



Annual Budget 2017/18

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Mayor's Introduction

It gives me great pleasure to present this Budget to the Baw Baw Shire community. As a Council, this is the first budget that we have prepared and we have given it a great deal of consideration and spent many hours deliberating over it to ensure we have found the right balance to enable our Council to remain financially sustainable.

This budget builds on our Council Plan 2017-2021 vision, which focuses on the following four key areas:

1. Vibrant Communities
2. Thriving Economy
3. Safe and Sustainable Environments
4. Organisational Excellence

The Council Plan 2017-2021 sets out our strategic plan to deliver our vision over the full-term of the Council.

In the 2017/18 financial year no new borrowings are being made, and the Council's rate increase will again be capped to the Consumer Price Index (CPI) of 2.0 per cent. Careful planning has again allowed us to be in a position to meet the Victorian Government's Fair Go Rates System and to continue investing in our community and our assets. This has been achieved through the fiscal management of the organisation. From the CEO and the Executive Team to every member of staff, we have maintained our focus predominately on delivering the activities and services that are vital for our community. There have been some tough decisions made – and there will inevitably be more to come.

A highlight once again is our Capital Works Program. The proposed Budget comprises a substantial investment into Capital Works, with a program totalling \$33.3 million, of which \$4.4 million relates to projects carried over from the 2016/17 year. Building on the great community facility we delivered through the redevelopment of the Warragul Leisure Centre last year, we now focus our attention on the upgrade of the much needed West Gippsland Arts Centre. In February, we committed to proceed with the redevelopment of the West Gippsland Arts Centre at a cost of \$13.4 million. We have been very lucky in receiving generous support from both the Federal and State Governments to the tune of \$4 million each to assist us in undertaking this vital community project.

The Capital Works Program also includes:

- Feasibility assessment and concept design works for a Community Hub.
- Warragul CBD Improvement Works:
 - Palmerston Street streetscape works between Victoria Street and Smith Street
 - Mason Street Improvement works between Albert Street and Queen Street
 - Napier Street- Queen Street Intersection construction
- Western Park Oval development works (works commenced March 2017).
- Reconstruction of 7km section of Labertouche North Road, Labertouche.
- Construction of a half basketball court at Noojee.
- Roads investment of \$10.1 million including:
 - \$1.2 million for Shirewide Road Resealing works
 - \$1.1 million for Shirewide Gravel Road Resheets works
 - \$1.0 million for Shirewide Road Reconstruction works
 - \$1.0 million for Shirewide Major Pavement Repairs
 - \$0.65 million for Shirewide Road Upgrade/Sealing works.
- Craig Watts Skate Park toilet upgrade at Neerim South along with Shirewide annual toilets and amenities renewal and upgrade Program.
- Drainage investment of \$2.7 million that mainly includes:
 - \$1.7 million for Tarwin Street retarding basin construction
 - \$0.5 million for Copelands Road construction of drainage pipes
 - \$0.4 million for rural roadside drainage works.
- Bridges and major culverts investment of \$0.5 million comprising of:
 - \$0.3 million for Neerim East Road Culvert replacement works
 - \$0.15million for Shirewide minor bridge renewal works
- Footpath investment of \$0.9 million comprising:
 - \$0.7 million for Shirewide new footpath works

- \$0.2 million for Footpath Renewal Works across the shire.
- \$0.42 million towards minor building works, including asbestos removal, bus shelter renewal, and improvements at Trafalgar Kindergarten and Maternal and Child Health Centre and Mary Beck Pre-school.
- Open space investment of \$2.4 million.

This budget was developed through a rigorous process of consultation and review throughout the organisation, and Council endorses it as financially responsible. It is my pleasure to commend this proposed budget to the community for their feedback.

Cr Joe Gauci
Mayor

Executive summary

Council has prepared a Budget for 2017/18 which is aligned to the vision in the Council Plan 2017/2021. 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 the rate increase mandated by the State Government.

This Budget projects a surplus of \$23.32m for 2017/18, however, it should be noted that the adjusted underlying result is a surplus of \$0.88m after adjusting for non-recurrent capital grants and contributions (refer Sections 5 and 10.1).

1. Key things we are funding

- 1) Ongoing delivery of services to the Baw Baw Shire Council community funded by a budget of \$94.38m. These services are summarised in Section 2.
- 2) Continued investment in Infrastructure assets (\$18.20m). This includes roads (\$10.90m); bridges (\$0.88m); footpaths and bicycle paths (\$0.88m); drainage (\$2.70m); recreational, leisure and community facilities (\$2.50m) and other infrastructure including waste (\$0.33m). The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and 12.

Strategic Objective 1: Vibrant Communities

- 3) A key aspect of this objective is the Arts. There has been a reduction in income during the 2017/18 financial year and a decrease in some expenditure whilst the venue is closed. Council is making a significant capital investment in the West Gippsland Arts Centre in the redevelopment of the venue.

Strategic Objective 2: Thriving Economy

- 4) The focus is on business development and it is intended that Council will develop and implement a new Economic Development Strategy for the Shire.

Strategic Objective 3: Safe and Sustainable Environments

- 5) Funding has been budgeted in both the Operational and Capital budgets to support this objective. This is reflected in the capital works program with funding for Council's footpath renewal program, and the Waste Management plan. There is extensive funding for renewal of roads within the Shire.

Strategic Objective 4: Organisational Excellence

- 6) Council's focus will be on continuous improvement in service delivery. \$0.60m has been allocated in the capital works program to the enhancement of computer systems.

2. The Rate Rise

- a. The average rate will rise by 2.0% in line with the order by the Minister for Local Government on 16 December 2016 under the Fair Go Rates System.
- b. Key drivers
 - i. To fund ongoing service delivery – business as usual (balanced with greater service demands from residents)
 - ii. To fund renewal of infrastructure and community assets
 - iii. To cope with rapid population growth within the Shire
 - iv. To cope with cost shifting from the State Government.
- c. This is not a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2016 (as amended by supplementary valuations).
- d. The waste service charge incorporating kerbside collection and recycling will not increase for 2017/18.

- e. Note that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50. The other \$96.50 goes to the State and Federal Governments.
- f. Refer Section 7 for further Rates and Charges details.

3. Key Statistics

- Total Revenue: \$94.4M (2016/17 = \$87.7M)
- Total Expenditure: \$71.1M (2016/17 = \$67.8M)
- Accounting Result: \$23.3M Surplus (2016/17 = \$19.9M Surplus)
(Refer Income Statement in Section 3)
- Underlying operating result: Surplus of \$0.88M (2016/17 = Surplus of \$5.66M)
(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, from being allocated to cover operating expenses)
- Cash result: \$17.9M (2016/17 = \$24.1M)
(Refer Statement of Cash Flows in Section 3)
This is the net funding result after considering the funding requirements to meet loan principal repayments and the reserve transfers.
- Total Capital Works Program of \$33.3M (2016/17 = \$26.6M)
 - \$19.04 from Council operations (rates funded)
 - \$ 2.75 from Contributions
 - \$11.54M from external grants

CAPITAL WORKS PROGRAM

Infrastructure Assets

Roads
\$10.9m

Bridges
\$0.9m



Footpaths and
cycleways
\$0.9m

Drainage
\$2.7m

Recreational, leisure and
community facilities
\$2.5m



Other Infrastructure
and Waste
\$0.3 m

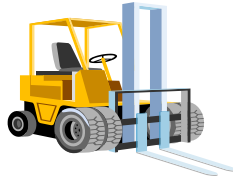
Non Infrastructure Assets

Land
\$0.9m

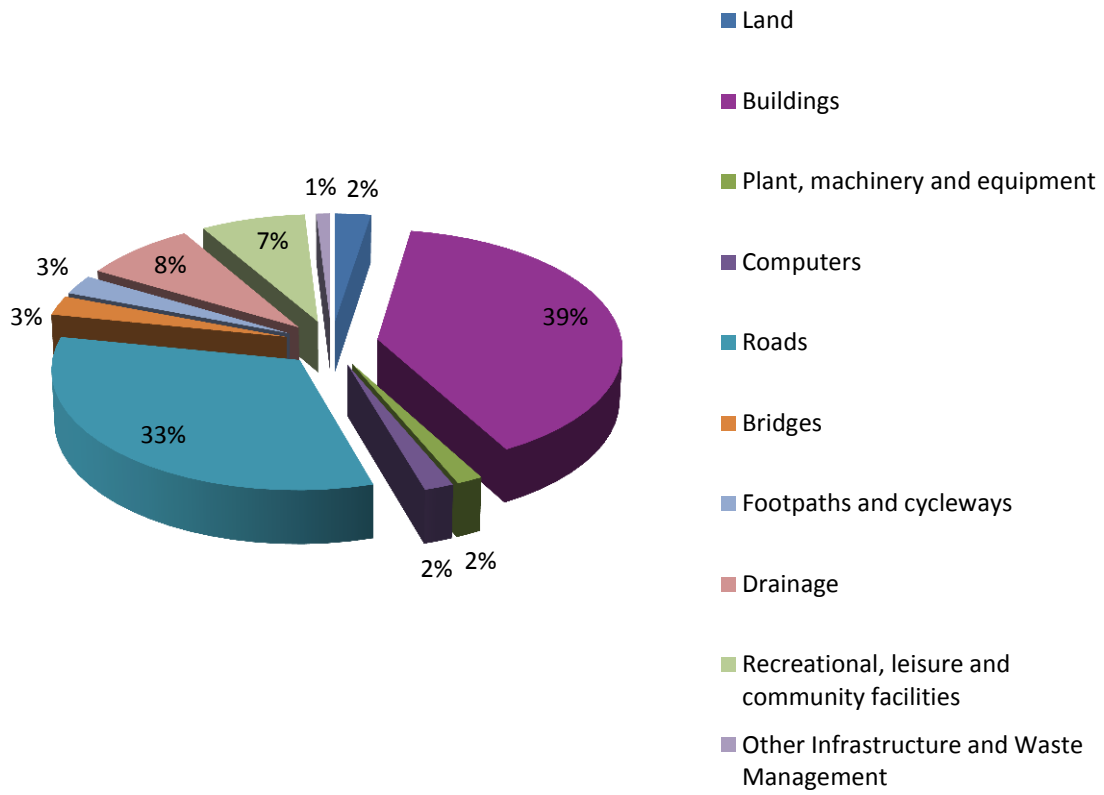
Buildings
\$13.1m

Computers &
Telecommunications
\$0.6m

Plant and machinery
\$0.5m



Capital spending 2017/18



4. Budget Influences

External Influences

The preparation of the budget is influenced by the following external factors:

- The Victorian State Government has introduced a cap on rate increases from 2016/17. The cap for 2017/18 has been set at 2.0% (2016/2017: 2.5%).
- CPI for Victoria is forecast to be 2.0% for the 2017/18 year (Victorian Department of Treasury & Finance, 2016-17 Budget Update).
- The Victorian Wage Price Index is projected to be 2.5% in 2017/18 (Victorian Department of Treasury & Finance, 2016-17 Budget Update).
- Council have renegotiated a new Collective Agreement.
- Receipt of significant capital works funding of \$8.0 million for the redevelopment of the West Gippsland Arts Centre.
- Anticipated increases of 2.0% (or \$1.24 per tonne) in the levy payable to the State Government upon disposal of waste into landfill.
- Ongoing cost shifting. This occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of the all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

Internal Influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2017/18 Budget. These matters have arisen from events occurring in the 2016/17 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017/18 year. These matters and their financial impact are set out below:

- Continued high level of capital expenditure in 2017/18 and onwards to address infrastructure needs within the Shire.
- Review of materials and contracts to minimise cost increases.
- The establishment of a number of new positions mainly in the areas of regulatory and building compliance.
- Closure of the West Gippsland Arts Centre for the whole of the financial year due to the redevelopment of the venue.

5. State Budget wish list

Council will continue to advocate for:

a. Co-Location of Early Learning Centres on Primary School Sites-

Baw Baw Shire is experiencing unprecedented growth throughout the Shire, with projected figures demonstrate a shortage of kindergarten places in Warragul and Trafalgar.

Council is seeking funding for the construction of new Early Learning Centres to :

- Provide integrated early years services on primary school sites within the Shire.
- Assist the cluster managers to provide appropriate facilities for additional places.
- Develop a governance structure to enable the co-location of kindergartens on primary school sites.

b. Improving Routes to Market

Baw Baw Shire is a highly productive agricultural area with considerable dairy, forestry and mining activities being undertaken. To improve efficiency, access and use of high productivity freight vehicles, outdated roads and bridges need to be upgraded.

Council is seeking funding from the State Government to upgrade routes to market, including local roads and bridges, where there is a demonstrated productivity and/or community need.

c. Sealing South Face Road

Mt Baw Baw Alpine Resort is an iconic Victorian tourist destination located a two-and-a-half-hour car journey from Melbourne. It is the closest major snowfield to Melbourne, the Mornington Peninsula, Latrobe Valley and Gippsland. The Mt Baw Baw Alpine Resort offers a year-round, family friendly, environmentally-sensitive, alpine experience.

The Mt Baw Baw Tourist Road is precarious and winding. It is a single lane asphalt road, with limited verges for passing oncoming traffic. It is also frequently used by logging trucks, thereby rendering it a high risk route for tourists and the general community.

South Face Road, while providing a more direct and less winding route via Moe, is a forestry road; it is uneven and not sealed and is therefore difficult for domestic and commercial vehicles to utilise and unstable for construction traffic. Buses generally will not use the road until it is sealed.

Council is seeking funding State Government investment to Seal South Face Road to create a dynamic and connected tourist route through Gippsland.

6. Cost Shifting

Cost shifting occurs when Commonwealth and State programs transfer responsibilities to local government with insufficient funding or grants which don't keep pace with delivery costs.

Type 1: Cost Shifting for Specific Services

1. Library Services – Council funded \$1.76m in 2014/15 and \$1.96m in 2017/18
2. Family and Children's Services- Council funded \$0.62m in 2014/15 and \$1.04m in 2017/18.

Type 2: Loss of funding in General

3. A freeze on indexation of the federal financial assistance grants. The Commonwealth announced in its 2014/15 Budget that it would pause indexation of the total national pool of financial assistance grants to local government for three years (2014/15, 2015/16, 2016/17). The cumulative impact on Baw Baw Shire Council for the three years is approximately \$0.75m and although the freeze has now been removed this is a permanent loss of revenue.

Type 3: Statutory fee that prohibits full cost recovery

4. After freezing planning fees since 2009 the State Government in October 2016 increased the allowable fee that Council may charge for these services. While this action is welcomed the new fees still do not cover the full cost of providing the service.

Type 4: Levies

5. State Government landfill levy - The levy has increased from \$9 per tonne in 2008/2009 to a forecast \$63.27 per tonne in 2017/2018. The increase from 2016/2017 to 2017/2018 is approximately 2%.

7. Population Growth

Baw Baw Shire has an estimated population growth of 45,205 (as at June 2013). The municipality is experiencing rapid residential growth with a 2.89% annual growth rate between 2006 and 2011, or an increase of 5,806 people.

Population modelling has predicted the shire will keep growing at an annual rate of 2.3% to reach 60,452 by 2026. It is expected that Baw Baw Shire will have 71,683 residents by 2036, having grown at a rate of over 1.7% annually over the previous decade.

Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 16 of this report.

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

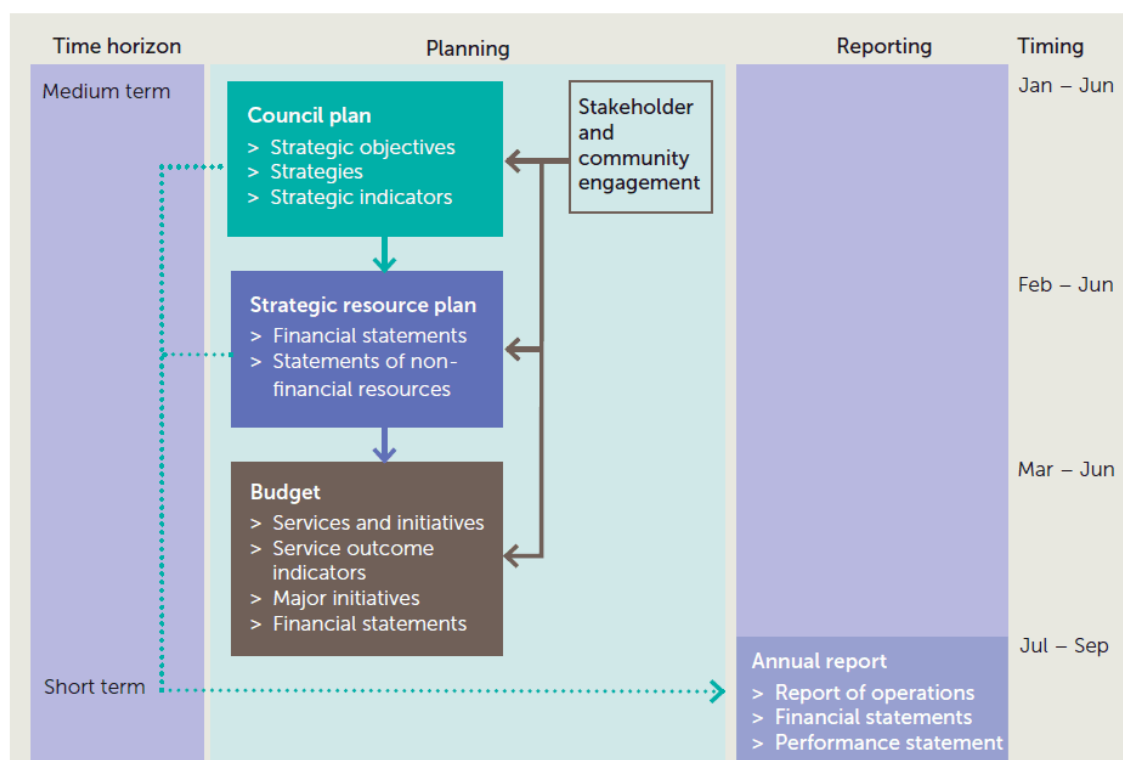
- 1 Links to Council Plan
- 2 Services and service indicators
- 3 Financial statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

1. Link to the Council Plan

This section describes how the Annual 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 (Vision 2030), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

1.1 Planning and accountability 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 Annual 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

In addition to the above, Council has a long term plan (Vision 2030) which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term Community Plan.

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

1.2 Our purpose

Our vision “Happy, healthy people”

Council’s vision is *“Happy, healthy people sharing prosperity and knowledge from living sustainably and in harmony with our rural identity, thriving villages, productive and inspiring landscapes.”*

The vision, objectives, the outcomes that Council wants to see and how it will measure success are set out in the Council Plan 2017 - 2021. This in turn guides Council’s annual budget, which responds by resourcing the directions and priorities that have been established on the Council Plan.

Our mission

Baw Baw Shire Council’s mission is to be leaders in delivering quality, innovative and community focused services today that make a difference for tomorrow.

Our values

Baw Baw Shire Council has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff support the community leadership and governance role of Councillors, and work together to achieve the commitments of the Council Plan. Having all Baw Baw Shire Council staff practice the following organisational values enhances the quality of this partnership:

- **Community focused** - *Accessible, responsive (we’re here to help), can do attitude, communicative, empathetic.*
- **Integrity** - *Equitable, honest, ethical, transparent.*
- **Respect** - *Listening, compassionate, open minded, understanding, patient.*
- **Pride** - *Caring, enthusiastic, inspiring, accountable.*
- **Innovation** - *Creative, bold, challenging, flexible.*
- **Collaboration** - *Partnering, building productive relationships, inclusive.*

1.3 Strategic objectives

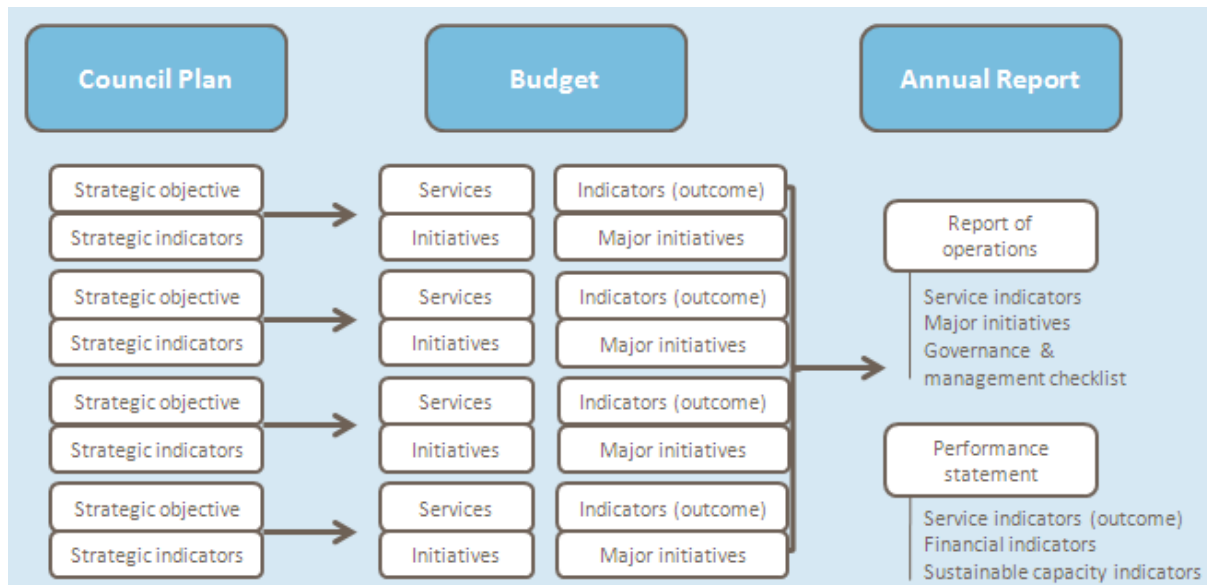
Council a range of services which will contribute to the achievement of one of the four Strategic Objectives as set out in the Council Plan for 2017-2021 years. The following table lists the four Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. Vibrant Communities	<ul style="list-style-type: none">• Quality community focused services, facilities and infrastructure to support a growing community.• Managing Baw Baw’s growth and development.• A vibrant, healthy and inclusive community.• Thriving town centres, rural and remote communities.
2. Thriving Economy	<ul style="list-style-type: none">• Supporting innovative, thriving and sustainable local business and industry providing local employment.
3. Safe and Sustainable Environments	<ul style="list-style-type: none">• Protecting and sustainably managing Baw Baw’s environment.• Efficient roads, transport and parking.• Community safety and protection.• Preparing for the impacts and consequences of climate change and extreme

Strategic Objective	Description
	events.
4. Organisational excellence	<ul style="list-style-type: none"> • Innovative, community focused and future ready. • Positive leadership, advocacy and decision making around shared goals. • Providing community benefit by effectively managing council's resources and finances. • Staff who are supported to ensure they are effective, safe and skilled in the workplace.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2017/18 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives, initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

Services for which there are prescribed performance indicators to be reported on in accordance with the Regulations are shown in **bold** and underlined in the following sections.

2.1 Strategic Objective 1: Vibrant Communities

Council seeks to support the vibrancy and character of our local community as it grows and changes through good planning, provision of its community focused services, facilities and infrastructure, and through support for local communities, health and wellbeing, recreation, youth, arts culture and events. We will also support smaller and remote communities in meeting their needs for vibrant community life.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Arts	<p>The Arts service manages, administers and programs Baw Baw Shire's iconic West Gippsland Arts Centre as a major regional arts facility. It ensures the venue is well presented, well equipped, professionally staffed, functional and serviceable, providing public arts venues and spaces to create and sustain a cultural 'hub' in which the broad community, artists, customers, patrons and visitors can feel welcome, included, valued and inspired.</p> <p>Ticketed events and performances are enabled by provision of a professional marketing and ticketing providing in person service, phone booking and on-line service. This service unit also provides spaces in the building for hire for functions, meetings, conferences and celebrations, supported by catering and technical services. In addition, provision of this service enables the venue to operate a (contracted) café service which is open to the public and provides a place for casual community gatherings and engagement.</p> <p>The revenue earned from providing this service assists in reducing the cost to Council of the wider operation of the West Gippsland Arts Centre.</p>	<p>1,183 (201) 982</p>
Assessment and Care Planning	<p>The Regional Assessment Service is responsible for assessing the needs of individuals, and their carer's, for support services.</p> <p>An assessment involves identifying an individual's strengths and abilities and is aimed at maximising their independence. Assessments include the development, implementation and review of individualised support plans.</p>	<p>562 (512) 50</p>

Community Cultural Development	Community Cultural Development supports and encourages community based groups and individuals by providing networks, assisting with skills development initiatives and ensuring a high level of communication about initiatives and opportunities. In addition, the Community Cultural Development unit maintains connections with key arts agencies and organisations (such as Baw Baw Arts Alliance, Regional Arts Victoria and Creative Gippsland) and convenes Council's Arts and Cultural Advisory Committee.	169 <u>0</u> 169
<u>Family and Children's Services</u>	Family and Children's Services support families to become happy, healthy and confident, through direct service provision, and by supporting external children's services and advocating on their behalf.	2,288 <u>(1,252)</u> 1,036
Home Based Services	Home Based Support Services provide services to support frail aged people, people with a disability and their carers to maximise their independence. Services are predominantly provided within the client's home but may also support clients to access their community.	3,566 <u>(2,586)</u> 980
Events	Events delivers Council's community events program, to promote access to events opportunities for the broad community and promote Baw Baw Shire's reputation as a vibrant centre and create benefits for social and community well-being, and economic development.	154 <u>(2)</u> 152
<u>Libraries</u>	The library service is delivered through a service agreement between the West Gippsland Regional Library Corporation (WGRLC), Baw Baw, Bass Coast and South Gippsland Councils.	1,958 <u>0</u> 1,958
Facilities Maintenance	The Facilities Management function is responsible for the overall management of Council's property portfolio, including building and facility management and compliance with regulations and statutory requirements	781 <u>(118)</u> 663
Parks, Gardens and Sports Fields	Parks, Gardens and Sports Fields are responsible for the management of Council's urban parks and gardens, including planting, oval and sports field maintenance.	3,954 <u>(110)</u> 3,844
Property Management	Managing the legal and financial aspects of Council's portfolio of property for the most efficient and effective use of properties including the rationalisation of non-essential property and maximising the use of Council property.	212 <u>(145)</u> 67
<u>Recreation</u>	Recreation is responsible for the management of Council's Leisure and pool facilities which are delivered via the Baw Baw Aquatic and Leisure Services contracts, support for committees of management of public halls and recreation reserves, and the planning and delivery of recreation services and facilities to the community.	2,623 <u>(73)</u> 2,550
Social Support Services	To support aged and disability population within the Baw Baw Shire to improve and or maintain their independence through the provision of planned quality, innovative and flexible community based support services.	1,263 <u>(801)</u> 462

Statutory Planning	Statutory Planning undertakes Council's statutory functions and obligations under the Planning and Environment Act 1987, (the Subdivision Act 1988) and associated legislation. The unit processes planning permit applications and provides technical advice on land use and development.	1,236 (438) <hr/> 798
Strategic and Community Planning	The Strategic and Community Planning unit provides strategic direction and planning for future land use for the municipality. It also carries out functions in relation to community and social planning including municipal public health planning.	1,568 (25) <hr/> 1,543
Urban Maintenance	Urban Maintenance is responsible for the maintenance of Council's urban infrastructure and cleansing in town areas, including public toilets, signage, drainage, street sweeping and street tree maintenance.	1,814 0 <hr/> 1,814

Major Initiatives

- 1) Redevelop the West Gippsland Art Centre into a regional performing arts facility.
- 2) Develop a new Municipal Public Health and Wellbeing Plan.

Initiatives

- 1) Support eligible residents to transition to the National Disability Insurance Scheme (NDIS).
- 2) Develop a strategy for community hubs and precincts in the municipality.
- 3) Finalise the Rural Land Use Review for Council decision.
- 4) Commence a review of the current Baw Baw Shire Youth Charter.
- 5) Develop a new Recreation Strategy 2017-2027.
- 6) Finalise the Shire indoor stadium feasibility study.
- 7) Implement Master Plans for Warragul and Drouin Civic Parks.
- 8) Continued Warragul CBD streetscape improvement works.
- 9) Investigate opportunities for improving accessibility to Council services for all community members.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] 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] x100
		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
Statutory Planning	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

2.2 Strategic Objective 2: Thriving Economy

Council will support local business and industry, and as a result indirectly supporting local employment opportunities for the Baw Baw community. We continue to promote the shire as a place to live work and visit, particularly via the 'Visit Baw Baw' campaign and in working with local businesses in the food and hospitality, culture and events areas which attract visitors and new residents into the shire. We will also seek to position ourselves in relation to new and emerging opportunities and technology.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Business and Economic Development	The Business and Economic Development unit is primarily responsible for facilitating business growth, investment and visitation. The unit also promotes the key attributes of the municipality by positioning Baw Baw Shire as a great place to live, work and play.	882 (133) <hr/> 749

Major Initiatives

- 1) Develop a new Economic Development Strategy for the Shire.

2.3 Strategic Objective 3: Safe and Sustainable environments

Council will work to manage our natural environment and build our capacity and resilience to unforeseen and sudden events, such as changes in climate, technology or energy.

We will manage our built environment, including a safe, integrated quality local roads and transport network. This includes advocacy on behalf of the community to the State Government around improved community access to a safe, consistent and well connected public transport network.

We will provide a range of services in relation to community safety and protection including statutory building, planning, local laws and public health services.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Asset Management	Asset Management provides Council the framework for the development, implementation and review of the service and asset management program.	11,327 <u>0</u> 11,327
Building Services	Building Services is responsible for the provision of statutory services pursuant to the (Building Act 1993).	622 <u>(176)</u> 446
<u>Community Compliance</u>	Community Compliance aims to protect the community and Council amenity through education and enforcement of local laws and State Government legislation. Key service areas include: local laws, parking enforcement, animal management, planning enforcement, asset protection, permit administration and school crossing program.	1,325 <u>(933)</u> 392
Environment Sustainability	Environment Sustainability carries out functions in relation to management of the built and natural environment, including implementation of Council's Environment and Climate Change Strategy and Action Plan, environmental community education programs, pest plant and animal programs, waste education and advocacy, council energy efficiency and sustainability, operation of Council's Native Vegetation Offset Scheme, provision of environmental planning and compliance advice and management of the shire's bushland reserves.	1,032 <u>(93)</u> 939
Fleet and Depot Support	The Fleet and Depot Support Management unit delivers the operational maintenance requirements for Council's fleet of passenger vehicles, light and heavy commercial vehicles and all plant and equipment used by the Urban Operations departments. The Unit strategically plans the update, replacement and maintenance of all vehicles, plant and equipment in line with the Vehicle Fleet Policy guidelines. The Unit also manages on a day to day basis the Depot infrastructure to ensure it meets the needs of the Urban Operations Team.	2,261 <u>(2,114)</u> 147

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Fire and Emergency Management	The Fire and Emergency Management function provides the support to Council to comply with statutory provisions under the <i>Country Fire Authority Act 1958</i> and <i>Emergency Management Act 1986</i> . The objective of the service is to improve Council's preparation and planning in the three functional areas of emergency management; prevention, response and recovery. This is done by using an all communities, all emergencies approach to emergency management.	312 (70) <hr/> 242
Infrastructure Planning and Growth	Infrastructure Planning and Growth team coordinates Council's functions in relation to: <ul style="list-style-type: none"> • Planning, Delivery and prioritisation of Drainage, Traffic, Parking and Footpath infrastructure works across the shire. • Assessment of traffic management plans for works within road reserves. • Review of new planning applications, plan checking and supervision of subdivision/ development works. • Planning of Council's long term capital works program. • Delivery of Capital works projects. • Preparation of external funding applications for range of infrastructure related works. 	1,205 (427) <hr/> 778
Program Planning and Delivery	Program Planning and Delivery team coordinates Council's functions in relation to: <ul style="list-style-type: none"> • Planning of Council's annual and long term capital works program. • Delivery of annual capital works program. • Preparation of external funding applications for future capital works projects. 	724 0 <hr/> 724
<u>Public Health</u>	Public Health is responsible for the delivery of public health services that includes: <ul style="list-style-type: none"> • Food safety inspections and sampling under the Food Act; • Investigating infectious/communicable illness in the community; Conducting education and enforcement inspections under the Tobacco Act;, Monitoring and registration of prescribed accommodation and caravan parks under the Public Health & Wellbeing and Residential Tenancies Acts, • Investigation of nuisance complaints; and • Management of onsite waste disposal under the Environmental Protection and Local Government Acts. 	455 (273) <hr/> 182
<u>Road Network</u>	The Roads Unit is responsible for roads including road maintenance, contract management and delivery of the allocated road capital works program, Road Management Plan compliance and customer enquiries for Council's road network.	7,323 0 <hr/> 7,323

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Waste	Waste and Major Projects team coordinates Council's functions in relation to: <ul style="list-style-type: none"> • Delivery of all the waste services in the Shire by overseeing the contracts for the Kerbside waste collection and disposal; transfer station operations; street litter collection; Illegal Dumping and the responding to related customer queries on the waste management including waste education facilitation. • Managing all the Environment Protection Authority (EPA) compliance requirements for the Trafalgar Landfill and landfill related customer queries. • Delivery of all the Capital works projects related to waste services and some major building capital projects. 	6,631 (435) <hr/> 6,196

Major Initiatives

- 1) Finalise and commence the implementation of Council's new Environment Sustainability Strategy and four-year action plan.
- 2) Commence implementing the recommendations of town centre car parking strategies for Warragul, Drouin, Trafalgar and Yarragon.

Initiatives

- 1) Participate in the Environmental Sustainable Development (ESD) Subdivisions Policy – Proof of Concept for regional Victoria project.
- 2) Develop and implement the Road Management Plan.
- 3) Manage the Shire's roads management contracts and programs.
- 4) Implement Council's Footpath Renewal program
- 5) Implement Council's New Footpath program
- 6) Implement Council's Child Safety Standards Action Plan.

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and

Service	Indicator	Performance Measure	Computation
			major non-compliance notifications about food premises] x100
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

2.4 Strategic Objective 4: Organisational Excellence

Council will be innovative open to new possibilities and opportunities. We will seek continuous improvement in our service delivery to ensure that we are customer focused, and ready to meet the changing needs and expectations of the community.

We will work to ensure there are appropriate opportunities for clear and effective two-way communications and engagement to build shared understanding. This will also enhance our advocacy and lobbying in order to meet a growing community's needs which are the responsibilities of other levels of Government or other organisations.

We will effectively and sustainably manage our physical infrastructure including roads, bridges, buildings, open spaces, pathways, drainage, and finances on behalf of the community. We plan for the long term management of our resources, essential to which is engagement and discussion with the community around their priorities and needs for the future.

Underpinning Council's effective service delivery is an innovative, skilled, and safe workforce.

Services

Service areas	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Accounting Services	The Accounting Services function is to manage Council's financial activities to ensure statutory compliance and financial sustainability. Core services include development of the annual budget, long term financial plan and annual statutory financial statements, accounts payable function, financial system maintenance and training, and development of financial policies.	5,644 (596) <hr style="border: 1px solid black;"/> 5,048
Business Information	The Business Information Team provides mail, courier, document management, and information management compliance services to support Council and Council customers. Information management compliance includes the requirements of Freedom of Information, privacy, public records and evidence protection legislation.	398 0 <hr style="border: 1px solid black;"/> 398
Chief Executive's Office	This activity represents the management of Council, including the core governance functions of the Chief Executive Officer and expenses relating to: maintaining an appropriate organisational structure; ensuring the decisions of the Council are implemented without undue delay; day-to-day management of the operations of the organisation in accordance with the Council Plan; providing timely advice to the Council; and proactively advocating to other levels of government and stakeholders on behalf of the Council and community.	995 0 <hr style="border: 1px solid black;"/> 995

Communications	Communications provides reputation management for Council and Councillors, is responsible for informing the community about Council issues via traditional and new media, manages media liaison services, and supports Councillors and the Executive Leadership Team with issues management and promotional opportunities. The Grants and Advocacy service works to identify priority projects, and advocates to seek funding from other government authorities on behalf of the community.	563 <u>0</u> 563
Community Information and Services	Community Information and Services is responsible for providing a support service for all staff across the organisation through first point of external customer contact, including acting as a referral service to other organisations. The team is also responsible for information and reputation management, providing internal support, educating the organisation about expected customer service standards and receipting of all payments.	651 <u>0</u> 651
Corporate Planning	Corporate Planning provides support to Council with meeting its statutory obligation to prepare and administer the Council Plan, to facilitate good business planning and reporting across the organisation and to demonstrate that Best Value principles are being incorporated into Council services and processes.	285 <u>0</u> 285
<u>Governance</u>	Governance provides the support to Council to comply with statutory provisions, and specifically includes Local Government Act compliance, Ombudsman and Inspectorate enquiries, delegations, election management, policy management, Audit Committee support, policy development and human rights provision. Governance provides support to Councillors, including Council agenda, minutes and meeting management. Governance supports the broader organisation in good governance practices and maintenance of Councils statutory obligations (conflicts of interest, register of interests) and Council's Internal Audit function.	1,293 <u>0</u> 1,293
Human Resources and Payroll	<p>Organisation development supports the business in the management of its human resources. Services span the whole employment lifecycle and include providing advice on attraction, recruitment, on boarding and retention practices; maintenance and management of human resource data, industrial and employee relations and the coordination of work force planning, and learning and development, activities.</p> <p>Payroll is responsible for ensuring staff entitlements such as leave, salary deductions, flexibility arrangements and superannuation are maintained and processed fortnightly. The Payroll function services all permanent, casual and fixed term employees with the exception of employees contracted through external agencies.</p>	859 <u>0</u> 859

Information Technology	Information Technology provides technological systems, infrastructure, services and support for the delivery of all Council services. Core services include improving organisational performance and compliance through corporate systems and governance.	2,445 <u>0</u> 2,445
Occupational Health and Safety and Risk	<p>The Occupational Health and Safety (OHS) unit coordinates the development, review and delivery of workplace OHS frameworks and initiatives. It also develops and implements Council's return and supported to work program and activities.</p> <p>The Risk Management unit provides risk management services in accordance with the Risk Coordinator (Collaborative Services) Agreement which was entered into with South Gippsland Shire Council in November 2015. Under this arrangement, Risk Coordination services are provided to help foster an effective risk minimisation culture throughout the organisation, including the development, implementation and maintenance of a Risk Management Framework, Risk Management Policy and supporting program. A Risk Management (Shared Services) Business Plan has been developed by both Councils and is reviewed on a quarterly basis.</p>	850 <u>(32)</u> 818
Procurement	The Procurement function provides the framework, oversight and advice to support Council in complying with statutory procurement provisions. It also reviews Council's procurement spend and administer procurement processes.	242 <u>0</u> 242
Revenue Services	Revenue services are custodian and manager of Council's property and rating system to optimise revenue and maintain data integrity. The unit is responsible for the management of Council's legislative compliance (Voters' Roll) and the biennial revaluation.	1,367 <u>(408)</u> 959

Major Initiatives

- 1) Advocacy and grant seeking, building partnerships and relationships in relation to identified community needs to support a growing community.

Initiatives

- 1) Business and process reviews for Council services.
- 2) Develop and implement Council's Customer Service Strategy.
- 3) Commence implementation of a Digital Roadmap for Council, with the aim of online becoming the primary channel of engagement with Council
- 4) Develop a program in relation to the review and renewal of the municipal community plan and vision.
- 5) Prepare the Annual Budget 2018/19 and Strategic Resource Plan.
- 6) Develop, deliver and monitor the Long Term Financial Plan.

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council's decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community).	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community.

2.7 Performance Statement

The service performance indicators detailed 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 2017/18 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.

2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Vibrant Communities	(17,068)	23,331	6,263
Thriving economy	(749)	882	133
Safe and Sustainable environments	(28,696)	33,217	4,521
Organisational excellence	(14,556)	15,592	1,036
Total services and initiatives	(61,069)	73,022*	11,953*
Add net loss on disposal of property, infrastructure, plant and equipment	(1,335)		
Deficit before funding sources	(62,404)		
Funding sources:			
Rates & charges	53,128		
Victoria Grants Commission	8,700		
Capital grants	11,540		
Contributions-Non-monetary assets	10,500		
Contributions-monetary assets	1,852		
Total funding sources	85,720		
Surplus for the year	23,316		

*Revenue and Expenditure include Internal charges.

3. Financial statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2017/18 to 2020/21 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

Comprehensive Income Statement

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Income					
Rates and charges	51,539	53,128	54,418	55,739	57,093
Statutory fees and fines	1,256	1,466	1,513	1,561	1,611
User fees	2,800	2,489	2,551	2,615	2,680
Grants - Operating	13,394	13,436	13,839	14,254	14,682
Grants - Capital	6,039	11,540	1,552	2,300	2,500
Contributions - monetary	1,866	1,852	5,141	12,602	11,600
Contributions - non-monetary	10,500	10,500	10,500	10,500	10,500
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,000)	(1,335)	(1,338)	(1,334)	(1,330)
Share of net profits/(losses) of associates and joint ventures	30	36	37	39	40
Other income	1,298	1,272	1,310	1,349	1,390
Total income	87,722	94,384	89,524	99,625	100,766
Expenses					
Employee costs	23,807	25,277	26,786	26,301	26,828
Materials and services	25,238	26,406	27,357	28,752	30,189
Depreciation and amortisation	13,980	14,486	14,574	15,001	15,358
Borrowing costs	634	691	610	563	546
Other expenses	4,141	4,208	4,359	4,582	4,811
Total expenses	67,800	71,068	73,686	75,200	77,731
Surplus/(deficit) for the year	19,922	23,316	15,838	24,425	23,035
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation increment/(decrement)	-	-	-	-	-
Total comprehensive result	19,922	23,316	15,838	24,425	23,035

Balance Sheet

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	Projections 2019/20 \$'000 2020/21 \$'000	
Assets					
Current assets					
Cash and cash equivalents	24,147	17,939	20,984	23,590	25,778
Trade and other receivables	8,236	8,958	8,561	9,491	9,663
Other assets	458	458	458	458	458
Total current assets	32,841	27,355	30,003	33,539	35,899
Non-current assets					
Trade and other receivables	0	0	0	0	0
Investments in associates and joint ventures	1,198	1,235	1,272	1,311	1,350
Property, infrastructure, plant & equipment	640,545	668,382	681,264	702,038	723,126
Intangible assets	2,231	2,231	2,231	2,231	2,231
Total non-current assets	643,974	671,848	684,767	705,580	726,707
Total assets	676,815	699,202	714,770	739,119	762,606
Liabilities					
Current liabilities					
Trade and other payables	7,421	7,791	8,158	8,342	8,611
Trust funds and deposits	1,618	1,668	1,718	1,769	1,822
Provisions	6,757	6,861	6,967	7,076	7,187
Interest-bearing loans and borrowings	1,469	812	442	0	3,889
Total current liabilities	17,265	17,131	17,284	17,187	21,510
Non-current liabilities					
Provisions	6,277	6,295	6,314	6,334	6,354
Interest-bearing loans and borrowings	12,423	11,610	11,168	11,168	7,279
Total non-current liabilities	18,700	17,905	17,482	17,502	13,633
Total liabilities	35,965	35,036	34,766	34,689	35,143
Net assets	640,850	664,166	680,004	704,429	727,464
Equity					
Accumulated surplus	328,582	353,670	369,298	391,627	412,404
Reserves	312,268	310,496	310,706	312,802	315,060
Total equity	640,850	664,166	680,004	704,429	727,464

Statement of Changes in Equity

For the four years ending 30 June 2021

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017/2018 Budget				
Balance at beginning of the financial year	640,850	328,580	301,082	11,188
Surplus/(deficit) for the year	23,316	23,316	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(5,641)	0	5,641
Transfer from other reserves	0	7,415	0	(7,415)
Balance at end of the financial year	664,166	353,670	301,082	9,414
2018/2019 Strategic Resource Plan				
Balance at beginning of the financial year	664,166	353,670	301,082	9,414
Surplus/(deficit) for the year	15,838	15,838	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(6,424)	0	6,424
Transfer from other reserves	0	6,214	0	(6,214)
Balance at end of the financial year	680,004	369,298	301,082	9,624
2019/2020 Strategic Resource Plan				
Balance at beginning of the financial year	680,004	369,298	301,082	9,624
Surplus/(deficit) for the year	24,425	24,425	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(13,884)	0	13,884
Transfer from other reserves	0	11,788	0	(11,788)
Balance at end of the financial year	704,429	391,627	301,082	11,720
2020/2021 Strategic Resource Plan				
Balance at beginning of the financial year	704,429	391,627	301,082	11,720
Surplus/(deficit) for the year	23,035	23,035	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(12,884)	0	12,884
Transfer from other reserves	0	10,626	0	(10,626)
Balance at end of the financial year	727,464	412,404	301,082	13,978

Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	51,345	52,678	54,687	55,166	56,986
Statutory fees and fines	1,251	1,454	1,520	1,545	1,608
User fees	2,789	2,468	2,564	2,588	2,675
Grants - operating	13,343	13,322	13,907	14,108	14,654
Grants - capital	6,016	11,443	1,560	2,276	2,495
Contributions - monetary	1,866	1,852	5,141	12,602	11,600
Interest received	697	684	714	724	753
Trust funds and deposits taken	47	49	50	52	53
Other receipts	589	561	628	481	613
Net GST refund / payment	0	0	0	0	0
Employee costs	(23,631)	(24,991)	(25,499)	(26,092)	(26,580)
Materials and services	(25,180)	(26,231)	(27,185)	(28,663)	(30,058)
Other payments	(4,131)	(4,180)	(5,326)	(4,568)	(4,790)
Net cash provided by/(used in) operating activities	25,002	29,109	22,762	30,220	30,010
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(26,594)	(33,323)	(18,456)	(26,775)	(27,446)
Proceeds from sale of property, infrastructure, plant and equipment	500	165	162	166	170
Net cash provided by/ (used in) investing activities	(26,094)	(33,158)	(18,294)	(26,609)	(27,276)
Cash flows from financing activities					
Finance costs	(634)	(691)	(610)	(563)	(546)
Proceeds from borrowings	4,000	0	0	0	0
Repayment of borrowings	(1,375)	(1,469)	(812)	(442)	0
Net cash provided by/(used in) financing activities	1,991	(2,159)	(1,422)	(1,006)	(546)
Net increase/(decrease) in cash & cash equivalents	899	(6,208)	3,045	2,606	2,188
Cash and cash equivalents at the beginning of the financial year	23,248	24,147	17,939	20,984	23,590
Cash and cash equivalents at the end of the financial year	24,147	17,939	20,984	23,590	25,778

Statement of Capital Works

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Property					
Land	325	855	390	619	0
Land improvements	0	0	0	0	0
Total land	325	855	390	619	0
Buildings	7,634	13,138	1,868	1,778	1,702
Total buildings	7,634	13,138	1,868	1,778	1,702
Total property	7,959	13,993	2,258	2,397	1,702
Plant and equipment					
Plant, machinery and equipment	680	533	550	568	587
Fixtures, fittings and furniture	0	0	0	0	0
Computers and telecommunications	859	601	248	253	260
Total plant and equipment	1,539	1,134	798	821	847
Infrastructure					
Roads	10,303	10,898	9,330	18,811	13,090
Bridges	1,146	882	197	527	1,425
Footpaths and cycleways	1,076	884	1,162	819	553
Drainage	2,319	2,702	4,019	2,239	7,013
Recreational, leisure and community facilities	1,934	2,499	455	891	2,712
Waste management	78	25	20	179	10
Parks, open space and streetscapes	0	0	0	0	0
Other infrastructure	240	306	217	91	94
Total infrastructure	17,096	18,196	15,400	23,557	24,897
Total capital works expenditure	26,594	33,323	18,456	26,775	27,446
Represented by:					
Asset renewal expenditure	14,627	13,895	8,503	8,885	11,120
Asset expansion expenditure	6,648	8,325	6,415	14,116	12,334
Asset upgrade expenditure	5,319	11,103	3,538	3,774	3,992
Total capital works expenditure	26,594	33,323	18,456	26,775	27,446

Statement of Human Resources

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Staff expenditure					
Employee costs - operating	23,807	25,277	26,786	26,301	26,828
Employee costs - capital	-	118	-	-	-
Total staff expenditure	23,807	25,395	26,786	26,301	26,828
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Employees	259.5	271.7	273.7	275.7	277.7
Total staff numbers	259.5	271.7	273.7	275.7	277.7

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

Department	Comprises		
	Budget	Permanent	Permanent
	2017/18 \$'000	Full Time \$'000	Part Time \$'000
Chief Executive	1,643	1,566	77
Corporate and Community Services	9,521	4,792	4,729
Community Assets	7,385	6,588	797
Planning and Economic Development	6,504	5,464	1,040
Total permanent staff expenditure	25,053	18,410	6,643
Casuals and other expenditure	224		
Subtotal	25,277		
Capitalised labour costs	118		
Total expenditure	25,395		

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

Department	Comprises		
	Budget	Permanent	Permanent
	FTE	Full Time	Part Time
Chief Executive	16.1	15.0	1.1
Corporate and Community Services	105.0	46.0	59.0
Community Assets	79.0	70.0	9.0
Planning and Economic Development	68.4	55.0	13.4
Total	268.4	186.0	82.4
Casuals and other	2.3		
Capitalised labour costs	1.0		
Total staff	271.7		

4. Financial performance indicators

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

Indicator	Measure	Notes	Forecast		Budget 2017/18	Strategic Resource Plan Projections			Trend +/-
			Actual 2015/16	Actual 2016/17		2018/19	2019/20	2020/21	
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-5.9%	7.7%	1.2%	-0.6%	0.0%	-0.7%	o
Liquidity									
Working Capital	Current assets / current liabilities	2	195.1%	190.2%	159.7%	173.6%	195.1%	166.9%	o
Unrestricted cash	Unrestricted cash / current liabilities		75.1%	76.9%	74.5%	93.4%	104.1%	88.5%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	22.9%	27.0%	23.4%	21.3%	20.0%	19.6%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		4.0%	3.9%	4.1%	2.6%	1.8%	1.0%	+
Indebtedness	Non-current liabilities / own source revenue		31.6%	32.9%	30.7%	29.2%	28.6%	21.7%	+
Asset renewal	Asset renewal expenditure / depreciation	4	118.5%	104.6%	95.9%	58.3%	59.2%	72.4%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	77.1%	70.2%	73.8%	74.3%	74.1%	74.0%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$2,729	\$2,734	\$2,793	\$2,873	\$2,909	\$2,984	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,669	\$1,698	\$1,761	\$1,780	\$1,807	\$1,835	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		17.5%	19.3%	11.0%	11.1%	11.4%	11.7%	o

Key to Forecast Trend:

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

Notes to indicators

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

2 Working Capital – This indicates the proportion of current liabilities represented by current assets. Working capital is forecast to decrease in 2017/18 due to a run down in cash reserves to fund the capital program. The trend in future years is to remain steady at an acceptable level.

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

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 Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

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

5. Other budget information (required by the Regulations)

This section presents other budget related information required by the Regulations

This section includes the following statements and reports:

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

5.1.1 Grants - operating (\$0.042 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 0.03% or \$0.04 million compared to 2016/17. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

Grants - operating	Forecast		Variance
	Actual 2016/17 \$'000	Budget 2017/18 \$'000	
Recurrent - Commonwealth Government			
Victorian Grants Commission	8,647	8,700	53
Home and Community Care (50%)	1,078	1,004	(74)
Adult day care (50%)	274	286	12
Delivered meals (50%)	47	46	(1)
Recurrent - State Government			
Environmental management	70	118	48
Home and Community Care (50%)	1,077	1,003	(74)
Adult day care (50%)	274	286	12
Delivered meals (50%)	46	45	(1)
Maternal and child health	585	585	0
Pre-school years	71	71	0
Arts Centre	145	130	(15)
Family day care	502	502	0
Senior citizens centre	32	33	1
Rural access inclusive communities	122	114	(8)
Driver Education	57	57	0
Community and cultural development	6	0	(6)
Community safety	11	0	(11)
Statutory planning	8	8	0
Valuation	40	150	110
Youth Programs	25	25	0
School crossings	103	97	(6)
Total recurrent grants	13,220	13,260	40
Non-recurrent - State Government			
Economic development	118	118	0
Fire services levy	56	58	2
Total non-recurrent grants	174	176	2
Total operating grants	13,394	13,436	42

5.1.2 Grants - capital (\$5.50 million increase)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has increased by 91.1% or \$5.50 million compared to 2016/17 due mainly to specific funding for some large capital works projects. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2017/18 year. A list of capital grants by type and source, classified into recurrent and non-recurrent is included below.

Grants - capital	Forecast		
	Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	4,142	1,454	(2,688)
Total recurrent grants	4,142	1,454	(2,688)
<i>Non-recurrent - Commonwealth Government</i>			
Buildings	0	4,000	4,000
Roads	679	197	(482)
Bridges	275	0	(275)
<i>Non-recurrent - State Government</i>			
Buildings	354	4,983	4,629
Drainage	34	0	(34)
Roads	104	827	723
Parks, openspace and streetscape	286	79	(207)
Waste	165	0	(165)
Total non-recurrent grants	1,897	10,086	8,189
Total capital grants	6,039	11,540	5,501

5.1.3 Statement of Borrowings

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

	2016/17 \$'000	2017/18 \$'000
Total amount borrowed as at 30 June of the prior year	11,266	13,891
Total amount proposed to be borrowed	4,000	0
Total amount projected to be redeemed	(1,375)	(1,469)
Total amount of borrowings as at 30 June	13,891	12,422

6. Detailed list of Capital Works

This section presents a listing of the capital works projects that will be undertaken for the 2017/18 year.

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

- New works for 2017/18
- Works carried forward from the 2016/17 year.

Capital works program

For the year ending 30 June 2018

6.1 New works

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land									
Strategic Land Acquisition	300	0	0	0	300	0	0	300	0
Total Land	300	0	0	0	300	0	0	300	0
Buildings									
West Gippsland Arts Centre	7,977	0	3,988	3,191	798	8,000	0	-23	0
Community Hub	100	0	0	50	50	0	0	100	0
New Early Learning Centre	1,483	0	0	0	1,483	983	0	500	0
Craig Watts Skate Park Toilet - Upgrade	213	0	107	85	21	0	0	213	0
Toilets and Amenities Renewal and Upgrade Program	101	0	51	51	0	0	0	101	0
New Animal Pound - Construction ongoing from 15/16	460	0	0	230	230	0	0	460	0
Community Facilities Renewal Program	107	0	107	0	0	0	0	107	0
Access Compliance Program	43	0	43	0	0	0	0	43	0
Kydd-Park Jindivick Reserve Cricket Clubrooms - design	32	0	26	6	0	0	0	32	0
Mary Beck Pre-school	25	0	20	5	0	0	0	25	0
Trafalgar Kindergarten and Maternal and Child Health Centre	12	0	10	2	0	0	0	12	0
Depot - miscellaneous works	12	0	10	2	0	0	0	12	0
Warragul Leisure Centre	21	0	17	4	0	0	0	21	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recreation Reserve – Risk and Minor Works Program	37	0	29	7	0	0	0	37	0
Warragul Council Chambers and Offices	12	0	10	2	0	0	0	12	0
Public Halls - miscellaneous works	37	0	29	7	0	0	0	37	0
Bus Shelter Program	21	0	17	4	0	0	0	21	0
Public Art	75	0	60	15	0	0	0	75	0
Pools Fixtures & Fittings	53	0	43	11	0	0	0	53	0
Council Building Renewal Program	16	0	13	3	0	0	0	16	0
Office Equipment Replacement	11	0	9	2	0	0	0	11	0
Buln Buln- Storage shed	26	0	0	0	26	0	0	26	0
Hallora Reserve- New storage shed	26	0	0	0	26	0	0	26	0
Asbestos Removal Program	32	0	32	0	0	0	0	32	0
Total Buildings	10,931	0	4,618	3,680	2,633	8,983	0	1,948	0
TOTAL PROPERTY	11,231	0	4,618	3,680	2,933	8,983	0	2,248	0
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Plant, Fleet and Machinery replacement program	533	0	373	0	160	0	0	533	0
Total Plant, Machinery and Equipment	533	0	373	0	160	0	0	533	0
Fixtures, Fittings and Furniture	0	0	0	0	0	0	0	0	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computers and Telecommunications									
Information Technology Program	213	0	149	64	0	0	0	213	0
Imagery Capture	41	0	41	0	0	0	0	41	0
Total Computers and Telecommunications	253	0	189	64	0	0	0	253	0
TOTAL PLANT AND EQUIPMENT	786	0	562	64	160	0	0	786	0
INFRASTRUCTURE									
Roads									
Gravel Roads Resheet Program	1,107	0	1,107	0	0	0	0	1,107	0
Road Resealing Program	1,173	0	1,173	0	0	0	0	1,173	0
Reseal Preparation Works	240	0	240	0	0	0	0	240	0
Crack Sealing Program	43	0	43	0	0	0	0	43	0
Labertouche Road- Road Safety Improvement Program between Potter Rd and 29 Jacksons Track	198	0	99	99	0	198	0	0	0
Labertouche North Road, Labertouche	1,170	0	234	936	0	780	0	390	0
Localised Pavement Repair Program	1,019	0	1,019	0	0	249	0	770	0
Road Upgrade- Gravel to Sealed Road Program	650	0	130	520	0	0	0	650	0
Curve Treatment Program	200	0	66	134	0	0	0	200	0
Road Reconstruction Program	1,066	0	533	533	0	1,006	0	60	0
Traffic Improvement Works	70	0	35	0	35	0	0	70	0
Intersection of Kitchener Street and Contingent Street, Trafalgar	65	0	20	39	7	45	0	20	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Shillinglaw Road, Drouin	50	0	25	25	0	0	0	50	0
Palmerston Street between Victoria and Smith	1,386	0	554	832	0	0	248	1,138	0
Warragul CBD Streetscape Works- Mason St Improvement Works- Section between Albert and Queent St, Central	250	0	100	150	0	0	0	250	0
Napier Street / Queen Street, Warragul (DIRS015)	400	0	0	0	400	0	86	314	0
Sutton Street and Pharaohs Road (INL-NW-03)	213	0	0	0	213	0	213	0	0
Street Lighting Changeover Program	51	0	41	10	0	0	0	51	0
Street Lighting Program- New/Replacement	51	0	41	10	0	0	0	51	0
Subdivision Program	80	0	0	56	24	0	0	80	0
Guard Rail Installation Program	53	0	5	5	43	0	0	53	0
Kerb & Channel Renewal Program	91	0	91	0	0	0	0	91	0
Helipad Area, Walhalla	20	0	6	14	0	0	0	20	0
Tourism Signage Program	12	0	0	0	12	0	0	12	0
New parking and traffic signs	21	0	2	9	11	0	0	21	0
Roadside Signage & Fittings Annual Renewal Program	70	0	70	0	0	0	0	70	0
Street tree planting program	53	0	27	27	0	0	0	53	0
Replace damaged decorations and faulty Christmas lights	12	0	11	1	0	0	0	12	0
Laneway Program	16	0	16	0	0	0	0	16	0
Native Vegetation Offset	53	0	16	37	0	0	0	53	0
Future Storm Event(s)	203	0	203	0	0	200	0	3	0
Total roads	10,086	0	5,905	3,437	744	2,478	547	7,060	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bridges									
Minor Bridge Renewal Program	149	0	149	0	0	0	0	149	0
Neerim East Road Culvert (MC012)	301	0	271	30	0	0	0	301	0
Total Bridges	450	0	420	30	0	0	0	450	0
Footpaths and Cycleways									
New Footpath Program	713	0	0	0	713	0	0	713	0
Footpath Renewal Program	160	0	160	0	0	0	0	160	0
Pram Crossing/DDA Upgrades	11	0	3	7	0	0	0	11	0
Total Footpaths and Cycleways	884	0	163	7	713	0	0	884	0
Drainage									
Construction of drainage pipes Y3 – Y1 & X2 & X1, Warragul	500	0	0	100	400	0	498	2	0
Tarwin Street Construction of retention basin and wetlands (DR-NW-01) Stage 2 and 3 of 3	1,700	0	0	340	1,360	0	1,700	0	0
Roadside drains and flanking - Rural Road (sealed)	352	0	352	0	0	0	0	352	0
Drainage Improvement Program	150	0	90	60	0	0	0	150	0
Total Drainage	2,702	0	442	500	1,760	0	2,198	504	0
Buln Buln Recreation Netaball Courts	65	0	13	52	0	0	0	65	0
Buln Buln Recreation Tennis Courts	15	0	3	12	0	0	0	15	0
Bellbird Park Western Section	118	0	65	53	0	79	0	39	0
Drouin Recreation Reserve	35	0	11	25	0	0	0	35	0
Half basketball Court, Noojee	40	0	8	32	0	0	0	40	0
Sports Court Renewal Program	65	0	65	0	0	0	0	65	0
Sports Field Rehabilitation	107	0	107	0	0	0	0	107	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Western Park Recreation Precinct	1,082	0	216	866	0	0	0	1,082	0
Athlone Reserve	25	0	25	0	0	0	0	25	0
Hallora Recreation Reserve	12	0	2	2	7	0	0	12	0
Jindivick Recreation Reserve	98	0	20	78	0	0	0	98	0
Jindivick Recreation Reserve	25	0	5	20	0	0	0	25	0
Neerim South Reserve	74	0	11	63	0	0	0	74	0
Ellinbank Reserve	180	0	36	144	0	0	0	180	0
Recreation Lighting Renewal Program	46	0	12	35	0	0	0	46	0
Recreation Design Works	213	0	43	171	0	0	0	213	0
Brooker Park	69	0	55	14	0	0	0	69	0
Open space design	11	0	9	2	0	0	0	11	0
Parks and Open Space Improvements	41	0	33	8	0	0	0	41	0
Annual Playground Equipment renewal, and upgrade program	59	0	47	12	0	0	0	59	0
Wetland Establishment Program	70	0	56	14	0	0	0	70	0
		0							
Total Recreational, Leisure and Community Facilities	2,449	0	840	1,602	7	79	0	2,370	0
Waste Management									
Public Place Recycling Bins	10	0	0	0	10	0	0	10	0
CCTV Installation to monitor illegal waste dumping-									
1. Princes Freeway Exit, Nilma	15	0	0	0	15	0	0	15	0
2. Benette St Park, Longwarry									
3. Allambee dump site									
Total Waste	25	0	0	0	25	0	0	25	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Off Street Car Parks									
Off-street car parks and street parking rehabilitation program	32	0	29	3	0	0	0	32	0
Total Off Street Car Parks	32	0	29	3	0	0	0	32	0
Other Infrastructure									
Future Forward Design program	306	0	153	153	0	0	0	306	0
Total Other Infrastructure	306	0	153	153	0	0	0	306	0
TOTAL INFRASTRUCTURE	16,934	0	7,952	5,732	3,249	2,557	2,745	11,631	0
TOTAL NEW CAPITAL WORKS 2017/2018	28,951	0	13,133	9,476	6,342	11,540	2,745	14,666	0

6.2 Works carried forward from the 2016/2017 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Coun cil cash \$'000	Borrowin gs \$'000
PROPERTY									
Land	0	0	0	0	0	0	0	0	0
Yarragon Retardation - Land Acquisition	555	0	0	0	555	0	0	555	0
Land Improvements	0	0	0	0	0	0	0	0	0
Total Land	555	0	0	0	555	0	0	555	0
Buildings									
Bellbird Park Indoor Stadium, Drouin	90	0	45	45	0	0	0	90	0
West Gippsland Arts Centre	2,117	0	423	847	847	0	0	2,117	0
Total Buildings	2,207	0	468	892	847	0	0	2,207	0
TOTAL PROPERTY	2,762	0	468	892	1,402	0	0	2,762	0
Computers and Telecommunications									
Asset Management Implementation	130	0	39	91	0	0	0	130	0
Electronic Doc Management System	218	0		44	174	0	0	218	0
Total Computers and Telecommunications	348	0	39	135	174	0	0	348	0
TOTAL PLANT AND EQUIPMENT	348	0	39	135	174	0	0	348	0

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New	Renewal	Upgrade	Expansion	Grants	Contributions	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE									
Roads									
Queen St Promnd Design	78	0	39	39	0	0	0	78	0
Mason- Albert Street, Warragul intersection treatment	384	0	0	0	384	0	0	384	0
Mason Street between Queen and Albert- Design & Construct	273	0	109	164	0	0	0	273	0
Intersection Kitchener - Contingent St Traf	45	0	0	22	23	0	0	45	0
Total roads	781	0	148	225	407	0	0	780	0
Bridges									
Allambee Estate Road Bridge	432	0	86	346	0	0	0	432	0
Total Bridges	432	0	86	346	0	0	0	432	0
Recreational, Leisure and Community Facilities									
Drouin Soccer Club	50	0	20	30	0	0	0	50	0
Total Recreational Leisure and Community Facilities	50	0	20	30	0	0	0	50	0
TOTAL INFRASTRUCTURE	1,263	0	255	601	407	0	0	1,263	0
TOTAL CARRIED FORWARD WORKS 2016/2017	4,373	0	762	1,627	1,983	0	0	4,372	0
TOTAL CAPITAL WORKS	33,323	0	13,895	11,103	8,325	11,540	2,745	19,038	0

6.3 Summary

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY	13,993	0	5,087	4,571	4,335	8,983	0	5,010	0
PLANT AND EQUIPMENT	1,134	0	601	199	334	0	0	1,134	0
INFRASTRUCTURE	18,196	0	8,207	6,333	3,656	2,557	2,745	12,894	0
TOTAL CAPITAL WORKS	33,323	0	13,895	11,103	8,325	11,540	2,745	19,038	0

5. Rates and charges

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

7. Rates and charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 56.3% 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 2017/18 the FGRS cap has been set at 2.0%. The cap applies to both 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.

Every effort has been made to minimise cost increases in the 2017/18 budget, resulting in a surplus of \$23.3 million. The \$16.6 million contribution from operations towards capital investment for the 2017/18 financial year will enable a robust capital works program to be maintained.

The average general rate will increase by 2.0% in line with the rate cap, with no change in garbage collection charges. Total rates and charges raised for the 2017/18 financial year will be \$53.13 million, including \$0.43 million generated from supplementary rates and charges.

7.1 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	2016/2017 cents/\$CIV	2017/2018 cents/\$CIV	Change
General rate for rateable residential properties	0.4506	0.4598	2.0%
General rate for rateable commercial and industrial properties	0.5857	0.5518	-5.8%
General rate for rateable farm properties	0.4055	0.4138	2.0%
General rate for rateable urban living properties	0.4055	0.4138	2.0%
General rate for rateable residential development properties	0.5857	0.5978	2.1%
General rate for rateable vacant land	0.7209	0.8277	14.8%

7.2 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	2016/2017 \$	2017/2018 \$	Change
Residential	27,140,687	28,740,278	5.9%
Commercial and Industrial	4,091,790	3,954,161	-3.4%
Farm	8,799,047	8,988,535	2.2%
Urban Living	614,209	615,051	0.1%
Residential Development	53,331	12,942	-75.7%
Vacant Land	2,558,179	2,735,272	6.9%
Recreational	62,029	63,305	2.1%
Total amount to be raised by general rates	43,319,271	45,109,544	4.1%

7.3 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	2016/17 Number	2017/18 Number	Change
Residential	18,420	19,021	3.3%
Commercial and Industrial	1,410	1,454	3.1%
Farm	2,949	2,947	-0.1%
Urban Living	141	139	-1.4%
Residential Development	4	2	-50.0%
Vacant Land	1,860	1,870	0.5%
Recreational	14	14	0.0%
Total number of assessments	24,798	25,447	2.6%

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

7.5 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	2016/2017 \$	2017/2018 \$	Change
Residential	6,023,768,000	6,250,158,000	3.8%
Commercial and Industrial	698,582,000	716,594,000	2.6%
Farm	2,169,904,000	2,171,933,000	0.1%
Urban Living	151,468,000	148,617,000	-1.9%
Residential Development	9,105,000	2,165,000	-76.2%
Vacant Land	354,861,000	330,467,000	-6.9%
Recreational	13,767,000	13,767,000	0.0%
Total value of land	9,421,455,000	9,633,701,000	2.3%

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

Type of Charge	Per Rateable Property 2016/2017 \$	Per Rateable Property 2017/2018 \$	Change
Municipal	Not Applicable	Not Applicable	

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

Type of Charge	2016/2017 \$'000	2017/2018 \$'000	Change
Municipal	Not Applicable	Not Applicable	

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

Type of Charge	Per Rateable Property	Per Rateable Property	Change
	2016/2017 \$	2017/2018 \$	
Residential Garbage	376	376	0.0%
Residential additional green waste	72	72	0.0%
Residential additional 120 litre garbage	85	85	0.0%
Residential additional 240 litre recycling	48	48	0.0%
Tanjil Bren garbage	118	118	0.0%
Walhalla garbage	183	183	0.0%
Commercial garbage-120 litre	411	411	0.0%
Commercial garbage-240 litre	485	485	0.0%

7.9 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	2016/2017 \$	2017/2018 \$	Change
Residential Garbage	6,912,384	7,088,728	2.6%
Residential additional green waste	5,688	8,712	53.2%
Residential additional 120 litre garbage	36,125	42,330	17.2%
Residential additional 240 litre recycling	7,488	8,976	19.9%
Tanjil Bren garbage	5,074	5,074	0.0%
Walhalla garbage	10,980	11,712	6.7%
Commercial garbage-120 litre	200,979	198,102	-1.4%
Commercial garbage-240 litre	226,010	228,435	1.1%
Total	7,404,728	7,592,069	2.5%

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

Type of Charge	2016/2017 \$	2017/2018 \$	Change
Rates and charges	50,723,999	52,701,613	3.9%
Supplementary rates and charges	290,644	425,921	46.5%
Rates and charges	51,014,643	53,127,534	4.1%

7.11 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 (2017/18: estimated \$0.426 million and 2016/17: \$0.290 million)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

7.12 Differential rates

Rates to be levied

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

- Residential
- Commercial and Industrial
- Farm
- Vacant Land
- Urban Living
- Residential Development

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

Council believes each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

The general objective of each differential rates are to ensure that all rateable land makes an equitable contribution to the cost of carrying out the functions of Council including the;

- Construction and maintenance of public infrastructure
- Development and provision of health and community services
- Provision of general support services

Or

A specific objective as described within the differential characteristic.

Types and Classes

Rateable land having the relevant characteristics described in each category below

Use and Level of Differential Rate

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

Geographical Location

Wherever located within the municipal district.

Use of Land

Any use permitted under the Baw Baw Shire Planning Scheme

Planning Scheme Zoning

The zoning application applicable to each rateable land within this category, as determined by consulting maps referred to in the Baw Baw Shire Planning Scheme

Differential Tariff Definitions and Characteristics

1. **Residential Land** – means any land:
 - a) that is used exclusively for residential purposes; or
 - b) on which a habitable building is erected, which building is unoccupied, and which is zoned Residential under the Baw Baw Planning Scheme; or
 - c) any land which is not otherwise classified as Commercial and Industrial Land, Farm Land, Vacant Land, Urban Living Land or Residential Development Land.

2. **Commercial and Industrial Land** – means any land that:

- a) does not have the characteristics of:
 - i. Residential Land;
 - ii. Farm Land;
 - iii. Vacant Land;
 - iv. Urban Living Land; or
 - v. Residential Development Land; and
- b) is used predominantly for commercial and/or industrial purposes; or
- c) is otherwise zoned Commercial or Industrial under the Baw Baw Planning Scheme.

3. **Farm Land** – means any land that:

- a) does not have the characteristics of:
 - i. Urban Living Land; or
 - ii. Residential Development Land; and
- b) has an area of at least 40 hectares and is used predominantly for the business of grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities; or
- c) has an area of not less than 2 hectares and less than 40 hectares and Council is satisfied, upon application, that it is used predominantly for the business of grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of those activities.

To avoid doubt, 'business' for the purposes of identifying Farm Land has the same meaning as that given to it by section 2(1) of the *Valuation of Land Act 1960* for the same purpose, being a business that:

- d) has a significant and substantial commercial purpose or character; and
- e) seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
- f) is making a profit from its activities on the land, or has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

4. **Vacant Land** – means any land that is:

- a) does not have the characteristics of:
 - i. Farm Land;
 - ii. Urban Living Land; or
 - iii. Residential Development Land; and
- b) on which no building is erected, save for any uninhabitable shed or shelter, the size of which does not exceed 5% of the total area of the land.

5. **Urban Living Land** – means any land:

- a) which is located in the Urban Growth Zone which has a Precinct Structure Plan in place under the Baw Baw Planning Scheme;
- b) has an area not less than 2 hectares; and
- c) in respect of which no planning permit authorising subdivision of the land has been issued.

Residential Development – means any land which:

- a) is located in the Urban Growth Zone which has a Precinct Structure Plan in place under the Baw Baw Planning Scheme; and
- b) has an area not less than 2 hectares; and
- c) in respect of which a planning permit authorising subdivision of the land has been issued.

7.13 Fair Go Rates System Compliance

Baw Baw Shire Council is fully compliant with the State Government's Fair Go Rates System.

Base Average Rates (2016/2017)	\$1,738.88
Maximum Rate Increase (set by the State Government)	2.00%
Capped Average Rate (2017/2018)	\$1,773.66
Maximum General Rates and Municipal Charges Revenue	\$45,109,544
Budgeted General Rates and Municipal Charges Revenue (Excluding supplementary rates)	\$45,109,544

Budget Analysis

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

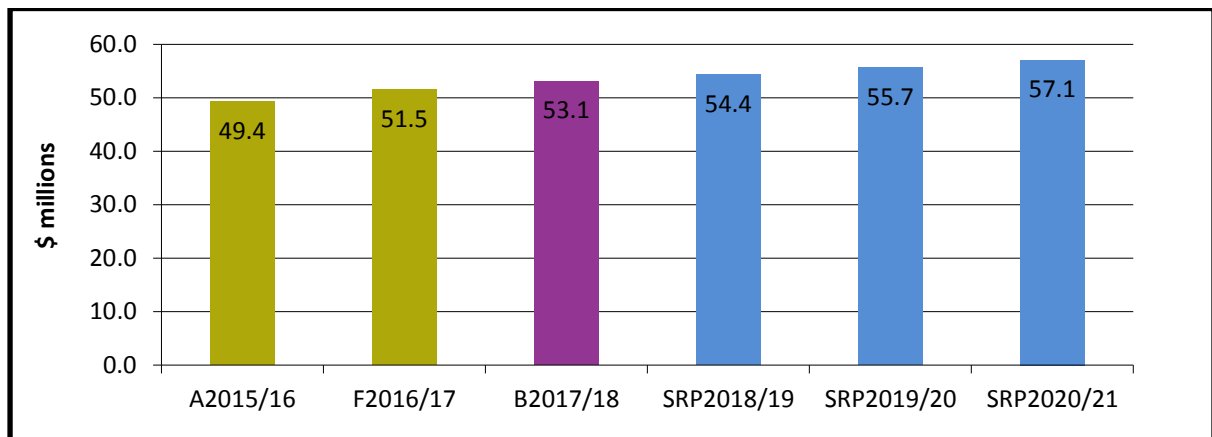
This section includes the following analysis and information:

- 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 2017/18 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.

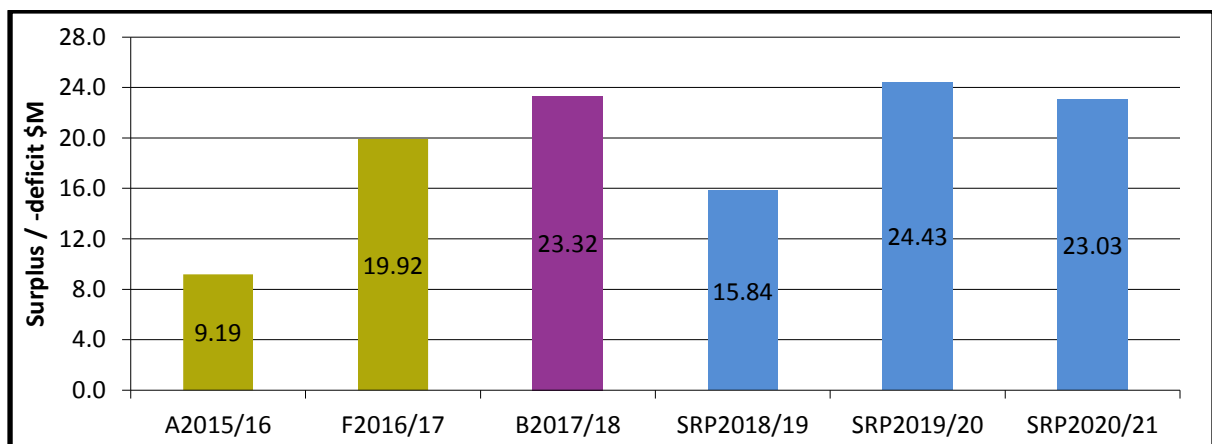
8.1 Total rates and charges



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

It is proposed that the average rate increase by 2.0% for the 2017/18 year, raising total rates of \$53.13 million, including \$0.43 million generated from supplementary rates. This will result in an increase in total revenue from rates and service charges of 3.1%. This rate increase is in line with the rate cap set by the Minister for Local Government. (The rate increase for the 2016/17 year was 2.5%). Refer also Sections 7 and 10 for more information.

8.2 Operating result

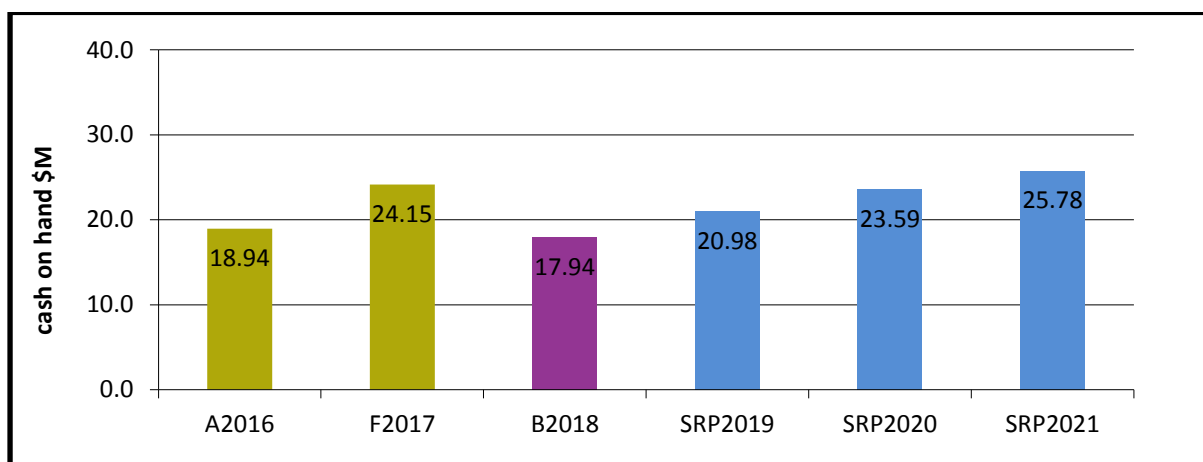


A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

The expected operating result for the 2017/18 year is a surplus of \$23.32 million, which is an increase of \$3.40 million over 2016/17. The improved operating result is due mainly to external funding for capital works which is forecast to increase by \$5.50 million to \$11.54 million. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a

surplus of \$0.88 million, which is a decrease of \$4.78 million over 2016/17. (The forecast operating result for the 2016/17 year is a surplus of \$19.92 million).

8.3 Cash and investments

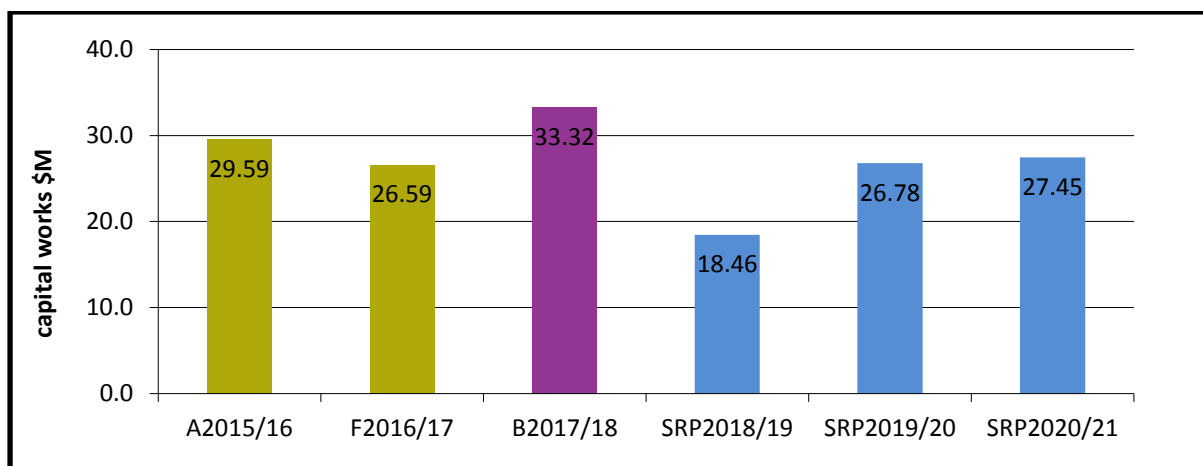


A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

Cash and investments are expected to decrease by \$6.21 million during the year to \$17.94 million as at 30 June 2018. This is due mainly to the large cash investment in capital \$33.32 million during the financial year, that is budgeted to be fully expended. The reduction in cash and investments is in line with Council’s Strategic Resource Plan. (Cash and investments are forecast to be \$24.15 as at 30 June 2017).

Refer also Section 4 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

8.4 Capital works



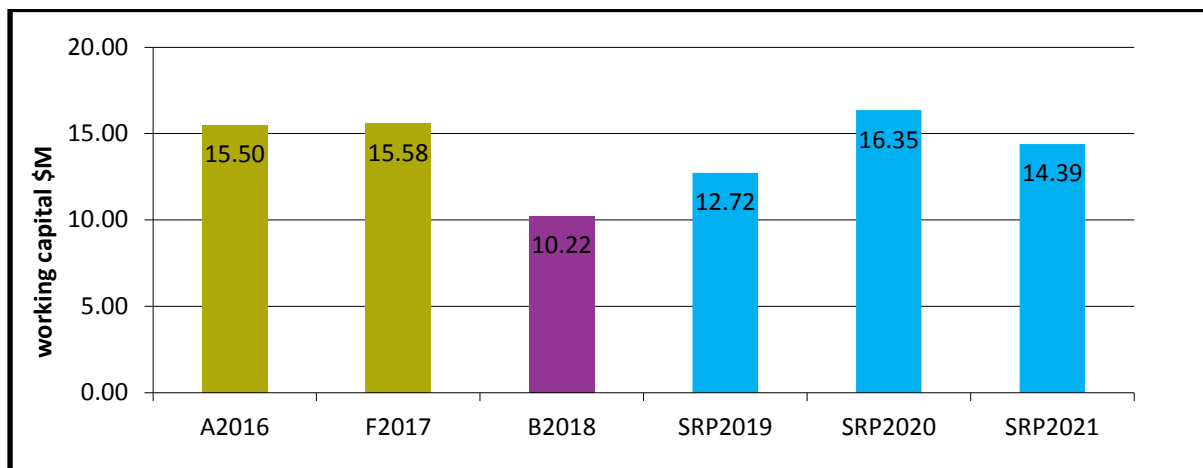
A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

The capital works program for the 2017/18 year is expected to be \$33.32 million of which \$4.37 million relates to projects which will be carried forward from the 2016/17 year. The carried forward component is fully funded from the 2016/17 budget. Of the \$33.32 million of capital funding required, \$11.54 million will come from external grants with the balance of \$21.78 million from Council cash, Contributions and reserves and borrowings. The Council cash amount comprises asset sales (\$0.02 million), cash held at the start of the year (\$24.15 million) and cash generated through operations in the 2017/18 financial year (\$29.11 million).

The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. This year's program includes a number of major building projects including the redevelopment of the West Gippsland Arts Centre. (Capital works is forecast to be \$26.59 million for the 2016/17 year).

Refer also Section 4 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

8.5 Financial position

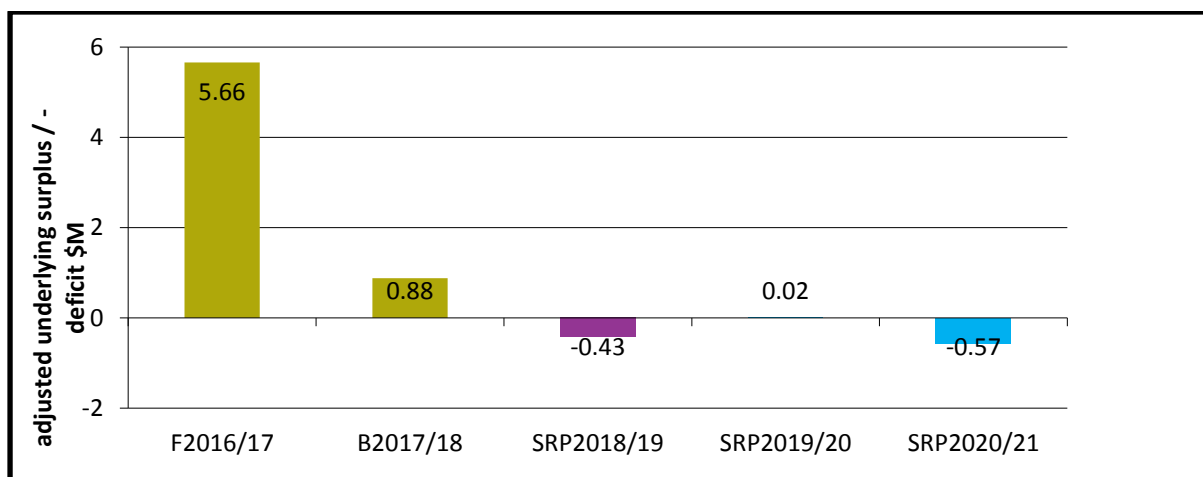


A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

Financial position represents Councils Current Assets less Current Liabilities. The financial position is expected to reduce with net assets (net worth) to decrease by \$5.36 million to \$10.22 million as at the 30 June 2018. This is mainly due to the decrease in Cash and Cash Equivalents, as cash is used to fund the extensive capital works program. (Net assets are forecast to be \$15.58 million as at 30 June 2017).

Refer also Section 4 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

8.6 Financial sustainability

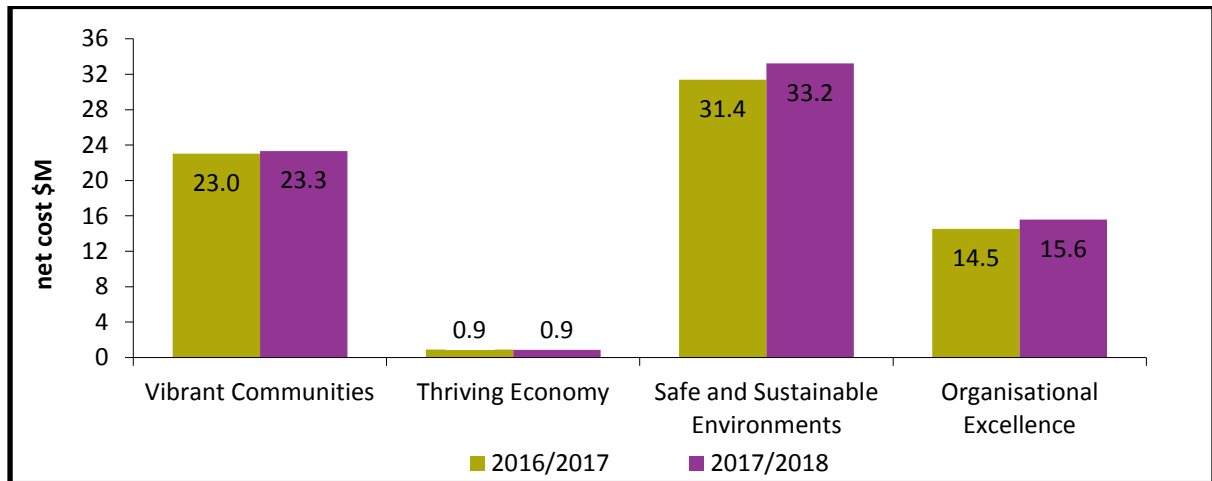


A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

A high level Strategic Resource Plan for the years 2017/18 to 2019/20 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. Financial sustainability is represented by at least a breakeven adjusted underlying result. The graph indicates that Council's result approximates to breakeven for the ensuring years of the strategic resource plan.

Refer Section 14 for more information on the Strategic Resource Plan.

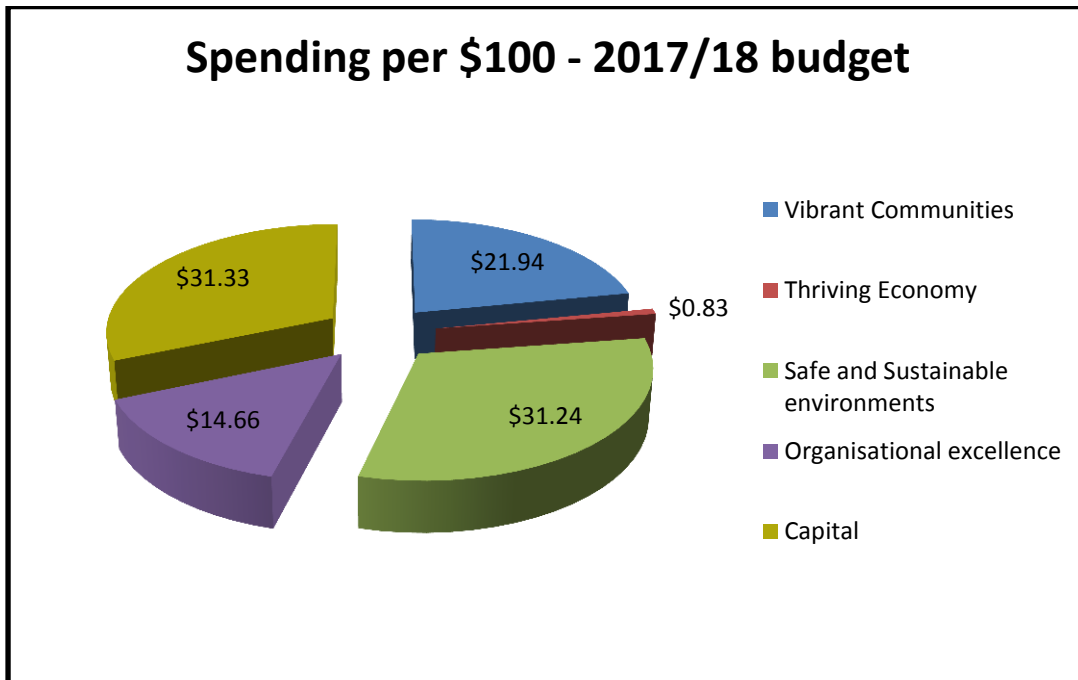
8.7 Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2017/18 year.

The services that contribute to these objectives are set out in Section 2.

8.8 Council expenditure allocations



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

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 Baw Baw Shire Council

Baw Baw Shire Council is approximately 100 kilometres east of Melbourne in the heart of West Gippsland.

It has an area of 4,027 square kilometres and was formed in 1994 from the amalgamation of the former Buln Buln and Narracan shires, the Rural City of Warragul (previously the Shire of Warragul), and some parts of the Shire of Upper Yarra.

It includes the town of Drouin, Longwarry, Neerim South, Trafalgar, Warragul, Yarragon, Willowgrove and Thorpdale.

The Shire is named after the major geographical feature of the region which is Mount Baw Baw.

The northern half of the Shire is heavily forested and lies in the Great Dividing Range and its foothills, including part of the Mt Baw Baw National Park, while the Shire is bounded by the Strzelecki Range and its foothills in the south. The “middle part” of the Shire is more densely populated, particularly in areas close to the Princes Highway and The Gippsland Railway Lin, but it still retains its rural environment.

Baw Baw is bordered by South Gippsland, Cardinia, Yarra Ranges, Mansfield and Wellington Shires with the City of Latrobe completing the neighbouring Councils.

Population

The municipality is experiencing rapid residential growth with a 2.89% annual growth rate between 2006 and 2011, or an increase of 5,806 people.

Ageing population

Council provides Aged and Disability services within the community. The total number of people accessing these services was 2,566.

Hours Provided (annual)	Services Provided
48,296 hours of home based support	Domestic assistance, personal care, respite and shopping support
3,091 hours of home maintenance	Includes Installation of mobility aids, cleaning spouting, cleaning windows
34,249 hours of supported group based activities	Activities based in Centres or in the Community

Births

During 2015/16 the Maternal Child Health Service received 525 birth notifications.

Housing

A range of diverse housing is available from rural farming lifestyles, urban rural houses on larger blocks to smaller town houses/apartment style, however 89.6% of dwellings are a separate house and 6% semi-detached.

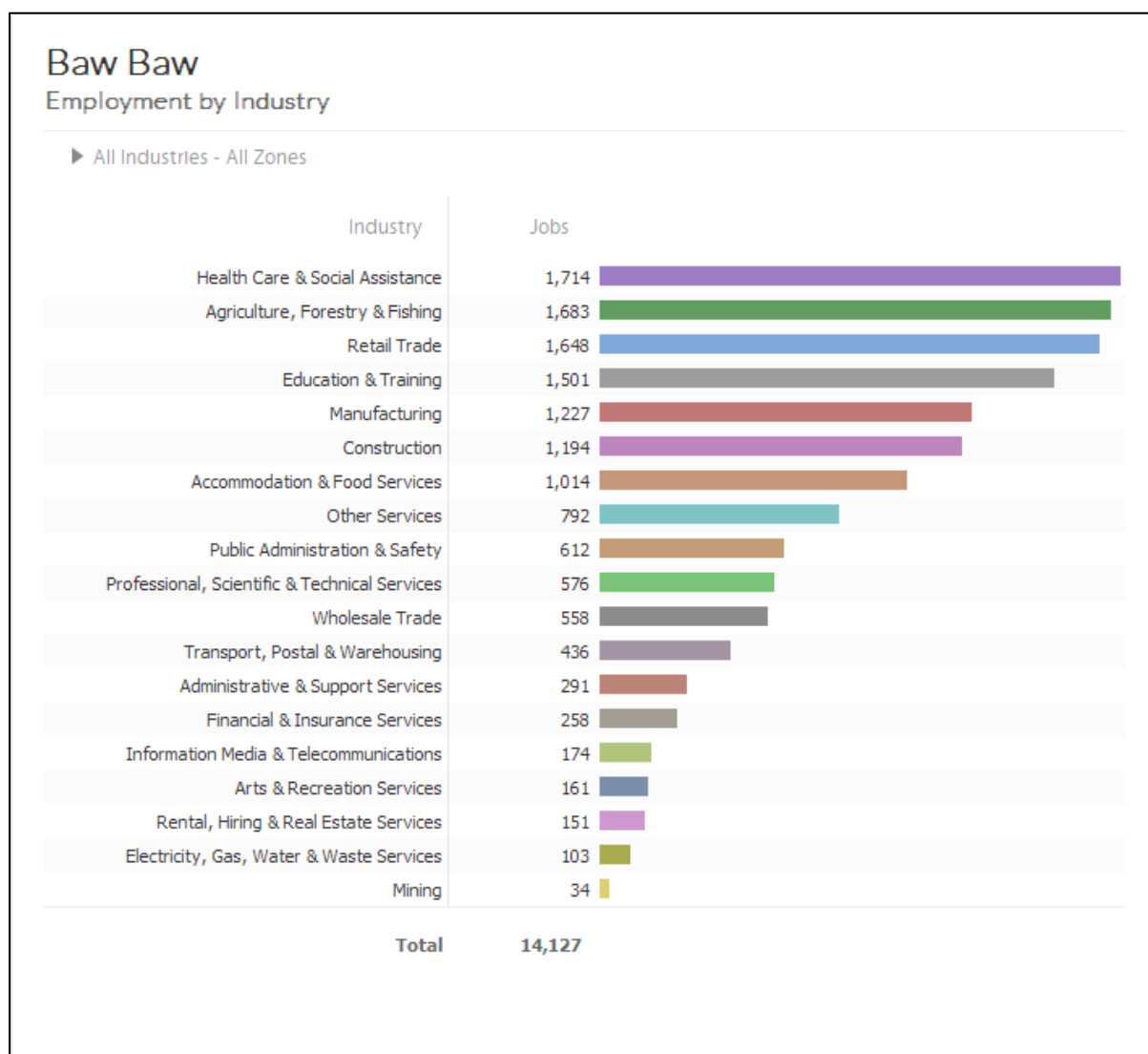
Building Statistics

In 2016 the following occurred:

- There were 1,288 building permits lodged with the Building Services Unit.
- There were 13 occupancy permits issued for places of public entertainment which relates to certain events held in Baw Baw Shire.
- The Building Services Unit determined 124 report and consent applications seeking permission to build outside the scope of the Building Regulations.
- The Building Services Unit finalised 90 enforcement matters.

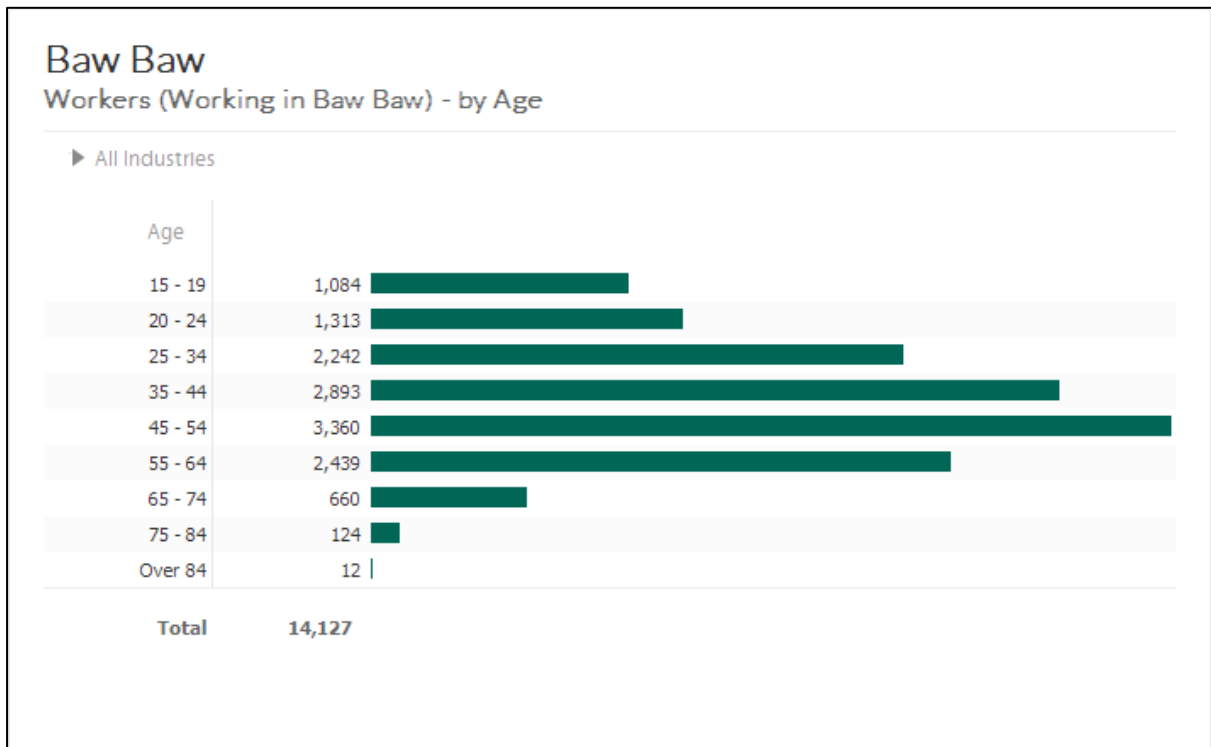
Industry

Baw Baw Shire is known for innovation in manufacturing, design and agribusiness. Baw Baw is home to a major dairy sector, some of Australia's leading hydroponics and agribusiness companies, and innovative food processing companies. Our equipment and food manufacturing companies export across the globe and are at the forefront of technology development in their fields. Industry sectors which contribute significantly to Baw Baw Shire's output include Manufacturing, Construction and Agriculture. The Health Care and Social Assistance, Agriculture and Retail industry sectors are the largest employers in the Shire.



Source: Latest [REMPAN](#) data incorporating Australian Bureau of Statistics' (ABS) June 2016 Gross State Product, 2013 / 2014 National Input Output Tables and 2011 Census Place of Work Employment Data.

The graph below provides details of the age profile of those working in the Baw Baw Shire. It is estimated that 14,127 people work in Baw Baw.



Source: Latest [REMPPLAN](#) data incorporating Australian Bureau of Statistics' (ABS) 2011 Census Place of Work Employment Data.

Transport and Accessibility

There is easy access from the Shire to Melbourne in the west and Lakes Entrance in the east. A regular train service runs parallel to the Princes Highway, crossing the Shire with stations at Yarragon, Trafalgar, Warragul, Drouin and Longwarry. The area is well serviced with a number of freight companies that provide road transport to and from Melbourne. Melbourne International airport is located approximately one and a half hours from the main business centre within the Shire.

Budget implications

As a result of the Shire's demographic profile there are a number of budget implications in the short and long term as follows:

- Asset management continues to be a challenge and there is a need to allow for replacement of ageing infrastructure and the upgrade, renewal and maintenance of roads, footpaths and draining, which are reaching the end of their useful lives.
- The growth in the Shire is resulting in the greater demand for services to support the community.
- Continued population growth in the coming years will see a greater demand in infrastructure development and maintenance.
- Council has introduced Developer Contribution Plans (DCP's) through Baw Baw Planning Scheme Amendments. These DCP's will result in the collection of developer levies to be expended on infrastructure projects required for the growth areas of the towns impacted by the planning scheme..

9.2 External influences

- Consumer Price Index (CPI) increases on goods and services of 1.4% through the year to the September quarter 2016 (ABS release 25 October 2016). State-wide CPI is forecast to be 2.0% for the 2017/18 year (Victorian Budget Papers 2016/17).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2015 was 3.4% (ABS release 18 August 2016). The wages price index in Victoria is projected to be 2.5% per annum in 2017/2018 increasing to 3.0% and 3.5% in the subsequent two years (Victorian Budget Papers 2016/17). Council must renegotiate a new Collective Agreement during the 2017/18 year for commencement on 1 July 2018.
- Minimal increase in Victoria Grants Commission funding compared to the prior year.
- Receipt of significant capital works funding for the redevelopment of the West Gippsland Arts Centre.
- Anticipated increases of 2.0% (or \$1.24 per tonne) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste tipping costs.
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of the all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

9.3 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2017/18 Budget. These matters have arisen from events occurring in the 2016/17 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017/18 year. These matters and their financial impact are set out below:

- High level of capital expenditure planned for 2017/18 to address infrastructure needs within the Shire.
- Finalisation of the Enterprise Bargaining Agreement, and resultant salary increase.
- The approval of a number of new positions within Council to support business needs.
- Review of materials and contracts to minimise cost increases
- Business impact of the closure of the West Gippsland Art Centre for the financial year due to the redevelopment of the venue.

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. The principles included:

- Existing fees and charges to be increased in line with CPI or market levels.
- Grants to be based on confirmed funding levels.
- New revenue sources to be identified where possible.
- Service levels to be maintained at 2016/17 levels with the aim to use less resources with an emphasis on innovation and efficiency.
- Salaries and wages to be increased in line with the Enterprise Bargaining Agreement.
- Construction and material costs to increase in line with the Engineering Construction Index
- New initiatives or employee proposals to be justified through a business case.
- Real savings in expenditure and increases in revenue identified in 2016/17 to be preserved
- Operating revenues and expenses arising from completed 2016/17 capital projects to be included.

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 for 2017/18 to 2020/21 (Section 14.), Rating Information (Section 15.) and Other Long Term Strategies (Section 16.) including borrowings, 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 2017/18 year.

10.1 Budgeted income statement

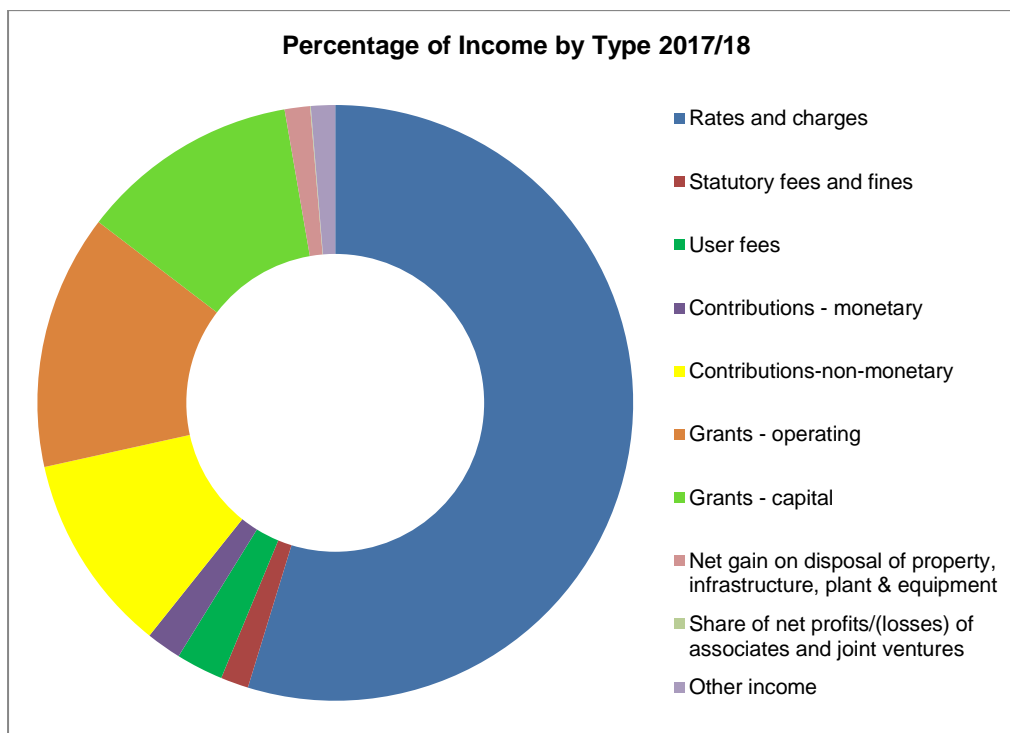
	Ref	Forecast	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Total income	10.2	87,722	94,384	6,662
Total expenses	10.3	(67,800)	(71,068)	(3,268)
Surplus (deficit) for the year		19,922	23,316	3,394
Grants – capital non-recurrent		(1,897)	(10,086)	(8,189)
Contributions - non-monetary assets		(10,500)	(10,500)	0
Capital contributions - other sources	10.2.4	(1,866)	(1,852)	14
Adjusted underlying surplus (deficit)	10.1.1	5,659	878	(4,781)

10.1.1 Adjusted underlying deficit (\$4.78 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 adjusted underlying result for the 2017/18 year is a surplus of \$0.88 million which is a decrease of \$4.78 million from the 2016/17 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	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Rates and charges	10.2.1	51,539	53,128	1,589
Statutory fees and fines	10.2.2	1,256	1,466	210
User fees	10.2.3	2,800	2,489	(311)
Contributions - monetary	10.2.4	1,866	1,852	(14)
Contributions-non-monetary	10.2.5	10,500	10,500	0
Grants - operating	5.1.1	13,394	13,436	42
Grants - capital	5.1.2	6,039	11,540	5,501
Net gain on disposal of property, infrastructure, plant & equipment	10.2.6	(1,000)	(1,335)	(335)
Share of net profits/(losses) of associates and joint ventures	10.2.7	30	36	6
Other income	10.2.8	1,298	1,272	(26)
Total income		87,722	94,384	6,662



10.2.1 Rates and charges (\$1.59 million increase)

It is proposed that income raised by all rates and charges be increased by 3.1% or \$1.59 million to \$53.13 million. This includes an increase in general rates of 2.0%, no change to the fee for waste collection and the supplementary rates and charges to increase by \$0.14 million over 2016/17 to \$0.43 million.

Section 7 – Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2017/18 and the rates and charges information specifically required by the Regulations.

10.2.2 Statutory fees and fines (\$0.21 million increase)

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

Statutory fees are forecast to increase by 16.7% or \$0.21 million compared to 2016/17. The most significant factor impacting this change is the increase in Statutory Planning fees of \$0.12 million.

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

10.2.3 User fees (\$0.31 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 separate rating schemes, use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home help services. In setting the budget, the key principle for determining the level of user charges has been to ensure that fees and charges are set in accordance with Council's pricing policy. Commercial users are charged market price, with a subsidy to community users where appropriate.

User charges are projected to decrease by 11.1% or \$0.31 million over 2016/17. The main area contributing to the decrease is the West Gippsland Arts Centre. The Centre will be closed during the 2017/18 financial year due to the redevelopment of the venue.

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

10.2.4 Contributions - monetary (\$0.01 million decrease)

Contributions relate to monies paid to Council in regard to public open space and developer contributions in accordance with planning and building permits issued for property development.

Contributions are projected to decrease by \$0.01 million or 0.7% compared to 2016/17, representing a minor fluctuation.

10.2.5 Contributions-non monetary (No change)

Contributions relate to gifted assets from developers in regard to public open space, drainage and car parking in accordance with planning permits issued for property development. It is expected that there will be no change in the level of contributions received by Council in 2017/18, compared to the previous financial year.

10.2.6 Net gain on disposal of property, infrastructure, plant and equipment (\$0.34 million increase)

Proceeds from the disposal of Council assets is forecast to be \$0.17 million for 2017/18 and relate mainly to the planned cyclical replacement of part of the plant and vehicle fleet (\$0.53 million) and sale of properties including surplus land. The written down value of assets sold is forecast to be \$1.50 million.

10.2.7 Share of net profits/(losses) of associates and joint ventures (\$0.006 million increase)

This reflects Council's interest in the West Gippsland Library, with minimal change between the financial years.

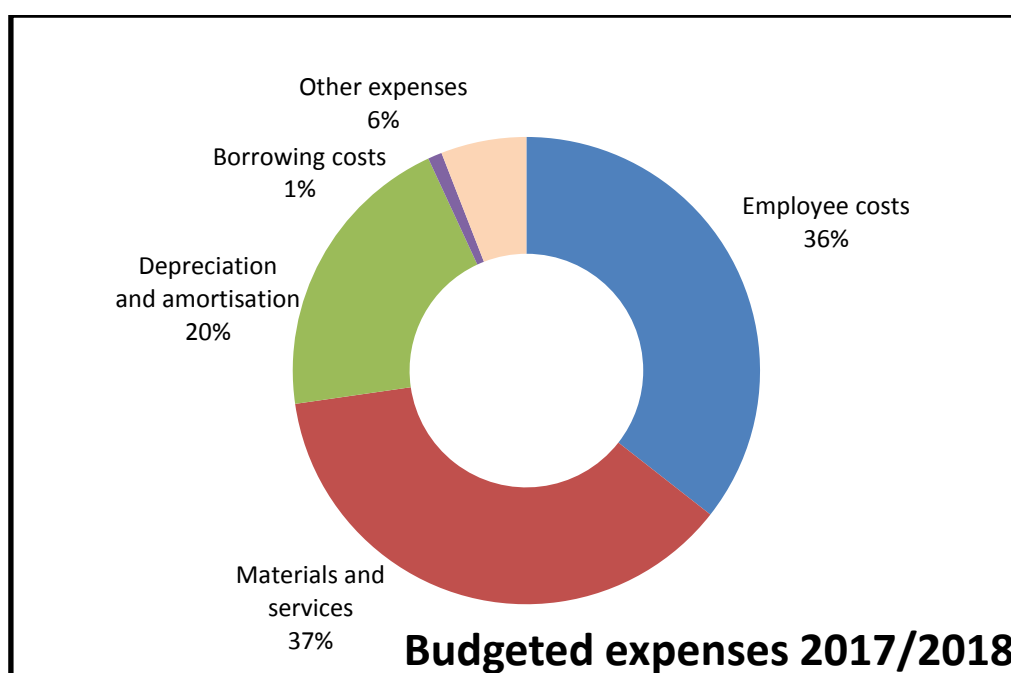
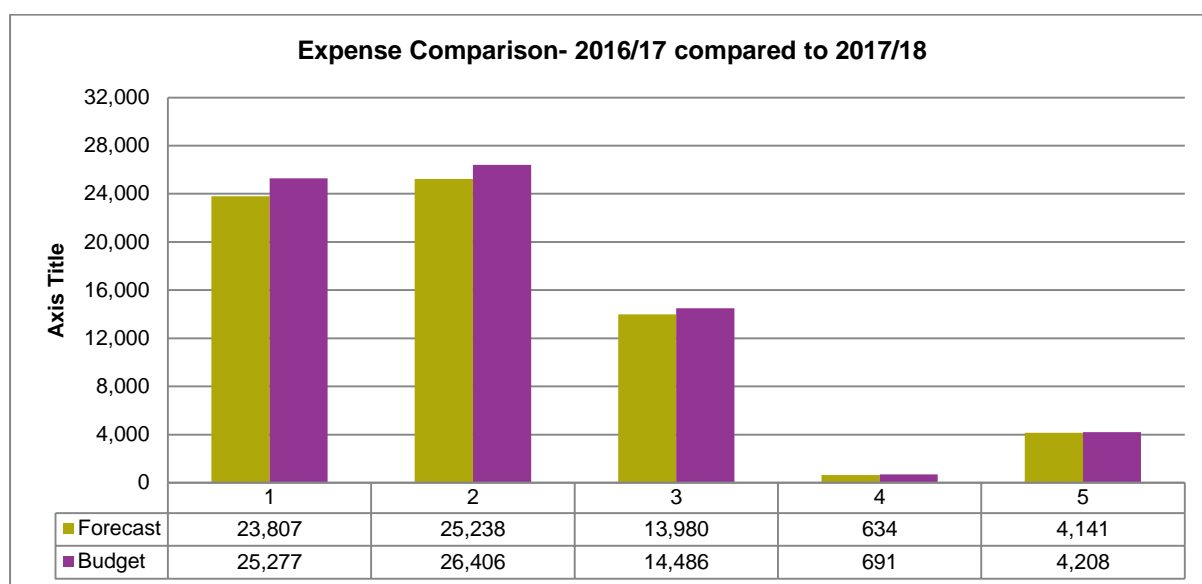
10.2.6 Other income (\$0.03 million decrease)

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

Other income is forecast to decrease by increase by 2% compared to 2016/17.

10.3 Expenses

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Employee costs	10.3.1	23,807	25,277	1,470
Materials and services	10.3.2	25,238	26,406	1,168
Depreciation and amortisation	10.3.3	13,980	14,486	506
Borrowing costs	10.3.4	634	691	57
Other expenses	10.3.5	4,141	4,208	67
Total expenses		67,800	71,068	3,268



10.3.1 Employee costs (\$1.47 million increase)

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

Employee costs are forecast to increase by 6.2% or \$1.47 million compared to 2016/17. This increase relates to three key factors:

- Renegotiation of Council's Enterprise Bargaining Agreement (EBA) which has allowed for a 1.7% increase in employee cost.
- Banding movement for staff not at the top of the Band
- Approval of a number of new positions to support community needs, mainly focusing on compliance.

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

Department	Comprises		
	Budget 2017/18 \$'000	Permanent Full Time \$'000	Permanent Part Time \$'000
Chief Executive	1,643	1,566	77
Corporate and Community Services	9,521	4,792	4,729
Community Assets	7,385	6,588	797
Planning and Economic Development	6,504	5,464	1,040
Total permanent staff expenditure	25,053	18,410	6,643
Casuals and other expenditure	224		
Subtotal	25,277		
Capitalised labour costs	118		
Total expenditure	25,395		

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

Department	Comprises		
	Budget FTE	Permanent Full Time	Permanent Part Time
Chief Executive	16.1	15.0	1.1
Corporate and Community Services	105.0	46.0	59.0
Community Assets	79.0	70.0	9.0
Planning and Economic Development	68.4	55.0	13.4
Total	268.4	186.0	82.4
Casuals and other	2.3		
Capitalised labour costs	1.0		
Total staff	271.7		

10.3.2 Materials and services (\$1.17 million increase)

Materials and services include payments to contractors for the provision of services, utility costs and the purchases of consumables. Materials and services are forecast to increase by 4.6% or \$1.17 million compared to 2016/17.

There have been increases in two major areas:

Waste Contact- The increase of \$0.64 million is mainly due to increasing waste disposal contract prices.

Road Network Contract- This has increased by \$0.57 million compared to forecast or 9.7% due to additional activity and increased service standards.

10.3.3 Depreciation and amortisation (\$0.51 million increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$0.51 million for 2017/18 is due to an estimate of Council's asset value, based on valuations to date, and the potential for capitalisation of works completed in the capital program.

Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2017/18 year.

10.3.4 Borrowing costs (\$0.06 million increase)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The increase in borrowing costs results from borrowings incurred in the previous financial year.

10.3.5 Other items of expense (\$0.07 million increase)

Other items of expense relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations and other miscellaneous expenditure items. Other expenses are forecast to increase by 1.6% or \$0.07 million compared to 2016/17.

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/18 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

11.1 Budgeted cash flow statement

	Ref	Forecast		Variance
		Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		51,345	52,678	1,333
User fees and fines		4,041	3,922	(119)
Grants - operating		13,343	13,322	(21)
Grants - capital		6,016	11,443	5,427
Interest		697	684	(13)
Other receipts		2,502	2,462	(40)
		77,944	84,511	6,566
<i>Payments</i>				
Employee costs		(23,631)	(24,991)	(1,359)
Other payments		(29,311)	(30,411)	(1,100)
		(52,942)	(55,402)	(2,460)
Net cash provided by operating activities		25,002	29,109	4,107
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant & equip.		(26,594)	(33,323)	(6,729)
Proceeds from sale of property, infrastructure, plant & equipment		500	165	(335)
Net cash used in investing activities		(26,094)	(33,158)	(7,064)
Cash flows from financing activities	11.1.3			
Finance costs		(634)	(691)	(57)
Proceeds from borrowings		4,000	0	(4,000)
Repayment of borrowings		(1,375)	(1,469)	(94)
Net cash used in financing activities		1,991	(2,159)	(4,150)
Net decrease in cash and cash equivalents		899	(6,208)	(7,108)
Cash and cash equivalents at the beginning of the year		23,248	24,147	899
Cash and cash equivalents at end of the year	11.1.4	24,147	17,939	(6,208)

11.1.1 Operating activities (\$4.11 million increase)

The increase in cash inflows from operating activities is due mainly to a \$5.43 million increase in capital grants to fund the capital works program and a \$1.33 million increase in rates and charges.

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

	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Surplus (deficit) for the year	19,922	23,316	3,394
Depreciation	13,980	14,486	506
Contributions - Non-Monetary	(10,500)	(10,500)	0
Share of profits/(losses) Joint Ventures	(30)	(36)	(6)
Loss (gain) on disposal of property, infrastructure, plant & equipment	(1,000)	(1,335)	(335)
Finance costs	634	691	57
Net movement in current assets and liabilities	1,996	2,487	491
Cash flows available from operating activities	25,002	29,109	4,107

11.1.2 Investing activities (\$7.06 million increase)

The large increase in payments for investing activities represents the planned large increase in capital works expenditure disclosed in Section 12 of this budget report. Proceeds from sale of assets are forecast to decrease by \$0.34 million due to less assets identified for sale during the financial year.

11.1.3 Financing activities (\$4.15 million decrease)

For 2017/18 the total of principal repayments is projected to be \$1.47 million and no new borrowings..

11.1.4 Cash and cash equivalents at end of the year (\$6.21 million decrease)

Overall, total cash and investments is forecast to decrease by \$6.21 million to \$17.94 million as at 30 June 2018, reflecting Council's strategy of using excess cash and investments to enhance existing and create new infrastructure. Refer Table 11.2 for Reserve Movements.

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 2016 it will have cash and investments of \$17.94 million, which has been restricted as shown in the following table.

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Total cash and investments		24,147	17,939	(6,208)
Restricted cash and investments				
- Statutory reserves	11.2.1	(4,408)	(3,515)	893
- Cash held to fund carry forward capital works	11.2.2	(4,373)	0	4,373
- Trust funds and deposits		(1,618)	(1,668)	(50)
Unrestricted cash and investments	11.2.3	13,748	12,756	(992)
- Discretionary reserves	11.2.4	(2,410)	(5,900)	(3,490)
Unrestricted cash adjusted for discretionary reserves	11.2.5	11,338	6,856	(4,482)

11.2.1 Statutory reserves (\$3.52 million)

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

11.2.2 Cash held to fund carry forward capital works (\$0.00 million)

There is no amount shown as cash held to fund carry forward works at 30 June 2018, as it is expected that the capital works budget in the 2017/18 financial year will be fully expended. An amount of \$4.37 million is forecast to be held at 30 June 2017 to fund capital works budgeted but not completed in the financial year. Section 6.2 contains further details on capital works funding.

11.2.3 Unrestricted cash and investments (\$12.76 million)

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

11.2.4 Discretionary reserves (\$5.90 million)

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

11.2.5 Unrestricted cash adjusted for discretionary reserves (\$6.86 million)

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

12. Analysis of capital budget

This section analyses the planned capital works expenditure budget for the 2017/18 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Section 6.

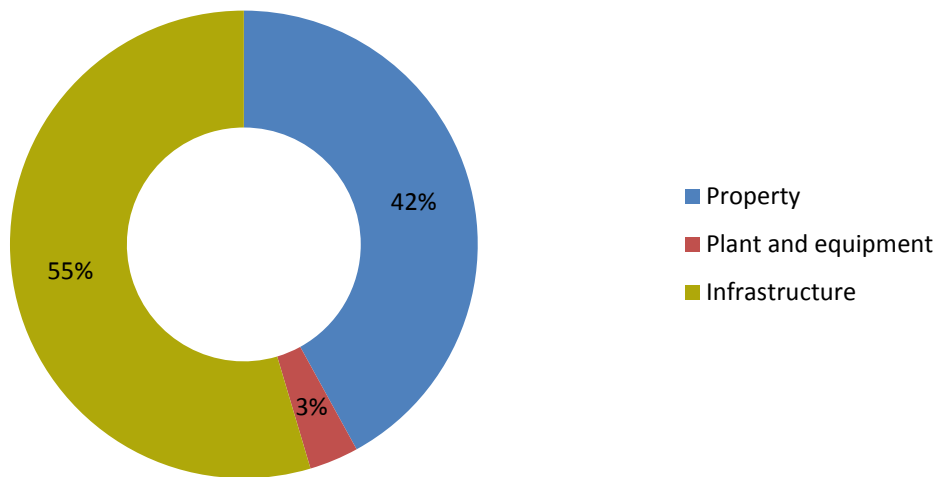
12.1 Capital works expenditure

Capital Works Areas	Ref	Forecast	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Works carried forward	12.1.1			
Property				
Land		0	555	555
Total land		0	555	555
Buildings		1,105	2,207	1,102
Total Buildings		1,105	2,207	1,102
Total Property		1,105	2,762	1,657
Plant and equipment				
Computers and telecommunications		0	348	348
Total plant and equipment		0	348	348
Infrastructure				
Roads		92	781	689
Bridges		0	432	432
Footpaths and cycleways		0	0	0
Drainage		0	0	0
Recreational, leisure and community facilities		0	50	50
Waste management		0	0	0
Parks, open space and streetscapes		0	0	0
Other infrastructure		0	0	0
Total infrastructure		92	1,263	1,171
Total works carried forward		1,197	4,373	3,176
New works				
Property	12.1.2			
Land		325	300	(25)
Total land		325	300	(25)
Buildings		6,529	10,931	4,402
Total Buildings		6,529	10,931	4,402
Total Property		6,854	11,231	4,377
Plant and equipment	12.1.3			
Plant, machinery and equipment		680	533	(147)
Computers and telecommunications		859	253	(606)
Total plant and equipment		1,539	786	(753)
Infrastructure	12.1.4			
Roads		10,211	10,117	(94)
Bridges		1,146	450	(696)
Footpaths and cycleways		1,076	884	(192)
Drainage		2,319	2,702	383
Recreational, leisure and community facilities		1,934	2,449	515
Waste management		78	25	(53)
Other infrastructure		240	306	66
Total infrastructure		17,004	16,933	(71)
Total new works		25,397	28,950	3,553
Total capital works expenditure		26,594	33,323	6,729

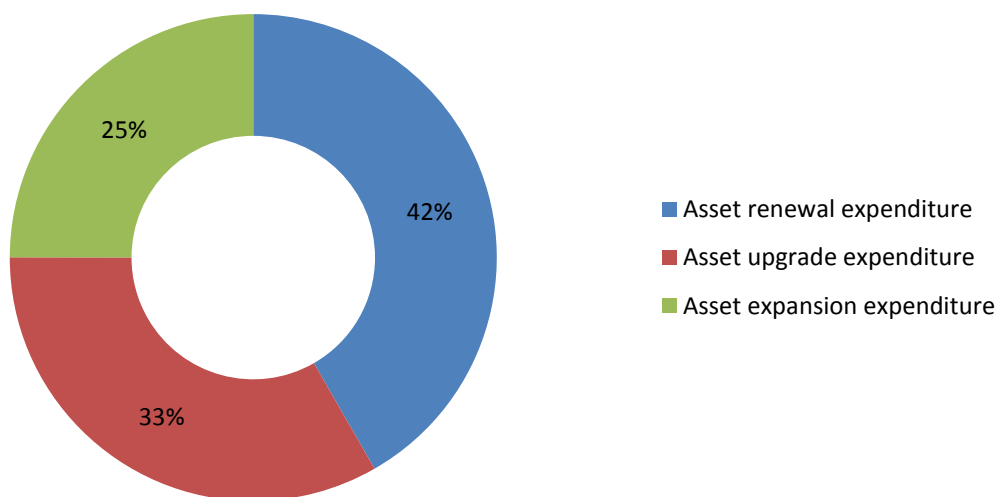
Represented by:

Asset renewal expenditure	12.1.5	14,627	13,895	(732)
Asset upgrade expenditure	12.1.5	5,319	11,103	5,784
Asset expansion expenditure	12.1.5	6,648	8,325	1,677
Total capital works expenditure		26,594	33,323	6,729

Budgeted capital works 2017/2018



Budgeted capital works 2017/2018



Source: Section 3. A more detailed listing of the capital works program is included in Section 6.

12.1.1 Carried forward works (\$4.37 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 2016/17 year it is forecast that \$4.37 million of capital works will be incomplete and be carried forward into the 2017/18 year. The most significant project is \$2.12 million on the West Gippsland Arts Centre.

12.1.2 Property (\$11.23 million)

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

For the 2017/18 year, \$11.23 million will be expended on building and building improvement projects. The more significant projects include the West Gippsland Arts Centre (\$7.98 million) and the New Early Learning Centre (\$1.48 million).

12.1.3 Plant and equipment (\$0.79 million)

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

For the 2017/18 year, \$0.79 million will be expended on plant, equipment and other projects. The more significant project will be the ongoing cyclical replacement of the plant and vehicle fleet (\$0.53 million).

12.1.4 Infrastructure (\$16.93 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. Major projects include Road Reconstruction works (\$1.0 million) and Road Resealing works (\$1.2 million).

\$2.70 million will be expended on drainage projects. The most significant of these is the Tarwin Street construction of retention basin and wetland (\$1.70 million).

\$2.45 million will be expended on Recreational, leisure and community facilities. Projects include the Western park recreational precinct (\$1.08million), Sports field rehabilitation (\$0.11 million) and Recreational design works (\$0.21 million).

12.1.5 Asset renewal (\$13.89 million), upgrade (\$11.10 million) and expansion (\$8.33 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.

12.2 Funding sources

Sources of funding	Ref	Forecast	Budget	Variance
		Actual 2016/17 \$'000	2017/18 \$'000	\$'000
Works carried forward				
Current year funding				
Contributions- DCP		1,197	0	(1,197)
- reserve cash and investments		0	4,373	4,373
- unrestricted cash and investments		0	0	0
Total works carried forward	12.2.1	1,197	4,373	3,176
New works				
Current year funding				
Grants	12.2.2	6,039	11,540	5,501
Contributions	12.2.3	0	2,745	2,745
Borrowings		4,000	0	(4,000)
Council cash				
- operations	12.2.4	14,583	14,207	(376)
- proceeds on sale of assets	12.2.5	500	158	(342)
- reserve cash and investments	12.2.6	275	300	25
Total new works		25,397	28,950	3,553
Total funding sources		26,594	33,323	6,729

Source: Section 6

12.2.1 Carried forward works (\$4.37 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 2016/17 year it is forecast that \$4.37 million of capital works will be incomplete and be carried forward into the 2017/18 year.

12.2.2 Grants - capital (\$11.54 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the West Gippsland Arts Centre. (\$8.00 million).

12.2.3 Contributions (\$2.75 million)

This includes contributions relating to developer contribution plans (DCP01) as well as contributions from third parties for specific capital projects.

12.2.4 Council cash - operations (\$14.21 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$14.21 million will be generated from operations to fund the 2017/18 capital works program.

12.2.5 Council cash - proceeds from sale of assets (\$0.16 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$0.16 million.

12.2.6 Council cash - reserve cash and investments (\$0.300 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 including the Land Sales Reserve for the purpose of acquisition of land.

13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016/17 and 2017/18. It also considers a number of key financial performance indicators.

13.1 Budgeted balance sheet

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		24,147	17,939	(6,208)
Trade and other receivables		8,236	8,958	722
Other assets		458	458	0
Total current assets		32,841	27,355	(5,486)
Non-current assets	13.1.1			
Trade and other receivables		0	0	0
Investment in associates and joint ventures		1,198	1,235	37
Property, infrastructure, plant and equipment		640,545	668,382	27,837
Intangible assets		2,231	2,231	0
Total non-current assets		643,974	671,848	27,874
Total assets		676,815	699,202	22,387
Current liabilities	13.1.2			
Trade and other payables		7,421	7,791	(370)
Trust funds and deposits		1,618	1,668	(50)
Provisions		6,757	6,861	(104)
Interest-bearing loans and borrowings		1,469	812	657
Total current liabilities		17,265	17,131	134
Non-current liabilities	13.1.2			
Provisions		6,277	6,295	(18)
Interest-bearing loans and borrowings		12,423	11,610	813
Total non-current liabilities		18,700	17,905	795
Total liabilities		35,965	35,036	929
Net assets		640,850	664,166	23,316
Equity	13.1.4			
Accumulated surplus		328,582	353,670	25,088
Reserves		312,268	310,496	(1,772)
Total equity		640,850	664,166	23,316

Source: Section 3

13.1.1 Current Assets (\$5.49 million decrease) and Non-Current Assets (\$27.87 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 \$5.49 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 will increase by 8.8%.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, and other revenues due to be received in the next 12 months

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The \$27.84 million increase in this balance is attributable to the net result of the capital works program (\$33.32 million of new assets), depreciation of assets (\$14.49 million) and the sale through sale of property, plant and equipment (\$1.50 million).

13.1.2 Current Liabilities (\$0.13 million decrease) and Non-Current Liabilities (\$0.80 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2016/17 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are only expected to increase marginally due to more active management of entitlements despite factoring in an increase for Enterprise Bargaining outcomes.

Interest-bearing loans and borrowings are borrowings of Council. Council is budgeting to repay loan principal of \$1.47 million over the year.

13.1.3 Working Capital (\$5.35 million decrease)

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

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

	Forecast		
	Actual	Budget	Variance
	2017	2018	
	\$'000	\$'000	\$'000
Current assets	32,841	27,355	5,486
Current liabilities	17,265	17,131	134
Working capital	15,576	10,223	5,353
Restricted cash and investment current assets			
- Statutory reserves	(4,408)	(3,515)	(893)
- Cash used to fund carry forward capital works	(4,373)	0	(4,373)
- Trust funds and deposits	(1,618)	(1,668)	50
Unrestricted working capital	5,177	5,040	137

In addition to the restricted cash shown above, Council is also projected to hold \$5.90 million in discretionary reserves at 30 June 2018. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and they should be used for those earmarked purposes.

13.1.4 Equity (\$23.32 million increase)

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

- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. The increase of \$23.32 million represents the surplus budgeted in the income statement during 2017/18 less the movement in reserves.
- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations

13.2 Key assumptions

In preparing the Balance Sheet for the year ending 30 June 2018 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 30 days
- Other debtors and creditors to remain consistent with 2016/17 levels
- Proceeds from the sale of property in 2017/18 of \$0.165 million will be received in full in the 2017/18 year
- Employee entitlements to be increased by the Enterprise Agreement.
- Repayment of loan principal to be \$1.47 million
- Total capital expenditure to be \$33.32 million
- There are no new borrowings, with the draw down of the \$4.00 million loan occurring in the 2016/17 financial year.

LONG TERM STRATEGIES

This section includes the following analysis and information

- 14 Strategic resource plan
- 15 Rating information
- 16 Other long term strategies

14. Strategic resource plan

This section includes an extract of the adopted Strategic Resource Plan (SRP) to provide information on the long term financial projections 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 services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared a SRP for the four years 2017/18 to 2020/21 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the SRP, are:

- Maintain a surplus result from operations
- Maintain existing service levels
- Achieve a balanced budget on a cash basis
- Achieve a major investment in infrastructure to meet ongoing needs within the Community.

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

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

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

14.2 Financial resources

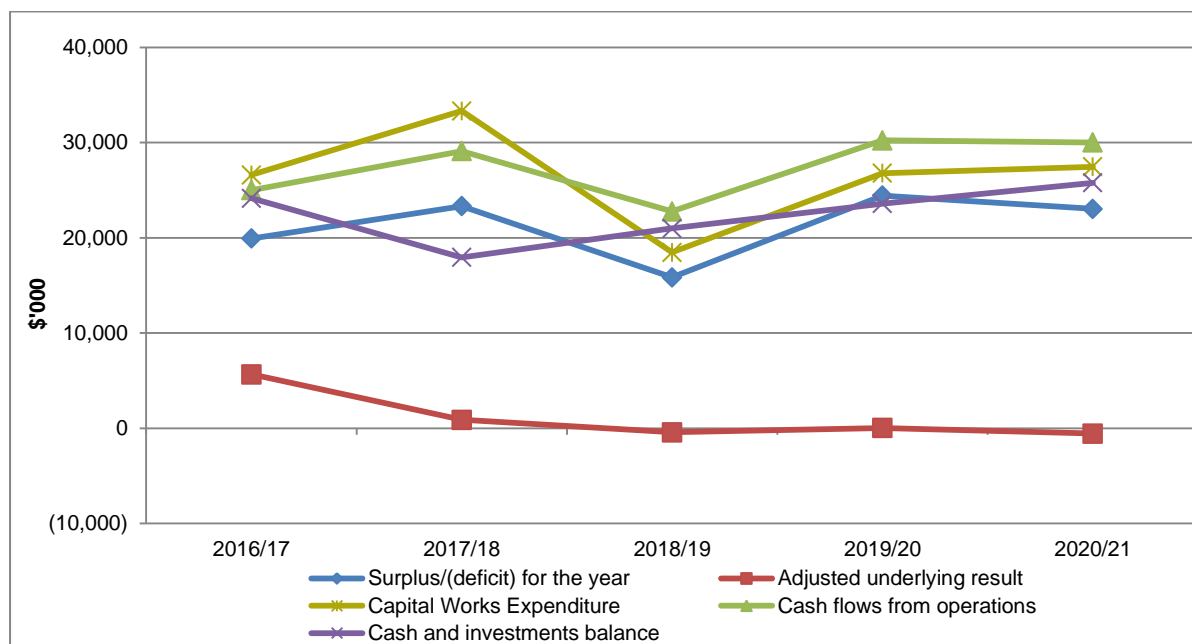
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017/18 to 2020/21. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2016/17	2017/18	2018/19	2019/20	2020/21	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	19,922	23,316	15,838	24,425	23,035	o
Adjusted underlying result	5,659	878	(425)	23	(565)	o
Cash and investments balance	24,147	17,939	20,984	23,590	25,778	o
Cash flows from operations	25,002	29,109	22,762	30,220	30,010	+
Capital works expenditure	26,594	33,323	18,456	26,775	27,446	o

Key to Forecast Trend:

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

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



The key outcomes of the SRP are as follows:

- **Financial sustainability (Section 11)** - Cash and investments is forecast to increase marginally over the four year period from \$24.15 million to \$25.78 million, which indicates a balanced budget on a cash basis in each year, and takes account of the capital expenditure program.
- **Rating levels (Section 15)** – Modest rate increases are forecast over the four years at an average of 2.38%.
- **Service delivery strategy (Section 16)** – Service levels have been maintained throughout the four year period. Despite this, operating surpluses are forecast in all years, with a high level of capital grants in the 2017/18 financial year to support the capital works program. However, excluding the effects of capital items such as capital grants and contributions, Council has some variations in the underlying result with an underlying surplus in two years and an underlying deficit in two years. The adjusted underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result
- **Borrowing strategy (Section 16)** – Borrowings are forecast to reduce from \$12.422 million to \$11.17 million over the four year period. This includes no new borrowings.
- **Infrastructure strategy (Section 16)** - Capital expenditure over the four year period will total \$106.00 million at an average of \$26.50 million.

15. Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website.

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 56.3% 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 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.

15.1 Future 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 the forecast financial position of Council as at 30 June 2017, and the forecast rate increase used for financial planning purposes

Year	General Rate Increase %	Waste Charge Increase \$'000	Total Rates Raised \$'000	
2016/17	2.50	0.00	51,015	
2017/18	2.00	0.00	53,128	
2018/19	2.50	2.00	54,418	*
2019/20	2.50	2.00	55,739	*
2020/21	2.50	2.00	57,093	*

* Includes 0.5% growth from supplementary rates.

15.2 Rating structure

Council has established a rating structure which is comprised of three key 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
- Waste charges designed to cover the cost of all waste services.

Striking a proper balance between these elements provides equity in the distribution of the 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 residential or commercial purposes. This distinction is based on the concept that business should pay a fair and equitable contribution to rates, taking into account the benefits those commercial properties derive from the local community.

Having reviewed the various valuation bases for determining the property value component of rates, 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 annually..

The existing rating structure comprises six differential rates(residential, commercial and industrial, farm, vacant land, urban living and residential development), and a rate concession for recreational land.

Rating Category	Rating Differential	Proposed Rating Differential
	2016/17	2017/18
Residential	1.00	1.00
Commercial and Industrial	1.30	1.20
Farm	0.90	0.90
Urban Living	0.90	0.90
Residential Development	1.30	1.30
Vacant Land	1.60	1.80

These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act.

Under the Cultural and Recreational 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". Details are provided in the table below.

Cultural and Recreation Land Property	2017/18 Rates
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Properties receiving a 100% rebate

Drouin Bowling Club	\$2,851
Drouin Golf Club	\$9,343
Garfield Wattle Raceway/Drouin Speedway	\$2,391
Longwarry Bowls Club	\$1,200
Moe Field and Game and Angling Club	\$621
Neerim District Bowling Club	\$690
Thorpdale Bowling Club	\$1,448
Trafalgar Bowls Club Incorporated	\$2,570
Trafalgar Golf Club	\$5,615
Trafalgar Park Bowls Club Incorporated	\$1,490
Warragul Bowling Club	\$1,651
Warragul Drouin Pistol Club Incorporated	\$2,055
Yarragon Bowls Club	\$1,324
Total 100% Rebate	\$33,301

Property receiving a 47% rebate

Warragul Country Club Incorporated (rebate) \$30,004 @ 47%	\$14,102
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Total Rebate

Warragul Country Club Incorporated (rate payable)	\$15,902
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Total	\$63,305
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The following table summarises the rates to be determined for the 2017/18 year. A more detailed analysis of the rates to be raised is contained in Section 7 'Statutory Disclosures'.

Rate type	How applied	2016/17	2017/18	Total Raised \$000's	Change
Residential rates	Cents/\$CIV	0.4506	0.4598	28,740	2.0%
Commercial and Industrial	Cents/\$CIV	0.5857	0.5518	3,954	-5.8%
Farm	Cents/\$CIV	0.4055	0.4138	8,989	2.0%
Urban Living	Cents/\$CIV	0.4055	0.4138	615	2.0%
Residential Development	Cents/\$CIV	0.5857	0.5978	13	2.1%
Vacant Land	Cents/\$CIV	0.7209	0.8277	2,735	14.8%
Recreational	N/A			63	
Total				45,110	

Council has adopted a formal *Rating Strategy* that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used.

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 was identified as an important funding source for capital works programs. Borrowings are to be used in conjunction with internal funding and reserves.

Council is committed to achieving long term financial sustainability and demonstrating financial responsibility with regard to the utilisation of debt financing to fund specific capital projects.

For the 2017/18 year, Council has decided not to take out any new borrowings to fund the capital works program and therefore, after making loan repayments of \$1.47 million, will reduce its total borrowings to \$12.42 million as at 30 June 2018. There has been no allowance for additional borrowings in future years to fund infrastructure initiatives.. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	4,000	1,375	634	13,892
2017/18	0	1,469	691	12,423
2018/19	0	812	610	11,611
2019/20	0	442	563	11,168
2020/21	0	0	546	11,168

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

	2016/2017 \$'000	2017/2018 \$'000
Total amount borrowed as at 30 June of the prior year	11,267	13,892
Total amount proposed to be borrowed	4,000	0
Total amount projected to be redeemed	(1,375)	(1,469)
Total amount of borrowings as at 30 June	13,892	12,423

16.2 Infrastructure

The Council has developed a Ten Year Infrastructure Plan based on the knowledge provided by various Asset Management Plans, which sets out the capital expenditure requirements of Council for the next 10 years by class of asset, and is a key input to the SRP. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations. The Strategy has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes.
- Identification of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of evaluation criteria.
- Methodology for allocating annual funding to classes of capital projects.
- Business Case template for officers to document capital project submissions.

A key objective of the Ten Year Infrastructure Plan is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

At present, Council is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements for the life of the Strategic Resource Plan. While the Ten Year Infrastructure Plan is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, Council has to continue to review the allocation of capital funding.

In updating the Ten Year Infrastructure Plan for the 2017/18 year, the following influences have had a significant impact:

- Reduction in the amount of cash and investment reserves to fund future capital expenditure programs
- Availability of significant Federal funding for upgrade of roads
- Provision of funding for the upgrade of the West Gippsland Arts Centre
- Inclusion of Developer Contribution Schemes to fund future years.

The following table summarises Council's forward outlook on capital expenditure including funding sources for the next four years.

Summary of funding sources					
Year	Total Capital Program \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
2016/17	26,594	6,039	1,197	15,358	4,000
2017/18	33,323	11,540	2,745	19,038	0
2018/19	18,456	1,552	5,535	11,369	0
2019/20	26,775	2,300	11,788	12,687	0
2020/21	27,446	2,500	10,626	14,320	0

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, drainage and public resort and recreation. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14.) which directly impact the future service delivery strategy are to maintain existing service levels and to achieve a breakeven operating result within five to six years. The Rating Information (see Section 15.) also refers to modest rate increases into the future. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

The general influences affecting all operating revenue and expenditure include the following:

	2017/2018	2018/2019	2019/2020	2020/2021
	%	%		
Consumer Price Index	2.00	2.25	2.25	2.50
Average Weekly Earnings	3.66	3.75	3.75	3.75
Engineering Construction Index	0.47	2.00	2.00	2.00
Non-residential Building Index	0.15	2.00	2.00	2.00
Rate increases	2.00	2.00	2.00	2.00
Property growth	1.00	1.00	1.00	0.60
Wages growth	4.50	1.70	1.70	1.70
Government funding	2.00	2.00	2.00	2.00
Statutory fees	2.00	2.00	2.00	2.00
Investment return	3.00	3.00	3.00	3.00

Appendix A Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2017/18 year.

<i>Sub Type</i>	<i>Unit Type</i>	<i>17/18 Proposed Fee Including GST</i>
Community Assets		
Bellbird Park Stadium- Stadium Sports		
Birthday party with food and instructor provided	Person	20.00
Casual squash court hire- (1/2 Hr)	Session	12.77
Casual squash court hire (Per Hour)	Hour	25.54
Casual Stadium Entry	Each	4.10
Disability Netball	Each	4.00
Futsal - registration & insurance	Team	248.80
Futsal - Team Sheet	Team	60.50
Group Fitness- Casual Adult Price	Person	13.20
Group Fitness- Concession	Person	10.50
Group Fitness- Pryme Mover	Person	8.80
Keenagers	Each	4.00
Lifeball	Each	4.00
Netball (Service Provider) registration & insurance fee per team	Per team	163.26
Netball (Service Provider) Team Sheet	Team	52.50
Program Room Hire	Hour	33.40
Racquet Hire	Each	4.20
Squash- Junior	Each	10.09
Squash- Senior	Each	12.80
Volleyball	Each	6.40
Volleyball Junior	Each	5.00
Bellbird Park Synthetic and Grass Fields		
Cleaning- Toilets/ change - Casual users	Each	105.00
Cleaning- Toilets/ change - User Groups	Each	52.00
Synthetic Field- Casual use- Full Field (per hour)	Hour	61.00
Synthetic Field- Casual use- Half Field (per hour)	Hour	32.00
Synthetic Field- Primary school (per term-maximum 10 hours)	Per Term	124.00
Synthetic Field- Secondary school (per term-maximum 10 hours)	Per Term	247.00
Synthetic Field- Tenants - Full Field (per hour)	Hour	25.00
Synthetic Field- Tenants - Half Field (per hour)	Hour	13.50

Equestrian Casual Hire Casual Hire (Logan Park facility)- daily	Day	162.50
Event Bond Event Bond (refundable on final inspection)	Each	1,000.00
Exhibition Hall Hire Community rate -full day Community rate -half day Exhibition Hall (Function without Alcohol - Bond) Exhibition Hall (Function with Alcohol - Bond) Exhibition Hall Commercial/Private/Govt/Not for Profit Hire - full day Exhibition Hall Commercial/Private/Govt/Not For Profit Hire - half day	Each Each Each Each Day Each	280.50 142.80 225.00 550.00 567.00 280.50
Garbage and Tipping Fees Commercial tenements - 120 lit bin (optional service)- per annum Commercial tenements -240 lit bin (optional service)- per annum Double/Queen/King Mattress Garbage Charge - Additional 120 Collection- (per annum) Garbage Charge - Additional 240 Recycling Collection- (per annum) Garbage Charge - Declared Area (per annum) Garbage Charge - Undeclared Area (optional service)- per annum Green Waste – Additional (per annum) Hard Rubbish Collection – Pensioners (pick up) Hard Rubbish Collection (pick up) Silage Wrap- Bulker bag Silage wrap- Plasbac Single Mattress Tanjil Bren Collection Service (per annum) Tip Fee - Paint Tin 1-5 litre (each) Tip Fee - Paint Tin 5-20 litre (each) Tip Fee - Paint Tin more than 20 litre (each) Tip Fee - Paper & Cardboard Commercial (m3) Tip Fees - Car Metal Car Bodies (each) Tip Fees - Domestic refuse (m3) Tip Fees - Domestic refuse (Minimum)- unit Tip Fees - Domestic refuse 1.8 Trailer - Fill Above trailer sides Tip Fees - Domestic refuse 1.8 Trailer - Level Fill Tip Fees - Green Waste Tree Pruning (m3) Tip Fees - LPG / Gas Bottles 10-20kg (each) Tip Fees - LPG / Gas Bottles 1-10kg (each) Tip Fees - LPG / Gas Bottles More than 20kg (each) Tip Fees - Tyres – car (each) Tip Fees - Tyres - large tractor (each) Tip Fees - Tyres - large truck (each) Tip Fees - Tyres - light truck (each)	Service Service Each Service Service Service Service Service Each Each Per bag Per Bag Each Service Each Each Each Cubic Metre Each Cubic Metre Each Each Each Cubic Metre Each Each Each Each Each Each Each Each Each Each Each	411.00 485.00 30.00 85.00 48.00 376.00 376.00 72.00 30.00 62.00 10.00 5.00 20.00 118.00 3.00 4.00 10.00 5.00 50.00 32.00 8.00 32.00 24.00 20.00 10.00 10.00 24.00 5.00 40.00 13.00 9.00

Walhalla Collection Service (per annum)	Service	183.00
Hall Hire General- Halls managed by COM's		
Commercial/Private- Full Day	Each	127.50
Commercial/Private- Night	Each	178.50
Community/Local	Hour	10.20
Community/Local- Full day	Each	61.20
Community/Local- Night	Each	91.80
Hall Hire- Bond - Events with alcohol	Each	550.00
Hall Hire- Bond- Events without alcohol	Each	225.00
Meeting Room	Hour	10.20
Miscellaneous		
Subdivision Engineering Supervision	Percentage	2.50
Subdivision Plan Approval (Statutory- Subdivision Act)	Percentage	0.75
Other Swimming Pools		
Adult Monthly Pass	Membership	28.60
Adult Season Pass	Membership	96.80
Concession Monthly Pass	Membership	22.90
Concession/Child Season Pass	Membership	77.30
Family Monthly Pass	Membership	50.50
Family Season Pass	Membership	170.00
Other Swimming Pools- Summer Pools- Single Admissions		
Adult	Session	5.40
Concession	Session	3.20
Family	Session	14.40
Other Swimming Pools- Swimming Pools per Session		
Swimming Lessons (Service Provider Teacher)- per participant	Session	7.30
Provision of Stormwater size, depth and offset information		
Notice of information through Section 200(1) of the Local Govt Act 1989	Each	64.10
Public Building - Casual Hire Rate		
Commercial/Private full day	Each	122.40
Commercial/Private half day	Each	61.20
Community- half day	Each	30.60
Community-full day	Each	61.20
Hourly rate Community	Hour	10.20
Not for Profit/Government- full day	Each	91.80
Not for Profit/Government- half day	Each	45.90
-	-	-

Public Building- Casual Hire Rate		
Bond Alcohol	Each	550.00
Bond-No Alcohol	Each	225.00
Public Buildings-Private Bookings		
Private Bookings	Hour	20.00
Recreation Facilities - Buildings		
Personal Trainers	Hour	20.00
Recreation Reserves		
Events-excludes bins and cleaning	Day	816.00
User fees (Maximum fee)- per annum (Refer to Council Pricing Policy)	Annum	5,333.00
Sporting Fields		
Grounds- Cleaning charge (per hour)	Hour	64.30
Grounds- Community Club, Group or School outside BBSC- Casual use (daily)	Day	157.50
Grounds- For Profit/Commercial Groups	Day	418.20
Grounds- Schools within Baw Baw Shire- Casual use (must be booked)	Day	0.00
Grounds-Community Club or Group within BBSC-Casual Use	Day	105.00
Lights- Full Field (per hour)	Hour	25.00
Lights- Half field (hourly)	Hour	18.50
Sporting Pavilion		
Pavilion- Cleaning charge (per use)	Each	127.50
Pavilion-Use	Hour	20.40
Turf Wicket		
Turf wicket pitch (per use)	Each	301.00
Warragul Leisure Centre- Aquatic Education		
Aquasafe Intensive 5 Day School Holiday Program	Membership	60.50
Aquasafe Plus FAMILY- Fortnightly direct debit (48 week program)	Membership	30.30
Aquasafe Plus- Fortnightly direct debit (48 week program)	Membership	33.70
Aquasafe Start-up pack	Each	35.00
Private Lesson 0.5 hr	Each	48.40
Schools per participant (School instructor)	Session	6.30
Schools Per student per 1 hour lesson (1:6 ratio)	Session	8.60
Schools Per student per 30 min lesson (1:6 ratio)	Session	7.30
Term Aquasafe (0.5 hr)	Membership	18.50

Warragul Leisure Centre- Aquatics (Casual)		
Adult Swim-Casual price entry to all aquatic facilities except warm water pool	Each	7.00
Child Swim- Casual price entry to all aquatic facilities except warm water pool	Each	5.60
Concession Swim- Casual concession price entry to all facilities except warm water pool	Each	5.60
Family Swim (Sunday)- Discount casual family price entry to all aquatic facilities except warm water pool	Each	14.90
Family Swim- Casual family price entry to all aquatic facilities except warm water pool	Each	19.20
Warm Water Pool (Adult)- Casual adult price entry to warm water pool- additional to adult swim fee	Each	2.00
Warm Water Pool (Concession)-Casual Concession price entry to Warm Water Pool-additional to concession swim fee	Each	1.60
Warragul Leisure Centre- Aquatics Visit Pass		
Adult Pools- 20 visits	Pass	126.10
Concession Pools- 20 visits	Pass	100.00
Master Swimming -10 Visits	Pass	127.80
Warm Water Pool (Adult)- 10 Visits	Pass	80.60
Warm Water Pool (Adult)- 20 Visits	Pass	162.00
Warm Water Pool (Concession) - 20 Visits	Pass	127.90
Warm Water Pool(Concession)-10 Visits	Pass	64.00
Warragul Triathlon/Swim Club- 25 Visit pass to lap aquatic facilities	Pass	87.40
Warragul Triathlon/Swim Club-50 Visit pass to lap aquatic facilities	Pass	174.80
Warragul Leisure Centre- Child Care per 10 Visits		
Additional Children	Membership	31.50
First Child	Membership	62.10
Warragul Leisure Centre- Child Care per 20 Visits		
Additional Children	Membership	63.00
First Child	Membership	124.00
Warragul Leisure Centre- Child Care per Session		
Additional Children	Session	3.50
First Child	Session	6.90
Warragul Leisure Centre- Children's Programs		
Birthday Party with food and instructor provided (per participant)	Person	24.50
Birthday Party without food (per participant)	Person	20.20
Late booking fee (less than 48 hours)	Each	6.00
School Holiday	Each	54.60
School Holiday Late pick up	Each	12.00

Warragul Leisure Centre- Facility hire		
Carnival Hire- Whole Day	Whole Day	848.70
Carnival Hire-Half Day- 2-4 Hours	Half Day	424.40
Lane Hire (pool per hour)	Hour	43.00
Program Room	Hour	48.00
Warm Water Pool	Hour	60.70
Whole Pool 25m (per hour-min 2 hours)	Session	164.80
Warragul Leisure Centre- Membership- Direct Debit		
Full Membership- Start Up Fee	Membership	76.20
Full Aquatic Membership- Fortnightly Fee	Membership	24.20
Full Aquatic Membership- Fortnightly fee (Concession/Corporate)	Membership	21.60
Full Aquatic Membership- Start Up Fee	Membership	76.20
Full Aquatic Membership- Start Up Fee (Concession/Corporate)	Membership	68.00
Full Membership- Fortnightly Fee	Membership	39.10
Full Membership- Fortnightly Fee (Concession/Corporate)	Membership	35.00
Full Membership- Start Up Fee (Concession/Corporate)	Membership	68.00
Pryme Movers- Fortnightly Fee	Membership	26.80
Pryme Movers- Start Up Fee	Membership	68.00
Warragul Leisure Centre- Program per 10 Visits		
Group Fitness	Membership	131.60
Group Fitness (Concession)	Membership	102.90
Pryme Movers - Strength Training	Membership	78.80
Warragul Leisure Centre- Program per Session		
Group Fitness	Session	14.60
Group Fitness (Concession)	Session	11.40
Instructor hire - off site per hour	Session	72.10
Pryme Movers- Strength Training	Session	8.80
Warragul Leisure Centre- Stadium Sports		
1 Court per Hour	Hour	48.00
Casual Court Entry	Hour	4.00
Netball Team Sheet	Team	44.90
Warragul Leisure Centre- Term Membership		
12 month Pryme Mover membership	Membership	696.30
3 month insurance Aquatic Membership (inc. start up)	Membership	284.10
3 month Insurance Full Membership (inc. start up)	Membership	448.70
3 month Pryme Mover membership	Membership	174.10
6 month aquatic membership	Membership	314.70
6 month aquatic membership (Concession)	Membership	281.20
6 month full membership	Membership	508.80
6 month full membership (Concession)	Membership	455.30

6 month Pryme Mover membership	Membership	348.10
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Corporate & Community Services		
Agistment		
Cattle Agistment (per head/per week)	Each	10.00
Horse agistment (minimum fee per month)	Each	76.50
Minimum agistment fee (per year)	Each	102.00
Sheep and goat Agistment (per head/per week)	Each	2.05
BBSC photocopying charges		
A3 black and white photocopying	Per page	0.45
A4 black and white photocopying	Per page	0.25
A4 or A3 colour photocopies	Per page	0.65
Debt Recovery-Legal Costs		
Refer Note 6 of the Fees and Charges Schedule	Each	0.00
Family and Children's services		
Baby capsule - Bond	Each	40.00
Baby capsule fee	Each	60.00
Kindergarten application fee	Each	25.00
Freedom of Information		
Application fee	Each	28.40
Charge for Access Supervision	Per quarter hour of part of a quarter of an hour	5.20
Charge for searching	Per hour or part of an hour	20.90
Provision of A4 black and white photocopying	Per page	0.20
Home and Community Care		
Community Respite (High) Double	Hour	24.50
Community Respite (High) Single	Hour	24.50
Community Respite (Low) Single & Double	Hour	5.10
Community Respite (Medium) Single & Double	Hour	8.20
Community Respite Brokerage	Hour	8.20
Community Respite Full cost	Hour	53.90
Community respite full cost (out of ordinary hours)	Hour	81.00
Community Respite Hardship (b)	Hour	2.00
Community Respite Hardship (c)	Hour	3.00
Community Respite Hardship (d)	Hour	4.00
Full cost travel per km – community bus- per Kilometre	Kilometer	1.10

Home Care - (Low) Double	Hour	7.60
Home Care - (Low) Single	Hour	6.50
Home Care - (Medium) Single	Hour	11.55
Home Care (High) Double	Hour	25.10
Home Care (High) Single	Hour	23.00
Home Care (Medium) Double	Hour	12.55
Home Care Brokerage	Hour	8.40
Home Care full cost (out of ordinary hours)	Hour	78.30
Home Care Hardship (b)	Hour	2.00
Home Care Hardship (c)	Hour	3.00
Home Care Hardship (d)	Hour	4.00
Home Care-Full cost	Hour	50.50
Home Maintenance (High) Double	Hour	41.90
Home Maintenance (High) Single	Hour	39.80
Home Maintenance (Low) Double	Hour	12.60
Home Maintenance (Low) Single	Hour	11.60
Home Maintenance (Medium) Single	Hour	16.80
Home Maintenance (Medium) Double	Hour	17.80
Home Maintenance Brokerage	Hour	12.60
Home Maintenance Full Cost	Hour	69.00
Home Maintenance Hardship (b)	Hour	2.00
Home Maintenance Hardship (c)	Hour	3.00
Home Maintenance Hardship (d)	Hour	4.00
Meals on Wheels - Budget (2 Course)	Each	8.20
Meals on Wheels - Full cost	Each	15.75
Meals on Wheels - Hardship	Each	4.50
Meals on Wheels - Normal	Each	9.20
Meals on Wheels Hardship 2	Each	6.00
Overnight Respite 10 hours	Session	276.00
Overnight Respite 24 hours Full cost	Day	552.00
Overnight Respite 24 hours High	Day	292.80
PAG Full cost (CORE) long session	Session	86.20
PAG Full cost (CORE) Long session with meal	Session	96.20
PAG Full cost (CORE) Short session	Session	43.10
PAG Full Cost (HIGH) long session	Session	121.20
PAG Full cost (HIGH) Long session with meal	Session	137.00
PAG Full cost (HIGH) Short session	Session	60.60
PAG Long session	Session	7.50
PAG Long session with meal	Session	13.80
PAG Short session	Session	3.60
PAG Short session with refreshments	Session	5.10
PAG Subsidised (CORE) Long session	Session	30.60
PAG subsidised (CORE) Short session	Session	20.40
PAG Subsidised (HIGH) Long session	Session	35.70
PAG Subsidised (HIGH) Short session	Session	25.50
PAG Supported Community Access	Session	3.60

Personal Care Full Cost (out of ordinary hours)	Hour	80.80
Personal care - full cost (weekend/public holidays)	Hour	112.20
Personal Care (High) Double	Hour	25.50
Personal Care (High) Single	Hour	25.50
Personal Care (Low) Double	Hour	6.15
Personal Care (Low) Single	Hour	6.15
Personal Care (Medium) Double	Hour	9.20
Personal Care (Medium) Single	Hour	9.20
Personal Care Brokerage	Hour	8.20
Personal Care Full cost	Hour	53.90
Personal Care Hardship (c)	Hour	3.00
Personal Care Hardship (b)	Hour	2.00
Personal Care Hardship (d)	Hour	4.00
Respite - full cost (weekends/public holidays)	Hour	112.20
Property		
Agreement Preparation Fee	Each	122.40
Minimum Standard Annual Lease Fee	Each	765.00
Unmade Road (part) Rural Grazing	Per annum	250.00
Unmade Road (part) Rural Grazing significant	Per annum	500.00
Unmade Road (part) Rural minor	Per annum	150.00
Unmade Road (part) urban area minor	Per annum	250.00
Unmade Road (part) urban area significant	Per annum	500.00

Planning & Economic Development

Arts Centre		
Advertising Service Fee (per advertising week)	Week	42.90
Block tickets	Each	430.00
Board Operators per hour	Hour	54.00
Booking Fee Commercial	Each	3.70
Booking Fee Non-Commercial	Each	2.40
Card Charges % of Gross Box Office	Percentage	0.04
Complimentary (per printed ticket)	Each	0.85
Conference Registration Fee (per delegate)	Each	3.70
Direct Mail per letter	Each	3.05
Front of House Manager per hour	Hour	54.00
Gaffer Tape	Roll	22.50
Loaders and General Hands per hour	Hour	49.00
Mechanists per hour	Hour	49.00
Postage fee	Each	5.60
Usher per hour	Hour	49.00

Building		
Annual POPE - Same event on multiple occasions	Annual	1,224.00
Bi-Annual POPE - Different events on multiple occasions	Bi-Annual	2,040.00
Bi-Annual POPE - Individual Event Certification	Bi-Annual	1,224.00
Building - Copy of Building Permit Documents	Each	96.90
Building - Copy of Occupancy Permit	Each	96.90
Building - Council Consent and Report - Dispensations	Each	265.00
Building - Inspections (Existing Permits)	Each	204.00
Building - Lodgement Fees	Each	42.00
Building - Private Building Surveyor Property Information	Each	57.00
Building - Property Information	Each	57.00
Building - Statutory Demolition Charge	Each	67.00
Building - Stormwater Point of Discharge	Each	67.00
Building - Temp Occupation Permits for buildings	Each	969.00
Building-Commercial applications over time allocation.	Per Hour	204.00
Essential Safety Measures preparation of maintenance schedules	Per Hour	100.00
Essential Safety Measures reports	Per Hour	100.00
POPE - Commercial Operators	Each	1,224.00
POPE - Volunteer & Not for profit Organisations	Each	663.00
Siting Approval of Temporary Structure	Each	612.00
Swimming pool and spa safety barrier reports	Each	450.00
Compliance		
Adoption fee for cat	Each	205.00
Adoption Fees – Dog (per activity)	Each	387.60
Advertising display permit (per annum)	Annum	76.50
Alcohol Permits	Each	76.50
Animal Register Certificate/Record	Each	15.00
Animal Register Inspection Fee	Each	35.00
Asset Protection Permit	Each	214.00
Cat Cage - Bond	Each	60.00
Cat Registration - Desexed- Refer Note 4	Each	38.00
Cat Registration - Not desexed- Refer Note 4	Each	114.00
Cat registration- desexed (Pensioner concession)- Refer Note 4	Each	19.00
Cat registration- Not desexed (Pensioner concession)- Refer Note 4	Each	57.00
Community Local Law Infringement- Penalty Unit of \$100	Each	100.00
Disabled Parking Permits-Multiple Commercial	Each	200.00
Disabled Parking Permits-Singular Commercial	Each	50.00
Dog Registration - Desexed- Refer Note 4	Each	38.00
Dog Registration - Not desexed- Refer Note 4	Each	114.00
Dog registration- dangerous, restricted and menacing- Refer Note 4	Each	250.00
Dog registration- desexed (Pensioner concession)- Refer Note 4	Each	19.00
Dog registration- Not desexed (Pensioner concession)- Refer Note 4	Each	57.00
Droving Livestock Permit (5 years)	Each	255.00
Impounded vehicle release fee	Each	153.00
Impounded vehicle storage- AT CONTRACTORS COST	Per Day	10.00

Impounded Vehicle Towing -Internal Provide	Each	600.00
Impounded vehicle towing-AT CONTRACTORS COST	Each	0.00
Impounding livestock-transport-AT CONTRACTORS COST	Each	0.00
Infringement Rollover Fee	Each	24.50
Initial Impounding fee	Each	75.00
Keeping of Excess Animals Permit (per annum)	Annum	75.00
Livestock Pound fees (per day)	Day	15.00
Livestock release fees per head	Each	71.00
Local Laws Permit Fees – Other	Each	75.00
Mircochipping fee- dog or cat	Each	61.00
Occupation of road or footpath permit	Each	75.00
Open Air Burning (per activity)	Each	50.00
Open air burning permit-Commercial	Each	204.00
Outdoor eating & goods for sale permit per Sq m (per annum)	Annum	43.00
Permit application lodgement fees	Each	36.00
Pound fees (per day)	Day	15.00
Pound Release fees Registered	Each	77.00
Pound Release fees Unregistered	Each	128.00
Registration-Domestic Animal Business per annum- Refer Note 3	Annum	250.00
Replacement disabled parking permit	Each	5.00
Roadside Trading Permit (1 mth)	per mth	255.00
Roadside Trading Permit (6 mths)	6 mths	1,122.00
Roadside Trading Permit (per annum)	annum	1,836.00
Roadside Trading Permit (per day)	per day	102.00
Roadside Trading Permit- designated area (1 month)	Per Month	510.00
Roadside Trading Permit- designated area (6 months)	6 Months	2,244.00
Roadside Trading Permit- designated area (per annum)	Per Annum	3,672.00
Roadside Trading Permit- designated area (per day)	Per Day	204.00
Sausage Sizzle Permit	Each	76.50
Stock Crossing Permit (5 years)	Each	255.00
Subsequent pound release fee for same animal	Each	128.00
Vic Roads stock on roads (per activity)	Each	561.00
Works Within Road Reserve Permit (each)	Each	150.00
Domestic Animal Infringements		
Refer Note 2 of the Fees and Charges Schedule	Each	0.00
Emergency Management		
CFA Remove Fire Hazard (Admin fee)	Each	102.00
CFA Remove Fire Hazard- Refer Note 5	Each	1,555.00

Health-Food		
Food-Health Inspection following non-compliance	Per Hour	140.00
Food-Health Registration - Class 1	Each	560.00
Food-Health Registration - Class 2	Each	560.00
Food-Health Registration - Class 2 (Domestic Kitchen 50%)	Each	280.00
Food-Health Registration - Class 2 (Sporting Clubs 75%)	Each	420.00
Food-Health Registration - Class 3	Each	420.00
Food-Health Registration - Class 3 (Domestic Kitchen 50%)	Each	210.00
Food-Health Registration - Class 3 (Sporting Clubs 75%)	Each	315.00
Food-Pre Transfer Inspection Fee	Each	280.00
Food-Temporary food registration fee (on application)	Each	153.00
Food-Transfer of Registration	Each	382.50
Health-New Premises		
Health Registration-New premises registration - All Health Premises	Each	306.00
Late payment fee-renewal of registration for all health premises-Refer Note 7	Each	0.00
Health-Onsite Waste Disposal		
Septic - Copy of plans (hard copy)	Each	92.00
Septic- Copy of plan(electronic)	Each	41.00
Septic Tank Fees - All - Fast Track Option	Each	616.00
Septic Tank Fees - Alterations (Additional fixtures)	Hour	280.00
Septic Tank Fees - Alterations (upgrades, Additional lines, Tank)	Each	357.00
Septic Tank Fees - Amendment to Permit Expiry Date	Each	70.00
Septic Tank Fees - Amendment to Plans Submitted	Each	210.00
Septic Tank Fees-Permit to Install and Permit to Use	Each	560.00
Septic-Conveyancing Enquiry	Each	210.00
Septic-Land Capability Assessment Report	Each	70.00
Health-Public Health and Wellbeing		
Accommodation Premises-Health Registration >5 but <10 People	Each	210.00
Accommodation premises-Health Registration- 10 or more beds	Each	280.00
Accommodation Premises-Health Registration-Transfer of Registration	Each	280.00
Health Registration - Beauty therapist s68(a)	Each	280.00
Health Registration - Business involving skin penetration: s68(d)	Each	290.00
Health Registration-Business involving colonic irrigation s 68(c)	Each	280.00
Health Registration-Business involving tattooing: s68(e)	Each	280.00
Health Registration-Business of applying cosmetics that does not involve skin penetration or tattooing: s68(ab)	Each	280.00
Health Registration-Transfer of Registration -Prescribed Premise: s68	Each	280.00

Health-Residential Tenancies		
Caravan Park-Health Registration-Less than 25 sites	Fee units	235.00
Caravan Park-Health Registration-More than 100 but less than 150 sites	Fee Units	1,435.00
Caravan Park-Health Registration-More than 150 but less than 200 sites	Fee Units	2,380.00
Caravan Park-Health Registration-More than 200 but less than 250 sites	Fee Units	2,850.00
Caravan Park-Health Registration-More than 25 but less than 50 sites	Fee units	470.00
Caravan Park-Health Registration-More than 50 but less than 100 sites	Fee units	885.00
Caravan Park-Transfer of Registration	Fee Units	69.70
Health-Services		
Food and Water Sampling	- Per Hour	- 300.00
Report and Consent Section 801 Building Regulations 2006	Each	560.00
Sharp bins-small	Each	3.50
Sharp bins-tall	Each	6.50
Thermometer	Each	46.00
-	-	-
Parking Infringements		
Refer Note 1 of the Fees and Charges Schedule	Each	0.00
Planning & subdivision fee-Amendment to Planning Scheme		
Consideration by the Minister of a request	Each	453.10
Considering a request to amend a planning scheme	Each	2,871.60
Considering from 11-20 submissions to a planning scheme amendment	Each	28,437.60
Considering more than 20 submissions to a planning scheme amendment	Each	38,014.40
Considering up to 10 submissions to a planning scheme amendment	Each	14,232.70
Submitting the amendment for approval by the Minister	Each	453.10
Planning & subdivision fee-Application for Permits		
01 Class 1 Change or allow the new use of the land	Each	1,240.70
02 Single Dwelling Class 2 Up to \$10,000	Each	188.20
02 Single Dwelling Class 3 \$10,001-\$100,000	Each	592.50
02 Single Dwelling Class 4 \$100,001 to \$500,000	Each	1,212.80
02 Single Dwelling Class 5 \$500,001 to 1 million	Each	1,310.40
02 Single Dwelling Class 6 \$1 Million to \$2 Million	Each	1,407.90
03 VicSmart Class 7 Up to \$10,000	Each	188.20
03 VicSmart Class 8 More than \$10,000	Each	404.30
03 VicSmart Class 9 Application to subdivide or consolidate land	Each	188.20
04 All Other Developments Class 10 Up to \$100,000	Each	1,080.40
04 All Other Developments Class 11 \$100,001 to \$1 million	Each	1,456.70
04 All Other Developments Class 12 \$1 million to \$5 million	Each	3,213.20
04 All Other Developments Class 13 \$5 million to \$15 million	Each	8,189.80
04 All Other Developments Class 14 \$15 million to \$50 million	Each	24,151.10
04 All Other Developments Class 15 More than \$50 million- Refer Note 8	Each	54,282.40
05 Subdivision Class 16 Subdivide an existing building	Each	1,240.70
05 Subdivision Class 17 Subdivide land into 2 lots	Each	1,240.70

05 Subdivision Class 18 Realignment of a common boundary between 2 lots or to consolidate 2 or more lots	Each	1,240.70
05 Subdivision Class 19 To subdivide land (othe than class 9,16,17 or 18)	Each	1,240.70
Class 20 To create or vary a restriction	Each	1,240.70
Class 21 A permit not otherwise provided for in this Regulation	Each	1,240.70
Planning & subdivision fee-Application to Amend Permit		
01 Class 1 Change the use of the land allowed by the permit	Each	1,240.70
01 Class 2- Amendment to change what the permit allows or any condition	Each	1,240.70
02 Single Dwelling Class 3 Up to \$10,000 (amendment to class 2 permit)	Each	188.20
02 Single Dwelling Class 4 \$10,001-\$100,000 (amend to class 3 permit)	Each	592.50
02 Single Dwelling Class 5 \$100,001-\$500,000 (amendment to class 4 permit)	Each	1,212.80
02 Single Dwelling Class 6 \$500,001 to \$2 million (amendment to class 5 or 6 permit)	Each	1,310.40
03 VicSmart Class 7 Up to \$10,000	Each	188.20
03 VicSmart Class 8 More than \$10,000	Each	404.30
03 VicSmart Class 9 Application to subdivide or consolidate	Each	188.20
04 All Other Developments Class 10 Up to \$100,000	Each	1,080.40
04 All Other Developments Class 11 \$100,000 to \$1 million	Each	1,456.70
04 All Other Developments Class 12 \$1 million to more than \$50 million (amendment to class 12, 13, 14 or 15 permit)	Each	3,213.20
05 Subdivision Class 13 Subdivide an existing building (amendment to class 16 permit)	Each	1,240.70
05 Subdivision Class 14 Subdivide land into two lots (amendment to class 17 permit)	Each	1,240.70
05 Subdivision Class 15 Realignment of common boundary between 2 lots or to consolidate 2 or more lots	Each	1,240.70
05 Subdivision Class 16 To subdivide land	Each	1,240.70
05 Subdivision Class 17 To create or remove restriction	Each	1,240.70
05 Subdivision Class 18 A permit not otherwise provided for in this Regulation	Each	1,240.70
Planning & subdivision fee-Certificates		
Express Certificate Fee	Each	62.00
Land Information Certificates	Each	25.90
Planning & subdivision fee-Enforcement		
Certificate of Compliance Under Section 97N	Each	306.70

Planning & subdivision fee-Other fees		
Amend an Application for a Planning Permit prior to Advertising	Each	102.00
Copy of Planning Permit and Endorsed Plans for Land Owner	Each	65.00
Copy of Planning Permit and Endorsed Plans if not owner	Each	130.00
Extend a planning permit	Each	140.00
Preparation of a S173 agreement, Council template/Drafting Review by Councils lawyers	Each	850.00
Regulation 15-For a certificate of compliance	Each	306.70
Regulation 16-For an agreement to a proposal to amend or end an agreement under section 173 of the act	Each	620.30
Regulation 17- For a planning certificate- application made electronically	Each	7.00
Regulation 17-For a planning certificate-applicate not made electronically	Each	20.90
Regulation 18-Where a planning scheme specifies that a matter must be done to the satisfaction of a responsible authority	Each	306.70
Regulation 7-Request minister to prepare amendment to planning scheme exempted Section 20(4) of the Act	Each	3,763.80
Regulation 8-Request minister to prepare amendment to planning scheme exempted Section 20A of the Act	Each	906.10
Secondary Consent and Written Consent	Each	150.00
Written advice(Written Response to request for planning information)	Each	70.00
Planning & subdivision fee-Planning		
Amend or remove a Section 173	Each	620.30
Planning & subdivision fee-Public Notice		
Laminated Sign On site	Each	102.00
Public Notices in Newspapers at cost	Each	255.00
Public Notification service (includes 10 letters)	Each	123.00
Planning & subdivision fee-Public Notice Fee		
Additional letter	Each	5.60
Planning & subdivision fee-Subdivision Certificates		
Alteration of plan under Section 10(2) of the Act	Each	104.60
Amendment of certified plan under section 11(1) of the Act	Each	132.40
Certification of a plan of subdivision	Each	164.50

Fees and Charges Notes

Note 1- Parking Infringement fees are set by the State Government under the provisions of the Road Safety Road Rules. The fees vary and are indexed by the State Government in July each year.

Note 2- Domestic animal infringement fees are set by the State Government under the provisions of the Domestic Animals Act 1994. The fees vary and are indexed by the State Government each year.

Note 3 –Registration-Domestic Animals Business- Fee includes State Government Levy on Domestic Animals Business Registration of \$10.00

Note 4- Animal Registration fees- Fees include State Government Levy on registrations of \$3.50 per dog and \$2.00 per cat.

Note 5- Penalty units are set by the State Government. The fees vary and are indexed by the State Government in July each Year.

Note 6- Legal costs are recovered in accordance with those set by the Magistrates Court of Victoria.

Note 7- Late payment will incur a charge of 50% of the relevant registration fee.

Note 8- For the first 12 months from commencement of the regulations, the fee for a class 15 permit application (for development over \$50 million) will be charged at 50% of the fee set out in regulations. (7 October 2017)

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 the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2017/18 budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ending 30 June 2018 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 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 April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

With the introduction of the State Governments 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 financial year.

If a 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 Councils to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. the Ministers 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:

Budget process	Timing
1. Minister of Local Government announces maximum rate increase	Dec
2. Officers update Council's long term financial projections	Jan/Feb
3. Council to advise ESC if it intends to make a rate variation submission	Jan/Feb
4. Council submits formal rate variation submission to ESC	Mar
5. Officers prepare operating and capital budgets	Dec/Jan
6. Councillors consider draft budgets at informal briefings	Feb/Mar
7. Proposed budget submitted to Council for approval to advertise	April
8. Public notice advising intention to adopt budget	April
9. Budget available for public inspection and comment	Apr/May
10. Public submission process undertaken	May
11. Submissions period closes (28 days)	May
12. Submissions considered by Council/Committee	May
13. Budget and submissions presented to Council for adoption	May/Jun
14. Copy of adopted budget submitted to the Minister	Jul
15. Revised budget where a material change has arisen	