



**BUDGET  
2016/2017**

## INDEX

<b>1</b>	<b>OVERVIEW</b> .....	<b>3</b>
1.1	Executive Summary.....	3
1.2	Budget Overview .....	9
1.3	Budget Influences.....	10
<b>2</b>	<b>BUDGET ACTIVITIES AND INITIATIVES</b> .....	<b>15</b>
2.1	Planning and Accountability Framework.....	15
2.2	Our Purpose .....	15
2.3	Strategic Objectives.....	16
<b>3.</b>	<b>SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS</b> .....	<b>17</b>
3.1	Strategic Theme 1: Community and Culture.....	18
3.2	Strategic Theme 2: Economy and Growth.....	22
3.3	Strategic Theme 3: Built and Natural Environment .....	23
3.4	Strategic Theme 4: Processes and Governance .....	25
3.5	Performance Statement .....	26
<b>4</b>	<b>BUDGET ANALYSIS</b> .....	<b>27</b>
4.1	Analysis of Budgeted Income Statement.....	27
4.2	Analysis of Budgeted Cash Position.....	31
4.3	Analysis of Budgeted Capital Expenditure.....	33
4.4	Analysis of Budgeted Balance Sheet .....	37
4.5	Impact of Current Year on 2016/2017 .....	39
<b>5</b>	<b>STRATEGIC RESOURCE PLAN</b> .....	<b>41</b>
5.1	Plan Development .....	41
5.2	Rating Strategy.....	44
5.3	Borrowing Strategy .....	46
5.4	Infrastructure Strategy .....	47
<b>6</b>	<b>APPENDICES</b> .....	<b>50</b>

## 1 OVERVIEW

### 1.1 Executive Summary

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

A high level Long Term Financial Plan for the years 2016/2017 to 2020/2021 (part of the Strategic Resource Plan) has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Financial Plan is financial sustainability in the medium to long term, whilst still achieving the Council's strategic objectives as specified in the Council Plan.

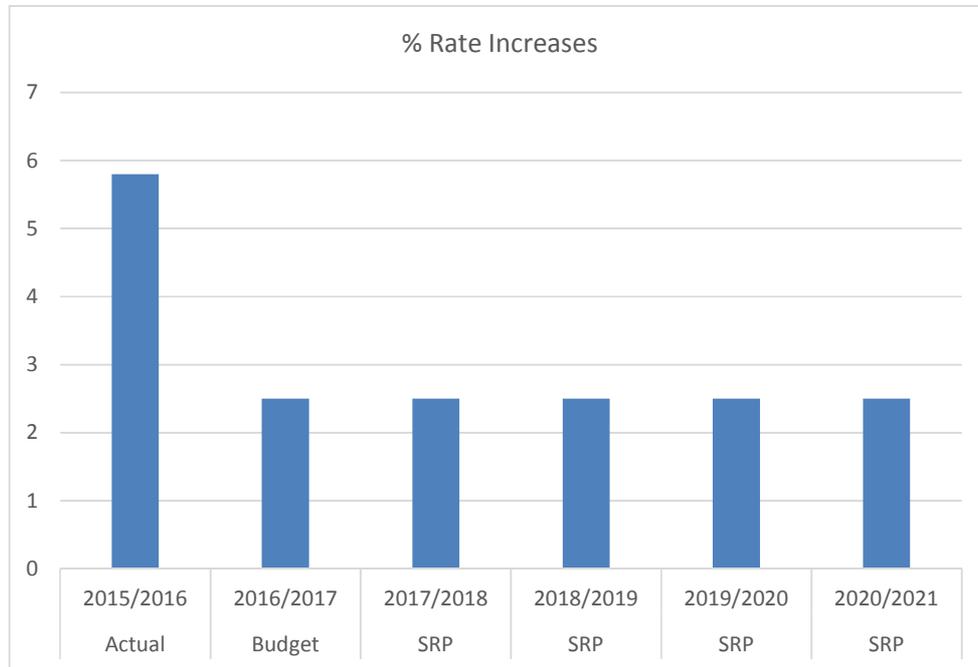
The 2016/2017 budget presented in this report has been developed through a rigorous process of consultation and review with Council and Council officers. It is Council's opinion that the budget is financially responsible and contributes to the achievement of all of the Council Plan strategic objectives and strategies included in the 2013 – 2017 Council Plan. It is also forward looking in that it fits within a longer term framework which seeks to enhance financial sustainability in the long term.

Demand for services has meant Council, more than ever, is looking to source additional external income. The need to attract investment to the municipality to boost household income, and in turn rate income, means Council is very active in the area of economic and community development.



**2016 Australia Day Celebrations at Station Domain Maryborough**

## Rates

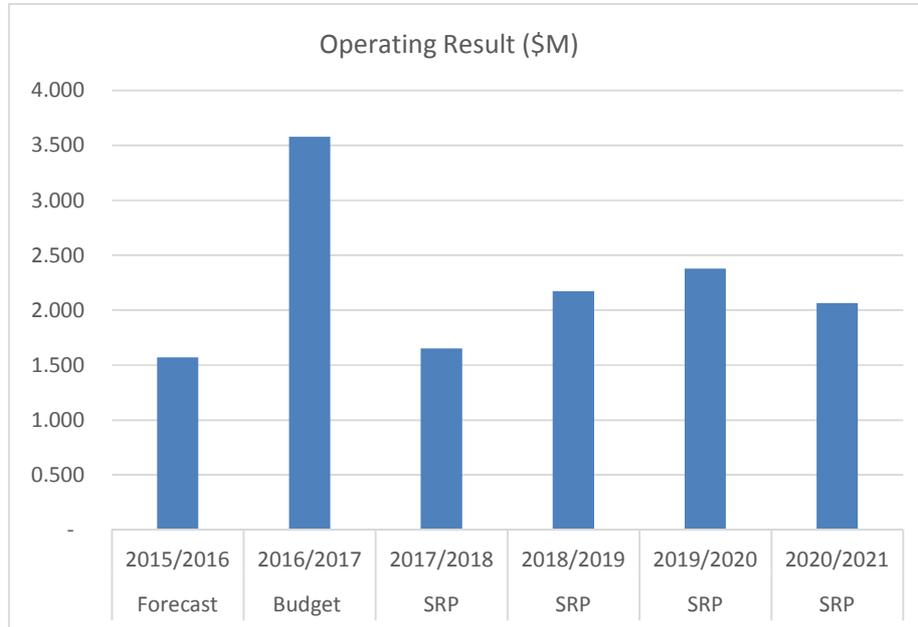


In order to achieve Council's strategic objectives whilst maintaining service levels and a robust capital expenditure program, it is proposed that general rates increase by 2.5% for the 2016/2017 year, and garbage charges increase by 4%, raising total rates and charges of \$13.618 million. The general rate increase is lower than the level forecast in Council's Strategic Resource Plan adopted in the previous year of 4.8%, (the rate increase for the 2015/2016 year was 5.8%).

This reduction is due to the new Fair Go Rates System (FGRS) which has capped rate increases by Victorian Councils to the forecast movement of 2.5% in the Consumer Price Index (CPI). While Council has not elected to apply to the Essential Services Commission (ESC) for a variation, it has identified expenditure cuts, operational savings, and reviewed user fees and charges to reduce its rates increase from the planned 4.8% to the proposed 2.5% increase.

This year is a municipal valuation year, meaning that while Council proposes a rate increase in line with the 2.5 per cent cap, the actual rate increases experienced by individual ratepayers will be different. In a revaluation year, rate increases are impacted by the average rate increase (2.5 per cent) and the property valuation increases of individual properties relative to the average across the municipality. If your property increased by more in value than the average for Central Goldfields Shire (5.3 per cent), your rates will increase by more than 2.5 per cent while if your property value increased by less than the 5.0 per cent average, your rates will increase by less than 2.5 per cent and may in fact reduce from the previous year.

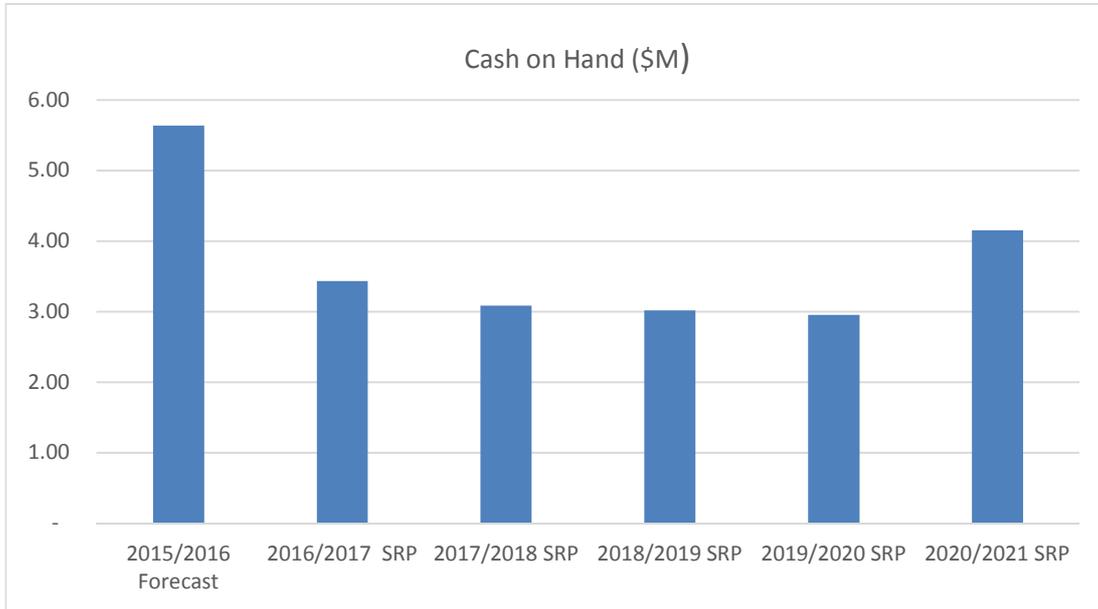
## Operating Result



The 2016/2017 Operating Budget forecasts an operating surplus of \$3,579,759, which is an increase of \$2,010,270 over the 2015/2016 forecast. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions, is an operating surplus \$486,390.

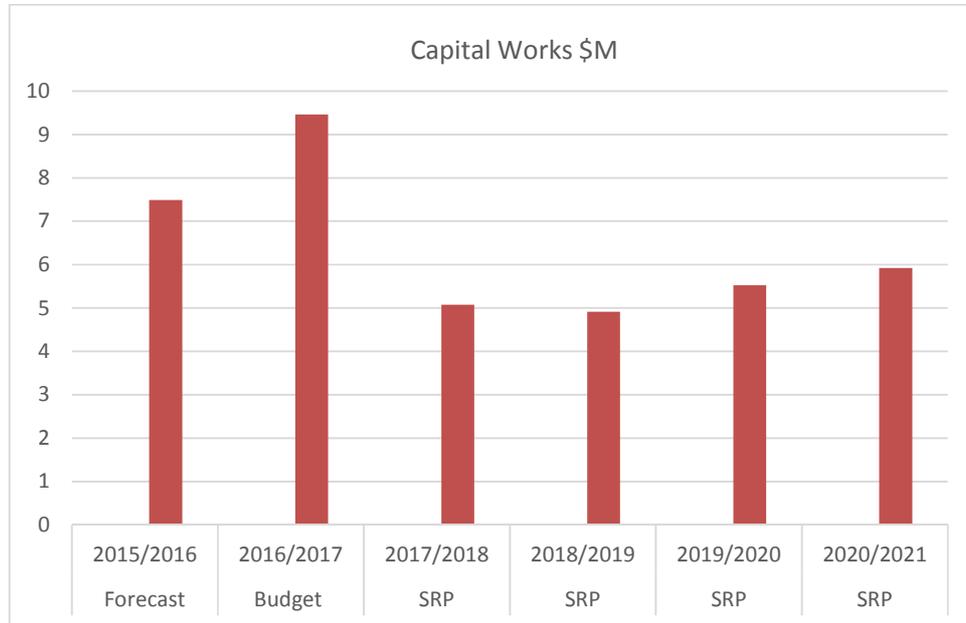
Council operations are expected to continue to be impacted by inflation, wages growth, government funding, increases in the levy payable upon disposal of waste and payment of Council's defined benefits superannuation call. As such, it will be necessary to achieve future revenue growth whilst containing costs in order to achieve a breakeven point.

**Cash and Investments**



The Council's financial position will continue to maintain a consistent level of funds available for the ongoing provision of services as demanded by its residents. Cash and Investments are expected to decrease by \$2,202,523 during the year to \$3.435 million as at 30 June 2017. This is mainly due to the carried forward component of the 2015/2016 capital works program. The reduction in cash and investments in is line with Council's Strategic Resource Plan (Cash and Investments are forecast to be \$5.638 million as at 30 June 2016).

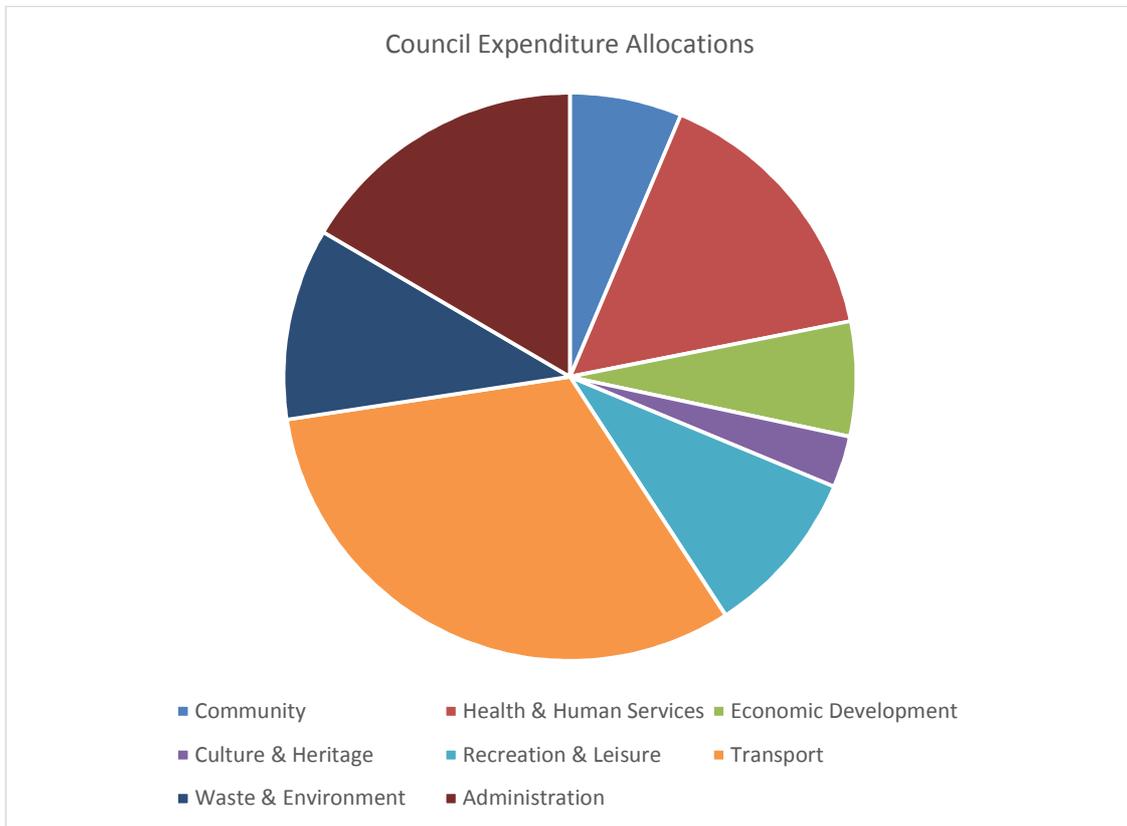
## Capital Works



Council has been able to continue to deliver existing service levels in circumstances where cost shifting to local government has continued to put pressure on all of Council's resources.

The total capital expenditure program for 2016/2017 is expected to be \$9.893 million. The \$9.893 million of capital funding required will be funded from external grants, contributions and Council's own sourced revenue. The capital expenditure program has been set and prioritised based on a rigorous process and is intentionally large to continue to close the gap between renewal and depreciation of assets. The program initially reduces after 2016/2017, then slightly increases.

### Council Expenditure Allocations



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

Whilst the 2016/2017 budget has been prepared on the basis of constraint, it is acknowledged that the Council still needs to fund new projects and maintain existing services. The challenge is to source additional funding to ensure Council meets the needs of its communities into the future.

## **1.2 Budget Overview**

### **1.2.1 Strategic Planning Framework**

The Annual Budget has been developed within an overall planning framework which guides the Council in identifying community needs and aspirations over the long term, converting these into medium (Council Plan) and short term (Annual Budget) objectives, initiatives and activities.

The Strategic Resource Plan included in the Council Plan summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the activities and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan.

### **1.2.2 Basis for Budget Preparation**

Council is required to prepare and adopt an annual budget for each financial year in accordance with the *Local Government Act 1989* (the Act), and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

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 2016/2017 budget which is included in this report is for the year 1 July 2016 to 30 June 2017 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a budgeted Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2017 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's long term financial projections. These financial projections are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on an annual basis. The preparation of the budget in this context begins with for Officers preparing the operating and capital components of the annual budget during March and April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council for approval "in principle". Council is then required to give "public notice" that it intends to "adopt" the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its internet 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.

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.

### 1.2.3 Annual Plan and Budget Process

The key dates for the annual plan and budget process are:

1.	Officers update Council's long term financial projections	Mar/Apr
2.	Officers prepare operating and capital budgets	Mar/Apr
3.	Councillors consider draft budgets at informal briefings	Apr/May
4.	Draft Budget submitted to Council for approval	May
5.	Public notice advertising intention to adopt budget	May
6.	Budget available for public inspection and comment	May/June
7.	Public submission process undertaken	May/June
8.	Submissions period closes (28 days)	June
9.	Submissions together with budget referred to Council	June
10.	Budget and submissions presented to Council for Adoption	June
11.	Copy of budget submitted to the Minister	July

### 1.3 Budget Influences

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

#### 1.3.1 Snapshot of Central Goldfields Shire Council

##### Physical Attributes

Situated in Central Victoria, and two hours' drive from Melbourne, Central Goldfields Shire is the heart of the Goldfields Region. It is within easy driving distance of the regional centres of Ballarat and Bendigo, and is serviced by train from Ballarat.

The Shire is a major getaway with entrances to and from the Pyrenees, Ballarat, Bendigo and Melbourne. The region is steeped in history, based on gold mining, forestry and agriculture, with historic buildings, access to forest walks and trails, and arts and culture contributing to a growth in tourism.

##### Population

Central Goldfields Shire has a resident population of approximately 13,000 with a current growth rate of .08% per annum. The Shire contains six towns and four settlements including Maryborough, the largest town, which accounts for 60% of the total population. The Shire contains a series of historic towns including Carisbrook, Talbot, Dunolly, Bealiba and Moliagul.

Other localities within the Shire are Adelaide Lead, Alma, Amherst, Archdale, Archdale Junction, Bet Bet, Betley, Bowenvale, Bromley, Bung Bong, Campbelltown, Caralulup, Cotswold, Craigie, Daisy Hill, Dunach, Dunluce, Eddington, Flagstaff, Glengower, Golden Point, Goldsborough, Havelock, Inkerman, Joyces Creek, Lillicur, Majorca, Moolort, Moonlight Flat, Mount Cameron, Mount Glasgow, Mount Hooghly, Natta Yallock, Red Lion, Rodborough, Simson, Stony Creek, Strathlea, Timor, Timor West and Wareek.

## Area

The Central Goldfields Shire Council has an area of 1542 square kilometres and is bordered by Mount Alexander, Loddon, Northern Grampians, Pyrenees and Hepburn Shire Councils. A map of the urban and rural aspects of the Shire is included below



## Business in Central Goldfields Shire

The Shire is at the heart of one of the most important historic gold mining districts in Victoria and has rich historic and natural attractions, traditional agriculture and a stable food and wine growing/promotion industry.

There is substantial agricultural activity within the Shire with sheep and cattle grazing and grain production at the forefront. Employment within the Shire is based on agriculture, the service sector (in particular health services), a large printing plant, food processing and growing retail and tourism industries.



**Maryborough Railway Station**

### **1.3.2 External Influences**

In preparing the 2016/2017 budget, a number of external influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- The Victorian State Government has introduced a cap on rate increases from 2016/17. The cap for 2016/17 has been set at 2.5%.
- State-wide CPI is forecast to be 2.5% for the 2016/17 year.
- The Victorian Wage Price Index is projected to be 3.25% in 2016/17.
- Cost shifting occurs where Local Government provides a service to the community on behalf of State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost shifting including school crossing supervision, Library services and Home and Community Care. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the Community.
- 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.
- Reduction in Victoria Grants Commission funding compared to prior years due to the "freezing" of indexation rates.

- Increases of 3.3% (or \$2.02 per tonne) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste tipping costs of \$0.20 million. The levy has increased from \$9 per tonne in 2008/09 to \$60.52 per tonne in 2016/17 (572% increase in 8 years) therefore impacting Council's costs.
- Local economic conditions continue to impact residents, thereby reducing household income.
- Prevailing economic conditions which are expected to remain difficult during the budget period, impacting investment and borrowing interest rates.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government to fund the operations of the CFA. A number of Council properties are also subject to the fire levy.

### 1.3.3 Internal Influences

As well as external influences, there are also a number of internal influences expected to have significant impact on the setting of the budget for 2016/2017. These include:

- Enterprise bargaining increases in salaries and wages.
- Increased costs associated with waste management.
- Large reliance on grant income.

### 1.3.4 Budget principles

In response to these influences, budget guidelines were prepared and distributed to all Council officers with budget responsibilities. These guidelines set out the key budget principles upon which the officers were to prepare their budgets, principles included:

- Where possible, ensure fees and charges are moving towards a user-pays principle, and 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 2015/16 levels with the aim to use less resources with an emphasis on innovation and efficiency.
- Salaries and wages to be increased in line with Council's EBA
- New initiatives which are not cost neutral to be justified through a business case.
- Reduce overall borrowings.
- Construction and material costs to increase in line with the Engineering Construction Index.
- Ensure that any new staff positions support the objectives of the Council Plan.
- Real savings in expenditure and increases in revenue identified previously are to be preserved.

### 1.3.5 Long Term Strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2016/17 to 2020/2021 (section 5), Rating Information (section 5.2) and other long term strategies including Borrowings (section 5.3), and Infrastructure (section 5.4).

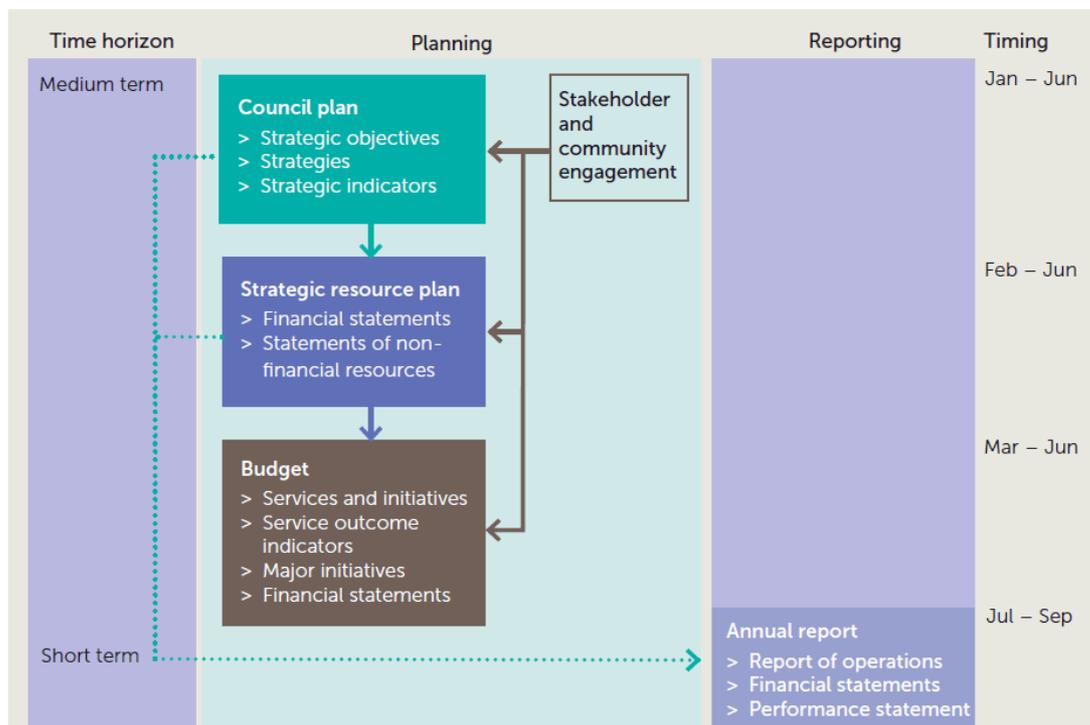


**Lake Victoria overlooking Princes Park**

## 2 BUDGET ACTIVITIES AND INITIATIVES

### 2.1 Planning and Accountability Framework

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



Source: Department of Environment, Land, Water and Planning (formerly Department of Transport, Planning and Local Infrastructure)

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

### 2.2 Our Purpose

#### Our vision - 'To be a community with choice'

Central Goldfields Shire Council adheres to Section 3C(1) of the Local Government Act 1989, which states that “The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions”.

## Our Values

Three behaviours that support our Vision; are being Accountable, Progressive and Respectful.

Accountable:

- ❖ Responsible for our actions and results and do what we say we will
- ❖ Act with integrity – deal with all people honestly, ethically and transparently

Progressive:

- ❖ Strive for constant improvement
- ❖ Find new and creative ways; focus on the future

Respectful:

- ❖ Listen actively and consider other viewpoints
- ❖ Embrace and respect diversity and inclusion

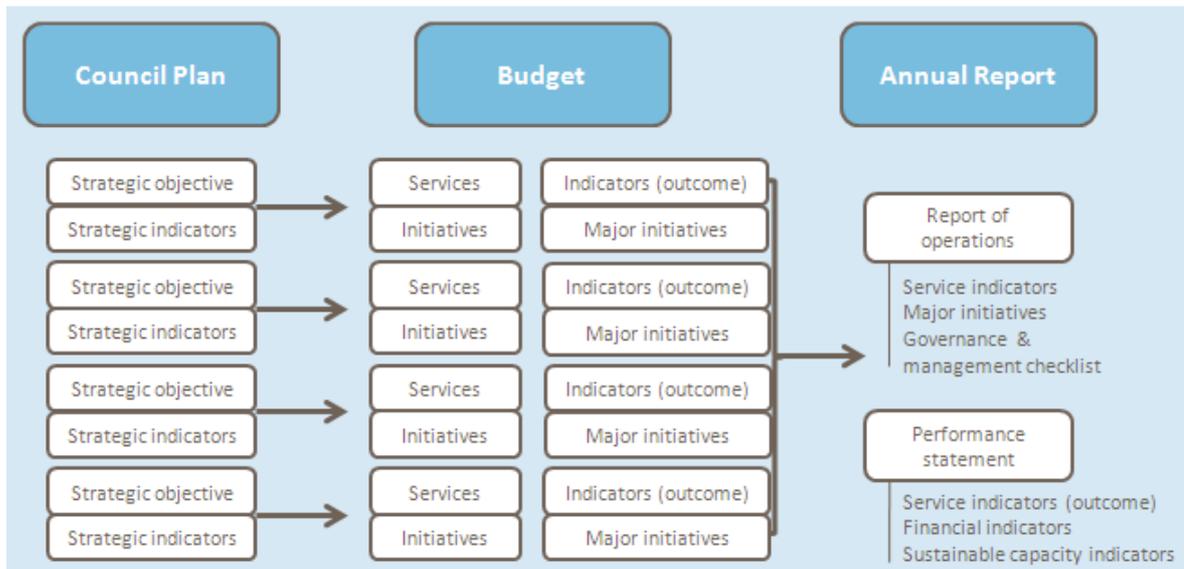
## 2.3 Strategic Objectives

Council delivers services and initiatives that contribute to the achievement of one of the four strategic themes set out in the Council Plan for the years 2013-17. The following table lists the four Strategic themes as described in the Council Plan.

Strategic Objective	Description
1. Community and Culture	Foster community connectedness and social capital, and services which improve people's health and wellbeing.
2. Economy and Growth	Encourage and support economic activity, particularly that which facilitates employment in the community.
3. Built and Natural Environment	Value, conserve and enhance the rich built and natural heritage and environment.
4. Processes and Governance	Implement strong, clear and transparent corporate governance, strategies and actions.

### 3. Services, Initiatives and Service Performance Indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2016/17 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of initiatives, major initiatives and service performance outcome indicators. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan, along with the link to reporting in the Annual Report, is shown below.



Source: Department of Environment, Land, Water and Planning (formerly Department of Transport, Planning and Local Infrastructure)

### 3.1 Strategic Theme 1: Community and Culture

Foster community connectedness and social capital, and services which improve people's health and wellbeing.

#### Services

Initiative	Description of initiative
Community development/Connectedness	Foster community resilience, connectedness and social capital.
Health and Wellbeing	Improve people's health and wellbeing throughout all life stages.
Community Safety	Foster a 'whole of community' approach to community safety.
Arts, Culture and Heritage	Increase community awareness/appreciation of arts, culture and heritage.
Recreation and Sport	Increase participation in physical activity.
Education and Learning	Increase education and learning participation and opportunities across the Shire.

#### Service Performance Outcome Indicators

##### Libraries

Indicator	Performance Measure	Computation
Utilisation	Library collection usage	Number of library collection item loans/Number of library collection items.
Resource standard	Standard of Library Collection	Number of library collection items purchased in the last 5 years/number of library collection items.
Service Cost	Cost of Library Service	Direct cost of library service/number of visits.
Participation	Active library members	Number of active library members/Municipal population.

### Aquatic Facilities

Indicator	Performance Measure	Computation
Service Standard	Health inspections of aquatic facilities	Number of Authorised Officer inspections/Number of Council aquatic facilities.
Service Standard	Reportable safety incidents at aquatic facilities	Number of WorkSafe reportable aquatic facility safety incidents.
Cost	Cost of indoor aquatic facilities	Direct cost of indoor aquatic facilities less income received/Number of visits to indoor aquatic facilities.
Cost	Cost of outdoor aquatic facilities	Direct cost of outdoor aquatic facilities less income received/Number of visits to outdoor aquatic facilities
Utilisation	Utilisation of aquatic facilities	Number of visits to aquatic facilities/Municipal population.

### Food safety

Indicator	Performance Measure	Computation
Timeliness	Time taken to action food complaints	Number of days between receipt and first response action for all food complaints/Number of food complaints.
Service standard	Food safety assessments	Number of registered class 1 and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> /Number of registered class 1 and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>
Service cost	Cost of food safety service	Direct cost of food safety service/Number of food premises registered or given notice of operation in accordance with the <i>Food Act 1984</i>
Health and safety	Critical and major non-compliance outcome notifications	Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance and major non-compliance notifications of food premises.

### Home and Community Care

Indicator	Performance Measure	Computation
Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service)	Number of people that receive a domestic, personal or respite care service/Municipal target population for domestic, personal or respite care services.
Participation	Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	Number of Culturally and Linguistically Diverse people that receive a domestic, personal or respite care service/Municipal target Culturally and Linguistically Diverse population for domestic, personal or respite care services.

### Maternal and Child Health

Indicator	Performance Measure	Computation
Participation	Participation in Maternal and Child Health key ages and stages visits	Number of actual Maternal and Child Health key ages and stages visits/Number of expected Maternal and Child Health key ages and stages visits.
Participation	Participation in Maternal and Child Health key ages and stages visits by Aboriginal children	Number of actual Maternal and Child Health key ages and stages visits by Aboriginal children/Number of expected Maternal and Child Health key ages and stages visits by Aboriginal children.

## Animal Management

Indicator	Performance Measure	Computation
Timeliness	Time taken to action animal management requests	Number of days between receipt and first response action for all animal management requests/Number of animal management requests.
Service Standard	Animals reclaimed	Number of animals reclaimed/Number of animals collected.
Service Cost	Cost of animal management service	Direct cost of the animal management service/Number of registered animals.
Health and Safety	Animal prosecutions proven in court	Number of successful animal management prosecutions.

### 3.2 Strategic Theme 2: Economy and Growth

Encourage and support economic activity, particularly that which facilitates employment in the community.

#### Services

Initiative	Description of initiative
Economic Activity	Support and facilitate activities which contribute to the municipality's economic prosperity.
Tourism and Events	Maintain and grow visitations and the local events stock.

#### Service Performance Outcome Indicators

##### Economic Development and Tourism

Indicator	Initiative	Measure
Participation	Economic activity	Review the Economic Development strategy.
Participation	Economic activity	Review Council's Population Growth strategy.
Participation	Tourism and events	Review the Central Goldfields Events Strategy.

### 3.3 Strategic Theme 3: Built and Natural Environment

Value, conserve and enhance the rich built and natural heritage and environment.

#### Services

Initiative	Description of initiative
Infrastructure, Assets and Facilities	Protect and enhance our existing amenities
Natural Environment	Value, and, value-add to our natural environment
Strategic Land Use	Achieve outcomes in planning and policy activities to create environments that support public wellbeing and economic success.

#### Service Performance Outcome Indicators

##### Statutory Planning

Indicator	Performance Measure	Computation
Timeliness	Time taken to decide planning applications	Median number of days between the receipt of planning application and a decision on the application.
Service standard	Planning applications decided within 60 days	Number of planning applications decisions made within 60 days/Number of planning application decisions made.
Service cost	Cost of statutory planning service	Direct cost of the statutory planning service/Number of planning applications received.
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 Council decisions in relation to planning applications.

## Roads

Indicator	Performance Measure	Computation
Satisfaction	Sealed local road requests	Number of sealed local road requests/Kilometres of sealed local roads x 100
Condition	Sealed local roads below the intervention level	Number of kilometres of sealed local roads below the renewal intervention level/Kilometres of sealed local roads.
Service cost	Cost of sealed local road reconstruction	Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed.
Service cost	Cost of sealed local road resealing	Direct cost of sealed local road resealing/Square kilometres of sealed local roads resealed.
Service outcome	Satisfaction with sealed local roads	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

## Waste Collection

Indicator	Performance Measure	Computation
Satisfaction	Kerbside bin collection requests	Number of kerbside garbage and recycling bin collection requests/Number of kerbside bin collection households x 1,000.
Service standard	Kerbside collection bins missed	Number of kerbside garbage and recycling collection bins missed/Number of scheduled kerbside garbage and recycling collection bin lifts x 10,000
Service cost	Cost of kerbside garbage bin collection service	Direct cost of the kerbside garbage bin collection service/Number of kerbside garbage collection bins.
Service cost	Cost of kerbside recyclables bin collection service	Direct cost of the kerbside recyclables bin collection service/Number of kerbside recyclables collection bins.
Waste diversion	Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins

### 3.4 Strategic Theme 4: Processes and Governance

Implement strong, clear and transparent corporate governance, strategies and actions.

#### Services

Initiative	Description of initiative
Organisational processes and systems	Demonstrate good governance and provide quality customer services.
Leadership and Governance	Provide strong leadership in representing the community.
Financial Sustainability	Deliver responsible financial management and business planning to ensure long term sustainability.

#### Service Performance Outcome Indicators

##### Governance

Indicator	Performance Measure	Computation
Transparency	Council decisions made at meetings closed to the public	Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors closed to the public/Number of council resolutions made at an ordinary or special meetings of council or at meetings of a special committee consisting only of councillors.
Consultation and engagement	Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with how council has performed on community consultation and engagement.
Attendance	Councillor attendance at Council meetings	The sum of the number of councillors who attended each ordinary and special council meeting/Number of ordinary and special council meetings multiplied by the number of councillors elected at the last council general election.
Service cost	Cost of governance	Direct cost of the governance service/Number of councillors elected at the last council general election.
Satisfaction	Satisfaction with council decisions	Community satisfaction rating out of 100 with the performance of council in making decisions in the interest of the community.

### 3.5 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by section 132 of the Act and included in the 2016/17 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 5.1.2) and sustainable capacity which are not included in this Budget Report. The full set of prescribed performance indicators are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement.



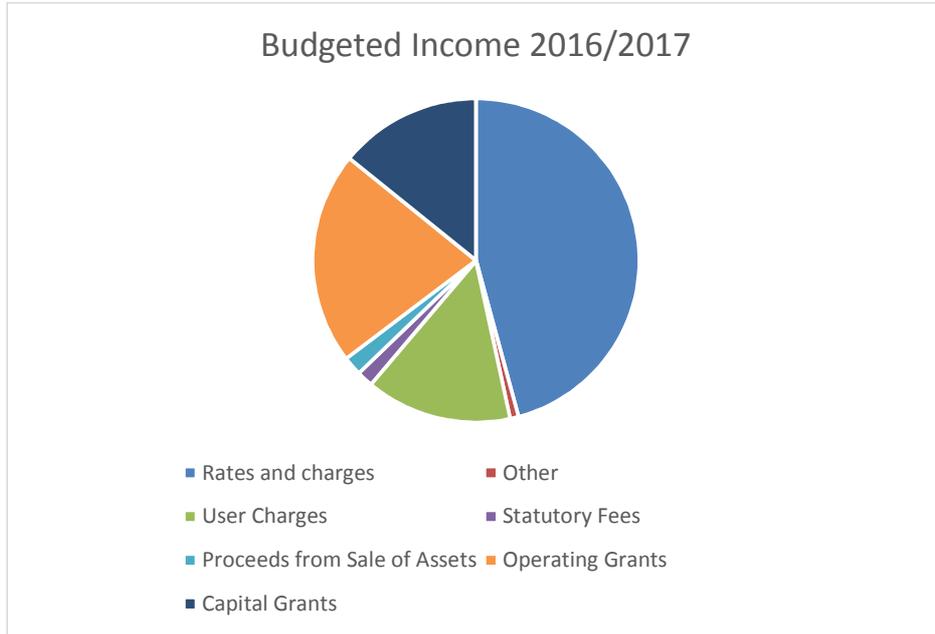
**Station Domain Playground**

## 4 BUDGET ANALYSIS

### 4.1 Analysis of Budgeted Income Statement

The budgeted Income Statement forecasts a surplus of \$3,579,759 (including non-cash items) for the year ending 30 June 2017.

<b>BUDGETED INCOME STATEMENT</b>		
<b>For the year ending 30 June 2017</b>		
	<b>Forecast</b>	<b>Budget</b>
	<b>15/16</b>	<b>16/17</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues from Ordinary Activities</b>		
Rates and charges	13,105,865	13,618,324
Operating Grants (recurrent)	6,033,075	6,310,963
Capital Grants (recurrent)	541,743	1,110,000
Capital Grants (non-recurrent)	2,177,650	3,093,369
Interest	204,500	197,000
User Charges	4,721,286	4,304,851
Statutory Fees	224,512	484,450
Reimbursements & Contributions	51,000	54,000
Proceeds from Sale of Assets	565,298	564,600
<b>Total Revenues</b>	<b>27,624,928</b>	<b>29,737,558</b>
<b>Expenses from Ordinary Activities</b>		
Employee Costs	11,425,297	11,776,533
Materials and Services	2,358,876	2,203,533
Contract Providers	6,827,478	6,779,851
Bad Debts	24,600	25,300
Depreciation	4,571,431	4,571,431
Written Down Value of Assets Sold	573,562	563,930
Borrowing Costs	274,195	237,221
<b>Total Expenses</b>	<b>26,055,440</b>	<b>26,157,799</b>
<b>Net Surplus(Deficit) from Operations</b>	<b>1,569,489</b>	<b>3,579,759</b>
<b>Movements in Equity</b>		
Net increase(Decrease) in Asset		
Revaluation Reserves	-	-
<b>Total Changes in Equity</b>	<b>1,569,489</b>	<b>3,579,759</b>



#### 4.1.2 Rates and Charges

It is proposed that rates and charges income be increased to \$13,618,324. Page 45, section 5.2 includes the Rating Strategy which provides a more detailed analysis of rates and charges to be levied for 2016/2017.

#### 4.1.3 Operating Grants

Government grants received from State and Federal sources will increase by \$277,888. This increase occurs primarily due to an additional \$1,294,670 in Grants Commission funding budgeted to be received due to Council only receiving only 50% of its allocation in 2015/2016 (the other 50% was paid in advance during 2014/2015), offset by the completion in 2015/2016 of funded programs such as Neighbourhood Renewal and Preventive Health.

#### 4.1.4 Capital Grants

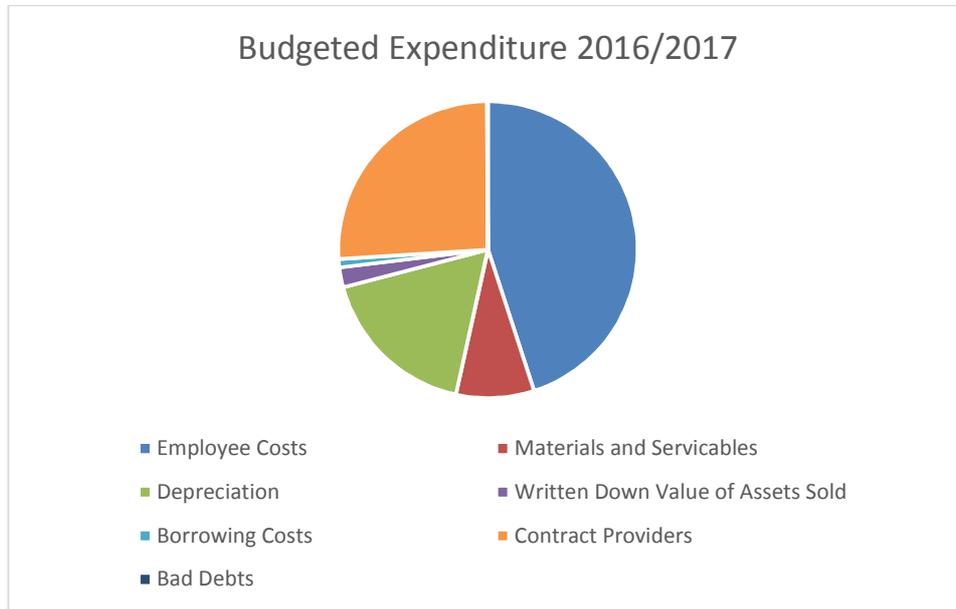
Capital grants are expected to increase overall by \$915,719 in 2016/2017. Which is primarily due to an additional \$568,257 Grants Commission Local Roads funding budgeted to be received due to Council only receiving 50% of its allocation in 2015/2016 (the other 50% was paid in advance during 2014/2015). Also included is \$250,000 in Bridges Renewal funding.

#### 4.1.5 Interest Revenue

Interest revenue includes interest on investments and rate and charges arrears. Interest revenue is expected to be consistent with 2016/2017.

#### 4.1.6 User Charges

User Charges includes \$1.757 million in plant hire charges, \$0.928 million worth of Children's Services usage fees, and \$0.713 million worth of Home and Community Care (HACC) usage fees.



#### 4.1.7 Employee Costs

Employee costs include all labour related expenses such as wages and salaries and oncosts such as superannuation and workcover. Employee costs are expected to increase by 3% or \$351,326 compared to 2015/2016. This increase is primarily due to Council's EBA increase of 3.5%.

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

Department	Budget 2016/17 \$	Comprises		
		Permanent Full Time \$	Permanent Part Time \$	Casual \$
Community	1,033,803	426,311	427,376	180,116
Health & Human Services	3,413,530	1,098,039	1,647,745	667,745
Economic Development	1,189,575	433,756	689,672	66,148
Culture & Heritage	338,461	166,730	136,718	35,013
Recreation & Leisure	1,043,300	1,003,173	40,127	-
Transport	2,168,500	1,832,535	135,743	200,221
Waste & Environment	617,064	382,320	129,224	105,520
Administration	1,972,300	1,337,153	620,662	14,486
<b>Toal operating labour costs</b>	<b>11,776,533</b>	<b>6,680,016</b>	<b>3,827,267</b>	<b>1,269,250</b>
Capitalised labour costs	<b>842,670</b>			
<b>Total employee costs</b>	<b>12,619,203</b>			

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

Department	FTE	Comprises		Casual
		Permanent Full Time	Permanent Part Time	
Community	9.7	4.0	4.0	1.7
Health & Human Services	49.7	16.0	24.0	9.7
Economic Development	11.0	4.0	6.4	0.6
Culture & Heritage	4.1	2.0	1.6	0.4
Recreation & Leisure	15.6	15.0	0.6	0.0
Transport	32.0	27.0	2.0	3.0
Waste & Environment	8.1	5.0	1.7	1.4
Administration	17.7	12.0	5.6	0.1
<b>Total</b>	<b>147.8</b>	<b>85.0</b>	<b>45.9</b>	<b>16.9</b>

#### 4.1.8 Contract Providers

There is expected to be a slight decrease in the services provided by contractors as a result of the completion of a number of funded programs such as Preventive Health and Neighbourhood Renewal.

#### 4.1.9 Depreciation

Depreciation is an accounting measure which relates to the allocation of the value of an asset over its useful life for Council's property, plant and equipment, and infrastructure assets such as roads and drainage.

#### 4.1.10 WDV of Assets Sold

The 2016/2017 forecast includes the anticipated written down (depreciated) value of plant and equipment sales, and land sales at the Tullaroop Road Estate (previously referred to as the Goldfields Export Cluster).

#### 4.2 Analysis of Budgeted Cash Position

<b>BUDGETED CASH FLOW STATEMENT</b>			
<b>For the year ending 30 June 2017</b>			
	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
	<b>15/16</b>	<b>16/17</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	27,059,631	29,172,956	2,113,325
Payments to suppliers	(20,910,446)	(21,022,436)	(111,990)
<b>Net cash inflow (outflow) from operating activities</b>	<b>6,149,185</b>	<b>8,150,520</b>	<b>2,001,335</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	565,297	564,600	(697)
Payments for property, plant and equipment	(8,437,570)	(9,893,800)	(1,456,230)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(7,872,273)</b>	<b>(9,329,200)</b>	<b>(1,456,927)</b>
<b>Cashflows from financing activities</b>			
Proceeds from borrowings/financing	0	0	0
Repayment of borrowings	(397,350)	(1,023,843)	(626,493)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(397,350)</b>	<b>(1,023,843)</b>	<b>(626,493)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,120,438)</b>	<b>(2,202,523)</b>	<b>(82,085)</b>
Cash and cash equivalents at the beginning of the financial year	7,758,806	5,638,368	(2,120,438)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5,638,368</b>	<b>3,435,845</b>	<b>(2,202,523)</b>

## 4.2 Analysis of Budgeted Cash Position (Cont'd)

This section of the budget report analyses the expected cash flows for the 2016/2017 year. The analysis is based on three main categories of cash flows. In summary these are:

- **Operating activities** - these activities refer to the cash generated or used in the normal service delivery functions of Council.
- **Investing activities** - these activities refer 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, equipment, etc.
- **Financing activities** - these activities refer to cash generated or used in the financing of Council functions and include borrowings from financial institutions and include repayment of borrowings.

The significance of budgeting cash flows for Council is that it is a key factor in setting the level of rates each year.

The budgeted cash flow statement shows a net decrease in cash resources of \$2,202,523 for the year ending 30 June 2017. The forecast for cash assets is \$3.435 million as at 30 June 2017.

### 4.2.1 Operating Activities

Net cash inflows from operating activities will be \$8.150 million in 2016/2017 the increase is a result of an increase of \$1,862,927 in total Grants Commission funding when compared to the 2015/2016 year (due to the early 50% payment of 2015/2016 funding in 2014/2015).

### 4.2.2 Investing Activities

The 2016/2017 forecast includes the anticipated sale of land, plant and equipment. The 2016/2017 payments for property, plant and equipment includes some significant works including:

- Carisbrook Flood Mitigation Construction Works (\$2,585,000);
- Bet Bet Creek Rd Bridge Replacement (\$395,000);
- Avoca Rd Major Culvert Widenings (\$375,000);
- Gladstone Street Outfall Drain (\$250,000);
- Smeaton Road Rehabilitation (\$250,000);
- Majorca Road Renewal Stage 1 Gillies to Loch Street (\$270,000); and
- Child Care Centre redevelopment (\$600,000).

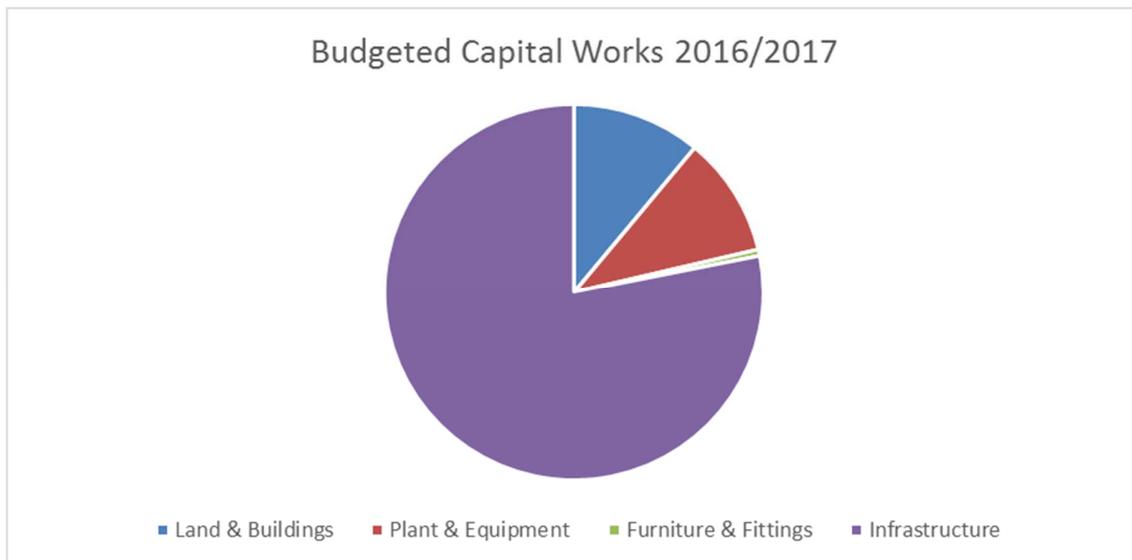
### 4.2.3 Financing Activities

The net cash outflow in 2016/2017 of \$1,023,843 represents the repayment of fixed term loans.

### 4.3 Analysis of Budgeted Capital Expenditure

The 2016/2017 Budgeted Statement of Capital Works forecasts new capital works of \$9,893,800.

<b>BUDGETED CAPITAL WORKS STATEMENT</b>		
<b>For the year ending 30 June 2017</b>		
	<b>Forecast</b>	<b>Budget</b>
	<b>15/16</b>	<b>16/17</b>
	<b>\$</b>	<b>\$</b>
<b>Capital Works Areas</b>		
Land & Buildings	1,380,370	1,090,000
Plant & Equipment	740,900	1,020,000
Furniture & Fittings	199,300	53,800
Infrastructure	6,117,000	7,730,000
	<b>8,437,570</b>	<b>9,893,800</b>
<b>Types of Capital Works</b>		
Renewal	3,978,620	3,463,000
Upgrade	3,134,350	2,209,000
New	1,324,600	4,221,800
Expansion	-	-
<b>Total Capital Works</b>	<b>8,437,570</b>	<b>9,893,800</b>



#### **4.3.1 Land & Buildings**

Land & Buildings comprises buildings and building improvements including community facilities, and sports facilities.

For the 2016/17 year \$1.090 million will be expended on buildings and buildings projects, which includes \$0.600 million on the Child Care Centre redevelopment.

#### **4.3.2 Plant & Equipment**

Plant & Equipment includes plant, machinery and equipment.

For the 2016/17 year, \$1.020 million will be expended on plant and equipment, with the most significant items being a new tractor (\$100,000), and two trucks (total budget \$244,000).

#### **4.3.3 Furniture & Fittings**

Furniture and Fittings includes computers and telecommunications.

For the 2016/17 year, \$53,800 will be expended on furniture and fittings, including \$45,000 on Computer Network and Server Upgrades.

#### **4.3.4 Infrastructure**

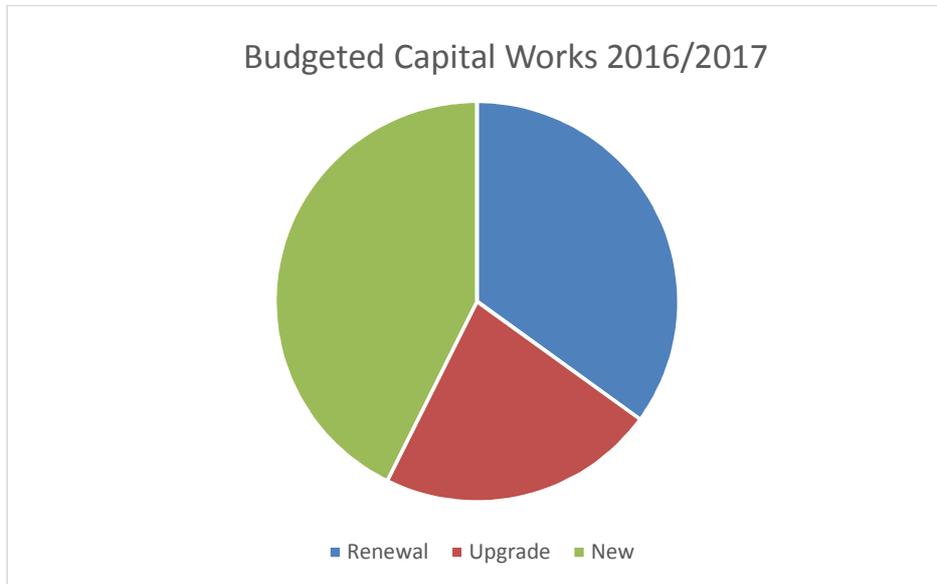
Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off-street car parks and other structures.

For the 2016/17 year, \$4.5 million will be expended on road related projects (including sealed and unsealed roads, intersections, minor culverts and street furniture). The more significant projects include:

- Bet Bet Creek Rd Bridge Replacement (\$0.395 million);
- Avoca Rd Major Culvert Widenings (\$0.375 million);
- Crameri Road Upgrade (\$0.270 million);
- Gladstone Street Outfall Drain (\$0.250 million);
- Smeaton Road Rehabilitation (\$0.250 million);
- Majorca Road Renewal Stage 1 Gillies to Loch Street (\$0.270 million); and
- Talbot Road Majorca Bridge Replacement (\$0.180 million).

\$3.104 million will be expended on drainage projects, the more significant of these include \$2.585 million on the Carisbrook Drainage Mitigation project.

The spending proposed in the 2016/2017 Budget/Capital Works program is covered in more detail in appendix C of this document.



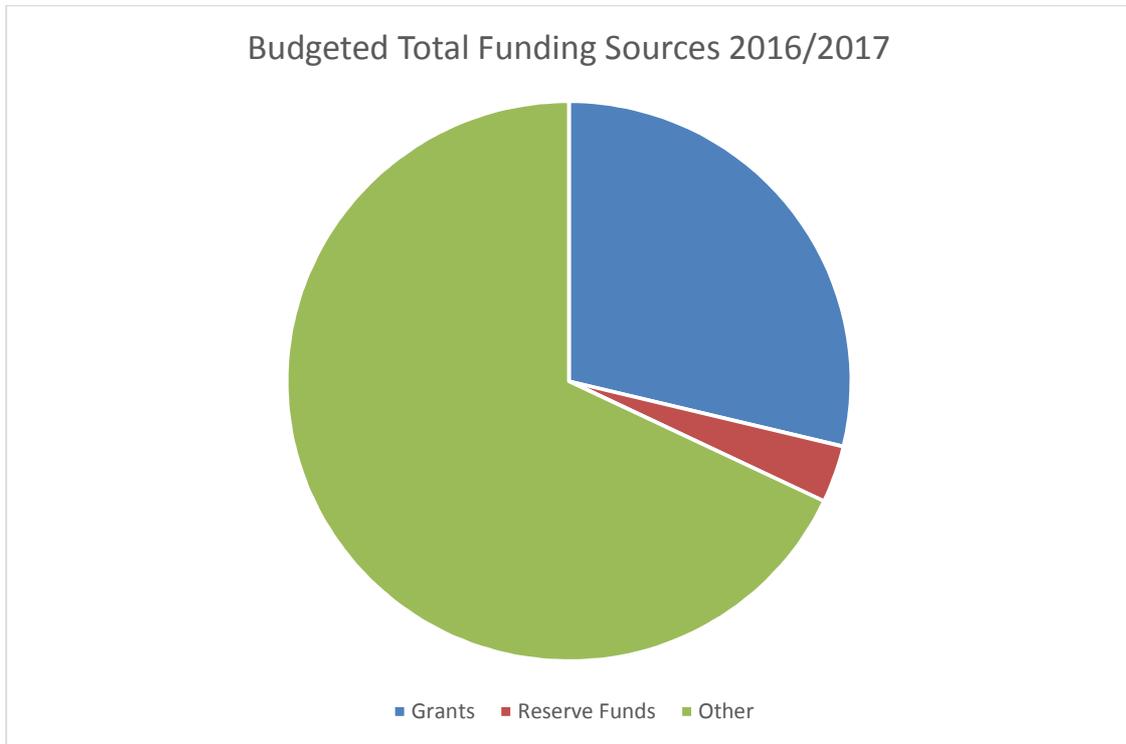
#### 4.3.5 Asset Renewal (\$3.463 million), New Assets (\$4.221 million) and Upgrade (\$2.209 million)

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

The major projects included in the above categories, which constitute expenditure on new assets including the Carisbrook Drainage Mitigation works \$2.585 million and new plant & equipment purchases of \$1.020 million.

#### 4.3.6 Funding Sources

Sources of Funding	2015/2016 Forecast	2016/2017 Budget
Grants	2,719,393	4,203,369
Reserve Funds	315,873	0
Other Funds	5,402,304	5,690,431
<b>Total Funding Sources</b>	<b>8,437,570</b>	<b>9,893,800</b>



#### 4.3.7 Grants

Significant grants budgeted for in 2016/2017 include \$992,500 towards the Carisbrook Drainage Mitigation project, and Roads to Recovery funding of \$1,790,000.

#### 4.3.8 Reserve Funds

This includes the transfer of funds from the waste management reserve.

#### 4.3.9 Other Funds

Other funds includes Council's own sourced revenue, loans, proceeds on sale of assets, and also includes grant funding which may have been received in advance (ie. paid to Council during previous financial years such as Putting Locals First funding, the Local Government Infrastructure program and Country Roads & Bridges Funding).

#### 4.4 Analysis of Budgeted Balance Sheet

This section of the budget shows the impact of the 2016/2017 budget on Council's assets, liabilities and equity between 2015/2016 and 2016/2017. The Budgeted Balance Sheet shows net assets of \$274,330,919 as at 30 June 2017 which is an increase of \$3,579,759 over 2015/2016.

<b>BUDGETED BALANCE SHEET</b>			
<b>As at 30 June 2017</b>			
	<b>Forecast</b>	<b>Budget</b>	
	<b>30 June</b>	<b>30 June</b>	<b>Variance</b>
	<b>2016</b>	<b>2017</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash	5,638,368	3,435,845	(2,202,523)
Receivables	3,083,677	3,083,677	0
Other	329,333	329,333	0
Non-current assets classified as held for sale	1,073,940	1,073,940	0
<b>Total Current Assets</b>	<b>10,125,318</b>	<b>7,922,795</b>	<b>(2,202,523)</b>
<b>Current Liabilities</b>			
Payables	2,688,945	2,688,945	0
Interest Bearing Liabilities	1,023,843	2,026,210	1,002,367
Provisions	2,727,820	2,727,820	0
<b>Total Current Liabilities</b>	<b>6,440,608</b>	<b>7,442,975</b>	<b>1,002,367</b>
<b>Non-Current Assets</b>			
Fixed Assets	272,141,267	276,899,705	4,758,438
Library Bookstock	313,898	313,898	0
<b>Total Non-Current Assets</b>	<b>272,455,165</b>	<b>277,213,603</b>	<b>4,758,438</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Liabilities	5,070,388	3,044,178	(2,026,210)
Provisions	318,325	318,325	0
<b>Total Non-Current Liabilities</b>	<b>5,388,713</b>	<b>3,362,503</b>	<b>(2,026,210)</b>
<b>NET ASSETS</b>	<b>270,751,160</b>	<b>274,330,919</b>	<b>6,784,647</b>
<b>Equity</b>			
Accumulated Surplus	115,274,774	118,754,533	3,479,759
Reserves	155,476,386	155,576,386	100,000
<b>TOTAL EQUITY</b>	<b>270,751,160</b>	<b>274,330,919</b>	<b>3,579,759</b>

#### 4.4.1 Current Assets

The \$2,202,523 decrease in current assets is due to a decrease in cash as a result of capital works. In future years the rate and other debtor balances are not expected to change significantly and will remain at acceptable levels, given the projected increase in rates annually.

#### 4.4.2 Current Liabilities

Council does not expect a significant change in current liabilities (that is, obligations council must pay within the next year). The increase in current liabilities is due to the repayment of Council's fixed term loans.

#### 4.4.3 Non Current Assets

The increase in non-current assets is as a result of expenditure on the capital works program less the annual depreciation charge and WDV of asset disposals.

#### 4.4.4 Non Current Liabilities

The decrease in non current liabilities (that is, obligations council must pay beyond the next year) results from the budgeted repayment of Council's fixed term loans.

#### 4.4.5 Equity

The equity (or net assets) figures at 30 June 2017 is consistent with the level at 30 June 2016.



**Talbot Farmers' Market**

#### 4.5 Impact of Current Year on 2016/2017

This section outlines the forecast result for 2015/2016 compared to the 2015/2016 budget to assess any impacts on the 2016/2017 Budget.

##### 4.5.1 Operating Performance

The forecast operating performance for the year ending 30 June 2016 is a surplus of \$1,569,488 compared to a budgeted surplus of \$2,862,427 for the year ending 30 June 2016.

<b>Operating</b>	<b>2015/2016 Forecast</b>	<b>2015/2016 Budget</b>
Total Income	29,141,656	27,624,928
Total Expenditure	26,279,229	26,055,440
	-----	-----
<b>Operating Surplus (Deficit)</b>	<b>2,862,427</b>	<b>1,569,488</b>
	-----	-----

The forecast operating surplus is lower than the budgeted surplus for 2015/2016 as a result of early 50% payment of 2015/2016 Grants Commission funding (\$1,820,927) in 2014/2015.

##### 4.5.2 Cash Performance

The forecast cash result for 2015/2016 is expected to produce a variance to the original budget of \$2,674,502 (Original Budget 2015/2016 \$2,963,866, Forecast 2015/2016 \$5,638,368).

<b>Cash Flows</b>	<b>2015/2016 Budget</b>	<b>2015/2016 Forecast</b>
Operating Activities	7,443,958	6,149,184
Investing Activities	(8,756,850)	(7,872,273)
Financing Activities	(386,090)	(397,350)
	-----	-----
<b>Net Increase/(Decrease) In Cash Held</b>	<b>(1,698,982)</b>	<b>(2,120,439)</b>
	-----	-----

The forecast net decrease in cash held is consistent with the budgeted net decrease in cash held for 2015/2016.

#### 4.5.3 Capital Works

Total Capital Works for 2015/2016 are expected to be \$8,437,570 compared to an original budget of \$9,458,850, with the reduction in projected works being due a number of projects being carried forward to the 2016/17 budget.



**Part of the Whirakee Rise development within Maryborough**

## 5 STRATEGIC RESOURCE PLAN

### 5.1 Plan Development

The Act requires a Strategic Resource Plan (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.

Council has prepared a Strategic Resource Plan for the five years 2016/17 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 five 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 Plan. The key financial objectives, which underpin the SRP, are:

- Maintain existing service levels
- Achieve a breakeven operating result within five years
- Achieve a balanced budget on a cash basis.

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

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

The SRP is updated annually through a rigorous process of analysis to achieve these key financial objectives.

The following table summaries the key financial indicators for the next five years as set out in the Long Term Financial Plan for years 2016/2017 to 2020/2021.

Indicator	Budget		Strategic Resource Plan		
	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Operating surplus/(deficit)	3,579	1,653	2,174	2,378	2,064
Cash from operations	8,150	6,238	6,756	6,962	6,646
Cash increase/(decrease)	(2,202)	(349)	(71)	(58)	1,195
Cash and investments	3,435	3,086	3,015	2,956	4,152
Borrowings outstanding	5,070	3,044	1,505	0	0
Depreciation	4,571	4,571	4,571	4,571	4,571
Capital expenditure	9,893	4,936	5,518	5,763	5,652
Working capital	479	617	579	2,026	3,222
Net worth	274,330	275,983	278,158	280,536	282,601

### 5.1.2 Key Assumptions & Performance Indicators

The key assumptions of the Long Term Financial Plan are as follows:

- **Service Delivery** – Service levels to be maintained throughout the five year period.
- **Rating Strategy** - Rates will increase by an average of 2.5% p.a through to 2020/2021.
- **Borrowing Strategy** – Borrowings to reduce to \$0 by 30 June 2021.
- **Infrastructure Strategy** – An average \$6.352 million per year will be spent to 2020/2021.
- **Financial Sustainability** – Cash and investments will remain relatively stable during the five year period, increasing in 2020/2021.

### Financial Performance Indicators

Indicator	Measure	Notes	Forecast	Budget 16/17	Strategic Resource Plan Projections				Trend +/-
			Actual 15/16		17/18	18/19	19/20	20/21	
<b>Operating Position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit)/Adjusted underlying revenue	1	-2.44%	1.87%	-4.23%	-1.67%	-0.95%	-1.64%	-
<b>Liquidity</b>									
Working Capital	Current assets/current liabilities	2	157%	106%	109%	108%	137%	159%	+
Unrestricted Cash	Unrestricted cash/current liabilities		157%	106%	109%	108%	137%	159%	+
<b>Obligations</b>									
Loans & Borrowing	Interest bearing loans and borrowings/rate revenue	3	47%	37%	22%	10%	0%	0%	+
Loans and borrowing	Interest and principal repayments/rate revenue		5%	9%	16%	11%	10%	0%	+
Indebtedness	Non-current liabilities/own source revenue		30%	18%	10%	2%	2%	2%	+
Asset renewal	Asset renewal expenditure/depreciation	4	87%	76%	57%	50%	74%	78%	-

Indicator	Measure	Notes	Forecast		Strategic Resource Plan Projections				Trend +/-
			Actual 15/16	Budget 16/17	17/18	18/19	19/20	20/21	
<b>Stability</b>									
Rates concentration	Rate revenue/adjusted underlying revenue	5	53%	52%	57%	59%	60%	63%	o
Rates effort	Rate revenue/property values (CIV)		1%	1%	1%	1%	1%	1%	o
<b>Efficiency</b>									
Expenditure level	Total expenditure/no. of assessments		\$ 3,078	\$ 3,078	\$ 3,057	\$ 3,033	\$ 3,124	\$ 3,191	+
Expenditure level	Specific purpose grants expended/Specific purpose grants received		100%	100%	100%	100%	100%	100%	o
Revenue level	Residential rate revenue/no. of residential assessments		\$ 1,150	\$ 1,189	\$ 1,229	\$ 1,270	\$ 1,313	\$ 1,357	+
Workforce turnover	No. of resignations & terminations/average no. of staff		8%	5%	6%	6%	5%	5%	o
<b>Keys to Forecast Trend:</b>									
+ 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									
<b>Notes to indicators</b>									
<p><b>1 - Adjusted underlying result.</b> 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.</p> <p><b>2 - Working Capital.</b> The proportion of current liabilities represented by current assets. Working capital is forecast to decrease significantly in 2016/17 year due to a run down in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.</p> <p><b>3 - Debt compared to rates.</b> Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.</p> <p><b>4 - Asset renewal.</b> This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.</p> <p><b>5 - Rates concentration.</b> 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.</p>									

### 5.1.3 Non Financial Resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources.

The range of services undertaken by Council generally involves the efforts of approximately 230 staff, of which 160 work part time, casual and on contract. Additional staffs have been employed prior to 2016/2017 to run initiatives such as Neighbourhood Renewal, Go Goldfields, Preventive Health and Art Central, with some of these projects either complete, or now nearing completion.

The skill base of Council's workforce is very diverse with staff holding qualifications in specialised areas such as aged care, engineering, accounting, local government, health care, planning, building, public administration, and other fields.

The Local Authorities Award and the Central Goldfields Shire Enterprise Bargaining Agreement (EBA) No.6 (Extension Variation) govern the employment of Council staff.

A statement of Human Resources is included at Appendix A.

	Forecast Actual	Budget	Strategic Resource Plan Projections			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$	\$
<b>Employee costs</b>						
- Operating	11,425,297	<b>11,776,533</b>	11,219,081	11,171,298	11,601,648	11,950,537
- Capital	685,518	<b>842,670</b>	673,145	670,278	696,099	717,032
<b>Total</b>	<b>12,110,815</b>	<b>12,619,203</b>	<b>11,892,226</b>	<b>11,841,576</b>	<b>12,297,747</b>	<b>12,667,569</b>

## 5.2 Rating Strategy

### 5.2.1 Strategy Development

The Rating Strategy reviewed by Council in 2014/2015 will form the basis for raising rates in the 2016/2017 financial year. It is prefaced on Council's aim to encourage economic development activity and to reflect the cost of infrastructure in achieving employment and commercial opportunities within the shire.

Rates will be raised by the application of differential rates. It is considered that each differential will contribute to the equitable and efficient carrying out of Council's functions. The functions include:

- The construction and maintenance of public infrastructure
- The development and provision of health and community services
- The provision of general support services

In accordance with Council's Rating Strategy, a municipal charge will be levied for the purpose of covering part of the administrative or "baseline" costs of Council's operations. A municipal charge applies equally to all rateable properties and is found to be an equitable method of distributing a portion of the administrative costs

A service charge will be levied for the purpose of covering the cost of collection, removal and disposal of refuse and rubbish. The charge reflects the volume of rubbish collected, that is a standard (80 litre urban & 140 litre rural) bin service, a 140 litre (urban) bin service or a 240 litre (rural) bin service will be offered to residents. Charges have been set to encourage waste minimisation practices.

### 5.2.2 Current Year Rate Increase

The 2015/2016 operating position is predicted to be impacted by wages growth and reductions in government funding. It will therefore be necessary to achieve future revenue growth, whilst containing costs, in order to achieve a breakeven position in the long term.

In achieving these objectives whilst maintaining service levels and a robust capital expenditure program, general rates will increase by 2.5% in 2016/2017 raising a total rate of \$11.015 million (including supplementary rates). The following table sets out future proposed rate increases and total rates to be raised (including supplementary rates).

<b>Year</b>	<b>Rate Income Increase</b>	<b>Total Rates Raised</b>
2016/2017	2.5%	11,015,713
2017/2018	2.5%	11,377,672
2018/2019	2.5%	11,751,597
2019/2020	2.5%	12,137,884
2020/2021	2.5%	12,536,946

### 5.2.3 Rates and Revaluations

During 2015/2016 a revaluation of all properties within the municipality was carried out and will apply from 1 January 2016 for the 2016/2017 and 2017/2018 rating years. The purpose of the revaluation is to measure how much each property is worth. The outcome of the general revaluation has been an overall reduction in property valuations throughout the municipality.

The revaluation does not generate extra revenue for Council, it redistributes the existing rate revenue across the Shire based on the assessed property values. General rates will raise 38% of all revenue from all sources for 2016/2017.

Council uses the Capital Improved Value (CIV) as its basis for calculating general rates. CIV is the value of the land plus buildings and other improvements, and is based on the sales of similar properties. In some cases properties may be valued higher if significant improvements have recently been completed. Business property valuations are based on how much rent a property can be let for, based on similar properties in the precinct.

Rate type	2015/2016	2016/2017
Maryborough Residential - cents in \$ of CIV	0.005506	0.005340
Residential Other – cents in \$ of CIV	0.004405	0.004272
Commercial Maryborough – cents in \$ of CIV	0.008810	0.008544
Commercial Other – cents in \$ of CIV	0.006608	0.006408
Industrial – cents in \$ of CIV	0.006057	0.005874
Farm – cents in \$ of CIV	0.004405	0.004272
Vacant Land Maryborough – cents in \$ of CIV	0.009912	0.009612
Vacant Land Other – cents in \$ of CIV	0.008260	0.008010
Municipal Charge - \$ per property	\$245.70	\$251.85
Standard Garbage - \$ per property	\$342.50	\$356.20
140 Litre Urban, 240 Litre Rural - \$ per property	\$439.75	\$457.30
Waste Management Fee - \$ per property	\$112.45	\$116.95
Recycling Charge - \$ per property	\$93.30	\$97.00

### 5.3 Borrowing Strategy

#### 5.3.1 Strategy Development

In the past, Council borrowed to finance large infrastructure projects and since this time has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. With Council reserves now forecast to be \$250,000 at 30 June 2016 it may be necessary in future years for Council to reconsider the issue of additional borrowings.

### 5.3.2 Current Year Borrowings

For the 2016/2017 year, Council has decided not to take out any new borrowings and therefore, after making loan repayments of \$1,023,843, will reduce its total interest bearing liabilities to \$5,070,388 as at 30 June 2017. Council intends to make considerable interest bearing liability payments over the Long Term Financial Plan with the intention of reducing its total interest bearing liabilities to \$0 as at 30 June 2021.

### 5.3.3 Loan Position

The following table sets out the status of Council's interest bearing liability over the coming 2016/2017 to 2020/2021 financial years.

Year	Interest Bearing Liability Paid	Debt Interest Paid	Balance 30 June
2016/2017	1,023,843	237,221	5,070,388
2017/2018	2,026,210	236,415	3,044,178
2018/2019	1,538,549	123,600	1,505,629
2019/2020	1,505,629	83,500	0
2020/2021	0	0	0

The table below shows information on borrowing specifically required by the Regulations:

	2015/16 \$	2016/17 \$
Total amount borrowed as at 30 June of prior year	6,491,581	6,094,231
Total amount to be borrowed	-	-
Total amount projected to be redeemed	397,350	1,023,843
Total amount proposed to be borrowed at 30 June	6,094,231	5,070,388

### 5.4 Infrastructure Strategy

Council has developed an Infrastructure Strategy which sets out the capital expenditure requirements of the Council for the next 5 years by class of asset and project and is a key input to the long term financial plan. 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 with the key aspects of the process as follows:

- Long term capital planning process which integrates with the Council Plan, Long Term Financial Plan and Annual Budget processes
- Identification of capital project through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of evaluation criteria.

A key objective of the Infrastructure Strategy 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.

The capital planning process is undertaken annually and used to ensure that the Infrastructure Strategy represents the current capital expenditure requirements of the Council.

A measure of Council's performance in respect to infrastructure management is the proportion of the total asset value consumed (equivalent to the annual depreciation charge), compared to the amount spent in preserving the asset (expenditure aimed at ensuring the asset reaches its intended useful life) on an annual basis.

The Statement of Capital Works shows that Council needs to consider additional sources of income so that it can sustain the current service levels required.

### **Key Influences for 2016/2017**

The following influences have a significant impact on the Infrastructure Strategy for the 2016/2017 year:

- Government funding in real terms for the upgrade of roads and bridges
- Requirements for landfill operation and rehabilitation works
- Requirements for flood mitigation works
- Reduced cash and investment reserves to fund future capital expenditure.



**Aerial view of the township of Lake Victoria and surrounds  
(Taken during Energy Breakthrough Event)**

### Future Capital Works

The following table summarises Council projected capital expenditure program:

<b>BUDGETED CAPITAL WORKS STATEMENT</b>					
<b>For the years ending 30 June 2021</b>					
	<b>Budget</b>	<b>Strategic Resource Plan Projections</b>			
	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Capital Works Areas</b>					
Land & Buildings	1,090,000	362,500	367,500	259,000	487,800
Plant & Equipment	1,020,000	892,000	797,000	773,000	779,000
Furniture & Fittings	53,800	68,500	54,000	39,000	60,500
Infrastructure	7,730,000	3,613,000	4,300,000	4,692,500	4,325,000
	<b>9,893,800</b>	<b>4,936,000</b>	<b>5,518,500</b>	<b>5,763,500</b>	<b>5,652,300</b>
<b>Types of Capital Works</b>					
Renewal	3,463,000	2,618,000	2,287,500	3,382,500	3,553,300
Upgrade	2,209,000	1,179,000	2,060,000	1,413,000	865,000
New	4,221,800	1,139,000	1,171,000	968,000	1,234,000
Expansion	-	-	-	-	-
<b>Total Capital Works</b>	<b>9,893,800</b>	<b>4,936,000</b>	<b>5,518,500</b>	<b>5,763,500</b>	<b>5,652,300</b>

The following table is a summary of Council's forward outlook on capital expenditure, including funding sources, for the next 5 years.

<b>Summary of funding sources</b>					
<b>Year</b>	<b>Total Capital Program</b>	<b>Grants</b>	<b>Contributions</b>	<b>Council Cash</b>	<b>Borrowings</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
2016/2017	9,893,800	4,203,369	0	5,690,431	0
2017/2018	4,936,000	3,224,843	0	1,711,157	0
2018/2019	5,518,500	3,128,683	330,000	2,059,817	0
2019/2020	5,763,500	3,163,761	430,000	2,169,739	0
2020/2021	5,652,300	3,032,951	0	2,619,349	0

Refer to Appendix C (page 60) for the detailed Capital Works program.

## **6 APPENDICES TO FOLLOW**

The following appendices include voluntary and statutory disclosures of information with provide support for the analysis contained in sections 4 & 5 of this report.

<b>APPENDIX A</b>	<b>PAGE</b>
<b>Budgeted Statements</b>	
<b>Budgeted Comprehensive Income Statement</b>	<b>51</b>
<b>Budgeted Balance Sheet</b>	<b>52</b>
<b>Budgeted Statement of Changes in Equity</b>	<b>53</b>
<b>Budgeted Statement of Cash Flows</b>	<b>54</b>
<b>Budgeted Statement of Capital Works</b>	<b>55</b>
<b>Budgeted Statement of Human Resources</b>	<b>56</b>
<b>APPENDIX B</b>	
<b>Statutory Disclosures</b>	<b>57</b>
<b>APPENDIX C</b>	
<b>Capital Works Program</b>	<b>61</b>

**APPENDIX A BUDGETED STATEMENTS**

<b>BUDGETED COMPREHENSIVE INCOME STATEMENT</b>					
<b>For the five years ending 30 June 2021</b>					
	<b>Budget</b>	<b>Strategic Resource Plan Projections</b>			
	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues from Ordinary Activities</b>					
Rates and charges	13,618,324	13,986,210	14,731,374	15,515,489	16,342,591
Grants (operating recurrent)	6,310,963	5,477,504	5,281,324	5,352,889	5,086,014
Grants (capital recurrent)	1,110,000	540,000	540,000	540,000	540,000
Grants (capital non recurrent)	3,093,369	2,684,843	2,588,683	2,623,761	2,492,951
Interest	197,000	193,850	204,850	210,350	225,350
User fees	4,304,852	3,736,331	3,602,512	3,651,328	3,469,288
Statutory fees and fines	484,450	420,471	405,412	410,905	390,419
Reimbursements	54,000	51,000	53,000	55,000	57,000
<b>Total Revenues</b>	<b>29,172,957</b>	<b>27,090,209</b>	<b>27,407,154</b>	<b>28,359,722</b>	<b>28,603,612</b>
<b>Expenses from Ordinary Activities</b>					
Employee benefits	11,776,533	11,219,081	11,171,298	11,601,648	11,950,537
Materials and services	2,203,533	2,403,162	2,392,927	2,485,109	2,559,842
Contract providers	6,779,850	6,962,464	6,932,810	7,199,881	7,416,399
Depreciation and amortisation	4,571,431	4,571,431	4,571,431	4,571,431	4,571,431
Bad debts	25,300	27,300	27,300	28,300	28,300
Finance costs	237,221	236,415	123,600	83,500	-
<b>Total Expenses</b>	<b>25,593,868</b>	<b>25,419,852</b>	<b>25,219,366</b>	<b>25,969,869</b>	<b>26,526,508</b>
Asset revaluations and other adjustments	-	-	-	-	-
Net gain (loss) on disposal of assets	670	(17,330)	(13,723)	(11,445)	(12,420)
<b>Total comprehensive result</b>	<b>3,579,759</b>	<b>1,653,027</b>	<b>2,174,066</b>	<b>2,378,408</b>	<b>2,064,684</b>

<b>BUDGETED BALANCE SHEET</b>					
<b>For the five years ending 30 June 2021</b>					
	<b>Budget</b>	<b>Strategic Resource Plan Projections</b>			
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<b>\$</b>				
<b>Current Assets</b>					
Cash	3,435,845	3,086,266	3,015,058	2,956,588	4,152,397
Receivables	3,083,677	3,083,677	3,083,677	3,083,677	3,083,677
Other	329,333	329,331	329,331	329,331	329,331
Non-current assets classified as held for sale	1,073,940	1,073,940	1,073,940	1,073,940	1,073,940
<b>Total Current Assets</b>	<b>7,922,795</b>	<b>7,573,214</b>	<b>7,502,006</b>	<b>7,443,536</b>	<b>8,639,345</b>
<b>Current Liabilities</b>					
Payables	2,688,945	2,688,945	2,688,945	2,688,945	2,688,945
Interest Bearing Liabilities	2,026,210	1,538,549	1,505,629	-	-
Provisions	2,727,820	2,727,820	2,727,820	2,727,820	2,727,820
<b>Total Current Liabilities</b>	<b>7,442,975</b>	<b>6,955,314</b>	<b>6,922,394</b>	<b>5,416,765</b>	<b>5,416,765</b>
<b>Non-Current Assets</b>					
Fixed Assets	276,899,705	276,876,103	277,582,827	278,514,075	279,382,949
Library Bookstock	313,898	313,898	313,898	313,898	313,898
<b>Total Non-Current Assets</b>	<b>277,213,603</b>	<b>277,190,002</b>	<b>277,896,724</b>	<b>278,827,973</b>	<b>279,696,846</b>
<b>Non-Current Liabilities</b>					
Interest Bearing Liabilities	3,044,178	1,505,629	0	0	0
Provisions	318,325	318,325	318,325	318,325	318,325
<b>Total Non-Current Liabilities</b>	<b>3,362,503</b>	<b>1,823,954</b>	<b>318,325</b>	<b>318,325</b>	<b>318,325</b>
<b>NET ASSETS</b>	<b>274,330,919</b>	<b>275,983,946</b>	<b>278,158,011</b>	<b>280,536,419</b>	<b>282,601,102</b>
<b>Equity</b>					
Accumulated Surplus	118,754,533	120,307,560	122,381,625	124,710,033	126,724,716
Reserves	155,576,386	155,676,386	155,776,386	155,826,386	155,876,386
<b>TOTAL EQUITY</b>	<b>274,330,919</b>	<b>275,983,946</b>	<b>278,158,011</b>	<b>280,536,419</b>	<b>282,601,102</b>

<b>BUDGETED STATEMENT OF CHANGES IN EQUITY</b>				
<b>For the five years ending 30 June 2021</b>				
	Total	Accumulated Surplus	Revaluation Reserve	Other Reserve
	\$	\$	\$	\$
<b>2017</b>				
Balance at the beginning of the financial year	270,751,160	115,274,774	155,226,386	250,000
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	3,579,759	3,579,759	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(100,000)	-	100,000
Transfer from reserves	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>274,330,919</b>	<b>118,754,533</b>	<b>155,226,386</b>	<b>350,000</b>
<b>2018</b>				
Balance at the beginning of the financial year	274,330,919	118,754,533	155,226,386	350,000
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	1,653,027	1,653,027	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(100,000)	-	100,000
Transfer from reserves	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>275,983,946</b>	<b>120,307,560</b>	<b>155,226,386</b>	<b>450,000</b>
<b>2019</b>				
Balance at the beginning of the financial year	275,983,946	120,307,560	155,226,386	450,000
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	2,174,066	2,174,066	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(100,000)	-	100,000
Transfer from reserves	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>278,158,011</b>	<b>122,381,625</b>	<b>155,226,386</b>	<b>550,000</b>
<b>2020</b>				
Balance at the beginning of the financial year	278,158,011	122,381,625	155,226,386	550,000
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	2,378,408	2,378,408	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(50,000)	-	50,000
Transfer from reserves	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>280,536,419</b>	<b>124,710,033</b>	<b>155,226,386</b>	<b>600,000</b>
<b>2021</b>				
Balance at the beginning of the financial year	280,536,419	124,710,033	155,226,386	600,000
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	2,064,684	2,064,684	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(50,000)	-	50,000
Transfer from reserves	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>282,601,102</b>	<b>126,724,716</b>	<b>155,226,386</b>	<b>650,000</b>

<b>BUDGETED CASH FLOW STATEMENT</b>					
<b>For the years ending 30 June 2021</b>					
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>					
Receipts from customers	29,172,956	27,262,359	27,552,704	28,340,222	28,650,112
Payments to suppliers	(21,022,436)	(21,024,179)	(20,795,762)	(21,377,963)	(22,003,902)
<b>Net cash inflow (outflow) from operating activities</b>	<b>8,150,520</b>	<b>6,238,181</b>	<b>6,756,942</b>	<b>6,962,259</b>	<b>6,646,210</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment	564,600	374,450	228,900	248,400	201,900
Payments for property, plant and equipment	(9,893,800)	(4,936,000)	(5,518,500)	(5,763,500)	(5,652,300)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(9,329,200)</b>	<b>(4,561,550)</b>	<b>(5,289,600)</b>	<b>(5,515,100)</b>	<b>(5,450,400)</b>
<b>Cashflows from financing activities</b>					
Proceeds from borrowings/financing	0	0	0	0	0
Repayment of borrowings	(1,023,843)	(2,026,210)	(1,538,549)	(1,505,629)	0
<b>Net cash inflow (outflow) from financing activities</b>	<b>(1,023,843)</b>	<b>(2,026,210)</b>	<b>(1,538,549)</b>	<b>(1,505,629)</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,202,523)</b>	<b>(349,579)</b>	<b>(71,207)</b>	<b>(58,470)</b>	<b>1,195,810</b>
Cash and cash equivalents at the beginning of the financial year	5,638,368	3,435,845	3,086,266	3,015,058	2,956,588
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3,435,845</b>	<b>3,086,266</b>	<b>3,015,058</b>	<b>2,956,588</b>	<b>4,152,397</b>

<b>BUDGETED CAPITAL WORKS STATEMENT</b>					
<b>For the years ending 30 June 2021</b>					
	<b>Budget</b>	<b>Strategic Resource Plan Projections</b>			
	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Capital Works Areas</b>					
Land & Buildings	1,090,000	362,500	367,500	259,000	487,800
Plant & Equipment	1,020,000	892,000	797,000	773,000	779,000
Furniture & Fittings	53,800	68,500	54,000	39,000	60,500
Infrastructure	7,730,000	3,613,000	4,300,000	4,692,500	4,325,000
	<b>9,893,800</b>	<b>4,936,000</b>	<b>5,518,500</b>	<b>5,763,500</b>	<b>5,652,300</b>
<b>Types of Capital Works</b>					
Renewal	3,463,000	2,618,000	2,287,500	3,382,500	3,553,300
Upgrade	2,209,000	1,179,000	2,060,000	1,413,000	865,000
New	4,221,800	1,139,000	1,171,000	968,000	1,234,000
Expansion	-	-			
<b>Total Capital Works</b>	<b>9,893,800</b>	<b>4,936,000</b>	<b>5,518,500</b>	<b>5,763,500</b>	<b>5,652,300</b>

<b>BUDGETED STATEMENT OF HUMAN RESOURCES</b>							
<b>For the five years ending 30 June 2021</b>							
	Forecast Actual	Budget	Strategic Resource Plan Projections				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
	\$	\$	\$	\$	\$	\$	\$
<b>Employee costs</b>							
- Operating	11,425,297	<b>11,776,533</b>	11,219,081	11,171,298	11,601,648	11,950,537	
- Capital	685,518	<b>842,670</b>	673,145	670,278	696,099	717,032	
<b>Total</b>	<b>12,110,815</b>	<b>12,619,203</b>	<b>11,892,226</b>	<b>11,841,576</b>	<b>12,297,747</b>	<b>12,667,569</b>	
	EFT	EFT	EFT	EFT	EFT	EFT	EFT
<b>Staff numbers</b>							
Employee numbers (EFT)	148.00	<b>148.00</b>	146.00	146.00	146.00	146.00	146.00

## **APPENDIX B STATUTORY DISCLOSURES**

### **Section 127 of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014**

The information set out below is required to be disclosed in Council's annual budget.

#### **1 Rates and Charges**

Council is required to declare rates and charges pursuant to Section 158 of the Local Government Act 1989. The general rates are to be raised by application of differential rates provided in Section 161. A differential rate be declared for that rateable land having the characteristics specified below which characteristics will form the criteria for this differential rate so declared;

##### **1.1 Rates to be levied**

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

- Maryborough Residential rate of 0.5340% (0.005340 cents in the dollar of CIV) for all rateable residential properties situated within the Maryborough District boundary;
- Other Residential rate of 0.4272% (0.004272 cents in the dollar of CIV) for all rateable residential properties situated outside the Maryborough District boundary;
- Maryborough Commercial rate of 0.8544% (0.008544 cents in the dollar of CIV) for all rateable commercial properties situated within the Maryborough District boundary; and
- Other Commercial rate of 0.6408% (0.006408 cents in the dollar of CIV) for all rateable commercial properties situated outside the Maryborough District boundary;
- Farm Land rate of 0.4272% (0.004272 cents in the dollar of CIV) for all rateable farm properties;
- Vacant Land Maryborough rate of 0.9612% (0.009612 cents in the dollar of CIV) for all rateable vacant land properties situated within the Maryborough District boundary;
- Vacant Land Other rate of 0.8010% (0.008010 cents in the dollar of CIV) for all rateable vacant land properties situated outside the Maryborough District boundary; and
- Industrial rate of 0.5874% (0.005874 cents in the dollar of CIV) for all rateable industrial properties.

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

### **1.1 Rates to be levied (Cont'd)**

It is considered that each differential rate will contribute to the equitable and efficient carrying out of Council's functions in that it is likely to achieve an equitable financial contribution to the cost of carrying out the functions of Council, including:

- The construction and maintenance of public infrastructure;
- The development and provision of health and community services;
- The provision of general support services.

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.

### **1.2 Maryborough Residential**

To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land by proximity to the major service centre.

### **1.3 Other Residential**

To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land where the infrastructure cost and service provision has been affected by reason of its distance from the major service centre - Maryborough.

### **1.4 Maryborough Commercial**

To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties. As well as the use and services available to the land.

### **1.5 Other Commercial**

To ensure an equitable contribution towards the total rate income, which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties where the cost of infrastructure and commercial opportunity differ from Maryborough Commercial. As well as the use and services available to the land.

### **1.6 Farmland**

To ensure an equitable contribution towards the total rate income commensurate with the nature of the land the capital improved value of which has been affected by reason of its abnormally large area and the use to which it is put in comparison to the general land size of the majority of rateable properties within the municipal district.

### **1.7 Vacant Land Maryborough**

To ensure an equitable contribution towards the total rate income and encourage the development of vacant land within the Maryborough District boundary.

**1.1 Rates to be levied (Cont'd)**

**1.8 Vacant Land Other**

To ensure an equitable contribution towards the total rate income and encourage the development of vacant land outside the Maryborough District boundary.

**1.9 Industrial**

To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties, reflects the cost of infrastructure and encourages development.

**1.10 The estimated total amount to be raised by rates and charges**

Type of Property	2016/17 \$
Residential - Maryborough	4,002,933
Residential - Other	1,895,832
Vacant Land - Maryborough	127,619
Vacant Land - Other	305,702
Commercial -Maryborough	941,549
Commercial - Other	107,078
Industrial	169,471
Farm	1,432,987
<b>Total Rates</b>	<b>8,983,170</b>
Municipal Charge	1,952,089
<b>Rates &amp; Municipal Charge</b>	<b>10,935,259</b>
Anticipated Supplementary Rates & Charges	80,454
<b>Total Rates &amp; Municipal Charge</b>	<b>11,015,713</b>

Additional rating information required under Regulation 8 (c) is provided on page 59.



**APPENDIX C CAPITAL WORKS PROGRAM**

Capital Works Area	Budget 16/17	Budget 17/18	Budget 18/19	Budget 19/20	Budget 20/21
<b>BUILDINGS &amp; BUILDING IMPROVEMENTS</b>					
<b>Asset Renewal Expenditure</b>					
Maryborough Community House Pole Replacements	15,000	0	0	0	0
Childcare Centre Painting	58,000	0	0	0	0
Air Handling System Indoor Centre	2,000	2,000	2,000	2,000	2,300
Talbot Pool Capital Works	2,000	2,000	2,000	2,000	2,000
Dunolly Pool Capital Works	2,000	2,000	2,000	2,000	2,000
Maryborough Pool Capital Works	6,000	6,000	6,000	6,000	6,000
Heated Swimming Pool	5,000	5,000	5,000	5,000	5,000
Renewal Ovals	27,000	28,000	29,000	30,000	31,000
Renewal Surrounds	44,000	44,000	45,000	46,000	47,000
Phillips Gardens Implement Strategy Entrances & Lights	10,000	10,000	10,000	10,000	10,000
Gordon Gardens Masterplan	0	0	20,000	0	0
Princes Park Improvements	5,000	6,000	6,000	7,000	7,500
Rubbish Bins Renewal - General	5,000	5,500	5,500	6,000	6,000
Renewal Playgrounds	54,000	56,000	58,000	60,000	60,000
Princes Park Complex	5,000	5,000	5,000	5,000	5,000
Depot Admin Block	1,000	1,000	1,000	1,000	1,000
Talbot Rehabilitate Landfill	15,000	10,000	10,000	0	0
Dunolly Rehabilitate Landfill	15,000	10,000	10,000	0	0
Storage tank re-lining P-Park	0	0	0	0	0
<b>Total Asset Renewal Expenditure</b>	<b>271,000</b>	<b>192,500</b>	<b>216,500</b>	<b>182,000</b>	<b>184,800</b>
<b>Asset Upgrade Expenditure</b>					
Childcare Centre	600,000	0	0	0	0
Essential Safety Measures Buildings Upgrade	8,000	8,000	8,000	8,000	8,000
Backflow Prevention valves Dunolly	15,000	0	0	0	0
Playground Improvements	21,000	22,000	23,000	24,000	25,000
Carisbrook Amenities Hut & Worksafe Upgrades T/S	10,000	10,000	10,000	10,000	10,000
Safety Gates Upgrades	0	0	0		50,000
<b>Total Asset Upgrade Expenditure</b>	<b>654,000</b>	<b>40,000</b>	<b>41,000</b>	<b>42,000</b>	<b>93,000</b>
<b>New Asset Expenditure</b>					
Bin Roofs Transfer Stations	150,000	100,000	100,000	0	100,000
New Groundwater Monitoring Bore Carisbrook	0	0	0	25,000	0
Public Place Recycling Bins	15,000	15,000	10,000	10,000	10,000
Talbot Transfer Station Fire Water Tank	0	15,000	0	0	0
Carisbrook Transfer Station Litter Control Fences	0	0	0	0	100,000
<b>Total New Asset Expenditure</b>	<b>165,000</b>	<b>130,000</b>	<b>110,000</b>	<b>35,000</b>	<b>210,000</b>
<b>TOTAL BUILDINGS &amp; BUILDING IMPROVEMENTS</b>	<b>1,090,000</b>	<b>362,500</b>	<b>367,500</b>	<b>259,000</b>	<b>487,800</b>
<b>PLANT &amp; EQUIPMENT</b>					
<b>New Asset Expenditure</b>					
Operational Plant Purchases	404,000	475,000	403,000	409,000	405,000
HACC Plant Purchases	0	50,000	0	0	0
Vehicle Purchases	453,000	159,000	291,000	224,000	269,000
Ute Purchases	163,000	208,000	103,000	140,000	105,000
<b>Total New Asset Expenditure</b>	<b>1,020,000</b>	<b>892,000</b>	<b>797,000</b>	<b>773,000</b>	<b>779,000</b>
<b>Total PLANT &amp; EQUIPMENT</b>	<b>1,020,000</b>	<b>892,000</b>	<b>797,000</b>	<b>773,000</b>	<b>779,000</b>

Capital Works Area	Budget 16/17	Budget 17/18	Budget 18/19	Budget 19/20	Budget 20/21
<b>FURNITURE &amp; FITTINGS</b>					
<b>Asset Renewal Expenditure</b>					
General Office Equipment	1,000	1,000	1,000	1,000	1,000
PC Network/Hardware	25,000	21,500	22,000	22,000	22,500
Server Upgrades	20,000	15,000	15,000	15,000	16,000
<b>Total Asset Renewal Expenditure</b>	<b>46,000</b>	<b>37,500</b>	<b>38,000</b>	<b>38,000</b>	<b>39,500</b>
<b>Asset Upgrade Expenditure</b>					
Phone System	0	30,000	0	0	0
<b>Total Asset Upgrade Expenditure</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>New Asset Expenditure</b>					
HACC Capital Expenditure	1,000	1,000	1,000	1,000	1,000
Aerial Photography (Urban & Rural)	5,000	0	15,000	0	20,000
2 x Defibrillators	1,800	0	0	0	0
<b>Total New Asset Expenditure</b>	<b>7,800</b>	<b>1,000</b>	<b>16,000</b>	<b>1,000</b>	<b>21,000</b>
<b>TOTAL FURNITURE &amp; FITTINGS</b>	<b>53,800</b>	<b>68,500</b>	<b>54,000</b>	<b>39,000</b>	<b>60,500</b>
<b>INFRASTRUCTURE</b>					
<b>Asset Renewal Expenditure</b>					
Design Capital Works	10,000	10,000	10,000	12,000	12,000
Major Patches	100,000	100,000	100,000	100,000	120,000
Stabilisation & Seal (Kennedy St & Picnic Point Rd)	0	0	0	200,000	0
Smeaton Road - Rehabilitation	250,000	0	0	0	0
Tweeddale St Broadway to Inkerman St	150,000	0	0	0	0
Powlett St - Albert St to Birch St	170,000	0	0	0	0
Drive in Court/Wilson St - Park Rd to Ross St	0	180,000	0	0	0
Inkerman St - Palmerston St to Barkly St	0	0	150,000	0	0
Dunolly Avoca Rod - Apple Jack to Scent Farm Rd Slurry Seal	0	100,000	0	0	0
Majorca Rd - Renewal Stage 1 Gillies to Loch Street	270,000	0	0	0	0
Majorca Rd - Renewal Stage 2 Loch St to Nelson St	0	300,000	0	0	0
Majorca Rd - Renewal Stage 3 Drainage Control	0	0	0	0	250,000
Burke Street - Kars Street to Inkerman Renewal/Upgrade	0	0	0	350,000	0
Pascoe Avenue (Park Road to End of Court) Renewal	0	0	0	100,000	0
Rogers Street - Railway Street to Gillies Street Renewal	0	0	0	0	100,000
Gillies Street Renewal & Upgrade Rogers Street to Majorca Rd	0	0	0	0	200,000
Dunolly Avoca Rd - Renewal Racecourse Track to Shaw Track	0	0	0	0	400,000
Sealed Road Shoulders Renewal	90,000	100,000	110,000	120,000	120,000
Sealed Roads Shoulders Renewal (RTR)	50,000	50,000	50,000	55,000	55,000
Unsealed Roads Renewal	320,000	330,000	340,000	350,000	350,000
Unsealed Roads Renewal / Urban	14,000	15,000	16,000	17,000	17,000
Seals Renewal Reseals	560,000	590,000	620,000	850,000	850,000
Seals Renewal Reseals RTR	60,000	60,000	60,000	60,000	60,000
Seals Renewal Final Seals	90,000	95,000	100,000	105,000	105,000
Minor Culverts Renewal	26,000	27,000	28,000	29,000	30,000
Furniture Renewal	21,000	22,000	23,000	24,000	24,000
Furniture Renewal / Urban	26,000	27,000	28,000	29,000	29,000
Signs Renewal	36,000	37,000	38,000	39,000	40,000
Kerb & Channel Renewal	60,000	80,000	90,000	100,000	100,000
Traffic Control Facilities Renewal	0	0	14,000	16,000	0
Pathways Renewal	70,000	0	60,000	30,000	80,000
Bucknall St K&C and Parking Carisbrook	0	70,000	0	0	0
Maryborough Rec Centre Carpark Renewal & Upgrade	0	0	0	200,000	0
Major Culvert Renewal	0	0	0	180,000	180,000
Talbot Rd Majorca Bridge Replacement (Major Culvert) (RTR)	180,000	0	0	0	0
Bet Bet Creek Rd Bridge Replacement B032 (BRP)	395,000	0	0	0	0
Streetscapes	13,000	14,000	15,000	15,500	16,000
Stormwater Drainage Renewal	150,000	160,000	160,000	160,000	170,000
Main Drain Maryborough	20,000	21,000	21,000	21,000	21,000
Recycled Watermain Replacement	15,000	0	0	0	0
<b>Total Asset Renewal Expenditure</b>	<b>3,146,000</b>	<b>2,388,000</b>	<b>2,033,000</b>	<b>3,162,500</b>	<b>3,329,000</b>

Capital Works Area	Budget 16/17	Budget 17/18	Budget 18/19	Budget 19/20	Budget 20/21
<b>Asset Upgrade Expenditure</b>					
Avoca Rd Widening	0	0	680,000	0	0
Nolan Burns Street Intersection renewal & Upgrade	0	0	500,000	0	0
Clarendon St from Neill to Havelock St Renewal/Upgrade	30,000	570,000	0	0	0
Queen Street Renewal/Upgrade Smith Street to Birch Street	0	0	0	0	100,000
Ironbark Drive Courtbowl Construction Upgrade	0	0	0	0	120,000
Luke Court Renewal/Upgrade	0	0	0	0	50,000
Leviathan Road Realignment	0	0	0	0	75,000
Sealed Roads New/Upgrade	0	0	39,000	0	0
Clarendon St / Nightingale St Intersection treatment	0	50,000	0	0	0
McIntyres Rd Upgrade Stage 2 Bakers to Peacock	0	0	0	300,000	0
Cramer Road Upgrade	270,000	0	0	0	0
George St Upgrade	75,000	0	0	0	0
Seal Unsealed Roads	0	0	0	0	150,000
Moondarah Ct Upgrade and Asphalt	77,000	0	0	0	0
Betley Rd Dunolly Eddington Rd Y Intersection	80,000	0	0	0	0
Bealiba South Rd Dunolly Avoca Rd Y Intersection	55,000	0	0	0	0
Stuart Mill Rd Dunolly Archdale Rd Y Intersection(RTR)	150,000	0	0	0	0
Railway St / Gillies St Y Intersection	0	230,000	0	0	0
Tweeddale St / Elgin Rd Y Intersection	0	0	0	50,000	0
Norwood Rd / Timor Dunluce Rd Y Intersection	40,000	0	0	0	0
Dundas Rd / Clarendon St Y Intersection	0	0	0	250,000	0
Gordon Rd / Pyrenees Hwy Y Intersection	0	0	100,000	0	0
Tunstalls Ln / St Arnaud Dunolly Y Intersection	30,000	0	0	0	0
Majorca Rodborough Rd / Rodborough Rd Y Intersection	0	0	50,000	0	0
Timor Bromley Rd / Dunolly Timor Rd Y Intersection	0	30,000	0	0	0
Puzzle Flat Rd/Avoca Bealiba Rd Y Intersection	0	0	0	0	45,000
Bridge / Major Culvert Safety Upgrades Part RTR	0	0	90,000	0	100,000
Avoca Rd Major Culvert Widening RTR	375,000	0	0	0	0
Furniture New/Upgrade (Street Bins)	18,000	19,000	20,000	21,000	22,000
DDA Upgrade Vic Roads	10,000	10,000	10,000	10,000	10,000
Broadway Footpath Upgrade	135,000	0	0	0	0
Special Charge Scheme - Ross Street Upgrade	0	0	330,000	0	0
Whirrakee Rise Road 3 (3m width) PPR co-contribution	0	0	100,000	0	0
Special Charge Scheme - Williamsons Court (Cramer rd to end)	0	0	0	220,000	0
Special Charge Scheme - Wellington St (Lyndhurst to Archer St)	0	0	0	420,000	0
Carisbrook Drainage Mitigation - Consultation & Design	40,000	0	0	0	0
Dunolly Transfer Station Seal Entry Road	170,000	10,000	0	0	0
Talbot Transfer Station Seal Entry Road	0	190,000	100,000	100,000	100,000
<b>Total Asset Upgrade Expenditure</b>	<b>1,555,000</b>	<b>1,109,000</b>	<b>2,019,000</b>	<b>1,371,000</b>	<b>772,000</b>

Capital Works Area	Budget 16/17	Budget 17/18	Budget 18/19	Budget 19/20	Budget 20/21
<b>New Asset Expenditure</b>					
Sealed Roads Safety New/Upgrade	28,000	30,000	32,000	34,000	35,000
Carparks New/Upgrade	40,000	0	40,000	0	40,000
Minor Culverts New	16,000	17,000	18,000	15,000	20,000
Signs New	25,000	26,000	27,000	28,000	29,000
Kerb & Channel New	17,000	18,000	39,000	30,000	30,000
Traffic Control Facilities New/Upgrade	8,000	10,000	0	22,000	20,000
Pathways New/Upgrade	60,000	0	47,000	20,000	0
Pathways New/Upgrade Bealiba	0	0	0	0	50,000
Pathways New/Upgrade Talbot	0	15,000	15,000	0	0
Pathways New/Upgrade Dunolly	0	0	0	10,000	0
Pathways New/Upgrade Maryborough	0	0	30,000	0	0
Gladstone St Outfall Drain	250,000	0	0	0	0
Carisbrook Drainage Mitigation - Construction	2,585,000	0	0	0	0
<b>Total New Asset Expenditure</b>	<b>3,029,000</b>	<b>116,000</b>	<b>248,000</b>	<b>159,000</b>	<b>224,000</b>
<b>TOTAL INFRASTRUCTURE</b>	<b>7,730,000</b>	<b>3,613,000</b>	<b>4,300,000</b>	<b>4,692,500</b>	<b>4,325,000</b>
<b>TOTAL CAPITAL WORKS</b>	<b>9,893,800</b>	<b>4,936,000</b>	<b>5,518,500</b>	<b>5,763,500</b>	<b>5,652,300</b>
<b>REPRESENTED BY:</b>					
<b>Asset Renewal Expenditure</b>	3,463,000	2,618,000	2,287,500	3,382,500	3,553,300
<b>Asset Upgrade Expenditure</b>	2,209,000	1,179,000	2,060,000	1,413,000	865,000
<b>New Asset Expenditure</b>	4,221,800	1,139,000	1,171,000	968,000	1,234,000
<b>TOTAL CAPITAL WORKS</b>	<b>9,893,800</b>	<b>4,936,000</b>	<b>5,518,500</b>	<b>5,763,500</b>	<b>5,652,300</b>