



BUDGET



2015/16

Hepburn
SHIRE COUNCIL

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► MAYOR'S INTRODUCTION

The Hepburn Shire Council 2015/16 budget has been guided by the 10 year financial plan. It seeks to be financially responsible, while supporting the delivery of the best possible services. It gives me great pleasure to present this budget to the community of Hepburn Shire.

We will increase revenue raised by rates by 4% in the 2015/16 financial year. This is the same as the 2014/15 increase and the level of increase each year is the same as in the Financial Plan. This level allows Council to maintain existing service levels, fund a number of new initiatives and continue to allocate additional funds to renew the Shire's infrastructure. There is no change in the differential rates in 2015/16. The farm differential remains at 65% of the general rate. Mixed Use, Commercial and Industrial properties will pay a differential of 116% of the general rate. There will be no municipal charge this year. Cost savings in the area of waste have enabled Council to pass on a reduction in the waste management charge of 15.5%, or \$20 for each levied property. The cost of kerbside recycling collection has also decreased by 18.2% or \$10. In addition, there will be no increase to the cost of weekly kerbside garbage collection.

It is pleasing to be able to present a budget that not only delivers increased services but also meets all the Victorian Auditor General's financial sustainability indicators. I draw your attention to the budgeted working capital liquidity ratio of 180.7% as at 30 June 2016. This is an indicator of a strong financial position. Last year the Council paid down debt by an additional amount of \$400,000. This year the budget does not require any borrowings. I commend the officers who have worked hard to achieve this financial result and the capacity to deliver ongoing responsible budgets to our community.

The total Capital Works Program will be \$12,065,000, of which \$6,314,000 relates to renewal of our assets.

Highlights of the Capital Works program include:

- Roads, Bridges & Footpaths (\$5,170,000) – including reconstructions, reseal, resheeting, footpaths, bridges & kerb & channel
- Renewal of recreational assets (\$322,000) – including cricket pitch & netball court resurfacing and playground renewal
- Park, Open Space and Streetscapes upgrade and expansion of (\$1,603,000) – including Lake Daylesford Improvements and Streetscapes at Clunes, Creswick, Trentham, Glenlyon and Hepburn Springs
- Land and Buildings (\$3,812,000) – including Victoria Park, Daylesford Multi Purpose Facility, Trentham Community Hub and Hepburn Shire Services and Community Hub

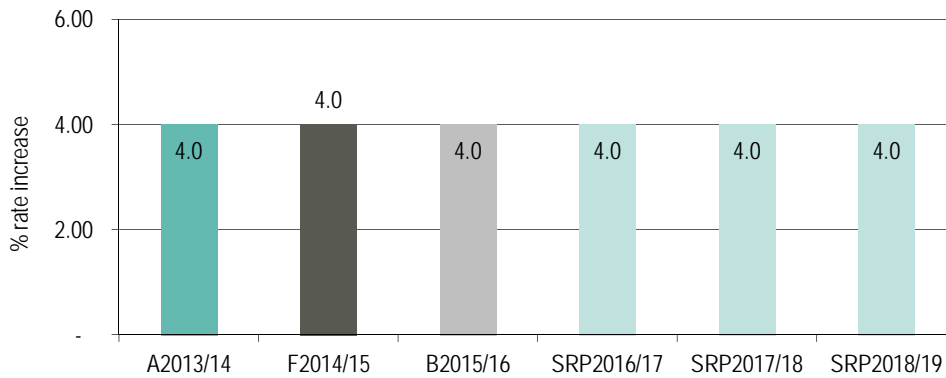


Cr Kate Redwood
Mayor

► CHIEF EXECUTIVE OFFICER'S SUMMARY

Council has prepared a Budget for the 2015/16 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

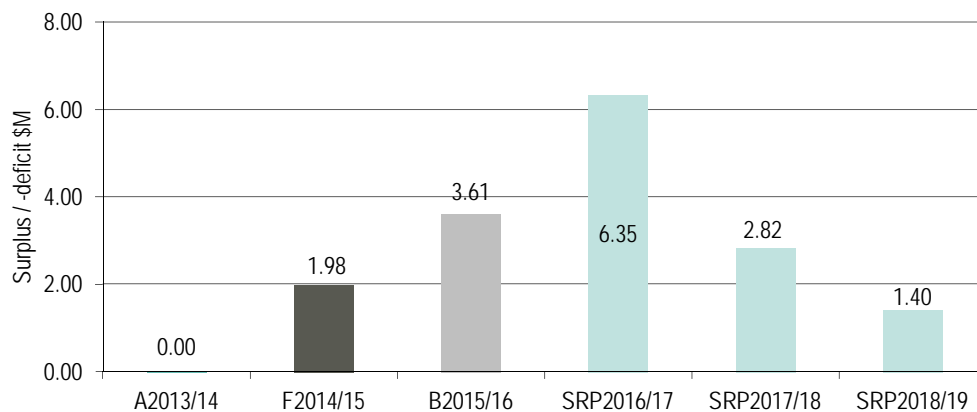
1. Rates



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

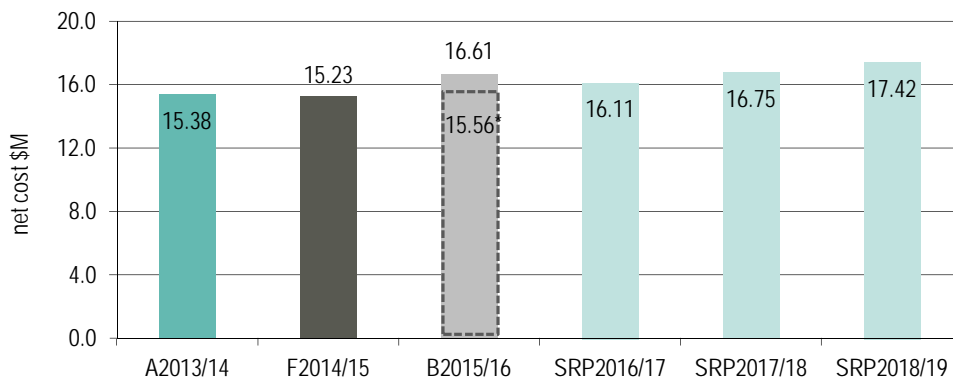
It is proposed that general rates increase by 4.0% for the 2015/16 year, raising total rates of \$15.627 million, including \$170,000 generated from supplementary rates. This rate increase is at the level foreshadowed in Council's Strategic Resource Plan (SRP) adopted in both of the previous two years. Council's SRP and Long Term Financial Plan forecasts to maintain a 4% annual rate increase. The Victorian State Government has announced that local government rates will be capped from 2016/17. Pending on the level at which rates are capped, which may be less than 4%, Council may need to undertake a review of services that are provided to the community by us on behalf of the State and Federal Government.

2. Operating result



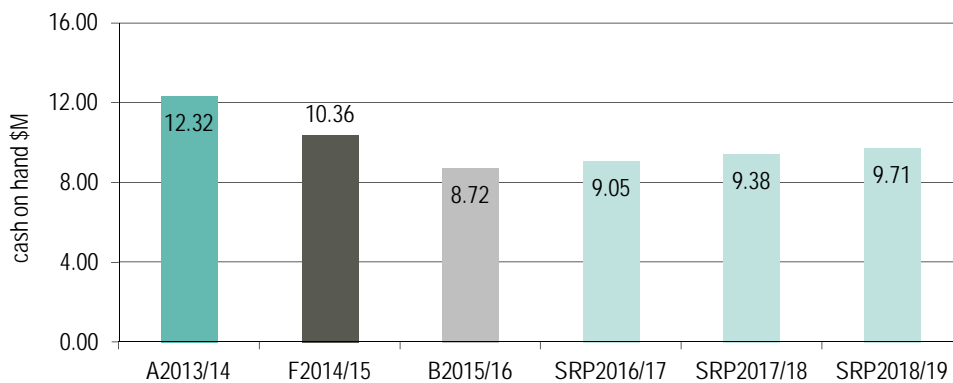
The expected operating result for the 2015/16 year is a surplus of \$3.61 million, which is an increase of \$1.63 million over the forecast for 2014/15.

3. Services



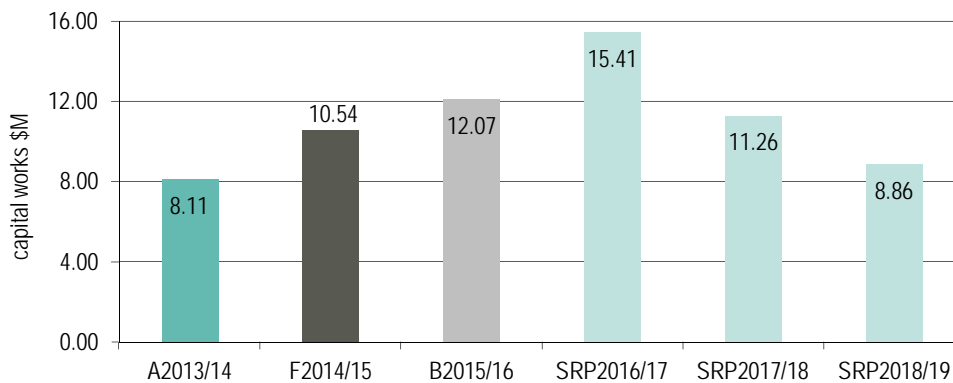
The net cost of services delivered to the community for the 2015/16 year is expected to be \$16.1 million which is an increase of \$0.9 million over 2014/15. This increase includes a carry forward from 2014/15 of \$1.1 million unspent on projects that will require to be completed in 2015/16. Had these carry forward projects not been included, the net cost of services delivered to the community for the 2015/16 year would expect to be \$15.56 million*.

4. Cash and investments



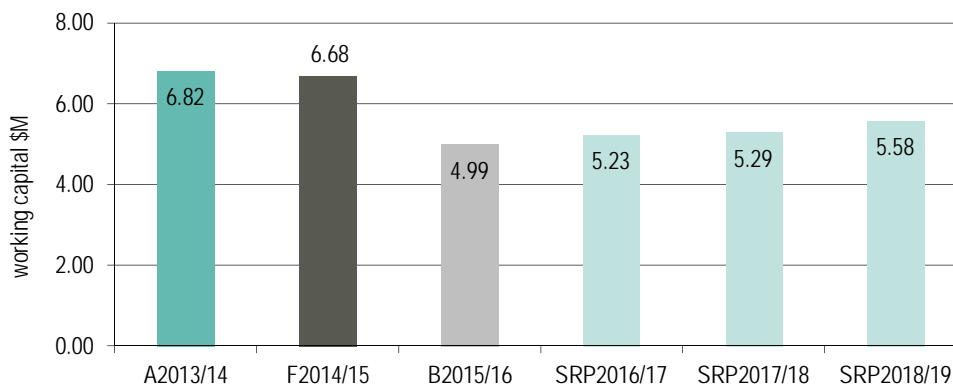
Cash and investments are expected to decrease by \$1,637,000 during the year to \$8.72 million as at 30 June 2016. There is one primary driver of this decrease, being projects carried forward to 2015/16 utilising Council funds. These projects are identified in Appendix C. Council funds carried forward for Capital Projects total \$1.135 million and \$1.053 million for operational projects. Without the inclusion of these carried forward projects, cash and cash equivalents would have increased by \$551,000. Section 5 of this document "Analysis of budgeted cash position" provides comprehensive detail on these actions.

5. Capital works



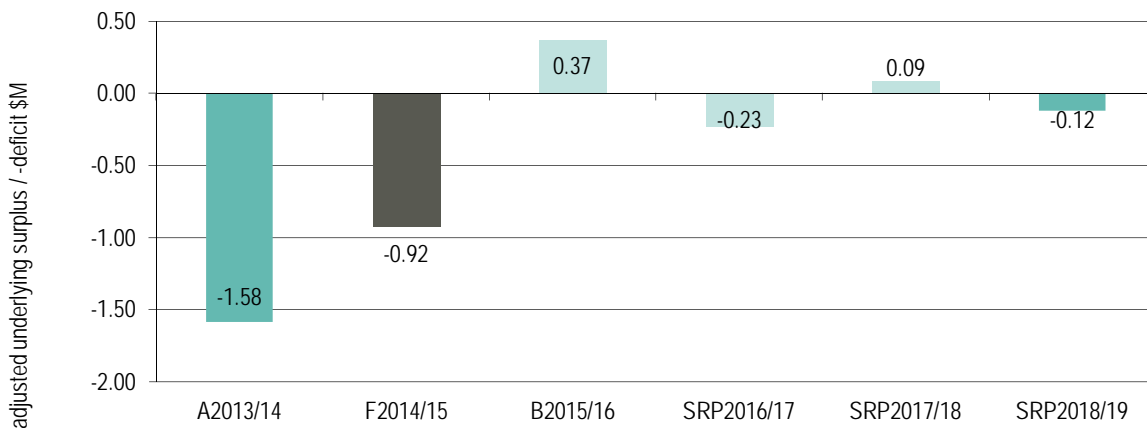
The Capital Works Program for the 2015/16 year is expected to be \$12.065 million. Of the \$12.065 million of capital funding required, \$4.380 million will come from external grants, \$160,000 from community cash contributions, \$6.090 million from Council and \$1.135 million from prior year council funds. The Council contribution comprises asset trade-ins (\$300,000) and cash generated from rates in the 2015/16 financial year (\$6.090 million). The capital expenditure program has been set and prioritised based on a rigorous process that has enabled Council to assess needs and develop sound business cases for each project. This year's program includes two major building projects: a multi-purpose facility at Victoria Park Daylesford and the Trentham Community Hub.

6. Financial position



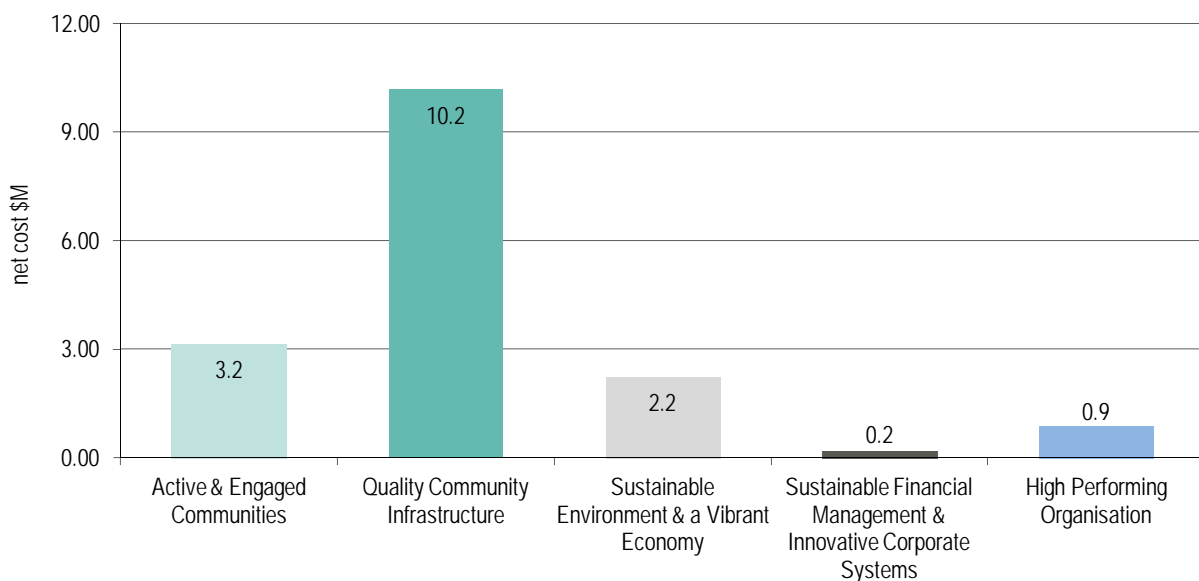
Council's working capital is calculated as current assets minus current liabilities. Due to actions in recent years, Council's working capital ratio (current assets divided by current liabilities) of 180.7% is now above the VAGO industry low risk benchmark of 150%. The Strategic Resources Plan seeks to continue to improve Council's working capital steadily over the life of the plan.

7. Financial sustainability



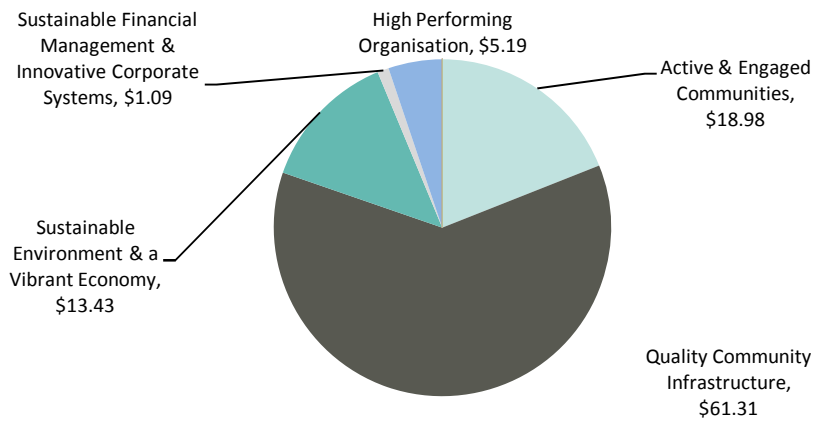
A high level Strategic Resource Plan for the years 2015/16 to 2018/19 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows either a small surplus or deficit over the four year period.

8. 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 2015/16 year.

9. Council expenditure allocations



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council receives either through municipal rates or capital grants.

This proposed 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.

Aaron van Egmond
Chief Executive Officer

► BUDGET PROCESS

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

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

The 2015/16 budget, which is included in this report, is for the year 1 July 2015 to 30 June 2016 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a budgeted Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2016 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's forecast for the current year. The preparation of the budget, within this broader context, begins with Officers preparing the operating and capital bids components of the annual budget during January and February. Key components of the budget are considered by Council at informal briefings during March and April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including public information sessions. 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:

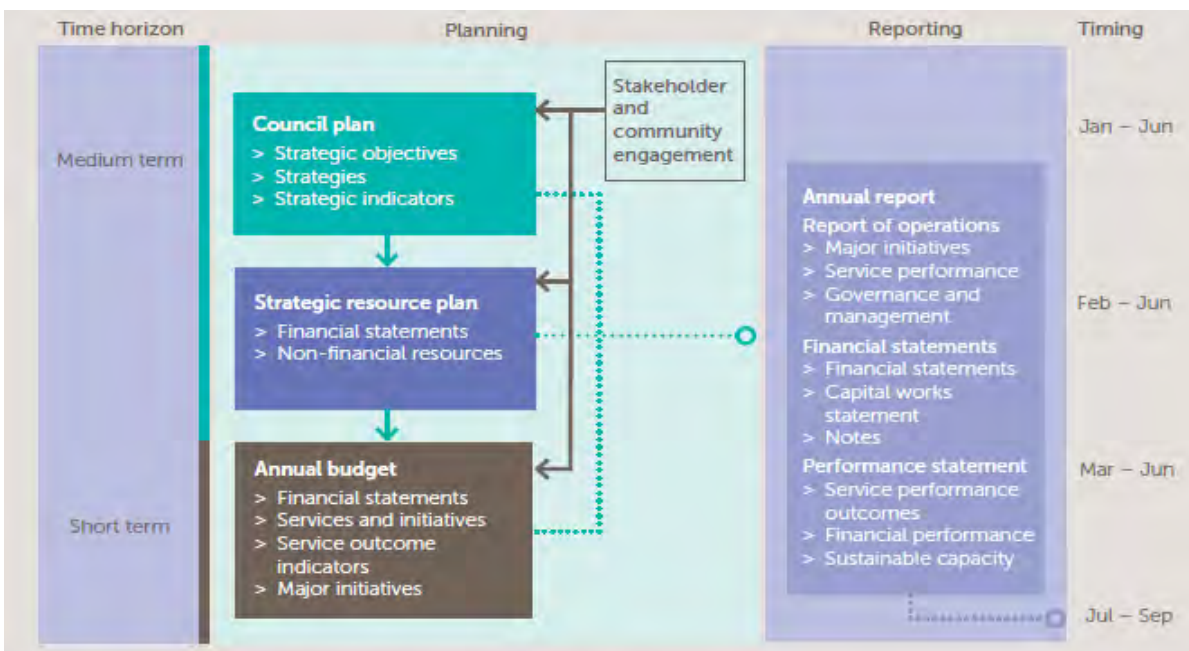
Budget process	Timing
1. Officers update Council's current year forecast	Dec
2. Officers prepare operating and capital budgets	Jan/Feb
3. Councillors consider draft budgets at informal briefings	Mar/Apr
4. Proposed budget submitted to Council for approval	21-Apr
5. Public notice advising intention to adopt budget	22-Apr
6. Budget available for public inspection and comment	23-Apr
7. Public submission process commences	23-Apr
8. Budget Information Session - Daylesford	30-Apr
9. Budget Information Session - Creswick and Clunes	4-May
10. Budget Information Session - Trentham and Glenlyon	5-May
11. Submissions period closes (28 days)	21-May
12. Submissions considered by Council	25-May
13. Budget and submissions presented to Council for adoption	16-Jun
14. Copy of adopted budget submitted to the Minister	30-Jun

1. LINKAGE TO THE COUNCIL PLAN

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term (10 Year Financial Plan), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Audited Statements).

1.1 Planning and accountability framework

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



Source: Department of Transport, Planning and Local Infrastructure

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

1.2 Our purpose

Our vision

A cutting edge Council making excellent decisions for future generations

Our mission

Hepburn Shire Council will maintain, promote, protect and enhance the district's unique social, cultural, environmental and heritage characteristics. This will be achieved through effective caring management and responsible governance. We will strive to gain maximum advantage for our community by protecting and enhancing our natural and built environment.

Our values

Council has adopted the following values which are embedded in the culture of the Hepburn Shire:

- **Accountability** - We will be responsible for our choices. We will acknowledge and learn from our mistakes.
- **Respect** - We will accept people's differences. We will look for the best in people and value their contribution. We will treat people with respect and dignity.
- **Excellence** - We will perform to our best ability. We will commit to learning and growing. We will strive to achieve the organisation's long term vision.
- **Trust** - We will encourage creativity and innovation. We will value everyone's contribution. We will lead by example. We will act honestly.
- **Fun** - We will acknowledge and celebrate our successes. We believe in getting involved. We will promote a healthy sense of humour.

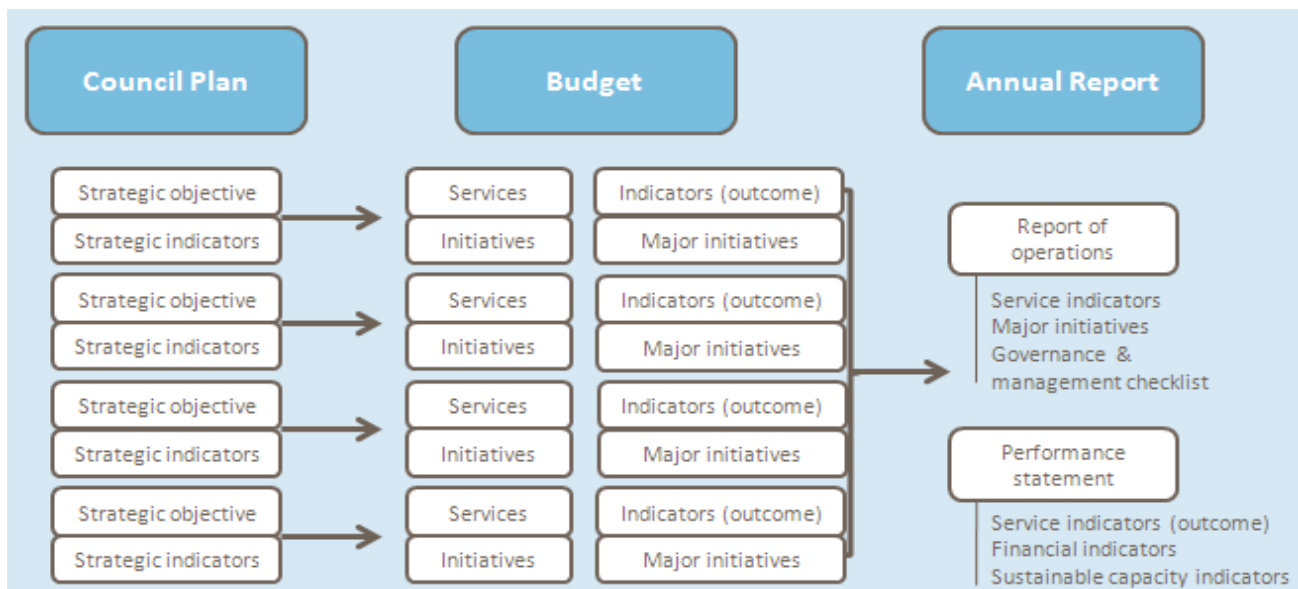
1.3 Strategic objectives

Council delivers activities and initiatives under 36 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. Active & Engaged Communities	Working with our diverse community to understand and deliver quality services.
2. Quality Community Infrastructure	Providing quality infrastructure that supports community needs now and into the future.
3. Sustainable Environment and a Vibrant Economy	Creating a vibrant economy by adding value and protecting our natural and built environment.
4. Sustainable Financial Management and Innovative Corporate Systems	Delivering long term financial sustainability for our community.
5. High Performing Organisation	Driving innovation to continuously improve service delivery to our customers. (better faster cheaper)

2. ACTIVITIES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS

This section provides a description of the services and initiatives to be funded in the Budget for the 2015/16 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of initiatives, major initiatives and service performance indicators. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan, along with the link to reporting in the Annual Report, is shown below.



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

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

2.1 Strategic Objective 1: Active & Engaged Communities

Working with our diverse community to understand and deliver quality services

Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Community Development	To identify and create opportunities with residents to participate in enhancing community health and wellbeing.	1,140 -58 1,082
Youth	To engage our young people. Invest in them now & create our community leaders for the future.	156 -25 131
Recreation	Implement a proactive and planned approach to the maintenance, renewal and upgrade of recreation assets, and provide strategic direction for future recreation and <u>aquatic</u> facilities.	522 -30 492
Library	To provide, through our public <u>libraries</u> , a welcoming space that develops strong and connected communities, supports a culture of reading and improves quality of life.	815 -210 605

Early Years	To provide leadership in the planning and development of early years services and programs and in partnership with community and service providers facilitate integrated and co-ordinated service provision including maternal and child health .	380 -133 247
Aged & Disability Services	To provide high quality aged and disability services including home and community care within the active service framework.	2,237 -1,642 595

Initiatives

1. Anderson's Mill festival funding
2. Calembreen Park dive tower demolition
3. Cameron Court units & community ousing changes
4. Clunes farmers market
5. Community planning implementation fund (Inc. Smeaton Community Park/Hepburn statue)
6. Creswick miss muddy event marketing
7. Creswick mountain bike event development
8. Dja Dja Wurrung recognition - flag poles and associated actions
9. Youth policy and action plan
10. Hepburn Shire walking cycling guide
11. Implementation of youth strategy
12. Recreation & open space strategy
13. Street decorations extended to Creswick
14. Trentham childcare facility - detailed planning and design

Major Initiatives

15. Trentham Community Hub construction
16. Construction of a new multipurpose facility in Victoria Park, Daylesford
17. Splash park in Creswick

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Home and Community Care	Participation	Participation in Home and Community Care (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	Participation	Participation in MCH key ages and stages visits (Percentage of children attending Participation in MCH key ages and stages visits by Aboriginal children (Percentage of Aboriginal children attending the MCH key ages and stages visits)	Number of actual MCH visits / Number of expected MCH visits] x100 [Number of actual MCH visits for Aboriginal children / Number of expected MCH visits for Aboriginal children] x100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (The number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population

2.2 Strategic Objective 2: Quality Community Infrastructure

Providing quality infrastructure that supports community needs now and into the future

Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Waste	To deliver high quality kerbside waste and recycling collection services, and general waste management which includes transfer stations, transporting materials, public place bins, disposing of waste, street cleaning, rehabilitating closed landfills and other waste management services.	2,654 -2,576 78
Assets	With forward planning, the timely intervention and replacement of infrastructure assets is programmed to maximise serviceability of assets and minimise escalating maintenance costs. This proactive management of assets also allows long term financial demands for asset renewal works to be anticipated and planned for.	1,421 -1,457 -36
Parks and Gardens	To maintain and deliver clean and well presented Parks & Gardens, Public Open Space and Sporting Fields for the enjoyment, amenity and well being of our community and visitors to the area.	1,431 -20 1,411
Roads and Maintenance	To provide reliable and timely maintenance of the road network and other critical assets including footpaths, bridges and drainage assets for the safety and convenience of our community.	8,733 0 8,733

Initiatives

18. Bio-energy from waste study
19. Clydesdale hall outdoor shelter
20. Hepburn Shire Council Services & Community Hub planning and design
21. Implementation of waste strategy (kerbside extension & MRF upgrades)
22. Rolling asset inspection program
23. Tree safety works
24. Trentham sportsground playground replacement

Major Initiatives

25. Commence streetscape revitalisation for the towns of Clunes, Creswick, Glenlyon, Hepburn Springs and Trentham

26. Town and Shire road signage

27. Implement a waste social enterprise at Council transfer stations

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
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.

2.3 Strategic Objective 3: Sustainable Environment and a Vibrant Economy

Creating a vibrant economy by adding value and protecting our natural and built environment

Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Economic Development and Tourism	To facilitate Hepburn Shire becoming a recognised tourist destination and to foster economic development that is appropriate within the Shire which increases employment and business opportunities.	565 -122 443
Emergency Management	We work with the community and response agencies to develop robust and innovative plans to prepare, respond and recover from emergencies.	267 -133 134
Statutory and Strategic Planning	The Planning Department provides advice and guidance for responsible and future land use planning which includes the consideration of applications for planning permits and ensuring compliance with planning permits and controls. Through regular review of the Hepburn Shire Planning Scheme and development of new policy documents, the Planning Department ensures that statutory planning , investment and decision making for the Shire is relevant to the needs of the community and provides a sustainable base for future generations.	945 -177 768
Building	To provide quality regulatory advice on all building matters associated with properties in the Shire.	271 -157 114
Sustainability	To guide and support Council and the community in the development of innovative sustainable practices that ensure the preservation of limited resources.	109 0 109

Natural Resource Management	In partnership with the community, natural resources are managed to ensure their conservation, enhancement and control.	280 -51 229
Environmental Health	To provide a range of public health programs including food safety throughout the community which focus on a preventative approach to health and aim to minimise future problems.	328 -137 191
Compliance	Through education and Local Law enforcement, including animal management , the Compliance Department provides a safe community for all to enjoy.	412 -170 242

Initiatives

28. Biodiversity strategy development & VASP project
29. Calembeen Park weed eradication, revegetation and fire risk reduction works
30. EPA enforceable undertaking at Mount Beckworth
31. Hepburn depot soil decontamination and rectification
32. Implementation of economic development strategy and destination management plan
33. Lighting the regions - final stage of upgrade to LED lights
34. Municipal fire & emergency management
35. Sustainability strategy implementation for community buildings (inc. Yandoit 3kW solar system)

Major Initiatives

36. Sustainability strategy implementation for Council assets

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were upheld in favour of the Council)	[Number of VCAT decisions that upheld Council's decision in relation to a planning application / Number of decisions in relation to planning applications subject to review by VCAT] x100
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-

2.4 Strategic Objective 4: Sustainable Financial Management and Innovative Corporate Systems

Delivering long term financial sustainability for our community

Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Finance	To deliver efficient and effective allocation of resources through sound financial planning and management, that is guided by the long-term financial plan and secures the financial viability of the municipality.	1,862 -3,475 -1,613
Procurement	To ensure the procurement of quality goods and/or services for Council's operations at the most competitive market prices available using best practice procurement processes and ensuring compliance with Council's procurement policy.	121 0 121
Information Technology and Telecommunications	To provide the highest quality technology-based services, in the most cost-effective manner, to facilitate the delivery of services to Council and the community.	837 0 837
Human Resources	In partnership with Management, Human Resources provides a high level of service and support to the organisation for recruiting and retaining qualified and diverse staff, facilitating positive employee relations, developing and delivering training to enhance employees skills and capabilities, measuring employee performance and job satisfaction and providing industrial relations advice to contribute to Council's organisational effectiveness.	497 0 497
Customer Service & Records	To provide consistent, high quality customer service, by managing, resolving, and preventing problems; empowering and educating our customers with self-service tools and solutions; communicating effectively; and exceeding customer expectations which will enable Council and our community to reach their goals.	470 0 470
Risk & Property	To utilise risk management proactively as a tool to achieve success across all areas. To make effective and efficient risk-based decisions on the allocation of budget and resources. To make decisions on property management arrangements that are underpinned by service plans, the long term financial plan and a minimisation of risks.	778 -908 -130

Initiatives

- 37. Develop and review on an annual basis the 10 year Financial Plan incorporating the SRP
- 38. Allocate a minimum of \$250,000 to cash each year to improve the working capital ratio
- 39. Maintain a Victorian Auditor-General's Office low risk sustainability assessment annually
- 40. Allocate an additional \$250,000 to capital renewal to improve the renewal gap
- 41. Extension of Public WiFi coverage - Clunes, Creswick and Daylesford

Major Initiatives

- 42. Implement an organisation driven information technology strategy
- 43. Identify and implement mobile solutions that drive organisational efficiency

2.5 Strategic Objective 5: High Performing Organisation

Driving innovation to continuously improve service delivery to our customers (better faster cheaper)

Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Governance	Good governance is provided through the development and implementation of policies and procedures that support good decision making.	698 0 698
Communications	Council delivers effective communication through varied channels to ensure all who wish to be informed are.	165 0 165

Initiatives

44. Distribute at least 2 Council newsletters per year

45. Undertake the sale of underutilised and surplus land and buildings in consultation with the community

Major Initiatives

46. Undertake a full benchmarked Staff Climate survey

Service Performance Outcome Indicators

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

2.6 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2015/16 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

2.7 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Active & Engaged Communities	3,153	5,250	-2,098
Quality Community Infrastructure	10,186	14,239	-4,052
Sustainable Environment & a Vibrant Economy	2,231	3,178	-947
Sustainable Financial Management & Innovative High Performing Organisation	181 862	4,564 862	-4,383 0
Total services and initiatives	16,613	28,094	-11,480
Other non-attributable	0		
Deficit before funding sources	16,613		
Funding sources:			
Rates	15,627		
Capital grants	4,380		
Capital Contributions	160		
Profit on Sale of Assets	52		
Total funding sources	20,219		
Surplus for the year	3,606		

3. BUDGET INFLUENCES

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

3.1 Snapshot of Hepburn Shire Council

Hepburn Shire Council is located in central Victoria, just over an hour from Melbourne and covers an area of 1,470 square kilometres. The City of Ballarat joins the Shire to the west, Moorabool Shire to the south, Macedon Ranges Shire to the east and Mount Alexander Shire to the north.

Hepburn Shire was created in January 1995 by the amalgamation of the former Shires of Creswick, Daylesford and Glenlyon, the Clunes portion of the Shire of Talbot and the Trentham portion of the Shire of Kyneton.

Population

The 2011 Census estimates that the population of the Shire is 14,367. There are 6,951 males and 7,416 females. The median age is 46, with 2.3 people on average per household. (Source: Australian Bureau of Statistics, 2011 Census-LGA)

Main Towns

The Shire's main townships are: Creswick with 2,942 residents; Clunes with 1,656 residents; Daylesford with 2,565 residents; Hepburn Springs and Hepburn with 700 residents; and Trentham with 1,411 residents. The remaining residents (45%) live in the many small townships and rural areas across the Shire. (Source: Australian Bureau of Statistics 2011 census - SSC).

Demographics

Hepburn Shire has a very diverse population with one area which is ranked in the top 10% of the most socio-economic disadvantaged areas in Australia. Conversely, the Shire has two areas which are ranked in the top 30-40% of the least disadvantaged areas in Australia. (Source: Australian Bureau of Statistics, SEIFA scores, 2011)

Infrastructure maintenance and renewal

Hepburn Shire has 405 km of urban local roads; 1,020 km of rural local roads; 117 Bridges and a significant number of buildings that require maintenance and renewal (Source: 2014 Hepburn Shire Council Grants Commission Return).

Like many rural councils, Hepburn Shire Council has a significant renewal gap. This is the difference between the amount of funds the Council should have been spending on infrastructure for renewal and the amount of funds it has historically been able to spend on its infrastructure assets. This gap has been recognised by Councillors and Officers for several years and the effects of this gap in terms of infrastructure quality and maintenance has been widely recognised by our residents and ratepayers. Government funding through programs such as Roads to Recovery, Country Roads and Bridges and Flood funding has helped reduce this gap over the last four years. The 2015-16 budget includes \$1.4 million for Roads to Recovery funding that will be spent on renewing Council infrastructure assets. In addition, Council is investing a significant amount of its own sourced revenue that is well above historic levels of investment.

Budget implications

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

- The total area of the Shire is 1,470 square kilometres and comprises five major towns. All five towns require a high level of service from Council. However, the number of assessments from which to raise rates to pay for all these services is only 10,857 and Council relies on rates for approximately 57% of its income.
- As with other rural shires, Hepburn Shire maintains a large rural road network, with the majority of road maintenance being funded by Council's 10,857 ratepayers.
- The differing socio-economic groups within the Hepburn Shire present some challenges for Council in terms of finding a rating strategy that will best fit the whole Shire.

3.2 External influences

In preparing the 2015-16 budget, a number of external influences have been taken into account as they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- * Consumer Price Index (CPI) increases on goods and services of 1.7% through the year to December quarter 2014 (ABS release 28 January 2015). State-wide CPI is forecast to be 2.5% for the 2015/16 year (Victorian Budget Papers 2014/15).
- * Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2014 was 3.1% (ABS release 14 August 2014). The wages price index in Victoria is projected to be 3.50% per annum in 2015/16 and the subsequent two years (Victorian Budget Papers 2014/15). Council renegotiated its Collective Agreement for commencement on 1 October 2013 and this 3.3% increase has been included in the Budget.
- * The freezing of Victoria Grants Commission funding at 2014/2015 levels.
- * Increases of 10% (or \$5.30 per tonne) in the levy payable to the State Government upon disposal of waste into landfill. The levy has increased from \$9 per tonne in 2008/09 to \$58.50 per tonne in 2015/16 (550% increase in 7 years).
- * The carbon price repeal legislation received Royal Assent on 17 July 2014, effective from 1 July 2014. Councils are expected to account for carbon price refunds received and unused carbon price revenue collected in a transparent way. The Australian Competition and Consumer Commission has recently suggested that Councils use the money collected for the Carbon Tax on projects or infrastructure benefiting their communities or by accounting for this additional money by setting their future fees and charges lower than they otherwise would have been.
- * The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.
- * Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervision, Library services and Home and Community Care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- * The Victorian State Government has announced that local government rates will be capped from 2016/17. Depending on the level at which rates are capped Council may need to undertake a review of services that are provided to the community with the aim of reducing the level of rate payer subsidy for services undertaken by Local Government on behalf of the State and Federal Government.

3.3 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have an impact on the preparation of the 2015/16 Budget. These matters have arisen from events occurring in the 2014/15 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2015/16 year. These matters and their financial impact are set out below:

- Reduction in the number of General Managers from four to three.
- No new employment positions, hence a very stable level of equivalent full-time employees (EFT).

3.4 Budget principles

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

- Existing fees and charges to be increased in line with the collective bargaining agreement or market levels
- Grants to be based on confirmed funding levels
- New revenue sources to be identified where possible
- Service levels to be maintained at 2014/15 levels with the aim to use less resources with an emphasis on innovation and efficiency
- Salaries and wages to be increased in line with the collective bargaining agreement
- Contract labour to be minimised
- Construction and material costs to increase in line with the Engineering Construction Index
- New initiatives or new employee proposals to be justified through a business case
- Real savings in expenditure and increases in revenue identified in 2014/15 to be preserved
- Operating revenues and expenses arising from incomplete 2014/15 capital projects to be included

3.5 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2015/16 to 2018/19 (section 8.), Rating Information (section 9.) and Other Long Term Strategies (section 10.) including borrowings, infrastructure and service delivery.

4. ANALYSIS OF OPERATING BUDGET

This section analyses the operating budget including expected income and expenses of the Council for the 2015/16 year.

4.1 Budgeted income statement

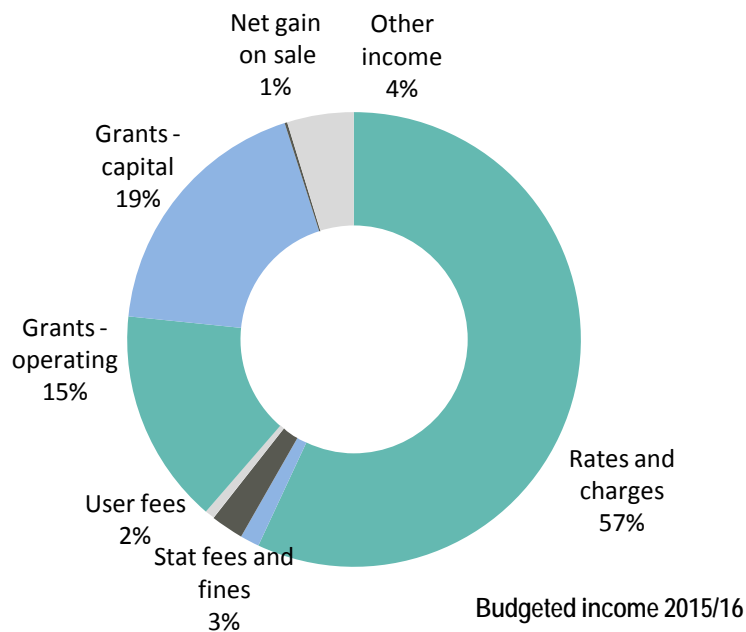
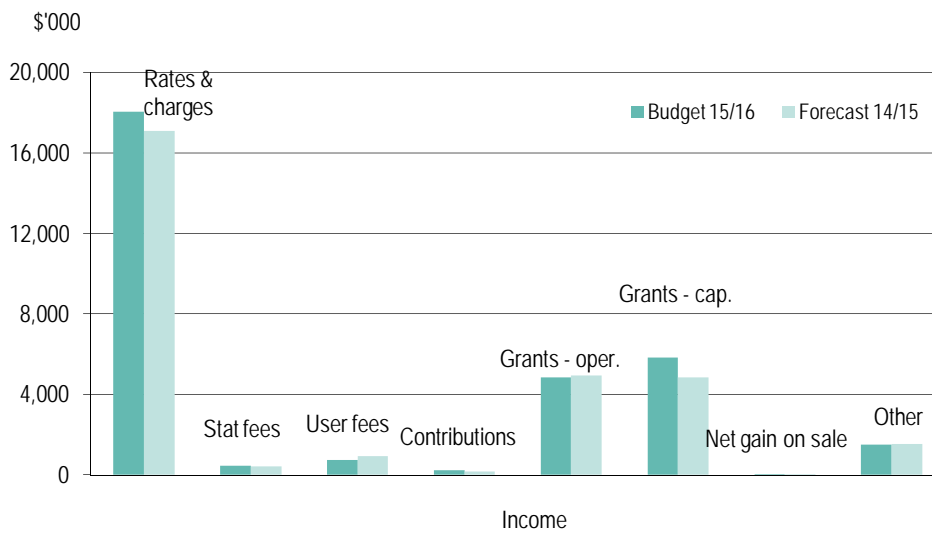
	Ref	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000	Variance %
Total income	4.2	29,973	31,699	1,726	5.8%
Total expenses	4.3	(27,994)	(28,094)	(100)	0.4%
Surplus for the year		1,979	3,606	1,627	82.2%
Grants – capital non-recurrent	4.2.6	(2,715)	(3,017)	(302)	11.1%
Capital contributions - other sources	4.2.4	(185)	(220)	(35)	18.9%
Adjusted underlying surplus / (deficit)		(921)	369	1,290	-140.1%

4.1.1 Adjusted underlying surplus / (deficit) (\$1,290,000 increase)

The adjusted underlying surplus / (deficit) is the net surplus for the year adjusted for non-recurrent capital grants, non-monetary asset contributions (if any), and capital contributions from other sources. It is one 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 2015/16 year is a surplus of \$369,000 which is a increase of \$1.290,000 from the 2014/15 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.

4.2 Income

Income Types	Ref	Forecast	Budget	Variance	Variance
		Actual 2014/15 \$'000	2015/16 \$'000	\$'000	%
Rates and charges	4.2.1	17,088	18,039	951	5.6%
Statutory fees and fines	4.2.2	425	445	19	4.5%
User fees	4.2.3	928	733	(195)	-21.1%
Contributions - cash	4.2.4	185	220	35	18.9%
Grants - operating	4.2.5	4,932	4,853	(79)	-1.6%
Grants - capital	4.2.6	4,838	5,846	1,008	20.8%
Net gain on disposal of assets	4.2.7	52	52	0	0.0%
Other income	4.2.8	1,525	1,512	(13)	-0.8%
Total income		29,973	31,699	1,726	5.8%



Source: Appendix A

4.2.1 Rates and charges (\$951,000 increase)

Rates and supplementary rates relate to income generated from levying municipal rates under the *Local Government Act 1987* on all rateable land within the Shire. Waste charges include garbage collection, kerbside recycling and a general waste management charge that covers the cost of managing the transfer stations, transporting materials, public place bins, disposing of waste, street cleaning, rehabilitating closed landfills and other waste management services.

It is proposed that rates income be increased by a 4% or \$595,000 increase in the rate per dollar of capital improved value plus a 1.6% or \$237,000 increase in revenue from 2014/15 supplementary rates. The 1.2% increase in revenue from supplementary valuations which arises predominantly from the rating of new buildings rated for the first time in 2015/16 represents the growth in Council's rate base. In addition, a 6.3% or \$10,000 increase is forecast in the number of supplementary rates to be charged in 2015/16 and a 4.7% or \$109,000 increase in waste charges. The increase in waste charge is predominantly due to the kerbside extension charges which exceed the reduction in waste management charges for all property owners. Movements in rates and charges are summarised below, with Section 9 "Rating Information" including a more detailed analysis of the rates and charges to be levied for 2015/16. Information on rates and charges specifically required by the Regulations is included in Appendix B.

Rates and charges types	Forecast		Variance	Variance
	Actual	Budget		
	2014/15 \$'000	2015/16 \$'000	\$'000	%
Rates	14,625	15,457	832	5.7%
Supplementary Rates	160	170	10	6.3%
Waste Charges	2,303	2,412	109	4.7%
Total Rates and Charges	17,088	18,039	951	5.6%

4.2.2 Statutory fees and fines (\$19,000 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, town planning fees and parking fines. Increases in statutory fees are made in accordance with legislative requirements.

It is proposed that statutory fees and fines income be increased by 4.5% or \$19,000 over 2014/15 to \$445,000. Infringements will increase by \$8,000 or 21.1% to more accurately reflect the level of community compliance with enforceable regulations. Statutory Planning fees and permits will remain constant at \$149,000 due to stable development activity. Movements in statutory fees and fines are summarised below.

Statutory fees and fines types	Forecast		Variance	Variance
	Actual	Budget		
	2014/15 \$'000	2015/16 \$'000	\$'000	%
Infringements	39	47	8	21.1%
Town Planning	149	149	0	0.0%
Permits	49	57	8	15.3%
Registrations	188	191	3	1.6%
Other Fees and Fines	1	1	0	0.0%
Total Statutory fees and fines	425	445	19	4.5%

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

4.2.3 User fees (\$195,000 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 aged care charges, building fees, waste service charges, tourism association memberships and tourism charges.

It is proposed that user fees income be decreased by 21.1% or \$195,000 over 2014/15 to \$733,000. The main areas contributing to the decrease in charges are from aged care, waste and tourism. Aged care fees will decrease by \$122,000 or 24.7% reflecting the decrease in demand for Council provided services due cheaper alternative providers. Domestic Waste charges will be decreased by \$28,000 or 21.9% as a result of the kerbside extension reducing expected volumes through the transfer stations. The non-recurrent sale of advertising within our tourist maps will contribute a decrease of \$20,000 to Other Fees. Movements in user fees are summarised below:

User fees types	Forecast	Budget	Variance	Variance
	Actual 2014/15 \$'000	2015/16 \$'000	\$'000	%
Aged Care	493	371	(122)	-24.7%
Building	190	177	(13)	-6.6%
Waste	128	100	(28)	-21.9%
Other Fees	118	85	(33)	-28.2%
Total User fees	928	733	(195)	-21.1%

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

4.2.4 Contributions - cash (\$35,000 increase)

Recreational land contributions relate to monies paid by developers in regard to improving public resort and recreation, drainage and car parking in accordance with planning permits issued for property development. Recreational infrastructure contributions relate to monies paid by community organisations contributing towards the upgrade of community facilities.

It is budgeted that cash contributions income be increased by 42.3% or \$55,000 over 2014/15 to \$185,000. This increase is predominantly due to the inclusion of the year one \$125,000 community contribution towards the upgrade of the multi-purpose facility at Victoria Park Daylesford. Movements in cash contributions are summarised below.

Cash contributions types	Forecast	Budget	Variance	Variance
	Actual 2014/15 \$'000	2015/16 \$'000	\$'000	%
Recreational land contributions	80	60	(20)	-25.0%
Recreational infrastructure contributions	105	160	55	52.4%
Other contributions	0	0	0	0.0%
Total Cash contributions	185	220	35	18.9%

4.2.5 Grants - operating (\$79,000 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. It is proposed that operating grants income will decreased by 1.6% or \$79,000 over 2014/15 to \$4.853 million. Movements in operating grants are summarised below.

Operating grants types	Forecast	Budget 2015/16 \$'000	Variance \$'000	Variance %
	Actual			
	2014/15 \$'000			
Recurrent - Commonwealth Government				
Victorian Grants Commission	2,875	2,847	(28)	-1.0%
Recurrent - State Government				
Aged Services	1,208	1,219	12	1.0%
Library	140	150	10	7.5%
Maternal & Child Health	133	133	0	0.0%
Other operating grants	99	159	60	60.7%
Total Recurrent Operating Grants	4,455	4,509	54	1.2%
Non-Recurrent - State Government				
Waste projects	287	26	(261)	-91.0%
Other operating grants	190	318	128	67.6%
Total Non-Recurrent Operating Grants	477	344	(133)	-27.8%
Total Operating Grants	4,932	4,853	(79)	-1.6%

4.2.6 Grants - capital (\$1,008,000 increase)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. It is proposed that capital grants income will increased by 20.8% or \$1,008,000 over 2014/15 to \$5.846 million. This increase is due to the doubling of the Roads to Recovery Grant in 2015/16 to \$1.398 million and the \$1.15 million building grant for the Multi-purpose facility at Victoria Park, Daylesford, exceeding the reduction in other non-recurrent grants received in 2014/15. Movements in capital grants are summarised below.

Capital grants types	Forecast	Budget 2015/16 \$'000	Variance \$'000	Variance %
	Actual			
	2014/15 \$'000			
Recurrent - Commonwealth Government				
Victorian Grants Commission Local Roads	1,437	1,432	(5)	-0.4%
Roads to Recovery	686	1,398	712	103.8%
Total Recurrent Capital Grants	2,123	2,830	707	33.3%
Non-Recurrent - Commonwealth Government				
Flood Recovery	313	0	(313)	-100.0%
Non-Recurrent - State Government				
Buildings	450	1,600	1,150	255.6%
Infrastructure	1,706	860	(846)	-49.6%
Recreation	233	557	324	138.9%
Other Projects Capital Grants	13	0	(13)	-100.0%
Total Non-Recurrent Capital Grants	2,715	3,017	302	11.1%
Total Capital Grants	4,838	5,846	1,008	20.8%

4.2.7 Net gain on disposal of assets (Nil increase)

Proceeds from the sale of Council assets relates to the planned cyclical replacement of part of the plant and vehicle fleet. It is proposed that the net gain on disposal of assets income remain at \$52,000. Movements in the net gain on sale of assets are summarised below.

Gain on disposal of asset types	Forecast	Budget 2015/16 \$'000	Variance \$'000	Variance %
	Actual 2014/15 \$'000			
Proceeds from sale of plant and equipment	254	300	46	18.1%
Carrying value of plant and equipment disposed	(202)	(248)	(46)	22.8%
Total Gain on Disposal of Assets	52	52	0	0.0%

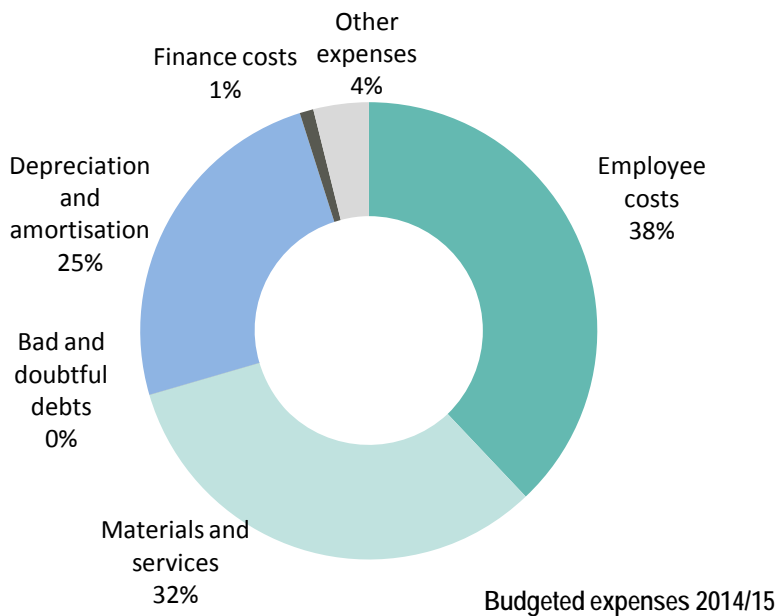
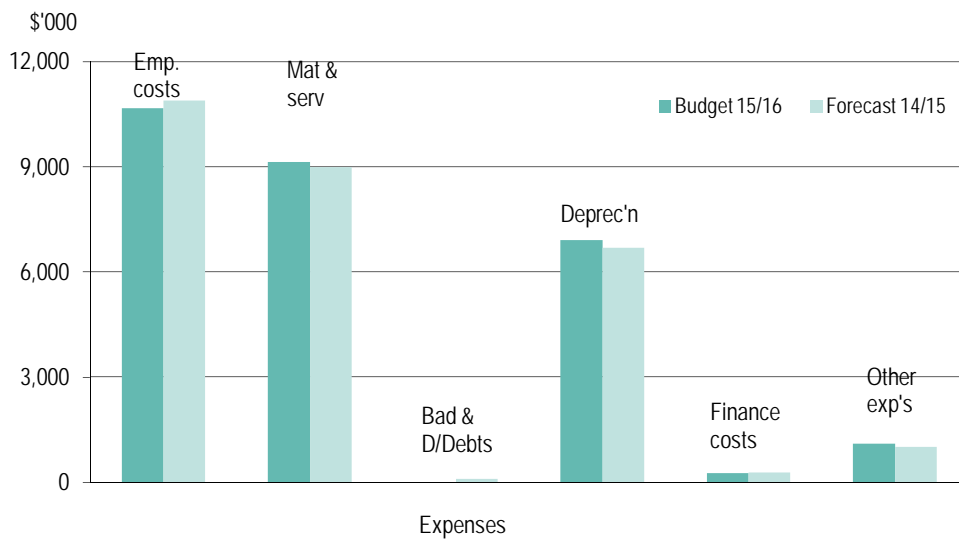
4.2.8 Other income (\$13,000 decrease)

It is proposed that other income be decreased by 0.8% or \$13,000 over 2014/15 to \$1.512 million. This decrease predominantly results from a reduction of interest on investments of \$40,000 due to lower cash invested and lower interest rates, reduced revenue from merchandise sales by \$29,000 and other reimbursements are up \$58,000 which relates to the biennial contribution from the State Revenue Office for property valuations. Movements in other income are summarised below.

Other Income types	Forecast	Budget 2015/16 \$'000	Variance \$'000	Variance %
	Actual 2014/15 \$'000			
Interest on Investments	200	160	(40)	-20.0%
Interest on Rates	80	90	10	12.5%
Property Rental	944	933	(12)	-1.2%
Sale of Merchandise	100	71	(29)	-28.7%
Reimbursements	180	238	58	31.9%
Miscellaneous Income	20	20	(0)	-0.7%
Total Other Income	1,525	1,512	(13)	-0.8%

4.3 Expenses

Expense Types	Ref	Forecast	Budget	Variance	Variance
		Actual 2014/15 \$'000	2015/16 \$'000	\$'000	%
Employee costs	4.3.1	10,894	10,662	(232)	-2.1%
Materials and services	4.3.2	8,987	9,134	147	1.6%
Bad and doubtful debts	4.3.3	105	6	(99)	-94.3%
Depreciation and amortisation	4.3.4	6,695	6,916	221	3.3%
Finance costs	4.3.5	290	271	(19)	-6.6%
Other expenses	4.3.6	1,023	1,105	82	8.0%
Total expenses		27,994	28,094	100	0.4%



Source: Appendix A

4.3.1 Employee costs (\$232,000 decrease)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off and workcover insurance. Employee costs are forecast to decrease by 2.1% or \$232,000 over 2014/15 to \$10.662 million. This decrease predominantly relates to two key factors:

- Restructuring middle management to reduce staff numbers, reducing employee costs by approximately \$330,000 or 3.0%, and
- reduction of approximately \$300,000 from budget improvements in matching staff required to deliver aged care to the demand for council services; offset by
- Council's Enterprise Bargaining Agreement (EBA) that has an annual 3.3% increase in salaries which is estimated to cost approximately \$362,000.

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

Department	Budget	Permanent Full Time \$'000	Comprises	
	2015/16 \$'000		Permanent Part Time \$'000	Casual \$'000
Executive Services	1,677	1,074	528	75
Community Services	3,212	1,269	1,808	135
Corporate Services	2,063	1,477	525	61
Infrastructure Services	3,710	3,433	264	13
Total	10,662	7,253	3,125	284

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

Department	Budget	Permanent Full Time	Comprises	
	FTE		Permanent Part Time	Casual
Executive Services	17.63	11	5.35	1.28
Community Services	40.25	13	24.94	2.31
Corporate Services	23.51	16	6.46	1.05
Infrastructure Services	49.40	46	3.18	0.22
Total	130.79	86	39.93	4.86

The most significant increases in employee costs by service unit are summarised below:

Department	Service Unit	Forecast	Budget 2015/16 \$'000	Variance \$'000	Variance %
		Actual 2014/15 \$'000			
There are no service units with significant increases in employee costs.					

4.3.2 Materials and services (\$147,000 increase)

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 increase by 1.6% or \$147,000 over 2014/15 to \$9.134 million. Excluding carry forward operational projects, materials and services would decrease by \$906,000, reflecting operational efficiencies and savings that have been achieved and a reduction in new operational projects in 2015/16.

Waste management expenditure is forecast to decrease by \$85,000 or 3.3% compared to 2014/15, reflecting operational savings to be achieved with changes in waste contracts.

Utility costs relate to telecommunications, water, gas and electricity. Utility costs are forecast to decrease by 9.1% or \$49,000 compared to 2014/15 resulting from the implementation energy efficiency measures, particularly LED street lighting.

Materials and Services types	Forecast	Budget	Variance	Variance
	Actual 2014/15 \$'000	2015/16 \$'000	\$'000	%
Waste Management	2,548	2,463	(85)	-3.3%
Utilities	541	492	(49)	-9.1%
Other Materials and Services	5,898	6,179	281	4.8%
Total Materials and Services	8,987	9,134	147	1.6%

4.3.3 Bad and doubtful debts (\$99,000 decrease)

Bad and doubtful debts occur when income raised against debtors is no longer considered collectable. Movements in bad and doubtful debts are summarised below.

Bad and Doubtful Debts types	Forecast	Budget	Variance	Variance
	Actual 2014/15 \$'000	2015/16 \$'000	\$'000	%
Infringement Debtors	5	6	1	20.0%
Rental Debtors	100	0	(100)	-100.0%
Total Bad and Doubtful Debts	105	6	(99)	-94.3%

4.3.4 Depreciation and amortisation (\$221,000 increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. Amortisation is an accounting measure which attempts to allocate the value of intangible assets over their useful life. Depreciation is forecast to increase by 3.3% or \$221,000 over 2014/15 to \$6.9 million. This increase occurs as a result of the capital works program in prior years. Movements in depreciation and amortisation are summarised below.

Depreciation and Amortisation types	Forecast			
	Actual	Budget	Variance	Variance
	2014/15	2015/16		
	\$'000	\$'000	\$'000	%
Property, Plant, Equipment and Infrastructure	6,679	6,900	221	3.3%
Intangibles	16	16	0	0.0%
Total Depreciation and Amortisation	6,695	6,916	221	3.3%

Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2015/16 year.

4.3.5 Finance costs (\$19,000 decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The budgeted reduction in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements. It is anticipated that no new loans will be drawn down in 2015/16. Movements in borrowing costs are summarised below.

Finance costs types	Forecast			
	Actual	Budget	Variance	Variance
	2014/15	2015/16		
	\$'000	\$'000	\$'000	%
Interest on Borrowings	290	271	(19)	-6.6%
Total Finance Costs	290	271	(19)	-6.6%

4.3.6 Other expenses (\$42,000 increase)

Other expenses relate to a range of unclassified items including Councillors' allowances, auditors' remuneration, insurances (excluding Workcover), contributions to community groups, Council rates, pensioner rate rebates funded by Council, tourism board membership and the Fire Property Services Levy. Movements in other expenses are summarised below.

Other expenses types	Forecast			
	Actual	Budget	Variance	Variance
	2014/15	2015/16		
	\$'000	\$'000	\$'000	%
Councillors' Allowances	190	194	4	2.1%
Auditors' remuneration	75	77	2	2.7%
Insurances	339	399	60	17.7%
Community Grants	271	284	13	4.8%
Miscellaneous	148	151	3	2.0%
Total Other Expenses	1,023	1,105	82	8.0%

5. ANALYSIS OF BUDGETED CASH POSITION

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2015/16 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 is 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.

5.1 Budgeted cash flow statement

	Ref	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
Cash flows from operating activities	5.1.1			
<i>Receipts</i>				
Rates and charges		16,882	18,039	1,157
User fees and fines		1,354	1,177	(176)
Grants - operating		4,932	4,853	(79)
Grants - capital		4,838	5,846	1,008
Interest		280	250	(30)
Other receipts		1,430	1,482	52
		29,716	31,647	1,932
<i>Payments</i>				
Employee costs		(10,831)	(10,662)	169
Other payments		(10,010)	(10,173)	(163)
		(20,841)	(20,835)	5
Net cash provided by operating activities		8,875	10,812	1,937
Cash flows from investing activities	5.1.2			
Proceeds from sales of property, infrastructure, plant & equipment		254	300	46
Payments for property, infrastructure, plant and equipment		(10,541)	(12,065)	(1,524)
Net cash used in investing activities		(10,287)	(11,765)	(1,478)
Cash flows from financing activities	5.1.3			
Finance costs		(290)	(271)	19
Proceeds from borrowings		1,419	0	(1,419)
Proceeds from financial assets		250	0	(250)
Repayment of borrowings		(1,930)	(413)	1,517
Net cash used in financing activities		(551)	(684)	(133)
Net increase / (decrease) in cash and cash equivalents		(1,963)	(1,637)	326
Cash and cash equivalents at the beginning of the year		12,320	10,357	(1,963)
Cash and cash equivalents at end of the year	5.1.4	10,357	8,720	(1,637)

5.1.1 Net cash provided by operating activities (\$1,937,000 increase)

The increase in cash inflows from operating activities is due partly to a \$1,157,000 increase in receipts for rates and charges, which is comprised of the 4.0% rate increase and an improvement in the current year receipts, and also a \$1,008,000 increase in Capital Grants.

The net cash flows from operating activities do not equal the surplus 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. In addition, finance costs are part of the surplus for the year but are not included in the net cash provided by operating activities, rather they form part of the net cash provided by financing activities. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

Reconciliation of Surplus for the year with cash flows from operating activities	Forecast		Variance
	Actual 2013/14	Budget 2014/15	
	\$'000	\$'000	\$'000
Surplus for the year	1,979	3,606	1,627
Depreciation and amortisation	6,695	6,916	221
Bad and doubtful debts	105	6	(99)
Gain on disposal of assets	(52)	(52)	0
Finance costs	290	271	(19)
Net movement in current assets and liabilities	(142)	65	208
Cash flows available from operating activities	8,875	10,812	1,937

5.1.2 Net cash used in investing activities (\$1,478,000 increase)

The large increase in net cash used in investing activities arises from the capital works carried forward from the previous year (\$1.135 million) and a forecast of no carry forward works at the end of 2015/16.

5.1.3 Net cash used in financing activities (\$133,000 increase)

The increase in net cash used in financing activities is primarily due to a \$250,000 financial asset (a bank bill with a maturity of greater than 90 days) being converted to cash during the prior year.

5.1.4 Cash and cash equivalents at end of the year (\$1,637,000 decrease)

Overall, total cash and investments is forecast to decrease by \$1,637,000 to \$8.720 million as at 30 June 2016. There is one primary driver of this change, being projects carried forward to 2015/16. These projects are identified in Appendix C. Funding carried forward for Capital Projects total \$1.135 million and \$1.053 million for operational projects. Without the inclusion of these carried forward projects, cash and cash equivalents for 2015/16 would have increased by \$551,000. This is consistent with our long term financial plan objective of increasing working capital and liquidity.

5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2016 it will have cash and investments of \$8.720 million, which is restricted to some degree, as shown in the following table.

Restricted and unrestricted cash and investments	Ref	Forecast		Variance
		Actual 2015	Budget 2016	
		\$'000	\$'000	\$'000
Total cash and investments		10,357	8,720	(1,637)
Restricted cash and investments				0
- Statutory reserves	5.2.1	(1,144)	(699)	445
- Discretionary reserves	5.2.2	(684)	(871)	(187)
- Cash held to fund carry forward projects	5.2.3	(2,188)	0	2,188
Unrestricted cash and investments	5.2.4	6,341	7,150	809

5.2.1 Statutory reserves (\$445,000 decrease)

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes. During the 2015/16 year \$60,000 is budgeted to be transferred to Statutory Reserves due to open space contributions for subdivisions, while \$505,000 is to be spent on public recreation reserves. Projects funded out of the Resort and Recreation Reserve include the Creswick Splash Park (\$125,000), Daylesford Victoria Park Community Facility (\$250,000), Daylesford Community Park Improvements (\$40,000), Trentham Netball Court Resurfacing (\$25,000), Daylesford Netball Court Resurfacing (\$25,000), Trentham Playground at the Recreation Reserve (\$20,000) and Creswick Calemben Park Weed and Revegetation Works (\$20,000).

Statutory Reserves	Forecast		Variance \$'000
	Actual	Budget	
	2015 \$'000	2015 \$'000	
Resort and recreation reserve (Open space reserve)	1,123	678	(445)
Car parking reserve	21	21	0
Total Statutory Reserves	1,144	699	(445)

5.2.2 Discretionary reserves (\$187,000 increase)

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution, these funds should be used for those earmarked purposes. During the 2015/16 year a transfer to the Mineral springs reserve (\$215,000) is budgeted, being the net budget surplus from activities within the mineral springs reserves. In addition a transfer from the Mt Beckworth pit reserve (\$28,000) is budgeted to partially fund the EPA Enforceable Undertaking - Mount Beckworth project. 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. The Waste management reserve represents the prior years net result of revenue from waste management charges less associated waste management expenses.

Discretionary Reserves	Forecast		Variance \$'000
	Actual	Budget	
	2015 \$'000	2016 \$'000	
Heritage advisory fund	20	20	0
Smeaton Hill pit reserve	74	74	0
Mt Beckworth pit reserve	28	0	(28)
Clunes caravan park reserve	7	7	0
Waste management reserve	320	320	0
Mineral springs reserve	235	450	215
Total Discretionary Reserves	684	871	187

5.2.3 Cash held to fund carry forward projects (\$2,188,000 decrease)

An amount of \$2.188 million is forecast to be held at 30 June 2015 to fund projects budgeted but not completed in the 2014/15 financial year. Section 6.2 contains further details on capital works funding. An amount of \$nil is shown as cash held to fund carry forward works at 30 June 2016, recognising that projects have been included in the 2015/16 budget with the intent to spend the available amounts in the financial year. Future year contributions required for projects which are forecast to continue beyond 2015/16 are included in Council's Strategic Resource Plan to better reflect the actual timing for the income and expenditure.

5.2.4 Unrestricted cash and investments (\$809,000 increase)

Unrestricted cash and investments are forecast to increase by \$809,000 as a result of forecasting no carry forward projects at the end of 2015/16 and utilising \$505,000 of the statutory reserves on works in 2015/16. These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

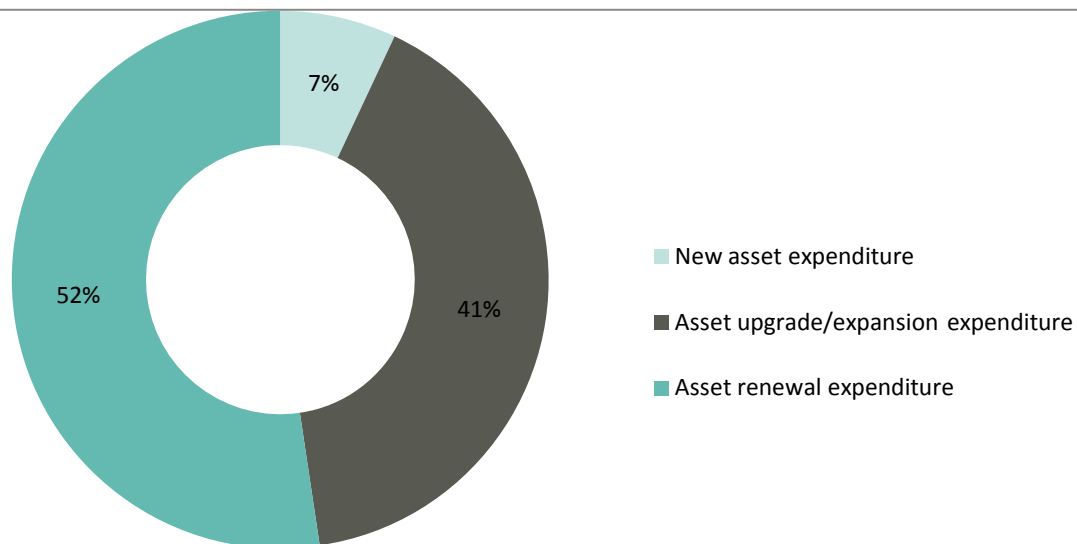
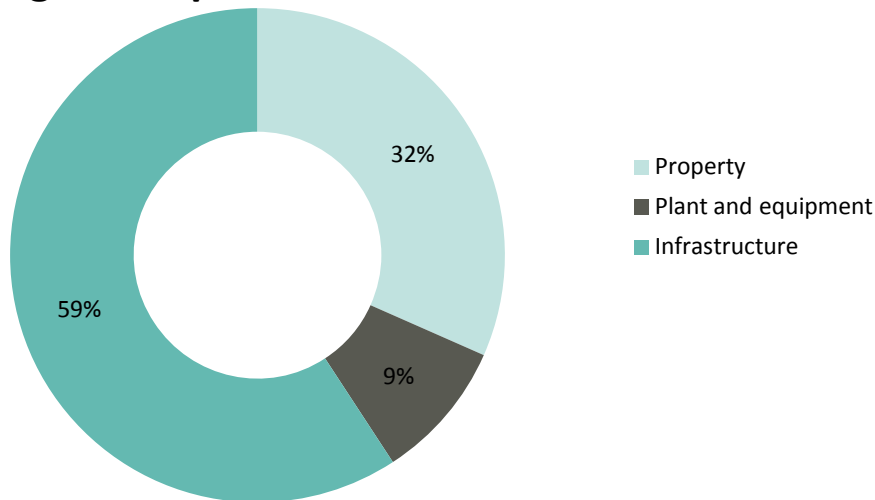
6. ANALYSIS OF CAPITAL BUDGET

This section analyses the planned capital expenditure budget for the 2015/16 year and the sources of funding for the capital budget.

6.1 Capital works including carry forwards

Capital Works Areas	Ref	Forecast Actual 2013/14 \$'000	Budget 2014/15 \$'000	Variance \$'000
Property	6.1.1			
Land Improvements		365	120	(245)
Buildings		288	2,780	2,492
Building Improvements		863	912	49
Total property		1,516	3,812	2,296
Plant and equipment	6.1.2			
Plant and Machinery		918	850	(68)
Computer Equipment		82	205	123
Library Collection		53	53	0
Total plant and equipment		1,053	1,108	55
Infrastructure	6.1.3			
Roads		4,075	4,585	510
Bridges		370	180	(190)
Footpaths and Cycleways		244	255	11
Drainage		125	150	25
Recreational, leisure and community facilities		122	322	200
Parks, Open Spaces and Streetscapes		400	1,603	1,203
Off Street Car Parks		40	0	(40)
Public Art		40	50	10
Total infrastructure		5,416	7,145	1,729
TOTAL CAPITAL WORKS		7,985	12,065	4,080
Represented by:				
Asset renewal expenditure	6.1.4	6,459	6,314	(145)
New asset expenditure	6.1.4	923	845	(78)
Asset upgrade/expansion expenditure	6.1.4	603	4,906	4,303
Total capital works expenditure		7,985	12,065	4,080

Budgeted capital works 2015/16



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

6.1.1 Property (\$3.812 million)

The property class comprises land and land improvements such as tips and public open spaces, and buildings and building improvements including community facilities, municipal offices, sports facilities and pavilions.

For the 2015/16 year, \$3.812 million will be expended on property projects, including carry forward projects, which is an increase of \$2,296,000 on 2014/15. The more significant projects include renewal and upgrade of the multi-purpose facility at Victoria Park, Daylesford (\$1,880,000), the Trentham Community Hub (\$500,000), an increase of \$31,000 or 6.5% in building renewal projects to \$509,000, Hepburn Community Hub construction tender (\$250,000), upgrade of the Newlyn netball facilities (\$100,000), implementation of the sustainability strategy (\$150,000) and town and shire road signage (\$100,000).

6.1.2 Plant and equipment (\$1.108 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications, and the library collection.

For the 2015/16 year, \$1.108 million will be expended on plant and equipment projects, including carry forward projects. The more significant projects include the ongoing cyclical replacement of the plant and vehicle fleet (\$850,000), upgrade and replacement of information technology hardware and software (\$130,000), and the cyclical replacement of library collection (\$53,000).

6.1.3 Infrastructure (\$7.145 million)

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

For the 2015/16 year \$4.585 million will be expended on road projects. The more significant projects include: Sealed Pavement Rehabilitation (\$1.840 million), Road Resealing (\$1.250 million), East Street Railway Bridge Underpass and Gravel Road Resheeting (\$600,000).

\$180,000 will be expended on the Bridge Renewal Program.

\$255,000 will be expended on footpath and cycleways projects, with the more significant projects being Footpath Extension Program (\$125,000) and Footpath Renewal (\$130,000).

\$150,000 will be expended on drainage projects, with the focus being Kerb and Channel Renewal.

\$322,000 will be expended on recreation, leisure and community facilities projects, with the projects being a Splash Park in Creswick (\$125,000), Creswick Netball Court Resurfacing (\$70,000), Hard Court Renewal of Trantham and Daylesford Netball Courts (\$50,000), Playground Renewal (\$50,000) and Cricket Pitch Renewal (\$20,000).

\$1,603,000 will be expended on parks, open spaces and streetscape projects, with the Implementation of Streetscape Plans in Clunes, Creswick, Trentham, Glenlyon and Hepburn Springs (\$1,063,000) and improvements at Lake Daylesford (\$500,000).

\$50,000 will be expended on public art projects, with the focus being the Acquisition, Maintenance & Replacement of Public Art.

6.1.4 Asset renewal (\$6,314,000), new assets (\$845,000), asset upgrade/expansion (\$4,906,000)

A distinction is made between expenditure on new assets, asset renewal and asset upgrade/expansion. Expenditure on asset renewal is expenditure on an existing assets, or on replacing 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, unless a reduction in other assets is realised.

The major projects included in the above categories, which constitute expenditure on new assets, are Trentham Community Hub (\$500,000), Footpath Extension Program (\$125,000), Splash Park in Crewsick (\$125,000) and Public Art (\$50,000). The remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

The level of Council's asset renewal expenditure of \$6.46 million is 91.5% of the depreciation expense of these assets. As Council works towards a more sustainable financial position, driving this percentage up past 100% will allow Council to start closing down its infrastructure asset renewal gap, which represents the cumulative renewal backlog caused by long-term underspending on the renewal of Council assets. However, some upgrade/expansion expenditure does have a component of renewal, but in order to avoid splitting projects all that expenditure is allocated to one category of spend.

6.2 Funding sources

Sources of funding	Ref	Forecast		Variance
		Actual 2014/15 \$'000	Budget 2015/16 \$'000	
Grants	6.2.1	2,562	4,380	1,818
Contributions	6.2.2	105	160	55
Borrowings	6.2.3	500	0	(500)
Plant & Machinery Trade-Ins	6.2.4	254	300	46
Council cash	6.2.5	4,564	6,090	1,526
Carried forward cash		0	1,135	1,135
Total funding sources		7,985	12,065	4,080

Source: Appendix A

6.2.1 Grants - Capital (\$4.380 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants are budgeted to be received for Roads to Recovery (\$1,372,000), Victoria Park Multipurpose Facility Daylesford (\$1,150,000), Lake Daylesford Improvements (\$500,000), East Street Railway Bridge (\$375,000) and Implementation of Streetscape Plans in Clunes, Creswick, Trentham, Glenlyon and Hepburn Springs (\$450,000). In many of the projects, further funding is forecast future years, but the above amounts represent forecast income for 2015/16 only.

6.2.2 Contributions (\$160,000)

Recreational infrastructure contributions relate to monies paid by community organisations contributing towards the upgrade of community facilities, and the budget includes a community contributions towards the upgrade of the multi-purpose facility at Victoria Park, Daylesford (\$125,000) and the Smeaton Community Centre / Bowls Club Deck (\$35,000). A further community contribution for the Victoria Park, Daylesford facility is expected in 2016/17.

6.2.3 Borrowings (Nil)

Council has not budgeted to borrow any funds in 2015/16.

6.2.4 Proceeds from plant and machinery trade-ins (\$300,000)

The sale of plant and machinery will generate income of \$300,000 through trade-ins.

6.2.5 Council cash (\$6.090 million)

Council has allocated \$6.090 million of its own cash to capital expenditure. This is comprised of \$5.585 million of rates income and \$505,000 of Resort and Recreation Reserve funds held from previous years. The amount allocated to capital expenditure from rates is equal to 36% of the total forecast rates income. This is a 9% increase on the 27% allocated in 2014/15, which reflects savings in operational expenditure and a reduction in operational projects.

6.2.5 Carried forward cash - (\$1.135 million)

In 2014/15 Council funded \$4.564 of capital expenditure. \$1.135 million of these funds are anticipated to be unspent in 2014/15 and will be carried forward to completed these projects in 2015/16.

7. ANALYSIS OF BUDGETED FINANCIAL POSITION

This section analyses the movements in assets, liabilities and equity between 2014/15 and 2015/16. It also considers a number of key performance indicators.

7.1 Budgeted balance sheet

	Ref	Forecast		Variance
		Actual 2015 \$'000	Budget 2016 \$'000	
Current assets	7.1.1			
Cash and cash equivalents		10,357	8,720	(1,637)
Trade and other receivables		2,408	2,408	0
Other assets		47	47	0
Total current assets		12,812	11,175	(1,637)
Non-current assets	7.1.1			
Intangible assets		786	770	(16)
Property, infrastructure, plant and equipment		216,313	221,580	5,267
Total non-current assets		217,099	222,350	5,251
Total assets		229,911	233,525	3,614
Current liabilities	7.1.2			
Trade and other payables		2,781	2,781	0
Trust funds and deposits		941	941	0
Interest-bearing loans and borrowings		413	400	(13)
Prepaid income		18	18	0
Provisions		1,979	2,045	65
Total current liabilities		6,132	6,185	52
Non-current liabilities	7.1.2			
Interest-bearing loans and borrowings		3,192	2,792	(400)
Prepaid income		152	145	(7)
Provisions		496	509	13
Total non-current liabilities		3,840	3,446	(394)
Total liabilities		9,972	9,631	(342)
Net assets		219,939	223,894	3,956
Equity	7.1.4			
Accumulated surplus		133,814	137,678	3,864
Asset revaluation reserve		84,296	84,646	350
Other reserves		1,828	1,570	(258)
Total equity		219,938	223,894	3,956

Source: Appendix A

7.1.1 Current Assets (\$1.637 million decrease) and Non-Current Assets (\$5.251 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$1.637 million during the year as summarised in 5.1.4.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are forecast to remain at \$2.408 million following an increase in 2014/15 predominantly reflecting the rise in ratepayers unable to pay their rates in full by balance date.

Other assets include 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 accrued revenues due to be received in the next 12 months. Other assets are expected to remain at \$47,000.

Property, infrastructure, plant and equipment is the largest component of Council's asset base and represents the value of all the land, buildings, roads, bridges, vehicles, equipment, etc which has been built up by Council over many years. The increase in this balance is primarily attributable to the net result of the capital works program (\$12.065 million of asset expenditure), depreciation of assets (\$6.916 million), the carrying value of property, plant and equipment disposed (\$0.248 million) and the revaluation of assets (\$0.350 million).

7.1.2 Current Liabilities (\$52,000 increase) and Non Current Liabilities (\$395,000 decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain at approximately \$2.781 million.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to increase 3.3% (\$65,000) which is consistent with the increase for Enterprise Agreement outcomes.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay loan principal of \$413,000 over the year, and not take out any new loans.

7.1.3 Working Capital (\$1.689 million decrease)

Working capital is the excess of current assets above current liabilities. Although the inclusion of carry forward projects from 2014/15 doesn't change the final working capital position of Council, if those projects were completed in 2014/15, then working capital would be forecast to increase by \$551,000 between 2015 and 2016.

The unrestricted working capital calculation recognises that although Council has current assets, some of those assets are already committed to specific and restricted purposes, represented by reserves, which may not yet be represented as current liabilities at 30 June.

	Forecast		
	Actual	Budget	Variance
	2015	2016	
	\$'000	\$'000	\$'000
Current assets	12,812	11,175	(1,637)
Current liabilities	6,132	6,185	52
Working capital	6,680	4,990	(1,689)
Restricted cash and investment current assets			
- Statutory reserves	(1,144)	(699)	445
- Discretionary reserves	(684)	(871)	(187)
Unrestricted working capital*	4,852	3,420	(1,431)

* Unrestricted working capital may also be committed to completion of carry forward projects. Refer to table 5.2 for funding of projects carried forward out of prior years.

7.1.4 Equity (\$3.957 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 forecast increase in accumulated surplus of \$4.080 million results directly from the operating surplus for the year plus the amount expended from the statutory reserves on projects during the year.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2016, it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- The percentage of total rates and charges raised that will not be collected in the 2015/16 year will remain at 2014/15 levels as per 7.1.1.
- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, and employee costs. The Council payment cycle is 30 days.
- Other debtors and creditors to remain consistent with 2014/15 levels
- Employee entitlements to be increased by the Enterprise Agreement outcome less the impact of more active management of leave entitlements of staff.
- Repayment of loan principal to be \$413,000.
- Total capital expenditure to be \$12.065 million.

8. STRATEGIC RESOURCE PLAN AND FINANCIAL PERFORMANCE INDICATORS

This section includes an extract of the Strategic Resource Plan to provide information on the long term financial projections of the Council.

8.1 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 2015/16 to 2018/19 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

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

- Maintain existing service levels
- Maintain consistency in future rises of rates and charges
- Maintain an annual budget surplus
- Achieve an underlying cash budget surplus of not less than \$250,000 per annum, before including carry forward projects
- Continue to close the infrastructure renewal gap.

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

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

The SRP is updated annually and the review process includes a detailed sensitivity analysis to achieve the key financial objectives.

8.2 Financial resources

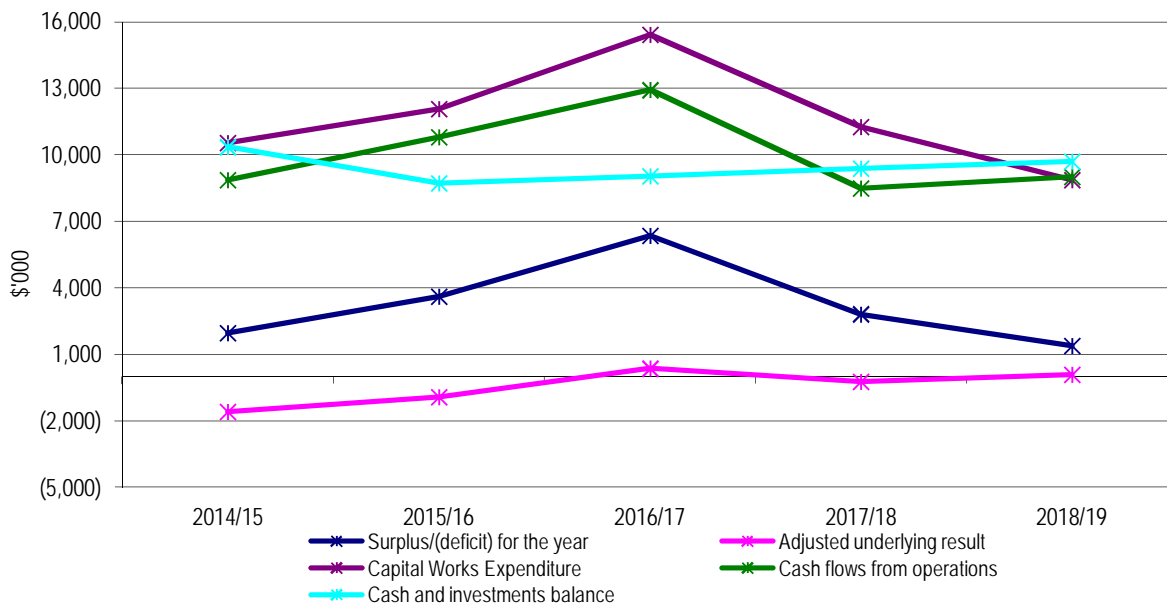
The following table summaries the key financial results for the next four years as set out in the SRP for years 2015/16 to 2018/19. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2014/15	2015/16	2016/17	2017/18	2018/19	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	1,979	3,606	6,347	2,820	1,400	-
Adjusted underlying result	(1,583)	(921)	369	(232)	85	+
Cash and investments balance	10,357	8,720	9,050	9,380	9,710	+
Cash flows from operations	8,875	10,812	12,928	8,483	9,013	o
Capital works expenditure	10,541	12,065	15,414	11,264	8,864	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

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



The key outcomes of the Plan are as follows:

- Financial sustainability (section 5)** - Cash and investments is forecast to increase marginally (approximately \$1.0 million) over the four year period from \$8.720 million to \$9.710 million, which indicates an underlying cash budget surplus of \$330,000 each year. The perceived reduction in cash between 30 June 2015 and 30 June 2016 is due to unfinished projects being carried forward into 2015/16. This carry forward of projects has no impact on the forecast cash position at 30 June 2016, only the timing of when the cash will be spent.
- Rating levels (section 9)** – Modest rate increases are forecast over the four years at 4.0% per annum, which is less than the average expected for comparable councils. This will need to be monitored closely over the coming year as the Victorian State Government has announced that local government rates will be capped from 2016/17. Pending on the level at which rates are capped, which may be less than 4%, Council may need to revise its Strategic Resource Plan as more certainty is obtained.
- Service delivery strategy (section 10)** – Service levels have been maintained throughout the four year period. Despite this, higher than average operating surpluses are forecast in years 2015/16 and 2016/17 as a result of significant capital grant revenue being received to fund the major projects program. The final year 2017/18 forecasts a smaller operating surplus without the major capital grants. However, excluding the effects of non-recurrent capital items such as capital grants and contributions, the adjusted underlying result is either a small deficit or small surplus over the four year period. The underlying result is a measure of financial sustainability, as a deficit indicates that Council is reliant on external funding to undertake capital works equal to or greater than the depreciation of its assets.
- Borrowing strategy (section 10)** – Borrowings are forecast to reduce 7% from \$3.605 million to \$3.368 million over the four year period. This includes forecast new borrowings of \$1,500,000 in 2016/17 to partially fund the Hepburn Shire Community and Council Services Hub project. Compared to historic levels, Council's borrowings are relatively low.
- Infrastructure strategy (section 10)** - Capital expenditure over the four year period will total \$47.6 million at an average of \$11.9 million per annum. There are significant projects proposed to be undertaken over this period including the Streetscape redevelopments, Wheelers Bridge reconstruction, Trentham Hub construction and Hepburn Hub construction.

8.3 Financial performance indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These financial performance indicators will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2015/16 Annual Report. 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	Forecast		Strategic Resource Plan Projections			Trend +/-
			Actual 2014/15	Budget 2015/16	2016/17	2017/18	2018/19	
Operating position								
Adjusted underlying result ^v	Adjusted underlying profit (deficit) / Adjusted underlying revenue	1	-6.3%	-3.6%	1.4%	-0.9%	0.3%	o
Liquidity								
Working Capital ^v	Current assets / current liabilities	2	208.9%	180.7%	183.6%	181.4%	185.5%	+
Unrestricted cash	Unrestricted cash / current liabilities	3	103.4%	115.6%	123.3%	124.4%	129.6%	+
Obligations								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	21.1%	17.7%	22.7%	19.6%	16.1%	+
	Interest and principal repayments / rate revenue		13.0%	3.8%	3.4%	3.6%	4.0%	o
Indebtedness ^v	Non-current liabilities / own source revenue		19.0%	16.4%	20.6%	17.2%	14.6%	+
Asset renewal	Asset renewal expenditure / depreciation	5	96.5%	91.3%	93.8%	89.4%	82.0%	-
Stability								
Rates concentration	Rate revenue / adjusted underlying revenue	6	68.3%	70.4%	73.0%	73.2%	74.7%	-
Rates effort	Rate revenue / property values (CIV)		0.0460%	0.0478%	0.0464%	0.0483%	0.0470%	o
Efficiency								
Expenditure level	Total expenditure / no. of assessments		\$2,607	\$2,588	\$2,577	\$2,633	\$2,691	o
Revenue level	Residential rate revenue / no. of residential		\$1,341	\$1,401	\$1,440	\$1,480	\$1,521	-
Workforce turnover	No. of resignations & terminations / average no. of permanent staff		9.3%	8.8%	8.4%	8.2%	8.0%	+

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

^v Identifies those financial performance indicators that are also included in the financial sustainability indicators for councils as per the Victorian Auditor-General's Office (VAGO). In addition to the three indicators above, VAGO also uses a further three indicators, namely Self-financing, Capital replacement and Renewal gap.

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. Steady financial performance is expected over the period, with an effective break-even being achieved over the period.

2 Working Capital – The proportion of current liabilities represented by current assets. Working capital is forecast to improve slightly over the SRP time frame and Council is well above the low risk threshold of 150%. Of note, the 2014/15 forecast is inflated due to unfinished projects not forecast to be completed, which are carried forward into the 2015/16 budget. If these projects were instead completed in 2014/15, the forecast working capital would increase between 2014/15 and 2015/16.

3 Unrestricted Cash – Measures how much unrestricted cash Council has on hand at balance date for every \$100.00 of current liabilities. It is forecast that at 30 June 2016 Council will have \$115.60 of unrestricted cash for every \$100.00 of current liabilities, and that unrestricted cash will rise to \$129.60 per \$100.00 of current liabilities at 30 June 2019.

4 Debt compared to rates - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt. Even with the inclusion of a \$1.5 million loan in 2016/17, the debt level is forecast to be below current levels at 30 June 2019.

5 Asset renewal - This percentage indicates the extent of Council's renewal 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. The effect of the Country Roads and Bridges Program funding of \$1.0 million per year for four years to 2014/15 ending has a significant impact on this indicator. Any additional non-recurrent capital renewal grant funding sourced by Council over the life of the SRP will improve this indicator.

6 Rates Concentration – The proportion of rates revenue as a percentage of total underlying revenue provides indicators of Council's reliance on rates revenue. This measure is forecast to deteriorate over the life of the SRP due to grant funding being frozen in the 2015/16 budget, followed by minor increases thereafter.

8.4 Non-financial resources

In addition to the financial resources to be consumed over the planning period, Council will also utilise non-financial resources, in particular human resources. A summary of Council's anticipated human resource requirements for the 2014/15 year is shown below and further detail is included in section 4.3.1 of this budget. A statement of Human Resources is included in Appendix A. There is no forecast increase in operating employee numbers over the four years of the SRP. The increase in employee numbers for capital works over the 2016/17 and 2017/18 periods reflects the significant increase in capital works being undertaken over those years.

Indicator	Forecast Actual	Budget 2015/16	Strategic Resource Plan Projections		
	2014/15		2016/17	2017/18	2018/19
Employee costs (\$'000)					
- Operating	10,894	10,662	11,035	11,421	11,821
- Capital	293	308	450	380	330
Total	11,187	10,970	11,485	11,801	12,151
Employee numbers (EFT)	134.77	130.79	132.29	131.59	130.79

9. RATING INFORMATION

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

9.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 8), rates and charges were identified as an important source of revenue, accounting for 57% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Hepburn Shire community.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, and the current rate increase of 4.0% is consistent with this Council's vision to limit rate rises to 4.0% per annum. The following table shows a history of rate rises for the last five years.

Year	Rate Rise
2010/11	6.95%
2011/12	6.00%
2012/13	4.50%
2013/14	4.00%
2014/15	4.00%
5 Year Average increase	5.09%

9.2 Current year rate increase

The Council's 10 Year Financial Plan is based on the following key objectives:

- To maintain consistency in future rises of rates and charges;
- To build a level of resilience into our financial position;
- To ensure that debt levels stay at an acceptable level; and
- To maintain a responsible and sustainable asset management program.

It is predicted that the 2015/16 operating position will be impacted by wages growth and reductions in government funding. It will therefore be necessary to achieve future revenue growth while containing costs. The \$10.8 million contribution from operations toward capital investment for the 2015/16 year is approaching the desired level required to stabilise Council's infrastructure renewal gap. This underpins significant capital works programs in the future, subject to maintaining income streams.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the general rate will increase by a modest 4.0%, the weekly kerbside collection charge will not change, the commercial garbage charge will not change, the recycling charge will decrease by 18.2% and the waste management charge will decrease by 20.2%. Council is introducing a new fortnightly kerbside collection charge for select properties outside the main townships. Council does not levy a municipal charge. This will raise total rates and charges for 2015/16 of \$18.039 million, including \$170,000 generated from supplementary rates. The combined revenue raised from all waste charges will increase by 4.7%, as a result of the additional revenue for the new fortnightly waste collection service. Excluding the new waste collection service, waste revenue would be forecast to decrease.

The following table sets out future proposed increases in rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2015.

Year	General Rate Increase %	Garbage Charge Increase %	Commercial Garb Charge Increase %	Recycling Charge Increase %	Waste Mgt Charge Increase %	Total Rates Raised \$'000
2014/15	4.00	-3.08	1.85	2.56	7.50	17,088
2015/16	4.00	0.00	0.00	-18.20	-20.20	18,039
2016/17	4.00	4.00	4.00	4.00	4.00	18,948
2017/18	4.00	4.00	4.00	4.00	4.00	19,903
2018/19	4.00	4.00	4.00	4.00	4.00	20,906

Modest rate increases are forecast over the four years at 4.0% per annum, which is less than the average expected for comparable councils. This will need to be monitored closely over the coming year as the Victorian State Government has announced that local government rates will be capped from 2016/17. Pending on the level at which rates are capped, which may be less than 4%, Council may need to revise its Strategic Resource Plan as more certainty is obtained.

9.3 Rating structure

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

- Property values (capital improved value) form the central basis of rating under the *Local Government Act 1989*
- A user pays component to reflect usage of certain services provided by Council.

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

In April 2011, a new Rating Strategy was adopted by Council. A rating strategy is the method by which Council systematically considers factors of importance that inform its decisions about the rating system. The rating system determines how Council will raise money from properties within the municipality. It does not influence the total amount of money to be raised, only the share of revenue contributed by each property.

The Rating Strategy document articulates Council's principles in relation to the municipal charge, differential rates, special rates and charges, rebates and/or incentives and service charges. This strategy has guided Council in its decision making as part of the annual budget setting process.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for general, farming, commercial, industrial, mixed use (combination of general and one or more other uses), vacant land, trust for nature and recreational purposes. This distinction is based on the concept that each use should make a fair and equitable contribution to rates taking into account the benefits they each derive from the local community.

Having reviewed the various valuation bases for determining the property value component of rates, Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council does review its rating structure every four years.

The existing rating structure comprises nine differential rates being general, farming, commercial, industrial, mixed use, vacant land township and vacant land other and a rate concession for recreational land and trust for nature 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 commercial, industrial and mixed use are set at 116% of the general rate, and vacant land township rates are set at 125% of the general rate, the farm rate is set at 65% of the general rate, the trust for nature is set at 50% of the general rate and the rate concession for recreational land is set at 50% of the general rate.

In accordance with the Shire's rating strategy, "a discounted differential of less than 100% will be available for eligible rural properties". The basis for this decision is that:

- Rate relief should continue to be provided to the farming/agriculture sector because of its importance both to the local economy and as a characteristic of the local environment.
- Council understands that the higher land component inherent in farming properties contributes to their relatively higher value, however this may be disproportionate compared to the income generated.

Council's rating strategy states that "a higher differential of greater than 100% will be set for commercial, industrial and mixed use property types". A higher differential for these property types has historically been based on the higher perceived benefits of Council activities and services, particularly in the areas of Tourism and Economic Development.

To support low income ratepayers in the Shire, the fixed fee for both the Municipal Charge and the Environmental Charge was abolished three years ago. Given that some areas of the Shire are in the top 10% of the most disadvantaged communities in the State, the removal of such fixed charges is in recognition of this.

The waste management charge, kerbside garbage and kerbside recycling charges are set to recover the costs associated with this area of service. The kerbside collection charges and commercial garbage collection charge are a service charge and only those who are provided with the service pay. The waste management charge, however, is a special charge that applies to all properties. Council considers that it is equitable that all properties make a standard contribution covering the costs of the transfer stations and any other costs associated with keeping the Shire clean and tidy, including street cleaning and street litter bin collection. Limited free tip vouchers are provided to those properties who do not receive a kerbside collection (12 vouchers) and those receiving the new fortnightly service (2 vouchers).

The following table summarises the rates to be determined for the 2015/16 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

Rate type	Differential	How applied	2014/15	2015/16	Change
General Rate	100.0%	\$/ \$ CIV	0.004057	0.004219	4.0%
Farm Rate	65.0%	\$/ \$ CIV	0.002637	0.002743	4.0%
Commercial Rate	116.0%	\$/ \$ CIV	0.004706	0.004895	4.0%
Industrial Rate	116.0%	\$/ \$ CIV	0.004706	0.004895	4.0%
Mixed Use Rate	116.0%	\$/ \$ CIV	0.004706	0.004895	4.0%
Vacant Land Rate - Township	125.0%	\$/ \$ CIV	0.005071	0.005275	4.0%
Vacant Land Rate - Other	100.0%	\$/ \$ CIV	0.004057	0.004219	4.0%
Trust for Nature Rate	50.0%	\$/ \$ CIV	0.002029	0.002110	4.0%
Recreational Rate	50.0%	\$/ \$ CIV	0.002029	0.002110	4.0%
Kerbside collection (Garbage) Existing		\$/ property	\$126.00	\$126.00	0.0%
Kerbside collection (Garbage) New		\$/ property	N/A	\$106.00	N/A
Kerbside collection (Recycling) Fortnightly		\$/ property	\$55.00	\$45.00	-18.2%
Commercial Garbage Charge		\$/ property	\$280.00	\$280.00	0.0%
Waste management charge		\$/ property	\$129.00	\$109.00	-15.5%

10. OTHER STRATEGIES

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

10.1 Borrowings

In developing the 10 Year Financial Plan, borrowings were identified as an important funding source for special major community projects and funding any Defined Benefit Superannuation shortfalls. In the past Council has borrowed to finance large infrastructure projects, and there have also been periods where no loans were taken out resulting in phases of debt reduction. The 10 Year Financial Plan has set an upper limit on the level of borrowing by setting the following objective "Ensure non current liabilities as a percentage of own sourced revenue remains less than 40%. The current Council is committed to working towards a lower debt future for Hepburn Shire. This budget achieves a forecast non current liabilities as a percentage of own sourced revenue of 16.4%.

Borrowings for 2013/14 were \$1.423 million for Council's contribution to the Defined Benefit Superannuation Fund shortfall. For 2014/15, Council had budgeted to borrow \$250,000 to help fund the upgrade of the multi-purpose facility at Victoria Park, Daylesford, and a further \$250,000 to fund the Trentham Community Hub project. However, due to savings identified during this year, these loans are no longer forecast to be required in 2014/15. The operational savings made have also enabled Council to be in a position to fund a significant program of capital works in 2015/16 without needing borrowings.

The SRP anticipates that Council will only take out further loan borrowings to contribute to funding the Hepburn Shire Community and Council Services Hub in Daylesford. The costs of servicing these loan borrowings will be met by operational savings achieved through consolidation of assets and operations.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2014/15	1,419	1,930	290	3,605
2015/16	0	413	271	3,192
2016/17	1,500	400	244	4,292
2017/18	0	385	341	3,907
2018/19	0	539	294	3,368

Movement in borrowings:

	2014/15 \$'000	2015/16 \$'000
Total amount borrowed as at 30 June of the prior year	4,116	3,605
Total amount to be borrowed	1,419	0
Total amount projected to be redeemed	(1,930)	(413)
Total amount proposed to be borrowed as at 30 June	3,605	3,192

10.2 Infrastructure

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

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

- Methodology for allocating annual funding to classes of capital projects
- Business Case template for officers to document capital project submissions.

A key objective of the Infrastructure Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal, then the capacity of these assets to deliver services to the community at the standard demanded by the community diminishes.

At present, Council is similar to most municipalities in that it is currently unable to fully fund asset renewal requirements identified in the Infrastructure Strategy. The Strategic Resources Plan aims to increase the level of asset renewal expenditure over time by driving down the operating costs of Council.

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	Contributions \$'000	Summary of funding sources		
				Council Funds \$'000	Borrowings \$'000	Asset Sales/ Trade-ins \$'000
2014/15	7,985	4,838	105	2,788	0	254
2015/16	12,065	5,846	220	5,699	0	300
2016/17	15,414	8,555	160	3,999	1,500	1,200
2017/18	11,264	4,725	160	4,579	0	1,800
2018/19	8,864	3,525	160	4,879	0	300

Council is budgeting to receive \$5.846 million in grant funding to fund major capital works projects in 2015/16. This is despite budgeting for the cessation of the Country Roads and Bridges Program funding of \$1 million per annum that it received in 2011/12 to 2014/15 and the cessation of the Local Government Infrastructure Program funding of \$2 million over the past four years. As illustrated in the above table, Council is aiming to significantly increase its rates contribution to capital expenditure over time by reducing the proportion of rates income consumed by operating expenditure.

10.3 Service delivery

The key objective in Council's Strategic Resource Plan (referred to in Section 8) which directly impacts the future service delivery strategy is to maintain existing service levels over the next four years, whilst driving down the cost of delivering these services by continually pursuing operational efficiencies across the entire organisation.

The service delivery outcomes measured in financial terms are shown in the following table.

Year	Surplus (Deficit) for the year \$'000	Adjusted Underlying Surplus (Deficit) \$'000	Net Service (Cost) \$'000
2014/15	1,979	(921)	15,225
2015/16	3,606	369	16,613
2016/17	6,347	(232)	16,105
2017/18	2,820	85	16,749
2018/19	1,400	(120)	17,419

APPENDICES

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 10 of this report.

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

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Budgeted Statements	53
B	Rates and charges	59
C	Capital works program	63
D	Fees and charges schedule	69

APPENDIX A

Budgeted Statements

This appendix presents information in regard to the Budgeted Financial Statements and Statement of Human Resources. The budget information for the years 2015/16 to 2018/19 has been extracted from the Strategic Resource Plan.

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

The appendix includes the following budgeted information:

- Budgeted Comprehensive Income Statement
- Budgeted Balance Sheet
- Budgeted Statement of Changes in Equity
- Budgeted Statement of Cash Flows
- Budgeted Statement of Capital Works
- Budgeted Statement of Human Resources

Budgeted Comprehensive Income Statement

For the four years ending 30 June 2019

	Forecast	Proposed	Strategic Resource Plan		
	Actual	Budget	Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues from ordinary activities					
Rates and charges	17,088	18,039	18,948	19,903	20,906
Statutory fees and fines	425	445	456	467	479
User fees	928	733	751	770	789
Contributions - cash	185	220	160	160	160
Grants - operating	4,932	4,853	4,238	4,309	4,381
Grants - capital	4,838	5,846	8,395	4,565	3,365
Net gain on disposal of assets	52	52	253	359	68
Interest	280	250	250	258	266
Rent	944	933	956	980	1,004
Other revenue	300	329	251	321	260
Total revenues	29,973	31,699	34,658	32,092	31,678
Expenses from ordinary activities					
Employee benefits	10,894	10,662	11,035	11,421	11,821
Materials and services	8,446	8,642	8,170	8,237	8,461
Special projects					
Bad and doubtful debts	105	6	6	7	7
Depreciation and amortisation	6,695	6,916	7,262	7,625	8,006
Utilities	541	492	467	491	516
Finance costs	290	271	244	341	294
Other expenses	1,023	1,105	1,127	1,150	1,173
Total expenses	27,994	28,094	28,311	29,272	30,278
Surplus for the year	1,979	3,606	6,347	2,820	1,400
Other comprehensive income					
Net asset revaluation increment	120	350	126	368	132
Comprehensive result	2,099	3,956	6,473	3,188	1,532

Budgeted Balance Sheet

For the four years ending 30 June 2019

	Forecast	Proposed	Strategic Resource Plan		
	Actual	Budget	Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	10,357	8,720	9,050	9,380	9,710
Trade and other receivables	2,408	2,408	2,391	2,371	2,352
Financial Assets	0	0	0	0	0
Other assets	47	47	48	47	48
Total current assets	12,812	11,175	11,489	11,798	12,110
Non-current assets					
Intangible Assets	786	770	770	770	770
Property, infrastructure, plant and equipment	216,313	221,580	228,911	231,477	232,235
Total non-current assets	217,099	222,350	229,681	232,247	233,005
Total assets	229,911	233,525	241,170	244,045	245,115
Current liabilities					
Trade and other payables	2,781	2,781	2,864	2,950	3,039
Trust funds and deposits	941	941	941	941	941
Interest-bearing loans and borrowings	413	400	385	539	464
Provisions and other liabilities	1,997	2,063	2,069	2,076	2,083
Total current liabilities	6,132	6,185	6,259	6,505	6,527
Non-current liabilities					
Interest-bearing loans and borrowings	3,192	2,792	3,907	3,368	2,904
Provisions and other liabilities	648	654	637	617	598
Total non-current liabilities	3,840	3,446	4,544	3,985	3,502
Total liabilities	9,972	9,631	10,803	10,491	10,029
Net assets	219,939	223,894	230,367	233,555	235,087
Equity					
Accumulated surplus	133,814	137,678	144,265	147,125	148,565
Asset revaluation reserve	84,296	84,646	84,772	85,140	85,272
Other reserves	1,828	1,570	1,330	1,290	1,250
Total equity	219,938	223,894	230,367	233,555	235,087

Budgeted Statement of Changes in Equity

For the four years ending 30 June 2019

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
2016				
Balance at beginning of the financial year	219,938	133,814	84,296	1,828
Surplus for the year	3,606	3,606		
Net asset revaluation increment	350		350	
Transfers from reserves	0	533		(533)
Transfer to reserves	0	(275)		275
Balance at end of the financial year	223,894	137,678	84,646	1,570
2017				
Balance at beginning of the financial year	223,894	137,678	84,646	1,570
Surplus for the year	6,347	6,347		
Net asset revaluation increment	126		126	
Transfers from reserves	0	300		(300)
Transfer to reserves	0	(60)		60
Balance at end of the financial year	230,367	144,265	84,772	1,330
2018				
Balance at beginning of the financial year	230,367	144,265	84,772	1,330
Surplus for the year	2,820	2,820		
Net asset revaluation increment	368		368	
Transfers from reserves	0	100		(100)
Transfer to reserves	0	(60)		60
Balance at end of the financial year	233,555	147,125	85,140	1,290
2019				
Balance at beginning of the financial year	233,555	147,125	85,140	1,290
Surplus for the year	1,400	1,400		
Net asset revaluation increment	132		132	
Transfers from reserves	0	100		(100)
Transfer to reserves	0	(60)		60
Balance at end of the financial year	235,087	148,565	85,272	1,250

Budgeted Statement of Cash Flows

For the four years ending 30 June 2019

	Forecast	Proposed	Strategic Resource Plan		
	Actual	Budget	Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Rates and charges	16,882	18,039	18,948	19,903	20,906
User fees and fines	1,354	1,177	1,207	1,237	1,268
Grants - operating	4,932	4,853	4,238	4,309	4,381
Grants - capital	4,838	5,846	8,555	4,725	3,525
Interest	280	250	250	258	266
Other revenue	1,430	1,482	1,207	1,301	1,264
	29,716	31,647	34,405	31,733	31,610
<i>Payments</i>					
Employee costs	(10,831)	(10,662)	(11,035)	(11,421)	(11,821)
Materials and consumables	(8,987)	(9,068)	(8,554)	(8,642)	(8,888)
Other expenses	(1,023)	(1,105)	(1,128)	(1,150)	(1,174)
	(20,841)	(20,835)	(20,462)	(21,134)	(21,754)
Net cash provided by operating activities	8,875	10,812	12,928	8,483	9,013
Cash flows from investing activities					
Proceeds from property, plant and equipment	254	300	1,200	1,800	300
Payments for property, plant and equipment	(10,541)	(12,065)	(15,414)	(11,264)	(8,864)
Net cash used in investing activities	(10,287)	(11,765)	(14,214)	(9,464)	(8,564)
Cash flows from financing activities					
Proceeds from borrowings	1,419	-	1,500	-	-
Proceeds from sale of financial asset	250	-	-	-	-
Finance costs	(290)	(271)	(244)	(341)	(294)
Repayment of borrowings	(1,930)	(413)	(400)	(385)	(539)
Net cash (used in) financing activities	(551)	(684)	(472)	(1,000)	(960)
Net increase / (decrease) in cash & cash equivalents	(1,963)	(1,637)	330	330	330
Cash & cash equivalents at beginning of year	12,320	10,357	8,720	9,050	9,380
Cash & cash equivalents at end of year	10,357	8,720	9,050	9,380	9,710

Budgeted Statement of Capital Works

For the four years ending 30 June 2019

	Forecast	Proposed	Strategic Resource Plan		
	Actual	Budget	Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital works areas					
Infrastructure	5,416	7,145	5,602	5,798	6,001
Property	1,516	3,812	8,665	4,279	1,634
Plant and equipment	1,053	1,108	1,147	1,187	1,229
Total capital works	7,985	12,065	15,414	11,264	8,864
Represented by:					
Asset renewal	6,459	6,314	6,814	6,814	6,564
New assets	923	845	2,400	1,650	600
Asset expansion/upgrade	603	4,906	6,200	2,800	1,700
Total capital works	7,985	12,065	15,414	11,264	8,864

Budgeted Statement of Human Resources

For the four years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	10,894	10,662	11,035	11,421	11,821
Employee costs - capital	293	308	450	380	330
Total staff expenditure	11,187	10,970	11,485	11,801	12,151
Staff numbers					
Equivalent Full-time Positions	134.77	130.79	132.29	131.59	130.79
Total Staff					

APPENDIX B

Rates and charges

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

Rates and charges

1. Rates and charges

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

Type or class of land	2014/15 \$/CIV	2015/16 \$/CIV	Change
General Rate	0.004057	0.004219	4.0%
Farm Rate	0.002637	0.002743	4.0%
Commercial Rate	0.004706	0.004895	4.0%
Industrial Rate	0.004706	0.004895	4.0%
Mixed Use Rate	0.004706	0.004895	4.0%
Vacant Land Rate - Township	0.005071	0.005275	4.0%
Vacant Land Rate - Other	0.004057	0.004219	4.0%
Trust for Nature Rate	0.002029	0.00211	4.0%
Recreational Rate	0.002029	0.00211	4.0%

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

Type or class of land	2014/15 \$	2015/16 \$	Change
General Rate	9,546,000	10,134,000	6.2%
Commercial Rate	1,948,000	2,068,000	6.2%
Farm Rate	1,594,000	1,668,000	4.6%
Vacant Land Rate - Other	613,000	629,000	2.6%
Vacant Land Rate - Township	546,000	549,000	0.5%
Mixed Use Rate	266,000	286,000	7.5%
Industrial Rate	85,000	93,000	9.4%
Trust for Nature Rate	15,000	16,000	6.7%
Recreational Rate	12,000	14,000	16.7%
Total amount to be raised by general rates	14,625,000	15,457,000	5.7%

1.3 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2014/15 number	2015/16 number	Change
General Rate	7,117	7,232	1.6%
Commercial Rate	735	750	2.0%
Farm Rate	1,052	1,057	0.5%
Vacant Land Rate - Other	921	910	-1.2%
Vacant Land Rate - Township	730	718	-1.6%
Mixed Use Rate	98	102	4.1%
Industrial Rate	53	56	5.7%
Trust for Nature Rate	19	19	0.0%
Recreational Rate	13	13	0.0%
Total number of assessments	10,738	10,857	1.1%

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

1.5 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2014/15 \$	2015/16 \$	Change
General Rate	2,353,137,000	2,402,185,000	2.1%
Commercial Rate	413,843,000	422,414,000	2.1%
Farm Rate	604,452,000	607,965,000	0.6%
Vacant Land Rate - Other	151,054,000	149,017,000	-1.3%
Vacant Land Rate - Township	107,652,000	104,016,000	-3.4%
Mixed Use Rate	56,529,000	58,485,000	3.5%
Industrial Rate	18,137,000	19,042,000	5.0%
Trust for Nature Rate	7,556,000	7,500,000	-0.7%
Recreational Rate	6,035,000	6,789,000	12.5%
Total value of land	3,718,395,000	3,777,413,000	1.6%

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

Type of Charge	Per Rateable Property 2014/15 \$	Per Rateable Property 2015/16 \$	Change
Kerbside collection (Garbage) Existing Weekly	126.00	126.00	0.00%
Kerbside collection (Garbage) New Fortnightly	N/A	106.00	N/A
Kerbside collection (Recycling) Fortnightly	55.00	45.00	-18.18%
Commercial Garbage Charge	280.00	280.00	0.00%
Waste management charge	129.00	109.00	-15.50%

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

Type of Charge	2014/15 \$	2015/16 \$	Change
Kerbside collection (Garbage) Existing Weekly	628,000	640,000	1.9%
Kerbside collection (Garbage) New Fortnightly	0	232,000	N/A
Kerbside collection (Recycling) Fortnightly	291,000	342,000	17.5%
Commercial Garbage Charge	55,000	59,000	7.3%
Waste management charge	1,329,000	1,139,000	-14.3%
Total	2,303,000	2,412,000	4.7%

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

Type of Charge	2014/15 \$	2015/16 \$	Change
Rates and charges	17,088,000	18,039,000	5.6%

1.11 Any significant changes that may affect the estimated amounts to be raised by rates and charges

The amount to be raised from kerbside collection charges is subject to change depending on the quantity of residents within the new collection areas that are approved to opt-out of receiving the service and any additional residents opting-in. This may affect the estimated amounts to be raised by rates and charges. In addition, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2015/16: estimated \$170,000, 2014/15: \$160,000).
- 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.

2. Differential rates

2.1 Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are set out in table 1.1 above.

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 that are subject to each differential rate and the uses of each differential rate, are set out below.

2.2 General rate

To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land. The *Residential Tenancies Act 1997* provides guidance on what is meant by residential. Residential use (long term accommodation) is characterised by stays of greater than 60 days and the existence of a tenancy agreement to which the *Residential Tenancies Act 1997* applies.

2.3 Commercial rate

To ensure an equitable contribution towards the total rate income which recognises the objective of supporting business development which is beneficial to the continuing operation of these properties. As well as the use and services available to the land. Refer also to comments in section 9.4 under Rating Structure.

2.4 Farm rate

To ensure an equitable contribution towards the total rate income commensurate with nature of the land, the services available and the use to which the land is put. Refer also to comments in section 9.4 under Rating Structure.

2.5 Vacant Land rate

To ensure an equitable contribution towards the total rate income and encourage the development of vacant

2.6 Mixed Use rate

To ensure an equitable contribution towards the total rate income where the use is not solely residential or commercial or farmland or industrial or recreational, but maintains the characteristics of residential use and at least one other use category. Refer also to comments in section 9.4 under Rating Structure.

2.7 Industrial rate

To ensure an equitable contribution towards the total rate income which recognises the objective of supporting business development which is beneficial to the continuing operation of these properties, as well as the use and services available to the land. Refer also to comments in section 9.4 under Rating Structure.

2.8 Trust for Nature rate

To recognise the contribution this land makes towards the environment and habitat of native flora and fauna.

2.9 Recreational rate

To recognise the contribution this land makes towards the social, cultural and physical well being of the community.

2.10 Rebates

There is one rebate available to ratepayers who meet the eligibility criteria and this is the Council Pension Rebate - \$21 (\$21 in 2014/15), which is in addition to the State Government Pension Rebate.

APPENDIX C

Capital works and non-capital projects program

This appendix presents a listing of the capital works and non-capital projects that will be undertaken for the 2015/16 year. Carry forward funding has been included in the 2015/16 budget for projects currently included in the 2014/15 budget but which are anticipated to be unexpended as at 30 June 2015. These funds include all sources of allocated revenue received prior to 30 June 2015. The reason for identifying and including the required carry forward funds is to provide a complete picture of the initiatives that will be undertaken during 2015/16.

Capital works program

For the year ending 30 June 2016

Capital Works Area	2015/16 Project Cost \$'000	Grants \$'000	Summary of funding sources			Carry Forward \$'000
			Contrib's \$'000	Borrow's \$'000	Council Cash \$'000	

PROPERTY

Land Improvements

Asset expansion/upgrade expenditure

Creswick Landfill PANs response	20	0	0	0	20	0
Town and Shire Road Signage	100	0	0	0	100	0
Total asset expansion/upgrade expenditure - land improvements	120	0	0	0	120	0
TOTAL LAND IMPROVEMENTS	120	0	0	0	120	0

Buildings

New asset expenditure

Clunes RV dump point	10	0	0	0	10	0
Trentham Community Hub Construction	500	200	0	0	50	250
Total new asset expenditure - buildings	510	200	0	0	60	250

Asset expansion/upgrade expenditure

Creswick Hub Construction	40	0	0	0	0	40
Hepburn Shire Council Services & Community Hub - Construction	250	250	0	0	0	0
Vic Park Multipurpose Facility Daylesford *	1,880	1,150	125	0	375	230
Newlyn Netball Facilities Upgrade	100	44	0	0	0	56
Total asset expansion/upgrade expenditure - buildings	2,270	1,444	125	0	375	326
TOTAL BUILDINGS	2,780	1,644	125	0	435	576

Building Improvements

Asset renewal expenditure

Basin Reserve Facility Improvements	90	0	0	0	0	90
Building and Structures Renewal Program	509	0	0	0	509	0
Creswick library fit out	40	0	0	0	40	0
Sustainability Strategy Implementation - Towards Zero - Council Assets	150	0	0	0	150	0
Total asset renewal expenditure - building improvements	789	0	0	0	699	90

Capital Works Area	2015/16 Project Cost \$'000	Grants \$'000	Summary of funding sources				Carry Forward \$'000
			Trade-ins \$'000	Borrow's \$'000	Council Cash \$'000		
Asset expansion/upgrade expenditure							
Creswick Honour Roll New Display Wall	3	0	0	0	3	0	
Smeaton Community Centre / Bowls Club Deck	70	0	35	0	35	0	
Waste - Transfer Station Upgrades for Social Enterprise Implementation	50	0	0	0	0	50	
Total asset expansion/upgrade expenditure - building improvements	123	0	35	0	38	50	
TOTAL BUILDING IMPROVEMENTS	912	0	35	0	737	140	
TOTAL PROPERTY	3,812	1,644	160	0	1,292	716	

PLANT AND EQUIPMENT

Plant and Machinery

Asset renewal expenditure

Fleet, Plant and Equipment Replacement	850	0	300	0	550	0	
Total asset renewal expenditure - plant and machinery	850	0	300	0	550	0	
TOTAL PLANT AND MACHINERY	850	0	300	0	550	0	

Computer Equipment

New asset expenditure

Daylesford and Trentham library IT improvements	10	0	0	0	10	0	
Portable Inspection Devices / Mobile Devices	25	0	0	0	0	25	
Total new asset expenditure - computer equipment	35	0	0	0	10	25	

Asset renewal expenditure

IT Hardware/Technology Renewal Program	130	0	0	0	130	0	
Total asset renewal expenditure - computer equipment	130	0	0	0	130	0	

Asset expansion/upgrade expenditure

IT Application/Software Upgrades	40	0	0	0	40	0	
Total asset expansion/upgrade expenditure - computer equipment	40	0	0	0	40	0	
TOTAL COMPUTER EQUIPMENT	205	0	0	0	180	25	

Library Collection

Asset renewal expenditure

Library Collection Renewal	53	0	0	0	53	0	
Total asset renewal expenditure - library collection	53	0	0	0	53	0	
TOTAL LIBRARY COLLECTION	53	0	0	0	53	0	

TOTAL PLANT AND EQUIPMENT	1,108	0	300	0	783	25	
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Capital Works Area	2015/16 Project Cost \$'000	Grants \$'000	Summary of funding sources				Carry Forward \$'000
			Contrib's \$'000	Borrow's \$'000	Council Cash \$'000		
INFRASTRUCTURE							
Roads							
Asset renewal expenditure							
Gravel Road Resheeting	600	0	0	0	600	0	
Reseal Preparation Program	85	0	0	0	85	0	
Reseal Program	1,250	0	0	0	1,250	0	
Road Safety Improvements	60	0	0	0	60	0	
Sealed Pavement Rehabilitation/Renewal Program	1,840	1,398	0	0	442	0	
Total asset renewal expenditure - roads	3,835	1,398	0	0	2,437	0	
Asset expansion/upgrade expenditure							
East St Railway Bridge Underpass	750	375	0	0	375	0	
Total asset expansion/upgrade expenditure - roads	750	375	0	0	375	0	
TOTAL ROADS	4,585	1,773	0	0	2,812	0	
Bridges							
Asset renewal expenditure							
Bridge Renewal Program	180	0	0	0	180	0	
Total asset renewal expenditure	180	0	0	0	180	0	
TOTAL BRIDGES	180	0	0	0	180	0	
Footpaths and Cycleways							
New asset expenditure							
Footpath Expansion Program	125	0	0	0	125	0	
Total new asset expenditure - footpaths and cycleways	125	0	0	0	125	0	
Asset renewal expenditure							
Footpath Renewal	130	0	0	0	130	0	
Total asset renewal expenditure - footpaths	130	0	0	0	130	0	
TOTAL FOOTPATHS AND CYCLEWAYS	255	0	0	0	255	0	
Drainage							
Asset renewal expenditure							
Kerb & Channel Renewal	150	0	0	0	150	0	
Total asset renewal expenditure - drainage	150	0	0	0	150	0	
TOTAL DRAINAGE	150	0	0	0	150	0	
Recreational, leisure and community facilities							
New asset expenditure							
Splash Park in Creswick *	125	0	0	0	125	0	
Total new asset expenditure - recreation, leisure and community facilities	125	0	0	0	125	0	
Asset renewal expenditure							
Creswick Netball Court Resurfacing	70	6	0	0	0	64	
Cricket Pitch Renewal Program	20	0	0	0	20	0	
Hard Court Renewal Program - Trentham and Daylesford Netball courts *	50	0	0	0	50	0	
Hepburn Netball Court Construction	7	7	0	0	0	0	
Playground Renewal Program	50	0	0	0	50	0	
Total asset renewal expenditure - recreation, leisure and community facilities	197	13	0	0	120	64	
TOTAL RECREATION, LEISURE AND COMMUNITY FACILITIES	322	13	0	0	245	64	

Capital Works Area	2015/16 Project Cost \$'000	Grants \$'000	Summary of funding sources				Carry Forward \$'000
			Contrib's \$'000	Borrow's \$'000	Council Cash \$'000		
Parks, Open Spaces and Streetscapes							
Asset expansion/upgrade expenditure							
Clunes Streetscape Implementation	180	90	0	0	20	70	
Creswick Streetscape Implementation	483	210	0	0	63	210	
Daylesford Community Park Improvements - shade and infrastructure *	40	0	0	0	40	0	
Glenlyon Streetscape construction	90	40	0	0	50	0	
Hepburn Streetscape construction	150	50	0	0	100	0	
Lake Daylesford Improvements	500	500	0	0	0	0	
Trentham Streetscape Implementation	160	60	0	0	60	40	
Total asset expansion/upgrade expenditure - parks, open space and streetscapes	1,603	950	0	0	333	320	
TOTAL PARKS, OPEN SPACE AND STREETSCAPES	1,603	950	0	0	333	320	
Public Art							
New asset expenditure							
Daylesford Public Art (2014/15)	10	0	0	0	0	10	
Public Art Acquisition and Collection Management	40	0	0	0	40	0	
Total new asset expenditure - public art	50	0	0	0	40	10	
TOTAL PUBLIC ART	50	0	0	0	40	10	
TOTAL INFRASTRUCTURE	7,145	2,736	0	0	4,015	394	
TOTAL CAPITAL WORKS 2014/15	12,065	4,380	460	0	6,090	1,135	
REPRESENTED BY:							
New asset expenditure	845	200	0	0	360	285	
Asset renewal expenditure	6,314	1,411	300	0	4,449	154	
Asset expansion/upgrade expenditure	4,906	2,769	160	0	1,281	696	
Total Asset Expenditure	12,065	4,380	460	0	6,090	1,135	

* Council funding for these projects is from the Open Space Reserve. This is income received in previous years from developer contributions for subdivisions.

Future Year Capital Project Contributions

The following table details capital projects included in the 2015/16 budget, but excluding renewal programs, that require additional Council contributions or borrowings in future years. The table show Council's proposed budget contribution in 2015/16 together with the forecast contributions including borrowings in the remaining three years of the Strategic Resource Plan.

Capital Works Project	Council Funds (Cash and Borrowings)				Total 2015/19 \$'000
	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	
Footpath Expansion Program	125	125	125	125	500
Hepburn Shire Council Services & Community Hub - Construction	0	2,550	0	0	2,550
Town and Shire Road Signage	100	59	0	0	159
Trentham Community Hub Construction	300	50	150	0	500
Total	525	2,784	275	125	3,709

Non-capital projects program

For the year ending 30 June 2016

Non-Capital Projects	2015/16 Project Cost \$'000	Summary of funding sources			
		Grants \$'000	Contrib's \$'000	Council Cash \$'000	Carry Forward \$'000
Anderson's Mill Festival Funding	5	0	0	5	0
Biodiversity Strategy Development & VASP Project	44	25	0	0	19
Bio-energy from waste study	117	52	0	28	37
Calembeen Park Dive Tower Demolition	104	0	0	0	104
Calembeen Park Weed Eradication, Revegetation and Fire Risk Reduction Works *	20	0	0	20	0
Cameron Court Units & Community Housing Changes	589	0	0	0	589
Clunes Farmers Market	7	2	0	0	5
Clydesdale Hall Outdoor Shelter	15	0	0	15	0
Community Planning Implementation Fund (Inc. Smeaton Community Park/Hepburn statue \$15,000)	50	0	0	50	0
Creswick Miss Muddy Event Marketing	5	0	0	5	0
Creswick Mountain Bike Event Development	10	0	0	10	0
Dja Dja Wurrung Recognition - flag poles and associated actions	15	0	0	15	0
Youth Policy and Action Plan	41	0	0	0	41
EPA Enforceable Undertaking - Mount Beckworth	55	0	0	55	0
Extension of Public WiFi coverage - Clunes, Creswick and Daylesford	15	0	0	15	0
Hepburn Depot-soil decontamination and rectification	60	0	0	60	0
Hepburn Shire Council Services & Community Hub - Planning and Design	115	15	0	0	100
Hepburn Shire Walking Cycling Guide	10	0	0	10	0
Implementation of Economic Development Strategy and Destination Management Plan	45	0	0	45	0
Implementation of Waste Strategy (kerbside extension & MRF upgrades)	20	0	0	0	20
Implementation of Youth Strategy	60	0	0	60	0
Lighting the regions - final payment for upgrade to LED lights	45	0	0	45	0
Municipal Fire & Emergency Management	248	120	0	0	128
Recreation & Open Space Strategy	40	30	0	0	10
Rolling Asset Inspection Program	30	0	0	30	0
Staff Climate Survey	10	0	0	10	0
Street Decorations - Extended to Creswick	15	0	0	15	0
Sustainability Strategy Implementation - Towards Zero - Community Buildings (inc. Yandoit 3kW Solar System)	40	0	0	40	0
Tree Safety Works	100	0	0	100	0
Trentham Childcare Facility - Detailed Planning and Design	15	0	0	15	0
Trentham Sportsground - Playground Replacement	40	0	20	20	0
TOTAL NON-CAPITAL PROJECTS	1,985	244	20	668	1,053

* Council funding for these projects is from the Open Space Reserve. This is income received in previous years from developer contributions for subdivisions.

Future Year Non-Capital Project Contributions

The following table details non-capital projects included in the 2015/16 budget that require additional Council contributions in future years. The table show Council's proposed budget contribution in 2015/16 together with the forecast contributions in the remaining three years of the Strategic Resource Plan.

Non-Capital Project	Council Funds (Cash and Borrowings)				Total 2015/19 \$'000
	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	
Community Planning Implementation Fund	50	50	50	50	200
Dja Dja Wurrung Recognition - flag poles and associated actions	15	5	5	0	25
Hepburn Depot Site Remediation and Preparation for Subdivision / Sale	60	200	0	0	260
Implementation of Economic Development Strategy and Destination Management Plan	45	30	0	0	75
Rolling Asset Inspection Program	30	30	32	34	126
Tree Safety Works	100	104	108	113	425
Total	300	419	195	197	1,111

APPENDIX D

Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2015/16 year.

The Fees and Charges are grouped by functional area and include:

- Environmental Health
- Town Planning
- Building Services
- Domestic and Commercial Waste
- Technical Services
- Compliance
- Visitor Information Centres
- Swimming Pools
- Community Services
- Daylesford Arc
- Libraries
- Home and Community Care Services
- Functions in Council Reserves and Facilities
 - All Reserves and Facilities
 - Victoria Park, Daylesford
 - Wombat Hill Botanic Gardens
 - Lake Daylesford Foreshore
 - Doug Lindsay Reserve
 - Creswick Town Hall
 - Clunes Town Hall
 - Daylesford Town Hall
 - Clunes Community Centre
 - The Warehouse – Clunes
- Photocopying/Printing
- Rates Information
- Freedom of Information
- Dishonoured Payments

All these items include GST, except where denoted with an *

Shading denotes statutory fees as determined by legislation and therefore subject to any change in legislation.

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
ENVIRONMENTAL HEALTH		
CLASS 1: High risk unpackaged food supplied to vulnerable people Premises include: Child Care, Kindergartens, Aged Care and Nursing Homes	\$424.00	\$438.00
CLASS 2: Handling unpackaged high risk potentially hazardous foods		
2(A) Premises include: Cafes, Caterers, Supermarket, Groceries, Fast Food	\$370.00	\$382.00
2(B) Accommodation Centres, Food Vehicles	\$304.00	\$314.00
2(C) Community Groups, Sporting Clubs both serving full meals (½ Annual Fee of Class 2(B))	\$153.00	\$157.00
CLASS 3: Handling and supplying low risk unpackaged foods		
3(A) Milk Bars, Convenience Stores, Fruit Stall, Pre-packaged	\$227.00	\$234.00
3(B) Seasonal Kiosks, Community Groups, Sporting Clubs (½ Annual Fee of Class 3(A))	\$115.00	\$117.00
CLASS 4: Low risk to public health packaged food (includes Newsagents, Pharmacies, Video Stores)	Fee Exempt	Fee Exempt
Hairdressers, Beauty Parlours*	\$123.00	\$127.00
Skin Penetration*	\$267.00	\$276.00
Prescribed Accommodation – hotels/motels, recreation camps, B&Bs (NOT self contained or exclusive use of Units, Villas, Houses)*		
6 to 10 persons*	\$233.00	\$240.00
Over 10 persons*	\$289.00	\$298.00
Caravan Parks* (3 Yearly Fee)	Depending on number of sites and fee unit	as per Sched 5 of the Residential Tenancies Act
New Premises Registration	\$212.00	\$219.00
Transfer of Registration*	50% of annual registration fee	
Special Visit – Pre-purchase inspections*	\$180.00	\$185.00
New Septic Tank systems*	\$485.00	\$500.00
Alterations to Septic Tank systems*	\$232.00	\$240.00
Extension of Time for Septic Permit	\$135.00	\$140.00
Property Enquiries/Plan Search – Commercial (site history/copies of permits/copies of endorse plans/etc)*	\$80.00	\$83.00
Property Enquiries/Plan Search –Residential (site history/copies of permits/copies of endorse plans/etc)*	\$80.00	\$83.00
Written request for General Advice	\$80.00	\$83.00
Special request for inspection – septic, food premises	\$155.00	\$160.00

NOTES

Reduction of fees may be considered for Community Groups on application.

A late fee will apply for late applications and payments of annual registrations at a rate of 50% of the annual registration fee applicable if the application and/or fee is not received within 14 days of the due date.

Full registration fees are to be paid up until 31 August. Registrations after this date, i.e. from 1 September onwards are only required to pay 50% of the full fee.

Schedule of Fees and Charges 2015/16

Description of Charge		Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
TOWN PLANNING			
Part 1: Prescribed Statutory Fees (subject to change by State Government)			
Applications for Planning Permits (Regulation 7)			
Class	Application Type		
1	Use Only	\$502	
To develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of development included in the application is:			
2b	> \$10,000 - \$100,000*	\$239	
3b	> \$100,001*	\$490	
To develop land (other than for a single dwelling per lot) if the estimated cost of development included in the application is:			
4c	< \$10,000*	\$102	
5d	> \$10,000 – \$250,000*	\$604	
6e	> \$250,001 – \$500,000*	\$707	
7e	> \$500,001 – \$1,000,000*	\$815	
8e	> \$1,000,001 – \$7,000,000*	\$1,153	
9e	> \$7,000,001 – \$10,000,000*	\$4,837	
10e	> \$10,000,001 – \$50,000,000*	\$8,064	
11e	> \$50,000,000*	\$16,130	
Subdivision			
12	To subdivide existing building*	\$386	
13f	To subdivide land into two (2) lots*	\$386	
14	To effect a realignment of a common boundary between lots or to consolidate two or more lots*	\$386	
15g	To subdivide land (3 or more lots)*	\$781	
16	To remove restriction (within the meaning of the <i>Subdivision Act 1988</i>) over land if the land has been used or developed for more than 2 years before the date of the applications in a manner which would have been lawful under the <i>Planning and Environment Act 1987</i> but for the existence of the restriction*	\$249	
17h	To create, vary or remove a restriction within the meaning of the <i>Subdivision Act 1988</i> ; or To create or remove a right of way*	\$541	
18h	To create, vary or remove an easement other than a right of way: To vary or remove a condition in the nature of an easement other than a right of way in a Crown grant*	\$404	

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
TOWN PLANNING		
Class Description (Regulations 7 & 8)		
	Notes for classes of fees under Regulations 7 & 8, not additional fees	
a	Applications for permit under Section 47, other than an application under Section 96(1) of the <i>Planning & Environment Act 1987</i>	
b	Other than an application to subdivide land	
c	Other than an application to undertake development ancillary to the use of the land for a single dwelling per lot or an application to subdivide land	
d	Other than a Class 2 application; or a Class 3 application; or an application to subdivide land	
e	Other than a Class 3 application; or an application to subdivide land	
f	Other than a Class 12 application	
g	Other than a Class 12 application; or a Class 13 application; or a Class 14 application	
h	Other than a Class 16 application	
i	Other than a Class 4 application	
j	Other than a Class 5 application	
k	Other than a permit to develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot	
l	Other than an application to subdivide land	
m	Other than a permit to undertake development ancillary to the use of the land for a single dwelling per lot where the total estimated cost of the development originally permitted and the additional development to be permitted by the amendment is not more than \$10,000 or an application to subdivide land	
n	Other than a Class 3 application or a Class 4 application	
o	Other than a class for application	
Applications for Planning Permits (Regulation 7)		
Class	Application Type	
Combined Permit Applications		
The fee for an application for any combination of the classes of application outlined above is the sum arrived at by adding the highest of the fees, which would have applied if separate applications had been made, plus 50% of each of the other fees that would have applied if separate applications had been made		Fee to be determined dependant on the combination of application submitted
Fees to Amend Applications after Notice has been Given (Regulation 8A)		
Amend an application for a permit after notice has been given under Section 52 for every Class of application (other than a Class 4 application) set out in the table in Regulation 8*	\$102	
Amend an application to amend a permit after notice has been given under Section 52 for every class of application (other than a Class 5 application) set out in the table in Regulation 8B*	\$102	

Schedule of Fees and Charges 2015/16

Description of Charge		Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
TOWN PLANNING			
Applications for Amendments to Permits (Regulation 8B)			
	To amend a permit to use land if that amendment is to change the use of which the land may be used*	\$502	
2k	To amend a permit: a) To change the statement of what the permit allows; or b) To change any or all of the conditions which apply to the permit: or c) In any way not otherwise provide for in regulation 8B*	\$502	
Amended Plans Single Dwelling on a lot less than 500 square metres			
3l	To amend a permit to develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of any additional development to be permitted by the amendment is:		
	< \$10,000*	\$102	
	> \$10,000 – \$100,000*	\$239	
	> \$100,001*	\$490	
Amended Plans Two (2) or more dwellings or industrial or Commercial Developments			
5m	To amend a permit to develop land if the estimated cost of any additional development to be permitted by the amendment is \$10,000 or less*	\$102	
To amend a permit if the estimated cost of any additional development to be permitted by the amendment is:			
	> \$10,000 – \$250,000*	\$604	
7o	> \$250,001 – \$500,000*	\$707	
8g	> \$500,000*	\$815	
Amendment to Permit & Plans Subdivision			
9	To amend a permit to: a) subdivide an existing building; or b) subdivide land into two (2) lots; or c) effect realignment of a common boundary between lots or to consolidate two (2) or more lots*	\$102	

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
TOWN PLANNING		
Amendments to Planning Schemes (Regulation 6)		
Stage 1	<ul style="list-style-type: none"> • Considering a request to amend a planning scheme; and • Taking action required by Division 1 of Part 3 of the Planning and Environment Act 1987; and • Considering any submissions which do not seek a change to the amendment; and • If applicable, abandoning the amendments in accordance with Section 28* 	\$798
Stage 2	<ul style="list-style-type: none"> • Considering submissions which seek a change to a amendment and where necessary referring the submissions to a panel; and • Providing assistance to a panel in accordance with Section 158; and • Making a submission in accordance with Section 24(b) and • Considering the report in accordance with Section 27; and 	\$798
	<ul style="list-style-type: none"> • After considering submissions and the report in accordance with Section 27, if applicable, abandoning the amendment in accordance with Section 28* 	
Stage 3	<ul style="list-style-type: none"> • Adopting an amendment or a part of a amendment in accordance with Section 29; and • Submitting the amendment for approval in accordance with Section 31* 	\$524
Stage 4	<ul style="list-style-type: none"> • Considering a request to approve a amendment in accordance with Section 35; and • Giving notice of approval of an amendment in accordance with Section 36* 	\$798
	Note: Fees for Stages 1, 2 & 3 are paid to the planning authority by the person who requested the amendment. The fee for Stage 4 is paid to the Minister by the person who requested the amendment.	

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
TOWN PLANNING		
Combined Permit Application and Planning Scheme Amendment		
The fee for an application for a planning permit combined with a request for amendment of a planning scheme, made in accordance with Section 96A, is the sum arrived at by adding the higher of the fees plus 50% of the lower of the fees which would have applied if separate applications had been made.		
If the application for a planning permit is for any combination of the classes of application outlined previously, the fee for the planning permit is for the purposes of this calculation is the higher of the fees which would have applied if separate applications for permits had been made.		
Certificates of Compliance (Regulation 10)		
Application for a Certificate of Compliance under Section 97N*	\$147	
Planning Certificates (Regulation 11)		
Application of a Planning Certificate under Section 198*	\$18.20	
Satisfaction Matters (Regulation 12)		
Determining a matter where a planning scheme specifies that the matter must be done to the satisfaction of a Responsible Authority or Referral Authority*	\$102	
Part 2: Administrative Charges (Non Statutory Fees)		
Enquiries		
Written request for Heritage Control advice	\$80.00	\$83.00
Written request for Demolition Control advice (Section 29A – Form 8)	\$80.00	\$83.00
Written request for General Planning advice	\$80.00	\$83.00
Request for email aerial photographs	\$30.00	\$31.00
Property Enquiries/Plan Search – Commercial (Site history/copies of permits/copies of endorse plans/etc)	\$80.00	\$83.00
Property Enquiries/Plan Search – Residential (Site history/copies of permits/copies of endorse plans/etc)	\$80.00	\$83.00
Extension of Time		
Extension of Time for permits – 1st request	\$135.00	\$140.00
Extension of Time for permits – 2nd request	\$135.00	\$140.00
Extension of Time for permits – 3rd request	\$135.00	\$140.00
Subsequent requests	\$135.00	\$140.00
Refunds		
Cancellation of application when no work carried out	Refund ¾ of application fee	Refund ¾ of application fee
Cancellation after direction to advertise but before commenced	Refund ½ of application fee	Refund ½ of application fee
Cancellation after advertising commenced	No Refund	No Refund
Cancellation due to prohibited proposal	Full Refund	Full Refund
Secondary Consent	\$207.00	\$214.00
Advertising – A3 Notice	\$50.00	\$52.00
Advertising – Letters to adjoining owners	\$10.00	\$10.50

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
TOWN PLANNING		
Advertising – Notice in Newspaper	Invoice to Applicant	Invoice to Applicant

NOTES

Statutory Fees

These fees are cumulative unless otherwise stated. If your application or request falls into several categories the highest fee and half the lower fee are payable.

Administrative charges for photocopying and printing

These charges are in accordance with those published by Hepburn Shire Council and subject to amendment. Please contact the Planning Customer Service for the list of charges.

GST

Planning fees are exempt from GST unless otherwise denoted by an asterisk*

The preceding sections are a summary of the fees prescribed under the Planning and Environment (Fees) Regulations 2000, and is not a complete representation of these Regulations or other legislative provisions. Reference should be made to the Regulations to obtain the complete wording of individual fee Regulations and other Regulations (which include waiving and rebating provisions). Please visit www.dms.dpc.vic.gov.au or select link provided Victorian Law Today Statutory Rule for more details on amended Planning and Environment (Fees) Regulations 2000 setting out the new fees.

Shading denotes statutory fees as determined by legislation and therefore subject to any change in legislation.

Fee for amending a planning permit application depends on the Schedule of fees as per the Planning & Environment Regulations (Fees).

Fee for lodging amended subdivision plans at certification stage depends on the schedule of fees as per the Planning & Environment Regulations (Fees).

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
BUILDING SERVICES		
Residential		
New Dwelling	\$413 plus \$4.35 per m ² (plus levy & lodgement fee) (Minimum \$990.00)	\$426 plus \$4.50 per m ² (plus levy & lodgement fee) (Minimum \$990.00)
Alteration to Dwelling	\$413 plus \$4.35 per m ² (plus levy & lodgement fee) (Minimum \$990.00)	\$426 plus \$4.50 per m ² (plus levy & lodgement fee) (Minimum \$990.00)
Addition to a Dwelling	\$362 plus \$4.15 per m ² (plus levy & lodgement fee) (Minimum \$516.50)	\$373 plus \$4.30 per m ² (plus levy & lodgement fee) (Minimum \$533.00)
Units	(Minimum \$930.00 per unit)	(Minimum \$960.00 per unit)
Garages/Carports up to \$10,000	\$413.00 (plus lodgement fee)	\$426.00 (plus lodgement fee)
Garages/Carports over \$10,000	\$465.00 (plus lodgement fee and levy)	\$480.00 (plus lodgement fee & levy)
Swimming Pools	\$413.00	\$426.00
Solid Fuel heaters	\$181.00	\$187.00
Restump	\$258.00	\$266.00
Lodgement Fees (Payable on Council & Private Building Surveyor Projects)*		
Conducting an assessment for compliance under AS3959 (Bushfire Code)	\$227.00	\$234.00
Commercial/Industrial		
All works under \$5,000	\$362.00	\$374.00
Works valued \$5,000 – \$30,000	\$517.00	\$534.00
Works valued \$30,000 – \$250,000	\$Cost x 0.25% plus \$466 (Minimum \$568)	\$Cost x 0.25% plus \$481 (Minimum \$586)
Works valued \$250,000 – \$500,000	\$Cost x 0.25% plus \$932	\$Cost x 0.25% plus \$962
Works valued over \$500,000	\$Cost x 0.25% plus \$1,659	\$Cost x 0.25% plus \$1,714
Lodgement Fees (Commercial/Industrial)*		
Demolition		
Single Storey Building	\$310 plus (Sec 29A fee \$60.90)	\$320.00 plus (Sec 29A fee \$62.50)
Any other building more than one storey	\$284 per storey plus (Sec 29A fee)	\$293.00 plus (Sec 29A fee \$62.50)

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
Other Permits/Services		
Fences and signs	\$217.00	\$224.00
Swimming Pool Reports (Existing)	\$207.00	\$214.00
Request for variation of siting*		
Permit to erect hoarding/public protection	\$124.00	\$128.00
Any other service not otherwise provided for	Hourly rate \$155 plus GST	Hourly rate \$160 plus GST
Extension of Time for a Permit	\$207.00	\$214.00
Amendment to a Building Permit	\$207.00	\$214.00
Inspection associated with lapsed permits	\$155 per inspection	\$160 per inspection
State Government Building Levy Cost recovery of levy*		
Requests for Information		
Property Certificates (last 10 years information)*		
Temporary Structures	\$258.00	\$266.00
Copies of Plans from Building files*	\$80.00	\$83.00
Written Advice	\$80.00	\$83.00
Any other service	POA	POA

NOTES

1. Square metres calculated on total floor
2. Cost of works determined by Relevant Building Surveyor, unless contract applies.
3. All fees quoted (unless determined by legislation) are a minimum basis.

Shading denotes statutory fees as determined by legislation and therefore subject to any change in legislation.

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
DOMESTIC & COMMERCIAL WASTE – TIPPING FEES		
Domestic and Commercial Waste		
Waste to Landfill (up to 0.5m ³)	\$18.00	\$18.00
Waste to Landfill (0.5m ³ to 1.0m ³)	\$36.00	\$36.00
Waste to Landfill (1.0m ³ to 1.5m ³)	New Charge	\$54.00
Waste to Landfill (1.5m ³ to 2.0m ³)	\$72.00	\$72.00
Waste to Landfill Other Loads, greater than 2.0m ³ , that are non-commercial (price per m ³)	\$36.00	\$36.00
Commercial or Industrial Waste	Not accepted	Not accepted
Clean Green Waste / m ³	\$18.00	\$18.00
Recyclables (2.0 m ³ max)	No charge	No charge
Tyres		
Car	\$4.00	\$4.00
Light Truck	\$30.00	\$30.00
Truck	\$60.00	\$60.00
Tractor – Small	\$130.00	\$130.00
Tractor – Large	\$200.00	\$200.00
Rims only	No charge	No charge
Other		
Paint	No charge	No charge
Oil	No charge	No charge
Batteries	No charge	No charge
Scrap steel	No charge	No charge
Non ferrous metals	No charge	No charge
Car bodies	No charge	No charge
Refrigerators and freezers (Degassed)	\$10.00	\$10.00
Refrigerators and freezers (Gassed)	\$10.00	\$10.00
TV / E-Waste Item / Computer	\$6.00	\$6.00
Mattresses	\$25.00	\$25.00
Sale of Garbage Bins (Delivered)		
120 or 140 ltr bin	\$50.00	\$55.00
240 ltr bin	\$65.00	\$70.00

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
TECHNICAL		
Legal Point of Discharge*	\$56.45	
Consent to Work on Road where speed greater than 50 kph		
Works on road, shoulder or pathway (max speed greater than 50 kph)	\$577.80	
Road but NOT on roadway, shoulder or pathway	\$321.00	
Minor works on a road, shoulder or pathway	\$147.70	
Minor works but NOT on a road, shoulder or pathway	\$64.20	
Consent to Work on Road where speed not more than 50 kph		
Works on road, shoulder or pathway	\$256.80	
Road but NOT on roadway, shoulder or pathway	\$64.20	
Minor works on a road, shoulder or pathway	\$147.70	
Minor works but NOT on a road, shoulder or pathway	\$64.20	

Shading denotes statutory fees as determined by legislation and therefore subject to any change in legislation.

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
COMPLIANCE AND LOCAL LAWS		
Animal Registration Fees		
Dog – Full fee*	\$83.00	\$85.00
Dog – Discounted fee*#	\$27.00	\$28.00
Cat – Full fee*	\$70.00	\$72.00
Cat – Discounted fee*#	\$23.00	\$24.00
Replacement Tag	\$8.00	\$8.00
Domestic animal business registration*	New fee	\$132.00
Domestic Animal Impound Release Fees		
Unregistered dog not desexed*	\$149.00	\$154.00
Unregistered dog desexed*	\$149.00	\$154.00
Registered dog not desexed*	\$149.00	\$154.00
Registered dog desexed*	\$149.00	\$154.00
Unregistered cat not desexed*	\$102.00	\$105.00
Unregistered cat desexed*	\$102.00	\$105.00
Registered cat not desexed*	\$102.00	\$105.00
Registered cat desexed*	\$102.00	\$105.00
Live Stock Impounding - Agistment Fees		
Medium animals (sheeps/goats)*	New fee	\$1.60 per day, per animal
Large animals (cows/horses)*	New fee	\$2.00 per day, per animal
Sustenance fees	New fee	At cost
Identification tags	New fee	At cost
Vet costs	New fee	At cost
Transport contractor fees	New fee	At cost
Live Stock Impounding - Release Fees		
Medium animals (sheeps/goats)*	New fee	up to 3: \$50.00 4 or over: \$100.00
Large animals (cows/horses)*	New fee	up to 3: \$100.00 4 or over: \$300.00
Fire Prevention		
Private grass slashing administration fee which is in addition to the contractor's charge	\$139.00	\$145.00
Parking Fines		
Overstaying time*	0.5 penalty unit	0.5 penalty unit
In No Parking area*	0.5 penalty unit	0.5 penalty unit
No within parking bay*	0.5 penalty unit	0.5 penalty unit
Not completely within parking bay*	0.5 penalty unit	0.5 penalty unit

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
COMPLIANCE AND LOCAL LAWS		
Other		
Tradesperson Parking Permit*	New fee	\$25.00 per day
A-Frame Signage*	Daylesford CBD \$98 per year Outside Daylesford CBD \$50 per year	Daylesford CBD \$102 per year Outside Daylesford CBD \$51 per year
Table & Two chairs*	Daylesford CBD \$180 per year in trading zone (up to 3 sets) Above 3 sets a further \$180 Outside Daylesford CBD \$90 per year in trading zone (up to 3 sets) Above 3 sets a further \$90	Daylesford CBD \$186 per year in trading zone (up to 3 sets) Above 3 sets a further \$186 Outside Daylesford CBD \$93 per year in trading zone (up to 3 sets) Above 3 sets a further \$93
Goods for Display or Sale*	Daylesford CBD \$159 per year Outside Daylesford CBD \$80 per year	Daylesford CBD \$164 per year Outside Daylesford CBD \$82 per year
Wind Barriers*	Daylesford CBD \$95 per year Outside Daylesford CBD \$48 per year	Daylesford CBD \$100 per year Outside Daylesford CBD \$50 per year
Cat Cage Hire*	\$50 Bond refundable on return of cage	\$80 Bond refundable on return of cage
Skip Bin Permit	New fee	Over 7 days: \$100.00
Busking Permit	New fee	\$15.00 per day \$100.00 per year
Street Stalls ⁺	New fee	\$10.00 per day
Hoarding / Fencing Permit	New fee	1 - 7 days: \$100.00 8 - 14 days: \$180.00 15 - 21 days: \$250.00 22 - 28 days: \$310.00 29 - 35 days: \$360.00 > 35 days: \$400.00
Other Local Law Permits (not separately identified) issued in accordance with the provisions of General Local Law No 2	To range from \$10 to \$500, depending on permit requested	To range from \$10 to \$500, depending on permit requested

The discounted fees only apply if the animal meets certain eligibility criteria (e.g. Micro-chipped and desexed)

+ Fees may be waived for Community Not for Profit organisations on application

Denotes statutory fees as determined by legislation and therefore subject to any change in legislation.

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
VISITOR INFORMATION CENTRES		
Level One VIC fees	\$115.00	\$120.00
Level One VIC fees (commercial property ratepayer)	\$0.00	\$0.00
Level One VIC Volunteer fees	\$0.00	\$0.00
Level Two VIC fees	\$165.00	\$170.00
Level Two VIC fees (commercial property ratepayer)	\$0.00	\$0.00
Level Two VIC Volunteer fees	\$0.00	\$0.00
Level Three VIC fees	\$205.00	\$210.00
Level Three VIC fees (commercial property ratepayer)	\$40.00	\$40.00
Level Three VIC Volunteer fees	\$70.00	\$0.00
Level Four VIC fees	\$385.00	\$395.00
Level Four VIC fees (commercial property ratepayer)	\$220.00	\$225.00
Level Four VIC Volunteer fees	\$135.00	\$145.00
Level Five VIC fees	\$490.00	\$505.00
Level Five VIC fees (commercial property ratepayer)	\$325.00	\$335.00
Level Five VIC Volunteer fees	\$190.00	\$255.00
Special Conditions VIC fees for Volunteers		
To be entitled to the discount, a business must provide a volunteer to be on the permanent roster, or complete a minimum of ten shifts per annum on the emergency roster		
SWIMMING POOLS		
Family Season Ticket	\$143.50	\$149.00
Adult Season Ticket	\$90.50	\$95.00
Concession Season Entry	New Fee	\$72.00
Child Season Ticket	\$59.00	\$62.00
Adult Entry	\$4.40	\$4.60
Concession Entry	\$3.90	\$4.00
Child Entry	\$3.40	\$3.50
Spectators	\$1.00	\$1.00
School Entry per student	\$1.60	\$1.70
COMMUNITY SERVICES		
Marquee Hire		
5m x 5m	\$50.00	\$100.00
12m x 6m	\$100.00	Not Available
Bonds		
Marquee*	\$320.00	\$330.00

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
DAYLESFORD ARC		
Court Hire		
Court 1 per hour	\$43.00	\$44.00
Court 2 per hour	\$43.00	\$44.00
Court 3 per hour	\$32.00	\$33.00
Spectator / Event Attendance	Variable	Variable
Squash Court Rental	\$13.50	\$14.00
Racquet Hire	\$3.50	\$4.00
School Holiday Program per child	\$11.50	\$12.00
Sports Clinics	\$7.50	\$7.50
Group Fitness	\$12.50	\$13.00
Group Fitness Concession	\$10.50	\$11.00
Theatre		
Theatre – Community	\$43.50	\$110.00
Theatre – Commercial	\$59.50	\$110.00
Multipurpose Room – Community / Regular User	\$28.00	\$29.00
Multipurpose Room – Commercial	\$34.00	\$35.00
Kiosk	\$28.00	\$29.00
Umpire/Meeting Room - Community	\$11.00	\$11.50
Umpire/Meeting Room - Commercial	\$14.00	\$14.50

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
LIBRARIES		
Fines	\$0.25 per day per item to a maximum of \$5.00	\$0.25 per day per item to a maximum of \$5.00
Holds	Free (Maximum of 30 holds)	Free (Maximum of 30 holds)
Inter Library Loans	\$2.00 plus other charges incurred*	\$2.00 plus other charges incurred*
Inter Library Loans - Universities	\$18.50	\$18.50
Replacement card	\$2.00	\$2.00
Photocopying A3	\$0.45	\$0.45
Photocopying A4	\$0.25	\$0.25
Colour printing A4	\$1.05	\$1.10
Colour printing A3	\$1.65	\$1.70
Scanning	Free	Free
Fax receiving	\$0.45	\$0.45
Fax sending		
• 1st page	\$2.25	\$2.35
• Additional pages	\$1.15	\$1.20
Lost or damaged items	Cost of replacement plus processing fee	Cost of replacement plus processing fee
Processing fee	\$5.50	\$5.50
Debt Collection charge	\$15.00	\$16.00
Book Covering	\$5.50 per item	\$5.80 per item
Book Club Package		
• Private Book Club	\$140.00 per club per year	\$140.00 per club per year
• Library Book Club	\$44.00 per person per year	\$44.00 per person per year
Book Sales	From \$0.20 per item	From \$0.20 per item
Events	Variable fee from Free to \$80.00	Variable fee from Free to \$80.00

Note GST is applicable unless it is the copying of official documents.

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)			Fee/Charge 2015/16 (inc GST)		
	Low	Medium	High	Low	Medium	High
HOME AND COMMUNITY CARE SERVICES (HACC SERVICES)						
Planned Activity Group *	\$7.30	\$13.20	\$18.00	\$7.30	\$13.20	\$18.00
Housekeeping (per hour) * +	\$5.80	\$13.60	\$30.00	\$5.80	\$13.60	\$30.00
Personal Care (per hour) * +	\$4.00	\$8.00	\$30.00	\$4.00	\$8.00	\$30.00
Respite Care (per hour) * +	\$2.90	\$4.40	\$30.00	\$2.90	\$4.40	\$30.00
Property Maintenance (per hour) * +	\$11.10	\$16.50	\$30.00	\$11.10	\$16.50	\$30.00
Delivered Meals *	\$7.95	\$7.95	\$7.95	N/A	N/A	N/A
DISABILITY SERVICES (DAY PROGRAMS)						
Community Access *	New Fee			\$7.30 Per Day		

+ Denotes that fees will be charged where there has been no notification or late notification (less than 24 hours) of cancellation of services, except in the case of an emergency.

HACC Fees are assessed in accordance with a scale of fees appropriate to the consumer's level of income, amount of service used, and any changes in circumstances and ability to pay. The Victorian HACC Fees Policy states that the fee system is a tiered system, which utilises three income tiers, and thus three charge rates – Low, Medium and High. Income levels are set by the State on an annual basis which forms the base for us to assess an clients ability to pay. Clients are asked to declare their income levels and fees are set accordingly.

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
FUNCTIONS IN COUNCIL RESERVES AND FACILITIES		
ALL RESERVES AND FACILITIES		
Bonds		
Keys*	\$50.00	\$50.00
Meetings*	\$500.00	\$100.00
Functions*	\$800.00	\$800.00
Functions with alcohol*	\$500.00	\$500.00
Functions with alcohol >200*	\$1,000.00	\$1,000.00
Insurance admin fee (if no Certificate of Currency is provided) {charged once per annum for regular users}	\$50.00	\$50.00
ALL RESERVES		
Personal training / year (2x/wk)	\$163.00	\$168.00
VICTORIA PARK, DAYLESFORD		
Function (1 Day)	\$800.00	\$830.00
Function (2 Days)	\$1,142.00	\$1,180.00
Function (2+ Days)	\$1,142.00 for first 2 days + \$290.00 per day thereafter	\$1,180.00 for first 2 days + \$300.00 per day thereafter
Club Room Hire (Meetings)	New fee	\$120.00
Football Club	\$1,490.00	\$1,540.00
Cricket Club	\$400.00	\$413.00
WOMBAT HILL BOTANIC GARDENS		
Wedding	\$175.00	\$180.00
LAKE DAYLESFORD FORESHORE		
Wedding	\$175.00	\$180.00
DOUG LINDSAY RESERVE		
Meetings	\$115.00	Not set by Council
Functions – Use of Kitchen	\$135.00	Not set by Council
Function with alcohol	\$160.00	Not set by Council
Kitchen Use	\$60.00	Not set by Council
CRESWICK TOWN HALL		
Hepburn Shire Community Not for Profit	Hire fees to be waived in accordance with Council Policy Number 48 (bond and if applicable insurance fees must still be paid).	
Rehearsals/Regular user	\$35.00	\$36.00
Regular User - Use of Kitchen	New Fee	\$50.00
Meetings	\$115.00	\$120.00
Functions – Use of Kitchen	\$135.00	\$140.00
Function with alcohol	\$160.00	\$170.00

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
FUNCTIONS IN COUNCIL RESERVES AND FACILITIES		
CLUNES TOWN HALL		
Hepburn Shire Community Not for Profit	Hire fees to be waived in accordance with Council Policy Number 48 (bond and if applicable insurance fees must still be paid).	
Rehearsals/Regular user (no Kitchen Use)	\$35.00	\$36.00
Regular User - Use of Kitchen	New Fee	\$50.00
Meetings / Functions (no Kitchen Use)	\$115.00	\$120.00
Functions – Use of Kitchen	\$135.00	\$140.00
Function with alcohol	\$160.00	\$170.00
DAYLESFORD TOWN HALL		
Hepburn Shire Community Not for Profit	Hire fees to be waived in accordance with Council Policy Number 48 (bond and if applicable insurance fees must still be paid).	
Rehearsals	\$55.00	\$57.00
Meetings	\$180.00	\$186.00
Functions	\$220.00	\$225.50
Function with alcohol	\$265.00	\$275.00
Set up Day	\$90.00	\$94.00
Senior Citizens Room	\$90.00	\$94.00
Senior Citizens Crockery	\$60.00	\$62.00
PA System	\$45.00	\$46.00
CLUNES COMMUNITY CENTRE		
Football Netball Club	\$2,400.00	\$2,480.00
Cricket Club	\$547.00	\$565.00
Wesley College	\$2,890.00	\$2,985.00
Oval Lights (per hour)	\$8.20	\$8.50
Rehearsals/Regular user	\$25.00	\$36.00
Meetings	\$116.00	\$120.00
Functions	\$136.00	\$140.00
Function with alcohol	\$161.00	\$170.00

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)			Fee/Charge 2015/16 (inc GST)		
FUNCTIONS IN COUNCIL RESERVES AND FACILITIES						
THE WAREHOUSE - CLUNES						
	Local Community	Community / Not for Profit / Government	Private or Commercial	Local Community	Community / Not for Profit / Government	Private or Commercial
Community Meeting Room						
Regular (per hour)	\$5.50	\$14.00	\$27.50	\$5.70	\$14.50	\$29.00
Casual (per hour)	\$14.00	\$27.50	\$44.00	\$14.00	\$28.00	\$45.00
Weekend (per hour) Fri evenings, Sat, Sun & Public Holidays	\$16.50	\$33.00	\$53.00	\$17.00	\$34.00	\$55.00
Community Activity Room						
Regular (per hour)	\$11.00	\$22.00	\$38.50	\$11.50	\$23.00	\$40.00
Casual (per hour)	\$22.00	\$38.50	\$55.00	\$23.00	\$40.00	\$57.00
Weekend (per hour) Fri evenings, Sat, Sun & Public Holidays	\$26.50	\$53.00	\$66.00	\$27.50	\$55.00	\$68.00
Weekly Hire	\$440.00	\$880.00	\$2,200.00	\$460.00	\$920.00	\$2,280.00
Museum Fees	Adult	Concession/ Student	Family	Adult	Concessions/ Student	Family
Museum Entry	\$5.00	\$4.00	\$10.00	\$5.00	\$4.00	\$10.00
Guided Tour	\$5.00	\$3.00	N/A	\$5.00	\$3.00	N/A

A minimum hire of one hour will be charged to allow for set up and pack up.

Schedule of Fees and Charges 2015/16

Description of Charge	Fee/Charge 2014/15 (inc GST)	Fee/Charge 2015/16 (inc GST)
PHOTOCOPYING / PRINTING		
A4 per side – Black & White	\$0.47	\$0.50
A4 per side - Colour	\$1.40	\$1.45
A3 per side – Black & White	\$1.20	\$1.25
A3 per side - Colour	\$2.20	\$2.25
Tender documents	\$52.00	\$54.00
Note: GST is applicable unless copying official documents.		
RATES INFORMATION		
Land information certificate*		
Duplicate/Reprint Rates Notice	\$10.00	\$11.00
Rate search 15 years	\$58.00	\$60.00
Rate search 30 Years	\$116.00	\$120.00
FREEDOM OF INFORMATION		
Freedom of information access supervision fee (per ¼ hr)*	\$5.00	\$5.00
Freedom of information search fee (per hr)*	\$20.00	\$20.00
Photocopying Charge (Black & White A4)	\$0.20	\$0.20
Freedom of Information lodgement fee*	\$26.50	\$27.20
*Denotes statutory fees as determined by legislation and therefore subject to any change in legislation.		
COMMUNITY HOUSING		
Community housing units	Rents are calculated at 25% of household income except for Centrelink family related payments. Effective from 24 July 2011, the rebated rent is calculated at 15% of	Rents are calculated at 25% of household income except for Centrelink family related payments. Effective from 24 July 2011, the rebated rent is calculated at 15% of
DISHONoured PAYMENTS		
Direct Debit fee	\$15.00	\$16.00
Dishonoured Cheque Fee	\$15.00	\$16.00

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