</b>	<b>Indicator</b>	<b>Computation</b>
Strategic platform: 2 - Grow our population through appropriate development	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)	Decision making	[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
Core business: 3 - Planning for our future needs			
<b>Home and community care</b>			
Core business: 2 - Provision of wellbeing services	Participation in HACC service (Percentage of the municipal target population that receive a HACC service)	Participation	[Number of people that received a HACC service / Municipal target population for HACC services] x100
Core business: 2 - Provision of wellbeing services	Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people that receive a HACC service)	Participation	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
<b>Maternal and child health</b>			
Core business: 2 - Provision of wellbeing services	Participation in MCH key ages and stages visits (Percentage of children attending the MCH key ages and stages visits)	Participation	Number of actual MCH visits / Number of expected MCH visits] x100
Core business: 2 - Provision of wellbeing services	Participation in MCH key ages and stages visits by Aboriginal children (Percentage of Aboriginal children attending the MCH key ages and stages visits)	Participation	[Number of actual MCH visits for Aboriginal children / Number of expected MCH visits for Aboriginal children] x100
<b>Libraries</b>			
Core business: 7 - Education and life-long learning	Active library members (Percentage of the municipal population that are active library members)	Participation	[Number of active library members / municipal population] x100

**2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS**  
**(Continued)**

**2.2 Service performance outcome indicators (continued)**

<b>Council plan reference</b>	<b>Performance measure</b>	<b>Indicator</b>	<b>Computation</b>
<b><i>Aquatic facilities</i></b>			
Core business: 2 - Provision of wellbeing services	Utilisation of aquatic facilities (The number of visits to aquatic facilities per head of municipal population)	Utilisation	Number of visits to aquatic facilities / Municipal population
<b><i>Economic development</i></b>			
Strategic platform: 5 - Grow and diversify our economy	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	Economic activity	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100
Core business: 4 - Economic development			
<b><i>Statutory planning</i></b>			
Core business: 10 - Advocacy and partnerships	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Satisfaction	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community
<b><i>Waste collection</i></b>			
Core business: 2 - Provision of wellbeing services	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	Waste diversion	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

**2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS**  
**(Continued)**

**2.2 Service performance outcome indicators (continued)**

<b>Council plan reference</b>	<b>Performance measure</b>	<b>Indicator</b>	<b>Computation</b>
<b>Roads</b>			
Core business: 5 - Providing quality infrastructure	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Satisfaction	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads
<b>Animal management</b>			
Core business: 9 - Regulation	Animal management prosecutions (Number of successful animal management prosecutions)	Health and safety	Number of successful animal management prosecutions
<b>Food safety</b>			
Core business: 9 - Regulation	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	Health and safety	[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 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS**  
**(Continued)**

**2.3 Services**

Section 127(2)(b) and (c) of the Act required the budget to contain a description of the services funded in the budget. This is in further detail below:

Activity	Net cost of activity	Income	Expenditure
110. ECONOMIC DEVELOPMENT & TOURISM STRATEGIES	\$20,000	(\$5,000)	\$25,000
111. ECONOMIC DEVELOPMENT	\$192,750	\$0	\$192,750
121. TOURISM	\$169,795	\$0	\$169,795
122. TOURISM INITIATIVES	\$120,627	\$0	\$120,627
123. CARAVAN PARKS	(\$73,516)	(\$222,864)	\$149,348
125. LODDON DISCOVERY TOURS	(\$15,000)	(\$98,120)	\$83,120
131. PROMOTIONAL INITIATIVES	\$239,315	(\$41,950)	\$281,265
132. INDUSTRIAL SITES	(\$4,358)	(\$12,608)	\$8,250
141. CONTRIBUTIONS	\$4,400	\$0	\$4,400
142. ECONOMIC DEVELOPMENT	(\$14,636)	(\$21,799)	\$7,163
151. BUILDING CONTROL	\$13,638	(\$95,100)	\$108,738
161. COUNCIL RESIDENCES	(\$334)	(\$17,413)	\$17,079
181. STANDPIPES & TRUCKWASHES	(\$3,560)	(\$19,500)	\$15,940
192. CONSTRUCTION/IMPROVE	(\$401,250)	(\$401,250)	\$0
193. DEPRECIATION	\$161,993	\$0	\$161,993
211. COUNCILLOR COSTS	\$513,992	\$0	\$513,992
221. LOCAL LAWS	\$91,274	(\$5,225)	\$96,499
232. COMMUNITY LEADERSHIP	\$22,000	\$0	\$22,000
251. RECORDS MANAGEMENT	\$190,355	\$0	\$190,355
281. MUNICIPAL EMERGENCY MANAGEMENT	\$105,814	(\$1,025)	\$106,839
311. STAFF ONCOSTS	\$1,318,327	(\$99,500)	\$1,417,827
321. PLANT OPERATING	\$971,138	\$0	\$971,138
322. FLEET	\$211,342	\$0	\$211,342
331. LOCAL ROADS MAINTENANCE	\$1,645,760	\$0	\$1,645,760
339. ROADS TO RECOVERY	(\$1,622,923)	(\$1,622,923)	\$0
341. MAIN RDS ROUTINE PAVEMENT MAINTENANCE	(\$572,437)	(\$1,088,350)	\$515,913
380. GRAVEL STOCKPILES	(\$27,883)	(\$83,441)	\$55,558
381. GRAVEL PITS	(\$15,000)	(\$25,000)	\$10,000
383. DEPOTS	\$84,189	(\$69,010)	\$153,199
384. ROAD OPENINGS	(\$3,750)	(\$9,000)	\$5,250
385. TRAFFIC CONTROL	\$101,500	\$0	\$101,500
386. PRIVATE WORKS	(\$12,000)	(\$72,500)	\$60,500
391. ACQUISITION & DISPOSAL	\$21,200	\$0	\$21,200
393. DEPRECIATION	\$6,478,614	\$0	\$6,478,614
411. RATES INCOME	(\$8,162,630)	(\$8,162,630)	\$0
421. VGC INCOME	(\$8,655,500)	(\$8,655,500)	\$0
431. INTEREST INCOME	(\$325,000)	(\$325,000)	\$0
432. OTHER INCOME	(\$7,684)	(\$11,933)	\$4,249
434. INFORMATION TECHNOLOGY	\$321,968	\$0	\$321,968
435. PRINTING & STATIONERY	\$58,699	\$0	\$58,699
436. ADMINISTRATION	\$439,840	(\$106,000)	\$545,840
437. INSURANCE	\$204,458	(\$8,729)	\$213,187
441. CORPORATE SERVICES	\$1,723,373	\$0	\$1,723,373
442. OPERATIONS	\$1,183,856	\$0	\$1,183,856
443. OCCUPATIONAL HEALTH & SAFETY	\$49,568	\$0	\$49,568

**2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS**  
**(Continued)**

**2.3 Services (continued)**

Activity	Net cost of activity	Income	Expenditure
451. WEDDERBURN OFFICE	\$106,322	(\$40,000)	\$146,322
452. SERPENTINE OFFICE	\$56,091	(\$1,025)	\$57,116
453. BOORT OFFICE	\$6,991	\$0	\$6,991
471. SUBSCRIPTIONS, DONATIONS, & MEMBERSHIPS	\$72,200	\$0	\$72,200
491. ACQUISITION & DISPOSAL	\$7,000	\$0	\$7,000
493. DEPRECIATION	\$122,488	\$0	\$122,488
510. ENVIRONMENT STRATEGIES	\$110,000	\$0	\$110,000
511. TIPS	\$238,078	(\$107,925)	\$346,002
512. GARBAGE COLLECTION	(\$352,332)	(\$728,678)	\$376,346
513. RECYCLING	(\$20,121)	(\$254,421)	\$234,300
532. TOWN PLANNING	\$241,356	(\$33,707)	\$275,063
541. HERITAGE & CULTURE	\$103,000	(\$3,000)	\$106,000
561. FIRE PROTECTION	\$48,638	(\$18,963)	\$67,600
593. DEPRECIATION	\$515,220	\$0	\$515,220
610. COMMUNITY SERVICES & RECREATION STRATEGIES	(\$192,000)	(\$362,000)	\$170,000
611. INFANT WELFARE CENTRES	\$103,770	(\$112,408)	\$216,178
614. PRE-SCHOOL MAINTENANCE	\$20,832	\$0	\$20,832
615. EDUCATION	\$62,282	(\$19,200)	\$81,482
616. BOORT PRE-SCHOOL	(\$1,769)	(\$91,482)	\$89,714
617. DINGEE PRE-SCHOOL	(\$1,773)	(\$96,524)	\$94,751
618. INGLEWOOD PRE-SCHOOL	(\$1,501)	(\$81,565)	\$80,064
619. WEDDERBURN PRE-SCHOOL	(\$1,546)	(\$84,821)	\$83,275
620. DISABILITY ACCESS PROGRAMS	\$6,000	\$0	\$6,000
621. HEALTH CONTROL	\$151,553	(\$29,860)	\$181,414
622. PYRAMID HILL PRE-SCHOOL	(\$1,917)	(\$104,475)	\$102,558
623. OTHER HEALTH	\$5,000	\$0	\$5,000
631. HACC SERVICES	(\$67,469)	(\$917,536)	\$850,067
632. COMMUNITY SERVICES	\$201,839	(\$35,105)	\$236,944
633. SENIOR CITIZENS' CENTRES	\$36,299	(\$55,099)	\$91,398
634. ELDERLY PERSON'S UNITS	(\$11,072)	(\$58,739)	\$47,667
635. HACC ONCOSTS	\$189,827	\$0	\$189,827
636. EXTERNALLY BROKERED SERVICES	(\$22,425)	(\$63,556)	\$41,131
637. LSC PACKAGED CARE PROGRAM	(\$16,472)	(\$359,410)	\$342,938
641. RECREATION & COMMUNITY DEVELOPMENT	\$119,806	\$0	\$119,806
642. RECREATION RESERVES	\$162,296	\$0	\$162,296
643. SWIMMING POOLS	\$382,654	\$0	\$382,654
644. BEACHES	\$41,580	\$0	\$41,580
645. PARKS & GARDENS	\$557,964	\$0	\$557,964
649. OTHER RECREATION	\$105,926	(\$40,000)	\$145,926
650. MAJOR EVENTS GRANTS	\$20,000	\$0	\$20,000
651. COMMUNITY GRANTS	\$200,000	\$0	\$200,000
652. REGIONAL LIBRARY	\$183,426	\$0	\$183,426
653. PUBLIC HALLS	\$70,264	\$0	\$70,264
655. YOUTH INITIATIVES	\$1,000	(\$24,500)	\$25,500
661. DOMESTIC ANIMALS	(\$23,673)	(\$42,133)	\$18,460
662. LIVESTOCK	\$32,538	(\$2,939)	\$35,477
670. COMMUNITY PLAN MANAGER	\$98,567	\$0	\$98,567

## 2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

### 2.3 Services (continued)

Activity	Net cost of activity	Income	Expenditure
671. BOORT COMMUNITY PLANS	\$50,000	\$0	\$50,000
677. INGLEWOOD COMMUNITY PLANS	\$50,000	\$0	\$50,000
679. TARNAGULLA COMMUNITY PLANS	\$50,000	\$0	\$50,000
681. COMMUNITY PROTECTION	\$17,013	(\$22,367)	\$39,380
682. OTHER COMMUNITY	\$5,978	(\$3,075)	\$9,053
690. FUNDED COMMUNITY PROJECTS	(\$3,102,000)	(\$3,654,500)	\$552,500
691. ACQUISITION & DISPOSAL	\$15,000	\$0	\$15,000
692. CONSTRUCTION/IMPROVE	(\$33,000)	(\$33,000)	\$0
693. DEPRECIATION	\$1,057,331	\$0	\$1,057,331
<b>Total</b>	<b>(\$1,480,616)</b>	<b>(\$28,763,382)</b>	<b>\$27,282,767</b>

### 2.4 Major initiatives

This section provides a description of the individual key activities and initiatives to be funded in the Budget for the 2014/15.

#### 2.4.1 Strategic platform 1

##### Key priority

Build unique brand identities for each of our communities based on their geography, history and personality.

Initiative	Performance Measure	Data Source	Target
Define each of our town brand identities and communicate these	Findings report presented to Council	Council minutes	30 June 2015

#### 2.4.2 Strategic platform 1

##### Key priority

Promote a calendar of events across the region and support them.

Initiative	Performance Measure	Data Source	Target
Promote and support events on new website	List of community events sourced from website	Council's website	31 December 2014

#### 2.4.3 Strategic platform 4

##### Key priority

Enhance our overall amenities by offering improved, but rationalised facilities in line with financial resources.

Initiative	Performance Measure	Data Source	Target
Inglewood Town Hall Hub Project	Project completion	Certificate of Occupancy	30 June 2015

## 2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

### 2.4 Major initiatives (continued)

#### 2.4.4 Strategic platform 4

Key priority

Improve the appearance and functionality of recreation and public spaces.

Initiative	Performance Measure	Data Source	Target
Implement a capital works program for parks and gardens facilities	Adoption of program	Council minutes	31 March 2015

#### 2.4.5 Strategic platform 5

Key priority

Build our tourism sector product, capability and promotion appropriate to the different range of products in the north and south of the shire.

Initiative	Performance Measure	Data Source	Target
Complete foreshore redevelopment plans for the Loddon River at Bridgewater	Redevelopment plans presented to Council	Council minutes	30 June 2015

#### 2.4.6 Strategic platform 5

Key priority

Promote development of tourist accommodation.

Initiative	Performance Measure	Data Source	Target
List suitable accommodation venues on website	List of accommodation venues sourced from website	Council's website	31 December 2014

#### 2.4.7 Strategic platform 5

Key priority

Build our tourism sector product, capability and promotion appropriate to the different range of products in the north and south of the shire.

Initiative	Performance Measure	Data Source	Target
Complete construction of the Bridgewater Public Caravan Park	Official opening of Caravan Park	Media release advertising opening	31 October 2014

## **2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)**

### **2.5 Performance statement**

The service performance indicators detailed in the preceding pages will be reported within the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2014/15 Annual Report.

The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The full set of prescribed performance indicators are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement.

The major initiatives detailed in the preceding pages will be reported on in the Annual Report in the form of a statement of progress in the report of operations.

### **3 BUDGET INFLUENCES**

In preparing the Budget it has been necessary to make a number of assumptions about the internal and external environment within which the Council operates. This section of the document highlights the various number of external and internal issues that have had an impact on the development of this budget.

#### **3.1 Snapshot of Loddon Shire Council**

Loddon Shire Council is located in Central Victoria approximately 40 minutes drive from the regional centre of Bendigo. The municipality covers an area of 6,700 square kilometres making it the seventh largest local government area in Victoria. The Council operates its main administrative office in the township of Wedderburn and conducts Council Meetings from its Community Services Office based in Serpentine. The Council also provides Maternal and Child Health, Waste Management, Road Maintenance and Home Care services throughout the municipality in the townships of Pyramid Hill, Boort, Inglewood, Tarnagulla, Bridgewater, Newbridge and Mitiamo.

##### 3.1.1 Population

The municipality services a population of approximately 7,443 residents. Loddon is a rural municipality which is made up of fifteen small rural communities. Unlike many other local government areas, Loddon does not have a regional centre. Census data indicates that Loddon's population is ageing and has also been in steady decline in the past, although this decline is now slowing.

##### 3.1.2 Ageing population

After the 2011 census was completed, an analysis was undertaken to assist in the development of the Loddon Aged and Disability Strategy Plan. The document highlights the following items:

- 1) People aged 50 and over account for 50.3% of Loddon's total population.
- 2) This is expected to increase to 51.3% in the year 2021.
- 3) People aged 50 years and over increased from 39% of the population in 2001 to 50.3% in 2011.
- 4) Of the total population aged over 50, 35% are aged 50-59, 32% are 60-69, 20% are 70-79, 12% are 80-89 and 2% are 90-99.

##### 3.1.3 Births

Statistics provided by the Council's Maternal and Child Health service indicate that the number of births in Loddon between April 2013 and March 2014 was 81. It is not anticipated that this number will vary considerably in 2014/15.

##### 3.1.4 Workforce

The Council has a workforce of over 213 employees equating to an Effective Full Time (EFT) workforce of 135.93. The workforce is divided into three major categories with staff operating under the administrative, works and community services departments.

Items 3.2 and 3.3 highlight both the internal and external forces that have been taken into consideration when developing the budget document.

#### **3.2 External influences**

In preparing the 2014/15 Budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the period. These include:

- Consumer Price Index increase of 2.75% from December 2012 to December 2013 (Source: ABS)
- an increase to Victorian Grants Commission funding of 2.5% for the Financial Assistance Grant and 2.5% to Local Roads Funding
- ongoing commitment from the Federal Government's Roads to Recovery Program

### **3 BUDGET INFLUENCES (Continued)**

#### **3.2 External influences (continued)**

- cost index, as calculated following the MAV model, showing an increase to local government materials and contracts costs of 2.5% per annum including the increase for the impact of carbon pricing
- State Government grant funding of \$1.0m per annum for four years for local roads works.

#### **3.3 Internal influences**

As well as external influences, there were also a number of internal influences arising from the 2013/14 year which have had a significant impact on the setting of the Budget for 2014/15. These include:

- a 3.0% increase to salaries and wages effective the first pay period after 1 August 2014. Council's Enterprise Bargaining Agreement came into effect on 21 May 2014.
- a 1.0% increase to salaries and wages is included, which relates to normal banding increases
- ongoing loan repayments for the Wedderburn Office
- funding for Community Planning with a \$50k allocation to each of the 5 wards
- continuation of Council's Rating Strategy
- a considerable amount of work that has been undertaken in calculating historical costs over the past 5 years and where appropriate this indexation has been applied to the 2014/15 Budget.

#### **3.4 Budget principles**

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. Responsible Officers were then asked to present their budgets to the Management Executive Group prior to being approved for inclusion into the budget. The principles used to define this budget are as follows:

- fees and charges to be analysed and where possible adjusted to suit the increased cost to provide the service
- grants to be based on confirmed funding levels
- service levels to be maintained at the 2013/14 levels
- an ongoing commitment to the Community Planning process with an allocation of \$250k in addition to the provision of a Manager to assist community planning groups to deliver these projects
- new initiatives to be justified with direct links to a plan endorsed by Council.

#### **3.5 Long term strategies**

The Budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2014/15 to 2017/18 (Section 8), Rating Information (Section 9) and Other Long Term Strategies (Section 10) including borrowings, infrastructure and service delivery.

## 4 ANALYSIS OF OPERATING BUDGET

This section of the report analyses the expected revenues and expenses of the Council for the 2014/15 year.

### 4.1 Budgeted income statement

	Ref.	2013/14 Projected Actual	2014/15 Budget	Variance
Total income	4.2	\$23,871,707	\$28,763,382	\$4,891,676
Total expenditure	4.3	(\$26,939,452)	(\$27,282,767)	(\$343,315)
<b>Surplus(deficit) for the year</b>		<b>(\$3,067,745)</b>	<b>\$1,480,615</b>	<b>\$4,548,361</b>
Grants - capital non-recurrent	4.2.6	(\$3,266,287)	(\$3,891,750)	(\$625,463)
Capital contributions - other sources	4.2.4	(\$200,000)	\$0	\$200,000
<b>Adjusted underlying surplus (deficit)</b>		<b>(\$6,534,032)</b>	<b>(\$2,411,135)</b>	<b>\$4,122,898</b>

#### 4.1.1 Adjusted underlying deficit (\$4.12 million decrease)

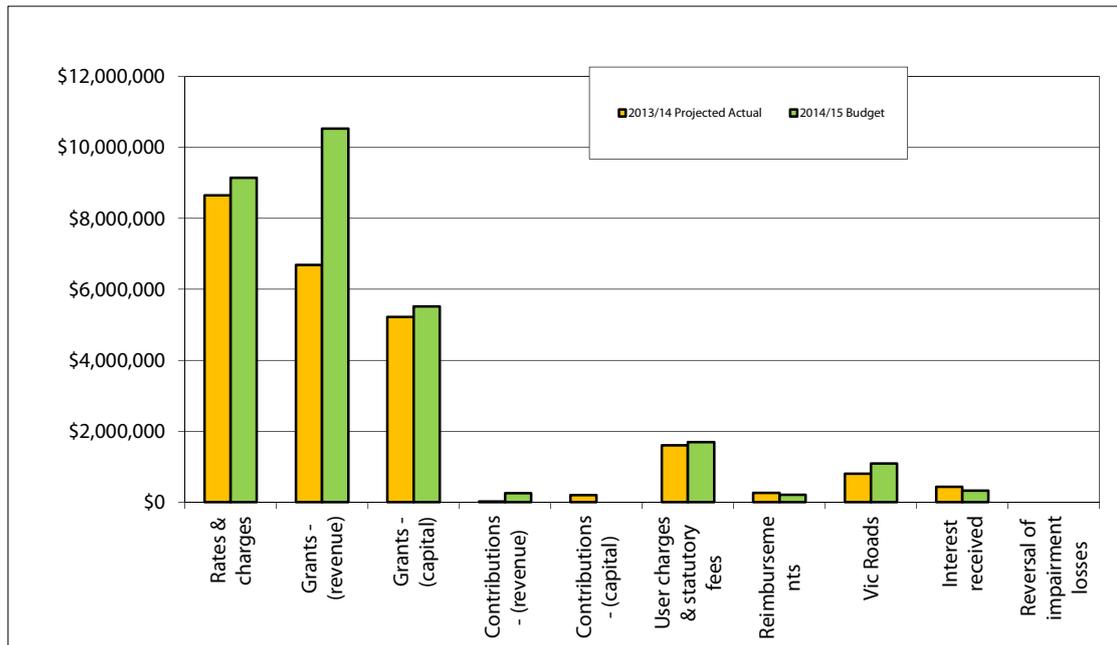
The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The underlying result for the 2014/15 year is a deficit of \$2.41m which is a decrease of \$4.12m from the 2013/14 year.

### 4.2 Income

Revenue types	Ref.	2013/14 Projected Actual	2014/15 Budget	Variance
Rates & charges	4.2.1	\$8,651,062	\$9,145,729	\$494,667
Grants - (revenue)	4.2.2	\$6,687,131	\$10,535,993	\$3,848,862
Grants - (capital)	4.2.3	\$5,220,689	\$5,514,673	\$293,984
Contributions - (revenue)	4.2.4	\$15,495	\$253,500	\$238,005
Contributions - (capital)	4.2.5	\$200,000	\$0	(\$200,000)
User charges & statutory fees	4.2.6	\$1,600,847	\$1,696,398	\$95,551
Reimbursements	4.2.7	\$265,497	\$203,739	(\$61,758)
Vic Roads	4.2.8	\$798,981	\$1,088,350	\$289,369
Interest received	4.2.9	\$432,004	\$325,000	(\$107,004)
Reversal of impairment losses		\$0	\$0	\$0
<b>Total income</b>		<b>\$23,871,707</b>	<b>\$28,763,382</b>	<b>\$4,891,676</b>

**4 ANALYSIS OF OPERATING BUDGET (Continued)**

**4.2 Income (continued)**



**4.2.1 Rates & charges**

*\$494,667 Increase*

It is proposed that general rate income and municipal charges be increased by 5.5% over the 2013/14 revised budget amounts, with waste collection charges increasing by 7.0%. Section 9 - Rating Strategy includes a detailed analysis of the rates and charges to be levied for 2014/15.

**4.2.2 Grants (revenue)**

*\$3,848,862 Increase*

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 increased by 52% or \$3.5m in 2014/15. Significant movements in grant funding are summarised below:

Grant funding types	2013/14 Projected Actual	2014/15 Budget	Variance
<b>State - Non recurrent</b>			
Business development	\$26,200	\$20,000	(\$6,200)
Strategies and plans	\$59,600	\$35,000	(\$24,600)
Tourism	\$1,000	\$50,000	\$49,000
Women's support	\$7,385	\$0	(\$7,385)
Caravan park facilities	\$4,653	\$0	(\$4,653)
Flood community recovery activities	\$902	\$0	(\$902)
Public facilities	\$3,711	\$0	(\$3,711)
Sporting facilities	\$178,249	\$379,000	\$200,751
Training	\$7,750	\$0	(\$7,750)
Youth initiatives	\$15,000	\$0	(\$15,000)

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.2 Income (continued)

#### 4.2.2 Grants (revenue) (continued)

Grant funding types (Continued)	2013/14 Projected Actual	2014/15 Budget	Variance
<b>State - Recurrent</b>			
Community protection	\$21,593	\$22,367	\$774
Drum Muster	\$5,000	\$5,125	\$125
Fire Services Levy	\$61,078	\$50,000	(\$11,078)
HACC services	\$787,740	\$780,468	(\$7,272)
Heritage	\$3,000	\$3,000	\$0
Infant welfare services	\$112,708	\$112,408	(\$300)
Local roads	\$1,000,000	\$1,000,000	\$0
Pre-schools	\$438,974	\$348,269	(\$90,705)
Senior citizens	\$46,208	\$47,083	\$875
Tobacco reform	\$3,193	\$3,273	\$80
Victorian Grants Commission - Local Roads	\$1,696,887	\$3,385,937	\$1,689,050
Victorian Grants Commission - General	\$2,181,800	\$4,269,563	\$2,087,763
Youth initiatives	\$24,500	\$24,500	\$0
<b>Total</b>	<b>\$6,687,131</b>	<b>\$10,535,993</b>	<b>\$3,848,862</b>

Increases are in respect of Victoria Grants Commission (VGC) funding, where the general revenue grant is anticipated to increase by \$2.09m and the local roads grant is expected to increase by \$1.69m, the budget for 2014/15 assumes four full payments occurring in the financial year, whereas the projected 2013/14 only includes 2 payments in the year.

The major decreases relates to projects which are expected to be completed by 30 June 2014. These include pre-school additional works funding (\$91k), youth initiatives with the completion of the L2P program (\$15k) and combined strategies & plans (\$25k).

#### 4.2.3 Grants (capital)

*\$293,984 Increase*

Capital Grants include all monies received from State and Federal government for the purpose of funding the capital works program. Capital grants are budgeted to increase by \$334k in 2014/15. Significant movements in grant funding are summarised below:-

Grant Funding Types	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Federal - Non recurrent</b>			
Flood projects	\$60,000	\$0	(\$60,000)
Sporting facilities	\$10,000	\$0	(\$10,000)
<b>Federal - Recurrent</b>			
Roads to Recovery	\$1,954,402	\$1,622,923	(\$331,479)
<b>State - Non recurrent</b>			
Caravan park works	\$128,698	\$0	(\$128,698)
Halls & community centres	\$2,061,778	\$800,000	(\$1,261,778)
Industrial estate	\$198,500	\$401,250	\$202,750
Office buildings	\$0	\$40,000	\$40,000
Playground facilities	\$0	\$33,000	\$33,000
Rural recovery	\$10,000	\$0	(\$10,000)
Sporting facilities	\$308,438	\$1,897,500	\$1,589,062
Streetscape projects	\$488,873	\$620,000	\$131,127
Tourism	\$0	\$100,000	\$100,000
<b>Total</b>	<b>\$5,220,689</b>	<b>\$5,514,673</b>	<b>\$293,984</b>

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.2 Income (continued)

The major decrease is works at halls and community centres of \$1.26m with projects expected to be complete by 30 June 2014. Other projects that have an increase in capital grants include the Bridgewater foreshore (\$1.33m), Wedderburn streetscape (\$242k) and the Pyramid Hill industrial estate (\$401k) projects.

#### 4.2.4 Contributions (revenue) *\$238,005 Increase*

Contributions (revenue) include amounts from community groups and external parties towards recurrent related projects. Contributions are budgeted to increase by \$238k in 2014/15 due to the commencement of major sporting facility works.

Contributions (revenue) types	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Economic development &amp; tourism</b>			
Regional living expo	\$10,000	\$0	(\$10,000)
<b>Works &amp; infrastructure</b>			
Staff training	\$2,500	\$7,500	\$5,000
<b>Good management</b>			
Valuations	\$2,000	\$56,000	\$54,000
<b>Community services &amp; recreation</b>			
Sporting facilities	\$0	\$190,000	\$190,000
Park facilities	\$995	\$0	(\$995)
<b>Total</b>	<b>\$15,495</b>	<b>\$253,500</b>	<b>\$238,005</b>

#### 4.2.5 Contributions (capital) *\$200,000 Decrease*

Capital contributions include amounts from community groups and external parties towards capital works projects. Contributions are budgeted to decrease by \$200k in 2014/15. The amount budgeted in 2013/14 relates to the Wedderburn Community Centre development.

#### 4.2.6 User charges & statutory fees *\$95,551 Increase*

Statutory fees are levied under various Acts and their Regulations, such as the Public Health and Wellbeing Act 2008, Planning & Environment Act 1987, Building Act 1993, the Country Fire Authority Act 1958, and Domestic (Feral & Nuisance) Animals Act 1994. Increases in statutory fees are made in accordance with legislative requirements. Most other fees and charges will increase by 2.5%.

Council has many varied sources of user charges. The main sources are home and community care services, caravan park fees, gravel pit fees and royalties, Loddon Discovery Tour fees, rental from Council owned properties, and private works.

Fees and charges are budgeted to increase by \$96k in 2014/15 and this is primarily due to an increase in reimbursement of costs for Loddon Pre-schools.

A detailed listing of statutory fees and Council charges is available on Council's web site and can also be inspected at Council's customer service centre.

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.2 Income (continued)

#### 4.2.6 User charges & statutory fees (continued)

Fees & charges	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Regulatory services</b>			
Building control services	\$81,200	\$95,100	\$13,900
Animal control services	\$43,985	\$45,072	\$1,087
Local laws services	\$3,823	\$3,919	\$96
Town planning services	\$32,885	\$33,707	\$822
Health control services	\$25,939	\$26,587	\$648
Land information certificates	\$7,000	\$7,175	\$175
<b>Economic development &amp; tourism</b>			
Tourism activities	\$96,000	\$98,120	\$2,120
Caravan parks	\$209,428	\$222,864	\$13,436
Loddon business & tourism awards	\$159	\$11,950	\$11,791
Commercial rental	\$34,568	\$34,907	\$339
Council residences	\$16,500	\$16,913	\$413
Standpipes & truck washes	\$18,500	\$19,500	\$1,000
<b>Leadership</b>			
Fire protection	\$1,274	\$1,306	\$32
Community safety	\$1,000	\$1,025	\$25
<b>Works &amp; infrastructure</b>			
Gravel pits	\$104,778	\$108,441	\$3,663
Road openings	\$9,000	\$9,000	\$0
Private works	\$35,000	\$35,000	\$0
Other miscellaneous income	\$1,531	\$0	(\$1,531)
<b>Good management</b>			
Other miscellaneous income	\$2,700	\$2,255	(\$445)
Commercial rental	\$3,442	\$3,528	\$86
Election expenses	\$1,899	\$0	(\$1,899)
Insurance	\$3,500	\$3,500	\$0
<b>Environment</b>			
Fire protection	\$14,500	\$18,963	\$4,463
Tips & recycling	\$81,024	\$102,800	\$21,776
<b>Community services &amp; recreation</b>			
Elderly persons units	\$57,306	\$58,739	\$1,433
Other community	\$3,000	\$3,075	\$75
HACC services	\$235,691	\$218,303	(\$17,388)
LSC packaged care	\$394,173	\$376,836	(\$17,338)
Pre-schools	\$72,562	\$129,799	\$57,237
Senior citizens	\$8,480	\$8,016	(\$464)
<b>Total</b>	<b>\$1,600,847</b>	<b>\$1,696,398</b>	<b>\$95,551</b>

#### 4.2.7 Reimbursements

*\$61,758 Decrease*

Reimbursements include diesel fuel rebates from the Taxation Office, insurance rebates, Workcover reimbursements, and training reimbursements. Reimbursements are budgeted to decline by \$62k during 2014/15 with major variations being the reimbursement of costs incurred for community facilities.

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.2 Income (continued)

#### 4.2.7 Reimbursements (continued)

Reimbursement types	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Leadership</b>			
Campaign refund	\$3,215	\$0	(\$3,215)
<b>Works &amp; infrastructure</b>			
Private works	\$35,000	\$37,500	\$2,500
Diesel fuel rebate	\$75,000	\$69,010	(\$5,990)
Outdoor Workcover claims	\$92,000	\$92,000	\$0
<b>Good management</b>			
Other insurances	\$5,100	\$5,229	\$129
<b>Community services &amp; recreation</b>			
Halls & community centres	\$10,000	\$0	(\$10,000)
Recreation facilities	\$45,182	\$0	(\$45,182)
<b>Total</b>	<b>\$265,497</b>	<b>\$203,739</b>	<b>(\$61,758)</b>

#### 4.2.8 Vic Roads

*\$289,369 Increase*

Council's contract with Vic Roads includes an "as of right" amount for routine maintenance works. Commensurate increases in expenditure budgets to deliver this program have been budgeted in 2014/15.

Vic Roads types	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Works &amp; infrastructure</b>			
Routine maintenance	\$451,668	\$476,716	\$25,048
Approved maintenance	\$129,470	\$369,672	\$240,202
Provisional periodic maintenance	\$151,714	\$210,127	\$58,413
Provisional day works	\$66,129	\$31,835	(\$34,294)
<b>Total</b>	<b>\$798,981</b>	<b>\$1,088,350</b>	<b>\$289,369</b>

#### 4.2.9 Interest received

*\$107,004 Decrease*

Interest is received for rate arrears and the investment of Council funds.

Council's rate arrears have been reducing consistently over the years, so it is anticipated that interest on rate arrears will be lower in 2014/15 to that it was in 2013/14.

It is anticipated that Council will have significantly lower cash on hand balances at the beginning of the 2014/15 year than was the case during the 2013/14 year.

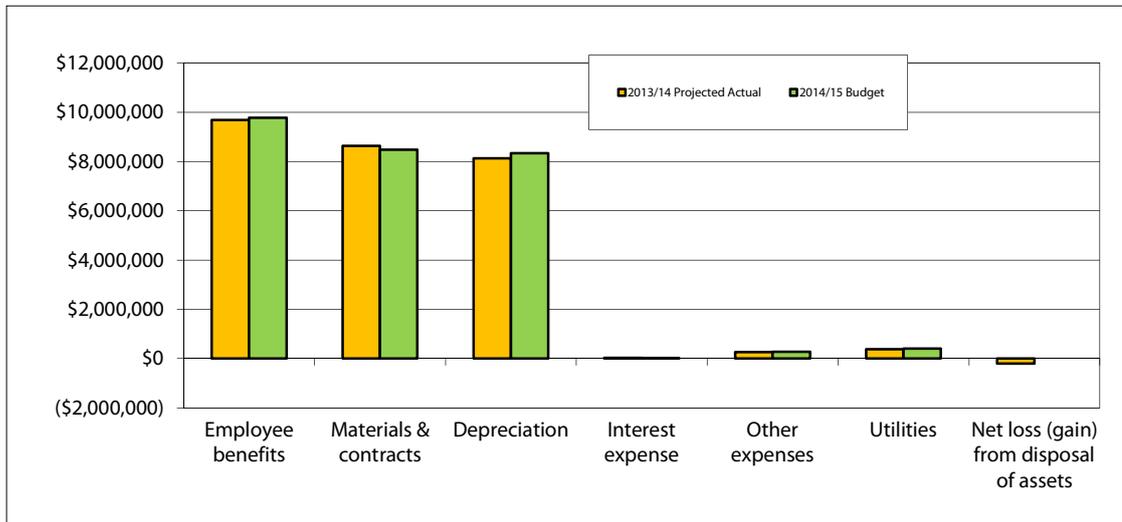
Interest earnings	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Good management</b>			
Investment interest	\$400,000	\$300,000	(\$100,000)
Rates interest	\$32,004	\$25,000	(\$7,004)
<b>Total</b>	<b>\$432,004</b>	<b>\$325,000</b>	<b>(\$107,004)</b>

**4 ANALYSIS OF OPERATING BUDGET (Continued)**

**4.3 Expenses**

Expenditure types		2013/14 Projected Actual	2014/15 Budget	Variance
Employee benefits	4.3.1	\$9,689,014	\$9,769,946	\$80,932
Materials & contracts	4.3.2	\$8,634,324	\$8,478,039	(\$156,285)
Depreciation	4.3.3	\$8,132,337	\$8,335,645	\$203,308
Interest expense	4.3.4	\$32,000	\$13,015	(\$18,985)
Other expenses	4.3.5	\$269,000	\$277,440	\$8,440
Utilities	4.3.6	\$382,776	\$408,681	\$25,905
Net loss (gain) from disposal of assets	4.3.7	(\$200,000)	\$0	\$200,000
<b>Total</b>		<b>\$26,939,452</b>	<b>\$27,282,767</b>	<b>\$343,315</b>

The following graph shows the change in expenditure from 2013/14 Projected Actuals to 2014/15 Budget.



**4.3.1 Employee benefits**

*\$80,932 Increase*

Employee costs include labour related expenditure such as wages and salaries and on-costs for operating expenditure of Council. **It does not include labour related to capital works projects.** It includes allowances, leave entitlements, employer superannuation, rostered days off, Workcover premiums and Fringe Benefits Tax for all salaries & wages.

Employee benefits are expected to increase by approximately \$81k from 2013/14 to 2014/15, an increase of 0.8%. The reasons for this increase is set out below.

The impact on total operating salaries and wages in relation to the Enterprise Bargaining Agreement (EBA) and increase in banding have been built into the 2014/15 Budget including the expected EBA of 3.0%, effective August 2014. In 2014/15 there has been a continuation in Council's superannuation contribution of 9.25% in line with legislation.

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.3 Expenses (continued)

#### 4.3.1 Employee benefits (continued)

Expenditure types	2013/14 Projected Actual	2014/15 Budget	Variance
Salaries & wages	\$7,596,696	\$7,651,288	\$54,592
Annual leave & long service leave	\$854,198	\$867,036	\$12,838
Superannuation expense	\$895,561	\$853,965	-\$41,596
Work cover	\$273,560	\$325,898	\$52,338
Fringe benefits tax	\$69,000	\$71,760	\$2,760
<b>Total</b>	<b>\$9,689,014</b>	<b>\$9,769,946</b>	<b>\$80,932</b>

#### Permanent staff costs

Department	2014/15 Budget	Permanent full time	Permanent part time
Economic development & tourism	\$416,564	\$204,811	\$211,753
Leadership	\$316,905	\$308,729	\$8,176
Works & infrastructure	\$3,138,965	\$3,138,965	\$0
Good management	\$2,482,188	\$1,735,628	\$746,560
Environment	\$346,633	\$181,320	\$165,314
Community services & recreation	\$2,644,758	\$1,040,104	\$1,604,654
<b>Total</b>	<b>\$9,346,013</b>	<b>\$6,609,557</b>	<b>\$2,736,456</b>

#### Permanent staff numbers

Department	2014/15 Budget	Permanent full time	Permanent part time
Economic development & tourism	4.82	2.00	2.82
Leadership	4.08	4.00	0.08
Works & infrastructure	52.00	52.00	0.00
Good management	30.24	19.40	10.84
Environment	4.59	2.00	2.59
Community services & recreation	40.20	14.60	25.60
<b>Total</b>	<b>135.93</b>	<b>94.00</b>	<b>41.93</b>

The total 2014/15 Budget includes 213 staff or 135.93 EFT. The 2013/14 Budget included 206 staff or 135.5 EFT.

#### 4.3.2 Materials, services & contracts

*\$156,285 Decrease*

Materials and Services includes the purchase of goods, services, and consumables, payments to contractors for the provision of services, and utility costs. They relate to operating expenditure only, and do not include the purchase of goods, services, or consumables, or payments to contractors for capital works projects.

The most significant decreases relate to the operation of Councils' gravel pits of \$270k with the crushing contract now complete, completion of various flood funded projects of \$173k and valuations of \$163k with 2013/14 being a valuation year.

The most significant increases relate to the ANZAC celebration budget of \$200k, flood survey and design of \$125k and heritage interest free loan project of \$100k.

**4 ANALYSIS OF OPERATING BUDGET (Continued)**

**4.3 Expenses (continued)**

4.3.2 Materials, services & contracts (continued)

Expenditure types	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Economic development &amp; tourism</b>			
Economic development	\$85,400	\$151,685	\$66,285
Tourism	\$214,588	\$305,667	\$91,079
Caravan parks	\$115,024	\$105,267	(\$9,756)
Council residences & buildings	\$10,833	\$9,033	(\$1,800)
Building services	\$10,040	\$11,800	\$1,760
Commercial buildings	\$15,743	\$21,023	\$5,280
Plans & strategies	\$35,937	\$25,000	(\$10,937)
<b>Leadership</b>			
Councillor related expenditure	\$135,583	\$101,120	(\$34,463)
Community safety	\$2,000	\$2,080	\$80
Local laws	\$17,000	\$17,000	\$0
Records management	\$26,500	\$8,000	(\$18,500)
ANZAC celebrations	\$0	\$200,000	\$200,000
Transport connections project	\$27,802	\$0	(\$27,802)
Sponsorships/Donations	\$29,500	\$32,000	\$2,500
Flood recovery projects	\$176,023	\$2,600	(\$173,423)
Memberships	\$19,543	\$10,000	(\$9,543)
<b>Works &amp; infrastructure</b>			
Depots	\$18,500	\$0	(\$18,500)
Employee related expenditure	\$65,273	\$80,000	\$14,727
Infrastructure & road maintenance	\$2,558,049	\$2,721,300	\$163,250
Minor equipment purchases	\$20,000	\$17,500	(\$2,500)
Gravel pits	\$332,144	\$62,276	(\$269,868)
<b>Good management</b>			
Advertising	\$56,000	\$59,000	\$3,000
Building maintenance	\$31,881	\$16,968	(\$14,913)
Council operations	\$138,317	\$116,704	(\$21,613)
Stationery & postage	\$97,845	\$105,139	\$7,294
Subscriptions & memberships	\$57,897	\$59,400	\$1,503
Information technology	\$340,871	\$327,284	(\$13,587)
Training & employee costs	\$98,000	\$100,920	\$2,920
Valuations	\$276,985	\$114,000	(\$162,985)
Insurance	\$299,887	\$354,446	\$54,558
Staff wellbeing	\$85,000	\$90,200	\$5,200
Legal and bank fees	\$79,000	\$95,160	\$16,160
<b>Environment</b>			
Fire protection	\$51,500	\$61,880	\$10,380
Planning control	\$20,500	\$10,520	(\$9,980)
Plans & strategies	\$0	\$110,000	\$110,000
Heritage	\$6,000	\$106,000	\$100,000
Tree and weed management	\$109,000	\$0	(\$109,000)
Waste management	\$709,594	\$835,206	\$125,612

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.3 Expenses (continued)

Expenditure types	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Community services &amp; recreation</b>			
Elderly persons units	\$19,372	\$19,886	\$514
Flood survey & design	\$0	\$125,000	\$125,000
Senior citizens	\$45,542	\$28,480	(\$17,062)
Youth initiatives	\$46,868	\$25,500	(\$21,368)
Library services	\$171,169	\$183,426	\$12,257
Swimming pools & waterways	\$145,385	\$101,770	(\$43,615)
Home & community care	\$224,507	\$336,085	\$111,577
Community support & safety	\$5,195	\$10,000	\$4,805
Infant services	\$51,383	\$18,133	(\$33,250)
Parks & gardens	\$31,453	\$60,048	\$28,595
Halls & community centres	\$10,560	\$5,616	(\$4,944)
Community safety	\$13,500	\$13,500	\$0
Pre-schools	\$102,193	\$30,995	(\$71,198)
Animal control	\$18,243	\$18,953	\$710
Community planning projects	\$68,887	\$150,000	\$81,113
Environmental health services	\$25,251	\$24,530	(\$721)
Public facilities	\$213,783	\$214,640	\$857
Plans & strategies	\$220,649	\$45,000	(\$175,649)
Sporting facilities	\$846,623	\$620,300	(\$226,323)
<b>Total</b>	<b>\$8,634,324</b>	<b>\$8,478,039</b>	<b>(\$156,285)</b>

#### 4.3.3 Depreciation

*\$203,308 Increase*

Depreciation is an accounting measure which attempts to assess the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains in a given year. Property, plant and equipment assets have a rate of depreciation attached to them. That rate represents the useful life of the asset, as determined by the manager responsible for the asset. For example, an item of plant with a useful life of 5 years, has a depreciation rate of 20%.

Depreciation is required under Australian Accounting Standards to be re-assessed each year and where necessary adjusted to accurately represent the pattern of consumption of Council's assets.

Classification	2013/14 Projected Actual	2014/15 Budget	Variance
Road assets & other related infrastructure	\$5,027,005	\$5,152,679	\$125,674
Buildings	\$1,573,382	\$1,612,716	\$39,334
Plant & equipment	\$1,090,950	\$1,118,224	\$27,274
Urban drainage	\$202,650	\$207,716	\$5,066
Office furniture & equipment	\$94,500	\$96,863	\$2,363
Landfills	\$141,750	\$145,294	\$3,544
Quarries	\$2,100	\$2,153	\$53
<b>Total</b>	<b>\$8,132,337</b>	<b>\$8,335,645</b>	<b>\$203,308</b>

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.3 Expenses (continued)

#### 4.3.4 Interest expense *\$18,985 Decrease*

Interest expense relates to interest charged by financial institutions on borrowed funds. Currently Council has 1 loan which relates to the Wedderburn Office construction.

As the loan ages, and the balance of the loan reduces, the amount of interest incurred against the loan will reduce while the amount of principal applied to each repayment will increase.

Type of interest	2013/14 Projected Actual	2014/15 Budget	Variance
Loan interest	\$32,000	\$13,015	(\$18,985)
<b>Total</b>	<b>\$32,000</b>	<b>\$13,015</b>	<b>(\$18,985)</b>

#### 4.3.5 Other expenses *\$8,440 Increase*

Other expenses include councillors' costs, and auditors' remuneration.

Expense type	2013/14 Projected Actual	2014/15 Budget	Variance
Councillors' costs	\$198,000	\$205,200	\$7,200
Auditors' remuneration	\$71,000	\$72,240	\$1,240
<b>Total</b>	<b>\$269,000</b>	<b>\$277,440</b>	<b>\$8,440</b>

#### 4.3.6 Utilities *\$25,905 Increase*

Utilities expenses include telephone, electricity, water and gas charges (where applicable).

Expense type	2013/14 Projected Actual	2014/15 Budget	Variance
Utilities	\$382,776	\$408,681	\$25,905
<b>Total</b>	<b>\$382,776</b>	<b>\$408,681</b>	<b>\$25,905</b>

#### 4.3.6 Net loss (profit) on disposal of assets *\$200,000 Decrease*

The net loss (or profit) on disposal of assets relates to the sale of Council vehicles, including large items of plant. It represents the difference between the amount received for an item of plant and the book value of that item in Council's accounts at the time of sale.

Although it is difficult to predict the result of these transactions, historically Council has made a loss on sale of plant, so allowance has been made in the 2014/15 for no profit/loss. With a large number of plant items sold after the flood program was completed, a further calculation was undertaken and Council expects to receive a profit in 2013/14.

Classification	2013/14 Projected Actual	2014/15 Budget	Variance
Plant & equipment	(\$200,000)	\$0	\$200,000
<b>Total</b>	<b>(\$200,000)</b>	<b>\$0</b>	<b>\$200,000</b>

## 5 ANALYSIS OF BUDGETED CASH POSITION

This section of the report analyses the expected cash flows from the operating, investing and financing activities of Council for the 2014/15 year i.e. the budgeted cash flow position. 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

	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rates & charges	\$8,665,675	\$7,422,533	(\$1,243,142)
Operating grants & contributions	\$7,749,032	\$11,696,050	\$3,947,018
Capital grants & contributions	\$8,976,107	\$6,014,299	(\$2,961,808)
Interest	\$432,004	\$325,000	(\$107,004)
User charges (including GST)	\$1,844,953	\$1,788,838	(\$56,115)
Reimbursements (including GST)	\$303,425	\$222,261	(\$81,164)
Vic Roads (including GST)	\$913,121	\$1,187,291	\$274,170
Net GST refund	(\$46,658)	\$462,089	\$508,747
	<b>\$28,837,659</b>	<b>\$29,118,361</b>	<b>\$280,702</b>
<b>Payments</b>			
Employee benefits	(\$8,303,994)	(\$8,365,868)	(\$61,874)
Materials & contracts (including GST)	(\$12,320,827)	(\$10,908,640)	\$1,412,187
Interest expense	(\$32,000)	(\$13,015)	\$18,985
	<b>(\$20,656,821)</b>	<b>(\$19,287,523)</b>	<b>\$1,369,298</b>
<b>Net cash provided by operating activities</b>	<b>\$8,180,838</b>	<b>\$9,830,838</b>	<b>\$1,650,000</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of property, plant & equipment	\$982,405	\$274,685	(\$707,720)
Net advances/-repayment of loans	\$21,798	\$18,800	(\$2,998)
Payments for property, plant & equipment	(\$16,707,734)	(\$11,434,316)	\$5,273,418
<b>Net cash used in investing activities</b>	<b>(\$15,703,531)</b>	<b>(\$11,140,831)</b>	<b>\$4,562,700</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	(\$182,526)	(\$129,205)	\$53,321
<b>Net cash provided by (used in) financing activities</b>	<b>(\$182,526)</b>	<b>(\$129,205)</b>	<b>\$53,321</b>
Net decrease in cash & cash equivalents	<b>(\$7,705,219)</b>	<b>(\$1,439,198)</b>	<b>\$6,266,021</b>
Cash & cash equivalents at the beginning of the year	\$17,311,650	\$9,606,431	(\$7,705,219)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>\$9,606,431</b>	<b>\$8,167,234</b>	<b>(\$1,439,198)</b>

**5 ANALYSIS OF BUDGETED CASH POSITION (Continued)**

	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Surplus/(deficit) for the year</b>	<b>(\$3,067,745)</b>	<b>\$1,480,616</b>	<b>\$4,548,361</b>
Depreciation	\$8,132,337	\$8,335,645	\$203,308
Loss/(gain) on sale of assets	(\$200,000)	\$0	\$200,000
Net movement in current assets & liabilities	\$3,516,246	\$14,578	(\$3,501,668)
<b>Cash flows available from operating activities</b>	<b>\$8,380,838</b>	<b>\$9,830,838</b>	<b>\$1,450,000</b>
Proceeds from sale of assets	\$982,405	\$274,685	(\$707,720)
Repayment of borrowings	(\$182,526)	(\$129,205)	\$53,321
Net movement in loans & advances	\$21,798	\$18,800	(\$2,998)
<b>Cash flows available for capital works</b>	<b>\$9,202,515</b>	<b>\$9,995,118</b>	<b>\$792,603</b>
Capital expenditure	(\$16,707,734)	(\$11,434,316)	\$5,273,418
<b>Net cash outflows</b>	<b>(\$7,505,219)</b>	<b>(\$1,439,198)</b>	<b>\$6,066,021</b>
Cash & cash equivalents at the beginning of the year	\$17,311,650	\$9,606,431	(\$7,705,219)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>\$9,806,431</b>	<b>\$8,167,234</b>	<b>(\$1,639,197)</b>

**5.1.1 Operating activities**

**\$1,650,000 Increase**

Operating activities refer to the cash generated or used in normal service delivery functions of Council.

There can be significant variations between operating activities from year to year, particularly as some activities are undertaken with external funding which may be available one year but not the next.

The most significant variations in operating activities are in regards to 2014/15 community planning allocations which have decreased by \$500k due to this being bought forward into 2013/14. At the end of 2012/13 there was also a large outstanding flood invoice that is expected to be received during 2013/14 of over \$2m.

There has been a significant decrease of \$1.4m expenditure on materials & services as expected as a result of the completion of major grant works. These are not expected to carry over into 2014/15.

**5.1.2 Investing activities**

**\$4,562,700 Decrease**

Investing activities refer to cash generated or used in the enhancement or creation of infrastructure and other assets, and include the acquisition and sale of other assets such as vehicles, property, equipment, etc. Investing activities also include the advancement of loans to community groups and organisations, and the repayment of those advances.

The most significant factors in the decrease in investing activities in 2014/15 is in the area of capital expenditure relating to major grants received. These are expected to be completed in 2013/14 and no carry overs have been budgeted. In 2013/14 there was also a large volume of heavy equipment sales as a result of excess equipment left over from the flood program.

## 5 ANALYSIS OF BUDGETED CASH POSITION (Continued)

### 5.1.3 Financing activities

*\$53,321 Increase*

Financing activities refer to cash generated or used in the financing of Council functions and include borrowings from financial institutions. These activities also include repayment of the principal component of loan repayments for the year.

Council's projected borrowings balance for 2014/15 is expected to reduce with the repayment of amounts in relation to the Wedderburn Office loan, and no new are borrowings expected.

### 5.1.4 Cash & cash equivalents at the end of the year

*\$1,439,198 Decrease*

Overall, total cash and investments is forecast to decrease by \$1.44m during 2014/15, although the cash position will be determined by a number of factors (including collection of outstanding amounts during the year, payment cycle for Council's creditors, movement in trust funds).

## 5.2 Restricted and unrestricted cash and investments

Represented By:	2013/14 Projected Actual	2014/15 Budget	Variance
Restricted cash & investments:			
- Discretionary reserves, including unexpended grants	\$3,904,044	\$4,423,986	\$519,942
- Annual leave provisions	\$1,080,687	\$1,233,962	\$153,275
- Long service leave	\$1,724,556	\$1,774,556	\$50,000
- Trust funds	\$417,629	\$417,629	\$0
Working capital	\$2,479,515	\$317,101	(\$2,162,414)
<b>Total cash &amp; investments</b>	<b>\$9,606,431</b>	<b>\$8,167,234</b>	<b>(\$1,439,197)</b>

### 5.2.1 Trust funds (\$0.4 million)

All amounts received as tender deposits, unclaimed monies and retention amounts controlled by Council are included as trust funds along with any monies placed into trust by external parties.

### 5.2.2 Statutory reserves (\$3.0 million)

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

### 5.2.3 Discretionary reserves (\$4.4 million)

These funds are available for whatever purpose Council decides is their best use. In this case 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. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

Included in the Discretionary Reserves are Unexpended Grants – Council often receives grants which, due to the timing of receipt of them, cannot be spent in the year that they are received. These are considered grants in advance. The income is recognised in the year of receipt, and the grant is placed into the Unspent Grants Reserve until it is required to fund the project to which it relates. At 30 June 2015 Council expects to have no monies in the Unexpended Grants Reserve.

## **5 ANALYSIS OF BUDGETED CASH POSITION (Continued)**

### **5.2 Restricted and unrestricted cash and investments (continued)**

#### 5.2.4 Unrestricted cash and investments (\$0.3 million)

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements and unexpected short term needs. 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. A high level of unrestricted cash and investments is desirable as 60% of Council's rate revenue is not received until February each year.

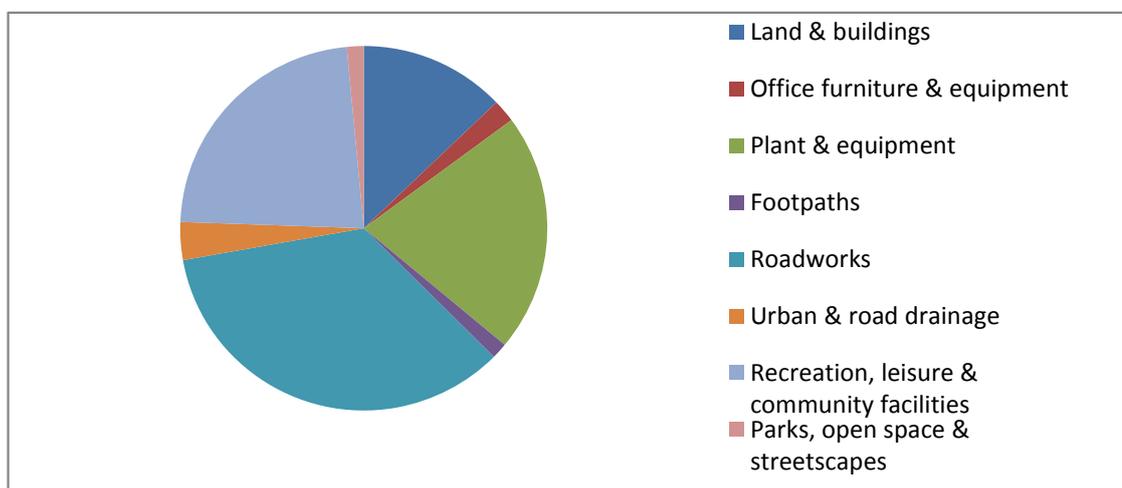
## 6 ANALYSIS OF CAPITAL BUDGET

This section of the report analyses the planned capital expenditure budget for the 2014/15 year and the sources of funding for the capital budget.

### 6.1 Capital works expenditure

Capital works areas	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Works carried forward</b>			
Land & buildings	\$432,758	\$0	(\$432,758)
Footpaths	\$270,663	\$0	(\$270,663)
Roadworks	\$761,393	\$120,000	(\$641,393)
Urban & road drainage	\$298,318	\$0	(\$298,318)
Recreation, leisure and community facilities	\$6,870,010	\$1,000,000	(\$5,870,011)
Parks, open space and streetscapes	\$1,435,185	\$523,000	(\$912,185)
<b>Total works carried forward</b>	<b>\$10,068,327</b>	<b>\$1,643,000</b>	<b>(\$8,425,327)</b>
<b>New works</b>			
Land & buildings	\$641,458	\$1,258,500	\$617,042
Office furniture & equipment	\$107,876	\$197,500	\$89,624
Plant & equipment	\$753,698	\$2,074,878	\$1,321,180
Footpaths	\$519,226	\$139,150	(\$380,076)
Roadworks	\$3,117,805	\$3,399,285	\$281,480
Urban & road drainage	\$589,707	\$330,000	(\$259,707)
Recreation, leisure & community facilities	\$235,000	\$2,247,003	\$2,012,003
Parks, open space & streetscapes	\$674,637	\$145,000	(\$529,637)
<b>Total new works</b>	<b>\$6,639,407</b>	<b>\$9,791,316</b>	<b>\$3,151,909</b>
<b>Total capital works</b>	<b>\$16,707,734</b>	<b>\$11,434,316</b>	<b>(\$5,273,418)</b>
<b>Represented by:</b>			
Asset renewal	\$3,593,483	\$3,618,288	\$24,805
New assets	\$2,006,994	\$3,454,378	\$1,447,384
Asset upgrade	\$3,723,682	\$1,175,650	(\$2,548,032)
Asset expansion	\$7,383,575	\$3,186,000	(\$4,197,575)
<b>Total capital works</b>	<b>\$16,707,734</b>	<b>\$11,434,316</b>	<b>(\$1,075,843)</b>

The following graph shows the areas of capital works expenditure for 2014/15.



A full list of the capital works program is included in Appendix C - Capital Works Program.

## **6 ANALYSIS OF CAPITAL BUDGET (Continued)**

### **6.1 Capital works expenditure**

#### **6.1.1 Carried forward works** \$1,643,000

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2013/14 year it is forecast that \$1.643m of capital works will be incomplete and carried forward into the 2014/15 year. The more significant projects include the Boort Streetscape Project of \$180k, the Inglewood Town Hall project of \$800k and the Wedderburn streetscape project of \$523k.

#### **6.1.2 Land & buildings** \$1,258,500

The land & buildings capital expenditure for 2014/15 includes a budgeted amount of \$557k for the Pyramid Hill industrial estate, \$180k for public toilets at Serpentine, and \$250k allocations to the community planning program. Other major projects include the purchase of a retail premises in Wedderburn of \$150k and the Building Asset Management Plan allocation of \$104k.

#### **6.1.3 Office furniture & equipment** \$197,500

The Office furniture and equipment capital expenditure budget is made up of the IT upgrade works at Serpentine of \$100k, PC replacement program of \$50k, the purchase of a photocopier for \$15k, and server replacement of \$30k.

#### **6.1.4 Plant & equipment** \$2,074,878

The plant and equipment budget includes fleet replacement which has a capital budget of \$350k, recreation reserve mower replacement program of \$72k and major plant replacement of \$1.63m. Other items include minor plant and equipment of \$20k.

#### **6.1.5 Footpaths** \$139,150

Footpaths capital expenditure items include capital works resulting from implementing Council's Footpath Asset Management Plan, as well as works under the Roads to Recovery program.

#### **6.1.6 Roadworks** \$3,399,285

Roadworks capital expenditure items include capital works resulting from implementing Council's Road and Bridges Asset Management Plans, as well as works under the Roads to Recovery program. Significant budgets in this area is made up of local road reseals of \$578k, local road construction of \$1.55m, local road resheets of \$746k, shoulder sheets of \$236k and bridge and culvert works of \$258k.

Of this total program \$1.623m is funded from Roads to Recovery.

#### **6.1.7 Urban & road drainage** \$330,000

Council is investing \$330k in urban drainage capital expenditure for 2014/15.

#### **6.1.8 Recreation, leisure & community facilities** \$2,247,003

Recreation, leisure and community facilities capital works includes significant items of expenditure of Bridgewater Foreshore project of \$1.526m, swimming pool works of \$390k and Captain Melville trail project of \$200k.

## 6 ANALYSIS OF CAPITAL BUDGET (Continued)

### 6.1 Capital works expenditure (continued)

6.1.9 Parks, open space & streetscapes \$145,000

Parks, open spaces and streetscapes capital works includes significant items of expenditure of parks and gardens strategy of \$100k and Sloans Park playground of \$45k.

#### 6.1.9 Asset renewal, new assets, asset upgrade and expansion expenditure

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 capacity. Expenditure on new assets does not have any element of expansion or upgrade of existing assets but will result in an additional burden from future operation, maintenance and capital renewal. Expenditure on an existing asset that adds additional value to the item while keeping the same service level is an asset upgrade. Expenditure on an asset that expands the use of the asset beyond its current capabilities is classified as asset expansion.

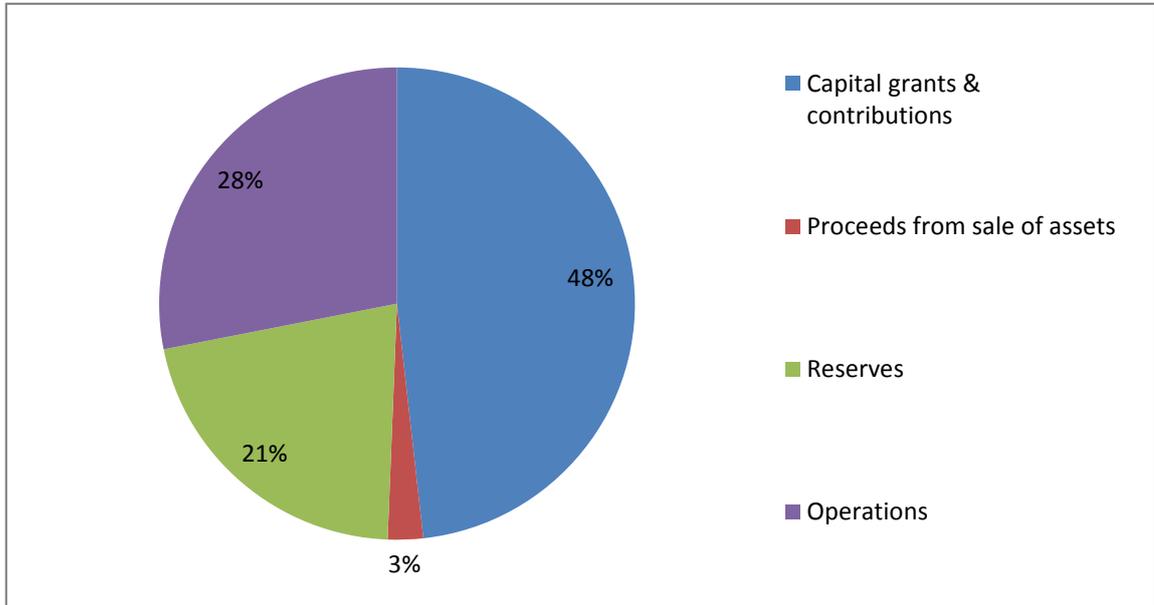
### 6.2 Funding sources

Sources of funding	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Works carried forward</b>			
<i>External</i>			
Capital grants & contributions	\$8,861,595	\$1,580,000	(\$7,281,595)
Council cash - proceeds from the sale of assets	\$0	\$0	\$0
<i>Internal</i>			
Council cash - reserves	\$494,338	\$0	(\$494,338)
Council cash - operations	\$712,394	\$63,000	(\$649,394)
<b>Total works carried forward</b>	<b>\$10,068,327</b>	<b>\$1,643,000</b>	<b>(\$8,425,327)</b>
<b>New works</b>			
<i>External</i>			
Capital grants & contributions	\$1,782,212	\$3,934,672	\$2,152,460
Council cash - proceeds from the sale of assets	\$524,555	\$274,685	(\$249,870)
<i>Internal</i>			
Council cash - reserves	\$1,071,726	\$2,431,693	\$1,359,967
Council cash - operations	\$3,260,914	\$3,150,265	(\$110,649)
<b>Total new works</b>	<b>\$6,639,407</b>	<b>\$9,791,315</b>	<b>\$3,151,908</b>
<b>Total funding sources</b>	<b>\$16,707,734</b>	<b>\$11,434,315</b>	<b>(\$5,273,419)</b>

**6 ANALYSIS OF CAPITAL BUDGET (Continued)**

**6.2 Funding sources (continued)**

The following graph shows the funding sources for capital works for 2014/15:



6.2.1 Carried forward works \$1,643,000

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2013/14 year it is forecast that \$1.643m of capital works will be incomplete and carried forward into the 2014/15 year. The more significant projects include the Boort Streetscape Project of \$180k, the Inglewood Town Hall project of \$800k and the Wedderburn streetscape project of \$523k.

6.2.2 Capital grants & contributions \$3,934,672

Capital grants and contributions include all monies received from State and Federal sources and community contributions for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the Roads to Recovery program of \$1.622m, Bridgewater foreshore project of \$1.5m and the Pyramid Hill Industrial Estate of \$401k.

6.2.3 Council cash - proceeds from sale of assets \$274,685

Proceeds from sale of assets include motor vehicle and major plant sales in accordance with Council's plant and fleet replacement program.

6.2.4 Council cash - reserves \$2,431,693

Council has significant reserves which it is currently using to fund some annual capital works programs. The reserves include monies set aside for plant and fleet replacement, drainage program, caravan park works, land and building purchases along with industrial and housing land development.

6.2.5 Council cash - operations \$3,150,265

Council generates cash from its operating activities, which is used as a funded source for the capital works program. It is forecast that \$3.15m will be generated from operations to fund the 2014/15 capital works program.

## 7 ANALYSIS OF BUDGETED FINANCIAL POSITION

This section analyses the movements in assets, liabilities and equity between 2013/14 and 2014/15. It also considers a number of key performance indicators.

### 7.1 Budgeted balance sheet

	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Current assets</b> <b>7.1.1</b>			
Cash & cash equivalents	\$9,606,431	\$8,167,234	(\$1,439,198)
Trade & other receivables	\$471,302	\$556,726	\$85,424
Financial assets	\$281,035	\$311,035	\$30,000
Other assets	\$640,378	\$640,378	\$0
<b>Total current assets</b>	<b>\$10,999,146</b>	<b>\$9,675,373</b>	<b>(\$1,323,774)</b>
<b>Non-current assets</b> <b>7.1.3</b>			
Non-current assets held for resale	\$375,311	\$375,311	\$0
Trade & other receivables	\$16,800	\$3,000	(\$13,800)
Property, infrastructure, plant & equipment	\$269,516,578	\$280,426,061	\$10,909,483
<b>Total non-current assets</b>	<b>\$269,908,689</b>	<b>\$280,804,372</b>	<b>\$10,895,683</b>
<b>Total assets</b>	<b>\$280,907,835</b>	<b>\$290,479,745</b>	<b>\$9,571,909</b>
<b>Current liabilities</b> <b>7.1.2</b>			
Trade & other payables	\$1,392,368	\$1,324,095	(\$68,273)
Interest bearing loans & borrowings	\$129,205	\$131,145	\$1,940
Employee benefits	\$2,489,825	\$2,540,644	\$50,819
<b>Total current liabilities</b>	<b>\$4,011,398</b>	<b>\$3,995,884</b>	<b>(\$15,514)</b>
<b>Non-current liabilities</b> <b>7.1.4</b>			
Interest bearing loans & borrowings	\$131,145	\$0	(\$131,145)
Employee benefits	\$315,418	\$467,874	\$152,456
Provisions	\$1,815,337	\$1,815,337	\$0
<b>Total non-current liabilities</b>	<b>\$2,261,900</b>	<b>\$2,283,211</b>	<b>\$21,311</b>
<b>Total liabilities</b>	<b>\$6,273,298</b>	<b>\$6,279,095</b>	<b>\$5,797</b>
<b>NET ASSETS</b>	<b>\$274,634,537</b>	<b>\$284,200,650</b>	<b>\$9,566,113</b>
<b>Equity</b> <b>7.1.5</b>			
Accumulated surplus	\$102,759,902	\$103,720,576	\$960,674
Asset revaluation reserve	\$167,970,591	\$176,056,088	\$8,085,497
Other reserves	\$3,904,044	\$4,423,986	\$519,942
<b>TOTAL EQUITY</b>	<b>\$274,634,537</b>	<b>\$284,200,650</b>	<b>\$9,566,113</b>

## **7 ANALYSIS OF BUDGETED FINANCIAL POSITION (Continued)**

### 7.1.1 Current assets \$1,323,774 Decrease

Current Assets are cash or other assets that can be converted to cash within one financial year.

Current Assets are budgeted to decrease by \$1.3m during the financial year in the cash and investments component. This is mainly due to a decrease in funding for significant capital works projects and the decreases in cash backed reserves. Water Rights have been budgeted for no change due to the lack of quality data to predict the shift in values. Financial assets includes Inventories. These are also budgeted for a small change due to the volatility of historical data.

### 7.1.2 Current liabilities \$15,514 Decrease

Current Liabilities are obligations which must be paid within one financial year.

Trade & Other Payables includes Trade Creditors, Accrued Loan Interest, and Trust Funds, all of which fall due in the coming financial year.

### 7.1.3 Non-current assets \$10,895,683 Increase

Non-Current Assets are those assets that are not expected to be converted to cash within one year.

Council's non-current assets are expected to increase by \$10.9m during the year. Trade & other receivables are interest free loans outstanding to Council and they are expected to decrease by \$14k during the financial year. Other assets represent Council's equity in the North Central Regional Goldfields Library. The change in equity has been inconsistent in the past with some years increasing and other years decreasing, so for budgeting purposes, the equity has not been changed. Non-current assets held for resale is land and/or buildings that Council can confidently state will be sold within a short period of time.

### 7.1.4 Non-current liabilities \$21,311 Increase

Non-current liabilities are those obligations of Council that must be paid beyond next financial year (longer term obligations).

The overall increase in non-current liabilities is budgeted to be \$21k. There is no budgeted change in Provisions which are indexed in line with the landfills and quarries assets. There is an expected increase in employee benefits as staff periods of service increase, along with interest rates which affect the present value of future obligations. The major reduction is anticipated in the area of borrowings by \$131k, with the continuation of Council's repayment schedule, and no allowance for new borrowings in the budget.

### 7.1.5 Equity \$9,566,113 Increase

The overall increase in equity is budgeted to be \$9.6m. Accumulated surplus is budgeted to increase by \$961k, reflecting budgeted operating profit, coupled with the increase in discretionary reserves of \$520k. This is in line with Council's Reserves Policy and is outlined in more detail in Section 10 - Other Strategies. Additionally an increase of \$8.1m is budgeted in the Asset Revaluation Reserve due to the revaluation of non current assets.

## **7 ANALYSIS OF BUDGETED FINANCIAL POSITION (Continued)**

### **7.2 Key assumptions**

In preparing the Budgeted Balance Sheet for the Year Ended 30 June 2015 it was necessary to make a number of assumptions about assets, liabilities, and equity balances. The key assumptions are as follows:

- Council will not collect all of its revenue in one financial year due to the time lag between invoices and payments, and these will be received in the next financial year
- Council will not collect all of its rate revenue in each financial year (2% is budgeted to remain outstanding)
- Council will not collect all monies from interest received and reimbursements in the one financial year
- Council will not pay all of its expenditure in one financial year due to the time lag between invoices and payments and the remaining invoices will be paid in the next financial year
- All capital works and carried forward projects will be completed in the financial year. Council has a capital works budget in 2014/15 of \$11.43m
- Reserve transfers will be undertaken in line with Council's Reserves Policy
- Council's interest free loans owed by external parties will be repaid in accordance with existing repayment schedules
- Where applicable the Long Term Financial Plan forecasts have been stated
- No attempt has been made to forecast the movement in water rights and library equity.

## 8 STRATEGIC RESOURCE PLAN & FINANCIAL PERFORMANCE INDICATORS

### 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.

Council has prepared a Strategic Resource Plan for the four years 2014/15 to 2017/18 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The Plan 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 Plan, is financial sustainability in the medium to long term, whilst still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the Strategic Resource Plan, are:

- maintain existing service levels
- achieve a balanced budget on a cash basis
- maintain a capital expenditure program appropriate to cash flows
- include Asset Management Plans and all strategies adopted by Council.

In preparing the Strategic Resource Plan, the Council has also been mindful of the need to comply with the following principles of sound financial management as contained in the Act:

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

The Plan is updated annually through a rigorous process of consultation with Councillors and staff followed by a detailed sensitivity analysis to achieve the key financial objectives.

### 8.2 Financial resources

The following table summaries the key financial results for the next four years as set out in the Plan for years 2014/15 to 2017/18. Appendix A of the Executive Summary includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	2013/14	2014/15 Budget	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast
	Projected Actual				
Operating result	(\$3,067,745)	\$1,480,616	\$1,127,860	(\$355,289)	\$359,773
Underlying operating result	(\$6,534,032)	(\$2,411,135)	\$1,127,860	(\$355,289)	\$359,773
Cash & investments	\$9,606,431	\$8,167,234	\$7,116,918	\$7,783,007	\$8,062,660
Cash flow from operations	\$28,837,659	\$29,118,361	\$27,432,399	\$27,110,146	\$28,611,287
Capital works	\$16,707,734	\$11,434,316	\$10,954,076	\$7,951,797	\$9,419,500

## 8 STRATEGIC RESOURCE PLAN & FINANCIAL PERFORMANCE INDICATORS (Continued)

### 8.2 Financial resources (continued)

Definitions of the indicators are as follows:

Operating result

The Operating Result is the Surplus/(Deficit) for the Year, as per the Budgeted Comprehensive Income Statement (Appendix A).

Underlying operating result

The Underlying Operating Result is the Surplus/(Deficit) for the Year, as per the Budgeted Comprehensive Income Statement (Appendix A) less Capital Grants and Contributions.

Cash & investments

Cash & Investments are included under Current Assets in the Budgeted Balance Sheet (Appendix A).

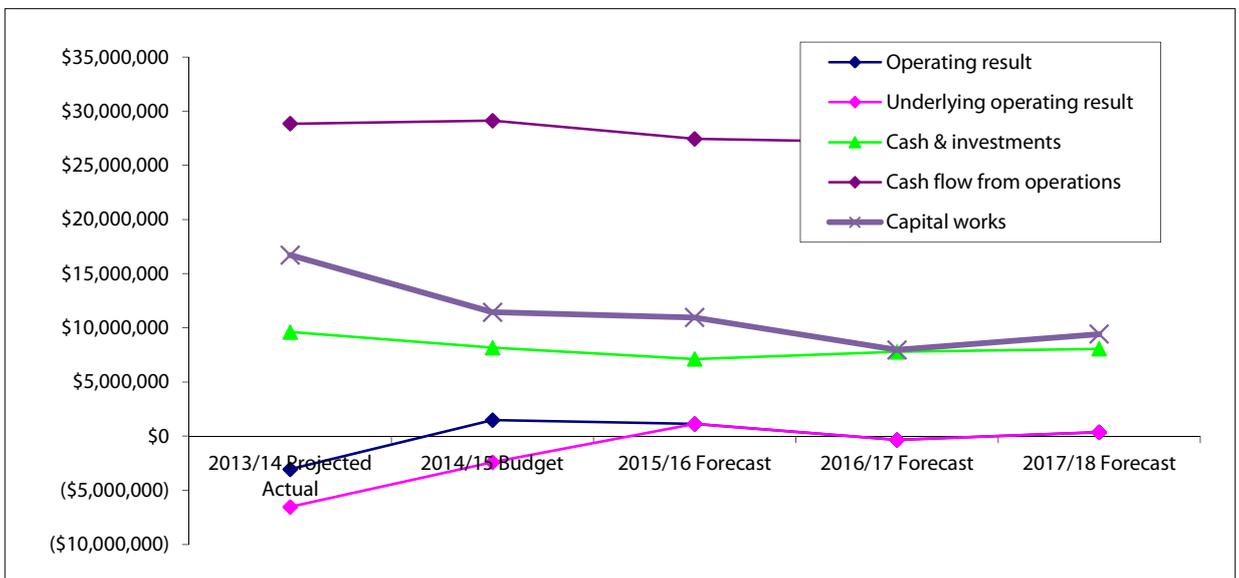
Cash flow from operations

Cash Flow from Operations are included in the Budgeted Standard Cash Flow Statement (Appendix A).

Capital works

Capital Works are included in the Budgeted Standard Capital Works Statement (Appendix A).

The following graph shows the general financial indicators over the five year period:



The key outcomes of the Plan are as follows:

- **Financial sustainability:** Although Cash and Investments reduce over the period of the Strategic Resource Plan, they remain in a positive financial position for the term. The reduction in Cash and Investments is indicative of Council preparing balanced budgets annually, and the reduction in Council reserves to fund capital works.
- **Rating strategy:** Rate increases have been applied to the Strategic Resource Plan at 5.5% per annum in 2014/15, 2015/16, 2016/17 and 2017/18.
- **Borrowing strategy:** The Strategic Resource Plan does not require any new borrowings as a funding source. The focus of borrowings will be to reduce the balance of borrowings originally undertaken in the earlier financial years.

## 8 STRATEGIC RESOURCE PLAN & FINANCIAL PERFORMANCE INDICATORS (Continued)

### 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	2013/14 Projected Actual	2014/15 Budget	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast
<b>Operating position</b>							
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-15.16%	3.52%	4.09%	-1.31%	1.26%
<b>Liquidity</b>							
Working capital	Current assets / current liabilities	2	274.20%	242.13%	224.97%	239.65%	246.58%
Unrestricted cash	Unrestricted cash / current liabilities		121.62%	84.68%	59.40%	66.07%	79.26%
<b>Obligations</b>							
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	3.01%	1.43%	0.00%	0.00%	0.00%
Loans and borrowings	Interest and principal repayments / rate revenue		1.55%	1.71%	1.41%	0.00%	0.00%
Indebtedness	Non-current liabilities / own source revenue		21.17%	20.45%	20.64%	21.02%	21.37%
Asset renewal	Asset renewal expenditure / depreciation	4	44.19%	43.41%	37.41%	35.87%	41.12%
<b>Stability</b>							
Rates concentration	Rate revenue / adjusted underlying revenue	5	36.71%	32.34%	34.94%	37.37%	37.52%
Rates effort	Rates revenue / property values (CIV)		0.54%	0.57%	0.60%	0.63%	0.67%
<b>Efficiency</b>							
Expenditure level	Total expenditure / no. of assessments		\$ 3,525.18	\$ 3,570.11	\$ 3,461.45	\$ 3,604.84	\$ 3,689.74
Revenue level	Residential rate revenue / no. of residential assessments		\$ 675.51	\$ 714.14	\$ 752.51	\$ 793.49	\$ 836.71
Workforce turnover	No. of resignations & terminations / average no. of staff		7.36%	7.36%	7.47%	7.47%	7.47%

#### Notes to indicators

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

2 *Working Capital* – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease significantly in 2014/15 year due to a reduction in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.

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

## 8 STRATEGIC RESOURCE PLAN & FINANCIAL PERFORMANCE INDICATORS (Continued)

### 8.3 Financial performance indicators (continued)

*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 ongoing 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 planned period, Council will also consume non-financial resources, in particular human resources. A summary of Council's anticipated human resources requirements for the 2014/15 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	2013/14 Projected Actual	2014/15 Budget	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast
Employee costs					
- Operating	\$8,450,893	\$8,518,323	\$8,619,791	\$8,944,686	\$9,282,036
- Capital	\$842,663	\$829,689	\$1,009,529	\$1,069,807	\$1,133,037
<b>Total</b>	<b>\$9,293,556</b>	<b>\$9,348,012</b>	<b>\$9,629,320</b>	<b>\$10,014,493</b>	<b>\$10,415,073</b>
Employee numbers (EFT*)	135.93	135.93	133.93	133.93	133.93

\* Equivalent Full Time

## **9 RATING STRATEGY**

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

### **9.1 Strategy development**

In developing the Strategic Resource Plan (Referred to in Section 8), rates and charges was identified as an important source of revenue, accounting for 36.2% of operating revenue in 2013/14 and 31.8% in 2014/15. Like many other rural municipalities, Council relies heavily on rate income and therefore planning for future rate increases has been an important component of the Strategic Resource Planning process.

However, it has been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly given the varying climate conditions which can impact the income earning ability of the agricultural sector.

### **9.2 General rating principles**

The following principles need to be applied when giving consideration to the rating strategy to be adopted:

- Council has the ability to review the rating system each year and will apply principles of fairness and equity to the development of that system
- Council will capture new growth in the municipality so that the total income derived from rates can increase as a result of new development.

The Best Practice Valuation System, incorporating a two year revaluation cycle, will result in a redistribution of rating effort across different property types and areas of the municipality.

Council's rating strategy since 2002/03 was targeted at a rate distribution of 70:30 for Rural (70) and Urban (30) properties. In 2014/15 Council has defined a differential rate split of 11%. Council considers this as a fair allocation of rates across property types.

### **9.3 Rating structure**

Council has established a rating structure, which seeks to deliver the principle of rating as required by the Local Government Act 1989. This is to "ensure the equitable imposition of rates and charges".

Council's rating structure comprises:

- a municipal charge
- a general rate based on property value
- a differential rate which seeks to promote equity of rate burden across the municipality
- a schedule of user pays fees and charges.

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

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for general purposes (includes residential and commercial) or rural purposes.

In 2002 Council resolved to apply Capital Improved Value as the basis of calculating rates, on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council does review its rating structure each year as part of the budget process.

## 9 RATING STRATEGY (Continued)

### 9.3 Rating structure (continued)

The existing rating structure comprises one differential rate (rural properties) and a rate for general properties (residential and commercial). These rates are structured in accordance with the requirements of Section 161 "Differential Rates" of the Local Government Act.

Under the Cultural and Recreation Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Local Government Act 1989. Council has exempted all rateable recreation land from the payment of rates.

Council has reaffirmed its intention to maintain the existing rating relativities. Council also has a municipal charge, garbage charge and a kerbside recycling collection charge as allowed under the Act.

### 9.4 General revaluation of properties

It is a requirement of the Valuation of Land Act 1960 that all rateable properties within a municipality be revalued every two years. At the time of each general revaluation it is necessary to determine the effects of any movements in property values on the total rate to be raised and accordingly the rate in the dollar of Capital Improved Value (CIV).

The 2014 revaluation was used in the 2014/15 financial year for the first time.

The following table shows the valuations of urban and rural properties over the past seven years:

Financial year	Rural	Urban/General	Total
2007/08	\$984,613,000	\$320,881,800	\$1,305,494,800
% Split	75.4%	24.6%	100.0%
2008/09	\$1,023,552,048	\$370,868,473	\$1,394,420,521
% Split	73.4%	26.6%	100.0%
2009/10	\$1,007,723,048	\$373,422,273	\$1,381,145,321
% Split	73.0%	27.0%	100.0%
2010/11	\$1,087,616,600	\$386,838,400	\$1,474,455,000
% Split	73.8%	26.2%	100.0%
2011/12	\$1,075,905,600	\$388,588,300	\$1,464,493,900
% Split	73.5%	26.5%	100.0%
2012/13	\$1,107,773,700	\$415,445,900	\$1,523,219,600
% Split	72.7%	27.3%	100.0%
2013/14	\$1,102,582,700	\$418,602,400	\$1,521,185,100
% Split	72.5%	27.5%	100.0%
2014/15	\$1,157,562,000	\$445,725,800	\$1,603,287,800
% Split	72.2%	27.8%	100.0%
The change in valuation from 2013/14 to 2014/15 is:			
	4.99%	6.48%	5.40%

### 9.5 Split of rates between rural and general

For 2014/15, Council has set a rate differential of 11% between Rural and Urban properties.

Type of property	2014/15	2013/14
General	1.00	1.00
Rural	0.89	0.88

## 9 RATING STRATEGY (Continued)

### 9.6 Water unbundling

Using 2006 rating data, water unbundling was estimated to reduce the capital improved value of properties in Loddon Shire by approximately 12% of rate revenue. In 2007/08 Council introduced a reserve to assist with managing this issue. \$425k was placed into that reserve during 2007/08.

In 2007/08 Council was advised that there would be a state government package awarded to Councils affected by water unbundling. This funding is as outlined below.

2008/09	\$580,000
2009/10	\$435,000
2010/11	\$290,000
2011/12	\$145,000
2012/13	NIL
<b>Total</b>	<b>\$1,450,000</b>

The Council has undertaken extensive rate modelling to ensure that the state government package and Rates Reserve reduce fluctuations in the amount of rates Council will need to raise while maintaining its desired income level for rates over the next 10 years.

### 9.7 Rates and related income

The 2014/15 operating position is predicted to be impacted by wages growth, increases to fuel prices and funding asset management. It will therefore be necessary to achieve future revenue growth whilst containing costs in order to achieve financial stability as defined in the Strategic Resource Plan.

In order to achieve Council's objectives whilst maintaining service levels and a robust capital expenditure program, total rates and related income will increase by 5% in 2014/15 raising a total of \$8.16m.

The following table outlines the budget and forecast Rates and Related Income required for the next 5 years based on Council's Rating Strategy which has been updated to reflect current information.

Rating year	% Rate increase	Rates & related income raised*
2014/15	5.00%	\$8,162,630
2015/16	5.00%	\$8,742,895
2016/17	5.00%	\$9,180,040
2017/18	5.00%	\$9,639,042
2018/19	5.00%	\$10,120,994

*\*Excludes Garbage Charges*

For the purpose of the budget and forecasts, it is important to note that "Rates and Related Income" are a combination of:

- 1 - Rates levied to property owners on rateable properties (general rates and municipal charges).
- 2 - The state government package.
- 3 - Council's Rates Reserve.

A combination of these three sources of income will apply annually until the state government package and Council's Rates Reserve monies have been consumed.

## 9 RATING STRATEGY (Continued)

### 9.7.1 Rates income

There will be a 5.5% increase to the 2013/14 budgeted rates income in the 2014/15 financial year.

2013/14 budgeted rate income	\$7,723,003
Additional income from objections and supplementals	\$13,353
Total 2013/14 rate income	\$7,736,356
Budgeted 2014/15 rate income - as per Rating Strategy	\$8,162,630
% Increase required to maintain Rating Strategy	5.5%

### 9.7.2 State government package

In 2014/15 the state government package and the rates reserve will be used to support the rates income of \$8,162,630 in raising the required level of \$8,326,567 as noted in Appendix F - Rates and Related Income.

Total amount to be raised	\$8,326,567
Rates to be raised	\$8,162,630
Total amount of reserves to be used	\$163,937

The amount of each package to be used is:

State government package	\$27,518
Rates reserve	\$136,419
Total amount of package to be used	\$163,937

This \$27,518 is the balance of the reserve. Further funds have been allocated from the Rates Reserve below.

In 2007/08 Council created a Rates Reserve to assist with water unbundling. The 2014/15 budget includes the allocation of \$136,419. Remaining funds will be held in the reserve for use in future years.

Appendix F of the Executive Summary outlines the Rates and Related Income to be raised over the next 5 years, along with rate increases to be levied to property owners, and the use of the state government package and Council's Rates Reserve.

### 9.7.3 Municipal charge

Section 159 (1) of the Local Government Act 1989 (as amended) states that "Council may declare a Municipal Charge to cover some of the administrative costs of the Council".

Other provisions relating to the municipal charge are that "the total revenue from a municipal charge in a financial year must not exceed 20 per cent of the sum total of Council's:

- total revenue from a municipal charge
- total revenue from general rates – in that financial year S159(2)."

Single farm enterprise exemptions apply to the municipal charge, which means that where farmers own and farm more than one property as a single farm enterprise they can apply for exemption from **all but one** of the properties.

## 9 RATING STRATEGY (Continued)

### 9.7.3 Municipal charge (continued)

The effect of the use of the Municipal Charge is to redistribute some of the rates burden from higher valued properties to lower valued properties. Approximately 45% of rural properties attract a municipal charge whereas all urban properties pay the charge.

Municipal charges over the past seven financial years have been:

Financial year	Municipal charge
2007/08	\$136
2008/09	\$136
2009/10	\$144
2010/11	\$152
2011/12	\$160
2012/13	\$169
2013/14	\$178

The proposed municipal charge in 2014/15 is \$188.

### 9.8 Summary of rates and charges

The Budget proposes 5.5% increase in rates and municipal charges on the 2013/14 projected income. This, along with the preferred split between rural and urban/general split of 11% differential, results in the following rates in the dollar:

Rate	Differential	Cents in the dollar
General	1.00	0.004831
Rural	0.89	0.004300

User charges such as garbage collection and kerbside recycling charges have a proposed increase of 7.0%.

The following table shows the calculation for each source of rates and charges income:

Rates & charges	Amount	Unit price	Total
Rural rates	\$1,157,562,000	\$0.004300	\$4,977,290
Urban/general rates	\$445,725,800	\$0.004831	\$2,153,408
<b>Total</b>	<b>\$1,603,287,800</b>		<b>\$7,130,698</b>
Municipal charge	5,489	\$188	\$1,031,932
Garbage charge - 140 litre	2,922	\$215	\$628,230
Garbage charge - 240 litre	344	\$292	\$100,448
Kerbside recycling service	3,141	\$81	\$254,421
<b>Total</b>	<b>11,896</b>		<b>\$2,015,031</b>
<b>Total rates &amp; charges</b>			<b>\$9,145,729</b>

## 9 RATING STRATEGY (Continued)

### 9.8 Summary of rates & charges (continued)

The following table details the overall calculation between rural and urban/general for rates and municipal charges.

Rates & charges	General	Rural	Total
Rates	\$2,153,408	\$4,977,290	\$7,130,698
Municipal charge	\$722,108	\$309,824	\$1,031,932
Total rates & municipal charge	\$2,875,516	\$5,287,114	\$8,162,630
Total %	35.2%	64.8%	100.0%
Garbage charge			\$728,678
Kerbside recycling charge			\$254,421
<b>Total of all rates &amp; charges</b>			<b>\$9,145,729</b>

The following table shows the proposed increase in rates and charges income in 2014/15 in comparison to the rates and charges income included in the 2013/14 Budget. The overall increase is 5.5%.

More specifically, the increase in rates and municipal charge is 5.5%, the increase in garbage charges is 7.0%, and the increase in kerbside recycling charges is 7.0%.

The garbage charge and kerbside recycling charge appear to have slightly different percentage increases than stated. This is due to both service types slightly increasing in the number of units collected from 2013/14 to 2014/15.

Rates & charges	2014/15 Budget	2013/14 Budget	Difference
Rates	\$7,130,698	\$6,745,605	\$385,093
Municipal charge	\$1,031,932	\$977,398	\$54,534
Total rates & municipal charge	\$8,162,630	\$7,723,003	\$439,627
% Change			5.69%
Garbage charge	\$728,678	\$673,710	\$54,968
% Change			8.16%
Kerbside recycling charge	\$254,421	\$235,752	\$18,669
% Change			7.92%
<b>Total of all rates &amp; charges</b>	<b>\$9,145,729</b>	<b>\$8,632,465</b>	<b>\$513,264</b>
% Change			5.95%

The following table summarises the rates and charges to be applied for the 2014/15 year compared to those in the 2013/14 Budget.

Rate type	Charge type	2014/15	2013/14
General rate	Cents in \$ of CIV	0.4831	0.4834
Rural rate	Cents in \$ of CIV	0.4300	0.4283
Municipal charge	\$ Per property	\$188	\$178
Garbage collection 140 litre	\$ Per property	\$215	\$201
Garbage collection 240 litre	\$ Per property	\$292	\$273
Kerbside recycling 240 litre	\$ Per property	\$81	\$76

\* Plus GST where applicable

## 9 RATING STRATEGY (Continued)

### 9.9 Summary of rate strategy

The following points summarise the rating strategy:

- there is a 5.5 % increase to general rates and municipal charges proposed for 2014/15
- service charges such as garbage collection and kerbside recycling are proposed to increase by 7%
- the state government package and rates reserve will be used to support rates raised in 2014/15.

Rate increases over the past 8 years have been as follows:

Financial year	Rate increases	Municipal charge increases	Waste increases
2006/07	6.00%	6.00%	6.00%
2007/08	6.00%	6.00%	6.00%
2008/09	0.00%	0.00%	0.00%
2009/10	5.50%	5.50%	5.50%
2010/11	5.50%	5.50%	5.50%
2011/12	5.50%	5.50%	5.50%
2012/13	5.50%	5.50%	5.50%
2013/14	5.50%	5.50%	7.00%
2014/15	5.50%	5.50%	7.00%

### 9.10 Fire services property levy

Under the Fire Services Property Levy Act 2012, introduced as a result of recommendations by the Victorian Bushfires Royal Commission (VBRC), the Fire Services Property Levy (FSPL) is collected by Council on behalf of the state government, to fund the operations of the MFB and CFA. From July 2013 a fire services property levy applied to all private property owners – including persons and organisations who do not currently pay council rates, such as churches, charities, private schools and RSLs. A number of Council properties are also subject to the fire levy. All funds collected from the FSPL are paid direct to the state government.

#### 9.10.1 Fixed charge

A fixed charge of \$102 is applicable for residential properties and \$205 for other property types such as industrial, commercial and farms is required to be paid on all applicable properties.

#### 9.10.2 Variable charge

A further variable component is applicable based on cents per \$1,000 of CIV under land category is provided in the table below:

Residential	10.9
Primary production	24.6
Commercial	88.0
Industrial	132.0
Public benefit	10.9
Vacant (excluding vacant residential land)	10.9

Pensioner discounts are available for current eligible recipients of council rate concessions. These ratepayers will receive a reduction off the FSPL.

## 10 OTHER STRATEGIES

In developing the Strategic Resource Plan, strategies have also been developed for borrowings and reserves.

### 10.1 Borrowings

In the year 2005/06, borrowing was an important funding source for delivering the construction of the Wedderburn Administrative Office. In general, Council has adopted a policy to remain debt free except for situations where funding was required to deliver significant capital projects. The Council has elected to not borrow any further funds at this time and will commit to reducing the debt associated with the loans for the office.

The 2014/15 budget includes loan repayments of \$129k, which will reduce the balance of borrowings to \$131k as at 30 June 2015.

Year	New / early repayment of borrowings	Principal Due	Interest Due	Balance at 30 June
2010/11	\$0	\$118,754	\$50,863	\$705,796
2011/12	\$0	\$127,281	\$44,294	\$578,515
2012/13	\$0	\$135,768	\$33,930	\$442,747
2013/14*	-\$37,575	\$144,822	\$27,123	\$260,350
2014/15	\$0	\$129,205	\$13,015	\$131,145
2015/16	\$0	\$131,145	\$4,273	\$0

\* Repayment of Bridgewater industrial estate borrowing in 2013/14

### 10.2 Reserves

Council undertakes Reserves budgeting in order to provide for future expenditure while reducing the impact of purchases on the current year budget.

The following reserves are currently in use by Council:

#### Land & buildings reserve

The Land & Buildings Reserve is used to fund the acquisition of land and buildings. Funds received from the sale of Council owned land and buildings are transferred to the reserve.

#### Professional development reserve

The Professional Development Reserve is used to fund professional development undertaken by executive officers of Council. An annual allocation is provided to each officer and that amount is transferred to the reserve annually, while the cost of professional development undertaken during the year is transferred from the reserve.

#### Unspent grants reserve

The Unspent Grants Reserve has been established for situations where Council has received funding via an external party and those funds remain unspent at the end of the financial year.

#### Capital expenditure reserve

The Capital Expenditure Reserve is used to set aside funds that have been budgeted for capital works projects in one financial year but will not be fully expended by the end of that year. The funds will be transferred to the reserve in the budget year, and transferred from the reserve in the following financial year, or in the year that the funds are expended for the specific project.

## **10 OTHER STRATEGIES (Continued)**

### **10.2 Reserves (continued)**

#### Rates reserve

The Rates Reserve has been established to offset the effect of unbundling of water rights from Council valuations from 1 July 2007, and the subsequent effect that this will have on Council's ability to raise rates on the affected properties in the 2009/10 and future rating periods.

#### Information technology reserve

The Information Technology Reserve is used to set aside monies for the purchase of information technology assets. The reserve is operated in conjunction with Council's Information Technology Asset Management Plan which outlines the annual cost of information technology for Council and the amounts required to be set aside in reserve for future asset purchases.

#### Valuations reserve

The Valuations Reserve is used to fund the cost of Council's bi-annual valuations for rating purposes. Council transfers from the reserve the net cost of valuations and transfers to the reserve an annual allocation to ensure the reserve remains high enough to fund future revaluations.

#### Units reserve

The Units Reserve is used to fund the purchase or improvement of Council owned elderly persons' units. The surplus generated from rental income is transferred to the reserve annually. The cost of major improvements is transferred from the reserve annually.

#### Economic development reserve

The Economic Development Reserve is used to set aside funds to assist with economic development initiatives that Council wishes to financially support. Council transfers to the reserve a set amount determined during the budget process and transfers from the reserve the cost of economic development initiatives within the year.

#### Skidders Flat water reserve

The Skidders Flat Water Reserve is used to fund major repairs and capital works at the Skidders Flat Water Supply. The surplus on operations of the water supply is transferred to reserve annually and the cost of major repairs and capital works is transferred from the reserve.

#### Community planning reserve

The Community Planning Reserve has been established for situations where projects are budgeted in one year but for various reasons are unable to be delivered and are therefore deferred until the following year. It is operated in accordance with policy ES15 - Community Planning Policies & Procedures.

#### Plant replacement reserve

The Plant Replacement Reserve is used to fund plant purchases. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of plant purchases for the year.

#### Fleet replacement reserve

The Fleet Replacement Reserve is used to fund the replacement of office vehicles. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of fleet purchases for the year.

#### GSP reserve

The GSP Reserve is used to fund the restoration of gravel and sand pits used by Council for the extraction of gravel. The budgeted surplus on operations of the pits is transferred to the reserve annually and the cost of restoration of the pits is transferred from the reserve.

## **10 OTHER STRATEGIES (Continued)**

### **10.2 Reserves (continued)**

#### Urban drainage reserve

The Urban Drainage Reserve is used to fund urban drainage works in the towns within the Shire. Council transfers to the reserve annually a budgeted amount, and transfers from the reserve the cost of urban drainage works for the year.

#### Landfill rehabilitation reserve

The Landfill Rehabilitation Reserve has been established to assist with the cost of rehabilitating Council's landfills. Council transfers to the reserve annually \$10 per kerbside collection levy (or a pro-rata amount for a pro-rata collection). Council transfers from the reserve the cost of landfill rehabilitation.

#### Councillors' initiatives reserve

The Councillors' Initiatives Reserve is used to set aside unused funds from the Councillors' Initiative Fund on an annual basis for use in future years. Council transfers to the reserve cumulative unspent, and transfers from the reserve the amount placed into reserve at the end of the previous financial year.

#### Reserves improvement reserve

The Reserves Improvement Reserve is an allocation of funds used to provide interest free loans to community groups. Usually there are no transfers to or from this reserve.

#### Water unbundling reserve

The Water Unbundling Reserve was established with state government funds as a result of the reduction in valuations associated with the unbundling of water. The reserve will be used over time to reduce the rating liability of landowners while maintaining the required level of rates income each year. The Rating strategy included in the annual budget will determine the amounts to be transferred from the reserve, while amounts received from the State Government for water unbundling plus interest earned on the balance will be transferred to the reserve.

#### Lake Boort water reserve

The Lake Boort Water Reserve was established with funds generated from sale of water allocations not required for immediate use in Little Lake Boort. The reserve will be used to purchase replacement water at an appropriate time, or may be used for other purposes specific to Lake Boort.

#### Caravan park development reserve

The Caravan Park Development Reserve has been established to assist with funding major projects at Council's caravan parks. Council transfers to the reserve annually the surplus on operations of its caravan parks, and transfers from the reserve the cost of major projects undertaken at Council's caravan parks during the year.

#### Unfunded superannuation liability reserve

The Unfunded Superannuation Liability Reserve is used to repay any potential unfunded superannuation liability arising from the LAS Defined Benefits Plan Scheme. Council transfers to the reserve amounts allocated in the budget, and transfers from the reserve payments made to Vision Super Pty. Ltd. for the unfunded superannuation liability.

#### Unspent contributions reserve

The Unspent Contributions Reserve is used to set aside contributions received for a specific purpose in one financial year that will not be expended until a later financial year. The funds will be transferred to the reserve in the year the funds are received, and transferred from the reserve in the year that the funds are expended for that purpose.

## 10 OTHER STRATEGIES (Continued)

### 10.2 Reserves (continued)

#### War memorial reserve

The War Memorial Reserve is used to fund the cost of maintaining and renewing War Memorials across the Shire. Council transfers funds to the reserve as required and transfers the cost of works to war memorials from the reserve.

#### Major projects reserve

The Major Projects Reserve is used to assist with the funding of major projects identified by Council. Council transfers funds to the reserve annually an amount determined during the budget process as sufficient to fund the major projects program and transfers the funds required to finance major works undertaken at Council's discretion.

#### 10.2.1 Transfers to & from reserves

The following is a summary of the budgeted reserves position for the year ended 30 June 2014, including the projected figures for the year ending 30 June 2013:

Name of reserve	2013/14 reserves - as per projected actuals			
	Balance at 1 July 2013	Transfers to reserves	Transfers from reserves	Balance at 30 June 2014
Land & buildings reserve	\$ -	\$ 35,000	\$ -	\$ 35,000
Professional development reserve	\$ 31,719	\$ 10,000	\$ -	\$ 41,719
Unspent grants reserve	\$ 8,473,622	\$ -	\$ 8,473,622	\$ -
Capital expenditure reserve	\$ 844,620	\$ -	\$ 844,620	\$ -
Rates reserve	\$ 22,877	\$ 450,801	\$ -	\$ 473,678
Information technology reserve	\$ 292,438	\$ 385,000	\$ 235,157	\$ 442,281
Valuation reserve	\$ 92,096	\$ 77,000	\$ 150,000	\$ 19,096
Units reserve	\$ -	\$ 33,240	\$ -	\$ 33,240
Economic development reserve	\$ 430,237	\$ 120,000	\$ 369,500	\$ 180,737
Skinner's Flat reserve	\$ 13,782	\$ -	\$ -	\$ 13,782
Community planning reserve	\$ 1,277,098	\$ -	\$ 1,277,098	\$ -
Plant replacement reserve	\$ 784,287	\$ 650,000	\$ 192,150	\$ 1,242,137
Fleet replacement reserve	\$ 156,015	\$ 100,000	\$ 149,143	\$ 106,872
GSP restoration reserve	\$ 704,332	\$ 56,417	\$ 325,000	\$ 435,749
Urban drainage reserve	\$ 623,659	\$ 317,250	\$ 842,545	\$ 98,363
Landfill rehabilitation reserve	\$ 18,937	\$ 180,010	\$ -	\$ 198,947
Councillors' initiative reserve	\$ 441,152	\$ -	\$ 441,152	\$ -
Lake Boort water reserve	\$ 5,781	\$ -	\$ -	\$ 5,781
Reserves improvement reserve	\$ 100,000	\$ -	\$ -	\$ 100,000
Water unbundling reserve	\$ 19,561	\$ 200,931	\$ 192,974	\$ 27,518
Caravan park development reserve	\$ 183,990	\$ 70,003	\$ 248,000	\$ 5,993
Superannuation liability reserve	\$ -	\$ 500,000	\$ 500,000	\$ -
Unspent contributions reserve	\$ 94,568	\$ -	\$ 94,568	\$ -
War memorial reserve	\$ 3,000	\$ -	\$ -	\$ 3,000
Major projects reserve	\$ -	\$ 440,152	\$ -	\$ 440,152
<b>TOTAL</b>	<b>\$ 14,613,770</b>	<b>\$ 3,625,804</b>	<b>\$ 14,335,529</b>	<b>\$ 3,904,044</b>

**10 OTHER STRATEGIES (Continued)**

10.2.1 Transfers to & from reserves (continued)

By including the above transfers from reserves it is expected that reserve levels will increase by \$520k during 2014/15, leaving a balance of \$4.42m in the reserves account.

Name of reserve	2014/15 reserves			
	Balance at 1 July 2014	Transfers to reserves	Transfers from reserves	Balance at 30 June 2015
Land & buildings reserve	\$ 35,000	\$ 215,000	\$ 150,000	\$ 100,000
Professional development reserve	\$ 41,719	\$ 10,000	\$ -	\$ 51,719
Unspent grants reserve	\$ -	\$ -	\$ -	\$ -
Capital expenditure reserve	\$ -	\$ -	\$ -	\$ -
Rates reserve	\$ 473,678	\$ 14,210	\$ 136,419	\$ 351,469
Information technology reserve	\$ 442,281	\$ 285,000	\$ 197,500	\$ 529,781
Valuation reserve	\$ 19,096	\$ 131,000	\$ 94,000	\$ 56,096
Units reserve	\$ 33,240	\$ 31,224	\$ -	\$ 64,464
Economic development reserve	\$ 180,737	\$ 245,000	\$ 293,750	\$ 131,987
Skinner's Flat reserve	\$ 13,782	\$ -	\$ -	\$ 13,782
Community planning reserve	\$ -	\$ -	\$ -	\$ -
Plant replacement reserve	\$ 1,242,137	\$ 764,000	\$ 1,481,583	\$ 524,554
Fleet replacement reserve	\$ 106,872	\$ 236,000	\$ 226,860	\$ 116,012
GSP restoration reserve	\$ 435,749	\$ 40,271	\$ 55,000	\$ 421,020
Urban drainage reserve	\$ 98,363	\$ 350,000	\$ 165,000	\$ 283,363
Landfill rehabilitation reserve	\$ 198,947	\$ 31,390	\$ -	\$ 230,337
Councillors' initiative reserve	\$ -	\$ -	\$ -	\$ -
Lake Boort water reserve	\$ 5,781	\$ -	\$ -	\$ 5,781
Reserves improvement reserve	\$ 100,000	\$ -	\$ -	\$ 100,000
Water unbundling reserve	\$ 27,518	\$ -	\$ 27,518	\$ -
Caravan park development reserve	\$ 5,993	\$ 79,477	\$ 85,000	\$ 470
Superannuation liability reserve	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Unspent contributions reserve	\$ -	\$ -	\$ -	\$ -
War memorial reserve	\$ 3,000	\$ -	\$ -	\$ 3,000
Major projects reserve	\$ 440,152	\$ -	\$ -	\$ 440,152
<b>TOTAL</b>	<b>\$ 3,904,044</b>	<b>\$ 3,432,572</b>	<b>\$ 2,912,630</b>	<b>\$ 4,423,986</b>

10.2.2 Details of reserves

The following schedule provides details of each of the reserve transfers for 2014/15:

<b>Land &amp; buildings reserve</b>			
Opening balance			\$35,000
<u>ADD transfer to reserve</u>			
Transfer for unfunded super repayment (see section 10.3)	Activity 461	\$175,000	
Ridge Street Wedderburn land sale	Activity 110	\$40,000	\$215,000
<u>LESS transfer from reserve</u>			
Purchase of High St property	Activity 191	(\$150,000)	(\$150,000)
Closing balance			\$100,000

<b>Professional development reserve</b>			
Opening balance			\$41,719
<u>ADD transfer to reserve</u>			
Annual allocation	Activity 461	\$10,000	\$10,000
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$51,719

**10 OTHER STRATEGIES (Continued)**

10.2.2 Details of reserves (continued)

<b>Unspent grants reserve</b>			
Opening balance			\$0
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$0

<b>Capital expenditure reserve</b>			
Opening balance			\$0
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$0

<b>Rates reserve</b>			
Opening balance			\$473,678
<u>ADD transfer to reserve</u>			
Interest earned for 2014/15	Activity 431	\$14,210	\$14,210
<u>LESS transfer from reserve</u>			
General rates income	Activity 411	(\$136,419)	(\$136,419)
Closing balance			\$351,469

<b>Information technology reserve</b>			
Opening balance			\$442,281
<u>ADD transfer to reserve</u>			
Annual allocations for major purchases	Activity 461	\$285,000	\$285,000
<u>LESS transfer from reserve</u>			
Information technology expenditure	Activity 434	(\$30,000)	
Information technology expenditure	Activity 491	(\$167,500)	(\$197,500)
Closing balance			\$529,781

<b>Valuation reserve</b>			
Opening balance			\$19,096
<u>ADD transfer to reserve</u>			
Annual allocation	Activity 461	\$75,000	
Sale of data	Activity 436	\$56,000	\$131,000
<u>LESS transfer from reserve</u>			
Expenditure for 2014/15	Activity 436	(\$94,000)	(\$94,000)
Closing balance			\$56,096

**10 OTHER STRATEGIES (Continued)**

10.2.2 Details of reserves (continued)

<b>Units reserve</b>			
Opening balance			\$33,240
<u>ADD transfer to reserve</u>			
Annual capital allocation	Activity 461	\$25,000	
Surplus for 2014/15	Activity 634	\$6,224	\$31,224
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$64,464

<b>Economic development reserve</b>			
Opening balance			\$180,737
<u>ADD transfer to reserve</u>			
Transfer for unfunded super repayment (see section 10.3)	Activity 461	\$125,000	
Annual allocation	Activity 461	\$120,000	\$245,000
<u>LESS transfer from reserve</u>			
Pyramid Hill industrial development	Activity 192	(\$155,750)	
Population attraction	Activity 131	(\$20,000)	
Poultry cluster	Activity 131	(\$15,000)	
Industrial land incentive	Activity 131	(\$15,000)	
Rural women's network	Activity 131	(\$3,000)	
Marketing & development	Activity 131	(\$5,000)	
Regional living expo	Activity 131	(\$10,000)	
Agribusiness development	Activity 131	(\$30,000)	
Economic development strategy	Activity 110	(\$15,000)	
Loddon rural development	Activity 110	(\$20,000)	
Community development strategy	Activity 110	(\$5,000)	(\$293,750)
Closing balance			\$131,987

<b>Skinner's flat reserve</b>			
Opening balance			\$13,782
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$13,782

<b>Community planning reserve</b>			
Opening balance			\$0
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$0

**10 OTHER STRATEGIES (Continued)**

10.2.2 Details of reserves (continued)

<b>Plant replacement reserve</b>			
Opening balance			\$1,242,137
<u>ADD transfer to reserve</u>			
Net surplus/(cost) of plant replacement	Activity 391	(\$1,481,583)	
Annual allocation to reserve		\$764,000	-\$717,583
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$524,554
<b>Fleet replacement reserve</b>			
Opening balance			\$106,872
<u>ADD transfer to reserve</u>			
Annual allocation to reserve	Activity 461	\$236,000	\$236,000
<u>LESS transfer from reserve</u>			
Net cost of plant replacement	Activity 391	(\$226,860)	(\$226,860)
Closing balance			\$116,012
<b>GSP restoration reserve</b>			
Opening balance			\$435,749
<u>ADD transfer to reserve</u>			
Net income from gravel pits	Activity 380	\$40,271	\$40,271
<u>LESS transfer from reserve</u>			
Neivandts Quarry fence	Activity 381	(\$45,000)	
McNichols Pit work authority	Activity 381	(\$10,000)	(\$55,000)
Closing balance			\$421,020
<b>Urban drainage reserve</b>			
Opening balance			\$98,363
<u>ADD transfer to reserve</u>			
Annual allocation	Activity 461	\$350,000	\$350,000
<u>LESS transfer from reserve</u>			
Drainage program	Activity 371	(\$165,000)	(\$165,000)
Closing balance			\$283,363
<b>Landfill rehabilitation reserve</b>			
Opening balance			\$198,947
<u>ADD transfer to reserve</u>			
Kerbside collection	Activity 512	\$31,390	\$31,390
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$230,337

**10 OTHER STRATEGIES (Continued)**

10.2.2 Details of reserves (continued)

<b>Councillors' initiative reserve</b>			
Opening balance			\$0
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$0
<b>Reserves improvement reserve</b>			
Opening balance			\$100,000
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$100,000
<b>Lake Boort water reserve</b>			
Opening balance			\$5,781
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$5,781
<b>Water unbundling reserve</b>			
Opening balance			\$27,518
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
General rates income	Activity 411	(\$27,518)	(\$27,518)
Closing balance			\$0
<b>Caravan park development reserve</b>			
Opening balance			\$5,993
<u>ADD transfer to reserve</u>			
Surplus of caravan park operations	Activity 123	\$79,477	\$79,477
<u>LESS transfer from reserve</u>			
Fire services works	Activity 123	(\$60,000)	
Caravan park improvement program	Activity 123	(\$15,000)	
Wedderburn caravan park capital works	Activity 123	(\$10,000)	(\$85,000)
Closing balance			\$470

## 10 OTHER STRATEGIES (Continued)

### 10.2.2 Details of reserves (continued)

<b>Superannuation liability reserve</b>			
Opening balance			\$0
<u>ADD transfer to reserve</u>			
Repayment of water borrowings	Activity 461	\$500,000	
Allocation for 2014/15	Activity 461	\$500,000	\$1,000,000
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$1,000,000

<b>Unspent contributions reserve</b>			
Opening balance			\$0
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$0

<b>War memorial reserve</b>			
Opening balance			\$3,000
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$3,000

<b>Major projects reserve</b>			
Opening balance			\$440,152
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$440,152

### 10.3 Future commitments

In 2012/13, Council approved a funding strategy for the payment of the 2012 unfunded superannuation liability. Repayments for these borrowings begin in the 2013/14 Budget, and will continue until 2015/16. A break down of the reserve payments are as follows:

- landfill rehabilitation reserve - \$150k in 2013/14
- information technology reserve - \$100k in 2013/14
- land & buildings reserve - \$175k in 2014/15
- economic development reserve - \$125k in 2014/15
- GSP restoration reserve - \$500k in 2015/16.

## APPENDIX A - BUDGETED STATEMENTS

This appendix presents information in regard to the Budgeted Statements. The budget information for the years 2015/16 to 2017/18 has been extracted from the Long Term Financial Plan.

The appendix includes the following budgeted information:

- Budgeted Comprehensive Income Statement
- Budgeted Balance Sheet
- Budgeted Statement of Changes in Equity
- Budgeted Statement of Cash Flows
- Budgeted Statement of Capital Works
- Budgeted Statement of Human Resources
- Budgeted Statement of Investment Reserves

## BUDGETED COMPREHENSIVE INCOME STATEMENT FOR THE FOUR YEARS ENDING 30 JUNE 2018

	2013/14 Projected Actual	2014/15 Budget	2015/16 Forecast - As per LTFP	2016/17 Forecast - As per LTFP	2017/18 Forecast - As per LTFP
<b>Revenues from ordinary activities</b>					
Rates & charges	\$8,651,062	\$9,145,729	\$9,637,138	\$10,161,933	\$10,715,460
Grants - operating (recurrent)	\$6,382,681	\$10,051,993	\$9,935,532	\$10,158,189	\$10,385,925
Grants - operating (non-recurrent)	\$304,450	\$484,000	\$0	\$0	\$0
Grants - capital (recurrent)	\$1,954,402	\$1,622,923	\$1,622,923	\$1,622,923	\$1,622,923
Grants - capital (non-recurrent)	\$3,266,287	\$3,891,750	\$2,795,000	\$1,600,000	\$1,930,000
Contributions	\$215,495	\$253,500	\$92,000	\$60,000	\$216,000
User charges	\$1,600,847	\$1,696,398	\$1,813,197	\$1,858,975	\$1,907,275
Reimbursements	\$265,497	\$203,739	\$263,762	\$269,278	\$274,991
Vic Roads	\$798,981	\$1,088,350	\$1,041,292	\$1,080,375	\$1,121,216
Interest	\$432,004	\$325,000	\$379,440	\$381,194	\$382,949
Reversal of impairment losses	\$0	\$0	\$0	\$0	\$0
<b>Total revenues</b>	<b>\$23,871,707</b>	<b>\$28,763,382</b>	<b>\$27,580,284</b>	<b>\$27,192,867</b>	<b>\$28,556,739</b>
<b>Expenses from ordinary activities</b>					
Employee benefits	\$9,689,014	\$9,769,946	\$8,619,791	\$8,944,686	\$9,282,036
Materials, services & contracts	\$8,634,324	\$8,478,039	\$8,550,400	\$9,060,204	\$9,093,803
Depreciation	\$8,132,337	\$8,335,645	\$8,543,833	\$8,757,714	\$8,976,473
Interest expense	\$32,000	\$13,015	\$7,259	\$0	\$0
Utility expenses	\$382,776	\$408,681	\$441,659	\$485,202	\$533,009
Other expenses	\$269,000	\$277,440	\$289,482	\$300,350	\$311,645
Net gain (loss) on sale of assets	(\$200,000)	\$0	\$0	\$0	\$0
<b>Total expenses</b>	<b>\$26,939,452</b>	<b>\$27,282,767</b>	<b>\$26,452,424</b>	<b>\$27,548,156</b>	<b>\$28,196,966</b>
<b>Surplus / (Deficit)</b>	<b>(\$3,067,745)</b>	<b>\$1,480,616</b>	<b>\$1,127,860</b>	<b>(\$355,289)</b>	<b>\$359,773</b>
<b>Other comprehensive income</b>					
Net asset revaluation increment / (decrement)	\$0	\$0	\$0	\$0	\$0
Shares of other comprehensive income of associated and joint ventures accounted for by the equity method	\$0	\$0	\$0	\$0	\$0
<b>Total comprehensive result</b>	<b>(\$3,067,745)</b>	<b>\$1,480,616</b>	<b>\$1,127,860</b>	<b>(\$355,289)</b>	<b>\$359,773</b>

**APPENDIX A - BUDGETED STATEMENTS (Continued)**

**BUDGETED BALANCE SHEET**  
**FOR THE FOUR YEARS ENDING 30 JUNE 2018**

	2013/14 Projected Actual	2014/15 Budget	2015/16 Forecast - As per LTFP	2016/17 Forecast - As per LTFP	2017/18 Forecast - As per LTFP
<b>Current assets</b>					
Cash & cash equivalents	\$9,606,431	\$8,167,234	\$7,116,918	\$7,783,007	\$8,062,660
Trade & other receivables	\$471,302	\$556,726	\$519,916	\$506,240	\$536,552
Inventories	\$281,035	\$311,035	\$341,034	\$371,034	\$401,034
Non-current assets held for resale	\$640,378	\$640,378	\$640,378	\$640,378	\$640,378
<b>Total current assets</b>	<b>\$10,999,146</b>	<b>\$9,675,373</b>	<b>\$8,618,246</b>	<b>\$9,300,659</b>	<b>\$9,640,624</b>
<b>Non-current assets</b>					
Non-current assets held for resale	\$375,311	\$375,311	\$375,311	\$375,311	\$375,311
Trade & other receivables	\$16,800	\$3,000	\$1,000	\$1,000	\$0
Property, infrastructure, plant & equipment	\$269,516,578	\$280,426,061	\$291,019,631	\$298,927,940	\$308,117,227
<b>Total non-current assets</b>	<b>\$269,908,689</b>	<b>\$280,804,372</b>	<b>\$291,395,942</b>	<b>\$299,304,251</b>	<b>\$308,492,538</b>
<b>TOTAL ASSETS</b>	<b>\$280,907,835</b>	<b>\$290,479,745</b>	<b>\$300,014,188</b>	<b>\$308,604,910</b>	<b>\$318,133,162</b>
<b>Current liabilities</b>					
Trade & other payables	\$969,739	\$896,466	\$804,563	\$477,269	\$761,151
Trust funds and deposits	\$422,629	\$427,629	\$432,629	\$755,014	\$442,629
Interest bearing loans & borrowings	\$129,205	\$131,145	\$0	\$0	\$0
Employee benefits	\$2,489,825	\$2,540,644	\$2,593,606	\$2,648,689	\$2,705,975
<b>Total current liabilities</b>	<b>\$4,011,398</b>	<b>\$3,995,884</b>	<b>\$3,830,798</b>	<b>\$3,880,972</b>	<b>\$3,909,755</b>
<b>Non-current liabilities</b>					
Interest bearing loans & borrowings	\$131,145	\$0	\$0	\$0	\$0
Employee benefits	\$315,418	\$467,874	\$626,761	\$792,009	\$963,867
Provisions	\$1,815,337	\$1,815,337	\$1,815,337	\$1,815,337	\$1,815,337
<b>Total non-current liabilities</b>	<b>\$2,261,900</b>	<b>\$2,283,211</b>	<b>\$2,442,098</b>	<b>\$2,607,346</b>	<b>\$2,779,204</b>
<b>TOTAL LIABILITIES</b>	<b>\$6,273,298</b>	<b>\$6,279,095</b>	<b>\$6,272,896</b>	<b>\$6,488,318</b>	<b>\$6,688,959</b>
<b>NET ASSETS</b>	<b>\$274,634,537</b>	<b>\$284,200,650</b>	<b>\$293,741,292</b>	<b>\$302,116,592</b>	<b>\$311,444,203</b>
<b>Equity</b>					
Accumulated surplus	\$102,759,902	\$103,720,576	\$103,419,016	\$102,251,469	\$102,298,582
Asset revaluation reserve	\$167,970,591	\$176,056,088	\$184,468,870	\$193,199,459	\$202,167,297
Other reserves	\$3,904,044	\$4,423,986	\$5,853,406	\$6,665,664	\$6,978,324
<b>TOTAL EQUITY</b>	<b>\$274,634,537</b>	<b>\$284,200,650</b>	<b>\$293,741,292</b>	<b>\$302,116,592</b>	<b>\$311,444,203</b>

**APPENDIX A - BUDGETED STATEMENTS (Continued)**

**BUDGETED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FOUR YEARS ENDING 30 JUNE 2018**

	Total	Accumulated surplus	Revaluation reserve	Other reserves
<b>2015</b>				
Balance at beginning of the financial year	\$274,634,537	\$102,759,902	\$167,970,591	\$3,904,044
Net asset revaluation increment/(decrement)	\$8,085,497	\$0	\$8,085,497	\$0
Comprehensive result	\$1,480,616	\$1,480,616	\$0	\$0
Transfer to reserves	\$0	(\$3,432,572)	\$0	\$3,432,572
Transfer from reserves	\$0	\$2,912,630	\$0	(\$2,912,630)
<b>Balance at end of financial year</b>	<b>\$284,200,650</b>	<b>\$103,720,576</b>	<b>\$176,056,088</b>	<b>\$4,423,986</b>

<b>2016</b>				
Balance at beginning of the financial year	\$284,200,650	\$103,720,576	\$176,056,088	\$4,423,986
Net asset revaluation increment/(decrement)	\$8,412,782	\$0	\$8,412,782	\$0
Comprehensive result	\$1,127,860	\$1,127,860	\$0	\$0
Transfer to reserves	\$0	(\$3,314,935)	\$0	\$3,314,935
Transfer from reserves	\$0	\$1,885,515	\$0	(\$1,885,515)
<b>Balance at end of financial year</b>	<b>\$293,741,292</b>	<b>\$103,419,016</b>	<b>\$184,468,870</b>	<b>\$5,853,406</b>

<b>2017</b>				
Balance at beginning of the financial year	\$293,741,292	\$103,419,016	\$184,468,870	\$5,853,406
Net asset revaluation increment/(decrement)	\$8,730,589	\$0	\$8,730,589	\$0
Comprehensive result	(\$355,289)	(\$355,289)	\$0	\$0
Transfer to reserves	\$0	(\$2,574,413)	\$0	\$2,574,413
Transfer from reserves	\$0	\$1,762,155	\$0	(\$1,762,155)
<b>Balance at end of financial year</b>	<b>\$302,116,592</b>	<b>\$102,251,469</b>	<b>\$193,199,459</b>	<b>\$6,665,664</b>

<b>2018</b>				
Balance at beginning of the financial year	\$302,116,592	\$102,251,469	\$193,199,459	\$6,665,664
Net asset revaluation increment/(decrement)	\$8,967,838	\$0	\$8,967,838	\$0
Comprehensive result	\$359,773	\$359,773	\$0	\$0
Transfer to reserves	\$0	(\$2,552,499)	\$0	\$2,552,499
Transfer from reserves	\$0	\$2,239,839	\$0	(\$2,239,839)
<b>Balance at end of financial year</b>	<b>\$311,444,203</b>	<b>\$102,298,582</b>	<b>\$202,167,297</b>	<b>\$6,978,324</b>

**APPENDIX A - BUDGETED STATEMENTS (Continued)**

**BUDGETED STATEMENT OF CASH FLOWS  
FOR THE FOUR YEARS ENDING 30 JUNE 2018**

	2013/14 Projected Actual	2014/15 Budget	2015/16 Forecast - As per LTFP	2016/17 Forecast - As per LTFP	2017/18 Forecast - As per LTFP
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Rates & charges (inclusive of GST)	\$8,665,675	\$7,422,533	\$7,983,335	\$8,760,655	\$9,191,487
Operating grants & contributions (inclusive of GST)	\$7,749,032	\$11,696,050	\$10,952,980	\$11,143,650	\$11,558,760
Capital grants & contributions (inclusive of GST)	\$8,976,107	\$6,014,299	\$4,839,493	\$3,537,643	\$3,869,916
Interest	\$432,004	\$325,000	\$379,440	\$381,194	\$382,949
User charges (inclusive of GST)	\$1,844,953	\$1,788,838	\$1,911,723	\$1,961,387	\$2,012,322
Reimbursements (inclusive of GST)	\$303,425	\$222,261	\$287,740	\$293,758	\$299,990
Vic Roads (inclusive of GST)	\$913,121	\$1,187,291	\$1,135,955	\$1,178,591	\$1,223,145
Net GST refund	(\$46,658)	\$462,089	(\$58,267)	(\$146,732)	\$72,718
	<b>\$28,837,659</b>	<b>\$29,118,361</b>	<b>\$27,432,399</b>	<b>\$27,110,146</b>	<b>\$28,611,287</b>
<b>Payments</b>					
Employee benefits	(\$8,303,994)	(\$8,365,868)	(\$8,460,904)	(\$8,779,438)	(\$9,110,178)
Materials & contracts	(\$12,320,827)	(\$10,908,640)	(\$9,172,586)	(\$9,730,185)	(\$10,024,534)
Interest expense	(\$32,000)	(\$13,015)	(\$7,259)	\$0	\$0
	<b>(\$20,656,821)</b>	<b>(\$19,287,523)</b>	<b>(\$17,640,749)</b>	<b>(\$18,509,623)</b>	<b>(\$19,134,712)</b>
<b>Net cash provided by operating activities</b>	<b>\$8,180,838</b>	<b>\$9,830,838</b>	<b>\$9,791,650</b>	<b>\$8,600,523</b>	<b>\$9,476,575</b>
<b>Cash flows from investing activities</b>					
Proceeds from sales of property, plant & equipment	\$982,405	\$274,685	\$229,455	\$16,363	\$221,578
Net advances/-repayment of loans	\$21,798	\$18,800	\$13,800	\$1,000	\$1,000
Payments for property, plant & equipment (inclusive of GST)	(\$16,707,734)	(\$11,434,316)	(\$10,954,076)	(\$7,951,797)	(\$9,419,500)
<b>Net cash used in investing activities</b>	<b>(\$15,703,531)</b>	<b>(\$11,140,831)</b>	<b>(\$10,710,821)</b>	<b>(\$7,934,434)</b>	<b>(\$9,196,922)</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings	(\$182,526)	(\$129,205)	(\$131,145)	\$0	\$0
<b>Net cash provided by (used in) financing activities</b>	<b>(\$182,526)</b>	<b>(\$129,205)</b>	<b>(\$131,145)</b>	<b>\$0</b>	<b>\$0</b>
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(\$7,705,219)</b>	<b>(\$1,439,198)</b>	<b>(\$1,050,316)</b>	<b>\$666,089</b>	<b>\$279,653</b>
Cash & cash equivalents at the beginning of the year	\$17,311,650	\$9,606,431	\$8,167,234	\$7,116,918	\$7,783,007
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>\$9,606,431</b>	<b>\$8,167,234</b>	<b>\$7,116,918</b>	<b>\$7,783,007</b>	<b>\$8,062,660</b>

**APPENDIX A - BUDGETED STATEMENTS (Continued)**

**BUDGETED STATEMENT OF CAPITAL WORKS  
 FOR THE FOUR YEARS ENDING 30 JUNE 2018**

	2013/14 Projected Actual	2014/15 Budget	2015/16 Forecast - As per LTFP	2016/17 Forecast - As per LTFP	2017/18 Forecast - As per LTFP
<b>Capital works areas</b>					
Land & buildings	\$1,074,216	\$1,258,500	\$920,000	\$1,300,000	\$1,580,000
Office furniture & equipment	\$107,876	\$197,500	\$97,500	\$97,500	\$97,500
Plant & equipment	\$753,698	\$2,074,878	\$1,330,544	\$1,197,500	\$1,249,910
Footpaths	\$789,889	\$139,150	\$428,688	\$350,444	\$295,322
Roadworks	\$3,879,198	\$3,519,285	\$3,019,344	\$2,970,686	\$3,497,768
Urban & road drainage	\$888,025	\$330,000	\$1,850,000	\$350,000	\$550,000
Recreation, leisure & community facilities	\$7,105,010	\$3,247,003	\$269,000	\$646,667	\$510,000
Parks, open space & streetscapes	\$2,109,822	\$668,000	\$3,039,000	\$1,039,000	\$1,639,000
<b>Total capital works</b>	<b>\$16,707,734</b>	<b>\$11,434,316</b>	<b>\$10,954,076</b>	<b>\$7,951,797</b>	<b>\$9,419,500</b>
<b>Represented by:</b>					
New asset expenditure	\$2,006,994	\$3,454,378	\$1,828,044	\$1,595,000	\$1,847,410
Asset renewal expenditure	\$3,593,483	\$3,618,288	\$3,196,104	\$3,140,956	\$3,691,290
Asset expansion expenditure	\$7,383,575	\$3,186,000	\$4,739,000	\$1,596,667	\$1,930,000
Asset upgrade expenditure	\$3,723,682	\$1,175,650	\$1,190,928	\$1,619,174	\$1,950,800
<b>Total capital works expenditure</b>	<b>\$16,707,734</b>	<b>\$11,434,316</b>	<b>\$10,954,076</b>	<b>\$7,951,797</b>	<b>\$9,419,500</b>

	2013/14 Projected Actual	2014/15 Budget	2015/16 Forecast - As per LTFP	2016/17 Forecast - As per LTFP	2017/18 Forecast - As per LTFP
<b>Expenditure type</b>					
Labour	\$842,663	\$829,689	\$1,009,529	\$1,069,807	\$1,133,037
Oncost	\$281,928	\$276,243	\$346,470	\$366,936	\$388,512
Plant	\$876,458	\$736,878	\$778,620	\$722,735	\$881,440
Creditors	\$9,871,868	\$7,052,703	\$2,942,855	\$2,776,546	\$3,104,641
Stores	\$2,223	\$0	\$0	\$0	\$0
Contractors	\$4,832,594	\$2,538,803	\$5,876,602	\$3,015,773	\$3,911,870
<b>Total capital works expenditure</b>	<b>\$16,707,734</b>	<b>\$11,434,316</b>	<b>\$10,954,076</b>	<b>\$7,951,797</b>	<b>\$9,419,500</b>

**APPENDIX A - BUDGETED STATEMENTS (Continued)**
**BUDGETED STANDARD STATEMENT OF HUMAN RESOURCES  
FOR THE FOUR YEARS ENDING 30 JUNE 2018**

	2013/14 Projected Actual	2014/15 Budget	2015/16 Forecast - As per LTFP	2016/17 Forecast - As per LTFP	2017/18 Forecast - As per LTFP
<b>Staff expenditure</b>					
Employee labour - operating	\$8,450,893	\$8,518,323	\$8,619,791	\$8,944,686	\$9,282,036
Employee labour - capital	\$842,663	\$829,689	\$1,009,529	\$1,069,807	\$1,133,037
<b>Total staff expenditure</b>	<b>\$9,293,556</b>	<b>\$9,348,012</b>	<b>\$9,629,320</b>	<b>\$10,014,493</b>	<b>\$10,415,073</b>
<b>Staff numbers EFT*</b>					
Employees EFT*	135.93	135.93	133.93	133.93	133.93
<b>Total staff numbers EFT*</b>	<b>135.93</b>	<b>135.93</b>	<b>133.93</b>	<b>133.93</b>	<b>133.93</b>

\* Equivalent Full Time

**BUDGETED STANDARD STATEMENT OF RESERVES  
FOR THE FOUR YEARS ENDING 30 JUNE 2018**

	2013/14 Projected Actual	2014/15 Budget	2015/16 Forecast - As per LTFP	2016/17 Forecast - As per LTFP	2017/18 Forecast - As per LTFP
<b>Discretionary</b>					
Land & buildings reserve	\$35,000	\$100,000	\$330,000	\$410,000	\$190,000
Professional development reserve	\$41,719	\$51,719	\$59,719	\$69,719	\$79,719
Unspent grants reserve	\$0	\$0	\$0	\$0	\$0
Capital expenditure reserve	\$0	\$0	\$0	\$0	\$0
Rates reserve	\$473,678	\$351,469	\$230,470	\$142,320	\$92,116
Information technology reserve	\$442,281	\$529,781	\$813,556	\$994,056	\$1,174,556
Valuations reserve	\$19,096	\$56,096	\$119,095	\$81,095	\$172,595
Units reserve	\$33,240	\$64,464	\$43,553	\$47,433	\$49,907
Economic development reserve	\$180,737	\$131,987	\$269,737	\$201,737	\$233,737
Skinner's flat reserve	\$13,782	\$13,782	\$13,782	\$13,782	\$13,782
Community planning reserve	\$0	\$0	\$0	\$0	\$0
Plant replacement reserve	\$1,242,137	\$524,554	\$374,728	\$424,964	\$394,936
Fleet replacement reserve	\$106,872	\$116,012	\$95,992	\$119,165	\$140,828
GSP restoration reserve	\$435,749	\$421,020	\$1,030,048	\$1,082,686	\$1,133,781
Urban drainage reserve	\$98,363	\$283,363	\$118,364	\$118,364	\$118,365
Landfill rehabilitation reserve	\$198,947	\$230,337	\$259,287	\$289,457	\$319,626
Councillors' initiative reserve	\$0	\$0	\$0	\$0	\$0
Lake Boort water reserve	\$5,781	\$5,781	\$5,781	\$5,781	\$5,781
Reserves improvement reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Water unbundling reserve	\$27,518	\$0	\$0	\$0	\$0
Caravan park development reserve	\$5,993	\$470	\$46,143	\$121,954	\$65,444
Superannuation liability reserve	\$0	\$1,000,000	\$1,500,000	\$2,000,000	\$2,250,000
Unspent contributions reserve	\$0	\$0	\$0	\$0	\$0
War memorial reserve	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Major projects reserve	\$440,152	\$440,152	\$440,152	\$440,152	\$440,152
<b>Total discretionary reserves</b>	<b>\$3,904,044</b>	<b>\$4,423,986</b>	<b>\$5,853,406</b>	<b>\$6,665,664</b>	<b>\$6,978,324</b>

## APPENDIX B - STATUTORY DISCLOSURES

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

The appendix includes the following budgeted information:

- Borrowings
- Rates and charges
- Differential rates.

### 1. BORROWINGS

Borrowings	2014/15	2013/14
New borrowings (other than refinancing)	\$ -	\$ -
Debt redemption	\$ 129,205	\$ 144,500

### 2. RATES AND CHARGES

#### 2.1 Rate in the dollar

The proposed rate in the dollar for each type of rate to be levied is:

Type of property	2014/15 Cents/\$CIV	2013/14 Cents/\$CIV	% change
Rural	0.4300	0.4283	0.40%
General	0.4831	0.4834	-0.06%

#### 2.2 Estimate of each type of rate

The estimated amount to be raised by each type of rate to be levied is:

Type of property	2014/15	2013/14	% change
Rural	\$4,977,290	\$4,721,924	5.41%
General	\$2,153,408	\$2,023,681	6.41%

#### 2.3 Total estimated amount of rates

The estimated total amount to be raised by rates is:

Amount of rates	2014/15	2013/14	% change
Total rates to be raised	\$7,130,698	\$6,745,605	5.71%

**APPENDIX B - STATUTORY DISCLOSURES (Continued)**

**2.4 Number of assessments**

The number of assessments for each type of rate to be levied compared to the previous year is:

Type of property	2014/15	2013/14	% change
Rural	3,800	3,782	0.48%
General	3,842	3,837	0.13%
<b>Total</b>	<b>7,642</b>	<b>7,619</b>	<b>0.30%</b>

**2.5 Basis of valuation**

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

**2.6 Estimated value of land**

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

Type of property	2014/15	2013/14	% change
Rural	1,157,562,000	1,102,582,700	4.99%
General	445,725,800	418,602,400	6.48%
<b>Total</b>	<b>1,603,287,800</b>	<b>1,521,185,100</b>	<b>5.40%</b>

**2.7 Proposed charges**

The proposed unit amount to be levied for each type of charge under Section 162 of the Act is:

Type of charge * Plus GST where applicable	2014/15	2013/14	% change
Municipal charge	\$188	\$178	5.62%
Residential garbage charge*	\$215	\$201	6.97%
Commercial garbage charge*	\$292	\$273	6.96%
Kerbside recycling charge*	\$81	\$76	6.58%

**2.8 Estimated amount to be raised by charges**

The estimated amounts to be raised for each type of charge to be levied compared to the previous year is:

Type of charge * Plus GST where applicable	2014/15	2013/14	% change
Municipal charge	\$1,031,932	\$977,398	5.58%
Residential garbage charge*	\$628,230	\$579,684	8.37%
Commercial garbage charge*	\$100,448	\$94,026	6.83%
Kerbside recycling charge*	\$254,421	\$235,752	7.92%

**2.9 Total estimated amount of rates & charges**

The estimated total amount to be raised by rates and charges is:

Rates and charges	2014/15	2013/14	% change
Total rates & charges to be raised	\$9,145,729	\$8,632,465	5.95%

## **APPENDIX B - STATUTORY DISCLOSURES (Continued)**

### **2.10 Significant changes**

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

- the making of supplementary valuations
- the variation of returned levels of value
- changes to use of land such that rateable land becomes non-rateable land and vice versa.

### **3. DIFFERENTIAL RATES**

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

- Rural Rates of 0.4300% (or 0.004300 cents in the dollar of CIV) for rural properties
- General Rates of 0.4831% (or 0.004831 cents in the dollar of CIV) for all other rateable properties.

Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions.

**APPENDIX C - CAPITAL WORKS PROGRAM**

This appendix presents a listing of the capital works projects that will be undertaken for the 2014/15 financial year.

**C1. Capital works by key direction area**

The following table shows capital expenditure by key direction area, as per the Council Plan, and shows how the capital works have been funded.

Project	External funding			Internal funding			Total funding sources
	Grants & contrib.	Sale of assets	Loan funds	Reserves	Working capital	Operating activities	
<b>Economic development &amp; tourism</b>							
Tourism signage						\$10,000	\$10,000
Wedderburn caravan park entrance				\$10,000			\$10,000
Purchase retail premises				\$150,000			\$150,000
Pyramid Hill industrial estate	\$401,250			\$155,750			\$557,000
<b>Works &amp; infrastructure</b>							
Local roads reseals						\$578,000	\$578,000
Local road construction amenity program	\$127,800						\$127,800
Local road safety program	\$66,000					\$54,000	\$120,000
Local road construction	\$1,156,123					\$147,462	\$1,303,585
Local road resheets						\$745,875	\$745,875
Local road shoulder sheets						\$236,025	\$236,025
Local bridges & culverts	\$108,000					\$150,000	\$258,000
Township street improvements						\$139,150	\$139,150
Urban drainage	\$165,000			\$165,000			\$330,000
Neivandts Quarry fence				\$45,000			\$45,000
Wedderburn depot wash point						\$10,000	\$10,000
Pyramid Hill depot wash point						\$50,000	\$50,000
Minor plant & equipment						\$20,000	\$20,000
Municipal signage						\$5,000	\$5,000
Boundary entrance signage						\$15,000	\$15,000
Recreation reserve mowers						\$71,750	\$71,750
Fleet replacement		\$123,140		\$226,860			\$350,000
Plant replacement		\$151,545		\$1,481,583			\$1,633,128

**APPENDIX C - CAPITAL WORKS PROGRAM (Continued)**

**C1. Capital works by key direction area (continued)**

Project	External funding			Internal funding			Total funding sources
	Grants & contrib.	Sale of assets	Loan funds	Reserves	Working capital	Operating activities	
<b>Good management</b>							
Office furniture & equipment				\$2,500			\$2,500
Server replacement				\$30,000			\$30,000
PC replacement				\$50,000			\$50,000
Photocopier/scanner				\$15,000			\$15,000
Serpentine office IT upgrade				\$100,000			\$100,000
Wedderburn office solar panels	\$40,000						\$40,000
Building Asset Management Plan allocation						\$104,000	\$104,000
<b>Community services &amp; recreation</b>							
Parks & gardens strategy						\$100,000	\$100,000
Recreation strategy						\$35,000	\$35,000
Community planning ward allocations*						\$53,500	\$53,500
Swimming pool strategy						\$88,003	\$88,003
LGIP Inglewood Town Hall	\$800,000						\$800,000
LGIP Wedderburn streetscape	\$500,000					\$23,000	\$523,000
LGIP Bridgewater foreshore	\$1,505,500					\$20,500	\$1,526,000
Sloans Park playground	\$33,000					\$12,000	\$45,000
Serpentine public toilet replacement						\$180,000	\$180,000
LGIP Boort Park pavilion	\$160,000					\$40,000	\$200,000
Public toilets						\$14,000	\$14,000
Livestock & domestic pound						\$45,000	\$45,000
Swimming pool solar works	\$100,000					\$100,000	\$200,000
Boort Senior Citizens air conditioner						\$8,000	\$8,000
Swimming pool shade structures	\$132,000					\$58,000	\$190,000
Boort Eastern Entry stage 3	\$120,000						\$120,000
Captain Melville trail	\$100,000					\$100,000	\$200,000
<b>Total</b>	<b>\$5,514,673</b>	<b>\$274,685</b>	<b>\$0</b>	<b>\$2,431,693</b>	<b>\$0</b>	<b>\$3,213,265</b>	<b>\$11,434,316</b>

\* Note - Remaining funds not already allocated to capital works projects.

**APPENDIX C - CAPITAL WORKS PROGRAM (Continued)**

**C2. Capital expenditure by classification**

This table shows the projects by classification, and shows whether the works are for asset renewal or provide Council with new assets.

Project	Asset renewal	New asset	Asset upgrade	Asset expansion	Carried forward	Total project
<b>Land &amp; buildings</b>						
Pyramid Hill depot wash point				\$50,000		\$50,000
Serpentine public toilet replacement				\$180,000		\$180,000
Wedderburn office solar panels		\$40,000				\$40,000
Pyramid Hill industrial estate		\$557,000				\$557,000
Livestock and domestic pound		\$45,000				\$45,000
Purchase retail premises		\$150,000				\$150,000
Building Asset Management Plan allocation	\$104,000					\$104,000
Wedderburn depot wash point			\$10,000			\$10,000
Neivandts Quarry fence			\$45,000			\$45,000
Wedderburn Caravan Park entrance			\$10,000			\$10,000
Community Planning allocations			\$53,500			\$53,500
Public toilets	\$14,000					\$14,000
<b>Total land &amp; buildings</b>	<b>\$118,000</b>	<b>\$792,000</b>	<b>\$118,500</b>	<b>\$230,000</b>	<b>\$0</b>	<b>\$1,258,500</b>
<b>Office furniture &amp; equipment</b>						
Office furniture & equipment		\$2,500				\$2,500
Server replacement		\$30,000				\$30,000
PC replacement		\$50,000				\$50,000
Photocopier/scanner		\$15,000				\$15,000
Serpentine office IT		\$100,000				\$100,000
<b>Total office furniture &amp; equipment</b>	<b>\$0</b>	<b>\$197,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$197,500</b>
<b>Plant &amp; equipment</b>						
Minor plant & equipment		\$20,000				\$20,000
Fleet replacement		\$350,000				\$350,000
Plant replacement		\$1,633,128				\$1,633,128
Recreation reserve mowers		\$71,750				\$71,750
<b>Total plant &amp; equipment</b>	<b>\$0</b>	<b>\$2,074,878</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,074,878</b>

**APPENDIX C - CAPITAL WORKS PROGRAM (Continued)**

**C2. Capital expenditure by classification (continued)**

Project	Asset renewal	New asset	Asset upgrade	Asset expansion	Carried forward	Total project
<b>Footpaths</b>						
Township street improvements			\$139,150			\$139,150
<b>Total footpaths</b>			<b>\$139,150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$139,150</b>
<b>Roadworks</b>						
Local road reseals	\$578,000					\$578,000
Local road construction amenity	\$127,800					\$127,800
Local road construction safety	\$120,000					\$120,000
Local road construction	\$1,303,585					\$1,303,585
Local road resheets	\$745,875					\$745,875
Local road shoulder sheets	\$236,025					\$236,025
Local bridges & culverts	\$258,000					\$258,000
Tourism signage			\$10,000			\$10,000
Municipal signage			\$5,000			\$5,000
Boundary entrance signage			\$15,000			\$15,000
Boort eastern entry			\$120,000			\$120,000
<b>Total roadworks</b>	<b>\$3,369,285</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,519,285</b>
<b>Urban and road drainage</b>						
Urban drainage program				\$330,000		\$330,000
<b>Total urban and road drainage</b>			<b>\$0</b>	<b>\$330,000</b>	<b>\$0</b>	<b>\$330,000</b>
<b>Recreation, leisure &amp; community facilities</b>						
Captain Melville trail				\$200,000		\$200,000
LGIP Inglewood Town Hall				\$800,000		\$800,000
Bridgewater Foreshore				\$1,526,000		\$1,526,000
Swimming pool shade structure		\$190,000				\$190,000
Swimming pool solar power		\$200,000				\$200,000
Recreation strategy	\$35,000					\$35,000
Swimming pool strategy	\$88,003					\$88,003
Boort Senior Citizens air conditioner	\$8,000					\$8,000
LGIP Boort Park pavilion			\$200,000			\$200,000
<b>Total recreation, leisure &amp; community facilities</b>	<b>\$131,003</b>	<b>\$390,000</b>	<b>\$200,000</b>	<b>\$2,526,000</b>	<b>\$0</b>	<b>\$3,247,003</b>
<b>Parks, open space &amp; streetscapes</b>						
Parks and gardens strategy				\$100,000		\$100,000
Sloans Park playground			\$45,000			\$45,000
LGIP Wedderburn streetscape			\$523,000			\$523,000
<b>Total parks, open space &amp; streetscapes</b>	<b>\$0</b>	<b>\$0</b>	<b>\$568,000</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$668,000</b>
<b>Total</b>	<b>\$3,618,288</b>	<b>\$3,454,378</b>	<b>\$1,175,650</b>	<b>\$3,186,000</b>	<b>\$0</b>	<b>\$11,434,316</b>

**APPENDIX C - CAPITAL WORKS PROGRAM (Continued)**

**C3. Capital funding in detail**

C3.1 Grants & contributions

Program	Type or source of grant or contribution	Amount
Local road construction	Roads to Recovery	\$1,156,123
Local road construction amenity	Roads to Recovery	\$127,800
Local road construction safety	Roads to Recovery	\$66,000
Local bridges & culverts	Roads to Recovery	\$108,000
Urban drainage	Roads to Recovery	\$165,000
Pyramid Hill industrial estate	Putting locals first program	\$401,250
Wedderburn office solar panels	Energy Australia	\$40,000
LGIP Wedderburn streetscape	Local government infrastructure program	\$500,000
LGIP Boort Park pavilion	Local government infrastructure program	\$160,000
LGIP Inglewood Town Hall	Local government infrastructure program	\$800,000
Bridgewater Foreshore	Foundation for Rural and Regional Renewal	\$1,505,500
Boort eastern entry stage 3	Regional Development Victoria	\$120,000
Sloans park playground	Community facility funding program	\$33,000
Captain Melville trail	Sport and Recreation Victoria	\$100,000
Swimming pool shade structure	Sport and Recreation Victoria	\$132,000
Swimming pool solar power	Sport and Recreation Victoria	\$100,000
<b>Total</b>		<b>\$5,514,673</b>

C3.2 Sale of assets

Key direction area	Asset classification	Amount
Works & Infrastructure	Fleet/Plant	\$274,685
<b>Total</b>		<b>\$274,685</b>

C3.3 Loans

Key direction area	Source of income & project	Amount
Nil		\$0

C3.4 Reserves

Program	Type of reserve	Amount
Pyramid Hill industrial estate	Economic development reserve	\$155,750
Wedderburn caravan park entrance	Caravan parks reserve	\$10,000
Plant replacement	Plant replacement reserve	\$1,481,583
Retail premises purchase	Land & buildings reserve	\$150,000
Urban drainage	Urban drainage Reserve	\$165,000
Fleet replacement	Fleet replacement reserve	\$226,860
Server upgrade	Information technology reserve	\$30,000
PC replacement	Information technology reserve	\$50,000
Photocopier purchase	Information technology reserve	\$15,000
Office equipment	Information technology reserve	\$2,500
Serpentine office IT	Information technology reserve	\$100,000
Neivandts quarry fence	GSP reserve	\$45,000
<b>Total</b>		<b>\$2,431,693</b>

C3.5 Working capital

Key direction area	Source of income & project	Amount
Nil		\$0

C3.6 Operating activities

All other capital works projects, that have not been funded externally or from another internal source of income, are funded from operating activities.

**APPENDIX D - MAJOR INITIATIVES**

Strategic platform	Strategy	Initiative	Performance Measure	Data Source	Target
1 - Build a network of strong communities	Build unique brand identities for each of our communities based on their geography, history and personality.	Define each of our town brand identities and communicate these	Findings report presented to Council	Council minutes	30 June 2015
1 - Build a network of strong communities	Promote a calendar of events across the region and support them.	Promote and support events on new website	List of community events sourced from website	Council's website	31 December 2014
4 - Make our towns liveable and memorable	Enhance our overall amenities by offering improved, but rationalised facilities in line with financial resources.	Inglewood Town Hall Hub Project	Project completion	Certificate of Occupancy	30 June 2015
4 - Make our towns liveable and memorable	Improve the appearance and functionality of recreation and public spaces.	Implement a capital works program for parks and gardens facilities	Adoption of program	Council minutes	31 March 2015
5 - Grow and diversify our economy	Build out tourism sector product, capability and promotion appropriate to the different range of products in the north and south of the shire.	Complete foreshore redevelopment plans for the Loddon River at Bridgewater	Redevelopment plans presented to Council	Council minutes	30 June 2015
5 - Grow and diversify our economy	Promote development of tourist accommodation.	List suitable accommodation venues on website	List of accommodation venues sourced from website	Council's website	31 December 2014
5 - Grow and diversify our economy	Build out tourism sector product, capability and promotion appropriate to the different range of products in the north and south of the shire.	Complete construction of the Bridgewater Public Caravan Park	Official opening of Caravan Park	Media release advertising opening	31 October 2014

**APPENDIX E - AUDIT COMMITTEE FINANCIALS**

In 2002 Council's Internal Audit Committee created a reporting format that it considered appropriate for reporting Council's results on a monthly basis. That format has been used by Council since then.

The following reports show the 2013/14 Projected Actuals, the 2014/15 Budgets, and the variance between the two.

The reports include:

- Budgeted Comprehensive Income Statement by expense type
- Budgeted Comprehensive Income Statement by key direction area
- Budgeted Capital Expenditure Statement.

**BUDGETED COMPREHENSIVE INCOME STATEMENT BY EXPENSE TYPE**

	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Revenues from ordinary activities</b>			
Rates & charges	\$8,651,062	\$9,145,729	\$494,667
Operating grants	\$6,687,131	\$10,535,993	\$3,848,862
Capital grants	\$5,220,689	\$5,514,673	\$293,984
Operating contributions	\$15,495	\$253,500	\$238,005
Capital contributions	\$200,000	\$0	(\$200,000)
User charges	\$1,600,847	\$1,696,398	\$95,551
Reimbursements	\$265,497	\$203,739	(\$61,758)
Vic Roads	\$798,981	\$1,088,350	\$289,369
Reversal of impairment losses	\$0	\$0	\$0
Interest	\$432,004	\$325,000	(\$107,004)
<b>Total revenues</b>	<b>\$23,871,707</b>	<b>\$28,763,382</b>	<b>\$4,891,676</b>
<b>Expenses from ordinary activities</b>			
Labour	\$9,689,014	\$9,769,947	\$80,932
Materials & services	\$7,158,317	\$7,084,089	(\$74,228)
Contracts	\$1,476,007	\$1,393,950	(\$82,057)
Utilities	\$382,776	\$408,681	\$25,905
Depreciation	\$8,132,337	\$8,335,645	\$203,308
Interest expense	\$32,000	\$13,015	(\$18,985)
Other expenses	\$269,000	\$277,440	\$8,440
<b>Total expenses</b>	<b>\$27,139,452</b>	<b>\$27,282,767</b>	<b>\$143,315</b>
Net (gain)/loss on sale of assets	-\$200,000	\$0	\$200,000
<b>Surplus/(deficit) for the year</b>	<b>-\$3,067,745</b>	<b>\$1,480,615</b>	<b>\$4,548,361</b>

**APPENDIX E - AUDIT COMMITTEE FINANCIALS (Continued)**

**BUDGETED COMPREHENSIVE INCOME STATEMENT BY KEY DIRECTION AREA**

	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Revenues from ordinary activities</b>			
Rates & charges	\$8,651,062	\$9,145,729	\$494,667
Operating grants	\$6,687,131	\$10,535,993	\$3,848,862
Capital grants	\$5,220,689	\$5,514,673	\$293,984
Operating contributions	\$15,495	\$253,500	\$238,005
Capital contributions	\$200,000	\$0	(\$200,000)
User charges	\$1,600,847	\$1,696,398	\$95,551
Reimbursements	\$265,497	\$203,739	(\$61,758)
Vic Roads	\$798,981	\$1,088,350	\$289,369
Reversal of impairment losses	\$0	\$0	\$0
Interest	\$432,004	\$325,000	(\$107,004)
<b>Total revenues</b>	<b>\$23,871,707</b>	<b>\$28,763,382</b>	<b>\$4,891,676</b>
<b>Expenses from ordinary activities</b>			
Economic development & tourism	\$1,189,869	\$1,360,569	\$170,700
Leadership	\$1,001,505	\$1,150,645	\$149,140
Works & infrastructure	\$11,241,304	\$11,296,825	\$55,521
Good management	\$4,797,924	\$4,576,139	(\$221,785)
Environment	\$1,804,263	\$2,032,234	\$227,971
Community services & recreation	\$7,104,586	\$6,866,355	(\$238,231)
<b>Total expenses</b>	<b>\$27,139,451</b>	<b>\$27,282,767</b>	<b>\$143,316</b>
Net (gain/loss on sale of assets)	-\$200,000	\$0	\$200,000
<b>Surplus/(deficit) for the year</b>	<b>-\$3,067,745</b>	<b>\$1,480,615</b>	<b>\$4,548,360</b>

**APPENDIX E - AUDIT COMMITTEE FINANCIALS (Continued)**

**CAPITAL EXPENDITURE STATEMENT**

	2013/14 Projected Actual	2014/15 Budget	Variance
<b>Surplus/(deficit) for the year-as per income statement</b>	<b>-\$3,067,745</b>	<b>\$1,480,615</b>	<b>\$4,548,360</b>
<b>less NON-CASH INCOME</b>			
Reversal of impairment losses	\$0	\$0	\$0
<b>Add NON-CASH EXPENDITURE</b>			
Net gain on sale of assets	-\$200,000	\$0	\$200,000
Depreciation	\$8,132,337	\$8,335,645	\$203,308
<b>Total funds available for capital expenditure</b>	<b>\$4,864,592</b>	<b>\$9,816,260</b>	<b>\$4,951,668</b>
<b>CAPITAL EXPENDITURE, TRANSFERS, AND LOANS</b>			
Economic development & tourism	\$652,000	\$727,000	\$75,000
Works & infrastructure	\$6,033,810	\$6,038,313	\$4,503
Good management	\$221,122	\$341,500	\$120,378
Environment	\$0	\$0	\$0
Community services & recreation	\$9,800,802	\$4,327,503	(\$5,473,299)
<b>Total capital works</b>	<b>\$16,707,734</b>	<b>\$11,434,316</b>	<b>(\$5,273,418)</b>
Transfers to reserves	\$3,625,804	\$3,432,572	(\$193,232)
Loan interest accrued	(\$5,000)	\$0	\$5,000
Loan repayments	\$144,500	\$129,205	(\$15,295)
<b>Total capital, transfers &amp; loans</b>	<b>\$20,473,038</b>	<b>\$14,996,093</b>	<b>(\$5,476,945)</b>
<b>CAPITAL EXPENDITURE, TRANSFERS, AND LOANS WILL BE FINANCED BY:-</b>			
Asset sales	\$1,017,409	\$314,685	(\$702,725)
Transfers from reserves	\$14,335,529	\$2,912,630	(\$11,422,899)
Accumulated cash surplus brought forward from previous year	\$2,608,385	\$2,352,875	\$0
<b>Total financing of capital, transfers, &amp; loans</b>	<b>\$17,961,324</b>	<b>\$5,580,190</b>	<b>(\$12,381,135)</b>
<b>Total accumulated cash surplus</b>	<b>\$2,352,878</b>	<b>\$400,358</b>	<b>(\$1,952,521)</b>

## APPENDIX F - RATES & RELATED INCOME

This appendix presents information regarding the Rates & Related Income, which is represented by:

- rates levied on property owners
- state government package for water unbundling
- Council's Rates Reserve.

The following table shows the total rates & related income to be raised over the next 5 years based on Council's previously agreed rating strategy, and its relationship to the amount of rates to be raised, the use of the state government package, and Council's Rates Reserve.

It also shows a summary of the state government package and Rates Reserve over the 5-year period, showing usage, interest earned on the balance, and the amount remaining.

	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Total revenue rates &amp; related income based Council rating strategy</b>	<b>\$7,930,064</b>	<b>\$8,326,567</b>	<b>\$8,742,895</b>	<b>\$9,180,040</b>	<b>\$9,639,042</b>
Total rates to be raised	\$7,723,737	\$8,162,630	\$8,611,575	\$9,085,212	\$9,584,899
Income from objections and supplementals	\$13,353	\$0	\$0	\$0	\$0
Rates income after objections and supplementals	\$7,737,090	\$8,162,630	\$8,611,575	\$9,085,212	\$9,584,899
Total State Government package to be used	\$192,974	\$27,518	\$0	\$0	\$0
Total rates reserve to be used	\$0	\$136,419	\$131,320	\$94,828	\$54,143
<b>Total rates &amp; related income</b>	<b>\$7,930,064</b>	<b>\$8,326,567</b>	<b>\$8,742,895</b>	<b>\$9,180,040</b>	<b>\$9,639,042</b>
<b>Summary of State Government package:</b>					
Opening balance	\$19,562	\$27,518	\$0	\$0	\$0
Received during the year	\$0	\$0	\$0	\$0	\$0
Used during the year	(\$192,974)	(\$27,518)	\$0	\$0	\$0
Transferred (to)/from plant replacement reserve	\$200,000	\$0	\$0	\$0	\$0
Interest earned on balance	\$931	\$0	\$0	\$0	\$0
<b>Closing balance</b>	<b>\$27,518</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Summary of Council's Rates Reserve:</b>					
Opening balance	\$22,877	\$473,677	\$351,469	\$228,935	\$139,831
Received during the year	\$0	\$0	\$0	\$0	\$0
Used during the year	\$0	(\$136,419)	(\$131,320)	(\$94,828)	(\$54,143)
Transferred (to)/from plant replacement reserve	\$450,000	\$0	\$0	\$0	\$0
Interest earned on Balance	\$801	\$14,210	\$8,787	\$5,723	\$3,496
<b>Closing balance</b>	<b>\$473,677</b>	<b>\$351,469</b>	<b>\$228,935</b>	<b>\$139,831</b>	<b>\$89,183</b>

Council's rates reserve balances will be invested into interest earning accounts. The interest earned on the accounts will be used to extend the life of the reserve.

The projections above show a 5-year window. On the basis of a 5.5% increase in rates to property owners, the state government package is consumed fully in 2014/15, whilst the Rates Reserve will remain in place for a number of years to follow.

## **APPENDIX G - COMMUNITY PLANNING PROJECTS**

This appendix presents information regarding to the Community Planning program, which commenced in the 2004/05 financial year.

At that time Council had 6 wards (Boort, East Loddon, Inglewood, Pyramid Hill, Tarnagulla and Wedderburn), and the community planning allocations were provided under those wards. However, after the Victorian Electoral Commission restructure, and subsequent reduction of wards to 5, allocations and reporting have been provided under the restructured wards of Boort, Inglewood, Tarnagulla, Terricks, and Wedderburn.

This Budget assumes that all of the current year projects will be fully delivered by 30 June 2014 and this is reflected in the 2013/14 Projected Actual. There have been some allocations to the Community Planning Reserve for expected under expenditure in specific projects, however a more detailed analysis will be required. This will be undertaken as part of the end of financial year process.

At 31 March 2014 the amount available in each of the wards was as follows:

Boort	\$187,341
Inglewood	\$300,659
Tarnagulla	\$125,781
Terricks	\$236,084
Wedderburn	\$177,233

As outlined above, income and expenditure will be updated on the schedules as part of the end of financial year process and the official 30 June 2014 amount available from each ward placed into the Community Planning Reserve.

Projects will continue to be delivered until the end of the financial year, so it is expected that these balances will reduce. There are some wards with committed expenditure, and this also needs to be taken into account when planning projects for the 2014/15 financial year.

The 2014/15, the total allocation for community planning is \$250k. This is made up of an allocation to the Boort, Terricks, Inglewood, Tarnagulla and Wedderburn Wards of \$50k each. The \$500k strategic fund for 2014/15 was allocated to Boort in 2013/14.

**APPENDIX H - FINANCIAL STATEMENTS**
**BUDGET REPORT AT COST CENTRE LEVEL**

Cost centre	2013/14		
	Original Budget	Revised Budget	2014/15 Budget
01. PARKS & TOWNSHIPS (1)	969,501	838,146	971,805
02. HACC (2)	516,541	589,582	703,608
03. EARLY YEARS SERVICES (3)	215,743	257,617	193,003
04. LOCAL ROADS (4)	6,561,594	7,894,502	6,952,195
05. MAIN ROADS (5)	(118,544)	(190,651)	(120,241)
06. LODDON WORKS - OTHER (6)	(5,000)	(5,000)	(5,000)
07. ROADS TO RECOVERY 2 (7)	0	(0)	0
08. FLOOD RECOVERY (8)	0	(60,000)	0
09. COUNCIL (9)	(7,200,229)	(9,068,685)	(6,742,854)
10. (SURPLUS)/DEFICIT C/F (10)	(966,362)	(2,608,385)	(2,352,875)
<b>Grand Total</b>	<b>(26,755)</b>	<b>(2,352,875)</b>	<b>(400,358)</b>

Element	2013/14		
	Original Budget	Revised Budget	2014/15 Budget
01. Labour	9,008,682	9,293,556	9,348,012
02. Oncost	1,551,515	1,451,573	1,598,507
03. Plant	3,710,505	4,525,932	4,543,620
04. Creditors	12,480,165	18,313,775	15,253,698
05. Stores	649,481	802,224	853,659
06. Fuel	0	0	0
07. Contractors	2,650,111	6,308,601	3,932,753
09. Utilities	371,573	383,110	409,027
10. Loan Repayments	144,500	144,500	129,205
12. Loan Int Cash	27,000	27,000	13,015
17. Reserves	3,167,375	3,829,932	3,644,352
21. CACP Internal Charges (Exp)	357,555	357,555	344,510
25. Grants Expenditure	341,000	377,452	359,494
46. Internal Expenditure	54,000	54,000	7,000
49. Community Plan Internal Charge (Exp)	0	1,606,151	46,500
51. Community Plan Internal Charge (Inc)	0	(1,606,151)	(46,500)
56. Internal Income	(54,000)	(54,000)	(7,000)
70. Fees & Charges	(1,734,339)	(1,600,847)	(1,696,398)
71. Contributions	(25,000)	(15,495)	(253,500)
72. Capital Works Contributions	0	(200,000)	0
73. Interest	(376,000)	(432,004)	(325,000)
74. Asset Sales (Capital)	(1,230,026)	(1,017,405)	(314,685)
76. Carried Forward Surplus	(966,362)	(2,608,385)	(2,352,875)
77. Reimbursements	(243,300)	(265,497)	(203,739)
80. Rates	(8,632,465)	(8,651,062)	(9,145,729)
81. Grants (Capital)	(2,569,289)	(5,220,689)	(5,514,673)
82. Grants (Revenue)	(9,709,095)	(6,687,131)	(10,535,993)
86. Oncost Income	(1,551,515)	(1,451,573)	(1,598,507)
87. Plant Income	(3,710,505)	(4,525,932)	(4,543,620)
88. Reserves (Capital)	(1,994,709)	(3,774,158)	(2,618,880)
89. Reserves (Operating)	(369,500)	(10,561,372)	(293,750)
90. Vic Roads	(1,016,558)	(798,981)	(1,088,350)
91. CACP Internal Charges (Inc)	(357,555)	(357,555)	(344,510)
<b>Grand Total</b>	<b>(26,755)</b>	<b>(2,352,875)</b>	<b>(400,358)</b>

**APPENDIX H - FINANCIAL STATEMENTS**
**Activity details by program**

Activity	2013/14		2014/15
	Original Budget	Revised Budget	Budget
1 Eco Dev & Tourism	1,212,686	1,194,403	1,187,624
110. ECO DEV & TOURISM STRATEGIES	(5,000)	(5,000)	20,000
111. ECONOMIC DEVELOPMENT	211,446	208,029	224,250
121. TOURISM	184,757	181,831	187,795
122. TOURISM INITIATIVES	105,098	112,010	140,627
123. CARAVAN PARKS	152,117	177,997	(54,478)
125. LODDON DISCOVERY TOURS	(15,000)	(15,127)	(15,000)
131. PROMOTIONAL INITIATIVES	157,000	127,156	239,315
132. INDUSTRIAL SITES	(4,300)	(4,387)	(4,358)
133. DROUGHT RELIEF	0	937	0
141. CONTRIBUTIONS	4,400	4,400	4,400
142. ECONOMIC DEVELOPMENT	(14,280)	(14,280)	(14,636)
151. BUILDING CONTROL	56,408	40,137	31,638
161. COUNCIL RESIDENCES	2,500	3,160	2,327
181. STANDPIPES & TRUCKWASHES	(2,000)	(2,000)	(2,000)
191. ACQUISITION & DISPOSAL	0	0	110,000
192. CONSTRUCTION/IMPROVE	221,500	221,500	155,750
193. DEPRECIATION	158,042	158,042	161,993

**Element details by program**

Element	2013/14		2014/15
	Original Budget	Revised Budget	Budget
1 Eco Dev & Tourism	1,212,686	1,194,403	1,187,624
01. Labour	400,413	400,413	416,564
02. Oncost	6,496	6,496	10,299
03. Plant	61,650	61,650	80,460
04. Creditors	725,398	740,757	832,206
05. Stores	529	529	550
07. Contractors	485,292	485,292	622,803
08. Depreciation	158,042	158,042	161,993
09. Utilities	36,266	36,266	33,952
25. Grants Expenditure	4,400	4,400	4,400
46. Internal Expenditure	40,000	40,000	0
70. Fees & Charges	(455,299)	(456,355)	(499,353)
71. Contributions	(12,000)	(10,000)	0
74. Asset Sales (Capital)	(35,000)	(35,000)	(40,000)
81. Grants (Capital)	(198,500)	(198,500)	(401,250)
82. Grants (Revenue)	(5,000)	(39,585)	(35,000)

**APPENDIX H - FINANCIAL STATEMENTS**
**BUDGET REPORT AT PROGRAM LEVEL (Continued)**
**Activity details by program**

Activity	2013/14		2014/15
	Original Budget	Revised Budget	Budget
2 Leadership	878,667	1,118,753	1,131,289
211. COUNCILLOR COSTS	318,010	361,744	531,992
216. LOANS	176,500	176,500	142,220
221. LOCAL LAWS	113,866	112,427	109,274
232. COMMUNITY LEADERSHIP	20,000	29,043	22,000
251. RECORDS MANAGEMENT	168,789	166,613	190,355
261. COMMUNITY TRANSPORTATION	0	27,802	0
281. MUN EMERGENCY MAN	81,502	101,503	135,448
282. FLOOD RECOVERY INSURANCE	0	93,056	0
283. LODDON FLOOD RECOVERY COMMITTEE	0	50,065	0

**Element details by program**

Element	2013/14		2014/15
	Original Budget	Revised Budget	Budget
2 Leadership	878,667	1,118,753	1,131,289
01. Labour	274,414	301,163	316,905
02. Oncost	4,310	4,310	4,482
03. Plant	60,877	60,877	61,152
04. Creditors	418,664	665,618	612,779
10. Loan Repayments	144,500	144,500	129,205
11. Loan Int Accrued	5,000	5,000	0
12. Loan Int Cash	27,000	27,000	13,015
51. Community Plan Internal Charge (Inc)	0	(29,500)	0
56. Internal Income	(40,000)	(40,000)	0
70. Fees & Charges	(6,098)	(6,098)	(6,250)
77. Reimbursements	0	(3,215)	0
81. Grants (Capital)	(10,000)	(10,000)	0
82. Grants (Revenue)	0	(902)	0

**APPENDIX H - FINANCIAL STATEMENTS**
**BUDGET REPORT AT PROGRAM LEVEL (Continued)**
**Activity details by program**

Activity	2013/14		
	Original Budget	Revised Budget	2014/15 Budget
3 Works Infrastructure	11,137,236	11,716,446	12,942,681
311. STAFF ONCOSTS	(13,005)	(29,284)	(67,572)
321. PLANT OPERATING	(1,679,613)	(2,197,813)	(2,040,233)
322. FLEET	(277,472)	(299,429)	(376,612)
330. LODDON FLOOD REPAIRS	0	(60,000)	0
331. LOCAL ROADS MAINT	3,682,823	4,716,475	4,706,923
333. RESEALS	745,986	395,355	578,000
339. ROADS TO RECOVERY	(1,562,864)	(1,948,023)	(1,622,923)
341. MAIN RDS ROUTINE PAVEMENT MAINT	(118,544)	(190,651)	(120,241)
349. LOCAL RD AMENITY PROGRAM	150,000	200,960	127,800
350. LOCAL ROAD SAFETY PROGRAM	0	154,700	120,000
351. LOCAL RD CONSTRUCTION	1,173,000	1,273,004	1,303,585
352. LOCAL RD GRAVEL RESHEETS	972,000	580,341	745,875
353. LOCAL RD SHOULDER SHEETS	328,000	305,549	236,025
354. LOCAL BRIDGES/CULVERTS	245,255	552,707	258,000
356. TOWNSHIP/STREETS IMP	430,644	789,889	139,150
371. URBAN DRAINAGE WORKS	392,750	868,025	330,000
380. GRAVEL STOCKPILES	(916)	(31,780)	(15,271)
381. GRAVEL PITS	269,500	300,363	30,000
383. DEPOTS	142,315	142,167	193,369
384. ROAD OPENINGS ETC	(2,000)	16,013	(2,000)
385. TRAFFIC CONTROL	142,000	142,000	106,500
386. PRIVATE WORKS	(5,000)	(5,000)	(5,000)
391. ACQUISITION & DISPOSAL	(198,222)	(279,720)	1,838,693
393. DEPRECIATION	6,320,599	6,320,599	6,478,614

**Element details by program**

Element	2013/14		
	Original Budget	Revised Budget	2014/15 Budget
3 Works Infrastructure	11,137,236	11,716,446	12,942,681
01. Labour	3,030,858	3,063,333	3,138,965
02. Oncost	1,164,554	1,021,210	1,141,643
03. Plant	2,877,254	3,596,682	3,608,524
04. Creditors	5,783,389	4,950,145	5,750,349
05. Stores	639,439	798,396	847,268
07. Contractors	785,755	2,036,220	1,191,800
08. Depreciation	6,320,599	6,320,599	6,478,614
09. Utilities	99,283	101,890	108,758
70. Fees & Charges	(234,500)	(150,309)	(152,441)
71. Contributions	(10,000)	(2,500)	(7,500)
74. Asset Sales (Capital)	(1,195,026)	(982,405)	(274,685)
77. Reimbursements	(239,000)	(202,000)	(198,510)
81. Grants (Capital)	(1,562,864)	(2,014,402)	(1,622,923)
86. Oncost Income	(1,395,442)	(1,295,500)	(1,435,211)
87. Plant Income	(3,710,505)	(4,525,932)	(4,543,620)
90. Vic Roads	(1,016,558)	(798,981)	(1,088,350)
98. Profit/(Loss) Sale of Assets	(200,000)	(200,000)	0

**APPENDIX H - FINANCIAL STATEMENTS**
**BUDGET REPORT AT PROGRAM LEVEL (Continued)**
**Activity details by program**

Activity	2013/14		
	Original Budget	Revised Budget	2014/15 Budget
4 Good Management	(10,404,499)	(18,504,346)	(11,452,178)
410. GOOD MANAGEMENT STRATEGIES	168,000	100,488	104,000
411. RATES INCOME	(7,723,003)	(7,737,090)	(8,162,630)
421. VGC INCOME	(8,169,875)	(4,878,687)	(8,655,500)
431. INTEREST INCOME	(376,000)	(432,004)	(325,000)
432. OTHER INCOME	(7,561)	(7,577)	(7,684)
434. INFORMATION TECHNOLOGY	399,610	417,754	351,968
435. PRINTING & STATIONERY	56,845	56,845	58,699
436. ADMINISTRATION	561,500	509,293	439,840
437. INSURANCE	152,489	184,289	204,458
441. CORPORATE SERVICES	1,876,585	1,917,028	1,831,373
442. OPERATIONS	1,348,902	1,334,026	1,347,376
443. OCC HEALTH & SAFETY	48,200	32,650	49,568
451. WEDDERBURN OFFICE	148,200	150,789	149,622
452. SERPENTINE OFFICE	42,505	49,684	61,374
453. BOORT OFFICE	7,500	32,105	7,954
461. RESERVE TRANSFERS	599,037	(10,709,727)	519,942
462. LONG SERVICE LEAVE PROV	195,866	195,866	203,274
471. SUBSCRIPTIONS, DONATIONS, & MEMBERSHIPS	70,200	57,695	72,200
491. ACQUISITION & DISPOSAL	77,000	89,968	174,500
492. CONSTRUCTION/IMPROVE	0	12,758	0
493. DEPRECIATION	119,500	119,500	122,488

**Element details by program**

Element	2013/14		
	Original Budget	Revised Budget	2014/15 Budget
4 Good Management	(10,404,499)	(18,504,346)	(11,452,178)
01. Labour	2,456,662	2,507,472	2,482,188
02. Oncost	5,028	11,420	11,066
03. Plant	186,500	187,621	270,000
04. Creditors	1,826,892	1,865,552	1,847,011
05. Stores	500	500	520
07. Contractors	408,000	366,346	297,240
08. Depreciation	119,500	119,500	122,488
09. Utilities	91,737	95,737	102,111
13. Impairment Losses	0	(3,002)	0
17. Reserves	3,159,112	3,821,669	3,635,846
25. Grants Expenditure	2,800	2,800	2,800
51. Community Plan Internal Charge (Inc)	0	(2,180)	0
70. Fees & Charges	(18,842)	(18,541)	(16,458)
71. Contributions	(2,000)	(2,000)	(56,000)
73. Interest	(376,000)	(432,004)	(325,000)
77. Reimbursements	(4,300)	(5,100)	(5,229)
80. Rates	(7,723,003)	(7,737,090)	(8,162,630)
81. Grants (Capital)	0	0	(40,000)
82. Grants (Revenue)	(8,172,875)	(4,947,515)	(8,705,500)
88. Reserves (Capital)	(1,994,709)	(3,774,158)	(2,618,880)
89. Reserves (Operating)	(369,500)	(10,561,372)	(293,750)

**APPENDIX H - FINANCIAL STATEMENTS**
**BUDGET REPORT AT PROGRAM LEVEL (Continued)**
**Activity details by program**

Activity	2013/14	2013/14	2014/15
	Original Budget	Revised Budget	Budget
5 Environment	858,782	979,178	1,056,512
510. ENVIRONMENT STRATEGIES	0	0	110,000
511. TIPS	326,853	405,266	360,136
512. GARBAGE COLLECTION	(288,479)	(286,892)	(328,037)
513. RECYCLING	(10,463)	(11,560)	(20,121)
521. TREE PLANTING	9,000	9,000	0
532. TOWN PLANNING	261,717	257,210	259,356
541. HERITAGE & CULTURE	3,000	3,000	103,000
561. FIRE PROTECTION	54,500	50,500	56,958
582. ENVIRONMENT	0	50,000	0
593. DEPRECIATION	502,654	502,654	515,220

**Element details by program**

Element	2013/14	2013/14	2014/15
	Original Budget	Revised Budget	Budget
5 Environment	858,782	979,178	1,056,512
01. Labour	340,755	362,769	348,633
02. Oncost	61,810	83,478	60,435
03. Plant	108,613	193,613	112,238
04. Creditors	338,692	343,032	546,706
05. Stores	2,616	500	2,720
07. Contractors	593,513	593,513	617,254
08. Depreciation	502,654	502,654	515,220
70. Fees & Charges	(122,409)	(128,409)	(155,469)
80. Rates	(909,462)	(913,972)	(983,099)
82. Grants (Revenue)	(58,000)	(58,000)	(8,125)

**APPENDIX H - FINANCIAL STATEMENTS**
**BUDGET REPORT AT PROGRAM LEVEL (Continued)**
**Activity details by program**

Activity	2013/14	2013/14	2014/15
	Original Budget	Revised Budget	Budget
6 Community Recreation	5,194,071	11,685,410	5,422,235
610. COMM SERVICES & REC STRATEGIES	50,000	249,049	621,003
611. INFANT WELFARE CENTRES	136,969	170,710	125,422
614. PRE-SCHOOL MAINTENANCE	38,677	38,162	22,945
615. EDUCATION	80,274	88,407	69,482
616. BOORT PRE-SCHOOL	0	(0)	(0)
617. DINGEE PRE-SCHOOL	0	0	(0)
618. INGLEWOOD PRE-SCHOOL	0	0	(0)
619. WEDDERBURN PRE-SCHOOL	(0)	(0)	0
620. DISABILITY ACCESS PROGRAMS	12,000	12,000	10,000
621. HEALTH CONTROL	108,951	217,226	175,553
622. PYRAMID HILL PRE-SCHOOL	0	(0)	(0)
623. OTHER HEALTH	5,000	15,236	5,000
631. HACC SERVICES	(24,203)	22,630	109,313
632. COMMUNITY SERVICES	219,588	215,392	227,039
633. SENIOR CITIZENS' CENTRES	71,962	64,527	55,653
634. ELDERLY PERSON'S UNITS	(7,205)	(8,240)	(6,224)
635. HACC ONCOSTS	40,527	28,685	26,531
636. EXTERNALLY BROKERED SERVICES	(6,254)	(6,254)	(8,811)
637. LSC PACKAGED CARE PROGRAM	(19,268)	(19,268)	37,674
641. RECREATION & COMMUNITY DEVELOPMENT	136,458	133,062	137,806
642. RECREATION RESERVES	155,642	172,016	162,296
643. SWIMMING POOLS	395,252	393,549	415,318
644. BEACHES	41,500	541,500	41,580
645. PARKS & GARDENS	937,501	806,146	864,805
649. OTHER RECREATION	61,720	61,320	98,926
650. MAJOR EVENTS GRANTS	20,000	20,400	20,000
651. COMMUNITY GRANTS	200,000	227,201	200,000
652. REGIONAL LIBRARY	176,371	171,169	183,426
653. PUBLIC HALLS	67,311	58,982	72,104
655. YOUTH INITIATIVES	15,000	23,368	8,000
661. DOMESTIC ANIMALS	(22,592)	(22,592)	(22,886)
662. LIVESTOCK	32,615	32,049	33,041
670. COMMUNITY PLAN MANAGER	614,699	1,112,991	116,567
671. BOORT COMMUNITY PLANS	50,000	187,341	50,000
676. WEDDERBURN COMMUNITY PLANS	50,000	177,233	50,000
677. INGLEWOOD COMMUNITY PLANS	50,000	300,659	50,000
678. TERRICK COMMUNITY PLANS	50,000	236,084	50,000
679. TARNAGULLA COMMUNITY PLANS	50,000	125,781	50,000
681. COMMUNITY PROTECTION	24,450	24,655	17,013
682. OTHER COMMUNITY	69,330	69,170	9,829
689. FLOOD RECOVERY LAND & BUILDING WORKS	0	2,971,742	0
690. FUNDED COMMUNITY PROJECTS	0	1,225,412	20,500
691. ACQUISITION & DISPOSAL	15,000	3,000	15,000
692. CONSTRUCTION/IMPROVE	265,253	513,367	251,000
693. DEPRECIATION	1,031,542	1,031,542	1,057,331

**APPENDIX H - FINANCIAL STATEMENTS**
**BUDGET REPORT AT PROGRAM LEVEL (Continued)**
**Element details by program**

Element	2013/14		
	Original Budget	Revised Budget	2014/15 Budget
6 Community Recreation	5,194,071	11,685,410	5,422,235
01. Labour	2,505,580	2,658,406	2,644,758
02. Oncost	309,318	324,660	370,581
03. Plant	415,611	425,489	411,247
04. Creditors	3,387,129	9,748,671	5,664,647
05. Stores	6,398	2,299	2,600
07. Contractors	377,551	2,827,230	1,203,656
08. Depreciation	1,031,542	1,031,542	1,057,331
09. Utilities	144,288	149,218	164,206
17. Reserves	8,263	8,263	8,505
21. CACP Internal Charges (Exp)	357,555	357,555	344,510
25. Grants Expenditure	333,800	370,252	352,294
46. Internal Expenditure	14,000	14,000	7,000
49. Community Plan Internal Charge (Exp)	0	1,606,151	46,500
51. Community Plan Internal Charge (Inc)	0	(1,574,471)	(46,500)
56. Internal Income	(14,000)	(14,000)	(7,000)
70. Fees & Charges	(897,191)	(841,135)	(866,426)
71. Contributions	(1,000)	(995)	(190,000)
72. Capital Works Contributions	0	(200,000)	0
77. Reimbursements	0	(55,182)	0
81. Grants (Capital)	(797,925)	(2,997,787)	(3,450,500)
82. Grants (Revenue)	(1,473,220)	(1,641,129)	(1,787,368)
86. Oncost Income	(156,073)	(156,073)	(163,296)
91. CACP Internal Charges (Inc)	(357,555)	(357,555)	(344,510)

**Activity details by program**

Activity	2013/14		
	Original Budget	Revised Budget	2014/15 Budget
9 (Surplus) Deficit CF	(966,362)	(2,608,385)	(2,352,875)
998. (SURPLUS)/DEFICIT C/F	(966,362)	(2,608,385)	(2,352,875)

**Element details by program**

Element	2013/14		
	Original Budget	Revised Budget	2014/15 Budget
9 (Surplus) Deficit CF	(966,362)	(2,608,385)	(2,352,875)
76. Carried Forward Surplus	(966,362)	(2,608,385)	(2,352,875)