

LODDON SHIRE COUNCIL

BUDGET FOR YEAR ENDED 30 JUNE 2017

ADOPTED 28 JUNE 2016



CONTENTS

	Page
Mayor's introduction	3
Executive summary	4
1 Linkage to council plan	5
2 Services, initiatives, and service performer indicators	9
3 Budgeted financial statements	19
4 Financial performance indicators	26
5 Other budget information	28
6 Detailed capital works	30
7 Rates and charges	34
8 Summary of financial position	37
9 Budget influences	41
10 Analysis of operating budget	43
11 Analysis of budgeted cash position	49
12 Analysis of capital budget	52
13 Analysis of budgeted financial position	58
14 Strategic resource plan	62
15 Rating information	64
16 Summary of other strategies	67
A Fees and charges schedule	76
B Budget processes	77
C Capital works program	78
D Major initiatives	83
E Audit committee financials	84
F Financial statements	87

MAYOR'S INTRODUCTION

It is my pleasure to present the 2016/17 Budget to Loddon Shire ratepayers and residents.

There have been a number of major influences considered when developing this budget. The introduction of rate capping has resulted in a 2.5% increase in the general rate and municipal charge in 2016/17 when compared to the base figure for 2015/16 now determined by an Essential Services Commission calculation.

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
- Council's desire to continue to support Community Planning to drive strategic outcomes from a community level
- the introduction of rate capping which will be implemented in this financial year.

Some of the highlights contained in the 2016/17 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 the aged services and early years programs
- capital expenditure program of \$17.31 million
- no loan repayments with Council now debt free
- continuation of a strong cash position.

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. Neil Beattie
Mayor

EXECUTIVE SUMMARY

Council has prepared a Budget for 2016/17 which is aligned to the vision in the Council Plan 2013-17. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within rate increases mandated by the State Government.

This Budget projects a cash surplus of \$0.063 million for 2016/17, however, it should be noted that the adjusted underlying result is a deficit of \$2.80 million after adjusting for capital grants and contributions (refer Sections 5 and 10.1).

1 Key things we are funding

- ongoing delivery of services to the Loddon Shire Council community
- continued investment in capital projects (\$17.31M) primarily for infrastructure works (\$12.94M). This includes roads (\$7.10M); urban and road drainage (\$0.35M); footpaths (\$0.55M); recreational, leisure and community facilities (\$1.20M) and parks, open space and streetscapes (\$2.93M).

2 The rate rise

- the average rate will rise be 2.5% in line with the order by the Minister for Local Government on 14 December 2015 under the Fair Go Rates System
- this year will be a revaluation year, therefore, valuations will be as per the General Revaluation dated 1 January 2016 (as amended by supplementary valuations)
- the waste service charges will increase by 2.5% per collection item
- refer to Section 7 for further Rates and Charges details.

3 Key statistics

Total revenue is \$30.39 million (2015/16 \$26.08 million)

Total operating expenditure is \$28.7 million (2015/16 \$28.22 million)

Accounting result is \$1.69 million (2015/16 \$2.28 million deficit)

(Refer Income Statement in Section 3)

Note: Based on total income of \$30.39 million which includes capital grants and contributions.

Underlying operating result is \$2.80 million deficit (\$0.84 million deficit in 2015/16)

(Refer Analysis of operating budget in Section 10.1)

Note: Underlying operating result is an important measure of financial sustainability as it excludes income which is to be used for capital.

Cash result is \$0.06 million surplus (\$0.94 million surplus in 2015/16)

(Refer Capital Expenditure Statement in Appendix E)

Note: This is the net funding result after considering the funding requirements to meet reserve transfers.

Capital works program of \$17.31 million (\$12.95 million in 2015/16)

\$3.97 million from Council operations

\$5.86 million from reserves

No borrowings

\$0.22 million from asset sales

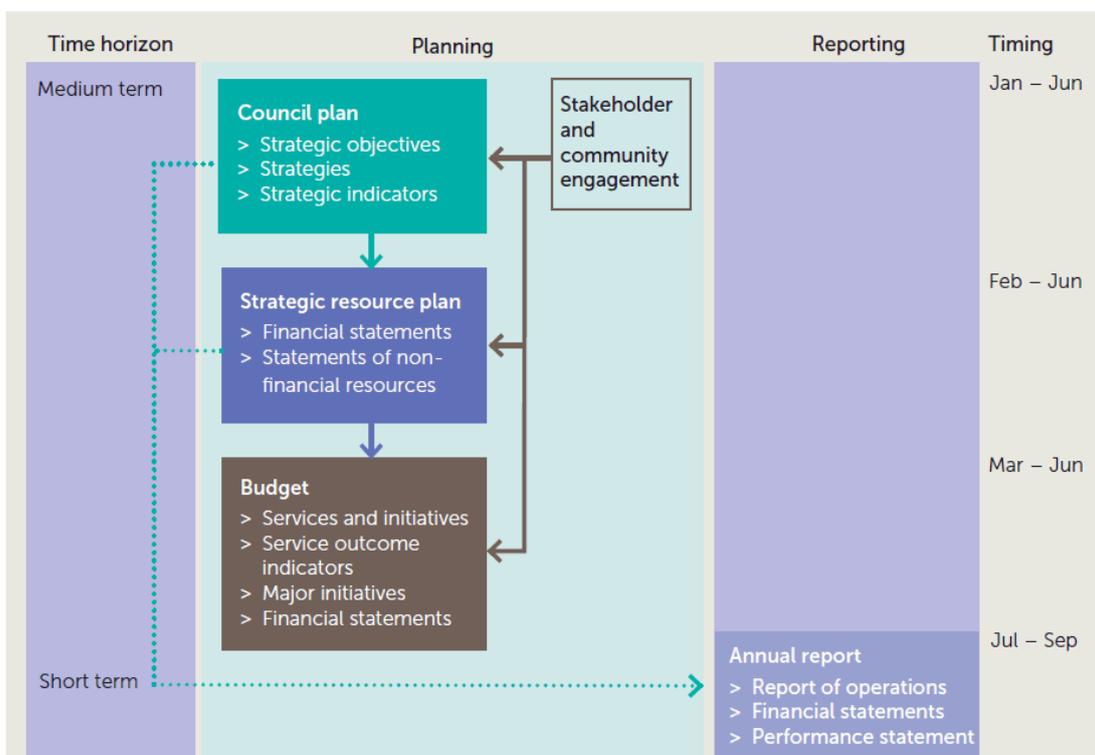
\$7.26 million from external grants.

1 LINKAGE TO THE COUNCIL PLAN

This section describes how the Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Long Term Financial Plan 2016/17 to 2025/26), medium term (Council Plan) and short term (Budget) and then holds itself accountable (Annual Report).

1.1 Strategic planning framework

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



Source: Department of Environment, Land, Water and Planning

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

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 bring a range of additional skills to the region and increase 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 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 seven high level strategic platforms which are priority activities for the Council over the next four 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 and 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 2016/17. They are considered high priority projects in attempting to achieve the strategic platform objectives.

1. LINKAGE TO THE COUNCIL PLAN (Continued)

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.

1.6 Reporting framework

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

1 - Economic development and 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 and 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

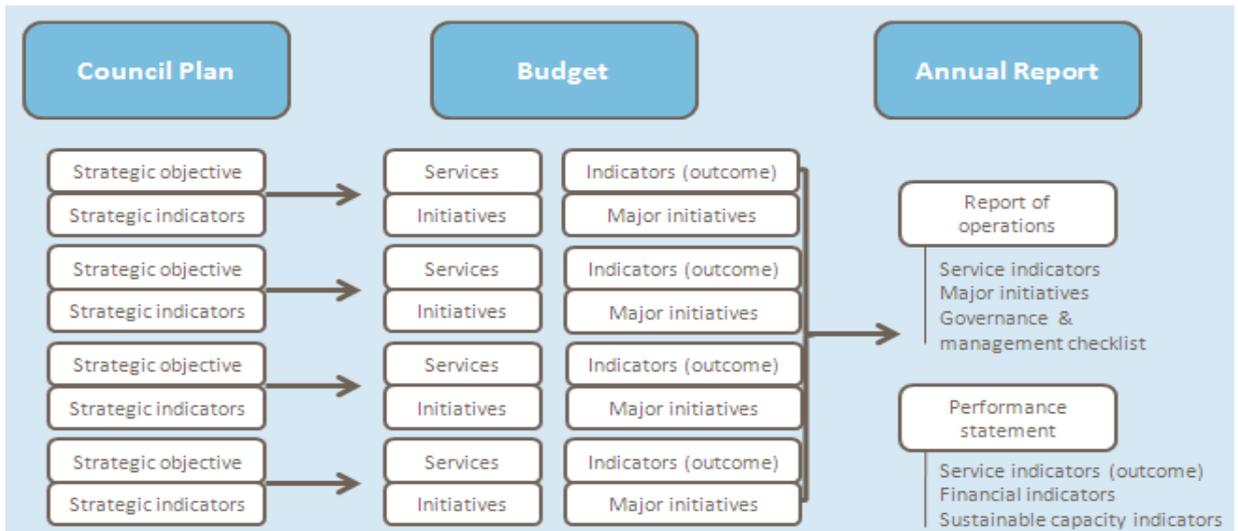
To promote and enhance the natural and built environment for the enjoyment of future generations.

6 - Community services and 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 2016/17 year and how these will contribute to achieving the strategic platforms specified in the Council Plan. It also describes a number of major initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiative, initiatives and service performance outcome indicators in the Budget and report against them in the Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

2.1 Strategic 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 personality
- 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 childcare shortfall
- g) Support volunteer organisations to remain active within the community.

2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic platforms (continued)

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

2.1.4 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 stormwater and wastewater 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 recreational vehicle (RV) friendly towns.

2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic platforms (continued)

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.

2.2 Major initiatives

This section provides a description of the individual key activities and initiatives to be funded in the Budget for 2016/17.

2.2.1 Strategic platform 3

Key priority

Remove the road blocks for new agrifood enterprises or expansion of existing ones.

Initiative	Performance Measure	Data Source	Target
Lobby State Government to remove barriers to agricultural value-adding	Be an active member of the Project Steering Committee for the South West Loddon Water Supply Project	Committee minutes	30 June 2017

2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.2 Major initiatives (continued)

2.2.2 Strategic platform 4

Key priority

Renew the streetscape in our major towns.

Initiative	Performance Measure	Data Source	Target
Wedderburn Streetscape Project	Complete the Wedderburn Streetscape Project	Final payment made to contractor	30 June 2017

2.2.3 Strategic platform 4

Key priority

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

Initiative	Performance Measure	Data Source	Target
Inglewood Town Hall Hub Project	Implement a governance structure for management of the newly developed Inglewood Town Hall Hub	Council minutes	30 June 2017

2.2.4 Strategic platform 6

Key priority

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

Initiative	Performance Measure	Data Source	Target
Find cost-effective ways of delivering services to very small communities	Commence implementation of the service delivery review project	Service delivery review coordinator engaged and project governance structure completed	30 June 2017

2.2.5 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 2017

2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.2 Major initiatives (continued)

2.2.6 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 2017

2.3 Service performance outcome indicators

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

2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.3 Service performance outcome indicators

Indicator	Performance measure	Computation
<i>Libraries</i>		
Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
<i>Aquatic facilities</i>		
Utilisation	Utilisation of aquatic facilities (The number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
<i>Statutory planning</i>		
Decision making	Council planning decisions upheld at VCAT (percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
<i>Waste collection</i>		
Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
<i>Roads</i>		
Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads
<i>Animal management</i>		
Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
<i>Food safety</i>		
Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

2 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 AND TOURISM STRATEGIES	\$180,512	(\$35,000)	\$215,512
111. ECONOMIC DEVELOPMENT	\$174,353	\$0	\$174,353
121. TOURISM	\$181,471	\$0	\$181,471
122. TOURISM INITIATIVES	\$100,650	(\$10,000)	\$110,650
123. CARAVAN PARKS	\$224,346	(\$356,276)	\$580,622
125. LODDON DISC TOURS	\$0	(\$23,208)	\$23,208
131. PROMOTIONAL INITIATIVES	\$15,000	\$0	\$15,000
132. INDUSTRIAL SITES	(\$3,472)	(\$12,000)	\$8,528
141. CONTRIBUTIONS	\$4,510	\$0	\$4,510
142. ECONOMIC DEVELOPMENT	(\$10,579)	(\$18,180)	\$7,601
151. BUILDING CONTROL	(\$36,077)	(\$89,175)	\$53,098
161. COUNCIL RESIDENCES	\$18,333	(\$5,000)	\$23,333
181. STANDPIPES AND TRUCKWASHES	(\$2,791)	(\$43,525)	\$40,734
191. ACQUISITION AND DISPOSAL	(\$280,000)	(\$300,000)	\$20,000
192. CONSTRUCTION / IMPROVE	(\$59,251)	(\$616,251)	\$557,000
211. COUNCILLOR COSTS	\$509,856	\$0	\$509,856
212. EXECUTIVE	\$470,393	\$0	\$470,393
221. LOCAL LAWS	\$230,151	(\$911)	\$231,062
230. DEVELOPMENT SERVICES	\$147,390	\$0	\$147,390
232. COMMUNITY LEADERSHIP	\$17,000	(\$46,432)	\$63,432
251. RECORDS MANAGEMENT	\$104,100	\$0	\$104,100
281. MUN EMERGENCY MAN	\$5,471	(\$6,266)	\$11,737
311. STAFF ONCOSTS	\$1,242,763	(\$94,300)	\$1,337,063
320. TECHNICAL SERVICES	\$582,589	\$0	\$582,589
321. PLANT OPERATING	\$1,590,068	\$0	\$1,590,068
322. FLEET	\$206,504	\$0	\$206,504
331. LOCAL ROADS MAINT	\$1,885,766	\$0	\$1,885,766
333. RESEALS	\$1,238,800	\$0	\$1,238,800
339. ROADS TO RECOVERY	(\$6,194,285)	(\$6,194,285)	\$0
341. MAIN RDS ROUTINE PAVEMENT MAINT	(\$664,591)	(\$1,031,024)	\$366,433
351. LOCAL RD CONSTRUCTION	\$3,537,296	\$0	\$3,537,296
352. LOCAL RD GRAVEL RESHEETS	\$1,065,262	\$0	\$1,065,262
353. LOCAL RD SHOULDER SHEETS	\$531,501	\$0	\$531,501
354. LOCAL BRIDGES/CULVERTS	\$810,500	\$0	\$810,500
356. TOWNSHIP / STREETS IMP	\$548,974	\$0	\$548,974
371. URBAN DRAINAGE WORKS	\$350,000	\$0	\$350,000
381. GRAVEL PITS	(\$80,114)	(\$132,829)	\$52,715
383. DEPOTS	\$406,107	(\$150,000)	\$556,107
384. ROAD OPENINGS	(\$3,934)	(\$9,524)	\$5,590
385. TRAFFIC CONTROL	\$31,500	\$0	\$31,500
386. PRIVATE WORKS	(\$11,228)	(\$37,040)	\$25,813
391. ACQUISITION AND DISPOSAL	\$1,547,630	(\$223,765)	\$1,771,395

2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.4 Services (continued)

Activity	Net cost of activity	Income	Expenditure
410. GOOD MANAGEMENT STRATEGIES	\$47,190	\$0	\$47,190
411. RATES INCOME	(\$8,931,912)	(\$8,931,912)	\$0
421. VGC INCOME	(\$7,891,934)	(\$7,891,934)	\$0
431. INTEREST INCOME	(\$375,000)	(\$375,000)	\$0
432. OTHER INCOME	(\$6,429)	(\$11,619)	\$5,191
434. INFORMATION TECHNOLOGY	\$668,335	\$0	\$668,335
435. PRINTING AND STATIONERY	\$39,300	\$0	\$39,300
436. ADMINISTRATION	\$492,557	(\$100,421)	\$592,978
437. INSURANCE	\$227,372	(\$9,235)	\$236,607
440. FINANCE	\$591,276	\$0	\$591,276
441. CORPORATE SERVICES	\$522,708	\$0	\$522,708
442. OPERATIONS	\$682,911	\$0	\$682,911
443. OCC HEALTH AND SAFETY	\$25,000	\$0	\$25,000
444. ORGANISATIONAL DEVELOPMENT	\$259,454	\$0	\$259,454
450. BUILDING MAINTENANCE	\$105,383	\$0	\$105,383
451. WEDDERBURN OFFICE	\$79,193	\$0	\$79,193
452. SERPENTINE OFFICE	\$48,874	(\$513)	\$49,387
453. BRIC	\$5,010	\$0	\$5,010
454. TELEPHONE CHARGES	\$35,000	\$0	\$35,000
461. RESERVE TRANSFERS	(\$5,209,904)	(\$7,969,926)	\$2,760,022
462. LONG SERVICE LEAVE PROV	\$239,616	\$0	\$239,616
471. SUBSCRIPTIONS, DONATIONS MEMBERSHIPS	\$66,949	\$0	\$66,949
491. ACQUISITION AND DISPOSAL	\$542,500	\$0	\$542,500
511. TIPS	\$331,238	(\$58,511)	\$389,749
512. GARBAGE COLLECTION	(\$431,239)	(\$851,652)	\$420,413
513. RECYCLING	(\$89,744)	(\$299,752)	\$210,008
521. TREE PLANTING	\$9,000	\$0	\$9,000
532. TOWN PLANNING	\$83,534	(\$35,672)	\$119,206
541. HERITAGE AND CULTURE	\$3,000	\$0	\$3,000
561. FIRE PROTECTION	\$32,601	(\$21,203)	\$53,804
582. ENVIRONMENT	\$0	(\$50,000)	\$50,000
592. CONSTRUCTION / IMPROVE	\$150,000	(\$150,000)	\$300,000
610. COMM SERVICES AND REC STRATEGIES	\$545,222	(\$213,333)	\$758,555
611. INFANT WELFARE CENTRES	\$96,438	(\$117,212)	\$213,650
614. PRE-SCHOOL MAINTENANCE	\$21,231	\$0	\$21,231
615. EDUCATION	\$76,464	(\$28,140)	\$104,604
616. BOORT PRE-SCHOOL	\$0	(\$107,645)	\$107,645
617. DINGEE PRE-SCHOOL	(\$728)	(\$114,407)	\$113,679
618. INGLEWOOD PRE-SCHOOL	(\$0)	(\$92,827)	\$92,827
619. WEDDERBURN PRE-SCHOOL	(\$1,123)	(\$101,910)	\$100,787
620. DISABILITY ACCESS PROGRAMS	\$11,000	\$0	\$11,000

2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.4 Services (continued)

Activity	Net cost of activity	Income	Expenditure
621. HEALTH CONTROL	\$87,737	(\$39,955)	\$127,691
622. PYRAMID HILL PRE-SCHOOL	(\$0)	(\$96,923)	\$96,923
623. OTHER HEALTH	\$5,000	\$0	\$5,000
631. HACC SERVICES	(\$144,727)	(\$961,590)	\$816,862
632. COMMUNITY SERVICES	\$219,529	(\$36,480)	\$256,008
633. SENIOR CITIZENS CENTRES	\$5,734	(\$64,379)	\$70,113
634. ELDERLY PERSONS UNITS	(\$13,067)	(\$62,156)	\$49,089
635. HACC ONCOSTS	\$182,420	\$0	\$182,420
636. EXTERNALLY BROKERED SERVICES	(\$31,352)	(\$80,106)	\$48,754
637. LSC PACKAGED CARE PROGRAM	(\$60,682)	(\$404,245)	\$343,563
641. RECREATION AND COMMUNITY DEVELOPMENT	\$312,670	\$0	\$312,670
642. RECREATION RESERVES	\$159,036	\$0	\$159,036
643. SWIMMING POOLS	\$439,274	\$0	\$439,274
644. BEACHES	\$41,763	\$0	\$41,763
645. TOWNSCAPE SERVICES	\$642,438	\$0	\$642,438
649. OTHER RECREATION	\$20,000	\$0	\$20,000
650. MAJOR EVENTS GRANTS	\$20,000	\$0	\$20,000
651. COMMUNITY GRANTS	\$200,000	\$0	\$200,000
652. REGIONAL LIBRARY	\$193,801	\$0	\$193,801
653. PUBLIC HALLS	\$44,194	\$0	\$44,194
655. YOUTH INITIATIVES	\$6,000	(\$53,000)	\$59,000
661. DOMESTIC ANIMALS	\$37,062	(\$43,881)	\$80,944
662. LIVESTOCK	\$35,717	(\$230)	\$35,946
670. COMMUNITY PLAN MANAGER	\$500,000	\$0	\$500,000
671. BOORT COMMUNITY PLANS	\$127,500	\$0	\$127,500
676. WEDDERBURN COMMUNITY PLANS	\$50,000	\$0	\$50,000
677. INGLEWOOD COMMUNITY PLANS	\$134,500	\$0	\$134,500
678. TERRICK COMMUNITY PLANS	\$76,331	\$0	\$76,331
679. TARNAGULLA COMMUNITY PLANS	\$50,000	\$0	\$50,000
681. COMMUNITY PROTECTION	\$16,491	(\$22,267)	\$38,758
682. OTHER COMMUNITY	\$14,492	\$0	\$14,492
690. FUNDED COMMUNITY PROJECTS	\$3,550,000	(\$300,000)	\$3,850,000
691. ACQUISITION AND DISPOSAL	\$15,000	\$0	\$15,000
692. CONSTRUCTION / IMPROVE	\$226,534	\$0	\$226,534
998. (SURPLUS) / DEFICIT C/F	(\$939,453)	(\$939,453)	\$0
Total	(\$63,241)	(\$40,072,480)	\$40,009,239

2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.5 Performance Statement

The service performance indicators details in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2016/17 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor-General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

2.6 Reconciliation with budgeted operating

Activity	Net cost of activity	Income	Expenditure
Economic development and tourism	\$507,006	(\$1,508,615)	\$2,015,621
Leadership	\$1,484,360	(\$53,609)	\$1,537,969
Works and Infrastructure	\$8,621,109	(\$7,872,768)	\$16,493,877
Good management	(\$17,736,551)	(\$25,290,560)	\$7,554,009
Environment	\$88,389	(\$1,466,790)	\$1,555,179
Community services and recreation	\$7,911,897	(\$2,940,685)	\$10,852,583
Deficit before funding sources	\$876,212	(\$39,133,027)	\$40,009,239
Carried forward surplus	(\$939,453)	(\$939,453)	\$0
Total funding sources	(\$939,453)	(\$939,453)	\$0
Surplus for the year	(\$63,241)	(\$40,072,480)	\$40,009,239

3 BUDGETED FINANCIAL STATEMENTS

This section presents information in regards to the Financial Statements and Statement of Human Resources. The budget information for the years 2017/18 to 2019/20 has been extracted from the Strategic Resource Plan.

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

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

3.1 COMPREHENSIVE INCOME STATEMENT FOR THE FOUR YEARS ENDED 30 JUNE 2020

	Forecast 2015/16	Budget 2016/17	Strategic Resource Plan Projections		
			2017/18	2018/19	2019/20
Income					
Rates and charges	\$9,751,869	\$10,083,316	\$10,239,066	\$10,495,042	\$10,757,418
Statutory fees and fines	\$261,446	\$228,451	\$234,162	\$240,016	\$246,017
User fees	\$1,970,479	\$1,569,315	\$2,164,626	\$2,226,782	\$2,290,831
Grants - operating	\$5,687,111	\$9,500,431	\$9,605,876	\$9,781,118	\$10,023,900
Grants - capital	\$6,958,299	\$7,245,536	\$4,241,274	\$6,712,942	\$2,243,422
Contributions - monetary	\$129,114	\$60,000	\$96,000	\$384,000	\$100,000
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	\$1,317,034	\$1,702,287	\$1,518,083	\$1,548,055	\$1,578,753
Total income	\$26,075,352	\$30,389,336	\$28,099,087	\$31,387,955	\$27,240,341
Expenses					
Employee costs	\$10,044,408	\$10,513,098	\$10,581,151	\$10,952,047	\$11,355,671
Materials and services	\$9,342,351	\$9,127,818	\$7,743,102	\$7,965,871	\$8,084,424
Bad and doubtful debts	\$0	\$0	\$0	\$0	\$0
Depreciation and amortisation	\$8,544,033	\$8,757,634	\$8,976,575	\$9,200,992	\$9,431,015
Borrowing costs	\$7,259	\$0	\$0	\$0	\$0
Other expenses	\$286,284	\$299,116	\$299,866	\$308,713	\$315,935
Total expenses	\$28,224,335	\$28,697,666	\$27,600,694	\$28,427,623	\$29,187,045
Surplus/(deficit) for the year	(\$2,148,983)	\$1,691,670	\$498,393	\$2,960,332	(\$1,946,704)
Other comprehensive income					
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
Total comprehensive result	(\$2,148,983)	\$1,691,670	\$498,393	\$2,960,332	(\$1,946,704)

3 BUDGETED FINANCIAL STATEMENTS (Continued)

3.2 BALANCE SHEET FOR THE FOUR YEARS ENDED 30 JUNE 2020

	Forecast Actual 2015/16	Budget 2016/17	Strategic Resource Plan Projections		
			2017/18	2018/19	2019/20
Assets					
Current assets					
Cash and cash equivalents	\$14,417,414	\$8,614,689	\$6,056,438	\$2,940,802	\$3,006,085
Trade and other receivables	\$580,166	\$654,741	\$612,620	\$596,798	\$513,232
Financial assets	\$0	\$0	\$0	\$0	\$0
Inventories	\$102,722	\$97,587	\$92,708	\$88,073	\$83,670
Non-current assets classified as held for sale	\$63,210	\$63,210	\$63,210	\$63,210	\$63,210
Total current assets	\$15,163,512	\$9,430,227	\$6,824,976	\$3,688,883	\$3,666,197
Non-current assets					
Trade & other receivables	\$162,000	\$81,000	\$0	\$0	\$0
Investments in associates and joint ventures	\$354,080	\$354,080	\$354,080	\$354,080	\$354,080
Property, infrastructure, plant and equipment	\$300,063,625	\$316,845,217	\$329,820,992	\$346,179,243	\$355,021,721
Intangible assets	\$1,589,445	\$1,589,445	\$1,589,445	\$1,589,445	\$1,589,445
Total non-current assets	\$302,169,150	\$318,869,742	\$331,764,517	\$348,122,768	\$356,965,246
Total assets	\$317,332,662	\$328,299,969	\$338,589,493	\$351,811,651	\$360,631,443
Liabilities					
Current liabilities					
Trade and other payables	\$521,797	\$462,261	\$405,929	\$425,201	\$431,700
Trust funds and deposits	\$310,051	\$294,548	\$279,821	\$265,830	\$252,539
Provisions	\$2,310,719	\$2,373,223	\$2,436,532	\$2,499,841	\$2,568,314
Interest bearing loans and borrowings	\$0	\$0	\$0	\$0	\$0
Total current liabilities	\$3,142,567	\$3,130,032	\$3,122,282	\$3,190,872	\$3,252,553
Non-current liabilities					
Provisions	\$2,517,111	\$2,801,476	\$3,093,102	\$3,389,813	\$3,707,353
Interest bearing loans and borrowings	\$0	\$0	\$0	\$0	\$0
Total non-current liabilities	\$2,517,111	\$2,801,476	\$3,093,102	\$3,389,813	\$3,707,353
Total liabilities	\$5,659,678	\$5,931,508	\$6,215,384	\$6,580,685	\$6,959,906
NET ASSETS	\$311,672,984	\$322,368,461	\$332,374,109	\$345,230,966	\$353,671,537
Equity					
Accumulated surplus	\$98,489,394	\$105,390,970	\$105,611,808	\$108,357,417	\$105,329,150
Asset revaluation reserve	\$202,731,099	\$211,734,904	\$221,242,157	\$231,138,683	\$241,525,957
Other reserves	\$10,452,491	\$5,242,587	\$5,520,144	\$5,734,866	\$6,816,430
TOTAL EQUITY	\$311,672,984	\$322,368,461	\$332,374,109	\$345,230,966	\$353,671,537

3 BUDGETED FINANCIAL STATEMENTS (Continued)

3.3 STATEMENT OF CHANGES IN EQUITY FOR THE FOUR YEARS ENDED 30 JUNE 2020

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2016				
Balance at beginning of the financial year	\$305,198,520	\$94,554,886	\$194,107,652	\$16,535,982
Surplus/ (deficit) for the year	\$2,148,983	\$2,148,983	\$0	\$0
Net asset revaluation increment / (decrement)	\$8,623,447	\$0	\$8,623,447	\$0
Transfer to other reserves	\$0	(\$7,516,394)	\$0	\$7,516,394
Transfer from other reserves	\$0	\$13,599,885	\$0	(\$13,599,885)
Balance at end of financial year	\$315,970,950	\$102,787,360	\$202,731,099	\$10,452,491

2017				
Balance at beginning of the financial year	\$311,672,984	\$98,489,394	\$202,731,099	\$10,452,491
Surplus/ (deficit) for the year	(\$1,691,670)	(\$1,691,670)	\$0	\$0
Net asset revaluation increment / (decrement)	\$9,003,805	\$0	\$9,003,805	\$0
Transfer to other reserves	\$0	(\$2,760,022)	\$0	\$2,760,022
Transfer from other reserves	\$0	\$7,969,926	\$0	(\$7,969,926)
Balance at end of financial year	\$318,985,121	\$102,007,630	\$211,734,904	\$5,242,587

2018				
Balance at beginning of the financial year	\$318,985,121	\$102,007,630	\$211,734,904	\$5,242,587
Surplus/ (deficit) for the year	(\$498,393)	(\$498,393)	\$0	\$0
Net asset revaluation increment / (decrement)	\$9,507,253	\$0	\$9,507,253	\$0
Transfer to other reserves	\$0	(\$2,183,761)	\$0	\$2,183,761
Transfer from other reserves	\$0	\$1,906,204	\$0	(\$1,906,204)
Balance at end of financial year	\$327,993,983	\$101,231,682	\$221,242,157	\$5,520,144

2019				
Balance at beginning of the financial year	\$327,993,983	\$101,231,682	\$221,242,157	\$5,520,144
Surplus/ (deficit) for the year	(\$2,960,332)	(\$2,960,332)	\$0	\$0
Net asset revaluation increment / (decrement)	\$9,896,526	\$0	\$9,896,526	\$0
Transfer to other reserves	\$0	(\$2,189,972)	\$0	\$2,189,972
Transfer from other reserves	\$0	\$1,975,250	\$0	(\$1,975,250)
Balance at end of financial year	\$334,930,176	\$98,056,627	\$231,138,683	\$5,734,866

2020				
Balance at beginning of the financial year	\$334,930,176	\$98,056,627	\$231,138,683	\$5,734,866
Surplus/ (deficit) for the year	\$1,946,704	\$1,946,705	\$0	\$0
Net asset revaluation increment / (decrement)	\$10,387,274	\$0	\$10,387,274	\$0
Transfer to other reserves	\$0	(\$2,230,244)	\$0	\$2,230,244
Transfer from other reserves	\$0	\$1,148,680	\$0	(\$1,148,680)
Balance at end of financial year	\$347,264,155	\$98,921,768	\$241,525,957	\$6,816,430

3 BUDGETED FINANCIAL STATEMENTS (Continued)

3.4 STATEMENT OF CASH FLOWS FOR THE FOUR YEARS ENDED 30 JUNE 2020

	Forecast Actual 2015/16	Budget 2016/17	Strategic Resource Plan Projections		
			2017/18	2018/19	2019/20
Cash flows from operating activities					
Receipts					
Rates and charges	\$9,770,588	\$10,087,723	\$10,257,970	\$10,497,241	\$10,762,024
Statutory fees and fines	\$323,413	\$232,563	\$238,843	\$244,337	\$251,551
User fees	\$2,269,939	\$1,606,246	\$2,195,898	\$2,265,503	\$2,340,972
Grants - operating	\$5,813,194	\$9,596,555	\$9,795,165	\$9,947,914	\$10,250,262
Grants - capital	\$8,551,968	\$7,370,211	\$4,386,185	\$6,784,341	\$2,383,290
Contributions - monetary	\$129,114	\$60,000	\$96,000	\$384,000	\$100,000
Interest received	\$481,533	\$375,000	\$429,261	\$431,407	\$433,564
Trust funds and deposits taken	\$0	\$0	\$0	\$0	\$0
Other receipts	\$1,042,121	\$1,351,179	\$1,110,600	\$1,136,747	\$1,170,957
Net GST refund/payment	\$1,555,303	\$1,231,162	\$1,242,273	\$1,253,384	\$1,264,495
Operating receipts	\$29,937,173	\$31,910,639	\$29,752,195	\$32,944,874	\$28,957,115
Payments					
Employee costs	(\$10,435,750)	(\$10,274,507)	(\$10,340,449)	(\$10,712,543)	(\$11,096,803)
Materials and services	(\$10,379,635)	(\$10,673,817)	(\$9,291,307)	(\$9,443,545)	(\$9,579,586)
Trust funds and deposits repaid	(\$16,318)	(\$15,503)	(\$14,727)	(\$13,991)	(\$13,291)
Other payments	(\$288,450)	(\$299,116)	(\$299,866)	(\$308,713)	(\$315,935)
Operating payments	(\$21,120,153)	(\$21,262,943)	(\$19,946,349)	(\$20,478,792)	(\$21,005,615)
Net cash provided by/(used in) operating activities	\$8,817,020	\$10,647,696	\$9,805,846	\$12,466,082	\$7,951,500
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(\$12,954,009)	(\$17,309,186)	(\$12,593,756)	(\$16,016,842)	(\$7,999,691)
Proceeds from sales of property, infrastructure, plant and equipment	\$354,777	\$773,765	\$148,659	\$354,125	\$113,472
Decrease in term deposits	\$6,916,596	\$0	\$0	\$0	\$0
Payments of loans and advances	\$93,800	\$85,000	\$81,000	\$81,000	\$0
Net cash provided by/(used in) investing activities	(\$5,588,836)	(\$16,450,421)	(\$12,364,097)	(\$15,581,717)	(\$7,886,219)
Cash flows from financing activities					
Finance costs	(\$7,259)	\$0	\$0	\$0	\$0
Proceeds from borrowings	\$0	\$0	\$0	\$0	\$0
Repayment of borrowings	(\$131,125)	\$0	\$0	\$0	\$0
Net cash provided by (used in) financing activities	(\$138,384)	\$0	\$0	\$0	\$0
Net increase/(decrease) in cash and cash equivalents	\$3,089,800	(\$5,802,725)	(\$2,558,251)	(\$3,115,635)	\$65,281
Cash and cash equivalents at the beginning of the year	\$11,327,614	\$14,417,414	\$8,614,689	\$6,056,438	\$2,940,803
Cash and cash equivalents at the end of the year	\$14,417,414	\$8,614,689	\$6,056,438	\$2,940,803	\$3,006,084

3 BUDGETED FINANCIAL STATEMENTS (Continued)

3.5 STATEMENT OF CAPITAL WORKS FOR THE FOUR YEARS ENDED 30 JUNE 2020

	Forecast Actual 2015/16	Budget 2016/17	Strategic Resource Plan Projections		
			2017/18	2018/19	2019/20
Capital works areas					
Carried forward works from previous years	\$4,993,928	\$6,100,965	\$0	\$0	\$0
Land and buildings	\$412,516	\$680,000	\$400,000	\$400,000	\$400,000
Office furniture and equipment	\$102,500	\$69,500	\$367,500	\$72,500	\$67,500
Plant and equipment	\$2,388,629	\$1,753,895	\$1,075,859	\$1,597,875	\$667,652
Footpaths	\$120,532	\$548,974	\$235,493	\$219,576	\$217,015
Roadworks	\$3,602,393	\$6,770,852	\$4,179,904	\$4,303,891	\$4,162,524
Urban and road drainage	\$427,900	\$350,000	\$2,550,000	\$5,250,000	\$350,000
Recreation, leisure and community facilities	\$786,340	\$685,000	\$1,050,000	\$2,713,000	\$370,000
Parks, open space and streetscapes	\$119,271	\$350,000	\$2,735,000	\$1,460,000	\$1,765,000
Other infrastructure	\$0	\$0	\$0	\$0	\$0
Total capital works	\$12,954,009	\$17,309,186	\$12,593,756	\$16,016,842	\$7,999,691
Represented by:					
New asset expenditure	\$3,079,327	\$2,802,895	\$1,075,859	\$1,597,875	\$667,652
Asset renewal expenditure	\$3,119,427	\$9,083,826	\$3,529,366	\$3,419,098	\$3,396,510
Asset expansion expenditure	\$3,125,328	\$2,085,965	\$4,585,000	\$7,560,000	\$1,450,000
Asset upgrade expenditure	\$3,629,927	\$3,336,500	\$3,403,531	\$3,439,869	\$2,485,529
Total capital works expenditure	\$12,954,009	\$17,309,186	\$12,593,756	\$16,016,842	\$7,999,691

	Forecast Actual 2015/16	Budget 2016/17	Strategic Resource Plan Projections		
			2017/18	2018/19	2019/20
Expenditure type					
Labour	\$327,374	\$269,016	\$317,159	\$330,486	\$373,119
Oncost	\$180,700	\$190,496	\$261,656	\$272,245	\$283,258
Plant	\$640,219	\$582,231	\$662,154	\$683,376	\$712,182
Creditors	\$5,692,266	\$8,921,145	\$4,800,691	\$3,263,616	\$2,372,100
Contractors	\$6,113,450	\$7,346,298	\$6,552,096	\$11,467,119	\$4,259,032
Total capital works expenditure	\$12,954,009	\$17,309,186	\$12,593,756	\$16,016,842	\$7,999,691

3 BUDGETED FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES FOR THE FOUR YEARS ENDED 30 JUNE 2020

	Forecast Actual 2015/16	Budget 2016/17	Strategic Resource Plan Projections		
			2017/18	2018/19	2019/20
Staff expenditure					
Employee labour - operating	\$9,121,662	\$9,520,459	\$9,540,442	\$9,871,833	\$10,236,382
Employee labour - capital	\$327,374	\$269,016	\$317,159	\$330,486	\$373,119
Total staff expenditure*	\$9,449,036	\$9,789,475	\$9,857,601	\$10,202,319	\$10,609,501
Staff numbers EFT**	EFT	EFT	EFT	EFT	EFT
Employees	132.74	132.74	132.74	132.74	132.74
Total staff numbers EFT	132.74	132.74	132.74	132.74	132.74

* Excludes employee oncost

** Equivalent Full Time

A summary of human resources expenditure categories according to the organisation structure of Council is included below:

Department	Budget 2016/17	Permanent Full Time	Permanent Part Time
Staff cost			
Economic development and tourism	\$640,143	\$364,319	\$275,824
Leadership	\$227,783	\$175,688	\$52,095
Works and infrastructure	\$3,290,940	\$3,290,940	\$0
Good management	\$2,838,634	\$1,766,931	\$1,071,703
Environment	\$360,284	\$183,169	\$177,115
Community services and recreation	\$3,422,380	\$1,012,269	\$2,410,111
Total permanent staff expenditure	\$10,780,164	\$6,793,316	\$3,986,848
Casuals and other expenditure	\$0		
Capitalised labour costs	\$269,016		
Total expenditure	\$11,049,180		

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

Department	Budget 2016/17	Permanent Full Time	Permanent Part Time
Staff cost			
Economic development and tourism	5.91	3.00	2.91
Leadership	2.57	2.00	0.57
Works and infrastructure	44.00	44.00	0.00
Good management	27.53	15.00	12.53
Environment	4.18	2.00	2.18
Community services and recreation	43.55	11.00	32.55
Total permanent staff expenditure	127.74	77.00	50.74
Casuals and other expenditure	0.00		
Capitalised labour costs	5.00		
Total expenditure	132.74		

3 BUDGETED FINANCIAL STATEMENTS (Continued)

**3.7 STATEMENT OF RESERVES
 FOR THE FOUR YEARS ENDED 30 JUNE 2020**

	Forecast Actual 2015/16	Budget 2016/17	Strategic Resource Plan Projections		
			2017/18	2018/19	2019/20
Discretionary					
Land and buildings reserve	\$248,400	\$563,400	\$468,400	\$503,400	\$503,400
Professional development reserve	\$61,946	\$69,946	\$81,946	\$91,946	\$101,946
Unspent grants reserve	\$2,700,000	\$0	\$0	\$0	\$0
Capital expenditure reserve	\$2,030,000	\$0	\$0	\$0	\$0
Rates reserve	\$229,206	\$0	\$0	\$0	\$0
Information technology reserve	\$1,050,197	\$888,697	\$621,197	\$701,697	\$787,197
Valuations reserve	\$116,068	\$161,068	\$169,568	\$131,568	\$226,568
Units reserve	\$58,536	\$66,456	\$74,307	\$82,073	\$89,739
Economic development reserve	\$146,772	\$116,013	\$141,023	\$186,023	\$231,023
Skinner's flat reserve	\$18,503	\$18,503	\$18,503	\$18,503	\$18,503
Community planning reserve	\$188,331	\$0	\$0	\$0	\$0
Plant replacement reserve	\$679,742	\$214,916	\$491,374	\$277,955	\$973,561
Fleet replacement reserve	\$433,600	\$519,296	\$393,413	\$520,986	\$499,591
GSP restoration reserve	\$644,413	\$721,359	\$901,430	\$1,034,736	\$1,171,346
Urban drainage reserve	\$316,127	\$316,127	\$316,127	\$316,127	\$316,127
Landfill rehabilitation reserve	\$263,527	\$297,147	\$329,907	\$363,097	\$396,287
Lake Boort water reserve	\$7,395	\$7,395	\$7,395	\$7,395	\$7,395
Reserves improvement reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Caravan park development reserve	\$68,366	\$90,902	\$84,090	\$77,896	\$72,283
Superannuation liability reserve	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Unspent contributions reserve	\$0	\$0	\$0	\$0	\$0
War memorial reserve	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Heritage loan scheme reserve	\$72,610	\$72,610	\$72,610	\$72,610	\$72,610
Major projects reserve	\$15,752	\$15,752	\$15,752	\$15,752	\$15,752
Total discretionary reserves	\$10,452,491	\$5,242,587	\$5,290,042	\$5,504,764	\$6,586,328

4 FINANCIAL PERFORMANCE INDICATORS

Indicator	Measure	Notes	Actual	Project Actual	Budget	Strategic Resource Plan Projections			Trend
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	+ / O / -
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	10.82%	-22.28%	1.98%	-8.50%	-9.47%	-9.49%	+/-
Liquidity									
Working capital	Current assets / Current liabilities	2	587.88%	482.52%	301.28%	218.59%	115.61%	112.72%	-
Unrestricted cash	Unrestricted cash / Current liabilities		53.70%	54.46%	33.04%	-53.06%	-158.99%	-189.89%	-
Obligations									
Loan and borrowings	Loans and borrowings / Rate revenue	3	1.43%	0.00%	0.00%	0.00%	0.00%	0.00%	O
Loan and borrowings	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue		1.57%	0.00%	0.00%	0.00%	0.00%	0.00%	O
Indebtedness	Non-current liabilities / Own source revenue		16.94%	18.92%	20.62%	21.85%	23.36%	24.93%	O
Asset renewal	Asset renewal expenses / Asset depreciation	4	42.47%	36.51%	103.72%	39.32%	37.16%	36.01%	O
Stability									
Rates concentration	Rates revenue / Adjusted underlying revenue	5	30.88%	42.25%	34.44%	40.25%	40.42%	40.35%	O
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.57%	0.60%	0.58%	0.58%	0.59%	0.61%	O
Efficiency									
Expenditure level	Total expenses / No. of property assessments		\$3,410	\$3,678	\$3,723	\$3,580	\$3,688	\$3,786	O
Revenue level	Residential rate revenue / No. of residential property assessments		\$889	\$969	\$935	\$949	\$973	\$997	O
Workforce turnover	No. of permanent staff resignations and terminations / Average no. of permanent staff for the financial year		8.18%	7.53%	7.53%	7.53%	7.53%	7.53%	O

4 FINANCIAL PERFORMANCE INDICATORS (Continued)

Key to Forecast Trend:

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

Notes to indicators

1 Adjusted underlying result - An indicator of the sustainable operating result required to enable Council to continue 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 represented by current liabilities. Working capital is forecast to increase in future years as cash and cash equivalents increase.

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

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

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

5 OTHER BUDGET INFORMATION

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

This section includes the following statements and reports:

- 5.1 Grants operating
- 5.2 Grants capital
- 5.3 Statement of borrowings

5.1 Grants - operating (\$3.78 million increase)

Operating Grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall the level of operating grants is projected to increase by 66.2% or \$3.78 million in 2016/17. This is due to the 50% upfront payment of the Victorian Grants Commission funding in 2015/16 which results in a variance of \$3.87 million. Significant grant funding sources are summarised below:

Operating grants	Forecast 2015/16	Budget 2016/17	Variance
Recurrent - Commonwealth Government			
Victorian Grants Commission - local roads	\$1,762,116	\$3,469,255	\$1,707,139
Victorian Grants Commission - general	\$2,264,736	\$4,422,679	\$2,157,943
Recurrent - State Government			
Emergency management	\$45,275	\$0	(\$45,275)
State emergency service	\$12,853	\$12,853	\$0
School crossings	\$9,184	\$9,414	\$230
Regional living expo funding	\$10,000	\$0	(\$10,000)
Drum Muster	\$5,253	\$5,384	\$131
Fire Services Property Levy	\$39,261	\$40,421	\$1,160
HACC services	\$783,734	\$809,475	\$25,741
Maternal and child health	\$118,712	\$117,212	(\$1,500)
Weed management	\$75,000	\$50,000	(\$25,000)
Fire protection	\$0	\$5,863	\$5,863
Pre-schools	\$364,640	\$435,412	\$70,772
Senior citizens	\$47,696	\$48,823	\$1,127
Tobacco reform	\$4,751	\$4,306	(\$445)
Youth initiatives	\$53,000	\$53,000	\$0
Total recurrent grants	\$5,596,211	\$9,484,097	\$3,887,886
Non-recurrent State Government			
Strategies and plans	\$17,900	\$13,333	(\$4,567)
Tourism promotion	\$3,000	\$3,000	\$0
ANZAC projects	\$30,000	\$0	(\$30,000)
Flood prevention	\$29,750	\$0	(\$29,750)
Drought programs	\$40,000	\$0	(\$40,000)
Total non-recurrent grants	\$120,650	\$16,333	(\$104,317)
Total operating grants	\$5,716,861	\$9,500,430	\$3,783,569

5 OTHER BUDGET INFORMATION (Continued)

5.2 Grants - capital (\$0.32 million increase)

Capital Grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Capital grants are projected to increase by 4.4% or \$0.32 million in 2016/17. Significant grant funding sources are summarised below:

Grant funding types	Forecast 2015/16	Budget 2016/17	Variance
Recurrent - Commonwealth Government			
Roads to Recovery	\$4,064,446	\$6,194,285	\$2,129,839
Recurrent - State Government			
Nil	\$0	\$0	\$0
Total - recurrent capital grants	\$4,064,446	\$6,194,285	\$2,129,839
Non-recurrent - Commonwealth Government			
Nil	\$0	\$0	\$0
Non-recurrent - State Government			
Rivers and foreshores	\$531,540	\$300,000	(\$231,540)
Tip and landfill works	\$0	\$150,000	\$150,000
Community centres	\$915,595	\$0	(\$915,595)
Industrial estates	\$20,500	\$401,251	\$380,751
Environmental projects	\$40,000	\$0	(\$40,000)
Playground facilities	\$3,000	\$0	(\$3,000)
Swimming pools	\$117,381	\$200,000	\$82,619
Sporting facilities	\$512,851	\$0	(\$512,851)
Streetscape projects	\$723,236	\$0	(\$723,236)
Total - non-recurrent capital grants	\$2,864,103	\$1,051,251	(\$1,812,852)
Total - capital grants	\$6,928,549	\$7,245,536	\$316,987

There is major increase of \$2.13 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 2015/16 financial year or under construction. These include halls and community centres of \$0.92M, sporting facilities of \$0.51M and streetscape projects of \$0.72M.

5.3 Statement of borrowings

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

Borrowings	Forecast 2015/16	Budget 2016/17
Total amount borrowed as at 30 June of the prior year	\$131,145	\$0
Total amount to be borrowed	\$0	\$0
Total amount projected to be redeemed	(\$131,145)	\$0
Total amount proposed to be borrowed as at 30 June	\$0	\$0

6 DETAILED LIST OF CAPITAL WORKS

This section presents a listing of the capital works projects that will be undertaken for the 2016/17 year.

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

- new works for 2016/17
- works carried forward from the 2015/16 year.

6.1 New works by asset expenditure type

Capital works area	Project cost	Asset expenditure types			
		New	Renewal	Upgrade	Expansion
Property					
Land	\$0	\$0	\$0	\$0	\$0
Land improvements	\$91,310	\$30,000	\$61,310	\$0	\$0
Total land	\$91,310	\$30,000	\$61,310	\$0	\$0
Buildings	\$41,500	\$0	\$0	\$0	\$41,500
Building improvements	\$547,190	\$0	\$547,190	\$0	\$0
Total buildings	\$588,690	\$0	\$547,190	\$0	\$41,500
Total property	\$680,000	\$30,000	\$608,500	\$0	\$41,500
Plant and equipment					
Plant, machinery and equipment	\$1,753,895	\$1,753,895	\$0	\$0	\$0
Computers and telecommunications	\$67,000	\$2,000	\$65,000	\$0	\$0
Fixtures fittings and furniture	\$2,500	\$0	\$2,500	\$0	\$0
Total plant and equipment	\$1,823,395	\$1,755,895	\$67,500	\$0	\$0
Infrastructure					
Roads	\$6,258,352	\$0	\$6,258,352	\$0	\$0
Bridges	\$512,500	\$0	\$512,500	\$0	\$0
Footpaths	\$548,974	\$0	\$548,974	\$0	\$0
Drainage	\$350,000	\$0	\$0	\$350,000	\$0
Recreation leisure and community facilities	\$685,000	\$0	\$190,000	\$295,000	\$200,000
Parks, open space and streetscapes	\$350,000	\$0	\$100,000	\$250,000	\$0
Other infrastructure	\$0	\$0	\$0	\$0	\$0
Total infrastructure	\$8,704,826	\$0	\$7,609,826	\$895,000	\$200,000
Total new works	\$11,208,221	\$1,785,895	\$8,285,826	\$895,000	\$241,500

6 DETAILED LIST OF CAPITAL WORKS (Continued)

6.2 New works by funding source

Capital works area	Project cost	Funding sources			
		Grants	Reserves	Council funded	Sale of assets
Property					
Land	\$0	\$0	\$0	\$0	\$0
Land improvements	\$91,310	\$0	\$20,000	\$71,310	\$0
Total land	\$91,310	\$0	\$20,000	\$71,310	\$0
Buildings	\$41,500	\$0	\$0	\$41,500	\$0
Building improvements	\$547,190	\$0	\$0	\$547,190	\$0
Total buildings	\$588,690	\$0	\$0	\$588,690	\$0
Total property	\$680,000	\$0	\$20,000	\$660,000	\$0
Plant and equipment					
Plant, machinery and equipment	\$1,753,895	\$0	\$1,520,130	\$10,000	\$223,765
Computers and telecommunications	\$67,000	\$0	\$67,000	\$0	\$0
Fixtures fittings and furniture	\$2,500	\$0	\$2,500	\$0	\$0
Total plant and equipment	\$1,823,395	\$0	\$1,589,630	\$10,000	\$223,765
Infrastructure					
Roads	\$6,258,352	\$4,051,597	\$0	\$2,206,755	\$0
Bridges	\$512,500	\$512,500	\$0	\$0	\$0
Footpaths	\$548,974	\$234,554	\$0	\$314,420	\$0
Drainage	\$350,000	\$350,000	\$0	\$0	\$0
Recreation leisure and community facilities	\$685,000	\$213,333	\$45,000	\$426,667	\$0
Parks, open space and streetscapes	\$350,000	\$0	\$0	\$350,000	\$0
Other infrastructure	\$0	\$0	\$0	\$0	\$0
Total infrastructure	\$8,704,826	\$5,361,984	\$45,000	\$3,297,842	\$0
Total new works	\$11,208,221	\$5,361,984	\$1,654,630	\$3,967,842	\$223,765

6 DETAILED LIST OF CAPITAL WORKS (Continued)

6.3 Works carried forward from the 2015/16 year by asset expenditure type

Capital works area	Project cost	Asset expenditure types			
		New	Renewal	Upgrade	Expansion
Property					
Land	\$0	\$0	\$0	\$0	\$0
Land improvements	\$557,000	\$557,000	\$0	\$0	\$0
Total land	\$557,000	\$557,000	\$0	\$0	\$0
Buildings	\$550,000	\$300,000	\$0	\$0	\$250,000
Building improvements	\$255,000	\$160,000	\$0	\$50,000	\$45,000
Total buildings	\$805,000	\$460,000	\$0	\$50,000	\$295,000
Total property	\$1,362,000	\$1,017,000	\$0	\$50,000	\$295,000
Plant and equipment					
Plant, machinery and equipment	\$0	\$0	\$0	\$0	\$0
Computers and telecommunications	\$500,000	\$0	\$500,000	\$0	\$0
Fixtures fittings and furniture	\$0	\$0	\$0	\$0	\$0
Total plant and equipment	\$500,000	\$0	\$500,000	\$0	\$0
Infrastructure					
Roads	\$847,634	\$0	\$0	\$847,634	\$0
Bridges	\$298,000	\$0	\$298,000	\$0	\$0
Footpaths	\$0	\$0	\$0	\$0	\$0
Drainage	\$0	\$0	\$0	\$0	\$0
Recreation leisure and community facilities	\$516,331	\$0	\$0	\$16,331	\$500,000
Parks, open space and streetscapes	\$2,577,000	\$0	\$0	\$277,000	\$2,300,000
Other infrastructure	\$0	\$0	\$0	\$0	\$0
Total infrastructure	\$4,238,965	\$0	\$298,000	\$1,140,965	\$2,800,000
Total carried forward works	\$6,100,965	\$1,017,000	\$798,000	\$1,190,965	\$3,095,000

6 DETAILED LIST OF CAPITAL WORKS (Continued)

6.3 Works carried forward from the 2015/16 year by funding source

Capital works area	Project cost	Funding sources			
		Grants	Reserves	Council funded	Sale of assets
Property					
Land	\$0	\$0	\$0	\$0	\$0
Land improvements	\$557,000	\$401,251	\$155,749	\$0	\$0
Total land	\$557,000	\$401,251	\$155,749	\$0	\$0
Buildings	\$550,000	\$150,000	\$400,000	\$0	\$0
Building improvements	\$255,000	\$0	\$255,000	\$0	\$0
Total buildings	\$805,000	\$150,000	\$655,000	\$0	\$0
Total property	\$1,362,000	\$551,251	\$810,749	\$0	\$0
Plant and equipment					
Plant, machinery and equipment	\$0	\$0	\$0	\$0	\$0
Computers and telecommunications	\$500,000	\$0	\$500,000	\$0	\$0
Fixtures fittings and furniture	\$0	\$0	\$0	\$0	\$0
Total plant and equipment	\$500,000	\$0	\$500,000	\$0	\$0
Infrastructure					
Roads	\$847,634	\$847,634	\$0	\$0	\$0
Bridges	\$298,000	\$198,000	\$100,000	\$0	\$0
Footpaths	\$0	\$0	\$0	\$0	\$0
Drainage	\$0	\$0	\$0	\$0	\$0
Recreation leisure and community facilities	\$516,331	\$300,000	\$216,331	\$0	\$0
Parks, open space and streetscapes	\$2,577,000	\$0	\$2,577,000	\$0	\$0
Other infrastructure	\$0	\$0	\$0	\$0	\$0
Total infrastructure	\$4,238,965	\$1,345,634	\$2,893,331	\$0	\$0
Total carried forward works	\$6,100,965	\$1,896,885	\$4,204,080	\$0	\$0

7 RATES AND CHARGES

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

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for 33.2% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the *Fair Go Rates System (FGRS)* which sets out the maximum amount councils may increase rates in a year. For 2016/17 the FGRS cap has been set at 2.5%. The cap applies to general rates and municipal charges and is calculated on the basis of Council's average rates and charges.

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

In order to achieve Council's objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.5% in line with the rate cap. The kerbside and recycling collection charges will also increase by 2.5%. This will raise total rates and charges for 2016/17 of \$10.09 million.

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

Type or class of land	2015/16 cents/\$CIV	2016/17 cents/\$CIV	Change
General	0.5069	0.4892	-3.5%
Rural	0.4512	0.4355	-3.5%

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

Type or class of land	2015/16 \$	2016/17 \$	Change
General	2,305,882	2,491,942	8.1%
Rural	5,232,151	5,307,433	1.4%
Total amount to be raised by rates	7,538,033	7,799,375	3.5%

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

Type or class of land	2015/16 number	2016/17 number	Change
General	3,867	4,146	7.2%
Rural	3,806	3,563	-6.4%
Total number of assessments	7,673	7,709	0.5%

Note: An audit of properties eligible to be rated as rural properties was undertaken in 2015/16 resulting in a significant shift in the number of properties from rural to general.

7.1.4 The basis of valuation

Basis of valuation is the Capital Improved Value (CIV).

7 RATES AND CHARGES (Continued)

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

Type or class of land	2015/16 \$	2016/17 \$	Change
General	454,898,700	509,344,700	12.0%
Rural	1,159,608,000	1,218,750,500	5.1%
Total value of land	1,614,506,700	1,728,095,200	7.0%

7.1.6 The municipal charge under Section 159 of the Act compared with the previous financial year

Type of charge	Per rateable property 2015/16 \$	Per rateable property 2016/17 \$	Change
Municipal	198	203	2.5%

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

Type of charge	2015/16 \$	2016/17 \$	Change
Municipal	1,094,544	1,132,537	3.5%

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

Type of charge	Per rateable property 2015/16 \$	Per rateable property 2016/17 \$	Change
Garbage collection 140 litre	230	236	2.6%
Garbage collection 240 litre	312	320	2.6%
Kerbside recycling 240 litre	87	89	2.3%
Total	629	645	2.5%

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

Type of charge	2015/16 \$	2016/17 \$	Change
Garbage charge	791,578	851,652	7.6%
Kerbside recycling charge	277,443	299,752	8.0%
Total	1,069,021	1,151,404	7.7%

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

	2015/16 \$	2016/17 \$	Change
General rates	7,538,033	7,799,375	3.5%
Municipal charge	1,094,544	1,132,537	3.5%
Garbage and kerbside recycling charge	1,069,021	1,151,404	7.7%
Total rates and charges	9,701,598	10,083,316	3.9%

7 RATES AND CHARGES (Continued)

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

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

- the making of supplementary valuations
- the variation of returned levels of value (e.g. valuation objections)
- changes in use of land such that rateable land becomes non-rateable land and visa versa
- changes in use of land such that general rateable land becomes rural rateable land and vice versa.

7.2 Differential rates

7.2.1 Rates to be levied

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.

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

- a general rate of 0.4892 cents in the dollar of CIV for all rateable general properties
- a rural rate of 0.4355 cents in the dollar of CIV for all rateable rural properties.

Each differential rate will be determined by multiplying the Capital Improved Value of the rateable land by the relevant cents in the dollar indicated above.

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.

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.

BUDGET ANALYSIS

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

This section includes the following analysis and information:

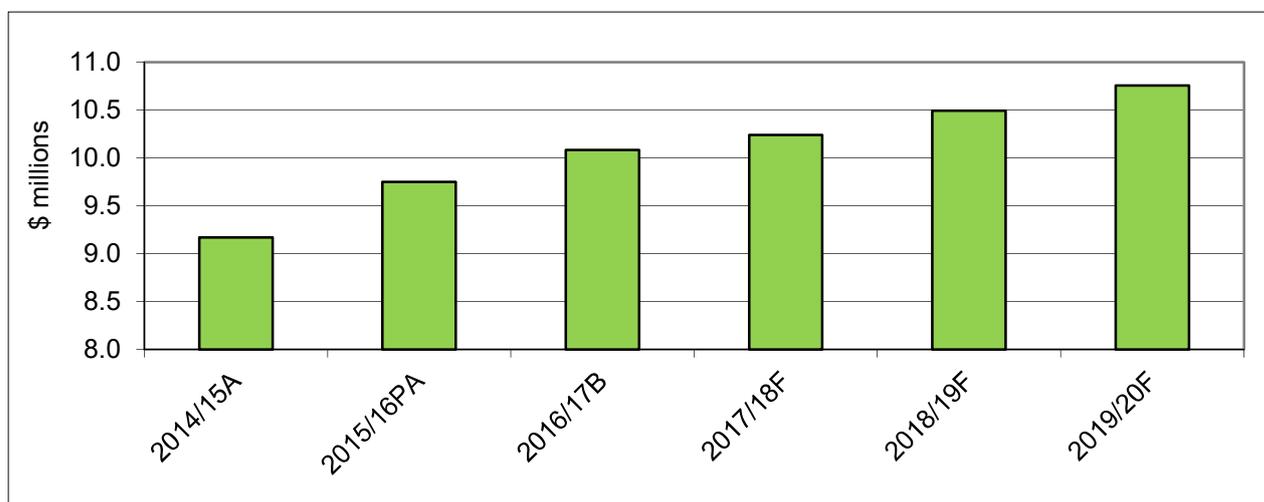
- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Summary of other strategies
- 16 Rating strategy

8 SUMMARY OF FINANCIAL POSITION

Council has prepared a Budget for the 2016/17 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

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).

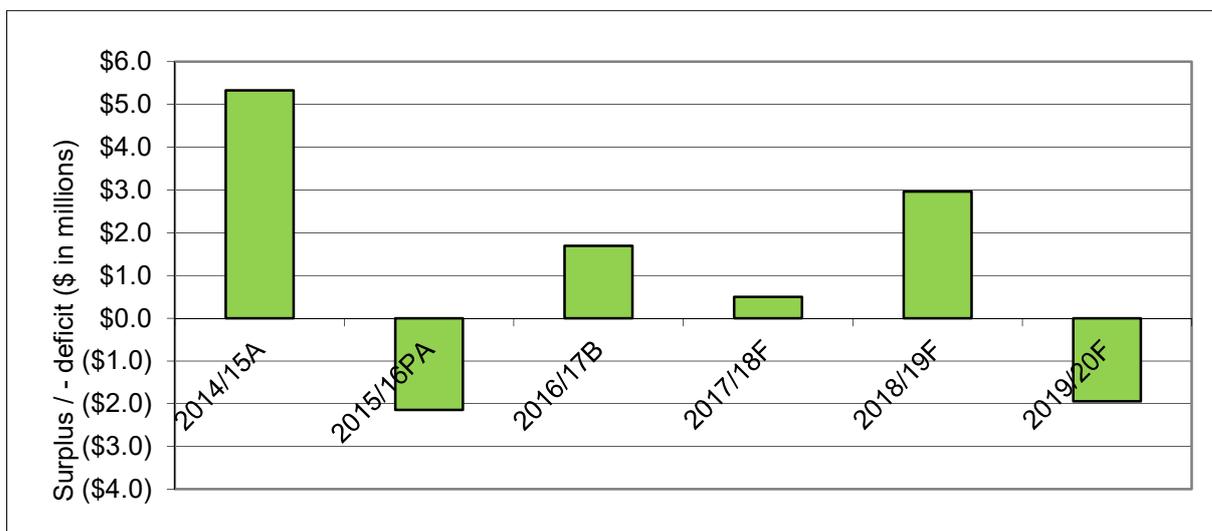
8.1 Total rates and charges



It is proposed that general rates increase by 2.5% for the 2016/17 year, raising total rates by \$0.29 million. This will result in an increase in total revenue from rates and service charges of 3.0%, due to an increase in garbage and kerbside recycling clients. This rate increase is in line with the rate cap set by the Minister for Local Government. (The rate increase for the 2015/16 year was 5.5%). Refer to Sections 7 and 10 for more information.

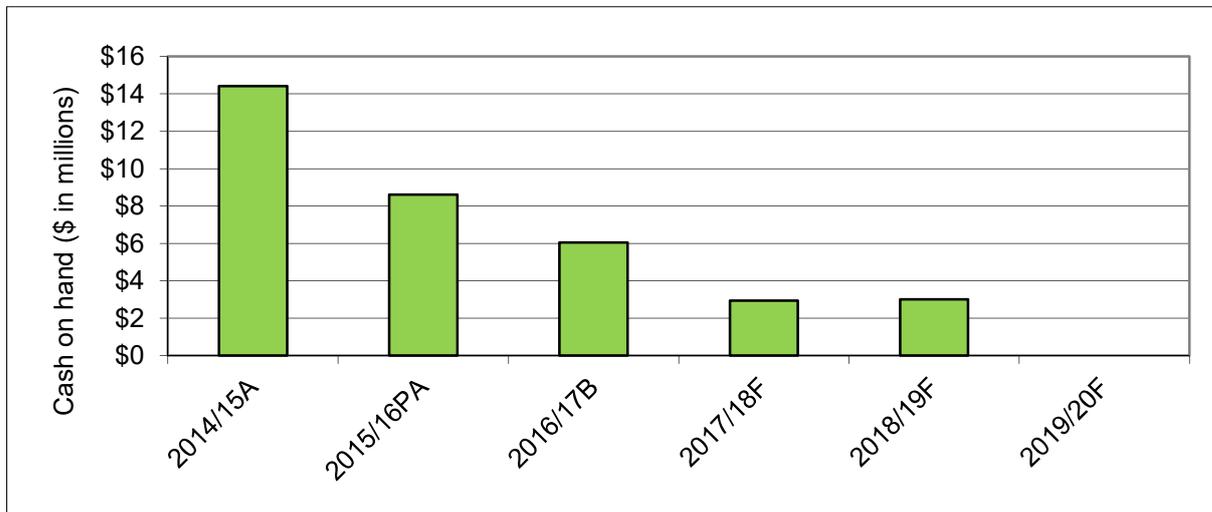
8 SUMMARY OF FINANCIAL POSITION (Continued)

8.2 Operating result



The expected operating result for the 2016/17 year is a **surplus** of \$1.69 million compared to a deficit of \$2.15 million in 2015/16. The change in operating result is due mainly to capital projects where works are not yet complete but grants have been received in advance.

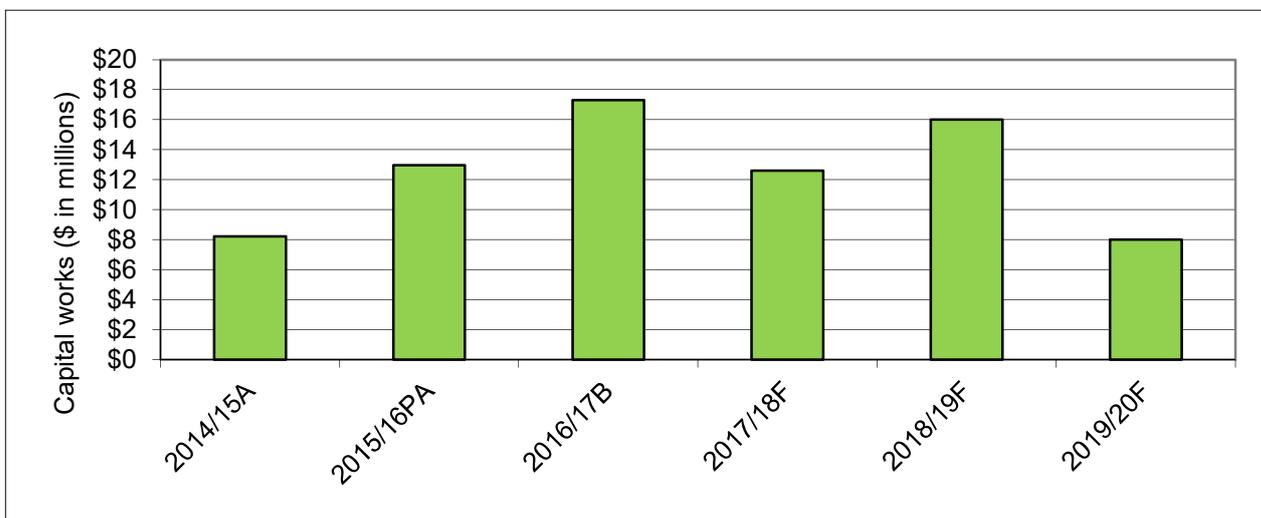
8.3 Cash and investments



Cash and investments is expected to decrease by \$2.56 M during the year to \$6.06 million as at June 2017. This is due mainly to the carried forward component of the 2015/16 capital works program and a number of major building projects. Refer also to Section 4 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

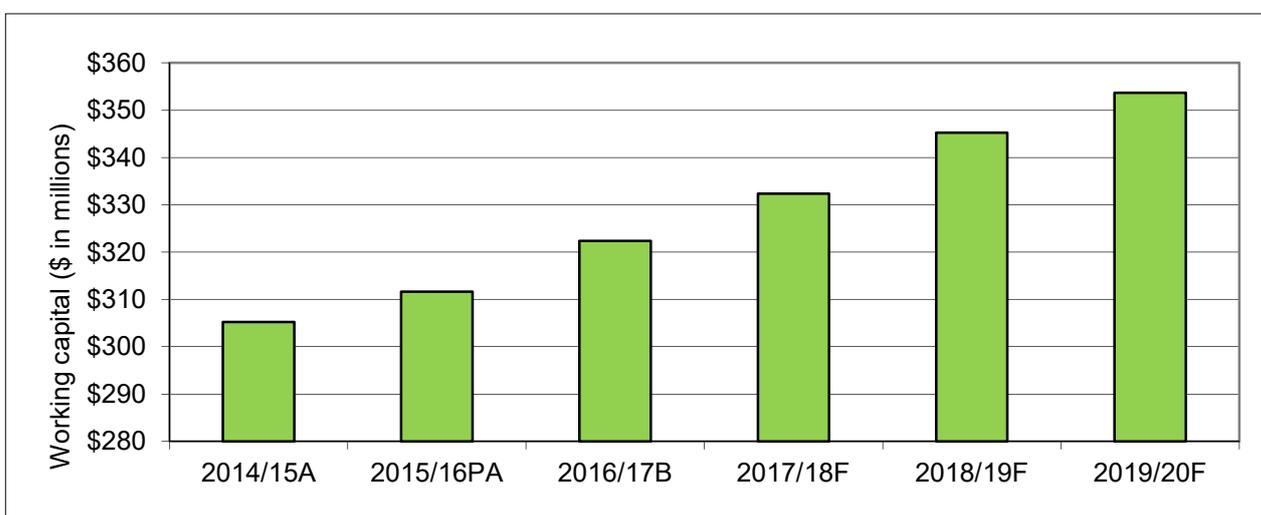
8 SUMMARY OF FINANCIAL POSITION (Continued)

8.4 Capital works



The capital works program for the 2015/16 year is projected to be \$12.95 million while the capital works program for 2016/17 is expected to be \$17.31 million. Both the 2015/16 and 2016/17 years include capital works carried forward from the year before. In 2016/17, of the capital funding required, \$3.97 million will come from Council operations, \$7.26 million from external grants and contributions, \$0.22 million from the sale of assets, and the balance of \$5.86 million from reserves.

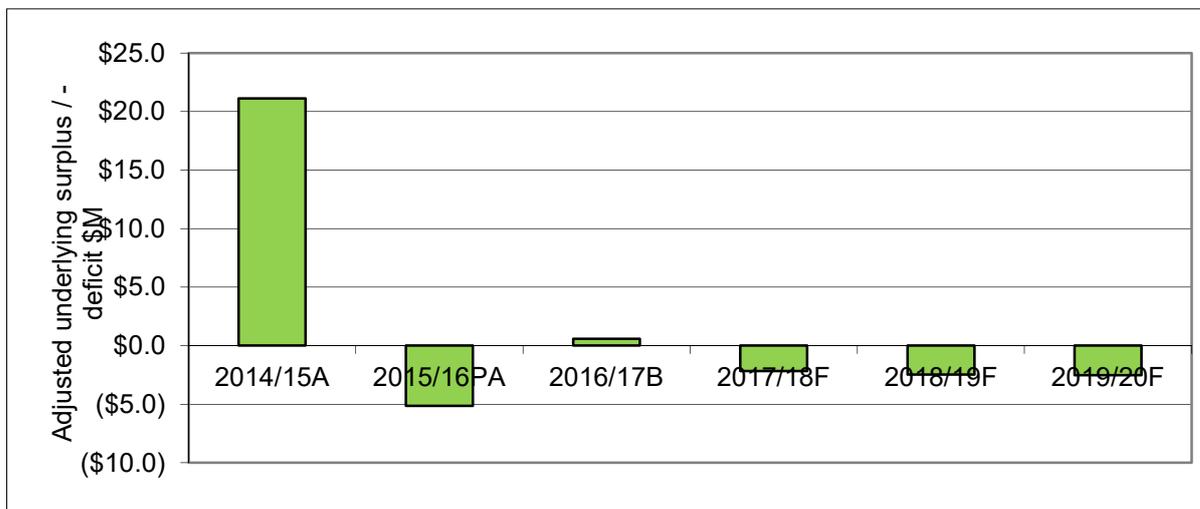
8.5 Financial position



Net assets (the net worth of Council) is expected to increase by \$10.7 million to \$322 million during the 2016/17 financial year. Net current assets (current assets less current liabilities, otherwise known as working capital) is expected to decrease by \$6.3 million to \$5.7 million. Net current assets outlines Council's ability to meet its commitments in the short term.

8 SUMMARY OF FINANCIAL POSITION (Continued)

8.6 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 \$0.58 million in 2016/17.

9 BUDGET INFLUENCES

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

9.1 Snapshot of Loddon Shire Council

Loddon Shire Council is located in Central Victoria approximately 40 minutes drive from the regional centre of Bendigo. The municipality covers an area of 6,700 square kilometres making it the seventh largest local government area in Victoria. The Council operates its main administrative office in the township of Wedderburn and conducts Council Meetings from its Community Services Office 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.

Population

The municipality services a population of approximately 7,283 residents (estimated resident population 2015). 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.

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.

Births

Statistics provided by the Council's Maternal and Child Health service recorded 60 births in Loddon from 1 April 2015 to 31 March 2016. It is anticipated that this number will slightly decrease in 2016/17.

Workforce

The Council has a workforce of 216 employees equating to an Effective Full Time (EFT) workforce of 132.74. The workforce is divided into three major categories with staff operating under the administrative, works and community services departments.

9.2 External influences

In preparing the 2016/17 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:

- indexation based on cost and income type with ABS and MAV indexation factors applied
- the "pausing" of any increase to Victorian Grants Commission funding for the Financial Assistance Grant and Local Roads Funding in 2015/16 and 2016/17
- 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 and 2016/17.

9 BUDGET INFLUENCES (Continued)

9.3 Internal influences

As well as external influences, there were also a number of internal influences arising from the 2015/16 year which have had a significant impact on the setting of the Budget for 2016/17. These include:

- completion of a restructure of the indoor management staff that should show productivity improvements in service delivery in 2016/17
- a 3.0% increase to salaries and wages effective the first pay period after 1 August 2016. 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 in 2015/16
- funding for Community Planning with a \$50K allocation to each of the five wards, and \$500K for the strategic fund
- Council's decision to maintain waste and recycling charges to the rate cap index of 2.5%
- 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 2016/17 Budget.

9.4 Budget principles

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. 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 2015/16 levels
- an ongoing commitment to the Community Planning process with an allocation of \$750K in addition to the provision of staff members to assist community planning groups to deliver these projects
- new initiatives to be justified with direct links to a plan endorsed by Council.

9.5 Long term strategies

The Budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan (Section 14), Rating Information (Section 15) and Summary of Other Strategies (Section 16) including borrowings, discretionary reserves, infrastructure and service delivery.

10 ANALYSIS OF OPERATING BUDGET

This section analyses the operating budget including expected income and expenses of the Council for the 2016/17 year.

10.1 Budgeted income statement

Details	Ref	Forecast 2015/16	Budget 2016/17	Variance
Total income	10.2	(\$26,075,352)	(\$30,389,336)	(\$4,313,984)
Total expenditure	10.3	\$28,224,335	\$28,697,666	\$473,331
Surplus (deficit) for the year		\$2,148,983	(\$1,691,670)	(\$3,840,653)
Grants - capital non-recurrent	5.1	(\$2,864,103)	(\$1,051,251)	\$1,812,852
Capital contributions	10.2.4	(\$129,114)	(\$60,000)	\$69,114
Adjusted underlying surplus (deficit)		(\$844,234)	(\$2,802,921)	(\$1,958,687)

10.1.1 Adjusted underlying surplus (\$1.96 million decrease)

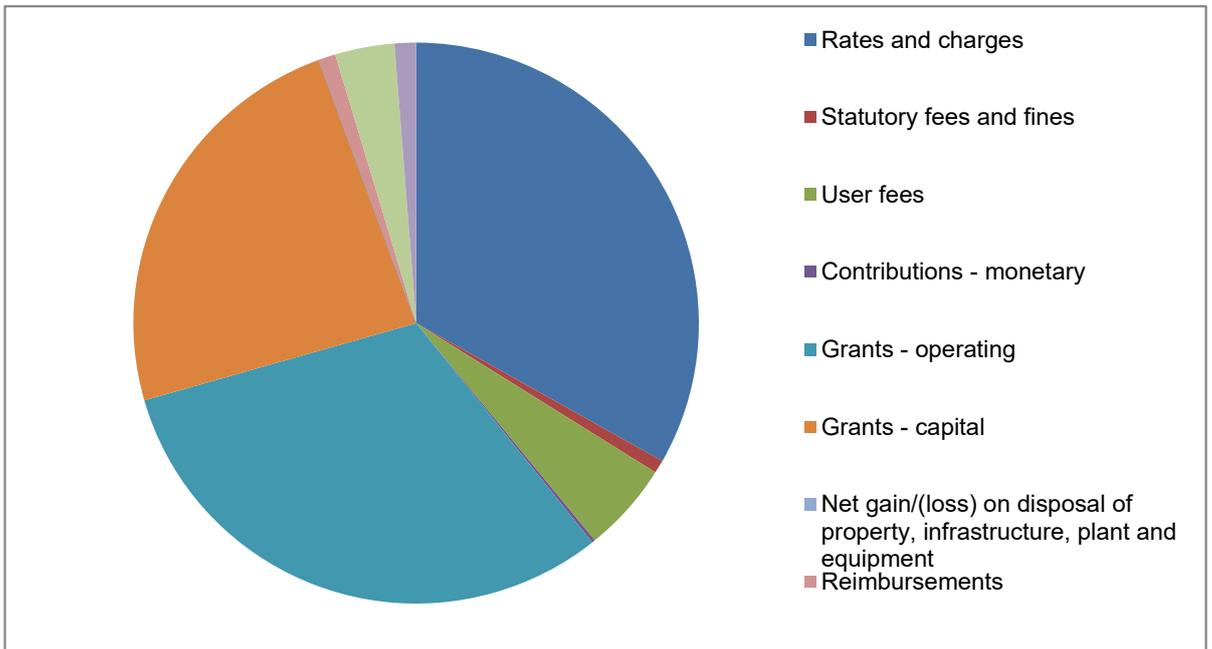
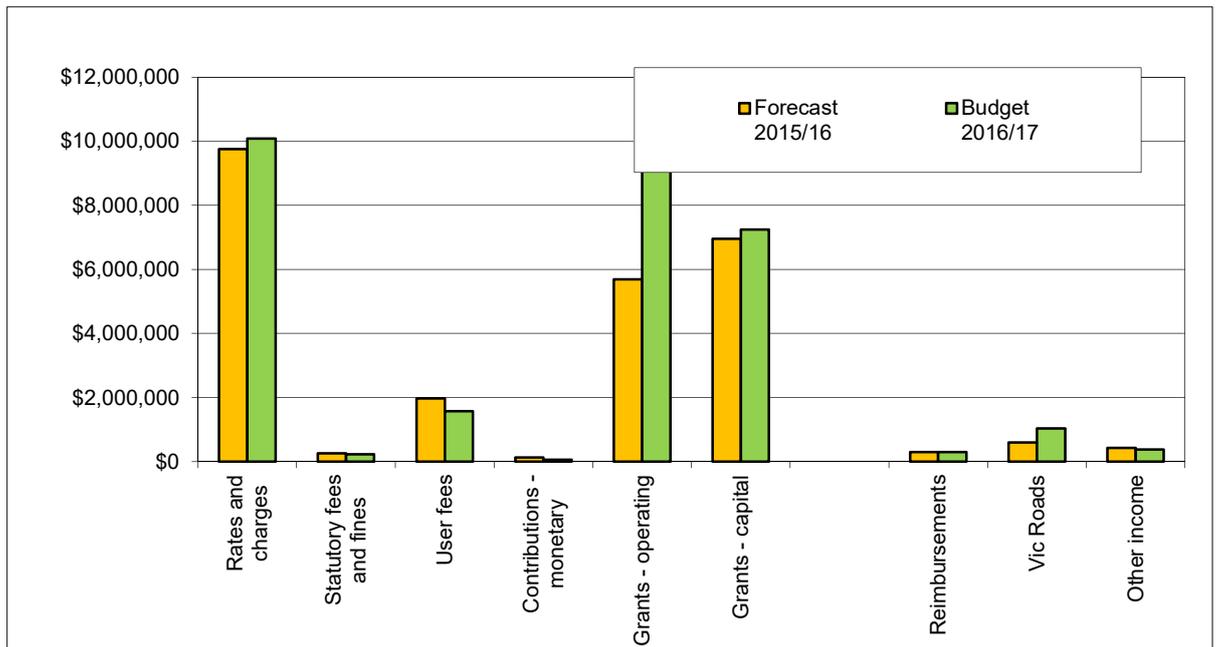
The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The underlying result for the 2016/17 year is a deficit of \$1.69 million which is a decrease of \$3.34 million from the 2015/16 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

10.2 Income

Income types	Ref	Forecast 2015/16	Budget 2016/17	Variance
Rates and charges	10.2.1	\$9,751,869	\$10,083,316	\$331,447
Statutory fees and fines	10.2.2	\$261,446	\$228,451	(\$32,995)
User fees	10.2.3	\$1,970,479	\$1,569,315	(\$401,164)
Contributions - monetary	10.2.4	\$129,114	\$60,000	(\$69,114)
Grants - operating	5.1.1	\$5,687,111	\$9,500,431	\$3,813,320
Grants - capital	5.1.2	\$6,958,299	\$7,245,536	\$287,237
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	10.2.5	\$0	\$0	\$0
Reimbursements	10.2.6	\$292,953	\$296,264	\$3,311
Vic Roads	10.2.7	\$598,511	\$1,031,023	\$432,512
Other income	10.2.8	\$425,570	\$375,000	(\$50,570)
Total income		\$26,075,352	\$30,389,336	\$4,313,984

10 ANALYSIS OF OPERATING BUDGET (Continued)

10.2 Income (continued)



10.2.1 Rates and charges (\$0.33 million increase)

It is proposed that income raised by all rates and charges be increased by 2.5% or \$0.33 million over the 2015/16 to \$10.08 million. This includes general rates, municipal charge, kerbside and recycling collection charges.

10 ANALYSIS OF OPERATING BUDGET (Continued)

10.2 Income (continued)

10.2.2 Statutory fees and fines (\$0.03 million decrease)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include Public Health and Wellbeing Act 2008 registrations, Planning and Environment Act 1987 registrations, Building Act 1993 registrations, the Country Fire Authority Act 1958 registrations, and Domestic (Feral and Nuisance) Animals Act 1994 registrations. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to decrease by 14.4% or \$0.03 million compared to 2015/16.

10.2.3 User fees (\$0.40 million decrease)

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

User charges are projected to decrease by 25.6% or \$0.40 million over 2015/16. Due to a change in the operations of the home and community care packages, where now Council only receives funds for costs incurred, there is projected to be a reduction of \$194K in 2016/17. Other reductions include Loddon Discovery Tours of \$78K and pre-school income of \$74K. Overall amongst other areas, Council plans to increase user charges for all areas by 2.5% in line with expected inflationary trends over the budget period to maintain parity between user charges and the costs of service delivery.

10.2.4 Contributions - monetary (\$0.07 million decrease)

Contributions relate to monies paid by community groups and external parties towards capital and recurrent related projects.

Contributions are budgeted to remain the same with no income expected in 2016/17.

10.2.5 Net gain/(loss) on disposal of property, infrastructure, plant and equipment (no change)

Net gain/(loss) on disposal of Council assets relates mainly to the planned cyclical replacement of part of the plant and vehicle fleet.

Although it is difficult to predict the result of these transactions, historically Council has made little or no profit on sale of plant, so no budget has been made in the 2016/17 year for a gain or loss on sale.

10.2.6 Reimbursements (\$0.003 million increase)

Reimbursements include diesel fuel rebates from the Taxation Office, insurance rebates, Workcover reimbursements, and training reimbursements. Reimbursements are projected to increase by \$3K to \$0.3 million in 2016/17.

10 ANALYSIS OF OPERATING BUDGET (Continued)

10.2 Income (continued)

10.2.7 Vic Roads (\$0.43 million increase)

Council's contract with Vic Roads includes an "as of right" amount for routine maintenance works. Income from Vic Roads is projected to increase by 42% or \$0.43 million in 2016/17 due to an increase in expected work requested by the authority. This will be offset by an increase in expenditure in this area.

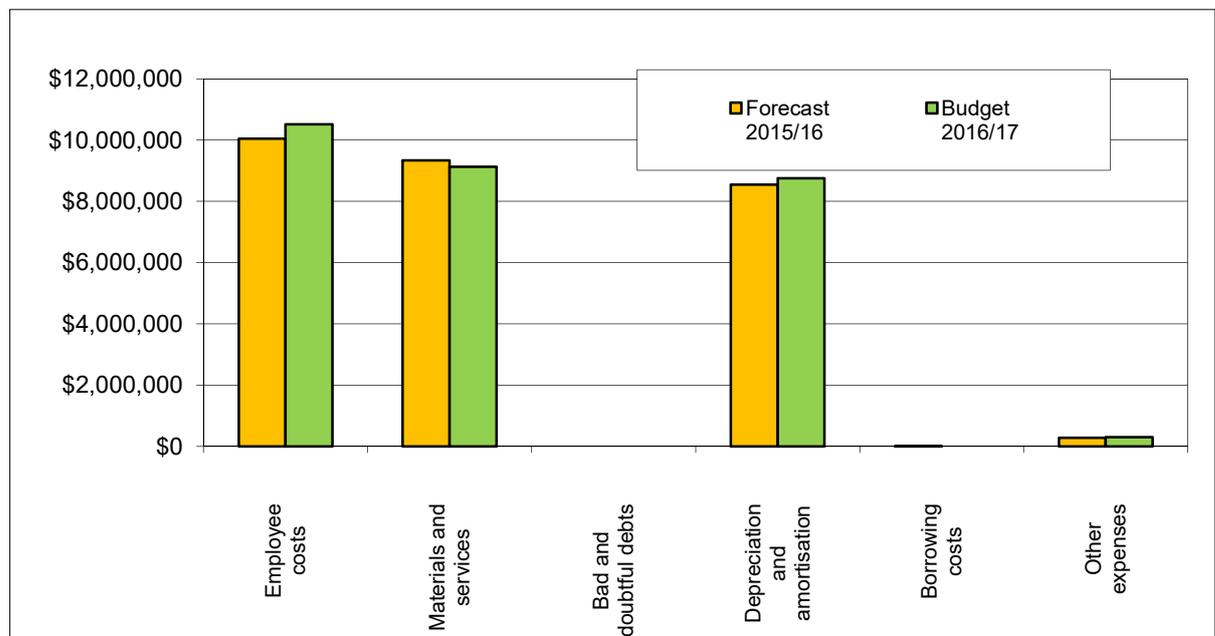
10.2.8 Other income (\$0.05 million decrease)

Other income relates to a range of items such as interest revenue on investments and rate arrears.

Other income is forecast to decrease by 13.5% or \$0.05 million compared to 2015/16. This is mainly due to a forecast reduction in Council's available cash reserves during 2016/17 to fund major infrastructure projects. Interest on unpaid rates is forecast to remain the same as 2015/16.

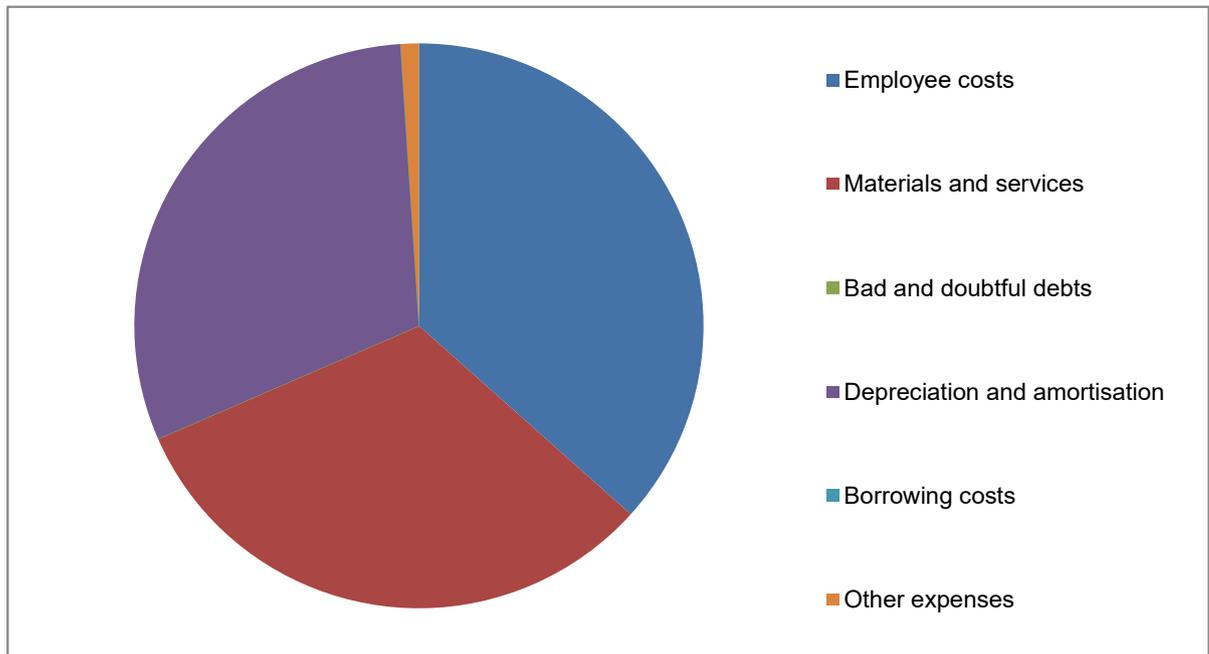
10.3 Expenses

Expense types	Ref	Forecast 2015/16	Budget 2016/17	Variance
Employee costs	10.3.1	\$10,044,408	\$10,513,098	\$468,690
Materials and services	10.3.2	\$9,342,351	\$9,127,818	(\$214,533)
Bad and doubtful debts	10.3.3	\$0	\$0	\$0
Depreciation and amortisation	10.3.4	\$8,544,033	\$8,757,634	\$213,601
Borrowing costs	10.3.5	\$7,259	\$0	(\$7,259)
Other expenses	10.3.6	\$286,284	\$299,116	\$12,832
Total expenses		\$28,224,335	\$28,697,666	\$473,331



10 ANALYSIS OF OPERATING BUDGET (Continued)

10.3 Expenses (continued)



10.3.1 Employee costs (\$0.47 million increase)

Employee costs include all 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. Salaries and wages that relate to capital works are not included in operating expenditure but is included in the tables below for full transparency.

Employee costs are projected to increase by approximately 4.5% or \$469K from 2015/16 to 2016/17.

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 2016/17 Budget including the expected EBA increase of 3.0%, effective August 2016. In 2016/17 there has been a continuation in Council's superannuation contribution of 9.5% in line with legislation.

A summary of the planned human resources expenditure categorised according to the organisational structure of Council is included below and includes both capital and operating components:

Department	Budget 2016/17 \$	Permanent full time	Permanent part time
Economic development and tourism	\$640,143	\$364,319	\$275,824
Leadership	\$227,783	\$175,688	\$52,095
Works and infrastructure	\$3,524,956	\$3,524,956	\$0
Good management	\$2,838,634	\$1,766,931	\$1,071,703
Environment	\$360,284	\$183,169	\$177,115
Community services and recreation	\$3,457,380	\$1,047,269	\$2,410,111
Total	\$11,049,180	\$7,062,332	\$3,986,848

10 ANALYSIS OF OPERATING BUDGET (Continued)

10.3 Expenses (continued)

10.3.1 Employee costs (continued)

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

Department	Budget FTE	Permanent full time	Permanent part time
Economic development and tourism	5.91	3.00	2.91
Leadership	2.57	2.00	0.57
Works and infrastructure	48.00	48.00	0.00
Good management	27.53	15.00	12.53
Environment	4.18	2.00	2.18
Community services and recreation	44.55	12.00	32.55
Total	132.74	82.00	50.74

10.3.2 Materials, services and contracts (\$0.21 million decrease)

Materials, services and contracts include the purchase of consumables, payments to contractors for the provision of services and utility costs. Materials, services and contracts are forecast to decrease by 2.35% or \$0.21 million compared to 2015/16. They relate to operating expenditure only, **and do not include the purchase of goods, services, or consumables, or payments to contractors for capital works projects.**

The decrease is largely due reductions in the carry over amounts for packaged care services of \$414K, reduction in spending for the weed and pest program of \$150K and valuation cycle of \$141K. Projected increases are expected in the carry over of the Serpentine Pavilion of \$875K and ANZAC sculptures of \$150K.

10.3.3 Bad and doubtful debts (\$ nil movement)

Bad and doubtful debts is projected to have no movement from 2015/16 to 2016/17.

10.3.4 Depreciation and amortisation (\$0.21 million increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of 2.44% or \$0.21 million for 2016/17 is due mainly to the completion of the 2015/16 capital works program and the full year effect of depreciation on the 2016/17 program. Refer to Section 6 for a more detailed analysis of Council's capital works program for the 2016/17 year.

10.3.5 Borrowing costs (\$0.07 million decrease)

Interest expense relates to interest charged by financial institutions on borrowed funds. In 2015/16 Council had one loan which related to the Wedderburn Office construction. The final payment for this loan was made during 2015/16.

10.3.6 Other expenses (\$0.01 million increase)

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

Other expenses are forecast to increase by 4.3% or \$0.01 million compared to 2015/16. This is mainly due to an 11% increase in expected auditor costs.

11 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 2016/17 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows which are in more detail below.

Operating activities - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.

Investing activities - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.

Financing activities - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities include repayment of the principle component of loan repayments for the year.

11.1 Budgeted cash flow statement

	Ref	Forecast actual 2015/16	Budget 2016/17	Variance
Cash flows from operating activities	11.1.1			
Receipts				
Rates and charges		\$9,770,588	\$10,087,723	\$317,135
Statutory fees and fines		\$323,413	\$232,563	(\$90,850)
User fees		\$2,269,939	\$1,606,246	(\$663,693)
Grants - operating		\$5,813,194	\$9,596,555	\$3,783,361
Grants - capital		\$8,551,968	\$7,370,211	(\$1,181,757)
Contributions - monetary		\$129,114	\$60,000	(\$69,114)
Interest received		\$481,533	\$375,000	(\$106,533)
Trust funds and deposits		\$0	\$0	\$0
Other receipts		\$1,042,121	\$1,351,179	\$309,058
Net GST refund / payment		\$1,555,303	\$1,231,162	(\$324,141)
Operating receipts		\$29,937,173	\$31,910,639	\$1,973,466
Payments				
Employee costs		(\$10,435,750)	(\$10,274,507)	\$161,243
Materials and services (including GST)		(\$10,379,635)	(\$10,673,817)	(\$294,182)
Trust funds and deposits repaid		(\$16,318)	(\$15,503)	\$815
Other payments		(\$288,450)	(\$299,116)	(\$10,666)
Operating payments		(\$21,120,153)	(\$21,262,943)	(\$142,790)
Net cash provided by operating activities		\$8,817,020	\$10,647,696	\$1,830,676
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant and equipment		(\$12,954,009)	(\$17,309,186)	(\$4,355,177)
Proceeds from sales of property, infrastructure, plant and equipment		\$354,777	\$773,765	\$418,988
Decrease in term deposits		\$6,916,596	\$0	(\$6,916,596)
Proceeds from sale of investments		0	0	\$0
Loans and advances made		\$0	0	\$0
Repayment of loans and advances		\$93,800	\$85,000	(\$8,800)
Net cash provided by/(used in) investing activities		(\$5,588,836)	(\$16,450,421)	(\$10,861,585)

11 ANALYSIS OF BUDGETED CASH POSITION (Continued)

11.1 Budgeted cash flow statement (continued)

	Ref	Forecast actual 2015/16	Budget 2016/17	Variance
Cash flows from financing activities	11.1.3			
Proceeds from borrowing		\$0	\$0	\$0
Repayment of borrowings		(\$131,125)	\$0	\$131,125
Interest expense		(\$7,259)	\$0	\$7,259
Net cash provided by / (used in) financing activities		(\$138,384)	\$0	\$138,384
Net increase / (decrease) in cash and cash equivalents		\$3,089,800	(\$5,802,725)	(\$8,892,525)
Cash and cash equivalents at the beginning of the year		\$11,327,614	\$14,417,414	\$3,089,800
Cash and cash equivalents at the end of the year		\$14,417,414	\$8,614,689	(\$5,802,725)

11.1.1 Operating activities (\$1.83 million increase)

The increase in cash flows from operating activities is due mainly to a \$3.78 million increase in operating grants and a \$0.32 million increase in rates and charges, which is in line with the increase in rates and charges of 2.5%.

11.1.2 Investing activities (\$10.86 million increase)

The large increase in payments for investing activities represents the planned large increase in capital works expenditure disclosed in Section 10 of this budget report. Proceeds from sale of assets are forecast to increase by \$0.42 million.

11.1.3 Financing activities (\$0.014 million decrease)

Council's borrowings were fully extinguished in the 2015/16 financial year. No new are borrowings are budgeted in 2016/17.

11.1.4 Cash and cash equivalents at the end of the year (\$5.8 million decrease)

Overall, total cash and investments is forecast to decrease by \$5.8 million to \$8.61 million as at 30 June 2017, 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.

11 ANALYSIS OF BUDGETED CASH POSITION (Continued)

11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2017 it will have unrestricted cash and investments of \$1.03 million, which has been restricted as shown in the following table.

	Ref	Forecast actual 2015/16	Budget 2016/17	Variance
Total cash and investments		\$14,417,414	\$8,614,689	-\$5,802,725
Intended allocation assets				
Long service leave	11.2.1	(\$1,943,377)	(\$2,043,377)	(\$100,000)
Discretionary reserves	11.2.2	(\$10,452,491)	(\$5,242,587)	\$5,209,904
Restricted allocation assets				
Trust funds and deposits		(\$310,051)	(\$294,548)	\$15,503
Unrestricted cash adjusted for discretionary reserves	11.2.3	\$1,711,495	\$1,034,177	(\$677,318)

11.2.1 Long service leave (\$0.1 million 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.

11.2.2 Discretionary reserves (\$5.21 million decrease)

These funds are shown as a discretionary reserve as, although not restricted by a statutory purpose, Council has made decision 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.

11.2.3 Unrestricted cash and investments (\$0.68 million decrease)

The amount shown is in accordance with the definition of unrestricted cash included in the Section 3 of the Regulations. These funds are free from statutory reserve funds and cash can be used to fund capital works expenditure from the previous year.

12 ANALYSIS OF CAPITAL BUDGET

This section analyses the planned capital works expenditure budget for the 2016/17 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Section 6.

12.1 Capital works expenditure

Capital works area	Ref	Forecast actual 2015/16 \$	Budget 2016/17 \$	Variance \$
Works carried forward	12.1.1			
Property				
Land		\$0	\$0	\$0
Land improvements		\$318,963	\$557,000	\$238,037
Total land		\$318,963	\$557,000	\$238,037
Buildings		\$2,121,483	\$550,000	(\$1,571,483)
Building improvements		\$7,136	\$255,000	\$247,864
Total buildings		\$2,128,619	\$805,000	(\$1,323,619)
Total property		\$2,447,582	\$1,362,000	(\$1,085,582)
Plant and equipment				
Plant, machinery and equipment		\$88,257	\$0	(\$88,257)
Computers and telecommunications		\$0	\$500,000	\$500,000
Fixtures fittings and furniture		\$0	\$0	\$0
Total plant and equipment		\$88,257	\$500,000	\$411,743
Infrastructure				
Roads		\$860,383	\$847,634	(\$12,749)
Bridges		\$0	\$298,000	\$298,000
Footpaths		\$308,677	\$0	(\$308,677)
Drainage		\$0	\$0	\$0
Recreation leisure and community facilities		\$189,514	\$516,331	\$326,817
Parks, open space and streetscapes		\$1,099,515	\$2,577,000	\$1,477,485
Other infrastructure		\$0	\$0	\$0
Total infrastructure		\$2,458,089	\$4,238,965	\$1,780,876
Total works carried forward		\$4,993,928	\$6,100,965	\$1,107,037

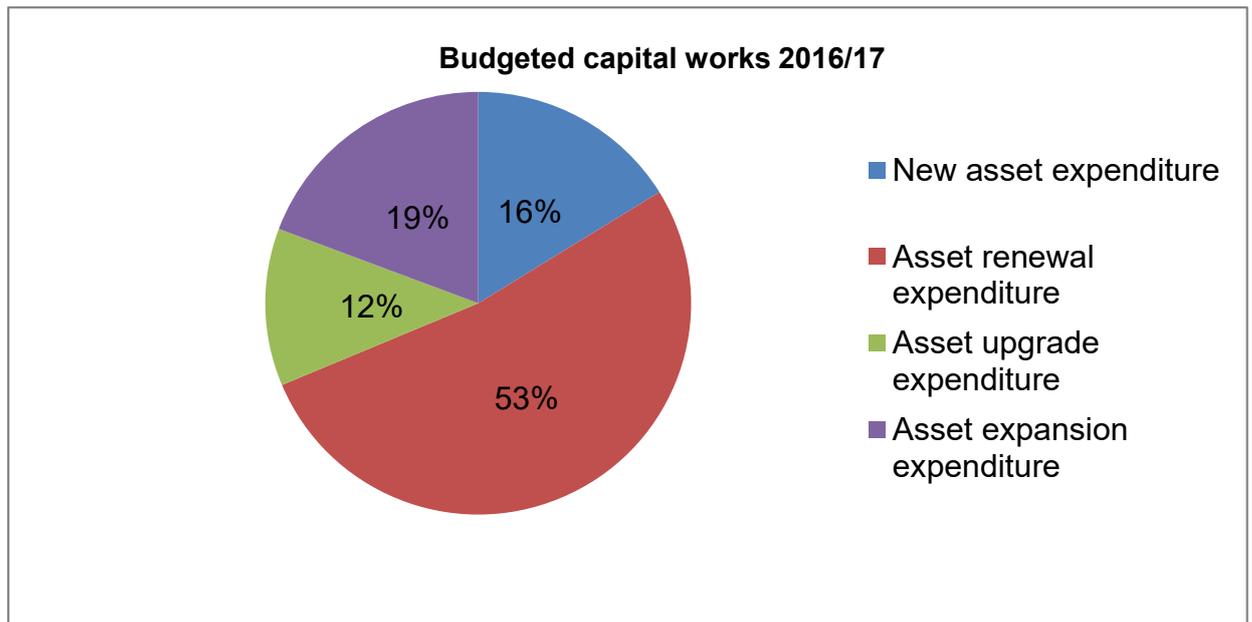
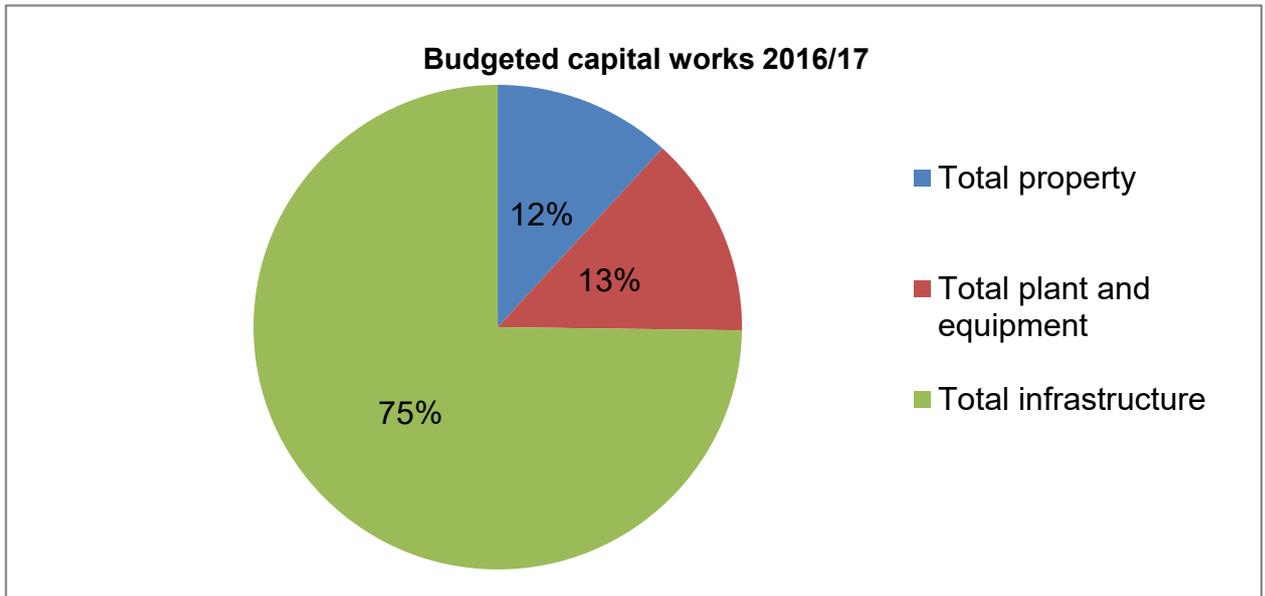
12 ANALYSIS OF CAPITAL BUDGET (Continued)

12.1 Capital works expenditure (continued)

Capital works area	Ref	Forecast actual 2015/16 \$	Budget 2016/17 \$	Variance \$
New works				
Property	12.1.2			
Land		\$0	\$0	\$0
Land improvements		\$45,000	\$91,310	\$46,310
Total land		\$45,000	\$91,310	\$46,310
Buildings		\$134,000	\$41,500	(\$92,500)
Building improvements		\$233,516	\$547,190	\$313,674
Total buildings		\$367,516	\$588,690	\$221,174
Total property		\$412,516	\$680,000	\$267,484
Plant and equipment	12.1.3			
Plant, machinery and equipment		\$2,388,629	\$1,753,895	(\$634,734)
Computers and telecommunications		\$100,000	\$67,000	(\$33,000)
Fixtures fittings and furniture		\$2,500	\$2,500	\$0
Total plant and equipment		\$2,491,129	\$1,823,395	(\$667,734)
Infrastructure	12.1.4			
Roads		\$3,478,290	\$6,258,352	\$2,780,062
Bridges		\$124,103	\$512,500	\$388,397
Footpaths		\$120,532	\$548,974	\$428,442
Drainage		\$427,900	\$350,000	(\$77,900)
Recreation leisure and community facilities		\$786,340	\$685,000	(\$101,340)
Parks, open space and streetscapes		\$119,271	\$350,000	\$230,729
Other infrastructure		\$0	\$0	\$0
Total infrastructure		\$5,056,436	\$8,704,826	\$3,648,390
Total new works		\$7,960,081	\$11,208,221	\$3,248,140
Total capital works expenditure		\$12,954,009	\$17,309,186	\$4,355,177
Represented by:				
New asset expenditure	12.1.5	\$3,079,327	\$2,802,895	(\$276,432)
Asset renewal expenditure	12.1.5	\$3,119,427	\$9,083,826	\$5,964,399
Asset upgrade expenditure	12.1.5	\$3,125,328	\$2,085,965	(\$1,039,363)
Asset expansion expenditure	12.1.5	\$3,629,927	\$3,336,500	(\$293,427)
Total capital works expenditure		\$12,954,009	\$17,309,186	\$4,355,177

12 ANALYSIS OF CAPITAL BUDGET (Continued)

12.1 Capital works expenditure (continued)



12.1.1 Carried forward works (\$6.1 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2015/16 year it is forecast that \$6.1 million of capital works will be incomplete and be carried forward into the 2016/17 year. The more significant projects include the Wedderburn streetscape project of \$2.55 million, Pyramid Hill streetscape project of \$0.6 million and the purchase of a corporate IT package of \$0.5 million.

12 ANALYSIS OF CAPITAL BUDGET (Continued)

12.1 Capital works expenditure (continued)

12.1.2 Property (\$0.68 million)

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

For the 2016/17 year, \$0.68 million will be expenses on building and building improvement projects. The more significant projects include strategic fund works of \$0.5 million and minor projects at Council's Wedderburn depot totalling \$0.1 million.

12.1.3 Plant and equipment (\$1.82 million)

Plant and equipment includes plant, machinery and equipment along with computers and telecommunications.

For the 2016/17 year, \$1.82 million will be expensed on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of plant and vehicle fleet of \$1.74 million.

12.1.4 Infrastructure (\$8.7 million)

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

For the 2016/17 year, \$6.77 million will be expended on road projects. The more significant projects include local road construction of \$3.4 million, local road reseals of \$1.19 million and local road resheet program of \$1.07 million.

\$0.35 million will be expended on drainage projects.

\$0.35 million will be expended on parks, open space and streetscapes and includes the allocation of \$0.1 million for the parks and gardens strategy.

\$0.69 million will be expended on recreation, leisure and community facilities. The more significant projects includes caravan park works of \$0.28 million and swimming pool works of \$0.39 million.

12.1.5 Asset renewal (\$9.1 million), new assets (\$2.8 million), upgrade (\$2.1 million) and expansion (\$3.3 million)

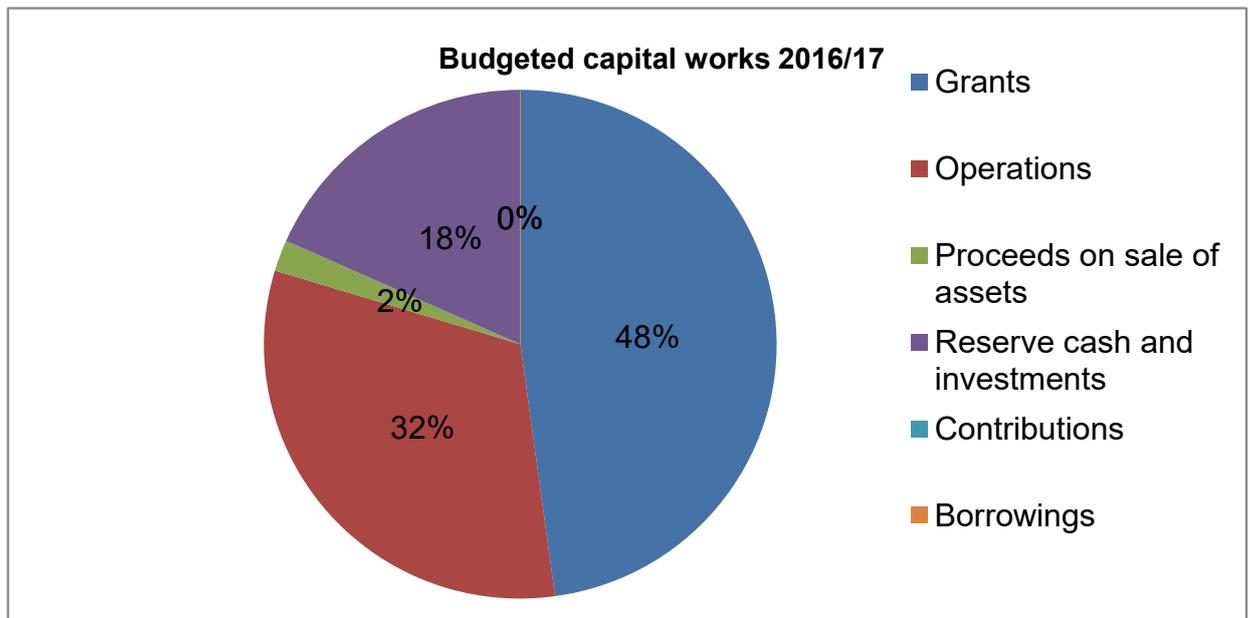
A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have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

The major projects included in the above categories which constitute expenditure on new assets, are \$1.74 million for plant and fleet purchases. The remaining capital expenditure represents renewals and expansions/upgrades of existing assets.

12 ANALYSIS OF CAPITAL BUDGET (Continued)

12.2 Funding sources

Sources of funding	Ref	Forecast actual 2015/16 \$	Budget 2016/17 \$	Variance \$
Works carried forward				
Current year funding				
Grants		\$1,214,390	\$1,345,634	\$131,244
Contributions		\$0	\$0	\$0
Borrowings		\$0	\$0	\$0
Council cash				
- operations		\$0	\$100,000	\$100,000
- proceeds on sale of assets		\$0	\$0	\$0
- reserve cash and investments		\$3,779,538	\$4,655,331	\$875,793
Total works carried forward	12.2.1	\$4,993,928	\$6,100,965	\$1,107,037
New works				
Current year funding				
Grants	12.2.2	\$3,668,780	\$5,361,984	\$1,693,204
Contributions		\$0	\$0	\$0
Borrowings		\$0	\$0	\$0
Council cash				
- operations	12.2.3	\$1,472,312	\$3,567,842	\$2,095,530
- proceeds on sale of assets	12.2.4	\$92,124	\$223,765	\$131,641
- reserve cash and investments	12.2.5	\$2,726,865	\$2,054,630	(\$672,235)
Total new works		\$7,960,081	\$11,208,221	\$3,248,140
Total funding sources		\$12,954,009	\$17,309,186	\$4,355,177



12.2.1 Carried forward works (\$6.1 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2015/16 year it is forecast that \$6.1 million of capital works will be incomplete and be carried forward into the 2016/17 year. The more significant projects include the Wedderburn streetscape project of \$2.55 million, Pyramid Hill streetscape project of \$0.6 million and the purchase of a corporate IT package of \$0.5 million.

12 ANALYSIS OF CAPITAL BUDGET (Continued)

12.2 Funding sources (continued)

12.2.2 Grants (\$5.36 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants are budgeted to be received for various Roads to Recovery projects of \$5.15 million.

12.2.3 Council cash - operations (\$3.57 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast the \$3.57 million will be generated from operations to fund the 2016/17 capital works program.

12.2.4 Council cash - proceeds from sale of assets (\$0.22 million)

Proceeds from sale of assets include motor vehicles and other plant in accordance with Council's replacement program of \$0.22 million.

12.2.5 Council cash - reserve cash and investments (\$2.05 million)

Council has significant cash reserves, which it is currently using to fund its annual capital works program. The reserves include monies set aside for specific purposes such as plant and fleet replacement, caravan park infrastructure and information technology upgrades. Council also has grants and contributions that have been received in advance and are set aside in an unspent grants reserve.

13 ANALYSIS OF BUDGETED FINANCIAL POSITION

This section analyses the movements in assets, liabilities and equity between 2015/16 and 2016/17. It also considers a number of key performance indicators.

13.1 Budgeted balance sheet

	Forecast actual 2015/16	Budget 2016/17	Variance
Assets			
Current assets 13.1.1			
Cash and cash equivalents	\$14,417,414	\$8,614,689	(\$5,802,725)
Trade and other receivables	\$580,166	\$654,741	\$74,575
Financial assets	\$0	\$0	\$0
Inventories	\$102,722	\$97,587	(\$5,135)
Non current assets held for resale	\$63,210	\$63,210	\$0
Total current assets	\$15,163,512	\$9,430,227	(\$5,733,285)
Non-current assets 13.1.1			
Trade and other receivables	\$162,000	\$81,000	(\$81,000)
Investments in associates and joint ventures	\$354,080	\$354,080	\$0
Property, infrastructure, plant and equipment	\$300,063,625	\$316,845,217	\$16,781,592
Intangible assets	\$1,589,445	\$1,589,445	\$0
Total non-current assets	\$302,169,150	\$318,869,742	\$16,700,592
Total assets	\$317,332,662	\$328,299,969	\$10,967,307
Liabilities			
Current liabilities 13.1.2			
Trade and other payables	\$521,797	\$462,261	(\$59,536)
Trust funds and deposits	\$310,051	\$294,548	(\$15,503)
Provisions	\$0	\$0	\$0
Employee benefit	\$2,310,719	\$2,373,223	\$62,504
Interest bearing loans and borrowings	\$0	\$0	\$0
Total current liabilities	\$3,142,567	\$3,130,032	(\$12,535)
Non-current liabilities 13.1.2			
Provisions	\$1,937,099	\$2,033,954	\$96,855
Employee benefit	\$580,012	\$767,522	\$187,510
Interest bearing loans and borrowings	\$0	\$0	\$0
Total non-current liabilities	\$2,517,111	\$2,801,476	\$284,365
Total liabilities	\$5,659,678	\$5,931,508	\$271,830
Net assets	\$311,672,984	\$322,368,461	\$10,695,477
Equity			
Accumulated surplus	\$98,489,394	\$105,390,970	\$6,901,576
Asset revaluation reserve	\$202,731,099	\$211,734,904	\$9,003,805
Other reserves	\$10,452,491	\$5,242,587	(\$5,209,904)
Total equity	\$311,672,984	\$322,368,461	\$10,695,477

13 ANALYSIS OF BUDGETED FINANCIAL POSITION (Continued)

13.1 Budgeted balance sheet (continued)

13.1.1 Current assets (\$5.73 million decrease) and non-current assets (\$16.7 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$5.80 million during the year mainly to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non-current) relating to loans to community organisations will decrease slightly in accordance with agreed repayment terms.

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

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The \$16.78 million increase in this balance is attributable to the net result of the capital works program (\$12.95 million in 2015/16 and \$17.31 million in 2016/17), depreciation of assets (\$8.55 million in 2015/16 and \$8.76 million in 2016/17) and the income through sale of property, plant and equipment (\$0.35 million in 2015/16 and \$0.77 million in 2016/17).

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.

13.1.2 Current liabilities (\$0.013 million decrease and non-current liabilities (\$0.28 million increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to reduce by \$0.06 million in 2016/17 levels due to a reduction in material and services costs.

Employee benefit include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to increase by \$0.06 million (current liability) and \$0.19 million (non current liability) due to increases in employee service years and enterprise bargaining increases.

Interest bearing loans and borrowings are borrowings of Council. The Council has repaid the balance of all loans in the 2015/16 financial year.

13 ANALYSIS OF BUDGETED FINANCIAL POSITION (Continued)

13.1 Budgeted balance sheet (continued)

13.1.3 Working capital (\$5.72 million 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.

	Forecast actual 2015/16	Budget 2016/17	Variance
Current assets	\$15,163,512	\$9,430,227	\$5,733,285
Current liabilities	\$3,142,567	\$3,130,032	\$12,535
Working capital	\$12,020,945	\$6,300,195	\$5,720,750
Intended allocation assets			
- Discretionary reserves	(\$10,452,491)	(\$5,242,587)	(\$5,209,904)
- Long service leave	(\$1,943,377)	(\$2,043,377)	\$100,000
Restricted allocation assets			
- Trust funds and deposits	(\$310,051)	(\$294,548)	(\$15,503)
Unrestricted working capital	(\$684,974)	(\$1,280,317)	\$595,343

In addition to the restricted assets above, Council is also projected to hold \$5.24 million in discretionary reserves at 30 June 2017. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution, these funds are to be used for those earmarked purposes.

13.1.4 Equity (\$10.7 million increase)

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

- asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed
- accumulated surplus which is the value of all net assets less reserves that have accumulated over time. \$6.91 million of the \$10.7 million increase in accumulated surplus results directly from the surplus for the year. An amount of \$5.21 million net is budgeted to be transferred from other reserves to accumulated surplus. This reflects the usage of Council's reserves to partly fund the capital works program and other specified projects. This is a transfer between equity balances and does no impact on the total balance of equity.

13 ANALYSIS OF BUDGETED FINANCIAL POSITION (Continued)

13.2 Key assumptions

In preparing the Budgeted Balance Sheet for the Year Ended 30 June 2017 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.

14 STRATEGIC RESOURCE PLAN

This section includes an extract from the adopted Strategic Resource Plan (SRP) to provide information on the long term financial projects of the Council.

14.1 Plan development

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

Council has prepared a Strategic Resource Plan for the four years 2016/17 to 2019/20 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the 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 2016/17 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 \$750kK
- an increased commitment to investment in information technology.

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

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

The SRP 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.

14.2 Financial resources

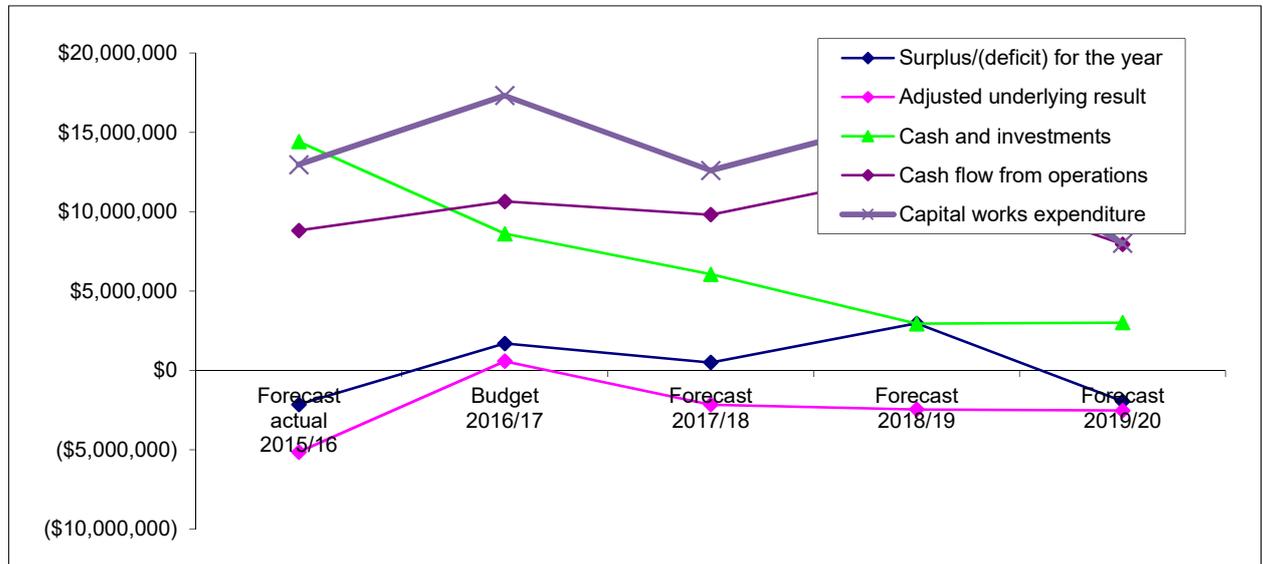
The following table summaries the key financial results for the next four years as set out in the SRP for years 2016/17 to 2019/20. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast actual 2015/16	Budget 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Trend
Surplus/(deficit) for the year	(\$2,148,983)	\$1,691,670	\$498,393	\$2,960,332	(\$1,946,704)	O
Adjusted underlying result	(\$5,142,200)	\$580,419	(\$2,162,606)	(\$2,460,335)	(\$2,530,037)	O
Cash and investments	\$14,417,414	\$8,614,689	\$6,056,438	\$2,940,802	\$3,006,085	-
Cash flow from operations	\$8,817,020	\$10,647,696	\$9,805,846	\$12,466,082	\$7,951,500	-
Capital works expenditure	\$12,954,009	\$17,309,186	\$12,593,756	\$16,016,842	\$7,999,691	O

14 STRATEGIC RESOURCE PLAN (Continued)

14.2 Financial resources (continued)

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



The key outcomes of the SPR are as follows:

- **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.
- **Rating levels (Section 15):** Modest rate increases are forecast over the four years in line with the State Governments imposed rate capping schedule
- **Borrowing strategy (Section 16):** There are no forecast borrowings in the four year period.

15 RATING INFORMATION

This section contains information on Council's past and forecast rating levels along with Council's rating structure and the impact of changes in property valuations.

15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges were identified as an important source of revenue, accounting for over one third of the total revenue received by Council annually. Historically, planning for future rate increases has been an important component of the Strategic Resource Plan process. The level of required rates and charges was considered in context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Loddon community.

Council no longer has discretion over general rates and municipal charges, so with with increase in rates for 2016/17 is in line with the State Government's imposed rate cap of 2.5%. The increase in rates and charges for 2015/16 was in line with Council's previous rating strategy and long term financial plan.

15.2 Current year rates and charges

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on forecast financial position of Council as at 30 June 2016.

Year	General rate increase %	Municipal charge increase %	Garbage charge increase %	Recycling charge increase %	Total rates raised \$
2015/16	5.5	5.5	7.0	7.0	9,701,598
2016/17	2.5	2.5	2.5	2.5	10,083,316
2017/18	2.5	2.5	2.5	2.5	10,239,066
2018/19	2.5	2.5	2.5	2.5	10,495,042
2019/20	2.5	2.5	2.5	2.5	10,757,418

15.3 Rating structure

Council has established a rating structure, which is comprised of three elements. These are:

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

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.

Having reviewed the various valuation bases for determining the property value component of rates, since 2002 Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council does review its rating structure every four years.

15 RATING INFORMATION

15.3 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 levy the rate for recreational lands at 'such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands'. 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.

The following table summaries the rates to be determined for the 2016/17 year. A more detailed analysis of the rates to be raised is contained in Section 7 'Statutory Disclosures'.

Rate type	How applied	2015/16	2016/17	Total raised \$000's	Change
General rates	Cents in \$ of CIV	0.5069	0.4892	\$2,492	-3.49%
Rural rates	Cents in \$ of CIV	0.4512	0.4355	\$5,307	-3.48%
Municipal charge	\$ per property	\$198	\$203	\$1,133	2.53%
Kerbside collection charge 140 litre	\$ per property	\$230	\$236	\$852	2.61%
Recycling charge 240 litre	\$ per property	\$87	\$89	\$300	2.30%

Council is in the process of developing a formal Rating Strategy that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanism it has used.

15.4 General revaluation of properties

During the 2015/16 year, a revaluation of all properties within the municipality was carried out and will apply from 1 July 2016 for the 2016/17 year. The outcome of the general revaluation has been a moderate change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by 7.04%. Of this increase, general properties have increased by 11.97% and rural properties have increased by 5.10%.

15 RATING INFORMATION

15.4 General revaluation of properties (continued)

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

Financial year	General	Rural	Total
2008/09	\$370,868,473	\$1,023,552,048	\$1,394,420,521
% Split	26.6%	73.4%	100.0%
2009/10	\$373,422,273	\$1,007,723,048	\$1,381,145,321
% Split	27.0%	73.0%	100.0%
2010/11	\$386,838,400	\$1,087,616,600	\$1,474,455,000
% Split	26.2%	73.8%	100.0%
2011/12	\$388,588,300	\$1,075,905,600	\$1,464,493,900
% Split	26.5%	73.5%	100.0%
2012/13	\$415,445,900	\$1,107,773,700	\$1,523,219,600
% Split	27.3%	72.7%	100.0%
2013/14	\$418,602,400	\$1,102,582,700	\$1,521,185,100
% Split	27.5%	72.5%	100.0%
2014/15	\$445,725,800	\$1,157,562,000	\$1,603,287,800
% Split	27.8%	72.2%	100.0%
2015/16	\$454,898,700	\$1,159,608,000	\$1,614,506,700
% Split	28.2%	71.8%	100.0%
2016/17	\$509,344,700	\$1,218,750,500	\$1,728,095,200
% Split	29.5%	70.5%	100.0%
The change in valuation from 2015/16 to 2016/17 is:			
	11.97%	5.10%	7.04%

15.5 Split of rates between rural and general

In 2015/16, Council set a rate differential between rural and urban properties. Rural properties have a rate in the dollar 11% less than urban properties. This has been continued into the 2016/17 rating year.

Type of property	2016/17	2015/16
General	1.00	1.00
Rural	0.89	0.89

16 SUMMARY OF OTHER STRATEGIES

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

16.1 Borrowings

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

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.

In 2015/16 final loan payments were made for this project which finalises all of Council's borrowings.

For the 2016/17 year, Council has decided not to take out any new borrowings to fund the capital works program.

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

Borrowings	Forecast 2015/16	Budget 2016/17
Total amount borrowed as at 30 June of the prior year	\$131,145	\$0
Total amount to be borrowed	\$0	\$0
Total amount projected to be redeemed	(\$131,145)	\$0
Total amount proposed to be borrowed as at 30 June	\$0	\$0

16.2 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 and buildings reserve

The Land and 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.

16 OTHER STRATEGIES (Continued)

16.2 Reserves (continued)

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.

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 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

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.

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.

16 OTHER STRATEGIES (Continued)

16.2 Reserves (continued)

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.

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.

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 is 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.

Heritage loan scheme reserve

The Heritage Loan Scheme Reserve is used to provide land owners of properties located in significance heritage precincts, heritage registered buildings or structures of local heritage significance, with loans to enable repair and maintenance of those buildings with the aims of quality appearance and public safety.

16 OTHER STRATEGIES (Continued)

16.2 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.

16.2.1 Transfers to and from reserves

The following is a summary of the projected reserves position for the year ended 30 June 2016:

Name of reserve	2015/16 reserves - as per projected actuals			
	Balance at 1 July 2015	Transfers to reserves	Transfers from reserves	Balance at 30 June 2016
Land and buildings reserve	\$ 213,400	\$ 35,000	\$ -	\$ 248,400
Professional development reserve	\$ 51,946	\$ 10,000	\$ -	\$ 61,946
Unspent grants reserve	\$ 7,197,967	\$ 2,700,000	\$ 7,197,967	\$ 2,700,000
Capital expenditure reserve	\$ 1,881,189	\$ 2,030,000	\$ 1,881,189	\$ 2,030,000
Rates reserve	\$ 351,469	\$ 8,791	\$ 131,054	\$ 229,206
Information technology reserve	\$ 485,697	\$ 750,000	\$ 185,500	\$ 1,050,197
Valuation reserve	\$ 197,134	\$ 75,000	\$ 156,066	\$ 116,068
Units reserve	\$ 50,560	\$ 7,976	\$ -	\$ 58,536
Economic development reserve	\$ 436,744	\$ 185,000	\$ 474,972	\$ 146,772
Skinner's Flat reserve	\$ 18,503	\$ -	\$ -	\$ 18,503
Community planning reserve	\$ 328,302	\$ 188,331	\$ 328,302	\$ 188,331
Plant replacement reserve	\$ 1,956,969	\$ 824,000	\$ 2,101,227	\$ 679,742
Fleet replacement reserve	\$ 285,229	\$ 291,000	\$ 142,629	\$ 433,600
GSP restoration reserve	\$ 615,549	\$ 63,864	\$ 35,000	\$ 644,413
Urban drainage reserve	\$ 429,527	\$ 100,000	\$ 213,400	\$ 316,127
Landfill rehabilitation reserve	\$ 230,337	\$ 33,190	\$ -	\$ 263,527
Lake Boort water reserve	\$ 19,494	\$ -	\$ 12,099	\$ 7,395
Reserves improvement reserve	\$ 100,000	\$ -	\$ -	\$ 100,000
Caravan park development reserve	\$ 10,204	\$ 214,242	\$ 156,080	\$ 68,366
Superannuation liability reserve	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Unspent contributions reserve	\$ -	\$ -	\$ -	\$ -
War memorial reserve	\$ 3,000	\$ -	\$ -	\$ 3,000
Heritage loan scheme	\$ 72,610	\$ -	\$ -	\$ 72,610
Major projects reserve	\$ 600,152	\$ -	\$ 584,400	\$ 15,752
TOTAL	\$ 16,535,982	\$ 7,516,394	\$ 13,599,885	\$ 10,452,491

16 OTHER STRATEGIES (Continued)

16.2.1 Transfers to and from reserves (continued)

The following is a summary of the budgeted reserves position for the year ended 30 June 2017:

Name of reserve	2016/17 reserves			
	Balance at 1 July 2016	Transfers to reserves	Transfers from reserves	Balance at 30 June 2017
Land and buildings reserve	\$ 248,400	\$ 315,000	\$ -	\$ 563,400
Professional development reserve	\$ 61,946	\$ 8,000	\$ -	\$ 69,946
Unspent grants reserve	\$ 2,700,000	\$ -	\$ 2,700,000	\$ -
Capital expenditure reserve	\$ 2,030,000	\$ -	\$ 2,030,000	\$ -
Rates reserve	\$ 229,206	\$ -	\$ 229,206	\$ -
Information technology reserve	\$ 1,050,197	\$ 485,000	\$ 646,500	\$ 888,697
Valuation reserve	\$ 116,068	\$ 60,000	\$ 15,000	\$ 161,068
Units reserve	\$ 58,536	\$ 7,920	\$ -	\$ 66,456
Economic development reserve	\$ 146,772	\$ 215,000	\$ 245,759	\$ 116,013
Skinner's Flat reserve	\$ 18,503	\$ -	\$ -	\$ 18,503
Community planning reserve	\$ 188,331	\$ -	\$ 188,331	\$ -
Plant replacement reserve	\$ 679,742	\$ 850,000	\$ 1,314,826	\$ 214,916
Fleet replacement reserve	\$ 433,600	\$ 291,000	\$ 205,304	\$ 519,296
GSP restoration reserve	\$ 644,413	\$ 76,946	\$ -	\$ 721,359
Urban drainage reserve	\$ 316,127	\$ 350,000	\$ 350,000	\$ 316,127
Landfill rehabilitation reserve	\$ 263,527	\$ 33,620	\$ -	\$ 297,147
Lake Boort water reserve	\$ 7,395	\$ -	\$ -	\$ 7,395
Reserves improvement reserve	\$ 100,000	\$ -	\$ -	\$ 100,000
Caravan park development reserve	\$ 68,366	\$ 67,536	\$ 45,000	\$ 90,902
Superannuation liability reserve	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Unspent contributions reserve	\$ -	\$ -	\$ -	\$ -
War memorial reserve	\$ 3,000	\$ -	\$ -	\$ 3,000
Heritage loan scheme	\$ 72,610	\$ -	\$ -	\$ 72,610
Major projects reserve	\$ 15,752	\$ -	\$ -	\$ 15,752
TOTAL	\$ 10,452,491	\$ 2,760,022	\$ 7,969,926	\$ 5,242,587

By including the above transfers from reserves it is expected that reserve levels remain steady during 2016/17, leaving a balance of \$5.24 million in the reserves account.

10.2.2 Details of reserves

The following schedule provides details of each of the reserve transfers for 2016/17:

Land and buildings reserve			
Opening balance			\$248,400
ADD transfer to reserve			
Tresise Street Serpentine house sales	Activity 191	\$280,000	
Ridge Street Wedderburn land sale	Activity 110	\$35,000	\$315,000
LESS transfer from reserve			
Nil	N/A		\$0
Closing balance			\$563,400

Professional development reserve			
Opening balance			\$61,946
ADD transfer to reserve			
Annual allocation	Activity 461	\$8,000	\$8,000
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$69,946

16 OTHER STRATEGIES (Continued)

16.2.1 Transfers to and from reserves (continued)

Unspent grants reserve			
Opening balance			\$2,700,000
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Projects carried forward from 2015/16	Various	(\$2,700,000)	(\$2,700,000)
Closing balance			\$0

Capital expenditure reserve			
Opening balance			\$2,030,000
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Projects carried forward from 2015/16	Various	(\$2,030,000)	(\$2,030,000)
Closing balance			\$0

Rates reserve			
Opening balance			\$229,206
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
General rates income (closure)	Activity 411	(\$229,206)	(\$229,206)
Closing balance			\$0

Information technology reserve			
Opening balance			\$1,050,197
ADD transfer to reserve			
Annual allocations for major purchases	Activity 461	\$485,000	\$485,000
LESS transfer from reserve			
Server Replacement	Activity 434	(\$30,000)	
Corporate system	Activity 434	(\$500,000)	
Software licenses	Activity 434	(\$62,000)	
Minor Information technology expenditure	Activity 434 and 491	(\$54,500)	(\$646,500)
Closing balance			\$888,697

Valuation reserve			
Opening balance			\$116,068
ADD transfer to reserve			
Annual allocation	Activity 461	\$60,000	\$60,000
LESS transfer from reserve			
Expenditure for 2015/16	Activity 436	(\$15,000)	(\$15,000)
Closing balance			\$161,068

16 OTHER STRATEGIES (Continued)

16.2.1 Transfers to and from reserves (continued)

Units reserve			
Opening balance			\$58,536
ADD transfer to reserve			
Surplus for 2015/16	Activity 634	\$7,920	\$7,920
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$66,456
Economic development reserve			
Opening balance			\$146,772
ADD transfer to reserve			
Sale of Pyramid Hill industrial land	Activity 192	\$30,000	
Sale of Serpentine industrial land	Activity 192	\$85,000	
Sale of Inglewood industrial land	Activity 192	\$100,000	
Annual allocation	Activity 461	\$0	\$215,000
LESS transfer from reserve			
Pyramid Hill industrial development	Activity 192	(\$155,759)	
Agribusiness Forum	Activity 131	(\$15,000)	
Economic development strategy	Activity 131	(\$75,000)	(\$245,759)
Closing balance			\$116,013
Skinner's flat reserve			
Opening balance			\$18,503
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$18,503
Community planning reserve			
Opening balance			\$188,331
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Projects carried forward from 2015/16	Various	(\$188,331)	(\$188,331)
Closing balance			\$0
Plant replacement reserve			
Opening balance			\$679,742
ADD transfer to reserve			
Annual allocation to reserve	Activity 461	\$850,000	\$850,000
LESS transfer from reserve			
Net cost of plant replacement	Activity 391	(\$1,314,826)	(\$1,314,826)
Closing balance			\$214,916

16 OTHER STRATEGIES (Continued)

16.2.1 Transfers to and from reserves (continued)

Fleet replacement reserve			
Opening balance			\$433,600
ADD transfer to reserve			
Annual allocation to reserve	Activity 461	\$291,000	\$291,000
LESS transfer from reserve			
Net cost of fleet replacement	Activity 391	(\$205,304)	(\$205,304)
Closing balance			\$519,296

GSP restoration reserve			
Opening balance			\$644,413
ADD transfer to reserve			
Net income from gravel pits	Activity 380	\$76,946	\$76,946
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$721,359

Urban drainage reserve			
Opening balance			\$316,127
ADD transfer to reserve			
Annual allocation	Activity 461	\$350,000	\$350,000
LESS transfer from reserve			
Drainage program	Activity 371	(\$350,000)	(\$350,000)
Closing balance			\$316,127

Landfill rehabilitation reserve			
Opening balance			\$263,527
ADD transfer to reserve			
Kerbside collection	Activity 512	\$33,620	\$33,620
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$297,147

Reserves improvement reserve			
Opening balance			\$100,000
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$100,000

Lake Boort water reserve			
Opening balance			\$7,395
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$7,395

16 OTHER STRATEGIES (Continued)

16.2.1 Transfers to and from reserves (continued)

Caravan park development reserve			
Opening balance			\$68,366
ADD transfer to reserve			
Surplus of caravan park operations	Activity 123	\$67,536	\$67,536
LESS transfer from reserve			
Wedderburn tree works	Activity 123	(\$30,000)	
Wedderburn entrance works	Activity 123	(\$15,000)	(\$45,000)
Closing balance			\$90,902
Superannuation liability reserve			
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
Unspent contributions reserve			
Opening balance			\$0
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$0
War memorial reserve			
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
Major projects reserve			
Opening balance			\$15,752
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$15,752

APPENDIX A - FEES AND CHARGES SCHEDULE

Council's fees and charges schedule contains the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and service provided during the 2016/17 year.

This document is located on Council's website and was adopted by Council on 26 April 2016.

APPENDIX B - BUDGET PROCESSES

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

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about 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 2016/17 Budget, which is included in this report, is for the year 1 July 2016 to 30 June 2017 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 2017 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards and the Local Government Model Accounts. 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.

A 'proposed' budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 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 proposed 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.

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

If Council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will determine whether the rate increase variation submission has been successful by 31 May. In many cases this will require Council to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. the Minister's maximum rate increase and the Council's required rate increase.

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

Dec - Minister for Local Government announces maximum rate increase
Dec - Officers update Council's long term financial projections
Jan/Feb - Council to advise ESC if it intends to make a rate variation submission
Mar - Council submits a formal rate variation submission to ESC
April - Proposed budget distributed to Councillors
May - ESC advises whether rate variation submission successful
May - Council meets to consider the proposed budget
May - Council resolves to advertise the proposed budget
May - Council advertises "Draft Budget"
May and June - Proposed 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 2016/17 Budget to the Minister

APPENDIX C - CAPITAL WORKS PROGRAM

This appendix presents a listing of the capital works projects that will be undertaken for the 2016/17 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 and contrib.	Sale of assets	Loan funds	Reserves	Working capital	Operating activities	
Economic development and tourism							
Tourism signage						\$2,500	\$2,500
Wedderburn Caravan Park upgrade						\$150,000	\$150,000
Pyramid Hill Caravan Park works						\$100,000	\$100,000
Wedderburn Caravan Park trees				\$30,000			\$30,000
Wedderburn Caravan Park entrance				\$15,000			\$15,000
Council properties fencing						\$10,000	\$10,000
Council land and building				\$20,000			\$20,000
Pyramid Hill Industrial Estate	\$401,251			\$155,749			\$557,000
Works and infrastructure							
Local roads reseals						\$1,300,000	\$1,300,000
Local road construction	\$3,302,468					\$904,255	\$4,206,723
Local road resheets	\$1,065,262						\$1,065,262
Local road shoulder sheets	\$531,501						\$531,501
Local bridges and culverts	\$710,500			\$100,000			\$810,500
Township street improvements	\$234,554					\$314,420	\$548,974
Urban drainage	\$350,000						\$350,000
Depot wash point				\$110,000			\$110,000
Depot automated gates				\$50,000			\$50,000
Pyramid Hill wash point				\$50,000			\$50,000
Workshop expansion						\$41,500	\$41,500
Reseal Wedderburn Depot						\$40,000	\$40,000
Depot fuel tank decommission						\$21,310	\$21,310
Operations Centre expansion				\$100,000			\$100,000
Fleet replacement		\$87,846		\$205,304			\$293,150
Plant replacement		\$135,919		\$1,314,826			\$1,450,745
Minor plant and equipment						\$10,000	\$10,000

APPENDIX C - CAPITAL WORKS PROGRAM (Continued)

C1. Capital works by key direction area (continued)

Project	External funding			Internal funding			Total funding sources
	Grants and contrib.	Sale of assets	Loan funds	Reserves	Working capital	Operating activities	
Good management							
Office furniture and equipment				\$2,500			\$2,500
Server replacement				\$30,000			\$30,000
Asset Edge devices				\$2,000			\$2,000
PC replacement				\$25,000			\$25,000
Photocopier / scanner				\$10,000			\$10,000
Corporate IT Package				\$500,000			\$500,000
Building Asset Management Plan allocation						\$47,190	\$47,190
Environment							
Inglewood Transfer Station	\$150,000			\$150,000			\$300,000
Community services and recreation							
Parks and gardens strategy						\$100,000	\$100,000
Community planning strategic fund						\$500,000	\$500,000
Swimming pool strategy	\$13,333					\$26,667	\$40,000
Swimming pool solar power	\$100,000					\$100,000	\$200,000
Swimming pool liners	\$100,000					\$50,000	\$150,000
Captain Melville trail				\$100,000			\$100,000
Community planning carry over projects				\$188,331			\$188,331
Community planning allocations						\$250,000	\$250,000
LGIP Inglewood Town Hall				\$150,000			\$150,000
LGIP Wedderburn streetscape				\$1,700,000			\$1,700,000
LGIP Pyramid Hill streetscape				\$600,000			\$600,000
FRRR Bridgewater foreshore	\$300,000			\$100,000			\$400,000
Inglewood pool upgrade				\$150,000			\$150,000
Total	\$7,258,869	\$223,765	\$0	\$5,858,710	\$0	\$3,967,842	\$17,309,186

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
Land and buildings						
Council properties fencing		\$10,000				\$10,000
Council land and buildings		\$20,000				\$20,000
Pyramid Hill industrial estate					\$557,000	\$557,000
Depot wash point					\$110,000	\$110,000
Pyramid Hill depot wash point					\$50,000	\$50,000
Depot automated gates					\$50,000	\$50,000
Workshop extension				\$41,500		\$41,500
Reseal Wedderburn Depot	\$40,000					\$40,000
Depot fuel tank decommission	\$21,310					\$21,310
Operations centre expansion					\$100,000	\$100,000
Building asset management plan	\$47,190					\$47,190
Inglewood transfer station					\$300,000	\$300,000
Strategic fund	\$500,000					\$500,000
Inglewood Eucy Museum annex					\$25,000	\$25,000
Engine display Eucy Museum					\$20,000	\$20,000
Inglewood Town Hall					\$150,000	\$150,000
Total land and buildings	\$608,500	\$30,000	\$0	\$41,500	\$1,362,000	\$2,042,000
Furniture and equipment						
Office furniture and equipment	\$2,500					\$2,500
Server replacement	\$30,000					\$30,000
PC replacement	\$25,000					\$25,000
Photocopier / scanner	\$10,000					\$10,000
Asset Edge devices		\$2,000				\$2,000
Corporate IT package					\$500,000	\$500,000
Total furniture and equipment	\$67,500	\$2,000	\$0	\$0	\$500,000	\$569,500
Plant and equipment						
Minor plant and equipment		\$10,000				\$10,000
Fleet replacement		\$293,150				\$293,150
Plant replacement		\$1,450,745				\$1,450,745
Total plant and equipment	\$0	\$1,753,895	\$0	\$0	\$0	\$1,753,895
Footpaths						
Township street improvements	\$548,974					\$548,974
Total footpaths	\$548,974	\$0	\$0	\$0	\$0	\$548,974
Roadworks						
Local road reseals	\$1,300,000					\$1,300,000
Local road construction	\$3,359,089					\$3,359,089
Local road resheets	\$1,065,262					\$1,065,262
Local road shoulder sheets	\$531,501					\$531,501
Local bridges and culverts	\$512,500				\$298,000	\$810,500
Tourism signage	\$2,500					\$2,500
Wedderburn streetscape					\$847,634	\$847,634
Total roadworks	\$6,770,852	\$0	\$0	\$0	\$1,145,634	\$7,916,486

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
Urban and road drainage						
Urban drainage program			\$350,000			\$350,000
Total urban and road drainage	\$0	\$0	\$350,000	\$0	\$0	\$350,000
Recreation, leisure and community facilities						
Wedderburn Caravan Park upgrade			\$150,000			\$150,000
Pyramid Hill Caravan Park works			\$100,000			\$100,000
Wedderburn Caravan Park trees			\$30,000			\$30,000
Wedderburn Caravan Park entrance			\$15,000			\$15,000
Swimming pool strategy	\$40,000					\$40,000
Swimming pool solar power				\$200,000		\$200,000
Captain Melville Trail					\$100,000	\$100,000
Swimming pool liners	\$150,000					\$150,000
Community planning carry over					\$16,331	\$16,331
Bridgewater foreshore					\$400,000	\$400,000
Total recreation, leisure and community facilities	\$190,000	\$0	\$295,000	\$200,000	\$516,331	\$1,201,331
Parks, open space and streetscapes						
Parks and gardens strategy	\$100,000					\$100,000
Community planning carry over					\$127,000	\$127,000
Community planning allocations			\$250,000			\$250,000
LGIP Wedderburn streetscape					\$1,700,000	\$1,700,000
LGIP Pyramid Hill streetscape					\$600,000	\$600,000
Inglewood pool upgrade					\$150,000	\$150,000
Total parks, open space and streetscapes	\$100,000	\$0	\$250,000	\$0	\$2,577,000	\$2,927,000
Total	\$8,285,826	\$1,785,895	\$895,000	\$241,500	\$6,100,965	\$17,309,186

C3. Capital funding in detail

C3.1 Grants and contributions

Program	Type or source of grant or contribution	Amount
Pyramid Hill Industrial Estate	Infrastructure Support Fund	\$401,251
Inglewood Transfer Station	Sustainability Victoria Fund	\$150,000
Local road construction	Roads to Recovery	\$3,302,468
Local road resheets	Roads to Recovery	\$1,065,262
Local road shoulder sheets	Roads to Recovery	\$531,501
Local bridges and culverts	Roads to Recovery	\$710,500
Township street improvements	Roads to Recovery	\$234,554
Urban drainage	Roads to Recovery	\$350,000
Swimming pool strategy	Sport and Recreation Victoria	\$13,333
Swimming pool solar power	Sport and Recreation Victoria	\$100,000
Swimming pool liners	Sport and Recreation Victoria	\$100,000
Bridgewater foreshore	Drought Response Program	\$300,000
Total		\$7,258,869

APPENDIX C - CAPITAL WORKS PROGRAM (Continued)

C3. Capital funding in detail (continued)

C3.2 Sale of assets

Key direction area	Asset classification	Amount
Works and infrastructure	Fleet/Plant	\$233,765
Total		\$233,765

C3.3 Loans

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

C3.4 Reserves

Program	Type of reserve	Amount
Carried forward projects	Unspent grants reserve	\$1,550,000
Carried forward projects	Capital expenditure reserve	\$1,810,000
Carried forward projects	Community planning reserve	\$188,331
Wedderburn Caravan Park trees	Caravan park reserve	\$30,000
Wedderburn Caravan Park entrance	Caravan park reserve	\$15,000
Council land and buildings	Land and buildings reserve	\$20,000
Pyramid Hill Industrial Estate	Economic development reserve	\$155,749
Plant replacement	Plant replacement reserve	\$1,314,826
Fleet replacement	Fleet replacement reserve	\$205,304
Server replacement	Information technology reserve	\$30,000
PC replacement and other equipment	Information technology reserve	\$29,500
Photocopier purchase	Information technology reserve	\$10,000
Corporate IT Package	Information technology reserve	\$500,000
Total		\$5,858,710

C3.5 Working capital

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

C3.6 Operating activities

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

APPENDIX D - MAJOR INITIATIVES

Strategic platform	Strategy	Initiative	Performance Measure	Data Source	Target
3 - Champion our agrifood enterprises	Remove the road blocks for new agrifood enterprises or expansion of existing ones	Lobby State Government to remove barriers to agricultural value-adding	Be an active member of the Project Steering Committee for the South West Loddon Water Supply Project	Committee minutes	30-June-2017
4 - Make our towns liveable and memorable	Renew the streetscape in our major towns	Wedderburn Streetscape Project	Complete the Wedderburn Streetscape Project	Final payment made to contractor	30-June-2017
4 - Make our towns liveable and memorable	Enhance our overall amenities by offering improved, but rationalised facilities in line with financial resources	Inglewood Town Hall Hub Project	Implement a governance structure for management of the newly developed Inglewood Town Hall Hub	Council minutes	30-June-2017
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	Commence implementation of the service delivery review project	Service delivery review coordinator engaged and project governance structure completed	30-June-2017
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-2017
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-2017

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 2015/16 Forecast Actuals, the 2016/17 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

	Forecast actual 2015/16	Budget 2016/17	Variance
Revenues from ordinary activities			
Rates and charges	\$9,751,869	\$10,083,316	\$331,447
User fees	\$2,231,925	\$1,797,766	(\$434,159)
Operating grants	\$5,687,111	\$9,500,431	\$3,813,320
Capital grants	\$6,958,299	\$7,245,536	\$287,237
Operating contributions	\$129,114	\$60,000	(\$69,114)
Capital contributions	\$0	\$0	\$0
Vic Roads	\$598,511	\$1,031,024	\$432,513
Reversal of impairment losses	\$570	\$0	\$0
Reimbursements	\$292,953	\$296,263	\$3,310
Interest	\$425,000	\$375,000	(\$50,000)
Total revenues	\$26,075,352	\$30,389,336	\$4,313,984
Expenses from ordinary activities			
Labour	\$8,950,804	\$9,352,102	\$401,298
Materials and services	\$8,582,820	\$8,572,572	(\$10,248)
Contracts	\$1,486,204	\$1,329,923	(\$156,281)
Utilities	\$366,931	\$386,318	\$19,387
Depreciation	\$8,544,033	\$8,757,634	\$213,601
Interest expense	\$7,259	\$0	(\$7,259)
Other expenses	\$286,284	\$299,117	\$12,833
Total expenses	\$28,224,335	\$28,697,666	\$473,331
Net (gain) / loss on sale of assets	\$0	\$0	\$0
Surplus / (deficit) for the year	-\$2,148,983	\$1,691,671	\$3,840,654

APPENDIX E - AUDIT COMMITTEE FINANCIALS (Continued)

COMPREHENSIVE INCOME STATEMENT BY KEY DIRECTION AREA

	Forecast actual 2015/16	Budget 2016/17	Variance
Revenues from ordinary activities			
Rates and charges	\$9,751,869	\$10,083,316	\$331,447
Operating grants	\$5,687,111	\$9,500,431	\$3,813,320
Capital grants	\$6,958,299	\$7,245,536	\$287,237
Operating contributions	\$129,114	\$60,000	(\$69,114)
Capital contributions	\$0	\$0	\$0
User fees	\$2,231,925	\$1,797,766	(\$434,159)
Reimbursements	\$292,953	\$296,263	\$3,310
Reversal of impairment losses	\$570	\$0	\$0
Vic Roads	\$598,511	\$1,031,024	\$432,513
Interest	\$425,000	\$375,000	(\$50,000)
Total revenues	\$26,075,352	\$30,389,336	\$4,313,984
Expenses from ordinary activities			
Economic development and tourism	\$1,660,162	\$1,315,710	(\$344,452)
Leadership	\$859,107	\$1,542,140	\$683,033
Works and infrastructure	\$11,306,298	\$12,365,887	\$1,059,589
Good management	\$4,839,748	\$4,151,839	(\$687,909)
Environment	\$2,228,325	\$1,798,465	(\$429,860)
Community services and recreation	\$7,330,695	\$7,523,624	\$192,929
Total expenses	\$28,224,335	\$28,697,665	\$473,330
Net (gain) / loss on sale of assets	\$0	\$0	\$0
Surplus / (deficit) for the year	-\$2,148,983	\$1,691,671	\$3,840,654

APPENDIX E - AUDIT COMMITTEE FINANCIALS (Continued)

CAPITAL EXPENDITURE STATEMENT

	Forecast actual 2015/16	Budget 2016/17	Variance
Surplus / (deficit) for the year-as per income statement	-\$2,148,983	\$1,691,671	\$3,840,654
Less non-cash income			
Reversal of impairment losses	(\$570)	\$0	\$570
Add non-cash expenditure			
Net gain on sale of assets	\$0	\$0	\$0
Loan interest accrued	\$0	\$0	
Depreciation	\$8,544,033	\$8,757,634	\$213,601
Total funds available for capital expenditure	\$6,394,480	\$10,449,305	\$4,054,825
Capital expenditure, transfers and loans			
Economic development and tourism	\$400,532	\$884,500	\$483,968
Leadership	\$0	\$0	\$0
Works and infrastructure	\$7,939,412	\$10,979,665	\$3,040,253
Good management	\$301,360	\$616,690	\$315,330
Environment	\$0	\$300,000	\$300,000
Community services and recreation	\$4,312,705	\$4,528,331	\$215,626
Total capital works	\$12,954,009	\$17,309,186	\$4,355,177
Transfers to reserves	\$7,516,394	\$2,760,022	(\$4,756,372)
Loan repayments	\$131,145	\$0	(\$131,145)
Total capital, transfers and loans	\$20,601,548	\$20,069,208	(\$532,340)
Capital expenditure, transfers and loans will be financed by:			
Asset sales	\$354,777	\$773,765	\$418,989
Transfers from reserves	\$13,599,885	\$7,969,926	(\$5,629,959)
Accumulated cash surplus brought forward from previous year	\$1,191,863	\$939,453	(\$252,410)
Total financing of capital, transfers, and loans	\$15,146,524	\$9,683,144	(\$5,463,380)
Total accumulated cash surplus	\$939,456	\$63,241	(\$876,215)

APPENDIX F - FINANCIAL STATEMENTS

BUDGET REPORT AT COST CENTRE LEVEL

Cost centre	2015/16		2016/17 Budget
	Original Budget	2015/16 Forecast Actual	
01. PARKS & TOWNSHIPS (1)	1,020,038	875,894	1,027,016
02. HACC (2)	408,931	852,035	534,617
03. EARLY YEARS SERVICES (3)	230,121	249,629	198,002
04. LOCAL ROADS (4)	6,116,477	6,529,210	8,035,509
05. MAIN ROADS (5)	(386,265)	(151,838)	(314,956)
06. LODDON WORKS - OTHER (6)	(3,747)	(3,747)	(3,827)
07. ROADS TO RECOVERY 2 (7)	0	9,360	0
08. FLOOD RECOVERY (8)	0	0	0
09. COUNCIL (9)	(7,067,966)	(8,108,133)	(8,600,149)
10. (SURPLUS)/DEFICIT C/F (10)	(334,043)	(1,191,863)	(939,453)
Grand Total	(16,454)	(939,453)	(63,241)

Element	2015/16		2016/17 Budget
	Original Budget	2015/16 Forecast Actual	
01. Labour	9,363,375	9,449,036	9,789,475
02. Oncost	1,550,121	1,547,493	1,682,822
03. Plant	3,926,388	4,343,050	4,408,388
04. Creditors	11,142,944	13,665,735	16,893,168
05. Stores	250,747	270,742	145,879
06. Fuel	923,290	685,547	757,058
07. Contractors	4,482,576	7,599,654	8,676,221
09. Utilities	456,741	367,258	386,661
10. Loan Repayments	131,145	131,145	0
12. Loan Int Cash	7,259	7,259	0
17. Reserves	2,846,296	7,742,434	3,010,036
21. CACP Internal Charges (Exp)	302,923	302,923	0
25. Grants Expenditure	347,578	363,041	350,742
70. Fees & Charges	(2,155,825)	(2,231,925)	(1,797,766)
71. Contributions	0	(129,114)	(60,000)
72. Capital Works Contributions	0	0	0
73. Interest	(425,000)	(425,000)	(375,000)
74. Asset Sales (Capital)	(372,124)	(354,773)	(773,765)
76. Carried Forward Surplus	(334,043)	(1,191,863)	(939,453)
77. Reimbursements	(267,953)	(292,953)	(296,264)
80. Rates	(9,701,598)	(9,751,869)	(10,083,316)
81. Grants (Capital)	(4,086,181)	(6,958,299)	(7,245,536)
82. Grants (Revenue)	(9,241,910)	(5,687,111)	(9,500,431)
86. Oncost Income	(1,550,121)	(1,547,493)	(1,682,822)
87. Plant Income	(3,926,388)	(4,343,050)	(4,408,388)
88. Reserves (Capital)	(2,231,390)	(5,598,644)	(4,835,836)
89. Reserves (Operating)	(394,150)	(8,001,241)	(3,134,090)
90. Vic Roads	(758,232)	(598,511)	(1,031,024)
91. CACP Internal Charges (Inc)	(302,923)	(302,923)	0
Grand Total	(16,454)	(939,453)	(63,241)

APPENDIX F - FINANCIAL STATEMENTS

BUDGET REPORT AT PROGRAM LEVEL (Continued)

Activity details by program

Activity	2015/16		2016/17 Budget
	Original Budget	2015/16 Forecast Actual	
1 Eco Dev & Tourism	918,129	1,023,633	567,987
110. ECO DEV & TOURISM STRATEGIES	211,400	242,400	198,512
111. ECONOMIC DEVELOPMENT	239,697	234,327	192,353
121. TOURISM	193,627	190,768	199,471
122. TOURISM INITIATIVES	120,005	119,822	101,650
123. CARAVAN PARKS	164,658	135,813	227,464
125. LODDON DISCOVERY TOURS	(10,000)	(10,000)	0
131. PROMOTIONAL INITIATIVES	57,000	57,000	15,000
132. INDUSTRIAL SITES	(3,689)	(3,729)	(3,472)
141. CONTRIBUTIONS	4,400	4,400	4,510
142. ECONOMIC DEVELOPMENT	(10,433)	(10,419)	(10,579)
151. BUILDING CONTROL	33,990	63,190	(36,077)
161. COUNCIL RESIDENCES	11,890	14,581	19,405
181. STANDPIPES & TRUCKWASHES	(166)	(166)	(1,000)
191. ACQUISITION & DISPOSAL	(35,000)	(35,000)	(280,000)
192. CONSTRUCTION/IMPROVE	(59,250)	20,646	(59,251)

Element details by program

Element	2015/16		2016/17 Budget
	Original Budget	2015/16 Forecast Actual	
1 Eco Dev & Tourism	918,129	1,023,633	567,987
01. Labour	529,180	571,901	480,497
02. Oncoast	3,268	14,431	3,377
03. Plant	75,542	82,802	57,604
04. Creditors	730,211	745,180	638,472
07. Contractors	650,333	463,565	818,450
09. Utilities	70,183	75,183	73,692
25. Grants Expenditure	4,400	4,400	4,510
70. Fees & Charges	(478,738)	(611,693)	(554,364)
71. Contributions	0	(9,136)	0
74. Asset Sales (Capital)	(250,000)	(220,000)	(550,000)
81. Grants (Capital)	(401,250)	(20,500)	(401,251)
82. Grants (Revenue)	(15,000)	(72,500)	(3,000)

APPENDIX F - FINANCIAL STATEMENTS

BUDGET REPORT AT PROGRAM LEVEL (Continued)

Activity details by program

Activity	2015/16		2016/17 Budget
	Original Budget	2015/16 Forecast Actual	
2 Leadership	938,670	839,022	1,515,034
211. COUNCILLOR COSTS	342,148	372,902	527,856
212. EXECUTIVE	0	0	470,393
216. LOANS	138,404	138,404	0
221. LOCAL LAWS	202,118	64,820	239,151
230. DEVELOPMENT SERVICES	0	0	147,390
232. COMMUNITY LEADERSHIP	21,444	21,444	17,000
251. RECORDS MANAGEMENT	234,556	229,552	104,100
281. MUN EMERGENCY MAN	0	3,120	9,144
283. LODDON FLOOD RECOVERY COMMITTEE	0	8,780	0

Element details by program

Element	2015/16		2016/17 Budget
	Original Budget	2015/16 Forecast Actual	
2 Leadership	938,670	839,022	1,515,034
01. Labour	262,862	318,547	751,099
02. Oncoast	1,080	1,080	1,123
03. Plant	38,500	38,500	29,550
04. Creditors	550,361	528,978	786,870
10. Loan Repayments	131,145	131,145	0
12. Loan Int Cash	7,259	7,259	0
70. Fees & Charges	(6,981)	(65,656)	(7,177)
77. Reimbursements	(45,556)	(45,556)	(46,432)
82. Grants (Revenue)	0	(75,275)	0

APPENDIX F - FINANCIAL STATEMENTS

BUDGET REPORT AT PROGRAM LEVEL (Continued)

Activity details by program

Activity	2015/16		2016/17 Budget
	Original Budget	2015/16 Forecast Actual	
3 Works Infrastructure	5,024,326	6,332,646	7,572,608
311. STAFF ONCOSTS	(20,394)	(140,263)	(218,379)
320. TECHNICAL SERVICES	0	0	600,589
321. PLANT OPERATING	(1,545,908)	(2,189,343)	(2,175,063)
322. FLEET	(394,955)	(357,425)	(309,648)
331. LOCAL ROADS MAINT	4,896,432	5,304,212	5,416,834
333. RESEALS	970,000	970,000	1,300,000
339. ROADS TO RECOVERY	(3,352,550)	(4,064,446)	(6,194,285)
341. MAIN RDS ROUTINE PAVEMENT MAINT	(386,265)	(151,838)	(314,956)
349. LOCAL RD AMENITY PROGRAM	274,257	295,389	0
350. LOCAL ROAD SAFETY PROGRAM	102,660	226,320	0
351. LOCAL RD CONSTRUCTION	1,234,524	1,721,570	4,206,723
352. LOCAL RD GRAVEL RESHEETS	562,132	704,119	1,065,262
353. LOCAL RD SHOULDER SHEETS	250,000	368,775	531,501
354. LOCAL BRIDGES/CULVERTS	422,100	124,103	810,500
356. TOWNSHIP/STREETS IMP	319,022	429,209	548,974
371. URBAN DRAINAGE WORKS	427,900	427,900	350,000
381. GRAVEL PITS	(88,864)	(28,864)	(76,936)
383. DEPOTS	302,199	201,596	458,194
384. ROAD OPENINGS ETC	(1,987)	(1,987)	(2,006)
385. TRAFFIC CONTROL	55,000	60,000	31,500
386. PRIVATE WORKS	(3,747)	(3,747)	(3,827)
391. ACQUISITION & DISPOSAL	1,002,770	2,437,366	1,547,630

Element details by program

Element	2015/16		2016/17 Budget
	Original Budget	2015/16 Forecast Actual	
3 Works Infrastructure	5,024,326	6,332,646	7,572,608
01. Labour	2,975,924	2,994,926	3,541,498
02. Oncost	1,113,049	1,120,250	1,194,175
03. Plant	3,099,449	3,534,530	3,656,984
04. Creditors	4,699,187	5,745,058	8,250,731
05. Stores	247,476	267,471	143,551
06. Fuel	923,290	685,547	757,058
07. Contractors	1,902,839	2,841,091	3,742,108
09. Utilities	94,917	54,952	58,931
70. Fees & Charges	(272,579)	(162,579)	(179,394)
74. Asset Sales (Capital)	(122,124)	(134,773)	(223,765)
77. Reimbursements	(217,000)	(242,000)	(244,300)
81. Grants (Capital)	(3,352,550)	(4,064,446)	(6,194,285)
86. Oncost Income	(1,382,932)	(1,365,820)	(1,491,271)
87. Plant Income	(3,926,388)	(4,343,050)	(4,408,388)
90. Vic Roads	(758,232)	(598,511)	(1,031,024)

APPENDIX F - FINANCIAL STATEMENTS

BUDGET REPORT AT PROGRAM LEVEL (Continued)

Activity details by program

Activity	2015/16 Original Budget	2015/16 Forecast Actual	2016/17 Budget
4 Good Management	(10,983,864)	(13,917,103)	(17,518,089)
410. GOOD MANAGEMENT STRATEGIES	249,200	198,860	47,190
411. RATES INCOME	(8,632,577)	(8,676,668)	(8,931,912)
421. VGC INCOME	(7,762,242)	(4,026,852)	(7,891,934)
431. INTEREST INCOME	(425,000)	(425,000)	(375,000)
432. OTHER INCOME	(7,631)	(8,272)	(6,429)
434. INFORMATION TECHNOLOGY	490,095	522,076	686,335
435. PRINTING & STATIONERY	50,000	38,750	39,300
436. ADMINISTRATION	532,449	549,444	492,557
437. INSURANCE	216,337	232,314	227,372
440. FINANCE	0	0	627,276
441. CORPORATE SERVICES	1,814,599	1,802,260	558,708
442. OPERATIONS	1,459,880	1,440,602	783,191
443. OCC HEALTH & SAFETY	25,000	27,307	25,000
444. ORGANISATIONAL DEVELOPMENT	0	0	277,454
450. BUILDING MAINTENANCE	0	0	105,383
451. WEDDERBURN OFFICE	111,596	93,935	82,705
452. SERPENTINE OFFICE	55,417	55,220	54,516
453. BRIC	14,256	12,371	6,036
454. TELEPHONE CHARGES	0	0	35,000
461. RESERVE TRANSFERS	(5,284)	(6,083,491)	(5,209,904)
462. LONG SERVICE LEAVE PROV	217,196	217,196	239,616
471. SUBSCRIPTIONS, DONATIONS, & MEMBERSHIPS	65,345	65,345	66,949
491. ACQUISITION & DISPOSAL	547,500	47,500	542,500

Element details by program

Element	2015/16 Original Budget	2015/16 Forecast Actual	2016/17 Budget
4 Good Management	(10,983,864)	(13,917,103)	(17,518,089)
01. Labour	2,578,603	2,578,603	1,973,638
02. Oncost	5,267	5,267	9,076
03. Plant	239,662	239,662	209,385
04. Creditors	2,254,570	1,785,233	2,325,741
07. Contractors	547,468	497,128	183,097
09. Utilities	98,885	80,185	69,025
17. Reserves	2,837,452	7,733,590	2,999,638
25. Grants Expenditure	2,800	2,800	2,870
70. Fees & Charges	(16,815)	(26,508)	(15,835)
71. Contributions	0	0	(60,000)
73. Interest	(425,000)	(425,000)	(375,000)
77. Reimbursements	(5,397)	(5,397)	(5,532)
80. Rates	(8,632,577)	(8,676,668)	(8,931,912)
81. Grants (Capital)	(40,000)	(40,000)	0
82. Grants (Revenue)	(7,803,242)	(4,066,113)	(7,932,355)
88. Reserves (Capital)	(2,231,390)	(5,598,644)	(4,835,836)
89. Reserves (Operating)	(394,150)	(8,001,241)	(3,134,090)

APPENDIX F - FINANCIAL STATEMENTS

BUDGET REPORT AT PROGRAM LEVEL (Continued)

Activity details by program

Activity	2015/16 Original Budget	2015/16 Forecast Actual	2016/17 Budget
5 Environment	378,795	582,660	222,798
510. ENVIRONMENT STRATEGIES	0	76,000	0
511. TIPS	360,406	503,105	438,648
512. GARBAGE COLLECTION	(376,590)	(373,227)	(404,242)
513. RECYCLING	(35,528)	(39,122)	(89,744)
521. TREE PLANTING	9,000	9,000	9,000
532. TOWN PLANNING	240,870	230,324	83,534
541. HERITAGE & CULTURE	3,000	3,000	3,000
561. FIRE PROTECTION	27,637	34,000	32,601
582. ENVIRONMENT	0	139,580	0
592. CONSTRUCTION/IMPROVE	150,000	0	150,000

Element details by program

Element	2015/16 Original Budget	2015/16 Forecast Actual	2016/17 Budget
5 Environment	378,795	582,660	222,798
01. Labour	310,609	310,609	213,273
02. Oncost	57,552	57,552	61,452
03. Plant	89,526	89,526	72,957
04. Creditors	360,003	771,319	426,658
05. Stores	2,271	2,271	2,328
07. Contractors	924,026	614,026	912,920
70. Fees & Charges	(135,198)	(107,189)	(104,139)
80. Rates	(1,069,021)	(1,075,201)	(1,151,404)
81. Grants (Capital)	(150,000)	0	(150,000)
82. Grants (Revenue)	(10,973)	(80,253)	(61,247)

APPENDIX F - FINANCIAL STATEMENTS

BUDGET REPORT AT PROGRAM LEVEL (Continued)

Activity details by program

Activity	2015/16 Original Budget	2015/16 Forecast Actual	2016/17 Budget
6 Community Recreation	4,041,533	5,391,552	8,515,876
610. COMM SERVICES & REC STRATEGIES	251,000	251,089	617,922
611. INFANT WELFARE CENTRES	121,272	127,570	116,238
614. PRE-SCHOOL MAINTENANCE	33,526	33,285	25,533
615. EDUCATION	100,849	114,059	83,664
620. DISABILITY ACCESS PROGRAMS	10,000	31,419	15,000
621. HEALTH CONTROL	110,988	103,215	105,737
623. OTHER HEALTH	5,000	18,262	5,000
631. HACC SERVICES	53,124	149,184	70,865
632. COMMUNITY SERVICES	232,221	221,198	244,729
633. SENIOR CITIZENS CENTRES	30,724	67,507	16,803
634. ELDERLY PERSONS UNITS	(7,491)	(7,976)	(7,920)
635. HACC ONCOSTS	28,661	1,024	(9,131)
636. EXTERNALLY BROKERED SERVICES	(10,006)	(10,006)	(14,638)
637. LSC PACKAGED CARE PROGRAM	(150,786)	225,652	(14,086)
641. RECREATION & COMMUNITY DEVELOPMENT	140,869	137,625	348,670
642. RECREATION RESERVES	158,536	186,914	159,036
643. SWIMMING POOLS	441,797	440,998	460,787
644. BEACHES	41,647	41,647	41,763
645. TOWNSCAPE SERVICES	913,038	784,168	920,016
649. OTHER RECREATION	98,375	118,375	20,000
650. MAJOR EVENTS GRANTS	20,000	20,000	20,000
651. COMMUNITY GRANTS	200,000	200,000	200,000
652. REGIONAL LIBRARY	191,077	191,077	193,801
653. PUBLIC HALLS	63,031	51,929	45,302
655. YOUTH INITIATIVES	6,000	6,000	6,000
661. DOMESTIC ANIMALS	25,181	25,180	46,906
662. LIVESTOCK	28,694	28,207	36,256
670. COMMUNITY PLAN MANAGER	631,407	129,775	500,000
671. BOORT COMMUNITY PLANS	50,000	16,006	127,500
676. WEDDERBURN COMMUNITY PLANS	50,000	50,233	50,000
677. INGLEWOOD COMMUNITY PLANS	50,000	90,267	134,500
678. TERRICK COMMUNITY PLANS	50,000	76,646	76,331
679. TARNAGULLA COMMUNITY PLANS	50,000	156,820	50,000
681. COMMUNITY PROTECTION	16,143	15,998	16,491
682. OTHER COMMUNITY	12,125	26,676	15,268
689. FLOOD RECOVERY LAND & BUILDING WORKS	0	22,494	0
690. FUNDED COMMUNITY PROJECTS	0	940,255	3,550,000
691. ACQUISITION & DISPOSAL	15,000	3,000	15,000
692. CONSTRUCTION/IMPROVE	(20,469)	305,780	226,534

APPENDIX F - FINANCIAL STATEMENTS

BUDGET REPORT AT PROGRAM LEVEL (Continued)

Element details by program

Element	2015/16 Original Budget	2015/16 Forecast Actual	2016/17 Budget
6 Community Recreation	4,041,533	5,391,552	8,515,875
01. Labour	2,706,198	2,674,451	2,829,469
02. Oncost	369,905	348,913	413,620
03. Plant	383,709	358,030	381,909
04. Creditors	2,548,612	4,089,966	4,464,695
05. Stores	1,000	1,000	0
07. Contractors	457,910	3,183,844	3,019,645
09. Utilities	192,756	156,938	185,013
17. Reserves	8,844	8,844	10,398
21. CACP Internal Charges (Exp)	302,923	302,923	0
25. Grants Expenditure	340,378	355,841	343,362
70. Fees & Charges	(1,245,514)	(1,258,300)	(936,857)
71. Contributions	0	(119,978)	0
81. Grants (Capital)	(142,381)	(2,833,353)	(500,000)
82. Grants (Revenue)	(1,412,695)	(1,392,970)	(1,503,828)
86. Oncost Income	(167,189)	(181,673)	(191,551)
91. CACP Internal Charges (Inc)	(302,923)	(302,923)	0

Activity details by program

Activity	2015/16 Original Budget	2015/16 Forecast Actual	2016/17 Budget
9 (Surplus) Deficit CF	(334,043)	(1,191,863)	(939,453)
998. (SURPLUS)/DEFICIT C/F	(334,043)	(1,191,863)	(939,453)

Element details by program

Element	2015/16 Original Budget	2015/16 Forecast Actual	2016/17 Budget
9 (Surplus) Deficit CF	(334,043)	(1,191,863)	(939,453)
76. Carried Forward Surplus	(334,043)	(1,191,863)	(939,453)