

# BUDGET

2014/15

Hepburn  
SHIRE COUNCIL

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## ► MAYOR'S INTRODUCTION

The Hepburn Shire Council 2014/15 budget has been developed in conjunction with the revised 2013/17 Council Plan and guided by the 10 year financial plan. 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 2014/15 financial year. This is consistent with the 2013/14 increase. 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 2014/15. 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, which is consistent with 2013/14.

- The proposed budget includes a number of new initiatives:
- Introduction of a social enterprise at the transfer stations to reduce waste to landfill (\$175,000)
- Design and document the rail trail from Lyonville to Bullarto (\$35,000)
- Construction of a new storage shed at the Glenlyon Recreation Reserve (\$38,110)
- Celebrate the 150 anniversary of the Hepburn Mineral Springs Reserve (\$7,000)
- Trentham Childcare feasibility study and business plan (\$20,000)
- Development of the Wombat Hill Botanic Gardens Master Plan (\$25,000)
- Investigate the business case for pay and display parking meters in Daylesford (\$10,000)
- Commence rolling out street banner brackets in all major towns (\$15,000)
- Allocate funds to community planning groups to progress priorities from their community plans (\$10,000)
- Replace street lighting with energy efficient LED lighting across the Shire (\$35,000)
- Construction of a pedestrian bridge over Slaty Creek (\$120,000).

The total Capital Works Program will be \$7,985,310, of which \$6,458,950 relates to renewal of our infrastructure.

*Highlights of the Capital Works program include:*

- Roads, Bridges & Footpaths (\$4,814,000) – including reconstructions, reseal, resheeting, footpaths, bridges & kerb & channel
- Renewal of recreational assets (\$122,000) – including cricket pitch & netball court resurfacing and playground renewal
- Land and Buildings (\$1,516,060) – including Stage 1 of Victoria Park, Daylesford Multi Purpose Facility, Stage 1 of Trentham Community Hub, Creswick Skate Park, Upgrade Kitchen Daylesford Town Hall, Storage Shed Glenlyon and Clunes Community Centre Improvements
- Plant and equipment (\$1,053,000) – including information technology, library materials and scheduled replacement of Council's fleet.

This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible.

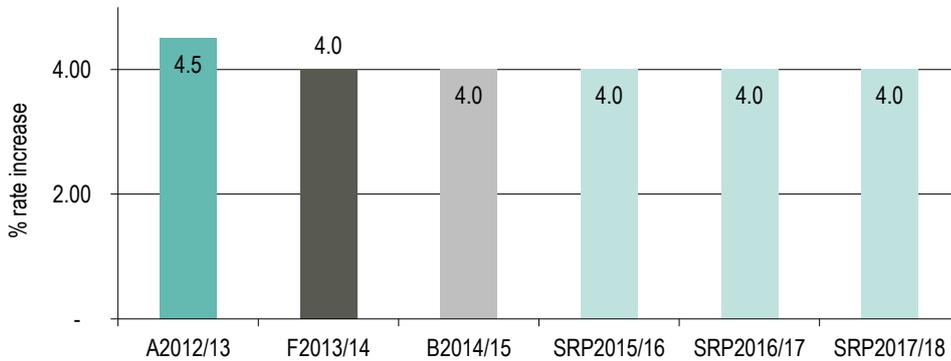


**Cr Don Henderson**  
Mayor

# ► CHIEF EXECUTIVE OFFICER'S SUMMARY ?

Council has prepared a Budget for the 2014/15 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.

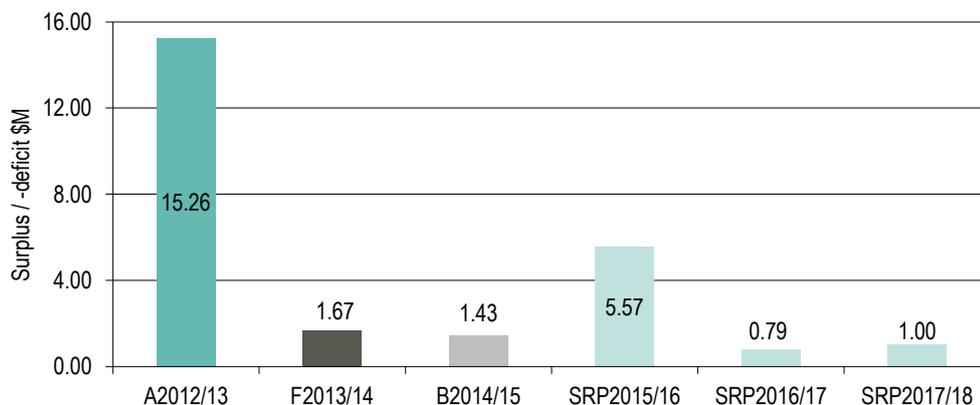
## 1. Rates



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

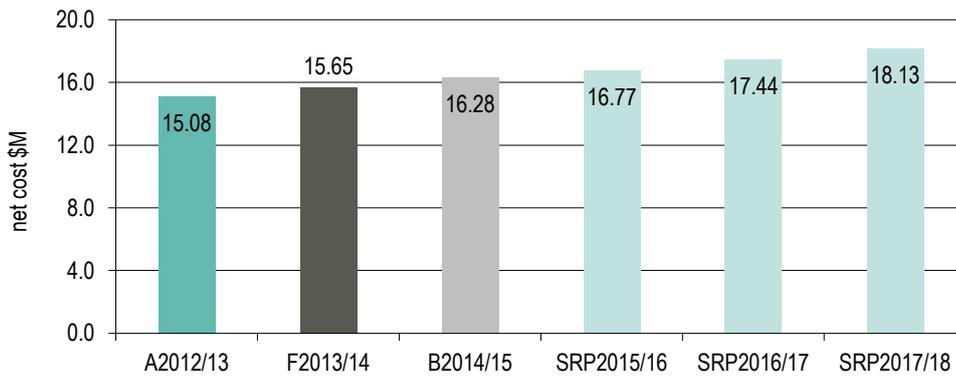
It is proposed that general rates increase by 4.0% for the 2014/15 year, raising total rates of \$14.625 million, including \$160,000 generated from supplementary rates. Of the 4.0% increase, 3.3% will go toward maintaining service levels and meeting the cost of a number of external influences affecting the operating budget. The remaining 0.7% increase along with the \$160,000 raised from supplementary rates will go toward increasing Council's working capital which is currently below the industry benchmark. This rate increase is at the level foreshadowed in Council's Strategic Resource Plan adopted in the previous year.

## 2. Operating result



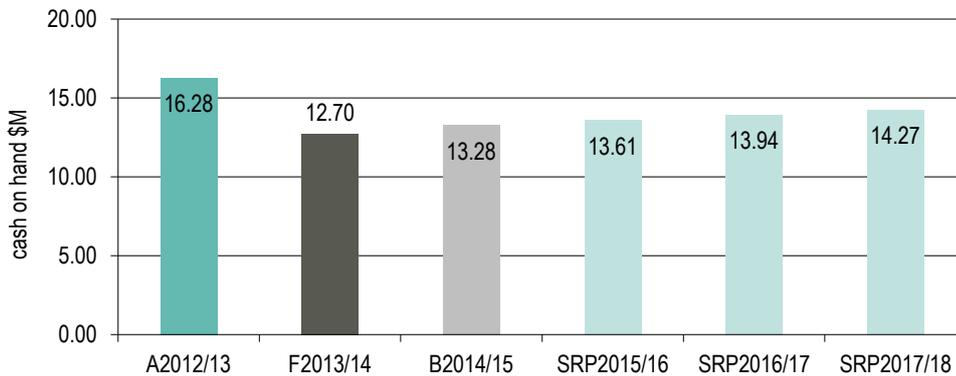
The expected operating result for the 2014/15 year is a surplus of \$1.428 million, which is a decrease of \$246,000 over the forecast for 2013/14. The declining operating result is due mainly to external funding for flood recovery works which will cease at the end of the 2013/14 year.

### 3. Services



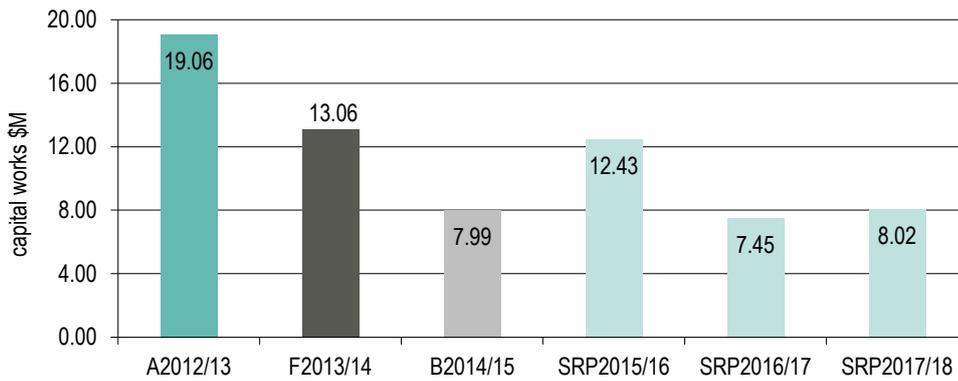
The net cost of services delivered to the community for the 2014/15 year is expected to be \$16.278 million which is an increase of \$0.600 million over 2013/14.

### 4. Cash and investments



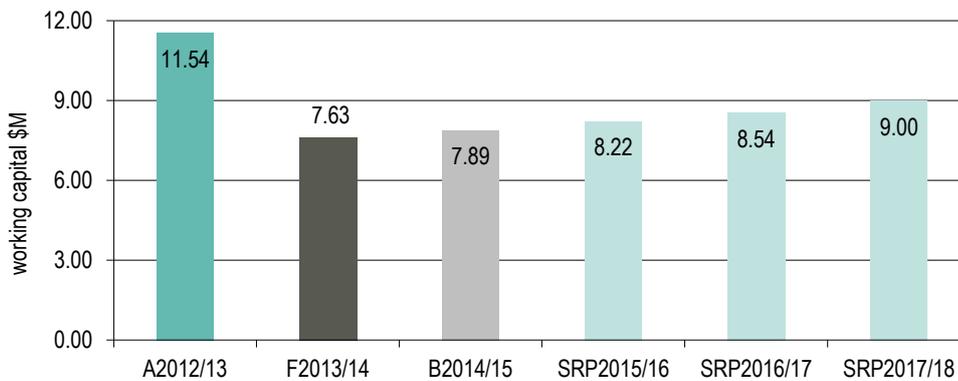
Cash and investments are expected to increase by \$580,000 during the year to \$13.282 million as at 30 June 2015. This increase arises from three key actions in the 2014/2015 budget - namely, a \$250,000 increase in working capital, the conversion of a \$250,000 bank bill (shown as a "financial asset") to cash, and \$80,000 of recreational land contributions which is transferred directly to a statutory reserve. Section 5 of this document "Analysis of budgeted cash position" provides comprehensive detail on these actions.

## 5. Capital works



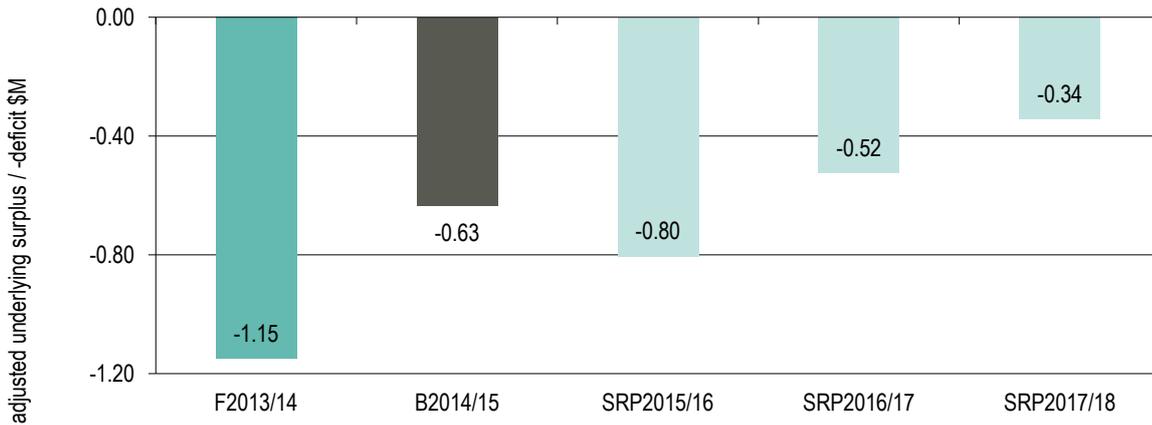
The Capital Works Program for the 2014/15 year is expected to be \$7.985 million. Of the \$7.985 million of capital funding required, \$2.56 million will come from external grants, \$105,000 from community cash contributions, \$4.818 million from Council and borrowings of \$500,000. The Council contribution comprises asset sales (\$254,000) and cash generated from rates in the 2014/15 financial year (\$4.564 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



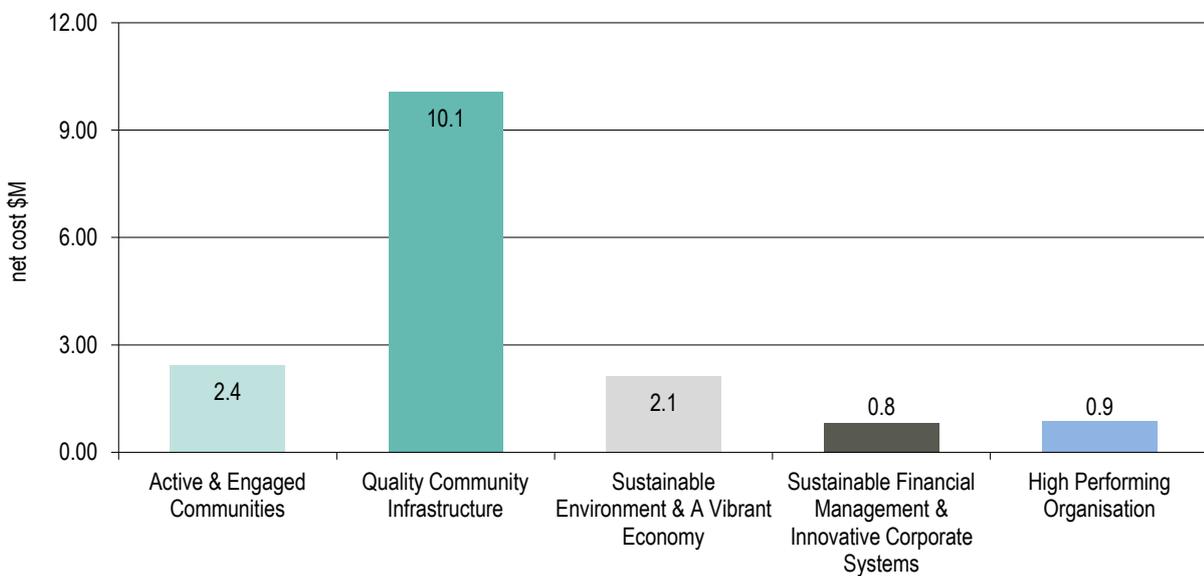
Council's working capital is calculated as current assets minus current liabilities. The working capital as at 30 June 2013 was abnormally high predominantly due to flood recovery funding received in advance. Council's working capital ratio is currently below the industry benchmark and the Strategic Resources Plan budgets to improve Council's working capital steadily over the life of the plan.

## 7. Financial sustainability



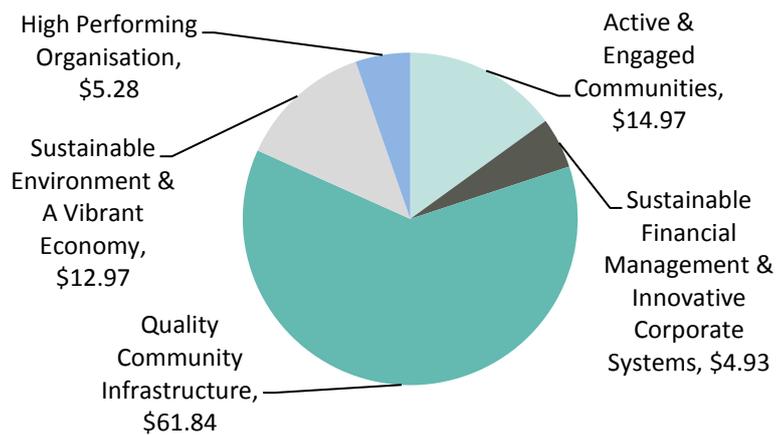
A high level Strategic Resource Plan for the years 2014/15 to 2017/18 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council’s strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows a decreasing 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 2014/15 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 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 2014/15 budget, which is included in this report, is for the year 1 July 2014 to 30 June 2015 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a budgeted Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2015 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's 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 31 August 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	15-Apr
5. Public notice advising intention to adopt budget	16-Apr
6. Budget available for public inspection and comment	17-Apr
7. Public submission process undertaken	19-Apr
8. Submissions period closes (28 days)	19-May
9. Submissions considered by Council	26-May
10. Budget and submissions presented to Council for adoption	17-Jun
11. 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.

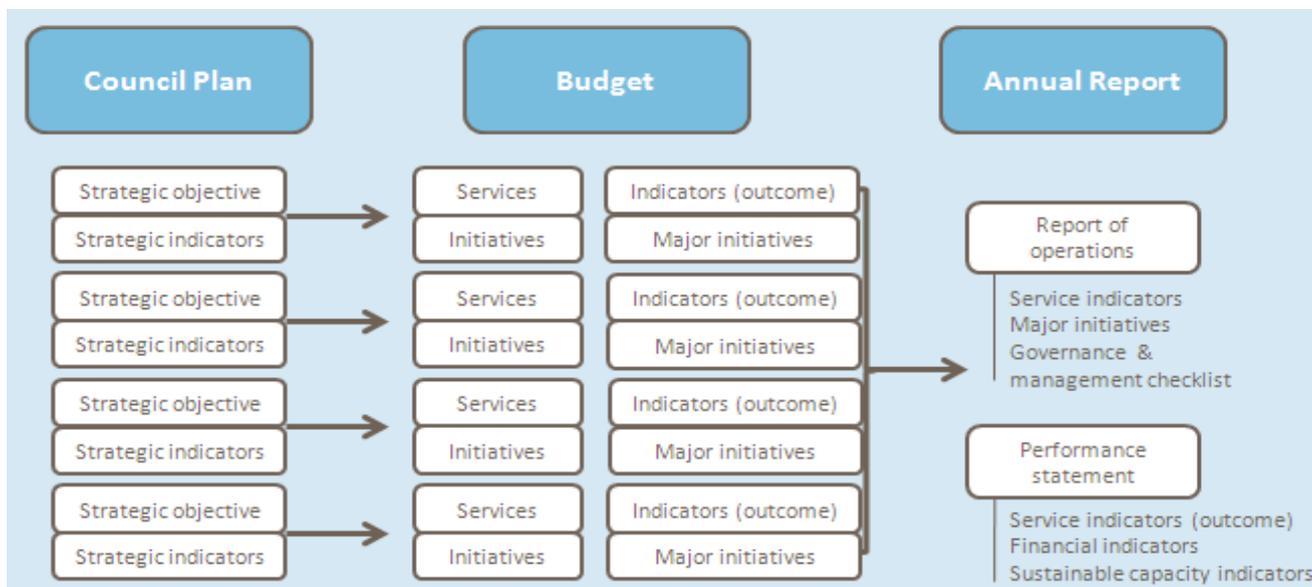
## 1.3 Strategic objectives

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 2014/15 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of 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 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.	236 -38 <b>198</b>
Youth	To engage our young people. Invest in them now & create our community leaders for the future.	155 -25 <b>130</b>
Recreation	Implement a proactive and planned approach to the maintenance, renewal and upgrade of recreation assets.	456 -30 <b>426</b>
Library	To provide a welcoming space that develops strong and connected communities, supports a culture of reading and improves quality of life.	844 -251 <b>593</b>

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.	375 -133 <b>242</b>
Aged & Disability Services	To provide high quality aged and disability services within the active service framework.	2,585 -1,737 <b>848</b>

### Initiatives

1. Develop 1 and review 1 community plan per year
2. Implement priority community projects in community plans:
  - Work with the Bullarto Community to deliver improved facilities
  - Allocate community funds to priority projects
3. Implement Council's Public Art Policy through acquisition, maintenance and replacement of public art
4. Celebrate 150 years of the Hepburn Mineral Springs Reserve
5. Develop detailed design and documentation for the Bullarto-Lyonville section of the proposed rail trail
6. Provide support for the ANZAC centenary
7. Implement the key priorities from the Municipal Early Years Plan:
  - Develop a Trentham Childcare feasibility study including a business plan
  - Increase immunisation participation rates
  - Improve participation in Maternal and Child Health Services
  - Facilitate Early Childhood Services network and delivery of joint training and education
  - Develop a guide to early years services and programs in Hepburn Shire
8. Recreation projects prioritised and plans in place for development and implementation of priority projects:
  - Relocate the Creswick Skate Park
  - Construct a new storage shed at the Glenlyon Recreation Reserve
  - Upgrade the kitchen at the Clunes Community Centre
  - Implement Basin Reserve facility improvements
  - Install a new scoreboard and provide additional storage at the Daylesford ARC
9. Implement the Walking and Cycling Strategy priority projects and initiatives:
  - Construction of new footpaths
10. Develop the Recreation and Open Space Strategy

### Major Initiatives

11. Construct a new Trentham Community Hub – Stage 1
12. Construct a new multipurpose facility in - Victoria Park, Daylesford Stage 1
13. Construct a new pedestrian bridge over Slaty Creek

### 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 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
Pool Facilities	Utilisation	Utilisation of pool facilities (The number of visits to pool facilities per head of municipal population)	Number of visits to pool facilities / Municipal population

## 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 collections 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.	2,545 -2,538 <b>7</b>
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.	1,477 -1,445 <b>32</b>
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.	1,392 0 <b>1,392</b>
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.	8,645 -9 <b>8,636</b>

### Initiatives

14. Develop parks and gardens service standards:

- Town entrances
- Public Open Spaces
- Tree management

15. Undertake Lake Daylesford improvements in accordance with the Lake Daylesford Management Plan - Stage 2

16. Undertake works to improve the Jubilee Lake car park and surrounds

17. Undertake regular maintenance of the Glenlyon Township

18. Develop a Wombat Hill Botanic Gardens master plan

19. Upgrade Suburban Street, Clunes

20. Implement waste minimisation initiatives from the Waste Strategy

## Major Initiatives

21. Implementation of the Daylesford Streetscape Revitalisation Project – Stage 1 (Street crossing & Lane Way)
22. Implement the streetscape revitalisation designs for the towns of Clunes, Creswick, Glenlyon, Hepburn Springs and Trentham
23. Design & Construct a new pedestrian bridge in the Hepburn Mineral Springs Reserve
24. Implement a structured risk based tree audit and management program
25. Undertake a full tender process for the operation of the transfer stations, hook lift bins and municipal recycling facility
26. 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.	799 -86 <b>713</b>
Emergency Management	We work with the community and response agencies to develop robust and innovative plans to prepare, respond and recover from emergencies.	18 -13 <b>5</b>
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 planning, investment and decision making for the Shire is relevant to the needs of the community and provides a sustainable base for future generations.	current 760 -164 <b>596</b>
Building	To provide quality regulatory advice on all building matters associated with properties in the Shire.	300 -171 <b>129</b>
Sustainability	To guide and support Council and the community in the development of innovative sustainable practices that ensure the preservation of limited resources.	162 -40 <b>122</b>

Natural Resource Management	In partnership with the community, natural resources are managed to ensure their conservation, enhancement and control.	112 -25 <b>87</b>
Environmental Health	To provide a range of public health programs throughout the community which focus on a preventative approach to health and aim to minimise future problems.	335 -130 <b>205</b>
Compliance	Through education and Local Law enforcement the Compliance Department provides a safe community for all to enjoy.	409 -155 <b>254</b>

#### Initiatives

27. Complete the Significant Tree Register
28. Upgrade Council Depot diesel storage facilities for B20 biodiesel:
- Daylesford
  - Creswick
29. Develop detailed Bio-energy from waste business case

#### Major Initiatives

30. Develop an economic development strategy
31. Activate a Domestic Waste Water Management Plan (DWWMP) for Hepburn Shire Council
32. Implement the strategic planning program including Industrial and Residential Land Study priority actions
33. Develop a biodiversity strategy (VASP)
34. Implement Creswick flood mitigation plan

#### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100
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.	1,795 -3,210 <b>(1,415)</b>
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.	145 0 <b>145</b>
Information Technology & Tele-communications	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.	926 0 <b>926</b>
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.	457 0 <b>457</b>
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.	825 -1 <b>824</b>
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.	815 -949 <b>-134</b>

### Initiatives

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

### Major Initiatives

39. Develop and implement an organisation driven information technology strategy
40. Identify and implement mobile solutions that drive organisational efficiency
41. Drive a culture of customer service excellence through a review of processes and practices

## 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.	679 0 <b>679</b>
Communications	Council delivers effective communication through varied channels to ensure all who wish to be informed are.	181 0 <b>181</b>

### Initiatives

- 42. Implement a staff health & wellbeing program
- 43. Distribute at least 2 Council newsletters per year
- 44. Implement construction site audit program
- 45. Implement a computer based organisational risk register
- 46. Undertake the sale of underutilised and surplus land and buildings in consultation with the community

### Major Initiatives

- 47. Undertake a full benchmarked Staff Climate survey
- 48. Implement the Hepburn Council Services and Community Hub Business Case and Design project

### 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

## 2.7 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement

## 2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Active & Engaged Communities	2,437	4,651	-2,214
Quality Community Infrastructure	10,067	14,059	-3,992
Sustainable Environment & A Vibrant Economy	2,111	2,895	-784
Sustainable Financial Management & Innovative	803	4,963	-4,160
High Performing Organisation	860	860	0
<b>Total services and initiatives</b>	<b>16,278</b>	<b>27,428</b>	<b>-11,150</b>
Other non-attributable	0		
<b>Deficit before funding sources</b>	<b>16,278</b>		
<b>Funding sources:</b>			
Rates	14,785		
Capital grants	2,562		
Capital Contributions	105		
Plant Trade-Ins	254		
<b>Total funding sources</b>	<b>17,706</b>		
<b>Surplus for the year</b>	<b>1,428</b>		

## 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: 2013 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 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 Country Roads and Bridges and Flood funding has helped reduce this gap over the last three years. The 2014-15 budget includes \$1 million for year 4 of the Country Roads and Bridges funding and \$383,250 for year 4 under the Local Government Infrastructure Fund that will be spent on Council infrastructure assets.

#### 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 10,738 and Council relies on rates for approximately 60% 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 10,738 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 2014-15 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 2.7% per annum (ABS release 22 January 2014). State-wide CPI is projected to be 2.25% for the 2014-15 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 2012 was 3.6% (ABS release 16 August 2012). The wages price index in Victoria is projected to be 3.25% per annum increasing to 3.50% in the subsequent two years (Victorian Budget Papers 2012-13). Council renegotiated its Collective Agreement for commencement on 1 October 2013 and this 3.3% increase has been included in the Budget.

\* The 'Engineering Construction' and 'Non-Residential Building' Indices prepared by the Construction Forecasting Council are forecast at 2.4% and 3.8% respectively for 2013-14.

\* The Environment Protection Authority (EPA) Victoria's levy per tonne for landfill in 2013-14 is \$53.2 per tonne, which is a 10% increase on the 2012-13 levy. The levy increased 10% in the prior year as well.

\* The Abbott Government introduced the *Clean Energy Legislation (Carbon Tax Repeal) Bill 2013* and related bills to the House of Representatives on 13 November 2013, with the intention to abolish the carbon price from 1 July 2014.

\* 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*.

### 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 2014/15 Budget. These matters have arisen from events occurring in the 2013/14 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2014/15 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 CPI or market levels
- Grants to be based on confirmed funding levels
- New revenue sources to be identified where possible
- Service levels to be maintained at 2013/14 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 2013/14 to be preserved
- Operating revenues and expenses arising from completed 2013/14 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 2014/15 to 2017/18 (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 2014/15 year.

### 4.1 Budgeted income statement

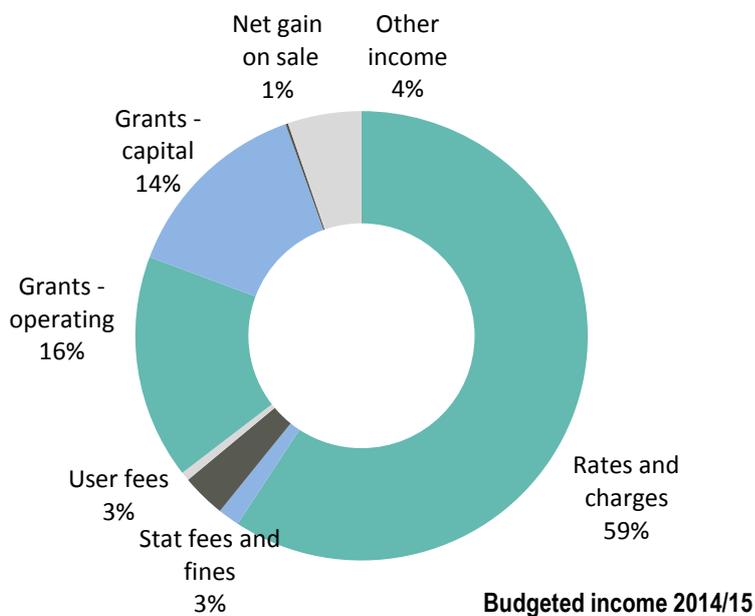
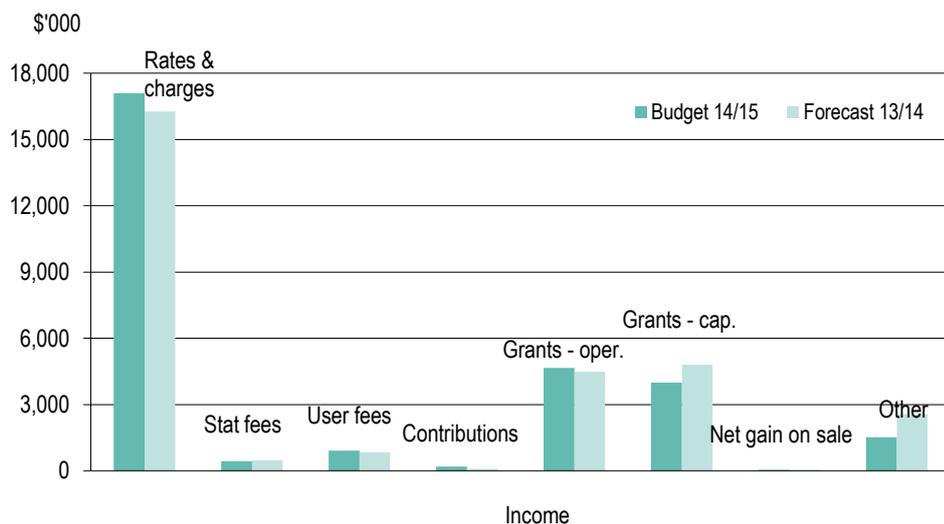
	Ref	Forecast Actual 2013/14 \$'000	Budget 2014/15 \$'000	Variance \$'000	Variance %
Total income	4.2	29,586	28,855	(731)	-2.5%
Total expenses	4.3	(27,912)	(27,427)	485	-1.7%
<b>Surplus for the year</b>		<b>1,674</b>	<b>1,428</b>	(246)	-14.7%
Grants – capital non-recurrent	4.2.6	(2,732)	(1,876)	856	-31.3%
Capital contributions - other sources	4.2.4	(92)	(185)	(93)	101.1%
<b>Adjusted underlying (deficit)</b>		<b>(1,150)</b>	<b>(633)</b>	<b>517</b>	<b>-45.0%</b>

#### 4.1.1 Adjusted underlying deficit (\$517,000 decrease)

The adjusted underlying 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 2014/15 year is a deficit of \$633,000 which is a decrease of \$517,000 from the 2013/14 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources.

## 4.2 Income

Income Types	Ref	Forecast	Budget	Variance	Variance
		Actual 2013/14 \$'000	2014/15 \$'000	\$'000	%
Rates and charges	4.2.1	16,276	17,088	812	5.0%
Statutory fees and fines	4.2.2	474	444	(30)	-6.3%
User fees	4.2.3	841	910	69	8.2%
Contributions - cash	4.2.4	92	185	93	101.1%
Grants - operating	4.2.5	4,488	4,657	169	3.8%
Grants - capital	4.2.6	4,800	3,999	(801)	-16.7%
Net gain on disposal of assets	4.2.7	50	52	2	4.0%
Other income	4.2.8	2,565	1,520	(1,045)	-40.7%
<b>Total income</b>		<b>29,586</b>	<b>28,855</b>	<b>(731)</b>	<b>-2.5%</b>



Source: Appendix A

#### 4.2.1 Rates and charges (\$812,000 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 and charges income be increased by 4.0% or \$557,000 over 2013/14 plus 1% or \$141,000 increase in revenue from 2013/14 supplementary rates to a total of \$17.088 million. The 1.0% increase in revenue from supplementary valuations which arises predominantly from the rating of new buildings rated for the first time in 2013/14 represents the growth in Council's rate base. Movements in rates and charges are summarised below:

Rates and charges types	Forecast	Budget	Variance	Variance
	Actual 2013/14 \$'000	2014/15 \$'000	\$'000	%
Rates	13,927	14,625	698	5.0%
Supplementary Rates	160	160	0	0.0%
Waste Charges	2,189	2,303	114	5.2%
<b>Total Rates and Charges</b>	<b>16,276</b>	<b>17,088</b>	<b>812</b>	<b>5.0%</b>

Section 9. "Rating Information" includes a more detailed analysis of the rates and charges to be levied for 2014/15. Information on rates and charges specifically required by the Regulations is included in Appendix B.

#### 4.2.2 Statutory fees and fines (\$30,000 decrease)

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 decreased by 6.3% or \$30,000 over 2013/14 to \$444,000. Infringements will decrease by \$17,000 or 29.8% to more accurately reflect the level of community compliance with enforceable regulations. Statutory Planning fees and permits will decrease by \$12,000 or 5.9% due to reduced development activity. Movements in statutory fees and fines are summarised below.

Statutory fees and fines types	Forecast	Budget	Variance	Variance
	Actual 2013/14 \$'000	2014/15 \$'000	\$'000	%
Infringements	57	40	(17)	-29.8%
Town Planning	146	141	(5)	-3.4%
Permits	56	49	(7)	-12.5%
Registrations	192	188	(4)	-2.1%
Other Fees and Fines	23	26	3	13.0%
<b>Total Statutory fees and fines</b>	<b>474</b>	<b>444</b>	<b>(30)</b>	<b>-6.3%</b>

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

#### 4.2.3 User fees (\$69,000 increase)

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 increased by 8.2% or \$69,000 over 2013/14 to \$910,000. The main areas contributing to the increase is charges are from The Warehouse - Clunes (up \$11,000 to reflect a full year of operation), tourism charges (up \$17,000 comprising advertising charges associated with the production of the Shire tourism map reprint), building fees up \$15,000 resulting from increased building activity, and aged care charges up \$10,000. Movements in user fees are summarised below:

User fees types	Forecast Actual 2013/14 \$'000	Budget 2014/15 \$'000	Variance \$'000	Variance %
Aged Care	483	493	10	2.1%
Building	156	171	15	9.6%
Waste	135	128	(7)	-5.2%
Other Fees	67	118	51	76.1%
<b>Total User fees</b>	<b>841</b>	<b>910</b>	<b>69</b>	<b>8.2%</b>

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

#### 4.2.4 Contributions - cash (\$93,000 increase)

Recreational land contributions relate to monies paid by developers in regard to 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 proposed that cash contributions income be increased by 101.1% or \$93,000 over 2013/14 to \$185,000. This increase is predominantly due to the \$100,000 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 Actual 2013/14 \$'000	Budget 2014/15 \$'000	Variance \$'000	Variance %
Recreational land contributions	80	80	0	0.0%
Recreational infrastructure contributions	0	105	105	#DIV/0!
Other contributions	12	0	(12)	-100.0%
<b>Total Cash contributions</b>	<b>92</b>	<b>185</b>	<b>93</b>	<b>101.1%</b>

#### 4.2.5 Grants - operating (\$169,000 increase)

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 be increased by 3.8% or \$169,000 over 2013/14 to \$4.657 million. Movements in operating grants are summarised below.

Operating grants types	Forecast	Budget 2014/15 \$'000	Variance \$'000	Variance %
	Actual			
	2013/14 \$'000			
Victorian Grants Commission	2,795	2,875	80	2.9%
Aged Services	1,182	1,244	62	5.2%
Library	133	140	7	5.3%
Maternal & Child Health	132	133	1	0.8%
Other operating grants	71	75	4	5.6%
<b>Total Operating Grants - Recurrent</b>	<b>4,313</b>	<b>4,467</b>	<b>154</b>	<b>3.6%</b>
Waste projects	0	115	115	#DIV/0!
Other operating grants	175	75	(100)	-57.1%
<b>Total Operating Grants - Non-Recurrent</b>	<b>175</b>	<b>190</b>	<b>15</b>	<b>8.6%</b>
<b>Total Operating Grants</b>	<b>4,488</b>	<b>4,657</b>	<b>169</b>	<b>3.8%</b>

#### 4.2.6 Grants - capital (\$801,000 decrease)

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 be decreased by 16.7% or \$801,000 over 2013/14 to \$3.999 million. This reduction is primarily the result of Council no longer receiving flood recovery grants of \$750,000. Movements in capital grants are summarised below.

Capital grants types	Forecast	Budget 2014/15 \$'000	Variance \$'000	Variance %
	Actual			
	2013/14 \$'000			
Victorian Grants Commission Local Roads	1,382	1,437	55	4.0%
Roads to Recovery	686	686	0	0.0%
<b>Total Capital Grants - Recurrent</b>	<b>2,068</b>	<b>2,123</b>	<b>55</b>	<b>2.7%</b>
Country Roads and Bridges	1,000	1,000	0	0.0%
Local Government Infrastructure Fund	563	323	(240)	-42.6%
Streetscape	340	300	(40)	-11.8%
Flood Recovery	750	0	(750)	-100.0%
Other Projects Capital Grants	79	253	174	220.3%
<b>Total Capital Grants Non-Recurrent</b>	<b>2,732</b>	<b>1,876</b>	<b>(856)</b>	<b>-31.3%</b>
<b>Total Capital Grants</b>	<b>4,800</b>	<b>3,999</b>	<b>(801)</b>	<b>-16.7%</b>

#### 4.2.7 Net gain on disposal of assets (\$2,000 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 be increased by 4.0% or \$2,000 over 2013/14 to \$52,000. Movements in the net gain on sale of assets are summarised below.

Gain on disposal of asset types	Forecast	Budget 2014/15 \$'000	Variance \$'000	Variance %
	Actual			
	2013/14 \$'000			
Proceeds from sale of plant and equipment	250	254	4	1.6%
Carrying value of plant and equipment disposed	(200)	(202)	(2)	1.0%
<b>Total Gain on Disposal of Assets</b>	<b>50</b>	<b>52</b>	<b>2</b>	<b>4.0%</b>

#### 4.2.8 Other income (\$1.045 million decrease)

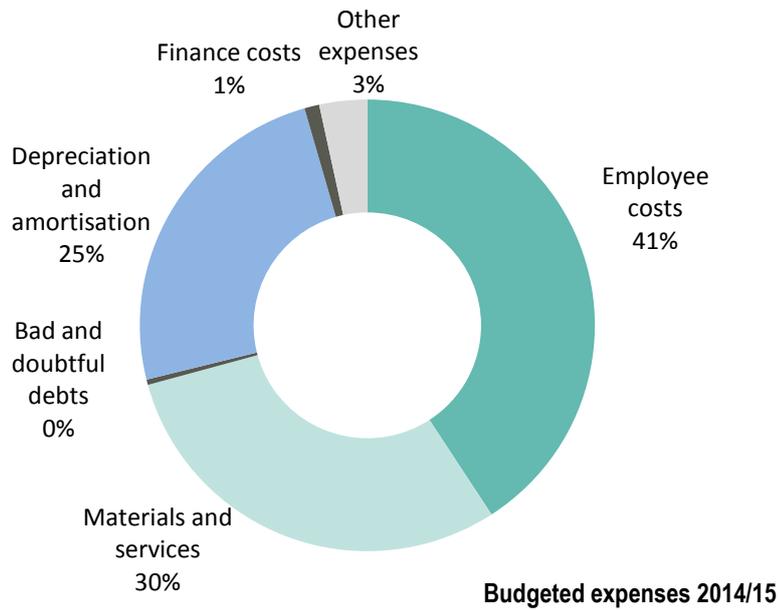
It is proposed that other income be decreased by 40.7% or \$1.045 over 2013/14 to \$1.520 million. This decrease predominantly results from no longer receiving flood recovery reimbursements of \$1.006 million, and a reduction of interest on investments of \$50,000 due to lower cash invested and lower interest rates. Sale of merchandise is up \$18,000 partly attributable to The Warehouse - Clunes operating for a full twelve months, and other reimbursements are down \$37,000 which relates to the biennial sale of property valuations. Movements in other income are summarised below.

Other Income types	2013/14	2014/15		%
	\$'000	\$'000	\$'000	
Interest on Investments	250	200	(50)	-20.0%
Interest on Rates	80	80	0	0.0%
Property Rental	915	944	29	3.2%
Sale of Merchandise	82	100	18	22.0%
Reimbursements	213	176	(37)	-17.4%
Flood Recovery Reimbursements	1,006	0	(1,006)	-100.0%
Miscellaneous Income	19	20	1	5.3%
<b>Total Other Income</b>	<b>2,565</b>	<b>1,520</b>	<b>(1,045)</b>	<b>-40.7%</b>

#### 4.3 Expenses

Expense Types	Ref	Forecast	Budget	Variance	Variance
		Actual	2014/15	\$'000	%
		2013/14	2014/15		
		\$'000	\$'000	\$'000	%
Employee costs	4.3.1	10,974	11,192	218	2.0%
Materials and services	4.3.2	9,372	8,213	(1,159)	-12.4%
Bad and doubtful debts	4.3.3	113	105	(8)	-7.1%
Depreciation and amortisation	4.3.4	6,182	6,695	513	8.3%
Finance costs	4.3.5	320	290	(30)	-9.4%
Other expenses	4.3.6	951	932	(19)	-2.0%
<b>Total expenses</b>		<b>27,912</b>	<b>27,427</b>	<b>(485)</b>	<b>-1.7%</b>





Source: Appendix A

#### 4.3.1 Employee costs (\$218,000 increase)

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 increase by 2% or \$218,000 over 2013/14 to \$11.192 million. This increase predominantly relates to two key factors:

- Council's Enterprise Bargaining Agreement (EBA) which is estimated to cost approximately 3.4% or \$373,000.
- Restructuring second-line management to move from four general managers to three general managers, reducing employee costs by approximately \$140,000 or 1.3%.

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

Department	Budget 2014/15 \$'000	Permanent Full Time \$'000	Comprises	
			Permanent Part Time \$'000	Casual \$'000
Executive Services	1,395	985	362	48
Community Services	3,613	1,291	2,260	62
Corporate Services	2,323	1,711	495	117
Infrastructure Services	3,861	3,533	321	7
<b>Total</b>	<b>11,192</b>	<b>7,520</b>	<b>3,438</b>	<b>234</b>

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

Department	Budget FTE	Permanent Full Time	Comprises Permanent Part Time	Casual
Executive Services	16.14	11	4.33	0.81
Community Services	39.89	14	24.84	1.05
Corporate Services	27.22	19	6.25	1.97
Infrastructure Services	50.05	46	3.93	0.12
<b>Total</b>	<b>133.30</b>	<b>90</b>	<b>39.35</b>	<b>3.95</b>

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

Department	Service Unit	Forecast Actual 2013/14 \$'000	Budget 2014/15 \$'000	Variance \$'000	Variance %
There are no service units with significant increases in employee costs.					

#### 4.3.2 Materials and services (\$1.20 million decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by 12.4% or \$1.159 million over 2013/14 to \$8.213 million.

Waste management is forecast to increase by \$161,000 or 7.5% compared to 2013/14 due to increase waste management projects including implementing the waste strategy and creating the waste social enterprise.

Utility costs relate to telecommunications, water, gas and electricity. Utility costs are forecast to increase by 5.9% or \$29,000 compared to 2013/14 resulting from rising electricity prices.

Materials and services are forecast to decrease by 20.0% or \$1.349 million compared to 2013/14. The main area contributing to this decrease is the cessation of the flood recovery works which were forecast to cost \$1.44 million in 2013/14.

Materials and Services types	Forecast Actual 2013/14 \$'000	Budget 2014/15 \$'000	Variance \$'000	Variance %
Waste Management	2,148	2,309	161	7.5%
Utilities	488	517	29	5.9%
Other Materials and Services	6,736	5,387	(1,349)	-20.0%
<b>Total Materials and Services</b>	<b>9,372</b>	<b>8,213</b>	<b>(1,159)</b>	<b>-12.4%</b>

#### 4.3.3 Bad and doubtful debts (\$8,000 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 Actual 2013/14 \$'000	Budget 2014/15 \$'000	Variance \$'000	Variance %
Infringement Debtors	5	5	0	0.0%
Rental Debtors	108	100	(8)	-7.4%
<b>Total Bad and Doubtful Debts</b>	<b>113</b>	<b>105</b>	<b>(8)</b>	<b>-7.1%</b>

#### 4.3.4 Depreciation and amortisation (\$513,000 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 8.3% or \$513,000 over 2013/14 to \$6.679 million. This increase occurs as a result of revaluing Council's road network asset base. Movements in depreciation and amortisation are summarised below.

Depreciation and Amortisation types	Forecast	Budget 2014/15 \$'000	Variance \$'000	Variance %
	Actual 2013/14 \$'000			
Property, Plant, Equipment and Infrastructure	6,166	6,679	513	8.3%
Intangibles	16	16	0	0.0%
<b>Total Depreciation and Amortisation</b>	<b>6,182</b>	<b>6,695</b>	<b>513</b>	<b>8.3%</b>

Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2014/15 year.

#### 4.3.5 Finance costs (\$30,000 decrease)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The 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 any new loans will be drawn down in late June 2015. Movements in borrowing costs are summarised below.

Finance costs types	Forecast	Budget 2014/15 \$'000	Variance \$'000	Variance %
	Actual 2013/14 \$'000			
Interest on Borrowings	320	290	(30)	-9.4%
<b>Total Finance Costs</b>	<b>320</b>	<b>290</b>	<b>(30)</b>	<b>-9.4%</b>

#### 4.3.6 Other expenses (\$19,000 decrease)

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

Other expenses types	Forecast	Budget 2014/15 \$'000	Variance \$'000	Variance %
	Actual 2013/14 \$'000			
Councillors' Allowances	174	190	16	9.2%
Auditors' remuneration	73	75	2	2.7%
Insurances	371	353	(18)	-4.9%
Community Grants	228	233	5	2.2%
Miscellaneous	105	81	(24)	-22.9%
<b>Total Other Expenses</b>	<b>951</b>	<b>932</b>	<b>(19)</b>	<b>-2.0%</b>

## 5. ANALYSIS OF BUDGETED CASH POSITION

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2014/15 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 2013/14 \$'000	Budget 2014/15 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>	5.1.1			
<i>Receipts</i>				
Rates and charges		16,276	17,088	812
User fees and fines		1,315	1,354	326
Grants - operating		4,488	4,657	169
Grants - capital		4,800	3,999	(801)
Interest		330	280	(50)
Other receipts		2,327	1,425	(902)
		<b>29,536</b>	<b>28,803</b>	<b>(446)</b>
<i>Payments</i>				
Employee costs		(10,974)	(11,192)	(218)
Other payments		(10,323)	(9,145)	1,178
		<b>(21,297)</b>	<b>(20,337)</b>	<b>960</b>
<b>Net cash provided by operating activities</b>		<b>8,239</b>	<b>8,466</b>	<b>514</b>
<b>Cash flows from investing activities</b>	5.1.2			
Proceeds from sales of property, infrastructure, plant & equipment		250	254	4
Payments for property, infrastructure, plant and equipment		(13,058)	(7,985)	5,073
<b>Net cash used in investing activities</b>		<b>(12,808)</b>	<b>(7,731)</b>	<b>5,077</b>
<b>Cash flows from financing activities</b>	5.1.3			
Finance costs		(320)	(290)	30
Proceeds from borrowings		1,423	500	(923)
Proceeds from financial assets		515	250	(265)
Repayment of borrowings		(632)	(615)	17
<b>Net cash used in financing activities</b>		<b>986</b>	<b>(155)</b>	<b>(1,141)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(3,583)</b>	<b>580</b>	<b>4,163</b>
Cash and cash equivalents at the beg of the year		16,285	12,702	(3,583)
<b>Cash and cash equivalents at end of the year</b>	5.1.4	<b>12,702</b>	<b>13,282</b>	<b>580</b>
		<b>12,702</b>	<b>13,282</b>	

### 5.1.1 Net cash provided by operating activities (\$514,000 increase)

The increase in cash inflows from operating activities is due mainly to an \$812,000 increase in rates and charges, which is in line with the rate increase of 4.0%.

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		
	Actual	Budget	Variance
	2013/14	2014/15	
	\$'000	\$'000	\$'000
<b>Surplus for the year</b>	<b>1,674</b>	<b>1,428</b>	(246)
Depreciation and amortisation	6,182	6,695	513
Bad and doubtful debts	113	105	(8)
Gain on disposal of assets	(50)	(52)	(2)
Finance costs	320	290	(30)
<b>Cash flows available from operating activities</b>	<b>8,239</b>	<b>8,466</b>	227

### 5.1.2 Net cash provided by investing activities (\$5.077 million increase)

The large increase in net cash provided by investing activities predominantly arises from the cessation of flood recovery capital works expenditure (\$3.2 million in 2013/14), and no net reduction in capital works carried forward from previous years (\$2.0 million reduction in 2013/14).

### 5.1.3 Net cash provided by financing activities (\$1.141 million decrease)

For 2014/15 loan borrowing receipts will fall by \$923,000. In 2013/14 Council borrowed \$1.423 million and this will reduce to \$500,000 in 2014/15 (\$250,000 each for the Multi-purpose Facility at Victoria Park, Daylesford and the Trentham Community Hub). A \$250,000 financial asset (a bank bill with a maturity of greater than 90 days) will also be converted to cash during the year.

### 5.1.4 Cash and cash equivalents at end of the year (\$580,000 increase)

Overall, total cash and investments is forecast to increase by \$580,000 to \$13.282 million as at 30 June 2015. There are three primary drivers of this change. The estimated value of recreational land contributions provided by property developers during the year is transferred directly to the Resort and Recreation Reserve is \$80,000. A \$250,000 financial asset (a bank bill with a maturity of greater than 90 days) will be converted to cash during the year.

Council has a strategy of increasing cash on hand by \$250,000 per annum to improve the working capital ratio. This amount represents the net budgeted cash surplus of the Council rates budget for 2014/15.

Cash and cash equivalents at end of the year	Ref	Forecast		
		Actual	Budget	Variance
		2014	2015	
		\$'000	\$'000	\$'000
Increase in cash to boost working capital		73	250	177
Recreational land contributions		80	80	0
Proceeds from disposal of financial assets		515	250	(265)
Capital works completed from carried forward funds		(2,000)	0	2,000
Flood recovery works completed from carried forward funds		(2,251)	0	2,251
<b>Movement in cash and cash equivalents</b>		<b>(3,583)</b>	<b>580</b>	<b>4,163</b>

## 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 2015 it will have cash and investments of \$13.282 million, which is restricted to some degree, as shown in the following table.

Restricted and unrestricted cash and investments	Ref	Forecast		Variance
		Actual 2014 \$'000	Budget 2015 \$'000	
<b>Total cash and investments</b>		<b>12,702</b>	<b>13,282</b>	580
Restricted cash and investments				0
- Statutory reserves	5.2.1	(997)	(1,077)	(80)
- Discretionary reserves	5.2.2	(170)	(170)	0
- Cash held to fund carry forward capital works	5.2.3	(2,398)	(2,398)	0
<b>Restricted and Unrestricted cash and investments</b>	5.2.4	<b>9,137</b>	<b>9,637</b>	<b>500</b>

### 5.2.1 Statutory reserves (\$80,000 increase)

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 2014/15 year \$80,000 is budgeted to be transferred to Statutory Reserves.

Statutory Reserves	Forecast		Variance
	Actual 2014 \$'000	Budget 2015 \$'000	
Resort and recreation reserve	976	1,056	80
Car parking reserve	21	21	0
<b>Total Statutory Reserves</b>	<b>997</b>	<b>1,077</b>	<b>80</b>

### 5.2.2 Discretionary reserves (no change)

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 2014/15 year no transfers to or from Discretionary Reserves are budgeted. 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.

Discretionary Reserves	Forecast		Variance
	Actual 2014 \$'000	Budget 2015 \$'000	
Heritage advisory fund	20	20	0
Smeaton Hill pit reserve	74	74	0
Mt Beckworth pit reserve	28	28	0
Clunes caravan park reserve	7	7	0
Financial asset valuation reserve	41	41	0
<b>Total Discretionary Reserves</b>	<b>170</b>	<b>170</b>	<b>0</b>

### 5.2.3 Cash held to fund carry forward capital works (no change)

An amount of \$2.398 million is forecast to be held at 30 June 2014 to fund capital works budgeted but not completed in the 2013/14 financial year. Section 6.2 contains further details on capital works funding. An amount of \$2.398 million is shown as cash held to fund carry forward works at 30 June 2015, recognising that there will be no net reduction in capital works carried forward at this date.

#### **5.2.4 Unrestricted cash and investments (\$500,000 increase)**

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

This \$500,000 increase in unrestricted cash and investments simply consists of the \$250,000 increase in cash to boost working capital and the reclassification of a \$250,000 bank bill from a "financial asset" to "cash and cash equivalents."

It should be recognised that the unrestricted cash and investments balance at year end includes grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date. In accordance with Australian Accounting Standards, this amount then sits on the balance sheet at year end as part of unrestricted cash and investments, without there being any corresponding liability recorded on the balance sheet. As at 30 June 2013 this amount was \$1.54 million.

The unrestricted cash and investments balance at year end also includes unrestricted grants received in advance. Each year in June, the Victoria Grants Commission (VGC) provides a 50% prepayment to Council of the following year's grant allocation which is shown as revenue in the year in which it is received. This amount then sits on the balance sheet at year end as part of unrestricted cash and investments. The estimated VGC grant in advance is \$2.09 million at 30 June 2014 and \$2.16 million at 30 June 2015.

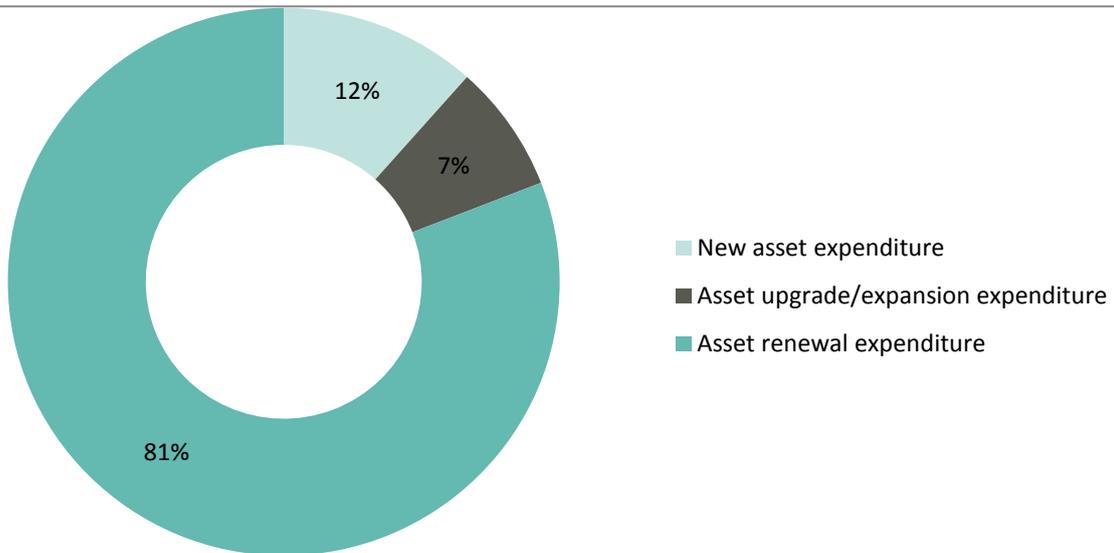
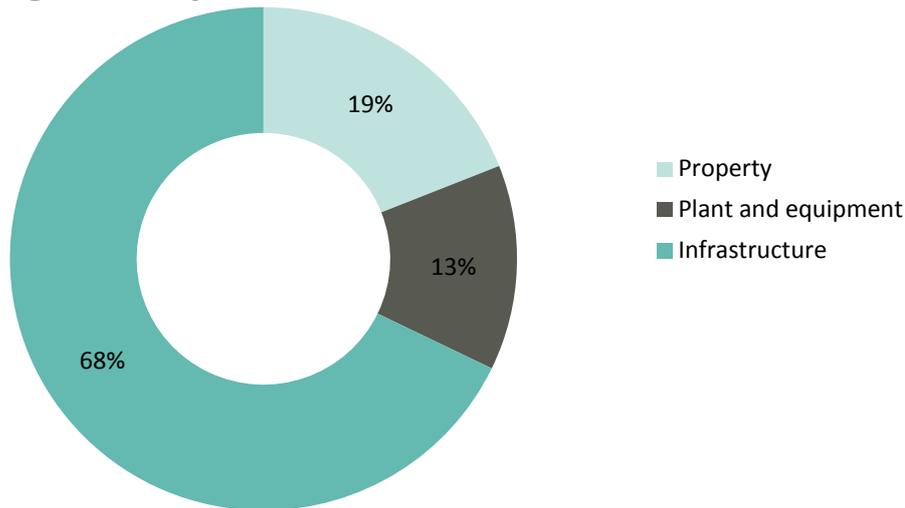
## 6. ANALYSIS OF CAPITAL BUDGET

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

### 6.1 Capital works

Capital Works Areas	Ref	Forecast Actual 2013/14 \$'000	Budget 2014/15 \$'000	Variance \$'000
<b>Property</b>	6.1.1			
Land Improvements		251	365	114
Buildings		0	288	288
Building Improvements		1,264	863	(401)
<b>Total property</b>		<b>1,515</b>	<b>1,516</b>	<b>1</b>
<b>Plant and equipment</b>	6.1.2			
Plant and Machinery		1,246	918	(328)
Computer Equipment		58	82	24
Library Collection		50	53	3
<b>Total plant and equipment</b>		<b>1,354</b>	<b>1,053</b>	<b>(301)</b>
<b>Infrastructure</b>	6.1.3			
Roads		7,797	4,075	(3,722)
Bridges		984	370	(614)
Footpaths and Cycleways		246	244	(2)
Drainage		635	125	(510)
Recreational, leisure and community facilities		107	122	15
Parks, Open Spaces and Streetscapes		420	400	(20)
Off Street Car Parks		0	40	40
Public Art		0	40	40
<b>Total infrastructure</b>		<b>10,189</b>	<b>5,416</b>	<b>(4,773)</b>
<b>TOTAL CAPITAL WORKS</b>		<b>13,058</b>	<b>7,985</b>	<b>(5,073)</b>
<b>Represented by:</b>				
Asset renewal expenditure	6.1.4	10,578	6,459	(4,119)
New asset expenditure	6.1.4	1,220	923	(297)
Asset upgrade/expansion expenditure	6.1.4	1,260	603	(657)
<b>Total capital works expenditure</b>		<b>13,058</b>	<b>7,985</b>	<b>(5,073)</b>

## Budgeted capital works 2014/15



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

### 6.1.1 Property (\$1.52 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 2014/15 year, \$1.516 million will be expended on property projects which is an increase of \$1,000 on 2013/14. The more significant projects include renewal and upgrade of the multi-purpose facility at Victoria Park, Daylesford (\$375,000), the Trentham Community Hub (\$250,000), an increase of \$228,000 or 91% in building renewal projects to \$478,000, a new storage shed at the Glenlyon Recreation Reserve (\$38,000), remedial works at the Creswick Landfill (\$140,000) and facilities improvements at the Basin Reserve, Daylesford (\$100,000).

### **6.1.2 Plant and equipment (\$1.053 million)**

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

For the 2014/15 year, \$1.053 million will be expended on plant and equipment projects. The more significant projects include the ongoing cyclical replacement of the plant and vehicle fleet (\$918,000), upgrade and replacement of information technology (\$47,000), acquisition of portable inspection devices (\$35,000) and the cyclical replacement of library collection purchases (\$53,000).

### **6.1.3 Infrastructure (\$5.416 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 2014/15 year, \$4.075 million will be expended on road projects. The more significant projects include: Sealed Pavement Rehabilitation (\$2.05 million), Road Resealing (\$1.34 million), Gravel Road Resheeting (\$550,000) and an upgrade to Suburban Street, Clunes (\$80,000).

\$370,000 will be expended on bridge projects, with the more significant projects being the new Slaty Creek Pedestrian Bridge (\$120,000), a new Hepburn Mineral Springs Reserve Pedestrian Bridge (\$100,000) and Bridge Renewal (\$150,000).

\$244,000 will be expended on footpath and cycleways projects, with the more significant projects being the Footpath Extension (\$103,250), a footpath extension and crossing in Newlyn (\$15,000) and Footpath Renewal (\$126,000).

\$125,000 will be expended on drainage projects, with the focus being Kerb and Channel Renewal.

\$122,000 will be expended on recreation, leisure and community facilities projects, with the projects being the Creswick Netball Court Resurfacing (\$60,000), new facilities for the Bullarto Community (\$22,000), Playground Renewal (\$25,000) and Cricket Pitch Renewal (\$15,000).

\$400,000 will be expended on parks, open spaces and streetscape projects, with the focus being the Implementation of Streetscape Plans in Clunes, Creswick, Trentham, Glenlyon and Hepburn Springs.

\$40,000 will be expended on one off car parking project which is the Jubilee car park.

\$40,000 will be expended on public art projects, with the focus being the Acquisition, Maintenance & Replacement of Public Art.

### **6.1.4 Asset renewal (\$6.459 million), new assets (\$923,000), asset upgrade/expansion (\$603,000)**

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.

The major projects included in the above categories, which constitute expenditure on new assets, are the Implementation of Streetscape Plans in Clunes, Creswick, Trentham, Glenlyon and Hepburn Springs (\$400,000), the construction of the Trentham Community Hub Stage 1 (\$250,000), Footpath Extension Projects (\$103,250), the Slaty Creek Pedestrian Bridge (\$120,000) and a new Hepburn Mineral Springs Reserve Pedestrian Bridge (\$100,000). 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 96.7% 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).

## 6.2 Funding sources

Sources of funding	Ref	Forecast	Budget	Variance
		Actual 2013/14 \$'000	2014/15 \$'000	\$'000
Grants	6.2.1	4,035	2,562	(1,473)
Contributions	6.2.2	0	105	105
Borrowings	6.2.3	0	500	500
Plant & Machinery Trade-Ins	6.2.4	296	254	(42)
Rates	6.2.5	4,260	4,564	304
Carried forward cash		4,467	0	(4,467)
<b>Total funding sources</b>		<b>13,058</b>	<b>7,985</b>	<b>(5,073)</b>

Source: Appendix A

### 6.2.1 Grants - Capital (\$2.562 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 Country Roads and Bridges (\$1,000,000), Roads to Recovery (\$686,000), Local Government Infrastructure Fund (\$323,000) and Implementation of Streetscape Plans in Clunes, Creswick, Trentham, Glenlyon and Hepburn Springs (\$300,000).

### 6.2.2 Contributions (\$105,000)

Recreational infrastructure contributions relate to monies paid by community organisations contributing towards the upgrade of community facilities, and the budget includes a community contribution towards the upgrade of the multi-purpose facility at Victoria Park, Daylesford of \$100,000.

### 6.2.3 Borrowings (\$500,000)

Council has 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.

### 6.2.4 Proceeds from plant and machinery trade-ins (\$254,000)

The sale of plant and machinery will generate income of \$254,000 through trade-ins.

### 6.2.5 Rates (\$4.564 million)

Council has allocated \$4.564 million or 26.7% of rates and charges income to capital expenditure.

### 6.2.5 Carried forward cash - (\$nil)

In 2013/14 Council funded \$2.467 of flood recovery capital expenditure from cash carried forward from grants received in prior years, and also undertook \$2.00 million of carried forward capital expenditure projects funded from cash carried forward from previous years.

## 7. ANALYSIS OF BUDGETED FINANCIAL POSITION

This section analyses the movements in assets, liabilities and equity between 2013/14 and 2014/15. It also considers a number of key performance indicators.

### 7.1 Budgeted balance sheet

	Ref	Forecast Actual 2014 \$'000	Budget 2015 \$'000	Variance \$'000
<b>Current assets</b>	7.1.1			
Cash and cash equivalents		12,702	13,282	580
Trade and other receivables		2,573	2,816	243
Financial assets		250	0	(250)
Other assets		107	120	13
<b>Total current assets</b>		<b>15,632</b>	<b>16,218</b>	<b>586</b>
<b>Non-current assets</b>	7.1.1			
Intangible assets		880	864	(16)
Property, infrastructure, plant and equipment		208,016	209,470	1,454
<b>Total non-current assets</b>		<b>208,896</b>	<b>210,334</b>	<b>1,438</b>
<b>Total assets</b>		<b>224,528</b>	<b>226,552</b>	<b>2,024</b>
<b>Current liabilities</b>	7.1.2			
Trade and other payables		2,669	2,812	143
Trust funds and deposits		1,055	1,068	13
Interest-bearing loans and borrowings		615	665	50
Prepaid income		182	165	(17)
Provisions		3,480	3,618	138
<b>Total current liabilities</b>		<b>8,001</b>	<b>8,328</b>	<b>327</b>
<b>Non-current liabilities</b>	7.1.2			
Interest-bearing loans and borrowings		3,812	3,647	(165)
Prepaid income		173	165	(8)
Provisions		536	548	12
<b>Total non-current liabilities</b>		<b>4,521</b>	<b>4,360</b>	<b>(161)</b>
<b>Total liabilities</b>		<b>12,522</b>	<b>12,688</b>	<b>166</b>
<b>Net assets</b>		<b>212,006</b>	<b>213,864</b>	<b>1,858</b>
<b>Equity</b>	7.1.4			
Accumulated surplus		134,286	135,714	1,428
Asset revaluation reserve		76,553	76,903	350
Other reserves		1,167	1,247	80
<b>Total equity</b>		<b>212,006</b>	<b>213,864</b>	<b>1,858</b>

Source: Appendix A

### 7.1.1 Current Assets (\$586,000 increase) and Non-Current Assets (\$1.44 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 increase by \$580,000 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 increase by \$243,000 predominantly reflecting the rise in ratepayers unable to pay their rates in full by balance date.

Financial assets comprise bank bills with a maturity of greater than ninety days. It is forecast that the \$250,000 bank bill on hand at 30 June 2014 will be converted to cash during the 2014/15 financial year.

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 increase by \$13,000 as at 30 June 2015.

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 (\$7.985 million of asset expenditure), depreciation of assets (\$6.695 million), the carrying value of property, plant and equipment disposed (\$0.254 million) and the revaluation of assets (\$0.350 million).

### 7.1.2 Current Liabilities (\$327,000 increase) and Non Current Liabilities (\$161,000 decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to increase \$143,000 on 2013/14 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to increase 3.7% which is consistent with the increase for Collective Agreement outcomes.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay net loan principal of \$115,000 over the year.

### 7.1.3 Working Capital (\$259,000 increase)

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

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

	Forecast		
	Actual	Budget	Variance
	2014	2015	
	\$'000	\$'000	\$'000
Current assets	15,632	16,218	(586)
Current liabilities	8,001	8,328	(327)
<b>Working capital</b>	<b>7,631</b>	<b>7,890</b>	<b>(259)</b>
Restricted cash and investment current assets			
- Statutory reserves	(997)	(1,077)	80
- Discretionary reserves	(170)	(170)	0
<b>Unrestricted working capital*</b>	<b>6,464</b>	<b>6,643</b>	<b>(179)</b>

\* Unrestricted working capital may also be committed to completion of carry forward capital works. Refer to table 6.2 for funding of capital works carried forward out of prior years.

#### **7.1.4 Equity (\$1.858 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 increase in accumulated surplus of \$1.428 million results directly from the operating surplus for the year.

#### **7.2 Key assumptions**

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

- The percentage of total rates and charges raised that will not be collected in the 2014/15 year will increase by 1.4% 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.
- Employee entitlements to be increased by the Collective Agreement outcome less the impact of more active management of leave entitlements of staff.
- Net repayment of loan principal to be \$115,000.
- Total capital expenditure to be \$7.985 million.

## 8. STRATEGIC RESOURCE PLAN AND FINANCIAL PERFORMANCE INDICATORS

This section includes an extract of the adopted 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 2014/15 to 2017/18 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 \$250,000 per annum
- Continue to close the infrastructure funding 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

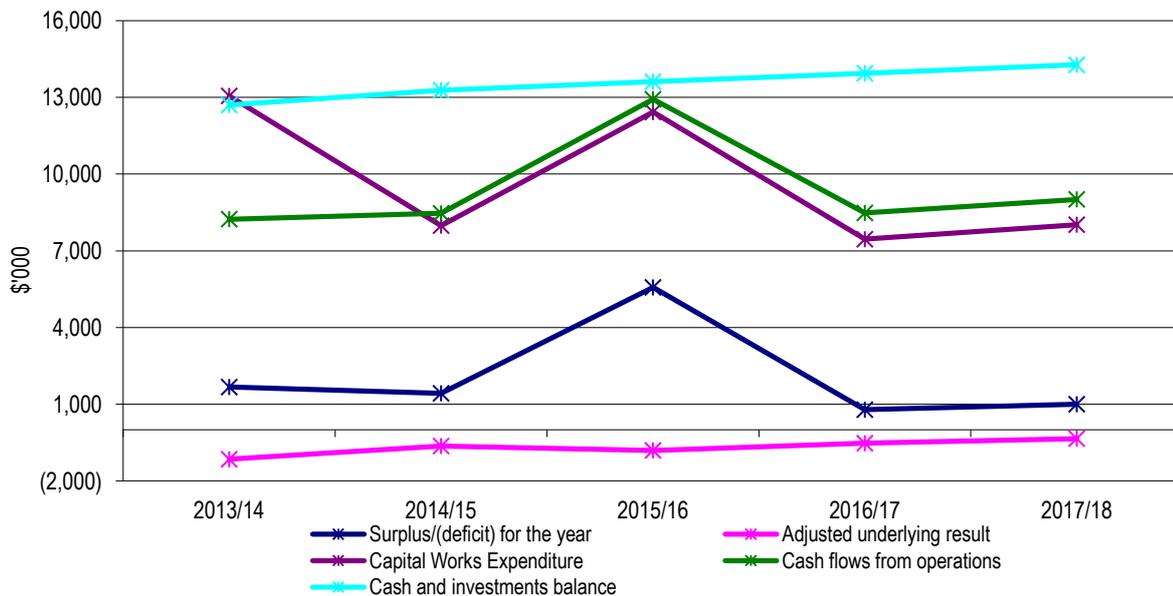
The following table summaries the key financial results for the next four years as set out in the SRP for years 2014/15 to 2017/18. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2013/14	2014/15	2015/16	2016/17	2017/18	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	1,674	1,428	5,571	788	1,002	-
Adjusted underlying result	(1,150)	(633)	(804)	(524)	(343)	+
Cash and investments balance	12,702	13,282	13,612	13,942	14,272	+
Cash flows from operations	8,239	8,466	12,928	8,483	9,013	+
Capital works expenditure	13,058	7,985	12,426	7,453	8,023	+

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 (7% or \$1.0 million) over the four year period from \$13.282 million to \$14.272 million, which indicates an underlying cash budget surplus of \$250,000 each year.
- **Rating levels (section 9)** – Modest rate increases are forecast over the four years at 4.0% per annum, well below that expected of comparable councils.
- **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 2014/15 and 2015/16 as a result of significant capital grant revenue being received to fund the major projects program. Years 2016/17 to 2017/18 forecast smaller operating surpluses without the major capital grants. However, excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result is a deficit reducing over the four year period. The underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.
- **Borrowing strategy (section 10)** – Borrowings are forecast to reduce 39% from \$4.312 million to \$2.639 million over the four year period. This includes new borrowings of \$500,000 in both 2014/15 and 2015/16.
- **Infrastructure strategy (section 10)** - Capital expenditure over the four year period will total \$35.89 million at an average of \$8.97 million per annum.

### 8.3 Financial performance indicators

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

Indicator	Measure	Notes	Forecast		Strategic Resource Plan Projections			Trend +/-
			Actual 2013/14	Budget 2014/15	Projections 2015/16	2016/17	2017/18	
<b>Operating position</b>								
Adjusted underlying result	Adjusted underlying (deficit) / Adjusted underlying revenue	1	-5.5%	-2.4%	-3.0%	-1.8%	-1.2%	+
<b>Liquidity</b>								
Working Capital	Current assets / current liabilities	2	195.4%	194.7%	197.3%	199.3%	204.6%	+
Unrestricted cash	Unrestricted cash / current liabilities	3	146.3%	146.6%	147.3%	147.7%	150.5%	+
<b>Obligations</b>								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	27.2%	25.2%	22.9%	17.9%	13.3%	+
Loans and borrowings	Interest and principal repayments / rate revenue		5.8%	5.3%	5.4%	5.3%	4.8%	+
Indebtedness	Non-current liabilities / own source revenue		22.3%	21.6%	19.7%	15.1%	11.6%	+
Asset renewal	Asset renewal expenditure / depreciation	5	171.1%	96.5%	101.7%	84.2%	87.0%	-
<b>Stability</b>								
Rates concentration	Rate revenue / adjusted underlying revenue	6	77.2%	65.3%	66.3%	66.5%	67.2%	-
	Rate revenue / total revenue	6	55.0%	59.2%	53.7%	63.5%	64.3%	-
Rates effort	Rate revenue / property values (CIV)		0.0475%	0.0460%	0.0478%	0.0465%	0.0483%	-
<b>Efficiency</b>								
Expenditure level	Total expenditure / no. of assessments		\$2,630	\$2,554	\$2,565	\$2,626	\$2,679	-
Expenditure level	Specific purpose grants expended / Specific purpose grants received		100.0%	100.0%	100.0%	100.0%	100.0%	o
Revenue level	General rate revenue / No. of general assessments		\$1,273	\$1,341	\$1,378	\$1,417	\$1,456	-
Workforce turnover	No. of resignations & terminations / average no. of 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

## Notes to indicators

**1 Adjusted underlying result** – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance is expected over the period, and continued losses are diminishing with an aim to reach break-even in five to seven years.

**2 Working Capital** – The proportion of current liabilities represented by current assets. Working capital is forecast to improve slightly over the SRP time frame to bring Council up towards the industry benchmark.

**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 2014 Council will have \$146.30 of unrestricted cash for every \$100.00 of current liabilities, and that unrestricted cash will rise to \$150.50 per \$100.00 of current liabilities at 30 June 2018.

**4 Debt compared to rates** - Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

**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 both total revenue and underlying revenue provides indicators of Council's reliance on rates revenue. Both these measures are forecast to deteriorate over the life of the SRP due to grant funding being forecast to decline over the period.

## 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.

Indicator	Forecast Actual	Budget 2014/15	Strategic Resource Plan Projections		
	2013/14		2015/16	2016/17	2017/18
Employee costs (\$'000)					
- Operating	10,974	<b>11,192</b>	11,389	11,682	12,108
- Capital	0	<b>0</b>	0	0	0
<b>Total</b>	<b>10,974</b>	<b>11,192</b>	<b>11,389</b>	<b>11,682</b>	<b>12,108</b>
Employee numbers (EFT)	133.86	<b>133.30</b>	133.30	133.30	133.30

## 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.

### 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 59% 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 Hebburn 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
2009/10	7.30%
2010/11	6.95%
2011/12	6.00%
2012/13	4.50%
2013/14	4.00%
<b>5 Year Average increase</b>	<b>5.75%</b>

### 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;
- To maintain a responsible and sustainable asset management program.

It is predicted that the 2014/15 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 \$8.466 million contribution from operations toward capital investment for the 2014/15 year is approaching the desired level required to stabilise Council's infrastructure renewal gap and underpins significant capital works programs in the future.

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 kerbside collection charge will decrease by 3.1%, the commercial garbage charge will increase by 1.9%, the recycling charge will increase by 2.6% and the waste management charge will increase by 7.5%. Council does not levy a municipal charge. This will raise total rates and charges for 2014/15 of \$17.088 million, including \$160,000 generated from supplementary rates. The combined revenue raised from all waste charges will increase by 5.2%, which is greater than the general rate rise and this has occurred because of an increase in the total cost of shire-wide waste management projects.

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 2014.

Year	General Rate Increase %	Garbage Charge Increase %	Commercial Garb Charge Increase %	Recycling Charge Increase %	Waste Mgt Charge Increase %	Total Rates Raised \$'000
2013/14	4.00	11.11	-41.94	4.20	-8.40	16,276
2014/15	4.00	-3.08	1.85	2.56	7.50	17,088
2015/16	4.00	4.00	4.00	4.00	4.00	17,949
2016/17	4.00	4.00	4.00	4.00	4.00	18,854
2017/18	4.00	4.00	4.00	4.00	4.00	19,804

### 9.3 Rating structure

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

- Property values 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 two 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 receive 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. Free tip vouchers are provided to those properties who do not receive a kerbside collection.

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

Rate type	Differential	How applied	2013/14	2014/15	Change
General rate	100.0%	Cents/\$ CIV	0.004254	0.004057	-4.6%
Farm rate	65.0%	Cents/\$ CIV	0.002765	0.002637	-4.6%
Commercial rate	116.0%	Cents/\$ CIV	0.004935	0.004706	-4.6%
Industry rate	116.0%	Cents/\$ CIV	0.004935	0.004706	-4.6%
Mixed use rate	116.0%	Cents/\$ CIV	0.004935	0.004706	-4.6%
Vacant land rate - township	125.0%	Cents/\$ CIV	0.005318	0.005071	-4.6%
Vacant land rate - other	100.0%	Cents/\$ CIV	0.004254	0.004057	-4.6%
Trust for nature rate	50.0%	Cents/\$ CIV	0.002127	0.002029	-4.6%
Recreational rate	50.0%	Cents/\$ CIV	0.002127	0.002029	-4.6%
Kerbside collection (Garbage)		\$/ property	\$130.00	\$126.00	-3.1%
Kerbside collection (Recycling)		\$/ property	\$54.00	\$55.00	1.9%
Commercial Garbage Charge		\$/ property	\$273.00	\$280	2.6%
Waste management charge		\$/ property	\$120.00	\$129	7.5%

## 9.4 General revaluation of properties

During the 2013/14 year, a revaluation of all properties within the municipality was carried out and will apply from 1 January 2014 for the 2014/15 year. The outcome of the general revaluation has been a moderate change in property valuations throughout the municipality. Overall, property valuations across the municipal district have increased by 8.6%.

The following table summarises the valuation changes between the 2012 and 2014 general revaluations for the nine differential rating categories, together with the rating changes between the 2013/14 and 2014/15 years based on a 4.0% rate increase and the valuation movements listed.

Differential Rate	Assessments	Valuation Change	Rating Change (Decrease)	Rates Raised
General Rate	7,117	9.9%	4.8%	\$9,546,677
Commercial Rate	735	7.7%	2.7%	\$1,947,545
Farm Rate	1,052	1.8%	-2.9%	\$1,593,940
Vacant Land Rate	921	13.2%	7.9%	\$612,826
Vacant Land Township Rate	730	17.1%	11.7%	\$545,903
Mixed Use Rate	98	10.2%	5.1%	\$266,025
Industrial Rate	53	8.1%	3.1%	\$85,353
Trust for Nature Rate	19	5.6%	0.7%	\$15,331
Recreational Rate	13	7.9%	2.9%	\$12,245
<b>Total</b>	<b>10,738</b>	<b>8.6%</b>	<b>4.0%</b>	<b>\$14,625,846</b>

In view of the outcomes of the general revaluation of all properties within the Council's municipal district during the 2013/14 year, Council has chosen not to make any changes to the existing rate differentials. In aggregate, total rates will increase by 4.0% compared to 2013/14. This will be achieved by reducing the rate in the dollar to offset the 8.6% increase in property valuations across the municipal district following the general revaluation.

## 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.

Borrowings for 2013/14 were \$1.423 million for Council's contribution to the Defined Benefit Superannuation Fund shortfall. For 2014/15 Council has 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. This level of new borrowings is then repeated in 2015/16 to enable the completion of these two important community projects

The SRP anticipates that Council will not take out any further loan borrowings (other than the \$1,000,000 outlined above) during the life of the SRP.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2013/14	1,423	632	320	4,427
2014/15	500	615	290	4,312
2015/16	500	693	279	4,119
2016/17	0	735	265	3,384
2017/18	0	745	215	2,639

Movement in borrowings:

	2013/14 \$'000	2014/15 \$'000
Total amount borrowed as at 30 June of the prior year	3,636	<b>4,427</b>
Total amount to be borrowed	1,423	<b>500</b>
Total amount projected to be redeemed	(632)	<b>(615)</b>
Total amount proposed to be borrowed as at 30 June	4,427	<b>4,312</b>

### 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 \$'000	Grants \$'000	Contributions \$'000	Summary of funding sources		
				Rates \$'000	Borrowings \$'000	Trade-Ins \$'000
2013/14	13,058	8,503	0	4,305	0	250
2014/15	7,985	2,562	105	4,564	500	254
2015/16	12,426	6,270	105	5,251	500	300
2016/17	7,453	1,302	10	5,841	0	300
2017/18	8,023	1,335	10	6,378	0	300

Council is budgeting to receive \$6.270 million in grant funding to fund major capital works projects in 2015/16, and has budgeted for the cessation of the Country Roads and Bridges Program funding of \$1 million per annum 2011/12 to 2014/15 and the cessation of the Local Government Infrastructure Program funding of \$323,000 in 2014/15. 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
2013/14	1,674	(1,150)	15,652
2014/15	1,428	(633)	16,278
2015/16	5,571	(804)	16,766
2016/17	788	(524)	17,437
2017/18	1,002	(343)	18,134

# 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	58
B	Rates and charges	65
C	Capital works program	70
D	Fees and charges schedule	78

# APPENDIX A

## Budgeted Statements

This appendix presents information in regard to the Budgeted Financial Statements and Statement of Human Resources. The budget information for the years 2014/15 to 2017/18 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		
	2013/14	2014/15	2015/16	2016/17	2017/18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenues from ordinary activities</b>					
Rates and charges	16,276	<b>17,088</b>	17,949	18,854	19,804
Statutory fees and fines	474	<b>444</b>	455	466	478
User fees	841	<b>910</b>	933	956	980
Contributions - cash	92	<b>185</b>	85	85	85
Grants - operating	4,488	<b>4,657</b>	4,756	4,858	4,962
Grants - capital	4,800	<b>3,999</b>	7,743	2,812	2,883
Net gain on disposal of assets	50	<b>52</b>	53	54	55
Interest	330	<b>280</b>	300	324	350
Rent	915	<b>944</b>	918	941	965
Other revenue	1,320	<b>296</b>	251	321	260
<b>Total revenues</b>	<b>29,586</b>	<b>28,855</b>	<b>33,443</b>	<b>29,671</b>	<b>30,822</b>
<b>Expenses from ordinary activities</b>					
Employee benefits	10,974	<b>11,192</b>	11,389	11,682	12,108
Materials and services	8,266	<b>6,808</b>	7,161	7,518	7,745
Special projects	618	<b>888</b>	417	397	319
Bad and doubtful debts	113	<b>105</b>	107	109	111
Depreciation and amortisation	6,182	<b>6,695</b>	7,030	7,382	7,751
Utilities	488	<b>517</b>	538	560	582
Finance costs	320	<b>290</b>	279	265	215
Other expenses	951	<b>932</b>	951	970	989
<b>Total expenses</b>	<b>27,912</b>	<b>27,427</b>	<b>27,872</b>	<b>28,883</b>	<b>29,820</b>
<b>Surplus for the year</b>	<b>1,674</b>	<b>1,428</b>	<b>5,571</b>	<b>788</b>	<b>1,002</b>
	0	0	0	0	0
<b>Other comprehensive income</b>					
Net asset revaluation increment	350	350	160	368	168
<b>Comprehensive result</b>	<b>2,024</b>	<b>1,778</b>	<b>5,731</b>	<b>1,156</b>	<b>1,170</b>

**Budgeted Balance Sheet**

For the four years ending 30 June 2019

	Forecast	Proposed	Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2017/18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>					
Cash and cash equivalents	12,702	<b>13,282</b>	13,612	13,942	14,272
Trade and other receivables	2,573	<b>2,816</b>	2,943	3,075	3,213
Financial Assets	250	<b>0</b>	0	0	0
Other assets	107	<b>120</b>	122	124	126
<b>Total current assets</b>	<b>15,632</b>	<b>16,218</b>	<b>16,677</b>	<b>17,141</b>	<b>17,611</b>
<b>Non-current assets</b>					
Intangible Assets	880	<b>864</b>	848	832	816
Property, infrastructure, plant and equipment	208,016	<b>209,470</b>	214,726	214,865	215,005
<b>Total non-current assets</b>	<b>208,896</b>	<b>210,334</b>	<b>215,574</b>	<b>215,697</b>	<b>215,821</b>
<b>Total assets</b>	<b>224,528</b>	<b>226,552</b>	<b>232,251</b>	<b>232,838</b>	<b>233,432</b>
<b>Current liabilities</b>					
Trade and other payables	2,669	<b>2,812</b>	2,896	2,983	3,072
Trust funds and deposits	1,055	<b>1,068</b>	1,063	1,063	1,063
Interest-bearing loans and borrowings	615	<b>665</b>	693	735	633
Provisions and other liabilities	3,662	<b>3,783</b>	3,802	3,821	3,840
<b>Total current liabilities</b>	<b>8,001</b>	<b>8,328</b>	<b>8,454</b>	<b>8,602</b>	<b>8,608</b>
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	3,812	<b>3,647</b>	3,426	2,649	2,006
Provisions and other liabilities	709	<b>713</b>	696	676	657
<b>Total non-current liabilities</b>	<b>4,521</b>	<b>4,360</b>	<b>4,122</b>	<b>3,325</b>	<b>2,663</b>
<b>Total liabilities</b>	<b>12,522</b>	<b>12,688</b>	<b>12,576</b>	<b>11,927</b>	<b>11,271</b>
<b>Net assets</b>	<b>212,006</b>	<b>213,864</b>	<b>219,675</b>	<b>220,911</b>	<b>222,161</b>
<b>Equity</b>					
Accumulated surplus	134,286	<b>135,714</b>	141,285	142,073	143,075
Asset revaluation reserve	76,553	<b>76,903</b>	77,063	77,431	77,599
Other reserves	1,167	<b>1,247</b>	1,327	1,407	1,487
<b>Total equity</b>	<b>212,006</b>	<b>213,864</b>	<b>219,675</b>	<b>220,911</b>	<b>222,161</b>

**Budgeted Statement of Changes in Equity**

For the four years ending 30 June 2019

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2015</b>				
Balance at beginning of the financial year	212,006	134,286	76,553	1,167
Surplus for the year	1,428	1,428		
Net asset revaluation increment	350		350	
Transfer to reserves	80			80
<b>Balance at end of the financial year</b>	<b>213,864</b>	<b>135,714</b>	<b>76,903</b>	<b>1,247</b>
<b>2016</b>				
Balance at beginning of the financial year	213,864	135,714	76,903	1,247
Surplus for the year	5,571	5,571		
Net asset revaluation increment	160		160	
Transfer to reserves	80			80
<b>Balance at end of the financial year</b>	<b>219,675</b>	<b>141,285</b>	<b>77,063</b>	<b>1,327</b>
<b>2017</b>				
Balance at beginning of the financial year	219,675	141,285	77,063	1,327
Surplus for the year	788	788		
Net asset revaluation increment	368		368	
Transfer to reserves	80			80
<b>Balance at end of the financial year</b>	<b>220,911</b>	<b>142,073</b>	<b>77,431</b>	<b>1,407</b>
<b>2018</b>				
Balance at beginning of the financial year	220,911	142,073	77,431	1,407
Surplus for the year	1,002	1,002		
Net asset revaluation increment	168		168	
Transfer to reserves	80			80
<b>Balance at end of the financial year</b>	<b>222,161</b>	<b>143,075</b>	<b>77,599</b>	<b>1,487</b>

## Budgeted Statement of Cash Flows

For the four years ending 30 June 2019

	Forecast	Proposed	Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2017/18
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Rates and charges	16,276	<b>17,088</b>	17,949	18,854	19,804
Grants - operating	4,488	<b>4,657</b>	4,756	4,858	4,962
Grants - capital	4,800	<b>3,999</b>	7,828	2,897	2,968
Interest	330	<b>280</b>	300	324	350
User fees and fines	1,315	<b>1,354</b>	1,388	1,422	1,458
Other revenue	2,327	<b>1,425</b>	1,169	1,262	1,225
	<b>29,536</b>	<b>28,803</b>	33,390	29,617	30,767
<i>Payments</i>					
Employee costs	(10,974)	<b>(11,192)</b>	(11,389)	(11,682)	(12,108)
Materials and consumables	(9,372)	<b>(8,213)</b>	(8,121)	(8,482)	(8,656)
Other expenses	(951)	<b>(932)</b>	(952)	(970)	(990)
	<b>(21,297)</b>	<b>(20,337)</b>	<b>(20,462)</b>	<b>(21,134)</b>	<b>(21,754)</b>
<b>Net cash provided by operating activities</b>	<b>8,239</b>	<b>8,466</b>	<b>12,928</b>	<b>8,483</b>	<b>9,013</b>
<b>Cash flows from investing activities</b>					
Proceeds from property, plant and equipment	250	254	300	300	300
Payments for property, plant and equipment	(13,058)	<b>(7,985)</b>	(12,426)	(7,453)	(8,023)
<b>Net cash used in investing activities</b>	<b>(12,808)</b>	<b>(7,731)</b>	<b>(12,126)</b>	<b>(7,153)</b>	<b>(7,723)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	1,423	<b>500</b>	500	-	-
Proceeds from sale of financial asset	515	<b>250</b>	-	-	-
Finance costs	(320)	<b>(290)</b>	(279)	(265)	(215)
Repayment of borrowings	(632)	<b>(615)</b>	(693)	(735)	(745)
<b>Net cash provided by (used in) financing activities</b>	<b>986</b>	<b>(155)</b>	<b>(472)</b>	<b>(1,000)</b>	<b>(960)</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>(3,583)</b>	<b>580</b>	<b>330</b>	<b>330</b>	<b>330</b>
Cash & cash equivalents at beginning of year	16,285	<b>12,702</b>	13,282	13,612	13,942
<b>Cash &amp; cash equivalents at end of year</b>	<b>12,702</b>	<b>13,282</b>	<b>13,612</b>	<b>13,942</b>	<b>14,272</b>

## Budgeted Statement of Capital Works

For the four years ending 30 June 2019

	Forecast	Proposed	Strategic Resource Plan		
	Actual	Budget	Projections		
	2013/14	2014/15	2015/16	2016/17	2017/18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Capital works areas</b>					
Roads and bridges	10,082	<b>5,294</b>	4,721	4,797	5,025
Recreation	107	<b>122</b>	59	61	63
Property	1,515	<b>1,516</b>	6,556	1,467	1,768
Plant and equipment	1,354	<b>1,053</b>	1,090	1,128	1,167
<b>Total capital works</b>	<b>13,058</b>	<b>7,985</b>	<b>12,426</b>	<b>7,453</b>	<b>8,023</b>

### Represented by:

Asset renewal	10,578	<b>6,459</b>	7,150	6,219	6,746
New assets	1,220	<b>923</b>	3,423	610	631
Asset expansion/upgrade	1,260	<b>603</b>	1,853	624	646
<b>Total capital works</b>	<b>13,058</b>	<b>7,985</b>	<b>12,426</b>	<b>7,453</b>	<b>8,023</b>

## Budgeted Statement of Human Resources

For the four years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2013/14	2014/15	2015/16	2016/17	2017/18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff expenditure</b>					
Employee costs - operating	10,974	<b>11,192</b>	11,389	11,682	12,108
Employee costs - capital	0	<b>0</b>	0	0	0
<b>Total staff expenditure</b>	<b>10,974</b>	<b>11,192</b>	<b>11,389</b>	<b>11,682</b>	<b>12,108</b>

### Staff numbers

Equivalent Full-time Positions	133.86	133.30	133.30	133.30	133.30
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	2013/14 cents/\$CIV	2014/15 cents/\$CIV	Change
General rate	0.004254	0.004057	-4.6%
Farm rate	0.002765	0.002637	-4.6%
Commercial rate	0.004935	0.004706	-4.6%
Industry rate	0.004935	0.004706	-4.6%
Mixed use rate	0.004935	0.004706	-4.6%
Vacant land rate - township	0.005318	0.005071	-4.6%
Vacant land rate - other	0.004254	0.004057	-4.6%
Trust for nature rate	0.002127	0.002029	-4.6%
Recreational rate	0.002127	0.002029	-4.6%

##### 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	2013/14 \$	2014/15 \$	Change
General Rate	8,937,000	9,546,000	6.8%
Commercial Rate	1,919,000	1,948,000	1.5%
Farm Rate	1,630,000	1,594,000	-2.2%
Vacant Land Rate	572,000	613,000	7.2%
Vacant Land Township Rate	492,000	546,000	11.0%
Mixed Use Rate	270,000	266,000	-1.5%
Industrial Rate	80,000	85,000	6.3%
Trust for Nature Rate	15,000	15,000	0.0%
Recreational Rate	12,000	12,000	0.0%
<b>Total amount to be raised by general rates</b>	<b>13,927,000</b>	<b>14,625,000</b>	<b>5.0%</b>

**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	2013/14 number	2014/15 number	Change
General Rate	7,021	7,117	1.4%
Commercial Rate	749	735	-1.9%
Farm Rate	1,036	1,052	1.5%
Vacant Land Rate	919	921	0.2%
Vacant Land Township Rate	703	730	3.8%
Mixed Use Rate	104	98	-5.8%
Industrial Rate	50	53	6.0%
Trust for Nature Rate	18	19	5.6%
Recreational Rate	13	13	0.0%
<b>Total number of assessments</b>	<b>10,613</b>	<b>10,738</b>	<b>1.2%</b>

**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	2013/14 \$	2014/15 \$	Change
General Rate	2,140,487,000	2,353,137,000	9.9%
Commercial Rate	384,159,000	413,843,000	7.7%
Farm Rate	593,658,000	604,452,000	1.8%
Vacant Land Rate	133,452,000	151,054,000	13.2%
Vacant Land Township Rate	91,922,000	107,652,000	17.1%
Mixed Use Rate	51,288,000	56,529,000	10.2%
Industrial Rate	16,771,000	18,137,000	8.1%
Trust for Nature Rate	7,158,000	7,556,000	5.6%
Recreational Rate	5,592,000	6,035,000	7.9%
<b>Total value of land</b>	<b>3,424,487,000</b>	<b>3,718,395,000</b>	<b>8.6%</b>

**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 2013/14 \$	Per Rateable Property 2014/15 \$	Change
Kerbside collection (Garbage)	130.00	126.00	-3.08%
Kerbside collection (Recycling)	54.00	55.00	1.85%
Commercial garbage charge	273.00	280.00	2.56%
Waste management charge	120.00	129.00	7.50%
<b>Total</b>	<b>577.00</b>	<b>590.00</b>	<b>2.3%</b>

**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	2013/14 \$	2014/15 \$	Change
Kerbside collection (Garbage)	618,000	628,000	1.6%
Kerbside collection (Recycling)	284,000	291,000	2.5%
Commercial garbage charge	54,000	55,000	1.9%
Waste management charge	1,233,000	1,329,000	7.8%
<b>Total</b>	<b>2,189,000</b>	<b>2,303,000</b>	<b>5.2%</b>

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

Type of Charge	2013/14 \$	2014/15 \$	Change
Rates and charges	16,276,000	17,088,000	5.0%

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

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

- The making of supplementary valuations (2014/15: estimated \$160,000, 2013/14: \$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 land.

**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 2013/14), 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 2014/15 year.

#### Capital works program

For the year ending 30 June 2015

Capital Works Area	Total Project Cost \$'000	Summary of funding sources				
		Grants \$'000	Contributions \$'000	Borrowings \$'000	Trade-Ins \$'000	Rates \$'000
<b>PROPERTY</b>						
<b>Land Improvements</b>						
<b>Asset renewal expenditure</b>						
Basin Reserve Facility Improvements - LGIF	100	100	0	0	0	0
Lake Daylesford Improvements - Stage 2 - LGIF	65	65	0	0	0	0
<b>Total asset renewal expenditure - land improvements</b>	<b>165</b>	<b>165</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Asset expansion/upgrade expenditure</b>						
Creswick Skate Park Development	60	40	0	0	0	20
Creswick Landfill PANs Response	140	0	0	0	0	140
<b>Total asset expansion/upgrade expenditure - land improvements</b>	<b>200</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>160</b>
<b>TOTAL LAND IMPROVEMENTS</b>	<b>365</b>	<b>205</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>160</b>
<b>Buildings</b>						
<b>New asset expenditure</b>						
Storage Shed - Glenlyon Recreation Reserve	38	0	3	0	0	35
Trentham Community Hub	250	0	0	250	0	0
<b>Total new asset expenditure - buildings</b>	<b>288</b>	<b>0</b>	<b>3</b>	<b>250</b>	<b>0</b>	<b>35</b>
<b>TOTAL BUILDINGS</b>	<b>288</b>	<b>0</b>	<b>3</b>	<b>250</b>	<b>0</b>	<b>35</b>
<b>Building Improvements</b>						
<b>Asset renewal expenditure</b>						
Building Renewal Program	478	0	0	0	0	478
Multi Purpose Facility - Victoria Park, Daylesford	175	0	50	125	0	0
<b>Total asset renewal expenditure - building improvements</b>	<b>653</b>	<b>0</b>	<b>50</b>	<b>125</b>	<b>0</b>	<b>478</b>
<b>Asset expansion/upgrade expenditure</b>						
Clunes Community Centre Improvements	20	0	0	0	0	20
Upgrade Kitchen - Daylesford Town Hall	15	0	0	0	0	15
Multi Purpose Facility - Victoria Park, Daylesford	175	0	50	125	0	0
<b>Total asset expansion/upgrade expenditure - building improvements</b>	<b>210</b>	<b>0</b>	<b>50</b>	<b>125</b>	<b>0</b>	<b>35</b>
<b>TOTAL BUILDING IMPROVEMENTS</b>	<b>863</b>	<b>0</b>	<b>100</b>	<b>250</b>	<b>0</b>	<b>513</b>
<b>TOTAL PROPERTY</b>	<b>1,516</b>	<b>205</b>	<b>103</b>	<b>500</b>	<b>0</b>	<b>708</b>

Capital Works Area	Total Project Cost	Summary of funding sources					Rates
		Grants	Contributions	Borrowings	Trade-Ins		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PLANT AND EQUIPMENT</b>							
<b>Plant and Machinery</b>							
<b>Asset renewal expenditure</b>							
Fleet and Plant Replacement	905	0	0	0	254	651	
Total asset renewal expenditure - plant and machinery	905	0	0	0	254	651	
<b>Asset expansion/upgrade expenditure</b>							
Upgrade Council Depot diesel storage facilities for B20 biodiesel	13	13	0	0	0	0	
Total asset expansion/upgrade expenditure - plant and machinery	13	13	0	0	0	0	
<b>TOTAL PLANT AND MACHINERY</b>	<b>918</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>254</b>	<b>651</b>	
<b>Computer Equipment</b>							
<b>New asset expenditure</b>							
Portable Inspection Devices	35	0	0	0	0	35	
Total new asset expenditure - computer equipment	35	0	0	0	0	35	
<b>Asset renewal expenditure</b>							
IT Hardware Renewal	47	0	0	0	0	47	
Total asset renewal expenditure - computer equipment	47	0	0	0	0	47	
<b>TOTAL COMPUTER EQUIPMENT</b>	<b>82</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>82</b>	
<b>Library Collection</b>							
<b>Asset renewal expenditure</b>							
Library Collection Renewal	53	0	0	0	0	53	
Total asset renewal expenditure - library collection	53	0	0	0	0	53	
<b>TOTAL LIBRARY COLLECTION</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53</b>	
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>1,053</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>254</b>	<b>786</b>	
<b>INFRASTRUCTURE</b>							
<b>Roads</b>							
<b>Asset renewal expenditure</b>							
Reseal Preparation Program	85	0	0	0	0	85	
Reseal Program	1,250	0	0	0	0	1,250	
Gravel Road Resheeting Program	550	0	0	0	0	550	
Sealed Pavement Rehabilitation / Renewal	1,800	1,686	0	0	0	114	
Renewal Gap	250	0	0	0	0	250	
Total asset renewal expenditure - roads	3,935	1,686	0	0	0	2,249	
<b>Asset expansion/upgrade expenditure</b>							
Suburban St Clunes Upgrade	80	0	0	0	0	80	
Road Safety Improvements	60	0	0	0	0	60	
Total asset expansion/upgrade expenditure - roads	140	0	0	0	0	140	
<b>TOTAL ROADS</b>	<b>4,075</b>	<b>1,686</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,389</b>	

Capital Works Area	Total Project Cost \$'000	Summary of funding sources					Rates \$'000
		Grants \$'000	Contributions \$'000	Borrowings \$'000	Trade-Ins \$'000		
<b>Bridges</b>							
<b>New asset expenditure</b>							
Hepburn Mineral Springs Reserve Pedestrian Bridge	100	60	0	0	0	40	
Slaty Creek Pedestrian Bridge	120	80	0	0	0	40	
<b>Total new asset expenditure - bridges</b>	<b>220</b>	<b>140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>	
<b>Asset renewal expenditure</b>							
Bridge Renewal Program	150	0	0	0	0	150	
<b>Total asset renewal expenditure</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150</b>	
<b>TOTAL BRIDGES</b>	<b>370</b>	<b>140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>230</b>	
<b>Footpaths and Cycleways</b>							
<b>New asset expenditure</b>							
Footpath Extension Program - LGIF	103	103	0	0	0	0	
Newlyn Footpath Extension & Crossing - LGIF	15	15	0	0	0	0	
<b>Total new asset expenditure - footpaths and cycleways</b>	<b>118</b>	<b>118</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Asset renewal expenditure</b>							
Footpath Renewal	126	0	0	0	0	126	
<b>Total asset renewal expenditure - footpaths</b>	<b>126</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>126</b>	
<b>TOTAL FOOTPATHS AND CYCLEWAYS</b>	<b>244</b>	<b>118</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>126</b>	
<b>Drainage</b>							
<b>Asset renewal expenditure</b>							
Kerb & Channel Renewal Program	125	0	0	0	0	125	
<b>Total asset renewal expenditure - drainage</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>	
<b>TOTAL DRAINAGE</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>	
<b>Recreational, leisure and community facilities</b>							
<b>New asset expenditure</b>							
Bullarto Community Facilities	22	0	2	0	0	20	
<b>Total new asset expenditure - recreation, leisure and community facilities</b>	<b>22</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>20</b>	
<b>Asset renewal expenditure</b>							
Cricket Pitch Renewal Program	15	0	0	0	0	15	
Playground Renewal Program	25	0	0	0	0	25	
Netball Court Resurfacing - Creswick - LGIF	60	60	0	0	0	0	
<b>Total asset renewal expenditure - recreation, leisure and community facilities</b>	<b>100</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>	
<b>TOTAL RECREATION, LEISURE AND COMMUNITY FACILITIES</b>	<b>122</b>	<b>60</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>60</b>	

Capital Works Area	Total Project Cost \$'000	Summary of funding sources					Rates \$'000
		Grants \$'000	Contributions \$'000	Borrowings \$'000	Trade-Ins \$'000		
<b>Parks, Open Spaces and Streetscapes</b>							
<b>New asset expenditure</b>							
Implementation of Streetscape Plans (Clunes, Creswick, Trentham, Glenlyon & Hepburn Springs)	200	150	0	0	0	50	
<b>Total new asset expenditure parks, open space and streetscapes</b>	<b>200</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	
<b>Asset renewal expenditure</b>							
Implementation of Streetscape Plans (Clunes, Creswick, Trentham, Glenlyon & Hepburn Springs)	200	150	0	0	0	50	
<b>Total asset renewal expenditure parks, open space and streetscapes</b>	<b>200</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>	
<b>TOTAL PARKS, OPEN SPACE AND STREETSAPES</b>	<b>400</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	
<b>Off Street Car Parks</b>							
<b>Asset expansion/upgrade expenditure</b>							
Jubilee Car Park - LGIF	40	40	0	0	0	0	
<b>Total asset expansion/upgrade expenditure - off street car parks</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL OFF STREET CAR PARKS</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Public Art</b>							
<b>New asset expenditure</b>							
Public Art Acquisition, Maintenance & Replacement	40	0	0	0	0	40	
<b>Total new asset expenditure - public art</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>	
<b>TOTAL PUBLIC ART</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>	
<b>TOTAL INFRASTRUCTURE</b>	<b>5,416</b>	<b>2,344</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>3,070</b>	
<b>TOTAL CAPITAL WORKS 2014/15</b>	<b>7,985</b>	<b>2,562</b>	<b>105</b>	<b>500</b>	<b>254</b>	<b>4,564</b>	
<b>REPRESENTED BY:</b>							
New asset expenditure	923	408	5	250	0	260	
Asset renewal expenditure	6,459	2,061	50	125	254	3,969	
Asset expansion/upgrade expenditure	603	93	50	125	0	335	
<b>Total Asset Expenditure</b>	<b>7,985</b>	<b>2,562</b>	<b>105</b>	<b>500</b>	<b>254</b>	<b>4,564</b>	

## Non-capital projects program

For the year ending 30 June 2015

Non-Capital Projects	Summary of funding sources			Council Rates \$'000
	Project Cost	Grants	Contributions	
	\$'000	\$'000	\$'000	
Maintenance partnership for Lake Daylesford	5	0	0	5
Hepburn Depot - soil decontamination and rectification	180	0	0	180
Tree safety works	90	0	0	90
Staff climate survey	10	0	0	10
Develop detailed Bio-energy from waste business case	25	20	0	5
Review of Hepburn Shire's 2011-2015 Sustainability Strategy	30	20	0	10
Enhance the approved street lighting project by upgrading to LED lights	35	0	0	35
Health & Wellbeing Program	10	0	0	10
Study Into Pay & Display Parking Meters in Daylesford	10	0	0	10
Implementation of Waste Strategy	30	20	0	10
Community Planning Fund	10	0	0	10
Trentham Childcare Feasibility and Business Plan	20	0	0	20
Swimming Pool Safety Inspection Program - Private Swimming Pools	41	0	0	41
Biodeversity Strategy Development	2	0	0	2
HMSR - 150 Year Celebration	7	0	0	7
Glenlyon Township Maintenance	18	0	0	18
Roadside Grooming & Fire Hazard Reduction	10	0	0	10
WHBG Master Plan	25	0	0	25
VIC Town Maps - reprint, remap and redesign	25	0	20	5
Student Scholarship Program & work experience	15	0	0	15
Bullarto to Lyonville Rail Trail	35	0	0	35
Recreation & Open Space Strategy	45	30	0	15
Waste - Social Enterprise	175	75	0	100
ARC Improvements	15	0	0	15
Additional Support for ANZAC Centenary	5	0	0	5
Street banner brackets and Decorations	15	0	0	15
<b>TOTAL NON-CAPITAL PROJECTS</b>	<b>888</b>	<b>165</b>	<b>20</b>	<b>703</b>

# 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 2014/15 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
- Daylesford Arc
- Libraries
- Community Services
- Home and Community Care Services
- Functions in Council Reserves – Daylesford – Victoria Park, Wombat Gardens & Lake Daylesford Foreshore
- Doug Lindsay Reserve
- Creswick Town Hall
- Clunes Town Hall
- Daylesford Town Hall
- The Warehouse – Clunes
- Photocopying/Printing
- Rates Information
- Freedom of Information
- Dishonoured Payments

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

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>ENVIRONMENTAL HEALTH</b>		
<b>CLASS 1: High risk unpackaged food supplied to vulnerable people</b> Premises include: Child Care, Kindergartens, Aged Care and Nursing Homes	\$410	\$424
<b>CLASS 2: Handling unpackaged high risk potentially hazardous foods</b>		
2(A) Premises include: Cafes, Caterers, Supermarket, Groceries, Fast Food	\$358	\$370
2(B) Accommodation Centres, Food Vehicles	\$294	\$304
2(C) Community Groups, Sporting Clubs both serving full meals (½ Annual Fee of Class 2(B))	\$148	\$153
<b>CLASS 3: Handling and supplying low risk unpackaged foods</b>		
3(A) Milk Bars, Convenience Stores, Fruit Stall, Pre-packaged	\$220	\$227
3(B) Seasonal Kiosks, Community Groups, Sporting Clubs (½ Annual Fee of Class 3(A))	\$111	\$115
<b>CLASS 4: Low risk to public health packaged food</b> (includes Newsagents, Pharmacies, Video Stores)	Fee Exempt	Fee Exempt
Hairdressers, Beauty Parlours*	\$119	\$123
Skin Penetration*	\$258	\$267
Prescribed Accommodation – hotels/motels, recreation camps, B&Bs (NOT self contained or exclusive use of Units, Villas, Houses)*		
6 to 10 persons*	\$226	\$233
Over 10 persons*	\$280	\$289
Caravan Parks*	Fees for Caravan Parks are due on 1/1/2015 as they are 3 yearly registrations	
New Premises Registration	\$205	\$212
Transfer of Registration*	50% of annual registration fee	
Special Visit – Pre-purchase inspections*	\$174	\$180
New Septic Tank systems*	\$450	\$485
Alterations to Septic Tank systems*	\$225	\$232
<b>New Fees</b>		
Extension of Time for Septic Permit		\$135
Property Enquiries/Plan Search – Commercial (site history/copies of permits/copies of endorse plans/etc)*		\$80
Property Enquiries/Plan Search –Residential (site history/copies of permits/copies of endorse plans/etc)*		\$80
Written request for General Advice		\$80
Special request for inspection – septic, food premises		\$155
Class 2(D) one off community group activity – certificate		\$175

## Schedule of Fees and Charges 2014/15

### 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 2014/15

Description of Charge		Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>TOWN PLANNING</b>			
<b>Part 1: Prescribed Statutory Fees (subject to change by State Government)</b>			
<b>Applications for Planning Permits (Regulation 7)</b>			
<b>Class</b>	<b>Application Type</b>		
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	
<b>Subdivision</b>			
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 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>TOWN PLANNING</b>		
<b>Class Description (Regulations 7 &amp; 8)</b>		
	<b>Notes for classes of fees under Regulations 7 &amp; 8, not additional fees</b>	
a	Applications for permit under Section 47, other than an application under Section 96(1) of the <i>Planning &amp; 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	

<b>Applications for Planning Permits (Regulation 7)</b>		
Class	Application Type	
<b>Combined Permit Applications</b>		
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
<b>Fees to Amend Applications after Notice has been Given (Regulation 8A)</b>		
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 2014/15

Description of Charge		Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>TOWN PLANNING</b>			
<b>Applications for Amendments to Permits (Regulation 8B)</b>			
	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	
<b>Amended Plans Single Dwelling on a lot less than 500 square metres</b>			
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	
<b>Amended Plans Two (2) or more dwellings or industrial or Commercial Developments</b>			
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	
<b>To amend a permit if the estimated cost of any additional development to be permitted by the amendment is:</b>			
	> \$10,000 – \$250,000*	\$604	
7o	> \$250,001 – \$500,000*	\$707	
8g	> \$500,000*	\$815	
<b>Amendment to Permit &amp; Plans Subdivision</b>			
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 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>TOWN PLANNING</b>		
<b>Amendments to Planning Schemes (Regulation 6)</b>		
Stage 1	<ul style="list-style-type: none"> <li>• Considering a request to amend a planning scheme; and</li> <li>• Taking action required by Division 1 of Part 3 of the Planning and Environment Act 1987; and</li> <li>• Considering any submissions which do not seek a change to the amendment; and</li> <li>• If applicable, abandoning the amendments in accordance with Section 28*</li> </ul>	\$798
Stage 2	<ul style="list-style-type: none"> <li>• Considering submissions which seek a change to a amendment and where necessary referring the submissions to a panel; and</li> <li>• Providing assistance to a panel in accordance with Section 158; and</li> <li>• Making a submission in accordance with Section 24(b) and</li> <li>• Considering the report in accordance with Section 27; and</li> </ul>	\$798
	<ul style="list-style-type: none"> <li>• After considering submissions and the report in accordance with Section 27, if applicable, abandoning the amendment in accordance with Section 28*</li> </ul>	
Stage 3	<ul style="list-style-type: none"> <li>• Adopting an amendment or a part of a amendment in accordance with Section 29; and</li> <li>• Submitting the amendment for approval in accordance with Section 31*</li> </ul>	\$524
Stage 4	<ul style="list-style-type: none"> <li>• Considering a request to approve a amendment in accordance with Section 35; and</li> <li>• Giving notice of approval of an amendment in accordance with Section 36*</li> </ul>	\$798
	<p><b>Note:</b> Fees for Stages 1, 2 &amp; 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.</p>	

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>TOWN PLANNING</b>		
<b>Combined Permit Application and Planning Scheme Amendment</b>		
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.		
<b>Certificates of Compliance (Regulation 10)</b>		
Application for a Certificate of Compliance under Section 97N*	\$147	
<b>Planning Certificates (Regulation 11)</b>		
Application of a Planning Certificate under Section 198*	\$18.20	
<b>Satisfaction Matters (Regulation 12)</b>		
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	

<b>Part 2: Administrative Charges (Non Statutory Fees)</b>		
<b>Enquiries</b>		
Written request for Heritage Control advice	\$65.00	\$80.00
Written request for Demolition Control advice (Section 29A – Form 8)	\$65.00	\$80.00
Written request for General Planning advice	\$65.00	\$80.00
Request for email aerial photographs	\$26.50	\$30.00
Property Enquiries/Plan Search – Commercial (Site history/copies of permits/copies of endorse plans/etc)	\$65.00	\$80.00
Property Enquiries/Plan Search – Residential (Site history/copies of permits/copies of endorse plans/etc)	\$65.00	\$80.00
<b>Extension of Time</b>		
Extension of Time for permits – 1 <sup>st</sup> request	\$130.00	\$135.00
Extension of Time for permits – 2nd request	\$130.00	\$135.00
Extension of Time for permits – 3rd request	\$130.00	\$135.00
Subsequent requests	\$130.00	\$135.00
<b>Refunds</b>		
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

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>TOWN PLANNING</b>		
<b>New Fees</b>		
Secondary Consent		\$207.00
Advertising – A3 Notice		\$50.00
Advertising – Letters to adjoining owners		\$10.00
Advertising – Notice in Newspaper		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](http://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.

\*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).

The non-statutory fees are above the benchmark for the surrounding municipalities. A policy is to be formed to determine future non stat fees rises.

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>BUILDING SERVICES</b>		
<b>Residential</b>		
New Dwelling	\$400 plus \$4.25 per m <sup>2</sup> (plus levy & lodgement fee) (Minimum \$900)	\$413 plus \$4.35 per m <sup>2</sup> (plus levy & lodgement fee) (Minimum \$990)
Alteration to Dwelling	\$400 plus \$4.25 per m <sup>2</sup> (plus levy & lodgement fee) (Minimum \$900)	\$413 plus \$4.35 per m <sup>2</sup> (plus levy & lodgement fee) (Minimum \$990)
Addition to a Dwelling	\$350 plus \$4.00 per m <sup>2</sup> (plus levy & lodgement fee) (Minimum \$500)	\$362 plus \$4.15 per m <sup>2</sup> (plus levy & lodgement fee) (Minimum \$516.50)
Units	(Minimum \$900 per unit)	(Minimum \$930 per unit)
Garages/Carports up to \$10,000	\$400 (plus lodgement fee)	\$413 (plus lodgement fee)
Garages/Carports over \$10,000	\$450 (plus lodgement fee and levy)	\$465 (plus lodgement fee and levy)
Swimming Pools	\$400.00	\$413.00
Solid Fuel heaters	\$175.00	\$181.00
Restump	\$250.00	\$258.00
Lodgement Fees (Payable on Council & Private Building Surveyor Projects)*	\$34.85	
Conducting an assessment for compliance under AS3959 (Bushfire Code)	\$220.00	\$227.00
<b>Commercial/Industrial</b>		
All works under \$5,000	\$350.00	\$362.00
Works valued \$5,000 – \$30,000	\$500.00	\$517.00
Works valued \$30,000 – \$250,000	\$Cost x 0.25% plus \$451 (Minimum \$550)	\$Cost x 0.25% plus \$466 (Minimum \$568)
Works valued \$250,000 – \$500,000	\$Cost x 0.25% plus \$902	\$Cost x 0.25% plus \$932
Works valued over \$500,000	\$Cost x 0.25% plus \$1,606	\$Cost x 0.25% plus \$1,659
Lodgement Fees (Commercial/Industrial)*	\$34.85	
<b>Demolition</b>		
Single Storey Building	\$300 plus (Sec 29A fee \$58.17)	\$310 plus (Sec 29A fee \$60.90)
Any other building more than one storey	\$275 per storey plus (Sec 29A fee)	\$284 per storey plus (Sec 29A fee)

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>Other Permits/Services</b>		
Fences and signs	\$210.00	\$217.00
Swimming Pool Reports (Existing)	\$200 plus GST	\$207.00
Request for variation of siting*	\$232.93	
Permit to erect hoarding/public protection	\$120.00	\$124.00
Any other service not otherwise provided for	Hourly rate \$150 plus GST	Hourly rate \$155 plus GST
Extension of Time for a Permit	\$200.00	\$207.00
Amendment to a Building Permit	\$200.00	\$207.00
Inspection associated with lapsed permits	\$150 per inspection	\$155 per inspection
State Government Building Levy Cost recovery of levy*	1.28 per \$1,000 value of works (ie Cost of works x 0.00128)	
<b>Requests for Information</b>		
Property Certificates (last 10 years information)*	\$46.45	
Temporary Structures	\$250.00	\$258.00
Copies of Plans from Building files*	\$46.45	\$80.00
Written Advice		\$80.00
Inspection on behalf of other practitioner	\$110.00	\$114.00
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.

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

The state average referred to is based on information collated from 35 Councils across the state.

Due to the competitive nature of the deregulated building industry, it is difficult to have direct comparison and benchmarking due to privacy of information and potential price collusion issues.

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>DOMESTIC &amp; COMMERCIAL WASTE – TIPPING FEES</b>		
<b>Domestic and Commercial Waste</b>		
Car/Boot Load (½ m <sup>3</sup> max)	\$17.00	\$18.00
Utility/Small Trailer (1.0 m <sup>3</sup> max)	\$34.00	\$36.00
Small Truck/Tandem Trailer (2.0 m <sup>3</sup> max)	\$68.00	\$72.00
Other Loads that are non-commercial / m <sup>3</sup>	\$32.00	\$36.00
Commercial or Industrial Waste	N/A	Not accepted
Clean Green Waste / m <sup>3</sup>	\$17	\$18
Recyclables (2.0 m <sup>3</sup> max)	No charge	No charge
<b>Tyres</b>		
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
<b>Other</b>		
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)	No charge	\$10.00
Refrigerators and freezers (Gassed)	\$52.00	\$10.00
TV / E-Waste Item / Computer	\$5.00	\$6.00
Mattresses	\$24.00	\$25.00
<b>Sale of Garbage Bins</b>		
120 ltr bin	\$50	\$50
240 ltr bin	\$65	\$65

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>TECHNICAL</b>		
Legal Point of Discharge*	\$56.45	
<b>Consent to Work on Road where speed greater than 50 kph</b>		
Works on road, shoulder or pathway (max speed greater	\$577.80	
Road but <b>NOT</b> on roadway, shoulder or pathway	\$321.00	
Minor works on a road, shoulder or pathway	\$147.70	
Minor works but <b>NOT</b> on a road, shoulder or pathway	\$64.20	
<b>Consent to Work on Road where speed not more than 50 kph</b>		
Works on road, shoulder or pathway	\$256.60	
Road but <b>NOT</b> on roadway, shoulder or pathway	\$64.20	
Minor works on a road, shoulder or pathway	\$147.70	
Minor works but <b>NOT</b> on a road, shoulder or pathway	\$64.20	

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>COMPLIANCE (Local Laws)</b>		
<b>Animal Registration Fees</b>		
Dog – Full fee*	\$80.00	\$83.00
Dog – Discounted fee*#	\$27.00	
Cat – Full fee*	\$67.00	\$70.00
Cat – Discounted fee*#	\$23.00	
Replacement Tag	\$7.00	\$8.00
<b>Domestic Animal Impound Release Fees</b>		
Unregistered dog not desexed*	\$144.00	\$149.00
Unregistered dog desexed*	\$144.00	\$149.00
Registered dog not desexed*	\$144.00	\$149.00
Registered dog desexed*	\$144.00	\$149.00
Unregistered cat not desexed*	\$98.00	\$102.00
Unregistered cat desexed*	\$98.00	\$102.00
Registered cat not desexed*	\$98.00	\$102.00
Registered cat desexed*	\$98.00	\$102.00
<b>Local Law Permits</b>		
Permits 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
<b>Fire Prevention</b>		
Private grass slashing administration fee which is in addition to the contractor's charge	\$134.00	\$139.00
<b>Parking Fines</b>		
Overstaying time*	0.5 penalty unit	
In No Parking area*	0.5 penalty unit	
No within parking bay*	0.5 penalty unit	
Not completely within parking bay*	0.5 penalty unit	
<b>Other</b>		
A-frame signage*	Daylesford CBD \$95 per year Outside Daylesford CBD \$48 per year	Daylesford CBD \$98 per year Outside Daylesford CBD \$50 per year
Table & two chairs*	Daylesford CBD \$175 per year in trading zone (up to 3 sets) Above 3 sets a further \$175  Outside Daylesford CBD \$87 per year in trading zone (up to 3 sets) Above 3 sets a further \$87	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

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>COMPLIANCE (Local Laws)</b>		
Goods for Display or Sale*	Daylesford CBD \$154 per year	Daylesford CBD \$159 per year
	Outside Daylesford CBD \$77 per year	Outside Daylesford CBD \$80 per year
Wind Barriers*	Daylesford CBD \$92 per year	Daylesford CBD \$95 per year
	Outside Daylesford CBD \$46 per year	Outside Daylesford CBD \$48 per year
Cat Cage Hire*	\$52 Bond refundable on return of cage	\$50 Bond refundable on return of cage

# The discounted fees are one-third of the full fee and only apply if the animal:

- is over ten years old
- is kept for working stock (dogs only)
- is kept for breeding on a registered premises
- has undergone obedience training (dogs only)
- is registered with the relevant association
- is permanently identified in the prescribed manner.

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

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>VISITOR INFORMATION CENTRES</b>		
Level One VIC fees	\$108.00	\$115.00
Level One VIC fees (commercial property ratepayer)	\$0	\$0
Level Two VIC fees	\$159.00	\$165.00
Level Two VIC fees (commercial property ratepayer)	\$0	\$0
Level Three VIC fees	\$195.00	\$205.00
Level Three VIC fees (commercial property ratepayer)	\$36.00	\$40.00
Level Four VIC fees	\$369.00	\$385.00
Level Four VIC fees (commercial property ratepayer)	\$210.00	\$220.00
Level Five VIC fees	\$471.00	\$490.00
Level Five VIC fees (commercial property ratepayer)	\$312.00	\$325.00
<b>Special Conditions VIC fees for Volunteers</b>		
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		
Level One VIC Volunteer fees	\$0	\$0
Level Two VIC Volunteer fees	\$0	\$0
Level Three VIC Volunteer fees	\$67.00	\$70.00
Level Four VIC Volunteer fees	\$128.00	\$135.00
Level Five VIC Volunteer fees	\$184.00	\$190.00

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>SWIMMING POOLS</b>		
Family Season Ticket	\$140.00	\$143.50
Adult Season Ticket	\$89.00	\$90.50
Child Season Ticket	\$58.00	\$59.00
Adult Entry	\$4.30	\$4.40
Concession Entry	\$3.80	\$3.90
Child Entry	\$3.30	\$3.40
Spectators	\$1.00	\$1.00
School Entry per student	\$1.60	\$1.60

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>DAYLESFORD ARC</b>		
<b>Court Hire</b>		
Court 1 per hour	\$41.50	\$43.00
Court 2 per hour	\$41.50	\$43.00
Court 3 per hour	\$31.00	\$32.00
Spectator	Free	Free
Squash Court Rental	\$13.00	\$13.50
Racquet Hire	\$3.50	\$3.50
School Holiday Program per child	\$11.00	\$11.50
Sports Clinics	\$7.00	\$7.50
Group Fitness	\$12.00	\$12.50
Group Fitness Concession	\$10.00	\$10.50
<b>Theatre</b>		
Theatre – Community	\$42.00	\$43.50
Theatre – Commercial	\$57.50	\$59.50
Multipurpose Room – Community	\$27.00	\$28/00
Multipurpose Room – Commercial	\$33.00	\$34.00
Kiosk	\$27.00	\$28.00
Umpire/Meeting Room - Community	\$10.50	\$11.00
Umpire/Meeting Room - Commercial	\$13.50	\$14.00

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>LIBRARIES</b>		
Fines	\$0.25 cents per day per item to a maximum of \$5	\$0.25 cents per day per item to a maximum of \$5
Holds	Free (Maximum of 30 holds)	Free (Maximum of 30 holds)
Inter Library Loans	\$2 plus other charges incurred*	\$2 plus other charges incurred*
Inter Library Loans - Universities	\$18.50	\$18.50
Replacement card	\$2.00	\$2.00
Photocopying A3	\$0.40	\$0.45
Photocopying A4	\$0.20	\$0.25
Colour printing A4	\$1.00	\$1.05
Colour printing A3	\$1.60	\$1.65
Scanning	\$0.50	Free
Fax receiving	\$0.40	\$0.45
Fax sending <ul style="list-style-type: none"> <li>• 1st page</li> <li>• Additional pages</li> </ul>	\$2.20 \$1.10	\$2.25 \$1.15
Lost or damaged items	Cost of replacement	Cost of replacement and processing fee
Processing fee	\$5.50	\$5.50
Debt Collection charge	\$15.00	\$15.00
Book Covering	\$5.50 per item	\$5.50 per item
Book Club Package <ul style="list-style-type: none"> <li>• Private Book Club</li> <li>• Library Book Club</li> </ul>	\$140.00 per club per year \$44.00 per person per year	\$140.00 per club 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 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>COMMUNITY SERVICES</b>		
<b>Marquee Hire</b>		
6m x 6m	No charge	\$50.00
12m x 6m	No charge	\$100.00
BBQ Hire	\$70.00	N/A
Council Gateway Frames	No charge	No charge
<b>Bonds</b>		
Marquee*	\$310.00	\$320.00
BBQ*	\$44.00	Not applicable
Council Gateway Frames	No charge	No charge

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)			Fee/Charge 2014/15 (inc GST)		
<b>HOME AND COMMUNITY CARE SERVICES (HACC SERVICES)</b>						
	Low*	Medium	High	Low*	Medium	High
Planned Activity Group*	\$13.20	\$13.20	\$18.00	\$7.30	\$13.20	\$18.00
Housekeeping*	\$5.60	\$13.20	\$28.50	\$5.80	\$13.60	\$30.00
Personal Care*	\$3.80	\$7.60	\$28.50	\$4.00	\$8.00	\$30.00
Respite Care*	\$2.80	\$4.20	\$28.50	\$2.90	\$4.40	\$30.00
Property Maintenance*	\$10.70	\$15.80	\$28.50	\$11.10	\$16.50	\$30.00
Delivered Meals*	\$7.70	\$7.70	\$7.70	\$7.95	\$7.95	\$7.95

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>FUNCTIONS IN COUNCIL RESERVES</b>		
<b>DAYLESFORD - VICTORIA PARK, WOMBAT HILL BOTANIC GARDENS, LAKE DAYLESFORD FORESHORE</b>		
<b>All Reserves</b>		
Personal training / year (2x/wk)	\$158.00	\$163.00
<b>Victoria Park</b>		
Function (1 Day)	\$775.00	\$800.00
Function (2 Days)	\$1,106.00	\$1,142.00
Function 2+ Days)	\$1,106.00 for first 2 days + \$280.00 per day thereafter	\$1,142.00 for first 2 days + \$290.00 per day thereafter
Daylesford Football Club	\$1,439.00	\$1,490.00
Daylesford Cricket Club	\$387.00	\$400.00
Insurance admin fee (if no Certificate of Currency is provided)	\$45.00	\$50.00
<b>Bonds</b>		
Keys*	\$50.00	\$50.00
Meetings*	\$500.00	\$500.00
Functions*	\$800.00	\$800.00
Functions with alcohol*	\$1,000.00	\$1,000.00
<b>Wombat Hill Botanic Gardens</b>		
Wedding	\$166.00	\$175.00
<b>Lake Daylesford Foreshore</b>		
Wedding	\$166.00	\$175.00

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>DOUG LINDSAY RESERVE</b>		
Meetings	\$112.00	\$115.00
Functions – Use of Kitchen	\$132.00	\$135.00
Function with alcohol	\$156.00	\$160.00
Kitchen Use	\$58.00	\$60.00
Insurance admin fee (if no Certificate of Currency is provided)	\$45.00	\$50.00
<b>Bonds</b>		
Keys*	\$50.00	\$50.00
Meetings*	\$100.00	\$100.00
Functions*	\$200.00	\$200.00
Functions with alcohol*	\$500.00	\$500.00

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>CRESWICK TOWN HALL</b>		
Rehearsals/Regular user	\$34.00	\$35.00
Meetings	\$112.00	\$115.00
Functions – Use of Kitchen	\$132.00	\$135.00
Function with alcohol	\$156.00	\$160.00
Insurance admin fee (if no Certificate of Currency is provided)	\$45.00	\$50.00
<b>Bonds</b>		
Keys*	\$50.00	\$50.00
Meetings*	\$100.00	\$100.00
Functions*	\$200.00	\$200.00
Functions with alcohol*	\$500.00	\$500.00
<b>Special Conditions</b>		
Hepburn Shire Community Not for Profit	1. Hire fees to be waived (bond and if applicable insurance fees must still be paid)	1. Hire fees to be waived (bond and if applicable insurance fees must still be paid)

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>CLUNES TOWN HALL</b>		
Rehearsals/Regular user	\$34.00	\$35.00
Meetings	\$112.00	\$115.00
Functions – Use of Kitchen	\$132.00	\$135.00
Function with alcohol	\$156.00	\$160.00
Insurance admin fee (if no Certificate of Currency is provided)	\$45.00	\$50.00
<b>Bonds</b>		
Keys*	\$50.00	\$50.00
Meetings*	\$100.00	\$100.00
Functions*	\$200.00	\$200.00
Functions with alcohol*	\$500.00	\$500.00
<b>Special Conditions</b>		
Hepburn Shire Community Not for Profit	1. Hire fees to be waived (bond and if applicable insurance fees must still be paid)	1. Hire fees to be waived (bond and if applicable insurance fees must still be paid)

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>DAYLESFORD TOWN HALL</b>		
Rehearsals	\$50.00	\$55.00
Meetings	\$177.00	\$180.00
Functions	\$210.00	\$220.00
Function with alcohol	\$255.00	\$265.00
Set up Day	\$88.00	\$90.00
Senior Citizens Room	\$88.00	\$90.00
Senior Citizens Crockery	\$59.00	\$60.00
PA System	\$40.00	\$45.00
Insurance admin fee (if no Certificate of Currency is provided)	\$45.00	\$50.00
<b>Bonds</b>		
Keys*	\$50.00	\$50.00
Meetings*	\$100.00	\$100.00
Functions*	\$200.00	\$200.00
Functions with alcohol*	\$500.00	\$500.00
Functions with alcohol >200*	\$1,000.00	\$1,000.00
<b>Special Conditions</b>		
Hepburn Shire Community Not for Profit	1. Hire fees to be waived (bond and if applicable insurance fees must still be paid)	1. Hire fees to be waived (bond and if applicable insurance fees must still be paid)

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)			Fee/Charge 2014/15 (inc GST)		
<b>THE WAREHOUSE - CLUNES</b>						
	Local Community	Community / Not for Profit / Government	Private or Commercial	Local Community	Community / Not for Profit / Government	Private or Commercial
<b>Community Meeting Room</b>						
Regular	\$5.50	\$14.00	\$27.50	\$5.50	\$14.00	\$27.50
Casual	\$14.80	\$27.50	\$44.00	\$14.00	\$27.50	\$44.00
Weekend Fri evenings, Sat, Sun & Public Holidays	\$16.50	\$33.00	\$53.00	\$16.50	\$33.00	\$53.00
Insurance admin fee (if no Certificate of Currency is provided)	\$45.00 (1)	\$45.00	\$45.00	\$45.00 (1)	\$45.00	\$45.00
<b>Community Activity Room</b>						
Regular	\$11.00	\$22.00	\$38.50	\$11.00	\$22.00	\$38.50
Casual	\$22.00	\$38.50	\$55.00	\$11.00	\$22.00	\$38.50
Weekend Fri evenings, Sat, Sun & Public Holidays	\$26.50	\$53.00	\$66.00	\$22.00	\$38.50	\$55.00
Weekly Hire (2)	\$440.00	\$880.00	\$2,200	\$26.50	\$53.00	\$66.00
<b>Museum Fees</b>	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

(1) For regular community hire this will be charged annually.

(2) Regular hourly rate by 40 hours

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

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>PHOTOCOPYING / PRINTING</b>		
A 4 per side – Black & White	\$0.45	\$0.47
A4 per side - Colour	\$1.20	\$1.40
A3 per side – Black & White	\$1.00	\$1.20
A3 per side - Colour	\$2.00	\$2.20
Tender documents	\$50.00	\$52.00
Note: GST is applicable unless copying official documents.		
<b>RATES INFORMATION</b>		
Land information certificate*	\$20.00	
Duplicate/Reprint Rates Notice	\$10.00	\$10.00
Rate search 15 years	\$58.00	\$58.00
Rate search 30 Years	\$116.00	\$116.00
<b>FREEDOM OF INFORMATION</b>		
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*	\$25.70	\$26.50

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

## Schedule of Fees and Charges 2014/15

Description of Charge	Fee/Charge 2013/14 (inc GST)	Fee/Charge 2014/15 (inc GST)
<b>COMMUNITY HOUSING</b>		
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 Centrelink family payments	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 Centrelink family payments
<b>DISHONoured PAYMENTS</b>		
Direct Debit fee	\$15.00	\$15.00
Dishonoured Cheque Fee	\$15.00	\$15.00