

Budget 2014-2015



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Introduction

The 2014-15 Budget has been prepared in the context of the Council Plan 2013 - 17 and the Strategic Resource Plan. It seeks to balance the community's need for services and infrastructure with the objective to minimise the increase in rates and charges.

A key challenge for Council in the 2014-15 Budget is to manage external cost impacts while maintaining and improving services and infrastructure. The largest external cost factor influencing this budget is the funding of the Defined Benefit Superannuation Liability of \$4.646 million. Council adopted a two-year funding strategy to fund this liability, and \$1.915 million was funded in 2013-14. The balance of \$2.731 million will be funded in 2014-15, requiring an additional \$816,000 allocation from rate revenue in 2014-15. The other major impact in 2014-15 is a \$500,000 reduction in expected revenue from the Eltham Leisure Centre. This arises from reduced attendance numbers at this facility since the establishment of the Watermarc facility in Greensborough.

Key projects and major initiatives funded in the Budget include:

Our Community

- \$400,000 for detailed planning to upgrade Diamond Creek Community Centre (Stage 1)
- \$150,000 for works at Campbell Street reserve, Diamond Creek
- \$145,000 to upgrade cricket facilities at A E Cracknell Reserve in Panton Hill
- \$120,00 for works at Yarrambat Park
- \$70,000 for two free green-waste disposal days
- \$50,000 to continue the community transport program
- \$40,000 for implementation of the Health and Wellbeing Plan
- \$30,000 to implement Year 4 Cultural Plan actions
- \$26,000 for construction of dog parks
- \$15,000 for a feasibility study on an athletics track in Nillumbik

Our Natural Environment

- \$500,000 for rehabilitation works at the Plenty and Kangaroo Ground landfills
- \$350,000 to construct the Graysharps Road section of the Diamond Creek to Hurstbridge trail
- \$250,000 to implement masterplan works at Bell Street Eltham
- \$130,000 for concept planning for the Diamond Creek to Hurstbridge trail
- \$77,000 for street tree planting
- \$25,000 to increase roadside weed management
- \$25,000 to improve maintenance along the Aqueduct Trail

Our Built Environment

- \$500,000 for drainage renewal and upgrade works
- \$400,000 for new footpaths
- \$200,000 for traffic improvements
- \$15,000 for the Yarrambat Township Plan

Our Economy

- \$2,450,000 for building and landscape works at Eltham Town Square
- \$100,000 for Stage 2 of the Eltham Precinct 3 and 4 masterplan
- \$60,000 to implement Stages 2 & 3 for Brand Nillumbik.

The Budget continues to provide significant resources to maintain and renew existing infrastructure, including roads (\$1,530,000), footpaths (\$300,000), bridges (\$280,000), sports-grounds/pavilions (\$220,000), major leisure centres and community halls (\$500,000), recreation trails (\$200,000), other Council buildings (\$530,000), disability access works (\$120,000) and playgrounds (\$155,000).

The Strategic Resource Plan has also been reviewed and updated projections have been included as part of the budget document. Council is required to adopt the Strategic Resource Plan by 30 June each year, and this is done as part of the Budget process.

Council faces a number of financial challenges over the coming years including:

- Funding the ongoing renewal of Council's infrastructure assets, such as buildings, roads, bridges, drains, footpaths and playgrounds (gross replacement cost value of \$633 million at 30 June 2013)
- Funding major projects
- Enhancing its capacity to improve or increase services where needed by the community through the funding and implementation of new initiatives
- Funding external budget pressures from legislative changes, legal liabilities and cost shifting.

To deal with these challenges, Council has prepared a Financial Sustainability Plan which was formally adopted in December 2013. The Financial Sustainability Plan establishes some financial management principles which Council will observe. The Plan also establishes a series of financial sustainability measures and targets, which provide a basis for Council to plan for and monitor its progress in terms of financial sustainability. More information on Council's projected performance in achieving these targets is included later in the Budget document.

Rates and Charges

The Budget proposes a 6.65% average increase in rates and charges per assessment. This includes 1.55% to provide additional rate revenue for the second year of funding for the superannuation liability, 0.5% for additional capital works, and 1% to offset the loss of revenue from the Eltham Leisure Centre. The balance of the rates and charges increase is 3.6% which is the net result of all other changes to Council revenue and expenditure.

The overall rates and charges increase is comprised of the following elements:

- The Waste Management Charge will increase by 1.44% in order to fund operating costs (including the State Government Landfill Levy, the kerbside hard waste collection service, and continued rehabilitation works at the former Plenty and Kangaroo Ground landfills).
- The Municipal Charge will decrease from \$116.35 to \$100.33 per assessment. The Municipal Charge is calculated on the basis of net cost shifting onto Council from other levels of government. While this has improved marginally since the 2013-14 Budget, it still represents a cost of more than \$100 per assessment.
- The balance of the overall increase in rates and charges is due to changes in the rate in the dollar. For 2014-15, the change in the rate in the dollar is projected to be 4.92%

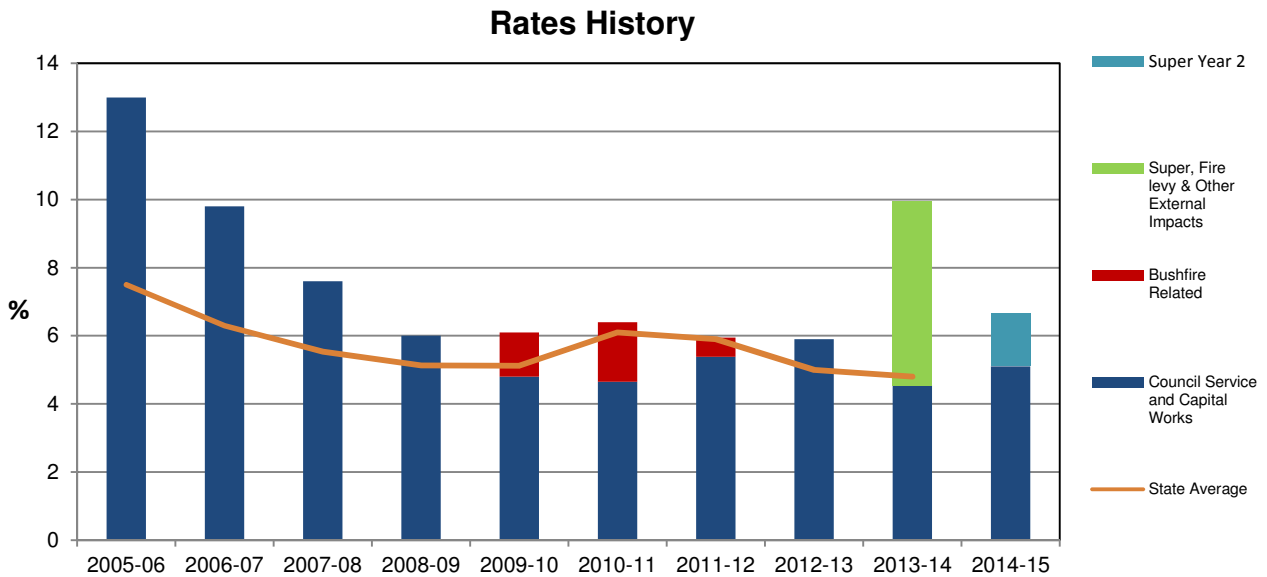
Process

The proposed budget will be exhibited for public consultation from 1 May 2014 to 29 May 2014. Residents and other interested members of the community are able to view the budget and make written submissions which will be considered by Council in June.

Budget Trends and Summary

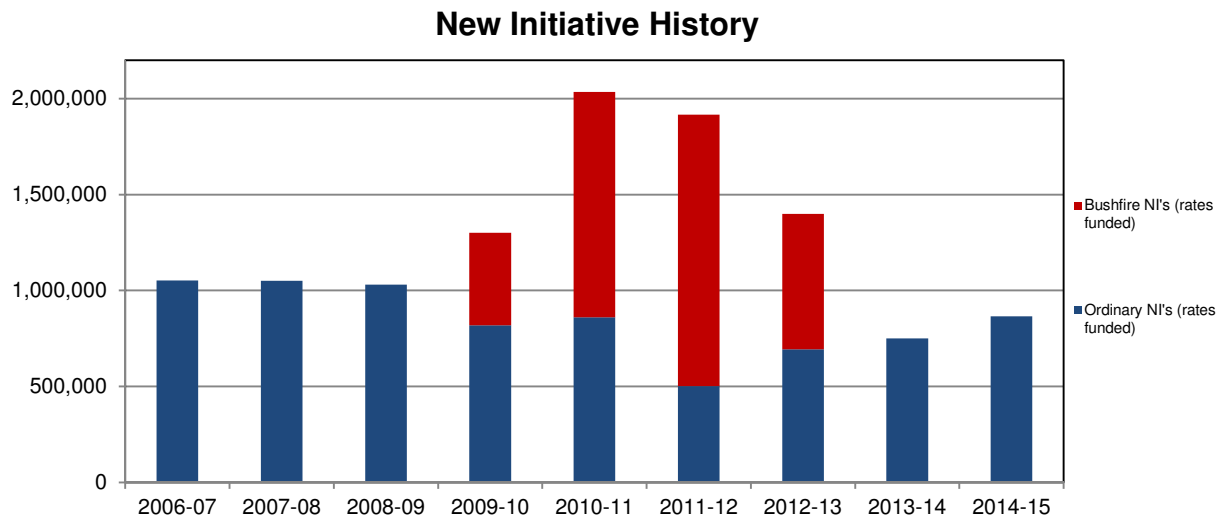
Council has prepared a Budget for the 2014-2015 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget trends and outcomes information is provided below about the rates and charges increase, new initiative funding, borrowing, operating result, cash and investments, capital works, financial position and financial sustainability to highlight significant trends that have influenced budget decisions and the projected financial outcomes resulting from the 2014-2015 budget.

1. Rate Trends and Outcomes



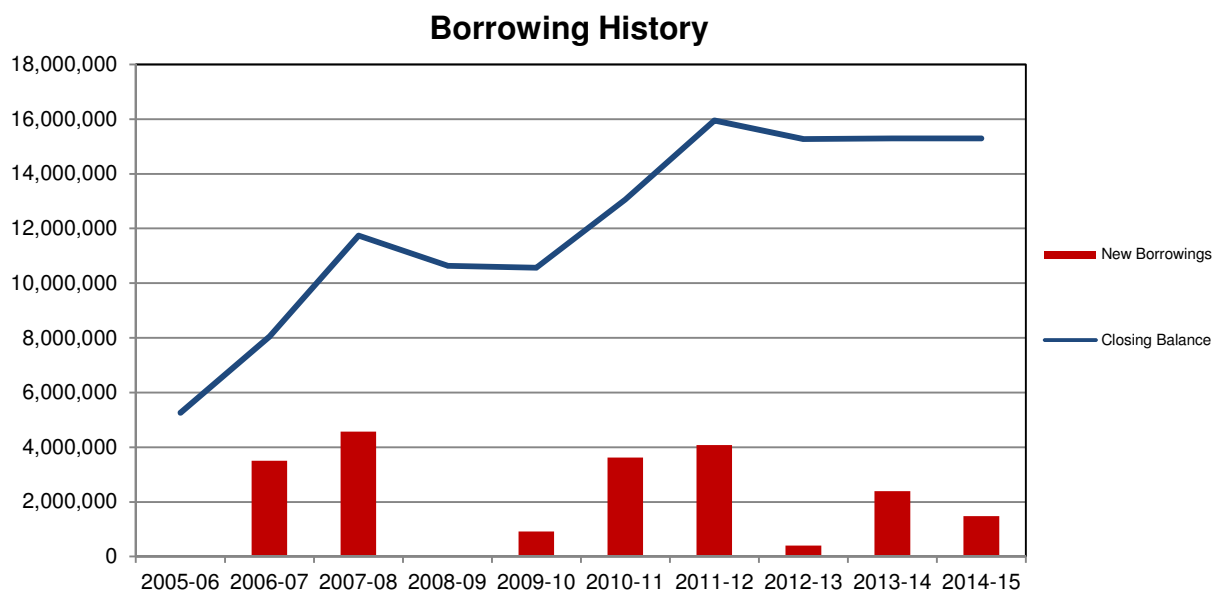
The graph above outlines Council's budgeted rate increases from 2005-06 to 2014-15 (proposed) in comparison to the State average increase as published by the Municipal Association of Victoria in its annual rate report. While overall rate increases for the period 2009-10 to 2012-13 remained above the State average, this was mainly due to the impact of the bushfire component of the budget rate rise. For 2014-15, rates and charges revenue will increase by 6.65% average per assessment for general services, investments in infrastructure, external cost pressures and to provide year 2 funding for the Defined Benefit Superannuation Liability, which results in total rates and charges of \$56.6 million, (including supplementary rates, and special rates schemes). Of the 6.65% rate increase, 1.55% will go towards funding the balance of the Defined Benefit Superannuation Liability, 1% to address a reduction in revenue from the Eltham Leisure Centre, 3.6% will go toward maintaining service levels and 0.5% will go towards additional funding for capital works.

2. New Initiative Trends and Outcomes



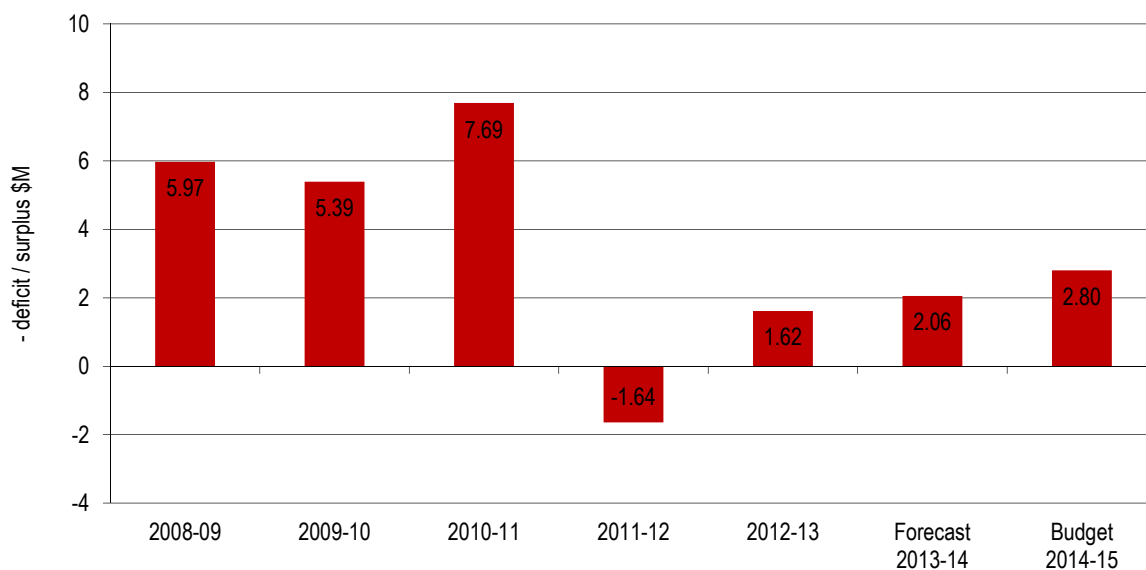
Each year Council makes provision for service delivery improvement and policy and strategy development through New Initiatives. The graph above outlines budgeted rate funding for both bushfire and ordinary service new initiatives from 2006-07 to 2014-15. While other funding sources are sought by Council to fund these projects (eg. grants or contributions), rates is a major funding component for these items. Since 2009-10, Council has managed the need to fund bushfire recovery, fire prevention and emergency management partly through the reduction of ordinary new initiative projects. In 2008-09, just over \$1 million was allocated to fund ordinary new initiative projects. By 2011-12, this had reduced to \$501k. This reduction is greater when taking inflation into account. While there was a slight increase in Ordinary New Initiative funding in 2012-13 and 2013-14 and there is proposed to be a further increase in 2014-15, expenditure is still below 2008-09 levels.

3. Borrowing Trends and Outcomes



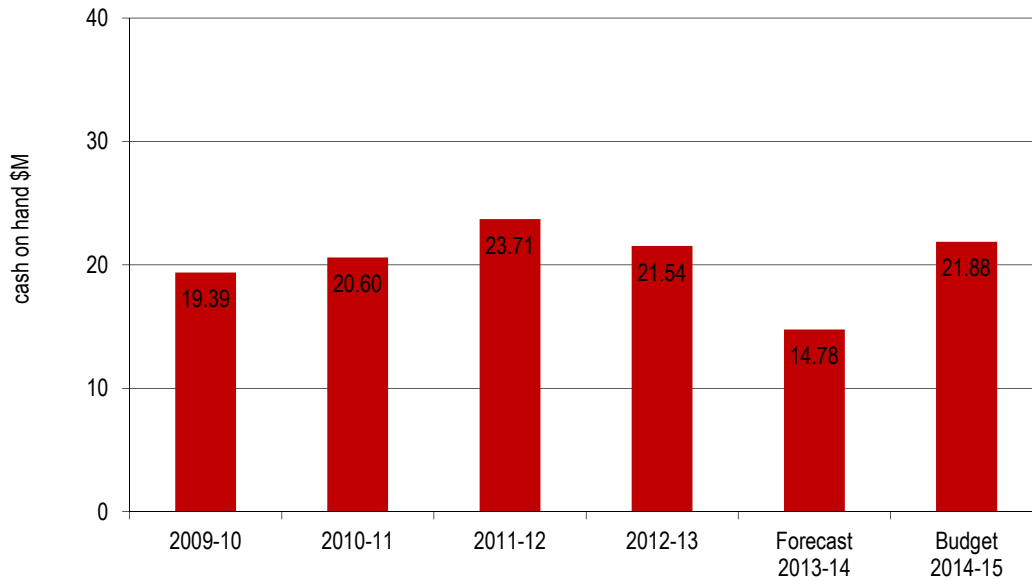
The graph above outlines Council's loan borrowing over the period 2005-06 to 2014-15. Due to timing of project completion, estimated borrowings in the budget may be carried over to other financial years and taken-up at the end of the year when the project is completed. Over the period 2009-10 to 2012-13, Council has undertaken some significant capital works projects that have required loan funding. These include the Civic Centre Refurbishment, Community Bank Stadium - Diamond Creek and Eltham Library. Council has also budgeted for borrowings for the Hurstbridge Family Centre which is proposed to be completed in 2013-14. This borrowing has seen debt levels rise from \$10.57 million in 2009-10 to an estimated \$15.3 million in 2014-15. For 2014-15, Council estimates it will borrow \$1.48 million, all of which relates to borrowing for projects that were budgeted in previous financial years but will be completed in 2014-15. Borrowings remain within the Auditor-General's low risk range. Further details of Council's borrowing strategy can be found in Section 9.1 of this document.

4. Operating Outcome



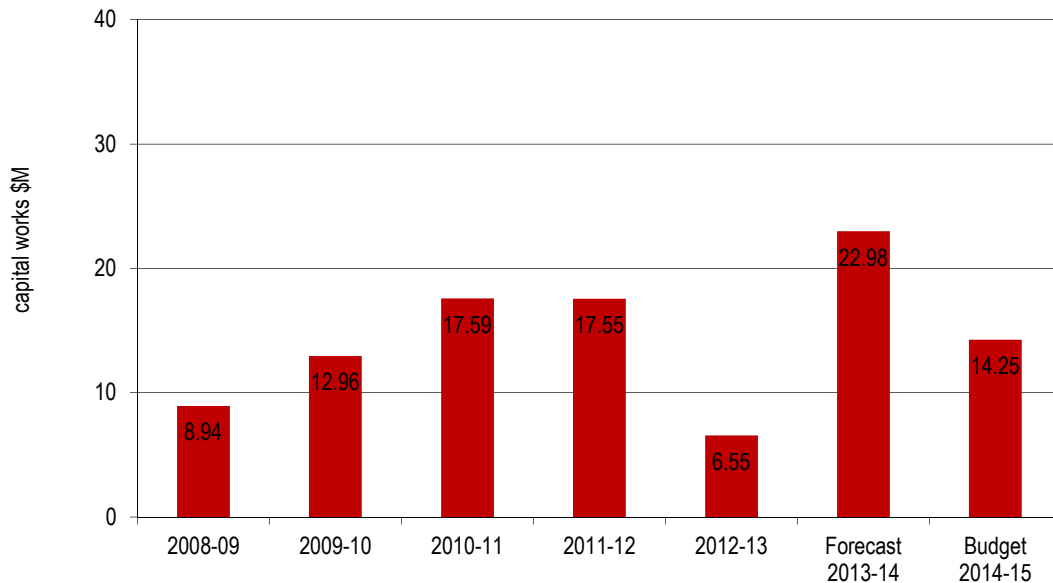
The expected operating result for the 2014-2015 year is a surplus of \$2.804 million (before spending on capital works, also excluding borrowings and reserve movements). This is an increase of \$0.749 million from the 2013-2014 Budget forecast. The higher operating result is mainly due to increased rate revenue. The operating loss in the 2011-2012 financial year was due to the recognition (for accounting purposes) of the superannuation liability as an expense. When taking into account capital expenditure (instead of depreciation) and reserve and borrowing movements, Council is budgeting a rate determination method (cash) surplus of \$100k, which is considered a minimum level for an organisation with a \$79 million income budget. Detailed operating results by business unit have been included in the Appendix E for information.

5. Cash and investments



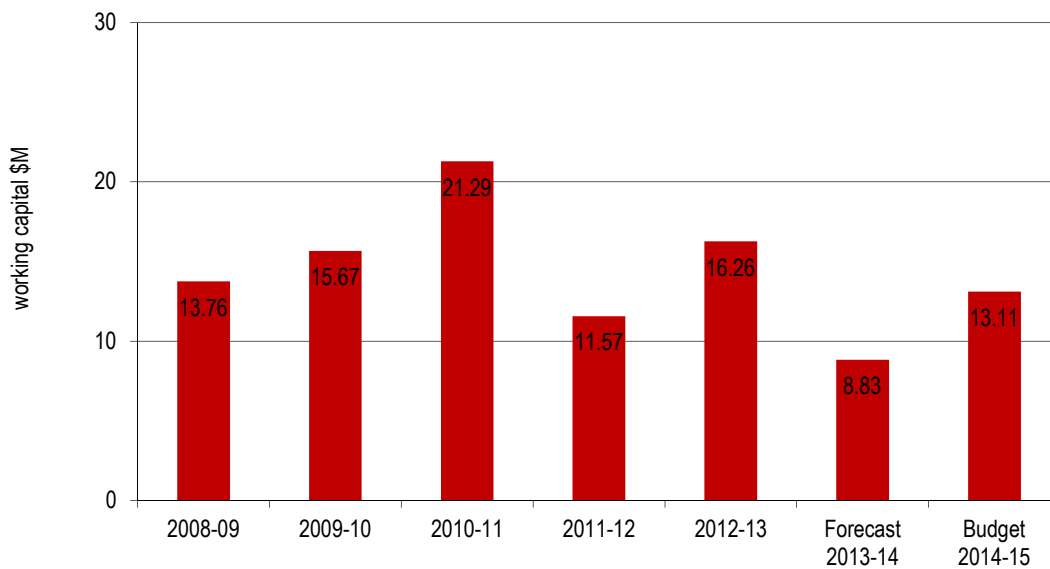
Cash and investments are expected to increase from the forecast 2013-14 year end position by \$7.1 million during the year to \$21.9 million as at 30 June 2015. This is due to overall movements in accounts receivables, accounts payables and borrowings approved in previous years for major capital works that are expected to be drawn down during 2014-15 as these projects are completed. The lower forecast result for 2013-14 relates to the recognition of projects carried over from the previous financial year in the projections.

6. Capital works



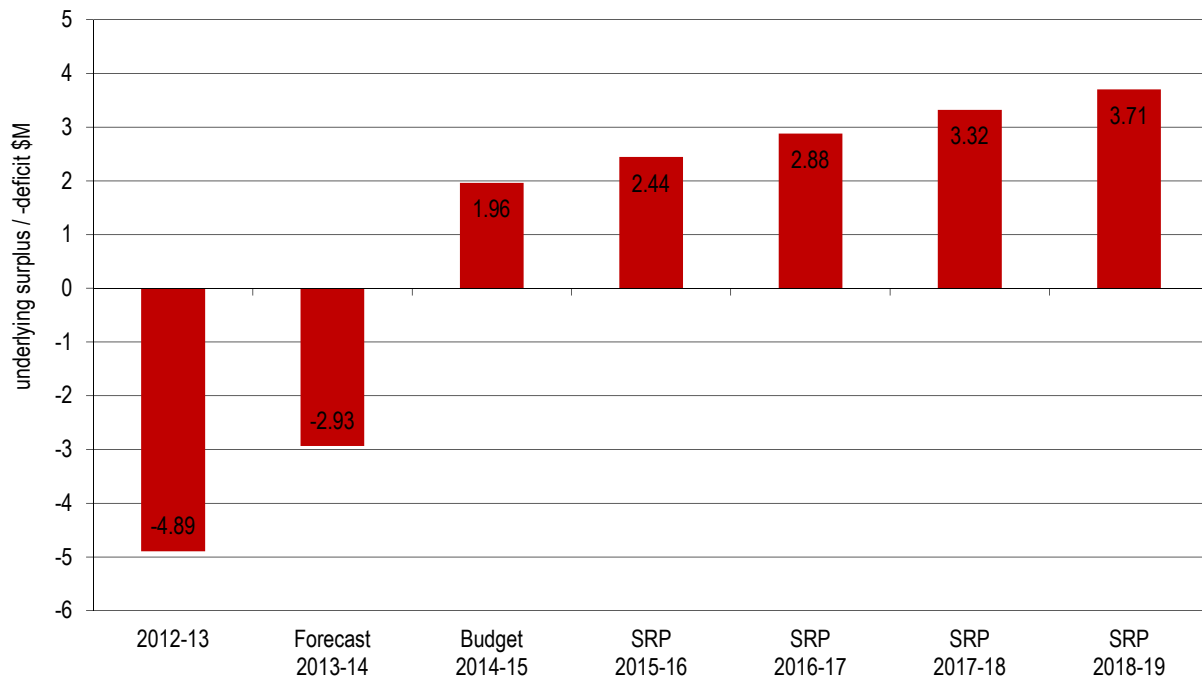
The Capital Works program for 2014-15 will be \$14.249 million, of which \$6.022 million will be funded by rates, \$0.843 million will be funded by grants and contributions, nil will be funded by borrowing, \$6.655 million will be funded from Council reserves and \$0.729 million will be funded by revenue from fleet asset sales. The reduction from the 2013-14 Budget forecast reflects the inclusion of carry forward projects from 2012-13 in the 2013-14 projections. The capital expenditure program has been set and prioritised based on a rigorous process that has enabled Council to assess the need for key projects. This year's program includes a number of key projects including drainage renewal and upgrade works, design works for Diamond Creek Community Centre (Stage 1), rehabilitation works at Plenty and Kangaroo Ground Landfills, and building and landscape works at Eltham Town Square.

7. Financial position



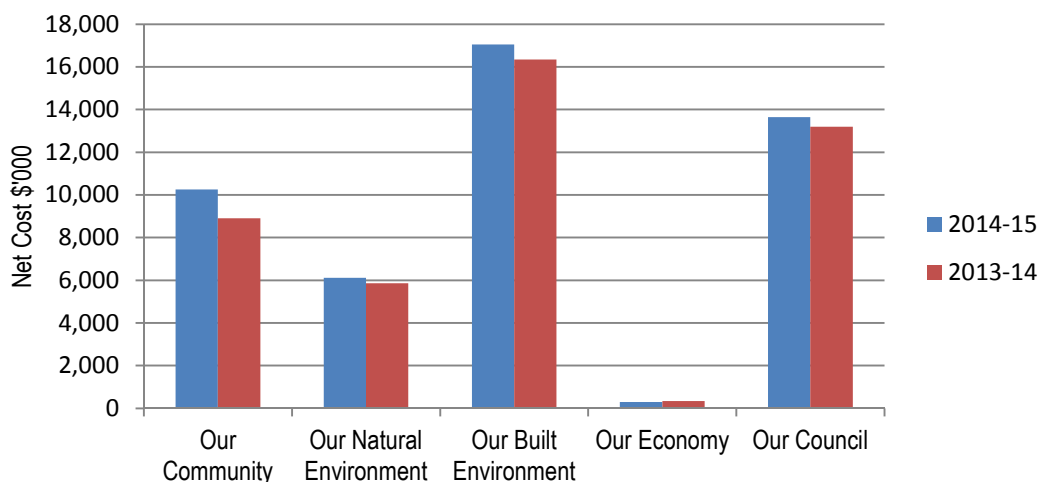
The financial position is expected to improve with net assets (net worth) to increase by \$2.804 million to \$634.628 million and net current assets (working capital) will increase by \$4.27 million to \$13.11 million as at 30 June 2015. This is mainly due to the increase in cash and investments.

8. Financial sustainability



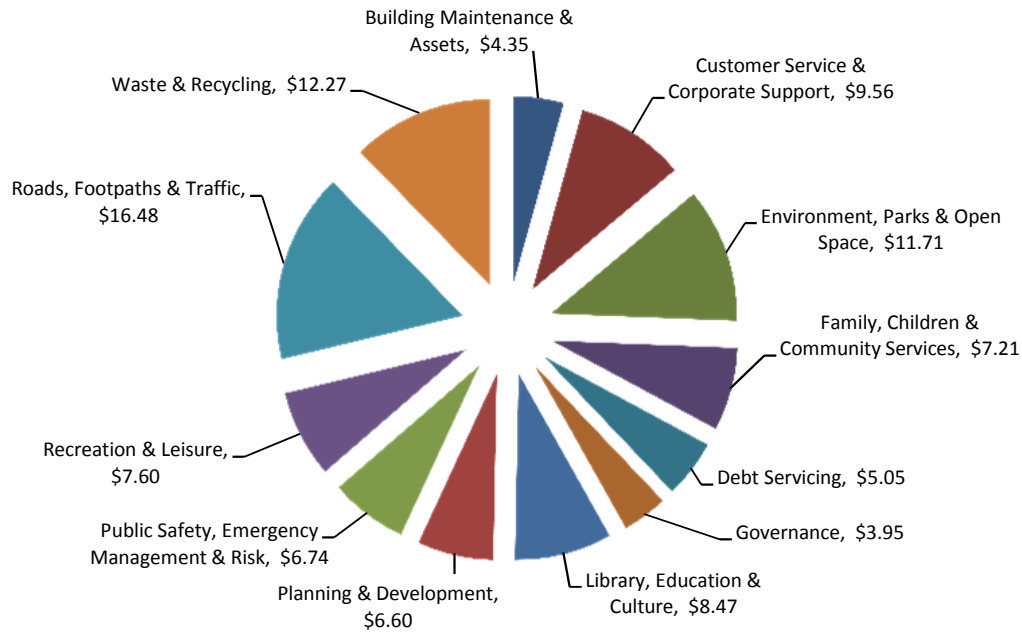
A Strategic Resource Plan (SRP) for the years 2014-2015 to 2018-2019 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is to enhance the Council's financial sustainability in the medium to long term, while still achieving the organisation's strategic objectives as specified in the Council Plan. While the Plan projects that Council's operating result will be around \$2.804 million, the underlying result is lower. This difference is due to capital revenue (grants and developer contributions) being received during this period to fund a number of major capital works projects. The movement in the underlying surplus from a forecast deficit in 2013-14 to a budgeted surplus in 2014-15 is due to operating grants and rates funded projects that were carried over from the 2012-13 year being included in the Forecast 2013-14 result. Once carry over funding is included in the analysis, the Forecast underlying surplus for 2013-14 would be \$1.542 million. The underlying deficit for 2012-13 relates to the recognition of capital expenditure in the operating statement in that year.

9. Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2014-15 year.

10. Council expenditure allocations



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

This budget has been developed through a rigorous process of consultation and review and management endorses it as financially responsible. More detailed budget information is available throughout this document.

Budget Principles and Legislation

1. Budget principles

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

- Existing fees and charges to be increased in line with Consumer Price Index (CPI), council's cost base for that service or market levels
- Grants to be based on confirmed funding levels
- New revenue sources to be identified where possible
- Service levels to be maintained at 2013-2014 levels with the aim to use less resources with an emphasis on innovation and efficiency
- Salaries and wages have been increased based on the estimate used in the Strategic Resource Plan of 3.5%. As the Enterprise bargaining negotiations are still not completed, the actual level of salary and wage increases will not be known until the process has concluded.
- Construction and material costs to increase in line with the Road Maintenance and Construction Index
- Real savings in expenditure and increases in revenue identified in 2013-2014 must be preserved.

2. Legislative requirements

Under the Local Government Act 1989 ("the Act"), Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Local Government (Planning and Reporting) Regulations 2014 ("the Regulations") which support the Act.

The 2014-2015 budget is for the year 1 July 2014 to 30 June 2015 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2015 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan for the years 2014-2015 to 2017-2018 (section 7), Rating Strategy (section 8) and Other Long Term Strategies (section 9) including borrowings and infrastructure.

Budget influences

This section explains Council's approach to maintaining the financial sustainability of Nillumbik Shire for both the short and long term. This involves the management of short-term budget influences within the context of longer-term challenges.

Financial sustainability is a key challenge for all governments.

Council manages its finances through an annual Budget, which identifies the expected revenue and expenditure for each year. The Budget is the means by which Council makes a formal commitment of resources to provide funding for services and projects.

A medium-term perspective is provided by the Strategic Resource Plan (SRP), which forms part of the Council Plan. This provides a four-year forecast of revenues and expenditures based on a series of assumptions. It identifies the resources necessary to implement the Council Plan over the next four years.

In addition to these statutory requirements, Council also includes forward estimates for each of its financial statements for a 10 year period. This provides the necessary long-term perspective to assess financial sustainability, particularly for long-term issues such as infrastructure renewal.

Council has adopted a Financial Sustainability Plan to guide Council's long-term approach to financial management. The Financial Sustainability Plan (FSP) identifies the context and challenges for Council in terms of financial sustainability, and also establishes a series of measures and targets. The projected performance of Council in achieving the targets over the next 10 years is shown in the annual Budget. Details are provided in Appendix G of the Budget.

2014-15 Budget Influences

Two major external influences have impacted on the 2014-15 Budget. These are decreased revenue from the Eltham Leisure Centre, and the Defined Benefits Superannuation Liability. Details of these matters are provided below.

Eltham Leisure Centre

The 2014-15 Budget forecasts a \$500,000 reduction in net revenue from Eltham Leisure Centre. The centre has experienced a significant decline in attendance and memberships over the past two years. This is mainly due to the opening of the new Watermarc facility in Greensborough, as well as the entry of other providers in the local health and fitness market. This decline in revenue is equivalent to 1% of rates.

Defined Benefit Superannuation Liability

In 2014-15, Council will allocate its second year of funding to address the Defined Benefit Superannuation Liability. This represents an amount of \$2.731 million.

As detailed in the 2013-14 Budget, this superannuation fund was closed to new members in 1993, however councils across Victoria continue to have a statutory liability to finance any funding shortfalls. A shortfall of \$453 million was identified as at December 2011, due mainly to the Global Financial Crisis. This shortfall was subsequently charged to councils with payments due by July 2013. Nillumbik's share of this liability (including contributions tax) was \$4.787 million. Council paid this amount (less a \$141,000 discount for early payment) in January 2013 from cash reserves as a short-term measure, and adopted a two-year strategy for funding the liability of \$4.646 million.

Council's strategy involved funding 41% of the liability (\$1.915 million) from rates in 2013-14, with the remaining 59% (\$2.731 million) to be funded in 2014-15. This was considered to be the most prudent and cost-effective approach to the issue, as it enabled the liability to be addressed quickly and did not involve additional long-term borrowings and the associated interest costs.

In 2014-15 Council needs to fund the balance of the liability (\$2.731 million). The existing level of rate revenue already includes \$1.915 million of funding, therefore the additional impact on rates in 2014-15 will be \$816,000 which is equivalent to 1.55% of rates.

More detail on the Defined Benefit Superannuation Liability was provided in the 2013-14 Budget document, including the history of the scheme, its investment performance, and the legal requirements for council contributions.

Longer Term Budget Influences

This section considers the longer-term issues and challenges that impact upon Nillumbik's financial sustainability.

Nillumbik Shire in context

Nillumbik is an outer-metropolitan municipality located on the urban fringe of Melbourne. While small by metropolitan standards, Nillumbik is a medium-sized municipality in comparison to all Victorian councils.

Known as the 'Green Wedge Shire', Nillumbik comprises 432 square kilometres. It contains a relatively small urban area, where land use is predominantly residential. The other 90% of the shire is rural land located outside the Urban Growth Boundary, where land is used mainly for farming, conservation or rural residential purposes. Commercial and industrial land activity in the shire is very limited. Major activity centres at Eltham and Diamond Creek provide mainly retail services to local markets. Housing is mainly detached dwellings with relatively high numbers of residents per household. Providing a consistent level of service to communities in the rural parts of Nillumbik involves additional cost to Council.

Nillumbik has an estimated resident population of 62,504 and 22,521 rate assessments (Source: Victoria Grants Commission data at June 2013). In Nillumbik, there are 2.8 residents per assessment. This ratio is the highest in the state. In simple terms, the demand is high (number of residents needing Council services and infrastructure) while the supply is low (number of property assessments from which rates are raised). This situation is essentially attributable to the absence of large scale commercial and industrial land use within the shire, and the predominance of larger family homes rather than smaller dwellings.

Nillumbik's population has a very high socio-economic profile as determined by the Socio-Economic Index for Areas (SEIFA) data from the Australian Bureau of Statistics (used by the Victoria Grants Commission). Nillumbik has the highest socio-economic ranking of any municipality in Victoria.. While this is a positive feature of life in Nillumbik, it also means that Council is negatively impacted in terms of entitlements to external grant funding particularly for those grants based on community disadvantage and need.

While Nillumbik has experienced a relatively high level of success in obtaining external grant funding for some specific projects in recent years, constrained budgets at State and Commonwealth government level mean that Council cannot rely substantially on discretionary grant funding into the future. Recurrent grants have continued to demonstrate a long-term decline in real terms.

Nillumbik is smaller than most neighbouring municipalities and is less able to achieve the economies of scale that larger metropolitan councils enjoy. However Council has undertaken a series of service reviews and benchmarking studies over recent years which have confirmed that Nillumbik is relatively efficient in terms of its costs for service delivery. According to data from the Victoria Grants Commission, Nillumbik is well below the Victorian average for both rates and charges per resident, and expenditure per resident.

Council has an annual turnover of around \$80 million, and owns infrastructure assets with a net valuation (gross replacement cost less depreciation) of more than \$600 million. Apart from land, these assets comprise more than \$60 million in buildings, and around \$300 million in other infrastructure such as roads, bridges, drains and footpaths. Council's assets depreciate at around \$9 million per annum. Funding the annual cost for renewal of these existing assets is a major issue for Council. Underspensing on asset renewal does not represent a saving to Council as it merely defers the expenditure until future years.

Council has increased its loan borrowings in recent years to fund several major projects. This has seen the indebtedness level rise to the threshold of the Auditor General's medium-risk range. Some further borrowings are already anticipated for capital works projects. This means that Council has very little capacity for any further borrowings in the medium term. Sales of surplus assets may provide some funding however this is a non-recurrent source of revenue.

In summary, the characteristics of Nillumbik as outlined above mean that Council needs to rely heavily upon its own resources to fund services, renewal of existing infrastructure, and provision of new assets. A sufficient underlying surplus needs to be achieved after funding of recurrent costs, if Council is to have the resources to implement major infrastructure projects.

While there will be a continued focus on opportunities to generate a surplus from fees and charges or from productivity savings in operating expenditure, the impact of these measures is likely to be marginal. The restricted nature of Council's revenue-raising powers in the Local Government Act means that the underlying surplus will need to be funded primarily from rate revenue.

Financial Sustainability Challenges for Nillumbik

Like many Victorian municipalities, Nillumbik faces a number of challenges that require financial discipline and innovation to meet community needs. These include:

Structural and Demographic challenges

- As noted above, Nillumbik has more residents per rate assessment than any other Victorian council. With 2.8 residents per assessment (compared to a state average of 1.8), Nillumbik rate assessments need to fund services for 52% more residents than the state average. The number of residents is the major factor in determining Council's expenditure needs, which means that rates per assessment in Nillumbik are relatively high, even though rates per resident are lower than the state average.
- Nillumbik is a small municipality by metropolitan standards, and is not able to achieve the economies of scale available to larger metropolitan councils. Despite this, spending per resident in Nillumbik is below state averages.
- Nillumbik is 90% rural by land area, however only a small proportion of the population lives in the rural area. This creates additional costs for servicing residents in the more remote parts of the shire.
- Despite being 90% rural, Nillumbik is designated as a metropolitan municipality and is not eligible for certain government grants that fund programs or projects for rural communities.
- The Nillumbik community has a very high socio-economic status (highest of any Victorian municipality). While this is a positive measure of community wellbeing, it does mean that Council receives a smaller share of government grants.
- An ageing local community will place more demands upon Council services in the years ahead.

Legacy challenges

- Rehabilitation of two former landfill sites at Plenty and Kangaroo Ground is required in accordance with EPA requirements.
- Council is liable to fund shortfalls in the Local Authorities Superannuation Fund Defined Benefit Plan. This was closed to new members in 1993 but all Victorian councils must still contribute if the fund's investment performance is not sufficient to meet entitlements of continuing and former employees.

Infrastructure challenges

- Council needs to address the funding gap for renewal and maintenance of existing infrastructure assets. Currently Council assets depreciate at around \$9 million per annum, however Council has historically only spent around \$6 million per annum on renewal of these assets. Underspensing on renewal is not a saving, as higher costs will eventually be borne by future ratepayers.
- A number of Nillumbik's major facilities are quite old and require significant expenditure to upgrade them to contemporary standards, both in terms of community expectations and current design standards. Examples include the Eltham Leisure Centre and the Diamond Creek Community Centre.
- Local conditions present a number of infrastructure challenges for Council. Nillumbik has steep topography and is heavily treed, which both add to infrastructure and maintenance costs. Also, when much of Nillumbik was first subdivided, only low-scale infrastructure was provided. Community expectations for roads, footpaths and drainage are now different, and a higher level of infrastructure is often required.

Service challenges

- Council has increasing responsibilities for emergency management. Natural disaster events such as bushfires and floods have placed significant demands upon Council in recent years, both in terms of prevention measures (tree clearing, drainage improvements) and community recovery programs.
- Climate change adaptation represents a significant challenge in terms of droughts, fires, floods and other extreme weather events. There is also a significant community expectation that Council will take a lead role in environmental sustainability.
- Community expectations about the standard and range of services provided by Council continue to rise, however it is rare for existing service levels to be reduced to offset these cost impacts.
- Community expectations about consultation and engagement, and the use of technology to communicate with Council are also increasing.

Cost-shifting challenges

- Nillumbik continues to suffer from long-term declines in government grants for general services, and the erosion in the value of specific service grants. In 2013-14 this cost is estimated at more than \$2 million.
- Changes to standards set by government often lead to a higher cost to Council in service delivery. Examples include expansion of preschool services, and stricter requirements for power-line tree clearing.
- The imposition of state and federal government costs upon councils (e.g. Fire Service Levy, landfill levy, carbon tax) increases costs for Council and ratepayers.

Conclusion

Like most councils, Nillumbik faces a range of short and long term financial challenges which require prudent management. Council has adopted a long-term Financial Sustainability Plan to guide its financial decision-making. Details regarding the targets from the Financial Sustainability Plan are provided Appendix I of the Budget document. The 2014-15 Budget and the updated Strategic Resource Plan have been developed to support the achievement of the Financial Sustainability Plan targets over the medium to long term.

Budget processes

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

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

The 2014/15 budget, which is included in this report, is for the year 1 July 2014 to 30 June 2015 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 2015 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes 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 four years are included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with Officers preparing the operating and capital components of the annual budget during December and January. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during February and March. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process. 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 and a copy submitted to the Minister by 31 August each year. The key dates for the budget process are summarised below:

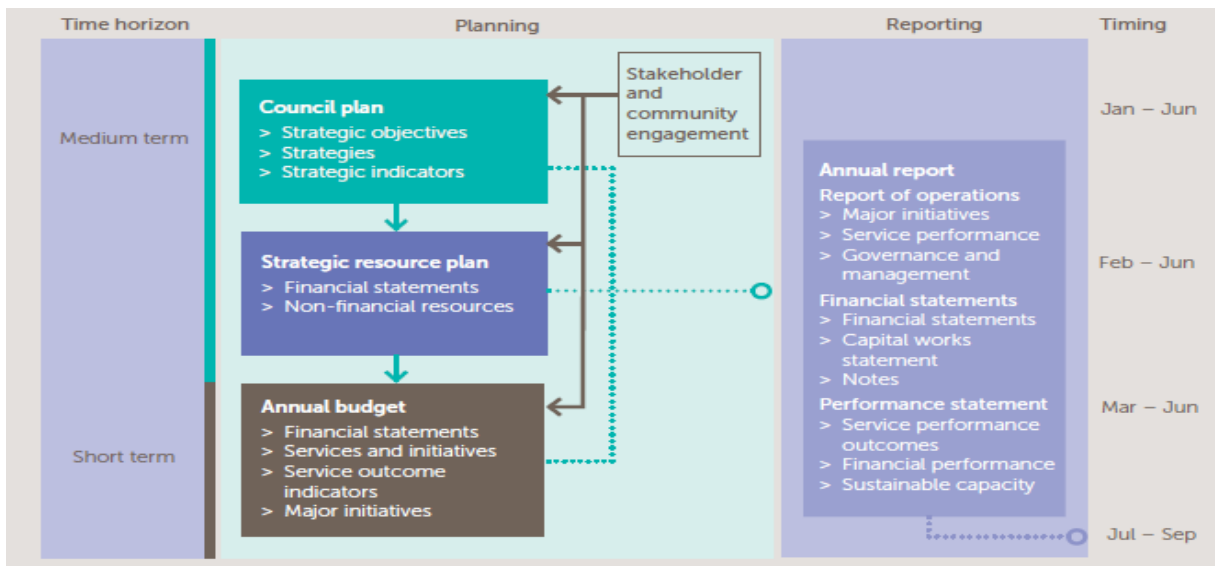
Budget process	Timing
1. Officers update Council's long term financial projections	Nov/Dec
2. Officers prepare draft operating and capital budgets	Dec/Jan
3. Council considers draft budgets at briefings of Councillors	Feb/Mar
4. Proposed budget submitted to Council for approval	29 April
5. Public notice advising intention to adopt budget	1 May
6. Budget available for public inspection and comment	1 May - 29 May
7. Community engagement process undertaken	1 May - 29 May
8. Submissions period closes (28 days)	29 May
9. Submissions considered by Policy and Services Committee	10 Jun
10. Budget and submissions presented to Council for adoption	24 Jun
11. Copy of adopted budget submitted to the Minister	26 Jun

1. Linkage to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning 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 (Audited Statements).

1.1 Strategic planning framework

The Strategic Resource Plan, included in the Council Plan, summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the services and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Transport, Planning and Local Infrastructure

The Council Plan includes Strategic Objectives, Strategies, Indicators and a Strategic Resource Plan which can be defined as follows:

- Strategic Objectives – the outcomes Council wants to achieve within its four-year term
- Strategies – how Council will achieve each objective
- Indicators – how progress towards the objectives will be evaluated
- Strategic Resource Plan – a four-year budget outlining how the strategies will be financed and resourced

Each year, Council will produce an Annual Plan identifying how Council will work towards achieving the objectives in the Council Plan. Council priorities, major projects, capital works, service improvements as well as actions in response to Council strategies will be set out in the Annual Plan.

Progress against the Annual Plan will be detailed in Council's Annual Report, with major projects and service highlights reported to Council in a quarterly progress report.

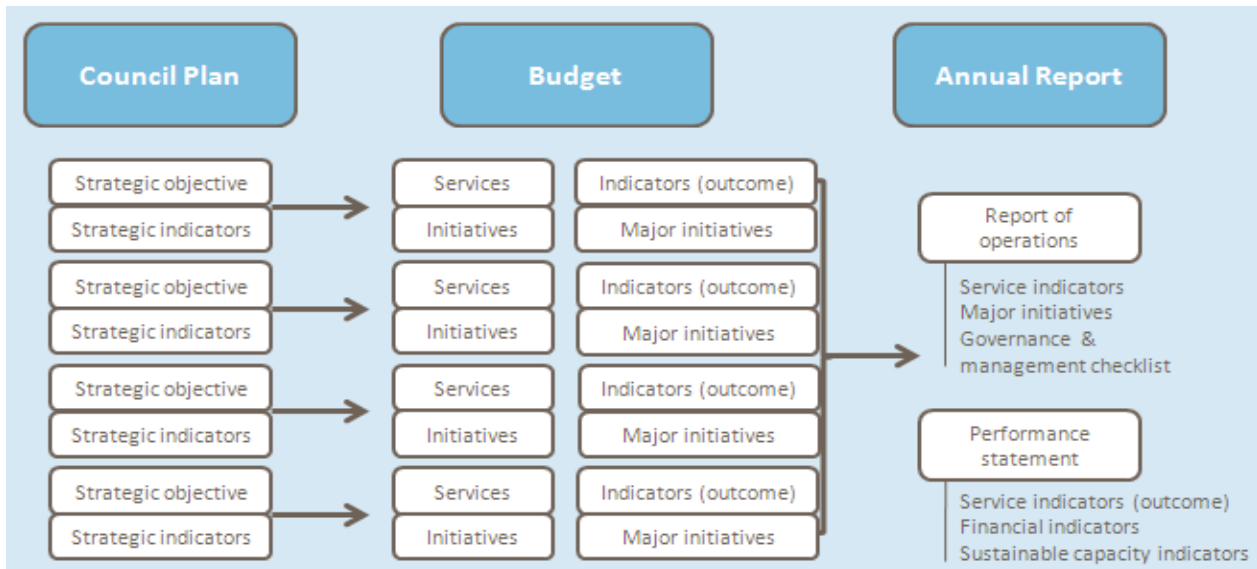
1.2 Strategic objectives

The Council delivers activities and initiatives under 52 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the 2013-17 years. The following table lists the four Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. Our goal is to enable and encourage healthy, safe and resilient communities through the provision of quality services to build a better future for Nillumbik residents.	Nillumbik has a healthy, active and connected local community that enjoys good health and strong engagement into education and employment. Our residents enjoy varied recreational and cultural pursuits and have a strong sense of feeling part of their local community and townships. They feel strongly that they can turn to their neighbours for help and feel safe in Nillumbik. Our residents are aware of the risk of natural disasters such as bushfires and the need to be well-prepared.
2. Our goal is to preserve and nurture the natural environment of the Green Wedge through responsible leadership and stewardship for current and future generations.	Nillumbik is known as the Green Wedge Shire – the 'lungs' of Melbourne - and more than 90% of the Shire is rural. Our residents value highly our unique natural environment, characterised by the tree canopy, remnant vegetation, significant species and ecosystems, conservation areas, rich agricultural land, open spaces and healthy waterways. As the custodians of this beautiful place, Council has a responsibility to protect the Green Wedge and to demonstrate and encourage environmentally sustainable practices to reduce our environmental impacts.
3. Our goal is to provide infrastructure and to plan for a built environment which respects and preserves the unique character of the Green Wedge Shire.	Nillumbik has a unique character and heritage and we want to ensure that future development in our municipality reflects the Shire's charm and minimise the impact on the natural environment. Through the provision of roads, footpaths, drains, community buildings and other assets, we aim to provide a built environment where facilities and infrastructure meet the current and future needs of our community.
4. Our goal is to develop a prosperous local economy through partnerships with local business, governments and the community consistent with our Green Wedge values	Nillumbik has two major activity centres – Eltham and Diamond Creek. These townships offer residents and visitors distinctive village-style shopping, access to professional services and public transport and places to meet and socialise. The Shire also has a number of smaller townships, each with its own unique character and heritage. The development of a vibrant and sustainable local economy will be based on the Shire's key advantages such as the natural environment and opportunities for sustainable agriculture, tourism, arts and the high level of skills and abilities of our local residents and business people.
5. Our goal is to provide good governance, leadership and responsible financial management and to make decisions in an inclusive and transparent manner.	As the leaders of the Shire and the representatives for our community, Council will demonstrate good governance and be responsible in its decision-making. We will take a long-term perspective in our financial decisions and ensure these are sustainable into the future. Our decisions will be based on sound research and policy positions. We will give the community an opportunity to have a say about decisions which affect them and we will keep them informed about these decisions, as well as Council services, activities and events.

2. Services, initiatives and service performance indicators

This section provides a description of the services and major initiatives to be funded in the Budget for the 2014/15 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of service performance indicators. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan, along with the link to reporting in the Annual Report, is shown below.



Source: Department of Transport, Planning and Local Infrastructure

'Activities' describe ongoing services, whereas 'Major Initiatives' describe one-off projects, or new additions to ongoing service levels. Footnotes to Activities refer to specific initiatives that are detailed in the following pages.

2.1 Strategic Objective 1: Our Community

Our goal is to enable and encourage healthy, safe and resilient communities through the provision of quality services to build a better future for Nillumbik residents. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Activity	Description	Expenditure (Revenue) Net Cost \$'000
Aged Services	Aged Services plan and deliver services for our ageing community.	2,393 <u>(1,619)</u> 775
Animal Management	The Animal Management Unit works under the required legislative framework to protect the welfare of animals and the community.	117 <u>(21)</u> 95

Arts & Cultural Services	The Arts and Cultural Services unit is responsible for the cultural vitality and community engagement in the arts across the Shire.	814 <u>(7)</u> 807
Community Facilities & Halls Network	The Community Halls Network manage a diverse range of quality, easily accessible and reasonably priced venues that are available for the social, educational, artistic, leisure and commercial pursuits of the community.	572 <u>(189)</u> 384
Leisure Services	This program is responsible for four key areas of services delivery – facility management, facility development, leisure planning and community development.	509 <u>(284)</u> 225
Community Development & Place Management	This activity facilitates connections and structures across community and Council that enable communities to respond to change and emerging opportunities. This includes Metro Access and inclusion (relating particularly to disability inclusion), volunteer development and community transport and place management. A significant number of projects in this area have emerged from bushfire recovery.	973 <u>(111)</u> 861
Community Services & Social Development	The Unit facilitates and leads an integrated approach towards the development and delivery of children and family services in Nillumbik.	215 <u>0</u> 215
Emergency Management	This program implements, monitors and evaluates the Fire Prevention Program and Emergency Management Plan to ensure plans are in place to protect the Nillumbik community.	486 <u>(20)</u> 465
Family Services	The Family Services Unit facilitates and leads an integrated approach towards the development of children and family services in Nillumbik.	2,126 <u>(978)</u> 1,148
Leisure Facilities	This program creates diverse and accessible leisure opportunities that encourage personal development, strengthens communities and enhances the health and well being of local residents and visitors.	8,999 <u>(8,483)</u> 516
Community & Leisure Facilities Management	This program manages Council's Leisure Services, Facility Planning and Major Leisure Facilities Contracts.	221 <u>(43)</u> 178
Library Services	Public library services are provided at two locations offering a customer focused service that caters for the cultural, educational and recreational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.	2,440 <u>0</u> 2,440
Living and Learning Network	Living and Learning Nillumbik works creatively with individuals, communities and government to provide programs that respond to the personal, professional, social, and learning needs of our diverse community.	1,680 <u>(1,287)</u> 393
Municipal Laws Co-ordination	The Municipal Laws program includes community education and enforcement of road rules, litter offences and Council's Local Laws. It is also responsible for Council's animal management program.	1,420 <u>(1,296)</u> 123

Environmental Health	The Public Health Unit works towards improving public health in the community through the provision of programs and services in the areas of food safety, water quality, wastewater management, tobacco reforms, infectious disease control and emergency management preparedness and recovery.	817 <u>(319)</u> 498
Community Participation, Learning & Culture Management	The Social and Cultural Development Unit is responsible for Arts and Cultural Services, Library, Edendale and Living and Learning Nillumbik.	185 <u>0</u> 185
Youth Services	Youth Services plans, coordinates and collaborates with community members, health agencies, schools, sporting and church groups and Government departments to deliver quality programs and services that meet the needs of young people and their families.	414 <u>(24)</u> 390

Major Initiatives (income and expenditure included in the above activities)

\$'000

New initiatives marked with * have capital recharge implications

1)	Aqueduct Trail maintenance	25 <u>0</u> 25
2)	Immunisation services review	5 <u>0</u> 5
3)	Dog Parks	26 <u>0</u> 26
4)	Athletics track in Nillumbik	15 <u>0</u> 15
5)	Community transport	50 <u>0</u> 50
6)	Community development officer	64 <u>0</u> 64
7)	Health and Wellbeing Plan implementation	40 <u>0</u> 40
8)	Cultural Plan Year 4 implementation	30 <u>0</u> 30
9)	Playgrounds Strategy	30 <u>(15)</u> 15

10)	Major Leisure Centres contract specifications	40	<u>0</u>	40
11)	Hurstbridge Intergenerational Housing project	40	<u>(30)</u>	10
12)	Eltham Leisure Centre aquatic facilities upgrade - grant submission	20	<u>(20)</u>	0
13)	Diamond Creek trail - concept plan and cultural heritage study	130	<u>(130)</u>	0
14)	Eltham North Reserve pavilion - design	20	<u>(20)</u>	0
15) *	Community and Leisure Services project coordination (A)	83	<u>(43)</u>	40

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Home and Community Care	Participation	Participation in HACC service (Percentage of the municipal target population that receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
		Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people that receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
Maternal and Child Health	Participation	Participation in MCH key ages and stages visits (Percentage of children attending the MCH key ages and stages visits)	Number of actual MCH visits / Number of expected MCH visits] x100
		Participation in MCH key ages and stages visits by Aboriginal children (Percentage of Aboriginal children attending the MCH key ages and stages visits)	[Number of actual MCH visits for Aboriginal children / Number of expected MCH visits for Aboriginal children] x100

Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Pool Facilities	Utilisation	Utilisation of pool facilities (The number of visits to pool facilities per head of municipal population)	Number of visits to pool facilities / Municipal population
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

2.2 Strategic Objective 2: Our Natural Environment

Our goal is to preserve and nurture the natural environment of the Green Wedge through responsible leadership and stewardship for current and future generations. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Activity	Description	Expenditure (Revenue) Net Cost \$'000
Edendale	Edendale is a centre for life-long learning , which enhances community awareness of environmental sustainability, and is a focus for local environmental programs and environmental education for schools and the community.	994 (420) 574
Environmental Works	The Environmental Works Unit is responsible for managing Council's environmentally significant reserves and roadsides. The Unit also provides support to Friends and Landcare Groups who undertake works on Council land through provision of revegetation materials, advice and contractor support.	830 <u>0</u> 830
Environmental Planning	The Environmental Planning Unit is responsible for coordinating Council's environmental sustainability policy development and key programs including those aimed at water conservation and stormwater protection initiatives, energy efficiency projects and programs and land management incentive programs.	954 (78) 876

Environmental Services Management	This Unit has responsibility for the overall management of the Environmental Planning and Environmental Health staff and delivery of the work program, as well as management of projects that are at a Section rather than Unit level.	255 <u>0</u> 255
Parks & Open Space Maintenance	Parks Maintenance is responsible for the maintenance and improvement of open space, playgrounds, trees, wetlands, sportsgrounds, roadsides, park furniture and high priority areas.	3,611 <u>(27)</u> 3,584
Waste Services	This Unit provides sustainable waste management services including encouraging waste minimisation practices, collection of waste, resource recovery and land fill rehabilitation.	6,611 <u>(610)</u> 6,002

Major Initiatives (income and expenditure included in the above activities)

\$'000

New initiatives marked with * have capital recharge implications

16)	Weed management	25 <u>0</u> 25
17)	Free Green Waste disposal (2 days)	70 <u>0</u> 70
18)	Biodiversity offsets / Land management officer	58 <u>(58)</u> 0
19) *	Community and Leisure Services project coordination (B)	100 <u>(100)</u> 0

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

2.3 Strategic Objective 3: Our Built Environment

Our goal is to provide infrastructure and to plan for a built environment which respects and preserves the unique character of the Green Wedge Shire. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Activity	Description	Expenditure
		(Revenue) Net Cost \$'000
Asset Management	This service manages and maintains all of Council's built infrastructure to an acceptable and safe standard.	627 <u>0</u> 627
Building	The Building Unit has a dual role. It both contributes to the discharge of Council's statutory obligations to the Building Act (1993) and also competes as a 'commercial' operator in a competitive, deregulated marketplace for 'permission related' services.	511 <u>(255)</u> 256
Building Maintenance	The Building Maintenance Unit maintains Council buildings in a functional, safe and clean manner.	1,475 <u>0</u> 1,475
Construction	The Construction Unit delivers and manages construction projects based on the Council's Capital Works Program. It maintains, upgrades and provides new assets for the community.	425 <u>(105)</u> 320
Engineering Design	This Section has a number of roles including: community consultation and design for Special Charge Schemes for the construction of roads, drains and other infrastructure, design and preparation of documentation for the construction of roads, drains and other infrastructure and Urban Design Guidelines for Nillumbik.	501 <u>0</u> 501
Planning and Building Admin	The Planning and Building Administration Unit supports the Statutory Planning and Building units in the administration of the Nillumbik Planning Scheme and the Building Regulations.	847 <u>(106)</u> 741
Road Maintenance	This service implements and reviews maintenance programs for roads, footpaths, drains, on-road bike paths and recreational trails to meet community needs and expectations, statutory compliance and environmental best practice.	4,310 <u>(4)</u> 4,306
School Crossing Program	This program ensures pedestrians are able to cross the road safely.	447 <u>(141)</u> 305
Property Management	This Unit manages Council's property portfolio, including the acquisition of public open space and sale of surplus Council land.	4,850 <u>(4,562)</u> 288
Fleet Maintenance	This Unit provides scheduled and reactive maintenance of fleet vehicles and major plant and minor fabrication works.	273 <u>(51)</u> 222

Statutory Planning	The Statutory Planning Unit administers the Nillumbik Planning Scheme in accordance with the requirements of the Planning and Environment Act (1987) and Council's Deed of Delegation.	1,430 <u>(224)</u> 1,206
Strategic & Economic Planning Management	This Unit has responsibility for the overall management of the Strategic Planning and Economic Development staff and delivery of the work program, as well as management of projects that are at a Section rather than Unit level.	202 <u>0</u> 202
Strategic Planning	This Unit deals primarily with land use planning and implementing land use policy through changes to the planning scheme. It is also responsible for providing Council with advice on adjoining municipalities and State planning initiatives in relation to land use planning.	507 <u>0</u> 507
Traffic & Transport / Mgmt	This unit liaises with ratepayers, the general public and community groups on strategic issues and concerns associated with traffic, parking and road safety issues. It also advocates to State and Federal governments to improve transport throughout the Shire.	1,305 <u>(1,215)</u> 89

Major Initiatives (income and expenditure included in the above activities)

\$'000

New initiatives marked with * have capital recharge implications

20)	Roads - table drain maintenance	15 <u>0</u> 15
21)	Asset condition audit program	45 <u>0</u> 45
22)	New Zones for Victoria - planning scheme amendment	20 <u>0</u> 20
23)	New Bushfire Management Overlay mapping	8 <u>0</u> 8
24)	Yarrambat Township Plan amendment (year 1 of 2)	15 <u>0</u> 15
25)	Eltham Precincts 3 & 4 Masterplan (Stage 2)	100 <u>0</u> 100

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were upheld in favour of the Council)	[Number of VCAT decisions that upheld Council's decision in relation to a planning application / Number of decisions in relation to planning applications subject to review by VCAT] 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.

2.4 Strategic Objective 4: Our Economy

Our goal is to develop a vibrant and prosperous local economy through partnerships with local business, governments and the community, consistent with our Green Wedge values. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Activity	Description	Expenditure (Revenue) Net Cost \$'000
Tourism & Business Development	This service builds business networks and industry partnerships, manages business and tourism-related infrastructure projects and delivers business seminars and information. This Unit is also responsible for economic development strategy and policy.	591 (297) 295

Major Initiatives (income and expenditure included in the above activities)

		\$'000
New initiatives marked with * have capital recharge implications		
26)	Brand Nillumbik (Stages 2 & 3)	60 <u>0</u> 60

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100

2.5 Strategic Objective 5: Our Council

Our goal is to provide good governance, leadership and responsible financial management and to make decisions in an inclusive and transparent manner. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Activity	Description	Expenditure (Revenue) Net Cost \$'000
Councillors, Chief Executive and Executive Team	This area includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas.	2,530 (5) 2,525
Finance and Rates/ Valuation Management	This section provides accounting services including both statutory and internal accounts management and reporting. It is also responsible for all rates and valuation matters including the management of Council's property database, rate debtors and debt collection.	5,304 (4,482) 822
Application Services	This Unit administers the corporate business applications and associated systems and ensures the availability, integrity and reliability of corporate systems so that Council is able to meet its business requirements and goals.	1,019 0 1,019
Communications	The Communications Section assists both the Council and the organisation to communicate its decisions, services, activities and events to Nillumbik residents and the wider community through the provision of high-quality information.	777 (3) 774
Council Property Administration	This service maintains and manages leases and licences in relation to Council properties.	157 (269) (112)
Customer Service	This service provides frontline customer service, cashier and reception services for Council including the coordination and implementation of the Service Excellence Program for the delivery of customer service for the organisation.	502 (8) 494
Operations Centre Management	This program provides customer service and support to business units within Infrastructure Maintenance.	1,205 0 1,205
Governance	This Unit manages Council's overall governance matters including coordination of council meetings, electoral matters, Councillors' code of conduct, Council Plan and relevant legislative implications.	749 (0) 748
Information Services	This service provides electronic records and document management services to Council including mail processing, archiving and records management.	584 0 584
Information Technology Management	This service provides information technology services and solutions with access to reliable and relevant information, equipping our staff to deliver community requirements.	1,898 0 1,898
Organisational Development	This service provides Council with organisation development support. Key service delivery is in the areas of workforce planning, staff development, policy and systems, health and well being and industrial relations.	1,168 (30) 1,138

Risk and Insurance	This Unit is responsible for the management of Council's risk and insurance portfolios including the development and maintenance of a strategic approach to risk. Key areas of focus are around occupational health and safety, workcover management and staff health & well being. Optimising the performance of Council's insurance portfolios is also a priority for this service area.	1,661 <u>(100)</u> 1,561
Technical Services	This Unit administers the operations of Council's Information Technology core systems including Council's network, helpdesk, database platforms, software licensing, telecommunication systems, disaster recovery and web applications.	981 <u>0</u> 981

Major Initiatives (income and expenditure included in the above activities) \$'000

New initiatives marked with * have capital recharge implications

27)	Internet upgrade (bandwidth, data and security)	70 <u>0</u> 70
28)	Council Website upgrade (smartphone / tablet format)	58 <u>0</u> 58
29)	Staff learning and development programs	20 <u>0</u> 20

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

2.6 Performance statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by section 132 of the Act and included in the 2014/15 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 8) and sustainable capacity, which are not included in this budget report. The full set of prescribed performance indicators are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the report of operations.

2.7 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Our Community	10,251	24,933	(14,681)
Our Natural Environment	6,118	6,643	(525)
Our Built Environment	17,046	24,319	(7,273)
Our Economy	295	591	(297)
Our Council	13,638	18,536	(4,898)
Total services & initiatives	47,348	75,022	(27,674)
Other non-attributable			
Depreciation & amortisation	9,514		
Debt redemption	(1,516)		
Written down value of asset sold	5,229		
Transfer to and from reserves	(9,066)		
Deficit before funding sources	51,509		
Rates & charges	(53,470)		
Capital grants & contributions	(843)		
Total funding sources	(54,313)		
(Surplus) / Deficit for the year	(2,804)		

2.8 Reconciliation with Rate Determination Outcome

The rates and charges increase required for 2014-15 was determined after analysing the resources needed to fund Council's operational and capital projects. Council aims for a modest cash surplus of \$100k after considering all operational requirements, debt repayment commitments and capital works requirements.

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Our Community	10,251	24,933	(14,681)
Our Natural Environment	6,118	6,643	(525)
Our Built Environment	17,046	24,319	(7,273)
Our Economy	295	591	(297)
Our Council	13,638	18,536	(4,898)
Total services & initiatives	47,348	75,022	(27,674)
Rates funded capital expenditure	6,022		
Deficit before rates funding	53,369		
Rates & charges	(53,470)		
Total rates funding	(53,470)		
Surplus for the year	(100)		

3. Analysis of operating budget

This section analyses the expected revenues and expenses of the Council for the 2014-2015 year.

3.1 Budgeted income statement

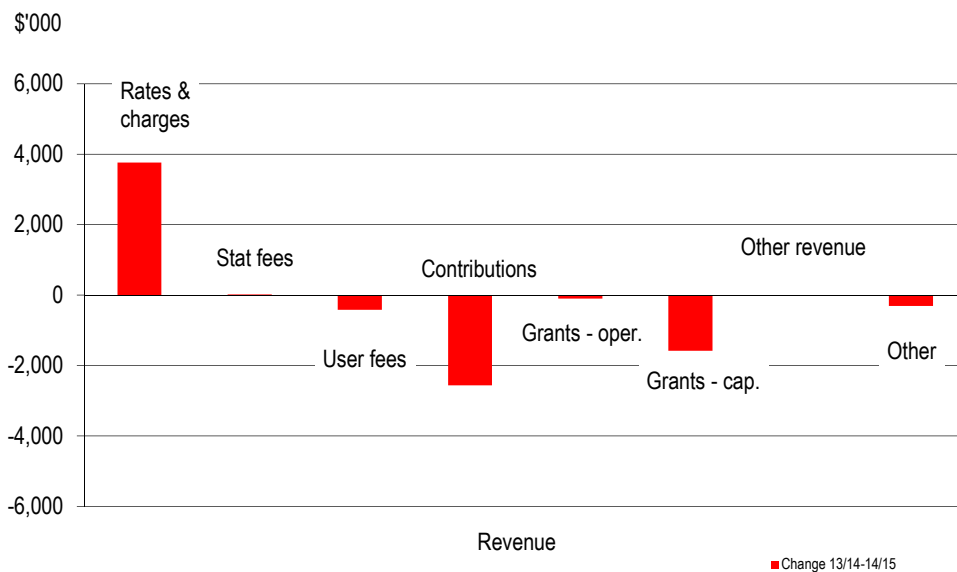
	Ref	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Total income	3.2	80,355	79,171	(1,184)
Total expenses	3.3	(78,300)	(76,367)	1,933
Surplus (deficit) for the year		2,055	2,804	749
Grants – capital non-recurrent	3.2.6	(2,362)	(778)	1,584
Contributions - non-monetary assets		0	0	0
Capital contributions - other sources	3.2.4	(2,627)	(65)	2,562
Adjusted underlying surplus (deficit)		(2,934)	1,961	4,895

3.1.1 Adjusted underlying deficit (\$4.90 million increase)

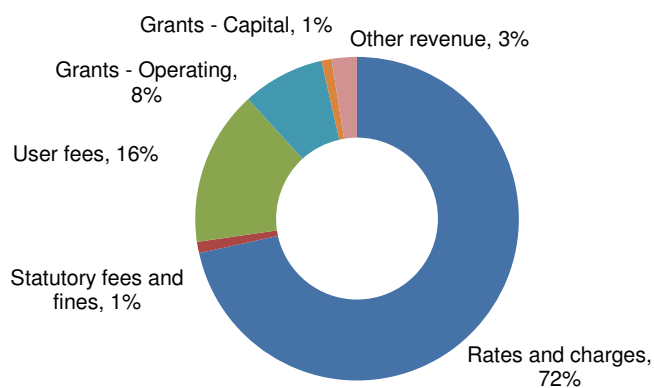
The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2014-15 year is a surplus of \$1.96 million which is a increase of \$4.90 million from the 2013-14 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year. The movement in the underlying surplus from a forecast deficit in 2013-14 to a budgeted surplus in 2014-15 is due to operating grants and rates funded projects that were carried over from the 2012-13 year being included in the Forecast 2013-14 result.

3.2 Operating revenue

Revenue Types		Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Rates and charges	3.2.1	52,842	56,609	3,767
Statutory fees and fines	3.2.2	883	900	17
User fees	3.2.3	12,696	12,282	(414)
Contributions	3.2.4	2,627	65	(2,562)
Grants - Operating	3.2.5	6,629	6,527	(102)
Grants - Capital	3.2.6	2,362	778	(1,584)
Net gain on sale of assets	3.2.7	0	0	0
Other revenue	3.2.8	2,316	2,010	(306)
Total operating revenue		80,355	79,171	(1,184)



Source: Appendix A



Source: Appendix A

3.2.1 Rates and charges (\$3.767 million increase)

Rates and charges will increase by an average of 6.65% per assessment. The variance of \$3.767 million represents a 7.13% increase from the 2013-14 forecast and reflects adjustments for supplementary rate revenue received at the mid year financial review. The projected outcome for 2014-15 rates and charges revenue is \$56.609 million, which includes rates income from supplementary valuations and special rates, as well as the general rates and charges.

3.2.2 Statutory fees and fines (\$17k increase)

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

The increase in statutory fees and fines is mainly the result of a projected slight increase to infringement fees.

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

3.2.3 User fees (\$414k decrease)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of leisure and other community facilities and the provision of human services such as family day care and home help services. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases are generally consistent with cost increases.

Revenue from user charges is projected to decrease by 3.26%. The main reason for this is a reduction in revenue from Eltham Leisure Centre due to the opening of Watermarc. A detailed listing of fees and charges is included in Appendix G "Proposed Nillumbik Shire Council 2014-2015 Fees and Charges."

3.2.4 Contributions (\$2.562 million decrease)

Contributions relate to monies paid by residents in regard to road construction schemes, developer contributions or monies paid by clubs for other minor capital works.

Contributions are projected to decrease by \$2.562 million from the 2013-2014 Budget forecast due to completion of capital works accounted for in the 2013-14 forecast for DCP 4 - Browns Lane, DCP 2 - Broad Gully Road and DCP 2 - Bellbird Road/Collard Drive intersection totalling \$2.218million.

3.2.5 Grants - Operating (\$102k decrease)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is expected to decrease by 1.54% or \$102k compared to the 2013-2014 Budget forecast. This reduction is mainly due to a reduction in New Initiative grant funding. Refer to Appendix F for a listing of operating grant funding types and sources.

3.2.6 Grants - Capital (\$1.584 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall, the level of capital grants has decreased by 67.06% or \$1.584 million compared to the 2013-2014 Budget forecast due mainly to specific funding for large capital works projects in 2013-14 including the Hurstbridge Family Centre, St Andrew Community Centre and the Civic Drive Integrated Water Management projects being recognised and received during 2013-14. Section 5. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2014-2015 year.

3.2.7 Net gain on sale of assets

There are anticipated land sales to the value of \$4.5 million in the 2014-15 budget. The written down value of these land sales are estimated to be the same as the sale value. Therefore there will be no expected net gain on sale of assets in 2014-15.

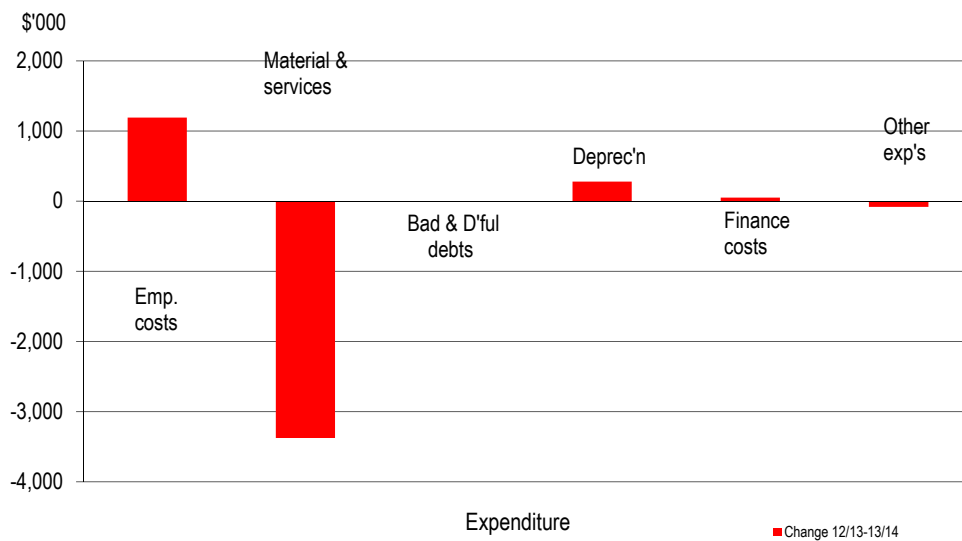
3.2.8 Other revenue (\$306k decrease)

Other revenue relates to a range of items including interest revenue on investments and rate arrears. Conservative budget estimates on expected open space development revenue receipts, reduced future investment income and valuation sales estimates have been the major drivers for this reduction.

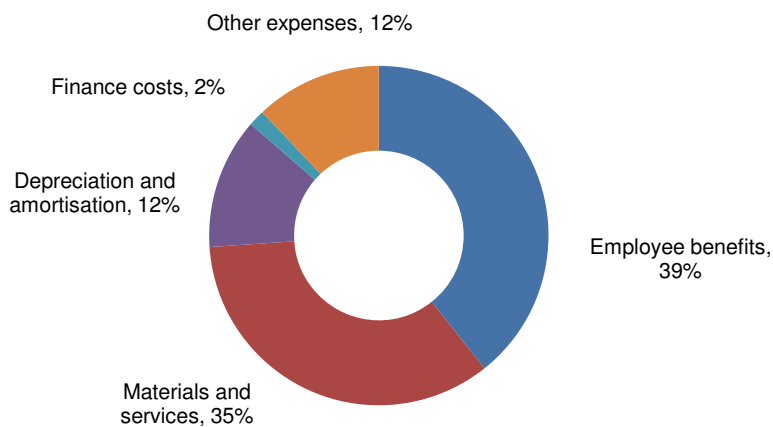
Other revenue is forecast to drop by 13.21% or \$306k compared to the 2013-2014 Budget forecast.

3.3 Operating expenditure

Expenditure Types	Ref	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Employee benefits	3.2.1	28,826	30,017	1,191
Materials and services	3.2.2	29,807	26,432	(3,375)
Bad and doubtful debts		3	3	0
Depreciation and amortisation	3.2.3	9,235	9,514	279
Finance costs	3.2.4	1,133	1,186	53
Other expenses	3.2.5	9,296	9,215	(82)
Total operating expenditure		78,300	76,367	(1,933)



Source: Appendix A



3.3.1 Employee benefits (\$1.191 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements and employer superannuation. It also covers casual employees as well as permanent employees.

Employee costs are forecast to increase by 4.13% or \$1.19 million compared to the 2013-2014 forecast. This increase relates to three key factors:

- Salaries and wages have been increased based on the estimate used in the Strategic Resource Plan of 3.5%, and is estimated to cost \$966k in 2014-2015. As the Enterprise bargaining negotiations are still not completed, the actual level of salary and wage increases will not be known until the process has concluded.
- Increases in staff numbers resulting from 2013-2014 new initiatives becoming ongoing. The cost of this in 2014-2015 will be \$209k.
- The residual increase of \$15k relates to award increments, remuneration reviews, increase of casual resources, and increased permanent staff numbers funded by government grants, additional revenue or rates.

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

Department	Budget 2014-15 \$'000	Permanent Full Time \$'000	Comprises		Casual \$'000
			Permanent Part Time \$'000	Limited Tenures \$'000	
Infrastructure Services	10,189	9,822	229	108	30
Environment & Planning	5,787	4,771	943	0	73
Community & Leisure	6,792	2,864	3175	368	385
Corporate Services	5,587	4,490	1064	0	33
Executive Services	520	520	0	0	0
Total	28,875	22,467	5,411	476	521

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

Department	Budget FTE	Permanent Full Time	Comprises	
			Permanent Part Time	Limited Tenures
Infrastructure Services	121.61	118.00	2.61	1.00
Environment & Planning	63.57	49.40	14.17	0.00
Community & Leisure	68.55	28.12	36.30	4.13
Corporate Services	56.78	44.70	12.08	0.00
Executive Services	3.00	3.00	0.00	0.00
Total	313.51	243.22	65.16	5.13

An analysis of employee benefits cost by departments changes from the Forecast Budget to 2014/15 Budget has identified no material change.

In summary, staff EFT numbers (not including casual employees) during the budget period are as follows:

Type of employment	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance EFT's
Permanent	303.1	308.58	5.48
Limited tenures	6.14	4.93	(1.21)
Total EFT	309.24	313.51	4.27

3.3.2 Materials and services (\$3.375 million decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by 11.32% or \$3.375 million compared to the 2013-2014 Budget forecast.

The decrease in materials and services expenditure in 2014-15 is primarily due to the carry over of budgeted new initiatives for ordinary items from 2012-13 to 2013-14. There were a number new initiatives budgeted in 2012-2013 (totalling of \$3.205 million), \$1.313 million of which was expected to be funded by government grants. This expenditure also includes the recognition of carry over project funds from other years, which has also been a contributing factor to the variance.

3.3.3 Depreciation and amortisation (\$279k increase)

Depreciation is an accounting measure which attempts to allocate the value of Council's property, plant and equipment including infrastructure such as roads and drains assets over their useful life. The increase of \$279k for 2014-2015 reflects the actual trend that has been demonstrated in recent years and the recognition of major new assets onto the asset register like the Community Bank Stadium. Refer to section 5 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2014-15 year.

3.3.4 Finance costs (\$53k increase)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The increase (4.68% compared to 2013-14 forecast) in borrowing costs is the result of delayed borrowings from prior years budgets to fund large capital works projects being taken up at the end of the 2013-14 financial year.

3.3.5 Other expenses (\$82k decrease)

Other expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations and other miscellaneous expenditure items. Other expenses are forecast to decrease by 0.88% or \$82k compared to the 2013-2014 Budget forecast, which is mainly due to a reduction in Council's contribution to Aged and Family services as a consequence of reduced income which support the delivery of these services.

3.4 Underlying result

	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Surplus (deficit) for the year	2,055	2,804	749
Net gain on disposal of property, infrastructure, plant and equipment	0	0	0
Grants – Capital	(2,362)	(778)	1,584
Contribution- Capital	(2,627)	(65)	2,562
Underlying surplus (deficit) from P/L	(2,934)	1,961	4,895
Prior Year Revenue to fund programs /projects	4,476		(4,476)
Underlying surplus (deficit) incl Prior Year Revenue	1,542	1,961	419

The underlying result is the net surplus or deficit for the year adjusted for capital contributions, gains or losses on disposal of non-operating assets sold and other once-off adjustments. It is a measure of financial sustainability as it is not impacted by non-recurring or once-off items of revenues and expenses which can distort the operating result.

The underlying result for the 2014-2015 year is a surplus of \$1.961 million, which is an increase of \$4.895 million over the 2013-2014 Budget forecast based on operating income and expenditure. The projected deficit in 2013-14 relates to operating grants and/or rate funded projects carried over from the 2012-13 year. Once this prior year funding is taken into account, the underlying surplus is \$1.542 million for 2013-14.

4. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2014-2015 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

4.1 Budgeted cash flow statement

	Ref	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Cash flows from operating activities	4.1.1			
Receipts from customers		74,365	72,114	(2,251)
Payments to suppliers		(69,667)	(64,102)	5,565
Net cash inflow (outflow) from customers/suppliers		4,698	8,012	3,314
Interest Received		930	916	(14)
Government Receipts		7,074	7,240	166
Net cash inflow (outflow) from operating activities		12,702	16,168	3,466
Cash flows from investing activities	4.1.2			
Proceeds from sale of property, plant and equipment, infrastructure		3,436	5,229	1,793
Payments for property, plant and equipment, infrastructure		(22,975)	(14,249)	8,726
Net cash inflow (outflow) from investing activities		(19,539)	(9,020)	10,519
Cash flows from financing activities	4.1.3			
Proceeds from interest bearing loans and borrowings		2,481	1,512	(969)
Repayments of interest bearing borrowings and finance leases		(2,402)	(1,562)	840
Net cash inflow (outflow) from financing activities		79	(50)	(129)
Net decrease in cash and cash equivalents		(6,758)	7,098	13,856
Cash and cash equivalents at the start of the year		21,537	14,779	(6,758)
Cash and cash equivalents at end of the year	4.1.4/4.2	14,779	21,877	7,098

4.1.1 Operating activities (\$3.466 million increase)

The increase in cash inflows from operating activities when compared to the 2013-14 Budget forecast is due to the decrease in projected payments to suppliers.

The net cash flows from operating activities does not equal the operating result 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 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Surplus (deficit) for the year	2,055	2,804	749
Depreciation	9,235	9,514	279
Loss (gain) on sale of assets	0	0	0
Net movement in current assets and liabilities	1,412	3,850	2,438
Cash flows available from operating activities	12,702	16,168	3,466

4.1.2 Investing activities (\$10.519 million decrease)

The large decrease in payments for investing activities represents the large increase in capital works expenditure for 2013-14 due to carry forward works from 2012-13. Proceeds from the sale of assets is projected to increase by \$1.793 million due to higher projected property sales income for 2014-15.

4.1.3 Financing activities (\$129k decrease)

This is primarily due to the delay of loans originally budgeted in 2013-14 or prior years that will be actually taken up in 2014-2015 of \$1.48 million.

4.1.4 Cash and cash equivalents at end of the year (\$7.098 million increase)

Overall, total cash and investments is forecast to increase by \$7.10 million to \$21.877 million as at 30 June 2015.

4.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2015 it will have cash and investments of \$21.877 million, which has been restricted as shown in the following table.

	Ref	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Total cash and investments		14,779	21,877	7,098
Restricted cash and investments				
- Statutory reserves	4.2.1	(5,818)	(6,076)	(258)
- Discretionary reserves	4.2.2	(6,608)	(5,331)	1,277
- Long service leave	4.2.3	(4,399)	(4,575)	(176)
Unrestricted cash and investments	4.2.4	(2,046)	5,895	7,941

Source: Appendix A

4.2.1 Statutory reserves (\$258k increase)

These funds must be applied for specified statutory purposes in accordance with various legislative and contractual requirements. Further details regarding reserves are attached in Appendix A.

4.2.2 Discretionary reserves (\$1.277 million decrease)

These funds are available for whatever purpose Council decides is their best use. In this case Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan. Further details regarding reserves are attached in Appendix A.

4.2.3 Long service leave (\$176k increase)

These funds are separately identified as restricted to ensure there are sufficient funds to meet Council's obligations as set out in the Local Government (Long Service Leave) Regulations 2012.

4.2.4 Unrestricted cash and investments (\$7.941 million increase)

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants, contributions or carried forward capital works. 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. This increase reflects the reimbursement to reserves as a result of paying the liability in full in June 2013 as outlined in the Budget Influences section of this document.

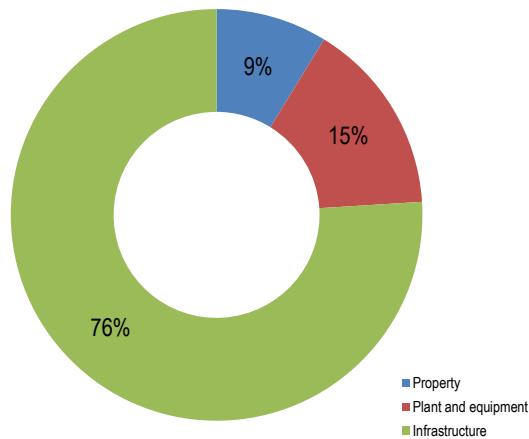
5. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2014-15 year and the sources of funding for the capital budget.

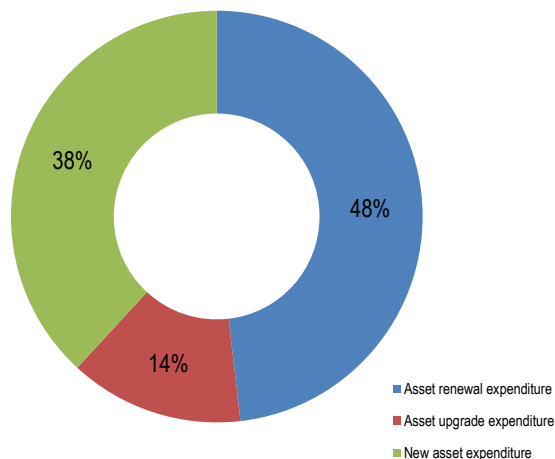
5.1 Capital works

Capital Works Areas	Ref	2014-15 %	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Property	5.1.1				
Land		0%	0	0	0
Land improvements		0%	0	0	0
Total land			0	0	0
Buildings		9%	8,811	1,249	(7,562)
Building improvements		0%	0	0	0
Leasehold improvements		0%	0	0	0
Heritage buildings		0%	0	0	0
Total buildings			8,811	1,249	(7,562)
Total property			8,811	1,249	(7,562)
Plant and equipment	5.1.2				
Plant, machinery and equipment		14%	2,294	1,934	(360)
Fixtures, fittings and furniture		2%	356	235	(121)
Computers and telecommunications		0%	0	0	0
Heritage plant and equipment		0%	0	0	0
Library books		0%	0	0	0
Total plant and equipment			2,650	2,169	-481
Infrastructure	5.1.3				
Roads		22%	4,943	3,114	(1,829)
Bridges		2%	283	288	5
Footpaths and cycleways		5%	600	700	100
Drainage		4%	554	500	(54)
Recreational, leisure and community facilities		18%	2,239	2,577	338
Waste management		4%	0	500	500
Parks, open space and streetscapes		1%	873	188	(685)
Aerodromes		0%	0	0	0
Off street car parks		0%	0	0	0
Other infrastructure		21%	2,022	2,964	942
Total infrastructure			11,514	10,831	-683
Total capital works expenditure		100%	22,975	14,249	(8,726)
Represented by:					
Asset renewal expenditure	5.1.4		6,037	6,864	827
Asset upgrade expenditure	5.1.4		14,033	1,951	(12,082)
Asset expansion expenditure	5.1.4		0	0	0
New asset expenditure	5.1.4		2,905	5,434	2,529
Total capital works expenditure			22,975	14,249	(8,726)

Budgeted total capital works 2014-15



Budgeted total capital works 2014-15



Source: Appendix A. A more detailed listing of capital works is included in Appendix C.

5.1.1 Property (\$1.249 million)

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

For the 2014-15 year, \$1.249 million will be expended on building and building improvement projects. The more significant projects include Other Council Buildings Renewal (\$500k), Public Amenities (\$200k), and works at Edendale Community Environment Centre (\$200k).

5.1.2 Plant and equipment (\$2.169 million)

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

For the 2014-15 year, \$2.169 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$1.934 million) and indicative playground renewal funding (\$155k).

5.1.3 Infrastructure (\$10.830 million)

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

For the 2014/15 year, \$3.113 million will be expended on road projects. The more significant projects include Civic Drive Precinct - Infrastructure Works (\$1.300 million), Periodic Maintenance (reseals & resheeting) (\$1.250 million), Rural Connector Road Sealing Program (\$0.28 million) and Traffic Improvement Program (\$0.20 million).

\$2.577 will be expended on recreational, leisure and community facilities. The more significant of these include major leisure centres & community halls renewal (\$0.50 million), Diamond Creek Community Centre detailed planning for upgrade (\$0.40 million), Graysharps Road section of Diamond Creek trail (\$0.35 million) and sports fields, pavilions & fence renewal (\$0.22 million)

\$0.70 million will be expended on footpath construction and renewal program projects.

\$0.50 million will be expended on drainage renewal and upgrade projects.

Other infrastructure expenditure includes Eltham Town Square \$2.450 million, Bell Street masterplan \$0.25 million and disability access works \$0.12 million.

5.1.4 Asset renewal (\$6.864 million), new assets (\$5.434 million) and upgrade (\$1.950 million)

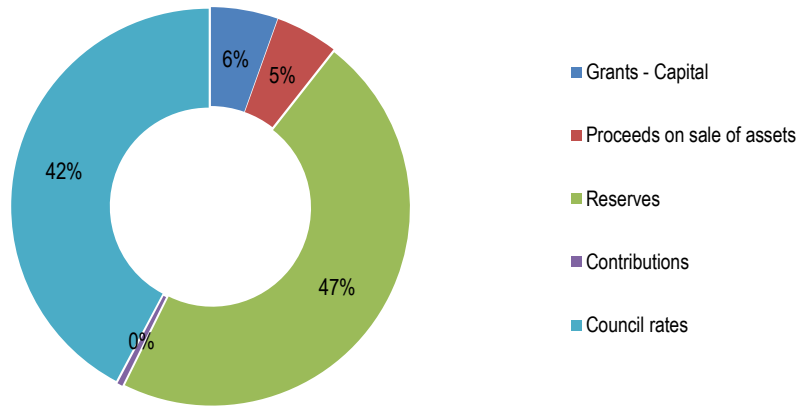
A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have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

The major projects included in the above categories, which constitute expenditure on new assets, are the Eltham Town Square (\$2.450 million), Civic Drive Precinct - Infrastructure Works (\$1.300 million) and footpath construction program (\$0.40 million). The remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

5.2 Funding sources

Sources of funding	Ref	Budget 2014-15 \$'000
New works		
Current year funding		
Grants - capital	5.2.1	778
Borrowings		0
Contributions	5.2.2	65
Other Income		0
Council rates	5.2.3	6,022
Proceeds on sale of assets	5.2.4	729
Reserve cash and investments	5.2.5	6,655
Unrestricted cash and investments		0
		14,249

Budgeted total funding sources 2014-15



Source: Appendix C

5.2.1 Grants - Capital (\$0.778 million)

Capital grants include all monies received from State and Federal governments for the purposes of funding the capital works program. Significant grants budgeted to be received for 2014-15 include Roads to Recovery grant program. A list of projects with their funding source is provided at Appendix C.

5.2.2 Contributions (\$0.065 million)

Contributions relate to monies paid by residents in regard to special charge schemes, and monies paid by clubs for other minor capital works.

A total of \$0.065 million contribution is budgeted for 2014-2015 for sportsfields and pavilions renewal works.

5.2.3 Council rates (\$6.022 million)

It is expected that in 2014-2015, \$6.022 million of rates revenue will be used to fund various capital projects.

5.2.4 Proceeds on sale of assets (\$0.729 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$729k.

5.2.5 Reserves (\$6.655 million)

A number of reserves are set aside for specific purposes. For 2014-2015 \$6.655 million will be used to fund part of the new capital works program including the Eltham Town Square - Retail Outlets (\$2.450 million), Civic Drive Precinct - Infrastructure Works (\$1.300 million), Plant Replacement (\$1.205 million) and Plenty & Kangaroo Ground landfill rehabilitation (\$0.500 million).

6. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2013-2014 and 2014-2015. It also considers a number of key performance indicators.

6.1 Budgeted balance sheet

	Ref	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Current assets	6.1.1			
Cash and cash equivalents		14,779	21,877	7,098
Receivables		5,227	4,429	(798)
Prepayments and accruals		220	220	0
Land held for resale		745	745	0
Inventories		21	21	0
Total current assets		20,992	27,292	6,300
Non-current assets				
Trade and other receivables		1,448	1,149	(299)
Property, infrastructure, plant & equipment		642,812	642,318	(494)
Other financial assets		1,070	1,070	0
Total non-current assets		645,330	644,537	(793)
Total assets		666,322	671,829	5,507
Current liabilities	6.1.2			
Trade and other payables		3,070	5,563	(2,493)
Interest-bearing liabilities		1,586	881	705
Provisions		6,454	6,692	(238)
Trusts		1,048	1,048	0
Total current liabilities		12,158	14,184	(2,026)
Non-current liabilities				
Interest-bearing liabilities		13,784	14,440	(656)
Provisions		8,556	8,577	(21)
Total non-current liabilities		22,340	23,017	(677)
Total liabilities		34,498	37,201	(2,703)
Net assets		631,824	634,628	2,804
Equity	6.1.4			
Other reserves		12,456	11,407	(1,049)
Asset revaluation reserve		269,031	269,031	0
Retained Profits		350,337	354,190	3,853
Total equity		631,824	634,628	2,804

Source: Appendix A

6.1.1 Current Assets (\$6.300 million increase) and Non-Current Assets (\$0.793 million decrease)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of twelve months or less. These balances are projected to increase by \$7.098 million during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non current) relating to loans to residents for special charge schemes are anticipated to decrease over the coming years due to few schemes being included in Council's 5 year capital program from 2014-2015.

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

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

6.1.2 Current Liabilities (\$2.026 million increase) and Non Current Liabilities (\$0.677 million increase)

The increase in non-current liabilities is mainly from increased provisions, while current liability increases relate to projected higher levels of creditor at 30 June 2015.

Trade and other payables are those to whom Council owes money as at 30 June. Provisions include accrued long service leave, annual leave, and provision for landfill restoration. Reduced interest rates has attributed to the increase of long service leave provision.

Interest-bearing liabilities are borrowings and finance leases of Council. Council is budgeting to repay loan principal of \$1.516 million, and take new borrowing of \$1.48 million over the year. \$1.48 million of the new borrowing relates to capital projects for 2013-2014 which already had borrowing implications in the original budget but have been carried over to 2014-15.

6.1.3 Working Capital (\$4.274 million increase)

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.

Council has also committed further current assets to specific and restricted purposes, represented by reserves, which may not yet be represented as current liabilities at 30 June.

	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Current assets	20,992	27,292	6,300
Current liabilities	12,158	14,184	2,026
Working capital	8,834	13,108	4,274
Restricted cash and investment current assets			
- Statutory reserves	(5,818)	(6,076)	258
- Discretionary reserves	(6,608)	(5,331)	(1,277)
Unrestricted working capital*	(3,592)	1,701	3,255

* Unrestricted working capital may also be committed to completion of carry forward capital works.

6.1.4 Equity (\$2.804 million increase)

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

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

The movement in other reserves reflects the net position of usage of investment cash reserves to partly fund the capital works program or operating project expenditure and additional transfers to reserves from transactions like developer contributions and asset sales. The projected increase in reserves is mainly due to \$4.5 million in asset sales. This is a transfer between equity balances only and does not impact on the total balance of equity.

6.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2015 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- A total of 95% of total rates and charges raised will be collected in the 2014-2015 year.
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 30 days.
- Long-term debtors will decrease slightly due to few new special charge schemes being planned for 2014-2015 and beyond.
- Other debtors remain consistent with 2013-2014 levels, while creditors are projected to increase slightly for 2014/15.
- Employee entitlements to be increased by the indexation impact of estimated future Enterprise Agreement increases, and the change in interest rates.
- The capital expenditure component of the capital works program to be \$14.248 million.
- Repayment of loan principal to be \$1.516 million, and new borrowings to be \$1.48 million
- Reserve funds are used to fund part of the capital works program.
- All capital works planned for 2014-2015 will be fully expended.

7. Strategic resource plan and financial performance indicators

This section considers the long term financial projections of the Council. The Act requires a Strategic Resource Plan to be prepared covering both financial and non-financial resources, and including key financial indicators for at least the next four financial years to support the Council Plan.

7.1 Plan development

The Act requires a Strategic Resource Plan to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan.

Council has prepared a Strategic Resource Plan (SRP) for the four years 2014-2015 to 2017-2018 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years. Council has also adopted a Financial Sustainability Plan with a set of targets for Council to achieve over the short and long term. The Strategic Resource Plan is used to project Council's performance in meeting this targets.

Assumptions used in preparation of the Strategic Resource Plan include:

- Maintain existing service levels with expenditure increases to generally correspond to increases in the cost base, rather than expansion of services. Some limited growth in staffing levels will be provided to reflect the population growth in the shire (0.5% p.a.), which equates to an additional 1.5 EFT staff positions per annum
- Maintain at least a \$100,000 annual cash surplus on a rate determination basis.
- Maintain effort on capital works, with 5% annual increase in the rates contribution to capital works

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

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

7.2 Financial resources

The following table summaries the key financial results as set out in the SRP for years 2014-2015 to 2017-2018. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

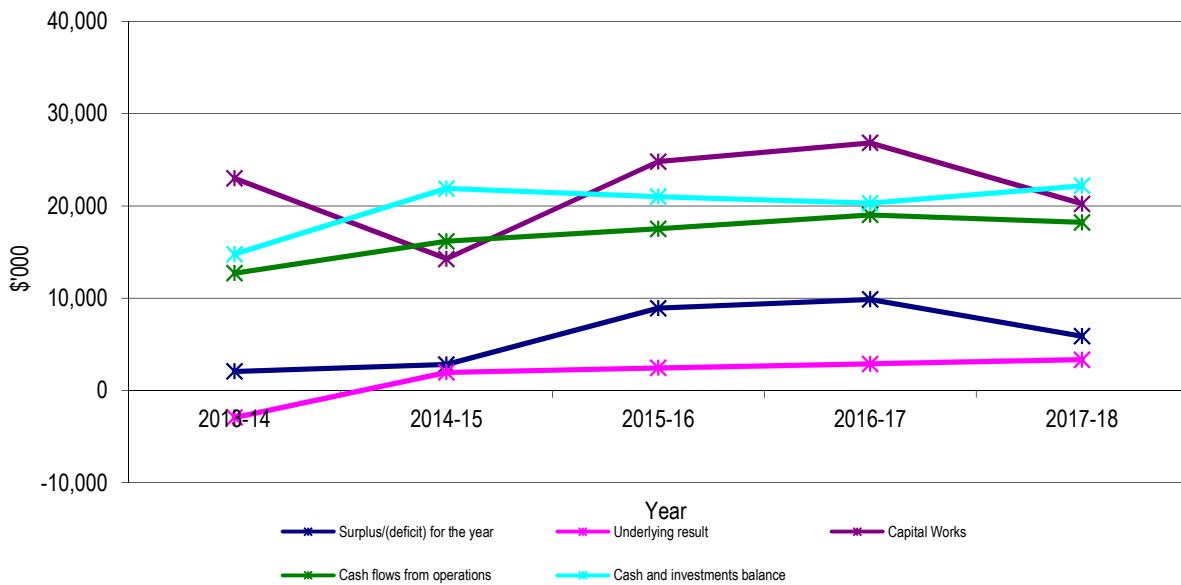
	Strategic Resource Plan					Trend + / o / -
	Forecast	Budget	Projections			
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	
Surplus/(deficit) for the year	2,055	2,804	8,908	9,860	5,883	+
Adjusted underlying result *	(2,934)	1,961	2,444	2,878	3,323	+
Cash and investments balance	14,779	21,877	20,996	20,285	22,173	+
Cash flows from operations	12,702	16,168	17,509	19,017	18,214	+
Capital works expenditure	22,975	14,249	24,791	26,834	20,213	+

Key to Forecast Trend:

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

*Projected underlying result for 2014-15 includes carry over operating expenditure funded from prior years. Refer to point 3.4 on page 38 for detailed explanation.

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



The key outcomes of the Plan are as follows:

- Financial sustainability (section 4)** - Cash and investments is forecast to increase over the four year period from \$14.779 million to \$22.173 million, which indicates the achievement of a balanced budget on a cash basis in each year.
- Rating strategy (section 8)** – Rate increases are forecast to reduce over the next four years. In 2014-15 the level of rates is significantly influenced by the need to fund the remaining balance of the superannuation liability. In subsequent years the level of annual rate increases per assessment is forecast to be 5.5% (2015-16) and 5.0% (2016-17) after which rate increases per assessment will settle in the range of 4.5% each year.
- Borrowing strategy (section 9)** – Borrowings are forecast to increase from \$15.299 million (1 July 2014) to \$23.085 million (30 June 2018) over the four year period. This is mainly due to projected borrowings for major capital projects such as the refurbishment of the Eltham Leisure Centre.
- Infrastructure (section 9)** - Capital expenditure over the four year period will total \$86.084 million at an average of \$21.521 million.

7.3 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 used in the context of the organisation's objectives.

Indicator	Measure	Notes	Strategic Resource Plan					Trend +/-
			Forecast 2013/14	Budget 2014/15	Projections 2015/16	2016/17	2017/18	
Operating position								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-3.9%	2.5%	3.0%	3.3%	3.7%	+
Liquidity								
Working Capital	Current assets / current liabilities	2	172.7%	192.4%	195.4%	205.1%	199.9%	o
Unrestricted cash	Unrestricted cash / current liabilities		-16.8%	41.6%	35.0%	32.9%	49.8%	+
Obligations								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	29.0%	27.0%	32.9%	31.9%	34.8%	-
Loans and borrowings	Interest and principal repayments / rate revenue		6.7%	4.8%	3.4%	4.1%	3.9%	+
Indebtedness	Non-current liabilities / own source revenue		29.6%	29.4%	33.2%	32.3%	34.2%	-
Asset renewal	Asset renewal expenditure / depreciation	4	65.4%	72.1%	88.1%	90.7%	93.7%	+
Stability								
Rates concentration	Rate revenue / adjusted underlying revenue	5	70.1%	72.3%	73.0%	73.4%	73.7%	o
Rates effort	Rate revenue / property values (CIV)		0.40%	0.41%	0.43%	0.45%	0.47%	+
Efficiency								
Expenditure level	Total expenditure / no. of assessments		\$3,453	\$3,342	\$3,476	\$3,614	\$3,744	+
Expenditure level	Specific purpose grants expended / Specific purpose grants received		100.0%	100.0%	100.0%	100.0%	100.0%	o
Revenue level	Residential rate revenue / No. of residential assessments		\$1,830	\$1,998	\$2,108	\$2,213	\$2,309	+
Workforce turnover *	No. of resignations & terminations / average no. of staff		8.3%	0.0%	0.0%	0.0%	0.0%	o
Other								
Rates per assessment	Rate revenue (less supplementary growth and special rates-charge schemes) / Total number of assessments		\$2,309	\$2,463	\$2,598	\$2,728	\$2,847	+
Rates per assessment growth	Change in rates per assessment current year to previous year / previous year rates per assessment		9.95%	6.65%	5.50%	5.00%	4.35%	+

Key to Forecast Trend:

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

* Council's budgeting and SRP forecasts do not include an assumption on workforce turnover as existing staffing levels are proposed to remain constant over the forward forecasts in order to deliver services

Notes to indicators

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

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to increase significantly in 2014/15 year due to an increase in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.

3 Debt compared to rates - Trend indicates Council's increasing reliance on debt against its annual rate revenue through proposed new borrowings to fund major capital works for projects such as the

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

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

7.4 Non-financial resources

In addition to the financial resources to be used over the planning period, Council will also require non-financial resources, in particular human resources. A summary of Council's anticipated human resources requirements for the 2014/15 year is shown below and further detail is included in section 3.2.1 of this budget. A statement of Human Resources is included in Appendix A.

Indicator	Strategic Resource Plan				
	Forecast	Budget	Projections		
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Employee costs					
- Operating	28,826	30,017	31,729	33,576	35,578
- Capital	0	0	0	0	0
Total	28,826	30,017	31,729	33,576	35,578
Permanent EFT numbers	303.1	308.6	310.1	311.6	313.1
Limited tenures	6.1	4.9	4.9	4.9	4.9
Limited tenures	309.2	313.5	315.0	316.5	318.0

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, etc. It also covers casual employees as well as permanent employees. It should be noted that in some instances employee positions and the associated costs are funded by external grants to Council, however the employee costs listed in this table only show the gross costs to Council, not the net cost.

8. Rating strategy

This section considers the Council's rating strategy including strategy development and assumptions underlying the current year rate increase and rating structure.

8.1 Background

The Local Government Act provides for Councils to raise income through levying rates on land and property owners. There is currently no other broad-based way for Councils to raise revenue, and rates effectively represents the balance of funds remaining to fund Council's expenditure after income from grants, user fees and other avenues have been considered.

8.2 Strategy development

In developing the Strategic Resource Plan (referred to in Section 7), rates and charges are an important source of revenue, accounting for more than 70% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process.

However, it is also necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases. The table in the Budget Trends and Summary section shows trends over recent years for rates.

8.3 Current year rating outcome

The 2014-15 increase in rates and charges of 6.65% per assessment comprises 1.55% for the superannuation liability, 1% to offset reduced revenue from Eltham Leisure Centre, 0.5% for extra capital works funding, with the balance of 3.6% attributable to all other changes in Council expenditure and income.

In its 2009-2010 Budget, Council introduced compulsory quarterly instalments for rates and charges payments. The due dates for the 2013-14 financial year will be 30 September, 30 November, 28 February and 31 May (if any of these dates fall on a weekend, the due date will be the following Monday). Payment by compulsory quarterly instalments will continue for the 2014-15 financial year.

The level of rates has been set with reference to the following objectives:

- Maintain existing service levels
- Maintain a surplus result on a rate determination basis.
- Maintain effort on capital works, with 5% annual increase in the rates contribution to capital works
- Achieve a balanced budget on a cash basis.

Figures in the table below show the projected rates revenue increases for future years. The projected outcome includes rates income from supplementary valuations and special rates, as well as the general rates and charges. Consequently the actual rates and charges increase per assessment will be lower than the percentage of rates and charges revenue increase shown in the table. It is also noted that these figures are indicative only and may change in future to reflect changes in circumstances or assumptions that cannot currently be predicted.

Year	Rates & Charges Revenue \$'000
2013-2014	52,842
2014-2015	56,609
2015-2016	60,008
2016-2017	63,250
2017-2018	66,287

8.4 Rating structure

Council has established a rating structure which is comprised of two key elements. These are:

- Property values, which reflect capacity to pay
- A user pays component (e.g. waste management charge) to reflect usage of services provided by Council.

Striking a proper balance between these elements provides equity in the distribution of the rate burden across ratepayers.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for residential, agricultural, or business purposes. Currently farms receive a 15% discount to encourage productive agricultural use of rural land; a further Sustainable Agriculture Rebate (as calculated under the Sustainable Agriculture Policy) is provided to eligible farming properties. Commercial and industrial properties are charged 16% more to partly reflect the tax-deductible status of rates for these owners or tenants. Vacant residential land is charged double the General Rate to encourage development of this land. This applies to the vacant land in Residential 1 and Low Density Residential zones within DPO 4.

To encourage development of the vacant residential land, Council also in its 2009-2010 budget introduced a rebate for completed house constructions on vacant resident land. Where the double rate was charged, Council will refund, by credit, half of the past 12 months' double rate (i.e. the extra amount exceeding the normal rate) from the date of the next supplementary valuation once a house is constructed on vacant land and a certificate of occupancy has been issued.

Council reviews its rating strategy annually. The 2014-15 Budget has been drafted based on no major change to the property categories included in the rating strategy. Changes clarifying the properties which will be charged the double rate in the dollar on vacant land will be applicable are proposed as part of the 2014-2015 Budget.

Differential rates are only allowed under a Capital Improved Value (CIV) system, and Council applies a CIV rating basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council does review its rating structure every year.

In 2012-13 the State Government released Ministerial Guidelines for the setting of differential rates by local government. Specifically the guidelines mention Council's consideration of the rating of retirement villages. As part of the Budget process, Council considered this issue for inclusion in the rating strategy. The rationale provided for the use of a differential rate or rebate for these ratepayers suggests that residents of retirement villages:

- Have their own garbage collection service and should not pay for a service not provided to them;
- Pay for the road, path and drains maintenance and construction within the village;
- Generally do not have access to or use Council services or assets at the same level as others within the municipality, because these are provided within the village;
- A differential rate for retirement villages will encourage more investment in the construction of these facilities within the Shire.

These issues have been considered in preparation of the draft Budget, in terms of whether equity would be served by the use of a differential rate for a retirement village. The draft Budget does not propose that a differential rate be introduced for retirement villages for the following reasons:

- Council does not charge retirement village residents a waste management charge.
- The payment for the maintenance of the internal facilities of the retirement village is no different to the requirements of a body corporate to maintain the assets of the buildings and surroundings in a unit development, or for that matter any individual property owner who maintains their own property.
- Rates are not a user-based charge but are a government tax on all property owners for the delivery of services and assets for the community to use at their discretion. Different ratepayers use different services and infrastructure according to their own circumstances and choices.
- The potential for development of retirement villages within the shire is likely to be most influenced by commercial considerations such as demand, construction costs, and land availability. A differential rate for retirement villages could not be expected to have a significant influence on the level of supply.
- A review of the local government sector shows that most Victorian councils do not provide a discount for retirement villages.

One change that is proposed as part of the Budget process is the refinement of the definition and application of the differential rate for vacant land due to the effect of the Bushfire Management Overlay requirements.

Currently all vacant residential land (zoned Residential 1, Township or Low Density Residential) is charged a differential rate which is double that of the general rate. This is designed to encourage development of housing on suitably zoned lots. The Bushfire Management Overlay requirements restrict the ability of some vacant land to be developed for housing. This has resulted in some vacant lots that were charged the double rate being re-assessed and transferred to the general rate, when it had been determined that housing development on that land would not receive planning approval. The suitability of land for development within the BMO can only be determined once a full assessment of each lot is undertaken. It is recognised that there is some vacant land within the BMO that is likely to be unsuitable for future housing development, yet the same lot is currently subject to the double rate.

Following consultation with planning staff, it is evident that there are a large number of vacant properties are either outside the BMO or are listed in an area within the BMO that is specifically intended for housing development (eg. within DPO 4). There is no change proposed for these properties.

The remaining properties outside these areas are in the Low Density Residential zone or the Township zone, and are also within the BMO. These properties may be able to be developed for housing however there is a significant possibility that they could be assessed as unsuitable for housing due to the BMO requirements. To remove any inconsistency between Council's rating policies and the planning requirements, it is therefore proposed to remove those assessments from the double rate. This requires an adjustment to the definition of the vacant land rate, which can be made as part of the budget process. Based on the valuation for these properties and using the proposed rate increase of 6.65% per assessment, the removal of these assessments from the double rate would lead to a reduction in rate revenue from the double rate of approximately \$134,500 (or an average of \$1,640 per lot). A reduction in rate revenue from these assessments would cause a redistribution of rates to other ratepayers in the shire. Based on the above scenario, the additional cost for other ratepayers (on average) is approximately \$5.90 per property.

The existing rating structure comprises five differential rates, a Sustainable Agriculture Rebate for eligible farming properties, a rebate for completed constructions on vacant resident land, and a rate of concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Act. Council also has a municipal charge, and a waste management charge as allowed under the Act.

The Municipal Charge is used by Council to transparently identify the impact of cost-shifting by other levels of government. In 2014-15 it will decrease by 13.77 per cent from \$116.35 to \$100.33 per assessment. The reduction of \$16.02 per assessment has been deducted from the Municipal Charge due to additional Victoria Grants Commission funding and lower than originally estimated costs to Council of the introduction of the State Government's Fire Services Property Levy which is payable for Council-owned property (now estimated to cost \$130,000). Since 2003-2004, Council has suffered declines in funding or had to accept the introduction of new charges and levies from State and Federal Governments to the extent that the extra annual cost to ratepayers is now \$2.293 million. This amount is reflected in the Municipal Charge.

The Local Government Act 1989 states that a Council may declare a Municipal Charge to cover some of the administrative costs of the Council. The value of this charge, which is applied as per the Act to the administrative costs of Council, is calculated based on the cost influences and pressures noted above relating to reduced grants funding or cost shifting from other levels of government. The value of the Municipal Charge consists of the following items:

Cost Influence Type	Details	Calculated Change since 2003-04
Grants	Victoria Grants Commission General	222,000
Grants	National Competition Policy Grant	313,000
Cost Shift / Grants	Library Funding	523,000
Cost Shift / Grants	Maternal and Child Health & Immunisation	313,000
Cost Shift / Grants	Home and Community Care	530,000
Cost Shift / Grants	School Crossings Supervision	245,000
Cost shift	Walking School Bus	17,000
Cost shift	State Government Fire Services Property Levy for Council properties	130,000
Total Impact of Cost Shifts / Grant Reductions		2,293,000

The following table summarises the rates to be levied for the 2014/15 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

Rate type	How applied	2013-14	2014-15
General	Cents/\$ CIV	0.003133	0.003287
Farm land	Cents/\$ CIV	0.002663	0.002794
Commercial/ industrial	Cents/\$ CIV	0.003634	0.003812
Vacant land - residential 1/ township zone/ LDRZ	Cents/\$ CIV	0.006265	0.006573
Vacant Land - Other Zones	Cents/\$ CIV	0.003133	0.003287
Cultural and recreational land	Cents/\$ CIV	0.001208	0.001267
Municipal charge	\$/ property	\$116.35	\$100.33
Garbage - residential standard	\$/ property	\$358.40	\$363.55
Garbage - residential 80 litre red bin	\$/ property	\$326.25	\$330.95
Garbage - residential 2 red bins	\$/ property	\$501.55	\$508.75
Garbage - elderly persons units	\$/ property	\$95.30	\$96.65

8.5 General revaluation of properties

During the 2013-14 year, a revaluation of all properties within the municipality was carried out. This valuation applies from 1 January 2014 for the 2014-15 and 2015-16 financial years. The projected outcome of the general revaluation has resulted in some changes in property valuations throughout the municipality. The overall valuation increase throughout the Shire is projected to be 4.11%. Valuation increases for each property type are typically as follows; residential properties 5.04%, rural properties 1.49%, commercial properties 3.39%, and industrial properties 6.26%. Commercial and industrial properties represent about 4% of total rateable properties in Nillumbik. As at the time of publishing the budget the Valuer General has not certified the 2014 revaluations for the Shire. As a consequence of this, these valuations and percentages may change.

Although Council proposes an overall rate and charge revenue increase of 6.65% per assessment for 2014-15, actual rates for individual properties will vary depending on their valuation.

The breakdown of the rates and charges to be levied in 2014-15 by dollar value and percentage increase is contained in Appendix B in this document.

9. Other strategies

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

9.1 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 7), borrowings was identified as an important funding source for capital works programs. Council's Financial Sustainability Plan acknowledges that borrowing is suitable in certain circumstances, and establishes the following four principles to guide its use.

1. Council will make prudent use of loan borrowings for investment in new or upgraded assets. Council recognises that infrastructure assets are a long-term investment, and that borrowings enable the cost to be shared over time by current and future users to achieve inter-generational equity.
2. Council will preserve its borrowing capacity for larger capital works projects. In exceptional circumstances, Council may use borrowings for other significant externally imposed payment obligations (such as superannuation liability) which cannot be funded from rates in a single year.
3. Council will keep its overall debt at a sustainable level, and will aim to keep this within the Auditor-General's low-risk range. Council may exceed the low-risk threshold for a short period if Council considers that the opportunity to access external grant funding means that additional loan borrowings are justified.
4. Over the long-term, Council will aim to reduce its overall level of borrowings.

The SRP forecasts that Council will satisfy the Auditor-General's benchmark for council borrowings by achieving the Auditor General's low-risk ("green light") assessment of Indebtedness (Non-current liabilities/ Own-sourced revenue no greater than 40%) in 2014-15 and following years.

For the 2014-2015 year, Council is budgeting to repay loan principal of \$1.516 million, and take new borrowing of \$1.48 million over the year. There are no new borrowings proposed in the budget related to new capital projects. The total of \$1.48 million relates to borrowing approved in previous budgets for the delivery of some larger capital works projects that involve planning and construction over several years. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2014.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2013-14	2,392	2,381	1133	15,299
2014-15	1,480	1,516	1,186	15,297
2015-16	5,300	857	1,187	19,740
2016-17	1,457	1,020	1,572	20,177
2017-18	3,852	944	1,616	23,086

9.2 Infrastructure

Council has adopted an asset management plan, and currently plans for its future capital expenditure based on two plans: the 10-year major projects plan and the 5-year capital works plan. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification of capital projects through the preparation of the 10-year major projects plan and the 5-year capital works plan
- Prioritisation of capital projects within classes on the basis of evaluation criteria.

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

Details of Council's future allocations to renewal works and how this translates into the reduction of the renewal gap is highlighted in Appendix I - Council's Financial Sustainability Performance.

At present, Nillumbik is similar to most municipalities in that it is presently unable to fully fund asset renewal requirements. Council is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs, and is proposing a significant increase in capital works funding from 2015-16 onwards (once the superannuation liability funding is completed in 2014-15). The graphs in Appendix I show that the existing accumulated \$10m gap for asset renewal gap is projected to be halved by 2016/17 and then fully eliminated by 2023-24.

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

Year	Total Capital			Reserves /		Council Rates \$'000
	Program \$'000	Grants \$'000	Borrowings \$'000	Sale of Assets \$'000	Contribution \$'000	
2014-15	14,249	778	0	7,384	65	6,022
2015-16	24,791	3,783	5,300	4,169	2,681	8,858
2016-17	26,834	5,953	1,457	9,187	1,029	9,208
2017-18	20,213	953	3,852	4,133	1,607	9,668

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has significant cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, drainage and public open space. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose. Appendix A includes a Statement of Reserves which is a summary of the investment reserves for the year ending 30 June 2015.

Over the coming years, a number of Council's existing facilities will require significant funding to maintain their existing operating capacity. The Strategic Resource Plan and Council's forward capital program include assumptions regarding the likely receipt of grant, contribution or other external funding to support the delivery of the capital program. While Council continues to pursue all relevant funding opportunities to provide infrastructure to the community.

9.3 Service delivery

The general influences affecting Council service delivery costs and revenues include the following:

	2014/15	2015/16	2016/17	2017/18
	%	%	%	%
Consumer Price Index	2.2	2.2	2.2	2.2
Average Weekly Earnings	3.50	3.50	3.50	3.50
Engineering Construction	2.95	2.95	2.95	2.95
Non-residential Building Index	3.0	3.0	3.0	3.0
Rate increases	6.65	5.50	5.00	4.35
Property growth	0.5	0.5	0.5	0.5
Wages growth	3.5	3.5	3.5	3.5
Government funding	2.0	2.0	2.0	2.0
Statutory fees	2.0	2.0	2.0	2.0
Investment return	3.5	3.5	3.5	3.5

9.4 Financial Sustainability Plan

Financial sustainability is a challenge for all governments, and sound financial planning is a cornerstone of good governance. The Annual Budget and the four-year Strategic Resource Plan (SRP) provide estimates of financial performance over the short and medium term. However neither the Budget nor the SRP include targets for Council to monitor its financial sustainability. In December 2013 Council adopted the Financial Sustainability Plan which was one of the key commitments made by Council in the Council Plan 2013-2017.

The purpose of the Financial Sustainability Plan (the plan) is to establish targets for Council to monitor its financial sustainability on an ongoing basis. These targets include all the indicators used by the Victorian Auditor-General for the local government sector, as well as some other local measures.

The plan begins by identifying the important characteristics of Nillumbik that impact upon financial sustainability, and the challenges that are faced by Council. These include legacy issues, infrastructure challenges, service challenges and cost-shifting challenges.

It then establishes a set of financial management principles that Council will observe in making financial decisions. Finally it identifies the issues that Council needs to address to achieve financial sustainability over the long term, and sets targets for Council to monitor its progress.

The plan then sets out two sets of financial sustainability measures and targets. Firstly the plan includes all the measures used by the Victorian Auditor-General to assess the financial sustainability of local government across Victoria. There are seven of these measures, including six specific measures, and one overall measure based on the combined results of the six specific measures. The plan sets a target for Nillumbik to achieve a low-risk (green light) result on each of the Auditor-General's measures. Details of the Auditor-General's formula and the purpose of each measure are included in the plan. The plan also includes some other measures that have been included to provide additional context to reflect Nillumbik's particular circumstances. Setting these targets is a policy decision by Council.

The Financial Sustainability Plan does not include projections of Council's performance in achieving the targets. As detailed in the plan, these projections have been included in this annual budget document in Appendix H and the targets are included in Appendix I. Results of Council's actual performance in each financial year will be published in the Annual Report.

Full details of the Financial Sustainability Plan are provided in Appendix H

The draft 2014-15 Budget includes projections of Council's performance in meeting the targets from the Financial Sustainability Plan over the next ten years. The projected results are summarised below.

1. Council will receive a low risk ("green light") assessment from the Auditor-General each year for the next ten years on the overall assessment of financial sustainability. This overall assessment is based on the results for six specific categories of financial sustainability, and is the most comprehensive single measure.
2. Council will achieve low risk ("green light") assessments from the Auditor-General in every year for the following specific categories:
 - i) Underlying surplus
 - ii) Liquidity
 - iii) Indebtedness
 - iv) Capital replacement
3. For the category of Renewal Gap (infrastructure renewal), Council is projected to achieve a medium risk ("yellow light") assessment for 2014-15, with a low risk ("green light") assessment for each of the following nine years. Investment in asset renewal at Nillumbik has historically been below the level of annual depreciation, and this was a key issue considered in the Financial Sustainability Plan. The funding strategy adopted by Council to address the superannuation liability in 2013-14 and 2014-15 now provides the capacity to significantly increase annual funding for infrastructure renewal from 2015-16 onwards, while keeping rate increases at a moderate level. This proposed investment in asset renewal will sustain a low risk assessment on this category in 2015-16 and beyond.
4. For the category of Self-Financing, Council is projected to achieve a low risk ("green light") assessment for each year from 2014-15 to 2019-20. From 2020-21 Council is projected to achieve a medium risk ("yellow light") assessment in this category. The reason for the lower assessment in later years is due to the lower forecasts for income from capital grants and developer contributions. It is expected that Council's projections on this measure for these later years will improve over time as projects are scoped and more accurate assumptions can be made in terms of grant eligibility. In terms of the Auditor-General's own rationale for this measure (i.e. generating cash to fund asset replacement) it is considered that Council's own measure (to progressively increase rates funding for capital works so that it is at least equal to depreciation) will help to achieve this same outcome. If Council receives a medium risk assessment on the Self-Financing measure in some of the later years beyond 2020, this will still enable Council to receive an overall low risk assessment from the Auditor-General, provided that the other measures achieve low risk results as predicted

In addition to the Auditor-General measures, Council has adopted some other local measures of financial sustainability. Projected results for these measures are as follows:

1. One target set by Council is to achieve each year an underlying surplus excluding capital grants. This measure differs slightly from the Auditor-General's Underlying Result as it is adjusted to exclude capital grants. As grants for capital works are usually of large value, and are not received in a regular or routine pattern, the value of these grants can distort the underlying result (potentially by creating a surplus result when a deficit would have been reported if not for the capital grants). The adjusted underlying result is projected to be a surplus in each year.
2. A rate determination (cash basis) surplus of \$100,000 is achieved each year which meets Council's target. This is considered to be the bare minimum necessary for Council to deal with budget variations during the year.

Council has set two further targets which relate to the allocation of sufficient funding to meet infrastructure renewal needs. The first target relates to the level of rates (or “own-source”) revenue that is allocated to capital works each year, relative to the level of annual depreciation. The second target relates to the size of any gap between the required level of asset renewal expenditure and the proposed level of asset renewal expenditure. Achievement of the first target provides the resources necessary to achieve the second target.

3. Rate revenue allocated to capital works is expected to exceed annual asset depreciation by 2018-19. Council has set this target to ensure that sufficient funding is available each year to renew and upgrade Council infrastructure. This addresses the historic problem of under-investment in infrastructure renewal. The projections in the draft Budget show that Council will significantly increase the level of rates funding that is directed to capital works in 2015-16 (as a result of the superannuation liability funding being finalised in 2014-15). This will take annual rate funding for capital works to more than \$8.5 million in 2015-16 (compared to \$6 million in 2014-15). Further incremental increases in funding (5% per annum) over the following three years will mean that the cost of depreciation is fully matched by rate-funded capital works by 2018-19 which is the first time in Nillumbik’s history that this has been achieved. This is a significant achievement in terms of financial sustainability. This can then be maintained over subsequent years while keeping future rate increases at moderate levels.
4. In 2013, Nillumbik had an estimated renewal gap of around \$10 million. This represents the difference between the anticipated need for infrastructure renewal spending over the following ten years, and the proposed spending in Council’s previous Strategic Resource Plan. Most of this gap is due to accumulated under-spending on infrastructure renewal over many years. In the Financial Sustainability Plan, Council set a target to eliminate this renewal gap. Based on the updated projections in the Strategic Resource Plan, this will be achieved, mainly due to the significant increase in capital works funding from 2015-16 as noted above. The value of the renewal gap is projected to reduce from \$10 million to \$4 million by 2016-17, and then progressively decline to zero by 2023-24. The significant reduction in the gap by 2016-17 is primarily due to the proposed redevelopment of the aquatic facility at Eltham Leisure Centre, as this facility alone accounts for more than half of the existing infrastructure renewal gap for the whole shire. Elimination of the infrastructure renewal gap will be another significant achievement for Council in terms of financial sustainability.

In summary, Council has adopted a Financial Sustainability Plan to guide its financial management for the long term. For the first time, the annual Budget now includes ten year projections of Council’s performance in meeting its financial sustainability targets. As noted above, Council is expected to achieve an overall low risk (“green light”) assessment from the Auditor-General each year. The projections also show Council making significant progress in the area of capital works and asset renewal, while keeping increases in rates and charges at a moderate level. Actual results on the financial sustainability targets will be reported in the Annual Report for 2014-15.

Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 9 of this report.

This information has not been included in the main body of the budget report in the interests of clarity and conciseness. Council has decided that whilst the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Budgeted standard statements	64
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Appendix A

Budgeted statements

This appendix presents information in regard to the Budgeted Financial Statements and Statement of Human Resources. The budget information for the years 2014/15 to 2018/19 has been extracted from the Strategic Resource Plan.

At the end of each financial year Council is required to include in the Financial Statements in its Annual Report a comparison of actual income and expenditure compared with the income and expenditure in the financial statements in the Budget.

The appendix includes the following budgeted information:

- Budgeted Comprehensive Income Statement
- Budgeted Rate Determination Statement
- Budgeted Balance Sheet
- Budgeted Statement of Changes in Equity
- Budgeted Statement of Cash Flows
- Budgeted Statement of Capital Works
- Budgeted Statement of Investment Reserves
- Budgeted Statement of Human Resources
- Other information

Budgeted Comprehensive Income Statement

For the five years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan Projections			
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Rates and Charges	52,842	56,609	60,008	63,250	66,287	69,575
Statutory fees and fines	883	900	927	955	984	1,013
User fees	12,696	12,282	12,741	13,217	13,711	14,223
Contributions - cash	2,627	65	2,681	1,029	1,607	2,988
Contributions - non-monetary assets	0	0	0	0	0	0
Grants - operating (recurrent)	6,629	6,527	6,723	6,924	7,132	7,346
Grants - operating (non-recurrent)	0	0	0	0	0	0
Grants - capital (recurrent)	0	0	0	0	0	0
Grants - capital (non-recurrent)	2,362	778	3,783	5,953	953	2,653
Net gain on disposal of property, infrastructure, plant and equipment	0	0	0	0	0	0
Other Revenue	2,316	2,010	1,829	1,843	1,881	1,920
Fair value adjustments for investment property	0	0	0	0	0	0
Share of net profits/(losses) of associated and joint ventures accounted for by the equity method	0	0	0	0	0	0
Total income	80,355	79,171	88,692	93,171	92,555	99,718
Expenses						
Employee benefits	28,826	30,017	31,729	33,576	35,578	37,700
Contracts, materials and services	29,807	26,432	27,782	28,611	29,466	30,345
Bad and doubtful debts	3	3	3	3	3	4
Depreciation and amortisation	9,235	9,514	9,506	9,703	9,858	9,997
Finance costs	1,133	1,186	1,187	1,572	1,616	1,860
Other Expenses	9,296	9,215	9,577	9,846	10,151	10,466
Total expenses	78,300	76,367	79,784	83,311	86,672	90,372
Surplus (deficit) for the year	2,055	2,804	8,908	9,860	5,883	9,346
Other comprehensive income						
Items that will not be reclassified to surplus or deficit						
Impairment of fire impacted infrastructure	0	0	0	0	0	0
Net asset revaluation increment /(decrement)	0	0	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	0	0	0	0	0	0
Total comprehensive result	2,055	2,804	8,908	9,860	5,883	9,346

Budgeted Comprehensive Income Statement Forward Estimates

For the five years ending 30 June 2024

	Forward Estimates				
	2019-20	2020-21	2021-22	2022-23	2023-24
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Rates and Charges	73,056	76,413	80,238	84,075	87,743
Statutory fees and fines	1,044	1,075	1,107	1,140	1,175
User fees	14,755	15,307	15,879	16,473	17,090
Contributions - cash	1,955	5	5	5	5
Contributions - non-monetary assets	0	0	0	0	0
Grants - operating (recurrent)	7,566	7,793	8,027	8,268	8,516
Grants - operating (non-recurrent)	0	0	0	0	0
Grants - capital (recurrent)	0	0	0	0	0
Grants - capital (non-recurrent)	1,153	953	1,953	1,483	1,953
Net gain on disposal of property, infrastructure, plant and equipment	0	0	0	0	0
Other Revenue	1,970	2,019	2,072	2,127	2,183
Fair value adjustments for investment property	0	0	0	0	0
Share of net profits/(losses) of associated and joint ventures accounted for by the equity method	0	0	0	0	0
Total income	101,499	103,565	109,281	113,571	118,665
Expenses					
Employee benefits	39,949	42,161	44,491	46,951	49,547
Contracts, materials and services	31,251	32,184	33,144	34,133	35,152
Bad and doubtful debts	4	4	4	4	4
Depreciation and amortisation	10,148	10,246	10,312	10,407	10,499
Finance costs	1,948	1,917	1,863	1,759	1,646
Other Expenses	10,792	11,128	11,476	11,834	12,205
Total expenses	94,092	97,640	101,290	105,088	109,053
Surplus (deficit) for the year	7,407	5,925	7,991	8,483	9,612
Other comprehensive income					
Items that will not be reclassified to surplus or deficit					
Impairment of fire impacted infrastructure	0	0	0	0	0
Net asset revaluation increment /(decrement)	0	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	0	0	0	0	0
Total comprehensive result	7,407	5,925	7,991	8,483	9,612

Rate Determination Statement

For the five years ending 30 June 2019

Description	Forecast	Budget	Strategic Resource Plan			
	Budget		Projections			
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurrent Resource						
Rates and Charges	45,298	48,529	51,491	54,272	56,824	59,601
Garbage Charge	7,544	8,081	8,518	8,978	9,463	9,974
Government Grants	4,711	6,462	6,656	6,855	7,061	7,273
Statutory fees and fines	883	900	927	955	984	1,013
User fees	12,696	12,282	12,741	13,217	13,711	14,223
Reimbursements	131	39	41	42	44	45
Interest	930	916	701	680	682	684
Proceeds on Sale - Recurrent	936	729	1,175	980	980	980
Other Revenue	1,255	1,055	1,087	1,121	1,155	1,191
Total Recurrent Resource	74,384	78,993	83,337	87,100	90,904	94,984
Recurrent Allocation						
Employee Costs	28,826	30,017	31,729	33,576	35,578	37,700
Contracts	14,022	13,788	14,202	14,633	15,077	15,535
Materials and Services	11,539	11,926	12,283	12,652	13,031	13,422
Bad and Doubtful Debts	3	3	3	3	3	4
Other Expenses	9,296	9,215	9,577	9,846	10,151	10,466
	63,686	64,949	67,794	70,710	73,840	77,127
Interest Expenses	1,133	1,186	1,187	1,572	1,616	1,860
Total Recurrent Allocation	64,819	66,135	68,981	72,282	75,456	78,987
Net Recurrent Resource	9,565	12,858	14,356	14,818	15,448	15,997
Non-recurrent Resource						
Tfr from Reserves	6,685	1,308	260	260	260	260
Proceeds on Sale - Non Current	2,500	4,500	805	5,690	0	0
Total Non-recurrent Resource	9,185	5,808	1,065	5,950	260	260
Non-recurrent Allocation						
Revaluation Decrements on Assets	0	0	0	0	0	0
Debt Redemption	2,381	1,516	857	1,020	944	963
Tfr to Reserves	7,864	10,374	4,376	9,182	3,709	3,726
Capital Works Recharge	(603)	(563)	(588)	(615)	(642)	(671)
Total Non-recurrent Allocation	9,642	11,327	4,645	9,587	4,011	4,018
Net Non-recurrent Resource	(457)	(5,519)	(3,580)	(3,637)	(3,751)	(3,758)
Net Operating Resource	9,108	7,339	10,776	11,181	11,697	12,239

	Forecast	Budget	Strategic Resource Plan			
	Budget		Projections			
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New Initiatives Resource	1,918	65	67	69	71	73
New Initiatives Allocation	4,850	1,282	1,885	1,942	2,000	2,060
Net New Initiatives Resource	(2,932)	(1,217)	(1,818)	(1,873)	(1,929)	(1,987)
CapEx Resource	16,838	8,227	15,933	17,626	10,545	11,013
<i>Represented by</i>						
<i>Borrowing</i>	3,872	-	5,300	1,457	3,852	2,000
<i>Other</i>	12,966	8,227	10,633	16,169	6,692	9,013
CapEx Allocation	22,975	14,249	24,791	26,834	20,213	21,165
Rates Funded CapEx	(6,137)	(6,022)	(8,858)	(9,208)	(9,668)	(10,152)
Net Budget Position	38	100	100	100	100	100
Reconcile Back to Standard Income Statement						
Less BS Items included						
Debt Redemption	(2,381)	(1,516)	(857)	(1,020)	(944)	(963)
Tfr to Reserves	(7,864)	(10,374)	(4,376)	(9,182)	(3,709)	(3,726)
Tfr from Reserve	14,662	8,692	4,428	9,447	4,392	3,632
CapEx income from loan	3,872	-	5,300	1,457	3,852	2,000
CapEx Exp	(22,975)	(14,249)	(24,791)	(26,834)	(20,213)	(21,165)
Total to be deducted	(14,686)	(17,447)	(20,296)	(26,132)	(16,622)	(20,222)
Plus P&L Items not included						
Depreciation	(9,235)	(9,514)	(9,506)	(9,703)	(9,858)	(9,997)
Accrued SCS contribution	0	0	0	0	0	0
WDV of Recurrent Assets sold	(935)	(729)	(1,176)	(979)	(981)	(979)
WDV of NonRecurrent Assets sold	(2,499)	(4,500)	(806)	(5,690)	0	0
Total to be added	(12,669)	(14,743)	(11,488)	(16,372)	(10,839)	(10,976)
Net Surplus/(Deficit)	2,055	2,804	8,908	9,860	5,883	9,346

Rate Determination Statement Forward Estimates

For the five years ending 30 June 2024

Description	Forward Estimates				
	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Recurrent Resource					
Rates and Charges	62,544	65,333	68,561	71,769	74,773
Garbage Charge	10,512	11,080	11,677	12,307	12,970
Government Grants	7,491	7,716	7,947	8,186	8,431
Statutory fees and fines	1,044	1,075	1,107	1,140	1,175
User fees	14,755	15,307	15,879	16,473	17,090
Reimbursements	47	49	51	53	55
Interest	695	705	717	730	742
Proceeds on Sale - Recurrent	980	980	980	980	980
Other Revenue	1,227	1,265	1,304	1,344	1,385
Total Recurrent Resource	99,295	103,510	108,223	112,982	117,601
Recurrent Allocation					
Employee Costs	39,949	42,161	44,491	46,951	49,547
Contracts	16,006	16,492	16,993	17,509	18,040
Materials and Services	13,825	14,240	14,667	15,107	15,560
Bad and Doubtful Debts	4	4	4	4	4
Other Expenses	10,792	11,128	11,476	11,834	12,205
	80,576	84,025	87,631	91,405	95,356
Interest Expenses	1,948	1,917	1,863	1,759	1,646
Total Recurrent Allocation	82,524	85,942	89,494	93,164	97,002
Net Recurrent Resource	16,771	17,568	18,729	19,818	20,599
Non-recurrent Resource					
Tfr from Reserves	260	259	258	257	256
Proceeds on Sale - Non Current	0	0	0	0	0
Total Non-recurrent Resource	260	259	258	257	256
Non-recurrent Allocation					
Revaluation Decrements on Assets	0	0	0	0	0
Debt Redemption	1,081	1,190	1,296	1,400	1,512
Tfr to Reserves	3,845	3,970	4,435	4,800	4,819
Capital Works Recharge	(702)	(732)	(767)	(800)	(836)
Total Non-recurrent Allocation	4,224	4,428	4,964	5,400	5,495
Net Non-recurrent Resource	(3,964)	(4,169)	(4,706)	(5,143)	(5,239)
Net Operating Resource	12,807	13,399	14,023	14,675	15,360

Forward Estimates

	2019-20	2020-21	2021-22	2022-23	2023-24
	\$'000	\$'000	\$'000	\$'000	\$'000
New Initiatives Resource	75	78	80	82	85
New Initiatives Allocation	2,122	2,185	2,251	2,318	2,388
Net New Initiatives Resource	(2,047)	(2,107)	(2,171)	(2,236)	(2,303)
CapEx Resource	7,148	4,431	6,021	5,207	3,721
<i>Represented by</i>					
<i>Borrowing</i>	747	500	0	0	0
<i>Other</i>	6,401	3,931	6,021	5,207	3,721
CapEx Allocation	17,808	15,623	17,773	17,546	16,678
Rates Funded CapEx	(10,660)	(11,192)	(11,752)	(12,339)	(12,957)
Net Budget Position	100	100	100	100	100
Reconcile Back to Standard Income Statement					
Less BS Items included					
Debt Redemption	(1,081)	(1,190)	(1,296)	(1,400)	(1,512)
Tfr to Reserves	(3,845)	(3,970)	(4,435)	(4,800)	(4,819)
Tfr from Reserve	3,553	3,232	4,321	3,976	2,019
CapEx income from loan	747	500	0	0	0
CapEx Exp	(17,808)	(15,623)	(17,773)	(17,546)	(16,678)
Total to be deducted	(18,434)	(17,051)	(19,183)	(19,770)	(20,990)
Plus P&L Items not included					
Depreciation	(10,148)	(10,246)	(10,312)	(10,407)	(10,499)
Accrued SCS contribution	0	0	0	0	0
WDV of Recurrent Assets sold	(979)	(980)	(980)	(980)	(979)
WDV of NonRecurrent Assets sold	0	0	0	0	0
Total to be added	(11,127)	(11,226)	(11,292)	(11,387)	(11,478)
Net Surplus/(Deficit)	7,407	5,925	7,991	8,483	9,612

Budgeted Balance Sheet

For the five years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan			
	Budget		Projections			
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets						
Cash and cash equivalents	14,779	21,877	20,996	20,285	22,173	22,879
Receivables	5,227	4,429	5,289	5,170	3,400	3,500
Prepayments and accruals	220	220	220	220	220	270
Land held for resale	745	745	745	745	745	745
Inventories	21	21	22	23	23	24
Total current assets	20,992	27,292	27,272	26,443	26,561	27,418
Non-current assets						
Trade and other receivables	1,448	1,149	849	549	249	7
Property, infrastructure, plant & equipment	642,812	642,318	655,622	666,083	675,458	685,646
Other financial assets	1,070	1,070	1,070	1,070	1,070	1,070
Total non-current assets	645,330	644,537	657,541	667,702	676,777	686,723
Total assets	666,322	671,829	684,813	694,145	703,338	714,141
Current liabilities						
Bank overdraft						
Trade and other payables	3,070	5,563	4,949	3,706	3,814	3,933
Interest-bearing liabilities	1,586	881	1,020	944	963	1,081
Provisions	6,454	6,692	6,940	7,197	7,465	7,744
Trusts	1,048	1,048	1,048	1,048	1,048	1,048
Total current liabilities	12,158	14,184	13,957	12,895	13,290	13,806
Non-current liabilities						
Interest-bearing liabilities	13,784	14,440	18,720	19,233	22,122	23,040
Provisions	8,556	8,577	8,599	8,621	8,645	8,669
Total non-current liabilities	22,340	23,017	27,319	27,854	30,767	31,709
Total liabilities	34,498	37,201	41,276	40,749	44,057	45,515
Net assets	631,824	634,628	643,537	653,396	659,281	668,626
Equity						
Other reserves	12,456	11,407	11,355	11,090	10,407	10,501
Asset revaluation reserve	269,031	269,031	269,031	269,031	269,031	269,031
Retained Profits	350,337	354,190	363,151	373,275	379,843	389,094
Total equity	631,824	634,628	643,537	653,396	659,281	668,626

Budgeted Balance Sheet Forward Estimates

For the five years ending 30 June 2024

Forward Estimates

	2019-20	2020-21	2021-22	2022-23	2023-24
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	25,702	27,066	27,721	29,000	31,768
Receivables	3,400	3,200	3,100	3,100	3,100
Prepayments and accruals	270	270	270	270	270
Land held for resale	745	745	745	745	745
Inventories	25	25	26	27	28
Total current assets	30,142	31,306	31,862	33,142	35,911
Non-current assets					
Trade and other receivables	7	8	8	8	9
Property, infrastructure, plant & equipment	692,326	696,723	703,205	709,364	714,563
Other financial assets	1,070	1,070	1,070	1,070	1,070
Total non-current assets	693,403	697,801	704,283	710,442	715,642
Total assets	723,545	729,107	736,145	743,584	751,553
Current liabilities					
Bank overdraft					
Trade and other payables	5,948	5,947	5,947	5,946	5,946
Interest-bearing liabilities	1,190	1,296	1,400	1,512	1,635
Provisions	8,034	8,335	8,648	8,974	8,813
Trusts	1,048	1,048	1,048	1,048	1,048
Total current liabilities	16,220	16,626	17,043	17,480	17,442
Non-current liabilities					
Interest-bearing liabilities	22,598	21,802	20,401	18,889	17,254
Provisions	8,695	8,721	8,750	8,780	8,810
Total non-current liabilities	31,293	30,523	29,151	27,669	26,064
Total liabilities	47,513	47,149	46,194	45,149	43,506
Net assets	676,032	681,958	689,951	698,435	708,047
Equity					
Other reserves	10,792	11,531	11,645	12,470	15,270
Asset revaluation reserve	269,031	269,031	269,031	269,031	269,031
Retained Profits	396,209	401,396	409,275	416,934	423,746
Total equity	676,032	681,958	689,951	698,435	708,047

Budgeted Statement of Changes in Equity

For the five years ending 30 June 2019

* Balances at the end of the financial year may be subject to rounding differences.

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2015				
Balance at beginning of the financial year	631,824	350,337	269,031	12,456
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	2,804	2,804	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(5,728)	-	5,728
Transfer from reserves	-	8,692	-	(8,692)
Balance at end of the financial year	634,628	356,105	269,031	9,492
2016				
Balance at beginning of the financial year	634,628	356,105	269,031	9,492
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	8,908	8,908	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(4,376)	-	4,376
Transfer from reserves	-	4,428	-	(4,428)
Balance at end of the financial year	643,537	365,065	269,031	9,440
2017				
Balance at beginning of the financial year	643,537	365,065	269,031	9,440
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	9,860	9,860	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(9,182)	-	9,182
Transfer from reserves	-	9,447	-	(9,447)
Balance at end of the financial year	653,397	375,190	269,031	9,175
2018				
Balance at beginning of the financial year	653,397	375,190	269,031	9,175
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	5,883	5,883	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(3,709)	-	3,709
Transfer from reserves	-	4,392	-	(4,392)
Balance at end of the financial year	659,280	381,756	269,031	8,492
2019				
Balance at beginning of the financial year	659,280	381,756	269,031	8,492
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	9,346	9,346	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(3,726)	-	3,726
Transfer from reserves	-	3,632	-	(3,632)
Balance at end of the financial year	668,626	391,008	269,031	8,586

Budgeted Statement of Changes in Equity Forward Estimates

For the five years ending 30 June 2024

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020				
Balance at beginning of the financial year	668,626	391,008	269,031	8,586
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	7,407	7,407	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(3,845)	-	3,845
Transfer from reserves	-	3,553	-	(3,553)
Balance at end of the financial year	676,033	398,123	269,031	8,878
2021				
Balance at beginning of the financial year	676,033	398,123	269,031	8,878
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	5,925	5,925	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(3,970)	-	3,970
Transfer from reserves	-	3,232	-	(3,232)
Balance at end of the financial year	681,958	403,310	269,031	9,616
2022				
Balance at beginning of the financial year	681,958	403,310	269,031	9,616
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	7,991	7,991	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(4,435)	-	4,435
Transfer from reserves	-	4,321	-	(4,321)
Balance at end of the financial year	689,949	411,187	269,031	9,730
2023				
Balance at beginning of the financial year	689,949	411,187	269,031	9,730
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	8,483	8,483	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(4,800)	-	4,800
Transfer from reserves	-	3,976	-	(3,976)
Balance at end of the financial year	698,432	418,846	269,031	10,554
2024				
Balance at beginning of the financial year	698,432	418,846	269,031	10,554
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	9,612	9,612	-	-
Net asset revaluation increment(decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(4,819)	-	4,819
Transfer from reserves	-	2,019	-	(2,019)
Balance at end of the financial year	708,044	425,658	269,031	13,354

Budgeted Statement Cash Flows

For the five years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan			
	Budget		Projections			
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities						
Receipts from customers	74,365	72,114	76,992	80,102	85,928	89,251
Payments to suppliers	(69,667)	(64,102)	(70,623)	(74,573)	(76,410)	(80,007)
Net cash inflow (outflow) from customers/suppliers	4,698	8,012	6,369	5,529	9,518	9,244
Interest Received	930	916	701	680	682	684
Government Receipts	7,074	7,240	10,439	12,808	8,014	9,926
Net cash inflow (outflow) from operating activities	12,702	16,168	17,509	19,017	18,214	19,854
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment, infrastructure	3,436	5,229	1,980	6,670	980	980
Payments for property, plant and equipment, infrastructure	(22,975)	(14,249)	(24,791)	(26,834)	(20,213)	(21,165)
Net cash inflow (outflow) from investing activities	(19,539)	(9,020)	(22,811)	(20,164)	(19,233)	(20,185)
Cash flows from financing activities						
Proceeds from interest bearing loans and borrowings	2,481	1,512	5,300	1,457	3,852	2,000
Repayments of interest bearing borrowings and finance leases	(2,402)	(1,562)	(881)	(1,020)	(944)	(963)
Net cash inflow (outflow) from financing activities	79	(50)	4,419	437	2,908	1,037
Net increase / (decrease) in cash & cash equivalents	(6,758)	7,098	(883)	(711)	1,888	706
Cash and cash equivalents at the beginning of the year	21,537	14,779	21,877	20,996	20,285	22,173
Cash & cash equivalents at end of year	14,779	21,877	20,996	20,285	22,173	22,879
Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities For the year ending 30 June						
Surplus /(deficit)	2,055	2,804	8,908	9,860	5,883	9,346
Depreciation and amortisation	9,235	9,514	9,506	9,703	9,858	9,997
(Profit) Loss on sale of property, plant and equipment, infrastructure	0	0	0	0	0	0
Net movements in assets and liabilities	1,412	3,850	(905)	(546)	2,473	511
Net cash inflow (outflow) from operating activities	12,702	16,168	17,509	19,017	18,214	19,854

Budgeted Statement of Cash Flows Forward Estimates

For the five years ending 30 June 2024

	Forward Estimates				
	2019-20	2020-21	2021-22	2022-23	2023-24
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<i>Cash flows from operating activities</i>					
Receipts from customers	92,259	94,391	98,764	103,173	107,537
Payments to suppliers	(81,612)	(87,067)	(90,637)	(94,328)	(98,683)
Net cash inflow (outflow) from customers/suppliers	10,647	7,324	8,127	8,845	8,854
Interest Received	695	705	717	730	742
Government Receipts	8,644	8,669	9,900	9,669	10,384
Net cash inflow (outflow) from operating activities	19,986	16,698	18,744	19,244	19,980
<i>Cash flows from investing activities</i>					
Proceeds from sale of property, plant and equipment, infrastructure	980	980	980	980	980
Payments for property, plant and equipment, infrastructure	(17,808)	(15,623)	(17,773)	(17,546)	(16,678)
Net cash inflow (outflow) from investing activities	(16,828)	(14,643)	(16,793)	(16,566)	(15,698)
<i>Cash flows from financing activities</i>					
Proceeds from interest bearing loans and borrowings	747	500	0	0	0
Repayments of interest bearing borrowings and finance leases	(1,081)	(1,190)	(1,296)	(1,400)	(1,512)
Net cash inflow (outflow) from financing activities	(334)	(690)	(1,296)	(1,400)	(1,512)
Net increase / (decrease) in cash & cash equivalents	2,823	1,364	655	1,279	2,768
Cash and cash equivalents at the beginning of the year	22,879	25,702	27,066	27,721	29,000
Cash & cash equivalents at end of year	25,702	27,066	27,721	29,000	31,768
<u>Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities</u>					
<u>For the year ending 30 June</u>					
Surplus /(deficit)	7,407	5,925	7,991	8,483	9,612
Depreciation and amortisation	10,148	10,246	10,312	10,407	10,499
(Profit) Loss on sale of property, plant and equipment, infrastructure	0	0	0	0	0
Net movements in assets and liabilities	2,431	527	441	354	(131)
Net cash inflow (outflow) from operating activities	19,986	16,698	18,744	19,244	19,980

Budgeted Statement of Capital Works

For the five years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan			
	Budget		Projections			
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property						
Land	0	0	0	0	0	0
Land improvements	0	0	0	0	0	0
Total land	0	0	0	0	0	0
Buildings	8,811	1,249	2,734	2,179	1,110	1,110
Building improvements	0	0	0	0	0	0
Leasehold improvements	0	0	0	0	0	0
Heritage buildings	0	0	0	0	0	0
Total buildings	8,811	1,249	2,734	2,179	1,110	1,110
Total property	8,811	1,249	2,734	2,179	1,110	1,110
Plant and equipment						
Plant, machinery and equipment	2,294	1,934	1,947	1,847	2,180	2,045
Fixtures, fittings and furniture	356	235	240	245	286	286
Computers and telecommunications	0	0	0	0	0	0
Heritage plant and equipment	0	0	0	0	0	0
Library books	0	0	0	0	0	0
Total plant and equipment	2,650	2,169	2,187	2,092	2,466	2,331
Infrastructure						
Roads	4,943	3,114	4,272	3,795	5,037	4,517
Bridges	283	288	280	150	156	156
Footpaths and cycleways	600	700	730	760	822	822
Drainage	554	500	500	600	625	625
Recreational, leisure and community facilities	2,239	2,577	11,411	13,395	6,246	8,847
Waste management	0	500	1,216	1,220	2,539	1,466
Parks, open space and streetscapes	873	188	1,187	2,367	923	1,002
Aerodromes	0	0	0	0	0	0
Off street car parks	0	0	0	0	0	0
Other infrastructure	2,022	2,964	274	276	289	289
Total infrastructure	11,514	10,831	19,870	22,563	16,637	17,724
Total capital works expenditure	22,975	14,249	24,791	26,834	20,213	21,165
Represented by:						
Asset renewal expenditure	6,037	6,864	8,378	8,797	9,237	9,699
Asset upgrade expenditure	14,033	1,951	13,003	7,079	6,792	1,636
Asset expansion expenditure	0	0	0	0	0	0
New asset expenditure	2,905	5,434	3,410	10,958	4,184	9,830
Total capital works expenditure	22,975	14,249	24,791	26,834	20,213	21,165

Budgeted Statement of Capital Works Forward Estimates

For the five years ending 30 June 2024

Forward Estimates

	2019-20	2020-21	2021-22	2022-23	2023-24
	\$'000	\$'000	\$'000	\$'000	\$'000
Property					
Land	0	0	0	0	0
Land improvements	0	0	0	0	0
Total land	0	0	0	0	0
Buildings	3,302	1,757	1,222	1,276	4,698
Building improvements	0	0	0	0	0
Leasehold improvements	0	0	0	0	0
Heritage buildings	0	0	0	0	0
Total buildings	3,302	1,757	1,222	1,276	4,698
Total property	3,302	1,757	1,222	1,276	4,698
Plant and equipment					
Plant, machinery and equipment	0	0	0	0	0
Fixtures, fittings and furniture	2,475	2,286	2,337	2,439	2,577
Computers and telecommunications	0	0	0	0	0
Heritage plant and equipment	0	0	0	0	0
Library books	0	0	0	0	0
Total plant and equipment	2,475	2,286	2,337	2,439	2,577
Infrastructure					
Roads	2,296	2,393	2,444	3,138	3,707
Bridges	1,573	168	172	180	190
Footpaths and cycleways	851	886	906	945	999
Drainage	646	673	688	718	759
Recreational, leisure and community facilities	3,231	3,562	5,733	5,953	3,161
Waste management	1,368	1,357	2,637	2,340	0
Parks, open space and streetscapes	1,767	2,229	1,315	224	236
Aerodromes	0	0	0	0	0
Off street car parks	0	0	0	0	0
Other infrastructure	299	312	319	333	351
Total infrastructure	12,031	11,580	14,214	13,831	9,403
Total capital works expenditure	17,808	15,623	17,773	17,546	16,678
Represented by:					
Asset renewal expenditure	10,148	10,246	10,312	10,407	10,499
Asset upgrade expenditure	4,690	3,609	5,229	4,028	4,064
Asset expansion expenditure	0	0	0	0	0
New asset expenditure	2,970	1,768	2,232	3,111	2,115
Total capital works expenditure	17,808	15,623	17,773	17,546	16,678

Budgeted Statement of Investment Reserves

For the five years ending 30 June 2019

	Budget 2015 \$'000	Strategic Resource Plan Projections			
		2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Statutory					
Carparks	97	97	97	97	97
Public open space	154	257	13	22	35
Yarrambat drainage	723	826	929	1,032	1,135
Street light contribution	48	58	68	78	88
Street trees	96	106	116	126	136
Diamond Creek Traders Marketing Fund	2	2	2	2	2
DPO Open Space	2,086	2,156	2,225	2,295	2,364
DPO infrastructure	2,692	2,986	3,279	3,573	3,866
Development contribution Construction	168	168	168	168	168
Native vegetation	10	10	10	10	10
Total statutory reserves	6,076	6,666	6,907	7,403	7,901
Discretionary					
Public arts program	129	129	129	129	129
Carry forward projects	0	0	0	0	0
Leisure Centres profit share	156	230	308	391	477
Plant replacement	370	380	296	463	262
Major Projects (Property management)	493	128	48	148	248
Bridgeford Estate	46	42	38	34	30
Landfill rehabilitation	3,978	3,537	3,037	1,428	960
Other Reserves	159	243	327	411	494
Total discretionary reserves	5,331	4,689	4,183	3,004	2,600
Total reserves	11,407	11,355	11,090	10,407	10,501

Budgeted Statement of Investment Reserves Forward Estimates

For the five years ending 30 June 2024

	Forward Estimates				
	2020	2021	2022	2023	2024
	\$'000	\$'000	\$'000	\$'000	\$'000
Statutory					
Carparks	97	97	97	97	97
Public open space	51	70	93	220	350
Yarrambat drainage	1,238	1,343	1,450	1,559	1,670
Street light contribution	98	109	121	134	148
Street trees	146	157	169	182	196
Hurstbridge Traders Marketing Fund	0	0	0	0	0
Diamond Creek Traders Marketing Fund	2	2	2	2	2
DPO Open Space	2,434	2,505	2,576	2,649	2,722
DPO infrastructure	4,160	4,455	4,753	5,052	5,354
Development contribution Construction	168	168	168	168	168
Native vegetation	10	10	10	10	10
Total statutory reserves	8,404	8,916	9,439	10,073	10,717
Discretionary					
Public arts program	129	129	129	129	129
Carry forward projects	0	0	0	1	3
Leisure Centres profit share	568	663	763	868	978
Plant replacement	2	2	2	2	3
Major Projects (Property management)	348	448	548	548	548
Bridgeford Estate	26	23	21	20	20
Landfill rehabilitation	740	690	0	1	1,958
Other Reserves	575	660	743	828	914
Total discretionary reserves	2,388	2,615	2,206	2,397	4,553
Total reserves	10,792	11,531	11,645	12,470	15,270

Budgeted Statement of Human Resources

For the four years ending 30 June 2019

	Forecast	Strategic Resource Plan				
	Budget	Budget	Projections			
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure						
Employee costs - operating	28,826	30,017	31,729	33,576	35,578	37,700
Employee costs - capital	0	0	0	0	0	0
Total staff expenditure	28,826	30,017	31,729	33,576	35,578	37,700
	EFT	EFT	EFT	EFT	EFT	EFT
Staff numbers						
Permanent EFT numbers	303.10	306.58	308.08	309.58	311.08	312.58
Limited tenures	6.14	4.93	4.93	4.93	4.93	4.93
Total staff numbers	309.24	311.51	313.01	314.51	316.01	317.51

Budgeted Statement of Human Resources Forward Estimates

For the four years ending 30 June 2024

	Forward Estimates				
	2019-20	2020-21	2021-22	2022-23	2023-24
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	39,949	42,161	44,491	46,951	49,547
Employee costs - capital	0	0	0	0	0
Total staff expenditure	39,949	42,161	44,491	46,951	49,547
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Permanent EFT numbers	314.08	315.58	317.08	318.58	320.08
Limited tenures	4.93	4.93	4.93	4.93	4.93
Total staff numbers	314.08	315.58	317.08	318.58	320.08

Other information

For the five years ended 30 June 2019

1. Summary of planned capital works expenditure

	Asset Expenditure Types					Funding Sources						
	Total	New	Renewal	Upgrade	Expansion	Total	Grants	Contributions	Council cash (Own-Source Revenue)	Council cash (Reserves)	Council cash (Proceeds from asset sales)	Borrow's
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015												
Property												
Land	0					0						
Land improvements	0					0						
Buildings	1249	200	730	319		1249	50		999	200		
Building improvements	0					0						
Leasehold improvements	0					0						
Heritage buildings	0					0						
Total property	1,249	200	730	319	0	1,249	50	0	999	200	0	0
Plant and equipment												
Plant, machinery and equipment	1934		1934			1934				1,205	729	
Fixtures, fittings and furniture	235	20	215			235			235			
Computers and telecommunications	0					0						
Heritage plant and equipment	0					0						
Library books	0					0						
Total plant and equipment	2,169	20	2,149	0	0	2,169	0	0	235	1205	729	0
Infrastructure												
Roads	3114	1500	1270	344		3114	480		1334	1,300		
Bridges	288	8	280			288	100		188			
Footpaths and cycle ways	700	400	300			700			700			
Drainage	500		100	400		500			500			
Recreational, leisure and community facilities	2577	572	1315	695		2577	125	65	1637	750		
Waste management	500		500			500				500		
Parks, open space and streetscapes	188	250	100	83		188			188			
Aerodromes	0					0						
Off street car parks	0					0						
Other infrastructure	2964	2484	120	110		2964	23		241	2700		
Total infrastructure	10,831	5,214	3,985	1,632	0	10,831	728	65	4,788	5,250	0	0
Total capital works expenditure	14,249	5,434	6,864	1,951	0	14,249	778	65	6,022	6,655	729	0

Summary of planned capital works expenditure (continued)

	Asset Expenditure Types					Funding Sources						
	Total	New	Renewal	Upgrade	Expansion	Total	Grants	Contributions	Council cash (Own-Source Revenue)	Council cash (Reserves)	Council cash (Proceeds from asset sales)	Borrow's
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016												
Property												
Land	0					0						
Land improvements	0					0						
Buildings	2734					2734						
Building improvements	0					0						
Leasehold improvements	0					0						
Heritage buildings	0					0						
Total property	2,734					2,734						
Plant and equipment												
Plant, machinery and equipment	1947					1947						
Fixtures, fittings and furniture	240					240						
Computers and telecommunications	0					0						
Heritage plant and equipment	0					0						
Library books	0					0						
Total plant and equipment	2,187					2,187						
Infrastructure												
Roads	4272					4272						
Bridges	280					280						
Footpaths and cycle ways	730					730						
Drainage	500					500						
Recreational, leisure and community facilities	11411					11411						
Waste management	1216					1216						
Parks, open space and streetscapes	1187					1187						
Aerodromes	0					0						
Off street car parks	0					0						
Other infrastructure	274					274						
Total infrastructure	19,870					19,870						
Total capital works expenditure	24,791	3,410	8,378	13,003	0	24,791	3,783	2,681	8,859	2,221	1,947	5,300

Summary of planned capital works expenditure (continued)

	Asset Expenditure Types					Funding Sources						
	Total	New	Renewal	Upgrade	Expansion	Total	Grants	Contributions	Council cash (Own-Source Revenue)	Council cash (Reserves)	Council cash (Proceeds from asset sales)	Borrow's
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017												
Property												
Land	0					0						
Land improvements	0					0						
Buildings	2179					2179						
Building improvements	0					0						
Leasehold improvements	0					0						
Heritage buildings	0					0						
Total property	2,179					2,179						
Plant and equipment												
Plant, machinery and equipment	1847					1847						
Fixtures, fittings and furniture	245					245						
Computers and telecommunications	0					0						
Heritage plant and equipment	0					0						
Library books	0					0						
Total plant and equipment	2,092					2,092						
Infrastructure												
Roads	3795					3795						
Bridges	150					150						
Footpaths and cycle ways	760					760						
Drainage	600					600						
Recreational, leisure and community facilities	13395					13395						
Waste management	1220					1220						
Parks, open space and streetscapes	2367					2367						
Aerodromes	0					0						
Off street car parks	0					0						
Other infrastructure	276					276						
Total infrastructure	22,563					22,563						
Total capital works expenditure	26,834	10,958	8,797	7,079	0	26,834	5,953	1,029	9,208	7,340	1,847	1,457

Summary of planned capital works expenditure (continued)

	Asset Expenditure Types					Funding Sources						
	Total	New	Renewal	Upgrade	Expansion	Total	Grants	Contributions	Council cash (Own-Source Revenue)	Council cash (Reserves)	Council cash (Proceeds from asset sales)	Borrow's
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018												
Property												
Land	0					0						
Land improvements	0					0						
Buildings	1110					1110						
Building improvements	0					0						
Leasehold improvements	0					0						
Heritage buildings	0					0						
Total property	1,110					1,110						
Plant and equipment												
Plant, machinery and equipment	2180					2180						
Fixtures, fittings and furniture	286					286						
Computers and telecommunications	0					0						
Heritage plant and equipment	0					0						
Library books	0					0						
Total plant and equipment	2,466					2,466						
Infrastructure												
Roads	5037					5037						
Bridges	156					156						
Footpaths and cycle ways	822					822						
Drainage	625					625						
Recreational, leisure and community facilities	6246					6246						
Waste management	2539					2539						
Parks, open space and streetscapes	923					923						
Aerodromes	0					0						
Off street car parks	0					0						
Other infrastructure	289					289						
Total infrastructure	16,637					16,637						
Total capital works expenditure	20,213	4,184	9,237	6,792	0	20,213	953	1,607	9,669	2,439	1,693	3,852

Summary of planned capital works expenditure (continued)

	Asset Expenditure Types					Funding Sources						
	Total	New	Renewal	Upgrade	Expansion	Total	Grants	Contributions	Council cash (Own-Source Revenue)	Council cash (Reserves)	Council cash (Proceeds from asset sales)	Borrow's
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019												
Property												
Land	0					0						
Land improvements	0					0						
Buildings	1110					1110						
Building improvements	0					0						
Leasehold improvements	0					0						
Heritage buildings	0					0						
Total property	1,110					1,110						
Plant and equipment												
Plant, machinery and equipment	2045					2045						
Fixtures, fittings and furniture	286					286						
Computers and telecommunications	0					0						
Heritage plant and equipment	0					0						
Library books	0					0						
Total plant and equipment	2,331					2,331						
Infrastructure												
Roads	4517					4517						
Bridges	156					156						
Footpaths and cycle ways	822					822						
Drainage	625					625						
Recreational, leisure and community facilities	8847					8847						
Waste management	1466					1466						
Parks, open space and streetscapes	1002					1002						
Aerodromes	0					0						
Off street car parks	0					0						
Other infrastructure	289					289						
Total infrastructure	17,724					17,724						
Total capital works expenditure	21,165	9,830	9,699	1,636	0	21,165	2,653	2,988	10,152	1,408	1,964	2,000

2. Summary of planned human resources expenditure

	2,015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Infrastructure Services					
-Permanent full time	9,822				
-Permanent part time	229				
-Limited tenures	108				
Total Infrastructure Services	10,159				
Environment & Planning					
-Permanent full time	4,771				
-Permanent part time	943				
Total Environment & Planning	5,714				
Community & Leisure					
-Permanent full time	2,864				
-Permanent part time	3,175				
-Limited tenures	368				
Total Community & Leisure	6,407				
Corporate Services					
-Permanent full time	4,490				
-Permanent part time	1064				
Total Corporate Services	5,554				
Executive Services					
-Permanent full time	520				
-Permanent part time	0				
Total Executive Services	520				
Total casuals and other	521				
Total staff expenditure	28,875	30,643	32,453	34,416	36,496
	FTE	FTE	FTE	FTE	FTE
Infrastructure Services					
-Permanent full time	118.0				
-Permanent part time	2.6				
-Limited tenures	1.0				
Total Infrastructure Services	121.6				
Environment & Planning					
-Permanent full time	49.4				
-Permanent part time	14.2				
Total Environment & Planning	63.6				
Community & Leisure					
-Permanent full time	28.1				
-Permanent part time	36.3				
-Limited tenures	4.1				
Total Community & Leisure	68.6				
Corporate Services					
-Permanent full time	44.7				
-Permanent part time	12.1				
Total Corporate Services	56.8				
Executive Services					
-Permanent full time	3.0				
-Permanent part time	0.0				
Total Executive Services	3.0				
Total casuals and other	n/a				
Total staff numbers	313.5	315.0	316.5	318.0	319.5

Appendix B

Statutory disclosures

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

The appendix includes the following budgeted information:

- Borrowings
- Rates and charges
- Differential rates.

Statutory disclosures

1. Borrowings

	2013-14 \$	2014-15 \$
New borrowings (other than refinancing)*	2,392,000	1,480,000
Debt redemption	2,381,000	1,516,000

* includes 2013-14 projected borrowings and for 2014-15 approved from prior years which have been carried over

2. Rates and charges

2.1 The rate in the dollar for each type of rate to be levied

Type of Property	2013-14 Rate in Dollar	2014-15 Rate in Dollar
General	0.003133	0.003287
Farm Land	0.002663	0.002794
Commercial/Industrial	0.003634	0.003812
Vacant Land - Residential and Specified Low Density Residential Zones	0.006265	0.006573
Cultural and Recreational Land	0.001208	0.001267

2.2 The estimated amount to be raised by each type of rate to be levied

Type of Property	2013-14 \$'000	2014-15 \$'000
General	38,132	42,146
Farm Land	625	664
Commercial/Industrial	2,155	2,348
Vacant Land - Residential and Specified Low Density Residential Zones	1,289	1,127
Cultural and Recreational Land	11	11

2.3 The estimated total amount to be raised by rates

	2013-14 \$'000	2014-15 \$'000
Total rates to be raised	42,211	46,296

2.4 The percentage change in the rate in the dollar for each type of rate to be levied, compared to that of the previous financial year

Type of Property	2013-14 Change %	2014-15 Change %
General	9.24%	4.92%
Farm Land	9.23%	4.92%
Commercial/Industrial	9.23%	4.90%
Vacant Land - Residential and Specified Low Density Residential Zones	9.22%	4.92%
Cultural and Recreational Land	9.22%	4.88%
Municipal Charge	18.91%	-13.77%
Garbage Charge	3.52%	1.44%

2.5 The number of assessments for each type of rate to be levied compared to the previous year

Type of Property	2013-14	2014-15
General	21,030	21,229
Farm Land	217	211
Commercial/Industrial	907	967
Vacant Land - Residential and Specified Low Density Residential Zones	507	432
Cultural and Recreational Land	13	12
Total number of assessments	22,674	22,851

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

2.7 The estimated total value of land in respect of which each type of rate is to be levied compared with the previous year

Type of Property	2013-14 \$'000	2014-15 \$'000
General	12,172,317	12,825,763
Farm Land	234,734	237,694
Commercial/Industrial	592,917	616,045
Vacant Land - Residential and Specified Low Density Residential Zones	205,745	171,454
Cultural and Recreational Land	8,933	8,393
Total	13,214,646	13,859,349

2.8 The unit amount to be levied for each type of charge under section 162 of the Act

Type of Charge	Per Rateable Property 2013-14 \$	Per Rateable Property 2014-15 \$
Residential - Standard Service	358.40	363.55
Residential - 80 Litre Red Bins	326.25	330.95
Residential - 2 Red Bins	501.55	508.75
Elderly Persons Units - Bin	95.30	96.65
Municipal Charge	116.35	100.33

2.9 The estimated amounts to be raised for each type of charge to be levied compared to the previous year

Type of Charge	2013-14 \$	2014-15 \$
Residential - Standard Service	7,141,120	7,244,097
Residential - 80 Litre Red Bins	8,483	8,605
Residential - 2 Red Bins	365,128	428,876
Elderly Persons Units - Bin	8,863	8,988
Municipal charge	2,638,120	2,292,641
Total	10,161,714	9,983,208

2.10 The estimated total amount to be raised by rates and charges:

	2013-14 \$'000	2014-15 \$'000
General rates	42,211	46,296
Service charges and Municipal Charges	10,162	9,983
Total *	52,373	56,279

* Excludes the impact of the SAR rebate, double rating rebate, special rates and supplementary rates

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

- The making of supplementary valuations;
- The variation of returned levels of value (e.g. valuation appeals);
- Changes 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; and
- Changes in the number of waste services provided to residents.

3. Differential rates

3.1 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 0.3287% (0.3287 cents in the dollar of CIV) for all rateable residential properties and ordinary vacant land;
- A general rate of 0.2794% (0.2794 cents in the dollar of CIV) for all rateable farm land properties;
- A general rate of 0.3812% (0.3812 cents in the dollar of CIV) for all rateable commercial/industrial properties;
- A general rate of 0.6573% (0.6573 cents in the dollar of CIV) for all rateable vacant land - residential and specified low density residential zones;
- A general rate of 0.1267% (0.1267 cents in the dollar of CIV) for all rateable cultural and recreational properties.

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

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

3.2 Commercial land - any land used for Commercial purposes

- Occupied for the principal purpose of carrying out the trade in, goods and services or
- Unoccupied but zoned commercial under the State Planning Scheme

3.3 Industrial – any land used for Industrial purposes

- Occupied of the principal purpose of carrying out the manufacture or production of or
- Unoccupied but zoned industrial under the State Planning Scheme.

3.4 Farm Land without SAR

- Land not less than 2 hectares in area; and that is used primarily for grazing (including agistment), dairying, pig-farming, poultry-farming, tree farming, bee-keeping, viticulture, horticulture, fruit-growing or the growing of crops of any kind or for any combination of those activities; and that is used by a business.
- That has a significant and substantial commercial purpose or character; and that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and that 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.

3.5 Farm with SAR – Sustainable Agriculture Rebate land

- Used by the applicant for a single farm enterprise must comprise and aggregate of a minimum 30 hectares;
- The property in respect of which the rebate is sought is classified as Farm Land;
- The applicant shall satisfy detailed criteria relating to sustainable farming practices and land care principles as developed by Council.

3.6 Other land

- Occupied for the principal purpose of physically accommodating persons; or
- Unoccupied land which is not farm land, commercial/industrial land or vacant land - residential and specified low density residential zones.

3.7 Vacant Land - Residential and Specified Low Density Residential Zones

- Land within the Zoning of Residential 1 or its successor definitions of General Residential / Residential Growth / Neighbourhood Residential and Low Density Residential Zones to which Development Planning Overlay 4 applies, on which no habitable dwelling exists.
- Lots greater than 8,000 square metres in the Plenty LDRZ are excluded.
- This is a higher differential to encourage construction of new dwellings in preferred locations across the Shire.
- Rateable land under this definition includes Vic Roads land that is not used for transport or for residential properties.
- A rebate provided to completed constructions on vacant residential land where the double rate was charged. Half of the past 12 months' double rate (i.e. the extra amount exceeding the normal rate) will be refunded through a credit once a dwelling is constructed and a certificate of occupancy issued and processed. The 12 month rebate will be calculated from the date of the next supplementary valuation.

3.8 Cultural and Recreational Land

Council is required to determine an amount payable as rates in respect to recreational lands. The amounts previously determined have been based on discounts previously applied and on the the rate increase from year to year.

Recreational lands are described as lands which are:

- vested in or occupied by any body corporate or unincorporate which exists for the purpose of providing or promoting cultural or sporting recreational facilities or objectives.
- which applies its profits in promoting its objectives and prohibits the payment of dividend or amount to members.
- used for out-door sporting recreational or cultural purposes or similar out-door activities.

Appendix C

Capital works program

This appendix presents a listing of the capital works projects that will be undertaken for the 2014/15 year.

Capital works program

For the year ending 30 June 2015

1. New works

Capital Works Area	Summary of funding sources						
	Project				Proceeds	Council	
	Cost	Grants	Contrib's	on sale of	Reserves	rates	Borrow's
	\$'000	\$'000	\$'000	assets	\$'000	\$'000	\$'000
				\$'000			
PROPERTY							
LAND	0	0	0	0	0	0	0
LAND IMPROVEMENTS	0	0	0	0	0	0	0
BUILDINGS							
New asset expenditure							
Edendale Community Environment Centre- various projects	200	0	0	0	200	0	0
Total new asset expenditure - buildings	200	0	0	0	200	0	0
Asset renewal expenditure							
Other Council Buildings Renewal	530	0	0	0	0	530	0
Public Amenities	200	0	0	0	0	200	0
Allwood House veranda refurbishment	0	0	0	0	0	0	0
Total asset renewal expenditure - buildings	730	0	0	0	0	730	0
Asset upgrade expenditure							
Children's Services Centre Internal Upgrades and Improvements	49	0	0	0	0	49	0
Preschool / Childcare Fencing	20	0	0	0	0	20	0
Other Council Buildings Upgrade	100	0	0	0	0	100	0
Resource Conservation Fund	150	50	0	0	0	100	0
Total asset upgrade expenditure - buildings	319	50	0	0	0	269	0
TOTAL BUILDINGS	1,249	50	0	0	200	999	0
BUILDING IMPROVEMENTS	0	0	0	0	0	0	0
LEASEHOLD IMPROVEMENTS	0	0	0	0	0	0	0
HERITAGE BUILDINGS	0	0	0	0	0	0	0
TOTAL PROPERTY	1,249	50	0	0	200	999	0
PLANT AND EQUIPMENT							
PLANT, MACHINERY AND EQUIPMENT							
New asset expenditure							
Playground safety fencing	20	0	0	0	0	20	0
Total new asset expenditure - PM&E	20	0	0	0	0	20	0
Asset renewal expenditure							
Playgrounds renewal	155	0	0	0	0	155	0
Preschool/Community Centre Playground	40	0	0	0	0	40	0
Shade structure renewal program	20	0	0	0	0	20	0
Fleet replacement	945	0	0	520	425	0	0
Major plant replacement	989	0	0	209	780	0	0
Total asset renewal expenditure - PM&E	2,149	0	0	729	1,205	215	0
TOTAL PLANT, MACHINERY & EQUIPMENT	2,169	0	0	729	1,205	235	0
FIXTURES, FITTINGS AND FURNITURE	0	0	0	0	0	0	0

Capital Works Area	Summary of funding sources						
	Project			Proceeds on sale of assets \$'000	Council		
	Cost \$'000	Grants \$'000	Contrib's \$'000		Reserves \$'000	rates \$'000	Borrow's \$'000
COMPUTERS AND TELECOMMUNICATIONS HERITAGE PLANT AND EQUIPMENT LIBRARY BOOKS	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0
TOTAL PLANT AND EQUIPMENT	2,169	0	0	729	1,205	235	0
INFRASTRUCTURE							
ROADS							
New asset expenditure							
Civic Drive Precinct - Infrastructure Works	1,300	0	0	0	1,300	0	0
Traffic Improvement Program	200	0	0	0	0	200	0
Total new asset expenditure - roads	1,500	0	0	0	1,300	200	0
Asset renewal expenditure							
Roads periodic Maintenance (reseals & resheets)	1,250	280	0	0	0	970	0
Bus Shelter Replacement Strategy	20	0	0	0	0	20	0
Total asset renewal expenditure - roads	1,270	280	0	0	0	990	0
Asset upgrade expenditure							
Rural Connector Road Sealing Program	280	200	0	0	0	80	0
Bus shelters new	24	0	0	0	0	24	0
Minor Traffic Works	40	0	0	0	0	40	0
Total asset upgrade expenditure - roads	344	200	0	0	0	144	0
TOTAL ROADS	3,114	480	0	0	1,300	1,334	0
BRIDGES							
New asset expenditure							
Diamond Creek Footbridge design	8	0	0	0	0	8	0
Total new asset expenditure - bridges	8	0	0	0	0	8	0
Asset renewal expenditure							
Bridge Rehabilitation	280	100	0	0	0	180	0
Total asset renewal expenditure - bridges	280	100	0	0	0	180	0
TOTAL BRIDGES	288	100	0	0	0	188	0
FOOTPATHS AND CYCLEWAYS							
New asset expenditure							
Footpath Construction Program	400	0	0	0	0	400	0
Total new asset expenditure - footpaths	400	0	0	0	0	400	0
Asset renewal expenditure							
Footpath Renewal	300	0	0	0	0	300	0
Total asset renewal expenditure - footpaths	300	0	0	0	0	300	0
TOTAL FOOTPATHS AND CYCLEWAYS	700	0	0	0	0	700	0
DRAINAGE							
Asset renewal expenditure							
Reactive Drainage Works	100	0	0	0	0	100	0
Total asset renewal expenditure - drainage	100	0	0	0	0	100	0
Asset upgrade expenditure							
Drainage upgrade works	400	0	0	0	0	400	0
Total asset upgrade expenditure - drainage	400	0	0	0	0	400	0
TOTAL DRAINAGE	500	0	0	0	0	500	0

Capital Works Area	Summary of funding sources						
	Project			Proceeds on sale of assets	Council		
	Cost	Grants	Contrib's		Reserves	rates	Borrow's
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
RECREATIONAL, LEISURE AND COMMUNITY FACILITIES							
New asset expenditure							
Diamond Creek Trail - Greys Harps Road, Hurstbridge	350	0	0	0	350	0	0
Recreation trail - local Links	60	0	0	0	0	60	0
Tennis Club fencing - Research Park	12	0	0	0	0	12	0
Baseball Facility - Campbell Street	150	0	0	0	100	50	0
Total new asset expenditure - RL&CF	572	0	0	0	450	122	0
Asset renewal expenditure							
Yarrambat Park Golf Course - annual course improvements	80	0	0	0	0	80	0
Major Leisure Centres & Community Halls Renewal	500	0	0	0	0	500	0
Trail resurfacing & periodic maintenance	200	0	0	0	0	200	0
A.E Cracknell Cricket Net Upgrade	145	25	60	0	0	60	0
Bin cage at Sportsground	5	0	0	0	0	5	0
Cricket Pitch replacement	10	0	5	0	0	5	0
Plenty Park Oval design	5	0	0	0	0	5	0
Sports fields, pavilions & fence renewal	220	0	0	0	0	220	0
Sportsground - Lighting Upgrade	30	0	0	0	0	30	0
Yarrambat Park - ground redevelopment warm season grass and fencing	120	0	0	0	0	120	0
Total asset renewal expenditure - RL&CF	1,315	25	65	0	0	1,225	0
Asset upgrade expenditure							
Diamond Creek Community Centre	400	100	0	0	300	0	0
DC Trail on Road	10	0	0	0	0	10	0
Trail upgrade for safety compliance	130	0	0	0	0	130	0
Sportfield Carpark Sealing	100	0	0	0	0	100	0
Research Park Power Upgrade	50	0	0	0	0	50	0
Wattle Glen Soccer (former baseball)	5	0	0	0	0	5	0
Total asset upgrade expenditure - RL&CF	695	100	0	0	300	295	0
TOTAL REC, LEISURE & COMM FACILITIES	2,582	125	65	0	750	1,642	0
PARKS, OPEN SPACE AND STREETSCAPES							
Asset renewal expenditure							
Public open space renewal	100	0	0	0	0	100	0
Total asset renewal expenditure - Parks, OS & Streetscapes	100	0	0	0	0	100	0
Asset upgrade expenditure							
ENR Masterplan Implementation - Carpark & entrance Adventure Playground	8	0	0	0	0	8	0
Panton Hill Bushland Reserves Management Plan Implementation	75	0	0	0	0	75	0
Total asset upgrade expenditure - Parks, OS & Streetscapes	83	0	0	0	0	83	0

Capital Works Area	Summary of funding sources						
	Project			Proceeds on sale of assets	Council		
	Cost	Grants	Contrib's		Reserves	rates	Borrow's
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
WASTE MANAGEMENT							
Asset renewal expenditure							
Plenty & Kangaroo Ground landfill rehabilitation	500	0	0	0	500	0	0
Total asset renewal expenditure	500	0	0	0	500	0	0
TOTAL PARKS, O/SPACE & STREETSCAPES	683	0	0	0	500	183	0
AERODROMES							
OFF STREET CAR PARKS	0	0	0	0	0	0	0
OTHER INFRASTRUCTURE							
New asset expenditure							
Eltham Town Square redevelopment	2,450	0	0	0	2,450	0	0
Bell Street Masterplan implementation	250	0	0	0	250	0	0
Fire Fighting Water Storage Tanks	35	23	0	0	0	12	0
Total new asset expenditure - Other Infrastructure	2,735	23	0	0	2,700	12	0
Asset renewal expenditure							
Disability Access Works	120	0	0	0	0	120	0
Total asset renewal expenditure - Other Infrastructure	120	0	0	0	0	120	0
Asset upgrade expenditure							
Street Tree planting	77	0	0	0	0	77	0
Township/Facility signage	32	0	0	0	0	32	0
Total asset upgrade expenditure - Other Infrastructure	109	0	0	0	0	109	0
TOTAL OTHER INFRASTRUCTURE	2,964	23	0	0	2,700	241	0
TOTAL INFRASTRUCTURE	10,831	728	65	0	5,250	4,788	0
TOTAL NEW CAPITAL WORKS 2014/15	14,249	778	65	729	6,655	6,022	0

2. Summary

Capital Works Area	Summary of funding sources						
	Project			Proceeds on sale of assets	Council		
	Cost	Grants	Contrib's		Reserves	rates	Borrow's
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Asset renewal expenditure	6,864	405	65	729	1,705	3,960	0
New asset expenditure	5,435	23	0	0	4,650	762	0
Asset upgrade expenditure	1,950	350	0	0	300	1,300	0
Asset expansion expenditure	0	0	0	0	0	0	0
TOTAL CAPITAL WORKS	14,249	778	65	729	6,655	6,022	0

Appendix D

New Initiatives

This appendix presents a listing of the new initiatives that will be undertaken for the 2014-2015 year.

New Initiatives

For the year ending 30 June 2015

Council Plan Goal Project		2014-2015		
		Total Project Cost \$	Non Rate Funding \$	Rates funded \$
3	Roads - table drain maintenance (ongoing)	15,000	-	15,000
3	Asset condition audit program (ongoing)	45,000	-	45,000
2	Weed management (ongoing)	25,000	-	25,000
2	Free Green Waste disposal (2 days)	70,000	-	70,000
1	Aqueduct Trail maintenance (ongoing)	25,000	-	25,000
2	Biodiversity offsets / Land management officer	58,000	58,000	-
1	Immunisation services review	5,000	-	5,000
3	New Zones for Victoria - planning scheme amendment	20,000	-	20,000
3	New Bushfire Management Overlay mapping	7,500	-	7,500
3	Yarrambat Township Plan amendment (year 1 of 2)	15,000	-	15,000
4	Brand Nillumbik (Stages 2 & 3)	60,000	-	60,000
3	Eltham Precincts 3 & 4 Masterplan (Stage 2)	100,000	-	100,000
1	Dog Parks	26,000	-	26,000
1	Athletics track in Nillumbik	15,000	-	15,000
1	Community transport	50,000	-	50,000
1	Community development officer	64,000	-	64,000
1	Health and Wellbeing Plan implementation	40,000	-	40,000
1	Cultural Plan Year 4 implementation	30,000	-	30,000
1	Playgrounds Strategy	30,000	15,000	15,000
1	Major Leisure Centres contract specifications	40,000	-	40,000
1	Hurstbridge Intergenerational Housing project	40,000	30,000	10,000
1	Eltham Leisure Centre aquatic facilities upgrade - grant submission	20,000	20,000	-
1	Diamond Creek trail - concept plan and cultural heritage study	130,000	130,000	-
1	Eltham North Reserve pavilion - design	20,000	20,000	-
1	Community and Leisure Services project coordination (A) (ongoing)	* 83,000	43,000	40,000
2	Community and Leisure Services project coordination (B)	* 100,000	100,000	-
5	Internet upgrade (bandwidth, data and security) (ongoing)	70,000	-	70,000
5	Council Website upgrade (smartphone / tablet format)	58,000	-	58,000
5	Staff learning and development programs (ongoing)	20,000	-	20,000
Total		1,281,500	416,000	865,500

* Income for these New Initiatives relates to transfers of expenditure to the capital program and are reflected in the recharge lines in the rate determination statement

New Initiatives identified as "ongoing" will require funding in future operating budgets in order to continue beyond 2014-15.

Appendix E

Operating results by business unit

This appendix presents the operating results by business unit for the 2014-2015 year.

Nillumbik Shire Council
Operating Budget 2014-2015

Group	Group Section	2013-14 Forecast	2014-15 Budget	% v to 2013-14 Budget
Program Description				
Infrastructure				
Infrastructure Mgmt				
Income				
	0041. Emergency Management	(19,627)	(20,315)	3.51%
Expenditure				
	0003. GM Infrastructure Mgmt	458,735	472,447	2.99%
	0041. Emergency Management	476,997	486,191	1.93%
	Total Infrastructure Mgmt	916,105	938,323	2.43%
Infrastructure Development				
Income				
	0100. Infrastructure Development Mgmt	(1,113,052)	(1,146,444)	3.00%
	0102. Engineering Design	0	0	0.00%
	0104. Engineering Construction	(104,950)	(104,950)	0.00%
	0111. Traffic & Transport	(69,000)	(69,000)	0.00%
Expenditure				
	0100. Infrastructure Development Mgmt	230,261	233,259	1.30%
	0102. Engineering Design	474,270	500,803	5.59%
	0104. Engineering Construction	394,510	424,620	7.63%
	0111. Traffic & Transport	1,043,008	1,072,142	2.79%
	Total Infrastructure Development	855,047	910,430	6.48%
Infrastructure Maintenance				
Income				
	0020. Depot Management	0	0	0.00%
	0022. Road Materials	(5,000)	(3,667)	-26.66%
	0025. Waste Management	0	0	0.00%
	0026. Domestic Garbage Collection	(52,866)	(53,757)	1.69%
	0028. Recycling Collection	(240,000)	(240,000)	0.00%
	0029. Fleet Operations	(51,000)	(51,000)	0.00%
	0034. Parks	(14,022)	(13,000)	-7.29%
	0035. Landscape Maintenance	(8,936)	(9,133)	2.20%
	0036. Sportsground Maintenance	(5,000)	(5,000)	0.00%
	0038. Arboriculture Maintenance	0	0	0.00%
	0042. Recycling & Recovery Centre	(307,000)	(315,849)	2.88%
	0043. Wetland Crew	(43,820)	0	-100.00%
	0254. Environment Works	(56,849)	0	-100.00%
Expenditure				
	0020. Depot Management	997,059	1,109,497	11.28%
	0021. Emergency Works	93,209	95,507	2.47%
	0022. Road Materials	695,092	713,660	2.67%
	0024. Reserve Utilities	101,168	170,627	68.66%
	0025. Waste Management	1,339,512	1,353,176	1.02%
	0026. Domestic Garbage Collection	1,608,705	1,662,111	3.32%

Group Section	Group Section	2013-14 Forecast	2014-15 Budget	% v to 2013-14 Budget
	0027. Garden Organics Collection	1,648,205	1,602,906	-2.75%
	0028. Recycling Collection	714,687	683,373	-4.38%
	0029. Fleet Operations	205,266	272,546	32.78%
	0030. Unsealed Roads Maintenance	1,701,318	1,778,129	4.51%
	0031. Sealed Roads Maintenance	641,899	680,329	5.99%
	0032. Miscellaneous Works	326,055	339,720	4.19%
	0033. Drainage Maintenance & Street	805,712	783,318	-2.78%
	0034. Parks	300,438	320,340	6.62%
	0035. Landscape Maintenance	996,813	1,039,921	4.32%
	0036. Sportsground Maintenance	193,010	222,038	15.04%
	0037. Open Space Maintenance	419,083	431,186	2.89%
	0038. Arboriculture Maintenance	602,794	868,667	44.11%
	0039. Priority Sites Maintenance	211,166	219,317	3.86%
	0040. Playground & Park Furniture Mtnce	248,997	255,559	2.64%
	0042. Recycling & Recovery Centre	430,364	479,562	11.43%
	0043. Wetland Crew	56,014	58,397	4.25%
	0044. Yan Yean Tip	754,854	759,806	0.66%
	0047. Fire Prevention	550,000	551,880	0.34%
	0254. Environment Works	823,689	804,631	-2.31%
	Total Infrastructure Maintenance	15,680,616	16,564,797	5.64%
	Assets and Property			
	Income			
	0352. Property Sales Management	(2,561,800)	(4,561,800)	78.07%
	0451. Property Mgmt	(245,000)	(269,000)	9.80%
	0110. Engineering Assets	(213,961)	0	-100.00%
	Expenditure			
	0352. Property Sales Management	2,847,112	4,850,141	70.35%
	0451. Property Mgmt	165,815	157,094	-5.26%
	0110. Engineering Assets	707,353	581,918	-17.73%
	0106. Building Mtnce - Mgmt	124,599	126,226	1.31%
	0107. Building Mtnce - Public	0	0	0.00%
	0108. Building Mtnce - Vandalism	0	0	0.00%
	0109. Building Mtnce - Mtnce	1,331,171	1,348,369	1.29%
	Total Assets and Property	2,155,289	2,232,948	3.60%
	Total Infrastructure Services	19,607,057	20,646,498	5.30%
	Environment & Planning			
	Environment & Planning Management			
	Expenditure			
	0200. Gm Environment & Planning	322,110	324,997	0.90%
	Total Environment & Planning Management	322,110	324,997	0.90%
	Strategic and Economic Planning			
	Income			
	0251. Strategic Planning	(1,000)	0	-100.00%
	0350. Tourism & Economic Development	(296,250)	(297,180)	0.31%
	Expenditure			
	0256. Sustainable Planning	188,470	201,961	7.16%
	0251. Strategic Planning	342,443	364,294	6.38%
	0350. Tourism & Economic Development	588,737	591,308	0.44%
	Total Sustainable Planning	822,400	860,383	4.62%

Group Section	Group Section	2013-14 Forecast	2014-15 Budget	% v to 2013-14 Budget
Regulatory Services				
Income				
	0150. School Crossing Supervision	(137,396)	(141,070)	2.67%
	0151. Municipal Laws Coordination	(1,260,037)	(1,296,405)	2.89%
	0152. Pound Services	(25,889)	(20,689)	-20.09%
Expenditure				
	0150. School Crossing Supervision	429,720	446,556	3.92%
	0151. Municipal Laws Coordination	1,349,171	1,419,835	5.24%
	0152. Pound Services	87,438	90,950	4.02%
Total Regulatory Services		443,007	499,177	12.68%
Environment Services				
Income				
	0252. Environmental Planning	(25,000)	(20,000)	-20.00%
	0321. Environment Health & Immunisation	(309,905)	(319,327)	3.04%
	0516. St Andrews Hall Reserve	(30,796)	(16,000)	-48.05%
Expenditure				
	0250. Environment & Strategic Planning	248,123	254,769	2.68%
	0252. Environmental Planning	887,555	895,737	0.92%
	0321. Environment Health & Immunisation	786,765	811,574	3.15%
	0516. St Andrews Hall Reserve	30,796	17,256	-43.97%
Total Environment Services		1,587,538	1,624,009	2.30%
Development Services				
Income				
	0220. Planning & Building Services Mgmt	337,031	339,639	0.77%
	0221. Statutory Planning	1,361,808	1,429,648	4.98%
	0222. Building Services	476,822	511,331	7.24%
	0223. Planning and Building Services	311,165	321,894	3.45%
	0224. Planning & Building Enforcement	232,775	185,004	-20.52%
Expenditure				
	0220. Planning & Building Services Mgmt	(39,000)	(20,000)	-48.72%
	0221. Statutory Planning	(224,000)	(224,000)	0.00%
	0222. Building Services	(343,221)	(255,470)	-25.57%
	0223. Planning and Building Services	(68,000)	(66,000)	-2.94%
	0224. Planning & Building Enforcement	(20,000)	(20,000)	0.00%
Total Development Services		2,025,380	2,202,046	8.72%
Total Environment and Planning		5,200,435	5,510,612	5.96%
Corporate Services				
Corporate Services Management				
Expenditure				
	0400. GM Corporate Services Mgmt	410,039	426,336	3.97%
Total Corporate Services Management		410,039	426,336	3.97%
Information & Technology				
Income				
	0454. Network / Desktop	(50,526)	0	-100.00%
	0455. Corporate Systems	0	0	0.00%
Expenditure				
	0450. Corporate Information	562,080	584,289	3.95%

Group Section	Group Section	2013-14 Forecast	2014-15 Budget	% v to 2013-14 Budget
	0454. Network / Desktop	934,703	981,267	4.98%
	0455. Corporate Systems	883,926	897,171	1.50%
	0456. IT Management	1,682,488	1,897,790	12.80%
	0458. GIS	50,145	52,222	4.14%
	Total Information & Technology	4,062,816	4,412,739	8.61%
	Organisational Development & Risk			
	Income			
	0620. Human Resource Mgmt	(119,076)	(30,000)	-74.81%
	0621. Occupational Health & Safety	(40,000)	(100,000)	150.00%
	Expenditure			
	0453. Corporate Insurance	1,121,677	1,212,810	8.12%
	0620. Human Resource Mgmt	1,112,837	1,147,601	3.12%
	0621. Occupational Health & Safety	371,485	448,541	20.74%
	Total Organisational Development & Risk	2,446,923	2,678,952	9.48%
	Governance & Communication			
	Income			
	0452. Governance	(24,400)	(407)	-98.33%
	0459. Customer Service	(8,000)	(8,000)	0.00%
	0650. Communication	(3,000)	(3,100)	3.33%
	Expenditure			
	0452. Governance	746,101	748,738	0.35%
	0459. Customer Service	507,375	501,909	-1.08%
	0650. Communication	662,010	659,185	-0.43%
	Total Governance & Communication	1,880,086	1,898,325	0.97%
	Finance			
	Income			
	0410. Accounting Services	0	0	0.00%
	0411. Accounting Services - Other	(4,971,116)	(3,896,160)	-21.62%
	0412. Rates	(52,970,609)	(56,609,293)	6.87%
	0413. Reserve Transfers	(791,500)	(586,100)	-25.95%
	Expenditure			
	0410. Accounting Services	1,322,553	1,304,818	-1.34%
	0411. Accounting Services - Other	4,172,876	3,184,375	-23.69%
	0412. Rates	2,322,625	3,139,752	35.18%
	0413. Reserve Transfers	791,500	586,100	-25.95%
	0415. Procurement	245,603	229,156	-6.70%
	Total Finance	(49,878,068)	(52,647,352)	5.55%
	Total Corporate Services	(41,078,204)	(43,231,000)	5.24%
	Executive Services			
	Executive Services			
	Expenditure			
	0600. Executive Management	585,697	634,429	8.32%
	0601. Council Support	290,444	303,926	4.64%
	Total Executive Services	876,141	938,355	7.10%
	Total Executive Services	876,141	938,355	7.10%

Group Section	Group Section	2013-14 Forecast	2014-15 Budget	% v to 2013-14 Budget
Community and Leisure				
Community and Leisure Management				
Income				
	0292. Leisure & Community Services	(5,000)	(5,000)	0.00%
Expenditure				
	0292. Leisure & Community Services	357,757	367,999	2.86%
	Total Community and Leisure Management	352,757	362,999	2.90%
Community Services & Social Development				
Income				
	0309. Inclusion Support	(99,716)	(93,748)	-5.98%
	0310. Childrens Services	(42,164)	(44,423)	5.36%
	0311. Family Day Care	(184,000)	(272,150)	47.91%
	0314. Maternal Child Health	(343,784)	(273,771)	-20.37%
	0315. Youth Services	(64,969)	(24,000)	-63.06%
	0317. Aged Services Assessment	(315,141)	(234,284)	-25.66%
	0318. HACC Contracts	(1,187,396)	(1,105,386)	-6.91%
	0319. Senior Citizens Centres	(3,000)	(3,000)	0.00%
	0338. Food Services	(186,356)	(191,552)	2.79%
	0339. Community Transport	0	0	0.00%
	0340. Coordinator Aged & Disability	(72,538)	(57,669)	-20.50%
	0342. Family & Children's Serv Mgmt	(52,061)	(19,944)	-61.69%
	0343. Supported Playgroup	(73,218)	(45,661)	-37.64%
	0345. Community & Social Development	0	0	0.00%
	0500. Community Services Mgmnt	(51,844)	0	-100.00%
	0517. Grow Communities Thriving Children	(135,844)	(120,824)	-11.06%
	0518. Best Start	(100,000)	(107,307)	7.31%
	0304. Childcare Eltham	(120,138)	(129,993)	8.20%
	0305. Childcare Panton Hill	(120,989)	(144,256)	19.23%
	0332. Childcare Diamond Creek	(27,533)	(18,000)	-34.62%
Expenditure				
	0309. Inclusion Support	99,716	93,930	-5.80%
	0310. Childrens Services	144,236	153,052	6.11%
	0311. Family Day Care	184,000	272,266	47.97%
	0312. Occ Child Care-Hohnes Road	34,298	34,344	0.13%
	0314. Maternal Child Health	1,036,730	1,008,866	-2.69%
	0315. Youth Services	441,423	413,960	-6.22%
	0317. Aged Services Assessment	381,840	295,375	-22.64%
	0318. HACC Contracts	1,424,066	1,370,649	-3.75%
	0319. Senior Citizens Centres	4,560	4,560	0.00%
	0337. Contracts and Data Officer	44,719	45,148	0.96%
	0338. Food Services	277,910	285,406	2.70%
	0339. Community Transport	0	0	0.00%
	0340. Coordinator Aged & Disability	106,120	88,215	-16.87%
	0342. Family & Children's Serv Mgmt	194,273	289,765	49.15%
	0343. Supported Playgroup	73,218	45,699	-37.59%
	0345. Community & Social Development	76,938	59,952	-22.08%
	0346. Positive Ageing	162,149	168,480	3.90%
	0500. Community Services Mgmnt	258,087	214,885	-16.74%
	0514. Eltham War Memorial Hall	4,893	4,954	1.25%

Group Section	Group Section	2013-14 Forecast	2014-15 Budget	% v to 2013-14 Budget
	0517. Grow Communities Thriving Children	135,844	120,928	-10.98%
	0518. Best Start	114,392	107,413	-6.10%
	0304. Childcare Eltham	134,896	187,692	39.14%
	0305. Childcare Panton Hill	175,582	176,433	0.48%
	0332. Childcare Diamond Creek	50,328	3,219	-93.60%
	Total Community Services & Social Development	2,379,527	2,559,223	7.55%
	People and Place			
	Income			
	0320. Metro Access	(168,664)	(106,401)	-36.92%
	0316. Community Grants	(4,128)	(4,128)	0.00%
	0341. Transport Connections	(75,515)	(200)	-99.74%
	0344. Hurstbridge Community Centre	(34,904)	(102)	-99.71%
	Expenditure			
	0320. Metro Access	240,387	196,509	-18.25%
	0316. Community Grants	92,743	83,569	-9.89%
	0335. Community Planning	349,416	358,814	2.69%
	0341. Transport Connections	140,546	59,346	-57.77%
	0344. Hurstbridge Community Centre	34,904	103	-99.70%
	0347. People and Place Management	151,974	160,367	5.52%
	Total People and Place	726,759	747,877	2.91%
	Community Participation, Learning and Culture			
	Income			
	0255. Arts & Cultural Services	(10,500)	(7,485)	-28.71%
	0303. Operations Eltham	(33,045)	(53,252)	61.15%
	0306. Operations Panton Hill	(300)	(308)	2.67%
	0323. Eltham Community Programs	(117,500)	(116,100)	-1.19%
	0324. General Preparatory Programs	(88,128)	(73,000)	-17.17%
	0325. Vocational Education & Training	(604,500)	(563,500)	-6.78%
	0327. P/Hill Community Program	(68,300)	(70,800)	3.66%
	0331. D/Creek LLC Core Operations	(61,474)	(62,102)	1.02%
	0333. Community Program-D/Creek	(53,000)	(56,000)	5.66%
	0351. Edendale Operations	(311,950)	(320,000)	2.58%
	Expenditure			
	0255. Arts & Cultural Services	781,950	784,431	0.32%
	0300. Social & Cultural Development	170,831	185,478	8.57%
	0303. Operations Eltham	316,330	350,107	10.68%
	0306. Operations Panton Hill	12,085	10,927	-9.58%
	0323. Eltham Community Programs	113,044	95,646	-15.39%
	0324. General Preparatory Programs	97,071	95,732	-1.38%
	0325. Vocational Education & Training	501,555	520,120	3.70%
	0327. P/Hill Community Program	69,494	73,616	5.93%
	0331. D/Creek LLC Core Operations	107,899	135,898	25.95%
	0333. Community Program-D/Creek	24,150	30,403	25.89%
	0351. Edendale Operations	878,451	893,513	1.71%
	0401. Library	2,366,724	2,439,623	3.08%
	Total Community Participation, Learning and Culture	4,090,887	4,292,947	4.94%

Group Section	Group Section	2013-14 Forecast	2014-15 Budget	% v to 2013-14 Budget
Community and Leisure Facilities				
Income				
	0302. Community Leisure	(124,443)	(138,950)	11.66%
	0329. Senior Citizens Eltham	(7,806)	(8,072)	3.41%
	0330. Senior Citizens Diamond Creek	(5,591)	(5,781)	3.40%
	0501. ELC - Ymca	(5,853,406)	(5,318,711)	-9.13%
	0502. DVSC Admin	(1,089,657)	(1,122,346)	3.00%
	0503. Diamond Creek Pool	(151,514)	(156,059)	3.00%
	0504. Yarrambat Park Golf Course	(875,648)	(715,992)	-18.23%
	0505. DCCC Admin	(663,507)	(683,416)	3.00%
	0507. Eltham Community Centre	(79,214)	(81,880)	3.37%
	0508. Eltham North Community Hall	(12,092)	(12,498)	3.36%
	0509. Hurstbridge Community Hall	(9,495)	(9,814)	3.36%
	0510. Eltham Performing Arts Centre	(22,813)	(25,085)	9.96%
	0511. Kangaroo Ground Hall	(2,375)	(2,510)	5.68%
	0512. Eltham Library Complex	(17,305)	(16,628)	-3.91%
	0513. Outdoor Performance Centre	(1,267)	(1,306)	3.08%
	0515. North Warrandyte Hall	(5,740)	(5,927)	3.26%
	0521. Hurstbridge Sports Stadium	(14,237)	(14,923)	4.82%
	0522. Diamond Creek Stadium	(428,457)	(431,251)	0.65%
Expenditure				
	0302. Community Leisure	330,273	333,842	1.08%
	0329. Senior Citizens Eltham	22,041	22,194	0.69%
	0330. Senior Citizens Diamond Creek	17,614	17,686	0.41%
	0501. ELC - Ymca	5,081,343	5,021,114	-1.19%
	0502. DVSC Admin	1,044,426	1,064,559	1.93%
	0503. Diamond Creek Pool	303,449	312,552	3.00%
	0504. Yarrambat Park Golf Course	625,928	695,847	11.17%
	0505. DCCC Admin	972,805	1,001,405	2.94%
	0506. Community Halls Admin	273,875	284,865	4.01%
	0507. Eltham Community Centre	137,855	140,969	2.26%
	0508. Eltham North Community Hall	17,854	17,993	0.78%
	0509. Hurstbridge Community Hall	14,903	15,005	0.68%
	0510. Eltham Performing Arts Centre	19,322	19,587	1.37%
	0511. Kangaroo Ground Hall	7,584	7,629	0.59%
	0512. Eltham Library Complex	1,893	1,901	0.42%
	0513. Outdoor Performance Centre	1,508	1,510	0.13%
	0515. North Warrayndte Hall	16,220	16,381	0.99%
	0519. Leisure Facilities	275,132	289,520	5.23%
	0520. Leisure Services Management	172,961	138,092	-20.16%
	0521. Hurstbridge Sports Stadium	34,594	38,317	10.76%
	0522. Diamond Creek Stadium	499,963	495,339	-0.92%
	Total Community and Leisure Facilities	506,976	1,185,158	133.77%
	Total Community and Leisure	8,056,906	9,148,204	13.54%
	Operating Cost To Council	(7,337,665)	(6,987,331)	-4.77%

Footnotes

1. The % increase in Rates revenue includes the 6.65% increase in standard rates & charges, and revenue from supp's.
2. The total "Operating Cost to Council" includes transfers to and from reserves and debt principal repayments, which are separately identified in the formal Budget.
3. This figure excludes New Initiative items, which are separately identified in the formal Budget.

Appendix F
Grants listing by funding type and source

This appendix presents the listing of grants by funding type and source for the 2014-2015 year.

Operating grant funding type and source	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
Recurrent - Commonwealth Government			
Victorian Grants Commission*	1,677	3,359	1,682
Recurrent - State Government			
Home & Community Care	1,201	1,235	34
Maternal & Child Health	379	395	16
Family & Children	529	628	99
Community Services	111	102	(9)
School Crossings	137	141	4
Youth Services	31	22	(9)
Adult Education	473	446	(27)
Emergency Management	15	16	1
Metro Access	104	105	1
Occupational Health and Safety	10	0	(10)
Open Space	14	13	(1)
Environmental Works	30	0	(30)
New Initiatives	1,918	65	(1,853)
Total Recurrent Grants	6,629	6,527	-102
<u>less</u> New Initiatives non-grant income	(188)	(20)	168
Total Recurrent Grants (incl. non-grant income)	6,441	6,507	66

* difference compared to prior year relates to prepayment of income in 2012-2013 for 2013-2014

Capital grant funding type and source	Forecast 2013-14 \$'000	Budget 2014-15 \$'000	Variance \$'000
<i>Non-Recurrent - Commonwealth Government</i>	2,120	580	(1,540)
<i>Non-Recurrent - State Government</i>	242	198	(44)
Total Non-Recurrent Grants	2,362	778	(1,584)

Appendix G Fees and Charges

This appendix presents the fees and charges for the 2014-2015 year.

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Infrastructure Maintenance				
Culvert Pipe and Endwall Supply Fee				
- Culvert Pipes	225mm diameter x 2.4m length	Y	94.30	135.20
- Culvert Pipes	300mm diameter x 2.4m length	Y	130.00	199.50
- Culvert Pipes	375mm diameter x 2.4m length	Y	186.00	298.80
- Culvert Pipes	Concrete Endwall (single)	Y	320.00	334.50
- Culvert Pipes	Delivery fee	Y	25.50	26.00
Waste Management				
Bin Tows	Each	Y	23.00	23.00
Other Red Lid Bin - 80 Litre	Each	Y	63.00	N/A
Other Red Lid Bin - 120 Litre	Each	Y	70.00	71.00
Organics Green Lid Bin - 120 Litre	Each	Y	69.00	71.00
Recycle Yellow Lid Bin - 120 Litre	Each	Y	69.00	71.00
Recycle Yellow Lid Bin - 240 Litre	Each	Y	82.00	84.00
Recycling & Recovery Centre				
Car Boot		Y	25.00	26.00
Station Wagon		Y	35.00	36.00
Small Utility/Van		Y	45.00	46.00
6x4 Trailer		Y	60.00	62.00
Medium Utility or Van		Y	65.00	66.00
6 x 4 Trailer High Side or 8 X 6 Tandem Trailer		Y	75.00	76.00
Large Ute		Y	75.00	76.00
Large Van		Y	88.00	90.00
8 x 6 Tandem Trailer High Side		Y	100.00	102.00
White Goods - Refrigerator, Stove, Washing Machine etc.		Y	30.00	30.00
Mattress		Y	30.00	30.00
Car Tyre		Y	12.00	12.00
Car Rim		Y	14.00	14.00
4WD Tyre		Y	15.00	15.00
4WD Rim		Y	17.00	17.00
Motor Oil (over 10 litres)	Per litre	Y	0.50	No charge
Car Battery			No charge	No charge
Household Recycling - Paper, Cardboard & Containers			No charge	No charge
Emergency Management				
Fire Prevention - Slashing	Blocks up to 1.0 hectare	Y	285.29	293.00
Fire Prevention - Slashing - Larger blocks	Per hectare	Y	422.28	435.00
Fire Prevention - Firebreaks to 10 metres wide	Per linear metre	Y	2.30	2.40
Fire Prevention - Firebreaks to 20 metres wide	Per linear metre	Y	3.37	3.45
Fire Prevention - Roadsides	Per linear metre	Y	2.30	2.40

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Infrastructure Development				
*Dispensations				
	Building over easement (maximum fee)		As per Building Control Commission Rates (TBA)	As per Building Control Commission Rates (TBA)
	Front fence at corner (maximum fee)		As per Building Control Commission Rates (TBA)	As per Building Control Commission Rates (TBA)
	Land subject to flooding (maximum fee)		As per Building Control Commission Rates (TBA)	As per Building Control Commission Rates (TBA)
*Subdivision supervision and Plan Checking	3.25% of actual costs of works - fees set by Subdivision Act plus GST (Fee rate set by requirements of the Subdivision Act)	Y		
*Storm Water and Drainage Information			As per Building Control Commission Rates (TBA)	As per Building Control Commission Rates (TBA)
Asset Reinstatements	Council claims actual cost of works plus 30% administration costs plus GST	Y		
Application for Consent	Per unit - refer Monetary Units Act 2004		As per MAV unit rates	As per MAV unit rates
*Road Opening Permits			As per Vic Roads Rates	As per Vic Roads Rates
Arterial Road				
Works, other than minor works - conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Works, other than minor works - not conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Minor works - conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Minor works - not conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Municipal road or non arterial State road where maximum speed limit is more than 50kph				
Works, other than minor works - conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Works, other than minor works - not conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Minor works - conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Minor works - not conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Municipal road or non arterial State road where maximum speed limit is not more than 50kph				
Works, other than minor works - conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Works, other than minor works - not conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Minor works - conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Minor works - not conducted on roadway, shoulder or pathway	per site		As per MAV unit rates (TBA)	As per MAV unit rates (TBA)
Asset Protection		Y	150.00	200.00
Street Lights Developer Contribution	100% of actual cost of the non-standard public lighting in the estate			
Street Trees Developer Contribution	\$220 per 40 m ² of the landscaping area			
Copies of Plans/Photocopying	A4/page	Y	0.80	0.90
Copies of Plans/Photocopying	A3/page	Y	1.40	1.50
Copies of Plans/Photocopying	A1/page	Y	3.90	4.00
Road Pavements	2m ² to 10m ² (per m ²)	Y	As per contract rates	As per contract rates
Road Pavements	Greater than 10m ² (per m ²)	Y	As per contract rates	As per contract rates

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Footpath & Crossovers - Minimum charge of 2 m ² or 2 lineal metres.				
These rates are charged for all reinstatements unless prior agreement to alternative arrangements (eg: cost plus 30%):				
- Footpaths	Asphalt, 75mm concrete, pitcher or flag type (per m ²)	Y	As per contract rates	As per contract rates
- Crossovers	150mm concrete (per m ²)	Y	As per contract rates	As per contract rates
Industrial Vehicular Crossing	Up to 175mm reinforced concrete (per m ²)	Y	As per contract rates	As per contract rates
Kerb & Channel	Concrete, dish gutters and spoon drains concrete kerb (per lineal m)	Y	As per contract rates	As per contract rates
Saw Cutting	Per lineal metre	Y	As per contract rates	As per contract rates
Traffic Control	Per controller (per hour)	Y	As per contract rates	As per contract rates

Following surcharges will apply for all concrete reinstatements works:

▪ Under 10m ² 30% surcharge on invoice price	Y
▪ Under 20m ² 15% surcharge on invoice price	Y
▪ Above 20 m ² no surcharge applied	Y

Regulatory Services

*Impounding Livestock	Labour - ordinary per hour		40.00	42.00
*Impounding Livestock	Labour - time and a half per hour		60.00	63.00
*Impounding Livestock	Labour - double time per hour		80.00	84.00
*Impounding Livestock	Trespass sheep/goat/pig per head		18.00	19.00
*Impounding Livestock	Trespass other cattle per head		25.00	26.00
*Impounding Livestock	Transport - Monday to Saturday		80.00	85.00
*Impounding Livestock	Transport - Sunday/Public Holidays		105.00	110.00
*Impounding Livestock	Sustenance - sheep/goat/pig per day		13.00	14.00
*Impounding Livestock	Sustenance - cattle per day		20.00	21.00
*Impounding Livestock	Pound fees		14.00	15.00
*Impounding Livestock	Posting notice		20.00	21.00
*Impounding Livestock	Insertion of notice in newspapers		35.00	37.00
*Impounding Livestock	Advertisement		At cost	At cost
*Dog Pound - Release	Release first day	Y	70.00	73.00
*Dog Pound - Sustenance	Sustenance per day	Y	22.00	23.00
*Animal Registration	Dog maximum fee		246.00	258.00
*Animal Registration	Dog reduced fee (Micro chipped only. Excludes new registrations)		82.00	86.00
*Animal Registration	Dog minimum fee (Desexed)		41.00	43.00
*Animal Registration	Cat maximum fee		246.00	258.00
*Animal Registration	Cat reduced fee (Micro chipped only)		82.00	86.00
*Animal Registration	Cat Minimum fee (Desexed)		41.00	43.00
*Animal Registration	Transfer		6.00	7.00
Animal Registration	Replacement tag	Y	6.00	7.00
*Animal Registration	Pensioner registration of any animal		1/2 Std Fee	1/2 Std Fee
*Animal Registration	Domestic animal business		260.00	275.00
*Animal Registration	Dangerous/restricted Breed		246.00	252.00
*Local Law Permits	More than animals specified in Local Law		80.00	85.00
*Local Law Permits	Pensioner concession - Animal Permit		40.00	42.50
*Local Law Permits	Outdoor eating facilities		150.00	160.00
	- 1st table			
	- Thereafter		80.00	85.00
*Local Law Permits	Signs and A Frames		98.00	102.00
*Local Law Permits	Goods/furniture on footpaths		160.00	170.00
*Local Law Permits	Busking per day		34.00	36.00
*Local Law Permits	Commercial Fairs		1,600.00	1,700.00
*Local Law Permits	Storage on roads per day		34.00	36.00
*Local Law Permits	Skips		34.00	36.00
*Local Law Permits	Use of motorised toy vehicles on private property		80.00	85.00
*Local Law Permits	Burning Off		0.00	0.00

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
*Local Law Permits	Road side Vending (per day)		155.00	160.00
*Local Law Permits	Road side Vending (half day = 4hrs)		77.50	80.00
*Local Law Permits	Road side Vending (per annum)		Refer day rate	Refer day rate
*Local Law Permits	Caravans		80.00	85.00
*Local Law Permits	Camping on Council land per day		17.00	18.00
Local Law Releases	Shopping trolleys per item	Y	80.00	85.00
Local Law Releases	Charity bins per item	Y	80.00	85.00
Local Law Releases	Skips per item	Y	80.00	85.00
Local Law Releases	A frames & Signs	Y	80.00	85.00
Local Law Releases	Miscellaneous small items	Y	80.00	85.00
Local Law Releases	Miscellaneous large items	Y	160.00	170.00
*Parking Fines	Section 87(4) of the Road Safety Act 1986 50% of one penalty unit		0.5 Penalty Unit	0.5 Penalty Unit
**Parking Fines	Infringement Court Fees (as advised)		As advised	As advised
**Parking Fines	Witness fees (as awarded)		As awarded	As awarded
Derelict Vehicles	Release	Y	155.00	160.00
Derelict Vehicles	Towing	Y	130.00	135.00
Derelict Vehicles	Storage per day	Y	16.00	17.00
*Parking Permits	Resident schemes		34.00	36.00
*Parking Permits	Resident schemes - Temporary 5-day		34.00	36.00
*Parking Permits	Disabled Parking		0.00	0.00
*Parking Permits	Disabled Parking - Replacement		0.00	0.00
*Parking Permits	Eitham Circulatory Road Permits >6months		15.00	16.00
*Parking Permits	Eitham Circulatory Road Permits <6months		7.50	8.00
*Parking Permits	Trader Parking Permits <6months		15.00	16.00
*Parking Permits	Trader Parking Permits >6months		7.50	8.00
*Parking Permits	Trade/Builders Parking Permit/day		42.00	44.00
Minor Works Within the Shire	Sheds, carports, garages, pergolas, pools, demolition, retaining walls, verandahs, re-blocking.	Y	470.00	490.00
Minor Works External to the Shire	Sheds, carports, garages, pergolas, pools, demolition, retaining walls, verandahs, re-blocking.	Y	570.00	590.00
Minor Building Works	Up to the value of \$3,000.00	Y	470.00	490.00
Building Permit Internal	Value of works = 1.00 - 50,000	Y	960.00	990.00
Building Permit Internal	Value of works = 50,001 - 100,000	Y	1,070.00	1,120.00
Building Permit Internal	Value of works = 100,001 - 150,000	Y	1,190.00	1,250.00
Building Permit Internal	Value of works = 150,001 - 200,000	Y	1,290.00	1,350.00
Building Permit Internal	Value of works = 200,001 - 300,000	Y	1,520.00	1,600.00
Building Permit Internal	Value of works = 300,001 - 400,000	Y	1,740.00	1,800.00
Building Permit Internal	Value of works = 400,001 - 500,000	Y	2,080.00	2,200.00
Building Permit Internal	Value of works = 500,001 - 1,000,000	Y	POA	POA
Building Permit Internal	Value of works = Over 1,000,000	Y	POA	POA
Building Inspections Internal		Y	160.00	165.00
Minor Works External		Y	570.00	590.00
Multiple Dwelling Internal		Y	660.00	680.00
Building Permit External	Value of works = 1.00 - 50,000	Y	1,160.00	1,200.00
Building Permit External	Value of works = 50,001 - 100,000	Y	1,270.00	1,320.00
Building Permit External	Value of works = 100,001 - 150,000	Y	1,370.00	1,430.00
Building Permit External	Value of works = 150,001 - 200,000	Y	1,480.00	1,530.00
Building Permit External	Value of works = 200,001 - 300,000	Y	1,700.00	1,800.00
Building Permit External	Value of works = 300,001 - 400,000	Y	2,040.00	2,150.00
Building Permit External	Value of works = 400,001 - 500,000	Y	2,300.00	2,400.00
Building Permit External	Value of works = 500,001 - 1,000,000	Y	POA	POA
Building Permit External	Value of works = Over 1,000,000	Y	POA	POA
Building Inspections External		Y	185.00	195.00
Multiple Dwellings Fee	Per dwelling (subject to value of works)	Y	900.00	950.00

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
*Dispensations (Report and Consent under Part 4)	As advised by Building Commission	Y	250.00	260.00
Amended Plans		Y	190.00	200.00
Lapsed Permit/Inspection		Y	190.00	200.00
Extension of Time		Y	190.00	200.00
A/G Swimming Pool - Local		Y	520.00	390.00
Pool Fencing - Written Advice		Y	185.00	195.00
Building Inspection for selected PBS - within the Shire		Y	200.00	210.00
Building Inspection for selected PBS - outside of Shire		Y	200.00	210.00
Building Prosecution Admin Fee		Y	550.00	580.00
*Building Miscellaneous	Building Form 10 (property information requests) As advised by Building Commission		45.35	47.00
Building Miscellaneous	Request for house plans (Depends on number of plans)	Y	75.00	80.00
Building Miscellaneous	Commercial & Industrial Plans (Depends on number of plans)	Y	170.00	180.00
*Building Miscellaneous	Building permit details (irrespective of age)		95.00	100.00
*Building Miscellaneous	Copies of building certificates including Section 29A		65.00	70.00
*Building Maintenance	External lodgement commercial		31.00	32.00
*Building Miscellaneous	External lodgement residential		31.00	32.00
Consultancy per hour		Y	100.00	105.00
Building Notice/Order withdrawal fee		Y	550.00	580.00
Liquor Licence Inspection and Report fee			440.00	460.00
Government Levy	As advised by Building Commission.		\$1.28 / \$1000	\$1.28 / \$1000
Inground swimming pool			520	540
Application Fees - Planning Department				
Planning Miscellaneous	General planning information (permits & dates etc)	Y	110.00	115.00
Planning Miscellaneous	PBS request for written planning information/advice	Y	110.00	115.00
Planning Miscellaneous	Planning permit details (copies of permits, price per permit). One permit		115.00	115.00
Planning Miscellaneous	Planning permit details (copies of permits, price per permit) Search last permit. Two Permits		230.00	230.00
Planning Miscellaneous	Planning permit details (copies of permits, price per permit) Search all permits		350.00	350.00
*Certification	Certification of subdivision per lot		100+20/lot	100+20/lot
*Certification	Re-certification		100.00	100.00
*Planning	Planning Scheme Amendment (stage 1)		798.00	798.00
*Planning	Planning Scheme Amendment (stage 2)		798.00	798.00
*Planning	Planning Scheme Amendment (stage 3)		524.00	524.00
*Planning	Planning Scheme Amendment (stage 4)		798.00	798.00
Planning	Miscellaneous (S173)		200.00	210.00
Planning	Request for extension of time to permit		170.00	180.00
*Planning	Request for amendment to application - after notice		102.00	102.00
Planning	Request for amendment to application/permit - application class:			
*Planning	Class 1		502.00	502.00
*Planning	Class 2		239.00	239.00
*Planning	Class 3		490.00	490.00
*Planning	Class 4		102.00	102.00
*Planning	Class 5		604.00	604.00
*Planning	Class 6		707.00	707.00
*Planning	Class 7		815.00	815.00
*Planning	Class 8		1,153.00	1,153.00
*Planning	Class 9		4,837.00	4,837.00
*Use Only	Class 1		502.00	502.00

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
*Use and Development 1 Dwelling	2b		239.00	239.00
*Use and development 1 Dwelling	3b		490.00	490.00
*Development	Class 4c <10,000		102.00	102.00
*Development	Class 5d		604.00	604.00
*Development	Class 6e		707.00	707.00
*Development	Class 7e		815.00	815.00
*Development	Class 8e		1,153.00	1,153.00
*Development	Class 9e		4,837.00	4,837.00
*Development	Class 10e		8,064.00	8,064.00
*Development	Class 11e		16,130.00	16,130.00
*Subdivision	Class 12		386.00	386.00
*Subdivision	Class 13f		386.00	386.00
*Subdivision	Class 14		386.00	386.00
*Subdivision	Class 15g		781.00	781.00
*Subdivision	Class 16		249.00	249.00
*Subdivision	Class 17h		541.00	541.00
*Subdivision	Class 18h		404.00	404.00
Satisfaction matter			102.00	102.00
PBS Copying (not including written objections)	A3 copies		4.00	4.00
PBS Copying (not including written objections)	A4 copies		2.00	2.00
PBS Copying (not including written objections)	A1 copies		16.00	17.00
Advertising	Mail out up to 10 notices plus one onsite notice	Y	110.00	110.00
Advertising	Each additional onsite notice	Y	11.00	12.00
Advertising	Each additional mailed notice	Y	5.00	5.00
Removal of trees < 3 (Arborist)		Y	120.00	140.00
Request for secondary consent approval			210.00	220.00
Amend or end a Section 173 Agreement - consent request		Y	Nil	210.00
Health Charges				
(reclassified in accordance with Food Act legislation)				
*Registration of Food Premises	Class One Premises		485.00	500.00
*Registration of Food Premises	Class Two Premises		572.00	590.00
*Registration of Food Premises	Class Three Premises		312.00	325.00
*Registration of Food Premises	Class Four Premises		0.00	0.00
*Registration of Food Premises	Community Group		110.00	115.00
Pre-application site inspection	Food or Health Premises		68.00	70.00
Food Premises Additional inspection	Other than mandatory inspection and 1 follow up Where a proprietor chooses to register fixed premises and associated mobile premises together this additional fee applies		120.00	125.00
Food Premises Additional Component				100.00
Pre-purchase inspection (more than 3 mor Food or Health Premises			260.00	270.00
Failed sampling result	2nd and subsequent sampling results		156.00	160.00
Streatrader Registration	Category 1		208.00	215.00
Streatrader Registration	Category 2		140.00	145.00
Temporary Food Premises Permit (more than 10 business days notice) :				
	One (1) event		78.00	80.00
	Two (2) - six (6) events		104.00	110.00
	Seven (7) - twelve (12) events		130.00	135.00

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Temporary Food Premises Permit (less than 10 business days notice) :				
	One (1) event		88.00	90.00
	Two (2) - six (6) events		115.00	120.00
	Seven (7) - twelve (12) events		140.00	145.00
	Not For Profit organisations		N/A	N/A
*Transfer of Food Premises	With inspection report		260.00	270.00
*Transfer of Health Premises	Without inspection report		187.00	195.00
*Plans Approvals	All premises**		187.00	195.00
(An additional \$10 will be charged per staff person over 5 for all food premises)				
*Hairdresser Registration			150.00	155.00
*Beauty Therapy Registration			156.00	160.00
*Skin Penetration Registration			208.00	215.00
*Prescribed Accommodation	Initial for < 10 beds		235.00	245.00
	Renewal for < 10 beds		235.00	245.00
	Initial 10 - 20 beds		395.00	410.00
	Renewal for 10 - 20 beds		395.00	410.00
	Initial > 20 beds		500.00	520.00
	Renewal > 20 beds		500.00	520.00
*Septic Application			432.00	450.00
Septic Additional inspection	Other than 1 PTI inspection and 1 PTU inspection		120.00	125.00
Extension of Septic Permit			156.00	160.00
*Alteration of Septic Tank			260.00	270.00
Search for septic plans			36.50	40.00
Application to Retain Septic System in Reticulated Area	Includes site inspection, records search and one water sample analysis			300.00
Caravan Parks			As per Residential Tenancies Act	As per Residential Tenancies Act
Health - Colonic Irrigation			172.00	180.00
Home Care				
Home Care Per Hour	Per hour (means tested)			
Low			5.80	6.00
Medium			14.45	14.95
High			31.40	32.50
Personal Care Per Hour				
Low			4.40	4.55
Medium			8.70	9.00
High			35.85	37.10
Respite Per Hour	Per hour (means tested)			
Low			2.90	3.00
Medium			4.40	4.55
High			32.45	33.60
Home Maintenance Per Hour	Per hour (means tested)			
Low			11.55	11.95
Medium			17.35	17.95
High			45.75	47.35
Delivered Meals				
Low			8.70	9.00
Medium			8.70	9.00
High			10.60	11.00

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Family Day Care				
FDC Administration Levy	Per hour		0.65	0.70
Family Registration Fee	Per family		0.00	25.00
Educator Registration Fee	Per educator		53.60	60.00
Playhouse				
Child Care for Occasional Users	1 child per hour (concession)		7.50	7.80
Child Care for Occasional Users	1 child per hour (full)		9.00	9.35
Preschool				
Centralised Preschool Enrolments			32.20	33.35
Community Development				
Community Transport	Per trip		2.00	2.00
Edendale Farm Community Environment Centre				
School Program Fees (1 July 2014 to 31 December 2014)				
School Program	Per child (1 hour)	Y	4.50	4.60
School Program	Per child - 3/4 Day	Y	14.00	14.40
School Program	Per child - 1/2 day	Y	10.50	10.80
School Program	Per child - Full day	Y	16.00	16.50
PreSchool (excursion)	Per-child (1 session)	Y	6.20	6.40
PreSchool (excursion)	Per- child (2 session)	Y	10.90	11.20
PreSchool (excursion)	Per-child (3 session)	Y	12.90	13.20
Incursions	Per class	Y	102.60 - 381.80	105.00 - 393.00
School visit/talk	Flat rate per hour	Y	103.00	107.00
School Program Fees (1 January 2015 to 30 June 2015)				
School Program	Per child (1 hour)	Y	4.60	4.80
School Program	Per child - 3/4 Day	Y	14.40	14.90
School Program	Per child - 1/2 day	Y	10.80	11.20
School Program	Per child - Full day	Y	16.50	17.10
PreSchool (excursion)	Per-child (1 session)	Y	6.40	6.50
PreSchool (excursion)	Per- child (2 session)	Y	11.20	11.60
PreSchool (excursion)	Per-child (3 session)	Y	13.30	13.80
Incursions	Per class	Y	105.00 - 393.00	109.00 - 406.00
School visit/talk	Flat rate per hour	Y	106.00	110.00
Interactive Tours (youth groups & playgroups)	Per child	Y	6.20	6.50
Tours	Per adult	Y	7.40	7.70
Tours	Adult concession	Y	5.00	5.20
Workshops	Per participant	Y	5.00 - 100.00	5.20 - 103.00
Regular visits from organisations	Per person	Y	2.60	2.70
Festival and event entry	Per person	Y	2.00 - 7.00	2.10 - 8.00
Guided Tours	Per child (0-2 years)	Y	Donation	Donation
Admissions - child (age 2 and over)	Child	Y	Donation	Donation
Admission - adult	Adult	Y	Donation	Donation
Eggs	Per dozen		2.50 - 4.80	2.50 - 5.00
Worms	Per batch	Y	21.00 - 30.00	22.00 - 31.00
Poultry	Each	Y	At market price	At market price
Cattle	Per head	Y	At market price	At market price
Sheep	Per head	Y	At market price	At market price
Goats	Per head	Y	At market price	At market price
Vegetable & Herb Seedlings	Per punnet or pot	Y	0.00	1.00 - 3.00
Plants	Per tube	Y	1.50 - 3.20	2.00 - 3.50
Plants	Per pot	Y	5.00 - 55.00	7.00 - 60.00
Plants	Special	Y	0.40 - 2.00	0.50 - 2.50

Nillumbik Shire Council 2014-15 Fees & Charges

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** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Stakes (3)	Per set	Y	2.30	2.30
Stakes (50)	Per bundle	Y	0.00	35.00
Weed Mats (organic jute)	Each	Y	0.80	0.80
Tree Guards	Each	Y	0.60	0.60
Planting Kit (Stake & tree guard)	Per set	Y	2.80	2.80
Compost Bin	400 litre	Y	59.00	59.00
Compost Bin	220 litre	Y	48.00	48.00
Compost Mate	Each	Y	16.00	16.00
Worm Factories	Standard	Y	80.00	80.00
Room Hire - Commercial (Any room)				
Monday to Friday	Day time - 4 hours	Y	143.00	148.00
Monday to Friday	Night time	Y	143.00	148.00
Saturday and Sunday	Day time	Y	143.00	148.00
Saturday	Night time	Y	143.00	148.00
Kitchen use charge	per day	Y	24.00	25.00
Cleaning levy	per event (if required)	Y	134.00	139.00
Bond	per event (if required)	Y	220.00	228.00
Staff lock up fee	Night time	Y	125.00	130.00
Room Hire - Community Rate 70% - Ed. Building				
Monday to Friday	Day time - 4 hours	Y	98.00	102.00
Monday to Friday	Night time	Y	98.00	102.00
Saturday and Sunday	Day time	Y	98.00	102.00
Saturday	Night time	Y	122.00	127.00
Kitchen use charge	per day	Y	24.00	25.00
Cleaning levy	per event (if required)	Y	134.00	139.00
Bond	per event (if required)	Y	220.00	228.00
Staff lock up fee	Night time	Y	125.00	130.00
Room Hire - Community Rate 70% - Homestead				
Monday to Friday	Day time - 4 hours	Y	57.00	59.00
Monday to Friday	Night time	Y	57.00	59.00
Saturday and Sunday	Day time	Y	57.00	59.00
Saturday	Night time	Y	N/A	N/A
Kitchen use charge	per day	Y	24.00	25.00
Cleaning levy	per event (if required)	Y	134.00	139.00
Bond	per event (if required)	Y	220.00	228.00
Staff lock up fee	Night time	Y	125.00	130.00
Room Hire - Not for Profit & L&LN (Any room)				
Monday to Friday	Day time - 4 hours	Y	57.00	59.00
Monday to Friday	Night time	Y	57.00	59.00
Saturday and Sunday	Day time	Y	57.00	59.00
Saturday	Night time	Y	122.00	126.00
Kitchen use charge	per day	Y	24.00	25.00
Cleaning levy	per event (if required)	Y	134.00	139.00
Bond	per event (if required)	Y	N/A	N/A
Staff lock up fee	Night time	Y	125.00	130.00

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Living & Learning Nillumbik				
Fee for Service Courses	Total direct costs of course divided by minimum number of enrolments: Direct Costs (eg) <ul style="list-style-type: none"> • tutor • materials • equipment • venue hire • catering Plus Indirect Costs <ul style="list-style-type: none"> • staffing & administration calculated at \$25 per program hour All costs take into account CPI, GST where applicable. Fees will be adjusted to take into consideration the target group ie holders of Concession Cards			
Co-ops (untutored self-help Interest Groups)	Per session		Fees calculated as per Fee for Service	Fees calculated as per Fee for Service
Casual Computer use (non-course participants)	Per hour	Y	3.60	4.80
Government Funded Training	As per Ministerial Directive		As per Ministerial Directive	As per Ministerial Directive
Living & Learning Nillumbik - Rentals				
Living & Learning Nillumbik Eltham				
Pavilion	Up to 25 people for meeting; includes kitchen facilities			
	- Standard Rate (per hour)	Y	52.00	54.00
	- Community Rate (per hour)	Y	26.00	27.00
Sunroom	Up to 15 people; includes kitchen facilities (access needs to be arranged)			
	- Standard Rate (per hour)	Y	42.00	44.00
	- Community Rate (per hour)	Y	16.00	17.00
Kitchen	Up to 12 people			
	- Standard Rate (per hour)	Y	21.00	22.00
	- Community Rate (per hour)	Y	16.00	17.00
Art Studio	Up to 20 people; includes kitchen facilities			
	- Standard Rate (per hour)	Y	42.00	44.00
	- Community Rate (per hour)	Y	16.00	17.00
Clay Studio	Additional individual bookings by current class participants			
	- Standard Rate (per hour)	Y	42.00	44.00
	- Community Rate (per hour)	Y	21.00	22.00
Courthouse training room	Up to 20 people; includes kitchen facilities			
	- Standard Rate (per hour)	Y	42.00	44.00
	- Community Rate (per hour)	Y	21.00	22.00
Old Courthouse	Up to 25 people; included access to kitchen (1/2 Day)			
	- Standard Rate (1/2 day)	Y	73.00	76.00
	- Community Rate (1/2 Day)	Y	62.00	64.00
	Up to 25 people; included access to kitchen (Full Day)			
	- Standard Rate (Full Day)	Y	130.00	135.00
	- Community Rate (Full Day)	Y	104.00	108.00
	Up to 25 people; included access to kitchen (Evening)			
	- Standard Rate (Evening)	Y	52.00	54.00
	- Community Rate (Evening)	Y	47.00	49.00

Nillumbik Shire Council 2014-15 Fees & Charges

* The range of Statutory fees or fines is determined by Government and is subject to change.

** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Living & Learning Nillumbik Pantan Hill				
Banksia/Eucalyptus	Up to 25 people - standard rate			
	- Standard Rate (per hour)	Y	31.00	32.00
	- Community Rate (per hour)	Y	21.00	22.00
Sunroom	Up to 10 people; kitchen facilities			
	- Standard Rate (per hour)	Y	26.00	27.00
	- Community Rate (per hour)	Y	16.00	17.00
Kitchen	Up to 15 people			
	- Standard Rate (per hour)	Y	31.00	32.00
	- Community Rate (per hour)	Y	21.00	22.00
Living & Learning Nillumbik Diamond Creek				
Classroom	Up to 15 people for meeting; includes kitchen facilities			
	- Standard Rate (per hour)	Y	26.00	27.00
	- Community Rate (per hour)	Y	16.00	17.00
Childcare room	Up to 25 people; includes kitchen facilities			
	- Standard Rate (per hour)	Y	21.00	22.00
	- Community Rate (per hour)	Y	16.00	17.00
Computer room	Up to 11 people; includes kitchen facilities .			
	- Standard Rate (per hour)	Y	21.00	22.00
	- Community Rate (per hour)	Y	16.00	17.00
	If computers are required			
	- Standard Rate (per hour)	Y	31.00	32.00
	- Community Rate (per hour)	Y	21.00	22.00
Arts & Culture				
Alan Marshall Short Story Competition	first category entered	Y	18.00	18.00
Alan Marshall Short Story Competition	each additional category entered		no charge	no charge
Alan Marshall Short Story Competition	Youth Under 15		no charge	no charge
Alan Marshall Short Story Competition	Youth 15-19		no charge	no charge
Alan Marshall Book Reprint		Y	15.00	15.00
Ekphrasis	Per entry	Y		11.00
Art Programs - Other Income	Commission 20% of sale			
Hire Eltham Gallery	1 July - 31 December	Y	32.00	33.00
Hire Eltham Gallery	1 January - 30 June	Y	33.00	35.00
Leisure & Recreation				
Community Halls Network				
Eltham Community & Reception Centre				
			Fees 2013-14 \$	Fees 2014/15 \$
Self Catered Function - Day	Monday - Friday			
	- Standard Rate	Y	527.00	544.80
	- Community Rate (70%)	Y	367.00	381.40
Self Catered Function - Evening	Friday & Sunday			
	- Standard Rate	Y	966.20	999.00
	- Community Rate (70%)	Y	676.40	699.20
Self Catered Function - Evening	Saturday			
	- Standard Rate	Y	986.40	1019.80
	- Community Rate (70%)	Y	690.60	713.80

Nillumbik Shire Council 2014-15 Fees & Charges

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** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Weekdays - up to 100 people	Rate per hour			
	- Standard Rate	Y	47.40	49.00
	- Community Rate (70%)	Y	33.20	34.40
Weekdays - up to 200 people	Rate per hour			
	- Standard Rate	Y	69.80	72.20
	- Community Rate (70%)	Y	49.00	50.60
Use of Kitchen	Weekends up to 100 weeks & evenings up to 200 weeks			
	- Standard Rate	Y	139.60	144.40
	- Community Rate (70%)	Y	97.80	101.00
100 People	Rate per hour			
	- Standard Rate	Y	64.20	66.40
	- Community Rate (70%)	Y	45.00	46.40
200 People	Rate per hour			
	- Standard Rate	Y	80.00	82.80
	- Community Rate (70%)	Y	56.00	58.00
Eltham Performing Centre				
Theatre	Day time rehearsal - Monday to Sunday per hour			
	- Standard Rate	Y	39.40	40.80
	- Community Rate (70%)	Y	27.60	28.60
	Evening rehearsal - Monday to Sunday per hour			
	- Standard Rate	Y	43.80	45.20
	- Community Rate (70%)	Y	30.80	31.80
	Evening performance - Monday to Thursday			
	- Standard Rate	Y	477.40	493.60
	- Community Rate (70%)	Y	334.20	345.60
	Evening Performance - Friday & Sunday			
	- Standard Rate	Y	595.60	615.80
	- Community Rate (70%)	Y	417.00	431.00
	Day time performance - Saturday			
	- Standard Rate	Y	647.40	669.40
	- Community Rate (70%)	Y	453.20	468.60
	Evening performance - Saturday			
	- Standard Rate	Y	647.40	669.40
	- Community Rate (70%)	Y	453.20	468.60
Day time performance - Sunday				
- Standard Rate	Y	560.60	579.60	
- Community Rate (70%)	Y	392.40	405.80	
Eltham Library Complex				
Day time - Monday to Thursday per hour				
	- Standard Rate	Y	29.20	30.20
	- Community Rate (70%)	Y	20.60	21.20
Day time - Friday to Sunday per hour				
	- Standard Rate	Y	30.40	31.40
	- Community Rate (70%)	Y	21.20	22.00
Evening - Monday to Friday per hour				
	- Standard Rate	Y	32.60	33.80
	- Community Rate (70%)	Y	22.80	23.60
Evening - Saturday				
	- Standard Rate	Y	387.40	400.60
	- Community Rate (70%)	Y	271.20	280.40
Evening - Friday & Sunday				
	- Standard Rate	Y	293.80	303.80
	- Community Rate (70%)	Y	205.60	212.60

Nillumbik Shire Council 2014-15 Fees & Charges

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** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Outdoor Performance Centre				
	Day time per hour			
	- Standard Rate	Y	18.00	18.60
	- Community Rate (70%)	Y	12.60	13.00
The Emergency Operations Centre/Kangaroo Ground Hall				
	Day time - Monday to Sunday per hour			
	- Standard Rate	Y	29.40	30.40
	- Community Rate (70%)	Y	20.60	21.20
	Evening - Monday to Sunday per hour			
	- Standard Rate	Y	38.20	39.40
	- Community Rate (70%)	Y	26.80	27.60
	Evening - Friday to Sunday			
	- Standard Rate	Y	535.00	553.20
	- Community Rate (70%)	Y	374.40	387.20
	Evening - Saturday			
	- Standard Rate	Y	586.60	606.40
	- Community Rate (70%)	Y	410.60	424.60
Hurstbridge Hall				
	Day time - Monday to Sunday per hour			
	- Standard Rate	Y	28.00	29.00
	- Community Rate (70%)	Y	19.60	20.20
	Evening - Monday to Sunday per hour			
	- Standard Rate	Y	27.20	28.20
	- Community Rate (70%)	Y	19.20	19.60
	Evening - Friday to Sunday			
	- Standard Rate	Y	462.40	478.00
	- Community Rate (70%)	Y	322.60	334.60
	Evening - Saturday			
	- Standard Rate	Y	477.40	493.60
	- Community Rate (70%)	Y	334.20	345.60
Hurstbridge Sports Stadium				
	Per Hour	Y	31.00	32.50
Eltham North Hall				
	Day time - Monday to Sunday per hour			
	- Standard Rate	Y	29.40	30.40
	- Community Rate (70%)	Y	20.60	21.20
	Evening - Monday to Thursday per hour			
	- Standard Rate	Y	30.40	31.40
	- Community Rate (70%)	Y	21.20	22.00
	Evening - Friday & Sunday			
	- Standard Rate	Y	612.40	633.20
	- Community Rate (70%)	Y	428.60	443.20
	Evening - Saturday			
	- Standard Rate	Y	631.60	653.00
	- Community Rate (70%)	Y	442.00	457.20

Nillumbik Shire Council 2014-15 Fees & Charges

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** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
North Warrandyte Family Centre				
	Day time - Monday to Sunday per hour			
	- Standard Rate	Y	30.40	31.40
	- Community Rate (70%)	Y	21.20	22.00
	Evening - Monday to Thursday per hour			
	- Standard Rate	Y	31.60	32.60
	- Community Rate (70%)	Y	22.20	22.80
	Evening - Friday & Sunday			
	- Standard Rate	Y	613.60	634.40
	- Community Rate (70%)	Y	429.60	444.00
	Evening - Saturday			
	- Standard Rate	Y	631.60	653.00
	- Community Rate (70%)	Y	442.20	457.20
Senior Citizens - Diamond Creek				
Carpeted Meeting Room & Large Meeting Room	Permanent - 1 day per week - concession	Y	29.60	30.60
Carpeted Meeting Room & Large Meeting Room	Permanent - 1/2 day per week - concession	Y	15.80	16.40
Carpeted Meeting Room & Large Meeting Room	Permanent - 1 day per month - concession	Y	33.60	34.80
Carpeted Meeting Room & Large Meeting Room	Permanent - 1/2 day per month - concession	Y	27.00	28.00
Hall	Casual per hour - concession	Y	19.20	19.80
Hall	Permanent - 1 day per week - concession	Y	57.40	59.40
Hall	Permanent - 1/2 day per week - concession	Y	26.00	26.80
Hall	Permanent - 1 day per month - concession	Y	62.00	64.20
Hall	Permanent - 1/2 day per month - concession	Y	29.60	30.60
Senior Citizens - Eltham				
Annexe	Permanent - 1 day per week	Y	42.80	44.20
Annexe	Permanent - 1 day per week - concession	Y	29.40	30.40
Annexe	Permanent - 1/2 day per week - concession	Y	15.80	16.40
Annexe	Permanent - 1 day per month - concession	Y	33.60	34.80
Annexe	Permanent - 1/2 day per month - concession	Y	22.40	23.20
Large Hall	Permanent - 1 day per week - concession	Y	57.40	59.40
Large Hall	Permanent - 1/2 day per week - concession	Y	24.80	25.60
Large Hall	Permanent - 1 day per month - concession	Y	62.00	64.20
Large Hall	Permanent - 1/2 day per month - concession	Y	29.40	30.40
Entire Centre	Permanent - 1 day per week - concession	Y	81.00	83.80
Entire Centre	Permanent - 1/2 day per week - concession	Y	45.00	46.60
Entire Centre	Permanent - 1 day per month - concession	Y	92.20	95.40
Entire Centre	Permanent - 1/2 day per month - concession	Y	51.80	53.60
Leisure & Recreation				
Rental fees are based on ground fee x total number of teams				
Summer				
A Grade		Y	563.00	582.00
B Grade		Y	487.50	504.00
C Grade		Y	412.00	426.00
D Grade		Y	338.00	349.50

Nillumbik Shire Council 2014-15 Fees & Charges

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** Denotes fees prescribed by Government legislation

Description of Fees	Schedule of Rates	Taxable Supply	Fees 2013-14 \$	Fees 2014-15 \$
Summer - Juniors, Womens & Veterans (90% discount)				
A Grade		Y	56.30	58.20
B Grade		Y	48.75	50.40
C Grade		Y	41.20	42.60
D Grade		Y	33.80	35.00
Winter				
A Grade		Y	965.00	998.00
B Grade		Y	888.00	918.00
C Grade		Y	811.00	838.50
D Grade		Y	734.00	759.00
Winter - Juniors, Womens & Veterans (90% discount)				
A Grade		Y	96.50	99.80
B Grade		Y	88.80	91.80
C Grade		Y	81.10	83.80
D Grade		Y	73.40	76.00
Casual Ground Use				
Commercial Hire	Per day	Y	231.00	239.00
Commercial Hire	Per 1/2 day	Y	154.00	160.00
Community Use	Per day	Y	76.00	79.00
Community Use	Per 1/2 day	Y	47.00	49.00
School Fees				
Schools outside Municipality	Per hour	Y	20.00	21.00
Zone events	Per day	Y	154.00	160.00
	Per 1/2 day	Y	76.00	79.00
Synthetic Soccer Pitch				
Local club use		Y	25.00	25.00
School use		Y	15.00	15.00
Other use		Y	35.00	35.00
Leisure Centre Facilities				
Eltham Leisure Centre	Per contract	Y	As per Contract	As per Contract
Diamond Valley Sports	Per contract	Y	As per Contract	As per Contract
Diamond Creek Pool	Per contract	Y	As per Contract	As per Contract
Yarrambat Golf Course	Per contract	Y	As per Contract	As per Contract
Diamond Creek Community Centre	Per Contract	Y	As per Contract	As per Contract
Shire Maps				
Colour Map (aerial photos)	A1	Y	25.00	26.00
Colour Map (aerial photos)	A2	Y	20.00	20.80
Colour Map (aerial photos)	A3	Y	9.00	9.40
Colour Map (aerial photos)	A4	Y	7.00	7.40
Custom Mapping	Per hour	Y	60.00	62.00
Freedom of Information				
*Freedom of Information	per application fee		25.10	25.70
	search time per hour		20.00	20.00
	Photocopy fee per A4 page		0.20	0.20
	per 15 minutes of supervision of document inspections		5.00	5.00
Miscellaneous				
Printing of duplicate rate notices		Y	10.00	10.00

Appendix H

Financial Sustainability Plan

This appendix presents the Financial Sustainability Plan adopted in December 2013

INTRODUCTION

Financial sustainability is a key challenge for all governments.

This Financial Sustainability Plan seeks to identify the specific challenges faced by Nillumbik Shire Council, and set some targets to guide Council's future decisions.

Council manages its finances through an annual Budget, which identifies the expected revenue and expenditure for a year. The Budget is the means by which Council makes a formal commitment of resources to provide funding for services and projects.

A medium-term perspective is provided by the Strategic Resource Plan (SRP), which forms part of the Council Plan. This provides a four-year forecast of revenues and expenditures based on a series of assumptions. It identifies the resources necessary to implement the Council Plan over the next four years.

However, neither the Budget nor the SRP provide targets for Council to achieve financial sustainability over the longer term. Decisions about investment in major projects, funding for renewal of existing infrastructure, management of debt levels, provision of new or expanded services, the level of fees and charges, applications for external grants, and the level of rates are all matters that require a long-term perspective.

Council needs to be able to make decisions for the short-term that are well-informed, and ensure that these decisions do not compromise Council's financial sustainability over the longer term.

The Financial Sustainability Plan provides this context. It begins by identifying the important characteristics of Nillumbik Shire that impact on financial sustainability. It then identifies a series of challenges that are presented to Council. Some of these are structural challenges that relate to the demography and structure of the municipality. Other challenges relate to legacy issues, or the impacts of policies of the State or Commonwealth governments.

The Financial Sustainability Plan then identifies a series of Financial Management Principles which Council will observe when making significant financial decisions. Finally, the plan sets some Financial Sustainability Targets which Council will use to monitor its progress towards sustainability.

The Strategic Resource Plan and the annual Budget will contain information from the Financial Sustainability Plan so that progress towards these targets can be transparently monitored.

NILLUMBIK IN CONTEXT

Nillumbik is an outer-metropolitan municipality located on the urban fringe of Melbourne. While small by metropolitan standards, Nillumbik is a medium-sized municipality in comparison to all Victorian councils.

Known as the 'Green Wedge Shire', Nillumbik comprises 432 square kilometres. It contains a relatively small urban area, where land use is predominantly residential. The other 90 per cent of the shire is rural land located outside the Urban Growth Boundary, where land is used mainly for farming, conservation or rural residential purposes. Commercial and industrial land activity in the shire is very limited. Major activity centres at Eltham and Diamond Creek provide mainly retail services to local markets. Housing is mainly detached dwellings with relatively high numbers of residents per household. Providing a consistent level of service to remote communities in the rural parts of Nillumbik involves additional cost to Council.

Nillumbik has an estimated resident population of 62,504 and 22,492 rate assessments at June 2013. The relationship between these two factors is a critical issue for Council. Across all Victorian municipalities, the average ratio is 1.9 residents per rate assessment. In Nillumbik, there are 2.8 residents per assessment. This ratio is the highest in the state, and it means that each rate assessment in Nillumbik has to fund services for about 50 per cent more residents than the state average. In simple terms, the demand is high (number of residents needing Council services and infrastructure) while the supply is low (number of property assessments from which rates are raised). This situation is essentially attributable to the absence of large scale commercial and industrial land use within the shire, and the predominance of larger family homes rather than smaller dwellings.

Nillumbik's population has a very high socio-economic profile. According to the Socio-Economic Index for Areas (SEIFA) data from the Australian Bureau of Statistics (as per the Victoria Grants Commission 2012-13 Report), Nillumbik has the highest socio-economic ranking of any municipality in Victoria (1098.3). While this is a positive feature of life in Nillumbik, it also means that Council is negatively impacted in terms of entitlements to external grant funding particularly for those grants based on community disadvantage and need.

While Nillumbik has experienced a relatively high level of success in obtaining external grant funding for some specific projects in recent years, constrained budgets at State and Commonwealth government levels mean that Council cannot rely substantially on discretionary grant funding into the future. Recurrent grants have continued to demonstrate a long-term decline in real terms.

Nillumbik is smaller than most neighbouring municipalities and is less able to achieve the economies of scale that larger metropolitan councils enjoy. However Council has undertaken a series of service reviews and benchmarking studies over recent years which have confirmed that Nillumbik is relatively efficient in terms of its costs for service delivery. According to data from the Victoria Grants Commission, Nillumbik is well below the Victorian average for both rates and charges per resident (16 per cent less than average in 2011-12), and expenditure per resident (31 per cent less than average in 2011-12). Comparative data for 2012-13 is not yet available.

Council has an annual turnover of around \$70 million, and owns infrastructure assets valued at more than \$630 million. Apart from land, these assets comprise \$66 million in buildings, and \$295 million in other infrastructure such as roads, bridges, drains and footpaths. Council's assets depreciate at around \$9 million per annum. Funding the annual cost for renewal of these existing assets is a major issue for Council. Underspensing on asset renewal does not represent a saving to Council as it merely defers the expenditure until future years.

Council has increased its loan borrowings in recent years to fund several major projects. This has seen the indebtedness level approach the threshold of the Auditor General's medium-risk range. Some further borrowings are already anticipated for major capital works projects. This means that Council has very little capacity for any further borrowings in the medium term. Sales of surplus assets may provide some funding however this is a non-recurrent source of revenue.

In summary, the characteristics of Nillumbik as outlined above mean that Council needs to rely heavily upon its own resources to fund services, renewal of existing infrastructure, and provision of new assets. A sufficient underlying surplus needs to be achieved after funding of recurrent costs, if Council is to have the resources to implement major infrastructure projects, without compromising asset renewal.

Opportunities to generate a surplus from fees and charges or from productivity savings in operating expenditure are likely to be of marginal impact. The restricted nature of Council's revenue-raising powers in the Local Government Act means that the underlying surplus will need to be funded primarily from rate revenue.

CHALLENGES

Like many Victorian municipalities, Nillumbik faces a number of challenges that require financial discipline and innovation to meet community needs. These include:

Structural and Demographic challenges

- Nillumbik has more residents per rate assessment than any other Victorian council. With 2.8 residents per assessment (compared to a state average of 1.9), Nillumbik rate assessments need to fund services for 50 per cent more residents than the state average. The number of residents is the major factor in determining Council's expenditure needs, which means that rates per assessment in Nillumbik are relatively high, even though rates per resident are lower than the state average.
- Nillumbik is a small municipality by metropolitan standards, and is not able to achieve the economies of scale available to larger metropolitan councils. Despite this, spending per resident in Nillumbik is below state averages.
- Nillumbik is 90 per cent rural by land area, however only a small proportion of the population lives in the rural area. This creates additional costs for servicing residents in the more remote parts of the shire.
- Despite being 90 per cent rural, Nillumbik is designated as a metropolitan municipality and is not eligible for certain government grants that fund programs or projects for rural communities.
- The Nillumbik community has a very high socio-economic status (highest of any Victorian municipality). While this is a positive measure of community wellbeing, it does mean that Council receives a smaller share of government grants.
- An ageing local community will place more demands upon Council services in the years ahead.

Legacy challenges

- Rehabilitation of two former landfill sites at Plenty and Kangaroo Ground is required in accordance with EPA requirements.
- Council is liable to fund shortfalls in the Local Authorities Superannuation Fund Defined Benefit Plan. This was closed to new members in 1993 but all Victorian councils must still contribute if the fund's investment performance is not sufficient to meet entitlements of continuing and former employees.

Infrastructure challenges

- Council needs to address the funding gap for renewal and maintenance of existing infrastructure assets. Currently Council assets depreciate at around \$9 million per annum. However despite incremental growth in capital works spending in recent years, Council in 2013-14 still only budgeted to spend around \$6 million per annum on renewal of these assets. Underspensing on renewal is not a saving, as higher costs will eventually be borne by future ratepayers.

- A number of Nillumbik's major facilities are quite old and require significant expenditure to upgrade them to contemporary standards, both in terms of community expectations and current design standards. Examples include the Eltham Leisure Centre and the Diamond Creek Community Centre.
- Local conditions present a number of infrastructure challenges for Council. Nillumbik has steep topography and is heavily treed, which both add to infrastructure and maintenance costs. Also, when much of Nillumbik was first subdivided, only low-scale infrastructure was provided. Community expectations for roads, footpaths and drainage are now different, and a higher level of infrastructure is often required.

Service challenges

- Council has increasing responsibilities for emergency management. Natural disaster events such as bushfires and floods have placed significant demands upon Council in recent years, both in terms of prevention measures (tree clearing, drainage improvements) and community recovery programs.
- Climate change adaptation represents a significant challenge in terms of droughts, fires, floods and other extreme weather events. There is also a significant community expectation that Council will take a lead role in environmental sustainability.
- Community expectations about the standard and range of services provided by Council continue to rise, however it is rare for existing service levels to be reduced to offset the cost impacts of new or enhanced service.
- Community expectations about consultation and engagement, and the use of technology to communicate with Council are also increasing.

Cost-shifting challenges

- Nillumbik continues to suffer from long-term declines in government grants for general services, and the erosion in the value of specific service grants. In 2012-13 this cost was more than \$2 million.
- Changes to standards set by government often lead to a higher cost to Council in service delivery. Examples include expansion of preschool services, stricter requirements for power-line tree clearing, and higher standards for rehabilitation of former landfill sites.
- The imposition of state and federal government costs upon councils (e.g. landfill levy) increases costs for Council and ratepayers.

FINANCIAL MANAGEMENT PRINCIPLES

Local Government Act

The Local Government Act (s136) identifies the following 'Principles of Sound Financial Management':

- Manage financial risks faced by the Council prudently, having regard to economic circumstances. These risks include:
 - The level of Council debt
 - The commercial or entrepreneurial activities of the Council
 - The management and maintenance of assets
 - The management of current and future liabilities
 - Changes in the structure of the rates and charges base
- Pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden
- Ensure that decisions are made and actions are taken having regard to their financial effects on future generations
- Ensure full, accurate and timely disclosure of financial information relating to the Council.

In addition to these statutory principles, Nillumbik Shire Council will observe the following financial management principles.

Sustainable Budgeting Principle

Council will manage its finances to enable it to meet short-term requirements without compromising its long-term financial sustainability.

Council will budget to achieve both an operating surplus and an underlying surplus in each financial year.

Council will use the Auditor-General's indicators as an independent assessment of Council's financial sustainability, and will seek to maintain an overall low-risk score.

Cash Management Principle

Council will at all times maintain sufficient cash to meet its expenditure requirements, and will prudently invest any surplus cash according to statutory requirements and Council policy.

Asset Renewal Principle

Council will provide well-maintained infrastructure assets that are fit for purpose and provide the required level of service to the community.

Council recognises that the annual depreciation of existing assets represents a significant non-cash cost each year, and that failure to provide sufficient funding for asset renewal will increase the long-term cost to the community.

Council will progressively increase its funding for asset renewal in each budget until the full level of required renewal expenditure is achieved.

Council will prioritise the allocation of additional funding for asset renewal ahead of the creation of new assets. Asset renewal expenditure will be based on sound asset management plans and condition audits which will identify and prioritise works.

New Assets Principle

Council will develop new or upgraded infrastructure assets to meet identified community needs as established through policy, planning, research and consultation.

Council will establish sound cost estimates and project management plans prior to making budget allocations for such projects.

Council will maintain a long-term program for investment in new assets (and upgrades) to facilitate informed decision-making about significant investments and their funding implications. This program will be reviewed on a regular basis.

Loan Borrowings Principle

Council will make prudent use of loan borrowings for investment in new or upgraded assets. Council recognises that infrastructure assets are a long-term investment, and that borrowings enable the cost to be shared over time by current and future users to achieve inter-generational equity.

Council will preserve its borrowing capacity for larger capital works projects. In exceptional circumstances, Council may use borrowings for other significant externally imposed payment obligations (such as superannuation liability) which cannot be funded from rates in a single year.

Council will keep its overall debt at a sustainable level, and will aim to keep this within the Auditor-General's low-risk range. Council may exceed the low-risk threshold for a short period if Council considers that the opportunity to access external grant funding means that additional loan borrowings are justified.

Over the long-term, Council will aim to reduce its overall level of borrowings.

Inter-Government Funding Principle

Council will seek to maximise the level of grants and subsidies received from Victorian and Australian governments to achieve a fair share for the Nillumbik community.

Council will seek and accept external grant funding for projects provided that the acceptance of the funding is consistent with Council's long-term plans and will not compromise Council's principles or objectives.

Council will not seek grant funding for a project if the requirement for Council to provide matching funding would divert funding from Council's higher priorities.

Council supports the Intergovernmental Agreement that requires other levels of government to fully fund those services delivered by Council on their behalf.

Council will transparently report to the community on the level of cost-shifting where Victorian or Commonwealth Government funding is less than the full service cost.

Service Planning and Delivery Principle

Council will deliver high-quality, efficient services that meet contemporary standards and respond to identified needs and priorities for community health and wellbeing.

Council will undertake regular planning for services to ensure that resource levels are adequate to meet identified levels of demand from the community.

User Pays Principle

Council will set user fees and charges for certain services through its annual budget, and will determine movements in fees and charges with reference to changes in the cost of service delivery.

Council will apply competitive neutrality pricing principles to fees and charges for any services that are subject to market competition. Statutory fees determined by other levels of government will be set at that level.

Council will have regard to the following factors when determining the level of other fees and charges – user capacity to pay; equity in the subsidisation of similar services; addressing disadvantage in particular parts of the community; community and environmental benefits; and benchmarking of similar charges by other councils. The key principle that will apply is that the higher the level of private benefit, the higher the proportion that will be paid by the user, and the lower the level of Council subsidy.

Special rates and charges schemes will be used where appropriate and consistent with this principle and the provisions of the Local Government Act.

Property Portfolio Management Principle

Council will regularly review its property portfolio to achieve best fit between the portfolio and the identified current and future needs of the community.

Council will acquire property which is consistent with the objectives and priorities included in adopted Council strategies.

Council will dispose of property that is surplus to identified community needs, subject to a public consultation process prior to a decision.

Council will allocate the net proceeds from sale of public open space to the Public Open Space Reserve. Council will assess on a case by case basis the treatment of proceeds from sale of any land that was originally funded through special rate or special charge programs.

Council will allocate the net proceeds from any other surplus land sales to a reserve account to be spent only on:

- other land acquisitions that are strategically justified; or
- capital works, as identified through the annual budget process;
- capital works to other surplus land in preparation for sale; or
- reduction of debt principal

Reserve Funds Principle

Council maintains several financial reserve funds for specific future expenditure including landfill rehabilitation, development contributions and public open space.

Reserve Funds will be recognised as equity in Council's balance sheet and the cash that backs these reserves will be held as an investment asset in the balance sheet.

The cash within each reserve fund will be available for the purposes for which the reserve was created. Until the funds are used, the cash will be managed in line with Council's Investment Policy.

Budget Year Principle

Council will budget in each financial year for the income and expenditure anticipated to be incurred during that financial year.

If larger projects span two financial years, then Council will budget in each year for that part of the anticipated expenditure that will be incurred in that particular year.

If projects have substantially progressed but are not fully completed at the end of a financial year, the balance of the required funding will be carried forward to the following financial year.

Any other unspent funding at year end will be reviewed and may be reallocated for other purposes.

Transparency Principle

Council will be transparent in the preparation of its financial plans and budgets, and in the reporting of its financial performance through quarterly and annual reports, and through a mid-year budget review.

Council will be transparent in the level of subsidy (i.e. funding from rates) that it provides for different services, and will disclose the true cost of services by charging overhead costs to each service.

When considering new policies or plans, Council will identify the impact of any changes to operating or capital costs arising from this decision.

Productivity and Efficiency Principle

Council will ensure that services are efficient, and will regularly review its services consistent with the Best Value principles contained in the Local Government Act.

Council will maintain an appropriate mix of skills sets through internal staff resources (permanent and temporary) and external contractors for provision of different services.

Council will employ skilled and motivated staff through appropriate remuneration and workplace policies, while ensuring that there is efficient management of staff costs and numbers.

Council will invest in staff training, technology and equipment, to provide ongoing improvements in productivity.

When engaging external contractors, Council will use competitive processes to achieve the best outcome in accordance with Council's Procurement Policy and the tender requirements of the Local Government Act.

Rates and Charges Principle

Council will use rates to fund the balance of its net expenditure requirements after all other income has been applied.

Council recognises that expenditure requirements are primarily determined by the resident population of the municipality, whereas rates income is generated from property assessments. Council also recognises that Nillumbik has a very high level of residents per assessment relative to state averages, which means that rates per assessment are relatively high while rates per resident are relatively low.

Council will therefore manage its finances to keep the level of rates per resident at or below state averages.

Council will use differential rates as appropriate and in an equitable manner pursuant to the provisions of the Local Government Act.

Council will apply a Waste Management Charge as a fixed charge which recovers the full cost of waste and recycling services and landfill rehabilitation.

Council will apply a Municipal Charge to recover some of the administrative costs of Council, as provided in the Local Government Act. However Council will set the level of the Municipal Charge to transparently show the level of cost shifting and grant erosion incurred by Council.

TOWARDS FINANCIAL SUSTAINABILITY

Given the challenges and principles outlined earlier in this plan, the following section considers the issues that Council needs to address to achieve financial sustainability.

Council recognises the need to generate sufficient revenue to:

- Fund recurrent services for the community
- Renew existing infrastructure assets
- Undertake major capital works projects to provide new assets
- Grow services in response to identified community needs

Funding sources

Council's recurrent revenue (primarily rates) is currently sufficient to meet annual operating costs, and to fund part of the renewal needs of existing assets.

Council is therefore relying on other funds (grants, loans and land sales) to supplement its capital works program including renewal works.

Grant funding for capital works is not guaranteed on an ongoing basis, and both State and Commonwealth grant programs are expected to be more limited in future years.

Funding from land sales is an appropriate means of converting surplus assets into more productive assets, however there are only a limited number of properties that Council could potentially sell, so this does not provide an ongoing funding source.

Funding from loan borrowings is an appropriate means of funding investment in significant capital works. Council's current level of indebtedness remains within the Auditor-General's low risk range, however there is very limited capacity for further borrowings within that range. It is also desirable for Council to reduce its overall level of borrowings over the long-term, as this can enable funds to be redirected away from interest payments and instead used for capital works.

A long-term sustainable financial position needs Council to significantly increase the level of recurrent own-source revenue (i.e. rates) that is available for capital works. At a minimum this needs to cover the cost of asset renewal. Ideally, it should be sufficient for Council to also implement an ongoing program of asset upgrades and major capital works projects that meet identified community needs.

Capital works and asset renewal

As noted earlier, the existing level of own-source funding (rates) allocated to capital works on an annual basis (about \$6 million) is substantially less than the annual cost of asset depreciation (about \$9 million). As a result of this historical level of funding, Council has over many years accumulated a 'renewal gap'. The value of this gap is assessed through regular asset management plans and condition audits.

In 2013, it is estimated that Council has a renewal gap over the next ten years of \$10.4 million (being the gap between the required level of spending on existing assets, and the projected level of spending based on Council's existing Strategic Resource Plan).

Therefore, the challenge is for Council to establish a long-term approach that provides sufficient funding to close this renewal gap over the next ten years, so that existing assets are properly maintained, while also generating sufficient funds for new or upgraded assets that are required.

This Financial Sustainability Plan establishes targets for Council to significantly increase capital works funding from rates over the next ten years. Relevant measures are detailed in the following section.

Superannuation liability

In the immediate short-term, Council is constrained by the need to fund a superannuation liability related to the Local Authorities Superannuation Fund Defined Benefit Plan. Like councils throughout Victoria, Nillumbik was required to contribute additional funds to this plan in 2013 to meet a shortfall arising from the Global Financial Crisis.

Council has determined that this liability (\$4.6 million) will be funded in two stages. In 2013-14 Council has budgeted for \$1.9 million for this purpose, and further funding of \$2.7 million is proposed to be budgeted in 2014-15.

After this liability has been fully funded, Council will have capacity to address the issue of additional capital works funding from 2015-16 onwards.

Service levels

Apart from asset renewal and capital works, Council also needs to ensure that adequate funding is available for services to meet changing community needs, population growth and to satisfy statutory requirements. Increases to service levels are transparently identified through the annual budget process as 'New Initiatives' when they are initially funded, and in subsequent years they become part of the Operating Budget and require ongoing annual funding. The New Initiatives budget category also includes non-capital projects such as development of policies and plans that are funded in a specific year, but do not require recurrent funding.

During the period from 2006-07 to 2008-09 Council allocated just over \$1 million each year to New Initiatives. However following the Black Saturday bushfires in early 2009, Council redirected a significant part of the annual New Initiatives budget into bushfire recovery and fire prevention programs. Part of the expenditure for additional fire prevention works is now ongoing, which means that the level of funding available on an annual basis for New Initiatives has now reduced to around \$700,000 per annum. In real terms, this is significantly less than the \$1 million per annum that was historically budgeted for New Initiatives.

In terms of those New Initiatives which involve ongoing services, recurrent funding also needs to be available in subsequent years after they are initially funded. In 2013 the Strategic Resource Plan assumes growth of \$200,000 p.a. for this purpose (which is equal to 0.2 per cent of annual operating costs). Given that Nillumbik's population is forecast to grow at around 0.5 per cent p.a., a corresponding level of real growth in service levels would require average funding growth of around \$350,000 p.a. rather than the existing \$200,000.

Therefore, Council acknowledges that for financial planning purposes, the appropriate future level of funding for New Initiatives is around \$1 million p.a., with \$350,000 p.a. of this to become recurrent in subsequent years.

However the actual level of New Initiatives (whether recurrent or not) that are funded in any particular year is primarily a decision that Council makes in the context of policy priorities for services, rather than an issue of long-term sustainability. It is therefore not proposed to establish a Financial Sustainability Target for New Initiatives. However Council will aim to align the Strategic Resource Plan to the projected level of New Initiatives funding that is required over coming years.

Summary

In summary, progress towards financial sustainability for Nillumbik needs to focus on the following issues:

- Adequate annual funding for ongoing renewal of existing assets
- Adequate funding to upgrade assets and develop new assets
- Minor increases in funding for service growth (New Initiatives)

The next section of this plan identifies measures and targets that Council will use to monitor its progress in addressing these issues.

FINANCIAL SUSTAINABILITY MEASURES AND TARGETS

The measures and targets detailed in the following table have been prepared in the context of the challenges, principles and issues identified in previous sections of this plan.

These provide a basis to plan for Council's progress in terms of financial sustainability, and then to monitor that progress on an ongoing basis.

Some of these targets are used by the Victorian Auditor-General to assess the financial sustainability of each council in Victoria. Further detail on these measures is available in the Auditor-General's annual report on these targets.

Other measures have been included to track Council's progress towards sustainability, particularly in relation to the identified priority issues of asset renewal and capital works funding.

Measure	Target for Nillumbik
Auditor-General Measures	
Overall sustainability assessment	Low risk (green light)
Underlying Result ratio	Low risk (green light)
Liquidity ratio	Low risk (green light)
Self-financing ratio	Low risk (green light)
Indebtedness ratio	Low risk (green light)
Capital replacement ratio	Low risk (green light)
Renewal gap ratio	Low risk (green light)
Other Measures	
Adjusted Underlying Result (excluding capital grants)	Surplus
Budgeted Rate Determination (cash basis) surplus	\$100,000 or higher
Own source (rates) revenue allocated to capital works	>5% higher than previous year
Own source (rates) revenue allocated to capital works	> Depreciation
Renewal gap value (STEP 10 year gap)	Reduce from \$10m to zero
Asset management plans updated and asset condition audits completed each year as per program in Asset Management Strategy	100% of annual program completed

MONITORING, REPORTING AND REVIEW

Successful implementation of this Financial Sustainability Plan will require ongoing monitoring and reporting of progress by Council in meeting the targets.

Some targets are expected to be met every year, while some other targets will take time for Council to achieve over the short or medium term.

It is expected that all targets will be met over the 10 year timeframe of this plan.

Annual Monitoring and Reporting

Council will provide forecasts each year in its Budget and Strategic Resource Plan update regarding the projected performance against the measures and targets. This will commence with the 2014-15 Budget, and will provide 10 year forecasts of projected performance.

Council will then report in each Annual Report on its actual performance against these targets.

Further monitoring will also be provided through the annual Auditor-General's report on financial sustainability for Victorian councils, and through Nillumbik's participation in annual audits as part of the STEP asset management program.

Four Year Review

The overall Financial Sustainability Plan will be reviewed every four years following each general election.

This will provide the opportunity for the newly-elected Council to review the challenges, principles and issues, and update the measures and set targets for the following ten year period, so that these are consistent with the new Council Plan and Strategic Resource Plan.

Victorian Auditor-General's Office

Local Government financial sustainability indicators

Figure 4A
Financial sustainability indicators

Indicator	Formula	Description	Councils
Underlying result (%)	Adjusted net surplus / Total underlying revenue	A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long-term. Underlying revenue does not take into account non-cash developer contributions and other one-off (non-recurring) adjustment.	✓
Liquidity	Current assets / Current liabilities	This measures the ability to pay existing liabilities in the next 12 months. A ratio one or more means there is more cash and liquid assets than short-term liabilities.	✓
Self-financing (%)	Net operating cash flows / Underlying revenue	Measures the ability to replace assets using cash generated by their operations. The higher the percentage, the more effectively this can be done.	✓
Indebtedness (%)	Non-current liabilities / Own-sourced revenue	Comparison of non-current liabilities (mainly comprised of borrowings) to own-sourced revenue. The higher the percentage, the less able to cover non-current liabilities from the revenues they generate themselves. Own-sourced revenue is used (rather than total revenue) because it does not include capital grants, which are usually tied to specific projects.	✓
Capital replacement	Capital spend / Depreciation	Comparison of the rate of spending on infrastructure with its depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciating rate. This is a long-term indicator, as capital expenditure can be deferred in the short-term if there are insufficient funds available from operations, and borrowing is not an option.	✓
Renewal gap	Renewal and upgrade expenditure / Depreciation	Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1:1 indicate that spending on existing assets is greater than the depreciation rate. Similar to the investment gap, this is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option.	✓

Risk assessment criteria for financial sustainability indicators

Risk	Underlying result	Liquidity	Indebtedness	Self-financing	Capital replacement	Renewal gap
High	Negative 10% or less Insufficient revenue is being generated to fund operations and asset renewal.	Equal to or less than 1.0 Insufficient current assets to cover liabilities.	More than 60% Potentially long-term concern over ability to repay debt levels from own-source revenue.	Less than 10% Insufficient cash from operations to fund new assets and asset renewal.	Equal to or less than 1.0 Spending on capital works has not kept pace with consumption of assets.	Equal to or less than 0.5 Spending on existing assets has not kept pace with consumption of these assets.
Medium	Negative 10% to zero A risk of long-term run down to cash reserves and inability to fund asset renewals.	1.0–1.5 Need for caution with cash flow, as issues could arise with meeting obligations as they fall due.	40–60% Some concern over the ability to repay debt from own-source revenue.	10–20% May not be generating sufficient cash from operations to fund new assets.	1.0–1.5 May indicate spending on asset renewal is insufficient.	0.5–1.0 May indicate insufficient spending on renewal of existing assets.
Low	More than zero Generating surpluses consistently.	More than 1.5 No immediate issues with repaying short-term liabilities as they fall due.	40% or less No concern over the ability to repay debt from own-source revenue.	20% or more Generating enough cash from operations to fund assets.	More than 1.5 Low risk of insufficient spending on asset renewal.	More than 1.0 Low risk of insufficient spending on asset base.

The overall financial sustainability risk assessment is calculated using the ratings determined for each indicator is as follows:

Overall financial sustainability risk assessment

●	High risk of short-term and immediate sustainability concerns indicated by either: <ul style="list-style-type: none"> • red underlying result indicator or • red liquidity indicator.
●	Medium risk of longer-term sustainability concerns indicated by either: <ul style="list-style-type: none"> • red self-financing indicator or • red indebtedness indicator or • red capital replacement indicator or • red renewal gap indicator.
●	Low risk of financial sustainability concerns—there are no high-risk indicators.
▲	An upward trend.
–	No substantial trend.
▼	A downward trend.

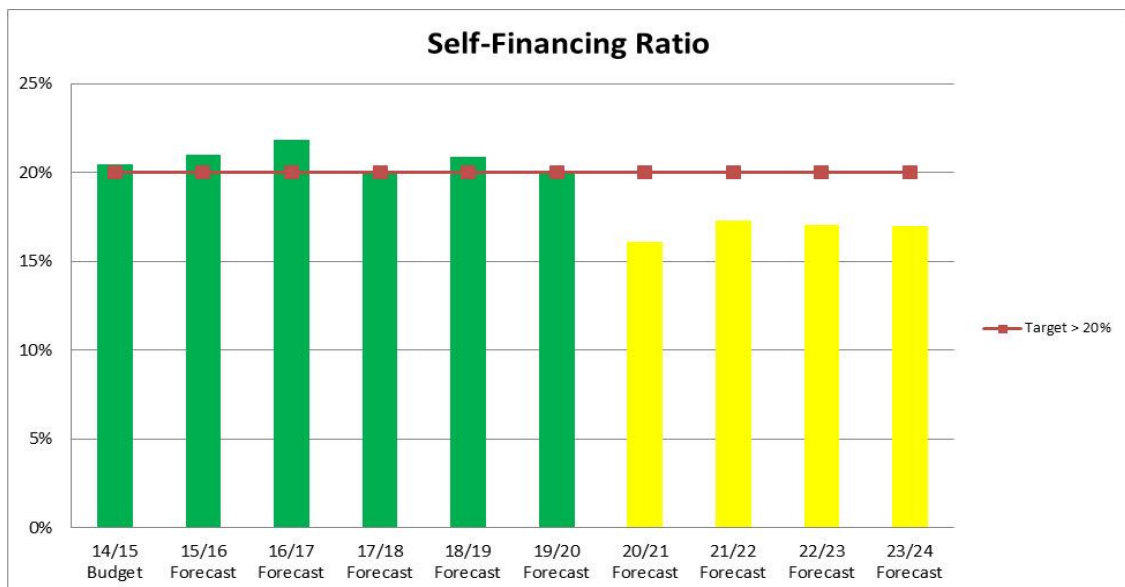
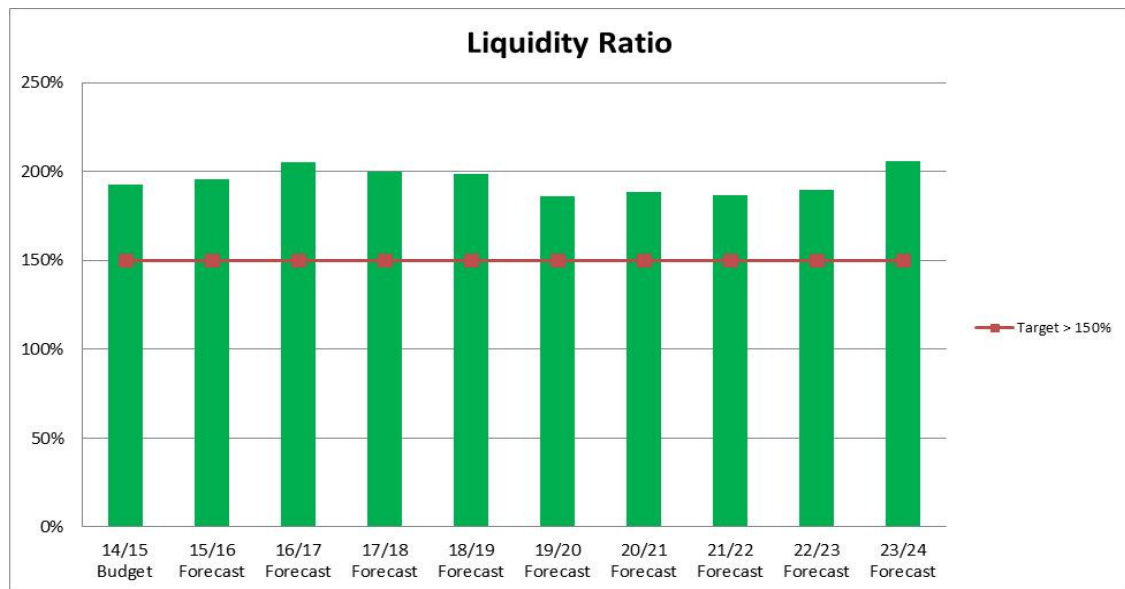
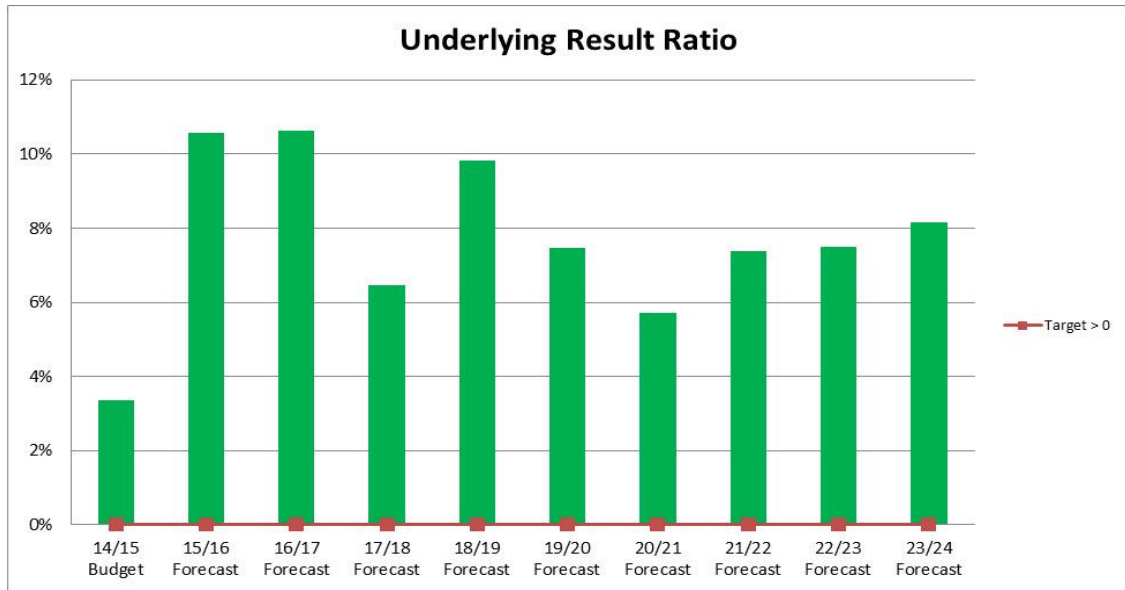
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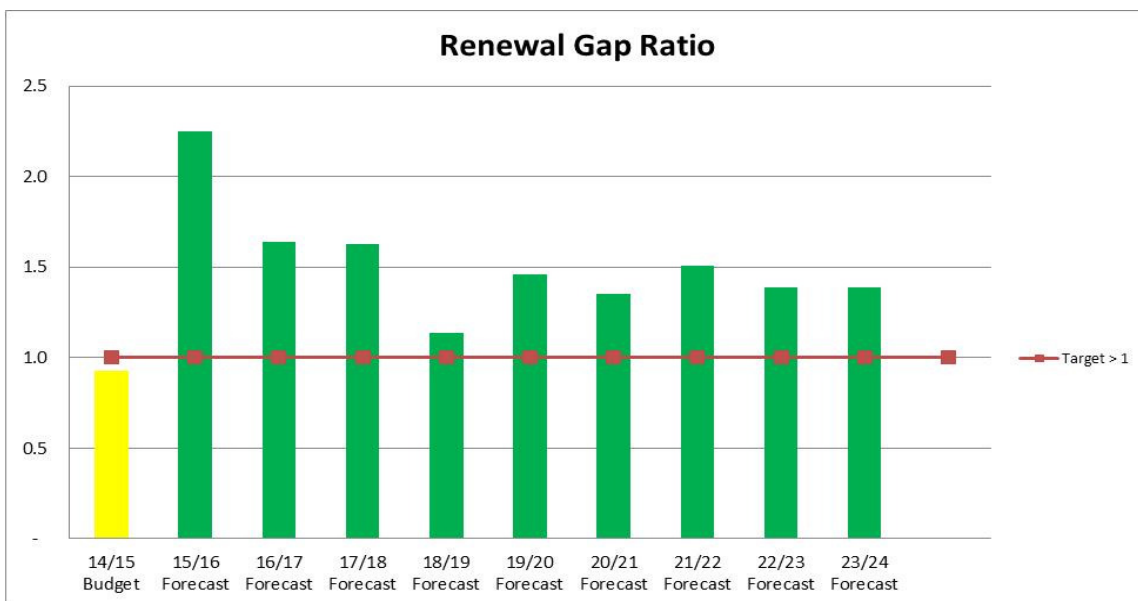
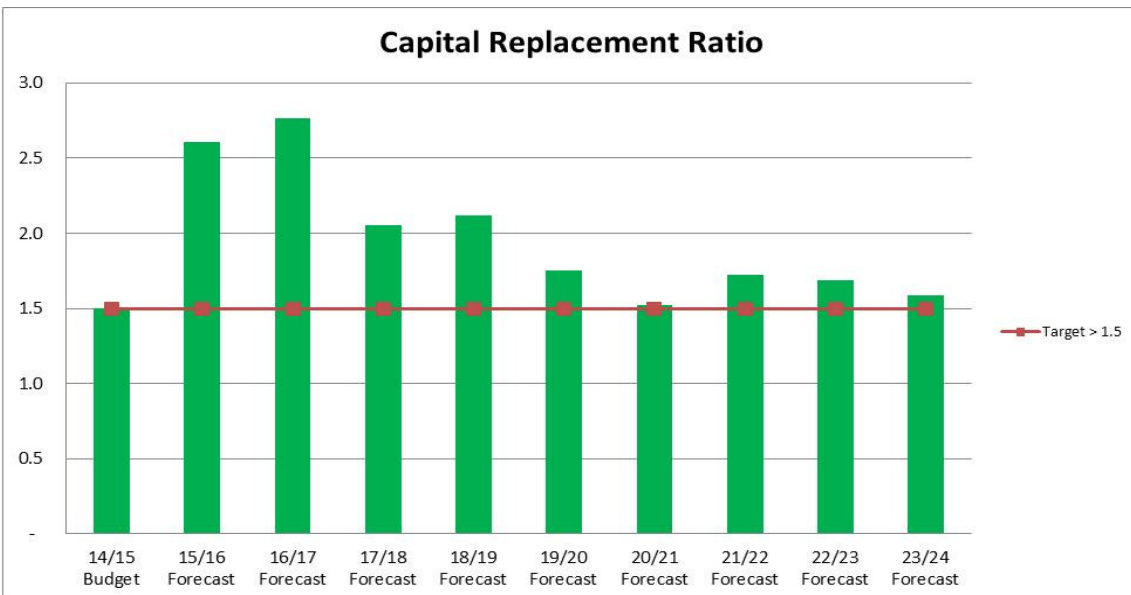
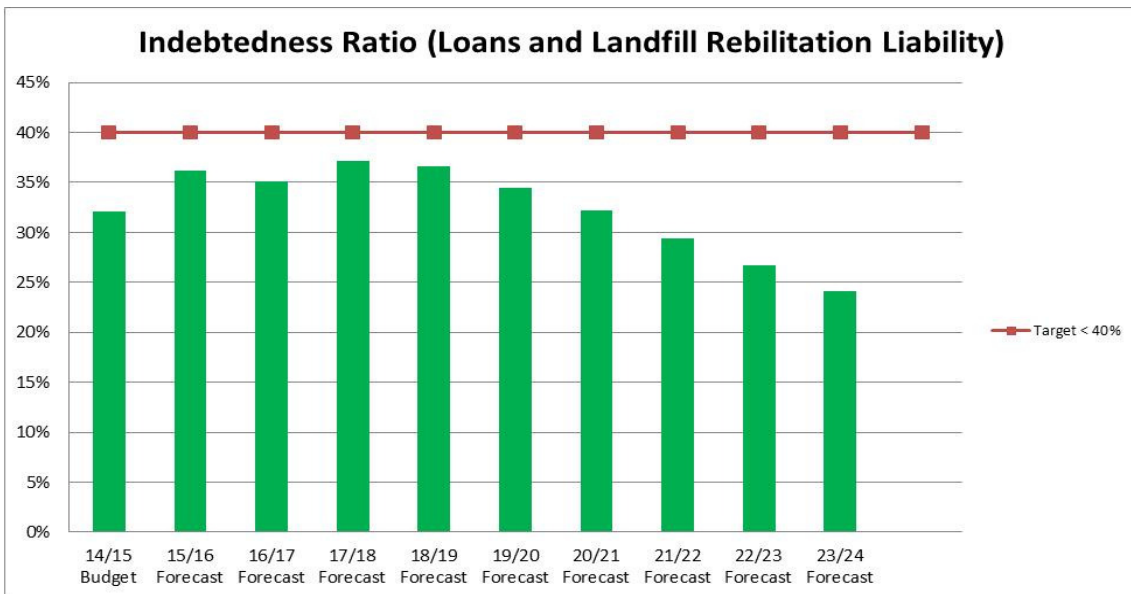
Appendix I

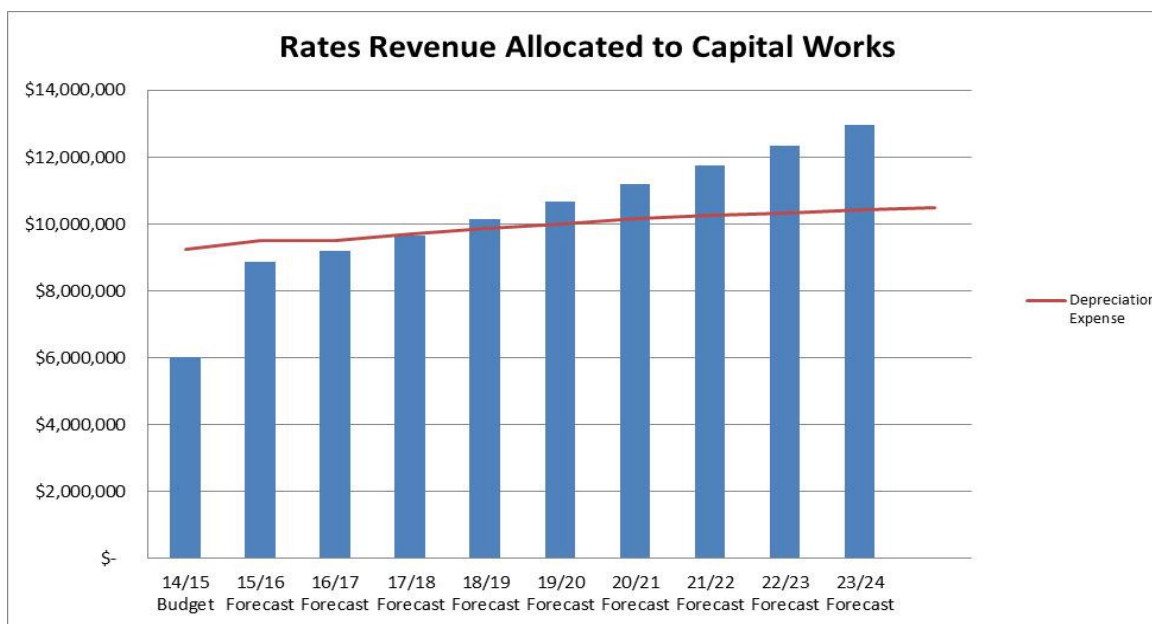
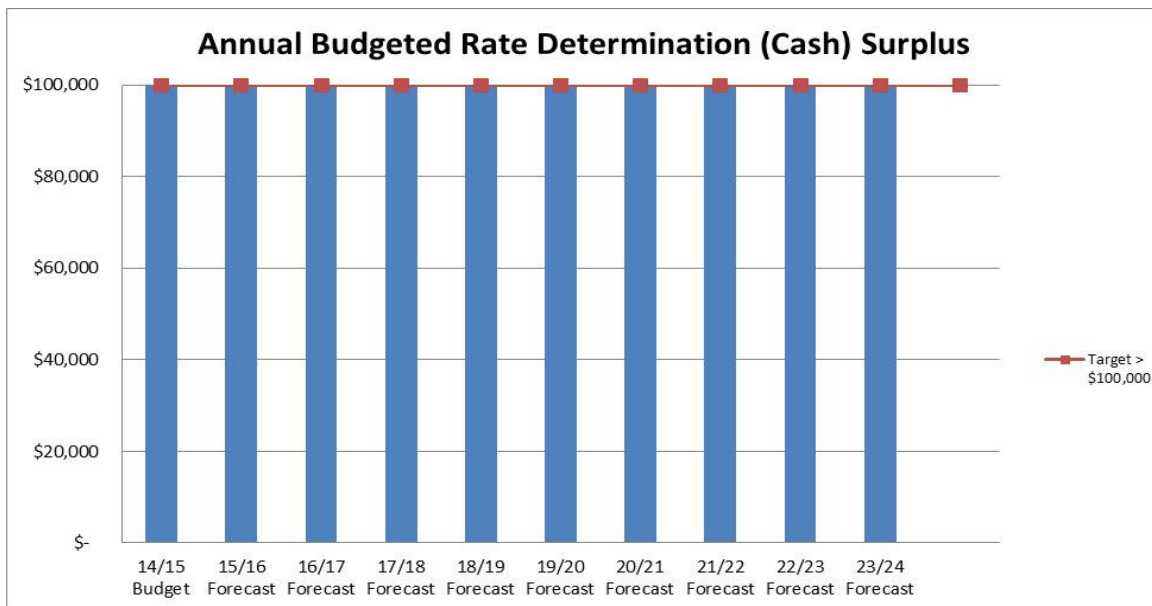
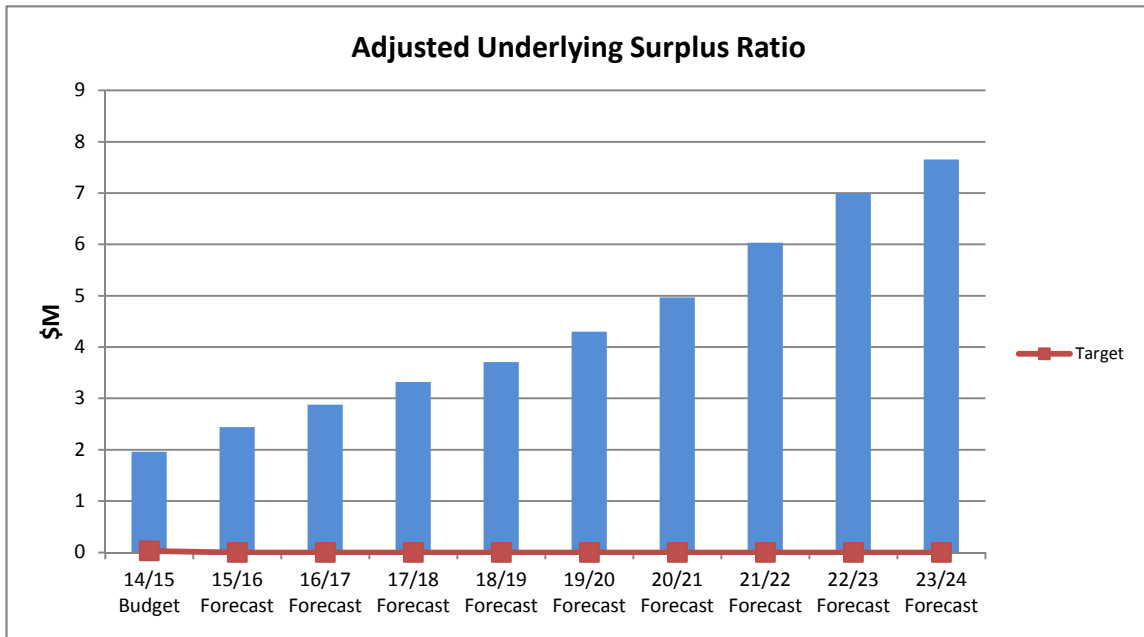
Financial Sustainability Performance

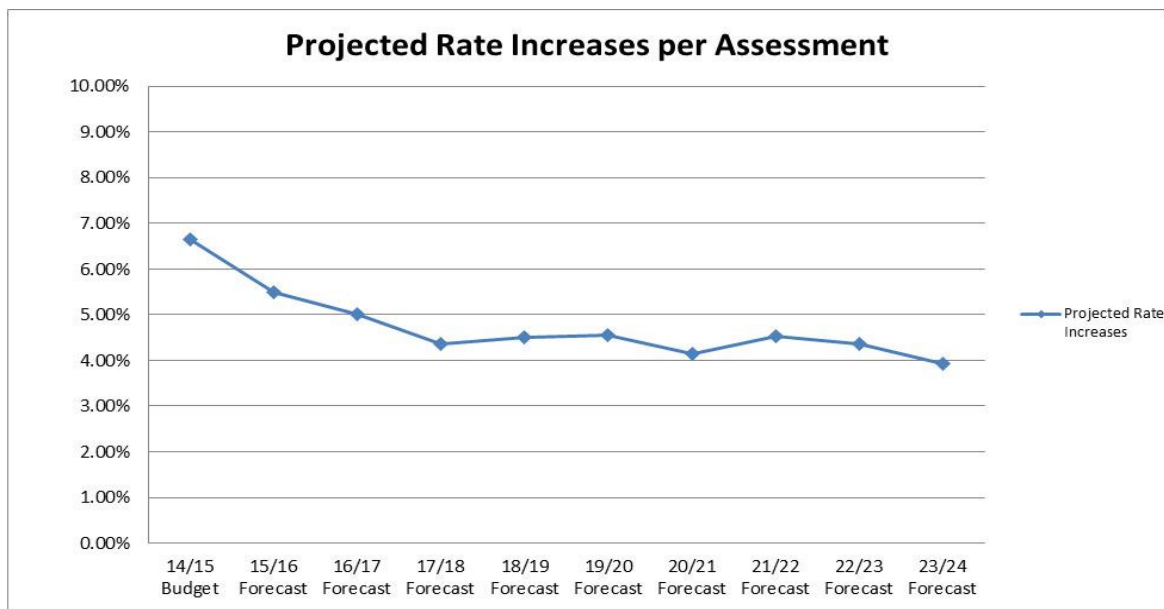
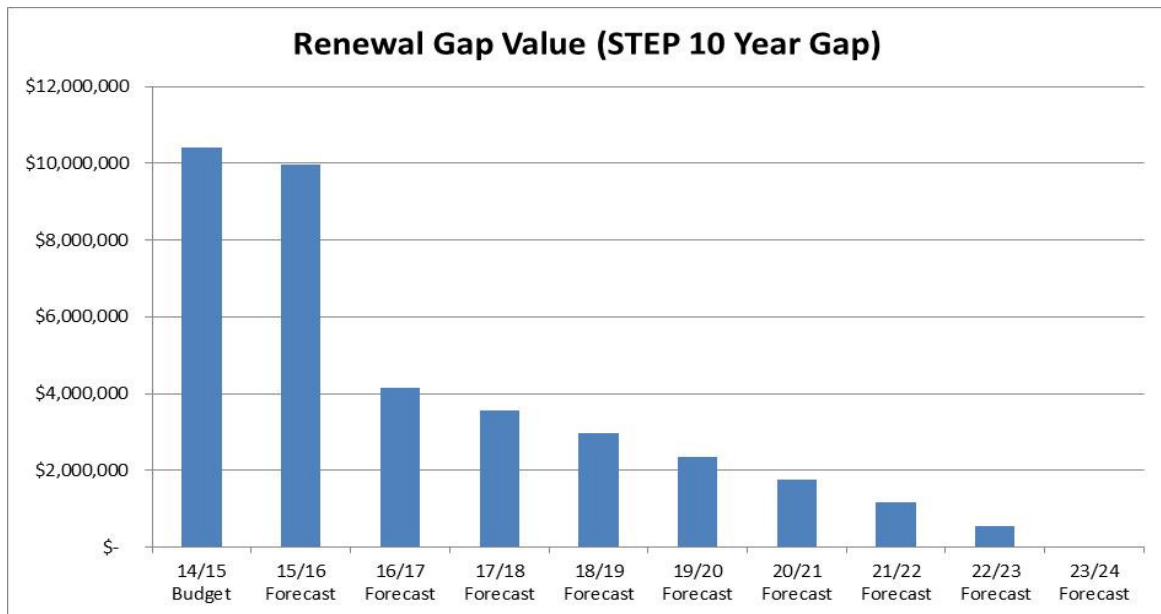
This appendix outlines Council's performance against the adopted financial sustainability plan indicators for the period 2014-15 to 2023-24.

Financial Sustainability Plan indicators









Overall Sustainability Assessment - Auditor-General Measures

	13/14 Projection	14/15 Budget	15/16 Forecast	16/17 Forecast	17/18 Forecast	18/19 Forecast
Assessment	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk
	19/20 Forecast	20/21 Forecast	21/22 Forecast	22/23 Forecast	23/24 Forecast	
Assessment	Low Risk	Low Risk	Low Risk	Low Risk	Low Risk	

