

## **Special Meeting of Council**

to be held at the Civic Centre, Civic Drive, Greensborough  
on Tuesday 14 June 2016 commencing at 7pm.

### **Agenda**

**Stuart Burdack**  
**Chief Executive Officer**

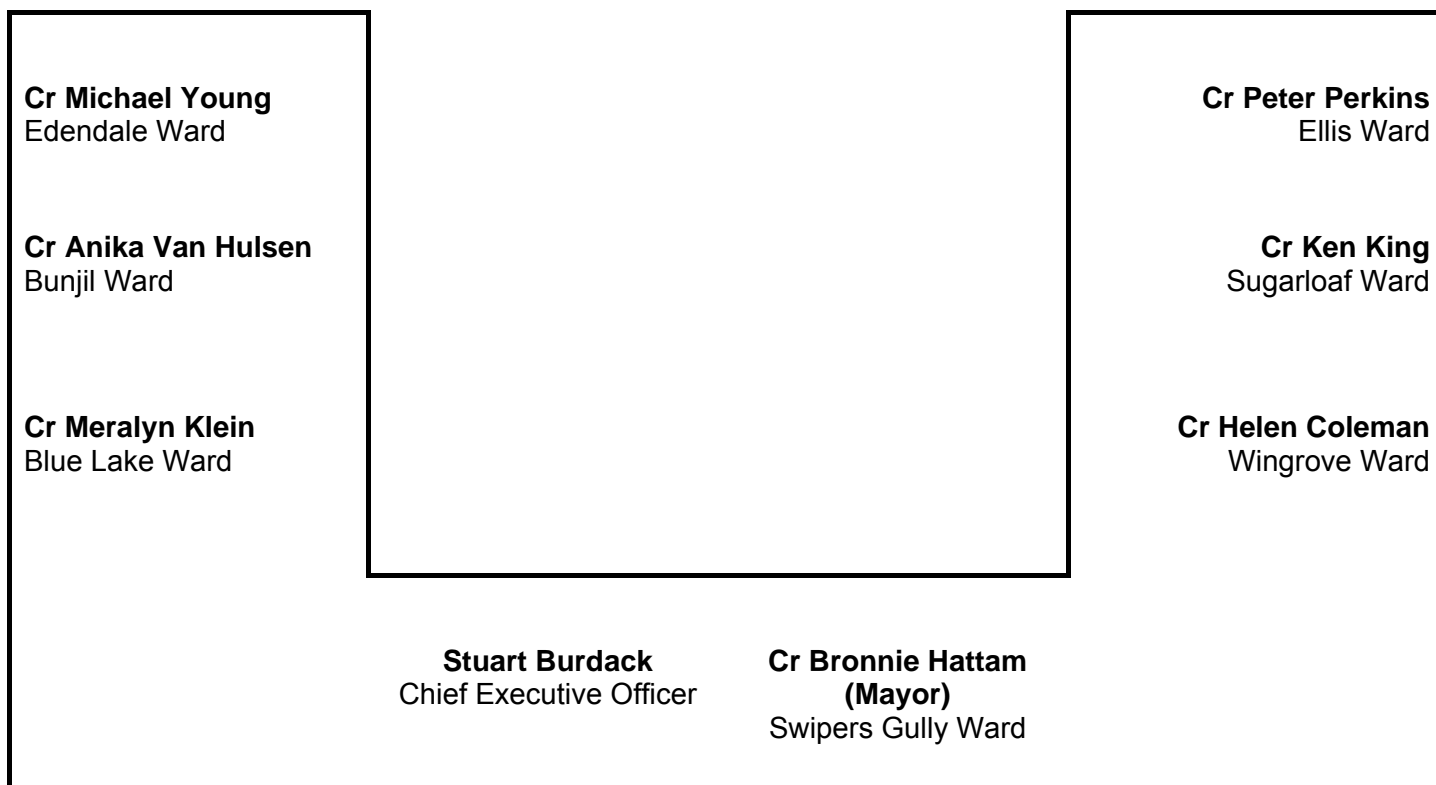
Wednesday 8 June 2016

Distribution: Public

Civic Drive, Greensborough  
PO Box 476, Greensborough 3088  
Telephone 9433 3111  
Facsimile 9433 3777  
Website [www.nillumbik.vic.gov.au](http://www.nillumbik.vic.gov.au)  
Email [nillumbik@nillumbik.vic.gov.au](mailto:nillumbik@nillumbik.vic.gov.au)

*Domin je ka*

## Special Meeting of Council seating plan



Visitors in the gallery at Council meetings are:

- Welcome to copies of the reports which will be considered by the Council at the meeting. These are on the table in the foyer.
- Welcome to the tea, coffee and water provided in the foyer.
- Requested to observe Council deliberations quietly in order for Council meetings to run smoothly.
- Advised that an audio recording of this meeting will be made for the purpose of verifying the accuracy of the minutes.

Nillumbik Shire Council

---

Contents

---

<b>Welcome</b>	<b>1</b>
<b>1. Reconciliation statement</b>	<b>1</b>
<b>2. Good governance pledge</b>	<b>1</b>
<b>3. Apologies</b>	<b>1</b>
<b>4. Disclosure of conflicts of interest</b>	<b>1</b>
<b>5. Reports of Special Committees</b>	<b>2</b>
PS.019/16      Consideration of submissions - draft Budget 2016-2017	2
<b>6. Officers' reports</b>	<b>3</b>
OCM.091/16    Adoption of Budget 2016-2017, declaration of Rates and Charges	3

## Nillumbik Shire Council

### Agenda of the Special Meeting of Nillumbik Shire Council to be held Tuesday 14 June 2016 commencing at 7pm.

---

#### Welcome

Members of the public are advised the meeting will be recorded for the purpose of verifying the accuracy of the minutes.

#### 1. Reconciliation statement

##### **The reconciliation statement to be read by the Mayor**

Nillumbik Shire Council acknowledges the Wurundjeri as the traditional custodians of the land now known as the Shire of Nillumbik and values the significance of the Wurundjeri people's history as essential to the unique character of the Shire.

#### 2. Good governance pledge

As Councillors, we are mindful of our civic responsibilities and obligations. We pledge to take them seriously, and to carry them out with diligence and integrity.

We know the decisions we take will affect the people and environment of Nillumbik, now and in the future. We undertake, therefore, to make sound and principled decisions of lasting value, in a spirit of fairness and for the good of all.

We also pledge to serve the needs and wellbeing of the community and the environment, in an open and honest manner and to the best of our abilities.

#### 3. Apologies

<b>Motion</b>
---------------

**That the apologies be accepted.**

#### 4. Disclosure of conflicts of interest

Councillors should note that any conflicts of interest should also be disclosed immediately before the relevant item.

5. Reports of Special Committees

PS.019/16 Consideration of submissions - draft Budget 2016-2017

---

**File:** 20/25/001

**Distribution:** Public

**Manager:** Andrew Port, General Manager Corporate Services

**Author:** Vince Lombardi, Manager Finance

Robert Malignaggi, Management Accountant

**Summary**

This report outlines submissions received from the public regarding the draft Budget 2016-2017 for Council consideration.

Council adopted the draft Budget 2016-2017 at the Ordinary Council meeting on 26 April 2016 for the purpose of community consultation. The draft Budget was made available to the public for a period of 28 days. Seven submissions were received.

The Policy and Services Committee considered the seven submissions as well as verbal presentations from submitters and the community at its meeting on 7 June 2016.

The following people addressed the Committee with respect to the draft Budget 2016-2017:

1. Helen Legg
2. Darren Callahan on behalf of Plenty Valley Cricket Club
3. Brian Murray on behalf of Nillumbik Ratepayers Association

After considering the submissions and presentations, the Committee resolved that this report be presented to Council.

**Recommendation**

**That Council:**

1. **Notes that seven submissions on the draft Budget 2016-2017 were received, and the submissions were considered and submitters were provided with the opportunity to be heard by the Policy and Services Committee on 7 June 2016.**
2. **Considers the matters contained in the submissions and the Committee's report during finalisation of the Budget 2016-2017.**

**6. Officers' reports**

**OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges**

---

**File:** 20/25/001

**Distribution:** Public

**Manager:** Andrew Port, General Manager Corporate Services

**Author:** Vince Lombardi, Manager Finance

Robert Malignaggi, Management Accountant

**Summary**

This report recommends that Council formally adopt the Budget and declare the rates and charges for the 2016-2017 financial year.

Council commenced preparation of the 2016-2017 Budget in late 2015 in order that it could then be exhibited for public consultation, and finally adopted prior to 30 June. Issues considered in the preparation of the budget have included Council's Major Projects Plan, the Financial Sustainability Plan and compliance with rate capping legislation.

The draft Budget was exhibited and the community invited to comment on it. Written submissions were received and considered by a meeting of the Policy and Services Committee on 7 June 2016. A separate report from the Committee to Council regarding the submissions is included in this agenda.

**Rates and charges for 2016-2017**

The Budget has been prepared in compliance with the rate capping legislation introduced by the Victorian Government.

The draft Budget proposes an average 2.5 per cent increase in rates and charges per property, which is reflective of the rate cap set by the Minister for Local Government.

A general revaluation has been conducted as required by law, and will apply for 2016-2017. This means that individual properties will experience movements in their rates and charges which will be different to the shire-wide average increase of 2.5 per cent.

Council previously resolved in January 2016 that the Budget would be prepared within the rate cap. Council's decision reflected the outcomes of community consultation during 2015, including a community panel which made recommendations to Council, and the results of two community surveys. The panel process and the two surveys showed that the community preference was that rates be kept within the rate cap. This Budget achieves that result.

**Key Budget impacts**

The implications of rate capping have been significant however Council has maintained a balanced Budget through prudent financial stewardship. Council has reviewed operating budgets and identified cost savings of \$620,000. This has assisted Council to maintain a balanced budget despite some external impacts which have included:

- Reduction in revenue from General Purpose & Local Roads Grants \$239,000
- Increased net costs for leisure facility contracts \$563,000
- Increased cost for library contribution \$232,000

**6. Officers' reports**

**OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges**

---

The Budget proposes a number of significant capital works projects that have been identified through planning and community consultation, including:

**Capital Works**

- Eltham Leisure Centre aquatics redevelopment \$11,950,000 (Year 2 of 3)
- Diamond Creek Trail extension \$2,000,000
- Plenty Landfill site rehabilitation \$1,745,800
- Eltham North Reserve pavilion works \$800,000
- Edendale Farm site improvements \$500,000
- Diamond Creek Trail – path connection to new footbridge \$250,000
- Solar panels for Community Bank stadium, Diamond Creek \$200,000
- Kangaroo Ground War Memorial Tower access road \$170,000
- Research Park sports pavilion works \$150,000
- Research shopping centre public toilet upgrade \$100,000
- Diamond Creek town centre streetscape works \$80,000

In addition to the major items listed above, the Budget continues to provide significant resources to maintain and develop infrastructure, including:

- Roads \$1,967,000
- Footpaths \$815,000
- Bridges \$1,000,000
- Drainage \$500,000
- Sports-grounds and pavilions \$392,000
- Major leisure centres and community halls \$745,000
- Recreation trails \$440,000
- Other Council buildings \$1,209,000
- Disability access works \$120,000
- Public open space and playgrounds \$395,000

**Policy, planning and services initiatives**

Apart from capital works, the Budget also includes resources for a range of new initiatives regarding policy, planning and services which include:

- Green waste drop-off days \$75,000
- Liveable Nillumbik (Lot 1 Hurstbridge) \$95,000
- Yarrambat Township Plan \$60,000
- Heritage investigations \$30,000

**6. Officers' reports**

**OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges**

---

- Health and Wellbeing Plan \$45,000
- Community health and medical transport \$112,875
- Community Hub activation \$82,550
- Positive Ageing strategy \$20,000
- Economic Development Strategy \$40,000
- Tourism campaigns and services \$32,000
- Cultural Plan \$45,000
- Diamond Valley Sports and Fitness Centre masterplan \$35,000
- Diamond Creek trail planning \$25,000
- Diamond Creek Gateway signage and landscaping \$15,000
- Hurstbridge Streetscape design \$15,000
- Urban design for activity centres \$30,000
- 2016 Council election \$310,000

**Strategic Resource Plan**

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

The update of the Strategic Resource Plan is based on the assumption that average increases in rates and charges will be capped each year at 2.5 per cent per property, and that growth in rates revenue from new development and subdivision will add a further 0.6 per cent each year beyond 2016-2017. A range of other assumptions are included in the Strategic Resource Plan, including the continuation of existing grants provided to Council, and no further cost shifting by State and Commonwealth Governments.

The Strategic Resource Plan shows that Council can maintain a balanced budget within the rate cap, provided that the assumptions in the plan are met. The updated Strategic Resource Plan is included as part of the draft Budget document.

**Recommendation**

**That:**

- 1. Council, having considered the submissions received, adopts the proposed Budget 2016-2017 (Attachment 2).**
- 2. The Chief Executive Officer be authorised to give public notice of the decision to adopt the Budget, and to submit a copy of the adopted Budget to the Minister for Local Government.**



## 6. Officers' reports

OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges

---

## 3. The amount of rates and charges intended to be raised are:

- a) an amount of \$61,908,207 (or such greater amount as is lawfully levied as a consequence of this Recommendation being adopted) be declared as the amount which Council intends to raise by general rates, municipal charge and annual service charge (described later in this recommendation). The amount declared is calculated as follows:

General Rates                      \$51,506,794

Municipal Charge                 \$2,217,296

Annual Service Charge         \$8,184,117

## 4. General rates

- a) That general rates be declared in respect of the 2016-2017 Financial Year
- b) It be further declared that the general rates be raised by the application of differential rates.
- c) A differential rate be respectively declared for rateable land having the respective characteristics specified below, which characteristics will form the criteria for each differential rate so declared.

- Farm Land

Any land which is 'farm land' within the meaning of section 2(1) of the *Valuation of Land Act 1960*.

- Commercial/Industrial Land

Any land which is used or adapted to be used primarily for commercial or industrial purposes.

- Vacant Land – General Residential/Residential Growth/Neighbourhood Residential zone and Specified Low Density Residential Zones

Any land located in a General Residential/Residential Growth/Neighbourhood Residential zone, or in the Low Density Residential zone (LDRZ) to which DPO4 applies, on which no habitable dwelling is erected, excluding lots greater than 8,000 square metres in the Plenty LDRZ.

- Other Land

Any land which is not:

- Farm Land

- Commercial/Industrial Land or

- Vacant Land – General Residential/ Residential Growth/Neighbourhood Residential zone and Specified Low Density Residential Zones.

## 6. Officers' reports

## OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges

- d) The quantum of rates payable in respect of each rateable land will be determined by multiplying the Capital Improved Value of such land (categorised by the characteristics described in paragraph 4(c) above) by the relevant rates indicated in the following table:

Category	Rate in dollar
Farm Land	0.002711 (or 0.2711 cents in the dollar of Capital Improved Value)
Commercial/ Industrial Land	0.003692 (or 0.3692 cents in the dollar of Capital Improved Value)
Vacant land – General Residential / Residential Growth / Neighbourhood Residential zone and Specified Low Density Residential Zones	0.006378 (or 0.6378 cents in the dollar of Capital Improved Value)
Other Land	0.003190 (or 0.3190 cents in the dollar of Capital Improved Value)

- e) It be recorded that Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions, and that the:
- respective objectives, uses and levels of each differential rate be those specified in Schedule A (see Attachment 1)
  - respective types or classes of land which are subject to each differential rate be those defined in part 4(d) above.
- f) It be confirmed that no amount is fixed as the minimum amount payable by way of general rate in respect of each rateable land within the municipal district.
- g) In accordance with section 4(4) of the *Cultural and Recreational Lands Act 1963*, the amount of rates payable in respect of each of the rateable lands to which that Act applies be determined by multiplying the Capital Improved Value of that rateable land by 0.001230 (or 0.1230 cents in the dollar of Capital Improved Value).

## 5. Municipal Charge

- a) A municipal charge of \$95.84 per assessment be declared in respect of the 2016-2017 Financial Year.
- b) The municipal charge be declared for the purposes of recovering some of Council's administrative costs.

6. Officers' reports

OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges

---

6. Annual service charge

- a) An annual service charge be declared in respect of the 2016-2017 Financial Year.
- b) The annual service charge be declared for the collection and disposal of residential refuse and other waste.
- c) Except in the case of elderly persons units, the amount of the annual service charge so declared is dependent upon the option chosen by the resident of the land. The options are:

Option 1: \$380.36 per service in respect of the following three bins:

- 120 litre organic waste bin
- 240 litre recyclables bin
- 120 litre 'other' waste bin

Option 2: \$346.23 per service in respect of the following three bins:

- 120 litre organic waste bin
- 240 litre recyclables bin
- 80 litre 'other' waste bin

Option 3: \$532.24 per service in respect of the following four bins:

- 120 litre organic waste bin
- 240 litre recyclables bin
- 2 x 120 litre 'other' waste bins

- d) The amount of the annual service charge so declared in respect of elderly persons units, being units occupied by elderly persons or persons with a disability where the applicable form of declaration has been received by Council, is \$101.12.
- e) For each rateable land or non-rateable land in respect of which an annual service charge may be levied, the annual service charge will apply irrespective of whether the owner or occupier of the land avails himself, herself or itself of the service.
- f) The annual service charge is not declared in respect of, and is not be levied on, any land on which no habitable dwelling is erected.

7. Rebates – Sustainable Agricultural Land

- a) It be recorded that subject to paragraph 4c) of this Recommendation, Council may grant a rebate to each owner (or, where applicable, occupier) of land which:
  - i) is not less than 30 hectares in area

## 6. Officers' reports

OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges

---

- ii) is otherwise 'farm land' under section 2(1) of the *Valuation of Land Act 1960*.

The rebate be granted to:

- i) assist the proper development of the municipal district
- ii) preserve places within the municipal district which are of environmental interest
- iii) restore or maintain places of environmental importance within the municipal district
- iv) more generally achieve the objectives outlined in the Sustainable Agricultural Rebate (SAR) Guidelines.

b) The grant of the rebate be:

- i) subject to the criteria detailed in the SAR Guidelines.
- ii) set at a level based on the following two components:
  - Component A - a single fixed amount of \$100 per eligible property (or per single aggregate of 'continuous' properties, as defined in section 13 DC (6) of the *Valuation of Land Act 1960*)
  - Component B - \$15 per hectare of 'productive agricultural land' across each eligible property. The area of productive agricultural land is calculated for each property by subtracting the apparent area of bushland and domestic use from the total property area. Landowners will be given a single opportunity to challenge this area calculation, after which that figure will be set and documented within the relevant Property Management Plan. Any future change in bushland area will not change the set figure for productive agricultural land.
- iii) subject to development of an approved Property Management Plan (PMP) for each eligible property. The development of a PMP (and subsequent three-yearly reviews) will replace the need for an annual SAR application form, yet each Plan must satisfy the following conditions:
  - PMP Condition A - The PMP must be submitted for approval to the Sustainability and Environment Planning Unit of Council. The approval date for each ratified PMP will be noted and a copy of the document will be retained for Council records.
  - PMP Condition B - A separate PMP will be required for each property or aggregate of properties where the owner receives the \$100 fixed payment component of the SAR.
  - PMP Condition C - Landowners who have previously received the SAR must return their PMP by the date indicated in correspondence that has been sent to the recipient (further

## 6. Officers' reports

OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges

---

detail regarding this point can be obtained from the Sustainability and Environment Planning Unit of Council).

- PMP Condition D - All SAR applicants who have not previously received the SAR will require an approved PMP prior to being eligible for the rebate.
- PMP Condition E - All PMP's will need to be revised by the owner and re-submitted for re-approval every three years. The Sustainability and Environment Planning Unit will give landholders ample notification and assistance to facilitate this process.

## 8. Rebates – House construction on Vacant Residential Land

- a) It be recorded that Council may also grant a rebate to each owner (or, where applicable, occupier) of land on which a habitable dwelling is erected during the course of the 2016-2017 Financial Year.
- b) The rebate be granted to assist the proper development of the municipal district.
- c) The rebate be granted:
  - i) if a dwelling is created on what has been Vacant Land – Residential and Specified Low Density Residential Zones
  - ii) upon an occupancy permit being issued in respect of the dwelling.
- d) The rebate be in an amount of 50 per cent of the general rates payable during the 12 months immediately preceding the date of the supplementary valuation made after the occupancy permit was issued.

## 9. Payment

- a) In accordance with section 167 of the *Local Government Act 1989*, Council determines that rates and charges may be paid by four equal quarterly instalments due on:
  - 30 September 2016
  - 30 November 2016
  - 28 February 2017
  - 31 May 2017.

## 10. Consequential further actions:

- a) The General Manager Corporate Services be authorised to levy and recover the general rates, municipal charge and annual service charge in accordance with the *Local Government Act 1989*.
- b) Pursuant to section 172(1) of the *Local Government Act 1989*, Council records that it will require the payment of interest on any amounts of rates and charges which have not been paid by the date specified under section

6. Officers' reports

OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges

---

167 of the said Act for their payment.

11. Council writes to all those who have made a submission on the 2016-2017 Budget under section 223 of the *Local Government Act 1989* thanking them for their input and advising them of Council's decision and reasons for the decision.

**Attachments**

1. Schedule A
2. Budget 2016-2017

**Background**

1. Council is required by the *Local Government Act 1989* to prepare a budget for each financial year.
2. Adoption of the Budget is an important policy decision by Council in terms of resource allocation for services and projects in the coming year.
3. The Budget has been prepared for the purposes of public exhibition in accordance with statutory requirements.

**Policy context**

4. This report directly supports the achievement of Council Plan 2013-2017 strategy.
  - We will undertake long-term financial planning to ensure our budget decisions are responsible and sustainable.
5. This Budget has been developed in the context of the Council Plan 2013-2017. It is also developed in the context of the Strategic Resource Plan which demonstrates how the outcomes of the Council Plan can be resourced in a way which ensures Nillumbik's ongoing sustainability.
6. In developing the Budget, Council has also considered the key priorities emerging from the master-plans for Council's major recreation facilities and reserves, the structure plans for Nillumbik's activity centres, and other Council policies and strategies.
7. The Financial Sustainability Plan was adopted by Council in December 2013 to guide Council's approach to financial management, and to establish a series of financial sustainability measures and targets. The Budget includes details of the projected performance of Council in meeting these targets in 2016-2017 and subsequent years.

**Budget implications**

8. The costs of preparing the Budget, such as public notices, are funded from operating budget allocations.

**6. Officers' reports****OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges**

---

**Consultation/communication**

9. Council adopted the draft Budget 2016-2017 at the Ordinary Council meeting on 26 April 2016 for the purpose of community consultation. The draft Budget was made available to the public for a period of over 28 days.
10. An advertisement was placed in *The Age* on 29 April 2016 and details on the Budget were placed in the *Diamond Valley Leader* newspaper and on Council's website. Submissions in relation to the draft Budget have been sought from the public. Submissions were received and considered at the meeting of the Policy and Services Committee on 7 June 2016.
11. The draft Budget was made available on Council's website, at the Civic Centre and at the Eltham and Diamond Valley libraries.
12. At the meeting of the Policy and Services Committee on 7 June 2016, the Committee, acting under delegation from Council, received and considered the submissions on the draft Budget. The Committee has presented a report to Council on the submissions about the draft Budget 2016-2017 in accordance with sections 129 and 223 of the *Local Government Act 1989*.

**Budget 2016-2017**

13. This report is presented to enable Council to formally adopt the Budget and declare the rates and charges for the 2016-2017 financial year.
14. This report outlines the key elements of the Budget. Details are provided in the full Budget document (Attachment 2).

**Capital works**

15. The draft Budget includes \$28.107 million of capital works projects, of which \$6.924 million will be externally funded by grants and contributions. The balance will be funded by Council from rates, contributions and reserve funds.
16. The draft Budget provides for total expenditure of \$11.992 million on renewal of existing assets such as roads, footpaths, drainage and buildings.
17. A full list of capital works projects is included in the draft Budget document.

**New Initiatives – Strategic projects and service improvements**

18. The Budget provides resources through New Initiatives for policy development, as well as policy implementation and service improvements. A full list is provided in the Budget document for these initiatives.

**Services (Operating Budget)**

19. Recurrent operating budgets for Council services have been adjusted to reflect changes in unit costs, including inflationary impacts and contracted prices.
20. In terms of staffing levels, the Budget includes a permanent staffing resource level of 310.97 EFT, along with 2.10 EFT for limited tenure staff positions which relate to the delivery of external grant funded projects.

**Rates, charges and other revenue**

## 6. Officers' reports

**OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges**

- 
21. The Budget proposes a 2.5 per cent average increase per property in rates and Municipal Charge which is compliant with the rate capping regime introduced for this financial year 2016-2017.
22. Other fees and charges increases are generally between two to four per cent having regard to cost increases, regulatory requirements and market considerations.

**Waste Management Charge**

23. The Waste Management Charge will increase by 2.5 per cent in order to fund the State Government landfill levy, the kerbside hard waste collection service, waste and recycling services, and increased funding for rehabilitation works at the former Plenty and Kangaroo Ground landfill sites.

**Municipal Charge and Cost-Shifting**

24. The Municipal Charge will increase by 2.5 per cent from \$93.50 to \$95.84 per assessment. Council uses the Municipal Charge to disclose the level of cost shifting from State and Federal Governments which represents a cost of more than \$2 million in 2016-2017.
25. While 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 is calculated by Council based on the cost impacts of reduced grants funding or cost shifting from other levels of government. The value of the Municipal Charge consists of the following items:

<b>Cost Influence Type</b>	<b>Detail</b>	<b>Cost Shift Amount</b>
Grant	Victoria Grants Commission General	\$224,000
Grant	National Competition Policy Grant	\$338,000
Cost Shift/Grant	Library Funding	\$493,000
Cost Shift/Grant	Maternal Child Health and Immunisation	\$321,000
Cost Shift/Grant	Home and Community Care	\$425,000
Cost Shift/Grant	School Crossing Supervision	\$269,000
Cost Shift	Walking School Bus	\$17,000
Cost Shift	State Government Fire Services Property Levy for Council Properties	\$130,000
<b>Total</b>		<b>\$2,217,000</b>

26. Council will continue to advocate for improved grant funding in order to address this funding gap.

**Differential rating**



**6. Officers' reports**

**OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges**

---

27. At present, Council levies a General Rate, a Farm Rate (15 per cent below the General Rate), a Commercial/Industrial Rate (16 per cent above the General Rate), a Vacant Land Rate (100 per cent above the General Rate) and a Cultural and Recreational Land Rate (61 per cent below the General Rate). The relativity of each differential rate is proposed to be maintained for 2016-2017.

28. The rate in the dollar for each of the differential rates will decrease by nine per cent.

**Borrowing**

29. There is no borrowing proposed for new capital projects in the 2016-2017 Budget.

30. The Budget provides for total loan payments of \$1.734 million during 2016-2017, being \$892,000 for interest, and \$842,000 for principal repayment.

31. The balance of outstanding loans is expected to reduce slightly over the coming year, from \$14.306 million (June 2016) to \$13.464 million (June 2017).

32. Council is forecast to remain within the Auditor-General's low-risk (green light) range on the Indebtedness measure of financial sustainability.

**Strategic Resource Plan**

33. Council must adopt the Strategic Resource Plan not later than 30 June each year pursuant to section 126 of the *Local Government Act 1989*.

34. The Strategic Resource Plan is the financial plan which is required to enable Council to achieve its Council Plan goals over the coming years.

35. The updated version of the Strategic Resource Plan is included in the Budget (Attachment 1). It incorporates the financial projections in expenditure and revenue which are based on a series of assumptions about the community's needs and how Council plans to continue to address these needs for services and infrastructure.

36. The Strategic Resource Plan incorporates the 2016-2017 Budget and projections for the next ten years based on the assumptions.

**Financial Sustainability Plan measures and targets**

37. As noted earlier in this report, Council adopted the Financial Sustainability Plan in December 2013. This included a series of measures of financial sustainability along with targets for Council to achieve over the short, medium and long term.

38. These measures include all those used by the Auditor-General to assess financial sustainability for local government across Victoria, along with some additional local measures adopted by Council.

39. The 2016-2017 Budget includes details of Council's projected performance in meeting the financial sustainability targets over the next ten years, based on the Strategic Resource Plan. The projections are detailed in the Budget, however the results are summarised below.

**Auditor-General measures**

40. 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.

**6. Officers' reports****OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges**

---

41. Council will achieve low risk ('green light') assessments from the Auditor-General in every year for the next ten years for the following specific categories:
- i) Underlying result – Surplus target achieved every year (Green Light).
  - ii) Liquidity – Target achieved each of the ten years (Green Light).
  - iii) Self-Financing – Target achieved in eight of ten years (Green Light), with two other years marginally below target (19 per cent result rather than 20 per cent target).
  - iv) Indebtedness – Target achieved every year (Green Light)
  - v) Capital Replacement Ratio – Target achieved for nine out of the ten years (Green Light), with one year being below target by 0.04 per cent.
  - vi) Renewal Gap Ratio – Target achieved every year (Green Light)

**Other local measures of financial sustainability**

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

**Adjusted underlying result (excluding capital grants)**

43. 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).
44. The adjusted underlying result is projected to be a surplus in each year showing a strong positive trend over the life of the model.

**Annual rate determination surplus**

45. A rate determination surplus of \$150,000 is achieved each year which satisfies Council's target of \$100,000. This is considered to be the bare minimum necessary for Council to deal with budget variations during the year.

**Rate revenue allocated to Capital Works**

46. Council has set two further targets which relate to the allocation of sufficient funding to meet infrastructure renewal needs.
47. The first target relates to the level of own-source revenue (i.e. rates) 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.
48. Recurrent revenue (rates) allocated to capital works is expected to exceed annual asset depreciation by 2019-2020. This addresses the historic problem of under-investment in infrastructure renewal. Council has set this target to ensure that sufficient funding is available each year to renew and upgrade Council infrastructure, without reliance upon asset sales, new loans or external grants.

**6. Officers' reports**

**OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges**

---

49. The projections in the Budget show that Council will continue to increase the level of recurrent revenue (rates) that is directed to capital works. This means that from 2019-2020 onwards, the funds available each year to address renewal and upgrade needs of Council infrastructure assets will be greater than the annual depreciation.
50. This is a significant achievement in terms of financial sustainability. As shown in the Strategic Resource Plan, this can then be maintained over subsequent years.

**Asset renewal gap**

51. An asset renewal gap represents any shortfall between the anticipated need for infrastructure renewal spending over the following ten years, and the proposed spending in Council's Strategic Resource Plan. Under-spending on infrastructure renewal has historically been a challenge for Nillumbik and many other municipalities. In the 2013 Financial Sustainability Plan, Council set a target to eliminate the asset renewal gap.
52. Based on the updated projections in the Strategic Resource Plan, and most recent modelling and condition audits, asset renewal spending over the coming decade will be sufficient to meet requirements. However this will depend upon the level of asset condition over the decade, which can vary according to a range of factors such as usage and weather. Regular asset condition audits are conducted which will enable Council to monitor any changes in renewal needs.

**Summary – financial sustainability**

53. Council has adopted a Financial Sustainability Plan to guide its financial management for the long term. The annual Budget includes ten year projections of Council's performance in meeting its financial sustainability targets.
54. As noted above, Council is expected to achieve an overall low risk ('green light') assessment from the Auditor-General each year.
55. 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 low level reflective of the current rate cap.
56. Actual results on the financial sustainability targets will be reported in the Annual Report.

**Future increases in rates and charges**

57. The Strategic Resource Plan identifies the expected level of revenue from rates and charges each year.
58. The Strategic Resource Plan assumes that the rate cap will be set at 2.5 per cent for an average property for each of the next ten years.
59. Additional revenue from rates and charges is generated each year from new development and subdivisions in the shire. Revenue from these new sources is exempt from the rate cap calculation.
60. These new assessments are forecast to contribute 0.6 per cent growth each year in the level of rates and charges revenue. This forecast is based on typical results over recent years. This means that total revenue from rates and charges is projected to grow by 3.1 per cent per annum in each year beyond 2016-2017.

**6. Officers' reports**

**OCM.091/16 Adoption of Budget 2016-2017, declaration of Rates and Charges**

---

61. It should be noted that a higher level of new development has occurred during 2015-2016 which has added 1.1 per cent to rates and charges revenue for 2016-2017. This means that total revenue from rates and charges in 2016-2017 will grow by 3.6 per cent (2.5 per cent average increase per property, plus 1.1 per cent from new development).

**Conclusion**

62. Council has undertaken public consultation in accordance with its statutory obligations in the *Local Government Act 1989* in relation to the proposed Budget 2016-2017.
63. Having considered the Budget submissions, Council is now able to formally adopt the Budget 2016-2017 and resolve to declare the rates and charges which are compliant with rate capping as detailed in the recommendation. It can also adopt the differential rates applied to the classes of land which are listed in the recommendation.
64. Preparation of the annual Budget is a major decision for Council in allocating resources to services and projects for the coming year.
65. The Budget has been prepared with regard to the strategic context provided through the Council Plan and various individual policies, strategies and plans.
66. The Strategic Resource Plan is the financial plan which is required to enable Council to achieve its Council Plan goals over the next four years.
67. The Budget and the Strategic Resource Plan are recommended for Council approval.

## **SCHEDULE A**

### **Farm Land Objective**

To encourage the use (and continued use) of land for agricultural purposes, and ensure that such rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council. These include the:

- 1 implementation of good governance and sound financial stewardship;
- 2 construction, renewal, upgrade, expansion and maintenance of infrastructure assets;
- 3 development and provision of health, environmental, conservation, leisure, recreation, youth and family and community services;
- 4 provision of strategic and, economic management, town planning and general support services; and
- 5 promotion of cultural, heritage and tourism aspects of Council's municipal district.

### **Types and Classes**

Any rateable land which is 'farm land' within the meaning of section 2(1) of the *Valuation of Land Act 1960*.

### **Use and Level of Differential Rate**

This particular differential rate will be used to support farming in the Green Wedge by providing a discount for Farm Rate properties.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

### **Geographic Location**

Wherever located within the municipal district.

### **Use of Land**

Any use permitted under the relevant Planning Scheme.

### **Planning Scheme Zoning**

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

### **Types of Buildings**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016-2017 Financial Year.

## **Commercial/Industrial Land Objective**

To ensure that such rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council having regard to the capacity of such land to yield income and the demands such land makes on Council's infrastructure. Those functions include the –

- 1 implementation of good governance and sound financial stewardship;
- 2 construction, renewal, upgrade, expansion and maintenance of infrastructure assets;
- 3 development and provision of health, environmental, conservation, leisure, recreation, youth and family and community services;
- 4 provision of strategic and, economic management, town planning and general support services; and
- 5 promotion of cultural, heritage and tourism aspects of Council's municipal district.

### **Types and Classes**

Any rateable land which is used primarily for commercial or industrial purposes.

### **Use and Level of Differential Rate:**

This particular differential rate will be used to provide greater equity among ratepayers by recognizing the tax deductible status of rates for commercial and industrial ratepayers which is not applicable to residents.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

### **Geographic Location**

Wherever located within the municipal district.

### **Use of Land**

Any relevant use permitted under the relevant Planning Scheme.

### **Planning Scheme Zoning:**

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

### **Types of Buildings**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016-2017 Financial Year.

## **Vacant Land – Residential and Specified Low Density Residential Zones Objective**

To encourage the development of existing vacant land within General Residential / Residential Growth / Neighbourhood Residential zones and Specified LDRZ, and to reduce development pressure elsewhere within the Green Wedge; and

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the

- 1 implementation of good governance and sound financial stewardship;
- 2 construction, renewal, upgrade, expansion and maintenance of infrastructure assets;
- 3 development and provision of health, environmental, conservation, leisure, recreation, youth and family and community services;
- 4 provision of strategic and, economic management, town planning and general support services; and
- 5 promotion of cultural, heritage and tourism aspects of Council's municipal district.

### **Types and Classes**

Any land in a General Residential / Residential Growth / Neighbourhood Residential zone, and LDRZ to which DP04 applies, on which no habitable dwelling exists. Lots greater than 8,000 square metres in the Plenty LDRZ are excluded.

### **Use and Level of Differential Rate**

This particular differential rate will be used to promote the development of housing on vacant sites in General Residential / Residential Growth / Neighbourhood Residential zones and LDRZ by providing an incentive for development by charging a double rate on vacant sites.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

### **Geographic Location**

Wherever located within the municipal district.

### **Use of Land**

Any use permitted under the relevant Planning Scheme.

### **Planning Scheme Zoning**

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

### **Types of Buildings**

N/A

## **Other Land Objective**

To ensure that such rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, having regard to the relative benefits derived from the cost of carrying out of such functions. These functions include the:

- 1 implementation of good governance and sound financial stewardship;
- 2 construction, renewal, upgrade, expansion and maintenance of infrastructure assets;
- 3 development and provision of health, environmental, conservation, leisure, recreation, youth and family and community services;
- 4 provision of strategic and, economic management, town planning and general support services; and
- 5 promotion of cultural, heritage and tourism aspects of Council's municipal district.

### **Types and Classes**

Any rateable land which is not Farm Land, Commercial/Industrial Land, or Vacant Land – Residential and Specified LDRZ Zones.

### **Use and Level of Differential Rate**

This particular rate will be used as the default rate that is applicable to the majority of the properties within this municipality.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

### **Geographic Location**

Wherever located within the municipal district.

### **Use of Land**

Any use permitted under the relevant Planning Scheme.

### **Planning Scheme Zoning**

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

### **Types of Buildings**

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2016-2017 Financial Year.



# Budget 2016-2017

<b>Contents</b>	<b>Page</b>
Introduction	3
Budget trends and summary	6
Budget influences	12
Budget processes	15
<b>Overview</b>	
1. Linkage to the Council Plan	16
2. Services, initiatives and service performance indicators	18
<b>Budget analysis</b>	
3. Analysis of operating budget	28
4. Analysis of budgeted cash position	33
5. Analysis of capital budget	36
6. Analysis of budgeted financial position	40
<b>Long term strategies</b>	
7. Strategic resource plan and financial performance indicators	43
8. Rating strategy	47
9. Other strategies	51
<b>Appendices</b>	
A Budgeted statements	56
B Statutory disclosures	81
C Capital works program	87
D New Initiatives	92
E Operating results by business unit	94
F Grants listing by funding type and source	103
G Fees and charges	105
H Financial Sustainability Plan	118
I Financial Sustainability Performance	136

## Introduction

The 2016-17 Budget has been prepared in the context of the Council Plan 2013-17, the Strategic Resource Plan and Council's Financial Sustainability Plan.

This Budget is the first to be prepared under the Victorian Government's rate capping legislation. The rate cap applies to general rates and the municipal charge and is set at 2.5 per cent for 2016-17.

Council resolved in January 2016 that the budget would be prepared within the rate cap of 2.5 per cent and this has been achieved.

Council's decision reflected the outcomes of community consultation, including a community panel which made recommendations to Council and the results of two community surveys conducted during the year. The panel process and the surveys showed that the community preference was that rates be kept within the rate cap. This Budget achieves that result.

The average increase in general rates will be 2.5 per cent per property and the municipal charge will also increase by 2.5 per cent. The waste management charge is not covered by the rate cap legislation however it will also increase by 2.5 per cent.

Total revenue from rates and charges in 2016-17 will grow by 3.6 per cent, due to the combined effect of the average rates and charges increase (2.5 per cent per property) plus the impact of new subdivisions and property development during the past year, which adds a further 1.1 per cent to rates and charges revenue.

A general revaluation has been conducted in 2016 in accordance with statutory requirements. As a consequence, individual properties will experience changes in their rates which differ from the shire-wide average of 2.5 per cent. However this represents a redistribution of rates within the shire, and does not impact on the overall level of rate revenue raised by Council.

The introduction of rate capping has required adjustment of Council's finances to maintain a balanced budget for 2016-17 and for the longer-term.

Major changes that have been made to accommodate the impact of rate capping include:

- Savings in operating costs of \$620,000 per annum (these savings commence in 2016-17 and are forecast to be sustained in following years)
- No new loan borrowings (this reduces interest costs and principal payments in 2016-17 and following years)
- Reprioritisation of the capital works program to reflect no new loans

These changes are reflected in this Budget document, which includes an updated Strategic Resource Plan which shows forecasts for the next ten years. The previous Strategic Resource Plan forecast average annual rate increases of 3.4 per cent per property for the next decade. These have now been adjusted to reflect the rate cap, which is forecast to be 2.5 per cent each year for the next decade. Growth in the number of rateable properties (at 0.6 per cent per annum) means that total rates and charges revenue is forecast to grow at 3.1 per cent per annum from 2017-18 onwards, however the average per property is 2.5 per cent per annum.

The Strategic Resource Plan forecasts that Council will achieve an operating surplus in every year, which provides capacity for Council to invest in capital works and to repay existing loans.

Nillumbik's finances are in a sound position and this has assisted Council in addressing the challenge of rate capping. Council once again received an overall low-risk (green light) assessment of financial sustainability from the Victorian Auditor-General in 2015.

This sound position is due to the strategies implemented over recent years. In particular, Council has fully paid the \$4.600 million statutory superannuation liability, which arose from the Global Financial Crisis and was the major cause of higher rate increases in 2013-14 and 2014-15. By eliminating this liability within two years, Council was then able to direct additional funding of \$2.800 million towards capital works on an ongoing basis beginning in 2015-16. This has assisted Council in closing the infrastructure renewal gap and providing a sustainable level of annual funding for capital works.

In 2013, Council set a target to fully fund the cost of annual asset depreciation from operating revenue. The Strategic Resource Plan forecasts that this target will be achieved by 2019-20, despite the introduction of rate capping.

These measures mean that Council is able to manage the impact of rate capping, as the underlying issue of funding for infrastructure renewal has been addressed. However rate capping will still present challenges. The Strategic Resource Plan forecasts that Council can maintain sustainable budgets within the rate cap over the next decade. However this is based on a series of assumptions which include:

- Zero growth in staffing and other operating resources.
- No real-terms growth in service capacity.
- No changes to costs for planned major capital projects and no addition of new projects.
- No further cost shifting by State and Commonwealth Governments.
- Continuation of the Interface Growth Fund and other grants programs.

The Strategic Resource Plan will continue to be reviewed on an annual basis to assess the impact of rate capping and to address any issues arising from changes to the underlying assumptions.

Key projects and major initiatives funded in the 2016-17 Budget include the following:

#### Capital Works

- Eltham Leisure Centre \$11,950,000 (Year 2 of 3)
- Diamond Creek Trail extension \$2,000,000
- Plenty Landfill site rehabilitation \$1,745,800
- Eltham North Reserve pavilion works \$800,000
- Edendale Farm site improvements \$500,000
- Diamond Creek Trail – path connection to new footbridge \$250,000
- Solar panels for Community Bank Stadium, Diamond Creek \$200,000
- Kangaroo Ground War Memorial Tower access road \$170,000
- Research Park sports pavilion works \$150,000
- Research Shopping Centre public toilet upgrade \$100,000
- Diamond Creek town centre streetscape works \$80,000

#### Policy, Planning and Services Initiatives

- Green waste drop-off days \$75,000
- Liveable Nillumbik (Lot 1 Hurstbridge) \$95,000
- Yarrambat Township Plan \$60,000
- Heritage investigations \$30,000
- Health and Wellbeing Plan \$45,000
- Community health and medical transport \$112,875
- Community hub activation \$82,550
- Positive Ageing Strategy \$20,000
- Economic Development Strategy \$40,000
- Tourism campaigns and services \$32,000
- Cultural plan \$45,000
- Diamond Valley Sports and Fitness Centre master plan \$35,000
- Diamond Creek trail planning \$25,000
- Diamond Creek Gateway signage and landscaping \$15,000
- Hurstbridge streetscape design \$15,000
- Urban design for activity centres \$30,000
- 2016 Council election \$310,000

In addition to the major items listed above, the Budget continues to provide significant resources to maintain and develop infrastructure, including:

- Roads \$1,967,000
- Footpaths \$815,000
- Bridges \$1,000,000
- Drainage \$500,000
- Sports-grounds and pavilions \$392,000
- Major leisure centres and community halls \$745,000
- Recreation trails \$440,000
- Other Council buildings \$1,209,000
- Disability access works \$120,000
- Public open space and playgrounds \$395,000

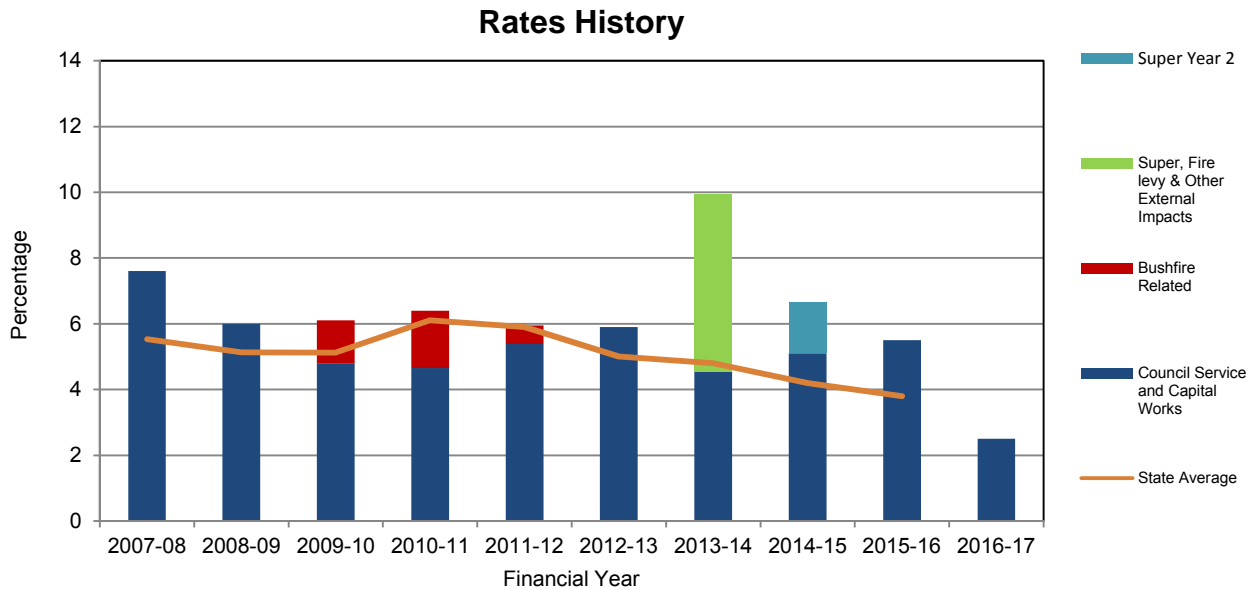
**Process**

The proposed budget will be exhibited for public consultation from 27 April 2016 to 26 May 2016. 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

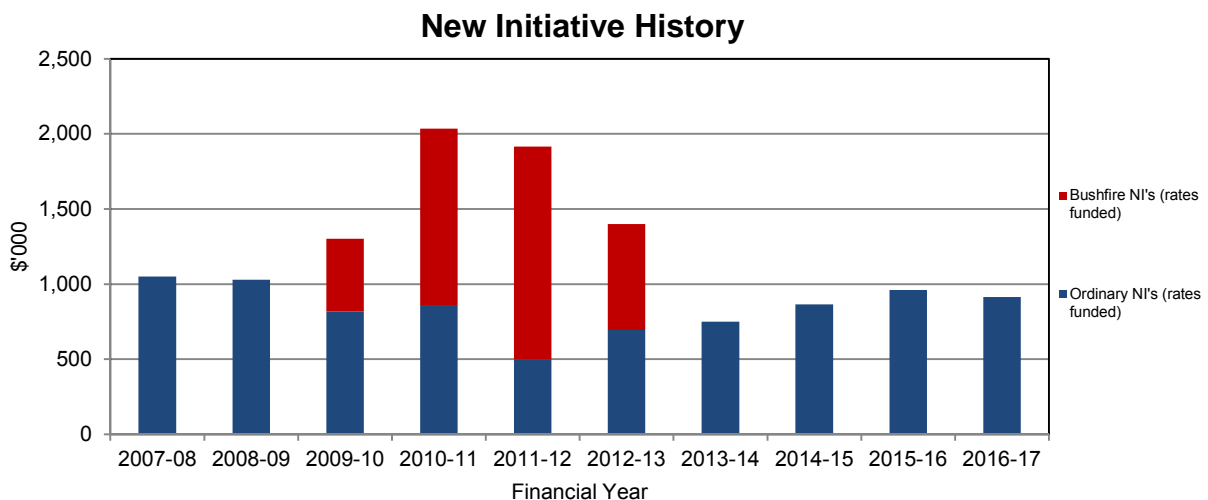
Council has prepared a Budget for the 2016-17 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget trends and outcomes information is provided below about the rates and charges increase, new initiative funding, borrowing, operating 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 2016-17 budget.

### 1. Rate trends and outcomes



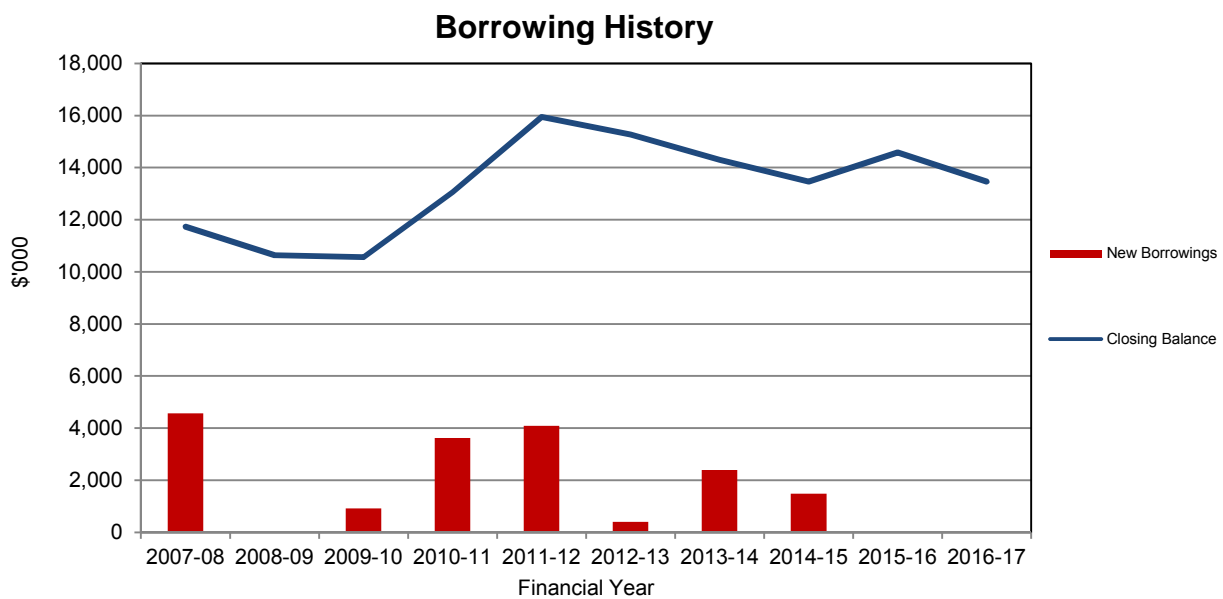
The graph above outlines Council's budgeted rate increases from 2007-08 to 2016-17 in comparison to the State average increase as published by the Municipal Association of Victoria in its annual rate report. For 2016-17, rates and charges will increase by an average of 2.5 per cent per assessment. The rate increase is reflective of the Victorian Government's rate capping legislation introduced for the 2016-17 budget. The rate cap applies to general rates and the municipal charge.

### 2. New Initiative trends and outcomes



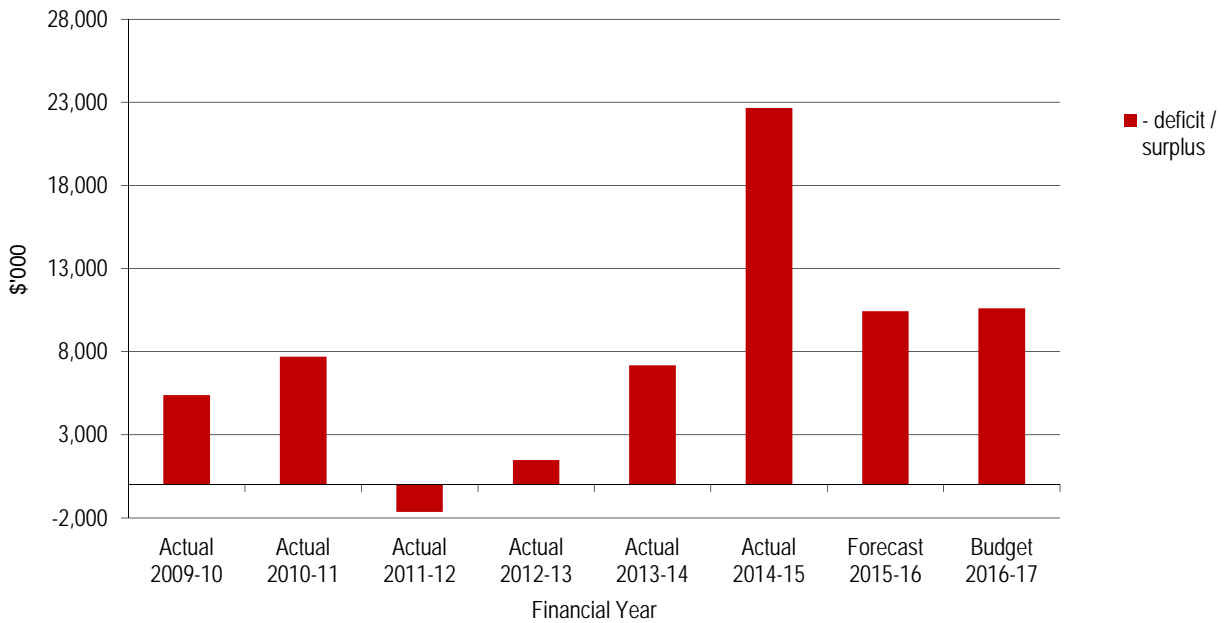
Each year Council makes provision for service delivery improvement and policy and strategy development through New Initiatives. The graph above outlines budgeted rate funding for both bushfire and ordinary service new initiatives from 2007-08 to 2016-17. While other funding sources are sought by Council to fund these projects (e.g. 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 one million was allocated to fund ordinary new initiative projects. By 2011-12, this had reduced to \$0.501 million. This reduction is greater when taking inflation into account. Whilst there has been increases in ordinary New Initiative funding since 2012-13, there is proposed to be a slight decrease in 2016-17. The overall expenditure is still slightly below 2008-09 levels.

### 3. Borrowing trends and outcomes



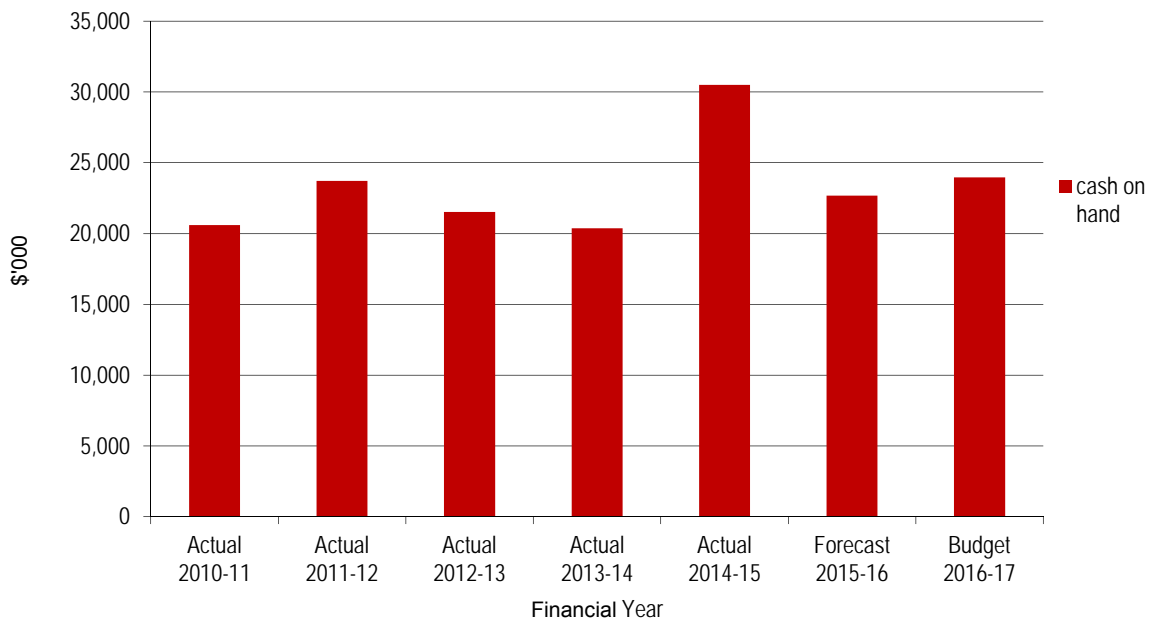
The graph above outlines Council's loan borrowing over the period 2007-08 to 2016-17. Due to timing of project completion, estimated borrowings in the budget may be carried over to other financial years and taken-up at the end of the year when the project is completed. Over the period 2009-10 to 2013-14, Council has undertaken some significant capital works projects that have required loan funding. These include the Civic Centre Refurbishment, Community Bank Stadium - Diamond Creek, Eltham Library and the Hurstbridge Family Centre which was completed in 2014. This borrowing has seen debt levels rise from \$10.570 million in 2009-10 to an estimated \$14.581 million in 2015-16. For 2016-17, Council is not anticipating any new borrowings for capital projects. 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 2016-17 year is a surplus of \$10.606 million which is similar to the forecast for 2015-16. When taking into account capital expenditure (instead of depreciation) and reserve and borrowing movements, Council is budgeting a rate determination method surplus of \$150,000, which is considered a minimum level for an organisation with a \$81.611 million operating income budget. Detailed operating income and expenditure by business unit have been included in the Appendix E for information.

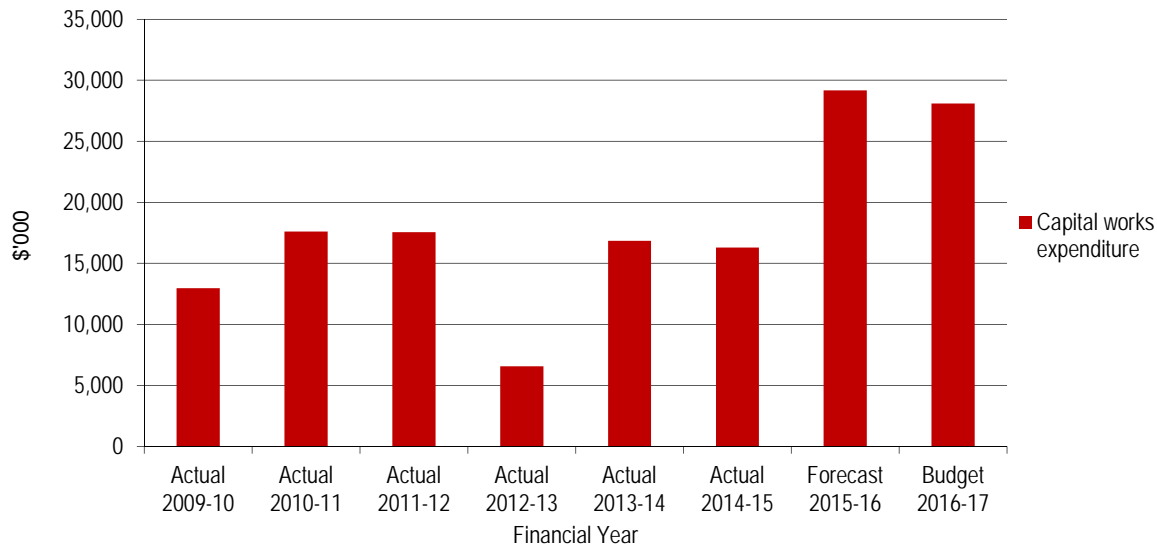
#### 5. Cash and investments





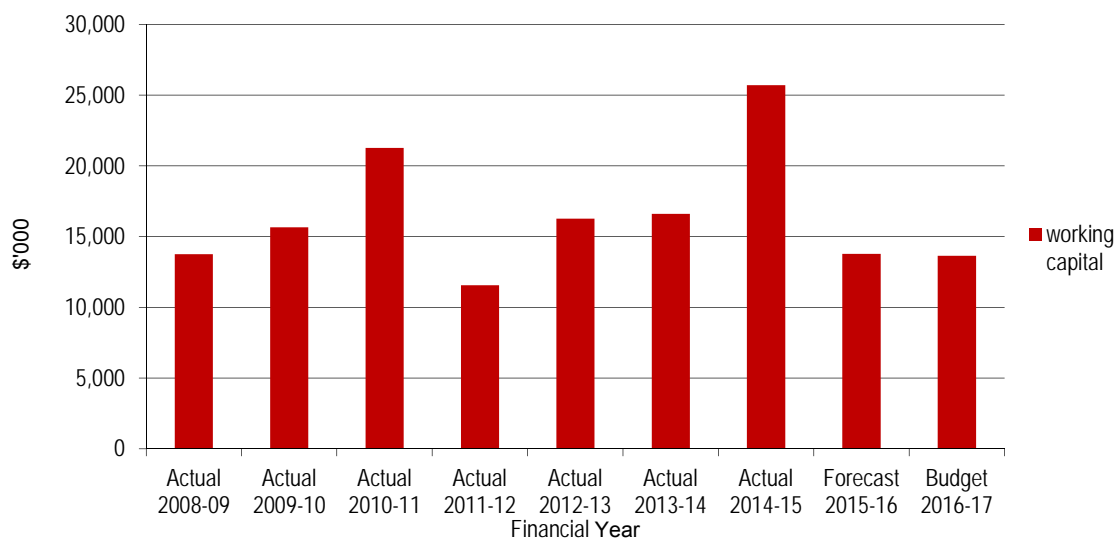
Cash and investments are expected to increase from the forecast 2015-16 year end position by \$1.273 million during the year to \$23.957 million as at 30 June 2017. This is due to overall movements in accounts receivables and accounts payables in 2015-16. The 2014-15 actual results for cash and equivalents shows an exceptionally large balance when compared to the forecast and budget years. This balance is due to cash set aside for capital projects which will be completed in the 2015-16 year, which can be seen in the table below, showing an increase in the capital works in 2015-16.

## 6. Capital works



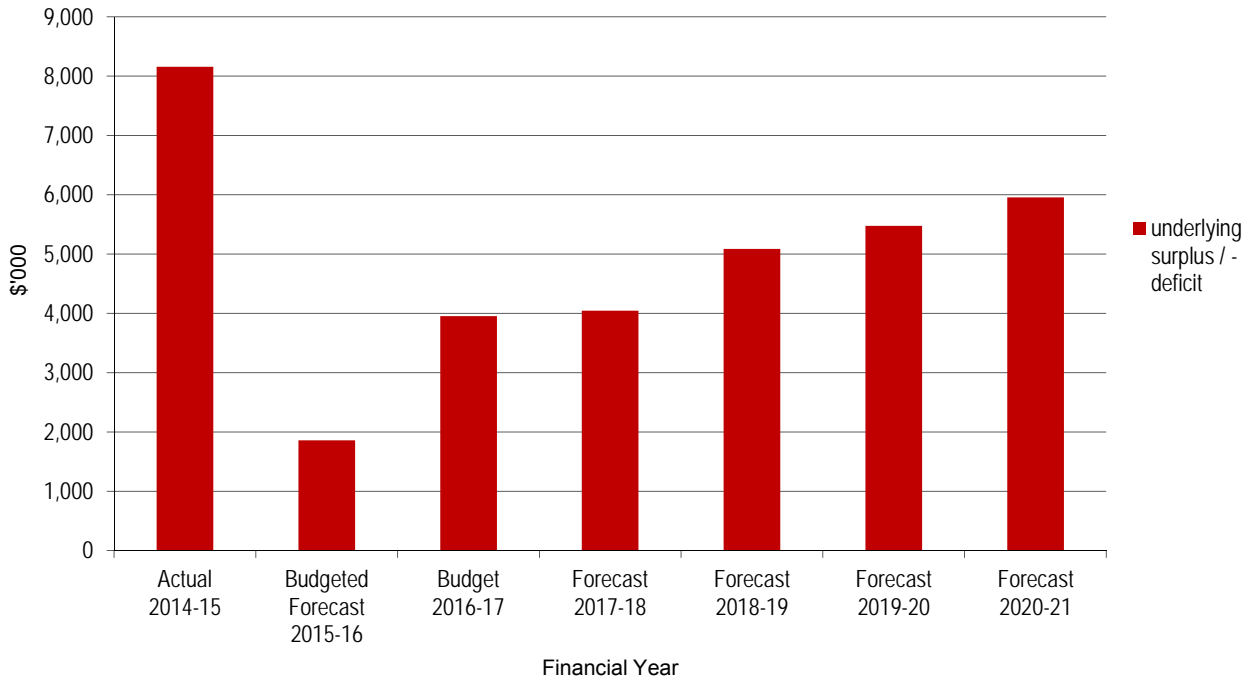
The Capital Works program for 2016-17 will be \$28.107 million, of which \$9.439 million will be funded by rates, \$6.653 million grants and contributions, \$11.744 million from Council reserves and \$0.271 million will be funded by revenue from fleet asset sales. The reduction from the 2015-16 Budget forecast reflects the inclusion of carry forward projects from 2014-15 in the 2015-16 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 the Eltham Leisure Centre Aquatic upgrade, Diamond Creek Trail extension, Edendale Farm site improvements, Diamond Creek Trail – path connection to new footbridge, Eltham North Reserve pavilion works, drainage renewal and upgrade works and rehabilitation works at Plenty landfill.

## 7. Financial Position



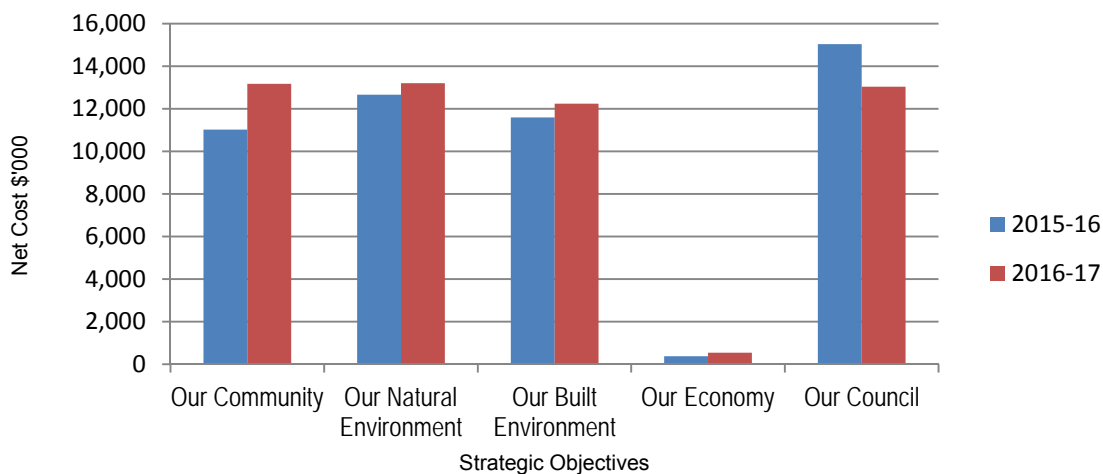
The financial position is expected to improve with net assets (net worth) to increase by \$10.550 million to \$683.427 million and net current assets (working capital) will decrease slightly by \$0.144 million to \$13.638 million as at 30 June 2017.

## 8. Financial sustainability



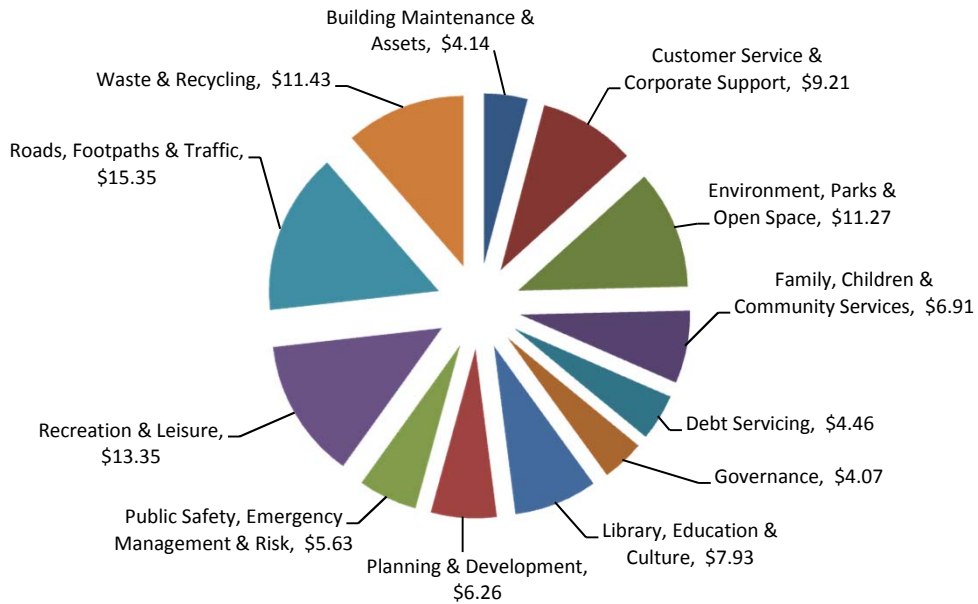
A Strategic Resource Plan (SRP) for the years 2016-17 to 2020-21 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the plan is to enhance the Council's financial sustainability in the medium to long term, while still achieving the organisation's strategic objectives as specified in the Council Plan. While the Plan projects that Council's operating result will be around \$10.550 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 2015-16 is due to operating grants and rates funded projects that were carried over from the 2014-15 year being included in the Forecast 2015-16 result. Once carry over funding is included in the analysis, the Forecast underlying surplus for 2015-16 would be \$1.862 million.

## 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 2016-17 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 \$100.00 of rates 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 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) (Refer to Appendix A), which forms part of the Council Plan. This provides a ten-year forecast of revenues and expenditures based on a series of assumptions. It identifies the resources necessary to implement the Council Plan over coming years. It also 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 (FSP) to guide Council's long-term approach to financial management. The 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.

## **Longer Term Financial Issues and Challenges**

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.

Council owns infrastructure assets with a net valuation (gross replacement cost less depreciation) of more than \$650 million. Apart from land, these assets comprise more than \$75 million in buildings and around \$300 million in other infrastructure such as roads, bridges, drains and footpaths. Council's assets depreciate at more than \$10 million per annum. Funding the annual cost for renewal of these existing assets is a major issue for Council. Underspending on asset renewal does not represent a saving to Council as it merely defers the expenditure until future years.

### **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 2.7 residents per assessment (compared to a state average of 1.8), Nillumbik rate assessments need to fund services for 50% 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 continues to address the funding gap for renewal and maintenance of existing infrastructure assets. Currently Council assets depreciate at more than \$10 million per annum, however Council has historically only spent a much lower amount on renewal of these assets. Underspending 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 2016-17 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) 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 2016-17 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

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 2016-17 budget is for the year 1 July 2016 to 30 June 2017 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2017 in accordance with the Act and Regulations and are consistent with the annual financial statements which are prepared in accordance with the Australian Accounting Standards and the Local Government Model Accounts. The budget 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 also includes a number of strategies including the Strategic Resource Plan, Rating Strategy (section 8) and Other Long Term Strategies (section 9), including borrowings and infrastructure.

A ‘proposed’ budget is prepared in accordance with the Act and submitted to Council in April for approval ‘in principle’. Council is then required to give ‘public notice’ that it intends to ‘adopt’ the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

With the introduction of the State Governments Rate Capping legislation in 2015 Councils are now unable to determine the level of rate increase and instead must comply with the rate capping framework as determined by the Minister for Local Government, which is announced in December for application in the following financial year.

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

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

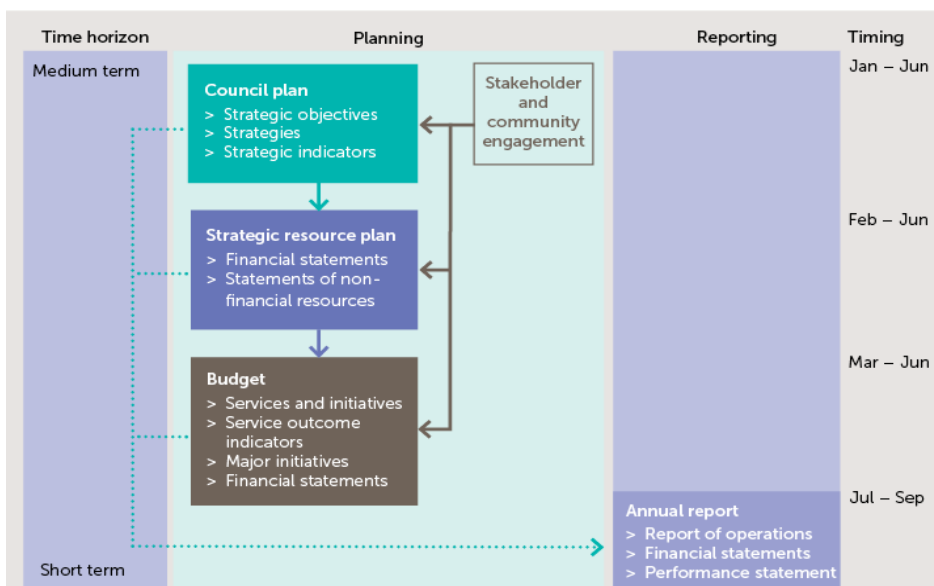
Budget process	Timing
1. Officers update Council's long term financial projections	Nov 2015 - Dec 2015
2. Officers prepare draft operating and capital budgets	Dec 2015 - Jan 2016
3. Council considers draft budgets at briefings of Councillors	Feb 2016 - Mar 2016
4. Proposed budget submitted to Council for approval	26 April 2016
5. Public notice advising intention to adopt budget	28 April 2016
6. Budget available for public inspection and comment	28 April 2016 - 27 May 2016
7. Community engagement process undertaken	28 April 2016 - 27 May 2016
8. Submissions period closes (28 days)	26 May 2016
9. Submissions considered by Policy and Services Committee	7 Jun 2016
10. Budget and submissions presented to Council for adoption	21 Jun 2016
11. Copy of adopted budget submitted to the Minister	23 Jun 2016

## 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 Environment, Land, Water and Planning

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.

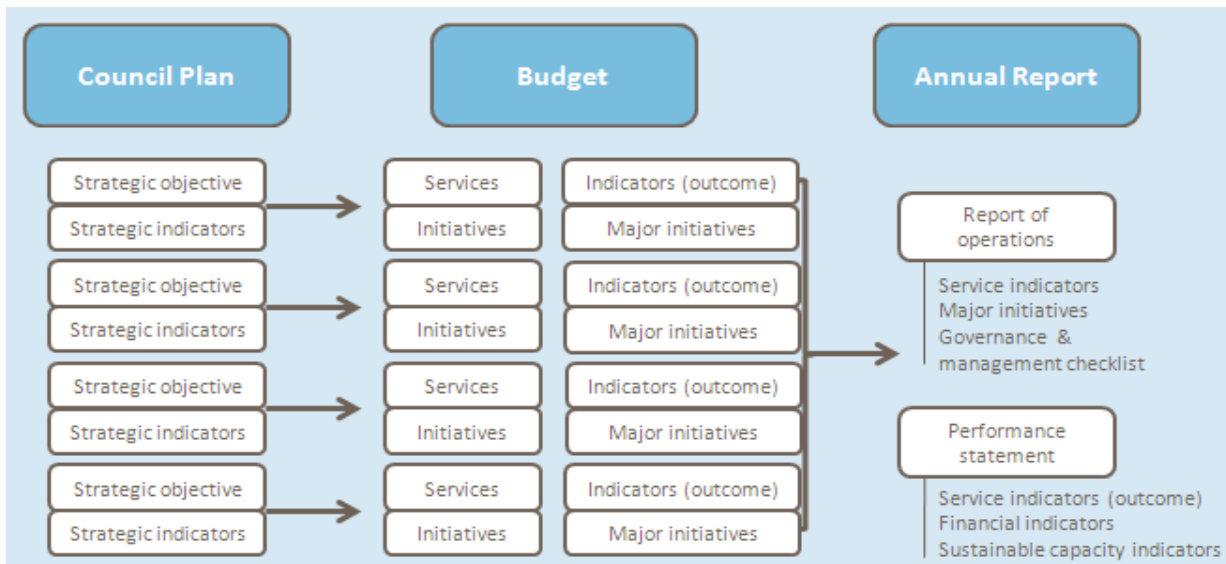
## 1.2 Strategic objectives

The Council delivers activities and initiatives under 30 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 five 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.	<p>Nillumbik has a healthy, active and connected local community that enjoys good health and strong engagement into education and employment.</p> <p>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.</p>
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.	<p>Nillumbik is known as the Green Wedge Shire – the 'lungs' of Melbourne - and more than 90% of the Shire is rural.</p> <p>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.</p>
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.	<p>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.</p> <p>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.</p>
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	<p>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.</p> <p>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.</p>
5. Our goal is to provide good governance, leadership and responsible financial management and to make decisions in an inclusive and transparent manner.	<p>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.</p> <p>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.</p>

## 2. Services, initiatives and service performance indicators

This section provides a description of the services and major initiatives to be funded in the Budget (excluding capital works) for the 2016-17 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also describes a number of service performance indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives and service performance outcome indicators in the Budget and report against them in their Annual report to support transparency and accountability. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan, along with the link to reporting in the Annual Report, is shown below.



Source: Department of Environment, Land, Water and Planning

### 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. The figures below exclude capital works.

#### Services

Service Area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Aged and Disability Services	Disability services; Aged services assessment; Home care; Home maintenance; Senior citizens centres; Delivered meals	2,719 (1,903) <b>816</b>
Animal Management	Animal regulation and pound	730 (863) <b>(133)</b>

Arts and Cultural Services	Art in public places and civic collection; Arts and cultural programs	660 (49) <b>611</b>
Children, Family and Youth Services	Pre-school centres and registration; Child-care centres; Occasional child-care; Playgroups; Youth services	1,448 (371) <b>1,077</b>
Community Development and Inclusion	Community centres and halls; Volunteer programs; Community transport; Community development; Community grants; Community health planning; Community festivals and events; inclusion of people with a disability	1,406 (275) <b>1,131</b>
Emergency Management	Bushfire mitigation planning, regulation and works; Emergency management planning; Relief and recovery preparedness; Disaster resilience programs	1,122 (18) <b>1,105</b>
Food Safety, Public Health and Immunisation	Food safety and health premises regulation; Public health protection and education; Immunisation services; Noise regulation	1,067 (525) <b>542</b>
Leisure Facilities and Services	Leisure centres; Swimming pools; Indoor sports stadiums; Sportsgrounds and Pavilions; Sporting clubs tenancy and support; Recreation trails; Golf course; Playgrounds; Recreation and open space planning	9,407 (6,961) <b>2,446</b>
Libraries and Community Education	Libraries; Living and Learning Centres; Edendale Community Environment Farm	5,793 (1,578) <b>4,215</b>
Maternal and Child Health	Maternal and Child Health	1,204 (326) <b>878</b>
Parking and Local Laws	Car parking regulation; Amenity protection and Local Law permits	533 (583) <b>(50)</b>
School Crossings	School crossings	697 (161) <b>536</b>
<b>Major New Initiatives (income and expenditure included in the above activities)</b>		<b>\$'000</b>
1)	<u>Community and Medical Transport</u> - Deliver a community transport program for the aged, disabled and otherwise transport-disadvantaged across the Shire.	113 (69) <b>44</b>
2)	<u>Community infrastructure broker</u> - Strengthening relationships with key government departments and agencies in the partnership approach to planning and delivery of community infrastructure. The 12 month position is part-funded by State Government	68 (34) <b>34</b>

3)	<u>Diamond Creek Trail Planning - Design and Planning Scheme Amendment for proposed Diamond Creek Trail extension</u>	25 - <b>25</b>
4)	<u>Diamond Valley Sports and Fitness Centre (DVSC) Masterplan - The Masterplan will guide the DVSC future development, management and programming opportunities to reflect current and future community needs</u>	35 (21) <b>14</b>
5)	<u>Feasibility Study North East Regional Paddle Sports Centre at Westerfolds Park - Detailed investigations on feasibility of proposed facility at Westerfolds Park, Templestowe</u>	5 - <b>5</b>
6)	<u>Implementation 2011-2017 Cultural Plan Year 6 - The delivery of a public art season which will see participatory arts interventions throughout Nillumbik, the development of partnerships between artists and local traders creating a focus on economic development, and the activation of public spaces and place-making.</u>	45 (20) <b>25</b>
7)	<u>Implementation of Municipal Health and Wellbeing Plan - Drug and alcohol strategy and implementation, Mental health advocacy project (Nillumbik mental health nursing service model), Men's health advocacy initiative.</u>	45 - <b>45</b>
8)	<u>Integrated service and community hub activation - Coordination of services and development of Hurstbridge Community Hub, St Andrews and the northern part of the Shire.</u>	83 (12) <b>71</b>
9)	<u>Liveable Nillumbik (Lot 1 Hurstbridge) Year 3 - Master Plan to include parking and traffic study, disability audits, streetscape improvements detailed design planning permit and specialist advise and facilitation.</u>	95 - <b>95</b>
10)	<u>Positive Ageing Strategy Implementation - Senior's week program, Heatwave initiative, Positive Ageing Reference group capacity development, and Residential Care review and need analysis.</u>	20 - <b>20</b>
11)	<u>Regional facility planning for high-ball courts and soccer - Collaboration with community and project stakeholders in planning a future facility across the sub-region.</u>	10 - <b>10</b>

#### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Home and Community Care (HACC)	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 Culturally and Linguistically Diverse (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 (MCH)	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100
		Participation in the MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children who are enrolled in the MCH service] x 100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
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 outcome notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome 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

Service Area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Environment and Conservation	Environmental planning and policy; Water quality and conservation;	1,163
	Biodiversity protection; Land management advice; Landcare support;	(21)
	Weed and pest control; Environmental education and events;	1,142
	Sustainable design advice and energy efficiency programs	

Parks and Reserves Maintenance	Maintenance of parks, sportsgrounds, conservation reserves, street trees and public spaces; Roadside vegetation management	5,260 (23) <b>5,236</b>
--------------------------------	--	-------------------------------

Recycling and Waste Services	Collection of household waste and litter; Hard waste collection; Recycling; Green waste; Transfer station; Waste education; Landfill rehabilitation	7,487 (659) <b>6,828</b>
------------------------------	---	--------------------------------

<b>Major New Initiatives (income and expenditure included in the above activities)</b>		<b>\$'000</b>
12)	<u>Green Waste drop-off days</u> - Two green waste drop off days delivered.	76 - <b>76</b>

### 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

Service Area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Building Regulation	Building permits, safety and regulation	741 (314) <b>428</b>
Infrastructure Design, Construction and Transport	Design for capital works projects including roads, bridges, drainage, landscapes, traffic treatments; Co-ordination of capital works procurement and construction. Engineering assessment of planning applications and approval of subdivision works. Traffic control and road safety; Advocacy on public transport and main roads; Street lighting	2,357 (1,241) <b>1,115</b>
Planning Enforcement	Enforcement of planning scheme and permit conditions	211 (21) <b>189</b>

Property, Fleet and Asset Management	Infrastructure asset management and planning; Building maintenance and fencing; Property management; Fleet management	10,995 (8,176) <b>2,819</b>
Road and Drainage Maintenance	Maintenance of local roads and road bridges, pedestrian bridges, footpaths, trails, drains, bus shelters	5,058 (2) <b>5,056</b>
Statutory Planning	Planning applications; Subdivision applications	2,392 (344) <b>2,047</b>
Strategic Planning	Land use planning and policy; Planning scheme management; Activity centre planning; Heritage protection	650 (60) <b>590</b>
<b>Major New Initiatives (income and expenditure included in the above activities)</b>		<b>\$'000</b>
13)	<u>Corporate Asset Register System</u> - Review of organisational asset management requirements with a view to implementing a single comprehensive asset management system to manage all assets.	45 - <b>45</b>
14)	<u>Diamond Creek Windy Mile</u> - Entry sign and landscaping at the western approach to the Windy Mile.	15 - <b>15</b>
15)	<u>Essential Safety Measures (ESM) in Council buildings (ongoing)</u> - Enable Council's existing ESM inspection program to be extended to include an additional 26 buildings.	55 - <b>55</b>
16)	<u>Heritage Investigations (Year 2 of 5)</u> - Allow Council to further investigate 148 places on the Potential Heritage database as required under the Planning & Environment Act 1987 and inline with its adopted Heritage Strategy and the Council Plan.	30 - <b>30</b>
17)	<u>Hurstbridge Streetscape design</u> - Planning and design for future Hurstbridge streetscape improvements.	15 - <b>15</b>
18)	<u>Urban design advice for apartment developments</u> - Additional resourcing to obtain expert urban design advice from a consultant for use at pre-application meetings for any apartment developments within activity centres.	10 - <b>10</b>

19)	<u>Urban design pattern book for intensive developments</u> - Assemble and make available to the development community a collection of photos and plans showing high quality developments which showcase quality, higher density designs to aid in informing better design outcomes in activity centres.	20 - <b>20</b>
20)	<u>Yarrambat township development contributions plan (Year 1 of 2)</u> - Funding for the completion of the Yarrambat Township Plan.	60 <b>(60)</b> -

### 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 that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

## 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

Service Area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Tourism and Business Support	Tourism funding and support; Local community and farmers' markets; Local business networks, training and seminars	941 <b>(387)</b> <b>554</b>

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

21)	<u>Conversion of part-time Business Development officer to full-time</u> - Enable the delivery of the actions with the revised Economic Development Strategy (2017 to 2021); implementing the marketing and promotional activities within the Artisan Hills marketing plan and Destination Management Plan.	33 - <b>33</b>
-----	---	----------------------



22)	<u>New Economic Development Strategy implementation (Year 1 of 5) - 2017-2021 - Delivery of the Year 1 actions within the adopted Economic Development Strategy by June 2017.</u>	40 - <b>40</b>
23)	<u>Visiting friends and relatives campaign (Year 1 of 2) - enable the expansion of Visiting Friends and Relatives campaign, building on the existing strengths of the region to expand visitation to the region.</u>	22 - <b>22</b>
24)	<u>Visitor information services review (Year 1 of 2) - Provides improved visitor information at popular attractions to strengthen dispersal of visitors across Nillumbik, thus increasing expenditure across the municipality.</u>	10 - <b>10</b>

## 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

Service Area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Communications	Website; Electronic and print communication; Community consultation and engagement; Media liaison	667 (3) <b>664</b>
Customer Service	Reception; Call centre;	546 (4) <b>542</b>
Finance and Insurance	Finance and procurement; Rates and property valuations; Audit; Risk management and insurance	7,342 (3,662) <b>3,680</b>
Governance	Council and Committee meetings; Civic functions and citizenship ceremonies; Australia Day awards; Elections; Statutory governance requirements; Mayor and Councillor resources and support services; Local government sector and regional advocacy	2,536 (60) <b>2,476</b>
Information and Technology	Information technology; Records management; On-line services; Telecommunications	4,484 - <b>4,484</b>
Organisation Development	Recruitment and selection; Staff learning and development; Employee and industrial relations; Safety, health and well-being; Organisational development and performance	1,226 (30) <b>1,196</b>
<b>Major New Initiatives (income and expenditure included in the above activities)</b>		<b>\$'000</b>
25)	<u>2016 Council Elections and provision of Councillor equipment - Conduct of election by Victorian Electoral Commission and provision of equipment to elected Councillors.</u>	310 (60) <b>250</b>

## 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 the performance of Council 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 *Local Government Act 1989* and included in the 2016-17 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General office (VAGO) 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	13,174	26,788	(13,614)
Our Natural Environment	13,207	13,909	(703)
Our Built Environment	12,244	22,404	(10,159)
Our Economy	556	943	(387)
Our Council	13,043	16,802	(3,759)
<b>Total services &amp; initiatives</b>	<b>52,223</b>	<b>80,846</b>	<b>(28,623)</b>
<b>Other non-attributable</b>			
Depreciation and amortisation	9,994		
Debt redemption	(842)		
Written down value of asset sold	7,771		
Transfer to and from reserves	(11,288)		
<b>Deficit before funding sources</b>	<b>57,858</b>		
Rates & charges	(61,812)		
Capital grants & contributions	(6,653)		
<b>Total funding sources</b>	<b>(68,464)</b>		
<b>(Surplus) / Deficit for the year</b>	<b>(10,606)</b>		

## 2.8 Reconciliation with Rate Determination Outcome

The rates and charges increase required for 2016-17 was determined after analysing the resources needed to fund Council's operational and capital projects. Council aims for a modest cash surplus of \$150,000 after considering all operational requirements, debt repayment commitments and capital works requirements.

	<b>Net Cost (Revenue) \$'000</b>	<b>Expenditure \$'000</b>	<b>Revenue \$'000</b>
Our Community	13,174	26,788	(13,614)
Our Natural Environment	13,207	13,909	(703)
Our Built Environment	12,244	22,404	(10,159)
Our Economy	556	943	(387)
Our Council	13,043	16,802	(3,759)
<b>Total services &amp; initiatives</b>	<b>52,223</b>	<b>80,846</b>	<b>(28,623)</b>
Rates funded capital expenditure	9,439		
<b>Deficit before rates funding</b>	<b>61,662</b>		
Rates & charges	(61,812)		
<b>Total rates funding</b>	<b>(61,812)</b>		
<b>Surplus for the year</b>	<b>(150)</b>		

### 3. Analysis of operating budget

This section analyses the expected revenues and expenses of the Council for the 2016-17 year.

#### 3.1 Budgeted income statement

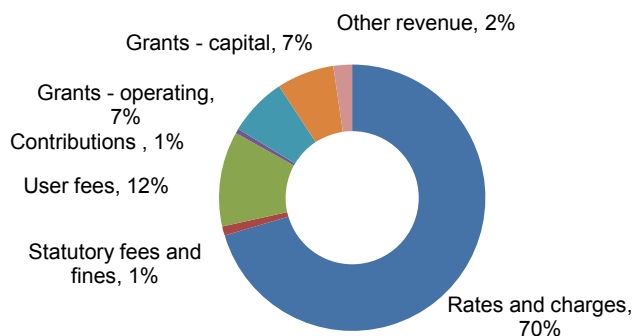
	Ref	Forecast 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
Total income	3.2	92,035	88,364	(3,671)
Total expenses	3.3	(81,599)	(77,758)	3,841
<b>Surplus (deficit) for the year</b>		<b>10,437</b>	<b>10,606</b>	<b>169</b>
Grants – capital non-recurrent	3.2.6	(8,069)	(6,135)	1,934
Contributions - non-monetary assets		-	-	-
Capital contributions - other sources	3.2.4	(506)	(518)	(12)
<b>Adjusted underlying surplus (deficit)</b>		<b>1,862</b>	<b>3,953</b>	<b>2,091</b>

##### 3.1.1 Adjusted underlying surplus (\$2.091 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 2016-17 year is a surplus of \$3.953 million which is an increase of \$2.091 million from the 2015-16 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year. The lower forecast for 2015-16 is due to operating grants and rates funded projects that were carried over from the 2014-15 year being included in the Forecast 2015-16 result.

#### 3.2 Operating revenue

Revenue Types		Forecast 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
Rates and charges	3.2.1	60,394	62,224	1,830
Statutory fees and fines	3.2.2	953	974	21
User fees	3.2.3	11,774	10,202	(1,572)
Contributions	3.2.4	506	518	12
Grants - operating	3.2.5	8,292	6,293	(1,999)
Grants - capital	3.2.6	8,069	6,135	(1,934)
Net gain on sale of assets	3.2.7	-	-	-
Other revenue	3.2.8	2,047	2,018	(29)
<b>Total operating revenue</b>		<b>92,035</b>	<b>88,364</b>	<b>(3,671)</b>



Source: Appendix A

### 3.2.1 Rates and charges (\$1.830 million increase)

The projected outcome for 2016-17 rates and charges revenue is \$62.224 million, which includes rates income from supplementary valuations and special rates, as well as the general rates and charges. Rates and charges will increase by an average of 2.50 per cent per assessment. The variance of \$1.830 million represents a 3.03 per cent increase from the 2015-16 forecast and reflects adjustments for supplementary rate revenue received during 2015-16.

### 3.2.2 Statutory fees and fines (\$21,000 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.

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

### 3.2.3 User fees (\$1.572 million decrease)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include 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 generated from user charges has increased driven by the increase in charges as listed in Appendix G "Nillumbik Shire Council 2016-17 Fees and Charges". There is an overall projected decrease in revenue generated by 13.35 per cent. The main driver for this is a reduction in revenue from the temporary closure of the Eltham Leisure Centre during the redevelopment of the aquatics facilities. This results in a reduction in operating income of \$2.067 million, which is largely offset by a reduction in materials and services expenditure.

### 3.2.4 Contributions (\$0.012 million increase)

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 increase slightly \$0.012 million from the 2015-16 Budget forecast.

### 3.2.5 Grants - Operating (\$1.999 million 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 24.11 per cent or \$1.999 million compared to the 2015-16 Budget forecast. This reduction is mainly due to a reduction in New Initiative grant funding relating to projects carried forward from 2014-15 to 2015-16 as well as a reduction in the General Purpose grants. Refer to Appendix F for a listing of operating grant funding types and sources.

### 3.2.6 Grants - Capital (\$1.934 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 48.31 per cent or \$1.934 million compared to the 2015-16 Budget forecast due mainly to specific funding for large capital works projects in 2015-16 including the Eltham Community Reception Centre upgrade and the new pavilion at the Eltham North Reserve. Section 5. Analysis of Capital Budget includes a more detailed analysis of the grants and contributions expected to be received during the 2016-17 year.

### 3.2.7 Net gain on sale of assets

There are anticipated land sales to the value of \$7.500 million in the 2016-17 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 2016-17.

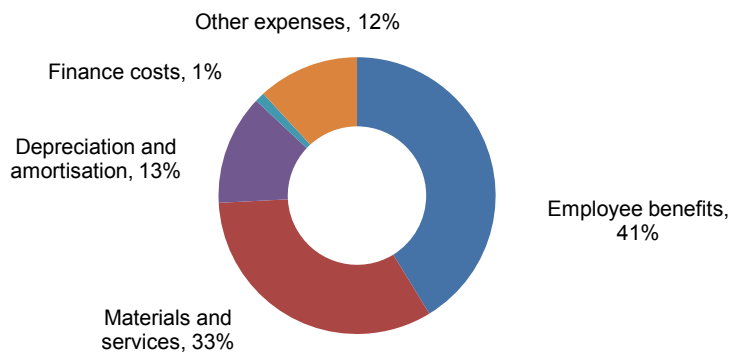
### 3.2.8 Other revenue (\$0.029 million decrease)

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, future investment income and valuation sales estimates have been the major drivers for this reduction.

Other revenue is forecast to drop by 1.42 per cent or \$0.029 million compared to the 2015-16 Budget forecast.

## 3.3 Operating expenditure

Expenditure Types	Ref	Forecast 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
Employee benefits	3.2.1	31,451	32,073	622
Materials and services	3.2.2	29,708	25,589	(4,119)
Bad and doubtful debts		-	-	-
Depreciation and amortisation	3.2.3	9,776	9,994	218
Finance costs	3.2.4	995	892	(103)
Other expenses	3.2.5	9,669	9,210	(459)
<b>Total operating expenditure</b>		<b>81,599</b>	<b>77,758</b>	<b>(3,841)</b>



Source: Appendix A

### 3.3.1 Employee benefits (\$0.622 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 \$0.622 million compared to the 2015-16 forecast. This increase relates to three key factors:

- Salaries and wages have been increased based on the Enterprise Agreement increment of 3.1 per cent.
- The residual increase relates to award increments, remuneration reviews, casual resources, and permanent staff numbers funded by government grants and additional revenue or rates.

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

Department	Budget 2016-17 \$'000	Composition			
		Permanent Full Time \$'000	Permanent Part Time \$'000	Limited Tenures \$'000	Casual \$'000
Infrastructure Services	11,117	10,867	237	-	13
Environment and Planning	6,234	4,979	1229	-	26
Community and Leisure	6,917	2,885	3456	211	365
Corporate Services	5,992	4,365	1618	-	9
Executive Services	548	548	-	-	-
<b>Total</b>	<b>30,808</b>	<b>23,644</b>	<b>6,540</b>	<b>211</b>	<b>413</b>

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

Department	Budget FTE	Compositio		
		Permanent Full Time	Permanent Part Time	Limited Tenures
Infrastructure Services	123.72	121.00	2.72	-
Environment and Planning	64.33	48.15	16.18	-
Community and Leisure	64.80	26.45	36.25	2.10
Corporate Services	57.22	39.62	17.60	-
Executive Services	3.00	3.00	-	-
<b>Total</b>	<b>313.07</b>	<b>238.22</b>	<b>72.75</b>	<b>2.10</b>

An analysis of employee benefits cost by departments changes from the 2015-16 Forecast to 2016-17 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 2015-16 \$'000	Budget 2016-17 \$'000	Variance EFT's
	Permanent	309.68	310.97
Limited tenures	4.03	2.10	(1.93)
<b>Total EFT</b>	<b>313.71</b>	<b>313.07</b>	<b>(0.64)</b>

### 3.3.2 Materials and services (\$4.119 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 13.86 per cent or \$4.119 million compared to the 2015-16 Budget forecast.

The decrease in materials and services expenditure in 2016-17 is primarily due to the carry over of budgeted new initiatives from 2014-15 to 2015-16 totalling \$1.827 million. Another contributing factor is the temporary closure of the Eltham Leisure Centre during the redevelopment of the aquatics facilities, which results in a reduction in operating expenditure of \$1.740 million.

### 3.3.3 Depreciation and amortisation (\$0.218 million 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 \$0.218 million for 2016-17 reflects the actual trend that has been demonstrated in recent years and the recognition of major new assets onto the asset register. Refer to section 5 Analysis of Capital Budget for a more detailed analysis of Council's capital works program for the 2016-17 year.

### 3.3.4 Finance costs (\$0.103 million decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The decrease (10.35 per cent compared to 2015-16 forecast) is a result of existing loans life cycles reducing resulting in less interest to be repaid as well as no new borrowings anticipated in 2016-17 for capital works projects.

### 3.3.5 Other expenses (\$0.459 million decrease)

Other expenses relate to a range of unclassified items including library costs, contributions to community groups, advertising, insurances, motor vehicle registrations and other miscellaneous expenditure items. Other expenses are forecast to decrease by 4.75 per cent or \$0.459 million compared to the 2015-16 Budget forecast.

## 3.4 Underlying result

	Budget	Forecast	Budget	Variance
	2015-16	2015-16	2016-17	Budget
	\$'000	\$'000	\$'000	2016-17 to
				Forecast
				\$'000
<b>Surplus (deficit) for the year</b>	<b>8,338</b>	<b>10,437</b>	<b>10,606</b>	<b>170</b>
Net gain on disposal of property, infrastructure, plant and equipment	-	-	-	-
Grants – Capital	(4,517)	(8,069)	(6,135)	1,934
Contribution- Capital	(105)	(506)	(518)	(12)
<b>Underlying surplus (deficit) from P/L</b>	<b>3,716</b>	<b>1,862</b>	<b>3,953</b>	<b>2,092</b>
Prior Year Revenue to fund programs /projects		4,394		(4,394)
<b>Underlying surplus (deficit) incl. Prior Year Revenue</b>	<b>3,716</b>	<b>6,255</b>	<b>3,953</b>	<b>(2,302)</b>

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 2016-17 year is a surplus of \$3.953 million, which is an increase of \$2.092 million over the 2015-16 Budget forecast based on operating income and expenditure. The projected surplus in the 2015-16 Forecast relates to operating grants and/or rate funded projects carried over from the 2014-15 year. Once this prior year funding is taken into account, the underlying surplus is \$6.255 million for 2015-16.



## 4. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2016-17 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

- **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 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
<b><i>Cash flows from operating activities</i></b>	4.1.1			
Rates and charges		63,553	63,339	(214)
Statutory fees and fines		953	974	21
User fees		11,774	10,202	(1,572)
Grants - operating		8,292	5,922	(2,370)
Grants - capital		8,869	6,135	(2,734)
Contributions - monetary		506	518	12
Interest received		918	880	(38)
Dividends received		-	-	-
Trust funds and deposits taken		-	-	-
Other receipts		3,395	1,509	(1,886)
Net GST refund / payment		-	-	-
Employee costs		(30,692)	(31,886)	(1,194)
Materials and services		(25,255)	(24,337)	918
Trust funds and deposits repaid		-	-	-
Other payments		(10,214)	(9,913)	302
<b>Net cash provided by / (used in) operating activities</b>		32,099	23,344	(8,756)
<b><i>Cash flows from investing activities</i></b>	4.1.2			
Proceeds from sale of property, infrastructure, plant and equipment		6,172	7,771	1,599
Payments for property, infrastructure, plant and equipment		(29,165)	(28,107)	1,058
Payments for investments		-	-	-
Proceeds from sale of investments		-	-	-
Loan and advances made		-	-	-
Payments of loans and advances		-	-	-
<b>Net cash provided by / (used in) investing activities</b>		(22,993)	(20,336)	2,657

<b>Cash flows from financing activities</b>	4.1.3			
Finance costs		(995)	(892)	103
Proceeds from borrowings		1,484	0	(1,484)
Repayment of borrowings		(801)	(842)	(41)
<b>Net cash provided by / (used in) financing activities</b>		(312)	(1,734)	(1,422)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>8,794</b>	<b>1,274</b>	<b>(7,521)</b>
Cash and cash equivalents at the beginning of the year		13,890	22,684	8,794
<b>Cash and cash equivalents at end of the financial year</b>	4.1.4/4.2	<b>22,684</b>	<b>23,957</b>	1,273

#### 4.1.1 Operating activities (\$8.756 million decrease)

The decrease in cash inflows from operating activities when compared to the 2015-16 Budget forecast is mainly due to one off grant funding received in prior year. This is not considered an issue for operating purposes in 2016-17 year and also in outer years as Council relies on its own source revenue streams to fund all operating requirements. This can be evidenced in the adjusted underlying surplus ratio in Appendix I "Financial Sustainability Performance".

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 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>10,437</b>	<b>10,606</b>	170
Depreciation	9,776	9,994	219
Loss (gain) on sale of assets	-	-	-
Net movement in current assets and liabilities	11,887	2,744	(9,144)
<b>Cash flows available from operating activities</b>	<b>32,099</b>	<b>23,344</b>	(8,756)

#### 4.1.2 Investing activities (\$2.657 million increase)

There is a slight improvement from prior year as a result of no increase in planned purchasing of Property, Plant and Equipment and a expected consistent result on proceeds of sale when compared to prior year.

#### 4.1.3 Financing activities (\$1.422 million decrease)

In 2016-17, Council continues to make repayments on existing loans. As previously mentioned there no new borrowings projected for 2016-17.

#### 4.1.4 Cash and cash equivalents at end of the year (\$1.273 million increase)

Overall, total cash and investments is forecast to increase by \$1.273 million to \$23.957 million as at 30 June 2017. Council continues to maintain a strong cash/cash equivalent balance.

## 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 2017 it will have cash and investments of \$23.957 million, which has been restricted as shown in the following table.

	Ref	Forecast 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
<b>Total cash and investments</b>		22,684	23,957	1,273
Restricted cash and investments				
- Statutory reserves	4.2.1	(6,830)	(8,227)	(1,397)
- Discretionary reserves	4.2.2	(8,650)	(6,523)	2,127
- Long service leave	4.2.3	(5,315)	(5,447)	(132)
<b>Unrestricted cash and investments</b>	<b>4.2.4</b>	<b>1,889</b>	<b>3,760</b>	<b>1,871</b>

Source: Appendix A

### 4.2.1 Statutory reserves (\$1.397 million 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 (\$2.127 million decrease)

These funds are not tied to a specific purpose and if needed Council can deploy these funds if required on other Council projects. 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 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 (\$0.132 million 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 (\$1.871 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.

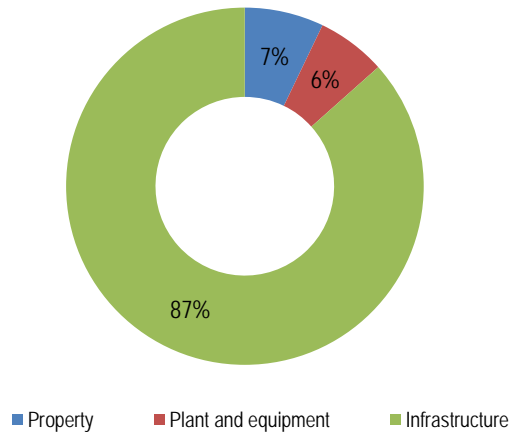
## 5. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2016-17 year and the sources of funding for the capital budget.

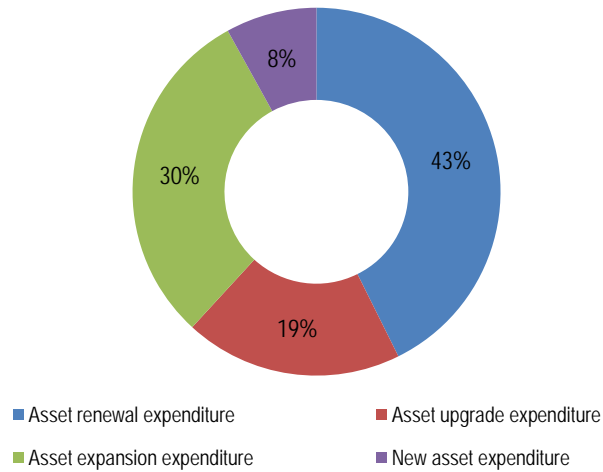
### 5.1 Capital works

Capital Works Areas	Ref	2016-17 %	Forecast 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
<b>Property</b>	5.1.1				
Land		-	-	-	-
Land improvements		-	-	-	-
Total land			-	-	-
Buildings		7	1,439	2,009	570
Building improvements		-	-	-	-
Leasehold improvements		-	-	-	-
Heritage buildings		-	-	-	-
Total buildings			1,439	2,009	570
<b>Total property</b>			1,439	2,009	570
<b>Plant and equipment</b>	5.1.2				
Plant, machinery and equipment		6	352	1,570	1,218
Fixtures, fittings and furniture		1	330	185	(145)
Computers and telecommunications		-	-	-	-
Heritage plant and equipment		-	-	-	-
Library books		-	-	-	-
<b>Total plant and equipment</b>			682	1,755	1,073
<b>Infrastructure</b>	5.1.3				
Roads		10	3,980	2,739	(1,241)
Bridges		4	884	1,000	116
Footpaths and cycleways		3	5,906	815	(5,091)
Drainage		2	730	600	(130)
Recreational, leisure and community facilities		59	9,269	16,717	7,448
Waste management		6	1,051	1,746	695
Parks, open space and streetscapes		1	1,780	380	(1,400)
Aerodromes		-	-	-	-
Off street car parks		-	-	-	-
Other infrastructure		1	3,444	346	(3,098)
<b>Total infrastructure</b>			27,044	24,343	-2,701
<b>Total capital works expenditure</b>		100	29,165	28,107	(1,058)
<b>Represented by:</b>					
Asset renewal expenditure	5.1.4		7,930	11,992	4,062
Asset upgrade expenditure	5.1.4		10,038	5,378	(4,660)
Asset expansion expenditure	5.1.4		8,945	8,488	(457)
New asset expenditure	5.1.4		2,252	2,249	(3)
<b>Total capital works expenditure</b>			29,166	28,107	(1,059)

**Budgeted total capital works by class  
2016-17**



**Budgeted total capital works by type 2016-17**



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

**5.1.1 Property (\$2.009 million)**

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

For the 2016-17 year, \$3.310 million will be expended on building and building improvement projects. The more significant projects include Other Council Buildings renewal and upgrade (\$0.600 million), Edendale Farm - site improvements (\$0.500 million) and Solar panels - council buildings (\$0.200 million).

**5.1.2 Plant and equipment (\$1.755 million)**

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

For the 2016-17 year, \$1.755 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$1.570 million) and indicative playground renewal funding (\$0.165 million).

### 5.1.3 Infrastructure (\$24.343 million)

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

For the 2016-17 year, \$2.740 million will be expended on road projects. The more significant projects include Periodic Maintenance (reseals & resheeting) (\$1.308 million), Road Sealing/Rehabilitation Program (\$0.560 million), Development Planning Overlay 2 traffic works (\$0.488) and Traffic Improvement Program (\$0.200 million).

\$16.717 million will be expended on recreational, leisure and community facilities. The more significant of these include Eltham Leisure Centre Aquatic upgrade (\$11.950 million), Diamond Creek Trail (\$2.000 million), New Pavilion at Eltham North Reserve (\$0.800 million), Diamond Creek Trail on Road (\$0.750 million), major leisure centres & community halls renewal (\$0.535 million) and sports fields, pavilions and fence renewal (\$0.170 million)

\$0.815 million will be expended on footpath construction and renewal program projects.

\$0.500 million will be expended on drainage renewal and upgrade projects.

\$1.746 million will be expended on Waste Management in relation to the rehabilitation of the Plenty landfill.

\$1.000 million will be expended on Bridge rehabilitation works.

Other infrastructure expenditure includes Disability access works (\$0.120 million) and Street tree planting (\$81,000).

### 5.1.4 Asset renewal (\$11.992 million), upgrade (\$5.378 million), new assets (\$2.249 million) and expansion (\$8.488 million)

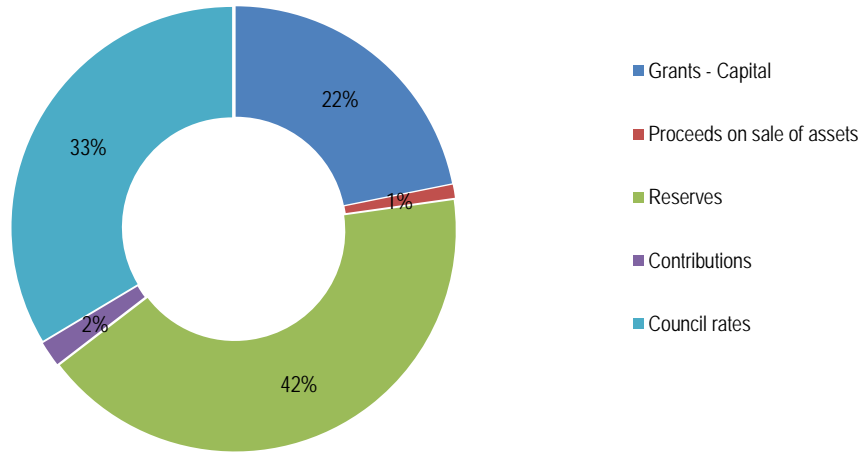
A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have 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 in the above categories, which constitute expenditure on new assets include the Diamond Creek Trail (\$2.000 million) and Council buildings solar panels (\$0.200 million). The remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

## 5.2 Funding sources

Sources of funding	Ref	Budget 2016-17 \$'000
<b>Current year funding</b>		
Grants - capital	5.2.1	6,135
Borrowings		-
Contributions	5.2.2	518
Other Income		-
Council rates	5.2.3	9,439
Proceeds on sale of assets	5.2.4	270
Reserve cash and investments	5.2.5	11,744
Unrestricted cash and investments		-
		<b>28,107</b>

### Budgeted total funding sources 2016-17



Source: Appendix C

#### 5.2.1 Grants - Capital (\$6.135 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 2016-17 include funding for the Eltham Leisure Centre upgrade and Roads to Recovery grant program. A list of projects with their funding source is provided at Appendix C.

#### 5.2.2 Contributions (\$0.518 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 \$0.518 million contribution is budgeted for 2016-17 mainly attributable to Development Planning Overlay 2 traffic expansion works.

#### 5.2.3 Council rates (\$9.439 million)

It is expected that in 2016-17, \$9.439 million of rates revenue will be used to fund various capital projects.

#### 5.2.4 Proceeds on sale of assets (\$0.270 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$0.270 million.

#### 5.2.5 Reserves (\$11.744 million)

A number of reserves are set aside for specific purposes. For 2016-17 \$11.744 million will be used to fund part of the new capital works program including the Eltham Community Reception Centre (\$7.100 million), Diamond Creek Trail (\$1.250 million), Plant and Fleet Replacement (\$1.299 million) and Plenty & Kangaroo Ground landfill rehabilitation (\$1.746 million).

## 6. Analysis of budgeted financial position

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

### 6.1 Budgeted balance sheet

	Ref	Forecast 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
<b>Current assets</b>	6.1.1			
Cash and cash equivalents		22,684	23,957	1,273
Receivables		5,790	4,975	(815)
Prepayments and accruals		250	250	-
Land held for resale		-	-	-
Inventories		15	16	1
<b>Total current assets</b>		<b>28,739</b>	<b>29,198</b>	<b>459</b>
<b>Non-current assets</b>				
Trade and other receivables		800	500	(300)
Property, infrastructure, plant & equipment		675,269	685,611	10,342
Other financial assets		1,377	1,377	-
<b>Total non-current assets</b>		<b>677,446</b>	<b>687,488</b>	<b>10,042</b>
<b>Total assets</b>		<b>706,185</b>	<b>716,686</b>	<b>10,501</b>
<b>Current liabilities</b>	6.1.2			
Trade and other payables		4,950	5,500	(550)
Interest-bearing liabilities		842	725	117
Provisions		7,857	8,027	(170)
Trusts		1,308	1,308	-
<b>Total current liabilities</b>		<b>14,957</b>	<b>15,560</b>	<b>(603)</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities		13,464	12,740	724
Provisions		8,687	8,703	(16)
<b>Total non-current liabilities</b>		<b>22,151</b>	<b>21,443</b>	<b>708</b>
<b>Total liabilities</b>		<b>37,108</b>	<b>37,003</b>	<b>105</b>
<b>Net assets</b>		<b>669,077</b>	<b>679,683</b>	<b>10,606</b>
<b>Equity</b>	6.1.4			
Other reserves		15,478	14,750	(728)
Asset revaluation reserve		277,186	277,186	-
Retained profits		376,413	387,747	11,334
<b>Total equity</b>		<b>669,077</b>	<b>679,683</b>	<b>10,606</b>

Source: Appendix A



### 6.1.1 Current Assets (\$0.459 million increase) and Non-Current Assets (\$10.445 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of twelve months or less. These balances are projected to increase by \$0.459 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 five year capital program from 2016-17.

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 (\$0.603 million increase) and Non Current Liabilities (\$0.708 million decrease)

The decrease in non-current liabilities is mainly due to interest-bearing liabilities as a result of existing loans life cycles reducing as well as no new borrowings anticipated in 2016-17 for capital works projects, while current liability increases relate to projected higher levels of creditors at 30 June 2017.

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.

Interest-bearing liabilities are borrowings and finance leases of Council. Council is budgeting to repay loan principal of \$0.842 million and take no new borrowings in 2016-17.

### 6.1.3 Working Capital (\$0.144 million decrease)

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

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 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
Current assets	28,739	29,198	459
Current liabilities	14,957	15,560	(603)
<b>Working capital</b>	<b>13,782</b>	<b>13,638</b>	<b>(144)</b>
Restricted cash and investment current assets			
- Statutory reserves	(6,830)	(8,227)	(1,397)
- Discretionary reserves	(8,650)	(6,523)	2,127
<b>Unrestricted working capital*</b>	<b>(1,698)</b>	<b>(1,112)</b>	<b>586</b>

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

#### **6.1.4 Equity (\$10.550 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.

## **6.2 Key assumptions**

In preparing the Budgeted Balance Sheet for the year ending 30 June 2017 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 per cent of total rates and charges raised will be collected in the 2016-17 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 2016-17 and beyond.
- Other debtors remain consistent with 2015-16 levels, while creditors are projected to increase slightly for 2016-17.
- Employee entitlements to be increased by the indexation impact of estimated future Enterprise Agreement increases.
- The capital expenditure component of the capital works program to be \$28.107 million.
- Repayment of loan principal to be \$0.842 million and no new borrowings anticipated.
- Reserve funds are used to fund part of the capital works program.
- All capital works planned for 2016-17 will be fully expended.
- Current borrowings taken by Council through the MAV loan bond facility entails the principal amount to be paid out upon maturity. Council is progressively setting aside funds to repay the principal through a dedicated reserve.

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

- Average increase in general rates is 2.5 per cent for the life of the model. There is a growth factor of 0.6 per cent included in the model which represents the growth in assessments each year. Therefore the annual increase in general rates and municipal charge revenue is forecast at 3.1 per cent.
- Grant funding received currently will continue for the life of the model. This assumption has been applied to operational funding received and excludes one off funding for capital projects.
- All other income line items have been increased at a rate of 2.5 per cent each year. The percentage rate increase is reflective of past performance and considers future service levels required.
- No growth in staffing numbers. Service capacity has been assumed to be remain at current levels therefore there is no real-term growth.
- Employee costs are forecast to increase reflective of the current Enterprise Bargaining Agreement (EBA) at 3.1 per cent per annum. This increase is applied to all employee on-costs for the life of the model. The compound effect of increases in cost is also reflected in the provision Council holds in relation to employee entitlements.
- Superannuation costs have been modelled reflective of legislative increases. For the first six years the rate of superannuation contribution will remain at 9.5 per cent. The contribution percentage will then increase by 0.5 per cent each year reaching a maximum contribution of 12 per cent by the final year of the model.
- All other expense line items have been increased at a rate of 2.5 per cent each year.
- For the projected ten years of the model it has been assumed there will be no further cost shifting by the State and Commonwealth Governments and that existing grant programs will be maintained.
- Council continues to invest in its large portfolio of fixed assets through both ongoing renewal and maintenance and also by attending to new projects and expanding current facilities. This can be seen within the balance of property, infrastructure plant and equipment where despite depreciation being applied year on year the cumulative balance continues to grow.

In preparing the SRP, the Council has also been mindful of the need to comply with the rate capping legislation as well as 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 2016-17 to 2019-20. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

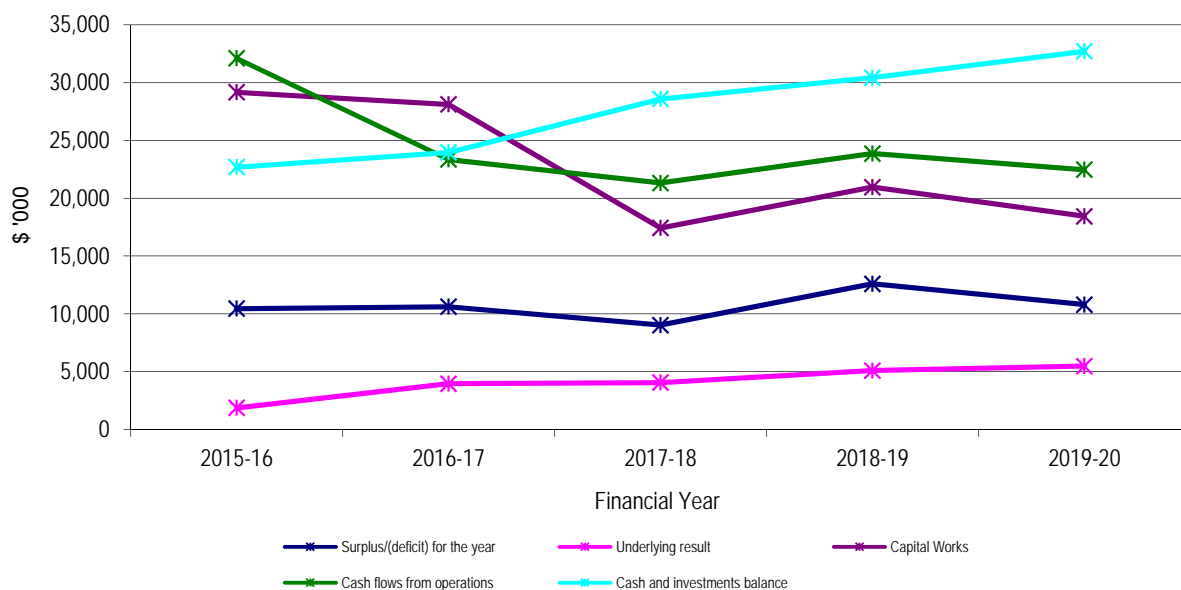
	Forecast		Strategic Resource Plan Projections			Trend +/-
	2015-16	Budget 2016-17	2017-18	2018-19	2019-20	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	10,437	10,606	9,010	12,595	10,784	o
Adjusted underlying result *	1,862	3,953	4,048	5,087	5,474	+
Cash and investments balance	22,684	23,957	28,586	30,420	32,707	+
Cash flows from operations	32,099	23,344	21,316	23,860	22,464	o
Capital works expenditure	29,165	28,107	17,420	20,958	18,430	-

\*Projected underlying result for 2015-16 includes carry over operating expenditure funded from prior years. Refer to point 3.4 on page 32 for detailed explanation.

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

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



The outcomes of the SRP are as follows:

- **Financial sustainability (section 4)** - Cash and investments is forecast to increase over the four year period from \$22.684 million to \$32.707 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 reflect compliance with the current rate capping regime set out by the Victorian Government.
- **Borrowing strategy (section 9)** – There are no new borrowings forecast over the projected 10 years. Council will continue to focus on repaying existing borrowings.
- **Infrastructure (section 9)** - Capital expenditure over the four year period will total \$84.916 million at an average of \$21.229 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 2015-16	Budget 2016-17	Projections 2017-18	2018-19	2019-20	
<b>Operating position</b>								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	2.2%	4.8%	4.8%	5.9%	6.1%	+
<b>Liquidity</b>								
Working Capital	Current assets / current liabilities	2	192.1%	187.6%	209.3%	213.0%	200.9%	o
Unrestricted cash	Unrestricted cash / current liabilities		12.6%	24.2%	32.5%	33.4%	32.8%	+
<b>Obligations</b>								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	23.7%	21.6%	19.9%	18.3%	15.8%	+
Loans and borrowings	Interest and principal repayments / rate revenue		3.0%	2.8%	2.5%	2.2%	3.0%	+
Indebtedness	Non-current liabilities / own source revenue		26.5%	26.2%	24.9%	22.5%	18.4%	+
Asset renewal	Asset renewal expenditure / depreciation	4	81.1%	120.0%	68.4%	64.5%	63.2%	-
<b>Stability</b>								
Rates concentration	Rate revenue / adjusted underlying revenue	5	72.4%	76.2%	76.7%	76.2%	76.3%	o
Rates effort	Rate revenue / property values (CIV)		0.43%	0.39%	0.40%	0.41%	0.42%	o
<b>Efficiency</b>								
Expenditure level	Total expenditure / no. of assessments		\$3,554	\$3,361	\$3,422	\$3,492	\$3,567	o
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		\$2,122	\$2,180	\$2,235	\$2,291	\$2,348	+
Workforce turnover *	No. of resignations & terminations / average no. of staff		9.1%	5.0%	5.0%	5.0%	5.0%	o
<b>Other</b>								
Rates per assessment	Rate revenue / Total number of assessments		\$2,178	\$2,226	\$2,282	\$2,339	\$2,398	+
Rates per assessment growth	Change in rates per assessment current year to previous year / previous year rates per assessment		5.50%	2.50%	2.50%	2.50%	2.50%	o

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

## 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.

**2 Working Capital** – The proportion of current liabilities represented by current assets. Working capital is forecast to trend positively with the increase in cash reserves to fund the capital program.

**3 Debt compared to rates** - Trend indicates a reduction in Council's debt against its annual rate revenue as a result of no new borrowings.

**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. This measure doesn't include upgrade expenditure, although upgrades often include some renewal components.

Council measures its asset renewal gap through the MAV STEP program. This measure estimates the dollar value of any renewal gap over future years, by comparing the proposed renewal spending in the SRP to the required spending identified through asset condition audits. Under this measure a renewal gap exists if the proposed spending is less than the required renewal over a given period. Based on the updated SRP projections of renewal spending, and the latest estimates of the required level of renewal spending, the data indicates that Council will achieve an adequate level of renewal spending over the next ten years.

**5 Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will remain stable 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 2016-17 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	Forecast		Strategic Resource Plan Projections		
	2015-16	Budget 2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000	\$'000
Employee costs					
- Operating	31,451	32,073	33,179	34,277	35,408
- Capital	-	-	-	-	-
<b>Total</b>	<b>31,451</b>	<b>32,073</b>	<b>33,179</b>	<b>34,277</b>	<b>35,408</b>
Permanent EFT numbers	309.7	311.0	311.0	311.0	311.0
Limited tenures	4.0	2.1	2.1	2.1	2.1
Limited tenures	313.71	313.07	313.07	313.07	313.07

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

### 8.1 Background

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

### 8.2 Rating Strategy Context

Rates and charges are the single most important source of revenue in Council's Budget and Strategic Resource Plan. Council's strategy involves the use of a mix of General Rates, a Municipal Charge and a Waste Management Charge. General Rates and the Municipal Charge are subject to the rate capping provisions in the Local Government Act.

Council uses the Capital Improved Value system of valuation in accordance with Section 157 of the Act. In setting General Rates, Council uses a series of differential rates which are detailed below.

The Waste Management Charge is a Service Charge and is not subject to rate capping. Council also uses Special Rates and Charges for specific purposes such as funding the cost of road construction, however these are only paid for those benefitting properties and are not subject to rate capping.

Rates and charges are due on a quarterly instalment basis. The due dates for the 2016-17 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).

### 8.3 Proposed rates and charges

In 2016-17, it is proposed to increase General Rates and the Municipal Charge by an average of 2.5 per cent per property. With additional revenue from subdivisions and new development in the shire, total revenue from General Rates will increase by 3.6 per cent and total revenue from the Municipal Charge will increase by 3.3 per cent

The Waste Management Charge will increase by 2.5 per cent. With additional properties, total revenue will grow by 3.5 per cent.

<b>Essential Services Commission - rate cap reconciliation</b>	
2015-16 Budgeted General Rates and Municipal Charge	51,862,045
2015-16 Annualised Supplementary Revenue (General Rates and Municipal Charge)	556,618
2015-16 Total Annualised Revenue	52,418,663
Number of Rateable Properties at 30 June 2016 (forecast)	23,136
2015-16 Base average rate per assessment (Total Annualised Revenue/Number of Rateable Properties)	2,266
Rate cap	2.50%
<b>2016-17 proposed capped average rate per assessment (includes general rates plus municipal charge)</b>	<b>2,322</b>
Forecast Number of properties at 1 July 2016	23,136
<b>2016-17 Proposed Revenue (General Rates and Municipal Charge)</b>	<b>53,729,130</b>

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

- Maintain existing service levels
- Maintain a surplus result on an accrual basis and on a rate determination basis.
- Maintain and gradually increase the value and proportion of rates allocated to capital works

Figures in the table below also show the projected rates and charges revenue for future years beyond 2016-17. It is assumed that the rate cap in each year will be 2.5 per cent which will reflect the change for an average property. It is also assumed that growth in the rate base (through subdivisions and new developments) will add a further 0.6 per cent to total rates and charges revenue in each subsequent year. These projections will be reviewed each year during preparation of the Budget.

Year	Total Rates & Charges Revenue \$'000	General Rates Revenue \$'000	Municipal Charge Revenue \$'000	Waste Mgmt Charge Revenue \$'000
2015-16 Budgeted Revenue	59,774	49,715	2,147	7,912
2015-16 Supplementary Revenue (Annualised Value)	629	540	17	72
<b>2015-16 Baseline Total</b>	<b>60,403</b>	<b>50,255</b>	<b>2,164</b>	<b>7,984</b>
Rates and Charges Increase	2.5%	2.5%	2.5%	2.5%
2016-17 Budget	61,914	51,512	2,217	8,185
2017-18 Forecast	63,843	53,116	2,286	8,441
2018-19 Forecast	65,832	54,771	2,356	8,705
2019-20 Forecast	67,882	56,477	2,428	8,977

The above table shows the baseline for rates and charges used to calculate the amount of General Rates and Municipal Charge which can be raised in the 2016-17 year in compliance with the rate cap of 2.5 per cent. This approach is consistent with the guidance issued by the Essential Services Commission (ESC).

The baseline data is comprised of two components being:

- 1) the revenue in the adopted budget for the 2015-16 year and
- 2) the annualised amount of supplementary revenue during the year (from supplementary valuations for new subdivisions / developments)

(N.B. The annualised value of supplementary revenue represents the full-year value for the purpose of the rate cap. When supplementary valuations are first made, the rates and charges for those properties are adjusted pro-rata for that financial year, from the date of the supplementary valuation. For this reason, the Annualised Value is greater than the actual revenue from supplementary valuations in the year they are made, which is why the 2015-16 Baseline Total is higher than the 2015-16 Forecast shown elsewhere in this Budget).

Adding the two components together determines the baseline of General Rates and Municipal Charge for the 2015-16 year. The baseline amount is then increased by 2.5 per cent to determine the amount of rates and charges permitted to be raised for 2016-17 within the rate cap.

The Waste Management Charge is not subject to rate capping however for 2016-17 this will increase by the same amount of 2.5 per cent.

## 8.4 Rating structure

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

1. General Rates based on property values, which notionally reflect capacity to pay
2. The Municipal Charge, which is a fixed charge per property
3. The Waste Management Charge



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 (for example, whether the property is used for residential, agricultural, or business purposes).

Currently farms receive a 15 per cent 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 per cent 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 Low Density Residential zones within DPO 4.

To encourage development of vacant residential land, Council continues to offer a rebate for completed house constructions on vacant residential 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 2016-17 Budget has been prepared based on no change to the property categories included in the rating strategy.

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.

The existing rating structure comprises five differential rates, including a Sustainable Agriculture Rebate for eligible farming properties, a rebate for completed constructions on vacant residential 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.

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 impact of reduced grants funding or cost shifting from other levels of government.

The Municipal Charge is used by Council to transparently identify the impact of cost-shifting by other levels of government. In 2016-17 it will increase by 2.50 per cent from \$93.50 to \$95.84 per assessment. The increase of \$2.34 per assessment has been added to the Municipal Charge due to a decline in the level of cost shifting over the past year. Since 2003-04, Council has suffered declines in funding or/and 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 \$2.217 million. This amount is reflected in the Municipal Charge.

<b>Cost Influence Type</b>	<b>Details</b>	<b>Calculated Change since 2003-04</b>
Grants	Victoria Grants Commission General	224,000
Grants	National Competition Policy Grant	338,000
Cost Shift / Grants	Library Funding	493,000
Cost Shift / Grants	Maternal and Child Health & Immunisation	321,000
Cost Shift / Grants	Home and Community Care	425,000
Cost Shift / Grants	School Crossings Supervision	269,000
Cost shift	Walking School Bus	17,000
Cost shift	State Government Fire Services Property	130,000
	Levy for Council properties	
<b>Total Impact of Cost Shifts / Grant Reductions</b>		<b>2,217,000</b>

The following table summarises the rates to be levied for the 2016-17 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

Rate type	How applied	2015-16	2016-17
General	Cents/\$ CIV	0.003507	<b>0.003190</b>
Farm land	Cents/\$ CIV	0.002981	<b>0.002711</b>
Commercial/ industrial	Cents/\$ CIV	0.004067	<b>0.003692</b>
Vacant land - residential / township zone / LDRZ	Cents/\$ CIV	0.007012	<b>0.006378</b>
Vacant Land - Other Zones	Cents/\$ CIV	0.003507	<b>0.003190</b>
Cultural and recreational land	Cents/\$ CIV	0.001352	<b>0.001230</b>
Municipal charge	\$/ property	\$93.50	<b>\$95.84</b>
Garbage - residential standard	\$/ property	\$371.08	<b>\$380.36</b>
Garbage - residential 80 litre red bin	\$/ property	\$337.79	<b>\$346.23</b>
Garbage - residential 2 red bins	\$/ property	\$519.26	<b>\$532.24</b>
Garbage - elderly persons units	\$/ property	\$98.65	<b>\$101.12</b>

### 8.5 General revaluation of properties

During the 2015-16 year, a revaluation of all properties within the municipality was carried out. This valuation reflects values as at 1 January 2016 and is applied for the 2016-17 and 2017-18 financial years. The general revaluation has resulted in some changes in property valuations throughout the municipality. The overall average valuation increase throughout the Shire is projected to be 13.00 per cent. Average valuation increases for each property type are typically as follows; residential properties 13.00 per cent, rural properties 7.00 per cent, commercial and industrial properties 14.50 per cent. As at the time of publishing the draft budget the Valuer General has not yet certified the 2016 revaluations for the Shire. As a consequence of this, these valuations and percentages may change.

Although Council proposes an average rate and charge increase of 2.50 per cent per assessment for 2016-17, actual results for individual properties will vary depending on their valuation.

## 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 were 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 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.
3. 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 per cent) in 2015-16 and following years.

For the 2015-16 year, Council is budgeting to repay loan principal of \$0.842 million and will take no new borrowings during the year. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2016.

Year	New Borrowings \$'000	Principal Paid \$'000	Balance 30 June \$'000	Interest Paid \$'000
2015-16	-	797	14,306	995
2016-17	-	842	13,464	891
2017-18	-	725	12,739	847
2018-19	-	641	12,098	798
2019-20	-	1,314	10,785	756

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

	2015-16 \$	2016-17 \$
Total amount borrowed as at 1 July	15,103	14,306
Total amount to be borrowed	-	-
Total amount projected to be redeemed	(797)	(842)
Total amount proposed to be borrowed as at 30 June	14,306	13,464

Council has also used the bond facility (via the MAV) for the purpose of loan borrowings, which provides lower interest rates than traditional bank loans. Bond interest is paid annually however the principal is repaid in full at maturity. To ensure the principal funds are available at maturity, Council will each year set aside funds in reserve to cover that year's share of the bond principal. Interest earned on these funds will be used to partly offset the interest costs payable on the bond.

## 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.

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

Year	Total Capital Program \$'000	Grants \$'000	Borrowings \$'000	Reserves / Sale of Assets \$'000	Contribution \$'000	Council Rates \$'000
2016-17	28,107	6,135	-	12,015	518	9,439
2017-18	17,420	3,335	-	2,733	1,627	9,725
2018-19	20,957	4,075	-	3,302	3,432	10,149
2019-20	18,430	2,825	-	2,462	2,485	10,658

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 2017.

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. 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:

	2016-17	2017-18	2018-19	2018-19
	%	%	%	%
Consumer Price Index	2.5	2.5	2.5	2.5
Rate increases	2.5	2.5	2.5	2.5
Property growth	0.6	0.6	0.6	0.6
Wages growth	3.1	3.1	3.1	3.1
Government funding*	2.5	2.5	2.5	2.5
Statutory fees	2.5	2.5	2.5	2.5
Investment return	2.5	2.5	2.5	2.5

\* No uplift applied to Victoria Grants Commission General Purpose Grant based on Federal Government freeze on grant funding.

### 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 2013-17.

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 itself 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 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 (including the targets) are provided in Appendix H

The 2016-17 Budget includes projections of Council's performance in meeting the targets from the Financial Sustainability Plan over the next ten years.

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.

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 showing a positive trend over the life of the model.
2. A rate determination (cash basis) target surplus of \$100,000 is set by Council each year. This is considered to be the bare minimum necessary for Council to deal with budget variations during the year. Council has projected to exceed this target by \$50,000 annually.

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 2019-20. 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. Increases in funding (5 per cent per annum) over the next three years will mean that the cost of depreciation is fully matched by rate-funded capital works by 2019-20 which is the first time in Nillumbik’s history that this has been achieved. This is a significant achievement in terms of financial sustainability.
4. In the Financial Sustainability Plan 2013, Council set a target to eliminate the asset renewal gap. The gap represents the difference between the anticipated need for infrastructure renewal spending over the coming years (based on asset condition audits) and the proposed spending in Council’s Strategic Resource Plan. Elimination of the asset renewal gap will be a significant achievement for Nillumbik’s financial sustainability.

In summary, Council has adopted a Financial Sustainability Plan to guide its financial management for the long term. 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 2016-17.

## 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	Financial statements	56
B	Statutory disclosures	81
C	Capital works program	87
D	New Initiatives	92
E	Operating results by business unit	94
F	Grants listing by funding type and source	103
G	Fees and Charges	105
H	Financial Sustainability Plan	118
I	Financial Sustainability Performance	136

---

## **Appendix A**

### **Financial statements**

This appendix presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2016-17 to 2020-21 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:

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



## Comprehensive Income Statement

For the five years ending 30 June 2021

	Forecast Budget	<b>Budget</b>	Strategic Resource Plan Projections			
	2015-16 \$'000	<b>2016-17 \$'000</b>	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Income</b>						
Rates and charges	60,394	62,224	64,161	66,158	68,216	70,338
Statutory fees and fines	953	974	998	1,023	1,049	1,075
User fees	11,774	10,202	10,457	11,432	11,801	12,152
Contributions - monetary	506	518	1,627	3,433	2,485	1,360
Contributions - non-monetary assets	-	-	-	-	-	-
Grants - operating	8,292	6,293	5,993	6,066	6,186	6,310
Grants - capital	8,069	6,135	3,335	4,075	2,825	1,562
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	-	-	-	-	-
Other income	2,047	2,018	2,055	2,103	2,142	2,192
Fair value adjustments for investment property	-	-	-	-	-	-
Share of net profits/(losses) of associated and joint ventures	-	-	-	-	-	-
<b>Total income</b>	<b>92,035</b>	<b>88,364</b>	<b>88,626</b>	<b>94,290</b>	<b>94,704</b>	<b>94,989</b>
<b>Expenses</b>						
Employee benefits	31,451	32,073	33,179	34,277	35,408	36,574
Materials and services	29,708	25,589	25,969	26,652	27,354	28,075
Bad and doubtful debts	-	-	-	-	-	-
Depreciation and amortisation	9,776	9,994	10,147	10,221	10,374	10,488
Borrowing costs	995	892	847	798	756	656
Other expenses	9,669	9,210	9,474	9,747	10,028	10,319
<b>Total expenses</b>	<b>81,599</b>	<b>77,758</b>	<b>79,616</b>	<b>81,695</b>	<b>83,920</b>	<b>86,112</b>
<b>Surplus / (deficit) for the year</b>	<b>10,437</b>	<b>10,606</b>	<b>9,010</b>	<b>12,595</b>	<b>10,784</b>	<b>8,877</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to surplus or deficit in future periods</b>						
Net asset revaluation increment /(decrement)	-	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-
<b>Items that may be reclassified to surplus or deficit in future periods</b>	-	-	-	-	-	-
<b>Total comprehensive result</b>	<b>10,437</b>	<b>10,606</b>	<b>9,010</b>	<b>12,595</b>	<b>10,784</b>	<b>8,877</b>

## Comprehensive Income Statement Forward Estimates

For the five years ending 30 June 2026

	Forward Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rates and charges	72,525	74,780	77,106	79,503	81,974
Statutory fees and fines	1,102	1,130	1,158	1,187	1,216
User fees	12,517	12,837	13,122	13,400	13,679
Contributions - monetary	5	5	5	5	5
Contributions - non-monetary assets	-	-	-	-	-
Grants - operating	6,451	6,596	6,761	6,930	7,104
Grants - capital	1,797	4,507	1,547	2,647	1,247
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	-	-	-	-
Other income	2,234	2,286	2,331	2,386	2,433
Fair value adjustments for investment property	-	-	-	-	-
Share of net profits/(losses) of associated and joint ventures	-	-	-	-	-
<b>Total income</b>	<b>96,631</b>	<b>102,141</b>	<b>102,030</b>	<b>106,058</b>	<b>107,658</b>
<b>Expenses</b>					
Employee benefits	37,937	39,348	40,807	42,318	43,882
Materials and services	28,815	29,576	30,357	31,159	31,983
Bad and doubtful debts	-	-	-	-	-
Depreciation and amortisation	10,572	10,661	10,797	10,867	10,963
Borrowing costs	496	379	331	283	230
Other expenses	10,618	10,928	11,247	11,576	11,916
<b>Total expenses</b>	<b>88,438</b>	<b>90,892</b>	<b>93,539</b>	<b>96,203</b>	<b>98,974</b>
<b>Surplus (deficit) for the year</b>	<b>8,193</b>	<b>11,249</b>	<b>8,491</b>	<b>9,855</b>	<b>8,684</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods</b>					
Net asset revaluation increment /(decrement)	-	-	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	-
<b>Items that may be reclassified to surplus or deficit in future periods</b>	-	-	-	-	-
<b>Total comprehensive result</b>	<b>8,193</b>	<b>11,249</b>	<b>8,491</b>	<b>9,855</b>	<b>8,684</b>

## Rate Determination Statement

For the five years ending 30 June 2021

Description	Forecast	Budget	Strategic Resource Plan			
	Budget		Projections			
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurrent Resource</b>						
Rates and charges:						
General rates	50,003	51,512	53,116	54,772	56,477	58,236
Municipal charge	2,158	2,217	2,286	2,356	2,428	2,503
Special rates	286	310	318	325	334	342
Waste Management charge	7,947	8,185	8,441	8,705	8,977	9,257
Government grants	6,411	5,922	5,993	6,065	6,186	6,309
Statutory fees and fines	953	974	998	1,023	1,049	1,075
User fees	11,774	10,202	10,457	11,432	11,801	12,152
Reimbursements	82	75	77	79	81	83
Interest	918	880	889	908	916	936
Proceeds on sale - recurrent	522	271	235	372	323	246
Other revenue	1,047	1,063	1,090	1,117	1,145	1,173
<b>Total Recurrent Resource</b>	<b>82,101</b>	<b>81,611</b>	<b>83,900</b>	<b>87,154</b>	<b>89,717</b>	<b>92,312</b>
<b>Recurrent Allocation</b>						
Employee costs	31,451	32,073	33,179	34,277	35,408	36,574
Contracts	15,727	13,475	13,860	14,255	14,661	15,079
Materials and services	11,559	11,248	11,529	11,816	12,113	12,415
Bad and doubtful debts	-	-	-	-	-	-
Other expenses	9,669	9,210	9,474	9,747	10,028	10,319
	68,406	66,006	68,042	70,095	72,210	74,387
Interest expenses	995	892	847	798	756	656
<b>Total Recurrent Allocation</b>	<b>69,401</b>	<b>66,898</b>	<b>68,889</b>	<b>70,893</b>	<b>72,966</b>	<b>75,043</b>
<b>Net Recurrent Resource</b>	<b>12,700</b>	<b>14,713</b>	<b>15,011</b>	<b>16,261</b>	<b>16,751</b>	<b>17,269</b>
<b>Non-recurrent Resource</b>						
Tfr from reserves	2,267	480	306	306	956	2,698
Proceeds on sale - non-current	4,050	7,500	2,070	-	-	-
<b>Total Non-recurrent Resource</b>	<b>6,317</b>	<b>7,980</b>	<b>2,376</b>	<b>306</b>	<b>956</b>	<b>2,698</b>
<b>Non-recurrent Allocation</b>						
Revaluation decrements on assets	-	-	-	-	-	-
Debt redemption	797	842	725	641	1,314	3,083
Tfr to reserves	8,767	11,768	6,207	5,047	5,005	4,996
Capital works recharge	(420)	(420)	(420)	(420)	(420)	(420)
<b>Total Non-recurrent Allocation</b>	<b>9,144</b>	<b>12,190</b>	<b>6,512</b>	<b>5,268</b>	<b>5,899</b>	<b>7,659</b>
<b>Net Non-recurrent Resource</b>	<b>(2,827)</b>	<b>(4,210)</b>	<b>(4,136)</b>	<b>(4,962)</b>	<b>(4,943)</b>	<b>(4,961)</b>
<b>Net Operating Resource</b>	<b>9,873</b>	<b>10,503</b>	<b>10,875</b>	<b>11,299</b>	<b>11,808</b>	<b>12,308</b>

	Forecast Budget	<b>Budget</b>	Strategic Resource Plan Projections			
	2015-16	<b>2016-17</b>	2017-18	2018-19	2019-20	2020-21
	\$'000	<b>\$'000</b>	\$'000	\$'000	\$'000	\$'000
New initiatives resource	1,881	<b>371</b>	-	-	-	-
New initiatives allocation	2,843	<b>1,285</b>	1,000	1,000	1,000	1,000
<b>Net New Initiatives Resource</b>	<b>(962)</b>	<b>(914)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>
CapEx resource	20,307	<b>18,668</b>	7,695	10,809	7,772	5,250
<i>Represented by</i>						
<i>Borrowing</i>	-	-	-	-	-	-
<i>Other</i>	20,307	<b>18,668</b>	7,695	10,809	7,772	5,250
CapEx allocation	29,165	<b>28,107</b>	17,420	20,958	18,430	16,408
<b>Rates Funded CapEx</b>	<b>(8,858)</b>	<b>(9,439)</b>	<b>(9,725)</b>	<b>(10,149)</b>	<b>(10,658)</b>	<b>(11,158)</b>
<b>Net Budget Position</b>	<b>53</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Reconcile Back to Standard Income Statement</b>						
Less balance sheet items included						
Debt redemption	(797)	<b>(842)</b>	(725)	(641)	(1,314)	(3,083)
Transfer to reserves	(8,767)	<b>(11,768)</b>	(6,207)	(5,047)	(5,005)	(4,996)
Transfer from reserve	13,999	<b>12,496</b>	3,039	3,608	3,418	5,027
CapEx income from loan	-	-	-	-	-	-
CapEx allocation	(29,165)	<b>(28,107)</b>	(17,420)	(20,958)	(18,430)	(16,408)
<b>Total to be deducted</b>	<b>(24,730)</b>	<b>(28,221)</b>	<b>(21,313)</b>	<b>(23,038)</b>	<b>(21,331)</b>	<b>(19,460)</b>
Plus Profit & Loss items not included						
Depreciation	(9,775)	<b>(9,994)</b>	(10,147)	(10,221)	(10,374)	(10,488)
Accrued Special Charge Scheme contribution	-	-	-	-	-	-
Written Down Value of recurrent assets sold	(522)	<b>(271)</b>	(235)	(372)	(323)	(245)
Written Down Value of non-recurrent assets sold	(4,050)	<b>(7,500)</b>	(2,070)	-	-	-
<b>Total to be added</b>	<b>(14,346)</b>	<b>(17,765)</b>	<b>(12,453)</b>	<b>(10,593)</b>	<b>(10,697)</b>	<b>(10,733)</b>
<b>Net Surplus/(Deficit)</b>	<b>10,437</b>	<b>10,606</b>	<b>9,010</b>	<b>12,595</b>	<b>10,784</b>	<b>8,877</b>

## Rate Determination Statement Forward Estimates

For the five years ending 30 June 2026

Description	Forward Estimates				
	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
<b>Recurrent Resource</b>					
Rates and charges:					
General rates	60,050	61,921	63,850	65,839	67,890
Municipal charge	2,579	2,658	2,740	2,823	2,909
Special rates	351	359	368	378	387
Waste Management charge	9,545	9,842	10,148	10,463	10,787
Government grants	6,451	6,596	6,761	6,930	7,104
Statutory fees and fines	1,102	1,130	1,158	1,187	1,216
User fees	12,517	12,837	13,122	13,400	13,679
Reimbursements	85	87	89	91	94
Interest	946	967	978	1,000	1,012
Proceeds on sale - recurrent	243	290	320	368	330
Other revenue	1,203	1,233	1,264	1,295	1,328
<b>Total Recurrent Resource</b>	<b>95,072</b>	<b>97,920</b>	<b>100,798</b>	<b>103,774</b>	<b>106,736</b>
<b>Recurrent Allocation</b>					
Employee costs	37,937	39,348	40,807	42,318	43,882
Contracts	15,509	15,952	16,407	16,875	17,356
Materials and services	12,727	13,043	13,370	13,703	14,048
Bad and doubtful debts	-	-	-	-	-
Other expenses	10,618	10,928	11,247	11,576	11,916
	76,791	79,271	81,831	84,472	87,202
Interest expenses	496	379	331	283	230
<b>Total Recurrent Allocation</b>	<b>77,287</b>	<b>79,650</b>	<b>82,162</b>	<b>84,755</b>	<b>87,432</b>
<b>Net Recurrent Resource</b>	<b>17,785</b>	<b>18,270</b>	<b>18,636</b>	<b>19,019</b>	<b>19,304</b>
<b>Non-recurrent Resource</b>					
Tfr from reserves	1,786	306	306	472	931
Proceeds on sale - non-current	-	-	-	-	-
<b>Total Non-recurrent Resource</b>	<b>1,786</b>	<b>306</b>	<b>306</b>	<b>472</b>	<b>931</b>
<b>Non-recurrent Allocation</b>					
Revaluation decrements on assets	-	-	-	-	-
Debt redemption	2,219	657	651	700	752
Tfr to reserves	4,964	5,031	4,903	4,903	5,095
Capital works recharge	(420)	(420)	(420)	(420)	(420)
<b>Total Non-recurrent Allocation</b>	<b>6,763</b>	<b>5,268</b>	<b>5,134</b>	<b>5,183</b>	<b>5,427</b>
<b>Net Non-recurrent Resource</b>	<b>(4,977)</b>	<b>(4,962)</b>	<b>(4,828)</b>	<b>(4,711)</b>	<b>(4,496)</b>
<b>Net Operating Resource</b>	<b>12,808</b>	<b>13,308</b>	<b>13,808</b>	<b>14,308</b>	<b>14,808</b>

	Forward Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$'000	\$'000	\$'000	\$'000	\$'000
New initiatives resource	-	-	-	-	-
New initiatives allocation	1,000	1,000	1,000	1,000	1,000
<b>Net New Initiatives Resource</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>
CapEx resource	5,165	7,976	3,176	4,755	3,195
<i>Represented by</i>					
<i>Borrowing</i>	-	-	-	-	-
<i>Other</i>	5,165	7,976	3,176	4,755	3,195
CapEx allocation	16,823	20,134	15,834	17,913	16,853
<b>Rates Funded CapEx</b>	<b>(11,658)</b>	<b>(12,158)</b>	<b>(12,658)</b>	<b>(13,158)</b>	<b>(13,658)</b>
<b>Net Budget Position</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Reconcile Back to Standard Income Statement</b>					
Less balance sheet items included					
Debt redemption	(2,219)	(657)	(651)	(700)	(752)
Transfer to reserves	(4,964)	(5,031)	(4,903)	(4,903)	(5,095)
Transfer from reserve	5,149	3,770	1,930	2,375	2,874
CapEx income from loan	-	-	-	-	-
CapEx Allocation	(16,823)	(20,134)	(15,834)	(17,913)	(16,853)
<b>Total to be deducted</b>	<b>(18,857)</b>	<b>(22,052)</b>	<b>(19,458)</b>	<b>(21,141)</b>	<b>(19,826)</b>
Plus Profit & Loss items not included					
Depreciation	(10,572)	(10,661)	(10,797)	(10,867)	(10,963)
Accrued Special Charge Scheme contribution	-	-	-	-	-
Written Down Value of recurrent assets sold	(242)	(292)	(320)	(369)	(329)
Written Down Value of non-recurrent assets sold	-	-	-	-	-
<b>Total to be added</b>	<b>(10,814)</b>	<b>(10,953)</b>	<b>(11,117)</b>	<b>(11,236)</b>	<b>(11,292)</b>
<b>Net Surplus/(Deficit)</b>	<b>8,193</b>	<b>11,249</b>	<b>8,491</b>	<b>10,055</b>	<b>8,684</b>

## Balance Sheet

For the five years ending 30 June 2021

	Forecast Budget	Budget	Strategic Resource Plan Projections			
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Current assets</b>						
Cash and cash equivalents	22,684	23,957	28,586	30,420	32,707	33,032
Trade and other receivables	5,790	4,975	3,900	3,400	3,100	3,100
Other assets	250	250	250	250	250	250
Non-current assets classified as held for sale	-	-	-	-	-	-
Inventories	15	16	16	17	17	17
<b>Total current assets</b>	<b>28,739</b>	<b>29,198</b>	<b>32,752</b>	<b>34,087</b>	<b>36,074</b>	<b>36,399</b>
<b>Non-current assets</b>						
Trade and other receivables	800	500	455	405	355	355
Investments in associates and joint ventures	-	-	-	-	-	-
Property, infrastructure, plant & equipment	675,269	685,611	690,579	700,945	708,678	714,352
Investment property	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Other assets	1,377	1,377	1,377	1,377	1,377	1,377
<b>Total non-current assets</b>	<b>677,446</b>	<b>687,488</b>	<b>692,411</b>	<b>702,727</b>	<b>710,410</b>	<b>716,084</b>
<b>Total assets</b>	<b>706,185</b>	<b>716,686</b>	<b>725,163</b>	<b>736,814</b>	<b>746,484</b>	<b>752,483</b>
<b>Current liabilities</b>						
Bank overdraft						
Trade and other payables	4,950	5,500	5,500	5,000	5,000	5,000
Interest-bearing loans and borrowings	842	725	641	1,314	3,083	2,219
Provisions	7,857	8,027	8,202	8,380	8,564	8,751
Trust funds and deposits	1,308	1,308	1,308	1,308	1,308	1,308
<b>Total current liabilities</b>	<b>14,957</b>	<b>15,560</b>	<b>15,651</b>	<b>16,002</b>	<b>17,955</b>	<b>17,278</b>
<b>Non-current liabilities</b>						
Interest-bearing loans and borrowings	13,464	12,740	12,099	10,785	7,703	5,483
Provisions	8,687	8,703	8,720	8,737	8,755	8,773
<b>Total non-current liabilities</b>	<b>22,151</b>	<b>21,443</b>	<b>20,819</b>	<b>19,522</b>	<b>16,458</b>	<b>14,256</b>
<b>Total liabilities</b>	<b>37,108</b>	<b>37,003</b>	<b>36,470</b>	<b>35,524</b>	<b>34,413</b>	<b>31,534</b>
<b>Net assets</b>	<b>669,077</b>	<b>679,683</b>	<b>688,693</b>	<b>701,290</b>	<b>712,071</b>	<b>720,949</b>
<b>Equity</b>						
Reserves	15,478	14,750	17,918	19,356	20,943	20,912
Asset revaluation reserve	277,186	277,186	277,186	277,186	277,186	277,186
Retained profits	376,413	387,747	393,589	404,748	413,942	422,851
<b>Total equity</b>	<b>669,077</b>	<b>679,683</b>	<b>688,693</b>	<b>701,290</b>	<b>712,071</b>	<b>720,949</b>

## Balance Sheet Forward Estimates

For the five years ending 30 June 2026

	Forward Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>					
Cash and cash equivalents	33,458	35,086	37,629	40,534	43,289
Trade and other receivables	2,900	2,900	2,700	2,700	2,600
Other assets	250	250	250	250	250
Non-current assets classified as held for sale	-	-	-	-	-
Inventories	18	18	19	19	20
<b>Total current assets</b>	<b>36,626</b>	<b>38,254</b>	<b>40,598</b>	<b>43,503</b>	<b>46,159</b>
<b>Non-current assets</b>					
Trade and other receivables	305	305	255	255	205
Investments in associates and joint ventures	-	-	-	-	-
Property, infrastructure, plant & equipment	720,360	729,543	734,259	740,737	746,297
Investment property	-	-	-	-	-
Intangible assets	-	-	-	-	-
Other assets	1,377	1,377	1,377	1,377	1,377
<b>Total non-current assets</b>	<b>722,042</b>	<b>731,225</b>	<b>735,891</b>	<b>742,369</b>	<b>747,879</b>
<b>Total assets</b>	<b>758,668</b>	<b>769,479</b>	<b>776,489</b>	<b>785,872</b>	<b>794,038</b>
<b>Current liabilities</b>					
Trade and other payables	5,000	5,000	5,000	5,000	5,000
Interest-bearing loans and borrowings	657	651	700	752	782
Provisions	8,944	9,141	8,292	8,500	8,712
Trust funds and deposits	1,308	1,308	1,308	1,308	1,308
<b>Total current liabilities</b>	<b>15,909</b>	<b>16,100</b>	<b>15,300</b>	<b>15,560</b>	<b>15,802</b>
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	4,827	4,175	3,476	2,723	1,941
Provisions	8,792	8,812	8,833	8,854	8,875
<b>Total non-current liabilities</b>	<b>13,619</b>	<b>12,987</b>	<b>12,309</b>	<b>11,577</b>	<b>10,816</b>
<b>Total liabilities</b>	<b>29,528</b>	<b>29,087</b>	<b>27,609</b>	<b>27,137</b>	<b>26,618</b>
<b>Net assets</b>	<b>729,140</b>	<b>740,392</b>	<b>748,880</b>	<b>758,735</b>	<b>767,420</b>
<b>Equity</b>					
Reserves	20,726	21,987	24,960	27,487	29,709
Asset revaluation reserve	277,186	277,186	277,186	277,186	277,186
Retained profits	431,228	441,219	446,734	454,062	460,525
<b>Total equity</b>	<b>729,140</b>	<b>740,392</b>	<b>748,880</b>	<b>758,735</b>	<b>767,420</b>



## Statement of Changes in Equity

For the five years ending 30 June 2021

\* 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
<b>2017</b>				
Balance at beginning of the financial year	669,077	376,413	277,186	15,478
Surplus / (deficit) for the year	10,606	10,606	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(11,768)	-	11,768
Transfer from other reserves	-	12,496	-	(12,496)
<b>Balance at end of the financial year</b>	<b>679,683</b>	<b>387,747</b>	<b>277,186</b>	<b>14,750</b>
<b>2018</b>				
Balance at beginning of the financial year	679,683	387,747	277,186	14,750
Surplus / (deficit) for the year	9,010	9,010	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(6,207)	-	6,207
Transfer from other reserves	-	3,039	-	(3,039)
<b>Balance at end of the financial year</b>	<b>688,693</b>	<b>393,589</b>	<b>277,186</b>	<b>17,918</b>
<b>2019</b>				
Balance at beginning of the financial year	688,693	393,589	277,186	17,918
Surplus / (deficit) for the year	12,595	12,595	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(5,047)	-	5,047
Transfer from other reserves	-	3,609	-	(3,609)
<b>Balance at end of the financial year</b>	<b>701,288</b>	<b>404,746</b>	<b>277,186</b>	<b>19,356</b>
<b>2020</b>				
Balance at beginning of the financial year	701,288	404,746	277,186	19,356
Surplus / (deficit) for the year	10,784	10,784	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(5,005)	-	5,005
Transfer from other reserves	-	3,418	-	(3,418)
<b>Balance at end of the financial year</b>	<b>712,072</b>	<b>413,943</b>	<b>277,186</b>	<b>20,943</b>
<b>2021</b>				
Balance at beginning of the financial year	712,072	413,943	277,186	20,943
Surplus / (deficit) for the year	8,877	8,877	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(4,996)	-	4,996
Transfer from other reserves	-	5,027	-	(5,027)
<b>Balance at end of the financial year</b>	<b>720,949</b>	<b>422,851</b>	<b>277,186</b>	<b>20,912</b>

## Statement of Changes in Equity Forward Estimates

For the five years ending 30 June 2026

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2022</b>				
Balance at beginning of the financial year	720,949	422,851	277,186	20,912
Surplus / (deficit) for the year	8,193	8,193	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(4,964)	-	4,964
Transfer from other reserves	-	5,150	-	(5,150)
<b>Balance at end of the financial year</b>	<b>729,142</b>	<b>431,230</b>	<b>277,186</b>	<b>20,726</b>
<b>2023</b>				
Balance at beginning of the financial year	729,142	431,230	277,186	20,726
Surplus / (deficit) for the year	11,249	11,249	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(5,031)	-	5,031
Transfer from other reserves	-	3,770	-	(3,770)
<b>Balance at end of the financial year</b>	<b>740,391</b>	<b>441,218</b>	<b>277,186</b>	<b>21,987</b>
<b>2024</b>				
Balance at beginning of the financial year	740,391	441,218	277,186	21,987
Surplus / (deficit) for the year	8,491	8,491	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(4,903)	-	4,903
Transfer from other reserves	-	1,930	-	(1,930)
<b>Balance at end of the financial year</b>	<b>748,882</b>	<b>446,736</b>	<b>277,186</b>	<b>24,960</b>
<b>2025</b>				
Balance at beginning of the financial year	748,882	446,736	277,186	24,960
Surplus / (deficit) for the year	9,855	9,855	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(4,903)	-	4,903
Transfer from other reserves	-	2,376	-	(2,376)
<b>Balance at end of the financial year</b>	<b>758,737</b>	<b>454,064</b>	<b>277,186</b>	<b>27,487</b>
<b>2026</b>				
Balance at beginning of the financial year	758,737	454,064	277,186	27,487
Surplus / (deficit) for the year	8,684	8,684	-	-
Net asset revaluation increment / (decrement)	-	-	-	-
Transfer to other reserves	-	(5,095)	-	5,095
Transfer from other reserves	-	2,873	-	(2,873)
<b>Balance at end of the financial year</b>	<b>767,421</b>	<b>460,526</b>	<b>277,186</b>	<b>29,709</b>

## Statement Cash Flows

For the five years ending 30 June 2021

	Forecast Budget	Budget	Strategic Resource Plan Projections			
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
<b>Cash flows from operating activities</b>						
Rates and charges	63,553	63,339	64,836	65,657	68,566	70,663
Statutory fees and fines	953	974	998	1,023	1,049	1,075
User fees	11,774	10,202	10,457	11,432	11,801	12,152
Grants - operating	8,292	5,922	5,993	6,065	6,186	6,309
Grants - capital	8,869	6,135	3,335	4,075	2,825	1,562
Contributions - monetary	506	518	1,627	3,433	2,485	1,360
Interest received	918	880	889	908	916	936
Dividends received	-	-	-	-	-	-
Trust funds and deposits taken	-	-	-	-	-	-
Other receipts	3,395	1,509	1,612	1,247	1,276	1,256
Net GST refund / payment	-	-	-	-	-	-
Employee costs	(30,692)	(31,886)	(32,987)	(34,081)	(35,204)	(36,369)
Materials and services	(25,255)	(24,337)	(25,524)	(25,701)	(27,018)	(27,980)
Trust funds and deposits repaid	-	-	-	-	-	-
Other payments	(10,214)	(9,913)	(9,920)	(10,198)	(10,418)	(10,738)
<b>Net cash provided by / (used in) operating activities</b>	32,099	23,344	21,316	23,860	22,464	20,226
<b>Cash flows from investing activities</b>						
Proceeds from sale of property, infrastructure, plant and equipment	6,172	7,771	2,305	372	323	246
Payments for property, infrastructure, plant and equipment	(29,165)	(28,107)	(17,420)	(20,958)	(18,430)	(16,408)
Payments for investments	-	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-	-
Loan and advances made	-	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-	-
<b>Net cash provided by / (used in) investing activities</b>	(22,993)	(20,336)	(15,115)	(20,586)	(18,107)	(16,162)
<b>Cash flows from financing activities</b>						
Finance costs	(995)	(892)	(847)	(798)	(756)	(656)
Proceeds from borrowings	1,484	-	-	-	-	-
Repayment of borrowings	(801)	(842)	(725)	(641)	(1,314)	(3,083)
<b>Net cash provided by / (used in) financing activities</b>	(312)	(1,734)	(1,572)	(1,439)	(2,070)	(3,739)
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	8,794	1,274	4,629	1,835	2,287	325
Cash and cash equivalents at the beginning of the financial year	13,890	22,683	23,957	28,585	30,420	32,707
<b>Cash and cash equivalents at the end of the financial year</b>	22,684	23,957	28,586	30,420	32,707	33,032

## Statement of Cash Flows Forward Estimates

For the five years ending 30 June 2026

	Forward Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	72,952	75,223	77,345	79,453	82,134
Statutory fees and fines	1,102	1,130	1,158	1,187	1,216
User fees	12,517	12,837	13,122	13,400	13,679
Grants - operating	6,451	6,596	6,761	6,930	7,104
Grants - capital	1,797	4,507	1,547	2,647	1,247
Contributions - monetary	5	5	5	5	5
Interest received	946	967	978	1,000	1,000
Dividends received	-	-	-	-	-
Trust funds and deposits taken	-	-	-	-	-
Other receipts	1,338	1,320	1,403	1,387	1,433
Net GST refund / payment	-	-	-	-	-
Employee costs	(37,764)	(39,132)	(41,615)	(42,090)	(43,659)
Materials and services	(28,553)	(29,616)	(30,389)	(31,131)	(31,753)
Trust funds and deposits repaid	-	-	-	-	-
Other payments	(11,069)	(11,329)	(11,275)	(11,554)	(12,146)
<b>Net cash provided by / (used in) operating activities</b>	<b>19,722</b>	<b>22,508</b>	<b>19,040</b>	<b>21,234</b>	<b>20,260</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, infrastructure, plant and equipment	243	290	320	368	330
Payments for property, infrastructure, plant and equipment	(16,823)	(20,134)	(15,834)	(17,713)	(16,853)
Payments for investments	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-
Loan and advances made	-	-	-	-	-
Payments of loans and advances	-	-	-	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b>(16,580)</b>	<b>(19,844)</b>	<b>(15,514)</b>	<b>(17,345)</b>	<b>(16,523)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(496)	(379)	(331)	(283)	(230)
Proceeds from borrowings	-	-	-	-	-
Repayment of borrowings	(2,219)	(657)	(651)	(700)	(752)
<b>Net cash provided by / (used in) financing activities</b>	<b>(2,715)</b>	<b>(1,036)</b>	<b>(982)</b>	<b>(983)</b>	<b>(982)</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>426</b>	<b>1,628</b>	<b>2,543</b>	<b>2,905</b>	<b>2,755</b>
Cash and cash equivalents at the beginning of the financial year	33,032	33,458	35,086	37,629	40,534
<b>Cash and cash equivalents at the end of the financial year</b>	<b>33,458</b>	<b>35,086</b>	<b>37,629</b>	<b>40,534</b>	<b>43,289</b>

## Statement of Capital Works

For the five years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan			
	Budget		Projections			
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>						
Land	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-
<b>Total land</b>	-	-	-	-	-	-
Buildings	1,439	2,009	1,426	1,554	1,189	1,439
Building improvements	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-
<b>Total buildings</b>	1,439	2,009	1,426	1,554	1,189	1,439
<b>Total property</b>	1,439	2,009	1,426	1,554	1,189	1,439
<b>Plant and equipment</b>						
Plant, machinery and equipment	352	1,570	1,560	1,669	1,192	1,119
Fixtures, fittings and furniture	330	185	215	195	200	153
Computers and telecommunications	-	-	-	-	-	-
Heritage plant and equipment	-	-	-	-	-	-
Library books	-	-	-	-	-	-
<b>Total plant and equipment</b>	682	1,755	1,775	1,864	1,392	1,272
<b>Infrastructure</b>						
Roads	3,980	2,739	1,963	5,165	2,064	5,318
Bridges	884	1,000	150	150	1,461	150
Footpaths and cycleways	5,906	815	790	820	850	880
Drainage	730	600	600	1,150	1,200	450
Recreational, leisure and community facilities	9,269	16,717	7,562	7,395	6,663	4,735
Waste management	1,051	1,746	1,934	1,633	1,270	1,210
Parks, open space and streetscapes	1,780	380	880	961	2,044	695
Aerodromes	-	-	-	-	-	-
Off street car parks	-	-	-	-	-	-
Other infrastructure	3,444	346	340	266	297	259
<b>Total infrastructure</b>	27,044	24,343	14,219	17,540	15,849	13,697
<b>Total capital works expenditure</b>	29,165	28,107	17,420	20,958	18,430	16,408
<b>Represented by:</b>						
Asset renewal expenditure	7,930	11,992	6,938	6,595	6,553	6,111
Asset upgrade expenditure	10,038	5,378	3,676	7,452	6,699	5,523
Asset expansion expenditure	8,945	8,488	6,482	4,172	3,734	3,500
New asset expenditure	2,252	2,249	324	2,739	1,444	1,274
<b>Total capital works expenditure</b>	29,165	28,107	17,420	20,958	18,430	16,408

## Statement of Capital Works Forward Estimates

For the five years ending 30 June 2026

### Forward Estimates

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
<b>Total land</b>	-	-	-	-	-
Buildings	1,289	1,539	1,389	1,639	2,689
Building improvements	-	-	-	-	-
Leasehold improvements	-	-	-	-	-
Heritage buildings	-	-	-	-	-
<b>Total buildings</b>	1,289	1,539	1,389	1,639	2,689
<b>Total property</b>	1,289	1,539	1,389	1,639	2,689
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,063	1,508	1,624	2,103	1,943
Fixtures, fittings and furniture	220	220	220	220	220
Computers and telecommunications	-	-	-	-	-
Heritage plant and equipment	-	-	-	-	-
Library books	-	-	-	-	-
<b>Total plant and equipment</b>	1,283	1,728	1,844	2,323	2,163
<b>Infrastructure</b>					
Roads	2,964	2,214	2,264	2,314	2,364
Bridges	150	150	150	150	150
Footpaths and cycleways	910	940	970	1,000	1,030
Drainage	450	450	450	450	450
Recreational, leisure and community facilities	5,570	9,925	7,120	8,675	5,230
Waste management	2,300	1,956	-	-	-
Parks, open space and streetscapes	1,000	205	210	215	220
Aerodromes	-	-	-	-	-
Off street car parks	-	-	-	-	-
Other infrastructure	907	1,027	1,437	1,147	2,557
<b>Total infrastructure</b>	14,251	16,867	12,601	13,951	12,001
<b>Total capital works expenditure</b>	16,823	20,134	15,834	17,913	16,853
<b>Represented by:</b>					
Asset renewal expenditure	6,103	6,928	7,024	7,883	7,703
Asset upgrade expenditure	6,221	4,537	2,691	5,201	5,011
Asset expansion expenditure	2,575	8,645	795	3,805	1,615
New asset expenditure	1,924	24	5,324	1,024	2,524
<b>Total capital works expenditure</b>	16,823	20,134	15,834	17,913	16,853

## Statement of Investment Reserves

For the five years ending 30 June 2021

	Budget	Strategic Resource Plan Projections			
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Statutory</b>					
Carparks	97	97	97	97	97
Public open space	509	269	349	429	509
Yarrambat drainage	741	845	947	1,051	1,153
Street light contribution	48	58	68	78	88
Street trees	96	106	116	126	136
MAV loan bond	1,973	2,700	4,211	4,858	3,601
Diamond Creek traders marketing fund	19	24	29	34	39
Development Planning Overlay - open space	2,794	2,864	2,933	3,003	3,073
Development Planning Overlay - infrastructure	1,525	1,819	2,112	2,406	2,699
Development contribution construction	176	176	176	176	176
Native vegetation	249	249	249	249	249
<b>Total statutory reserves</b>	<b>8,227</b>	<b>9,207</b>	<b>11,287</b>	<b>12,507</b>	<b>11,820</b>
<b>Discretionary</b>					
Public arts program	163	163	163	163	163
Leisure centres profit share	279	341	404	466	529
Plant replacement	1,703	1,406	1,137	1,296	1,451
Major projects (Property management)	1,182	1,182	1,182	1,182	1,182
Bridgeford Estate	45	41	37	33	29
Landfill rehabilitation	1,698	3,986	3,414	3,425	3,726
Defined benefit superannuation potential future calls	735	735	735	735	735
Other reserves	718	857	997	1,136	1,277
<b>Total discretionary reserves</b>	<b>6,523</b>	<b>8,711</b>	<b>8,069</b>	<b>8,436</b>	<b>9,092</b>
<b>Total reserves</b>	<b>14,750</b>	<b>17,918</b>	<b>19,356</b>	<b>20,943</b>	<b>20,912</b>

## Statement of Investment Reserves Forward Estimates

For the five years ending 30 June 2026

	Forward Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Statutory</b>					
Carparks	97	97	97	97	97
Public open space	589	669	749	829	909
Yarrambat drainage	1,257	1,359	1,463	1,565	1,669
Street light contribution	98	108	118	128	138
Street trees	146	156	166	176	186
MAV loan bond	2,997	3,663	3,941	3,775	3,150
Diamond Creek traders marketing fund	44	49	54	59	64
Development Planning Overlay - open space	3,142	3,212	3,281	3,351	3,421
Development Planning Overlay - infrastructure	2,993	3,286	3,580	3,873	4,167
Development contribution construction	176	176	176	176	176
Native vegetation	249	249	249	249	249
<b>Total statutory reserves</b>	<b>11,788</b>	<b>13,024</b>	<b>13,874</b>	<b>14,278</b>	<b>14,226</b>
<b>Discretionary</b>					
Public arts program	163	163	163	163	163
Leisure centres profit share	591	654	716	779	841
Plant replacement	1,659	1,469	1,193	686	101
Major projects (Property management)	1,182	1,182	1,182	1,182	1,182
Bridgeford Estate	25	21	17	13	9
Landfill rehabilitation	3,167	3,182	5,383	7,814	10,475
Defined benefit superannuation potential future calls	735	735	735	735	735
Other reserves	1,416	1,557	1,697	1,837	1,977
<b>Total discretionary reserves</b>	<b>8,938</b>	<b>8,963</b>	<b>11,086</b>	<b>13,209</b>	<b>15,483</b>
<b>Total reserves</b>	<b>20,726</b>	<b>21,987</b>	<b>24,960</b>	<b>27,487</b>	<b>29,709</b>



## Statement of Human Resources

For the five years ending 30 June 2021

	Forecast Budget 2015-16 \$'000	<b>Budget 2016-17 \$'000</b>	Strategic Resource Plan Projections			
			2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Staff expenditure</b>						
Employee costs - operating	31,451	32,073	33,179	34,277	35,408	36,574
Employee costs - capital	-	-	-	-	-	-
<b>Total staff expenditure</b>	<b>31,451</b>	<b>32,073</b>	<b>33,179</b>	<b>34,277</b>	<b>35,408</b>	<b>36,574</b>
	EFT	<b>EFT</b>	EFT	EFT	EFT	EFT
<b>Staff numbers</b>						
Permanent EFT numbers	309.68	<b>310.97</b>	310.97	310.97	310.97	310.97
Limited tenures	4.03	<b>2.10</b>	2.10	2.10	2.10	2.10
<b>Total staff numbers</b>	<b>313.71</b>	<b>313.07</b>	<b>313.07</b>	<b>313.07</b>	<b>313.07</b>	<b>313.07</b>

## Statement of Human Resources Forward Estimates

For the five years ending 30 June 2026

	Forward Estimates				
	2021-22	2022-23	2023-24	2024-25	2025-26
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff expenditure</b>					
Employee costs - operating	37,937	39,348	40,807	42,318	43,882
Employee costs - capital	-	-	-	-	-
<b>Total staff expenditure</b>	<b>37,937</b>	<b>39,348</b>	<b>40,807</b>	<b>42,318</b>	<b>43,882</b>
	EFT	EFT	EFT	EFT	EFT
<b>Staff numbers</b>					
Permanent EFT numbers	310.97	310.97	310.97	310.97	310.97
Limited tenures	2.10	2.10	2.10	2.10	2.10
<b>Total staff numbers</b>	<b>313.07</b>	<b>313.07</b>	<b>313.07</b>	<b>313.07</b>	<b>313.07</b>

## Other information

For the five years ended 30 June 2021

### 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)	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2017</b>												
<b>Property</b>												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	2,009	200	800	1,009	-	2,009	50	-	1,859	100	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total property</b>	<b>2,009</b>	<b>200</b>	<b>800</b>	<b>1,009</b>	<b>0</b>	<b>2,009</b>	<b>50</b>	<b>0</b>	<b>1,859</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>Plant and equipment</b>												
Plant, machinery and equipment	1,570	-	1,570	-	-	1,570	-	-	-	1,299	271	-
Fixtures, fittings and furniture	185	-	165	-	20	185	-	-	185	-	-	-
Computers and telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Library books	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total plant and equipment</b>	<b>1,755</b>	<b>-</b>	<b>1,735</b>	<b>0</b>	<b>20</b>	<b>1,755</b>	<b>-</b>	<b>-</b>	<b>185</b>	<b>1,299</b>	<b>271</b>	<b>-</b>
<b>Infrastructure</b>												
Roads	2,740	24	1,328	700	688	2,740	818	488	1,434	-	-	-
Bridges	1,000	-	1,000	-	-	1,000	950	-	50	-	-	-
Footpaths and cycleways	815	-	340	-	475	815	-	-	815	-	-	-
Drainage	600	-	350	250	-	600	-	-	600	-	-	-
Recreational, leisure and community facilities	16,717	2,000	6,175	1,282	7,260	16,717	4,300	5	3,812	8,600	-	-
Waste management	1,746	-	-	1,746	-	1,746	-	-	-	1,746	-	-
Parks, open space and streetscapes	380	25	145	190	20	380	-	25	355	-	-	-
Aerodromes	-	-	-	-	-	-	-	-	-	-	-	-
Off street car parks	-	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure	346	-	120	201	25	346	17	-	329	-	-	-
<b>Total infrastructure</b>	<b>24,343</b>	<b>2,049</b>	<b>9,458</b>	<b>4,369</b>	<b>8,468</b>	<b>24,343</b>	<b>6,085</b>	<b>518</b>	<b>7,395</b>	<b>10,346</b>	<b>-</b>	<b>-</b>
<b>Total capital works expenditure</b>	<b>28,107</b>	<b>2,249</b>	<b>11,992</b>	<b>5,378</b>	<b>8,488</b>	<b>28,107</b>	<b>6,135</b>	<b>518</b>	<b>9,439</b>	<b>11,744</b>	<b>271</b>	<b>-</b>

## 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)	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>												
<b>Property</b>												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	1,426	300	717	409	-	1,426	50	-	1,376	-	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total property</b>	<b>1,426</b>	<b>300</b>	<b>717</b>	<b>409</b>	<b>0</b>	<b>1,426</b>	<b>50</b>	<b>-</b>	<b>1,376</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plant and equipment</b>												
Plant, machinery and equipment	1,560	-	1,560	-	-	1,560	-	-	-	1,325	235	-
Fixtures, fittings and furniture	215	-	170	-	45	215	-	-	215	-	-	-
Computers and telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Library books	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total plant and equipment</b>	<b>1,775</b>	<b>-</b>	<b>1,730</b>	<b>0</b>	<b>45</b>	<b>1,775</b>	<b>-</b>	<b>-</b>	<b>215</b>	<b>1,325</b>	<b>235</b>	<b>-</b>
<b>Infrastructure</b>												
Roads	1,964	24	1,421	319	200	1,964	438	-	1,527	-	-	-
Bridges	150	-	150	-	-	150	100	-	50	-	-	-
Footpaths and cycleways	790	-	360	-	430	790	-	-	790	-	-	-
Drainage	600	-	350	250	-	600	-	-	600	-	-	-
Recreational, leisure and community facilities	7,562	-	1,940	1,440	4,182	7,562	1,300	1,627	4,315	320	-	0
Waste management	1,934	-	-	1,019	915	1,934	1,080	-	-	853	-	-
Parks, open space and streetscapes	880	-	150	45	685	880	350	-	530	-	-	-
Aerodromes	-	-	-	-	-	-	-	-	-	-	-	-
Off street car parks	-	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure	340	-	120	195	25	340	17	-	323	-	-	-
<b>Total infrastructure</b>	<b>14,220</b>	<b>24</b>	<b>4,491</b>	<b>3,267</b>	<b>6,437</b>	<b>14,220</b>	<b>3,285</b>	<b>1,627</b>	<b>8,134</b>	<b>1,173</b>	<b>-</b>	<b>0</b>
<b>Total capital works expenditure</b>	<b>17,420</b>	<b>324</b>	<b>6,938</b>	<b>3,676</b>	<b>6,482</b>	<b>17,420</b>	<b>3,335</b>	<b>1,627</b>	<b>9,725</b>	<b>2,498</b>	<b>235</b>	<b>0</b>

## 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)	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>												
<b>Property</b>												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	1,554	215	930	409	-	1,554	50	-	1,504	-	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total property</b>	<b>1,554</b>	<b>215</b>	<b>930</b>	<b>409</b>	<b>-</b>	<b>1,554</b>	<b>50</b>	<b>-</b>	<b>1,504</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plant and equipment</b>												
Plant, machinery and equipment	1,669	-	1,669	-	-	1,669	-	-	-	1,297	372	-
Fixtures, fittings and furniture	195	-	175	-	20	195	-	-	195	-	-	-
Computers and telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Library books	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total plant and equipment</b>	<b>1,864</b>	<b>0</b>	<b>1,844</b>	<b>0</b>	<b>20</b>	<b>1,864</b>	<b>-</b>	<b>-</b>	<b>195</b>	<b>1,297</b>	<b>372</b>	<b>-</b>
<b>Infrastructure</b>												
Roads	5,166	24	1,471	820	2,852	5,166	438	2,652	2,077	-	-	-
Bridges	150	-	150	-	-	150	100	-	50	-	-	-
Footpaths and cycleways	820	-	380	-	440	820	-	-	820	-	-	-
Drainage	1,150	-	350	800	-	1,150	-	-	1,150	-	-	-
Recreational, leisure and community facilities	7,395	2,500	1,195	3,640	60	7,395	3,470	5	3,920	-	-	-
Waste management	1,633	-	-	1,633	-	1,633	-	-	-	1,633	-	-
Parks, open space and streetscapes	961	-	155	30	776	961	-	776	185	-	-	-
Aerodromes	-	-	-	-	-	-	-	-	-	-	-	-
Off street car parks	-	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure	266	-	120	121	25	266	17	-	249	-	-	-
<b>Total infrastructure</b>	<b>17,540</b>	<b>2,524</b>	<b>3,821</b>	<b>7,043</b>	<b>4,152</b>	<b>17,539</b>	<b>4,025</b>	<b>3,432</b>	<b>8,450</b>	<b>1,633</b>	<b>-</b>	<b>0</b>
<b>Total capital works expenditure</b>	<b>20,958</b>	<b>2,739</b>	<b>6,595</b>	<b>7,452</b>	<b>4,172</b>	<b>20,957</b>	<b>4,075</b>	<b>3,432</b>	<b>10,149</b>	<b>2,929</b>	<b>372</b>	<b>0</b>

## 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)	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>												
<b>Property</b>												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	1,189	-	780	409	-	1,189	50	-	1,139	-	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total property</b>	<b>1,189</b>	<b>0</b>	<b>780</b>	<b>409</b>	<b>0</b>	<b>1,189</b>	<b>50</b>	<b>0</b>	<b>1,139</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Plant and equipment</b>												
Plant, machinery and equipment	1,192	-	1,192	-	-	1,192	-	-	-	869	323	-
Fixtures, fittings and furniture	200	-	180	-	20	200	-	-	200	-	-	-
Computers and telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Library books	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total plant and equipment</b>	<b>1,392</b>	<b>-</b>	<b>1,372</b>	<b>0</b>	<b>20.00</b>	<b>1,392</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>869</b>	<b>323</b>	<b>-</b>
<b>Infrastructure</b>												
Roads	2,064	24	1,520	320	200	2,064	438	-	1,627	-	-	-
Bridges	1,461	-	150	-	1,311	1,461	100	561	800	-	-	-
Footpaths and cycleways	850	-	400	-	450	850	-	-	850	-	-	-
Drainage	1,200	-	350	850	-	1,200	-	-	1,200	-	-	-
Recreational, leisure and community facilities	6,663	1,420	1,300	2,990	953	6,663	2,120	538	4,005	-	-	-
Waste management	1,270	-	-	1,270	-	1,270	-	-	-	1,270	-	-
Parks, open space and streetscapes	2,044	-	560	708	776	2,044	100	1,386	558	-	-	-
Aerodromes	-	-	-	-	-	-	-	-	-	-	-	-
Off street car parks	-	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure	297	-	120	152	25	297	17	-	280	-	-	-
<b>Total infrastructure</b>	<b>15,849</b>	<b>1,444</b>	<b>4,400</b>	<b>6,290</b>	<b>3,714</b>	<b>15,849</b>	<b>2,775</b>	<b>2,485</b>	<b>9,319</b>	<b>1,270</b>	<b>-</b>	<b>0</b>
<b>Total capital works expenditure</b>	<b>18,430</b>	<b>1,444</b>	<b>6,552</b>	<b>6,699</b>	<b>3,734</b>	<b>18,430</b>	<b>2,825</b>	<b>2,485</b>	<b>10,658</b>	<b>2,139</b>	<b>323</b>	<b>0</b>

## 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)	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2021</b>												
<b>Property</b>												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	1,439	-	1,030	409	-	1,439	50	-	1,389	-	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
Heritage buildings	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total property</b>	<b>1,439</b>	<b>0</b>	<b>1,030</b>	<b>409</b>	<b>-</b>	<b>1,439</b>	<b>50</b>	<b>-</b>	<b>1,389</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plant and equipment</b>												
Plant, machinery and equipment	1,119	-	1,119	-	-	1,119	-	-	-	873	246	-
Fixtures, fittings and furniture	153	-	133	-	20	153	-	-	153	-	-	-
Computers and telecommunications	-	-	-	-	-	-	-	-	-	-	-	-
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Library books	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total plant and equipment</b>	<b>1,272</b>	<b>-</b>	<b>1,252</b>	<b>0</b>	<b>20</b>	<b>1,272</b>	<b>-</b>	<b>-</b>	<b>153</b>	<b>873</b>	<b>246</b>	<b>-</b>
<b>Infrastructure</b>												
Roads	5,319	524	1,570	320	2,905	5,319	480	1,355	3,484	-	-	-
Bridges	150	-	150	-	-	150	100	-	50	-	-	-
Footpaths and cycleways	880	-	420	-	460	880	-	-	880	-	-	-
Drainage	450	-	100	350	-	450	-	-	450	-	-	-
Recreational, leisure and community facilities	4,735	750	1,305	2,590	90	4,735	915	5	3,815	-	-	-
Waste management	1,210	-	-	1,210	-	1,210	-	-	-	1,210	-	-
Parks, open space and streetscapes	695	-	165	530	-	695	-	-	695	-	-	-
Aerodromes	-	-	-	-	-	-	-	-	-	-	-	-
Off street car parks	-	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure	259	-	120	114	25	259	17	-	242	-	-	-
<b>Total infrastructure</b>	<b>13,698</b>	<b>1,274</b>	<b>3,830</b>	<b>5,114</b>	<b>3,480</b>	<b>13,698</b>	<b>1,512</b>	<b>1,360</b>	<b>9,616</b>	<b>1,210</b>	<b>-</b>	<b>0</b>
<b>Total capital works expenditure</b>	<b>16,408</b>	<b>1,274</b>	<b>6,112</b>	<b>5,523</b>	<b>3,500</b>	<b>16,408</b>	<b>1,562</b>	<b>1,360</b>	<b>11,158</b>	<b>2,083</b>	<b>246</b>	<b>0</b>

## 2. Summary of planned human resources expenditure

	2,017	2018	2019	2020	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Infrastructure Services</b>					
-Permanent full time	10,867				
-Permanent part time	237				
<b>Total Infrastructure Services</b>	11,104				
<b>Environment &amp; Planning</b>					
-Permanent full time	4,979				
-Permanent part time	1,229				
<b>Total Environment &amp; Planning</b>	6,208				
<b>Community &amp; Leisure</b>					
-Permanent full time	2,885				
-Permanent part time	3,456				
-Limited tenures	211				
<b>Total Community &amp; Leisure</b>	6,552				
<b>Corporate Services</b>					
-Permanent full time	4,365				
-Permanent part time	1,618				
<b>Total Corporate Services</b>	5,983				
<b>Executive Services</b>					
-Permanent full time	548				
-Permanent part time	-				
<b>Total Executive Services</b>	548				
Total casuals and other	413				
<b>Total staff expenditure</b>	30,808	32,078	33,159	34,273	35,421
	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
<b>Infrastructure Services</b>					
-Permanent full time	121.00				
-Permanent part time	2.72				
<b>Total Infrastructure Services</b>	123.72				
<b>Environment &amp; Planning</b>					
-Permanent full time	48.15				
-Permanent part time	16.18				
<b>Total Environment &amp; Planning</b>	64.33				
<b>Community &amp; Leisure</b>					
-Permanent full time	26.45				
-Permanent part time	36.25				
-Limited tenures	2.10				
<b>Total Community &amp; Leisure</b>	64.80				
<b>Corporate Services</b>					
-Permanent full time	39.62				
-Permanent part time	17.60				
<b>Total Corporate Services</b>	57.22				
<b>Executive Services</b>					
-Permanent full time	3.00				
-Permanent part time	-				
<b>Total Executive Services</b>	3.00				
Total casuals and other	n/a				
<b>Total staff numbers</b>	313.07	313.07	313.07	313.07	313.07



## **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

	2015-16	2016-17
	\$	\$
New borrowings (other than refinancing)	-	-
Debt redemption	797,000	842,000

### 2. Rates and charges

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

Type of Property	2015-16	2016-17
	Rate in Dollar	Rate in Dollar
General	0.003507	0.003190
Farm Land	0.002981	0.002711
Commercial/Industrial	0.004067	0.003692
Vacant Land - Residential and Specified Low Density Residential Zones	0.007012	0.006378
Cultural and Recreational Land	0.001352	0.001230

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

Type of Property	2015-16	2016-17
	\$'000	\$'000
General	45,273	46,907
Farm Land	663	561
Commercial/Industrial	2,524	2,658
Vacant Land - Residential and Specified Low Density Residential Zones	1,244	1,376
Cultural and Recreational Land	11	4

#### 2.3 The estimated total amount to be raised by rates

	2015-16	2016-17
	\$'000	\$'000
Total rates to be raised	49,716	51,506

#### 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	2015-16	2016-17
	Change	Change
	%	%
General	6.69	(9.04)
Farm Land	6.69	(9.06)
Commercial/Industrial	6.69	(9.22)
Vacant Land - Residential and Specified Low Density Residential Zones	6.68	(9.04)
Cultural and Recreational Land	6.71	(9.02)
Municipal Charge	(6.81)	2.50
Waste Management Charge	2.07	2.50

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

Type of Property	2015-16	2016-17
General	21,335	21,515
Farm Land	198	171
Commercial/Industrial	980	981
Vacant Land - Residential and Specified Low Density Residential Zones	433	467
Cultural and Recreational Land	12	2
<b>Total number of assessments</b>	<b>22,958</b>	<b>23,136</b>

## 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	2015-16 \$'000	2016-17 \$'000
General	12,910,875	14,705,101
Farm Land	222,510	207,040
Commercial/Industrial	620,706	719,848
Vacant Land - Residential and Specified Low Density Residential Zones	177,475	215,797
Cultural and Recreational Land	8,043	3,490
<b>Total</b>	<b>13,939,609</b>	<b>15,851,276</b>

## 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 2015-16 \$	Per Rateable Property 2016-17 \$
Waste Management - Residential - Standard Service	371.08	380.36
Waste Management - Residential - 80 Litre Red Bins	337.79	346.23
Waste Management - Residential - 2 Red Bins	519.26	532.24
Waste Management - Elderly Persons Units - Bin	98.65	101.12
Municipal Charge	93.50	95.84

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

Type of Charge	2015-16 \$	2016-17 \$
Waste Management - Residential - Standard Service	7,393,717	7,566,061
Waste Management - Residential - 80 Litre Red Bins	8,445	9,348
Waste Management - Residential - 2 Red Bins	501,084	599,304
Waste Management - Elderly Persons Units - Bin	9,174	9,404
Municipal charge	2,146,573	2,217,296
<b>Total</b>	<b>10,058,993</b>	<b>10,401,413</b>

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

	2015-16 \$'000	2016-17 \$'000
General rates	49,716	51,506
Service charges and Municipal Charges	10,059	10,401
<b>Total *</b>	<b>59,775</b>	<b>61,907</b>

\* 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 0.3190 per cent (0.3190 cents in the dollar of CIV) for all rateable residential and ordinary vacant land;
- A general rate of 0.2711 per cent (0.2711 cents in the dollar of CIV) for all rateable farm land properties;
- A general rate of 0.3692 per cent (0.3692 cents in the dollar of CIV) for all rateable commercial/industrial properties;
- A general rate of 0.6378 per cent (0.6378 cents in the dollar of CIV) for all rateable vacant land - residential and specified low density residential zones;
- A general rate of 0.1230 per cent (0.1230 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; 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; 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**

- General Residential / Residential Growth / Neighbourhood Residential Zones and Low Density Residential Zones (LDRZ) 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.

## Rate Cap Calculation Per Rate Type including Municipal Charge

PRIMARY DATA	Residential	Commercial and Industrial Land	Farm Land	Vacant Land	Cultural and Recreational Land	Total
Budgeted General Rates and Municipal Charge (per adopted budget 2015-16)	47,267,823	2,615,630	682,111	1,284,486	11,996	51,862,045
Forecast Annualised General Rates and Municipal Charge at 30 June 2016*	552,735	32,406	(85,039)	63,945	(7,429)	556,618
Total Annualised Revenue as at 30 June 2016	47,820,557	2,648,036	597,072	1,348,430	4,567	52,418,663
Forecast number of properties as at 30 June 2016	21,515	981	171	467	2	23,136
<b>CALCULATION</b>						
Base Average Rate as at 30 June 2016 (Total Annualised Revenue / Number of Rateable Properties)	2,222.66	2,699.32	3,491.65	2,887.43	2,283.67	
Rate Cap as set by the Essential Services Commission effective 1 July 2016			2.50%			
2016-17 Proposed capped average rate per assessment (includes general rates plus municipal charge) effective 1 July 2016	2,278.23	2,766.81	3,578.94	2,959.62	2,340.76	
2016-17 Proposed Revenue to be raised by General Rate and Municipal Charge	<b>49,016,071.10</b>	<b>2,714,236.71</b>	<b>611,999.23</b>	<b>1,382,141.25</b>	<b>4,681.53</b>	<b>53,729,129.82</b>
<b>BREAKDOWN OF GENERAL RATES</b>						
Base Average Rate as at 30 June 2016	2,129.16	2,605.82	3,398.15	2,793.93	2,190.17	
Base Municipal Charge as at 30 June 2016	93.50	93.50	93.50	93.50	93.50	
Rate Cap as set by the Essential Services Commission effective 1 July 2016			2.50%			
2016-17 Proposed capped average rate per assessment effective 1 July 2016	2,182.39	2,670.97	3,483.11	2,863.78	2,244.93	
2016-17 Proposed capped Municipal Charge per assessment effective 1 July 2016	95.84	95.84	95.84	95.84	95.84	
2016-17 Proposed Revenue to be raised by General Rates	46,954,127.29	2,620,220.12	595,611.02	1,337,385.14	4,489.85	51,511,833.42
2016-17 Proposed Revenue to be raised by Municipal Charge	2,061,943.81	94,016.59	16,388.21	44,756.11	191.68	2,217,296.40

\* Negative values represent a reclassification of properties from differing rate classifications

## **Appendix C**

### **Capital works program**

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

## Capital works program

For the year ending 30 June 2017

Capital Works Area	Project Cost \$'000	Summary of funding sources					
		Grants \$'000	Contrib's \$'000	Proceeds on sale of assets \$'000	Reserves \$'000	Council rates \$'000	Borrow- ings \$'000
<b>PROPERTY</b>							
<b>LAND</b>	-	-	-	-	-	-	-
<b>LAND IMPROVEMENTS</b>	-	-	-	-	-	-	-
<b>BUILDINGS</b>							
<b>Asset renewal expenditure</b>							
Other Council Buildings Renewal	600	-	-	-	-	600	-
Public Amenities	200	-	-	-	-	200	-
Total asset renewal expenditure - buildings	800	-	-	-	-	800	-
<b>Asset upgrade expenditure</b>							
Early Years Facility Improvements	129	-	-	-	-	129	-
Edendale Farm - Site Improvements	500	-	-	-	-	500	-
Other Council Buildings Upgrade	130	-	-	-	-	130	-
Research Shop Toilet upgrade	100	-	-	-	100	-	-
Resource Conservation Fund	150	50	-	-	-	100	-
Total asset upgrade expenditure - buildings	1,009	50	-	-	100	859	-
<b>New asset expenditure</b>							
Solar panels - council buildings	200	-	-	-	-	200	-
Total new asset expenditure - buildings	200	-	-	-	-	200	-
<b>TOTAL BUILDINGS</b>	<b>2,009</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>1,859</b>	<b>-</b>
<b>BUILDING IMPROVEMENTS</b>	-	-	-	-	-	-	-
<b>LEASEHOLD IMPROVEMENTS</b>	-	-	-	-	-	-	-
<b>HERITAGE BUILDINGS</b>	-	-	-	-	-	-	-
<b>TOTAL PROPERTY</b>	<b>2,009</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>1,859</b>	<b>-</b>
<b>PLANT AND EQUIPMENT</b>							
<b>PLANT, MACHINERY AND EQUIPMENT</b>							
<b>Asset renewal expenditure</b>							
Playgrounds renewal	165	-	-	-	-	165	-
Fleet replacement	785	-	-	157	628	-	-
Major plant replacement	785	-	-	114	671	-	-
Total asset renewal expenditure - PM&E	1,735	-	-	271	1,299	165	-
<b>Asset expansion expenditure</b>							
Playground safety fencing	20	-	-	-	-	20	-
Total asset expansion expenditure - PM&E	20	-	-	-	-	20	-
<b>TOTAL PLANT, MACHINERY &amp; EQUIPMENT</b>	<b>1,755</b>	<b>-</b>	<b>-</b>	<b>271</b>	<b>1,299</b>	<b>185</b>	<b>-</b>
<b>FIXTURES, FITTINGS AND FURNITURE</b>	-	-	-	-	-	-	-



Capital Works Area	Project Cost \$'000	Summary of funding sources					
		Grants \$'000	Contrib's \$'000	Proceeds on sale of assets \$'000	Reserves \$'000	Council rates \$'000	Borrow- ings \$'000
<b>COMPUTERS AND TELECOMMUNICATIONS HERITAGE PLANT AND EQUIPMENT LIBRARY BOOKS</b>	-	-	-	-	-	-	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>1,755</b>	-	-	271	1,299	185	-
<b>INFRASTRUCTURE</b>							
<b>ROADS</b>							
<b>Asset renewal expenditure</b>							
Roads periodic maintenance (reseals & resheets)	1,308	238	-	-	-	1,070	-
Bus shelter replacement strategy	20	-	-	-	-	20	-
<b>Total asset renewal expenditure - roads</b>	<b>1,328</b>	<b>238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,090</b>	<b>-</b>
<b>Asset upgrade expenditure</b>							
Road sealing / rehabilitation program	560	480	-	-	-	80	-
Priority Roads	100	100	-	-	-	-	-
Minor traffic works	40	-	-	-	-	40	-
<b>Total asset upgrade expenditure - roads</b>	<b>700</b>	<b>580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>-</b>
<b>Asset expansion expenditure</b>							
DPO 2 - Collard Dr/Broad Gully Rd T Intersection	331	-	331	-	-	-	-
DPO 2 - Upgrade of Bellbird Road and Collard Drive intersection	157	-	157	-	-	-	-
Traffic improvement program	200	-	-	-	-	200	-
<b>Total asset expansion expenditure - roads</b>	<b>688</b>	<b>-</b>	<b>488</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>-</b>
<b>New asset expenditure</b>							
Bus shelters	24	-	-	-	-	24	-
<b>Total new asset expenditure - roads</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>-</b>
<b>TOTAL ROADS</b>	<b>2,740</b>	<b>818</b>	<b>488</b>	<b>-</b>	<b>-</b>	<b>1,434</b>	<b>-</b>
<b>BRIDGES</b>							
<b>Asset renewal expenditure</b>							
Bridge rehabilitation	1,000	950	-	-	-	50	-
<b>Total asset renewal expenditure - bridges</b>	<b>1,000</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>
<b>TOTAL BRIDGES</b>	<b>1,000</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>
<b>FOOTPATHS AND CYCLEWAYS</b>							
<b>Asset renewal expenditure</b>							
Footpath renewal	340	-	-	-	-	340	-
<b>Total asset renewal expenditure - footpaths</b>	<b>340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>340</b>	<b>-</b>
<b>Asset expansion expenditure</b>							
Footpath construction program	475	-	-	-	-	475	-
<b>Total asset expansion expenditure - footpaths</b>	<b>475</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>475</b>	<b>-</b>
<b>TOTAL FOOTPATHS AND CYCLEWAYS</b>	<b>815</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815</b>	<b>-</b>
<b>DRAINAGE</b>							
<b>Asset renewal expenditure</b>							
Drainage works	250	-	-	-	-	250	-
Reactive drainage works	100	-	-	-	-	100	-
<b>Total asset renewal expenditure - drainage</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>-</b>

Capital Works Area	Project Cost \$'000	Summary of funding sources					
		Grants \$'000	Contrib's \$'000	Proceeds on sale of assets \$'000	Reserves \$'000	Council rates \$'000	Borrow- ings \$'000
<b>Asset upgrade expenditure</b>							
Drainage works	250	-	-	-	-	250	-
Total asset upgrade expenditure - drainage	250	-	-	-	-	250	-
<b>TOTAL DRAINAGE</b>	<b>600</b>	-	-	-	-	600	-
<b>RECREATIONAL, LEISURE AND COMMUNITY FACILITIES</b>							
<b>Asset renewal expenditure</b>							
Yarrambat park golf course - annual course improvements	80	-	-	-	-	80	-
Yarrambat Golf course upgrades	120	-	-	-	-	120	-
Major leisure centres & community halls renewal	535	-	-	-	-	535	-
Eltham leisure centre aquatic	5,000	-	-	-	5,000	-	-
Trail resurfacing & periodic maintenance	250	-	-	-	-	250	-
Cricket pitch replacement	15	-	5	-	-	10	-
Bin Cage at Sportsgrounds	5	-	-	-	-	5	-
Sports fields, pavilions & fence renewal	170	-	-	-	-	170	-
Total asset renewal expenditure - RL&CF	6,175	-	5	-	5,000	1,170	-
<b>Asset upgrade expenditure</b>							
Trail upgrade for safety compliance	130	-	-	-	-	130	-
Sportfield carpark sealing	100	-	-	-	-	100	-
Sportsground - Lighting Upgrade	30	-	-	-	-	30	-
Soccer facilities at Wattle Glen – Stage 2 change rooms upgrade	10	-	-	-	-	10	-
Upgrade Floodlighting to Oval	10	-	-	-	-	10	-
Eltham North Reserve pavilion upgrade	800	-	-	-	-	800	-
Baseball Facility - Campbell Street	52	-	-	-	-	52	-
Research Park Sports Pavilion	150	-	-	-	-	150	-
Total asset upgrade expenditure - RL&CF	1,282	-	-	-	-	1,282	-
<b>Asset expansion expenditure</b>							
Eltham leisure centre aquatic	6,950	4,300	-	-	2,100	550	-
Recreation trail - local Links	60	-	-	-	-	60	-
Diamond Creek Trail - path connections footbridge at Diamond Creek Reserve	250	-	-	-	250	-	-
Total asset expansion expenditure - drainage	7,260	4,300	-	-	2,350	610	-
<b>New asset expenditure</b>							
Diamond Creek trail	2,000	-	-	-	1,250	750	-
Total new asset expenditure - RL&CF	2,000	-	-	-	1,250	750	-
<b>TOTAL REC, LEISURE &amp; COMM FACILITIES</b>	<b>16,717</b>	<b>4,300</b>	<b>5</b>	-	<b>8,600</b>	<b>3,812</b>	-
<b>PARKS, OPEN SPACE AND STREETSCAPES</b>							
<b>Asset renewal expenditure</b>							
Public open space renewal	145	-	-	-	-	145	-
Total asset renewal expenditure - Parks, OS & Streetscapes	145	-	-	-	-	145	-
<b>Asset upgrade expenditure</b>							
Road/Access	170	-	-	-	-	170	-
Panton Hill bushland reserves management plan implementation	20	-	-	-	-	20	-
Total asset upgrade expenditure - Parks, OS & Streetscapes	190	-	-	-	-	190	-
<b>Asset expansion expenditure</b>							
Civic Drive Precinct - Facilities	20	-	-	-	-	20	-

Capital Works Area	Project Cost \$'000	Summary of funding sources					
		Grants \$'000	Contrib's \$'000	Proceeds on sale of assets \$'000	Reserves \$'000	Council rates \$'000	Borrow- ings \$'000
Total asset expansion expenditure - Parks, OS & Streetscapes	20	-	-	-	-	20	-
<b>New asset expenditure</b>							
Eltham Dog Park	25	-	25	-	-	-	-
Total new asset expenditure - Parks, OS & Streetscapes	25	-	25	-	-	-	-
<b>WASTE MANAGEMENT</b>							
<b>Asset upgrade expenditure</b>							
Plenty & Kangaroo Ground landfill rehabilitation	1,746	-	-	-	1,746	-	-
Total asset upgrade expenditure - Waste Management	1,746	-	-	-	1,746	-	-
<b>TOTAL PARKS, O/SPACE &amp; STREETSAPES</b>	<b>2,126</b>	-	25	-	1,746	355	-
<b>AERODROMES</b>	-	-	-	-	-	-	-
<b>OFF STREET CAR PARKS</b>	-	-	-	-	-	-	-
<b>OTHER INFRASTRUCTURE</b>							
<b>Asset renewal expenditure</b>							
Disability access works	120	-	-	-	-	120	-
Total asset renewal expenditure - Other Infrastructure	120	-	-	-	-	120	-
<b>Asset upgrade expenditure</b>							
Street tree planting	81	-	-	-	-	81	-
Diamond Creek Streetscape Improvements	80	-	-	-	-	80	-
Township/facility signage	40	-	-	-	-	40	-
Total asset upgrade expenditure - Other Infrastructure	201	-	-	-	-	201	-
<b>Asset expansion expenditure</b>							
Fire fighting water storage tanks	25	17	-	-	-	8	-
Total asset expansion expenditure - Other Infrastructure	25	17	-	-	-	8	-
<b>TOTAL OTHER INFRASTRUCTURE</b>	<b>346</b>	17	-	-	-	329	-
<b>TOTAL INFRASTRUCTURE</b>	<b>24,343</b>	6,085	518	-	10,346	7,395	-
<b>TOTAL NEW CAPITAL WORKS 2016-17</b>	<b>28,107</b>	6,135	518	271	11,744	9,439	-

## 2. Summary

Capital Works Area	Project Cost \$'000	Summary of funding sources					
		Grants \$'000	Contrib's \$'000	Proceeds on sale of assets \$'000	Reserves \$'000	Council rates \$'000	Borrow- ings \$'000
Asset renewal expenditure	11,992	1,188	5	271	6,299	4,230	-
Asset upgrade expenditure	5,378	630	-	-	1,846	2,902	-
Asset expansion expenditure	8,488	4,317	488	-	2,350	1,333	-
New asset expenditure	2,249	-	25	-	1,250	974	-
<b>TOTAL CAPITAL WORKS</b>	<b>28,107</b>	<b>6,135</b>	<b>518</b>	<b>271</b>	<b>11,744</b>	<b>9,439</b>	<b>-</b>

## **Appendix D**

### **Major Initiatives**

This appendix presents a listing of the major initiatives that will be undertaken for the 2016-17 year.

## Major Initiatives

For the year ending 30 June 2017

Council Plan Goal	Project	2016-2017		
		Total Project Cost \$	Non Rate Funding \$	Rates funded \$
2	Green Waste drop-off days	76,000		76,000
3	Essential Safety Measures (ESM) in Council buildings (ongoing)	55,000		55,000
3	Hurstbridge Streetscape design	15,000		15,000
3	Diamond Creek Windy Mile	15,000		15,000
3	Corporate Asset Register System	45,000		45,000
3	Heritage Investigations (Year 2 of 5)	30,000		30,000
4	Conversion of part-time Business Development officer to full-time	33,000		33,000
4	New Economic Development Strategy implementation (Year 1 of 5) - 2017-2021	40,000		40,000
4	Visiting friends and relatives campaign (Year 1 of 2)	22,000		22,000
4	Visitor information services review (Year 1 of 2)	10,000		10,000
3	Urban design pattern book for intensive developments	20,000		20,000
3	Urban design advice for apartment developments	10,000		10,000
3	Yarrambat township development contributions plan (Year 1 of 2)	60,000	60,000	-
1	Liveable Nillumbik (Lot 1 Hurstbridge) Year 3	95,000	95,000	-
1	Implementation of Municipal Health and Wellbeing Plan	45,000		45,000
1	Community infrastructure broker	68,084	34,042	34,042
1	Integrated service and community hub activation	82,550	12,000	70,550
1	Community and Medical Transport	112,875	68,600	44,275
1	Positive Ageing Strategy Implementation	20,000		20,000
1	Diamond Valley Sports and Fitness Centre Masterplan	35,000	21,000	14,000
1	Implementation 2011-2017 Cultural Plan Year 6	45,000	20,000	25,000
1	Feasibility Study North East Regional Paddle Sports Centre at Westerfolds Park	5,000		5,000
1	Diamond Creek Trail Planning	25,000		25,000
1	Regional facility planning for high-ball courts and soccer	10,000		10,000
5	2016 Council Elections and provision of councillor equipment	310,000	60,000	250,000
<b>Total</b>		<b>1,284,509</b>	<b>370,642</b>	<b>913,867</b>

Major Initiatives identified as ongoing will require funding in future operating budgets in order to continue beyond 2016-17.

**Appendix E**  
**Operating results by business unit**

This appendix presents the operating results by business unit for the 2016-17 year.

**Nillumbik Shire Council**  
**Operating Budget 2016-17**

Department Unit	2015-16 Forecast	2016-17 Budget	Percent var to 2015-16 Budget
	\$	\$	%

**Program Description**

**Infrastructure**

**Infrastructure Mgmt**

**Income**

0041. Emergency Management	(17,828)	(17,473)	(1.99)
----------------------------	----------	----------	--------

**Expenditure**

0003. GM Infrastructure Mgmt	454,161	409,616	(9.81)
0041. Emergency Management	500,686	505,549	0.97

<b>Total Infrastructure Mgmt</b>	<b>937,019</b>	<b>897,692</b>	<b>(4.20)</b>
----------------------------------	----------------	----------------	---------------

**Infrastructure Development**

**Income**

0100. Infrastructure Development Mgmt	(1,078,817)	(1,062,857)	(1.48)
0104. Engineering Construction	(100,950)	(99,000)	(1.93)
0111. Traffic & Transport	(50,000)	(55,000)	10.00

**Expenditure**

0100. Infrastructure Development Mgmt	237,433	240,564	1.32
0102. Engineering Design	523,525	540,296	3.20
0104. Engineering Construction	430,139	434,098	0.92
0111. Traffic & Transport	1,092,989	1,080,898	(1.11)

<b>Total Infrastructure Development</b>	<b>1,054,319</b>	<b>1,078,999</b>	<b>2.34</b>
---	------------------	------------------	-------------

**Infrastructure Maintenance**

**Income**

0022. Road Materials	(1,152)	(2,000)	73.61
0026. Domestic Garbage Collection	(57,673)	(70,000)	21.37
0028. Recycling Collection	(93,000)	(137,500)	47.85
0029. Fleet Operations	(51,000)	(49,000)	(3.92)
0030. Unsealed Roads Maintenance	(4,115)	-	(100.00)
0032. Miscellaneous Works	(1,982)	-	(100.00)
0035. Landscape Maintenance	(16,300)	(16,300)	-
0036. Sportsground Maintenance	(5,000)	(5,000)	-
0040. Playground & Park Furniture Mtnce	(11,180)	-	(100.00)
0042. Recycling & Recovery Centre	(415,135)	(395,000)	(4.85)
0043. Wetland Crew	(4,512)	-	(100.00)
0254. Environment Works	(103,261)	-	(100.00)

**Expenditure**

0020. Depot Management	1,153,014	1,210,096	4.95
------------------------	-----------	-----------	------

Department Unit	2015-16 Forecast	2016-17 Budget	Percent var to 2015-16 Budget
	\$	\$	%
0021. Emergency Works	109,316	98,097	(10.26)
0022. Road Materials	1,066,334	1,008,212	(5.45)
0024. Reserve Utilities	172,485	172,485	-
0025. Waste Management	1,278,206	1,284,229	0.47
0026. Domestic Garbage Collection	1,534,314	1,571,460	2.42
0027. Garden Organics Collection	1,503,127	1,563,787	4.04
0028. Recycling Collection	797,346	806,241	1.12
0029. Fleet Operations	290,220	325,306	12.09
0030. Unsealed Roads Maintenance	1,782,001	1,859,588	4.35
0031. Sealed Roads Maintenance	549,830	576,442	4.84
0032. Miscellaneous Works	430,724	435,846	1.19
0033. Drainage Maintenance & Street	412,182	430,378	4.41
0034. Parks	375,529	398,029	5.99
0035. Landscape Maintenance	1,094,535	1,120,591	2.38
0036. Sportsground Maintenance	237,725	304,259	27.99
0037. Open Space Maintenance	482,613	490,287	1.59
0038. Arboriculture Maintenance	940,371	895,805	(4.74)
0039. Priority Sites Maintenance	242,043	239,918	(0.88)
0040. Playground & Park Furniture Mtnce	288,651	272,615	(5.56)
0042. Recycling & Recovery Centre	434,900	443,961	2.08
0043. Wetland Crew	64,253	75,050	16.80
0044. Yan Yean Tip	1,045,197	1,105,697	5.79
0047. Fire Prevention	564,573	554,573	(1.77)
0048. Concrete Works	230,592	215,654	(6.48)
0254. Environment Works	933,798	839,425	(10.11)
<b>Total Infrastructure Maintenance</b>	<b>17,249,569</b>	<b>17,623,231</b>	<b>2.17</b>
<b>Assets and Property Income</b>			
0352. Property Sales Management	(4,275,770)	(7,650,000)	78.92
0451. Property Mgmt	(276,000)	(312,000)	13.04
0110. Engineering Assets	(36,139)	-	(100.00)
<b>Expenditure</b>			
0352. Property Sales Management	4,571,832	7,950,237	73.90
0451. Property Mgmt	155,698	158,738	1.95
0110. Engineering Assets	691,523	711,795	2.93
0106. Building Mtnce - Mgmt	130,816	134,174	2.57
0109. Building Mtnce - Mtnce	1,352,564	1,376,373	1.76
<b>Total Assets and Property</b>	<b>2,314,524</b>	<b>2,369,317</b>	<b>2.37</b>
<b>Total Infrastructure Services</b>	<b>21,555,431</b>	<b>21,969,239</b>	<b>1.92</b>
<b>Environment &amp; Planning</b>			
<b>Environment &amp; Planning Management Expenditure</b>			
0200. Gm Environment & Planning	340,847	347,660	2.00
<b>Total Environment &amp; Planning Management</b>	<b>340,847</b>	<b>347,660</b>	<b>2.00</b>



Department Unit	2015-16 Forecast	2016-17 Budget	Percent var to 2015-16 Budget
	\$	\$	%
<b>Strategic and Economic Planning</b>			
<b>Income</b>			
0350. Tourism & Economic Development	(295,185)	(277,360)	(6.04)
<b>Expenditure</b>			
0256. Sustainable Planning	225,697	229,134	1.52
0251. Strategic Planning	405,870	390,352	(3.82)
0350. Tourism & Economic Development	578,189	598,857	3.57
<b>Total Sustainable Planning</b>	<b>914,571</b>	<b>940,983</b>	<b>2.89</b>
<b>Regulatory Services</b>			
<b>Income</b>			
0150. School Crossing Supervision	(149,733)	(150,000)	0.18
0151. Municipal Laws Coordination	(1,328,913)	(1,368,881)	3.01
0152. Pound Services	(65,764)	(71,990)	9.47
<b>Expenditure</b>			
0150. School Crossing Supervision	472,069	497,531	5.39
0151. Municipal Laws Coordination	1,488,347	1,507,659	1.30
0152. Pound Services	94,271	94,409	0.15
<b>Total Regulatory Services</b>	<b>510,277</b>	<b>508,728</b>	<b>(0.30)</b>
<b>Sustainability and Environment</b>			
<b>Income</b>			
0252. Environmental Planning	(20,000)	(17,000)	(15.00)
0516. St Andrews Hall Reserve	(49,362)	(3,002)	(93.92)
<b>Expenditure</b>			
0250. Environment & Strategic Planning	225,861	224,679	(0.52)
0252. Environmental Planning	927,463	939,158	1.26
0516. St Andrews Hall Reserve	49,362	3,002	(93.92)
<b>Total Sustainability and Environment</b>	<b>1,133,324</b>	<b>1,146,837</b>	<b>1.19</b>
<b>Planning and Health Services</b>			
<b>Income</b>			
0220. Planning & Building Services Mgmt	(20,000)	(20,000)	-
0221. Statutory Planning	(236,000)	(238,000)	0.85
0222. Building Services	(275,618)	(292,385)	6.08
0223. Planning and Building Services	(61,000)	(62,800)	2.95
0224. Planning & Building Enforcement	(20,000)	(20,000)	-
0321. Environment Health & Immunisation	(331,659)	(424,067)	27.86
<b>Expenditure</b>			
0220. Planning & Building Services Mgmt	348,818	337,234	(3.32)
0221. Statutory Planning	1,469,163	1,519,495	3.43
0222. Building Services	517,951	520,814	0.55
0223. Planning and Building Services	332,428	343,078	3.20
0224. Planning & Building Enforcement	191,006	196,310	2.78
0321. Environment Health & Immunisation	864,169	861,782	(0.28)
<b>Total Planning and Health Services</b>	<b>2,779,258</b>	<b>2,721,461</b>	<b>(2.08)</b>
<b>Total Environment and Planning</b>	<b>5,678,277</b>	<b>5,665,669</b>	<b>(0.22)</b>

Department Unit	2015-16 Forecast	2016-17 Budget	Percent var to 2015-16 Budget
	\$	\$	%
<b>Corporate Services</b>			
<b>Corporate Services Management</b>			
<b>Expenditure</b>			
0400. GM Corporate Services Mgmt	444,472	452,013	1.70
<b>Total Corporate Services Management</b>	<b>444,472</b>	<b>452,013</b>	<b>1.70</b>
<b>Information &amp; Technology</b>			
<b>Expenditure</b>			
0450. Corporate Information	601,140	647,078	7.64
0454. Network / Desktop	1,133,449	995,300	(12.19)
0455. Corporate Systems	829,179	824,829	(0.52)
0456. IT Management	1,849,021	1,942,981	5.08
0458. GIS	53,373	73,373	37.47
<b>Total Information &amp; Technology</b>	<b>4,466,162</b>	<b>4,483,561</b>	<b>0.39</b>
<b>Organisational Development &amp; Risk</b>			
<b>Income</b>			
0620. Human Resource Mgmt	(50,000)	(30,000)	(40.00)
0621. Occupational Health & Safety	(100,000)	(100,000)	-
<b>Expenditure</b>			
0453. Corporate Insurance	1,160,000	1,155,000	(0.43)
0620. Human Resource Mgmt	1,226,322	1,226,326	-
0621. Occupational Health & Safety	358,418	370,628	3.41
<b>Total Organisational Development &amp; Risk</b>	<b>2,594,740</b>	<b>2,621,954</b>	<b>1.05</b>
<b>Governance &amp; Communication</b>			
<b>Income</b>			
0452. Governance	(410)	(410)	-
0459. Customer Service	(4,000)	(4,000)	-
0650. Communication	(3,100)	(3,100)	-
<b>Expenditure</b>			
0452. Governance	779,147	784,780	0.72
0459. Customer Service	530,565	545,802	2.87
0650. Communication	674,201	667,407	(1.01)
<b>Total Governance &amp; Communication</b>	<b>1,976,403</b>	<b>1,990,479</b>	<b>0.71</b>
<b>Finance</b>			
<b>Income</b>			
0411. Accounting Services - Other	(3,339,101)	(2,975,738)	(10.88)
0412. Rates	(60,520,324)	(62,279,142)	2.91
0413. Reserve Transfers	(586,100)	(586,100)	-
<b>Expenditure</b>			
0410. Accounting Services	1,663,688	1,718,199	3.28
0411. Accounting Services - Other	3,887,600	3,512,451	(9.65)
0412. Rates	533,176	467,611	(12.30)
0413. Reserve Transfers	586,100	586,100	-
<b>Total Finance</b>	<b>(57,774,961)</b>	<b>(59,556,619)</b>	<b>3.08</b>
<b>Total Corporate Services</b>	<b>(48,293,184)</b>	<b>(50,008,612)</b>	<b>3.55</b>

<b>Department Unit</b>	<b>2015-16 Forecast</b>	<b>2016-17 Budget</b>	<b>Percent var to 2015-16 Budget</b>
	<b>\$</b>	<b>\$</b>	<b>%</b>
<b>Executive Services</b>			
<b>Executive Services</b>			
<b>Expenditure</b>			
0600. Executive Management	647,812	661,023	2.04
0601. Council Support	308,819	328,493	6.37
<b>Total Executive Services</b>	<b>956,631</b>	<b>989,516</b>	<b>3.44</b>
<b>Total Executive Services</b>	<b>956,631</b>	<b>989,516</b>	<b>3.44</b>
<b>Community and Leisure</b>			
<b>Community and Leisure Management</b>			
<b>Expenditure</b>			
0292. Leisure & Community Services	371,552	379,340	2.10
<b>Total Community and Leisure Management</b>	<b>371,552</b>	<b>379,340</b>	<b>2.10</b>
<b>Community Services &amp; Social Development</b>			
<b>Income</b>			
0309. Inclusion Support	(96,486)	-	(100.00)
0310. Childrens Services	(50,612)	(25,020)	(50.57)
0311. Family Day Care	(164,481)	-	(100.00)
0313. Consiton Street	(3,200)	(5,000)	56.25
0314. Maternal Child Health	(284,190)	(289,873)	2.00
0315. Youth Services	(37,972)	(44,000)	15.87
0317. Aged Services Assessment	(350,987)	(211,831)	(39.65)
0318. HACC Contracts	(1,675,305)	(1,159,604)	(30.78)
0319. Senior Citizens Centres	(3,000)	(2,700)	(10.00)
0338. Food Services	(183,317)	(160,607)	(12.39)
0340. Coordinator Aged & Disability	(79,428)	(73,073)	(8.00)
0342. Family & Children's Serv Mgmt	(69,273)	(21,152)	(69.47)
0343. Supported Playgroup	(55,709)	-	(100.00)
0344. Hurstbridge Community Centre	(46,195)	(15,550)	(66.34)
0500. Community Services Mgmt	(34,721)	-	(100.00)
0517. Grow Communities Thriving Children	(277,602)	(112,375)	(59.52)
0518. Best Start	(206,912)	(111,861)	(45.94)
0304. Childcare Eltham	(130,213)	(120,000)	(7.84)
0305. Childcare Panton Hill	(155,570)	(120,000)	(22.86)
<b>Expenditure</b>			
0309. Inclusion Support	98,539	-	(100.00)
0310. Childrens Services	163,943	117,729	(28.19)
0311. Family Day Care	203,888	-	(100.00)
0312. Occ Child Care-Hohnes Road	34,254	34,254	-
0313. Consiton Street	15,960	15,960	-
0314. Maternal Child Health	1,035,887	1,070,617	3.35
0315. Youth Services	450,079	456,455	1.42
0317. Aged Services Assessment	423,116	313,270	(25.96)

Department Unit	2015-16 Forecast	2016-17 Budget	Percent var to 2015-16 Budget
	\$	\$	%
0318. HACC Contracts	1,948,590	1,432,768	(26.47)
0319. Senior Citizens Centres	4,560	4,560	-
0337. Contracts and Data Officer	49,438	52,936	7.08
0338. Food Services	253,138	248,454	(1.85)
0340. Coordinator Aged & Disability	80,362	82,782	3.01
0342. Family & Children's Serv Mgmt	361,277	320,181	(11.38)
0343. Supported Playgroup	55,801	-	(100.00)
0344. Hurstbridge Community Centre	194,295	161,865	(16.69)
0345. Community & Social Development	80,788	84,082	4.08
0346. Positive Ageing	175,335	180,717	3.07
0500. Community Services Mgmt	246,528	227,109	(7.88)
0514. Eltham War Memorial Hall	4,844	4,844	-
0517. Grow Communities Thriving Children	278,162	114,898	(58.69)
0518. Best Start	207,522	114,525	(44.81)
0304. Childcare Eltham	190,220	174,220	(8.41)
0305. Childcare Panton Hill	191,402	189,860	(0.81)
<b>Total Community Services &amp; Social Development</b>	<b>2,842,755</b>	<b>2,929,440</b>	<b>3.05</b>
<b>Community Participation, Learning and Culture Income</b>			
0255. Arts & Cultural Services	(10,000)	(26,885)	168.85
0303. Operations Eltham	(22,902)	(15,200)	(33.63)
0306. Operations Panton Hill	(308)	(317)	2.92
0316. Community Grants	(4,128)	(4,128)	-
0320. Metro Access	(171,498)	(120,000)	(30.03)
0323. Eltham Community Programs	(114,750)	(118,472)	3.24
0324. General Preparatory Programs	(23,100)	(23,513)	1.79
0325. Vocational Education & Training	(557,000)	(560,600)	0.65
0327. P/Hill Community Program	(61,411)	(68,303)	11.22
0331. D/Creek LLC Core Operations	(64,200)	(65,200)	1.56
0333. Community Program-D/Creek	(50,000)	(51,500)	3.00
0335. Community Planning	(32,398)	-	(100.00)
0341. Transport Connections	(138,009)	(49,596)	(64.06)
0351. Edendale Operations	(294,049)	(297,800)	1.28
0401. Library	(31,051)	-	(100.00)
<b>Expenditure</b>			
0255. Arts & Cultural Services	547,741	564,885	3.13
0300. Social & Cultural Development	298,845	198,824	(33.47)
0303. Operations Eltham	429,427	431,494	0.48
0306. Operations Panton Hill	9,950	9,550	(4.02)
0316. Community Grants	84,452	78,452	(7.10)
0320. Metro Access	249,907	192,422	(23.00)
0323. Eltham Community Programs	115,654	118,768	2.69
0324. General Preparatory Programs	23,050	12,048	(47.73)
0325. Vocational Education & Training	438,483	421,313	(3.92)

Department Unit	2015-16 Forecast	2016-17 Budget	Percent var to 2015-16 Budget
	\$	\$	%
0327. P/Hill Community Program	78,230	83,531	6.78
0331. D/Creek LLC Core Operations	121,736	125,554	3.14
0333. Community Program-D/Creek	38,026	31,858	(16.22)
0335. Community Planning	554,725	641,780	15.69
0341. Transport Connections	207,389	107,984	(47.93)
0351. Edendale Operations	914,440	921,488	0.77
0401. Library	2,587,335	2,788,162	7.76
<b>Total Community Participation, Learning and Culture</b>	<b>5,124,586</b>	<b>5,326,599</b>	<b>3.94</b>
<b>Community and Leisure Facilities</b>			
<b>Income</b>			
0302. Community Leisure	(131,879)	(129,725)	(1.63)
0329. Senior Citizens Eltham	(8,335)	(8,634)	3.59
0330. Senior Citizens Diamond Creek	(5,971)	(6,178)	3.47
0501. ELC - Ymca	(5,124,770)	(3,078,009)	(39.94)
0502. DVSC Admin	(1,113,130)	(1,452,500)	30.49
0503. Diamond Creek Pool	(173,043)	(178,234)	3.00
0504. Yarrambat Park Golf Course	(618,883)	(640,327)	3.46
0505. DCCC Admin	(586,758)	(600,199)	2.29
0507. Eltham Community Centre	(84,318)	(29,044)	(65.55)
0508. Eltham North Community Hall	(12,871)	(13,200)	2.56
0509. Hurstbridge Community Hall	(10,105)	(10,400)	2.92
0510. Eltham Performing Arts Centre	(25,791)	(26,522)	2.83
0511. Kangaroo Ground Hall	(2,584)	(2,661)	2.98
0512. Eltham Library Complex	(17,304)	(18,067)	4.41
0513. Outdoor Performance Centre	(1,344)	(1,436)	6.85
0515. North Warrandyte Hall	(6,105)	(6,295)	3.11
0521. Hurstbridge Sports Stadium	(15,494)	(15,955)	2.98
0522. Diamond Creek Stadium	(437,400)	(450,221)	2.93
<b>Expenditure</b>			
0302. Community Leisure	341,844	343,684	0.54
0329. Senior Citizens Eltham	21,767	21,767	-
0330. Senior Citizens Diamond Creek	17,519	15,187	(13.31)
0501. ELC - Ymca	4,825,955	3,091,784	(35.93)
0502. DVSC Admin	1,284,233	1,599,006	24.51
0503. Diamond Creek Pool	351,743	364,229	3.55
0504. Yarrambat Park Golf Course	711,565	723,987	1.75
0505. DCCC Admin	943,795	976,274	3.44
0506. Community Halls Admin	295,787	288,780	(2.37)
0507. Eltham Community Centre	143,075	125,493	(12.29)
0508. Eltham North Community Hall	17,826	17,826	-
0509. Hurstbridge Community Hall	14,880	14,880	-
0510. Eltham Performing Arts Centre	19,068	19,068	-
0511. Kangaroo Ground Hall	7,596	7,596	-
0512. Eltham Library Complex	1,909	1,909	-
0513. Outdoor Performance Centre	1,513	1,513	-
0515. North Warrandyte Hall	16,117	16,117	-

Department Unit	2015-16 Forecast	2016-17 Budget	Percent var to 2015-16 Budget
	\$	\$	%
0519. Leisure Facilities	303,048	307,133	1.35
0520. Leisure Services Management	254,358	260,512	2.42
0521. Hurstbridge Sports Stadium	38,448	38,448	-
0522. Diamond Creek Stadium	656,457	678,156	3.31
<b>Total Community and Leisure Facilities</b>	<b>1,892,418</b>	<b>2,245,742</b>	<b>18.67</b>
<b>Total Community and Leisure</b>	<b>10,231,311</b>	<b>10,881,121</b>	<b>6.35</b>
<b>Operating Cost To Council</b>	<b>(9,871,534)</b>	<b>(10,503,067)</b>	<b>6.40</b>

Footnotes

1. The percentage increase in Rates revenue includes the 2.50 per cent average increase per assessment in standard rates & charges, and revenue from supplementary valuations.
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 2016-17 year

Operating grant funding type and source	Forecast 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
<b>Recurrent - Commonwealth Government</b>			
Victorian Grants Commission	3,208	3,089	(119)
<b>Recurrent - State Government</b>			
Aged and Disability Services	1,407	1,352	(55)
Maternal & Child Health	284	290	6
Family & Children	575	285	(290)
Community Services	117	117	-
School Crossings	150	150	-
Adult Education	478	480	2
Emergency Management	16	16	-
Youth Services	12	24	12
Metro Access	120	120	-
Environmental Works	39	-	(39)
Economic Development	5	-	(5)
New Initiatives	1,881	370	(1,511)
<b>Total Recurrent Grants</b>	<b>8,292</b>	<b>6,293</b>	<b>(1,999)</b>
<u>less</u> New Initiatives non-grant income	(29)	-	29
<b>Total Recurrent Grants (incl. non-grant income)</b>	<b>8,263</b>	<b>6,293</b>	<b>(1,970)</b>

Capital grant funding type and source	Forecast 2015-16 \$'000	Budget 2016-17 \$'000	Variance \$'000
<i>Non-Recurrent - Commonwealth Government</i>	1,510	1,768	258
<i>Non-Recurrent - State Government</i>	10,359	4,367	(5,992)
<b>Total Non-Recurrent Grants</b>	<b>11,869</b>	<b>6,135</b>	<b>(5,735)</b>



## **Appendix G**

### **Fees and Charges**

This appendix presents the fees and charges for the 2016-17 year.

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
<b>Infrastructure Maintenance</b>				
Culvert Pipe and Endwall Supply Fee				
- Culvert Pipes	225mm diameter x 2.4m length	Y	135.20	139.00
- Culvert Pipes	300mm diameter x 2.4m length	Y	199.50	205.00
- Culvert Pipes	375mm diameter x 2.4m length	Y	298.80	306.00
- Culvert Pipes	Concrete Endwall (single)	Y	391.00	400.00
- Culvert Pipes	Delivery fee	Y	60.00	62.00
Culvert Pipe Installation / hour	Minimum 3.5 hours - subject to an inspection. Installation at the same time as programmed grading or when works are occurring in the area.	Y	277.50	284.00
<b>Waste Management</b>				
Bin Tows	Each	Y	23.00	23.50
Other Red Lid Bin - 80 Litre	Each	Y	N/A	N/A
Other Red Lid Bin - 120 Litre	Each	Y	76.00	78.00
Organics Green Lid Bin - 120 Litre	Each	Y	76.00	78.00
Recycle Yellow Lid Bin - 120 Litre	Each	Y	76.00	78.00
Recycle Yellow Lid Bin - 240 Litre	Each	Y	90.00	92.00
<b>Recycling &amp; Recovery Centre</b>				
Car Boot		Y	27.00	28.00
Station Wagon		Y	37.00	38.00
Small Utility/Van		Y	47.00	48.50
Large Ute		Y	78.00	80.00
Large Van		Y	92.00	94.00
6 x 4 Trailer		Y	64.00	66.00
6 x 4 Trailer High Side or 8 X 6 Tandem Trailer		Y	78.00	80.50
7 x 5 Trailer		Y	72.00	75.00
7 x 5 Trailer High Side		Y	92.00	94.00
Medium Utility or Van		Y	68.00	69.50
8 x 6 Tandem Trailer High Side		Y	104.00	107.00
White Goods - Refrigerator, Stove, Washing Machine etc.		Y	30.00	31.00
Mattress - King / Queen / Double		Y	20.00	21.00
Mattress - Single / Baby		Y	12.00	12.50
Car Tyre		Y	14.00	14.50
Car Tyre with Rim		Y	15.00	15.50
4WD Tyre		Y	17.00	17.50
4WD Tyre with Rim		Y	10.00	10.25
Motor Bike Tyre		Y	10.00	10.25
Motor Bike Tyre with Rim		Y	25.00	25.50
Truck Tyre		Y	30.00	31.00
Truck Tyre with Rim		Y	130.00	133.00
Large Tractor Tyre		Y	No charge	No charge
Motor Oil (over 10 litres)	Per litre		No charge	No charge
Car Battery			No charge	No charge
Household Recycling - Paper, Cardboard & Containers			No charge	No charge
<b>Emergency Management</b>				
Fire Prevention - Slashing	Blocks up to 1.0 hectare	Y	302.00	520.00
Fire Prevention - Slashing - Larger blocks	Per hectare	Y	450.00	620.00
Fire Prevention - Firebreaks to 10 metres wide	Per linear metre	Y	2.45	2.45
Fire Prevention - Firebreaks to 20 metres wide	Per linear metre	Y	3.55	3.55
Fire Prevention - Roadsides	Per linear metre	Y	2.45	2.45
<b>Infrastructure Development</b>				
*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)

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
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
<b>Arterial Road</b>				
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)
<b>Municipal road or non arterial State road where maximum speed limit is more than 50kph</b>				
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)
<b>Municipal road or non arterial State road where maximum speed limit is not more than 50kph</b>				
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	250.00	300.00
Street Lights Developer Contribution	100% of actual cost of the non-standard public lighting in the estate			
Street Trees Developer Contribution	Per 40 m <sup>2</sup> of the landscaping area	Y	220.00	220.00
Copies of Plans/Photocopying	A4/page	Y	0.95	2.00
Copies of Plans/Photocopying	A3/page	Y	1.55	4.00
Copies of Plans/Photocopying	A1/page	Y	4.10	17.00
Road Pavements	2m <sup>2</sup> to 10m <sup>2</sup> (per m <sup>2</sup> )	Y	As per contract rates	As per contract rates
Road Pavements	Greater than 10m <sup>2</sup> (per m <sup>2</sup> )	Y	As per contract rates	As per contract rates
Footpath & Crossovers - Minimum charge of 2 m <sup>2</sup> 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 <sup>2</sup> )	Y	As per contract rates	As per contract rates
- Crossovers	150mm concrete (per m <sup>2</sup> )	Y	As per contract rates	As per contract rates
Industrial Vehicular Crossing	Up to 175mm reinforced concrete (per m <sup>2</sup> )	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 <sup>2</sup>	30% surcharge on invoice price	Y		
• Under 20m <sup>2</sup>	15% surcharge on invoice price	Y		
• Above 20 m <sup>2</sup>	no surcharge applied	Y		
<b>Regulatory Services</b>				
*Impounding Livestock	Labour - ordinary per hour		44.00	46.00
*Impounding Livestock	Labour - time and a half per hour		66.00	69.00
*Impounding Livestock	Labour - double time per hour		88.00	92.00
*Impounding Livestock	Trespass sheep/goat/pig per head		20.00	21.00
*Impounding Livestock	Trespass other cattle per head		27.00	28.00
*Impounding Livestock	Transport - Monday to Saturday		90.00	94.00
*Impounding Livestock	Transport - Sunday/Public Holidays		115.00	120.00
*Impounding Livestock	Sustenance - sheep/goat/pig per day		15.00	16.00
*Impounding Livestock	Sustenance - cattle per day		22.00	23.00
*Impounding Livestock	Pound fees		15.50	16.00

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
*Impounding Livestock	Posting notice		22.00	23.00
*Impounding Livestock	Insertion of notice in newspapers		39.00	41.00
*Impounding Livestock	Advertisement		At cost	At cost
*Dog Pound - Release	Release first day	Y	76.00	79.00
*Dog Pound - Sustenance	Sustenance per day	Y	24.00	25.00
*Animal Registration	Dog maximum fee		267.00	276.00
*Animal Registration	Dog reduced fee (Micro chipped only. Excludes new registrations)		89.00	92.00
*Animal Registration	Dog minimum fee (Desexed)		44.50	46.00
*Animal Registration	Cat maximum fee		267.00	276.00
*Animal Registration	Cat reduced fee (Micro chipped only)		89.00	92.00
*Animal Registration	Cat Minimum fee (Desexed)		44.50	46.00
*Animal Registration	Transfer		7.50	8.00
Animal Registration	Replacement tag	Y	7.50	8.00
*Animal Registration	Pensioner registration of any animal		1/2 Std Fee	1/2 Std Fee
*Animal Registration	Domestic animal business		285.00	300.00
*Animal Registration	Dangerous/restricted Breed		285.00	300.00
*Local Law Permits	More than animals specified in Local Law		88.00	92.00
*Local Law Permits	Pensioner concession - Animal Permit		44.00	46.00
*Local Law Permits	Outdoor eating facilities		165.00	171.00
	- 1st table			
	- Thereafter		88.00	91.00
*Local Law Permits	Signs and A Frames		106.00	110.00
*Local Law Permits	Goods/furniture on footpaths		176.00	183.00
*Local Law Permits	Busking per day		37.50	39.00
*Local Law Permits	Commercial Fairs		1,700.00	1,780.00
*Local Law Permits	Storage on roads per day		37.50	39.00
*Local Law Permits	Skips		37.50	39.00
*Local Law Permits	Use of motorised toy vehicles on private property		88.00	92.00
*Local Law Permits	Burning Off		-	-
*Local Law Permits	Road side Vending (per day)		165.00	171.00
*Local Law Permits	Road side Vending (half day = 4hrs)		83.00	86.00
*Local Law Permits	Road side Vending (per annum )		Refer day rate	Refer day rate
*Local Law Permits	Caravans		88.00	92.00
*Local Law Permits	Camping on Council land per day		19.00	20.00
Local Law Releases	Shopping trolleys per item	Y	88.00	92.00
Local Law Releases	Charity bins per item	Y	88.00	92.00
Local Law Releases	Skips per item	Y	88.00	92.00
Local Law Releases	A frames & Signs	Y	88.00	92.00
Local Law Releases	Miscellaneous small items	Y	88.00	92.00
Local Law Releases	Miscellaneous large items	Y	210.00	92.00
*Parking Fines	Section 87(4) of the Road Safety Act 1986		0.5 Penalty Unit	0.5 Penalty Unit
	50% of one 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	165.00	172.00
Derelict Vehicles	Towing	Y	140.00	145.00
Derelict Vehicles	Storage per day	Y	18.00	19.00
*Parking Permits	Resident schemes		37.50	39.00
*Parking Permits	Resident schemes - Temporary 5-day		37.50	39.00
*Parking Permits	Disabled Parking		-	-
*Parking Permits	Disabled Parking - Replacement		-	-
*Parking Permits	Trader Parking Permits 12 months		20.00	21.00
*Parking Permits	Trade/Builders Parking Permit / day		46.00	48.00
Minor Works Within the Shire	Sheds, carports, garages, pergolas, pools, demolition, retaining walls, verandahs, re-blocking.	Y	505.00	525.00
Minor Works External to the Shire	Sheds, carports, garages, pergolas, pools, demolition, retaining walls, verandahs, re-blocking.	Y	610.00	635.00
Minor Building Works	Up to the value of \$3,000.00	Y	505.00	525.00
Building Permit Internal	Value of works = 1.00 - 50,000	Y	1,025.00	1,070.00
Building Permit Internal	Value of works = 50,001 - 100,000	Y	1,160.00	1,200.00
Building Permit Internal	Value of works = 100,001 - 150,000	Y	1,290.00	1,340.00
Building Permit Internal	Value of works = 150,001 - 200,000	Y	1,400.00	1,450.00
Building Permit Internal	Value of works = 200,001 - 300,000	Y	1,650.00	1,710.00
Building Permit Internal	Value of works = 300,001 - 400,000	Y	1,860.00	1,930.00
Building Permit Internal	Value of works = 400,001 - 500,000	Y	2,280.00	2,360.00
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 Permit Internal	Additional inspections	Y	165.00	170.00
Building Inspections Internal		Y	170.00	178.00
Multiple Dwelling Internal		Y	705.00	730.00
Building Permit External	Value of works = 1.00 - 50,000	Y	1,240.00	1,290.00
Building Permit External	Value of works = 50,001 - 100,000	Y	1,360.00	1,410.00
Building Permit External	Value of works = 100,001 - 150,000	Y	1,480.00	1,540.00
Building Permit External	Value of works = 150,001 - 200,000	Y	1,580.00	1,640.00
Building Permit External	Value of works = 200,001 - 300,000	Y	1,860.00	1,930.00
Building Permit External	Value of works = 300,001 - 400,000	Y	2,230.00	2,320.00
Building Permit External	Value of works = 400,001 - 500,000	Y	2,490.00	2,580.00

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
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 Owner/Builder	In addition to relevant Building Permit fee	Y	202.00	210.00
Multiple Dwellings Fee	Per dwelling (subject to value of works)	Y	980.00	1,020.00
*Dispensations (Report and Consent under Part 4)	As advised by Building Commission	Y	270.00	280.00
Amended Plans		Y	206.00	214.00
Lapsed Permit/Inspection		Y	206.00	214.00
Extension of Time		Y	206.00	214.00
A/G Swimming Pool - Local		Y	402.00	420.00
Inground swimming pool		Y	560.00	580.00
Pool Fencing - Written Advice		Y	201.00	209.00
Building Inspection for selected PBS - within the Shire		Y	217.00	225.00
Building Inspection for selected PBS - outside of Shire		Y	217.00	225.00
Building Prosecution Admin Fee		Y	598.00	620.00
*Building Miscellaneous	Building Form 10 (property information requests) As advised by Building Commission		48.50	50.00
Building Miscellaneous	Request for house plans (Depends on number of plans)	Y	83.00	86.00
Building Miscellaneous	Commercial & Industrial Plans (Depends on number of plans)	Y	186.00	193.00
*Building Miscellaneous	Building permit details (irrespective of age)		103.00	107.00
*Building Miscellaneous	Copies of building certificates including Section 29A		72.50	75.00
*Building Maintenance	External lodgement commercial		33.00	34.50
*Building Miscellaneous	External lodgement residential		33.00	34.50
Consultancy per hour		Y	109.00	113.00
Building Notice/Order withdrawal fee		Y	598.00	620.00
Liquor Licence Inspection and Report fee			475.00	492.00
Government Levy	As advised by Building Commission.		1.28 / 1000	1.30 / 1000
<b>Application Fees - Planning Department</b>				
Planning Miscellaneous	General planning information (permits & dates etc.)	Y	125.00	130.00
Planning Miscellaneous	PBS request for written planning information/advice	Y	125.00	130.00
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)		230.00	230.00
Planning Miscellaneous	Search last permit. Two Permits		350.00	350.00
Planning Miscellaneous	Planning permit details (copies of permits, price per permit)		350.00	350.00
Planning Miscellaneous	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)		270.00	280.00
Planning	Request for extension of time to permit		270.00	280.00
*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
*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

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
*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
*Planning	Satisfaction matter		102.00	102.00
*Planning	Certificate of compliance		147.00	147.00
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		17.00	17.00
Advertising	Mail out up to 10 notices plus one onsite notice	Y	115.00	119.00
Advertising	Each additional onsite notice	Y	15.00	15.50
Advertising	Each additional mailed notice	Y	5.00	5.20
Removal of trees < 2 (Arborist)		Y	220.00	280.00
Request for secondary consent approval			270.00	280.00
Amend or end a Section 173 Agreement - consent request		Y	502.00	502.00
<b>Health Charges</b>				
<b>Food/Health Premises</b>				
Initial Registration of Food Premises	Class One Premises		N/A	770.00
Initial Registration of Food Premises	Class Two Premises		N/A	870.00
Initial Registration of Food Premises	Class Three Premises		N/A	585.00
Initial Registration of Food Premises	Community Group - Class 2		N/A	555.00
Initial Registration of Food Premises	Community Group - Class 3		N/A	415.50
Notification of Food Premises	Class Four Premises		-	-
Renewal Registration of Food Premises	Class One Premises		515.00	530.00
Renewal Registration of Food Premises	Class Two Premises		610.00	630.00
Renewal Registration of Food Premises	Class Three Premises		335.00	345.00
Renewal Registration of Food Premises	Community Group - Class 2		305.00	315.00
Renewal Registration of Food Premises	Community Group - Class 3		167.50	175.50
Late Fee Registration Renewal	50% Relevant Renewal Fee (from 1 January)		-	-
Pre-application site inspection	Food or Health Premises		70.00	75.00
Food Premises Additional inspection	Other than mandatory inspection and 1 follow up		130.00	135.00
	Where a proprietor chooses to register fixed premises and associated mobile premises together this additional fee applies		105.00	110.00
Food Premises Associated Activity	applies			
Temporary Food Premises Permit	Single event		80.00	80.00
Request for Information (no inspection)	Food or Health Premises		N/A	55.00
Request for Information (inspection required)	Food or Health Premises		N/A	165.00
Failed sampling result	2nd and subsequent sampling results		165.00	170.00
Streatrader Registration	Class Two Premises		220.00	230.00
Streatrader Registration	Class Three Premises		150.00	155.00
*Transfer of Registration			280.00	350.00
Additional Component	Per Additional component (eg bakery, butcher, deli) to main activity		N/A	135.00
*Plans Approvals	Health Premises		200.00	240.00
Additional Staff	Additional charge per staff EFT over 5 for all premises.		10.00	10.00
Hairdresser Registration - Initial only			N/A	160.00
Beauty Therapy Registration			165.00	170.00
Skin Penetration Registration			220.00	230.00
Prescribed Accommodation	Fee for < 10 beds		250.00	260.00
	Fee for 10 - 20 beds		420.00	435.00
	Fee for > 20 beds		535.00	550.00
Health - Colonic Irrigation			185.00	190.00
<b>Domestic Wastewater Management (cost recovery)</b>				
Septic Application			465.00	585.00
Report and Consent			N/A	330.00
Review Land Capability Assessment (LCA)	Re-assessment of revised LCA or New LCA		N/A	200.00
Transfer Septic Permit			N/A	195.00
Septic Additional inspection	Other than 1 PTI inspection and 1 PTU inspection		130.00	130.00
Extension of Septic Permit			165.00	195.00
Alteration of Septic Tank			280.00	585.00
Search for septic plans			40.00	40.00
Application to Retain Septic System in Reticulated Area	Includes site inspection, records search and one water sample analysis		310.00	380.00

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
<b>Home Care</b>				
Home Care Per Hour	Per hour (means tested)			
Low			6.20	6.40
Medium			15.45	15.90
High			33.65	34.65
Personal Care Per Hour				
Low			4.70	4.85
Medium			9.30	9.60
High			38.40	39.55
Respite Per Hour	Per hour (means tested)			
Low			3.10	3.20
Medium			4.70	4.85
High			34.75	35.80
Home Maintenance Per Hour	Per hour (means tested)			
Low			12.35	12.70
Medium			18.55	19.10
High			49.00	50.45
Delivered Meals				
Low			9.30	9.60
Medium			9.30	9.60
High			11.40	11.75
<b>Playhouse</b>				
Child Care for Occasional Users	1 child per hour (concession)		8.05	8.30
Child Care for Occasional Users	1 child per hour (full)		9.65	9.95
<b>Preschool</b>				
Centralised Preschool Enrolments			34.00	35.00
<b>Diamond Creek East Pre School / Community Building</b>				
Facility Hire charge	Day/Evening sessions -permanent users		36.05	37.15
	Day/Evening sessions - Casual users		41.20	42.45
	Weekend sessions - permanent users		51.50	42.45
	Weekend sessions - casual users		61.80	42.45
<b>Community Development</b>				
Community Transport	Per trip		2.00	2.00
<b>Edendale Farm Community Environment Centre</b>				
<b>School Program Fees (1 July to 31 December)</b>				
School Program	Per child (1 hour)	Y	4.85	5.05
School Program	Per child - 1/2 day	Y	11.10	11.65
School Program	Per child - 3/4 Day	Y	14.85	15.60
School Program	Per child - Full day	Y	16.95	17.80
Pre-School (excursion)	Per-child (1 session)	Y	6.60	7.00
Pre-School (excursion)	Per- child (2 session)	Y	11.60	12.20
Pre-School (excursion)	Per-child (3 session)	Y	13.60	14.30
Incursions	Per class	Y	109.00 - 406.00	112.00 - 420.00
School visit/talk	Flat rate per hour	Y	112.00	120.00
<b>School Program Fees (1 January to 30 June)</b>				
School Program	Per child (1 hour)	Y	5.00	5.30
School Program	Per child - 1/2 day	Y	11.40	12.10
School Program	Per child - 3/4 Day	Y	15.30	16.05
School Program	Per child - Full day	Y	17.50	18.35
Pre-School (excursion)	Per-child (1 session)	Y	6.80	7.20
Pre-School (excursion)	Per- child (2 session)	Y	11.95	12.50
Pre-School (excursion)	Per-child (3 session)	Y	14.00	14.70
Incursions	Per class	Y	112.00 - 420.00	115.00 - 425.00
School visit/talk	Flat rate per hour	Y	115.00	120.00
Interactive Tours (youth groups & playgroups)	Per child	Y	6.80	7.50
Tours	Per adult	Y	7.95	8.80
Tours	Adult concession	Y	5.40	6.00
Workshops	Per participant	Y	5.40 - 107.00	5.50-110.00
Regular visits from organisations	Per person	Y	2.80	3.00
Festival and event entry	Per person	Y	2.20 - 8.25	2.50 - 9.00
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 - 5.20	2.55 - 5.35
Worms	Per batch	Y	20.00 - 35.00	20.00 - 35.00

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
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	1.00 - 3.10	1.00 - 3.20
Plants	Per tube	Y	1.50 - 3.60	1.55 - 3.70
Plants	Per pot	Y	5.00 - 62.00	5.15 - 64.00
Plants	Special	Y	0.50 - 2.50	0.55 - 2.60
Stakes (3)	Per set	Y	2.40	2.50
Stakes (50)	Per bundle	Y	37.00	39.00
Tree Guards	Each	Y	0.60	0.70
Planting Kit (Stake & tree guard)	Per set	Y	2.90	3.00
Compost Bin	400 litre	Y	61.00	65.00
Compost Bin	220 litre	Y	49.50	51.00
Compost Mate	Each	Y	17.00	18.00
Worm Factories	Standard	Y	82.50	83.50
<b>Room Hire - Standard (Mummery and Macey rooms)</b>				
Monday to Friday	Day time - 4 hours	Y	153.00	168.00
Monday to Friday	Night time	Y	153.00	168.00
Saturday and Sunday	Day time - 4 hours	Y	153.00	168.00
Saturday	Night time	Y	153.00	168.00
Monday to Friday	per hour (max. 2 hours)	Y	40.00	44.00
Kitchen use charge	per day	Y	26.00	30.00
Cleaning levy	per event (if required)	Y	144.00	144.00
Bond	per event (if required)	Y	250.00	250.00
Staff lock up fee	Night time	Y	135.00	135.00
<b>Room Hire - Community and local small business (Mummery Room)</b>				
Monday to Friday	Day time - 4 hours	Y	105.00	115.00
Monday to Friday	Night time	Y	105.00	115.00
Saturday and Sunday	Day time - 4 hours	Y	105.00	115.00
Saturday	Night time	Y	135.00	148.00
Any day	per hour (max. 2 hours)	Y	28.00	31.00
Kitchen use charge	per day	Y	26.00	30.00
Cleaning levy	per event (if required)	Y	144.00	144.00
Bond	per event (if required)	Y	250.00	250.00
Staff lock up fee	Night time	Y	135.00	135.00
<b>Room Hire - Council and LLN (Any room)</b>				
Monday to Friday	Day time - 4 hours	Y	61.00	67.00
Monday to Friday	Night time	Y	61.00	67.00
Saturday and Sunday	Day time - 4 hours	Y	61.00	67.00
Saturday	Night time	Y	131.00	144.00
Kitchen use charge	per day	Y	26.00	30.00
Cleaning levy	per event (if required)	Y	144.00	144.00
Bond	per event (if required)	Y	N/A	N/A
Staff lock up fee	Night time	Y	135.00	135.00
<b>Additional services</b>				
Birthday party shelter hire	Exclusive group with public liability insurance	Y	80.00	90.00
Birthday party farm tour	Group	Y	150.00	150.00
Birthday party guinea pigs patting	Group	Y	70.00	70.00
Hire of designated lawn area	Group	Y	100.00 - 250.00	90.00 - 1000.00
Hire of site	Exclusive use	Y	300.00 - 2000.00	950.00 - 3000.00
<b>Living &amp; Learning Nillumbik</b>				
Fee for Service Courses	Total direct costs of course divided by minimum number of enrolments: Direct Costs (e.g.) - tutor - materials - equipment - venue hire - catering Plus Indirect Costs - 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 i.e. 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	5.00	5.00
Government Funded Training	As per Ministerial Directive		As per Ministerial Directive	As per Ministerial Directive



## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
<b>Living &amp; Learning Nillumbik - Rentals</b>				
<b>Living &amp; Learning Nillumbik Eltham</b>				
Pavilion	Up to 25 people for meeting; includes kitchen facilities			
	- Standard Rate (per hour)	Y	56.00	58.00
	- Community Rate (per hour)	Y	28.00	29.00
	- Unfunded voluntary group occasional	Y	20.00	20.50
Sunroom	Up to 15 people; includes kitchen facilities (access needs to be arranged)			
	- Standard Rate (per hour)	Y	45.00	46.00
	- Community Rate (per hour)	Y	20.00	20.50
	- Unfunded voluntary group occasional	Y	13.00	13.50
Kitchen	Up to 12 people			
	- Standard Rate (per hour)	Y	23.00	23.50
	- Community Rate (per hour)	Y	18.00	18.50
	- Unfunded voluntary group occasional	Y	13.00	13.50
Art Studio 2 (small)	Up to 20 people; includes kitchen facilities			
	- Standard Rate (per hour)	Y	45.00	46.00
	- Community Rate (per hour)	Y	18.00	18.00
	- Unfunded voluntary group occasional	Y	13.00	13.00
Clay Studio	Additional individual bookings by current class participants			
	- Standard Rate (per hour)	Y	45.00	46.00
	- Community Rate (per hour)	Y	23.00	24.00
Training Room	Up to 14 people			
	- Standard Rate (per hour)	Y	45.00	46.00
	- Community Rate (per hour)	Y	20.00	20.50
	- Unfunded voluntary group occasional	Y	13.00	13.50
Courthouse training room	Up to 20 people; includes kitchen facilities			
	- Standard Rate (per hour)	Y	45.00	46.00
	- Community Rate (per hour)	Y	23.00	23.50
	- Unfunded voluntary group occasional	Y	18.00	18.50
Old Courthouse	Up to 25 people; included access to kitchen (1/2 Day)			
	- Standard Rate (1/2 day)	Y	78.00	80.00
	- Community Rate (1/2 Day)	Y	65.00	67.00
	Up to 25 people; included access to kitchen (Full Day)			
	- Standard Rate (Full Day)	Y	135.00	139.00
	- Community Rate (Full Day)	Y	108.00	111.00
	Up to 25 people; included access to kitchen (Evening)			
	- Standard Rate (Evening)	Y	56.00	58.00
	- Community Rate (Evening)	Y	50.00	51.00
<b>Living &amp; Learning Nillumbik Panton Hill</b>				
Banksia/Eucalyptus	Up to 25 people - standard rate			
	- Standard Rate (per hour)	Y	33.00	34.00
	- Community Rate (per hour)	Y	23.00	23.50
	- Unfunded voluntary group occasional	Y	13.00	13.50
Sunroom	Up to 10 people; kitchen facilities			
	- Standard Rate (per hour)	Y	28.00	29.00
	- Community Rate (per hour)	Y	18.00	18.50
	- Unfunded voluntary group occasional	Y	13.00	13.50
Kitchen	Up to 15 people			
	- Standard Rate (per hour)	Y	33.00	34.00
	- Community Rate (per hour)	Y	23.00	23.50
	- Unfunded voluntary group occasional	Y	13.00	13.50
<b>Living &amp; Learning Nillumbik Diamond Creek</b>				
Downstairs classroom	Up to 15 people for meeting; includes kitchen facilities			
	- Standard Rate (per hour)	Y	28.00	29.00
	- Community Rate (per hour)	Y	20.00	20.50
	- Unfunded voluntary group occasional	Y	13.00	13.50
Upstairs classroom	Up to 25 people; includes kitchen facilities			
	- Standard Rate (per hour)	Y	33.00	34.00
	- Community Rate (per hour)	Y	23.00	24.00
	- Unfunded voluntary group occasional	Y	13.00	14.00
Computer room	Up to 11 people; includes kitchen facilities .			
	- Standard Rate (per hour)	Y	23.00	24.00
	- Community Rate (per hour)	Y	18.00	18.50
	- Unfunded voluntary group occasional	Y	13.00	13.50
	If computers are required			
	- Standard Rate (per hour)	Y	33.00	34.00
	- Community Rate (per hour)	Y	23.00	24.00
	- Unfunded voluntary group occasional	Y	18.00	19.00

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
<b>Arts &amp; Culture</b>				
Alan Marshall Short Story Competition	"Open" per entry (max 3 entries)	Y	20.00	20.00
Alan Marshall Short Story Competition	"Local" per entry (max 3 entries)		no charge	no charge
Alan Marshall Book Reprint		Y	15.00	10.00
Ekphrasis	"Open" per entry (max 3 entries)	Y	12.00	12.00
Ekphrasis	"Local" per entry (max 3 entries)	Y	no charge	no charge
Ekphrasis	"Youth" per entry (max 3 entries)	Y	no charge	no charge
Laughing Waters Stories publication		Y	35.00	35.00
Hire Eltham Gallery	1 July - 31 December	Y	35.00	37.00
Hire Eltham Gallery	1 January - 30 June	Y	37.00	38.00
<b>Community Halls Network</b>				
<b>Eltham Community &amp; Reception Centre</b>				
Self Catered Function - Day	Monday - Friday			
	- Standard Rate	Y	561.20	578.00
	- Community Rate (70%)	Y	392.80	404.60
Self Catered Function - Evening	Friday & Sunday			
	- Standard Rate	Y	1029.00	1059.80
	- Community Rate (70%)	Y	720.20	741.80
Self Catered Function - Evening	Saturday			
	- Standard Rate	Y	1050.40	1082.00
	- Community Rate (70%)	Y	735.40	757.20
Weekdays - up to 100 people	Rate per hour			
	- Standard Rate	Y	50.40	52.00
	- Community Rate (70%)	Y	35.40	36.40
Weekdays - up to 200 people	Rate per hour			
	- Standard Rate	Y	74.40	76.60
	- Community Rate (70%)	Y	52.20	53.60
Use of Kitchen	- Standard Rate	Y	148.80	153.20
	- Community Rate (70%)	Y	104.20	107.20
Weekends / Evenings - up to 100 People	Rate per hour			
	- Standard Rate	Y	68.40	70.40
	- Community Rate (70%)	Y	47.80	49.20
Weekends / Evenings - up to 100 People	Rate per hour			
	- Standard Rate	Y	85.20	87.80
	- Community Rate (70%)	Y	59.60	61.40
<b>Eltham Performing Centre</b>				
Theatre	Day time rehearsal - Monday to Sunday per hour			
	- Standard Rate	Y	42.00	43.20
	- Community Rate (70%)	Y	29.40	30.20
	Evening rehearsal - Monday to Sunday per hour			
	- Standard Rate	Y	46.60	48.00
	- Community Rate (70%)	Y	32.60	33.60
	Evening performance - Monday to Thursday			
	- Standard Rate	Y	508.40	523.60
	- Community Rate (70%)	Y	355.80	366.40
	Evening Performance - Friday & Sunday			
	- Standard Rate	Y	634.40	653.40
	- Community Rate (70%)	Y	444.00	457.40
	Day time performance - Saturday			
	- Standard Rate	Y	689.40	710.00
	- Community Rate (70%)	Y	482.60	497.00
	Evening performance - Saturday			
	- Standard Rate	Y	689.40	710.00
	- Community Rate (70%)	Y	482.60	497.00
	Day time performance - Sunday			
	- Standard Rate	Y	597.00	615.00
	- Community Rate (70%)	Y	417.80	430.40
<b>Eltham Library Complex</b>				
	Day time - Monday to Thursday per hour			
	- Standard Rate	Y	31.20	32.00
	- Community Rate (70%)	Y	21.80	22.40
	Day time - Friday to Sunday per hour			
	- Standard Rate	Y	32.40	33.40
	- Community Rate (70%)	Y	22.60	23.40
	Evening - Monday to Friday per hour			
	- Standard Rate	Y	34.80	35.80
	- Community Rate (70%)	Y	24.40	25.00

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
	Evening - Saturday			
	- Standard Rate	Y	412.60	425.00
	- Community Rate (70%)	Y	288.80	297.40
	Evening - Friday & Sunday			
	- Standard Rate	Y	313.00	322.40
	- Community Rate (70%)	Y	219.00	225.60
<b>Outdoor Performance Centre</b>				
	Day time per hour			
	- Standard Rate	Y	19.20	19.80
	- Community Rate (70%)	Y	13.40	13.80
<b>The Emergency Operations Centre/Kangaroo Ground Hall</b>				
	Day time - Monday to Sunday per hour			
	- Standard Rate	Y	31.20	32.00
	- Community Rate (70%)	Y	21.80	22.40
	Evening - Monday to Sunday per hour			
	- Standard Rate	Y	40.60	41.80
	- Community Rate (70%)	Y	28.40	29.20
	Evening - Friday to Sunday			
	- Standard Rate	Y	569.80	586.80
	- Community Rate (70%)	Y	398.80	410.80
	Evening - Saturday			
	- Standard Rate	Y	624.60	643.20
	- Community Rate (70%)	Y	437.20	450.20
<b>Hurstbridge Hall</b>				
	Day time - Monday to Sunday per hour			
	- Standard Rate	Y	29.80	30.40
	- Community Rate (70%)	Y	20.80	21.20
	Evening - Monday to Sunday per hour			
	- Standard Rate	Y	29.00	29.80
	- Community Rate (70%)	Y	20.20	21.00
	Evening - Friday to Sunday			
	- Standard Rate	Y	492.40	507.20
	- Community Rate (70%)	Y	344.60	355.00
	Evening - Saturday			
	- Standard Rate	Y	508.40	523.60
	- Community Rate (70%)	Y	355.80	366.40
<b>Hurstbridge Sports Stadium</b>				
	Per Hour	Y	33.75	34.75
<b>Eltham North Hall</b>				
	Day time - Monday to Sunday per hour			
	- Standard Rate	Y	31.20	32.00
	- Community Rate (70%)	Y	21.80	22.40
	Evening - Monday to Thursday per hour			
	- Standard Rate	Y	32.40	33.40
	- Community Rate (70%)	Y	22.60	23.40
	Evening - Friday & Sunday			
	- Standard Rate	Y	652.20	671.80
	- Community Rate (70%)	Y	456.60	470.20
	Evening - Saturday			
	- Standard Rate	Y	672.60	692.80
	- Community Rate (70%)	Y	470.80	485.00
<b>North Warrandyte Family Centre</b>				
	Day time - Monday to Sunday per hour			
	- Standard Rate	Y	32.40	33.40
	- Community Rate (70%)	Y	22.60	23.20
	Evening - Monday to Thursday per hour			
	- Standard Rate	Y	33.60	34.60
	- Community Rate (70%)	Y	23.60	24.20
	Evening - Friday & Sunday			
	- Standard Rate	Y	653.40	673.00
	- Community Rate (70%)	Y	457.40	471.00
	Evening - Saturday			
	- Standard Rate	Y	672.60	692.80
	- Community Rate (70%)	Y	470.80	485.00
<b>Senior Citizens - Diamond Creek</b>				
	Carpeted Meeting Room & Large Meeting Permanent - 1 day per week - concession Room	Y	31.60	32.40
	Carpeted Meeting Room & Large Meeting Permanent - 1/2 day per week - concession Room	Y	17.00	17.40

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
Carpeted Meeting Room & Large Meeting Room	Permanent - 1 day per month - concession	Y	35.80	36.80
Carpeted Meeting Room & Large Meeting Room	Permanent - 1/2 day per month - concession	Y	28.80	29.60
Hall	Casual per hour - concession	Y	20.40	21.00
Hall	Permanent - 1 day per week - concession	Y	61.20	63.00
Hall	Permanent - 1/2 day per week - concession	Y	27.60	28.40
Hall	Permanent - 1 day per month - concession	Y	66.20	68.20
Hall	Permanent - 1/2 day per month - concession	Y	31.60	32.40
<b>Senior Citizens - Eltham</b>				
Annexe	Permanent - 1 day per week	Y	45.60	47.00
Annexe	Permanent - 1 day per week - concession	Y	31.40	32.40
Annexe	Permanent - 1/2 day per week - concession	Y	17.00	17.40
Annexe	Permanent - 1 day per month - concession	Y	35.80	36.80
Annexe	Permanent - 1/2 day per month - concession	Y	23.80	24.40
Large Hall	Permanent - 1 day per week - concession	Y	61.20	63.00
Large Hall	Permanent - 1/2 day per week - concession	Y	26.40	27.20
Large Hall	Permanent - 1 day per month - concession	Y	66.20	68.20
Large Hall	Permanent - 1/2 day per month - concession	Y	31.40	32.40
Entire Centre	Permanent - 1 day per week - concession	Y	86.40	89.00
Entire Centre	Permanent - 1/2 day per week - concession	Y	48.00	49.40
Entire Centre	Permanent - 1 day per month - concession	Y	98.20	101.20
Entire Centre	Permanent - 1/2 day per month - concession	Y	55.20	56.80
<b>Hurstbridge Community Hub</b>				
Community Room	Standard Rate	Y	61.80	63.60
	Community Benefit (50%)	Y	31.00	31.80
	Community Group (30%)	Y	18.60	19.20
Training Room	Standard Rate	Y	41.20	42.40
	Community Benefit (50%)	Y	20.60	21.20
	Community Group (30%)	Y	12.40	12.80
Meeting Room 1	Standard Rate	Y	31.00	32.00
	Community Benefit (50%)	Y	15.60	16.00
	Community Group (30%)	Y	9.40	9.60
Meeting Room 2	Standard Rate	Y	31.00	32.00
	Community Benefit (50%)	Y	15.60	16.00
	Community Group (30%)	Y	9.40	9.60
Community Kitchen	Standard Rate	Y	41.20	42.40
	Community Benefit (50%)	Y	20.60	21.20
	Community Group (30%)	Y	12.40	12.80
<b>Leisure &amp; Recreation</b>				
Rental fees are based on ground fee x total number of teams				
<b>Summer</b>				
A Grade		Y	600.00	620.00
B Grade		Y	520.00	540.00
C Grade		Y	440.00	455.00
D Grade		Y	360.00	375.00
<b>Summer - Juniors, Womens &amp; Veterans (90% discount)</b>				
A Grade		Y	60.00	62.00
B Grade		Y	52.00	54.00
C Grade		Y	44.00	45.50
D Grade		Y	36.00	37.50
<b>Winter</b>				
A Grade		Y	1030.00	1065.00
B Grade		Y	950.00	980.00
C Grade		Y	865.00	895.00
D Grade		Y	780.00	805.00
<b>Winter - Juniors, Womens &amp; Veterans (90% discount)</b>				
A Grade		Y	103.00	106.00
B Grade		Y	95.00	98.00
C Grade		Y	87.00	90.00
D Grade		Y	78.00	81.00

## Nillumbik Shire Council 2016-17 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	2015-16 Fees \$	2016-17 Fees \$
<b>Casual Ground Use</b>				
Commercial Hire	Per day	Y	246.00	254.00
Commercial Hire	Per 1/2 day	Y	165.00	170.00
Community Use	Per day	Y	82.00	85.00
Community Use	Per 1/2 day	Y	51.00	53.00
Community Use	Additional Hourly Charge	Y	N/A	15.00
<b>School Fees</b>				
Schools within Municipality	Per Hour	Y	N/A	15.00
Schools outside Municipality	Per hour	Y	22.00	23.00
Zone events	Per day	Y	165.00	170.00
Zone events	Per 1/2 day	Y	82.00	85.00
<b>Synthetic Soccer Pitch</b>				
Local club use		Y	26.00	27.00
School use		Y	16.00	17.00
Other use		Y	36.00	37.50
<b>Personal Training / Group Fitness</b>				
Monthly Hire	Reoccurring	Y	88.00	91.00
Casual Hire	Half Day	Y	137.00	142.00
Casual Hire	Full Day	Y	206.00	213.00
<b>Leisure Centre Facilities</b>				
Eltham Leisure Centre	Per contract	Y		
Diamond Valley Sports	Per contract	Y		
Diamond Creek Pool	Per contract	Y		
Yarrambat Golf Course	Per contract	Y		
Diamond Creek Community Centre	Per Contract	Y		
<b>Shire Maps</b>				
Colour Map (aerial photos)	A1	Y	27.00	28.00
Colour Map (aerial photos)	A2	Y	21.50	22.00
Colour Map (aerial photos)	A3	Y	9.70	10.00
Colour Map (aerial photos)	A4	Y	7.70	8.00
Custom Mapping	Per hour	Y	64.00	8.00
<b>Freedom of Information</b>				
*Freedom of Information	per application fee		26.50	8.00
	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
<b>Rates and Valuations</b>				
Printing of duplicate rate notices	Per notice	Y	11.00	11.00
*Land Information Certificate	Per application	N	20.00	24.80
Credit Card Payment Surcharge	Per transaction	N	N/A	0.40%
Dishonoured Cheque Fee (Australia Post)	Per dishonoured cheque	N	N/A	25.00
Debt Recovery Administration < \$1,000	Per assessment	N	N/A	45.00
Debt Recovery Administration > \$1,000	Per assessment	N	N/A	65.00
Field Call	Per assessment	N	N/A	55.00

**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% 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 62,724 and 22,881 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 2.7 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% 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 2013-14 Annual 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 (14% less than average in 2013-14), and expenditure per resident (37% less than average in 2013-14).



Council has an annual turnover of around \$80 million, and owns infrastructure assets valued at 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 more than \$9 million per annum. Funding the annual cost for renewal of these existing assets is a major issue for Council. Underspending 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 2.7 residents per assessment (compared to a state average of 1.8), Nillumbik rate assessments need to fund services for 50% 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 more than \$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. Underspending 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 recent years 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 (s.136) 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 per annum for this purpose (which is equal to 0.2% of annual operating costs). Given that Nillumbik's population is forecast to grow at around 0.5% per annum, a corresponding level of real growth in service levels would require average funding growth of around \$350,000 per annum 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 per annum, with \$350,000 per annum 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
<b>Auditor-General Measures</b>	
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)
<b>Other Measures</b>	
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

Indicator	Formula	Description
Net result (%)	$\text{Net result} / \text{Total revenue}$	<p>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.</p> <p>Net result and total revenue is obtained from the comprehensive operating statement.</p>
Liquidity (ratio)	$\text{Current assets} / \text{Current liabilities}$	<p>This measures the ability to pay existing liabilities in the next 12 months.</p> <p>A ratio of one or more means there are more cash and liquid assets than short-term liabilities.</p>
Internal financing (%)	$\text{Net operating cash flow} / \text{Net capital expenditure}$	<p>This measures the ability of an entity to finance capital works from generated cash flow.</p> <p>The higher the percentage, the greater the ability for the entity to finance capital works from their own funds.</p> <p>Net operating cash flows and net capital expenditure are obtained from the cash flow statement.</p>
Indebtedness (%)	$\text{Non-current liabilities} / \text{own-sourced revenue}$	<p>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 the entity generates itself.</p> <p>Own-sourced revenue is use—rather than total revenue—because it does not include capital grants, which are usually tied to specific projects.</p>
Capital replacement (ratio)	$\text{Cash outflows for property, plant and equipment} / \text{Depreciation}$	<p>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.</p> <p>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. Cash outflows for infrastructure are taken from the cash flow statement. Depreciation is taken from the comprehensive operating statement.</p>
Renewal gap (ratio)	$\text{Renewal and upgrade expenditure} / \text{depreciation}$	<p>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 faster than the depreciating rate.</p> <p>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. Renewal and upgrade expenditure are taken from the statement of capital works. Depreciation is taken from the comprehensive operating statement.</p>

**Financial sustainability risk indicators – risk assessment criteria**

<b>Risk</b>	<b>Net result</b>	<b>Liquidity</b>	<b>Indebtedness</b>	<b>Internal financing</b>	<b>Capital replacement</b>	<b>Renewal Gap</b>
<b>High</b>	<b>Negative 10% or less</b> Insufficient revenue is being generated to fund operations and asset renewal.	<b>Less than 0.75</b> Immediate sustainability issues with insufficient current assets to cover liabilities.	<b>More than 60%</b> Potentially long-term concern over ability to repay debt levels from own-source revenue.	<b>Less than 10%</b> Limited cash generated from operations to fund new assets and asset renewal.	<b>Less than 1.0</b> Spending on capital works has not kept pace with consumption of assets.	<b>Less than 0.5</b> Spending on existing assets has not kept pace with consumption of these assets.
<b>Medium</b>	<b>Negative 10%–0%</b> A risk of long-term run down to cash reserves and inability to fund asset renewals.	<b>0.75–1.0</b> Need for caution with cash flow, as issues could arise with meeting obligations as they fall due.	<b>40–60%</b> Some concern over the ability to repay debt from own-source revenue.	<b>10–35%</b> May not be generating sufficient cash from operations to fund new assets.	<b>1.0–1.5</b> May indicate spending on asset renewal is insufficient.	<b>0.5–1.0</b> May indicate insufficient spending on renewal of existing assets.
<b>Low</b>	<b>More than 0%</b> Generating surpluses consistently.	<b>More than 1.0</b> No immediate issues with repaying short-term liabilities as they fall due.	<b>40% or less</b> No concern over the ability to repay debt from own-source revenue.	<b>More than 35%</b> Generating enough cash from operations to fund new assets.	<b>More than 1.5</b> Low risk of insufficient spending on asset renewal.	<b>More than 1.0</b> Low risk of insufficient spending on asset base.

Source: Victorian Auditor-General's Office.

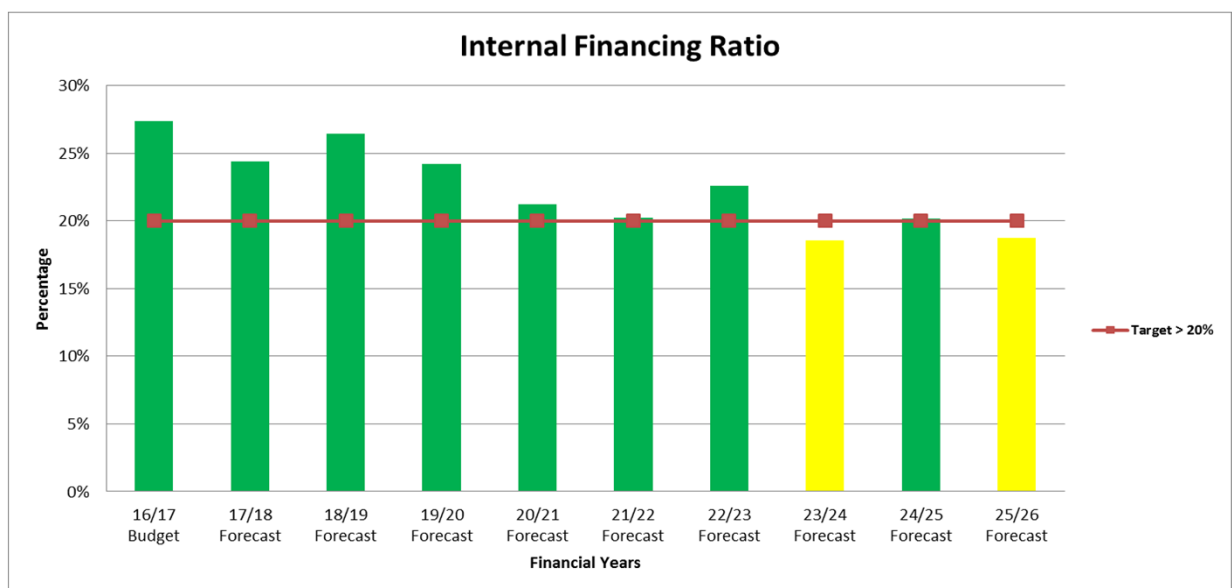
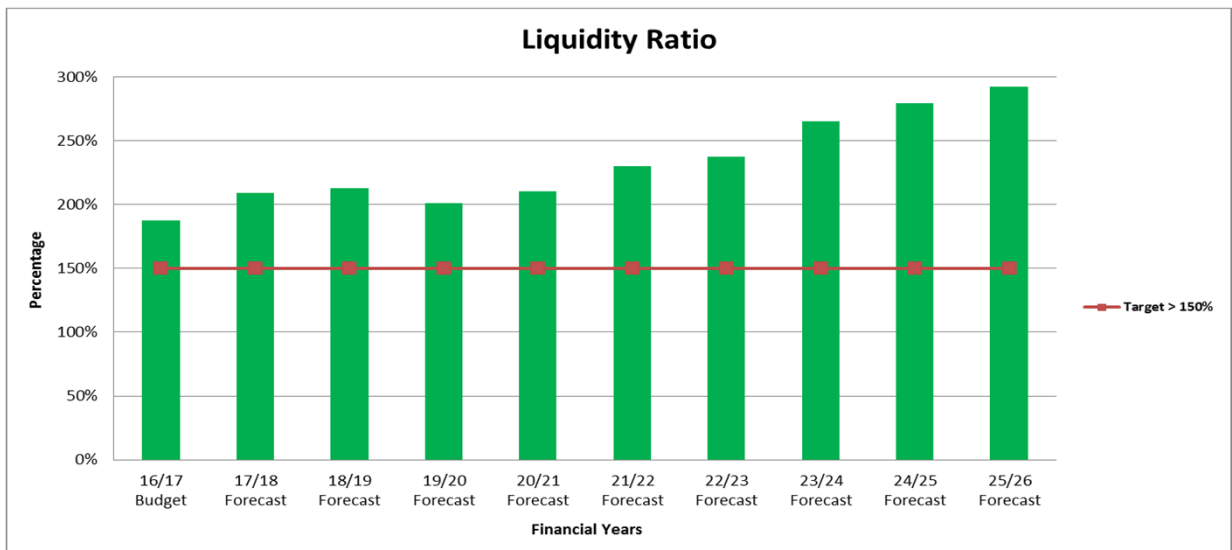
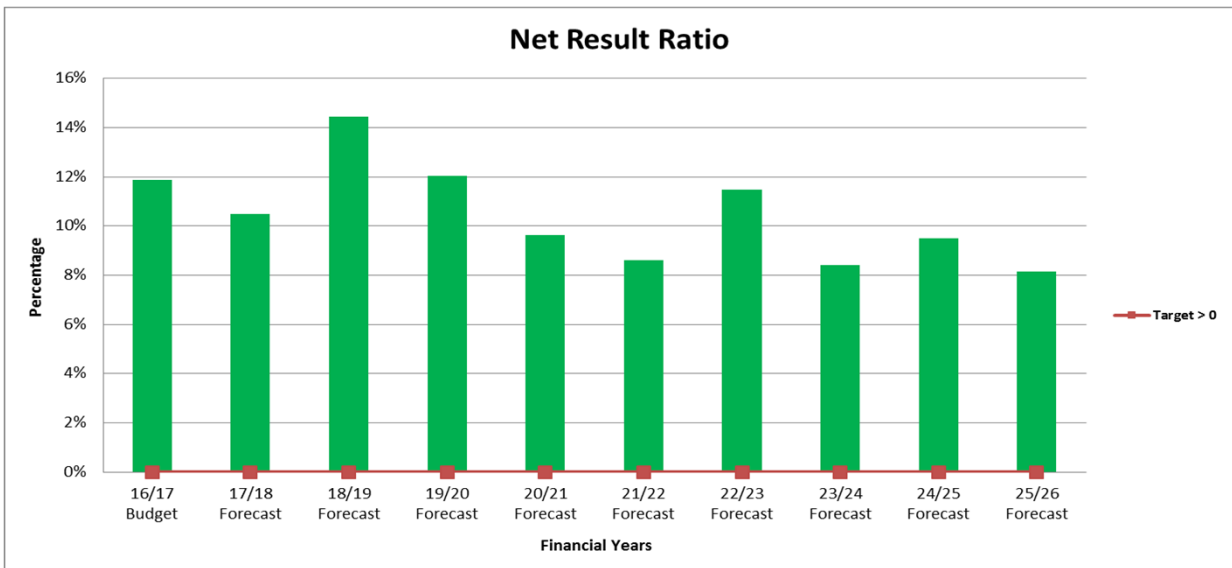
## **Appendix I**

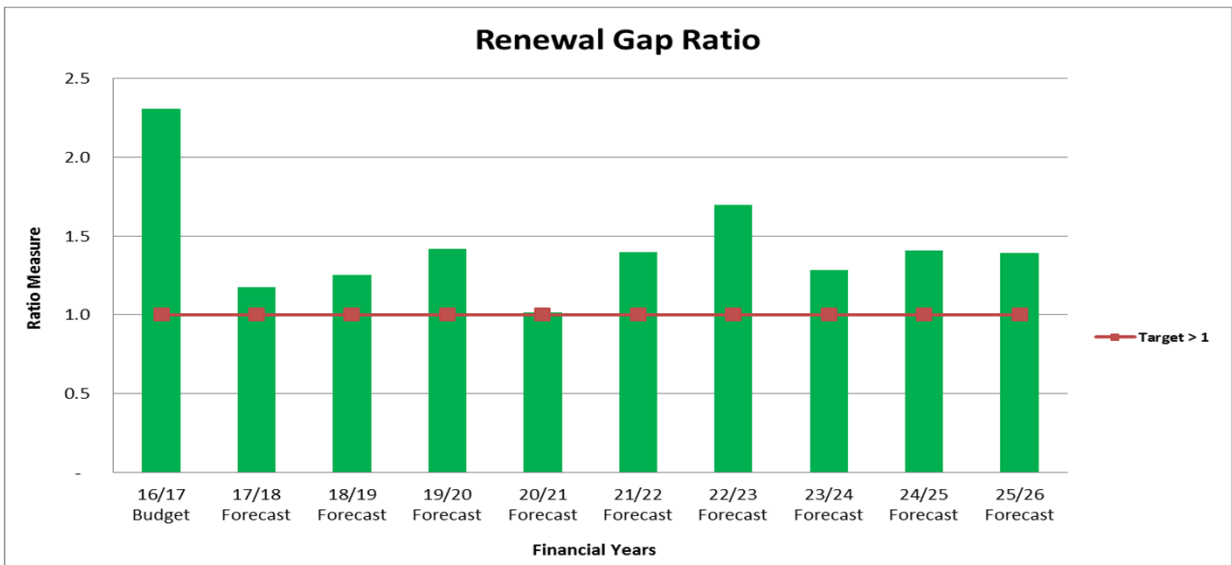
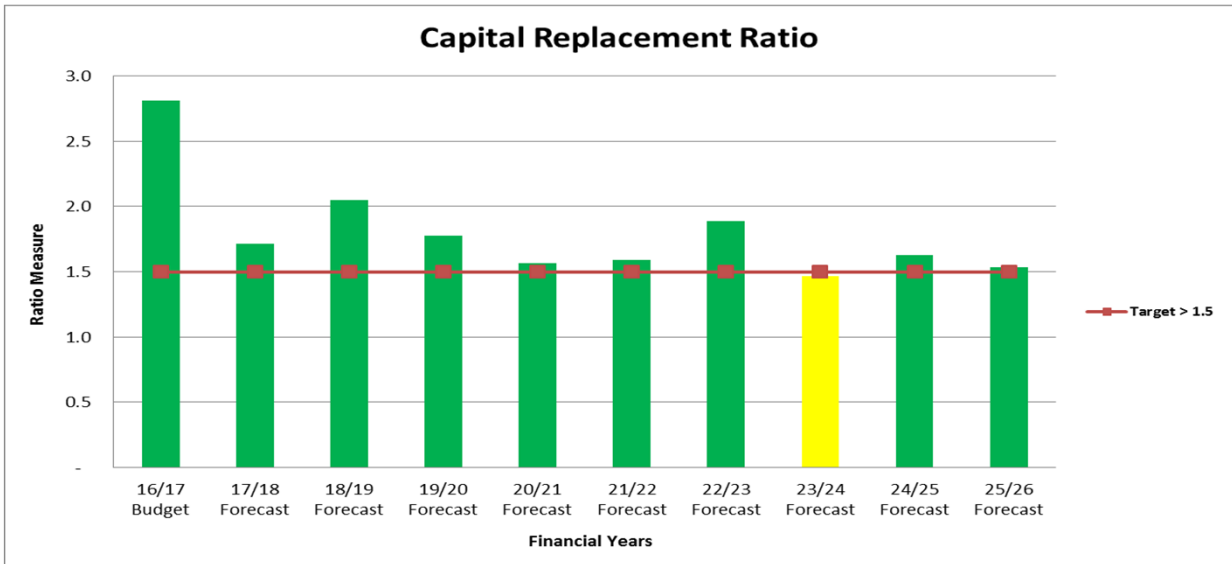
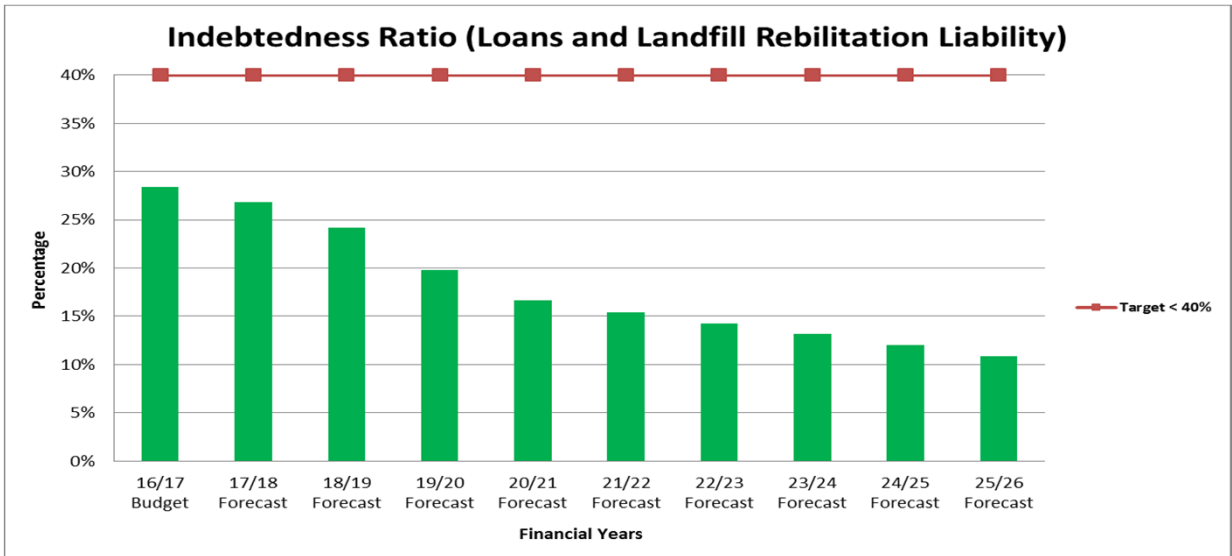
### **Financial Sustainability Performance**

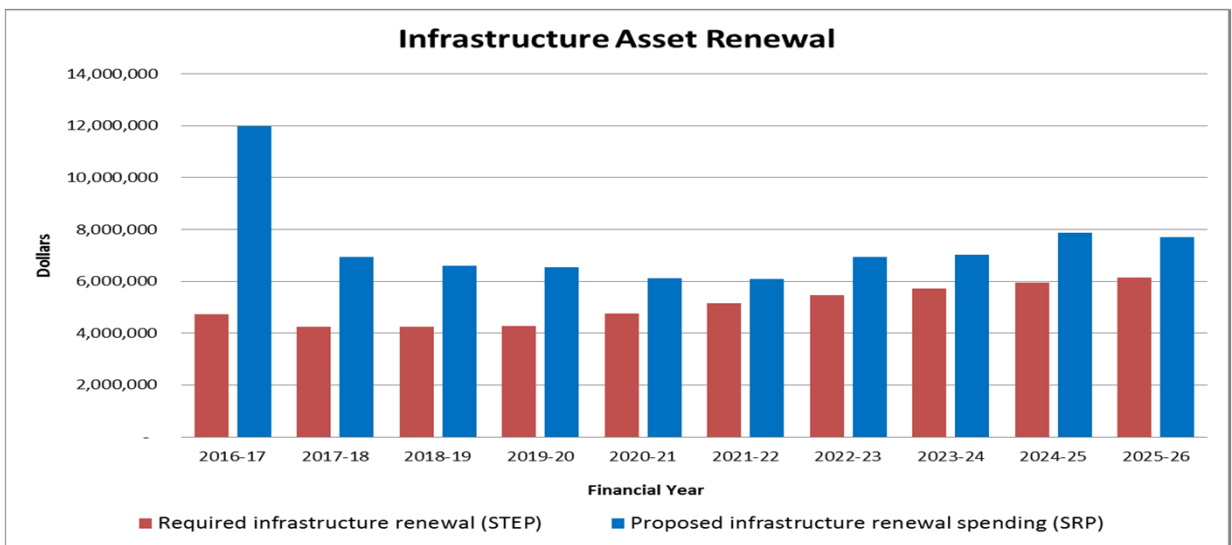
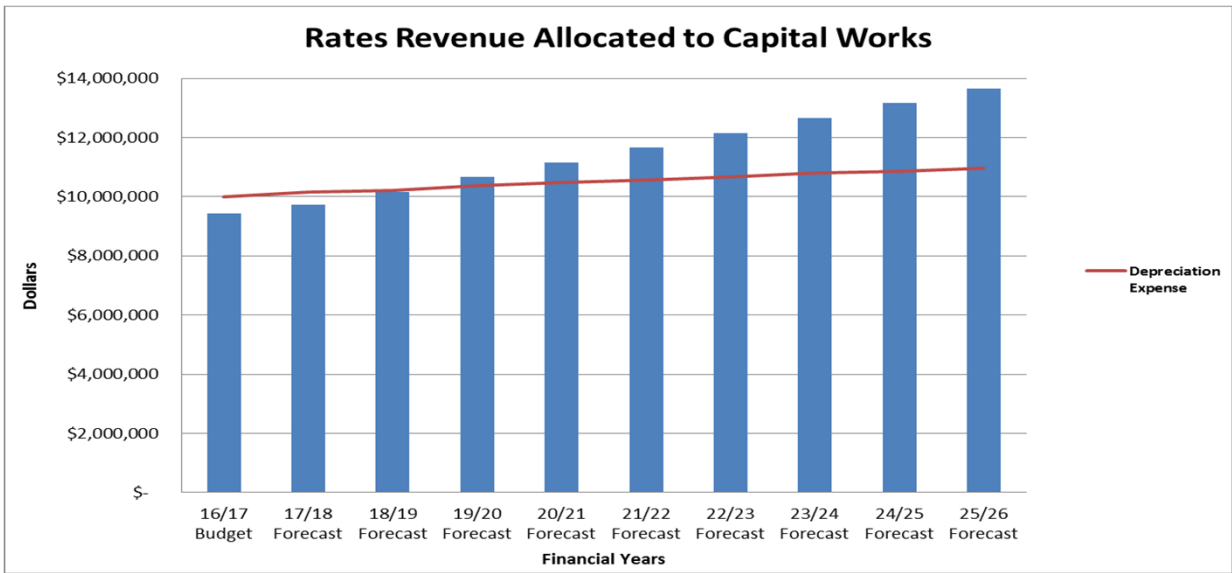
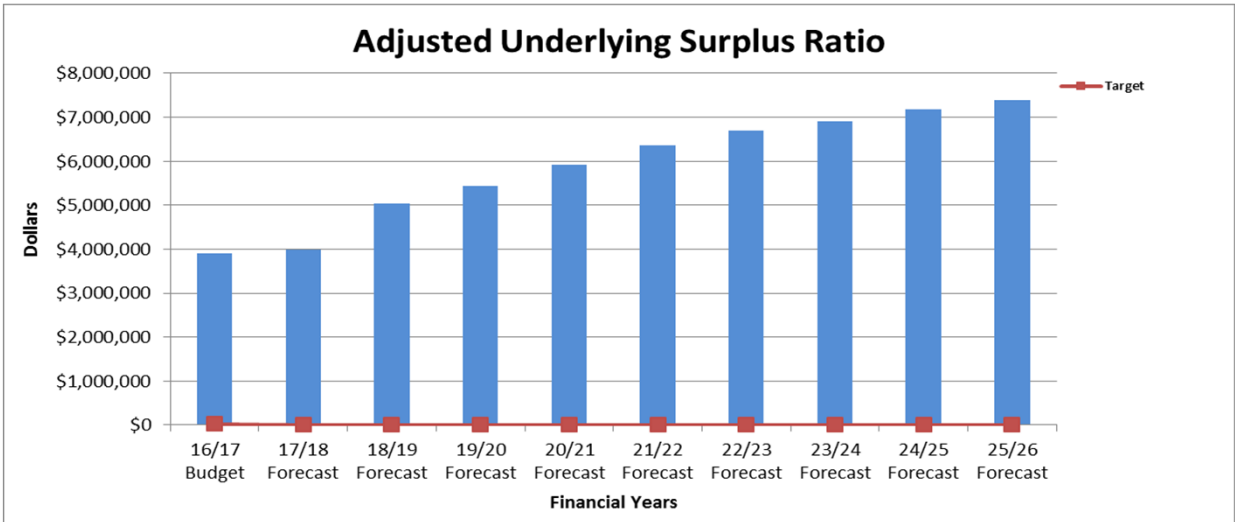
This appendix outlines Council's performance against the adopted financial sustainability plan indicators for the period 2016-17 to 2025-26.

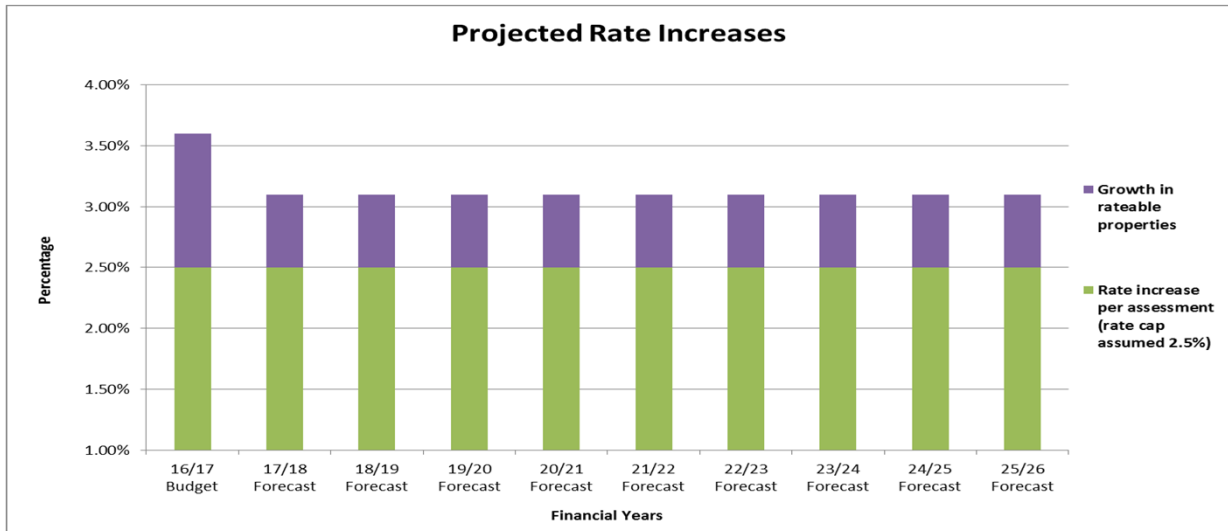


## Financial Sustainability Plan indicators









### Overall Sustainability Assessment - Auditor-General Measures

Financial Year	Assessment
2015-16 Forecast	Low Risk
2016-17 Budget	Low Risk
2017-18 Forecast	Low Risk
2018-19 Forecast	Low Risk
2019-20 Forecast	Low Risk
2020-21 Forecast	Low Risk
2021-22 Forecast	Low Risk
2022-23 Forecast	Low Risk
2023-24 Forecast	Low Risk
2024-25 Forecast	Low Risk
2025-26 Forecast	Low Risk

**The page is deliberately left blank**