

SOUTH GIPPSLAND SHIRE COUNCIL

Proposed Annual Budget 2018 - 2019



*South Gippsland
Shire Council*

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This Budget document has been prepared with reference to the, "Local Government Better Practice Guide Model Budget 2018-19" which is produced by Local Government Victoria in the Department of Environment, Land, Water and Planning.

Mayor's Introduction

As we begin another financial year it is the perfect opportunity to reflect and refocus on the twelve months ahead. Council is committed to supporting South Gippsland to thrive and it is our mission to create a region that we are all proud to call home.

The annual budget determines our capacity to deliver services and facilities for our area. It underpins our success in achieving the Council Plan and its associated annual initiatives which have had a significant amount of community consultation this year. Council recognises the importance of working together with the community and expects to build these opportunities as our term progresses.

With the continuation of rate capping this year, rates have been capped at 2.25 percent by the Victorian Government's Fair Go Rates System. However this year we will implement a lower rate rise at 2 percent for South Gippsland which is a tremendous effort. Council officers have worked hard to maintain our financial security meaning we can continue to provide our same level of service at this rate.

From this year onwards property valuations will be conducted annually as required by the Valuer General, which may mean variations to rates. Council will still conduct valuations in-house until it becomes mandatory in 2022 to be undertaken by the Valuer General. This ensures we can make the transition smoothly and benefits the community as it has a lower cost to our ratepayers.

As a result of our strong financial position we have a \$21 million Capital Works Program to be implemented in 2018/19. This program is \$3 million higher than what was achieved last year, so we are proud to not only provide the Capital Works Program but continue to build its capacity. We have a number of key projects included this year such as the Bena Kongwak Bridge and the Mirboo North Pool Refurbishment Design which the community has rallied behind for a number of years.

We look forward to working with our community to deliver the best outcomes for our region over these next twelve months and beyond.

Cr Lorraine Brunt Mayor

Financial Snapshot

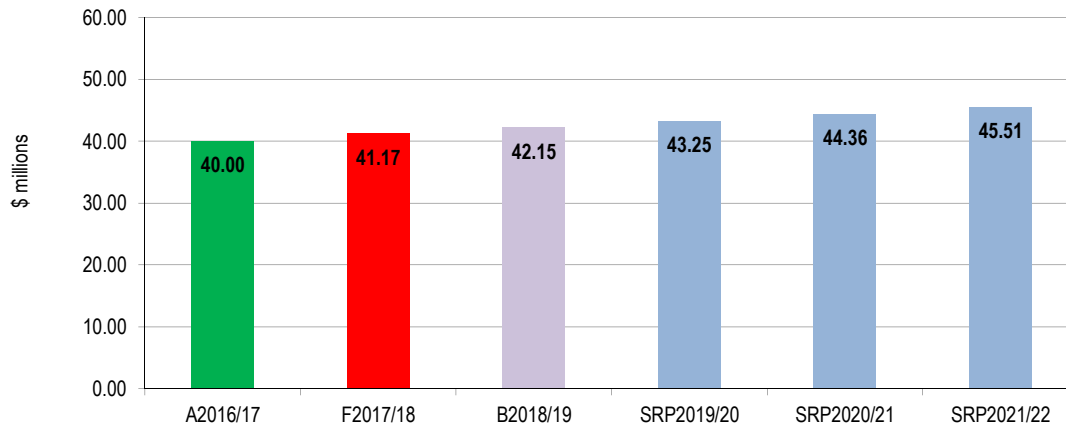
Key Statistics	2017-18 Forecast \$million	2018-19 Budget \$million
Operating Income	66.9	67.3
Operating Expenditure	65.4	59.6
Surplus/(deficit) for the year	1.5	7.7
Underlying operating surplus / (Deficit)	-5	3
Cash result	14	11
Loan Borrowings	3.3	3.3
Rates	41	42
Capital Works Program	18	21
Funding the Capital Works Program		
Council	13	17
Reserves	0	0
Borrowings	0	0
Grants	5	4
Staff	25	26
Operating	24	25
Capital	1	1

Executive Summary

Council has prepared a budget for the 2018/2019 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about: the rate increase, operating result, cash position, cash from operations, capital expenditure, financial position, borrowings and financial sustainability of the Council.

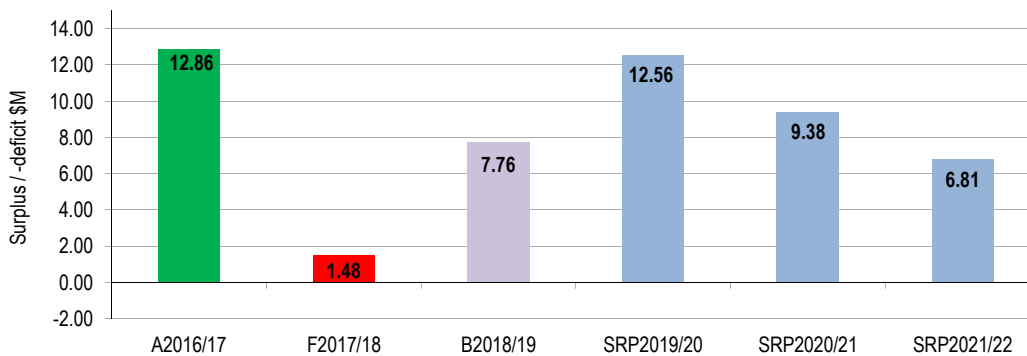
A = Actual F= Forecast B= Budget SRP= Strategic Resource Plan estimates

Rates and charges



It is proposed that the rates will increase by an average of 2.0% for the 2018/19 year, raising total rates and charges of \$42.15m, including \$0.25m generated from supplementary rates. This rate increase is below the rate cap set by the Minister for Local Government which was set at 2.25% for 2018/2019. (The rate increase for the 2017/2018 year was 2.50%).

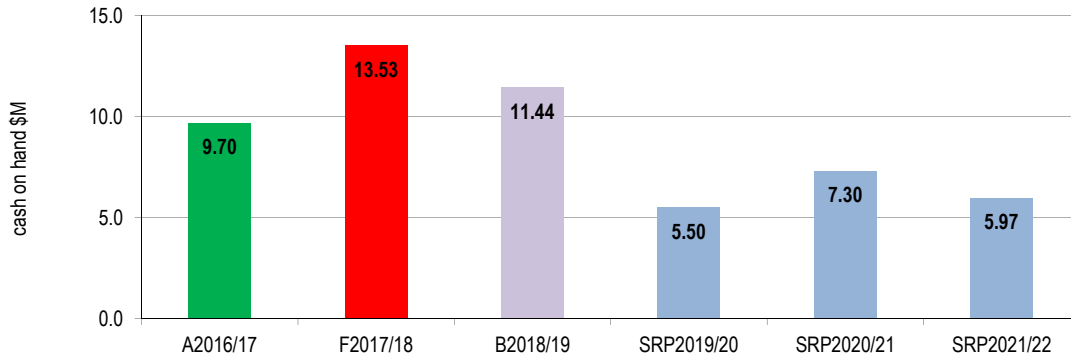
Operating Result



The expected operating result for the 2018/19 year is a surplus of \$7.76m, which is \$6.28m more than the projected \$1.48m surplus result for 2017/18. The main contributor for the variation is due to the mix of expenditure between capital works and major works. Major works are those projects which are significant in value but are not capitalized as Council assets, but rather show as expenditure in the operating result. In 2018/19, Council will spend approx. \$6m less in major works than in 2017/18, but will spend approx. \$3.2m extra in capital works.

The projected operating results in the forward budgets are maintained at a sustainable level taking into account projected future services, service levels and capital works (refer Appendix 2 - 2.1 Income Statement.)

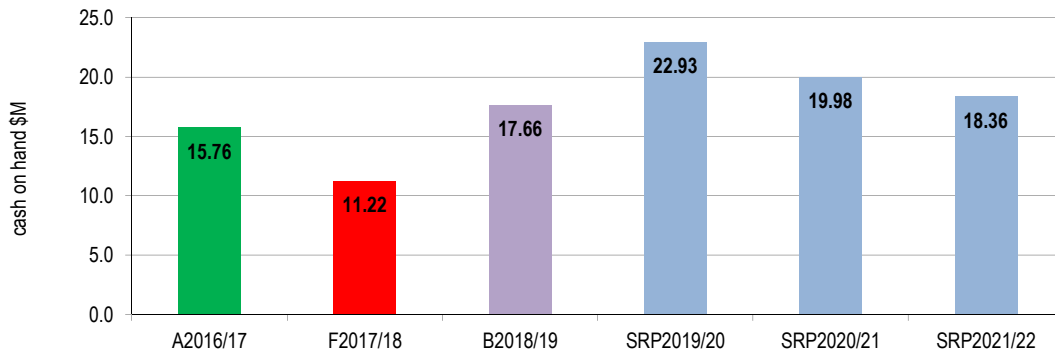
Cash and investments



The cash position is expected to decrease by \$2.09m during the 2018/19 year to \$11.44m as at 30 June 2019.

Significant proposed capital work's projects over the next two years will place some pressure on cash reserves leaving little room to fund unexpected or unforeseen events or for additional discretionary capital work expenditure. Council will continue to monitor underlying cash reserves closely.

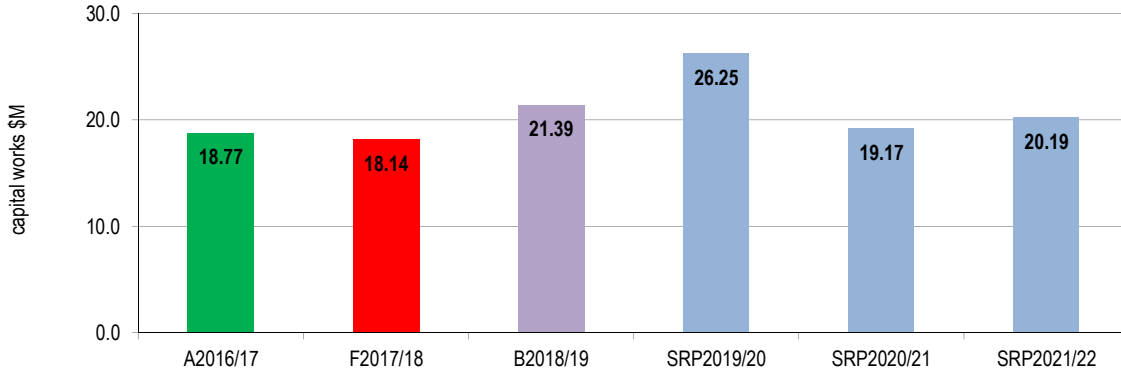
Cash from Operations



Net cash from operations in 2018/19 is forecast to be \$17.66m. This an increase on the previous year's projection of \$11.22m by \$6.44m. Cash from operations is anticipated to be higher in 2018/19 due to undertaking less major works and more capital works as discussed above. Cash from operations jumps in 2019/20 due to expected major grants for Bair Street redevelopment, Korumburra Community Hub and Great Southern Rail Trail.

Cash generated from operations is primarily used to fund capital work projects, loan repayments and financing requirements (refer Appendix 2 - 2.3 Cash Flow Statement).

Capital works

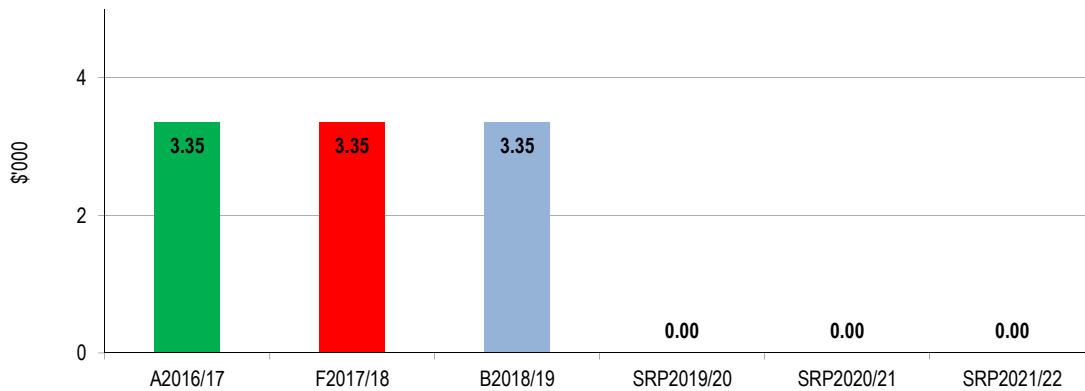


The capital expenditure program for the 2018/19 year is projected to be \$21.39m which is \$3.25m more than for the 2017/18 projected spend. The program will be funded by capital grants of \$3.80 million, contributions of \$0.24 million, \$0.44 million from sale of assets and the remainder from Council cash. The 2018/19 program includes a number of major projects including Great Southern Rail Trail, Footpath Extension Jumbunna Road - Korumburra, Bena Kongwak bridge, Refurbishment of Mirboo North Pool and Loch Main Street Renewal.

The capital expenditure program for 2018/19 has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project.

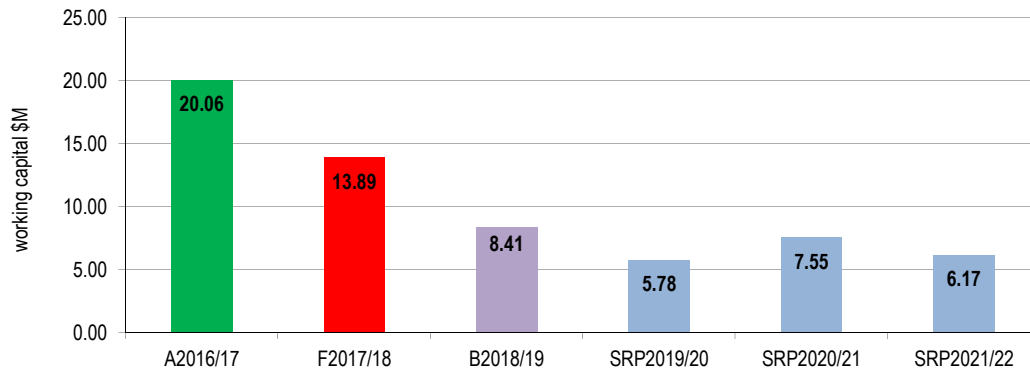
There are no asset renewal primary funding gaps for all major classes of assets over the 15 year Long Term Financial Plan (LTFP). There are adequate funds for recurrent cost requirements for all major asset classes for the current defined service levels as documented in Asset Management Plans.

Outstanding Borrowings



Council borrowed \$4.00m in 2013/14 to fund a \$4.59m unfunded superannuation obligation. In 2014/15, Council converted the borrowings into a 5 year bond which made the liability non-current for a number of years. The bond will be repayable in July 2019. At 30 June 2019, Council will have \$3.35m in outstanding borrowings, along with \$3.35m in a cash loan reserve to extinguish the liability.

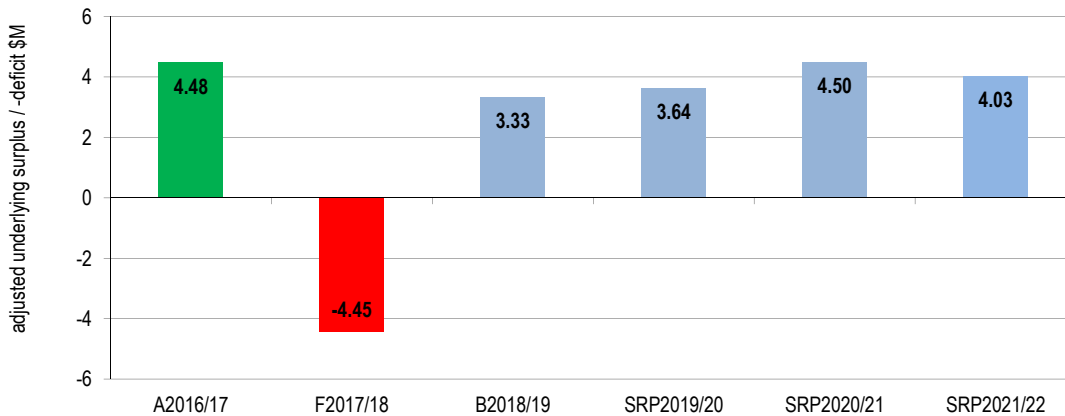
Financial Position (Working Capital)



Net Current Assets (working capital) will decrease by \$5.48m to \$8.41m as at 30 June 2019. Working capital is projected to be \$13.89m as at 30 June 2018.

The financial position tightens somewhat in the next few years of the LTFP before gradually and progressively strengthening in the later years of the LTFP (refer Appendix 2 - 2.2 Balance Sheet). The higher capital works funding requirements in the years 2018/19 - 2021/22 contribute to the working capital decline.

Financial sustainability



A detailed LTFP for the 15 years 2018/19 to 2032/33 has been developed to assist Council in adopting an annual budget within a longer term prudent financial framework. The key objective of the LTFP is to achieve financial sustainability in the long term, whilst still achieving the Council’s strategic objectives as specified in the Council Plan 2017 - 2021. When capital funding for 2018/2019 of \$4.04m and donated / granted assets \$0.387m are backed out of the operating result (\$7.76m surplus) the underlying result (net result not including capital funding sources) for 2018/19 is projected to be a \$3.33m (5.30%) underlying surplus.

2017/18 is showing a negative result \$4.48m (7.29%) due to the requirements to recognize grant income when it is received. \$4.50m of grant income that belonged to the 2017/18 year was paid early in June 2016/17. As a result, this grant which in the normal course would show as income in 17/18 was recorded in 16/17 and explains the spike in 16/17 and dip in 17/18.

Council is financially sustainable for the foreseeable future based on the Long Term Financial Plan budget projections.

Long Term Key Performance Indicators

The table below shows a series of key performance indicators that are used to assess the financial integrity of the budgeted financial statements in the Long Term Financial Plan. The indicators and their target ranges are stipulated in Council's Long Term Financial strategies.

2018/19 Proposed Budget	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Financial performance																
Underlying result	-7.29%	5.30%	5.70%	6.96%	6.11%	6.63%	6.45%	6.20%	5.92%	5.51%	5.43%	5.17%	5.18%	5.37%	4.83%	6.52%
Underlying Working Capital	1.84	1.19	1.27	1.33	1.11	1.18	1.30	1.58	1.34	1.43	1.31	1.30	1.39	1.30	1.10	1.19
Funding capacity																
Self-financing	16.87%	26.39%	31.64%	28.88%	26.88%	29.15%	26.67%	27.14%	28.95%	26.48%	25.70%	25.19%	25.14%	25.54%	25.23%	26.90%
Sustainability Index	143%	184%	184%	155%	161%	139%	140%	132%	135%	122%	164%	146%	134%	137%	139%	137%
Borrowing capacity																
Indebtedness	12.36%	3.81%	3.86%	3.88%	3.92%	3.95%	3.99%	4.03%	4.06%	4.11%	4.14%	4.18%	4.22%	4.23%	4.24%	4.35%
Total Debt as a % of Rate revenue	8.14%	7.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt servicing costs as a % of Total revenue	0.21%	0.21%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Ratios coloured green denote low risk, yellow medium risk and red indicates either short term / immediate sustainability concerns.

The 'Underlying Result' compares recurrent income and recurrent expenditure. The underlying result is forecast to be in the yellow zone in 2017/18 as a result of having to bring to account \$4.54m Victoria Grants Commission allocation for 2017/18 in the prior financial year (2016/17) because it was received in June 2017. The dipping of the ratio into the yellow zone does not present any strategic concern.

For the remainder of the forward plan, the underlying result trends in the green zone. This result has improved significantly from the previous plan due to reclassifying asset valuation and depreciation methodology assumptions incorporated into a number of Council's major asset classes.

The 'Underlying Working Capital' assesses Balance Sheet strength and in particular Council's ability to pay existing liabilities. In the forward plan, the ratio marginally falls below the strategic target of 1.25 to 1 in 2018/19, 2020/21 and 2021/22 before strengthening again in the later years and then dipping again in 2031/32 and 2032/33 due primarily to a proposed significant road drainage scheme. Council has somewhat limited financial capacity to accommodate unforeseen strategic opportunities or unavoidable cost events that may arise in the immediate years.

The 'Self Financing' indicator compares net operating cash flows to underlying revenue and capital grants. It is forecast to be in the green zone in 2018/19 and all the forward budgets.

The 'Sustainability Indicator' assesses asset renewal and upgrade expenditure spend effort over a period of time. In the forward years it remains in the green. It is worth noting that there are no asset renewal primary funding gaps for all major classes of assets over the 15 year Long Term Financial Plan. There are adequate funds for recurrent cost requirements for all major asset classes for the current defined service levels as documented in Asset Management Plans.

The three borrowing capacity indicators, 'Indebtedness', 'Total Debt as a percentage of Rate Revenue' and 'Debt Servicing Costs as a percentage of Total Revenue' are forecast to be in the green zone for 2018/19 and all the forward budgets. Due to the inherent strength of the Balance Sheet, Council has borrowing capacity in the forward years if it wishes to consider funding additional capital upgrade or extension projects.

The key financial performance indicators in the Long Term Financial Plan serve as very important lead indicators to identify future years' financial ramifications of decisions that are made in the present period.

The 2018/19 Budget / Long Term Financial Plan is financially sustainable. Council will continue to monitor the Long Term Financial Plan in line with the Long Term Financial Strategies on a month by month basis to ensure that it remains that way.

2017/18 Original Budget	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Financial performance															
Underlying result	-13.32%	2.40%	1.25%	1.81%	2.14%	1.71%	0.36%	-0.20%	-0.70%	-1.13%	-1.54%	-2.48%	-2.68%	-2.42%	-2.93%
Underlying Working Capital	1.65	1.11	1.65	1.03	1.13	1.46	1.69	1.72	1.48	1.85	1.76	1.62	1.79	1.75	1.63
Funding capacity															
Self-financing	20.92%	25.85%	28.95%	31.09%	26.94%	27.21%	26.60%	28.47%	26.99%	26.35%	26.33%	25.85%	25.80%	26.25%	26.04%
Sustainability Index	92%	124%	92%	157%	115%	93%	95%	127%	93%	83%	110%	96%	86%	88%	90%
Borrowing capacity															
Indebtedness	11.83%	3.24%	3.29%	3.33%	3.36%	3.41%	3.46%	3.50%	3.55%	3.60%	3.65%	3.70%	3.74%	3.76%	3.79%
Total Debt as a % of Rate revenue	8.17%	7.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt servicing costs as a % of Total revenue	0.22%	0.22%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Overall, the Long Term Financial Plan for 2018/19 is stronger than the previous year's plan.

The forward underlying result indicator is significantly stronger in the 2018/19 Proposed Budget when benchmarked against the 2017/18 Original Budget plan. This is due primarily to a change in the valuation of sealed road assets methodology and the resulting recalibration of infrastructure depreciation. The underlying working capital ratio is generally weaker across the Long Term Financial Plan and actually falls into the yellow zone in the 2031/32 and 2032/33 financial years. There are no concerns in relation to underlying working capital and Council will continue to monitor the strategic levels of this ratio over time as budgets are further refined.

When comparing capital expenditure outlays for the first four years of the current Long Term Financial Plan to the previous 2017/18 plan, Council has increased capital expenditure by \$6.1m. This pushes the ratio into caution territory for some of those years indicating that Council will have somewhat restricted financial capacity to accommodate unforeseen strategic opportunities or unavoidable cost events that may arise.

The sustainability Index indicator is significantly stronger in the current plan compared to 2017/18 and trends in the green zone for the entirety of the plan. This is due to a significant reduction in depreciation expense as a result of the change in sealed road assets valuation methodology mentioned earlier plus a refocus of the future capital program in favour of renewal expenditure over new asset expenditure.

The following financial indicators are used as measures for the 2018/19 Annual Budget:

- Indebtedness < 40%;
- Underlying working capital ratio >1.25%
- Self-financing >20%;
- Sustainability Index >95%; and
- Underlying result >0%.

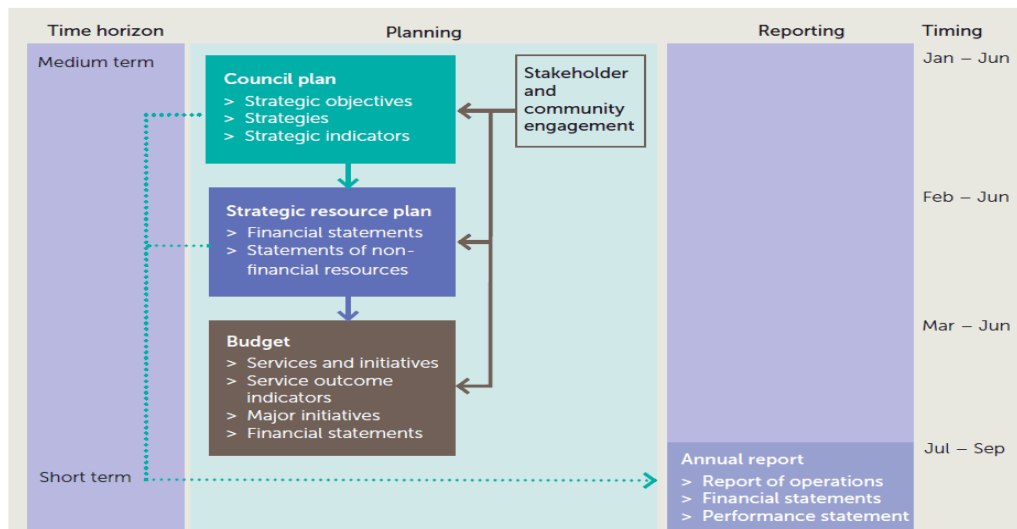
Target: Weighted average of key financial ratios is greater than or equal to 98%.

1. Link to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term, medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

1.1 Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning

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

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes.

1.2 Our purpose

Our vision

South Gippsland Shire will be a place where our quality of life and sense of community are balanced by sustainable and sensitive development, population and growth.

Our values

As Councillors, we are committed to demonstrating leadership by working constructively together and with the organisation to achieve success. Throughout the next four years we commit to:

- Value the contribution made by everyone; to listen to you and each other.
- Value individual diversity, act with respect and professionalism in our interactions with you and each other, and never seek to undermine, mislead or undervalue anyone.
- Value opportunities that come from change, keeping our focus on the future and our responses flexible for a constantly evolving world.
- Value the community spirit, vibrancy and unique character of each of our towns and rural areas.

- Encourage our communities and support our community leaders.
- Value the depth and breadth of creative thinking and the outcomes that can be achieved from working closely with our communities, businesses, supporting agencies, government agencies and other councils.
- Embrace and encourage community engagement, work collaboratively with others and establish partnerships that benefit our communities and the wider region.
- Value our reputation in the community and the region, and acknowledge that we are the guardians of community information.
- Respect the trust placed in us by seeking to be as open and transparent in our decisions as the law allows, to help the community understand the decisions Council makes.
- Value constructive criticism that helps us understand how and where we need to improve.
- Proactively reflect on our own behaviour, that of each other and of the organisation as a whole, to continually build the capacity, passion and success of this Council.

1.3 Strategic objectives

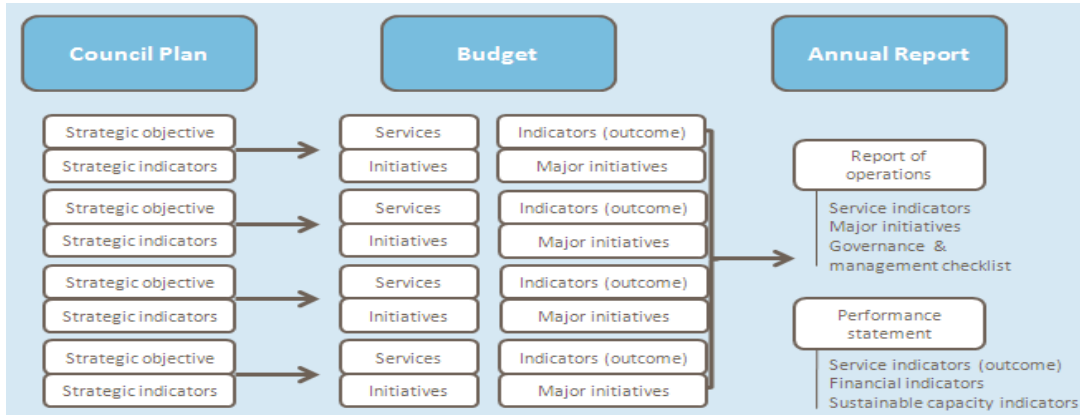
The 2017-2021 Council Plan responds to the community requests for Infrastructure, Lifestyle, Growth & Prosperity and Communication. The Strategic Objectives with their Strategic Overviews and Strategic Outcomes provide the overarching direction for the Council over its four year term.

The Strategies provide greater detail on the focus areas that Council realistically aims to address and the Strategic Indicators assist in monitoring progress to achieve them.

Strategic Objective	Description
<p>1. Strengthen Economic Growth & Prosperity</p>	<p>A strong, resilient and growing regional economy with vibrant commercial precincts where businesses are supported and jobs created.</p> <p>Our region's agriculture, value adding, food production and manufacturing sectors are promoted and supported, recognising that the diversity and strength of these industries is the major economic base of the Shire.</p> <p>A well-planned Shire that identifies areas for population growth, protects natural resources and agricultural land, guides development, considers climate change and encourages sustainable economic growth - all supported by appropriate infrastructure.</p> <p>The unique character of our smaller towns is recognised and supported.</p>
<p>2. Build Strong Partnerships, Strengthen Arts & Culture & Deliver Equitable Outcomes</p>	<p>A Council that listens and continues to involve its community in decision making and delivery of services and projects.</p> <p>Support for the Arts and Culture sector and its role in both enhancing community identity and contributing to wellbeing, tourism and economic development, Communities are supported by appropriate and relevant services.</p> <p>A Council committed to act in ways that are compatible with human rights.</p>
<p>3. Improve South Gippsland's Built Assets & Value our Natural Environment</p>	<p>Our infrastructure is well-maintained and our asset management practices ensure they are sustainable and fit for purpose.</p> <p>Council encourages sustainable practices, seeks to reduce its carbon footprint and diverts a greater proportion of its waste away from landfill.</p> <p>Council seeks to protect and enhance the natural environment.</p> <p>Revitalisation of our major commercial precincts will be encouraged through infrastructure and streetscape renewals.</p>
<p>4. Enhance Organisational Development & Implement Governance Best Practice</p>	<p>Council will focus on becoming a more responsive, innovative, productive and effective organisation that follows best practice in transparency, governance and continually improves delivery of services and projects.</p> <p>Councillors will work with the organisation, community and other levels of government for the benefit of the Shire.</p> <p>Council will explore ways to share services between partners and will work with communities to deliver cost effective facilities and services.</p>

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2018/19 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below



Source: Department of Environment, Land, Water and Planning

2.1 Strategic Objective 1 - Strengthen Economic Growth and Prosperity

The strategies to assist Council achieving this objective are to:

- 1.1 Develop a 'vision' for the future growth and development of the Shire in partnership with the community.
- 1.2 Develop a strategy to grow the Shire, attract investment and promote tourism consistent with the 'vision'.
- 1.3 Undertake a review of residential, commercial and industrial land supply to ensure that it is adequate to support growth.
- 1.4 Identify Priority Projects and advocate to the State and Federal governments for funding and support.
- 1.5 Review and implement the Economic Development and Tourism Strategy to provide direction to support our businesses to grow, generate employment, pursue economic development and the attraction of visitors.
- 1.6 Support our diversified agricultural sector.
- 1.7 Investigate feasibility of further extensions and upgrades to the Rail Trails, particularly between Leongatha and Korumburra and explore opportunities to develop nationally significant trails.
- 1.8 Finalise South Gippsland's Branding Strategy that supports the regional 'Destination Gippsland' branding and use them both to promote the Shire.
- 1.9 Progress the development of a business case to support the establishment of a multipurpose undercover 'Equestrian / Expo Centre' at Stony Creek.
- 1.10 Undertake an investigation of caravan parks and camping grounds at Sandy Point.

Services

Service area	Description of services provided	2017/18 Forecast \$'000	2018/19 Budget \$'000
Development Services Management	<p>The Development Services Management unit is accountable for ensuring that Council's objectives for the Development Services Directorate are achieved through the following Departments:</p> <ul style="list-style-type: none"> • Planning; • Regulatory Services; and • Economic Development and Tourism <p>Together these Departments provide strategic policy advice to Councillors to inform their decisions, undertake regional advocacy to facilitate planned growth in the Shire, education and enforcement activities and implement the strategic directions set by Council relevant to the Directorate. Note this Department Budget includes Caravan Park</p>	<p><i>Exp</i> 1,184 <i>Rev</i> 740 <i>NET</i> 444</p>	<p>1,067 750 317</p>
Economic Development & Tourism	<p>The Economic Development and Tourism Department strategically plans for and facilitates economic expansion and investment within the Shire by actively promoting and supporting sustainable industry, business and tourism development.</p> <p>The Department manages Council's Coal Creek Community Park & Museum which aims to enhance the liveability of the Shire as the largest cultural heritage site in South Gippsland.</p>	<p><i>Exp</i> 1,552 <i>Rev</i> 280 <i>NET</i> 1,272</p>	<p>1,477 259 1,218</p>
Planning	<p>The Planning Department provides statutory, strategic and social planning services to the community to provide for development, land use and community policy.</p> <p>The Department actively supports planned growth across the municipality, protects and enhances the unique identity and liveability of local districts and advocates to other levels of government and stakeholders for developments that will prosper the Shire.</p>	<p><i>Exp</i> 1,825 <i>Rev</i> 642 <i>NET</i> 1,183</p>	<p>1,425 633 792</p>

Major Initiatives

1. Identify and target Priority Projects requiring external funding that are to be advocated to State and Federal Governments for funding support.
2. Develop the Branding Strategy.

Other Initiatives

3. Develop a Strategic Investment Program by working closely with relevant stakeholders to deliver a targeted approach to business investment attraction.
4. Advocate for Critical Infrastructure (telecommunications, water, energy and transport) in the Shire that will facilitate further strategic investment and growth.
5. Deliver 'Southern Gippsland Food Futures Program' that supports existing and potential food networks through marketing, business support and the Southern Gippsland Food Map

Service Performance Outcome Indicators

Service	Indicator	2016/17 Actual	2017/18 Forecast	2018/19 Budget
Statutory Planning	Decision making	50%	Equal to or higher to 2016/17	Equal to or higher to 2017/18

2.2 Strategic Objective 2 - Build Strong Partnerships, Strengthen Arts and Culture and Equitable Community Outcomes

The strategies to assist Council achieving this objective are to:

- 2.1: Update and implement strategies for 'Community Strengthening' and 'Engagement'.
- 2.2: Review and update recreation, aquatic and the paths and trails strategies.
- 2.3: Update and continue to implement the Blueprint for Social Community Infrastructure so that services and the associated supporting infrastructure are planned, ready for business and population growth.
- 2.4: Implement the Arts and Culture Strategy and support growth of the sector.
- 2.5: Implement the Active Ageing Strategy.
- 2.6: Determine and implement the arrangements for the future Aged and Disability services provision, including advocating for those affected by Federal policy service delivery changes.
- 2.7: Develop and implement a Youth Strategy to determine the needs of young people and assist them to have a voice regarding matters that affect them.

Services

Service area	Description of services provided	2017/18 Forecast \$'000	2018/19 Budget \$'000
Corporate and Community Services Management	<p>The Corporate and Community Services Directorate Management is accountable for ensuring that Council's objectives for the Directorate are achieved through the following Departments:</p> <ul style="list-style-type: none"> • Community Services; • Finance, Risk & Procurement; and • Innovation & Council Business. <p>Together these Departments provide strategic policy advice to Councillors to inform their decisions, coordinate the preparation of the four year Council Plan, plan for long term financial sustainability, facilitate community strengthening programs, manage corporate technologies and systems, and implement strategic directions relevant to the Directorate once set by Council.</p> <p>Note this Department Budget contains Community Strengthening and Community Grants that connect and support community groups, volunteers, committees and other Council Departments, to provide services beyond those that Council, by itself, can deliver.</p>	<p style="text-align: right;"><i>Exp</i> 2,920</p> <p style="text-align: right;"><i>Rev</i> 290</p> <hr/> <p style="text-align: right;"><i>NET</i> 2,630</p>	<p style="text-align: right;">3,112</p> <p style="text-align: right;">205</p> <hr/> <p style="text-align: right;">2,907</p>
Community Services	<p>The Community Services Department provide policy advice and program delivery for the following services:</p> <ul style="list-style-type: none"> • Aged & Disability Services, including Home and Community Care and Disability Service support; • Children and Family Services; including Maternal and Child Health; Immunisation, Pre-school and Playgroup support; • Libraries; and • Create the Municipal Public Health and Wellbeing Plan. <p>Together these teams work towards creating a collaborative, self-supporting community.</p>	<p style="text-align: right;"><i>Exp</i> 3,200</p> <p style="text-align: right;"><i>Rev</i> 2,549</p> <hr/> <p style="text-align: right;"><i>NET</i> 651</p>	<p style="text-align: right;">3,048</p> <p style="text-align: right;">2,629</p> <hr/> <p style="text-align: right;">419</p>

Major Initiatives

1. Continue to explore options to maintain high quality Aged and Disability service provision into the future as Council responds to Federal policy changes.

Other Initiatives

2. Commence the Age-friendly South Gippsland Implementation Plan 2017-2018 and provide a progress report following the first year's activities.

Service Performance Outcome Indicators

Service	Indicator	2016/17 Actual	2017/18 Forecast	2018/19 Budget
Libraries	Participation	21%	Equal to or slightly higher than 2016/17	Equal to or slightly higher than 2017/18
Aquatic Facilities	Utilisation	6	Equal to or slightly higher than 2016/17	Equal to or slightly higher than 2017/18
Maternal and Child Health	Participation	76	Equal to or slightly higher than 2016/17	Equal to or slightly higher than 2017/18
Maternal and Child Health	Participation by Aboriginal children	67	Equal to or slightly higher than 2016/17	Equal to or slightly higher than 2017/18

* refer to table at end of section 2.2 for information on the calculation of Service Performance Outcome Indicators

2.3 Strategic Objective 3 - Improve South Gippsland Built Assets and Value our Natural Environment

The strategies to assist Council achieving this objective are to:

- 3.1: Improve management of roads and roadsides through enhanced operational practices, increased funding and continued advocacy to VicRoads.
- 3.2: Facilitate community and business renewable energy programs and sustainable practices to reduce the Shire's carbon footprint.
- 3.3: Promote a safe and healthy community through our municipal public health programs, Emergency Management Plans and regulatory activities that meet our statutory obligations.
- 3.4: Undertake a review of the Council's Building Portfolio to ensure it meets community needs.
- 3.5: Review the Strategic Land Review Project in regard to public open spaces in Venus Bay.
- 3.6: Advocate to Parks Victoria, DELWP and other relevant stakeholders to improve access, parking, safety and user-friendliness of beaches, State and National Parks, conservation areas and natural assets
- 3.7: Council to play an advocacy role for townships that demonstrate 70% or greater community support, for sewerage infrastructure.

Services

Service area	Description of services provided	2017/18 Forecast \$'000	2018/19 Budget \$'000
Infrastructure Management	<p>The Infrastructure Directorate is accountable for ensuring that Council's objectives for the Directorate are achieved through the following Departments:</p> <ul style="list-style-type: none"> • Infrastructure Planning; • Infrastructure Delivery; and • Operations. <p>Together these Departments provide strategic policy advice to Councillors to inform their decisions, prepare and deliver the Capital Works Program and Asset Management Plans, along with maintaining infrastructure, parks, gardens and public places.</p>	<p><i>Exp</i> 285</p> <p><i>Rev</i> -</p> <p><i>NET</i> 285</p>	<p>291</p> <p>-</p> <p>291</p>

Service area	Description of services provided	2017/18 Forecast \$'000	2018/19 Budget \$'000
Infrastructure Planning	<p>The Infrastructure Planning Department assists Council in achieving the objectives of its strategies and plans by providing services that contribute to a closely connected and engaged community.</p> <p>Services include managing Council's property portfolio (acquisition, disposal, leasing, and licensing of property), planning for and managing Council's building and recreational assets, managing waste disposal services, and promotion of a sustainable environment and solutions.</p> <p>The teams support and partner with a strong volunteer base to deliver a variety of community projects and education programs for all age groups and abilities.</p>	<p><i>Exp</i> 8,551</p> <p><i>Rev</i> 3,045</p> <hr/> <p><i>NET</i> 5,506</p>	<p>8,273</p> <p>3,768</p> <hr/> <p>4,505</p>
Infrastructure Delivery	<p>The Infrastructure Delivery Department assists Council in achieving the objectives of its strategies and plans by planning for and providing integrated services and community infrastructure.</p> <p>Services include coordinating and delivering Council's civil works design program for community infrastructure, determining future capital / community infrastructure projects for inclusion in the 15 Year Capital Works Program, and delivery of the annual Capital Works Program including community infrastructure projects (Major Capital Projects).</p> <p>The department also delivers a range of services including contract management, preparing funding submissions for community projects, issuing engineering conditions for developments referred from Planning, and managing Council's infrastructure assets which incorporates the collection, management, and analysis of asset data.</p>	<p><i>Exp</i> 10,274</p> <p><i>Rev</i> 4,399</p> <hr/> <p><i>NET</i> 5,875</p>	<p>4,037</p> <p>1,198</p> <hr/> <p>2,839</p>
Operations	<p>The Operations Department assists Council in achieving the objectives of its strategies and plans by planning for and providing integrated services and infrastructure in order to meet current and future needs of the community.</p> <p>Services include delivering maintenance, construction, replacements and capital programs for roads, streets, drainage, culverts, bridges, parks, gardens, and playgrounds.</p> <p>The Department is also responsible for cleaning Council owned and managed public toilets and BBQ amenities, workshop operations, fleet and plant and the after-hours operations call out service.</p> <p>All services are to be in accordance with the Road Management Act, Road Management Plan, and associated Asset Management Plans.</p>	<p><i>Exp</i> 16,746</p> <p><i>Rev</i> 3,344</p> <hr/> <p><i>NET</i> 13,402</p>	<p>17,470</p> <p>4,437</p> <hr/> <p>13,033</p>

Service area	Description of services provided	2017/18 Forecast \$'000	2018/19 Budget \$'000
Regulatory Services	The Regulatory Services Department is responsible for administration, education and enforcement of varied Victorian legislation along with Council's General Local Law. Services include <ul style="list-style-type: none"> • animal management; • building and planning enforcement; • fire prevention; • Local Law development and enforcement; • Litter prevention; • permits for places of public entertainment; • parking control; • registration of food, health and accommodation premises; • report and consent applications for new building work; • school crossings; and • wastewater. 	<i>Exp</i> 1,728 <i>Rev</i> 1,095 <hr/> <i>NET</i> 633	1,678 1,062 <hr/> 616

Major Initiatives

1. Complete a service level review of gravel roads and roadside maintenance, test assumptions and report the findings to Council.

Other Initiatives

2. Continue to improve processes and procedures within the Integrated Management System (Roads) and aim for third party certification to achieve improved standards of gravel roads and roadside maintenance.
3. Report on enhancements to communication methods to the public regarding road works, reported issues and scheduling of works.
4. Investigate Library and Community Hub location options in Leongatha to assist in the revitalisation of the town centre.
5. Present a report to Council on the use of Design Panels.
6. Undertake an investigation of caravan parks and camping grounds at Sandy Point.
7. Commence implementation of the Tennis Facilities Plan by introducing a new maintenance program for tennis facilities throughout the Shire in accordance with the plan.

Service Performance Outcome Indicators

Service	Indicator	2016/17 Actual	2017/18 Forecast	2018/19 Budget
Roads	Satisfaction	36	Equal to or slightly higher than 2016/17	Equal to or slightly higher than 2017/18
Waste Collection	Waste Diversion	51	Equal to or slightly higher than 2016/17	Equal to or slightly higher than 2017/18
Animal Management	Health and Safety	9	Equal to or higher than 2016/17	Equal to or higher than 2017/18
Food Safety	Health and Safety	100%	Equal to or slightly higher than 2016/17	Equal to or slightly lower than 2017/18

* refer to table at end of section 2.2 for information on the calculation of Service Performance Outcome Indicators

2.4 Strategic Objective 4 - Enhance Organisational Development and Implement Governance Best Practice

The strategies to assist Council achieving this objective are to:

- 4.1: Develop Digital Strategies for Council and the community.
 4.2: Actively pursue continuous improvement and innovation, consider best practice and encourage the creation of higher valued services.
 4.3: Work in partnership with the Chief Executive Officer and senior staff to develop a four year Rate Reduction Strategy, to reduce the rate burden by 3 per cent through improved innovation and productivity savings, streamlining the administrative structures and processes, through improved Business Unit performance and economic growth.

Services

Service area	Description of services provided	2017/18 Forecast \$'000	2018/19 Budget \$'000
Executive Office/Management	<p>The Executive Office builds strong and productive relationships with government and key regional agencies to strengthen the performance of Council.</p> <p>The Executive Office is accountable for ensuring that Council's objectives for the Council Plan are achieved through the allocation of appropriate resources, the provision of strategic policy and legal advice to Council and the establishment of good governance practices to guide the management of the organisation.</p>	<p><i>Exp</i> 677</p> <p><i>Rev</i> -</p> <p><i>NET</i> 677</p>	<p>943</p> <p>-</p> <p>943</p>
Finance, Risk and Procurement	<p>The Finance, Risk and Procurement Department deliver financial planning, budget management oversight, risk management coordination and procurement coordination for the organisation. The Department comprises:</p> <ul style="list-style-type: none"> • Accounting includes strategic financial advice, accounting systems and services, management accounting support and financial reporting; • Rates and Valuations includes property valuations for rating purposes and administration of rate collection; and • Risk and Procurement including contract and quotation management, shared risk management services delivery with Baw Baw Shire, risk and insurance management, internal audit and regulatory compliance. <p>Together the teams improve the financial sustainability of Council by pursuing continuous improvement in processes and procedures, pro-actively managing risks, sustainably managing finances and gaining efficiencies through procurements.</p>	<p><i>Exp</i> 3,500</p> <p><i>Rev</i> 767</p> <p><i>NET</i> 2,733</p>	<p>4,274</p> <p>727</p> <p>3,547</p>

Service area	Description of services provided	2017/18 Forecast \$'000	2018/19 Budget \$'000
Innovation and Council Business	The Innovation and Council Business Department leads organisation wide planning and implementation of good governance, innovation, technology and corporate information management practices. The Department comprises: <ul style="list-style-type: none"> • Corporate Planning and Council Business incorporating policy development and review, Council elections, Council meeting, briefings and public presentation coordination, corporate planning and reporting and community engagement to inform the Council Plan and annual initiatives for the Budget; • Innovation incorporates information technology strategy, policy, planning, project development and delivery, systems management and on-going management of hardware and software; and • Corporate Information Management incorporates strategy, policies, systems' coordination and operational support to capture, manage and archive corporate records and respond to Freedom of Information requests and Privacy enquiries. 	<i>Exp</i> 3,269 <i>Rev</i> 16 <i>NET</i> 3,253	3,342 1 3,341
People and Culture	The People and Culture Unit ensure our people are developed and supported so they have the opportunity to deliver services to the best of their ability for the benefit of the community. The team's contribution to employee and organisation success is achieved through business partnership with Directorates using people and culture processes and systems; developing employee work environment, mindset and culture; providing people and culture expertise in role, work design, staffing, professional development, performance, remuneration, recognition, OHS, return to work, and wellbeing.	<i>Exp</i> 1,098 <i>Rev</i> 210 <i>NET</i> 888	1,044 159 885
Community Information	The Community Information Unit plays a pivotal role in raising community awareness of Council services and strategic directions. It creates a working interface between Council, Council Departments and the Community through customer services, media management, publishing material, social media, website management and internal liaison.	<i>Exp</i> 740 <i>Rev</i> - <i>NET</i> 740	716 - 716

Major Initiatives

1. Develop Digital Strategies for Council and for the community.

Other Initiatives

2. Investigate and implement a customer feedback system that will assist in improving customer service.

Service Performance Outcome Indicators

Service	Indicator	2016/17 Actual	2017/18 Forecast	2018/19 Budget
Governance	Satisfaction	45	Equal to or higher than 2016/17	Equal to or higher than 2017/18

* refer to table at end of section 2.2 for information on the calculation of Service Performance Outcome Indicators

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions. (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community
Statutory planning	Decision making	Council planning decisions upheld at VCAT. (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Roads	Satisfaction	Satisfaction with sealed local roads. (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Libraries	Participation	Active library members. (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Waste collection	Waste diversion	Kerbside collection and waste diverted from landfill. (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population

Service	Indicator	Performance Measure	Computation
Animal Management	Health and safety	Animal management prosecutions. (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications. (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
Maternal and Child Health	Participation	Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
Maternal and Child Health	Participation by Aboriginal Children	Participation in MCH service by Aboriginal children. (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100

2.3 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Strengthen Economic Growth, Tourism and Prosperity	2,328	3,970	1,642
Build Strong Partnerships, Develop Arts and Culture and Deliver Equitable Outcomes	3,327	6,160	2,833
Enhance South Gippsland Assets and natural and Built Environments	21,281	31,747	10,466
Focus on organisational and Governance Best Practice	9,433	10,320	887
Total	36,369	52,197	15,828
Expenses added in:			
Finance costs	142		
Others	2,309		
Deficit before funding sources	38,820		
Funding sources added in:			
Rates and charges revenue	39,254		
Waste charge revenue	2,899		
Capital grants and contributions	4,429		
Total funding sources	46,582		
Surplus/(deficit) for the year	7,762		
Less			
Capital grants	3,802		
Capital contributions	627		
Underlying surplus/(deficit) for the year	3,333		

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2018/19 has been supplemented with projection to 2021/22 extracted from the Strategic Resource Plan.

This section includes the following financial statements prepared in accordance with the Local Government Act 1989 and the Local Government Planning and Reporting regulations 2014.

3.1 Budgeted Comprehensive Income Statement

3.2 Budgeted Balance Sheet

3.3 Budgeted Statement of Changes in Equity

3.4 Budgeted Statement of Cash Flows

3.5 Budgeted Statement of Capital Works

3.6 Budgeted Statement of Human Resources

3.1 Budgeted Comprehensive Income Statement

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual 2017/18 \$'000	2018/19 \$'000	Projections 2019/20 2020/21 2021/22 \$'000		
Income						
Rates and charges	4.1.1	41,165	42,153	43,245	44,364	45,510
Statutory fees and fines	4.1.2	798	811	827	867	881
User fees	4.1.3	4,231	4,228	4,395	4,554	4,717
Grants - Operating	4.1.4	12,478	13,213	13,216	12,534	12,475
Grants - Capital	4.1.4	5,292	3,803	8,519	3,894	1,672
Contributions - monetary	4.1.5	587	367	68	649	763
Contributions - non-monetary	4.1.5	379	387	395	404	413
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		80	245	(8)	70	-
Other income	4.1.6	1,902	2,110	2,203	2,241	2,283
Total income		66,912	67,317	72,860	69,577	68,714
Expenses						
Employee costs	4.1.7	24,408	25,175	25,791	26,439	27,213
Materials and services	4.1.8	27,667	20,398	20,648	19,520	19,496
Depreciation and amortisation	4.1.9	9,954	10,288	10,596	10,964	11,859
Bad and doubtful debts		1	1	1	1	1
Borrowing costs		142	142	59	-	-
Other expenses	4.1.10	3,256	3,551	3,207	3,273	3,339
Total expenses		65,428	59,555	60,302	60,197	61,908
Surplus/(deficit) for the year		1,484	7,762	12,558	9,380	6,806
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment /(decrement)		25,655	-	27,526	-	30,014
Total comprehensive result		27,139	7,762	40,084	9,380	36,820

3.2 Budgeted Balance Sheet

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual 2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	Projections 2020/21 \$'000	2021/22 \$'000
Assets						
Current assets						
Cash and cash equivalents		13,525	11,440	5,503	7,304	5,969
Trade and other receivables		4,449	4,449	4,449	4,449	4,449
Other financial assets		6,626	6,626	6,626	6,626	6,626
Inventories		304	304	304	304	304
Other assets		42	42	42	42	42
Total current assets	4.2.1	24,946	22,861	16,924	18,725	17,390
Non-current assets						
Investments in associates, joint arrangement and subsidiaries		1,122	1,122	1,122	1,122	1,122
Property, infrastructure, plant & equipment		563,393	572,565	615,341	623,027	661,292
Investment property		729	729	729	729	729
Total non-current assets	4.2.1	565,244	574,416	617,192	624,878	663,143
Total assets		590,190	597,277	634,116	643,603	680,533
Liabilities						
Current liabilities						
Trade and other payables		4,012	4,012	4,012	4,012	4,012
Trust funds and deposits		899	899	899	899	899
Provisions		6,150	6,190	6,230	6,270	6,310
Interest-bearing liabilities	4.2.3	-	3,350	-	-	-
Total current liabilities	4.2.2	11,061	14,451	11,141	11,181	11,221
Non-current liabilities						
Provisions		2,604	1,889	1,954	2,021	2,091
Interest-bearing liabilities	4.2.3	3,350	-	-	-	-
Total non-current liabilities	4.2.2	5,954	1,889	1,954	2,021	2,091
Total liabilities		17,015	16,340	13,095	13,202	13,312
Net assets		573,175	580,937	621,021	630,401	667,221
Equity						
Accumulated surplus		213,424	220,064	235,493	243,876	249,575
Reserves		359,751	360,873	385,528	386,525	417,646
Total equity		573,175	580,937	621,021	630,401	667,221

3.3 Budgeted Statement of Changes in Equity

For the four years ending 30 June 2022

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018 Forecast Actual					
Balance at beginning of the financial year		546,036	213,187	329,539	3,310
Surplus/(deficit) for the year		27,139	1,484	25,655	-
Transfers to other reserves		-	(2,141)	-	2,141
Transfers from other reserves		-	894	-	(894)
Balance at end of the financial year		573,175	213,424	355,194	4,557
2019 Budget					
Balance at beginning of the financial year		573,175	213,424	355,194	4,557
Surplus/(deficit) for the year		7,762	7,762	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	4.3.1	-	(2,029)	-	2,029
Transfers from other reserves	4.3.1	-	907	-	(907)
Balance at end of the financial year	4.3.2	580,937	220,064	355,194	5,679
2020					
Balance at beginning of the financial year		580,937	220,064	355,194	5,679
Surplus/(deficit) for the year		40,084	12,558	27,526	-
Transfers to other reserves		-	(1,472)	-	1,472
Transfers from other reserves		-	4,343	-	(4,343)
Balance at end of the financial year		621,021	235,493	382,720	2,808
2021					
Balance at beginning of the financial year		621,021	235,493	382,720	2,808
Surplus/(deficit) for the year		9,380	9,380	-	-
Transfers to other reserves		-	(2,160)	-	2,160
Transfers from other reserves		-	1,163	-	(1,163)
Balance at end of the financial year		630,401	243,876	382,720	3,805
2022					
Balance at beginning of the financial year		630,401	243,876	382,720	3,805
Surplus/(deficit) for the year		36,820	6,806	30,014	-
Transfers to other reserves		-	(2,404)	-	2,404
Transfers from other reserves		-	1,297	-	(1,297)
Balance at end of the financial year		667,221	249,575	412,734	4,912

3.4 Budgeted Statement of Cash Flows

For the four years ending 30 June 2022

	Notes	Forecast	Budget	Strategic Resource Plan		
		Actual 2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		41,165	42,153	43,245	44,364	45,510
Statutory fees and fines		798	811	827	867	881
User fees		4,231	4,228	4,395	4,554	4,717
Grants - operating		12,478	13,213	13,216	12,534	12,475
Grants - capital		5,292	3,803	8,519	3,894	1,672
Contributions - monetary		587	367	68	649	763
Interest received		492	441	449	460	470
Dividends received		-	-	-	-	-
Trust funds and deposits taken		-	-	-	-	-
Other receipts		1,410	1,669	1,754	1,781	1,813
Net GST refund / payment		-	-	-	-	-
Employee costs		(24,307)	(25,072)	(25,686)	(26,332)	(27,103)
Materials and services		(27,668)	(20,399)	(20,649)	(19,521)	(19,497)
Trust funds and deposits repaid		-	-	-	-	-
Other payments		(3,256)	(3,551)	(3,207)	(3,273)	(3,339)
Net cash provided by/(used in) operating activities	4.4.1	11,222	17,663	22,931	19,977	18,362
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(18,144)	(21,393)	(26,250)	(19,173)	(20,188)
Proceeds from sale of property, infrastructure, plant and equipment		933	1,787	791	997	491
Payments for investments		9,955	-	-	-	-
Proceeds from sale of investments		-	-	-	-	-
Net cash provided by/ (used in) investing activities	4.4.2	(7,256)	(19,606)	(25,459)	(18,176)	(19,697)
Cash flows from financing activities						
Finance costs		(142)	(142)	(59)	-	-
Proceeds from borrowings		-	-	-	-	-
Repayment of borrowings		-	-	(3,350)	-	-
Net cash provided by/(used in) financing activities	4.4.3	(142)	(142)	(3,409)	-	-
Net increase/(decrease) in cash & cash equivalents		3,824	(2,085)	(5,937)	1,801	(1,335)
Cash and cash equivalents at the beginning of the financial year		9,701	13,525	11,440	5,503	7,304
Cash and cash equivalents at the end of the financial year		13,525	11,440	5,503	7,304	5,969

3.5 Budgeted Statement of Capital Works

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual 2017/18 \$'000	2018/19 \$'000	Projections		
				2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Property						
Land		3	-	-	-	-
Total land		<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Buildings		800	2,081	7,533	4,178	4,196
Total buildings		<u>800</u>	<u>2,081</u>	<u>7,533</u>	<u>4,178</u>	<u>4,196</u>
Total property		<u>803</u>	<u>2,081</u>	<u>7,533</u>	<u>4,178</u>	<u>4,196</u>
Plant and equipment						
Heritage plant and equipment		-	-	-	-	-
Plant, machinery and equipment		2,033	2,023	2,402	2,424	2,396
Fixtures, fittings and furniture		-	-	-	-	-
Computers and telecommunications		1,846	810	720	683	700
Library books		-	-	-	-	-
Total plant and equipment		<u>3,879</u>	<u>2,833</u>	<u>3,122</u>	<u>3,107</u>	<u>3,096</u>
Infrastructure						
Roads		10,160	5,262	10,001	10,099	6,530
Bridges		781	2,210	226	358	298
Major Culverts		124	72	95	98	102
Footpaths and cycleways		736	2,416	3,457	478	484
Drainage		137	232	-	-	257
Recreational, leisure and community facilities		-	-	-	-	-
Waste management		141	1,167	218	72	2,401
Other infrastructure		1,383	5,120	1,598	783	2,824
Total infrastructure		<u>13,462</u>	<u>16,479</u>	<u>15,595</u>	<u>11,888</u>	<u>12,896</u>
Total capital works expenditure	4.5.1	<u>18,144</u>	<u>21,393</u>	<u>26,250</u>	<u>19,173</u>	<u>20,188</u>
Represented by:						
New asset expenditure		502	2,643	3,105	1,489	1,544
Asset renewal expenditure		14,432	14,924	18,037	15,089	14,429
Asset expansion expenditure		240	185	130	135	107
Asset upgrade expenditure		2,970	3,641	4,978	2,460	4,108
Total capital works expenditure	4.5.1	<u>18,144</u>	<u>21,393</u>	<u>26,250</u>	<u>19,173</u>	<u>20,188</u>
Funding sources represented by:						
Grants		5,293	3,793	8,519	3,895	1,672
Contributions		793	636	791	1,226	1,183
Council cash		12,058	16,964	16,940	14,052	17,333
Borrowings		-	-	-	-	-
Total capital works expenditure	4.5.1	<u>18,144</u>	<u>21,393</u>	<u>26,250</u>	<u>19,173</u>	<u>20,188</u>

3.6 Budgeted Statement of Human Resources

For the four years ending 30 June 2022

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2017/18	2018/19	2019/20	2020/21	2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	24,408	25,175	25,791	26,439	27,213
Employee costs - capital	1,055	1,189	1,168	1,143	1,176
Total staff expenditure	25,463	26,364	26,959	27,582	28,389
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	265.53	266.53	265.17	264.37	264.37
Total staff numbers	265.53	266.53	265.17	264.37	264.37

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

	Budget	Permanent	
	2018/19	Full Time	Part time
	\$'000	\$'000	\$'000
Corporate & Community Services	6,342	3,884	2,458
Development Services	3,960	3,174	786
Infrastructure Services	10,267	9,713	554
Executive Services	890	707	183
Total permanent staff expenditure	21,459	17,478	3,981
Casuals, temporary and other expenditure	4,905		
Total expenditure	26,364		

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

	Budget	Permanent	
	2018/19	Full Time	Part time
Corporate & Community Services	63.91	35.00	28.91
Development Services	40.35	32.00	8.35
Infrastructure Services	111.50	104.35	7.15
Executive Services	8.45	6.60	1.85
Total permanent staff expenditure	224.21	177.95	46.26
Casuals, temporary and other expenditure	42.32		
Total staff	266.53		

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's annual budget.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for around 63% of the total recurrent revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. Whilst the FGRS cap for 2018/19 has been set at 2.25%, Council has elected to only increase rates by 2.00%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.00% which is below the rate cap set by the Minister.

This will raise total rates and charges for 2018/19 to \$42.15 million.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	Forecast	Budget	Change	
	Actual			
	\$'000	\$'000	\$'000	%
General rates*	37,687	38,650	963	2.56%
Waste management charge	2,824	2,897	73	2.58%
Supplementary rates and rate adjustments	302	250	52	-17.22%
Interest on rates and charges	170	172	2	1.18%
Revenue in lieu of rates	182	184	2	1.10%
Total rates and charges	41,165	42,153	988	2.40%

*These items are subject to the rate cap established under the FGRS

4.1.1(b) The rate in the dollar to be levied as general rates under section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2017/18	2018/19	Change
	cents/\$CIV*	cents/\$CIV*	
Residential properties	0.546771	0.527297	-3.56%
Industrial properties	0.574110	0.553662	-3.56%
Commercial properties	0.574110	0.553662	-3.56%
Farm properties	0.382740	0.369108	-3.56%
Rural residential properties	0.382740	0.369108	-3.56%
Vacant other properties	1.093542	1.054593	-3.56%
Cultural and recreational properties	0.273386	0.263648	-3.56%

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

Type or class of land	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Residential	22,427	23,222	795	3.54%
Industrial	1,283	1,241	-42	-3.27%
Commercial	1,498	1,436	-62	-4.14%
Farm	10,187	10,355	168	1.65%
Rural residential	71	75	4	5.63%
Vacant other	2,199	2,299	100	4.55%
Cultural and recreational	22	22	-	0.00%
Total amount to be raised by general rates	37,687	38,650	963	2.56%

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year. * Includes revenue in lieu of rates.

Type or class of land	2017/18	2018/19	Change	
	Number	Number	\$'000	%
Residential	13,522	13,621	99	0.73%
Industrial	341	337	-4	-1.17%
Commercial	645	647	2	0.31%
Farm	3,290	3,295	5	0.15%
Rural residential	37	37	-	0.00%
Vacant other	1,627	1,640	13	0.80%
Cultural and recreational	22	22	-	0.00%
Total number of assessments	19,484	19,599	115	0.59%

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

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year. Includes value of windfarm in Industrial.

Type or class of land	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Residential	4,101,689	4,403,944	302,255	7.37%
Industrial	223,484	224,011	527	0.24%
Commercial	260,852	259,343	-1,509	-0.58%
Farm	2,661,766	2,805,448	143,682	5.40%
Rural residential	18,567	20,333	1,766	9.51%
Vacant other	201,057	218,063	17,006	8.46%
Cultural and recreational	8,184	8,483	299	3.65%
Total value of land	7,475,599	7,939,625	464,026	6.21%

4.1.1(g) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2017/18	2018/19	\$	%
Municipal	-	-	-	-

4.1.1(h) The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2017/18	2018/19	Change	
	\$	\$	\$	%
Municipal	-	-	-	-

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

Type of Charge	Per Rateable	Per Rateable	Change	
	Property 2017/18 \$	Property 2018/19 \$	\$	%
Waste Services Charge A - Kerbside garbage & recycling collection service charge – Residential (120 litre weekly garbage/240 litre fortnightly recycling).	188.20	192.00	3.80	2.02%
Waste Services Charge B - Kerbside recycling only collection service charge - Commercial (2 x 240 litre fortnightly recycling service only),	188.20	192.00	3.80	2.02%
Waste Services Charge C - Kerbside garbage & recycling collection service – Commercial premises only (240 litre weekly garbage / 240 litre fortnightly recycling).	272.80	278.25	5.45	2.00%
Waste Services Charge D – Kerbside garbage & recycling collection service - Sandy Point (120 litre weekly garbage/240 litre fortnightly recycling, plus 3 additional recycling collections during Summer).	195.20	199.10	3.90	2.00%
Waste Services Charge E – Kerbside garbage & recycling collection service - Waratah Bay (120 litre weekly garbage/240 litre fortnightly recycling, plus 3 additional recycling collections during Summer).	226.55	231.10	4.55	2.01%
Waste Services Charge G – Kerbside garbage & recycling collection service – Venus Bay (120 litre weekly garbage / 240 litre fortnightly recycling) for 6 months from November to April	147.15	150.10	2.95	2.00%
Waste Services Charge H – Kerbside garbage & recycling collection service – Venus Bay (120 litre weekly garbage / 240 litre fortnightly recycling) for 12 months	229.95	234.55	4.60	2.00%
Waste Services Charge J – Kerbside garbage & recycling collection service – Walkerville (120 litre weekly garbage / 240 litre fortnightly recycling) for 6 months from November to April	134.05	136.75	2.70	2.01%
Waste Services Charge K – Kerbside garbage & recycling collection service Walkerville (120 litre weekly garbage / 240 litre fortnightly recycling) for 12 months	237.15	241.90	4.75	2.00%
Garb Green Waste Bin – Kerbside greenwaste collection service (240 litre fortnightly) for 12 months	80.40	82.00	1.60	1.99%

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

Type of Charge	2017/18	2018/19	Change	
	\$	\$	\$	%
Waste Services Charge A	1,708,856	1,734,256	25,400	1.49%
Waste Services Charge B	10,539	11,328	789	7.49%
Waste Services Charge C	71,746	76,519	4,773	6.65%
Waste Services Charge D	134,493	137,976	3,483	2.59%
Waste Services Charge E	25,374	26,114	740	2.92%
Waste Services Charge G	186,292	181,470	-4,822	-2.59%
Waste Services Charge H	100,718	120,090	19,372	19.23%
Waste Services Charge J	670	1,094	424	63.28%
Waste Services Charge K	2,846	3,629	783	27.51%
Garb Green Waste Bin	582,016	604,422	22,406	3.85%
Total	2,823,550	2,896,898	73,348	2.60%

4.1.1(k) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
<i>General rates</i>	37,687	38,650	963	2.56%
<i>Revenue in lieu</i>	182	184	2	1.10%
<i>Waste service charges</i>	2,824	2,897	73	2.58%
Total Rates and charges	40,693	41,731	1,038	2.55%

4.1.1(l) Fair Go Rates System Compliance

South Gippsland Shire Council is fully compliant with the State Government's Fair Go Rates System

	2017/18	2018/19
Total Rates Annualised 30th June previous Year	\$ 36,948	\$ 37,892
Number of rateable properties	19,484	19,599
Base Average Rates	\$ 1,896.33	\$ 1,933.36
Maximum Rate Increase (set by the State Government)	2.00%	2.25%
Capped Average Rate	\$ 1,934.25	\$ 1,976.86
Maximum General Rates and Municipal Charges Revenue	\$ 37,687	\$ 38,745
Budgeted General Rates and Municipal Charges Revenue	\$ 37,687	\$ 38,650

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges

At the time of budget preparation, there is an unknown impact that is yet to be quantified in relation to costs of recycling due to China's refusal to accept contaminated recyclable materials. Indicative figures would indicate that this could cost Council approx. \$250,000 per annum and would therefore reflect in an indicative increase in waste charges by approx. \$15-\$25 per tenement. The final budget for adoption will be updated with all known costs and charge increases once the full impact of the issues have been identified. The total amount to be raised by rates and charges may also be affected by:

- The making of supplementary valuations (2018/19: estimated \$250,000 and 2017/18: \$277,716)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

4.1.1(n) Differential rates (Please refer to Appendix 1)

4.1.2 Statutory fees and fines

Program	Forecast	Budget	Change	
	Actual	2018/19		
	2017/18	2018/19	\$'000	%
	\$'000	\$'000	\$'000	%
Assets	43	44	1	2.00%
Corporate Information Management	1	1	0	2.03%
Corporate Planning and Council Business	15	-	15	-100.00%
Environmental Health	19	3	16	-85.84%
Local Laws	141	160	18	12.96%
Municipal Building	89	91	2	1.99%
Rates and Valuations	25	31	6	25.32%
Statutory Planning	450	460	10	2.22%
Strategic Planning	15	22	7	44.16%
Total statutory fees and fines	798	811	13	1.64%

There has been an increase of \$13,000 or 1.64% for Statutory Fees or Fines.

Significant changes relate to Corporate Planning and Council Business VEC infringements received earlier than anticipated in 17/18. Budget was increased in 17/18 and removed 18/19. Environmental Health Caravan Park Residential Tenancies Act per site fee removed, Local Laws Overtime Parking 0.5 penalty units quantity increased by 200. Rates and Valuations Land Information Certificates quantity increased by 200 and Strategic Planning Planning scheme amendment submission fee revised quantity from 4 to 1.

4.1.3 User fees

Program	Forecast	Budget	Change	
	Actual	2018/19		
	2017/18	2018/19	\$'000	%
	\$'000	\$'000	\$'000	%
Aged and Disability Services	483	492	9	1.86%
Children and Family Services	11	11	0	0.24%
Community Strengthening	5	5	-	0.00%
Caravan Parks	715	722	7	1.00%
Coal Creek Community Park and Museum	107	109	2	2.00%
Visitor Services	12	0	12	-97.29%
Statutory Planning	49	51	2	4.09%
Environmental Health	290	269	21	-7.22%
Local Laws	429	438	8	1.96%
Municipal Building	3	3	0	1.99%
Engineering and Projects Management	42	42	0	0.05%
Maintenance - Civil Infrastructure	31	31	1	1.97%
Sustainability	2,035	2,034	1	-0.06%
Assets	18	19	0	2.27%
Total user fees	4,231	4,228	3	-0.07%

There is a decrease of \$3,000 or 0.07% for user fees. The fees relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services defined above.

User fee increases are generally modelled to increase by the same as the general rates increase until full cost recovery is achieved for the direct costs of service provision. The approach is to ensure that applicable user fees are reviewed beyond just CPI movements in line with the annual rate rise. There have been a number of charges that Council has reduced for 18/19 which has impacted on the overall decrease in fees and charges. Major contributors are the fees paid for food premises and Information Services central booking service. Appendix 3, 'Fees and Charges' details all user charges fees.

4.1.4 Grants

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change	
			\$'000	%
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	13,876	14,213	337	2.4%
State/Other bodies funded grants	3,894	2,803	- 1,091	-28%
Total grants received	17,770	17,016	- 754	-4.2%

4.1.4.1 Operating Grants

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change	
			\$'000	%
<u>Recurrent - Commonwealth Government</u>				
Financial Assistance Grants (VGC)	4,704	9,330	4,626	98%
Immunisation	3	3	-	0%
Home and Community Care	1,207	1,226		
Senior Citizens	24	25	1	4%
<u>Recurrent - State Government</u>				
PreSchool Inclusion Program	78	79	1	1%
Supported Playgroups	90	112	22	24%
Immunisation	14	8	- 6	-43%
Maternal and child health	283	313	30	11%
Home and Community Care	326	329	3	1%
Senior Citizens	2	2	-	0%
Local Laws	15	8	- 7	-47%
Valuations	7	269	262	3743%
Childrens Crossings	54	59	5	9%
Building Inclusive Communities	107	109	2	2%
Education Programs	22	9	- 13	-59%
<u>Recurrent - Other Bodies</u>				
Environmental Health	5	-	- 5	-100%
Total recurrent grants	6,941	11,881	4,921	71%
<u>Non-recurrent - Commonwealth Government</u>				
Long Jetty Restoration	3,886	972	- 2,914	-75%
Financial Assistance Grants (VGC)	35	-	- 35	-100%
<u>Non-recurrent - State Government</u>				
Community Building	36	-	- 36	-100%
Youth Development	82	85	3	4%
Property and Revenue	47	49	2	4%
Planning Management	34	25	- 9	-26%
Nyora Recreation Reserve Oval Development	10	-	- 10	-100%
Leongatha Golf Club Irrigation Project	8	-	- 8	-100%
South Gippsland Rural Cricket Facilities	10	-	- 10	-100%
Black Spur Bridge Investigation - Koonwarra	53	-	- 53	-100%
Stadium Floor Upgrade - Welshpool	10	-	- 10	-100%
Leongatha Knights Lights and Pitch Upgrade	10	-	- 10	-100%
Leognatha Netball Club Court Development	10	-	- 10	-100%
Leongatha Gymnastics Extension	-	60	60	100%
Major Projects and Emergency Management	60	60	-	0%
Boat Ramps	12	-	- 12	-100%
Storm Event - 1 - 3 May 2016	329	-	- 329	-100%
Storm Event - 5 July 2016	590	-	- 590	-100%
Property Services	45	-	- 45	-100%
Biodiversity	46	46	-	0%

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change \$'000	%
Environmental Services	43	10	- 33	-77%
Garbage and Recycling Collections	9	-	- 9	-100%
Sustainability Services	56	3	- 53	-95%
Foster Flood Study	20	-	- 20	-100%
<u>Non-recurrent - Other Bodies</u>				
Arts and Culture	10	-	- 10	-100%
Community Building	20	-	- 20	-100%
Leongatha Golf Club Irrigation Project	45	-	- 45	-100%
Sustainability Services	21	22	1	5%
Total non-recurrent grants	5,537	1,332	- 4,205	-76%
Total operating grants	12,478	13,213	735	5.9%

Operating grants include all monies received from State and Federal sources for the purpose of funding the delivery of Council's services to ratepayers, as well as one-off funding for projects undertaken on behalf of community organisations. Overall, the level of grants has increased by \$735K or 5.9% compared to 2017/18. Council's Financial Assistance grants for 2017/18 are distorted by having to bring to account \$4.54m Victoria Grants Commission allocation for 2017/18 in the prior financial year (2016/17) because it was received in June 2017.

4.1.4.2 Capital Grants

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change \$'000	%
<u>Recurrent - Commonwealth Government</u>				
Roads to recovery	3,344	1,657	- 1,687	-50%
<u>Recurrent - State Government</u>				
	-	-	-	
Total recurrent grants	3,344	1,657	- 1,687	-50%
<u>Non-recurrent - Commonwealth Government</u>				
Federal Blackspot Program	513	-	- 513	-100%
Child Care Hub - Korumburra	160	-	- 160	-100%
Bena Kongwak Bridge	-	1,000	1,000	100%
<u>Non-recurrent - State Government</u>				
Foster Streetscape	300	-	- 300	-100%
Child Care Hub - Korumburra	80	-	- 80	-100%
School Crossing Construction - Fish Creek	42	-	- 42	-100%
Powneys Road Bridge	93	-	- 93	-100%
Bena Kongwak Bridge	650	-	- 650	-100%
Fish Creek Netball Courts	90	10	- 80	-89%
Swimming Pools Renewal Program	20	-	- 20	-100%
Great Southern Rail Trail		500	500	100%
Ruby Arawata Road Bridge		300	300	100%
Korumburra Skate Park		100	100	100%
Early Years Renewal Program		236	236	100%
Total non-recurrent grants	1,948	2,146	198	10%
Total capital grants	5,292	3,803	- 1,489	-28%

Capital grants include all monies received from State and Federal governments for the purposes of funding the capital works program. Overall the level of grants has decreased by \$1.49m or 28.14% compared to 2017/18. The major contributor to this was the increased payment in 2017/18 as a result of the Federal Government re-introducing the indexation of fuel excise to inflation which provided additional funding through to 2017/18.

4.1.5 Contributions

	Forecast	Budget	Change	
	Actual 2017/18 \$'000	2018/19 \$'000	\$'000	%
Monetary	587	367	- 220	-37.48%
Non-monetary	379	387	8	2.11%
Total contributions	966	754	- 212	-21.95%

Monetary contributions relate to capital contributions as well as contributions made for non-capital related activities and projects. There is a \$220,000 or 37.5% decrease in the level of contributions expected to be received in 2018/19.

Contributions for 2018/19 are expected for statutory open space contributions (\$63,000), Leongatha Gymnastics Extension (60,000), RSL Contribution for Rubbish Skip (\$4,000), Fish Creek Netball Courts (\$40,000) and Mirboo North Pool Refurbish Design (\$200,000)

In the previous 2017/18 year contributions were received for statutory open space contributions (\$62,000), Nyora Recreation Reserve Oval Development (\$55,000), Arthur Sutherland Welshpool Recreation Reserve (\$50,000), Leongatha Knights Soccer Club (\$40,000), Poowong Cenotaph Relocation (\$5,000), Leongatha Football Netball Club (\$100,000), RSL Contribution for Rubbish Skip (\$4,000), Solar Feasibility Project Contributions from Bass Coast and Baw Baw Councils (\$10,000), Fish Creek Netball Courts (\$40,000) and Walkerville North – Road and Retaining Wall Protection (\$221,367).

Non-monetary contributions include gifted assets to Council such as roads, footpath and kerb and channels from developers who create new subdivisions. It is projected that Council will receive an additional \$8,000 from developers to that projected to be received in 17/18.

4.1.6 Other income

	Forecast	Budget	Change	
	Actual 2017/18 \$'000	2018/19 \$'000	\$'000	%
Other income	1,902	2,110	208	10.94%
Total other income	1,902	2,110	208	10.94%

Other Income is projected to decrease by \$208,000 or 10.9% in 2018/19.

Other income relates to a range of items such as private works, cost recoups and other miscellaneous income items. The major contributor is Private Work Sealing which was not undertaken in 2017/18 but is planned to commence again in 2018/19 (\$420,000). There have been some decreases for Interest on Investments (\$52,000), Workcover Reimbursements (\$51,000) Rental Income (\$13,000), Property Services (\$26,000), Fish Creek Quarry (\$38,000).

4.1.7 Employee operating costs

	Forecast	Budget	Change	
	Actual 2017/18 \$'000	2018/19 \$'000	\$'000	%
Employee operating costs	24,408	25,175	767	3.14%
Total employee operating costs	24,408	25,175	767	3.14%

Employee operating costs include all labour related expenditure such as wages and salaries, on-costs such as allowances, leave entitlements, employer superannuation and fringe benefits tax.

Employee operating costs are forecast to increase by \$767,000 or 3.1% when compared to the 2017/18 forecast result.

The 2018/19 budgeted employee costs takes into account:

- A 2.0% allowance for banding and contract staff increments in 2018/19, higher duties as well as the flow on effect to oncost expenses;
- The mandatory superannuation contributions remain at 9.5% until 2021/22; and
- A 1.00 increase in Full Time Equivalent (FTE) across all four directorates from 2017/18.

The full range of services undertaken by Council involves the abilities, efforts and competencies of 266.53 Full Time Equivalent staff.

In delivering services to the community, Council may choose to use in-house or outsourced resources. The efficiency of Council's service delivery relies on a combination of both to achieve best value for the community.

There are also a vast number of volunteers that provide unpaid assistance across many services of Council.

4.1.8 Materials and services operating

	Forecast	Budget	Change	
	Actual 2017/18 \$'000	2018/19 \$'000	\$'000	%
Materials and services operating	27,667	20,398	- 7,269	-26.27%
Total materials and services operating	27,667	20,398	- 7,269	-26.27%

Materials and consumables are forecast to decrease by \$7.27m or 26.27% compared to 2017/18.

The main contributor for the reduction is due to the mix of expenditure between capital works and major works between the two years. Major works are those projects which are significant in value but are not capitalized as Council assets, but rather show as expenditure in the operating result. In 2018/19, Council will spend approx.. \$6m less in major operating works, but will spend approx.. \$3.2m extra in capital works in comparison to 2017/18.

The projected operating results in the forward budgets are maintained at a sustainable level taking into account projected future services, service levels and capital works

4.1.9 Depreciation and amortisation

	Forecast	Budget	Change	
	Actual 2017/18 \$'000	2018/19 \$'000	\$'000	%
Buildings - Specialised	2,496	2,594	98	3.93%
Heritage buildings	58	60	2	3.45%
Plant machinery & equipment	1,513	1,594	81	5.35%
Fixtures, fittings & furniture	12	10	- 2	-16.67%
Computers and telecommunications	533	640	107	20.08%
Waste management	683	653	- 30	-4.39%
Roads	2,930	2,945	15	0.51%
Footpaths and cycleways	228	245	17	7.46%
Kerb & Channels	182	185	3	1.65%
Bridges	366	383	17	4.64%
Major culverts	113	116	3	2.65%
Drainage	329	337	8	2.43%
Off street car parks	65	66	1	1.54%
Other structures	446	460	14	3.14%
Total depreciation and amortisation	9,954	10,288	334	3.36%

Depreciation relates to the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains. Depreciation systematically allocates the cost of the 'consumption of the service potential' over the useful life of the asset to the Income Statement.

Periodic revaluation of infrastructure asset classes, revision of estimated useful lives of asset classes, the completion of the 2017/18 Capital Works Program and the full year effect of depreciation on the 2017/18 Capital Works Program impacts upon the depreciation charges.

4.1.10 Other expenses

	Forecast	Budget	Change	
	Actual 2017/18 \$'000	2018/19 \$'000	\$'000	%
Other expenses	3,256	3,551	295	9.06%
Total other expenses	3,256	3,551	295	9.06%

Other expenses relate to a range of items including Councillor allowances, contributions to community groups, advertising, insurances, motor vehicle registrations, library service, future known cost commitments associated with landfill rehabilitation and other miscellaneous expenditure items.

The major contributor to the increase for 18/19 is an allowance in the library service program for Council's contribution of \$400,000 toward a new mobile library. There has been a reduction in the Grants program of \$115,000 as a result of the 17/18 budget showing considerable carry forward expenditure from the 16/17 year.

4.1.11 Underlying Surplus

	Forecast	Budget	Fav (Unfav)
	2018/19 \$'000	2018/19 \$'000	Variance \$'000
Total Income	66,912	67,317	405
Total Expenses	65,428	59,555	5,873
Surplus (deficit) for the year	1,484	7,762	6,278
Grants - capital	-5,292	-3,803	1,489
Contributions - non monetary assets	-379	-387	-8
Capital contributions - other sources	-261	-240	21
Adjusted underlying surplus (deficit)	-4,448	3,332	7,780

The adjusted underlying result is the net surplus or deficit for the year adjusted for capital grants, contributions of non-monetary

4.2 Balance Sheet

	Reference	Forecast	Budget	Fav (Unfav)
		2017/18 \$'000	2018/19 \$'000	Variance 2018/19 \$'000
Current				
Assets	4.2.1	24,946	22,861	-2,085
Liabilities	4.2.2	-11,061	-14,451	-3,390
Net Current Assets	4.2.5	13,885	8,410	-5,475
Non-Current				
Assets	4.2.3	565,244	574,416	9,172
Liabilities	4.2.4	-5,954	-1,889	4,065
Net Non-current assets		559,290	572,527	13,237
Net assets		573,175	580,937	7,762
Equity				
Accumulated surplus		213,424	220,064	6,640
Reserves		359,751	360,873	1,122
Total Equity	4.2.6	573,175	580,937	7,762

4.2.1 Current Assets (\$2.09m decrease)

The current assets are projected to be less than 2017/18, due to a \$2.09m decrease in the cash position. A more detailed analysis of this change is included in section 4.4. 'Statement of Cashflows'. Rate and other debtors are not expected to change significantly.

4.2.2 Current Liabilities (\$3.39 increase)

There is an increase of \$3.39m in current liabilities (obligations that Council must pay within the next 12 months). This is due to interest bearing loans and borrowings due to be paid in July 2019 transferring from a non-current liability to a current liability in 18/19.

4.2.3 Non Current Assets (\$9.17m increase)

The increase in non-current assets is due to an increase in Buildings (\$2.08m), Roads (\$5.43m), Footpaths (\$2.42m), Bridges (\$2.21m), other structures (\$5.16m) and the depreciation of all non-current assets with the exception of land (\$8.67m).

4.2.4 Non Current Liabilities (\$4.07m decrease)

There is a reduction of non-current liabilities due to a loan maturing in July 2019 (\$3.35m) and therefore transferring from a non-current liability to a current liability as at 2018/19, Long Service Leave provision increasing (\$63,000) and a reduction in financial assurance provision (\$778,000).

4.2.5 Working capital (\$2.80m decrease)

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

	Forecast	Budget	Fav (Unfav) Variance
	2017/18	2018/19	2018/19
	\$'000	\$'000	\$'000
Current Assets	24,946	22,861	-2,085
Current Liabilities	11,061	14,451	-3,390
Working Capital	13,885	8,410	-5,475
Restricted cash and investments			
-Statutory Reserves	0	0	0
-Cash held to fund carry forward capital works	3,796	0	3,796
-Trust funds and deposits	899	899	0
Unrestricted net assets	9,190	7,511	-1,679
-Discretionary reserves	4,556	5,678	-1,122
Underlying working capital	4,634	1,833	-2,801

In addition to the restricted cash shown above, Council is also projecting to hold \$5.68m in discretionary reserves at 30 June 2018. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

4.2.6 Equity (\$7.72m increase)

The increase in the accumulated surplus is impacted by the budgeted Comprehensive surplus of \$7.72m. Of the \$7.72m increase, \$6.62m relates to an increase in Accumulated Surplus and \$1.12 relates to Other Reserves. A more detailed analysis of reserve transfers is included in Section 4.3.1 Reserves and 4.3.2 Equity.

4.2.7 Key assumptions

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

- The collection level of rates and charges in 2018/19 will be at similar levels to that of previous years;
- Trade creditors and other creditors and debtors to remain consistent with 2017/18 levels;
- Employee entitlements to be increased to allow for wage movements. No increase in the average rate of leave taken is expected;
- Total capital expenditure to be \$21.39m; and
- A total net \$1.12m to be transferred to internal reserves from accumulated surplus

4.2.3 Borrowings

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

	2017/18	2018/19
	\$	\$
Amount borrowed as at 30 June of the prior year	3,350,000	3,350,000
Amount proposed to be borrowed	-	-
Amount projected to be redeemed	-	-
Amount of borrowings as at 30 June	3,350,000	3,350,000

4.3 Statement of changes in Equity

4.3.1 Reserves

	Forecast Bal 2017/18 \$'000	Transfer In 2018/19 \$'000	Transfer Out 2018/19 \$'000	Budget Bal 2018/19 \$'000
Open Space Contributions	-	63	63	-
Corner Inlet Seawall Drainage	19	1	-	20
General Reserve	1,706	451	-	2,157
Caravan Parks	-	844	844	-
Venus Bay Surf Life Saving Club	150	-	-	150
Loan Reserve	2,680	670	-	3,350
Closing Reserve Balance 30th June	4,555	2,029	907	5,677

Allocations to Discretionary Reserves normally only occur when underlying surplus operating results are at least equivalent to the reserve transfer. These funds will be available for whatever purpose Council decides is their best use.

The Corner Inlet Seawall Drainage reserve allocates funds that are specific to associated works obligations.

The Venus Bay Surf Life Saving Club reserve has quarantined funds from a community capital works allocation to allow the club time to attract further funding from other agencies.

The General reserve's primary purpose is to accumulate funding for likely future funding calls made for defined benefits superannuation liabilities.

The Caravan Parks reserves quarantines revenue from operations to fund caravan park operating expenditure and capital work requirements.

The Local Government Finance Vehicle (LGFV) Bond reserve is accumulating funds to enable repayment a \$3.35m loan when it falls due in 2019/20.

There are no restrictions on the use of these funds other than as Council may itself impose. Any changes in future use of the funds will be made in the context of the future strategic funding requirements. The decisions about future use of these funds can then be

4.3.2 Equity

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change	
			\$'000	%
Asset Revaluation Reserve	355,196	355,196	-	0.00%
Other Reserves (See 4.3.1)	4,555	5,677	1,122	24.63%
Accumulated Surplus	213,424	220,064	6,640	3.11%
Closing Reserve Balance 30th June	573,175	580,937	7,762	1.35%

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

Asset revaluation reserve represents the difference between the previously recorded value of assets and their current valuations. Other reserves are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed as shown in 4.3.1.

4.4 Statement of Cash Flows

	Reference	Forecast	Budget	Fav (Unfav) Variance
		2017/18	2018/19	2018/19
		\$'000	\$'000	\$'000
Operating Activities				
Receipts		66,453	66,685	232
Payments		-55,231	-49,022	6,209
Cash flow from Operating Activities	4.4.1	11,222	17,663	6,441
Investing Activities				0
Receipts		10,888	1,787	-9,101
Payments		-18,144	-21,393	-3,249
Cash flow from Investing Activities	4.4.2	-7,256	-19,606	-12,350
Financing Activities				0
Receipts		0	0	0
Payments		-142	-142	0
Cash flow from Financing Activities	4.4.3	-142	-142	0
Net increase (decrease) in cash held		3,824	-2,085	-5,909
Cash at beginning of year		9,701	13,525	3,824
Cash at end of year	4.4.4	13,525	11,440	-2,085

4.4.1 Net cash flows provided by/used in operating activities

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

The increase in net cash inflows from operating activities is due mainly to the high level of major work operating items in 17/18 compared to 18/19 (\$6.55m). An increase in Rates and charges (\$988,000) and Operating Grants (\$735,000) is partially offset by a reduction in Capital Grants (\$1.49m)

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

	Forecast	Budget	Fav (Unfav) Variance
	2017/18	2018/19	2018/19
	\$'000	\$'000	\$'000
Surplus (deficit) for the year	1,484	7,762	6,278
Depreciation	9,954	10,288	334
Contributions - non cash	-379	-387	-8
Loss (gain) on sale of assets	-80	-245	-165
Finance costs	142	142	0
Net movement in current assets and liabilities	101	103	2
Cash flows from operating activities	11,222	17,663	6,441

4.4.2 Net cash flows provided by/used in 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 and equipment.

The \$12.35m increase in net payments for investing activities is due mainly to receiving a \$9.96m transfer 'payment' from other financial assets in 2017/18 and \$854,000 more in proceeds from asset sales as well as actual gross expenditure on capital in 2018/19 being \$3.25m greater when compared with the previous 2017/18 year.

4.4.3 Net cash flows provided by/used in financing activities

Financing activities includes new borrowings, the principal component of loan repayments for the year as well as the interest costs. Total interest payment budgeted for 2018/19 is \$142,000.

4.4.4 Cash at end of year

Overall, total cash and investments are forecast to be \$2.09m less than 2017/18. The opening cash position of \$13.53m and contribution of cash from operating activities (\$17.66m) has provided significant funds for financing activities (\$142,000) and for investing activities (\$19.61m). Cash is expected to be \$11.44m as at 30 June 2019, which is \$2.09m less than the previous year forecast (\$13.53m).

4.4.5 Restricted and Unrestricted Cash and Investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2019 it will have cash and cash equivalents of \$11.40m, which has been restricted as shown in the table below.

	Reference	Forecast 2017/18 \$'000	Budget 2018/19 \$'000	Fav (Unfav) Variance 2018/19 \$'000
Total cash and cash equivalents		13,525	11,440	-2,085
Restricted cash and cash equivalents				
Statutory Reserves	4.4.5.1	0	0	0
Cash held to fund carry forward capital works	4.4.5.2	3,796	0	-3,796
Trust funds and deposits	4.4.5.3	899	899	0
Unrestricted cash and investments	4.4.5.4	8,830	10,541	1,711
Discretionary reserves	4.4.5.5	4,556	5,678	
Unrestricted cash and cash equivalents	4.4.5.6	4,274	4,863	1,711

4.4.5.1 Statutory Reserves

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

Council estimates that it will receive \$63,000 public open space contributions in 2018/19. This will be transferred to the Open Space Contributions Reserve. Council in 2018/19 will be utilising \$63,000 of its Open Space Contributions reserve to fund costs for the Corner Inlet Tourism – Great Southern Rail Trail project. It is projected that as at 30 June 2018 there will be nil funds in Statutory Reserves from open space contributions.

4.4.5.2 Cash held to fund carry forward capital works.

At the end of each financial year there are projects which are either incomplete or not commenced due to planning issues, weather delays, extended consultation or other delays.

There is no amount shown as cash held to fund carry forward works at 30 June 2019, as it is planned that the capital works budget in the 2018/19 financial year will be completed.

There are a number of capital work projects being carried forward from 2017/18 to 2018/19 and these are listed in detail in section 4.5.3.

4.4.5.3 Trust funds and deposits

The level of trust funds and deposits is expected to remain at similar levels to the previous financial year.

4.4.5.4 Discretionary Reserves

Discretionary Reserve	Opening Balance	Trf to Reserve	Trf from Reserve	Closing Balance
		\$	\$	\$
Open Space	-	62,730	62,730	0
Corner Inlet Seawall Drainage	18,393	663	0	19,056
Venus Bay Surf Life Saving Club	150,000	0	0	150,000
General	1,706,330	451,194	0	2,157,524
Caravan Parks	-	844,429	844,429	0
LGFV Bond	2,680,000	670,000	0	3,350,000
Total	4,554,723	2,029,016	907,159	5,676,580

These funds are shown as Discretionary Reserves. Although not restricted by a statutory purpose, Council has made decisions regarding their future use. Unless there is a Council resolution, these funds should be used for those earmarked purposes. During the 2018/19 year \$2.03m (includes \$60,385 interest allocations) is budgeted to be transferred to the Discretionary Reserves and \$907,159 from Discretionary Reserves.

4.4.5.5 Unrestricted cash and cash equivalents

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

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2018/19 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

	Forecast Actual	Budget	Change	%
	2017/18 \$'000	2018/19 \$'000	\$'000	
Property	804	2,081	1,277	158.83%
Plant and equipment	3,879	2,833	-1,046	-26.97%
Infrastructure	13,461	16,479	3,018	22.42%
Total	18,144	21,393	3,249	17.91%

The Capital budget for 2018/19 incorporates \$3.76 million of carry forward expenditure from projects budgeted in 2017/18 but for various reasons could not be completed in that year. Those projects are detailed in section 4.5.3 below.

	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
Property	2,081	75	1,980	26	-	236	-	1,845	-
Plant and equipment	2,833	-	2,833	-	-	-	436	2,397	-
Infrastructure	16,479	2,568	10,111	3,615	185	3,557	200	12,722	-
Total	21,393	2,643	14,924	3,641	185	3,793	636	16,964	-

The detailed capital works budget for 2018/19 is comprised of \$17.59 million of new works as detailed in section 4.5.2 and \$3.76 million of works carried forward from 2017/18 which is detailed in section 4.5.3.

4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
BUILDINGS									
Community Hub Korumburra - Design	200		200					200	
Community Hub Korumburra - Fit Out of Temporary Library	103		103					103	
Community Hub Korumburra - Rent Temporary Library	62		62					62	
Main Office Air Conditioner	43		43					43	
Mirboo North Hall Paint Interior & Exterior	78		78					78	
Main Office Carpet Replacement	73		73					73	
Prom Coast Centre for Children's Satellite	308		308			236		72	
Caravan Park Toilet Block - Waratah Bay	293		293					293	
TOTAL BUILDINGS	1,160	-	1,160	-	-	236	-	924	-
TOTAL PROPERTY	1,160	-	1,160	-	-	236	-	924	-
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Fleet Purchases	740		740				314	426	
Plant Purchases	999		999				88	911	
Plant Purchases - Waste - Excavator	284		284				34	250	
TOTAL PLANT AND EQUIPMENT	2,023	-	2,023	-	-	-	436	1,587	-
COMPUTERS AND TELECOMMUNICATIONS									
Information Services	810		810				-	810	
TOTAL COMPUTERS AND TELECOMMUNICATIONS	810	-	810	-	-	-	-	810	-
TOTAL PLANT AND EQUIPMENT	2,833	-	2,833	-	-	-	436	2,397	-
INFRASTRUCTURE									
ROADS									
Civil - Loch Main Street Renewal (Stage-1)	710		568	142				710	
Civil - Capital Works Design	200		160	40				200	
Roads - Reseals	1,921		1,921			1,657		264	
Reseal Preparation	850		850					850	
Sealed Rehabilitation Program - Melville St - Korumburra	355		355					355	
Sealed Rehabilitation Program - Court Street, Foster (ID 2180)	637		637					637	
Sealed Rehabilitation Program - Ferrier Street, Korumburra	135		135					135	
Sealed Rehabilitation Program - Silcocks Hill Rd - Toora	32		32					32	
Sealed Rehabilitation Program - Mitchell Street, Nyora	149		149					149	
Guard Rails Replacement Program- Buffalo Stony Creek Rd - Stony Creek	38		38					38	
Guard Rails Replacement Program - Silcocks Hill Road, Toora	38		38					38	
Guard Rails Replacement Program - McDonalds Road, Meeniyan	38		38					38	
TOTAL ROADS	5,103	-	4,921	182	-	1,657	-	3,446	-
BRIDGES									
Ruby Arawata Road WB330	470		470			300		170	
TOTAL BRIDGES	470	-	470	-	-	300	-	170	-

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
MAJOR CULVERTS									
Shands Road-Major Culvert (C089) - Agnes	25		25					25	
Fish Creek Waratah Road, Waratah Bay	47		47					47	
TOTAL MAJOR CULVERTS	72	-	72	-	-	-	-	72	-
FOOTPATHS AND CYCLEWAYS									
Footpaths Extension - Jumbunna Road - Korumburra Secondary to Guys Road	923	923						923	
Footpaths Extension - Old Waratah Road, Fish Creek	185				185			185	
Great Southern Rail Trail - Welshpool to Hedley	1,000	1,000				500		500	
Footpaths Renewal - Coopers Road, Foster	18		18					18	
Footpaths Renewal - General	9		9					9	
Footpaths Renewal - Spring Street, Korumburra	32		32					32	
Footpaths Renewal - Landy Road, Foster	46		46					46	
Footpaths Renewal - Boundary Road, Foster	30		30					30	
Footpaths Renewal - Bridge St - Korumburra	90		90					90	
Footpaths Renewal - Korumburra Wonthaggi Rd - Kongwak	83		83					83	
TOTAL FOOTPATHS AND CYCLEWAYS	2,416	1,923	308	-	185	500	-	1,916	-
DRAINAGE									
Sanders Lane, Korumburra	232			232				232	
TOTAL DRAINAGE	232	-	-	232	-	-	-	232	-
WASTE MANAGEMENT									
Landfill Cover	38			38				38	
Koonwarra Landfill Cells 1,2,3 Cap	778			778				778	
TOTAL WASTE MANAGEMENT	816	-	-	816	-	-	-	816	-
OTHER STRUCTURES									
Yanakie - Electrical Supply Upgrade	168		84	84				168	
Pool design for stadium seating	30			30				30	
Toora Pool Master Plan	42		42					42	
Refurbishment Design - Mirboo North Pool	3,800		3,800				200	3,600	
Korumburra Skate Park	200	200				100		100	
Poowong Kinder Playground	20		20					20	
Community Infrastructure Projects	31		31					31	
Korumburra Tourist Park	47		47					47	
Gale St Reserve - Waratah Bay	52		52					52	
RV Fisher Reserve	44		44					44	
Dowling Playground - Mossvale Park	35		35					35	
Recreation Reserve - Korumburra	26		26					26	
TOTAL OTHER STRUCTURES	4,495	200	4,181	114	-	100	200	4,195	-
TOTAL INFRASTRUCTURE	13,604	2,123	9,952	1,344	185	2,557	200	10,847	-
TOTAL NEW CAPITAL WORKS	17,597	2,123	13,945	1,344	185	2,793	636	14,168	-

4.5.3 Works carried forward from the 2017/18 year

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
BUILDINGS									
Korumburra Recreation Centre	75	75						75	
Long Jetty - Cabin Replacement	160		160					160	
Long Jetty - Storage Shed	4		4					4	
Long Jetty - Kiosk / Front Office / Residence	65		39	26				65	
Yanakie Camp Kitchen & Communal Area	99		99					99	
Caravan Park Toilet Block - Port Welshpool	375		375					375	
Caravan Park Toilet Block - Waratah Bay	143		143					143	
TOTAL BUILDINGS	921	75	820	26	-	-	-	921	-
TOTAL PROPERTY	921	75	820	26	-	-	-	921	-
INFRASTRUCTURE									
ROADS									
Korumburra Streetscape	159		159					159	
TOTAL ROADS	159	-	159	-	-	-	-	159	-
BRIDGES									
Bena Kongwak Replacement	1,740			1,740		1,000		740	
TOTAL BRIDGES	1,740	-	-	1,740	-	1,000	-	740	-
WASTE MANAGEMENT									
Leachate Evaporation System	351			351				351	
TOTAL WASTE MANAGEMENT	351	-	-	351	-	-	-	351	-
OTHER STRUCTURES									
Korumburra Recreation Reserve	170	170						170	
Korumburra Skate Park	50	50						50	
Baromi Park Master Plan	180			180				180	
Fish Creek Netball Courts	-					10	40		
Venus Bay Environment Projects	110	110						110	
Venus Bay Skate Park	115	115						115	
TOTAL OTHER STRUCTURES	625	445	-	180	-	10	40	625	-
TOTAL INFRASTRUCTURE	2,875	445	159	2,271	-	1,010	40	1,875	-
TOTAL CARRIED FORWARD CAPITAL WORKS	3,796	520	979	2,297	-	1,010	40	2,796	-
TOTAL CAPITAL WORKS	21,393	2,643	14,924	3,641	185	3,803	676	16,964	-

4.6 Budget Influences

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

4.6.1 Snapshot of South Gippsland Shire Council

South Gippsland Shire was formed in 1994 from the amalgamation of four municipalities. Located 90 minutes south east of Melbourne, the Shire has a population of 29,000 (ERP 30 July 2016). It has an area of 3,300 square kilometres with substantial coastal frontage. South Gippsland Shire is a spectacular region, with communities nestled among the rolling green hills, and along the coast, linking the mountains to the sea.

Its major centres are Leongatha, Korumburra, Mirboo North and Foster, and other significant townships include Nyora, Toora, Venus Bay, Sandy Point, Poowong, Port Welshpool, Loch, Dumbalk, Welshpool, Meenyan, Fish Creek, Port Franklin, Koonwarra, Kongwak and Tarwin Lower.

Our Economic Base

South Gippsland has a thriving economy with over 7,000 businesses contributing to an annual output of over \$3.2 billion. South Gippsland has one of the lower unemployment rates in Australia.

Key industry sectors contributing to this output are:

- Manufacturing \$615 million;
- Agriculture, Forestry and Fishing \$609 million;
- Construction \$385 million;
- Property services \$294 million;
- Health care and social assistance \$145 million;
- Utilities \$131 million;
- Wholesale Trade \$114 million; and
- Retail trade \$109 million.

Major Industries

Agriculture

South Gippsland's economy centres around agricultural production. It is one of the key dairy farming locations in Australia, is a major beef farming area and also has significant sheep farming. The Victorian Livestock Exchange operates a modern regional saleyards at Koonwarra.

Horticultural food production, such as snow pea and potato farming, are also key industries in South Gippsland. For part of the year most of Australia's snow peas are produced here.

South Gippsland has an increasing range of specialty food production including cheese, meat, eggs, wine production and brewing.

Food Processing

- Murray Goulburn, Leongatha dairy production;
- Burra Foods, Dairy Production Korumburra;
- ViPlus Dairy production at Toora;
- Select Produce, a significant snow pea packing and distribution centre at Korumburra;
- GBP Australia, operating a major export abattoir at Poowong; and
- Fresh Zest, operating a herb packing facility at Pound Creek.

Tourism

The tourism industry is also a major contributor to the South Gippsland economy with visitors contributing over \$100 million annually to the economy. Marketed as "Prom Country" - the region attracts over 1 million visitors each year. The region is rich in nature based activities, with the world renowned Wilsons Promontory National Park, spectacular scenery, unspoilt beaches and quaint villages.

Other Industries

Esso has a major marine terminal located at Barry Point near Toora that is used to provide services to their Bass Strait oil and gas platforms. 'Port Anthony', a private port, is located next to the Esso facility. An important fishing industry operates from Port Welshpool and Port Franklin. A wind farm is located on the hills around Toora and the Bald Hills Wind Farm is located near Tarwin Lower. The agricultural and manufacturing sectors also support a substantial service industry including: transport, engineering, construction and agricultural supplies.

Major Infrastructure and Investment Projects

There are a number of key infrastructure and investment projects currently underway or recently completed in South Gippsland Shire. These include:

- Port Welshpool Long Jetty funded and works currently being completed;
- Northern Towns Connection, a South Gippsland Water project to connect water supply to the towns of Korumburra, Loch Nyora and Poowong;
- South Gippsland Highway Black Spur Re-alignment, a VicRoads project with funding announced by the Federal and State Governments
- Completion of Karmai Community Children's Centre in Korumburra open for business January 2017;
- Completion of bridges at Black Spur Creek on the Great Southern Rail Trail opened March 2016 provides a trail open from Leongatha to Port Welshpool;
- Completion of the Leongatha Heavy Vehicle Alternate Route which was officially opened November 2016;
- Rollout of the National Broadband Network has been completed to most areas with Korumburra the final town to be connected in the first half of 2018.

Major Regional Projects

The Pakenham Bypass and Eastlink have reduced the travelling time from metropolitan Melbourne to 1.5 hours. The Koo Wee Rup bypass, completed in 2015 has further reduced travelling times to the area.

Our Community

South Gippsland features many vibrant communities where people can enjoy a healthy and rewarding lifestyle. Our affordable housing options and excellent education and medical facilities offer the chance to have both a family life and career in a safe and relaxed environment.

Resident Profile

The latest population estimate is 29,000 people as at July 2016. Council's recently prepared population forecasts project that the Shire's population will increase to 36,000 by 2036. This is an increase of almost 7,700 people at an average annual growth rate of 1.3%. The Shire has approximately 15,000 dwellings and about 19,000 rateable properties.

The number of households within South Gippsland increased by 834 between 2011 and 2016 to a total of 10,797

This trend is expected to continue over the next 20 year period as population growth increases. The increase in the total number of households will require a diverse range of housing opportunities including higher density dwelling development in serviced townships and lifestyle living opportunities in a low density residential or rural living context.

The age profile of South Gippsland Shire in 2016 reflected a similar profile to Regional Victoria as a whole. The proportion of residents aged 20-34 years (12.8%) continues to be lower than the average for Regional Victoria (16.4%). There has been a marked increase in residents aged between 55 and 79. The proportion of people aged 55 - 74 was 29.9%, 4.8 percentage points higher than the average for these ages in Regional Victoria.

South Gippsland's age profile compared with Regional Victoria is shown in the following table:

Age Group	South Gippsland	Regional Victoria
0-9	11.7%	12.2%
10-19	11.7%	12.2%
20-29	8.3%	11.1%
30-39	9.2%	11.1%
40-49	12.4%	12.8%
50-59	15.0%	13.9%
60-69	16.2%	13.3%
70-79	9.9%	8.4%
80-	5.6%	5.1%

(ID consulting for South Gippsland Shire Council, Community Profile 2016)

There are high levels of home ownership in South Gippsland with 43% of dwellings fully owned compared with 31% nationally. The proportion of rental dwellings at 18.2% is much lower than the national average of 28.7%.

There has been a large increase in lone person households (329) since 2011. South Gippsland has 26.8% of lone person households, higher than the national rate of 22.8%. There are 15,909 dwellings in South Gippsland with 73.7% occupied in comparison with 84.2% of dwellings occupied in Regional Victoria.

South Gippsland has very high levels of citizen engagement with 71.4% of the population participating in the last year in comparison with 50.5% for Victoria. Volunteering is also high with 54.8% of the adult population identifying that they worked as a volunteer for an organisation. This compared with about 34.3% across Victoria.

Labour Force

South Gippsland Shire has an unemployment rate of 4.2% as at September Quarter 2017.

This remains the lowest unemployment rate in Gippsland and one of the lower rates in the State. This is below the average for Victoria of 5.9%.

Key industry sectors by employment in the South Gippsland Shire in 2016 were Agriculture, Forestry & Fishing (17.1%), Health Care and Social Assistance (11.4%), Retail Trade (9.5%), and Construction (9.4%).

The Shire's top eight employment sectors compared with that of Regional Victoria as shown in the table below:

Employment by Industry	South Gippsland	Regional Victoria
Agriculture, Forestry and Fishing	17.1%	7.7%
Health Care and Social Assistance	10.6%	14.3%
Retail Trade	9.5%	10.6%
Construction	9.4%	8.8%
Manufacturing	7.4%	8.1%
Education and Training	7.0%	8.7%
Accommodation and Food Services	5.6%	7.0%
Professional, Scientific & Technical Services	4.9%	4.2%

ABS 2016 Census

Since 2006 the greatest rise has been in the Manufacturing sector and in Transport, Postal and Warehousing. There has been a drop in those working in Agriculture, Forestry and Fishing.

In 2016, key employment by occupation groups in South Gippsland were managers (20.1%), technicians and trades workers (15.1%) and professionals (13.4%).

Employment by occupation in South Gippsland compared with that of Regional Victoria are as follows:

Occupation	South Gippsland	Regional Victoria
Managers	22.9%	14.6%
Technicians and Trades	15.1%	14.8%
Professionals	13.4%	17.4%
Labourers	13.1%	12.4%
Clerical and Administrative Services	10.2%	11.3%
Community and personal service workers	9.8%	11.7%
Sales workers	8.6%	9.7%
Machinery operators and drivers	7.3%	6.5%
Inadequately described and not stated	0.8%	0.8%

Community Infrastructure

South Gippsland boasts a wide range of community assets that are appreciated and enjoyed by our residents and visitors. These include:

- Three public hospitals and five medical centres;
- Residential aged care facilities in four towns;
- Home and Community Care services provided by Council, including Meals on Wheels, Personal Care, Respite Care, Home Maintenance and Community Transport;
- Childcare centres operate in Leongatha, Korumburra, Mirboo North and Foster. Uniting Care Gippsland facilitate Family Day Care available across the Shire;
- Five public libraries plus mobile services to 7 towns;
- Daily V/Line Coach services to and from Melbourne and the Latrobe Valley, Yarram and Wonthaggi;
- Numerous galleries and museums, a cinema, theatres and clubs;
- Over 200 sporting clubs with facilities such as a cycling velodrome and indoor basketball stadiums, a regional leisure centre incorporating a heated indoor swimming pool, six public swimming pools of which two are heated, and seven golf courses;
- The Great Southern Rail Trail, is approximately 72km of bike/walking trails and has recently been completed from Leongatha to Port Welshpool;
- The Grand Ridge Rail Trail runs between Mirboo North and Boolarra over 13km;
- Over 50 parks, reserves and sanctuaries including coastal/beach assets, trails in the Strzelecki Ranges, Coal Creek Community Park and Museum and Mossvale Park at Berry's Creek.

South Gippsland is well serviced by modern education facilities. These include:

- 16 Primary Schools, including four independent primary schools;
- 6 Secondary Colleges, including two independent colleges;
- Leongatha Specialist School;
- Community College Gippsland;
- Federation Training TAFE;
- South Gippsland Bass Coast Local Learning and Employment Network;
- Apprenticeships Group Australia;
- 12 Kindergartens;
- 4 Neighbourhood/Community Houses; and
- South Gippsland Trade Skills Alliance.

4.6.2 External Influences

In preparing the 2018/19 budget there were a number of external influences, which were taken into consideration, because they were likely to impact significantly on the services delivered by Council in the ensuing twelve months. These include:

- The Victorian State Government has introduced a cap on rate increases from 2016/17. The Minister for Local Government, the Honourable Marlene Kairouz announced in December 2017 that Victorian council rate increases will be capped to the rate of inflation, 2.25% for 2018/19. The cap is based on Melbourne CPI for the next financial year as forecast by the Victorian Treasury
- Consumer Price Index (CPI) for Victoria is forecast to be 2.25% for the 2018/19 year (Victorian Department of Treasury & Finance, 2017-18 Budget Update).
- The Victorian Wage Price Index is projected to be 2.25% in 2017/18 and 2.50% in 2018/19 (Victorian Department of Treasury & Finance, 2017-18 Budget Update)
- Ongoing cost shifting. This occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervision, Library services and Home and Community Care for aged residents. 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.
- The Australian Prudential Regulation Authority introduced a Prudential Standard in 2014 to assess the market value of assets in defined benefit superannuation funds. The budget impact for South Gippsland is the likelihood of further more frequent calls being made upon Council to fund defined benefits superannuation liabilities.

4.7 Long Term Financial Strategies

4.7.1 Principles of Sound Financial Management

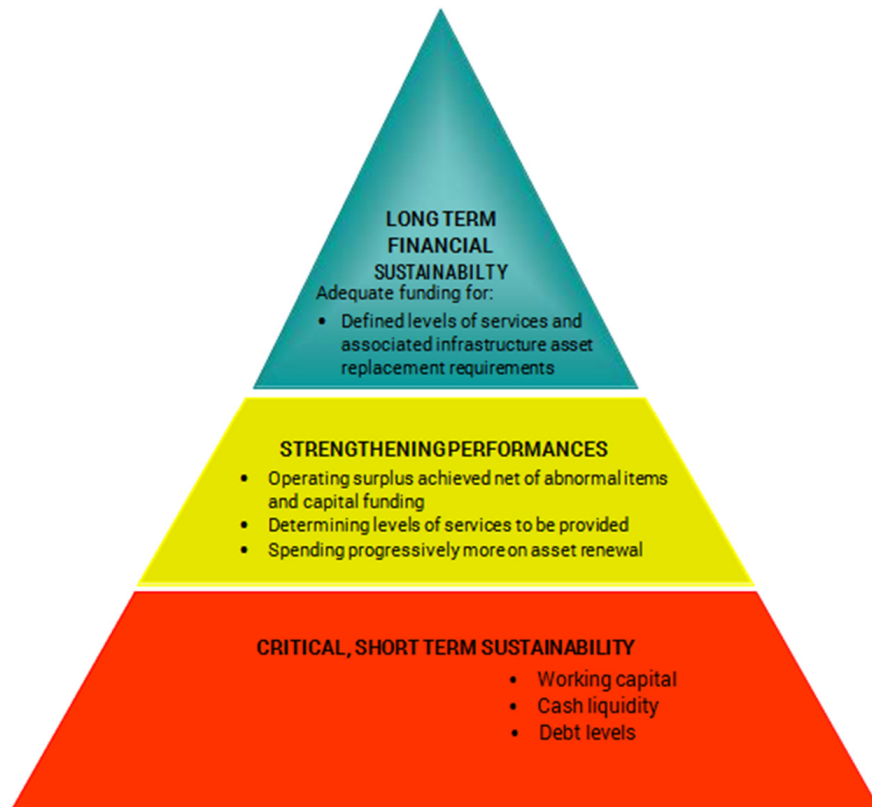
Council is required by the Local Government Act 1989 to prepare a Strategic Resource Plan covering both financial and non-financial resources for at least the next four financial years to support the Council Plan. The Act also requires Council to comply with the following Principles of Sound Financial Management:

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

This 15 year Long Term Financial Plan for the years 2018/19 to 2032/33 has been further refined as part of Council's strategic financial planning framework. It ensures that Council adopts a financially responsible and accountable Annual Budget and Strategic Resource Plan that sits within a longer term framework.

The budgeted financial statements of the Long Term Financial Plan are in Appendix 2. This includes the budgeted statements in the Strategic Resource Plan which are a four year subset of the 15 year Long Term Financial Plan.

Sound financial management can best be described as a series of financial objectives classified on a hierarchical needs basis, as shown in the pyramid diagram on the following page:



The bottom tier's financial objective 'Critical Short Term Sustainability' relates to issues of liquidity, debt ratios and working capital, which are fundamental to good business planning. In order for Council to operate successfully, it is essential that these 'fundamentals' are both understood and adhered to.

Second tier financial objectives focus on continuing to produce progressively improving financial outcomes to strengthen Council's financial position. It is vitally important to define and then consistently achieve planned operational and financial outcomes, before beginning to attempt to address the ultimate third tier goal of 'Long Term Financial Sustainability'.

This is achieved when adequate funding is being provided in current and forward budgets for a defined level of services, including associated infrastructure asset requirements, which meets community needs and which they are prepared to pay for.

A financially sustainable council would be capable of:

- Providing and funding the service needs of its community;
- Meet contingencies without needing to make radical changes to spending and / or revenue policies;
- Maintain stability and equity in rating levels; and
- Preserve intergenerational equity.

When developing long term financial plans it is important that an assessment is made of the community's capacity and preparedness to pay for current and desired service expectations.

There needs to be an informed understanding of what is the sustainable financial capacity of the community. It is important to consider the inherent structural characteristics of the community, namely the community income and population on Council's ability to raise revenue and contain costs.

Similarly, it is important that Council's corporate performance to plan and provide services and assets to its community is both transparent and measurable.

The assessment of the community's capacity to pay for service level requirements and the effectiveness and efficiency of Council planning and delivering planned outcomes are fundamental precursors to developing and then performance managing long term financial plans.

4.7.2 Long Term Financial Strategies

The Long Term Financial Strategies developed and adopted by Council align with the financial objectives in the 'financial pyramid'. The financial strategies that underpin the development of the Long Term Financial Plan, Strategic Resource Plan and Annual Budget include:

1. Target consistent underlying surpluses that provide sufficient funds for both recurrent service level and asset renewal and upgrade requirements.
2. Target the Balance Sheet having at least a 1.25 to 1 underlying working capital ratio in the Long Term Financial Plan.
3. Transfers to discretionary reserves will only be included in the Annual Budget if matched by an equivalent budgeted underlying surplus in the Income Statement to preserve the accumulated surplus position of Council.
4. Material favourable budget variations realised at the end of a financial year will be allocated to a general reserve (unless required to finance projects deemed as 'unavoidable') that can be used as a funding source for future one off, unexpected or unavoidable costs.
5. Annual transfers of equivalent to 1.0% of rate income are made to the general reserve.
6. Annual transfers equivalent to the average interest earned on investments during the financial year are made to all reserves, Loan Reserve excepted.
7. Budgeted underlying cash at the end of each year shall be measured by referencing it against the underlying working capital ratio in the Long Term Financial Plan.
8. Service level funding gaps will be identified and classified as primary or secondary in nature to clearly distinguish the cash flow requirements of maintaining existing service levels (primary gaps) and for service level enhancements (secondary gaps)
9. A series of key financial performance indicators, with appropriate threshold targets, will be utilised to strategically analyse the financial integrity of the Plan. These include:

- underlying working capital ratio – greater than 1.25
- underlying result – greater than 0.0
- financial sustainability indicator – greater than 95%
- self-financing greater than 20%
- indebtedness – less than 40%
- total debt as a % of rate revenue – less than 60%
- debt service costs as a % of total revenue – less 5%

10. The amount of asset renewal funding required to maintain specified service levels as documented in asset management plans will be updated into the Long Term Financial Plan, subject to the available resource requirements, to ensure that the financial integrity of the plan is not compromised.

11. Any new, upgrade and expansion capital work proposals in the first four years of the Long Term Financial Plan must include a lifecycle cost evaluation that identifies the asset's construction, maintenance and operating cash flow requirements as well as the depreciation impact.

12. Capital income must only be utilised as a funding source for capital or 'one off' expenditure requirements.

13. Council considers borrowing for new capital projects only when consistent underlying operating surplus results are being achieved.

14. For borrowings to be considered, projects must have had a full lifecycle cost analysis undertaken, proving that future cash inflows will exceed the cash outlays, or alternatively that the additional costs are quantified in the Long Term Financial Plan and the integrity of the financial strategies are not compromised.

15. Where reasonably possible, fees and charges are increased by the same general rates increase until full cost recovery is achieved for direct service provision. Any fees that are not increased in line with the planned rate rise be clearly identified and documented for Council's consideration.

16. Any services that undergo service level review process which have non statutory fees and charges will have those fees and charges identified to reflect their level of community benefit which clearly articulates the basis for the fee or charge relative to the service being provided.

17. Council consider the most appropriate rating strategy to provide adequate funds to:

- achieve sustainable underlying surpluses;
- achieve sustainable cash flows; and
- fund capital renewal projects;

in both the Annual Budget and Long Term Financial Plan to support defined service and infrastructure asset requirements.

4.7.3 Budgeting Methodology for the Long Term Financial Plan

The Long Term Financial Plan has been prepared at the lowest accounting level within the Council's general ledger system.

The Long Term Financial Plan takes past, current and future economic forecasts into consideration.

For the most part of the last decade, Australia experienced relatively prosperous economic circumstances compared to the rest of the world. This translated into both Federal and State governments producing surplus outcomes and grants flowing through to local government. Even with the advent of the global financial crisis in 2008, councils 'financially benefited' by receiving stimulus funding.

The Australian economic landscape has in the last three years significantly changed. This is primarily due to the end of the mining investment boom. Forward taxation revenue estimates from the mining industry have been materially revised down. The manufacturing industry in Australia has been impacted from the decision of major car manufacturers to cease manufacturing in Australia. This has significant mid to long term structural reform implications for the Australian economy.

The Federal Government is expecting to continue to experience a tight fiscal environment for a number of years. It does not forecast producing an operating surplus until at least the 2020/21 financial year. This is a significant contrast to what had occurred for the most part of the last decade. This has and will have a flow on impact for the local government sector. This is evidenced by the Federal Government's decision to freeze indexation on financial assistance grants to local government for three years to 2016/17.

The Minister for Local Government, the Honourable Marlene Kaiouz announced on 21 December 2017 that Victorian council rate increases will be capped to the rate of inflation, 2.25% for 2018/19. The cap is based on Melbourne CPI for the next financial year as forecast by the Victorian Treasury.

Although the cap for 2018/19 has been set at 2.25%, Council has elected to only increase the general rate by 2.0%. The garbage and green waste charge will also increase by 2.0%. (The projected rate rise for 2018/19 in the previous years' Long Term Financial Plan was 2.0%). The rate rises in the forward years have also been modelled at 2.0% pa.

The financial modelling used for other income and expenditure items in the Long Term Financial Plan utilises both Commsec, Victorian State Government and the Reserve Bank's economic forecasts.

The Reserve Bank of Australia target rate for inflation (as measured in the CPI), is that it remains between 2% and 3%. State Government forecasts that underlying inflation will be 2.0% for 2017/18 and 2.25% for 2018/19.

The LTFP has been based on inflation for 2019/20 at 2.00%, 2.25% for following four years at 2.25% and then increases to 2.50% from 2024/25 onwards.

The employee costs increments have been set at 2.00% from 2017/18 to 2018/19 and at 2.50% from 2020/21 to 2023/24 and then at 2.75% from 2024/25 onwards. It also has factored in the increase in superannuation contributions from 9.5% to 10.0% to occur in 2021/22 and then to increase by 0.5% each year thereafter until it reaches 12.0% in 2025/26.

Program service delivery areas that include construction type projects tend to have costs that increase above CPI. The Australian Bureau of Statistics showed that the Road Bridge Construction Index for Victoria was an average of 1.2% for the five year period ending December 2017.

The budgeting methodology used in the capital works program depends on the nature and timing of the projects. For the majority of infrastructure projects that occur yearly, such as roads, bridges culverts and drains, the costing for 2017/18 is based on an indexed increase of 2.00%. The following 2018/19 year the indexed increase is 2.50% and then trends up by 0.50% each year up until 2020/21. From 2021/22 onwards the index increase is set at 3.80%.

Fees and charges increases are generally modelled to increase by the same general rates increases until full cost recovery is achieved for direct service provision, where appropriate.

In past budgets, the modelling had only allowed, in a very limited manner, a growth inflator for income and associated costs to cater for increased population growth. This current Annual Budget and Long Term Financial Plan has allowed for a growth factor of 120 additional supplementary valuations each year. This has a compounding impact on rate income in the forward budgets. If the projected property activity does not eventuate, the forward income projections will have to be adjusted accordingly.

4.7.4 Key Financial Performance Indicators

Council uses a series of key performance indicators to assess the financial integrity of the budgeted financial statements in the Long Term Financial Plan.




Underlying result

Measures strength of financial result

Adjusted net surplus / underlying revenue

Adjusted net surplus is underlying revenue less expenses

Underlying revenue does not include developer contributions, special rates income or capital grants

Indicator	Range	Comment
	> 0%	Low risk of financial sustainability concerns
	0 - 10%	Risk of long term run down of cash reserves and inability to fund asset renewals
	< 10%	Insufficient revenue to fund operations and asset renewal




Underlying Working Capital

Measures ability to pay existing liabilities

Current assets / current liabilities

Current assets as per Balance Sheet not including cash backed reserves

Current liabilities as per Balance Sheet

Indicator	Range	Comment
	> 1.25	Low risk of financial sustainability concerns
	1.0 - 1.25	Caution with cash flow as issues could arise with meeting obligations as they fall due
	< 1.25	Immediate sustainability issues with insufficient current assets to cover liabilities




Funding Capacity Self-Financing

Measures ability to self-fund asset replacement

Net operating cash flows / underlying revenue and capital grants

Net operating cash flows as per Cash Flow statement

Underlying revenue does not include developer contributions

Indicator	Range	Comment
	> 20%	Generating enough cash from operations to fund assets
	10% - 20%	May not be generating sufficient cash from operations to fund new assets
	< 10%	Insufficient funds from operations to fund new assets and renewals




Sustainability Index

Measures level of spending on assets

Capital spend / depreciation

Capital renewal and upgrade spend as per Cash Flow Statement

Depreciation as per Income Statement

Indicator	Range	Comment
	> 95%	Low risk of insufficient spending on asset renewal and upgrades
	90% - 95%	May indicate that spending on asset renewals is insufficient
	< 90%	Spending on asset renewals and upgrades has not kept pace with consumption of assets.

Borrowing capacity




Indebtedness

Measures ability to cover long term liabilities from own revenue

Non current liabilities / own sourced revenue

Non current liabilities as per Balance Sheet

Own sourced revenue does not include operational and capital grants and contributions




Indicator	Range	Comment
	< 40%	No concern over the ability to repay debt from own source revenue
	40% - 60%	Some concern over the ability to repay debt from own source revenue
	> 60%	Potential long term concern over the ability to repay debt levels from own source revenues

Total Debt as a % of rate revenue

Measures level of rate income relative to total debt

Includes current and non-current liabilities in Balance Sheet

Rate income as per Income Statement




Indicator	Range	Comment
	< 60%	Reasonable reliance on rate revenue to fund debt
	60% - 100%	Undesirable reliance on rate revenue to fund debt
	> 100%	Unsustainable reliance on rate revenue to fund debt.

Debt servicing costs as a % of total revenue

Measures portion of revenue committed to fund debt finance costs

Borrowing cost expenses as per Income Statement

Total revenue in Income Statement not including donated assets and gain/loss on asset disposals

Indicator	Range	Comment
	< 5%	Reasonable proportion of total revenue to fund debt finance costs
	5% - 10%	Undesirable reliance on proportion of total revenue to fund debt finance costs
	> 10%	Unstainable reliance on proportion of total revenue to fund debt finance costs

5. Financial performance indicators

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

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	+o/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	6.89%	-7.29%	5.30%	5.70%	6.96%	6.11%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	281.98%	225.53%	158.20%	151.91%	167.47%	154.98%	o
Unrestricted cash	Unrestricted cash / current liabilities	3	21.10%	43.54%	33.65%	16.13%	23.26%	1.42%	-
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	8.37%	8.14%	7.95%	0%	0%	0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0.35%	0.34%	0.34%	7.88%	0%	0%	+
Indebtedness	Non-current liabilities / own source revenue		12.63%	12.40%	3.81%	3.90%	3.90%	3.90%	o
Asset renewal	Asset renewal expenses / Asset depreciation	5	118%	143%	184%	184%	155%	161%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	58.12%	64.00%	65.31%	65.90%	66.84%	67.31%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.53%	0.54%	0.52%	0.53%	0.53%	0.55%	o
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		\$3,120	\$3,358	\$3,039	\$3,074	\$3,065	\$3,149	o
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,807	\$1,847	\$1,854	\$1,873	\$1,891	\$1,910	o
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		13.10%	9.90%	9.90%	9.90%	9.90%	9.90%	o

Key to Forecast Trend:

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

Notes to indicators

1. Adjusted underlying result

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Aside from the spike and dip in 2016/17 and 2017/18 as a result of receiving one half of VGC allocations in advance (in 2016/17), financial performance is expected to marginally improve over the period as a result of budgeted reduced depreciation expenditure.

2. Working Capital

The proportion of current liabilities represented by current assets.

3. Unrestricted Cash

Although the indicator trends almost to zero in 21/22, Council has other financial assets that can be converted to cash and cash equivalents if required.

4. Loans and Borrowings

Loans and borrowings are expected to remain relatively stable over the period. Council will be debt free in 2020/21.

5. Asset renewal

This percentage indicates the extent of Council's expenditure on asset renewals against its depreciation charge (cost of consumption of the assets service potential). 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. The fluctuations over the years do not present as a strategic concern. This is expected because the nature of capital renewal expenditure requirements tends to have a profile that varies over the years. There are no asset renewal primary funding gaps for all major classes of

6. Rates concentration

Reflects the extent of reliance on rate revenues to fund all of Council's on-going services.

Appendix 1 - Differential Rates

1 Differential Rates

1.1 Rates to be Levied

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

- a general rate of 0.527297% (0.527297 cents in the dollar of CIV) for all rateable General Land;
- a general rate of 0.553662% (0.553662 cents in the dollar of CIV) for all rateable Commercial Land;

- a general rate of 0.553662% (0.553662 cents in the dollar of CIV) for all rateable Industrial Land;

- a general rate of 1.054593% (1.054593 cents in the dollar of CIV) for all rateable Vacant Land;
- a general rate of 0.369108% (0.369108 cents in the dollar of CIV) for all rateable Farming Land;
- a general rate of 0.263648% (0.263648 cents in the dollar of CIV) for all rateable Cultural and Recreational Lands; and

- a general rate of 0.369108% (0.369108 cents in the dollar of CIV) for all rateable Rural Residential Land; and

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

The objective of the differential rates is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council. Council has chosen to define the categories of land to which each differential rate applies by reference to the Australian Valuation Property Classification Code (AVPCC) that is allocated to it in accordance with the Valuation of Land Act 1960.

Details of the objectives of each differential rate, the types and classes of land, which are subject to each differential rate and the uses of each differential rate, are set out below.

1.2 General Land

1.2.1 General Land is any land which is not:

- 1.2.1.1 Commercial Land, as described in subparagraph 1.3.1;
 - 1.2.1.2 Industrial Land, as described in subparagraph 1.4.1;
 - 1.2.1.3 Vacant Land, as described in subparagraph 1.5.1;
 - 1.2.1.4 Farming Land, as described in subparagraph 1.6.1;
 - 1.2.1.5 Cultural and Recreational Land, as described in subparagraph 1.7.1;
- or
- 1.2.1.6 Rural Residential Land as described in subparagraph 1.8.1.

1.2.2 The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- 1.2.2.1 construction and maintenance of infrastructure assets;
- 1.2.2.2 development and provision of health and community services; and
- 1.2.2.3 provision of general support services.

1.2.3 The types and classes of rateable land within this differential rate are those having the relevant characteristics described in subparagraph 1.2.1 above.

1.2.4 The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

1.2.5 The geographic location of the land within this differential rate is land wherever located within the municipal district, without reference to ward boundaries.

1.2.6 The use of the land within this differential rate is, in the case of improved land, any use of land creating the relevant characteristics described in paragraph 1.2.1 above.

- 1.2.7 The land affected by this rate is that which displays the characteristics described in subparagraph 1.2.1 above, and may be located in any zone created by the South Gippsland Planning Scheme.
- 1.2.8 The types of buildings on the land within this differential rate are all buildings which are present on the land at the date of declaration of rates for the 2018/19 financial year.
- 1.2.9 Council has considered this differential rate in the context of the range of revenue instruments available to it and has determined that this differential rate is the most appropriate means of meeting Council's stated objectives.

1.3 Commercial Land

1.3.1 Commercial Land is any land which is used predominantly for commercial purposes and to which any of the following AVPCC codes, or AVPCC codes in the following ranges, have been allocated:

AVPCC 202–299, 656, 657, 669–672, 674, 675, 684, 687, 688, 690, 696, 711, 715, 803–816, 818–820, 822, 823, 825, 827 and 828.

1.3.2 The objectives of this differential rate, having regard to principles of equity including the capacity to pay of those levied the rate, is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- 1.3.2.1 construction and maintenance of infrastructure assets;
- 1.3.2.2 development and provision of health and community services; and
- 1.3.2.3 provision of general support services.

1.3.3 The types and classes of rateable land within this differential rate are those having the relevant characteristics described in subparagraph 1.3.1 above.

1.3.4 The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

1.3.5 The geographic location of the land within this differential rate is land wherever located within the municipal district, without reference to ward boundaries.

1.3.6 The use of the land within this differential rate is, in the case of improved land, any use of land giving rise to the allocation of a relevant AVPCC code specified in subparagraph 1.3.1 above.

1.3.7 The land affected by this rate is that which is in any zone where commercial development is permitted by the South Gippsland Planning Scheme and which displays the characteristics described in subparagraph 1.3.1 above.

1.3.8 The types of buildings on the land within this differential rate are all buildings which are present on the land at the date of declaration of rates for the 2018/19 financial year.

1.3.9 Council has considered this differential rate in the context of the range of revenue instruments available to it and has determined that this differential rate is the most appropriate means of meeting Council's stated objectives.

1.4 Industrial Land

1.4.1 Industrial Land is any land which is used predominantly for industrial purposes and to which any of the following AVPCC codes, or AVPCC codes in the following ranges, have been allocated:

AVPCC 303–399, 400–481, 483–499, 602–612, 615–623, 626–637, 639–644, 647–649, 659, 661–664, 666, 667, 673, 676–679, 681–683, 685, 689, 691, 693, 694 and 697–699.

1.4.2 The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- 1.4.2.1 construction and maintenance of infrastructure assets;
- 1.4.2.2 development and provision of health and community services; and
- 1.4.2.3 provision of economic development and general support services.

- 1.4.3 The types and classes of rateable land within this differential rate are those having the relevant characteristics described in subparagraph 1.4.1 above.
- 1.4.4 The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.
- 1.4.5 The geographic location of the land within this differential rate is land wherever located within the municipal district, without reference to ward boundaries.
- 1.4.6 The use of the land within this differential rate is, in the case of improved land, any use of land giving rise to the allocation of a relevant AVPCC code specified in subparagraph 1.4.1 above.
- 1.4.7 The land affected by this rate is that which is in any zone where industrial development is permitted by the South Gippsland Planning Scheme and which displays the characteristics described in subparagraph 1.4.1 above.
- 1.4.8 The types of buildings on the land within this differential rate are all buildings which are present on the land at the date of declaration of rates for the 2018/19 financial year.
- 1.4.9 Council has considered this differential rate in the context of the range of revenue instruments available to it and has determined that this differential rate is the most appropriate means of meeting Council's stated objectives.

1.5 Vacant Land

- 1.5.1 Vacant Land is any land which is vacant, to the extent that no buildings are erected on it, and to which any of the following AVPCC codes, or AVPCC codes in the following ranges, have been allocated:
AVPCC 100–108, 150, 151, 200, 201, 300, 301, 482, 600, 601, 700–706, 782 or 800–802.
- 1.5.2 The objectives of this differential rate, having regard to principles of equity including the capacity to pay of those levied the rate, are to:
 - 1.5.2.1 promote responsible land management through appropriate maintenance and development of the land;
 - 1.5.2.2 ensure that foregone community and economic development resulting from underutilisation of land is minimised; and
 - 1.5.2.3 ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited) to the:
 - 1.5.2.3.1 construction and maintenance of infrastructure assets;
 - 1.5.2.3.2 development and provision of health and community services; and
 - 1.5.2.3.3 provision of economic development and general support services.
- 1.5.3 The types and classes of rateable land within this differential rate are those having the relevant characteristics described in subparagraph 1.5.1 above.
- 1.5.4 The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.
- 1.5.5 The geographic location of the land within this differential rate is land wherever located within the municipal district, without reference to ward boundaries.
- 1.5.6 The vacant land affected by this rate is that which is located in any zone under the South Gippsland Planning Scheme and which displays the characteristics described under subparagraph 1.5.1 above.
- 1.5.7 Council has considered this differential rate in the context of the range of revenue instruments available to it and has determined that this differential rate is the most appropriate means of meeting Council's stated objectives.

1.6 Farm Land

1.6.1 Farm Land is any land on which the business of farming is being carried out, and which:

1.6.1.1 has a total area of less than 2 hectares and is –

1.6.1.1.1 used predominantly for farming purposes; AND

1.6.1.1.2 forms part of a farm business which straddles the boundary with an adjoining municipality;

OR

1.6.1.1.3 (where the farm business is entirely within the municipality) to which any of the following AVPCC codes, or AVPCC codes in the following range, have been allocated:

AVPCC 540–543 or 564

OR

1.6.1.1.4 used predominantly for farming purposes;

AND

1.6.1.1.5 is operated in combination with other property within Council's municipal district which, when combined, have a total area exceeding 20 hectares, to which AVPCC codes in the following range apply:

AVPCC 570–572

OR

1.6.1.2 has a total area of between 2 and 20 hectares and –

1.6.1.2.1 is used predominantly for farming purposes; AND

1.6.1.2.2 if there is a dwelling situated on the land, or a current planning permit for construction of a dwelling on the land, has applied to it an AVPCC code within the following range:

AVPCC 540–583;

OR

1.6.1.2.3 if there is no dwelling situated on the land, and no current planning permit for construction of a dwelling on the land, has applied to it an AVPCC code within the following range:

AVPCC 500–583;

OR

1.6.1.3 has a total area exceeding 20 hectares and –

1.6.1.3.1 is used predominantly for farming purposes; AND

1.6.1.3.2 has applied to it an AVPCC code within the following range:

AVPCC 500–583.

To avoid doubt, 'business' for the purposes of identifying Farm Land, has the same meaning as that given to it by section 2(1) of the Valuation of Land Act 1960 for the same purpose, being a business that: has a significant and substantial commercial purpose or character; and seeks to make a profit on a continuous or repetitive basis from its activities on the land; and is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

1.6.2 The objectives of this differential rate, having regard to principles of equity including the capacity to pay of those levied the rate, are to:

1.6.2.1 ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

1.6.2.1.1 construction and maintenance of public infrastructure assets;

1.6.2.1.2 development and provision of health, environmental and community services; and

1.6.2.1.3 provision of general support services; encourage and support the business of primary production; and retain and, where appropriate, expand the business of primary production.

- 1.6.2.2 The types and classes of rateable land within this differential rate are those having the relevant characteristics described in subparagraph 1.6.1 above.
- 1.6.2.3 The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.
- 1.6.2.4 The geographic location of the land within this differential rate is land wherever located within the municipal district, without reference to ward boundaries.
- 1.6.2.5 The use of the land within this differential rate is any use of land creating the relevant characteristics described in subparagraph 1.6.1 above.
- 1.6.2.6 The land affected by this rate is that which is in any zone where farming is permitted by the South Gippsland Planning Scheme and which displays the characteristics described in subparagraph 1.6.1 above.
- 1.6.2.7 The types of buildings on the land within this differential rate (if any) are all buildings which are present on the land at the date of declaration of rates for the 2018/19 financial year.
- 1.6.2.8 Council has considered this differential rate in the context of the range of revenue instruments and options available to it and has determined that this differential rate is the most appropriate means of meeting Council's stated objectives.

1.7 Cultural and Recreational Land

- 1.7.1 Cultural and Recreational Land is any land that has the characteristics of 'recreational lands' as defined by section 2 of the Cultural and Recreational Lands Act 1963.
- 1.7.2 The objectives of this differential rate, having regard to principles of equity including the capacity to pay of those levied the rate, are to:
 - 1.7.2.1 ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:
 - 1.7.2.1.1 construction and maintenance of public infrastructure assets;
 - 1.7.2.1.2 development and provision of health, environmental and community services; and
 - 1.7.2.1.3 provision of general support services; and
 - 1.7.2.2 encourage the provision of land and facilities for the enjoyment of residents of and visitors to the municipal district.
- 1.7.3 The types and classes of rateable land within this differential rate are those having the relevant characteristics described in subparagraph 1.7.1 above.
- 1.7.4 The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.
- 1.7.5 The geographic location of the land within this differential rate is land wherever located within the municipal district, without reference to ward boundaries.
- 1.7.6 The use of the land within this differential rate is any use of land creating the relevant characteristics described in subparagraph 1.7.1 above.
- 1.7.7 The land affected by this rate is that which is located in any zone under the South Gippsland Planning Scheme and which displays the characteristics described in subparagraph 1.7.1 above.
- 1.7.8 The types of buildings on the land within this differential rate (if any) are all buildings which are present on the land at the date of declaration of rates for the 2018/19 financial year.

1.7.9 Council has considered this differential rate in the context of the range of revenue instruments and options available to it and has determined that this differential rate is the most appropriate means of meeting Council's stated objectives.

1.8 Rural Residential Land

1.8.1 Rural residential land is any land which:-

1.8.1.1 has a total area equal to or greater than 18.30 hectares; and

1.8.1.2 where primary production uses and associated improvements are secondary to the residential uses; and

1.8.1.3 has applied to it an AVPCC code 117

1.8.2 The objectives of this differential rate, having regard to principles of equity including the capacity to pay of those levied the rate, is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

1.8.2.1 construction and maintenance of infrastructure assets;

1.8.2.2 development and provision of health and community services; and

1.8.2.3 provision of general support services.

1.8.3 The types and classes of rateable land within this differential rate are those having the relevant characteristics described in subparagraph 1.8.1 above.

1.8.4 The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

1.8.5 The geographic location of the land within this differential rate is land wherever located within the municipal district, without reference to ward boundaries.

1.8.6 The use of the land within this differential rate is, in the case of improved land, any use of land giving rise to the allocation of a relevant AVPCC code specified in subparagraph 1.8.1 above.

1.8.7 The land affected by this rate is that which is located in any zone under the South Gippsland Planning Scheme and which displays the characteristics described in subparagraph 1.8.1 above.

1.8.8 The types of buildings on the land within this differential rate are all buildings which are present on the land at the date of declaration of rates for the 2018/19 financial year.

1.8.9 Council has considered this differential rate in the context of the range of revenue instruments available to it and has determined that this differential rate is the most appropriate means of meeting Council's stated objectives.

Appendix 2 - Long Term Financial Plan (2018/19 - 2032/33)

2.1 Income Statement

SOUTH GIPPSLAND SHIRE COUNCIL	Forecast 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000	Budget 2028/29 \$'000	Budget 2029/30 \$'000	Budget 2030/31 \$'000	Budget 2031/32 \$'000	Budget 2032/33 \$'000
INCOME																
Rates and charges	41,165	42,153	43,245	44,364	45,510	46,683	47,886	49,118	50,380	51,673	52,997	54,353	55,742	57,715	59,624	60,080
Statutory fees and fines	798	811	827	867	881	891	920	935	958	989	1,000	1,032	1,085	1,082	1,109	1,154
User fees	4,231	4,228	4,395	4,554	4,717	4,842	4,950	5,072	5,196	5,324	5,454	5,588	5,725	5,865	6,011	6,159
Grants - Operating	12,478	13,213	13,216	12,534	12,475	13,004	13,017	13,586	13,642	14,226	14,296	14,897	14,983	15,601	15,704	16,076
Grants - Capital	5,292	3,803	8,519	3,894	1,672	3,672	1,672	2,157	4,212	1,672	1,882	1,672	1,672	1,672	1,672	1,672
Contributions - monetary	587	367	68	649	763	1,027	1,065	1,347	1,356	1,324	649	674	698	724	618	640
Contributions - non monetary	379	387	395	404	413	422	431	442	453	465	476	488	500	513	526	539
Net gain/ (loss) on disposal of property, infrastructure, plant and equipment	80	245	(8)	70	0	40	0	(9)	0	(87)	0	(10)	0	0	0	0
Fair value adjustment for investment property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income	1,902	2,110	2,203	2,241	2,283	2,321	2,364	2,410	2,458	2,504	2,555	2,605	2,678	2,710	2,761	2,786
TOTAL INCOME	66,912	67,317	72,860	69,577	68,714	72,902	72,305	75,058	78,655	78,090	79,309	81,299	83,083	85,882	88,025	89,106
EXPENSES																
Employee costs	24,408	25,175	25,791	26,439	27,213	28,036	28,857	29,759	30,705	31,542	32,402	33,286	34,193	35,127	36,085	36,220
Materials and services	27,667	20,398	20,648	19,520	19,496	19,979	20,489	21,180	21,342	22,016	22,491	23,414	23,783	24,134	24,714	24,453
External contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities (Do not delete)																
Bad and doubtful debts	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Depreciation and amortisation	9,954	10,288	10,596	10,964	11,859	11,935	11,923	12,280	12,721	13,311	13,535	13,897	14,184	14,747	15,255	15,828
Borrowing costs	142	142	59	0	0	0	0	0	0	0	0	0	0	0	0	0
Other expenses	3,256	3,551	3,207	3,273	3,339	3,407	3,476	3,555	3,636	3,720	3,805	3,892	3,981	4,073	4,167	4,215
TOTAL EXPENSES	65,428	59,555	60,302	60,197	61,908	63,358	64,746	66,775	68,405	70,590	72,234	74,490	76,142	78,082	80,222	80,717
SURPLUS (DEFICIT)	1,484	7,762	12,558	9,380	6,806	9,544	7,559	8,283	10,250	7,500	7,075	6,809	6,941	7,800	7,803	8,389
OTHER COMPREHENSIVE INCOME Items that will not be reclassified to surplus or deficit																
Net Asset revaluation increment (decrement)	25,655	0	27,526	0	30,014	0	32,786	0	36,063	0	39,569	0	43,950	0	0	0
Previously unrecognised assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COMPREHENSIVE RESULT	27,139	7,762	40,084	9,380	36,820	9,544	40,345	8,283	46,313	7,500	46,644	6,809	50,891	7,800	7,803	8,389

2.2 Balance Sheet

SOUTH GIPPSLAND SHIRE COUNCIL

	Forecast 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000	Budget 2028/29 \$'000	Budget 2029/30 \$'000	Budget 2030/31 \$'000	Budget 2031/32 \$'000	Budget 2032/33 \$'000
BUDGETED BALANCE SHEET																
Current assets																
Cash and cash equivalents	13,525	11,440	5,503	7,304	5,969	7,406	10,015	14,333	13,030	15,530	15,110	16,227	18,772	19,550	19,028	21,920
Trade and other receivables	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449	4,449
Other financial assets	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626	6,626
Inventories	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304	304
Other assets	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42
Total current assets	24,946	22,861	16,924	18,725	17,390	18,827	21,436	25,754	24,451	26,951	26,531	27,648	30,193	30,971	30,449	33,341
Non current assets																
Trade and other receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	367	962	962
Investments in associates and joint ventures	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Property, infrastructure, plant and equipment	563,393	572,565	615,341	623,027	661,292	669,511	707,362	711,445	759,182	764,306	811,497	817,319	865,798	872,590	880,460	886,100
Investment property	729	729	729	729	729	729	729	729	729	729	729	729	729	729	729	729
Total non current assets	565,244	574,416	617,192	624,878	663,143	671,362	709,213	713,296	761,033	766,157	813,348	819,170	867,649	874,808	883,273	888,913
Total assets	590,190	597,277	634,116	643,603	680,533	690,189	730,649	739,050	785,484	793,108	839,879	846,818	897,842	905,779	913,722	922,254
Current liabilities																
Trade and other payables	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012	4,012
Trust funds and deposits	899	899	899	899	899	899	899	899	899	899	899	899	899	899	899	899
Provisions	6,150	6,190	6,230	6,270	6,310	6,350	6,390	6,430	6,470	6,510	6,550	6,590	6,630	6,670	6,710	6,750
Interest bearing loans and borrowings	0	3,350	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	11,061	14,451	11,141	11,181	11,221	11,261	11,301	11,341	11,381	11,421	11,461	11,501	11,541	11,581	11,621	11,661
Non current liabilities																
Provisions	2,604	1,889	1,954	2,021	2,091	2,163	2,238	2,316	2,397	2,481	2,568	2,658	2,751	2,848	2,948	3,051
Interest bearing loans and borrowings	3,350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total non current liabilities	5,954	1,889	1,954	2,021	2,091	2,163	2,238	2,316	2,397	2,481	2,568	2,658	2,751	2,848	2,948	3,051
Total liabilities	17,015	16,340	13,095	13,202	13,312	13,424	13,539	13,657	13,778	13,902	14,029	14,159	14,292	14,429	14,569	14,712
Net assets	573,175	580,937	621,021	630,401	667,221	676,765	717,110	725,393	771,706	779,206	825,850	832,659	883,550	891,350	899,153	907,542
Equity																
Accumulated surplus	213,424	220,064	235,493	243,876	249,575	258,536	264,883	271,982	280,896	286,978	293,182	298,811	304,289	310,342	316,427	323,016
Reserves	359,751	360,873	385,528	386,525	417,646	418,229	452,227	453,411	490,810	492,228	532,668	533,848	579,261	581,008	582,726	584,526
Total equity	573,175	580,937	621,021	630,401	667,221	676,765	717,110	725,393	771,706	779,206	825,850	832,659	883,550	891,350	899,153	907,542

2.3 Cash Flow Statement

SOUTH GIPPSLAND SHIRE COUNCIL

	Forecast 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000	Budget 2025/26 \$'000	Budget 2026/27 \$'000	Budget 2027/28 \$'000	Budget 2028/29 \$'000	Budget 2029/30 \$'000	Budget 2030/31 \$'000	Budget 2031/32 \$'000	Budget 2032/33 \$'000
BUDGETED CASH FLOW STATEMENT																
Cash flows from operating activities																
Rates and charges	41,165	42,153	43,245	44,364	45,510	46,683	47,886	49,118	50,380	51,673	52,997	54,353	55,742	57,348	59,029	60,080
Statutory fees & fines	798	811	827	867	881	891	920	935	958	989	1,000	1,032	1,085	1,082	1,109	1,154
User fees	4,231	4,228	4,395	4,554	4,717	4,842	4,950	5,072	5,196	5,324	5,454	5,588	5,725	5,865	6,011	6,159
Grants - operating	12,478	13,213	13,216	12,534	12,475	13,004	13,017	13,586	13,642	14,226	14,296	14,897	14,983	15,601	15,704	16,076
Grants - capital	5,292	3,803	8,519	3,894	1,672	3,672	1,672	2,157	4,212	1,672	1,882	1,672	1,672	1,672	1,672	1,672
Contributions- monetary	587	367	68	649	763	1,027	1,065	1,347	1,356	1,324	649	674	698	724	618	640
Interest received	492	441	449	460	470	480	491	504	516	529	542	556	570	584	599	614
Other receipts	1,410	1,669	1,754	1,781	1,813	1,841	1,873	1,906	1,942	1,975	2,013	2,049	2,108	2,126	2,162	2,172
Employee costs	(24,307)	(25,072)	(25,686)	(26,332)	(27,103)	(27,924)	(28,742)	(29,641)	(30,584)	(31,418)	(32,275)	(33,156)	(34,060)	(34,990)	(35,945)	(36,077)
Materials and services	(27,668)	(20,399)	(20,649)	(19,521)	(19,497)	(19,980)	(20,490)	(21,181)	(21,343)	(22,017)	(22,492)	(23,415)	(23,784)	(24,135)	(24,715)	(24,454)
Other payments	(3,256)	(3,551)	(3,207)	(3,273)	(3,339)	(3,407)	(3,476)	(3,555)	(3,636)	(3,720)	(3,805)	(3,892)	(3,981)	(4,073)	(4,167)	(4,215)
Net cash provided by (used in) operating activities	11,222	17,663	22,931	19,977	18,362	21,129	19,166	20,248	22,639	20,557	20,261	20,358	20,758	21,804	22,077	23,821
Cash flows from investing activities																
Payments for property, infrastructure, plant & equipment	(18,144)	(21,393)	(26,250)	(19,173)	(20,188)	(20,307)	(17,254)	(16,579)	(24,671)	(18,885)	(21,469)	(20,039)	(19,021)	(21,854)	(23,448)	(21,799)
Proceeds from sale of property, infrastructure, plant and equipment	933	1,787	791	997	491	615	697	649	729	828	788	798	808	828	849	870
Payments for / from investments	9,955	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trust Funds and deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan advances made	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) investing activities	(7,256)	(19,606)	(25,459)	(18,176)	(19,697)	(19,692)	(16,557)	(15,930)	(23,942)	(18,057)	(20,681)	(19,241)	(18,213)	(21,026)	(22,599)	(20,929)
Cash flows from financing activities																
Finance costs	(142)	(142)	(59)	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of borrowings	0	0	(3,350)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) financing activities	(142)	(142)	(3,409)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net increase (decrease) in cash and cash equivalents	3,824	(2,085)	(5,937)	1,801	(1,335)	1,437	2,609	4,318	(1,303)	2,500	(420)	1,117	2,545	778	(522)	2,892
Cash and cash equivalents at the beginning of the financial year	9,701	13,525	11,440	5,503	7,304	5,969	7,406	10,015	14,333	13,030	15,530	15,110	16,227	18,772	19,550	19,028
Cash and cash equivalents at the end of the financial year	13,525	11,440	5,503	7,304	5,969	7,406	10,015	14,333	13,030	15,530	15,110	16,227	18,772	19,550	19,028	21,920

2.4 Capital Works Statement

Cost Centre	2018/19 \$,000	2019/20 \$,000	2020/21 \$,000	2021/22 \$,000	2022/23 \$,000	2023/24 \$,000	2024/25 \$,000	2025/26 \$,000	2026/27 \$,000	2027/28 \$,000	2028/29 \$,000	2029/30 \$,000	2030/31 \$,000	2031/32 \$,000	2032/33 \$,000
C_93130 Recreation - Baromi Park Masterplan & Associated Works	180	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_80110 IT Capital Works	810	720	683	700	467	985	754	773	792	812	832	853	875	897	919
C_98010 Long Jetty Caravan Park Capital	229	110	66	108	38	42	-	42	-	46	478	-	50	-	52
C_73510 Buildings - Caravan Park Toilet Block - Port Welshpool	376	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_98020 Yanakie Caravan Park Capital	267	367	511	137	260	-	39	-	41	-	43	-	45	-	47
C_73620 Coal Creek - Capital Projects	-	130	-	137	-	144	-	151	-	159	-	167	-	175	-
C_82250 Civil - Capital Works Design	199	204	209	214	219	225	231	236	242	248	254	261	267	274	281
C_93080 Pools - Splash Hydro Therapy Pool and Gymnasium	30	-	-	-	-	-	-	2,717	1,426	-	-	-	-	-	-
C_82040 Roads - Bair Street Streetscape - Leongatha	-	4,555	-	-	-	-	-	-	-	-	-	-	-	-	-
C_82270 Civil - Korumburra Commercial Streetscape	159	-	3,387	-	-	-	-	-	-	-	-	-	-	-	-
C_95010 Waste - Koonwarra Landfill Cells 1, 2 and 3 Cap	778	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_95020 Waste - Landfills	-	-	72	2,401	966	-	-	-	99	3,002	1,208	-	1,110	1,152	1,196
C_95030 Waste - Leachate Evaporation System	352	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_88050 Footpaths - Renewal	308	327	343	377	345	359	372	113	401	416	432	448	465	483	502
C_82280 Federal Blackspot Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_91010 Drainage - Rehabilitation Program	232	-	-	257	133	138	144	149	155	161	167	173	180	186	193
C_82240 Guard Rails - Replacement Program	113	97	121	128	130	92	185	146	158	131	131	144	176	182	189
C_73630 Buildings - Community Hub - Korumburra	364	5,063	-	-	-	-	-	-	-	-	-	-	-	-	-
C_82300 Roads - Jumbunna Rd, Bena Rd, Princess St	-	-	-	-	-	-	-	873	-	-	-	-	-	-	-
C_73640 Buildings - Sports Pavillion - Leongatha South	-	-	-	-	-	-	-	1,491	-	-	-	-	-	-	-
C_93090 Recreation - Soccer/Hockey fields (x3) - Leongatha	-	-	-	-	-	-	-	3,060	-	-	-	-	-	-	-
C_73650 Buildings - Kindergarten - Nyora	-	-	-	-	1,097	-	-	-	-	-	-	-	-	-	-
C_82320 Roads - Roads/Drainage (Special Charge Scheme 33.3	-	-	-	-	-	-	-	-	-	-	-	-	1,605	2,246	-
C_82350 Civil - Loch Streetscape (Stage-1)	711	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_95070 Waste - Transfer Stations	-	218	-	-	-	-	-	-	-	-	-	-	-	-	-
C_93120 Great Southern Rail Trail	1,000	3,000	-	-	3,000	-	-	-	-	-	-	-	-	-	-
C_85060 Bridge - Ruby Arawata Road (WB330)	470	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_85070 Bridge - Bass Valley Road (KB080)	-	133	-	-	-	-	-	-	-	-	-	-	-	-	-
C_85080 Bridge - Bass Valley Road (KB090)	-	-	250	-	-	-	-	-	-	-	-	-	-	-	-
C_85100 Bridge - Bass Valley Road (KB120)	-	-	-	298	-	-	-	-	-	-	-	-	-	-	-
C_85120 Bridge - Huttons Road (KB200)	-	-	-	-	-	-	-	-	-	419	-	-	-	-	-
C_85130 Bridge - Berrys Road (KB140)	-	-	-	-	-	-	-	-	-	-	205	-	-	-	-
C_85150 Bridge - Wynnes Road (KB390)	-	-	-	-	-	-	-	-	-	-	-	450	-	-	-
C_85170 Bridge - Standfields Road (SB670)	-	-	-	-	-	-	-	-	-	-	-	-	168	-	-
C_73690 Buildings - Library, Leongatha	-	105	1,373	1,407	-	-	-	-	-	-	-	-	-	-	-
C_88090 Footpath Extension - Jumbunna Road, Korumburra	923	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_85010 Bena Kongwak Bridge	1,740	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_88040 Footpaths - Extension Program	185	130	135	107	145	151	156	162	168	175	181	188	195	203	211
C_82210 Roads - Sealed Rehabilitation Program	1,308	2,290	1,790	3,118	5,658	4,614	4,696	4,664	4,439	5,465	5,653	5,653	5,868	6,091	6,322
C_93010 Recreation - Community Infrastructure Projects	31	197	204	211	219	228	236	245	255	264	275	285	296	307	319
C_93140 Recreation - Venus Bay Skate Park	115	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_93180 Recreation - Korumburra Skate Park	250	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_73580 Buildings - Renewal Program	195	1,832	166	1,001	163	3,357	2,722	2,122	2,936	2,986	1,738	2,963	3,036	3,184	3,190
C_93070 Pools - Renewal Program	42	1,022	247	2,384	592	116	119	122	125	128	131	134	138	141	145
C_73670 Buildings - Caravan Park Toilet Block - Waratah Bay	435	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_99020 Pools - Refurbishment Design - Mirboo North	3,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_93160 Recreation - Korumburra Recreation Centre	75	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_93170 Recreation - Korumburra Recreation Reserve	170	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C_73710 Buildings - Office Refurbishment Stage One	-	105	1,373	1,407	-	-	-	-	-	-	-	-	-	-	-
C_73530 Buildings - Early Years Renewal Program	308	54	808	57	1,030	-	61	914	-	66	984	-	-	-	-
C_82110 Roads - Reseals	1,921	1,979	2,048	2,127	2,207	2,291	2,378	2,468	2,562	2,660	2,761	2,866	2,974	3,087	3,205

Cost Centre	2018/19 \$,000	2019/20 \$,000	2020/21 \$,000	2021/22 \$,000	2022/23 \$,000	2023/24 \$,000	2024/25 \$,000	2025/26 \$,000	2026/27 \$,000	2027/28 \$,000	2028/29 \$,000	2029/30 \$,000	2030/31 \$,000	2031/32 \$,000	2032/33 \$,000
C 82120 Roads - Reseal Preparation	851	876	907	941	977	1,014	1,053	1,093	1,134	1,177	1,222	1,268	1,317	1,367	1,418
C 82330 Roads - Bass Highway / Simons Lane Intersection	-	-	913	-	-	-	-	-	-	-	-	-	-	-	-
C 82340 Roads - Relocated Simons Lane Sealing - Leongatha	-	-	724	-	-	-	-	-	-	-	-	-	-	-	-
C 85040 Bridge - Rehabilitation Program	-	93	109	-	252	261	271	282	292	93	110	-	57	352	365
C 85050 Major Culvert - Renewal Program	72	95	98	102	67	150	114	118	54	199	151	151	157	163	169
C 93020 Recreation - Kindergartens Playground Replacement	20	16	23	25	27	29	-	-	-	36	-	58	-	-	-
C 93060 Playgrounds - Replacement Program	204	131	189	146	150	216	304	199	163	125	268	219	68	79	126
C 79120 Plant - Plant Purchases	1,283	1,498	1,425	1,436	1,208	1,778	1,743	1,504	2,389	1,621	1,613	1,605	1,645	1,686	1,728
C 79110 Fleet - Fleet Purchases	740	904	999	960	954	978	1,002	1,027	1,053	1,079	1,106	1,134	1,162	1,191	1,221
C 95060 Waste - Landfill Cover	38	-	-	-	-	86	-	-	-	-	97	-	-	-	-
C 93150 Recreation - Venus Bay Environmental Projects	110	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Total	21,393	26,250	19,173	20,188	20,305	17,254	16,580	24,671	18,884	21,469	20,039	19,021	21,855	23,447	21,799

Appendix 3 - Fees and Charges

Description	Fee	Fee	Change	Revenue
	2017/18 \$	2018/19 \$	%	Budget 2018/19 \$
Aged and Disability Services				
Home Maintenance Low Fee	12.65	12.90	2.00%	13,806
Home Maintenance Medium Fee	19.50	19.90	2.05%	398
Home Maintenance High Fee	51.60	52.60	1.94%	526
Homecare Medium Fee	15.85	16.20	2.21%	8,100
Homecare High Fee	36.75	37.50	2.04%	3,750
Homecare Low Fee	6.45	6.60	2.33%	101,640
HACC Bus Port Welshpool to Leongatha	13.70	14.00	2.19%	672
HACC Bus Venus Bay to Wonthaggi	6.00	6.10	1.67%	586
HACC Bus Foster to Welshpool	6.00	6.10	1.67%	1,342
HACC Bus Leongatha and Meeniyan	6.00	6.10	1.67%	244
Community Transport	0.40	0.40	0.00%	48,000
Meals on Wheels High Fee	13.15	13.20	0.38%	-
Meals on Wheels Medium Fee	9.30	9.50	2.15%	3,800
Meals on Wheels Low Fee	9.30	9.50	2.15%	142,500
Private Works - Meals on Wheels	14.50	14.80	2.07%	16,280
Respite Services Travel Greater Than 30km	0.98	1.00	2.04%	200
Respite Care Low Fee	3.40	3.50	2.94%	11,683
Respite Care Medium Fee	4.90	5.00	2.04%	1,000
Respite Care High Fee	36.75	37.50	2.04%	600
Personal Care Travel Greater Than 30km	1.00	1.00	0.00%	100
Personal Care Low Fee	4.90	5.00	2.00%	23,491
Personal Care Medium Fee	9.70	9.90	2.06%	990
Personal Care High Fee	40.20	41.00	1.99%	1,599
Private Works - Aged and Disability Services	54.35	55.40	1.93%	110,800
Private Works - Aged and Disability Services Travel > 30km	1.30	1.30	0.00%	195
Aged and Disability Services Total				492,302
Children and Family Services				
Flu	25.00	25.00	0.00%	10,000
Hep A Paediatric	49.00	49.00	0.00%	-
Hep A Adult	76.00	77.50	1.97%	155
Hep B Paediatric	19.00	19.00	0.00%	-
Hep B Adult	32.00	32.50	1.56%	65
Boostrix	40.00	40.80	2.00%	816
Twinrix	88.00	89.80	2.05%	359
Varicella	80.00	80.00	0.00%	-
Children and Family Services Total				11,395
Community Strengthening				
Music For the People At Mossvale Park - Adult (Over 15 years of age)	15.00	15.00	0.00%	5,005
Community Strengthening Total				5,005
Caravan Parks				
Large Deluxe Jayco Cabin (Off Peak)	136.00	137.00	0.74%	1,993
Deluxe Cabins (Jaycos) (Peak)	148.00	149.00	0.68%	21,131
Powered sites (Bonus Night / Negotiable Rate)	31.00	31.00	0.00%	1,832
Powered Sites (Peak)	47.00	48.00	2.13%	67,636
Powered sites Peak - Concession	41.00	41.00	0.00%	-
Standard Cabins (Bonus Night / Negotiable Rate)	77.00	81.00	5.19%	2,945
Standard Cabins(Peak)	136.00	137.00	0.74%	37,364
Extra Adult (Off Peak)	11.00	10.00	-9.09%	909
Extra Adult Peak	10.00	10.00	0.00%	2,727
Extra Child Peak	5.00	5.00	0.00%	1,364
Extra Child (Off Peak)	4.00	5.00	25.00%	-
Large Deluxe Jayco Cabin (Bonus Night / Negotiable Rate)	119.00	120.00	0.84%	1,636

Description	Fee	Fee	Change	Revenue Budget
	2017/18	2018/19		2018/19
	\$	\$	%	\$
Caravan Parks				
Large Deluxe Jayco Cabin (Peak)	170.00	171.00	0.59%	12,125
Deluxe Cabins (Jaycos) (Bonus Night / Negotiable Rate)	103.00	104.00	0.97%	1,891
Deluxe Cabins (Jaycos) (Off Peak)	118.00	119.00	0.85%	3,462
Powered Sites (Off Peak)	37.00	38.00	2.70%	11,055
Standard Cabins (Off Peak)	109.00	110.00	0.92%	6,400
Weekly hardship rental Cabins (Standard)	381.00	382.00	0.26%	-
Weekly hardship rental Deluxe Jayco	413.00	414.00	0.24%	-
Weekly hardship rental Large Deluxe	476.00	476.00	0.00%	-
Weekly powered site hardship rental	133.00	134.00	0.75%	-
Weekly unpowered hardship site rental	105.00	106.00	0.95%	-
Standard Cabins off peak stay 7 pay 6	654.00	655.00	0.15%	-
Deluxe Cabin off peak stay 7 pay 6	708.00	709.00	0.14%	-
Large Deluxe Jayco off peak stay 7 pay 6	816.00	817.00	0.12%	-
Powered site off peak stay 7 pay 6	228.00	229.00	0.44%	-
Unpowered off peak stay 7 pay 6	180.00	181.00	0.56%	-
Standard Cabins peak stay 7 pay 6	816.00	817.00	0.12%	-
Deluxe Cabin peak stay 7 pay 6	888.00	889.00	0.11%	-
Large Deluxe Jayco peak	1,038.00	1,039.00	0.10%	-
Powered site peak stay 7 pay 6	282.00	283.00	0.35%	-
Unpowered site peak stay 7 pay 6	222.00	223.00	0.45%	-
Standard Cabins off peak stay 10 pay 8	872.00	873.00	0.11%	-
Deluxe Cabin off peak stay 10 pay 8	944.00	945.00	0.11%	-
Large Deluxe off peak stay 10 pay 8	1,088.00	1,089.00	0.09%	-
Powered site off peak stay 10 pay 8	304.00	305.00	0.33%	-
Unpowered site off peak stay 10 pay 8	240.00	240.00	0.00%	-
Standard Cabins peak stay 10 pay 8	1,088.00	1,088.00	0.00%	-
Deluxe cabin peak stay 10 pay 8	1,184.00	1,184.00	0.00%	-
Large Deluxe peak stay 10 pay 8	1,384.00	1,384.00	0.00%	-
Powered site peak stay 10 pay 8	376.00	376.00	0.00%	-
Unpowered site peak stay 10 pay 8	296.00	296.00	0.00%	-
Seasonal Site Holder 6 month	2,252.00	2,260.00	0.36%	10,273
Annual Site Holders	3,465.00	3,480.00	0.43%	63,273
Permanent Site Holders (Weekly Fee)	86.00	88.00	2.33%	20,800
Electricity quarterly Reading Charge to Annual and Permanent Sites	87.00	88.00	1.15%	1,600
Electricity Usage Charge - quarterly - Annuals and Permanents	400.00	228.98	-42.75%	16,653
Seasonal Site holder 3 month	1,560.00	1,561.00	0.06%	-
Annual Site holder large/premium	4,158.00	4,160.00	0.05%	-
Laundry / Linen Hire Extra	2.00	2.00	0.10%	91
Boom Gate Pass / Security Deposit (Refundable)	20.00	20.00	0.00%	-
Cleaning Charge	30.00	30.00	0.00%	-
Laundry / Washing Machines	3.00	3.00	0.03%	1,364
Laundry / Linen Hire	15.00	15.00	0.00%	1,364
6 Standard cabins (Off Peak)	91.00	92.00	1.10%	8,029
6 Standard Cabins (Peak)	114.00	115.00	0.88%	41,818
2 Seaview Cabins (Peak)	170.00	171.00	0.59%	23,317
Seaview Cottage (Off Peak)	225.00	226.00	0.44%	4,109
Seaview Cottage (Peak)	280.00	281.00	0.36%	17,882
Powered sites (Peak)	47.00	48.00	2.13%	52,364
Unpowered Site (Off Peak)	30.00	31.00	3.33%	3,382
Unpowered Sites (Peak)	37.00	38.00	2.70%	21,418
Extra Adult Peak	10.00	10.00	0.00%	455
Extra Child Peak	5.00	5.00	0.00%	273
2 Couples Cabin (Peak)	165.00	166.00	0.61%	22,636
2 Seaview Cabins (Off Peak)	136.00	137.00	0.74%	3,985
2 Family Park Cabins (Off Peak)	134.00	135.00	0.75%	-
2 Family Park Cabins (Peak)	168.00	169.00	0.60%	-
Powered Sites (Off Peak)	38.00	39.00	2.63%	8,864
6 Standard Cabins - (Bonus Night / Negotiable Rate)	80.00	81.00	1.25%	3,682

Description	Fee	Fee	Change	Revenue Budget
	2017/18	2018/19		2018/19
	\$	\$	%	\$
Caravan Parks				
2 Couples Cabin - (Bonus Night / Negotiable Rate)	116.00	117.00	0.86%	5,318
2 Family Park Cabins - (Bonus Night / Negotiable Rate)	118.00	119.00	0.85%	-
Powered Sites - (Bonus Night / Negotiable Rate)	32.00	33.00	3.13%	1,500
Unpowered Site - (Bonus Night / Negotiable Rate)	27.00	28.00	3.70%	1,273
Premium Powered Site (beach front / larger sites) Peak	56.00	57.00	1.79%	40,418
2 Seaview Cabins - (Bonus Night / Negotiable Rate)	119.00	120.00	0.84%	5,455
Extra Child (Off Peak)	-	1.00	0.00%	-
2 Couples Cabin (Off Peak)	132.00	133.00	0.76%	3,869
Extra Adult (Off Peak)	10.00	10.00	0.00%	-
Extra Child (Off Peak)	5.00	5.00	0.00%	-
Weekly Standard cabin hardship rental	315.00	316.00	0.32%	-
Weekly Couples cabin hardship rental	462.00	463.00	0.22%	-
Weekly Seaview cabins Hardship rental	476.00	477.00	0.21%	-
Weekly Seaview Cottage Hardship rental	787.00	788.00	0.13%	-
Weekly Powered site Hardship rental	190.00	191.00	0.53%	-
Weekly Unpowered Hardship rental	150.00	151.00	0.67%	-
7 Night Special Standard Cabins Off Peak Stay 7 pay 6	540.00	541.00	0.19%	-
7 Night Special Seaview Cabins Off Peak Stay 7 pay 6	816.00	817.00	0.12%	-
7 Night Special Couples Cabins Off Peak Stay 7 pay 6	792.00	793.00	0.13%	-
7 Night Special Seaview Cottage Off Peak Stay 7 pay 6	1,350.00	1,351.00	0.07%	-
7 Night Special Powered Off Peak Stay 7 pay 6	228.00	229.00	0.44%	-
7 Night Special Unpowered Off Peak Stay 7 pay 6	180.00	181.00	0.56%	-
7 Night Special Standard Cabins Peak Stay 7 pay 6	798.00	799.00	0.13%	-
7 Night Special Seaview Cabins Peak Stay 7 pay 6	1,050.00	1,051.00	0.10%	-
7 Night Special Couples Cabins Peak Stay 7 pay 6	990.00	991.00	0.10%	-
7 Night Special Seaview Cottage Peak Stay 7 pay 6	1,680.00	1,681.00	0.06%	-
7 Night Special Premium Powered Peak Stay 7 pay 6	392.00	393.00	0.26%	-
7 Night Special Powered Peak Stay 7 pay 6	282.00	283.00	0.35%	-
7 Night Special Unpowered Peak Stay 7 pay 6	228.00	229.00	0.44%	-
10 Night Special Standard Cabins Off Peak Stay 10 pay 8	720.00	721.00	0.14%	-
10 Night Special Seaview Cabins Off Peak Stay 10 pay 8	1,088.00	1,089.00	0.09%	-
10 Night Special Couples Cabins Off Peak Stay 10 pay 8	1,056.00	1,057.00	0.09%	-
10 Night Special Seaview Cottage Off Peak Stay 10 pay 8	1,800.00	1,801.00	0.06%	-
10 Night Special Powered Off Peak Stay 10 pay 8	304.00	305.00	0.33%	-
10 Night Special Unpowered Cabins Off Peak Stay 10 pay 8	240.00	241.00	0.42%	-
10 Night Special Standard Cabins Peak Stay 10 pay 8	912.00	913.00	0.11%	-
10 Night Special Seaview Cabins Peak Stay 10 pay 8	1,400.00	1,401.00	0.07%	-
10 Night Special Couples Cabins Peak Stay 10 pay 8	1,320.00	1,321.00	0.08%	-
10 Night Special Seaview Cottage Peak Stay 10 pay 8	2,240.00	2,241.00	0.04%	-
10 Night Special Premium Powered Peak Stay 10 pay 8	448.00	449.00	0.22%	-
10 Night Special Powered Peak Stay 10 pay 8	376.00	377.00	0.27%	-
10 Night Special Unpowered Peak Stay 10 pay 8	304.00	305.00	0.33%	-
10 Night Special Premium Powered site Off Peak Stay 10 pay 8	360.00	361.00	0.28%	-
Annual Site Holders	4,182.00	4,200.00	0.43%	135,800
Seasonal Site Holders 6 Month	2,718.00	2,720.00	0.07%	12,364
Seasonal Site Holders 3 months	1,882.00	1,900.00	0.96%	8,636
Annual Site Holders Large site / Premium	5,018.00	5,020.00	0.04%	-
Laundry / Linen Hire	15.00	15.00	0.00%	2,727
Boom Gate Pass / Security Deposit (Refundable)	20.00	20.00	0.00%	-
Cleaning Charge	30.00	30.00	0.00%	-
Laundry / Linen Hire Extra	2.00	2.00	-0.01%	182
Laundry Usage / Washing Machines	3.00	3.00	-0.01%	2,727
Caravan Parks Total				722,371

Description	Fee	Fee	Change	Revenue Budget
	2017/18	2018/19		2018/19
	\$	\$	%	\$
Coal Creek Community Park and Museum Total				
Train Rides	7.00	7.14	2.00%	43,054
Education Program - Bush Tramway Ride	4.30	4.39	2.00%	8,493
Loads of Fire wood sold to volunteers	76.50	77.99	1.95%	709
Auditorium/Boardroom Hire-full day	118.00	118.00	0.00%	-
Venue Hire-Pig& Whistle	365.00	365.00	0.00%	-
Coal Creek Package - A Pioneers Life	12.00	12.24	2.01%	3,717
Coal Creek Package - Coal at the Creek	7.10	7.10	0.00%	-
Coal Creek Package - Coal Creek Experience 1	12.20	12.44	2.00%	17,693
Coal Creek Package - Coal Creek Experience 2	9.70	9.89	2.01%	3,643
Coal Creek Package - Coal Creek Experience 3	9.70	9.89	2.00%	9,228
Education Program - Guided Tour	5.10	5.20	2.00%	6,559
Coal Creek Package - It's a child's life! 1901 Style	12.80	13.06	2.00%	11,905
Coal Creek Package - Lessons from the Past	9.20	9.38	1.99%	2,798
Education Program - Spinning Demonstration	3.10	3.16	1.84%	287
Auditorium /Boardroom Hire-1/2 day	84.00	85.65	1.97%	1,168
Coal Creek Community Park and Museum Total				109,254
Visitor Services				
Central Booking Service Revenue Average	26.20	26.72	2.00%	-
Postcards	1.00	1.03	2.67%	70
Maps	11.00	11.22	2.00%	255
Visitor Services Total				325
Statutory Planning				
Secondary Consent (single dwelling or ancillary to single dwelling) where cost of development increases by 10,000 - 100,000	296.25	302.20	2.01%	5,495
Secondary Consent (anything other than single dwelling or ancillary to single dwelling) where cost of development increases by less than 100,000	540.20	618.55	14.50%	5,623
Request for extension of time (first request)	250.00	255.00	2.00%	5,795
Request for extension of time (second or subsequent request)	400.00	410.00	2.50%	7,455
To register a new Section 173 Agreement with titles office or to remove or amend Section 173 Agreement from title	620.30	632.80	2.02%	5,753
Secondary Consent (anything other than single dwelling or ancillary to single dwelling) where cost of development increases by more than 1,000,000	1,606.60	1,638.85	2.01%	1,490
Secondary Consent (single dwelling or ancillary to single dwelling) where cost of development increases by more than 100,000	606.40	618.55	2.00%	2,812
Secondary Consent (subdivision)	620.35	632.80	2.01%	2,876
Secondary Consent (single dwelling or ancillary to single dwelling) where cost of development does not increase by more than 10,000	94.10	96.00	2.02%	3,491
Title Searches	32.00	32.00	0.00%	1,047
Request for copies of Planning Permit or Approved Plans	75.00	80.00	6.67%	727
Request for copies of Planning Permit and Approved Plans	135.00	140.00	3.70%	1,273
Request for copies of Planning Permit Applications on Advertising (per page)	1.00	1.00	0.00%	91
Applications or Requests to respond to written Planning Enquiries	70.00	80.00	14.29%	3,127
Secondary Consent (anything other than single dwelling or ancillary to single dwelling) where cost of development increases by more than 100,000 but less than 1,000,000	728.35	743.00	2.01%	3,715
Statutory Planning Total				50,770

Description	Fee		Change	Revenue Budget
	2017/18	2018/19		2018/19
	\$	\$	%	\$
Environmental Health				
Transfer of Registrations (50% of rego fee)	-	-	0.00%	-
Skin Penetration - Health Act	253.00	258.00	1.98%	1,806
Comb Hair/Beauty & Skin - Health Act	253.00	258.00	1.98%	3,354
PA8FC4	186.00	190.00	2.15%	950
New Premises Establishment Fee - Large	440.00	449.00	2.05%	-
Hair/Beauty- Health Act	196.00	200.00	2.04%	-
Class 1 (Non Standard FSP) Food Act Premises	711.00	725.00	1.97%	6,525
Class 2 - Food Act Premises	711.00	580.00	-18.42%	83,520
Class 3 - Commercial Food Premises	453.00	370.00	-18.32%	19,240
PA8FC2	447.00	365.00	-18.34%	3,285
PA8FC3	318.00	259.00	-18.55%	518
Inspection on request (50% of registration fee)	-	-	0.00%	-
Class 1 (Standard FSP) Food Act Premises	1,005.00	1,005.00	0.00%	-
PAFC3	637.00	520.00	-18.37%	520
PAFC4	186.00	190.00	2.15%	4,750
PAFC2	894.00	730.00	-18.34%	10,950
New Premises Establishment Fee - Small	107.00	109.00	1.87%	-
Registration of Temporary or Mobile Food Premises (attached to principal premises)	112.00	114.00	1.79%	6,156
Class 1 Initial Registration	-	1,174.00	-	-
Class 2 Initial Registration	-	940.00	-	4,700
Class 3-Domestic Food Premises	-	190.00	-	4,750
Class 3 Commercial Initial Registration	-	547.00	-	2,735
Class 3 Domestic Initial Registration	-	277.00	-	2,770
PA8FC2 Initial Registration	-	453.00	-	-
PA8FC3 Initial Registration	-	346.00	-	-
PAFC3 Initial Registration	-	698.00	-	-
PAFC2 Initial Registration	-	1,089.00	-	-
Class 2 - Sporting Club	-	145.00	-	4,495
Class 3 - Sporting Club	-	113.00	-	113
Request for Septic Plans and Permit	136.00	138.00	1.47%	1,255
Permit to Install a septic tank	719.00	733.00	1.95%	87,960
Permit to alter a septic tank system - Major Works	507.00	517.00	1.97%	7,755
Permit to alter a septic tank - Minor Works	401.50	409.50	1.99%	6,143
Request for copies of plans for septic.	78.00	79.50	1.92%	723
Request for Assessment of the Waste Water Disposal System for a constructed dwelling or extra initial, construction or Final Inspection	202.00	206.00	1.98%	375
Extension of time to existing Septic Tank PTI	397.50	405.50	2.01%	1,622
Assessment of Land Capability Assessment	106.50	108.50	1.88%	986
Minor permit amendment - no inspection	110.50	112.50	1.81%	450
Major permit amendment - includes inspection	202.00	206.00	1.98%	824
Environmental Health Total				269,230

Description	Fee	Fee	Change	Revenue Budget
	2017/18	2018/19		2018/19
	\$	\$	%	\$
Local Laws				
Impounded vehicle release	226.70	226.70	0.00%	-
Roadside trading permit	1,063.80	1,063.80	0.00%	-
Local Law 1 release fees	142.70	142.70	0.00%	-
Sheep (Subsequent animals) - Release fee	3.20	3.20	0.00%	-
Block Clearing (Fire Prevention / Hazards)	115.70	118.03	2.01%	3,219
Pensioner fee for dog registration for working dogs, microchipped only (C4P)	25.70	26.20	1.95%	19,650
Dog registration for working dogs, microchipped only (C4)	51.40	52.40	1.95%	99,560
Exotic Animals (Subsequent animals)	7.00	7.00	0.00%	-
Access - Additional Records	9.30	9.30	0.00%	-
Goats & Pigs (Subsequent animals)	7.00	7.00	0.00%	-
Sheep (First animal) - Release fee	29.20	29.20	0.00%	-
Dogs / Cats - First Offence - Pound release fee	93.60	95.47	2.00%	8,679
Goats & Pigs (First animal)	58.40	58.40	0.00%	-
NC2P – Dogs/Cats that qualify for reduced fee Pension	25.70	26.20	1.95%	19,650
Dogs / Cats - Subsequent Offence - Pound release fee	152.00	155.05	2.01%	4,933
FOI Supervision Search Fee	14.00	14.00	0.00%	-
Cattle (First animal) - Release fee	140.30	143.00	1.92%	650
Cattle (Subsequent animals) - Release fee	7.00	7.15	2.14%	65
NC1 – Dogs/Cats not included under NC2	152.00	155.05	2.01%	23,413
NC1P - Dogs/Cats not included under NC2 Pension	76.00	77.50	1.97%	5,813
NC2 – Dogs/Cats that qualify for reduced fee	51.40	52.40	1.95%	94,320
Access - All Records	16.30	16.60	1.84%	-
Sustenance Stock	15.80	16.15	2.22%	147
Sustenance Cat & Dog	14.00	14.25	1.79%	3,239
Other (Per animal)	3.20	3.20	0.00%	-
Burning off offensive material permit	507.90	518.00	1.99%	-
Animal permit - Excess animals	54.90	56.00	2.00%	2,800
Droving of Livestock - Application fee (no refund)	244.20	249.00	1.97%	-
Vic Roads (Stock Control on Declared Roads)	706.50	720.65	2.00%	55,687
Door to Door trading permit	477.00	477.00	0.00%	-
Local Law Footpath Occupation Permit	60.70	61.90	1.98%	14,237
Bulk rubbish container permit	131.70	131.70	0.00%	-
Domestic Animal Business Registration	292.30	298.10	1.98%	2,981
Grazing Sheep - daily fee per head	1.10	1.10	0.00%	-
Grazing Other Livestock - daily fee per head	1.70	1.70	0.00%	-
Droving Other Livestock - daily fee per head	3.20	3.20	0.00%	-
Grazing of Livestock - Application Fee (no refund)	122.80	122.80	0.00%	-
Grazing Cattle - daily fee per head	1.70	1.70	0.00%	-
Dog registration for dangerous, menacing and restricted breeds (RDM)	292.30	298.25	2.04%	1,193
Animal registration undesexed dogs and cats (C2)	54.40	55.50	2.02%	27,750
Pensioner fee for undesexed dogs and cats (C2P)	25.70	26.20	1.95%	5,240
Animal registration for micro-chipped and desexed dogs and cats (C3)	51.40	52.40	1.95%	36,156
Pensioner fee for micro-chipped and desexed dogs and cats (C3P)	25.70	26.20	1.95%	7,598
Droving of Livestock - Bond	2,186.30	2,186.30	0.00%	-
Droving Cattle - daily fee per head	3.20	3.20	0.00%	-
Droving Sheep - daily fee per head	1.70	1.70	0.00%	-
Late Application for Cattle Crossing	418.50	418.50	0.00%	-
Exotic Animals (First animal)	58.40	58.40	0.00%	-
All other Local Law 1 permits-that are not specifically excluded	115.70	118.00	1.99%	236
Open Air Burning Local Law Permit	60.40	61.60	1.99%	560
Local Laws Total				437,776
Municipal Building				
Building Permit Document Search / Certificate Fees	157.77	160.89	1.98%	2,194
Place of public entertainment occupancy permit	645.08	657.80	1.97%	1,196
Municipal Building Total				3,390

Description	Fee	Fee	Change	Revenue Budget
	2017/18	2018/19		2018/19
	\$	\$	%	\$
Engineering and Projects Management				
Non Commercial - Leongatha Memorial Hall Complex Hire	825.00	825.00	0.00%	-
Non Commercial - Leongatha Memorial Hall Complex Hire 1/2 Day	430.00	430.00	0.00%	-
Non Commercial - Leongatha Memorial Hall Meeting Rm 1 - full day	185.00	185.00	0.00%	1,682
Non Commercial - Hall Bond where liquor is served (refundable)	735.00	735.00	0.00%	-
Non Commercial - Hall Bond where liquor is not served (refundable)	190.00	190.00	0.00%	-
Commercial - Leongatha Memorial Hall Whole Complex Hire	1,030.00	1,030.00	0.00%	-
Commercial - Leongatha Memorial Whole Complex Hire 1/2 Day	535.00	535.00	0.00%	-
Commercial - Leongatha Memorial Hall Rental - full day or evening	735.00	735.00	0.00%	6,014
Commercial - Leongatha Memorial Hall 1/2 day use set up rehearsals	370.00	370.00	0.00%	-
Commercial - Leongatha Memorial Hall set up where hall deemed unusable by other parties (Weddings Expos Lyric Theatre Catwalks) full day	550.00	550.00	0.00%	1,000
Commercial - Leongatha Memorial Hall Rehearsals 1-4 hours	65.00	65.00	0.00%	591
Commercial - Leongatha Memorial Hall Full week hire 7 days	3,255.00	3,255.00	0.00%	2,959
Commercial - Leongatha Memorial Hall meeting Rm 1 - week hire	1,030.00	1,030.00	0.00%	-
Commercial - Leongatha Memorial Hall Meeting Rm 1 - full day	225.00	225.00	0.00%	1,636
Commercial - Leongatha Memorial Hall Meeting Rm 1 - 1/2 day	115.00	115.00	0.00%	836
Commercial - Leongatha Memorial Hall Meeting Rm 2 - week hire	820.00	820.00	0.00%	-
Commercial - Leongatha Memorial Hall Meeting Rm 2 - full day	185.00	185.00	0.00%	1,682
Commercial - Leongatha Memorial Hall Meeting Rm 2 - 1/2 day	95.00	95.00	0.00%	864
Commercial - Leongatha Memorial contractor Set up Costs (if used)	35.00	35.00	0.00%	-
Commercial - Leongatha Memorial Hall Kitchen full day	185.00	185.00	0.00%	336
Commercial - Leongatha Memorial Hall Balcony Seating 1/2 day	115.00	115.00	0.00%	-
Commercial - Leongatha Memorial Hall Behind Stage full day	115.00	115.00	0.00%	-
Commercial - Leongatha Memorial Hall Behind Stage 1/2 day	70.00	70.00	0.00%	-
Commercial - Hall Bond where liquor is served (refundable)	920.00	920.00	0.00%	-
Commercial - Hall Bond where liquor is not served (refundable)	225.00	225.00	0.00%	-
Non Commercial - Leongatha Memorial Hall Rental - full day / evening	590.00	590.00	0.00%	2,145
Non Commercial - Leongatha Memorial Hall 1/2 day use set up rehearsals	295.00	295.00	0.00%	536
Non Commercial - Leongatha Memorial Hall Meeting Rm 1 - 1/2 day	95.00	95.00	0.00%	2,591
Non Commercial - Leongatha Memorial Hall Meeting Rm 2 - full day	150.00	150.00	0.00%	682
Non Commercial - Leongatha Memorial Hall Meeting Rm 2 - 1/2 day	75.00	75.00	0.00%	1,364
Non Commercial - Leongatha Memorial contractor Set up Costs (if used)	26.00	26.00	0.00%	3,427
Non Commercial - Leongatha Memorial Hall Kitchen full day	150.00	150.00	0.00%	2,045
Non Commercial - Leongatha Memorial Hall Kitchen 1/2 day	95.00	95.00	0.00%	1,295
Non Commercial - Leongatha Memorial Hall Crockery Hire per setting	4.00	4.00	0.00%	1,091
Non Commercial - Leongatha Memorial Hall Balcony Seating full day	190.00	190.00	0.00%	-
Non Commercial - Leongatha Memorial Hall set up where hall deemed unusable by other parties (Weddings Expos Lyric Theatre Catwalks) full day	440.00	440.00	0.00%	-
Non Commercial - Leongatha Memorial Hall Balcony Seating 1/2 day	95.00	95.00	0.00%	-
Non Commercial - Leongatha Memorial Hall Behind Stage full day	95.00	95.00	0.00%	-
Non Commercial - Leongatha Memorial Hall Behind Stage 1/2 day	55.00	55.00	0.00%	100
Commercial - Leongatha Memorial Hall Kitchen 1/2 day	115.00	115.00	0.00%	418
Commercial - Leongatha Memorial Hall Crockery Hire per setting	5.00	5.00	0.00%	-
Non Commercial - Leongatha Memorial Hall Full week hire 7 days	2,625.00	2,625.00	0.00%	2,386
Non Commercial - Leongatha Memorial Hall meeting Rm 1 full week hire 7 days	820.00	820.00	0.00%	-
Non Commercial - Leongatha Memorial Hall Meeting Rm 2 - week hire	655.00	655.00	0.00%	-
Commercial - Leongatha Memorial Hall Balcony Seating full day	225.00	225.00	0.00%	-
Private Functions - Leongatha Memorial Hall Whole Complex Hire	825.00	825.00	0.00%	750
Private Functions - Leongatha Memorial Hall Whole Complex Hire 1/2 Day	430.00	430.00	0.00%	391
Private Functions - Leongatha Memorial Hall Rental - full day or evening	590.00	590.00	0.00%	1,073
Private Functions - Leongatha Memorial Hall 1/2 day use set up rehearsals	295.00	295.00	0.00%	536
Private Functions - Leongatha Memorial Hall set up where hall deemed unusable by other parties (Weddings Expos Lyric Theatre Catwalks) full day	440.00	440.00	0.00%	800
Private Functions - Leongatha Memorial Hall Rehearsals 1-4 hours	50.00	50.00	0.00%	182
Private Functions - Leongatha Memorial Hall Full week hire 7 days	2,625.00	2,625.00	0.00%	-
Private Functions - Leongatha Memorial Hall meeting Rm 1 full week hire 7 days	820.00	820.00	0.00%	-
Private Functions - Leongatha Memorial Hall Meeting Rm 1 - full day	185.00	185.00	0.00%	336

Description	Fee	Fee	Change	Revenue Budget
	2017/18	2018/19		2018/19
	\$	\$	%	\$
Engineering and Projects Management				
Private Functions - Leongatha Memorial Hall Meeting Rm 1 - 1/2 day	95.00	95.00	0.00%	173
Private Functions - Leongatha Memorial Hall Meeting Rm 2 - Full week hire 7 days	655.00	655.00	0.00%	-
Private Functions - Leongatha Memorial Hall Meeting Rm 2 - full day	150.00	150.00	0.00%	273
Private Functions - Leongatha Memorial Hall Meeting Rm 2 - 1/2 day	75.00	75.00	0.00%	136
Private Functions - Leongatha Memorial contractor Set up Costs (if used)	26.00	26.00	0.00%	71
Private Functions - Leongatha Memorial Hall Kitchen full day	150.00	150.00	0.00%	136
Private Functions - Leongatha Memorial Hall Kitchen 1/2 day	95.00	95.00	0.00%	86
Private Functions - Leongatha Memorial Hall Crockery Hire per setting	4.00	4.00	0.00%	-
Private Functions - Leongatha Memorial Balcony Lounge Meeting Room - full day	115.00	115.00	0.00%	105
Private Functions - Leongatha Balcony Lounge Meeting Room - 1/2 day	75.00	75.00	0.00%	68
Private Functions - Leongatha Balcony Seating full day	190.00	190.00	0.00%	-
Private Functions - Leongatha Balcony Seating 1/2 day	95.00	95.00	0.00%	-
Private Functions - Leongatha Behind Stage full day	95.00	95.00	0.00%	86
Private Functions - Leongatha Behind Stage 1/2 day	55.00	55.00	0.00%	50
Private Functions - Leongatha Hall Bond where liquor is served (refundable)	735.00	735.00	0.00%	668
Private Functions - Leongatha Hall Bond where liquor is not served (refundable)	190.00	190.00	0.00%	173
Leongatha Memorial Hall Kitchen per hour	30.00	30.00	0.00%	136
Non Commercial - Leongatha Memorial Hall Rehearsals 1-4 hours	50.00	50.00	0.00%	-
Engineering and Projects Management Total				42,387
Parks and Gardens				
Mossvale Park Event - Commercial (market / event that makes profit)	500.00	500.00	0.00%	-
Mossvale Park Event - Non Commercial (free community event, wedding, funeral or private function)	-	-		-
Mossvale Park Event - Commercial - Electricity	100.00	100.00	0.00%	-
Mossvale Park Event - Non Commercial - Electricity	50.00	50.00	0.00%	-
Mossvale Park Event - Commercial - Parking Area Behind Sound Shell	200.00	200.00	0.00%	-
Mossvale Park Event - Non Commercial Commercial - Parking Area Behind Sound Shell	100.00	100.00	0.00%	-
Mossvale Park Event - Commercial - Sound Shell (fit out of sides)	400.00	400.00	0.00%	-
Mossvale Park Event - Non Commercial - Sound Shell (fit out of sides)	200.00	200.00	0.00%	-
Parks and Gardens Total				-
Maintenance - Civil Infrastructure				
Port Welshpool boat ramp - Daily Car Park	10.00	10.20	2.01%	2,782
Port Welshpool boat ramp - Annual Car Park Fee	51.00	52.00	1.96%	28,364
Maintenance - Civil Infrastructure Total				31,146
Sustainability				
Hard Waste Collection - Regular	96.00	98.00	2.08%	891
Hard Waste Collection - Pensioner	33.00	34.00	3.03%	2,689
Asbestos	173.00	176.50	2.02%	3,370
Concrete	80.00	82.00	2.50%	13,418
Prescribed Waste	214.00	218.00	1.87%	-
Commercial Waste by weight	173.00	176.50	2.02%	1,686,377
Transfer Station Waste to Landfill	155.00	158.00	1.94%	258,545
Tree Stumps	46.00	47.00	2.17%	555
Disposal of Clean Fill	173.00	176.50	2.02%	4,011
Sustainability Festival Small Stall	37.00	37.73	1.97%	1,372
General Waste - Garbage Bag up to 120L	4.50	5.00	11.11%	-
General Waste - Car Boot	22.00	22.50	2.27%	-
General Waste - 240L Bin	11.50	12.00	4.35%	-
General Waste - 120 L Bin	5.50	6.00	9.09%	-
General Waste - Ute - up to one cubic meter	44.00	45.00	2.27%	-
General Waste - Other Domestic	44.00	45.00	2.27%	-
Silage Wrap bundled	44.00	45.00	2.27%	-

Description	Fee	Fee	Change	Revenue Budget
	2017/18	2018/19		2018/19
	\$	\$	%	\$
Sustainability				
Concrete Bricks Fill up to one m3	44.00	45.00	2.27%	-
Car Bodies (Tyres and Gas Bottles removed and drained of fluids)	-	-	0.00%	-
Car Tyres	9.50	9.50	0.00%	-
Small Truck / Four Wheel Drive Tyres	21.00	21.50	2.38%	-
Large Truck Tyre	43.00	44.00	2.33%	-
Tractor Tyre	254.00	110.00	-56.69%	-
Extra Charge for Tyre on Rim	12.00	12.00	0.00%	-
Green Waste - 120L Bin	2.50	2.50	0.00%	-
Green Waste - Car Boot / Station Wagon	6.00	6.50	8.33%	-
Green Waste - Standard 6 x 4 Trailer (Level Load)	12.00	12.00	0.00%	62,727
Green Waste - 240L Bin	4.50	5.00	11.11%	-
Green Waste - 6 x 4 Trailer With Cage	42.00	43.00	2.38%	-
Green Waste - Large Single Axle Trailer (Level Load)	15.00	15.50	3.33%	-
Green Waste - Large Single Axle Trailer (Heaped Load)	28.50	29.00	1.75%	-
Green Waste - Large Single Axle Trailer With Cage	58.00	59.00	1.72%	-
Green Waste - Tandem Trailer (Level Load)	23.00	23.50	2.17%	-
Gas Bottles - up to 10kg	6.50	7.00	7.69%	-
Mattress - Single Bed	15.00	15.50	3.33%	-
Gas Bottles - Larger than 20kg	26.00	26.50	1.92%	-
Green Waste - Tandem Trailer (Heaped Load)	42.00	43.00	2.38%	-
Green Waste - Tandem Trailer With Cage	85.00	87.00	2.35%	-
Green Waste - Ute (Level Load)	12.00	12.00	0.00%	-
Green Waste - Ute (Heaped Load)	21.00	21.50	2.38%	-
Green Waste - Amnesty Period (No Fees Charged) 1st November to 31st December	-	-	0.00%	-
Green Waste - Standard 6 x 4 Trailer (Heaped Load)	21.00	21.50	2.38%	-
Mattress - Double Bed	21.00	21.50	2.38%	-
Gas Bottles - 10 to 20kg	14.00	14.50	3.57%	-
E-Waste - Laptops, Computers, Printers, DVD & VCR Players etc	7.00	7.00	0.00%	-
E-Waste - Small CRT TV/Computer Monitor (Smaller than 40cm)	13.50	14.00	3.70%	-
E-Waste - Large CRT TV (Larger than 40cm)	20.00	20.50	2.50%	-
E-Waste - Small Plasma/LCD TV (Smaller than 100cm)	6.00	6.50	8.33%	-
E-Waste - Large Plasma/LCD TV (Larger than 100cm)	13.50	14.00	3.70%	-
General Waste - Standard single axle trailer up to 6 x 4 (Heaped Load)	78.50	80.00	1.91%	-
General Waste - Standard single axle trailer up to 6 x 4 (With a Cage)	119.00	121.50	2.10%	-
General Waste - Standard single axle trailer up to 6 x 4 (Level Load)	44.00	45.00	2.27%	-
General Waste - Single axle trailer over 6 x 4 (Level Load)	57.50	58.50	1.74%	-
General Waste - Single axle trailer over 6 x 4 (With a Cage)	173.00	176.50	2.02%	-
General Waste - Small tandem trailer up to 8 X 5 (Level Load)	65.50	67.00	2.29%	-
Silage Plastic – Clean, in bulk bags (designated collection periods and sites only)	11.00	11.00	0.00%	-
General Waste - Small tandem trailer up to 8 X 5 (With a Cage)	197.00	201.00	2.03%	-
General Waste - Large tandem trailer over 8 X 5 (Level Load)	98.50	100.00	1.52%	-
General Waste - Large tandem trailer over 8 X 5 (Heaped Load)	197.00	201.00	2.03%	-
General Waste - Large tandem trailer over 8 X 5 (With a Cage)	295.00	301.00	2.03%	-
General Waste - Single axle trailer over 6 x 4 (Heaped Load)	115.00	117.00	1.74%	-
General Waste - Small tandem trailer up to 8 X 5 (Heaped Load)	132.00	135.00	2.27%	-
Sustainability Total				2,033,955
Assets				
Unused Road Opening Application Fee	680.00	694.00	2.06%	2,524
Road Reserve Activity Permit (Road RAP)	87.00	89.00	2.30%	16,020
Assets Total				18,544

Description	Fee	Fee	Change	Revenue
	2017/18	2018/19		Budget
	\$	\$	%	2018/19
				\$
Building and Recreation				
SPLASH - Stadium Netball Team sheet Fee (Senior)	-	46.40		-
SPLASH - Stadium Netball Team Registration Fee (Senior)	80.00	82.40	3.00%	-
SPLASH - Stadium Indoor Soccer Team sheet (Senior)	45.00	46.40	3.11%	-
SPLASH - Stadium Indoor Soccer Team Registration (Senior)	80.00	82.40	3.00%	-
SPLASH - Stadium Basketball Rental (single court)	42.00	43.30	3.10%	-
SPLASH - Stadium Birthday Parties	18.50	18.50	0.00%	-
SPLASH - Children's Programs Facility Rental - Casual Lane Hire	32.00	33.00	3.13%	-
Toora - Outdoor Swimming Pool - Family Season Ticket	300.00	312.00	4.00%	-
Toora - Outdoor Swimming Pool - Adult Entry	6.30	6.30	0.00%	-
Toora - Outdoor Swimming Pool - Child Entry	4.90	5.10	4.08%	-
Toora - Outdoor Swimming Pool - School Single Entry	3.30	3.50	6.06%	-
Toora - Outdoor Swimming Pool - Spectator	1.00	1.00	0.00%	-
Toora - Outdoor Swimming Pool - Single Season Ticket Adult	160.00	166.00	3.75%	-
Toora - Outdoor Swimming Pool - Weekly Family Ticket	70.00	75.00	7.14%	-
Toora - Outdoor Swimming Pool - Single Season Ticket Child	120.00	120.00	0.00%	-
Outdoor Swimming Pool - Spectator	1.00	1.00	0.00%	-
SPLASH - Aquatic Adventure Day - Per participant	9.30	9.30	0.00%	-
SPLASH - Older Adults Programs Strength Training Session	7.50	7.70	2.67%	-
SPLASH - Aquatic Membership Fortnightly Fee	26.80	27.30	1.87%	-
SPLASH - Memberships Aquatic Membership Monthly Fee (Concession)	49.40	49.40	0.00%	-
SPLASH - Memberships Pryme Movers Membership Monthly Fee	41.20	46.40	12.62%	-
SPLASH - Memberships Y Kids Club Monthly Fee	40.20	42.20	4.98%	-
SPLASH - Aquatic Education Aquasafe Plus Membership Fortnightly Fee	28.80	31.70	10.07%	-
SPLASH - Aquatic Education Aquasafe Membership Fortnightly Fee	26.00	29.50	13.46%	-
SPLASH - Aquatic Education Aquasafe Membership Fortnightly Fee (Family)	20.80	23.60	13.46%	-
SPLASH - Memberships Aquasafe School Holiday Program Participant Fee	60.00	61.80	3.00%	-
SPLASH - Schools - Aquatic Education (YMCA Teacher)	7.30	7.40	1.37%	-
SPLASH - Schools - Aquatic Education (School Instructor)	4.00	4.00	0.00%	-
SPLASH - Schools - Aquatic Carnival Hire	750.00	750.00	0.00%	-
SPLASH - Stadium Netta / Fun Net Clinic	6.50	9.80	50.77%	-
SPLASH - Full Centre Membership Fortnightly Fee	38.60	39.10	1.30%	-
SPLASH - Full Centre Membership Concession Fee	30.90	31.30	1.29%	-
SPLASH - Aquatic Membership Concession Fee	21.50	21.80	1.40%	-
SPLASH - Challenge Fitness Camp	305.00	305.00	0.00%	-
SPLASH - Children's Programs Facility Rental - Swim Club	18.50	-	-100.00%	-
SPLASH - Full Centre Membership Concession Family Fortnightly Fee	23.20	23.50	1.29%	-
SPLASH - Aquatics (Casual) Adult Rec Swim	6.30	6.40	1.59%	-
SPLASH - Aquatics (Casual) Concession Rec Swim	5.00	5.20	4.00%	-
SPLASH - Aquatics (Casual) Family Rec Swim	18.00	18.00	0.00%	-
SPLASH - Aquatics (Casual) Spectator	2.00	2.00	0.00%	-
SPLASH - Aquatics (Casual) Underwater Hockey (Adult)	9.00	9.30	3.33%	-
SPLASH - Aquatics (Casual) Underwater Hockey (Child / Concession)	7.80	8.00	2.56%	-
SPLASH - Group Fitness Aqua Aerobics	12.40	12.60	1.61%	-
SPLASH - Group Fitness Aqua Aerobics (Concession)	10.00	10.10	1.00%	-
SPLASH - Older Adults Programs Aqua Movers	7.50	7.70	2.67%	-
SPLASH - Stadium Basketball Clinic	6.50	9.80	50.77%	-
SPLASH - Stadium Schools Rental (single court)	42.00	43.30	3.10%	-
SPLASH - Stadium Entry fee - all persons	2.00	2.00	0.00%	-
SPLASH - Memberships Aquatic Membership Monthly Fee	55.10	55.10	0.00%	-
SPLASH - Aquatic Education Aquasafe Plus Membership Fortnightly Fee (Family Membership)	23.00	25.90	12.61%	-
SPLASH - Schools - Aquatic Full Pool Hire (Sole Use)	125.00	125.00	0.00%	-
SPLASH - Full Centre Membership Family Fortnightly Fee	30.90	31.30	1.29%	-
SPLASH - Challenge Fitness Camp (member)	240.00	241.00	0.42%	-
SPLASH - Aquatics (Casual) Child Rec Swim	5.00	5.20	4.00%	-
SPLASH - Older Adults Programs Disability Access Program	7.50	7.70	2.67%	-
SPLASH - Stadium Soccer Clinic	6.50	9.80	50.77%	-
Outdoor Swimming Pool - School Single Entry	3.30	3.30	0.00%	-

Description	Fee	Fee	Change	Revenue
	2017/18	2018/19		Budget
	\$	\$	%	2018/19
Building and Recreation				
Outdoor Swimming Pool - Child Entry	4.20	4.30	2.38%	-
Outdoor Swimming Pool - Adult Entry	5.20	5.40	3.85%	-
Outdoor Swimming Pool - Single Season Ticket	80.00	82.00	2.50%	-
Outdoor Swimming Pool - Family Season Ticket	155.00	158.00	1.94%	-
Outdoor Swimming Pool - Daily Family Entry	16.20	16.20	0.00%	-
Outdoor Swimming Pool - Season Ticket Child	65.00	72.00	10.77%	-
Building and Recreation Total				-
Total User Fees				4,227,850

Appendix 4 - Budget Process

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

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2018/19 Budget, which is included in this report, is for the year 1 July 2018 to 30 June 2019 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 2019 in accordance with the Act and Regulations, and are consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, officers firstly review and update Council's long term financial projections. Financial projections for 15 years are included in Council's Long Term Financial Plan which is produced on a rolling basis. From this, financial projections for four years are included in Council's Strategic Resource Plan.

The preparation of the budget, within this broader context, begins with officers preparing the operating and capital components of the annual budget during October through to February. A draft consolidated budget is then prepared and various iterations are considered by Council at briefings during December and February. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in March 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 2018 and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

Budget Process	Timing
Council Plan / Business plan requirements reviewed	Jul 2017 - Jan 2018
Previous years financial results updated into Financial Plan	Aug - Sep 2017
Capital Works requirements reviewed	Sep - Dec 2017
Financial strategies reviewed	Oct - Dec 2017
Operating budgets prepared	Dec 2017 - Feb 2018
Councillors consider draft budgets at briefing sessions	Dec 2017 - Feb 2018
Proposed budget submitted to Council for approval	21-Mar-18
Public notice advising intention to endorse proposed budget	21-Mar-18
Budget available for public inspection & comment	27-Mar-17
Submission period closes	26-Apr-18
Submission hearing meeting	23-May-18
Special Council meeting - Submissions considered by Council	30-May-18
Budget presented to Council for adoption	27-Jun-18
Copy of adopted budget submitted to the Minister	28-Jun-18