

# LODDON SHIRE COUNCIL

ADOPTED BUDGET FOR YEAR  
ENDED 30 JUNE 2016



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## **MAYOR'S INTRODUCTION**

It is my pleasure to present the 2015/16 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 2015/16 when compared to the budgeted figure in 2014/15.

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

- the changes in 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
- the introduction of rate capping which will be implemented in the 2016/2017 financial year.

Some of the highlights contained in the 2015/16 Budget include:

- full funding of Council's ongoing commitment of community planning of \$750k
- an increased commitment to investment in information technology
- strong investment in local road and related infrastructure maintenance
- \$400k 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 responsibility 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**

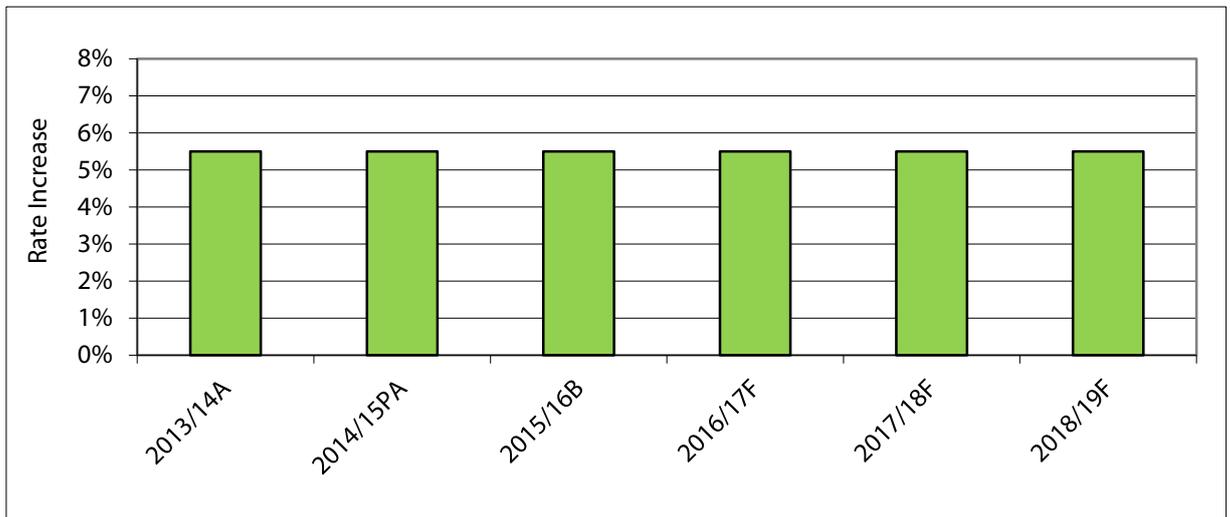
**Mayor**

## 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 2015/16 year. The full Rate 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 2014/15 year was 5.5%).

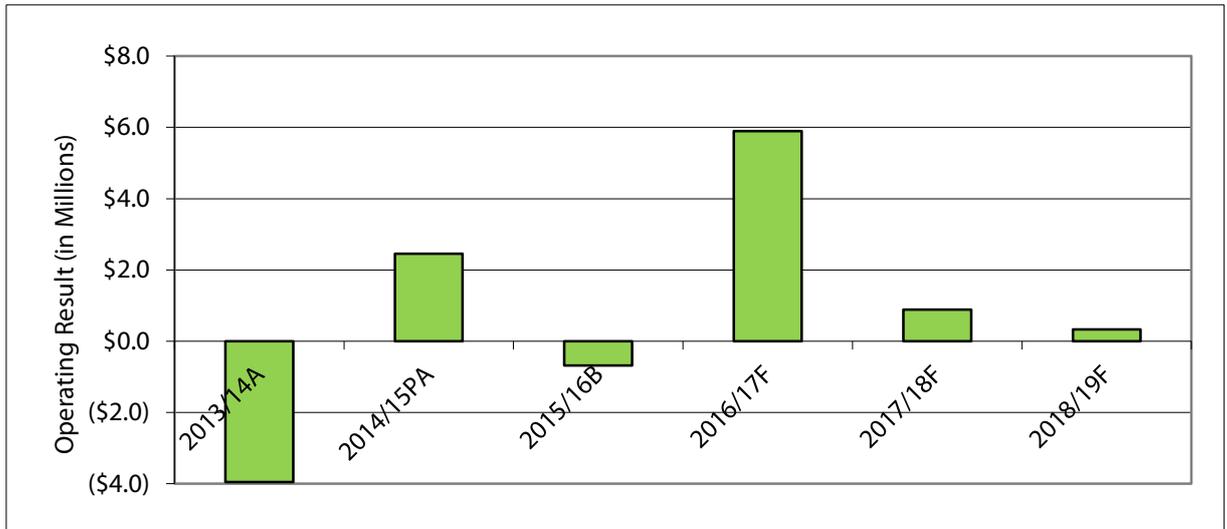
The Minister for Local Government issued a letter to all Mayors and Chief Executive Officers on 14 January 2015 in which she confirmed the Government's intention to cap rates from 2016/17. While the cap won't apply to the 2015/16 financial year, the Minister states "this should not be seen as an opportunity to raise rates above inflation prior to the implementation of the rates cap"

When setting rates for 2015/16, Council has considered the rate rise previously foreshadowed in the Strategic Resource Plan for 2015/16.

Note: Council's Rates & Charges, as per Operating Revenue (Section 4 of the Executive Summary), is \$9.7m. (This figure includes Garbage and Kerbside Recycling Charges). A full analysis of rates and charges can be found in Section 9 - Rating Strategy.

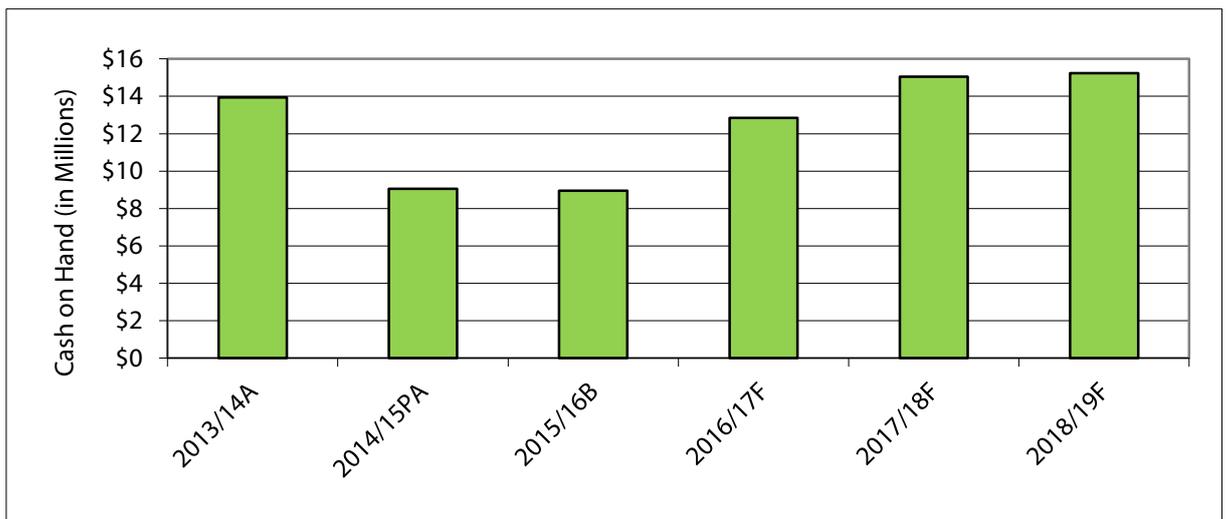
**CHIEF EXECUTIVE OFFICER'S SUMMARY (Continued)**

**2. Operating result**



The expected operating result for the 2015/16 year is a deficit of \$1.29m compared to a surplus of \$1.65m in 2014/15. The notable changes in operating income for 2015/16 includes recurring capital grants reducing by \$3.5m. This is due to the State Government ceasing funding for the Country Roads and Bridges program and the Federal Government freezing any increase in the Grants Commission allocations for 2015/16.

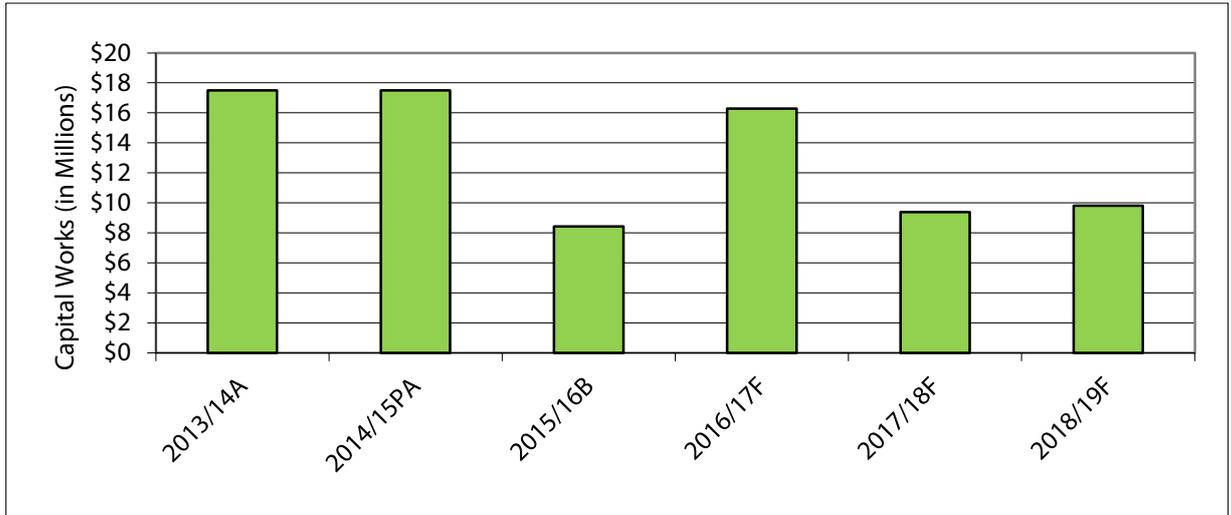
**3. Cash & investments**



Cash and investments is expected to decrease by \$0.11m from \$9.06m at 30 June 2015 to \$8.95m at 30 June 2016.

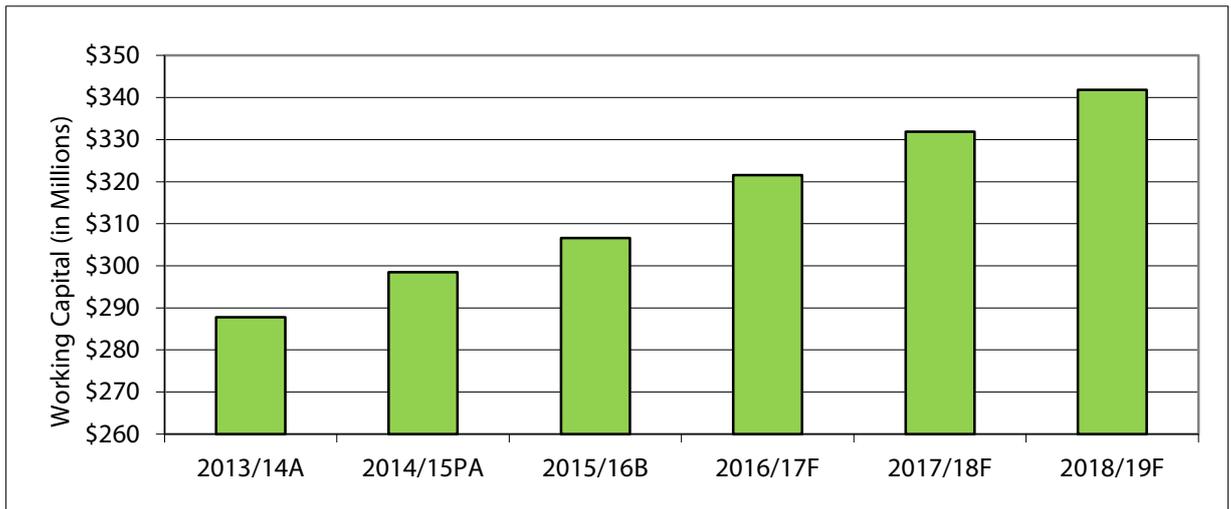
**CHIEF EXECUTIVE OFFICER'S SUMMARY (Continued)**

**4. Capital works**



The capital works program for the 2014/15 year is projected to be \$17.5m while the capital works program for 2015/16 is expected to be \$8.42m. 2014/15 includes capital works carried forward from 2013/14. In 2015/16, of the capital funding required, \$2.38m will come from Council operations, \$3.9m from external grants and contributions, \$152k from the sale of assets, and the balance of \$1.99m from reserves.

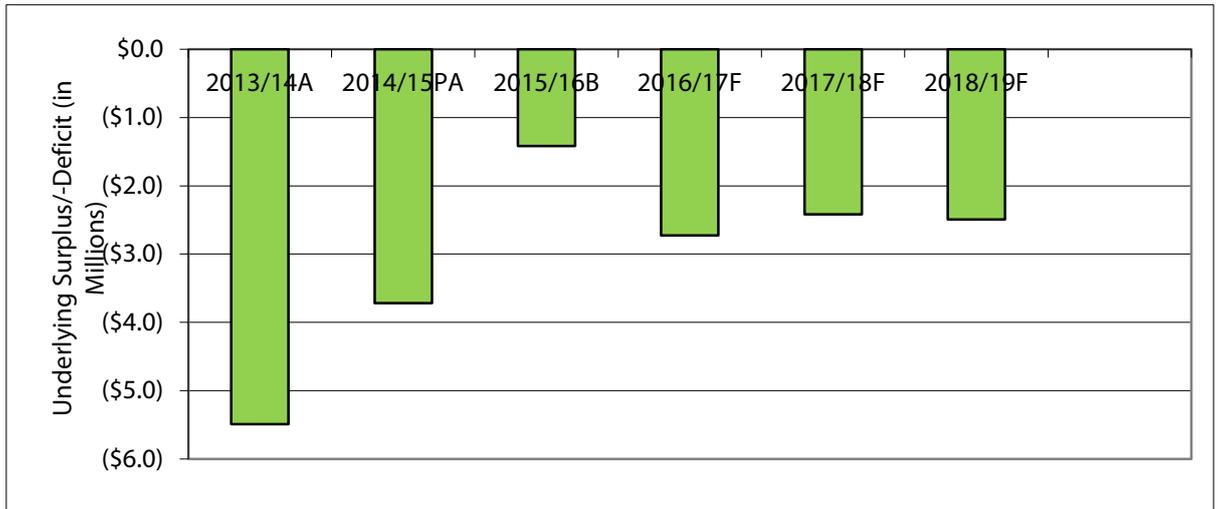
**5. Financial position**



Net assets (the net worth of Council) is expected to increase by \$7.51m to \$305.2m during the 2015/16 financial year. Net current assets (current assets less current liabilities, otherwise known as working capital) is expected to decrease by \$0.55m to \$6.16m. Net Current Assets outlines Council's ability to meet its commitments in the short term.

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

**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 \$1.42m in 2015/16.

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

## **BUDGET PROCESSES**

Under the Local Government Act 1989 (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 2015/16 Budget, which is included in this report, is for the year 1 July 2015 to 30 June 2016 and is prepared in accordance with the Act and Regulations. The Budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and a Statement of Capital Works. These statements have been prepared for the year ended 30 June 2016 in accordance with the Act and Regulations, and consistent with the 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 which 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 submitting it 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 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

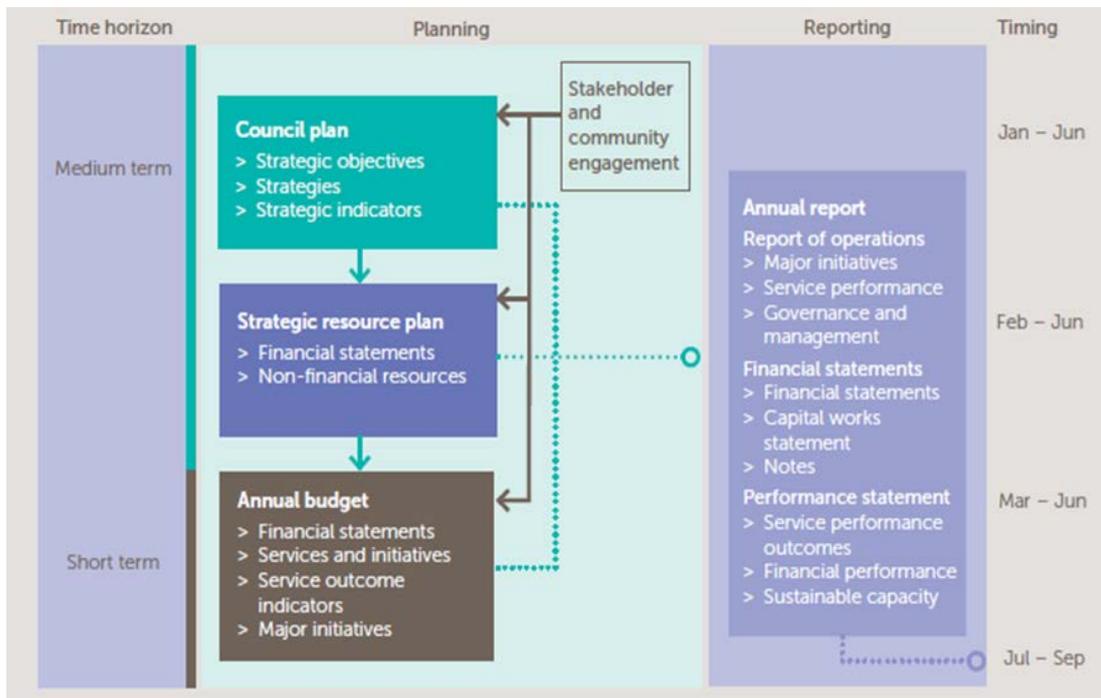
April - Draft Budget distributed to Councillors
April - Council meets to consider the Draft Budget
May - Council resolves to advertise the Draft Budget
May - Council advertises "Draft Budget"
May and June - Budget available for public inspection and comment
June - Council meets to consider public submissions and adopt the Budget
June - Council gives public notice that the budget has been adopted
July - Council provides a copy of the Budget to the 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 planning and accountability framework that applies to local government in Victoria.



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

The Budget includes projects that sit under the strategic platforms that will be delivered in 2015/16. 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 2015/16 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 environment.*

**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 impediments to 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 working population.*

**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 to 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 Major initiatives

This section provides a description of the individual key activities and initiatives to be funded in the Budget for 2015/16.

#### 2.2.1 Strategic platform 2

Key priority

Implement planning strategies that accelerate growth in appropriate areas

Initiative	Performance Measure	Data Source	Target
Develop and commence implementation of Settlement Strategy	Strategy adopted	Council minutes	30 June 2016

#### 2.2.2 Strategic platform 3

Key priority

Engage with agribusiness sector in a regular and more formal way

Initiative	Performance Measure	Data Source	Target
Implement agribusiness actions from new Economic Development Strategy	Progress report presented to Council	Council minutes	30 June 2016

#### 2.2.3 Strategic platform 4

Key priority

Take leadership in building infrastructure, amenities and services appropriate to town needs

Initiative	Performance Measure	Data Source	Target
Review Council's Building Asset Management Plan	Plan adopted	Council minutes	30 June 2016

#### 2.2.3 Strategic platform 4

Key priority

Take leadership in building infrastructure, amenities and services appropriate to town needs

Initiative	Performance Measure	Data Source	Target
Review Council's Road Asset Management Plan	Plan adopted	Council minutes	30 June 2016

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

### 2.2 Major initiatives (continued)

#### 2.2.4 Strategic platform 6

Key priority

Ensure that residents of small towns have access to a basic set of services

Initiative	Performance Measure	Data Source	Target
Define the basic service offer to very small towns	Findings report presented to Council	Council minutes	30 June 2016

#### 2.2.5 Strategic platform 6

Key priority

Ensure that residents of small towns have access to a basic set of services

Initiative	Performance Measure	Data Source	Target
Find cost-effective ways of delivering services to very small communities	Findings report presented to Council	Council minutes	30 June 2016

#### 2.2.6 Strategic platform 7

Key priority

Identify the needs of young people and develop future leaders

Initiative	Performance Measure	Data Source	Target
Renew Council's youth strategy	Strategy adopted	Council minutes	30 June 2016

#### 2.2.7 Strategic platform 7

Key priority

Identify the needs of young people and develop future leaders

Initiative	Performance Measure	Data Source	Target
Formalise Youth Advisory Council	Findings report presented to Council	Council minutes	30 June 2016

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

**2.3 Service performance outcome indicators**

Indicator	Performance measure	Computation
<b><i>Governance</i></b>		
<b>Satisfaction</b>	<b>Satisfaction with council decisions</b> (community satisfaction rating out of 100 with how council has performed in making decisions in the interests of the community)	[Community satisfaction rating out of 100 with the performance of council in making decisions in the interest of the community] x100
<b><i>Home and community care</i></b>		
<b>Participation</b>	<b>Participation in HACC service</b> (Percentage of the municipal target population that receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
<b>Participation</b>	<b>Participation in HACC service by CALD (Culturally and Linguistically Diverse) people</b> (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population for HACC services] x100
<b><i>Maternal and child health</i></b>		
<b>Participation</b>	<b>Participation in the MCH service</b> (percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once in the year / Number of children enrolled in the MCH service]
<b>Participation</b>	<b>Participation in MCH service by Aboriginal children</b> (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once in the year / Number of Aboriginal children enrolled in the MCH service] x100

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

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

<b>Indicator</b>	<b>Performance measure</b>	<b>Computation</b>
<b><i>Libraries</i></b>		
<b>Participation</b>	<b>Active library members</b> (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
<b><i>Aquatic facilities</i></b>		
<b>Utilisation</b>	<b>Utilisation of aquatic facilities</b> (The number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
<b><i>Economic development</i></b>		
<b>Economic activity</b>	<b>Change in number of businesses</b> (percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year/ Number of businesses with an ABN in the municipality at the start of the financial year] x100
<b><i>Statutory planning</i></b>		
<b>Decision making</b>	<b>Planning decisions upheld at VCAT</b> (percentage of planning application decisions subject to review by VCAT that were not set aside)	[Number of VCAT decisions that did not set aside council's decision in relation to a planning application] x100
<b><i>Waste collection</i></b>		
<b>Waste diversion</b>	<b>Kerbside collection waste diverted from landfill</b> (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

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

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

<b>Indicator</b>	<b>Performance measure</b>	<b>Computation</b>
<i><b>Roads</b></i>		
<b>Satisfaction</b>	<p style="text-align: center;"><b>Satisfaction with sealed local roads</b>            (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)</p>	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads
<i><b>Animal management</b></i>		
<b>Health and safety</b>	<p style="text-align: center;"><b>Animal management prosecutions</b> (Number of successful animal management prosecutions)</p>	Number of successful animal management prosecutions
<i><b>Food safety</b></i>		
<b>Health and safety</b>	<p style="text-align: center;"><b>Critical and major non-compliance notifications</b> (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)</p>	[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)

### 2.4 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. ECO DEV & TOURISM STRATEGIES	\$211,400	(\$5,000)	\$216,400
111. ECONOMIC DEVELOPMENT	\$203,697	\$0	\$203,697
121. TOURISM	\$175,627	\$0	\$175,627
122. TOURISM INITIATIVES	\$116,505	\$0	\$116,505
123. CARAVAN PARKS	(\$5,028)	(\$208,710)	\$203,682
125. LODDON DISCOVERY TOURS	(\$10,000)	(\$100,000)	\$90,000
131. PROMOTIONAL INITIATIVES	\$57,000	(\$20,000)	\$77,000
132. INDUSTRIAL SITES	(\$3,689)	(\$12,000)	\$8,311
141. CONTRIBUTIONS	\$4,400	\$0	\$4,400
142. ECONOMIC DEVELOPMENT	(\$10,433)	(\$17,828)	\$7,395
151. BUILDING CONTROL	\$15,990	(\$87,000)	\$102,990
161. COUNCIL RESIDENCES	\$10,850	(\$2,200)	\$13,050
181. STANDPIPES & TRUCKWASHES	(\$1,900)	(\$41,000)	\$39,100
192. CONSTRUCTION/IMPROVE	(\$401,250)	(\$401,250)	\$0
193. DEPRECIATION	\$166,042	\$0	\$166,042
211. COUNCILLOR COSTS	\$324,148	\$0	\$324,148
221. LOCAL LAWS	\$184,118	(\$901)	\$185,019
232. COMMUNITY LEADERSHIP	\$21,444	(\$45,556)	\$67,000
251. RECORDS MANAGEMENT	\$234,556	\$0	\$234,556
281. MUN EMERGENCY MAN	(\$3,580)	(\$6,080)	\$2,500
311. STAFF ONCOSTS	\$1,291,549	(\$92,000)	\$1,383,549
321. PLANT OPERATING	\$1,660,556	\$0	\$1,660,556
322. FLEET	\$193,314	\$0	\$193,314
331. LOCAL ROADS MAINT	\$1,306,412	\$0	\$1,306,412
339. ROADS TO RECOVERY	(\$3,352,550)	(\$3,352,550)	\$0
341. MAIN RDS ROUTINE PAVEMENT MAINT	(\$561,262)	(\$758,232)	\$196,970
381. GRAVEL PITS	(\$116,963)	(\$227,150)	\$110,187
383. DEPOTS	\$71,869	(\$125,000)	\$196,869
384. ROAD OPENINGS ETC	(\$3,861)	(\$9,292)	\$5,431
385. TRAFFIC CONTROL	\$55,000	\$0	\$55,000
386. PRIVATE WORKS	(\$10,982)	(\$36,137)	\$25,155
391. ACQUISITION & DISPOSAL	\$17,500	\$0	\$17,500
393. DEPRECIATION	\$6,640,579	\$0	\$6,640,579
411. RATES INCOME	(\$8,632,577)	(\$8,632,577)	\$0
421. VGC INCOME	(\$7,762,242)	(\$7,762,242)	\$0
431. INTEREST INCOME	(\$425,000)	(\$425,000)	\$0
432. OTHER INCOME	(\$7,631)	(\$12,702)	\$5,071
434. INFORMATION TECHNOLOGY	\$460,095	\$0	\$460,095
435. PRINTING & STATIONERY	\$50,000	\$0	\$50,000
436. ADMINISTRATION	\$531,409	(\$41,000)	\$572,409
437. INSURANCE	\$216,337	(\$9,010)	\$225,347
441. CORPORATE SERVICES	\$1,724,599	\$0	\$1,724,599

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

**2.4 Services (continued)**

Activity	Net cost of activity	Income	Expenditure
442. OPERATIONS	\$1,315,880	\$0	\$1,315,880
443. OCC HEALTH & SAFETY	\$25,000	\$0	\$25,000
451. WEDDERBURN OFFICE	\$108,179	(\$40,000)	\$148,179
452. SERPENTINE OFFICE	\$49,942	(\$500)	\$50,442
453. BOORT OFFICE	\$13,259	\$0	\$13,259
471. SUBSCRIPTIONS, DONATIONS, & ME	\$65,345	\$0	\$65,345
491. ACQUISITION & DISPOSAL	\$5,000	\$0	\$5,000
493. DEPRECIATION	\$125,549	\$0	\$125,549
511. TIPS	\$257,620	(\$90,416)	\$348,036
512. GARBAGE COLLECTION	(\$402,882)	(\$791,578)	\$388,696
513. RECYCLING	(\$35,528)	(\$277,443)	\$241,915
521. TREE PLANTING	\$9,000	\$0	\$9,000
532. TOWN PLANNING	\$222,870	(\$34,802)	\$257,672
541. HERITAGE & CULTURE	\$3,000	\$0	\$3,000
561. FIRE PROTECTION	\$27,637	(\$20,953)	\$48,590
592. CONSTRUCTION/IMPROVE	(\$150,000)	(\$150,000)	\$0
593. DEPRECIATION	\$528,100	\$0	\$528,100
610. COMM SERVICES & REC STRATEGIES	\$86,000	\$0	\$86,000
611. INFANT WELFARE CENTRES	\$99,550	(\$116,752)	\$216,302
614. PRE-SCHOOL MAINTENANCE	\$29,369	\$0	\$29,369
615. EDUCATION	\$93,649	(\$25,795)	\$119,444
616. BOORT PRE-SCHOOL	(\$1,839)	(\$91,890)	\$90,051
617. DINGEE PRE-SCHOOL	(\$2,544)	(\$109,329)	\$106,785
618. INGLEWOOD PRE-SCHOOL	(\$2,190)	(\$98,298)	\$96,108
619. WEDDERBURN PRE-SCHOOL	(\$2,688)	(\$99,147)	\$96,459
620. DISABILITY ACCESS PROGRAMS	\$6,000	\$0	\$6,000
621. HEALTH CONTROL	\$92,988	(\$30,804)	\$123,792
622. PYRAMID HILL PRE-SCHOOL	(\$1,993)	(\$107,578)	\$105,585
623. OTHER HEALTH	\$5,000	\$0	\$5,000
631. HACC SERVICES	(\$148,867)	(\$962,876)	\$814,009
632. COMMUNITY SERVICES	\$199,821	(\$35,590)	\$235,411
633. SENIOR CITIZENS' CENTRES	\$23,057	(\$57,758)	\$80,815
634. ELDERLY PERSON'S UNITS	(\$12,503)	(\$60,640)	\$48,137
635. HACC ONCOSTS	\$195,850	\$0	\$195,850
636. EXTERNALLY BROKERED SERVICES	(\$25,090)	(\$76,090)	\$51,000
637. LSC PACKAGED CARE PROGRAM	(\$202,148)	(\$628,337)	\$426,189
641. RECREATION & COMMUNITY DEVEL	\$122,869	\$0	\$122,869
642. RECREATION RESERVES	\$158,536	\$0	\$158,536
643. SWIMMING POOLS	\$427,277	\$0	\$427,277
644. BEACHES	\$41,647	\$0	\$41,647
645. TOWNSCAPE SERVICES	\$628,116	\$0	\$628,116
649. OTHER RECREATION	\$98,375	(\$40,000)	\$138,375
650. MAJOR EVENTS GRANTS	\$20,000	\$0	\$20,000
651. COMMUNITY GRANTS	\$200,000	\$0	\$200,000
652. REGIONAL LIBRARY	\$191,077	\$0	\$191,077
653. PUBLIC HALLS	\$61,955	\$0	\$61,955
655. YOUTH INITIATIVES	\$13,000	(\$51,500)	\$64,500

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

**2.4 Services (continued)**

Activity	Net cost of activity	Income	Expenditure
661. DOMESTIC ANIMALS	\$24,366	(\$43,326)	\$67,692
662. LIVESTOCK	\$28,172	(\$224)	\$28,396
670. COMMUNITY PLAN MANAGER	\$113,407	\$0	\$113,407
671. BOORT COMMUNITY PLANS	\$50,000	\$0	\$50,000
676. WEDDERBURN COMMUNITY PLANS	\$50,000	\$0	\$50,000
677. INGLEWOOD COMMUNITY PLANS	\$50,000	\$0	\$50,000
678. TERRICK COMMUNITY PLANS	\$50,000	\$0	\$50,000
679. TARNAGULLA COMMUNITY PLANS	\$50,000	\$0	\$50,000
681. COMMUNITY PROTECTION	\$16,143	(\$22,275)	\$38,418
682. OTHER COMMUNITY	\$11,371	\$0	\$11,371
691. ACQUISITION & DISPOSAL	\$15,000	\$0	\$15,000
692. CONSTRUCTION/IMPROVE	(\$55,469)	(\$142,381)	\$86,912
693. DEPRECIATION	\$1,083,763	\$0	\$1,083,763
<b>Total</b>	<b>\$685,046</b>	<b>(\$26,636,699)</b>	<b>\$27,321,745</b>

### **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.

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 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 7,365 residents (estimated resident population 2014). 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 recorded 71 births in Loddon in the 2013/2014 financial year. It is not anticipated that this number will vary considerably in 2015/16.

#### 3.1.4 Workforce

The Council has a workforce of 216 employees equating to an Effective Full Time (EFT) workforce of 125.52. 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 2015/16 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 1.4% from December 2013 to December 2014 (Source: ABS)
- the "pausing" of any increase to Victorian Grants Commission funding for the Financial Assistance Grant and Local Roads Funding in 2015/16
- the introduction by the State Government of rate capping linked to inflation, commencing in the 2016/17 financial year
- ongoing commitment from the Federal Government to the Roads to Recovery Program which allows for an additional year's funding in 2015/16.

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

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

- The State Government not extending funding for the Country Roads and Bridges program of \$1.0m for local roads works.

#### **3.3 Internal influences**

As well as external influences, there were also a number of internal influences arising from the 2014/15 year which have had a significant impact on the setting of the Budget for 2015/16. These include:

- completion of a restructure of the outdoor staff that should show productivity improvements in service delivery in 2015/16.
- a 3.0% increase to salaries and wages effective the first pay period after 1 August 2015. 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
- final loan repayment for the Wedderburn Office
- funding for Community Planning with a \$50k allocation to each of the 5 wards, and \$500k for the strategic fund
- continuation of Council's Rating Strategy until rate capping is introduced by the State Government on 2016/17
- 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 2014/15 levels
- an ongoing commitment to the Community Planning process with an allocation of \$750k 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 (Section 8), Rating Strategy (Section 9) and Other Long Term Strategies (Section 10) including borrowings, discretionary reserves, infrastructure and

## 4 ANALYSIS OF OPERATING BUDGET

This section of the report analyses the expected revenues and expenses of the Council for the 2015/16 year.

### 4.1 Budget income statement

	Ref.	2014/15 Projected Actual	2015/16 Budget	Variance
Total income	4.2	\$31,015,824	\$26,636,699	(\$4,379,125)
Total expenditure	4.3	(\$28,565,840)	(\$27,321,745)	\$1,244,095
<b>Surplus(deficit) for the year</b>		<b>\$2,449,984</b>	<b>(\$685,046)</b>	<b>(\$3,135,030)</b>
Grants - capital non-recurrent	4.2.5	(\$5,814,593)	(\$733,631)	\$5,080,962
Capital contributions	4.2.6	(\$351,294)	\$0	\$351,294
<b>Adjusted underlying surplus (deficit)</b>	4.1.1	<b>(\$3,715,903)</b>	<b>(\$1,418,677)</b>	<b>\$2,297,226</b>

#### 4.1.1 Adjusted underlying deficit

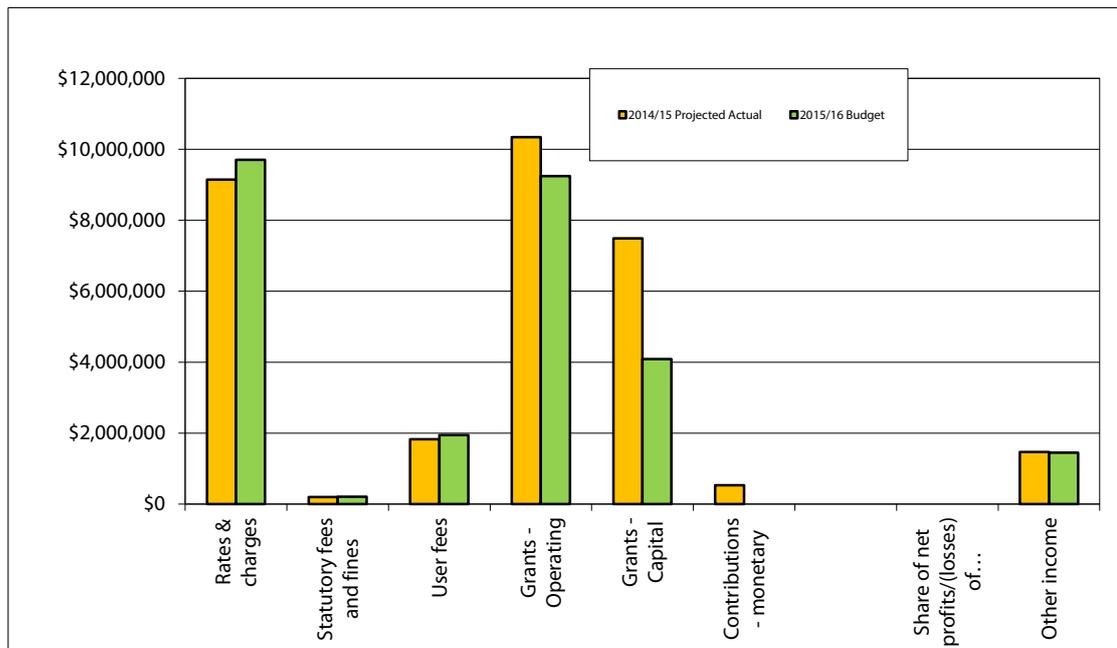
The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The underlying result for the 2015/16 year is a deficit of \$1.42m which is an decrease of \$2.29m from the 2014/2015 year.

### 4.2 Income

Revenue types	Ref.	2014/15 Projected Actual	2015/16 Budget	Variance
Rates & charges	4.2.1	\$9,145,729	\$9,701,598	\$555,869
Statutory fees and fines	4.2.2	\$198,780	\$210,344	\$11,564
User fees	4.2.3	\$1,830,485	\$1,945,481	\$114,996
Grants - Operating	4.2.4	\$10,347,430	\$9,241,910	(\$1,105,520)
Grants - Capital	4.2.5	\$7,490,868	\$4,086,181	(\$3,404,687)
Contributions - monetary	4.2.6	\$532,669	\$0	(\$532,669)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	4.2.7	\$0	\$0	\$0
Share of net profits/(losses) of associates and joint ventures		\$0	\$0	\$0
Other income	4.2.8	\$1,469,863	\$1,451,185	(\$18,678)
<b>Total income</b>		<b>\$31,015,824</b>	<b>\$26,636,699</b>	<b>(\$4,379,125)</b>

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

**4.2 Income (continued)**



**4.2.1 Rates & charges**

*\$555,869 Increase*

It is proposed that general rate income and municipal charges be increased by 5.5% over the 2014/15 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 2015/16.

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Rates and charges</b>			
General rates	\$2,153,408	\$2,305,882	\$152,474
Rural rates	\$4,977,290	\$5,232,151	\$254,861
Municipal charge	\$1,031,932	\$1,094,544	\$62,612
Garbage charge	\$728,678	\$791,578	\$62,900
Kerbside recycle charge	\$254,421	\$277,443	\$23,022
<b>Total Rates and charges</b>	<b>\$9,145,729</b>	<b>\$9,701,598</b>	<b>\$555,869</b>

**4.2.2 Statutory fees and fines**

*\$11,564 Increase*

Statutory fees and fines 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.

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.2 Income (continued)

<b>Statutory fees and fines</b>	<b>2014/15 Projected Actual</b>	<b>2015/16 Budget</b>	<b>Variance</b>
Building services fees	\$85,755	\$87,000	\$1,245
Town planning services	\$33,707	\$34,802	\$1,095
Animal control services	\$41,143	\$42,305	\$1,162
Health Act fees	\$26,325	\$27,179	\$854
Land information certificates	\$7,175	\$7,408	\$233
Local laws	\$3,675	\$650	(\$3,025)
Fire hazard removal fees	\$1,000	\$11,000	\$10,000
<b>Total</b>	<b>\$198,780</b>	<b>\$210,344</b>	<b>\$11,564</b>

#### 4.2.3 User fees

*\$114,996 Increase*

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. 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.

<b>Fees &amp; charges</b>	<b>2014/15 Projected Actual</b>	<b>2015/16 Budget</b>	<b>Variance</b>
<b>Economic development &amp; tourism</b>			
Tourism activities	\$105,302	\$100,000	(\$5,302)
Caravan parks	\$338,609	\$208,710	(\$129,899)
Loddon business & tourism awards	\$11,950	\$10,000	(\$1,950)
Commercial rental	\$37,549	\$29,828	(\$7,721)
Council residences	\$5,500	\$2,200	(\$3,300)
Standpipes & truck washes	\$19,500	\$41,000	\$21,500
<b>Leadership</b>			
Animal control	\$3,927	\$1,245	(\$2,682)
Community safety	\$15,940	\$6,331	(\$9,609)
<b>Works &amp; infrastructure</b>			
Gravel pits	\$303,441	\$227,150	(\$76,291)
Private works	\$39,044	\$36,137	\$0
Road openings	\$9,000	\$9,292	\$292
Other miscellaneous income	\$2,587	\$0	(\$2,587)
<b>Good management</b>			
Other miscellaneous income	\$3,381	\$3,210	(\$171)
Commercial rental	\$2,503	\$2,584	\$81
Occupational health & safety	\$5,000	\$0	(\$5,000)
Insurance	\$3,500	\$3,613	\$113
<b>Environment</b>			
Fire protection	\$4,100	\$4,233	\$133
Tips & recycling	\$102,800	\$85,163	(\$17,637)
<b>Community services &amp; recreation</b>			
Elderly persons units	\$58,739	\$60,640	\$1,901
Other community	\$463	\$271	(\$192)
HACC services	\$197,073	\$214,988	\$17,915
LSC packaged care	\$425,532	\$704,427	\$278,895
Pre-schools	\$127,029	\$184,397	\$57,368
Senior citizens	\$8,016	\$10,062	\$2,046
<b>Total</b>	<b>\$1,830,485</b>	<b>\$1,945,481</b>	<b>\$114,996</b>

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.2 Income (continued)

#### 4.2.4 Grants - Operating

*\$1,105,520 Decrease*

Operating Grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall the level of operating grants has decreased by \$1.1 million in 2015/16. This is due to the State Government ceasing funding for the Country Roads and Bridges program and the Federal Government freezing any increase in the Grants Commission allocations for 2015/16. Significant grant funding sources are summarised below:

Grant funding types	2014/15		2015/16 Budget	Variance
	Projected	Actual		
<b>State - Non recurrent operating</b>				
Strategies and plans	\$35,000		\$5,000	(\$30,000)
Tourism	\$0		\$40,000	\$40,000
Streetlife	\$20,000		\$0	(\$20,000)
War Memorial Restoration	\$9,800		\$0	(\$9,800)
Bridgewater Resurface	\$7,700		\$0	(\$7,700)
Fire access tracks			\$5,720	\$5,720
<b>State - Recurrent operating</b>				
Emergency management	\$127,500		\$0	(\$127,500)
State Emergency Service	\$12,853		\$12,853	\$0
School crossings	\$9,193		\$9,422	\$229
Regional living expo funding	\$10,000		\$10,000	\$0
Drum Muster	\$5,125		\$5,253	\$128
Fire Services Levy	\$38,134		\$41,000	\$2,866
HACC services	\$755,568		\$783,478	\$27,910
Maternal and child health	\$117,691		\$116,752	(\$939)
Local roads and Bridges program	\$1,000,000		\$0	(\$1,000,000)
Pre-schools	\$348,268		\$347,640	(\$628)
Senior citizens	\$47,083		\$47,696	\$613
Tobacco reform	\$3,273		\$3,354	\$81
Youth initiatives	\$38,000		\$51,500	\$13,500
<b>Federal - Recurrent operating</b>				
Victorian Grants Commission - Local Roads	\$3,432,335		\$3,432,335	\$0
Victorian Grants Commission - General	\$4,329,907		\$4,329,907	\$0
<b>Total - operating grants</b>	<b>\$10,347,430</b>		<b>\$9,241,910</b>	<b>(\$1,105,520)</b>

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.2 Income (continued)

#### 4.2.5 Grants - Capital

*\$3,404,687 Decrease*

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 decrease by \$3.4 million in 2015/16. Significant grant funding sources are summarised below:-

Grant Funding Types	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Federal - recurrent capital</b>			
Roads to Recovery	\$1,676,275	\$3,352,550	\$1,676,275
<b>Federal - non recurrent capital</b>			
Nil	\$0	\$0	\$0
<b>State - non recurrent capital</b>			
Caravan park works	\$127,350	\$0	(\$127,350)
HACC minor equipment	\$5,000	\$0	(\$5,000)
Halls & community centres	\$1,858,289	\$0	(\$1,858,289)
Local Government Infrastructure Program - Serpentine pavilion	\$666,944	\$0	(\$666,944)
Transfer station upgrade	\$0	\$150,000	\$150,000
Industrial estate	\$198,500	\$401,250	\$202,750
Office buildings	\$0	\$40,000	\$40,000
Bridgewater foreshore project	\$1,556,978	\$0	(\$1,556,978)
Boort Eastern entry	\$120,000	\$0	(\$120,000)
Boort Park pavilion	\$102,960	\$0	(\$102,960)
Playground facilities	\$33,000	\$0	(\$33,000)
Swimming pools	\$132,000	\$117,381	(\$14,619)
Sporting facilities	\$59,699	\$0	(\$59,699)
Streetscape projects	\$928,873	\$0	(\$928,873)
Tourism	\$25,000	\$25,000	\$0
<b>Total - Non recurrent capital grants</b>	<b>\$5,814,593</b>	<b>\$733,631</b>	<b>(\$5,080,962)</b>
<b>Total - Capital grants</b>	<b>\$7,490,868</b>	<b>\$4,086,181</b>	<b>(\$3,404,687)</b>

The major increase of \$1.676 million is for a one off increase in the Roads to Recovery program announced by the Federal Government when the extension of the program was announced last year.

The major decreases relate to capital works projects that are completed in the 2014/15 financial year or under construction. These include halls and community centres of \$1.85m, the upgrade of the Serpentine Pavilion of \$667,000, the Bridgewater foreshore project of \$1.55 million and streetscape projects of \$928,000.

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

**4.2 Income (continued)**

4.2.6 Contributions - monetary

*\$532,669 Decrease*

Contributions - monetary include amounts from community groups and external parties towards capital and recurrent related projects. Contributions are budgeted to decrease by \$532k with no contributions included in the 2015/16 budget.

	<b>2014/15 Projected Actual</b>	<b>2015/16 Budget</b>	<b>Variance</b>
<b>Contributions - operating</b>			
Regional living expo	\$0	\$0	\$0
HACC Services	\$5,000	\$0	(\$5,000)
Staff training	\$7,500	\$0	(\$7,500)
Boort community gym	\$83,367	\$0	(\$83,367)
Valuations	\$85,508	\$0	(\$85,508)
<b>Total - operating</b>	<b>\$181,375</b>	<b>\$0</b>	<b>(\$181,375)</b>
<b>Contributions - capital</b>			
Wedderburn Community Centre	\$200,000	\$0	(\$200,000)
Sport and recreation facilities	\$151,294	\$0	(\$151,294)
<b>Contributions - capital</b>	<b>\$351,294</b>	<b>\$0</b>	<b>(\$351,294)</b>
<b>Total</b>	<b>\$532,669</b>	<b>\$0</b>	<b>(\$532,669)</b>

4.2.7 Net gain/(loss) on disposal of property, infrastructure,

*\$0 Decrease*

The net profit (or loss) on disposal of assets relates to the sale of vehicles, items of plant, land and buildings or other assets owned by Council. It represents the difference between the amount received for an asset item and the book value of that item at the time of sale.

Although it is difficult to predict the result of these transactions, historically Council has made little or no profit of sale of plant, so no budget has been made in the 2015/16 year for a gain or loss on sale.

<b>Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>2014/15 Projected Actual</b>	<b>2015/16 Budget</b>	<b>Variance</b>
Proceeds of sale of assets	\$464,685	\$372,124	(\$92,561)
Written down vale of assets disposed	\$464,685	\$372,124	(\$92,561)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.2 Income (continued)

#### 4.2.8 Other income

*-\$18,678 Decrease*

Other income includes reimbursement for the diesel fuel rebate from the Taxation Office, insurance rebates and Workcover reimbursements. Reimbursements are budgeted to increase by \$18k during 2015/16.

Other income also includes Interest received for late payment of rates and the investment of Council funds. The achievement of these budget figures will dependant on cash flow into Council from grants and rates and charges.

Other income also includes the reimbursement by Vic Roads for contract works that Council carries out on their behalf.

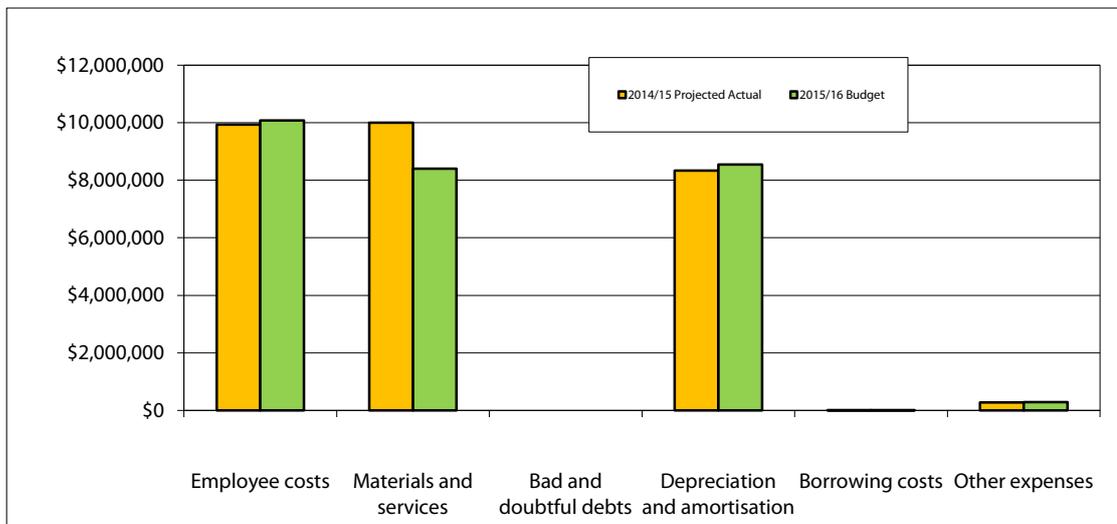
Other Income	2014/15 Projected Actual	2015/16 Budget	Variance
Community leadership reimbursements	\$21,000	\$45,556	\$24,556
Investment interest	\$400,000	\$400,000	\$0
Rates interest	\$25,000	\$25,000	\$0
Other Reimbursements	\$41,501	\$0	(\$41,501)
Vicroad maintenance works	\$785,133	\$758,232	(\$26,901)
Diesel fuel rebate	\$100,000	\$125,000	\$25,000
Outdoor Workcover claims	\$92,000	\$92,000	\$0
Other insurances	\$5,229	\$5,397	\$168
<b>Total</b>	<b>\$1,469,863</b>	<b>\$1,451,185</b>	<b>(\$18,678)</b>

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.3 Expenses

Expenditure types		2014/15 Projected Actual	2015/16 Budget	Variance
Employee costs	4.3.1	\$9,937,846	\$10,084,110	\$146,264
Materials and services	4.3.2	\$10,001,894	\$8,400,059	(\$1,601,835)
Bad and doubtful debts	4.3.3	\$0	\$0	\$0
Depreciation and amortisation	4.3.4	\$8,335,645	\$8,544,033	\$208,388
Borrowing costs	4.3.5	\$13,015	\$7,259	(\$5,756)
Other expenses	4.3.6	\$277,440	\$286,284	\$8,844
<b>Total</b>		<b>\$28,565,840</b>	<b>\$27,321,745</b>	<b>(\$1,244,095)</b>

The following graph shows the change in expenditure from 2014/15 Projected Actuals to 2015/16 Budget.



#### 4.3.1 Employee costs

*\$146,264 Increase*

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

Employee costs are expected to increase by approximately \$146k from 2014/15 to 2015/16.

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 2015/16 Budget including the expected EBA increase of 3.0%, effective August 2015. In 2015/16 there has been a continuation in Council's superannuation contribution of 9.5% in line with legislation.

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.3 Expenses (continued)

#### 4.3.1 Employee costs (continued)

<b>Expenditure types</b>	<b>2014/15 Projected Actual</b>	<b>2015/16 Budget</b>	<b>Variance</b>
Salaries & wages	\$7,872,250	\$7,949,086	\$76,836
Annual leave	\$656,021	\$662,424	\$6,403
Long service leave	\$211,777	\$226,040	\$14,263
Superannuation expense	\$891,925	\$902,435	\$10,510
Work cover	\$234,113	\$270,035	\$35,922
Fringe benefits tax	\$71,760	\$74,090	\$2,330
<b>Total</b>	<b>\$9,937,846</b>	<b>\$10,084,110</b>	<b>\$146,264</b>

#### Permanent staff costs

<b>Department</b>	<b>2015/16 Budget</b>	<b>Permanent full time</b>	<b>Permanent part time</b>
Economic development & tourism	\$635,687	\$390,593	\$245,094
Leadership	\$210,979	\$171,280	\$39,699
Works & infrastructure	\$3,459,884	\$3,459,884	\$0
Good management	\$2,722,766	\$1,645,713	\$1,077,053
Environment	\$430,873	\$298,035	\$132,838
Community services & recreation	\$2,910,287	\$1,038,608	\$1,871,678
<b>Total</b>	<b>\$10,370,475</b>	<b>\$7,004,113</b>	<b>\$3,366,362</b>

#### Permanent staff numbers

<b>Department</b>	<b>2015/16 Budget</b>	<b>Permanent full time</b>	<b>Permanent part time</b>
Economic development & tourism	5.87	3.00	2.87
Leadership	2.42	2.00	0.42
Works & infrastructure	48.00	48.00	0.00
Good management	26.41	14.00	12.41
Environment	4.74	3.00	1.74
Community services & recreation	38.08	12.00	26.08
<b>Total</b>	<b>125.52</b>	<b>82.00</b>	<b>43.52</b>

The total 2015/16 Budget includes 216 staff or 125.52 EFT. The 2014/15 Budget included 213 staff or 135.5 EFT.

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.3 Expenses (continued)

#### 4.3.2 Materials, services & contracts

*\$1,601,835 Decrease*

Materials, services and contracts 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.

Expense	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Economic development &amp; tourism</b>			
Economic development	\$101,892	\$112,490	\$10,598
Tourism	\$377,705	\$282,084	(\$95,621)
Caravan parks	\$273,936	\$201,668	(\$72,268)
Council residences & buildings	\$14,523	\$12,050	(\$2,473)
Building services	\$18,120	\$18,237	\$117
Commercial buildings	\$21,996	\$45,311	\$23,315
Plans & strategies	\$0	\$0	\$0
<b>Leadership</b>			
Councillor related expenditure	\$83,301	\$82,000	(\$1,301)
Community safety	\$21,771	\$500	(\$21,271)
Local laws	\$37,000	\$117,000	\$80,000
Community leadership	\$22,000	\$29,484	\$7,484
Records management	\$42,538	\$54,124	\$11,586
ANZAC celebrations	\$218,000	\$0	(\$218,000)
Transport connections project	\$10,193	\$0	(\$10,193)
Sponsorships/Donations	\$22,800	\$22,800	\$0
Flood recovery projects	\$41,650	\$0	(\$41,650)
Memberships	\$62,110	\$62,545	\$435
<b>Works &amp; infrastructure</b>			
Depots	\$80,617	\$124,331	\$43,714
Employee related expenditure	\$80,000	\$60,325	(\$19,675)
Infrastructure & road maintenance	\$1,840,216	\$1,854,687	\$14,471
Private works	\$22,500	\$23,230	\$730
Minor equipment purchases	\$0	\$0	\$0
Gravel pits	\$147,776	\$108,604	(\$39,172)
<b>Good management</b>			
Advertising	\$0	\$0	\$0
Building maintenance	\$220,322	\$204,304	(\$16,018)
Council operations	\$546,850	\$663,730	\$116,880
Stationery & postage	\$62,928	\$55,071	(\$7,857)
Subscriptions & memberships	\$0	\$0	\$0
Information technology	\$344,509	\$460,095	\$115,586
Training & employee costs	\$0	\$0	\$0
Valuations	\$0	\$0	\$0
Insurance	\$202,497	\$225,347	\$22,850
Staff wellbeing	\$0	\$0	\$0
Legal and bank fees	\$0	\$0	\$0

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.3 Expenses (continued)

Expense	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Environment</b>			
Fire protection	\$35,420	\$48,590	\$13,170
Planning control	\$16,519	\$13,721	(\$2,798)
Plans & strategies	\$76,000	\$0	(\$76,000)
Heritage	\$103,000	\$3,000	(\$100,000)
Tree and weed management	\$101,755	\$9,000	(\$92,755)
Waste management	\$840,421	\$862,396	\$21,975
<b>Community services &amp; recreation</b>			
Elderly persons units	\$43,041	\$44,741	\$1,700
Senior citizens	\$62,985	\$59,361	(\$3,624)
Youth initiatives	\$41,247	\$57,500	\$16,253
Library services	\$180,568	\$191,077	\$10,509
Swimming pools & waterways	\$401,190	\$448,424	\$47,234
Home & community care	\$512,559	\$368,011	(\$144,548)
Community support & safety	\$43,834	\$28,554	(\$15,280)
Infant services	\$40,736	\$21,668	(\$19,068)
Halls & community centres	\$1,435,267	\$280,982	(\$1,154,285)
Community safety	\$7,800	\$4,400	(\$3,400)
Pre-schools	\$63,186	\$71,650	\$8,464
Animal control	\$16,252	\$16,616	\$364
Community planning projects	\$112,094	\$270,590	\$158,496
Environmental health services	\$37,619	\$16,590	(\$21,029)
Public facilities	\$486,744	\$458,635	(\$28,109)
Plans & strategies	\$214,620	\$86,000	(\$128,620)
Sporting facilities	\$211,287	\$218,536	\$7,249
<b>Total</b>	<b>\$10,001,894</b>	<b>\$8,400,059</b>	<b>(\$1,601,835)</b>

Materials, services and contracts is forecast to decrease by 16% or \$1.6 million in 2015/16. The decrease is largely due to the completion of a number of plans and strategies including the flood survey and design and upgrade works on non-council assets. Council also allowed \$218k expenditure for the ANZAC centenary commemerations in 2014/15.

#### 4.3.3 Bad and doubtful debts

*\$0 Increase*

Debtor type	Projected Actual	2015/16 Budget	Variance
Rate debtors	\$0	\$0	\$0
Sundry debtors	\$0	\$0	\$0
HACC debtors	\$0	\$0	\$0
<b>Total bad and doubtful debts</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## 4 ANALYSIS OF OPERATING BUDGET (Continued)

### 4.3 Expenses (continued)

#### 4.3.4 Depreciation and amortisation *\$208,388 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, with no resale value at the end of that period will have 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.

Asset classification	2014/15 Projected Actual	2015/16 Budget	Variance
Road assets and other related infrastructure	\$4,552,815	\$4,666,636	\$113,821
Buildings	\$1,612,716	\$1,653,034	\$40,318
Plant & equipment	\$1,118,224	\$1,146,179	\$27,955
Bridges	\$302,179	\$309,733	\$7,554
Urban drains	\$207,716	\$212,909	\$5,193
Furniture & equipment	\$96,863	\$99,284	\$2,421
Footpaths	\$164,004	\$168,104	\$4,100
Kerb and channel	\$106,722	\$109,389	\$2,667
Landfills	\$145,294	\$148,926	\$3,632
Street furniture	\$26,959	\$27,633	\$674
Gravel Pits	\$2,153	\$2,206	\$53
<b>Total</b>	<b>\$8,335,645</b>	<b>\$8,544,033</b>	<b>\$208,388</b>

#### 4.3.5 Borrowing Costs *\$5,756 Decrease*

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

The variance is reduced due to the final payment of the loan being made in 2015/16.

Type of interest	Projected Actual	2015/16 Budget	Variance
Loan interest	\$13,015	\$7,259	(\$5,756)
<b>Total</b>	<b>\$13,015</b>	<b>\$7,259</b>	<b>(\$5,756)</b>

#### 4.3.5 Other expenses *\$8,844 Increase*

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

Expense type	2014/15 Projected Actual	2015/16 Budget	Variance
Councillors' costs	\$205,200	\$211,284	\$6,084
Auditors' remuneration	\$72,240	\$75,000	\$2,760
<b>Total</b>	<b>\$277,440</b>	<b>\$286,284</b>	<b>\$8,844</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 2015/16 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.

**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.

**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 include repayment of loans for the year.

### 5.1 Budgeted cash flow statement

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rates & charges	\$7,329,373	\$8,277,269	\$947,896
Statutory fees & fines	\$198,780	\$206,137	\$7,357
User fees	\$2,384,236	\$2,061,419	(\$322,817)
Grants - Operating	\$13,568,594	\$10,545,041	(\$3,023,553)
Grants - Capital	\$8,561,230	\$4,600,768	(\$3,960,462)
Interest received	\$425,000	\$425,000	\$0
Trust funds & deposits	\$5,000	\$0	(\$5,000)
Other receipts	\$1,494,127	\$1,224,474	(\$269,653)
Net GST refund / payment	\$291,000	\$195,000	(\$96,000)
<b>Operating receipts</b>	<b>\$34,257,340</b>	<b>\$27,535,108</b>	<b>(\$6,722,232)</b>
<b>Payments</b>			
Employee costs	(\$10,070,013)	(\$9,605,393)	\$464,620
Materials & services (including GST)	(\$11,504,761)	(\$9,599,926)	\$1,904,835
Trust funds and deposits repaid	(\$5,000)	(\$5,000)	\$0
Other payments	(\$334,333)	(\$339,187)	(\$4,854)
<b>Operating payments</b>	<b>(\$21,914,107)</b>	<b>(\$19,549,506)</b>	<b>\$2,364,601</b>
<b>Net cash provided by operating activities</b>	<b>\$12,343,233</b>	<b>\$7,985,602</b>	<b>(\$4,357,631)</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant & equipment	(\$17,535,386)	(\$8,325,400)	\$9,209,986
Proceeds from sales of property, infrastructure, plant & equipment	\$464,685	\$274,685	(\$190,000)
Payment for investments	\$0	\$0	\$0
Proceeds from sale of investments	0	0	\$0
Loans and advances made	\$0	0	\$0
Repayment of loans and advances	\$0	\$93,800	\$93,800
<b>Net cash provided by/(used in) investing activities</b>	<b>(\$17,070,701)</b>	<b>(\$7,956,915)</b>	<b>\$9,113,786</b>

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

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Cash flows from financing activities</b>			
Proceeds from borrowing	\$0	\$0	\$0
Repayment of borrowings	(\$129,205)	(\$131,145)	(\$1,940)
Interest expense	(\$13,015)	(\$7,259)	\$5,756
<b>Net cash provided by/(used in) financing activities</b>	<b>(\$142,220)</b>	<b>(\$138,404)</b>	<b>\$3,816</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(\$4,869,688)</b>	<b>(\$109,717)</b>	<b>\$4,759,971</b>
Cash & cash equivalents at the beginning of the year	\$13,931,959	\$9,062,271	(\$4,869,688)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>\$9,062,271</b>	<b>\$8,952,554</b>	<b>(\$109,717)</b>

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Surplus/(deficit) for the year</b>	<b>\$2,449,984</b>	<b>(\$685,046)</b>	<b>(\$3,135,030)</b>
Depreciation	\$8,335,645	\$8,544,033	\$208,388
Loss/(gain) on sale of assets	\$0	\$0	\$0
Net movement in current assets & liabilities	\$1,544,589	\$119,356	(\$1,425,233)
<b>Cash flows available from operating activities</b>	<b>\$12,330,218</b>	<b>\$7,978,343</b>	<b>(\$4,351,875)</b>
Proceeds from sale of assets	\$464,685	\$274,685	(\$190,000)
Repayment of borrowings	(\$129,205)	(\$131,145)	(\$1,940)
Net movement in loans & advances	\$0	\$93,800	\$93,800
<b>Cash flows available for capital works</b>	<b>\$12,665,698</b>	<b>\$8,215,683</b>	<b>(\$98,140)</b>
Capital expenditure	(\$17,535,386)	(\$8,325,400)	\$9,209,986
<b>Net cash outflows</b>	<b>(\$4,869,688)</b>	<b>(\$109,717)</b>	<b>\$9,111,846</b>
Cash & cash equivalents at the beginning of the year	\$13,931,959	\$9,062,271	(\$4,869,688)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>\$9,062,271</b>	<b>\$8,952,554</b>	<b>(\$109,717)</b>

5.1.1 Operating activities

\$4,357,631 Decrease

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 for 2015/16 are an increase in rates of \$947k, reduction in Operating Grants of \$3.0m, reduction in Capital Grants of \$3.9m and reduction in materials and services expenditure of \$1.9m.

5.1.2 Investing activities

\$9,113,786 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 2015/16 is in the area of capital expenditure which has reduced by \$9.1m. This is the result of a tightening of grant funds, the withdrawal of the Country Roads and Bridges Program (\$1.0m) by the State Government, and projects being carried forward from the 2013/14 program which impacts 2014/15.

## 5 ANALYSIS OF BUDGETED CASH POSITION (Continued)

### 5.1.3 Financing activities

\$3,816 Increase

Financing activities refer to cash generated or used in the financing of Council functions and include borrowings from financial institutions.

Council's borrowings will with be fully repaid in the 2015/16 financial year. No new are borrowings are budgeted.

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

\$109,717 Decrease

Overall, total cash and investments is forecast to decrease by \$109k during 2015/16, 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 and movement in trust funds.

## 5.2 Restricted and unrestricted cash and investments

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Restricted cash &amp; investments:</b>			
Long service leave	\$1,774,919	\$1,824,919	\$50,000
Cash held to fund carried forward capital works and unexpended grants	\$0	\$0	\$0
Trust funds and deposits	\$604,426	\$609,426	\$5,000
<b>Total restricted cash &amp; investments</b>	<b>\$2,379,345</b>	<b>\$2,434,345</b>	<b>\$55,000</b>
<b>Unrestricted cash and investments:</b>			
Council reserve funds	\$5,446,275	\$5,440,991	(\$5,284)
Unrestricted cash and investments	\$1,236,651	\$1,077,218	(\$159,433)
<b>Total unrestricted cash and investments</b>	<b>\$6,682,926</b>	<b>\$6,518,209</b>	<b>(\$164,717)</b>
<b>Total cash &amp; cash equivalents at end of year</b>	<b>9,062,271</b>	<b>8,952,554</b>	<b>(109,717)</b>

### 5.2.1 Long service leave

\$50,000 Increase

Council has continued to treat funds set aside for employees long service leave as restricted cash. The increase in the variance is due to increased years of service by employees and increases in wage rates through the enterprise bargaining agreement.

### 5.2.3 Council discretionary reserve funds

\$5,000 Increase

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.

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 \$159,433 *Decrease***

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 from annual rate payments.

## 6 ANALYSIS OF CAPITAL BUDGET

This section of the report analyses the planned capital expenditure budget for the 2015/16 year and the sources of funding for the capital budget.

Carried forward works	Ref.	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Property</b>	6.1.1			
Land		\$0	\$0	\$0
Land improvements		\$0	\$0	\$0
<b>Total land</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Buildings		\$2,383,323	\$0	(\$2,383,323)
Building improvements		\$38,900	\$0	(\$38,900)
<b>Total buildings</b>		<b>\$2,422,223</b>	<b>\$0</b>	<b>(\$2,422,223)</b>
<b>Total property</b>		<b>\$2,422,223</b>	<b>\$0</b>	<b>(\$2,422,223)</b>
<b>Plant and equipment</b>	6.1.1			
Plant, machinery and equipment		\$393,220	\$0	(\$393,220)
Computers and telecommunications		\$5,000	\$0	(\$5,000)
Fixtures fittings and furniture		\$0	\$0	\$0
<b>Total Plant and equipment</b>		<b>\$398,220</b>	<b>\$0</b>	<b>(\$398,220)</b>
<b>Infrastructure</b>	6.1.1			
Roads		\$369,784	\$0	(\$369,784)
Bridges		\$0	\$0	\$0
Footpaths and cycleways		\$0	\$0	\$0
Drainage		\$0	\$0	\$0
Recreation leisure and community facilities		\$0	\$0	\$0
Parks, open space and streetscapes		\$1,682,218	\$0	(\$1,682,218)
Other infrastructure		\$1,194,850	\$0	(\$1,194,850)
<b>Total infrastructure</b>		<b>\$3,246,852</b>	<b>\$0</b>	<b>(\$3,246,852)</b>
<b>Total carried forward works</b>		<b>\$6,067,295</b>	<b>\$0</b>	<b>(\$6,067,295)</b>
<b>Represented by:</b>				
<b>New asset expenditure</b>	6.1.5	\$175,482	\$0	(\$175,482)
<b>Asset renewal expenditure</b>	6.1.5	\$3,071,550	\$0	(\$3,071,550)
<b>Asset upgrade expenditure</b>	6.1.5	\$2,426,263	\$0	(\$2,426,263)
<b>Asset expansion expenditure</b>	6.1.5	\$394,000	\$0	(\$394,000)
<b>Total capital works expenditure</b>		<b>\$6,067,295</b>	<b>\$0</b>	<b>(\$6,067,295)</b>

## 6 ANALYSIS OF CAPITAL BUDGET (Continued)

New works	Ref.	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Property</b>	6.1.2			
<b>Total land</b>		<b>\$60,000</b>	<b>\$707,000</b>	<b>\$647,000</b>
Buildings		\$2,094,973	\$415,850	(\$1,679,123)
Building improvements		\$48,000	\$30,000	(\$18,000)
<b>Total buildings</b>		<b>\$2,142,973</b>	<b>\$445,850</b>	<b>(\$1,697,123)</b>
<b>Total property</b>		<b>\$2,202,973</b>	<b>\$1,152,850</b>	<b>(\$1,050,123)</b>
<b>Plant and equipment</b>	6.1.3			
Plant, machinery and equipment		\$2,074,878	\$1,057,394	(\$1,017,484)
Computers and telecommunications		\$195,000	\$570,000	\$375,000
Fixtures fittings and furniture		\$2,500	\$2,500	\$0
<b>Total Plant and equipment</b>		<b>\$2,272,378</b>	<b>\$1,629,894</b>	<b>(\$642,484)</b>
<b>Infrastructure</b>	6.1.4			
Roads		\$3,173,165	\$3,712,595	\$539,430
Bridges		\$283,300	\$422,100	\$138,800
Footpaths and cycleways		\$0	\$0	\$0
Drainage		\$379,470	\$427,900	\$48,430
Recreation leisure and community facilities		\$151,003	\$80,000	(\$71,003)
Parks, open space and streetscapes		\$295,515	\$100,000	(\$195,515)
Other infrastructure		\$2,676,512	\$897,500	(\$1,779,012)
<b>Total infrastructure</b>		<b>\$6,958,965</b>	<b>\$5,640,095</b>	<b>(\$1,318,870)</b>
<b>Total new works</b>		<b>\$11,434,316</b>	<b>\$8,422,839</b>	<b>(\$3,011,477)</b>
<b>Total capital works</b>		<b>\$17,501,611</b>	<b>\$8,422,839</b>	<b>(\$9,078,772)</b>
<b>Represented by:</b>				
<b>New asset expenditure</b>	6.1.5	\$3,629,860	\$1,781,550	(\$1,848,310)
<b>Asset renewal expenditure</b>	6.1.5	\$6,689,838	\$6,014,372	(\$675,466)
<b>Asset upgrade expenditure</b>	6.1.5	\$3,601,913	\$626,917	(\$2,974,996)
<b>Asset expansion expenditure</b>	6.1.5	\$3,580,000	\$0	(\$3,580,000)
<b>Total capital works expenditure</b>		<b>\$17,501,611</b>	<b>\$8,422,839</b>	<b>(\$9,078,772)</b>

### 6.1 Capital works expenditure

#### 6.1.1 Carried forward works

\$0

Carried forward works represent works at the end of the each financial year which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. There has been no forecast made of carried forward works in the 2015/2016 budget.

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

### **6.1.2 Property (\$1,050,123)**

The land and buildings capital expenditure for 2015/16 includes a budgeted amount of \$557k for the Pyramid Hill industrial estate and \$249k for work under the Building Asset Management Plan. Other projects include purchase of a retail premise in Wedderburn of \$150k and works at Council depots.

### **6.1.3 Plant and equipment (\$642,484)**

The plant and equipment budget includes fleet replacement which has a capital budget of \$283k, recreation reserve mower replacement program of \$37k and major plant replacement of \$726k. Other items include minor plant and equipment of \$10k. No budget has been allowed for the carried over plant purchases from 2014/15.

The office furniture and equipment capital expenditure budget is made up of replacement of the corporate IT system of \$500k, PC replacement program of \$25k, the purchase of a photocopier for \$15k, and server replacement of \$30k.

### **6.1.4 Infrastructure (\$1,318,870)**

Roadwork 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 \$970k, local road construction of \$1.23m, local road resheets of \$562k, local road shoulder sheets of \$250k, township improvement program of \$319k and bridge and culvert works of \$422k. Council is investing \$428k in urban drainage capital expenditure for 2015/16.

Of this total program, \$3.352m is funded from Roads to Recovery.

Waste management includes \$300k for the upgrade of the Inglewood Trasfer Station with funding of \$150k budgeted in 2015/16. Other Infrastructure includes \$500k for Community Planning Strategic Fund as well as shire boundary and locality signage of \$50k. Parks, open spaces and streetscapes capital works includes significant items of expenditure of parks and gardens strategy of \$100k.

### **6.1.5 new assets, asset renewal, 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 but will result in an additional cost 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.

## 7 ANALYSIS OF BUDGETED FINANCIAL POSITION

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

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Assets</b>			
<b>Current assets</b> <b>7.1.1</b>			
Cash and cash equivalents	\$9,062,271	\$8,952,554	(\$109,717)
Trade and other receivables	\$689,719	\$678,510	(\$11,209)
Other Financial assets	\$1,070,975	\$1,070,975	\$0
Inventories	\$217,025	\$247,025	\$30,000
Non current assets held for resale	\$640,378	\$640,378	\$0
<b>Total current assets</b>	<b>\$11,680,368</b>	<b>\$11,589,442</b>	<b>(\$90,926)</b>
<b>Non-current assets</b> <b>7.1.2</b>			
Trade and other receivables	\$338,926	\$257,926	(\$81,000)
Investments in associates and joint ventures	\$351,128	\$351,128	\$0
Property, infrastructure, plant and equipment	\$291,942,877	\$300,253,187	\$8,310,310
Intangible assets	\$870,975	\$870,975	\$0
<b>Total non-current assets</b>	<b>\$293,503,906</b>	<b>\$301,733,216</b>	<b>\$8,229,310</b>
<b>Total assets</b>	<b>\$305,184,274</b>	<b>\$313,322,658</b>	<b>\$8,138,384</b>
<b>Liabilities</b>			
<b>Current liabilities</b> <b>7.1.3</b>			
Trade and other payables	\$1,064,799	\$984,707	(\$80,092)
Trust funds and deposits	\$604,426	\$609,426	\$5,000
Provisions	\$0	\$0	\$0
Employee benefit	\$2,368,285	\$2,424,795	\$56,510
Interest bearing loans & borrowings	\$131,145	\$0	(\$131,145)
<b>Total current liabilities</b>	<b>\$4,168,655</b>	<b>\$4,018,928</b>	<b>(\$149,727)</b>
<b>Non-current liabilities</b> <b>7.1.4</b>			
Provisions	\$2,011,508	\$2,011,508	\$0
Employee benefit	\$500,517	\$670,047	\$169,530
Interest bearing loans & borrowings	\$0	\$0	\$0
<b>Total non-current liabilities</b>	<b>\$2,512,025</b>	<b>\$2,681,555</b>	<b>\$169,530</b>
<b>Total liabilities</b>	<b>\$6,680,680</b>	<b>\$6,700,483</b>	<b>\$19,803</b>
<b>Net assets</b>	<b>\$298,503,594</b>	<b>\$306,622,175</b>	<b>\$8,118,581</b>
<b>Equity</b> <b>7.1.4</b>			
Accumulated surplus	\$102,773,589	\$102,093,827	(\$679,762)
Asset revaluation reserve	\$190,283,730	\$199,087,357	\$8,803,627
Other reserves	\$5,446,275	\$5,440,991	(\$5,284)
<b>Total Equity</b>	<b>\$298,503,594</b>	<b>\$306,622,175</b>	<b>\$8,118,581</b>

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

### 7.1.1 Current Assets *\$90,926 Decrease*

Current Assets includes cash and cash equivalents such as cash held in the bank, petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. Cash and cash equivalents are projected to decrease by \$109k to fund the capital works program during the year. Also included in current assets is trade and other receivables, inventories and financial assets which have minor variations.

### 7.1.2 Non Current Assets *\$8,229,310 Increase*

Non current assets include trade and other receivables that are payable in future years. This item is budgeted to reduce by \$81k in 2015/16 from payment of loans and advances received from community groups and other entities.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The increase in this balance is attributable to the net result of the capital works program (\$8.4m) revaluation of land and building assets (\$8.3m), depreciation of assets (\$8.3m) and the sale of property, plant and equipment (\$0.372m)

Investments in associates and joint ventures represents 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.

### 7.1.3 Current liabilities *\$149,727 Decrease*

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to reduce by \$80k in 2015/16 levels due to a reduction in material and services costs.

Interest bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay the balance of loans in the 2015/16 financial year.

### 7.1.4 Non Current Liabilities *\$169,530 Increase*

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to increase by \$56k (current liability) and \$169k (non current liability) due to increases in employee service years and enterprise bargaining increases.

## 7 ANALYSIS OF BUDGETED FINANCIAL POSITION (Continued)

### 7.1.5 Working Capital

*\$3,801 Decrease*

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

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

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Current assets</b>	\$11,680,368	\$11,589,442	\$90,926
<b>Current liabilities</b>	\$4,168,655	\$4,018,928	\$149,727
<b>Working capital</b>	\$7,511,713	\$7,570,514	(\$58,801)
Restricted cash and investment current assets			
- Long Service Leave	(\$1,774,919)	(\$1,824,919)	\$50,000
- Trust funds and deposits	(\$604,426)	(\$609,426)	\$5,000
<b>Unrestricted working capital</b>	<b>\$5,132,368</b>	<b>\$5,136,169</b>	<b>(\$3,801)</b>

In addition to the restricted assets above, Council is also projected to hold \$5.4m in discretionary reserves at 30 June 2016. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution, these funds are to be used for those earmarked purposes.

### 7.1.4 Equity

*\$8,118,581 Increase*

The overall increase in equity is budgeted to be \$8.11m. The Accumulated surplus is budgeted to decrease by \$1.28m, reflecting the budgeted operating deficit, coupled with a \$5k reduction in Council reserves. This is in line with Council's Reserves Policy and is outlined in more detail in Section 10 - Other Strategies. Additionally an increase of \$8.8m is budgeted in the Asset Revaluation Reserve due to the revaluation of non current assets.

## 7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the Year Ended 30 June 2016 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 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
- 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

Council has prepared a Strategic Resource Plan for the four years 2015/16 to 2018/19 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The 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
- the introduction of rate capping which will be implemented in the 2016/2017 financial year
- maintain a capital expenditure program appropriate to cash flows
- include Asset Management Plans and all strategies adopted by Council
- full funding of Council's ongoing commitment to community planning of \$750k
- an increased commitment to investment in information technology
- prudently manage financial risks relating to debt, assets and liabilities
- 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	2014/15 Projected Actual	2015/16 Budget	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
Operating result	\$2,449,984	(\$685,046)	\$5,899,538	\$889,811	\$331,974
Underlying operating result	(\$3,715,903)	(\$1,418,677)	(\$2,726,737)	(\$2,416,464)	(\$2,494,301)
Cash and investments	\$9,062,271	\$8,952,554	\$12,851,509	\$15,040,252	\$15,234,484
Cash flow from operations	\$12,343,233	\$7,985,602	\$14,607,650	\$10,042,177	\$9,705,929
Capital works	\$17,501,611	\$8,422,839	\$16,276,586	\$9,375,500	\$9,813,275

**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 Comprehensive Income Statement (Appendix A).

Underlying operating result

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

Cash & investments

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

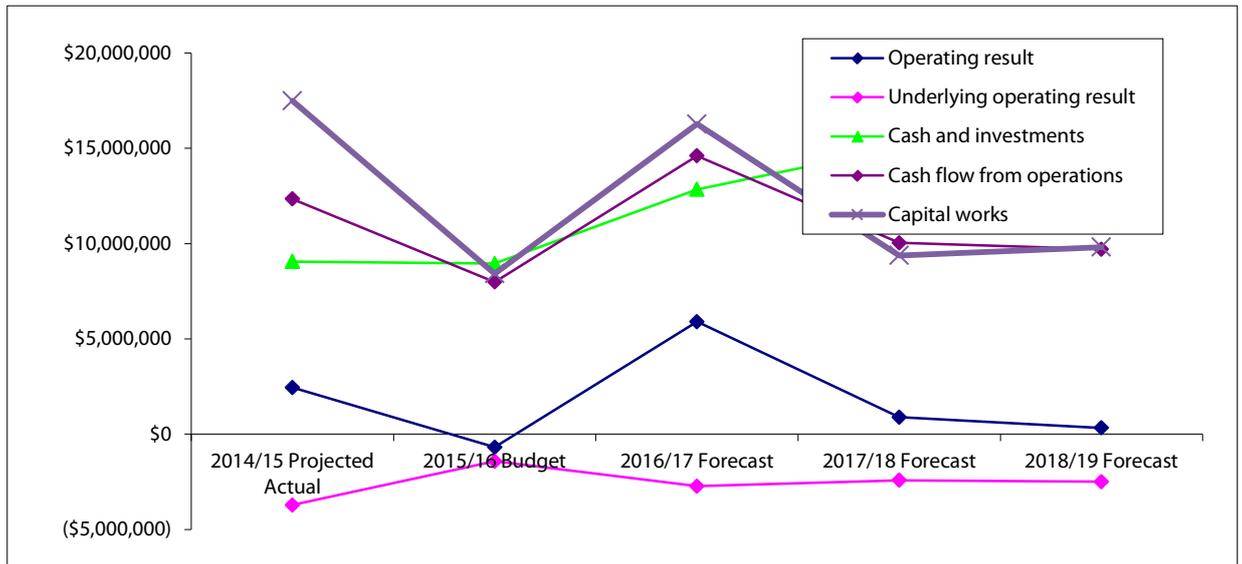
Cash flow from operations

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

Capital works

Capital Works are included in the 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 2015/16 and will be capped after that to the level of inflation due to legislative changes by the State Government.
- **Borrowing strategy:** The Strategic Resource Plan does not require any new borrowings as a funding source. The focus of borrowings is to reduce the balance of borrowings originally undertaken in the earlier financial years to zero in 2015/16.

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

### 8.3 Financial performance indicators

Indicator	Measure	Notes	2014/15 Projected Actual	2015/16 Budget	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
<b>1. Operating position</b>							
Adjusted underlying result	Adjusted underlying surplus (deficit) as a percentage of underlying revenue	1	-23.27%	-21.16%	-11.17%	-9.49%	-9.46%
<b>2. Liquidity</b>							
(a) Working capital	Current assets compared to current liabilities	2	280.20%	288.37%	402.21%	455.88%	457.11%
Unrestricted cash	Unrestricted cash compared to current liabilities		160.31%	162.19%	268.03%	320.81%	321.04%
<b>3. Obligations</b>							
(a) Loan and borrowings	Loans and borrowings compared to rates	3	1.43%	0.00%	0.00%	0.00%	0.00%
Loan and borrowings	Loans and borrowings repayments compared to rates		1.56%	1.43%	0.00%	0.07%	0.00%
(b) Indebtedness	Non-current liabilities compared to own source revenue		19.87%	20.15%	20.54%	20.74%	20.91%
(c) Asset renewal	Asset renewal compared to depreciation	4	80.26%	70.39%	N/A	N/A	N/A
<b>4. Stability</b>							
(a) Rates concentration	Rates compared to adjusted underlying revenue	5	39.47%	43.02%	41.75%	42.20%	42.99%
(b) Rates effort	Rates compared to property values(CIV)		0.57%	0.60%	0.63%	0.67%	0.70%
<b>5. Efficiency</b>							
(a) Expenditure level	Expenses per property assessment		\$ 3,722.90	\$ 3,560.76	\$ 3,536.58	\$ 3,633.29	\$ 3,759.64
(b) Revenue level	Average residential rate per residential property assessment		\$ 709.52	\$ 752.65	\$ 790.51	\$ 833.57	\$ 878.96
(c) Workforce turnover	Resignations & terminations compared to average staff		7.56%	7.56%	7.56%	7.56%	7.56%

#### Notes to indicators

1 Adjusted underlying result - An indicator of the sustainable operating result required to enable Council to provide core services and meet its objectives. Improvement in financial performance is 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 assets to current liabilities. Working capital is forecast to increase in future years as cash and cash equivalents increase .

3 Debt compared to rates - Council will extinguish its final loan liability in 2015/16.

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

### 8.3 Financial performance indicators (continued)

*4 Asset Renewal* - A percentage greater than 100 indicates that Council is fully maintaining the renewal of existing assets. Future years are not available as details previously came from the Standard Statement of Capital Works which is no longer a legislative requirement.

*5 Rates concentration* - Reflects the extent of reliance on rate revenues to fund all of Council's ongoing services. As the budget has been based on the current long term financial plan forecasts, the full effect of rate capping is yet to be determined.

### 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 2015/16 year is shown below and further detail is included in section 4.3.1 of this budget. A statement of Human Resources is included in Appendix A.

Indicator	2014/15 Projected Actual	2015/16 Budget	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
Employee costs					
- Operating	\$8,854,290	\$9,057,215	\$9,204,879	\$9,536,946	\$9,927,195
- Capital	\$509,685	\$334,939	\$562,961	\$621,608	\$637,701
<b>Total*</b>	<b>\$9,363,975</b>	<b>\$9,392,154</b>	<b>\$9,767,840</b>	<b>\$10,158,554</b>	<b>\$10,564,896</b>
Employee numbers (EFT**)	132.30	132.30	132.30	132.30	132.30

\* Excludes employee oncosts      \*\* 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, rates and charges was identified as an important source of revenue, accounting for 29.4% of operating revenue in 2014/15 and 36.4% in 2015/16. 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.

The Minister for Local Government issued a letter to all Council Mayors and Chief Executive Officers on 14 January 2015 in which she confirmed the Government's intention to cap rates from the 2016/17 financial year. The increase in rates and charges for 2015/16 is in line with Council's previous rating strategy and long term financial plan.

### **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 developments.

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. From 2014/15 Council has defined a differential rate split of 11%, with rural rates having a rate in the dollar of 89% of the general rate. 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 principles 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
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%
2015/16	\$1,159,608,000	\$454,898,700	\$1,614,506,700
% Split	71.8%	28.2%	100.0%
The change in valuation from 2014/15 to 2015/16 is:			
	0.18%	2.06%	0.70%

### 9.5 Split of rates between rural and general

For 2015/16, Council has set a rate differential between Rural and Urban properties. Rural properties have a rate in the dollar 11% less than urban properties.

Type of property	2015/16	2014/15
General	1.00	1.00
Rural	0.89	0.89

## **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
Total	<u>\$1,450,000</u>

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 raised while maintaining its desired income level for rates.

### **9.7 Rates and related income**

The 2015/16 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 5.7% in 2015/16 raising a total of \$9.7m.

For the purpose of the budget, 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 - Council's Rates Reserve.

The state government package was fully utilised in 2014/2015.

## **9 RATING STRATEGY (Continued)**

### 9.7.1 Rates income

There will be a 5.5% increase to the 2014/15 projected rates income in the 2015/16 financial year.

2014/15 budgeted rate income	\$8,162,630
Additional income from objections and supplementals	\$20,367
Total 2014/15 rate income	<u>\$8,182,997</u>

Budgeted 2015/16 rate income - as per Rating Strategy

% Increase required to maintain Rating Strategy 5.5%

### 9.7.2 Rates Reserve

In 2007/08 Council created a Rates Reserve to assist with the effects of water unbundling. The 2015/16 budget includes the allocation of \$131,054. Remaining funds will be held in the reserve for use in future years.

In 2015/16 the rates reserve will be used to support the rates income of \$8,633,062 in raising the required level of \$8,764,116.

Total amount to be raised	\$8,764,116
Rates to be raised	\$8,633,062
Total amount of reserves to be used	<u>\$131,054</u>

### 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
2008/09	\$136
2009/10	\$144
2010/11	\$152
2011/12	\$160
2012/13	\$169
2013/14	\$178
2014/15	\$188

The proposed municipal charge in 2015/16 is \$198.00.

### 9.8 Summary of rates and charges

The Budget proposes 5.7% increase in rates and municipal charges on the 2014/15 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	0.005069
Rural	0.89	0.004512

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	\$1,159,608,000	\$0.004512	\$5,232,151
Urban/general rates	\$454,898,700	\$0.005069	\$2,305,882
<b>Total</b>	<b>\$1,614,506,700</b>		<b>\$7,538,033</b>
Municipal charge	5,528	\$198	\$1,094,544
Garbage charge - 140 litre	2,975	\$230	\$684,250
Garbage charge - 240 litre	344	\$312	\$107,328
Kerbside recycling service	3,189	\$87	\$277,443
<b>Total</b>	<b>12,036</b>		<b>\$2,163,565</b>
<b>Total rates &amp; charges</b>			<b>\$9,701,598</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	\$2,305,882	\$5,232,151	\$7,538,033
Municipal charge	\$763,884	\$330,660	\$1,094,544
<b>Total rates &amp; municipal charge</b>	<b>\$3,069,766</b>	<b>\$5,562,811</b>	<b>\$8,632,577</b>
Total %	35.6%	64.4%	100.0%
Garbage charge			\$791,578
Kerbside recycling charge			\$277,443
<b>Total of all rates &amp; charges</b>			<b>\$9,701,598</b>

The following table shows the proposed increase in rates and charges income in 2015/16 in comparison to the rates and charges income included in the 2014/15 Budget. The overall increase is 5.7%.

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 have a slightly different percentage increase than stated. This is due to both service types slightly increasing in the number of units collected from 2014/15 to 2015/16.

Rates & charges	2015/16 Budget	2014/15 Budget	Difference
Rates	\$7,538,033	\$7,130,698	\$407,335
Municipal charge	\$1,094,544	\$1,031,932	\$62,612
<b>Total rates &amp; municipal charge</b>	<b>\$8,632,577</b>	<b>\$8,162,630</b>	<b>\$469,947</b>
% Change			5.76%
Garbage charge	\$791,578	\$728,678	\$62,900
% Change			8.63%
Kerbside recycling charge	\$277,443	\$254,421	\$23,022
% Change			9.05%
<b>Total of all rates &amp; charges</b>	<b>\$9,701,598</b>	<b>\$9,145,729</b>	<b>\$555,869</b>
% Change			6.08%

The following table summarises the rates and charges to be applied for the 2015/16 year compared to those in the 2014/15 Budget.

Rate type	Charge type	2015/16	2014/15
General rate	Cents in \$ of CIV	0.5069	0.4834
Rural rate	Cents in \$ of CIV	0.4512	0.4283
Municipal charge	\$ Per property	\$198	\$188
Garbage collection 140 litre	\$ Per property	\$230	\$215
Garbage collection 240 litre	\$ Per property	\$312	\$292
Kerbside recycling 240 litre	\$ Per property	\$87	\$81

\* 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 2015/16
- service charges such as garbage collection and kerbside recycling are proposed to increase by 7%
- the rates reserve will be used to support rates raised in 2015/16.

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

Financial year	Rate increases	Municipal charge increases	Waste increases
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%

The proposed rate increase for 2015/16 is:

2015/16	5.50%	5.50%	7.00%
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### 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.

Council has not been advised of any change to the the Fire Services Property Levy at the time the budget was developed. Verbal advice is that any change will be advised in mid May.

## 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 2015/16 budget includes loan principal and interest payments of \$138k, which will finalise all of Council's borrowings to Nil.

Year	New / early repayment of borrowings	Principal Due	Interest Due	Balance at 30 June
2014/15	\$0	\$129,205	\$13,015	\$131,145
2015/16	\$0	\$131,145	\$7,259	\$0

### 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.

#### 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. This reserve will be exhausted during 2014/15 and no funds will be carried forward into 2015/16.

#### 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.

#### 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 reserve.

## 10 OTHER STRATEGIES (Continued)

### 10.2 Reserves (continued)

#### 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 2016, including the projected figures for the year ending 30 June 2015:

Name of reserve	2014/15 reserves - as per projected actuals			
	Balance at 1 July 2014	Transfers to reserves	Transfers from reserves	Balance at 30 June 2015
Land & buildings reserve	\$ 3,000	\$ 215,000	\$ 150,000	\$ 68,000
Professional development reserve	\$ 39,946	\$ 12,000	\$ -	\$ 51,946
Unspent grants reserve	\$ 3,440,369	\$ -	\$ 3,440,369	\$ -
Capital expenditure reserve	\$ 960,518	\$ -	\$ 960,518	\$ -
Rates reserve	\$ 473,678	\$ 14,210	\$ 136,419	\$ 351,469
Information technology reserve	\$ 477,016	\$ 285,000	\$ 259,500	\$ 502,516
Valuation reserve	\$ 58,573	\$ 160,508	\$ 14,361	\$ 204,720
Units reserve	\$ 20,377	\$ 32,582	\$ -	\$ 52,959
Economic development reserve	\$ 488,197	\$ 395,000	\$ 305,119	\$ 578,078
Skinner's Flat reserve	\$ 18,503	\$ -	\$ -	\$ 18,503
Community planning reserve	\$ 558,174	\$ -	\$ 558,174	\$ -
Plant replacement reserve	\$ 1,197,821	\$ 1,164,000	\$ 1,881,583	\$ 480,238
Fleet replacement reserve	\$ 102,449	\$ 236,000	\$ 226,860	\$ 111,589
GSP restoration reserve	\$ 523,380	\$ 135,183	\$ 45,000	\$ 613,563
Urban drainage reserve	\$ 311,987	\$ 350,000	\$ 165,000	\$ 496,987
Landfill rehabilitation reserve	\$ 198,947	\$ 31,390	\$ -	\$ 230,337
Lake Boort water reserve	\$ 23,857	\$ -	\$ -	\$ 23,857
Reserves improvement reserve	\$ 100,000	\$ -	\$ -	\$ 100,000
Water unbundling reserve	\$ 27,519	\$ -	\$ 27,519	\$ -
Caravan park development reserve	\$ 30,332	\$ 94,679	\$ 86,650	\$ 38,361
Superannuation liability reserve	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Unspent contributions reserve	\$ 1,511	\$ -	\$ 1,511	\$ -
War memorial reserve	\$ 3,000	\$ -	\$ -	\$ 3,000
Major projects reserve	\$ 520,152	\$ -	\$ -	\$ 520,152
<b>TOTAL</b>	<b>\$ 9,579,306</b>	<b>\$ 4,125,552</b>	<b>\$ 8,258,583</b>	<b>\$ 5,446,275</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 remain steady during 2015/16, leaving a balance of \$5.41m in the reserves account.

Name of reserve	2015/16 reserves			
	Balance at 1 July 2015	Transfers to reserves	Transfers from reserves	Balance at 30 June 2016
Land & buildings reserve	\$ 68,000	\$ 35,000	\$ -	\$ 103,000
Professional development reserve	\$ 51,946	\$ 10,000	\$ -	\$ 61,946
Unspent grants reserve	\$ -	\$ -	\$ -	\$ -
Capital expenditure reserve	\$ -	\$ -	\$ -	\$ -
Rates reserve	\$ 351,469	\$ 8,791	\$ 131,054	\$ 229,206
Information technology reserve	\$ 502,516	\$ 750,000	\$ 640,500	\$ 612,016
Valuation reserve	\$ 204,720	\$ 75,000	\$ 156,066	\$ 123,654
Units reserve	\$ 52,959	\$ 7,419	\$ -	\$ 60,378
Economic development reserve	\$ 578,078	\$ 185,000	\$ 394,150	\$ 368,928
Skinner's Flat reserve	\$ 18,503	\$ -	\$ -	\$ 18,503
Community planning reserve	\$ -	\$ -	\$ -	\$ -
Plant replacement reserve	\$ 480,238	\$ 824,000	\$ 662,837	\$ 641,401
Fleet replacement reserve	\$ 111,589	\$ 291,000	\$ 225,883	\$ 176,706
GSP restoration reserve	\$ 613,563	\$ 123,864	\$ 35,000	\$ 702,427
Urban drainage reserve	\$ 496,987	\$ 100,000	\$ 213,400	\$ 383,587
Landfill rehabilitation reserve	\$ 230,337	\$ 33,190	\$ -	\$ 263,527
Lake Boort water reserve	\$ 23,857	\$ -	\$ -	\$ 23,857
Reserves improvement reserve	\$ 100,000	\$ -	\$ -	\$ 100,000
Water unbundling reserve	\$ -	\$ -	\$ -	\$ -
Caravan park development reserve	\$ 38,361	\$ 176,992	\$ 166,650	\$ 48,703
Superannuation liability reserve	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Unspent contributions reserve	\$ -	\$ -	\$ -	\$ -
War memorial reserve	\$ 3,000	\$ -	\$ -	\$ 3,000
Major projects reserve	\$ 520,152	\$ -	\$ -	\$ 520,152
<b>TOTAL</b>	<b>\$ 5,446,275</b>	<b>\$ 2,620,256</b>	<b>\$ 2,625,540</b>	<b>\$ 5,440,991</b>

10.2.2 Details of reserves

The following schedule provides details of each of the reserve transfers for 2015/16:

<b>Land &amp; buildings reserve</b>			
Opening balance			\$68,000
<u>ADD transfer to reserve</u>			
Ridge Street Wedderburn land sale	Activity 110	\$35,000	\$35,000
<u>LESS transfer from reserve</u>			
Nil	N/A		\$0
Closing balance			\$103,000

<b>Professional development reserve</b>			
Opening balance			\$51,946
<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			\$61,946

**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			\$351,469
<u>ADD transfer to reserve</u>			
Interest earned for 2015/16	Activity 431	\$8,791	\$8,791
<u>LESS transfer from reserve</u>			
General rates income	Activity 411	(\$131,054)	(\$131,054)
Closing balance			\$229,206

<b>Information technology reserve</b>			
Opening balance			\$502,516
<u>ADD transfer to reserve</u>			
Annual allocations for major purchases	Activity 461	\$750,000	\$750,000
<u>LESS transfer from reserve</u>			
Server Replacement	Activity 434	(\$30,000)	
Corporate system	Activity 434	(\$500,000)	
Software licenses	Activity 434	(\$62,000)	
Air conditioner in server room	Activity 434	(\$6,000)	
Information technology expenditure	Activity 491	(\$42,500)	(\$640,500)
Closing balance			\$612,016

<b>Valuation reserve</b>			
Opening balance			\$204,720
<u>ADD transfer to reserve</u>			
Annual allocation	Activity 461	\$75,000	\$75,000
<u>LESS transfer from reserve</u>			
Expenditure for 2015/16	Activity 436	(\$156,066)	(\$156,066)
Closing balance			\$123,654

**10 OTHER STRATEGIES (Continued)**

10.2.2 Details of reserves (continued)

<b>Units reserve</b>			
Opening balance			\$52,959
<u>ADD transfer to reserve</u>			
Surplus for 2015/16	Activity 634	\$7,419	\$7,419
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$60,378

<b>Economic development reserve</b>			
Opening balance			\$578,078
<u>ADD transfer to reserve</u>			
Sale of Serpentine industrial land	Activity 192	\$85,000	
Sale of Inglewood industrial land	Activity 192	\$100,000	
Annual allocation	Activity 461	\$0	\$185,000
<u>LESS transfer from reserve</u>			
Pyramid Hill industrial development	Activity 192	(\$125,750)	
Community infrastructure planning	Activity 111	(\$5,000)	
Economic opportunities	Activity 111	(\$20,000)	
Community planning review	Activity 111	(\$10,000)	
Economic activity promotion	Activity 111	(\$5,000)	
Loddon valley promotion	Activity 111	(\$7,000)	
Document change	Activity 111	(\$5,000)	
Wifi project	Activity 111	(\$10,000)	
Economic development forum	Activity 111	(\$2,000)	
Regional EDO forum	Activity 111	(\$1,000)	
Sustainable communities	Activity 111	(\$2,000)	
Development guide	Activity 111	(\$2,000)	
Digital Strategy	Activity 111	(\$1,000)	
Agribusiness officier	Activity 111	(\$131,400)	
Streetlife	Activity 111	(\$5,000)	
Settlement land Development	Activity 111	(\$5,000)	
Incentive Program	Activity 131	(\$15,000)	
Central vic agri business forum	Activity 131	(\$15,000)	
Regional living expo	Activity 131	(\$10,000)	
Loddon business forum	Activity 131	(\$17,000)	(\$394,150)
Closing balance			\$368,928

<b>Skinner's flat reserve</b>			
Opening balance			\$18,503
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			\$18,503

**10 OTHER STRATEGIES (Continued)**

10.2.2 Details of reserves (continued)

<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

<b>Plant replacement reserve</b>			
Opening balance			\$480,238
<u>ADD transfer to reserve</u>			
Annual allocation to reserve	Activity 461	\$824,000	\$824,000
<u>LESS transfer from reserve</u>			
Net cost of plant replacement	Activity 391	(\$662,837)	(\$662,837)
Closing balance			\$641,401

<b>Fleet replacement reserve</b>			
Opening balance			\$111,589
<u>ADD transfer to reserve</u>			
Annual allocation to reserve	Activity 461	\$291,000	\$291,000
<u>LESS transfer from reserve</u>			
Net cost of fleet replacement	Activity 391	(\$225,883)	(\$225,883)
Closing balance			\$176,706

<b>GSP restoration reserve</b>			
Opening balance			\$613,563
<u>ADD transfer to reserve</u>			
Net income from gravel pits	Activity 380	\$123,864	\$123,864
<u>LESS transfer from reserve</u>			
Salathiels clean up	Activity 381	(\$25,000)	
McNichols Pit work authority	Activity 381	(\$10,000)	(\$35,000)
Closing balance			\$702,427

<b>Urban drainage reserve</b>			
Opening balance			\$496,987
<u>ADD transfer to reserve</u>			
Annual allocation	Activity 461	\$100,000	\$100,000
<u>LESS transfer from reserve</u>			
Drainage program	Activity 371	(\$213,400)	(\$213,400)
Closing balance			\$383,587

**10 OTHER STRATEGIES (Continued)**

10.2.2 Details of reserves (continued)

<b>Landfill rehabilitation reserve</b>			
Opening balance			\$230,337
<u>ADD transfer to reserve</u>			
Kerbside collection	Activity 512	\$33,190	\$33,190
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			<u>\$263,527</u>
<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			<u>\$100,000</u>
<b>Lake Boort water reserve</b>			
Opening balance			\$23,857
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
Nil	N/A	\$0	\$0
Closing balance			<u>\$23,857</u>
<b>Water unbundling reserve</b>			
Opening balance			\$0
<u>ADD transfer to reserve</u>			
Nil	N/A	\$0	\$0
<u>LESS transfer from reserve</u>			
General rates income	Activity 411		\$0
Closing balance			<u>\$0</u>
<b>Caravan park development reserve</b>			
Opening balance			\$38,361
<u>ADD transfer to reserve</u>			
Annual allocation	Activity 123	\$175,000	
Surplus of caravan park operations	Activity 123	\$1,992	\$176,992
<u>LESS transfer from reserve</u>			
Fire services works	Activity 123	(\$166,650)	(\$166,650)
Closing balance			<u>\$48,703</u>

## 10 OTHER STRATEGIES (Continued)

### 10.2.2 Details of reserves (continued)

<b>Superannuation liability reserve</b>			
Opening balance			\$1,000,000
ADD transfer to reserve			
Allocation for 2014/15	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$1,000,000

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

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

<b>Major projects reserve</b>			
Opening balance			\$520,152
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$520,152

### 10.3 Future commitments

In 2012/13, Council approved a funding strategy for the payment of the 2012 unfunded superannuation liability by using funds from the following reserves:-

- 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.

All repayments have been made with the exception of the \$500K to the GSP restoration reserve. Although it was expected to be returned in 2015/16, it is not in the budget. A full analysis will be undertaken during the year to confirm whether the funding is required in the reserve.

**APPENDIX A - BUDGETED FINANCIAL STATEMENTS**

This appendix presents information regarding the Financial Statements and Statement of Human Resources. The budget information for the years 2015/16 to 2018/19 has been extracted from the Strategic Resource Plan.

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

**COMPREHENSIVE INCOME STATEMENT**  
**FOR THE FOUR YEARS ENDED 30 JUNE 2019**

	Forecast 2014/15	Budget 2015/16	Strategic Resource Plan Projections		
			2016/17	2017/18	2018/19
<b>Income</b>					
Rates and charges	\$9,145,729	\$9,701,598	\$10,189,724	\$10,744,661	\$11,329,833
Statutory fees and fines	\$198,780	\$210,344	\$215,000	\$220,000	\$225,000
User fees	\$1,830,485	\$1,945,481	\$1,755,376	\$1,815,871	\$1,879,616
Grants - Operating	\$10,347,430	\$9,241,910	\$10,489,671	\$10,722,381	\$10,917,511
Grants - Capital	\$7,490,868	\$4,086,181	\$8,626,275	\$3,306,275	\$2,826,275
Contributions - monetary	\$532,669	\$0	\$60,000	\$216,000	\$214,000
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	\$0	\$0	\$0	\$0	\$0
Share of net profits/(losses) of associates and joint ventures	\$0	\$0	\$0	\$0	\$0
Other income	\$1,469,863	\$1,451,185	\$1,699,665	\$1,742,846	\$1,787,466
<b>Total income</b>	<b>\$31,015,824</b>	<b>\$26,636,699</b>	<b>\$33,035,711</b>	<b>\$28,768,034</b>	<b>\$29,179,701</b>
<b>Expenses</b>					
Employee costs	\$9,937,846	\$10,084,110	\$10,483,034	\$10,865,708	\$11,285,932
Materials and services	\$10,001,894	\$8,400,059	\$7,603,104	\$7,735,313	\$8,052,151
Bad and doubtful debts	\$0	\$0	\$0	\$0	\$0
Depreciation and amortisation	\$8,335,645	\$8,544,033	\$8,757,429	\$8,976,657	\$9,200,885
Borrowing costs	\$13,015	\$7,259	\$0	\$0	\$0
Other expenses	\$277,440	\$286,284	\$292,606	\$300,545	\$308,759
<b>Total expenses</b>	<b>\$28,565,840</b>	<b>\$27,321,745</b>	<b>\$27,136,173</b>	<b>\$27,878,223</b>	<b>\$28,847,727</b>
<b>Surplus/(deficit) for the year</b>	<b>\$2,449,984</b>	<b>(\$685,046)</b>	<b>\$5,899,538</b>	<b>\$889,811</b>	<b>\$331,974</b>
<b>Other comprehensive income</b>					
Net asset revaluation increment/(decrement)	\$0	\$0	\$0	\$0	\$0
Shares of other comprehensive income of associates and joint ventures	\$0	\$0	\$0	\$0	\$0
<b>Total comprehensive result</b>	<b>\$2,449,984</b>	<b>(\$685,046)</b>	<b>\$5,899,538</b>	<b>\$889,811</b>	<b>\$331,974</b>

Council has included rate increases from its latest Long Term Financial Plan (LTFP) in the Strategic Resource Plan, which are above expected CPI increases. As rate capping is being introduced by the State Government based on CPI increases in the 2016/2017 financial year, a reworking of the LTFP projections, assumptions and service delivery levels will need to be undertaken as part of the development of the Long Term Financial Plan 2015/16 to 2024/25 which will be undertaken in October 2016.

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

**BALANCE SHEET**  
**FOR THE FOUR YEARS ENDED 30 JUNE 2019**

	Forecast Actual 2014/15	Budget 2015/16	Strategic Resource Plan Projections		
			2016/17	2017/18	2018/19
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$9,062,271	\$8,952,554	\$12,851,509	\$15,040,252	\$15,234,484
Trade and other receivables	\$689,719	\$678,510	\$709,847	\$698,504	\$707,845
Other financial assets	\$1,070,975	\$1,070,975	\$1,070,975	\$1,070,975	\$1,070,975
Inventories	\$217,025	\$247,025	\$277,025	\$307,025	\$337,025
Non-current assets classified as held for sale	\$640,378	\$640,378	\$640,378	\$640,378	\$640,378
<b>Total current assets</b>	<b>\$11,680,368</b>	<b>\$11,589,442</b>	<b>\$15,549,734</b>	<b>\$17,757,134</b>	<b>\$17,990,707</b>
<b>Non-current assets</b>					
Trade & other receivables	\$338,926	\$257,926	\$242,000	\$160,000	\$80,000
Investments in associates and joint ventures	\$351,128	\$351,128	\$351,128	\$351,128	\$351,128
Property, infrastructure, plant & equipment	\$291,942,877	\$300,253,187	\$311,273,313	\$319,615,632	\$329,640,253
Intangible assets	\$870,975	\$870,975	\$870,975	\$870,975	\$870,975
<b>Total non-current assets</b>	<b>\$293,503,906</b>	<b>\$301,733,216</b>	<b>\$312,737,416</b>	<b>\$320,997,735</b>	<b>\$330,942,356</b>
<b>Total assets</b>	<b>\$305,184,274</b>	<b>\$313,322,658</b>	<b>\$328,287,150</b>	<b>\$338,754,869</b>	<b>\$348,933,063</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	\$1,064,799	\$984,707	\$771,866	\$740,902	\$719,169
Trust funds and deposits	\$604,426	\$609,426	\$614,426	\$619,426	\$624,426
Provisions	\$2,368,285	\$2,424,795	\$2,479,761	\$2,534,843	\$2,592,129
Interest bearing loans & borrowings	\$131,145	\$0	\$0	\$0	\$0
<b>Total current liabilities</b>	<b>\$4,168,655</b>	<b>\$4,018,928</b>	<b>\$3,866,053</b>	<b>\$3,895,171</b>	<b>\$3,935,724</b>
<b>Non-current liabilities</b>					
Provisions	\$2,512,025	\$2,681,555	\$2,846,449	\$3,011,699	\$3,183,557
Interest bearing loans & borrowings	\$0	\$0	\$0	\$0	\$0
<b>Total non-current liabilities</b>	<b>\$2,512,025</b>	<b>\$2,681,555</b>	<b>\$2,846,449</b>	<b>\$3,011,699</b>	<b>\$3,183,557</b>
<b>Total liabilities</b>	<b>\$6,680,680</b>	<b>\$6,700,483</b>	<b>\$6,712,502</b>	<b>\$6,906,870</b>	<b>\$7,119,281</b>
<b>NET ASSETS</b>	<b>\$298,503,594</b>	<b>\$306,622,175</b>	<b>\$321,574,648</b>	<b>\$331,847,999</b>	<b>\$341,813,782</b>
<b>Equity</b>					
Accumulated surplus	\$102,773,589	\$102,093,827	\$107,320,474	\$107,555,083	\$107,674,165
Asset revaluation reserve	\$190,283,730	\$199,087,357	\$208,140,293	\$217,523,833	\$227,157,642
Other reserves	\$5,446,275	\$5,440,991	\$6,113,881	\$6,769,083	\$6,981,975
<b>TOTAL EQUITY</b>	<b>\$298,503,594</b>	<b>\$306,622,175</b>	<b>\$321,574,648</b>	<b>\$331,847,999</b>	<b>\$341,813,782</b>

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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOUR YEARS ENDED 30 JUNE 2019**

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
<b>2015</b>				
Balance at beginning of the financial year	\$287,759,835	\$96,190,574	\$181,989,955	\$9,579,306
Surplus/(deficit) for the year	\$2,449,984	\$2,449,984	\$0	\$0
Net asset revaluation increment/(decrement)	\$8,293,775	\$0	\$8,293,775	\$0
Transfer to other reserves	\$0	(\$4,125,552)	\$0	\$4,125,552
Transfer from other reserves	\$0	\$8,258,583	\$0	(\$8,258,583)
<b>Balance at end of financial year</b>	<b>\$298,503,594</b>	<b>\$102,773,589</b>	<b>\$190,283,730</b>	<b>\$5,446,275</b>

<b>2016</b>				
Balance at beginning of the financial year	\$298,503,594	\$102,773,589	\$190,283,730	\$5,446,275
Surplus/(deficit) for the year	(\$685,046)	(\$685,046)	\$0	\$0
Net asset revaluation increment/(decrement)	\$8,803,627	\$0	\$8,803,627	\$0
Transfer to other reserves	\$0	(\$2,620,256)	\$0	\$2,620,256
Transfer from other reserves	\$0	\$2,625,540	\$0	(\$2,625,540)
<b>Balance at end of financial year</b>	<b>\$306,622,175</b>	<b>\$102,093,827</b>	<b>\$199,087,357</b>	<b>\$5,440,991</b>

<b>2017</b>				
Balance at beginning of the financial year	\$306,622,175	\$102,093,827	\$199,087,357	\$5,440,991
Surplus/ (deficit) for the year	\$5,899,538	\$5,899,538	\$0	\$0
Net asset revaluation increment/(decrement)	\$9,052,936	\$0	\$9,052,936	\$0
Transfer to other reserves	\$0	(\$3,426,376)	\$0	\$3,426,376
Transfer from other reserves	\$0	\$2,753,486	\$0	(\$2,753,486)
<b>Balance at end of financial year</b>	<b>\$321,574,648</b>	<b>\$107,320,474</b>	<b>\$208,140,293</b>	<b>\$6,113,881</b>

<b>2018</b>				
Balance at beginning of the financial year	\$321,574,648	\$107,320,474	\$208,140,293	\$6,113,881
Surplus/ (deficit) for the year	\$889,811	\$889,811	\$0	\$0
Net asset revaluation increment/(decrement)	\$9,383,540	\$0	\$9,383,540	\$0
Transfer to other reserves	\$0	(\$2,410,997)	\$0	\$2,410,997
Transfer from other reserves	\$0	\$1,755,795	\$0	(\$1,755,795)
<b>Balance at end of financial year</b>	<b>\$331,847,999</b>	<b>\$107,555,083</b>	<b>\$217,523,833</b>	<b>\$6,769,083</b>

<b>2019</b>				
Balance at beginning of the financial year	\$331,847,999	\$107,555,083	\$217,523,833	\$6,769,083
Surplus/ (deficit) for the year	\$331,974	\$331,974	\$0	\$0
Net asset revaluation increment/(decrement)	\$9,633,809	\$0	\$9,633,809	\$0
Transfer to other reserves	\$0	(\$2,402,709)	\$0	\$2,402,709
Transfer from other reserves	\$0	\$2,189,817	\$0	(\$2,189,817)
<b>Balance at end of financial year</b>	<b>\$341,813,782</b>	<b>\$107,674,165</b>	<b>\$227,157,642</b>	<b>\$6,981,975</b>

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

**STATEMENT OF CASH FLOWS**  
**FOR THE FOUR YEARS ENDED 30 JUNE 2019**

	Forecast Actual 2014/15	Budget 2015/16	Strategic Resource Plan Projections		
			2016/17	2017/18	2018/19
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Rates and charges	\$7,329,373	\$8,277,269	\$8,993,454	\$9,934,132	\$10,612,518
Statutory fees and fines	\$198,780	\$206,137	\$208,200	\$214,417	\$222,085
User fees	\$2,384,236	\$2,061,419	\$2,079,586	\$1,929,756	\$1,998,771
Grants - Operating	\$13,568,594	\$10,545,041	\$12,051,882	\$12,162,363	\$12,406,601
Grants - Capital	\$8,561,230	\$4,600,768	\$9,641,770	\$3,905,310	\$3,231,711
Interest received	\$425,000	\$425,000	\$328,250	\$329,908	\$331,565
Trust funds and deposits taken	\$5,000	\$0	\$5,000	\$5,000	\$5,000
Other receipts	\$1,494,127	\$1,224,474	\$1,661,544	\$1,777,023	\$1,921,710
Net GST refund/payment	\$291,000	\$195,000	\$291,461	\$295,815	\$197,230
<b>Operating receipts</b>	<b>\$34,257,340</b>	<b>\$27,535,108</b>	<b>\$35,261,147</b>	<b>\$30,553,724</b>	<b>\$30,927,191</b>
<b>Payments</b>					
Employee costs	(\$10,070,013)	(\$9,605,393)	(\$10,318,138)	(\$10,700,460)	(\$11,114,075)
Materials and services	(\$11,504,761)	(\$9,599,926)	(\$10,335,359)	(\$9,806,087)	(\$10,107,187)
Trust funds and deposits repaid	(\$5,000)	(\$5,000)	\$0	(\$5,000)	\$0
Other payments	(\$334,333)	(\$339,187)	\$0	\$0	\$0
<b>Operating payments</b>	<b>(\$21,914,107)</b>	<b>(\$19,549,506)</b>	<b>(\$20,653,497)</b>	<b>(\$20,511,547)</b>	<b>(\$21,221,262)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>\$12,343,233</b>	<b>\$7,985,602</b>	<b>\$14,607,650</b>	<b>\$10,042,177</b>	<b>\$9,705,929</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant & equipment	(\$17,535,386)	(\$8,325,400)	(\$10,954,076)	(\$7,951,797)	(\$9,813,275)
Proceeds from sales of property, infrastructure, plant & equipment	\$464,685	\$274,685	\$229,455	\$16,363	\$221,578
Payment for investments	\$0	\$0	\$0	\$0	\$0
Proceeds from sale of investments	\$0	\$0	\$0	\$0	\$0
Loans and advances made	\$0	\$0	\$0	\$0	\$0
Payments of loans and advances	\$0	\$93,800	\$15,926	\$82,000	\$80,000
<b>Net cash provided by/(used in) investing activities</b>	<b>(\$17,070,701)</b>	<b>(\$7,956,915)</b>	<b>(\$10,708,695)</b>	<b>(\$7,853,434)</b>	<b>(\$9,511,697)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(\$13,015)	(\$7,259)	\$0	\$0	\$0
Proceeds from borrowings	\$0	\$0	\$0	\$0	\$0
Repayment of borrowings	(\$129,205)	(\$131,145)	\$0	\$0	\$0
<b>Net cash provided by (used in) financing activities</b>	<b>(\$142,220)</b>	<b>(\$138,404)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(\$4,869,688)</b>	<b>(\$109,717)</b>	<b>\$3,898,955</b>	<b>\$2,188,743</b>	<b>\$194,232</b>
Cash and cash equivalents at the beginning of the year	\$13,931,959	\$9,062,271	\$8,952,554	\$12,851,509	\$15,040,252
<b>Cash and cash equivalents at the end of the year</b>	<b>\$9,062,271</b>	<b>\$8,952,554</b>	<b>\$12,851,509</b>	<b>\$15,040,252</b>	<b>\$15,234,484</b>

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

**STATEMENT OF CAPITAL WORKS**  
**FOR THE FOUR YEARS ENDED 30 JUNE 2019**

	Forecast Actual 2014/15	Budget 2015/16	Strategic Resource Plan Projections		
			2016/17	2017/18	2018/19
<b>Capital works areas</b>					
Carried forward carried works from 2014/15	\$6,067,295	\$0	\$0	\$0	\$0
Land & buildings	\$2,202,973	\$1,152,850	\$2,136,667	\$3,250,000	\$2,760,000
Office furniture & equipment	\$197,500	\$572,500	\$597,500	\$97,500	\$97,500
Plant & equipment	\$2,074,878	\$1,057,394	\$1,715,236	\$1,195,286	\$1,979,842
Footpaths	\$0	\$0	\$0	\$0	\$0
Roadworks	\$3,173,165	\$3,712,595	\$4,227,183	\$4,482,714	\$4,625,933
Urban & road drainage	\$662,770	\$850,000	\$7,600,000	\$350,000	\$350,000
Recreation, leisure & community facilities	\$151,003	\$80,000	\$0	\$0	\$0
Parks, open space & streetscapes	\$295,515	\$100,000	\$0	\$0	\$0
Othe infrastructure	\$2,676,512	\$897,500	\$0	\$0	\$0
<b>Total capital works</b>	<b>\$17,501,611</b>	<b>\$8,422,839</b>	<b>\$16,276,586</b>	<b>\$9,375,500</b>	<b>\$9,813,275</b>
<b>Represented by:</b>					
New asset expenditure	\$3,629,860	\$1,781,550	\$5,635,221	\$1,983,051	\$2,075,647
Asset renewal expenditure	\$6,689,838	\$6,014,372	\$6,195,561	\$6,694,624	\$7,007,220
Asset expansion expenditure	\$3,580,000	\$0	\$0	\$0	\$0
Asset upgrade expenditure	\$3,601,913	\$626,917	\$4,445,804	\$697,825	\$730,408
<b>Total capital works expenditure</b>	<b>\$17,501,611</b>	<b>\$8,422,839</b>	<b>\$16,276,586</b>	<b>\$9,375,500</b>	<b>\$9,813,275</b>

	Forecast Actual 2014/15	Budget 2015/16	Strategic Resource Plan Projections		
			2016/17	2017/18	2018/19
<b>Expenditure type</b>					
Labour	\$509,685	\$334,939	\$562,961	\$621,608	\$637,701
Oncost	\$276,255	\$184,981	\$307,734	\$340,492	\$349,506
Plant	\$738,708	\$644,514	\$931,868	\$1,013,317	\$1,041,856
Creditors	\$13,464,114	\$4,200,866	\$4,280,032	\$3,515,484	\$3,770,069
Contractors	\$2,512,909	\$3,057,539	\$10,193,991	\$3,884,599	\$4,014,143
<b>Total capital works expenditure</b>	<b>\$17,501,671</b>	<b>\$8,422,839</b>	<b>\$16,276,586</b>	<b>\$9,375,500</b>	<b>\$9,813,275</b>

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

**STATEMENT OF HUMAN RESOURCES**  
**FOR THE FOUR YEARS ENDED 30 JUNE 2019**

	Forecast Actual 2014/15	Budget 2015/16	Strategic Resource Plan Projections		
			2016/17	2017/18	2018/19
<b>Staff expenditure</b>					
Employee labour - operating	\$8,854,290	\$9,057,215	\$9,204,879	\$9,536,946	\$9,927,195
Employee labour - capital	\$509,685	\$334,939	\$562,961	\$621,608	\$637,701
<b>Total staff expenditure*</b>	<b>\$9,363,975</b>	<b>\$9,392,154</b>	<b>\$9,767,840</b>	<b>\$10,158,554</b>	<b>\$10,564,896</b>
<b>Staff numbers EFT**</b>	EFT	EFT	EFT	EFT	EFT
Employees	132.30	132.30	132.30	132.30	132.30
<b>Total staff numbers EFT</b>	<b>132.30</b>	<b>132.30</b>	<b>132.30</b>	<b>132.30</b>	<b>132.30</b>

\* Excludes employee oncosts

\*\* Equivalent Full Time

**STATEMENT OF RESERVES**  
**FOR THE FOUR YEARS ENDED 30 JUNE 2019**

	Forecast Actual 2014/15	Budget 2015/16	Strategic Resource Plan Projections		
			2016/17	2017/18	2018/19
<b>Discretionary</b>					
Land & buildings reserve	\$68,000	\$103,000	\$288,000	\$323,000	\$323,000
Professional development reserve	\$51,946	\$61,946	\$69,945	\$79,946	\$89,946
Unspent grants reserve	\$0	\$0	\$0	\$0	\$0
Capital expenditure reserve	\$0	\$0	\$0	\$0	\$0
Rates reserve	\$351,469	\$229,206	\$139,831	\$89,184	\$82,488
Information technology reserve	\$502,516	\$612,016	\$160,516	\$241,016	\$321,516
Valuations reserve	\$204,720	\$123,654	\$145,573	\$237,073	\$199,073
Units reserve	\$52,959	\$60,378	\$66,447	\$73,657	\$80,687
Economic development reserve	\$578,078	\$368,928	\$549,497	\$586,497	\$623,497
Skinner's flat reserve	\$18,503	\$18,503	\$18,503	\$18,503	\$18,503
Community planning reserve	\$0	\$0	\$0	\$0	\$0
Plant replacement reserve	\$480,238	\$641,401	\$292,049	\$424,498	\$105,088
Fleet replacement reserve	\$111,589	\$176,706	\$176,723	\$172,246	\$165,771
GSP restoration reserve	\$613,563	\$702,427	\$1,168,048	\$1,212,252	\$1,257,852
Urban drainage reserve	\$496,987	\$383,587	\$447,517	\$447,517	\$447,517
Landfill rehabilitation reserve	\$230,337	\$263,527	\$293,117	\$324,507	\$355,897
Lake Boort water reserve	\$23,857	\$23,857	\$23,857	\$23,857	\$23,857
Reserves improvement reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Water unbundling reserve	\$0	\$0	\$0	\$0	\$0
Caravan park development reserve	\$38,361	\$48,703	\$151,106	\$142,178	\$264,131
Superannuation liability reserve	\$1,000,000	\$1,000,000	\$1,500,000	\$1,750,000	\$2,000,000
Unspent contributions reserve	\$0	\$0	\$0	\$0	\$0
War memorial reserve	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Major projects reserve	\$520,152	\$520,152	\$520,152	\$520,152	\$520,152
<b>Total discretionary reserves</b>	<b>\$5,446,275</b>	<b>\$5,440,991</b>	<b>\$6,113,881</b>	<b>\$6,769,083</b>	<b>\$6,981,975</b>

## APPENDIX B - STATUTORY DISCLOSURES

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

- Borrowings
- Rates and charges
- Differential rates.

### 1. BORROWINGS

Borrowings	2015/16	2014/15
Total amount borrowed as at 30 June of the prior year	\$ 131,145	\$ 260,350
Debt redemption	\$ 131,145	\$ 129,205
<b>Total amount proposed to be borrowed as at 30 June</b>	<b>\$ -</b>	<b>\$ 131,145</b>

### 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	2015/16 Cents/\$CIV	2014/15 Cents/\$CIV	% change
General Rate for rateable general properties	0.5069	0.4834	4.86%
General Rate for rateable rural properties	0.4512	0.4283	5.35%

#### 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	2015/16	2014/15	% change
General Rate for rateable general properties	\$2,305,882	\$2,153,408	7.08%
General Rate for rateable rural properties	\$5,232,151	\$4,977,290	5.12%
<b>Total amount to be raised by General Rates</b>	<b>\$7,538,033</b>	<b>\$7,130,698</b>	<b>5.71%</b>

#### 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	2015/16	2014/15	% change
Rural	3,806	3,800	0.16%
General	3,867	3,842	0.65%
<b>Total</b>	<b>7,673</b>	<b>7,642</b>	<b>0.41%</b>

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

**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	2015/16	2014/15	% change
Rural	1,159,608,000	1,157,562,000	0.18%
General	454,898,700	445,725,800	2.06%
<b>Total</b>	<b>1,614,506,700</b>	<b>1,521,185,100</b>	<b>6.13%</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	2015/16	2014/15	% change
Municipal charge	\$198	\$188	5.32%
Residential garbage charge*	\$230	\$215	6.98%
Commercial garbage charge*	\$312	\$292	6.85%
Kerbside recycling charge*	\$87	\$81	7.41%

**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	2015/16	2014/15	% change
Municipal charge	\$1,094,544	\$1,031,932	6.07%
Residential garbage charge*	\$684,250	\$628,230	8.92%
Commercial garbage charge*	\$107,328	\$100,448	6.85%
Kerbside recycling charge*	\$277,443	\$254,421	9.05%
<b>Total amount to be raised by Charges</b>	<b>\$2,163,565</b>	<b>\$2,015,031</b>	<b>7.37%</b>

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

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

Rates and charges	2015/16	2014/15	% change
General rates	\$7,538,033	\$7,130,698	5.71%
Municipal charge	\$1,094,544	\$1,031,932	6.07%
Kerbside collection and recycling	\$1,069,021	\$983,099	8.74%
<b>Total rates &amp; charges to be raised</b>	<b>\$9,701,598</b>	<b>\$9,145,729</b>	<b>6.08%</b>

## **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 e.g. valuation appeals
- 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 0.4512% (or 0.004512 cents in the dollar of CIV) for rural properties
- General Rates of 0.5069% (or 0.005069 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 2015/16 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						\$2,500	\$2,500
Pyramid Hill Industrial Estate	\$401,250	\$30,000		\$125,750			\$557,000
Boort Caravan Park fire services				\$166,650			\$166,650
<b>Works &amp; infrastructure</b>							
Local roads reseals	\$346,842					\$498,158	\$845,000
Local road construction amenity program	\$274,257						\$274,257
Local road safety program	\$102,660						\$102,660
Local road construction	\$1,234,524						\$1,234,524
Local road resheets	\$375,479					\$186,653	\$562,132
Local road shoulder sheets	\$221,966					\$28,034	\$250,000
Local bridges &	\$293,300					\$128,800	\$422,100
Township street improvements	\$289,022					\$30,000	\$319,022
Design & Surveillance						\$25,000	\$25,000
Reseal Preparation						\$100,000	\$100,000
Urban drainage	\$214,500			\$213,400			\$427,900
Depot Wash Point						\$100,000	\$100,000
Depot Automated Gates						\$50,000	\$50,000
Wedderburn depot exhaust fans						\$21,000	\$21,000
Wedderburn workshop service lights						\$9,000	\$9,000
Minor plant & equipment						\$10,000	\$10,000
Boundary entrance signage park & locality						\$50,000	\$50,000
Recreation reserve mowers						\$37,000	\$37,000
Fleet replacement		\$58,042		\$225,883			\$283,925
Plant replacement		\$64,082		\$662,387			\$726,469

**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				\$25,000			\$25,000
Photocopier/scanner				\$15,000			\$15,000
Corporate IT Package				\$500,000			\$500,000
Building Asset Management Plan allocation						\$249,200	\$249,200
<b>Environment</b>							
Inglewood Transfer Station	\$150,000					\$150,000	\$300,000
Salathiel's Pit				\$25,000			\$25,000
<b>Community services &amp; recreation</b>							
Parks & gardens strategy						\$100,000	\$100,000
Community Planning Strategic Fund						\$500,000	\$500,000
Swimming pool strategy						\$65,000	\$65,000
Sloans Park playground						\$15,000	\$15,000
Serpentine public toilet replacement							\$0
LGIP Boort Park							\$0
Trails signage						\$20,000	\$20,000
<b>Total</b>	<b>\$3,903,800</b>	<b>\$152,124</b>	<b>\$0</b>	<b>\$1,989,070</b>	<b>\$0</b>	<b>\$2,377,845</b>	<b>\$8,422,839</b>

**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>						
Depot wash point		\$100,000				\$100,000
Depot automated gates		\$50,000				\$50,000
Pyramid Hill industrial estate		\$557,000				\$557,000
Wedderburn workshop exhaust fans		\$21,000				\$21,000
Wedderburn workshop service lights		\$9,000				\$9,000
Building Asset Management Plan allocation	\$199,200		\$50,000			\$249,200
Salathiels pit clean up	\$25,000					\$25,000
Community Planning allocations	\$200,000	\$200,000	\$100,000			\$500,000
Inglewood transfer station		\$300,000				\$300,000
<b>Total land &amp; buildings</b>	<b>\$424,200</b>	<b>\$1,237,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,811,200</b>
<b>Furniture &amp; equipment</b>						
Office furniture & equipment	\$2,500					\$2,500
Server replacement	\$30,000					\$30,000
PC replacement	\$25,000					\$25,000
Photocopier/scanner	\$15,000					\$15,000
Corporate IT Package	\$500,000					\$500,000
<b>Total Furniture &amp; equipment</b>	<b>\$572,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$572,500</b>
<b>Plant &amp; equipment</b>						
Minor plant & equipment	\$10,000					\$10,000
Fleet replacement	\$283,925					\$283,925
Plant replacement	\$726,469					\$726,469
Recreation reserve mowers	\$37,000					\$37,000
<b>Total plant &amp; equipment</b>	<b>\$1,057,394</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,057,394</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	\$319,022					\$319,022
<b>Total footpaths</b>	<b>\$319,022</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$319,022</b>
<b>Roadworks</b>						
Local road reseals	\$970,000					\$970,000
Local road construction amenity			\$274,257			\$274,257
Local road construction safety			\$102,660			\$102,660
Local road construction	\$1,234,524					\$1,234,524
Local road resheets	\$562,132					\$562,132
Local road shoulder sheets	\$250,000					\$250,000
Local bridges & culverts	\$422,100					\$422,100
Tourism signage	\$2,500					\$2,500
Boundary entrance signage	\$50,000					\$50,000
<b>Total roadworks</b>	<b>\$3,491,256</b>	<b>\$0</b>	<b>\$376,917</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,868,173</b>
<b>Urban and road drainage</b>						
Urban drainage program	0	\$327,900	\$100,000			\$427,900
<b>Total urban and road drainage</b>	<b>\$0</b>	<b>\$327,900</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$427,900</b>
<b>Recreation, leisure &amp; community facilities</b>						
Trails signage	\$20,000					\$20,000
Swimming pool strategy	\$65,000					\$65,000
LGIP Boort caravan park		\$166,650				\$166,650
<b>Total recreation, leisure &amp; community facilities</b>	<b>\$85,000</b>	<b>\$166,650</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$251,650</b>
<b>Parks, open space &amp; streetscapes</b>						
Parks and gardens strategy	\$50,000	\$50,000				\$100,000
Sloans Park playground	\$15,000					\$15,000
<b>Total parks, open space &amp; streetscapes</b>	<b>\$65,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115,000</b>
<b>Total</b>	<b>\$6,014,372</b>	<b>\$1,781,550</b>	<b>\$626,917</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,422,839</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 reseals	Roads to Recovery	\$346,842
Local road construction amenity	Roads to Recovery	\$274,257
Local road construction	Roads to Recovery	\$1,234,524
Local road construction safety	Roads to Recovery	\$102,660
Local road resheets	Roads to Recovery	\$375,479
Local road shoulder sheets	Roads to Recovery	\$221,966
Local bridges & culverts	Roads to Recovery	\$293,300
Township Street Improvements	Roads to Recovery	\$289,022
Urban drainage	Roads to Recovery	\$214,500
Pyramid Hill industrial estate	State government infrastructure support fund	\$401,250
Inglewood Transfer Station	Sustainability Victoria	\$150,000
<b>Total</b>		<b>\$3,903,800</b>

C3.2 Sale of assets

Key direction area	Asset classification	Amount
Works & Infrastructure	Fleet/Plant	\$122,124
Economic Development & Tourism	Pyramid Hill Industrial Estate	\$30,000
<b>Total</b>		<b>\$152,124</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	\$125,750
Boort Caravan Park fire services	Caravan parks reserve	\$166,650
Plant replacement	Plant replacement reserve	\$662,387
Urban drainage	Urban drainage Reserve	\$213,400
Fleet replacement	Fleet replacement reserve	\$225,883
Server replacement	Information technology reserve	\$30,000
PC replacement	Information technology reserve	\$25,000
Photocopier purchase	Information technology reserve	\$15,000
Corporate IT Package	Information technology reserve	\$500,000
Salathiel's Pit	GSP reserve	\$25,000
<b>Total</b>		<b>\$1,989,070</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**

<b>Strategic platform</b>	<b>Strategy</b>	<b>Initiative</b>	<b>Performance Measure</b>	<b>Data Source</b>	<b>Target</b>
2 - Implement planning strategies that accelerate growth in appropriate areas	Implement planning strategies that accelerate growth in appropriate areas	Develop and commence implementation of Settlement Strategy	Strategy adopted	Council minutes	30-June-2016
3 - Engage with agribusiness sector in a regular more formal way	Engage with agribusiness sector in a regular more formal way	Implement agribusiness actions from new Economic Development Strategy	Progress report presented to Council	Council minutes	30-June-2016
4 - Make our towns liveable and memorable	Take leadership in building infrastructure, amenities and services appropriate to town needs	Review Council's Building Asset Management Plan	Plan adopted	Council minutes	30-June-2016
4 - Make our towns liveable and memorable	Take leadership in building infrastructure, amenities and services appropriate to town needs	Review Council's Road Asset Management Plan	Plan adopted	Council minutes	30-June-2016
6 - Support our transitioning townships	Ensure that residents of small towns have access to a basic set of services	Define the basic service offer to very small towns	Report presented to Council	Council minutes	30-June-2016
6 - Support our transitioning townships	Ensure that residents of small towns have access to a basic set of services	Find cost-effective ways of delivering services to very small communities	Report presented to Council	Council minutes	30-June-2016
7 - Connect with the next generation	Identify the needs of young people and develop future leaders	Renew Council's Youth Strategy	Strategy adopted	Council minutes	30-June-2016
7 - Connect with the next generation	Identify the needs of young people and develop future leaders	Formalise Youth Advisory Council	Progress report presented to Council	Council minutes	30-June-2016

**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 2014/15 Projected Actuals, the 2015/16 Budgets, and the variance between the two.

The reports include:

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

**COMPREHENSIVE INCOME STATEMENT BY EXPENSE TYPE**

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Revenues from ordinary activities</b>			
Rates & charges	\$9,145,729	\$9,701,598	\$555,869
User fees	\$2,029,265	\$2,155,825	\$126,560
Operating grants	\$10,347,430	\$9,241,910	(\$1,105,520)
Capital grants	\$7,490,868	\$4,086,181	(\$3,404,687)
Operating contributions	\$181,375	\$0	(\$181,375)
Capital contributions	\$351,294	\$0	(\$351,294)
Vic Roads	\$785,133	\$758,232	(\$26,901)
Reversal of impairment losses	\$0	\$0	\$0
Reimbursements	\$259,730	\$267,953	\$8,223
Interest	\$425,000	\$425,000	\$0
<b>Total revenues</b>	<b>\$31,015,824</b>	<b>\$26,636,699</b>	<b>(\$4,379,125)</b>
<b>Expenses from ordinary activities</b>			
Labour	\$8,740,048	\$8,837,550	\$97,502
Materials & services	\$9,369,099	\$7,765,262	(\$1,603,837)
Contracts	\$1,391,911	\$1,425,037	\$33,126
Utilities	\$438,681	\$456,320	\$17,639
Depreciation	\$8,335,646	\$8,544,033	\$208,387
Interest expense	\$13,015	\$7,259	(\$5,756)
Other expenses	\$277,440	\$286,284	\$8,844
<b>Total expenses</b>	<b>\$28,565,840</b>	<b>\$27,321,745</b>	<b>(\$1,244,095)</b>
Net (gain)/loss on sale of assets	\$0	\$0	\$0
<b>Surplus/(deficit) for the year</b>	<b>\$2,449,984</b>	<b>(\$685,046)</b>	<b>(\$3,135,030)</b>

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

**COMPREHENSIVE INCOME STATEMENT BY KEY DIRECTION AREA**

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Revenues from ordinary activities</b>			
Rates & charges	\$9,145,729	\$9,701,598	\$555,869
Operating grants	\$10,347,430	\$9,241,910	(\$1,105,520)
Capital grants	\$7,490,868	\$4,086,181	(\$3,404,687)
Operating contributions	\$181,375	\$0	(\$181,375)
Capital contributions	\$351,294	\$0	(\$351,294)
User fees	\$2,029,265	\$2,155,825	\$126,560
Reimbursements	\$259,730	\$267,953	\$8,223
Vic Roads	\$785,133	\$758,232	(\$26,901)
Interest	\$425,000	\$425,000	\$0
<b>Total revenues</b>	<b>\$31,015,824</b>	<b>\$26,636,699</b>	<b>(\$4,379,125)</b>
<b>Expenses from ordinary activities</b>			
Economic development & tourism	\$1,445,151	\$1,440,199	(\$4,952)
Leadership	\$1,190,213	\$1,036,089	(\$154,124)
Works & infrastructure	\$11,563,198	\$11,427,547	(\$135,651)
Good management	\$4,481,514	\$4,857,785	\$376,271
Environment	\$2,070,292	\$1,827,009	(\$243,283)
Community services & recreation	\$7,815,472	\$6,733,116	(\$1,082,356)
<b>Total expenses</b>	<b>\$28,565,840</b>	<b>\$27,321,745</b>	<b>(\$1,244,095)</b>
Net (gain/loss on sale of assets)	\$0	\$0	\$0
<b>Surplus/(deficit) for the year</b>	<b>\$2,449,984</b>	<b>(\$685,046)</b>	<b>(\$3,135,030)</b>

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

**CAPITAL EXPENDITURE STATEMENT**

	2014/15 Projected Actual	2015/16 Budget	Variance
<b>Surplus/(deficit) for the year-as per income statement</b>	<b>\$2,449,984</b>	<b>(\$685,046)</b>	<b>(\$3,135,030)</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	\$0	\$0	\$0
Depreciation	\$8,335,646	\$8,544,033	\$208,387
<b>Total funds available for capital expenditure</b>	<b>\$10,785,630</b>	<b>\$7,858,987</b>	<b>(\$2,926,643)</b>
<b>CAPITAL EXPENDITURE, TRANSFERS, AND LOANS</b>			
Economic development & tourism	\$749,126	\$726,150	(\$22,976)
Leadership	\$5,000	\$0	(\$5,000)
Works & infrastructure	\$7,003,210	\$5,874,989	(\$1,128,221)
Good management	\$443,471	\$821,700	\$378,229
Environment	\$0	\$300,000	\$300,000
Community services & recreation	\$9,300,804	\$700,000	(\$8,600,804)
<b>Total capital works</b>	<b>\$17,501,611</b>	<b>\$8,422,839</b>	<b>(\$9,078,772)</b>
Transfers to reserves	\$4,125,552	\$2,620,256	(\$1,505,296)
Loan repayments	\$129,205	\$131,145	\$1,940
<b>Total capital, transfers &amp; loans</b>	<b>\$21,756,368</b>	<b>\$11,174,240</b>	<b>(\$10,582,128)</b>
<b>CAPITAL EXPENDITURE, TRANSFERS, AND LOANS WILL BE FINANCED BY:-</b>			
Asset sales	\$464,685	\$372,124	(\$92,561)
Transfers from reserves	\$8,258,583	\$2,625,540	(\$5,633,043)
Accumulated cash surplus brought forward from previous year	\$2,581,513	\$334,043	(\$2,247,470)
<b>Total financing of capital, transfers, &amp; loans</b>	<b>\$11,304,781</b>	<b>\$3,331,707</b>	<b>(\$7,973,074)</b>
<b>Total accumulated cash surplus</b>	<b>\$334,043</b>	<b>\$16,454</b>	<b>(\$317,589)</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 2 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.

	2014/15	2015/16
<b>Total revenue rates &amp; related income based Council rating strategy</b>	<b>\$8,346,777</b>	<b>\$8,764,116</b>
Total rates to be raised	\$8,182,997	\$8,633,062
Income from objections and supplementals	\$0	\$0
Rates income after objections and supplementals	\$8,182,997	\$8,633,062
Total State Government package to be used	\$27,518	\$0
Total rates reserve to be used	\$136,262	\$131,054
<b>Total rates &amp; related income</b>	<b>\$8,346,777</b>	<b>\$8,764,116</b>
<b>Summary of State Government package:</b>		
Opening balance	\$27,518	\$0
Received during the year	\$0	\$0
Used during the year	(\$27,518)	\$0
Transferred (to)/from plant replacement reserve	\$0	\$0
Interest earned on balance	\$0	\$0
<b>Closing balance</b>	<b>\$0</b>	<b>\$0</b>
<b>Summary of Council's Rates Reserve:</b>		
Opening balance	\$473,677	\$351,625
Received during the year	(\$136,262)	(\$131,054)
Used during the year	\$0	\$0
Transferred (to)/from plant replacement reserve	\$0	\$0
Interest earned on Balance	\$14,210	\$8,791
<b>Closing balance</b>	<b>\$351,625</b>	<b>\$229,362</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.

With the state government introducing rate capping, no projections of future years have been included.

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

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

This Budget assumes that all of the current year projects will be fully delivered by 30 June 2015 and this is reflected in the 2014/15 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 present the amount available in each of the wards was as follows:

Boort	\$70,206
Inglewood	\$148,392
Tarnagulla	\$115,526
Terricks	\$65,886
Wedderburn	\$233

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 2015/16 financial year.

The 2015/16, 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 strategic fund allocation for 2015/16 is \$500K.

Note: Any overspend will be recouped from the 2015/16 annual allocation.

**APPENDIX H - FINANCIAL STATEMENTS**

**BUDGET REPORT AT COST CENTRE LEVEL**

Cost centre	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
01. PARKS & TOWNSHIPS (1)	971,805	980,085	1,020,038
02. HACC (2)	703,608	866,759	408,931
03. EARLY YEARS SERVICES (3)	193,003	212,570	230,121
04. LOCAL ROADS (4)	6,952,195	7,338,017	6,116,477
05. MAIN ROADS (5)	(120,241)	(361,659)	(386,265)
06. LODDON WORKS - OTHER (6)	(5,000)	(5,000)	(3,747)
09. COUNCIL (9)	(6,742,854)	(6,783,302)	(7,067,966)
10. (SURPLUS)/DEFICIT C/F (10)	(2,352,875)	(2,581,513)	(334,043)
<b>Grand Total</b>	<b>(400,358)</b>	<b>(334,043)</b>	<b>(16,454)</b>

Element	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
01. Labour	9,348,012	9,567,931	9,363,375
02. Oncost	1,598,507	1,581,762	1,550,121
03. Plant	4,543,620	4,138,709	3,926,388
04. Creditors	15,253,698	22,409,662	11,142,944
05. Stores	853,659	741,294	250,748
06. Fuel	0	87,159	923,290
07. Contractors	3,932,753	3,904,820	4,482,576
09. Utilities	409,027	439,027	456,741
10. Loan Repayments	129,205	129,205	131,145
12. Loan Int Cash	13,015	13,015	7,259
17. Reserves	3,644,352	4,337,329	2,846,296
21. CACP Internal Charges (Exp)	344,510	344,510	302,923
25. Grants Expenditure	359,494	357,119	347,578
46. Internal Expenditure	7,000	7,000	7,000
49. Community Plan Internal Charge (Exp)	46,500	87,245	0
51. Community Plan Internal Charge (Inc)	(46,500)	(87,245)	0
56. Internal Income	(7,000)	(7,000)	(7,000)
70. Fees & Charges	(1,696,398)	(2,029,265)	(2,155,825)
71. Contributions	(253,500)	(332,669)	0
72. Capital Works Contributions	0	(200,000)	0
73. Interest	(325,000)	(425,000)	(425,000)
74. Asset Sales (Capital)	(314,685)	(464,685)	(372,124)
76. Carried Forward Surplus	(2,352,875)	(2,581,513)	(334,043)
77. Reimbursements	(203,739)	(259,729)	(267,953)
80. Rates	(9,145,729)	(9,145,729)	(9,701,598)
81. Grants (Capital)	(5,514,673)	(7,490,868)	(4,086,181)
82. Grants (Revenue)	(10,535,993)	(10,347,430)	(9,241,910)
86. Oncost Income	(1,598,507)	(1,581,762)	(1,550,121)
87. Plant Income	(4,543,620)	(4,138,709)	(3,926,388)
88. Reserves (Capital)	(2,618,880)	(4,513,095)	(2,231,390)
89. Reserves (Operating)	(293,750)	(3,745,488)	(394,150)
90. Vic Roads	(1,088,350)	(785,133)	(758,232)
91. CACP Internal Charges (Inc)	(344,510)	(344,510)	(302,923)
<b>Grand Total</b>	<b>(400,358)</b>	<b>(334,043)</b>	<b>(16,454)</b>

**APPENDIX H - FINANCIAL STATEMENTS**

**BUDGET REPORT AT PROGRAM LEVEL (Continued)**

**Activity details by program**

Activity	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>1 Eco Dev &amp; Tourism</b>	1,025,631	1,061,277	918,129
110. ECO DEV & TOURISM STRATEGIES	25,000	61,169	211,400
111. ECONOMIC DEVELOPMENT	224,250	222,955	239,697
121. TOURISM	187,795	186,662	193,627
122. TOURISM INITIATIVES	140,627	116,732	120,005
123. CARAVAN PARKS	(54,478)	119,563	164,658
125. LODDON DISCOVERY TOURS	(15,000)	(15,049)	(10,000)
131. PROMOTIONAL INITIATIVES	234,315	155,634	57,000
132. INDUSTRIAL SITES	(4,358)	(5,864)	(3,689)
141. CONTRIBUTIONS	4,400	4,400	4,400
142. ECONOMIC DEVELOPMENT	(14,636)	(16,386)	(10,433)
151. BUILDING CONTROL	31,638	38,340	33,990
161. COUNCIL RESIDENCES	2,327	13,794	11,890
181. STANDPIPES & TRUCKWASHES	(2,000)	10,376	(166)
191. ACQUISITION & DISPOSAL	110,000	110,000	(35,000)
192. CONSTRUCTION/IMPROVE	155,750	58,950	(59,250)

**Element details by program**

Element	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>1 Eco Dev &amp; Tourism</b>	1,025,631	1,061,277	918,129
01. Labour	416,564	410,168	529,180
02. Oncost	10,299	7,146	3,268
03. Plant	80,460	77,154	75,542
04. Creditors	832,206	1,190,537	730,211
05. Stores	550	550	0
07. Contractors	622,803	344,835	650,333
09. Utilities	33,952	63,952	70,183
25. Grants Expenditure	4,400	4,400	4,400
70. Fees & Charges	(499,353)	(604,165)	(478,738)
74. Asset Sales (Capital)	(40,000)	(190,000)	(250,000)
81. Grants (Capital)	(401,250)	(198,500)	(401,250)
82. Grants (Revenue)	(35,000)	(44,800)	(15,000)

**APPENDIX H - FINANCIAL STATEMENTS**

**BUDGET REPORT AT PROGRAM LEVEL (Continued)**

**Activity details by program**

Activity	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>2 Leadership</b>	1,131,289	1,220,893	938,670
211. COUNCILLOR COSTS	531,992	550,187	342,148
216. LOANS	142,220	142,220	138,404
221. LOCAL LAWS	109,274	129,478	202,118
232. COMMUNITY LEADERSHIP	22,000	25,090	21,444
251. RECORDS MANAGEMENT	190,355	219,880	234,556
261. COMMUNITY TRANSPORTATION	0	10,193	0
281. MUN EMERGENCY MAN	135,448	102,196	0
283. LODDON FLOOD RECOVERY COMMITTEE	0	41,650	0

**Element details by program**

Element	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>2 Leadership</b>	1,131,289	1,220,893	938,670
01. Labour	316,905	426,216	262,862
02. Oncost	4,482	1,443	1,080
03. Plant	61,152	66,472	38,500
04. Creditors	612,779	753,238	550,361
10. Loan Repayments	129,205	129,205	131,145
12. Loan Int Cash	13,015	13,015	7,259
70. Fees & Charges	(6,250)	(20,196)	(6,981)
77. Reimbursements	0	(21,000)	(45,556)
82. Grants (Revenue)	0	(127,500)	0

**APPENDIX H - FINANCIAL STATEMENTS**

**BUDGET REPORT AT PROGRAM LEVEL (Continued)**

**Activity details by program**

Activity	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>3 Works Infrastructure</b>	6,464,067	7,556,623	5,024,326
311. STAFF ONCOSTS	(67,572)	79,152	(20,394)
321. PLANT OPERATING	(2,040,233)	(1,664,294)	(1,545,908)
322. FLEET	(376,612)	(397,941)	(394,955)
331. LOCAL ROADS MAINT	4,706,923	4,765,445	4,896,432
333. RESEALS	578,000	578,000	970,000
339. ROADS TO RECOVERY	(1,622,923)	(1,676,275)	(3,352,550)
341. MAIN RDS ROUTINE PAVEMENT MAINT	(120,241)	(361,659)	(386,265)
349. LOCAL RD AMENITY PROGRAM	127,800	148,935	274,257
350. LOCAL ROAD SAFETY PROGRAM	120,000	120,000	102,660
351. LOCAL RD CONSTRUCTION	1,303,585	1,406,731	1,234,524
352. LOCAL RD GRAVEL RESHEETS	745,875	745,875	562,132
353. LOCAL RD SHOULDER SHEETS	236,025	236,025	250,000
354. LOCAL BRIDGES/CULVERTS	258,000	283,300	422,100
356. TOWNSHIP/STREETS IMP	139,150	328,518	319,022
371. URBAN DRAINAGE WORKS	330,000	379,470	427,900
380. GRAVEL STOCKPILES	(15,271)	(15,271)	0
381. GRAVEL PITS	30,000	(74,912)	(88,864)
383. DEPOTS	193,369	260,854	302,199
384. ROAD OPENINGS ETC	(2,000)	(2,000)	(1,987)
385. TRAFFIC CONTROL	106,500	106,500	55,000
386. PRIVATE WORKS	(5,000)	(5,000)	(3,747)
391. ACQUISITION & DISPOSAL	1,838,693	2,315,171	1,002,770

**Element details by program**

Element	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>3 Works Infrastructure</b>	6,464,067	7,556,623	5,024,326
01. Labour	3,138,965	3,278,533	2,975,923
02. Oncost	1,141,643	1,140,439	1,113,049
03. Plant	3,608,524	3,230,807	3,099,449
04. Creditors	5,750,349	6,642,252	4,699,187
05. Stores	847,268	735,411	247,477
06. Fuel	0	87,159	923,290
07. Contractors	1,191,800	1,212,935	1,902,839
09. Utilities	108,758	108,758	94,917
70. Fees & Charges	(152,441)	(349,404)	(272,579)
71. Contributions	(7,500)	(7,500)	0
74. Asset Sales (Capital)	(274,685)	(274,685)	(122,124)
77. Reimbursements	(198,510)	(229,500)	(217,000)
81. Grants (Capital)	(1,622,923)	(1,676,275)	(3,352,550)
86. Oncost Income	(1,435,211)	(1,418,466)	(1,382,932)
87. Plant Income	(4,543,620)	(4,138,709)	(3,926,388)
90. Vic Roads	(1,088,350)	(785,133)	(758,232)

**APPENDIX H - FINANCIAL STATEMENTS**

**BUDGET REPORT AT PROGRAM LEVEL (Continued)**

**Activity details by program**

Activity	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>4 Good Management</b>	(11,574,665)	(16,439,632)	(10,983,864)
410. GOOD MANAGEMENT STRATEGIES	104,000	205,971	249,200
411. RATES INCOME	(8,162,630)	(8,162,630)	(8,632,577)
421. VGC INCOME	(8,655,500)	(8,762,242)	(7,762,242)
431. INTEREST INCOME	(325,000)	(425,000)	(425,000)
432. OTHER INCOME	(7,684)	(7,805)	(7,631)
434. INFORMATION TECHNOLOGY	356,336	401,659	490,095
435. PRINTING & STATIONERY	58,699	58,699	50,000
436. ADMINISTRATION	439,840	308,619	532,449
437. INSURANCE	204,458	193,768	216,337
441. CORPORATE SERVICES	1,831,373	1,839,009	1,814,599
442. OPERATIONS	1,347,376	1,304,339	1,459,880
443. OCC HEALTH & SAFETY	45,200	20,200	25,000
451. WEDDERBURN OFFICE	149,622	187,771	111,596
452. SERPENTINE OFFICE	61,374	60,822	55,417
453. BRIC	7,954	27,536	14,256
461. RESERVE TRANSFERS	519,942	(4,133,031)	(5,284)
462. LONG SERVICE LEAVE PROV	203,274	203,272	217,196
471. SUBSCRIPTIONS, DONATIONS, & MEMBERSHIPS	72,200	64,910	65,345
491. ACQUISITION & DISPOSAL	174,500	174,500	547,500

**Element details by program**

Element	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>4 Good Management</b>	(11,574,665)	(16,439,632)	(10,983,864)
01. Labour	2,482,188	2,468,507	2,578,603
02. Oncost	11,066	6,318	5,267
03. Plant	270,000	248,899	239,662
04. Creditors	1,847,011	1,845,703	2,254,570
05. Stores	520	520	0
07. Contractors	297,240	319,572	547,468
09. Utilities	102,111	102,111	98,885
17. Reserves	3,635,846	4,328,824	2,837,452
25. Grants Expenditure	2,800	2,800	2,800
70. Fees & Charges	(16,458)	(21,558)	(16,815)
71. Contributions	(56,000)	(85,508)	0
73. Interest	(325,000)	(425,000)	(425,000)
77. Reimbursements	(5,229)	(9,229)	(5,397)
80. Rates	(8,162,630)	(8,162,630)	(8,632,577)
81. Grants (Capital)	(40,000)	0	(40,000)
82. Grants (Revenue)	(8,705,500)	(8,800,376)	(7,803,242)
88. Reserves (Capital)	(2,618,880)	(4,513,095)	(2,231,390)
89. Reserves (Operating)	(293,750)	(3,745,488)	(394,150)

**APPENDIX H - FINANCIAL STATEMENTS**

**BUDGET REPORT AT PROGRAM LEVEL (Continued)**

**Activity details by program**

Activity	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>5 Environment</b>	541,291	595,138	378,795
510. ENVIRONMENT STRATEGIES	110,000	76,000	0
511. TIPS	360,136	359,514	360,406
512. GARBAGE COLLECTION	(328,037)	(323,037)	(376,590)
513. RECYCLING	(20,121)	(20,121)	(35,528)
521. TREE PLANTING	0	9,000	9,000
532. TOWN PLANNING	259,356	260,462	240,870
541. HERITAGE & CULTURE	103,000	103,000	3,000
561. FIRE PROTECTION	56,958	30,320	27,637
582. ENVIRONMENT	0	100,000	0
592. CONSTRUCTION/IMPROVE	0	0	150,000

**Element details by program**

Element	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>5 Environment</b>	541,291	595,138	378,795
01. Labour	348,633	342,913	310,609
02. Oncost	60,435	57,315	57,552
03. Plant	112,238	107,038	89,526
04. Creditors	546,706	623,245	360,003
05. Stores	2,720	2,200	2,271
07. Contractors	617,254	585,014	924,026
49. Community Plan Internal Charge (Exp)	0	7,245	0
70. Fees & Charges	(155,469)	(141,607)	(135,198)
80. Rates	(983,099)	(983,099)	(1,069,021)
81. Grants (Capital)	0	0	(150,000)
82. Grants (Revenue)	(8,125)	(5,125)	(10,973)

**APPENDIX H - FINANCIAL STATEMENTS**

**BUDGET REPORT AT PROGRAM LEVEL (Continued)**

**Activity details by program**

Activity	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>6 Community Recreation</b>	4,364,904	8,253,171	4,041,533
610. COMM SERVICES & REC STRATEGIES	621,003	536,068	251,000
611. INFANT WELFARE CENTRES	125,422	135,442	121,272
614. PRE-SCHOOL MAINTENANCE	22,945	22,269	33,526
615. EDUCATION	69,482	79,028	100,849
620. DISABILITY ACCESS PROGRAMS	10,000	21,993	10,000
621. HEALTH CONTROL	175,553	161,730	110,988
623. OTHER HEALTH	5,000	17,144	5,000
631. HACC SERVICES	109,313	216,166	53,124
632. COMMUNITY SERVICES	227,039	232,269	232,221
633. SENIOR CITIZENS' CENTRES	55,653	50,801	30,724
634. ELDERLY PERSON'S UNITS	(6,224)	(7,582)	(7,491)
635. HACC ONCOSTS	26,531	21,937	28,661
636. EXTERNALLY BROKERED SERVICES	(8,811)	(8,811)	(10,006)
637. LSC PACKAGED CARE PROGRAM	37,674	102,383	(150,786)
641. RECREATION & COMMUNITY DEVELOPMENT	137,806	136,318	140,869
642. RECREATION RESERVES	162,296	186,287	158,536
643. SWIMMING POOLS	415,318	433,247	441,797
644. BEACHES	41,580	223,284	41,647
645. TOWNSCAPE SERVICES	864,805	861,018	913,038
649. OTHER RECREATION	98,926	94,099	91,375
650. MAJOR EVENTS GRANTS	20,000	22,010	20,000
651. COMMUNITY GRANTS	200,000	200,000	200,000
652. REGIONAL LIBRARY	183,426	180,568	191,077
653. PUBLIC HALLS	72,104	74,074	63,031
655. YOUTH INITIATIVES	8,000	10,247	13,000
661. DOMESTIC ANIMALS	(22,886)	(25,587)	25,181
662. LIVESTOCK	33,041	32,805	28,694
670. COMMUNITY PLAN MANAGER	116,567	115,906	631,407
671. BOORT COMMUNITY PLANS	50,000	54,418	50,000
676. WEDDERBURN COMMUNITY PLANS	50,000	50,233	50,000
677. INGLEWOOD COMMUNITY PLANS	50,000	166,992	50,000
678. TERRICK COMMUNITY PLANS	50,000	120,559	50,000
679. TARNAGULLA COMMUNITY PLANS	50,000	162,968	50,000
681. COMMUNITY PROTECTION	17,013	16,741	16,143
682. OTHER COMMUNITY	9,829	34,699	12,125
689. FLOOD RECOVERY LAND & BUILDING WORKS	0	411,973	0
690. FUNDED COMMUNITY PROJECTS	20,500	2,551,136	0
691. ACQUISITION & DISPOSAL	15,000	15,000	15,000
692. CONSTRUCTION/IMPROVE	251,000	543,339	(20,469)

**APPENDIX H - FINANCIAL STATEMENTS**

**Element details by program**

Element	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
6 Community Recreation	4,364,904	8,253,171	4,041,533
01. Labour	2,644,758	2,641,594	2,706,198
02. Oncost	370,581	369,102	369,905
03. Plant	411,247	408,340	383,709
04. Creditors	5,664,647	11,354,687	2,548,612
05. Stores	2,600	2,612	1,000
07. Contractors	1,203,656	1,442,464	457,910
09. Utilities	164,206	164,206	192,756
17. Reserves	8,505	8,505	8,844
21. CACP Internal Charges (Exp)	344,510	344,510	302,923
25. Grants Expenditure	352,294	349,919	340,378
46. Internal Expenditure	7,000	7,000	7,000
49. Community Plan Internal Charge (Exp)	46,500	80,000	0
51. Community Plan Internal Charge (Inc)	(46,500)	(87,245)	0
56. Internal Income	(7,000)	(7,000)	(7,000)
70. Fees & Charges	(866,426)	(892,334)	(1,245,514)
71. Contributions	(190,000)	(239,661)	0
72. Capital Works Contributions	0	(200,000)	0
81. Grants (Capital)	(3,450,500)	(5,616,093)	(142,381)
82. Grants (Revenue)	(1,787,368)	(1,369,629)	(1,412,695)
86. Oncost Income	(163,296)	(163,296)	(167,189)
91. CACP Internal Charges (Inc)	(344,510)	(344,510)	(302,923)

**Activity details by program**

Activity	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>9 (Surplus) Deficit CF</b>	(2,352,875)	(2,581,513)	(334,043)
998. (SURPLUS)/DEFICIT C/F	(2,352,875)	(2,581,513)	(334,043)
<b>Grand Total</b>	<b>(400,358)</b>	<b>(334,043)</b>	<b>(16,454)</b>

**Element details by program**

Element	2014/15 Original Budget	2014/15 Revised Budget	2015/16 Budget
<b>9 (Surplus) Deficit CF</b>	(2,352,875)	(2,581,513)	(334,043)
76. Carried Forward Surplus	(2,352,875)	(2,581,513)	(334,043)
<b>Grand Total</b>	<b>(400,358)</b>	<b>(334,043)</b>	<b>(16,454)</b>