



Budget

2013-2014

Contents	Page
Mayor's introduction	3
Chief Executive Officer's summary	5
Budget processes	9
Overview	
1. Linkage to the Council Plan	10
2. Activities and initiatives	13
3. Budget influences	27
Budget analysis	
4. Analysis of operating budget	31
5. Analysis of budgeted cash position	39
6. Analysis of capital budget	42
7. Analysis of budgeted financial position	46
Long term strategies	
8. Strategic resource plan and key financial indicators	49
9. Rating strategy	54
10. Other strategies	58
Appendices	
A Budgeted standard statements	61
B Statutory disclosures	66
C Capital works program	72
D Schedule of Fees and Charges	76

Mayor's Introduction

Hepburn Shire Council's Budget for 2013-14 has been set in conjunction with the Council Plan 2013-2017 and 10 Year Financial Plan 2013-2024.

For the 2013-14 financial year there will be a 4% increase in revenue raised from rates, this compares to a 4.5% increase in 2012-13.

There will be no changes to differential rates. The farm differential will remain at the discounted rate of 65% of the general rate. The mixed use, commercial and industrial sector will continue to pay a differential of 116% of the general rate. As with the current year, ratepayers will not pay a separate municipal charge.

In addition to rates, Council sets charges to fully recover the costs for garbage, recycling and waste management services (totalling \$2.16 million). On a positive note, the costs of waste services in the Shire will decrease by \$218,000 in 2013-14 and these savings will be passed directly onto ratepayers by way of decreased charges on their rates notice. Cost savings have been driven by recent competitive tender processes. A household which receives a kerbside garbage and kerbside recycling charge and pays the waste management charge will see an overall decrease on these charges of \$37 or 11%.

Included in the Budget is the revenue and costs associated with the new Clunes Community Interpretive Centre. The construction of this project will finish in early 2013-14 and open its doors shortly after. As well as improved Library, Museum, Tourism and meeting room facilities, Council will have a new customer service point in Clunes.

For a number of years, Council has had a focus on liquidity and has put money aside each year to boost the cash balance. Council will again increase cash on hand by \$250,000, which is in addition to the \$250,000 allocated in the 2012-13 Budget. This is in accordance with the Council Plan initiative to implement sustainable financial practices.

The Victorian Government has announced a change from the current insurance-based fire services levy to a property-based levy. This change means that from 1 July 2013, all property owners in the Shire will make a financial contribution (via a levy) to the State's fire services. On behalf of the State Government, Hepburn Shire Council will collect the Fire Services Property Levy by including the Levy on the Council rates notice sent out in August. There will be a fixed component (\$100 for residential and \$200 for non-residential), in addition to a variable component calculated as a percentage of the capital improved value (CIV) of a property.

The cost of Council's Capital works program for 2013-14 is \$7.84 million. This includes \$1.556 million of State Government funds - \$1 million under the Country Roads and Bridges Initiative and a further \$556,000 under the Local Government Infrastructure Fund (LGIF). This is the third year of a four year funding program and allows Council to undertake infrastructure repair works and special projects that would otherwise not be completed for a number of years without a significant rate rise.

Mayor's Introduction (continued)

Highlights of the Capital works program are listed below (Note: some of these are subject to receiving funding from external government sources):

- Roads, bridges, footpaths and drainage renewal – including reseals, re-sheets, pavement renewal and reconstruction, footpath improvement as well as bridge renewal, construction and design (\$2.8 million funded by Council and \$1.8 million in government grants).
- Stage 2 of flood mitigation works in Creswick (\$772,000 with \$600,000 coming from a government grant).
- Netball Court resurfacing at the Newlyn & Hepburn recreation reserves funded by \$50,000 under the Local Government Innovation Fund (LGIF) program.
- Repairs and Asbestos removal at the Clunes Bottle Museum (\$201,000 funded by the LGIF program).
- \$23,000 for the implementation of the Trentham Community Facilities Review.
- \$20,000 from the LGIF program for the planning and design a pedestrian bridge over Slatey Creek, Creswick.
- \$120,000 for streetscape planning (Creswick, Clunes, Hepburn, Glenlyon & Trentham) (\$90,000 coming from government grants).
- \$300,000 for Daylesford streetscape works (\$250,000 coming from government grants).

Other new initiatives and special projects include funding for the following - note these are subject to Council receiving the funding from external government sources:

- \$250,000 for planning of the proposed Hepburn Shire Council Services and Community Hub in Daylesford (\$150,000 coming from a government grant).
- \$18,000 to support major events for Creswick in each of the four seasons.
- \$140,000 in funds for a short term business analyst role and funds to perform a number of services reviews within Council to seek efficiencies.
- \$45,000 to enable an officer to survey of all council managed roadsides to inform the next Hepburn Roadside Management Plan.

We believe that the Budget 2013-14 and Council Plan 2013-2017 will best meet the needs of our residents and ratepayers over the coming 12 months and long into the future.

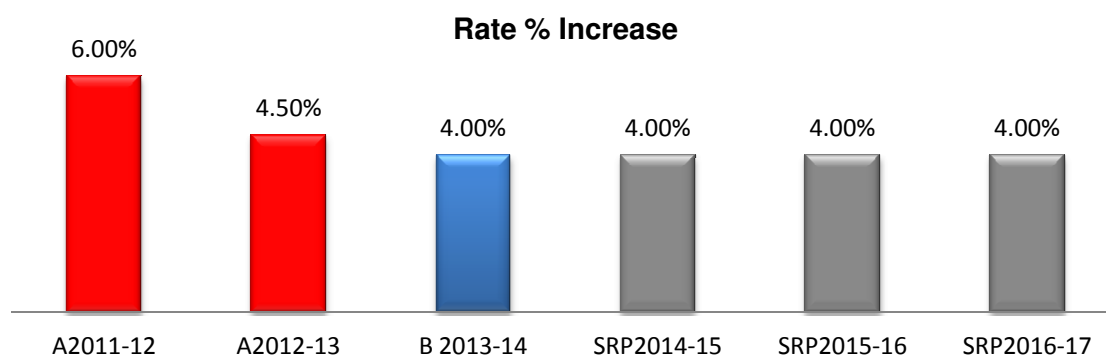
Cr Bill McClenaghan

Mayor

Chief Executive Officer's Summary

Council has prepared a budget for the 2013-14 financial year that seeks to balance the demand for services and infrastructure and the need to work towards a financial sustainable future with the community's capacity to pay for these services. Key budget information is provided below about the rate increase, operating result, service levels, cash and investments, capital works, financial position, financial sustainability and key strategic activities of the Council.

1. Rates



A = actual; F = forecast, B = Budget and SRP = Strategic Resource Plan

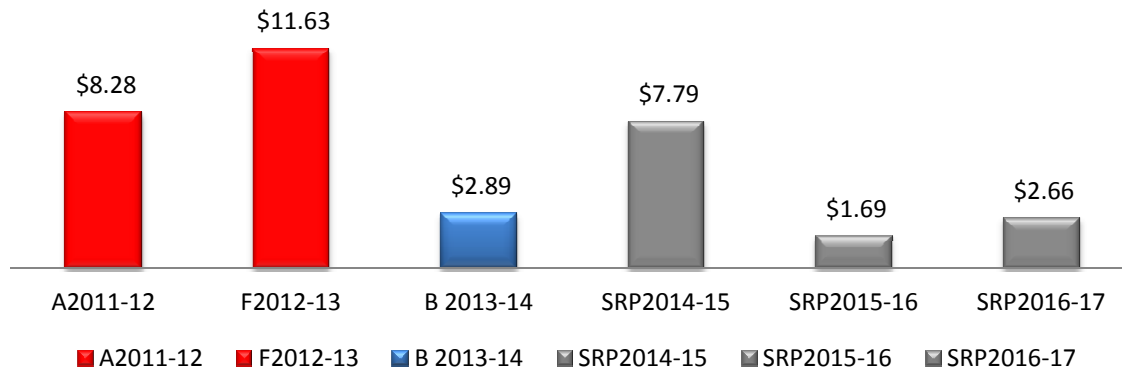
Revenue from rates will increase by 4.0% for the 2013-14 year, this is lower than last year's increase which was 4.5% and 6% in 2011-12. This increase will raise the total revenue received from rates to \$14.1 million; this includes \$160,000 generated from supplementary rates. Supplementary rates occur when extra rates are payable due to an increased value on a property (separate to 'revaluations' which occur every two years) – for example, an extension or a new building on vacant land results in higher value of the property and thus increased rates payable. In addition, \$2.17 million will be raised from the waste management charge and the kerbside collection charges. The cost of waste management across the Shire has decreased from 2012-13 and this will directly result in a decrease in the waste charges each property will pay.

Total rates and charges is calculated as follows, refer to Appendix B for more detail:

Total Rates to be Raised	\$13,927,000
Add Supplementary Rates	\$160,000
Total Rates	\$14,087,000
Plus Waste Charges	\$2,174,000
Total Rates & Charges	\$16,261,000
Less Pension Rebate	(\$35,000)
Net Rates & Charges	\$16,226,000

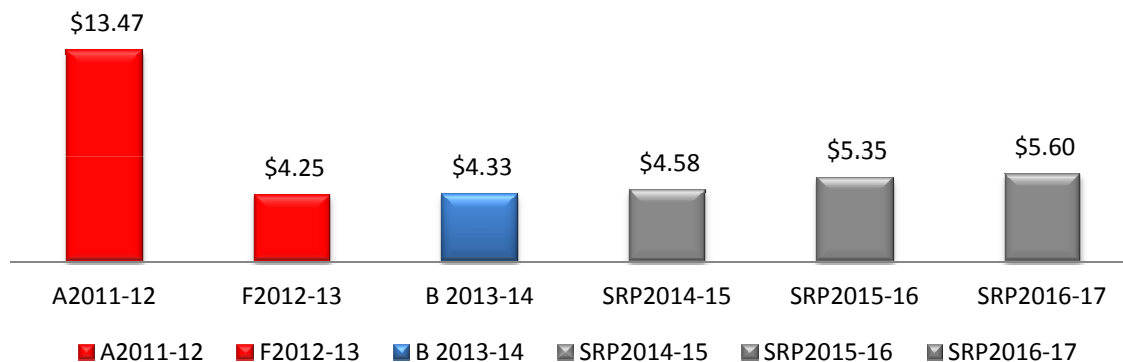
Chief Executive Officer's Summary Continued

2. Operating Result (\$ million)



The budgeted operating result for the 2013-14 year is a surplus of \$2.89 million, compared to a forecasted result of \$11.63 million in 2012–13. The 2012-13 surplus has been significantly affected by the flood events of 2010 and 2011. It is forecast that Council will receive \$12.7 million in reimbursements in the 2012-13 financial year. This surplus will be used to fund part of the Capital works program. There are no flood recovery reimbursements or expenses included in the 2013-14 Budget.

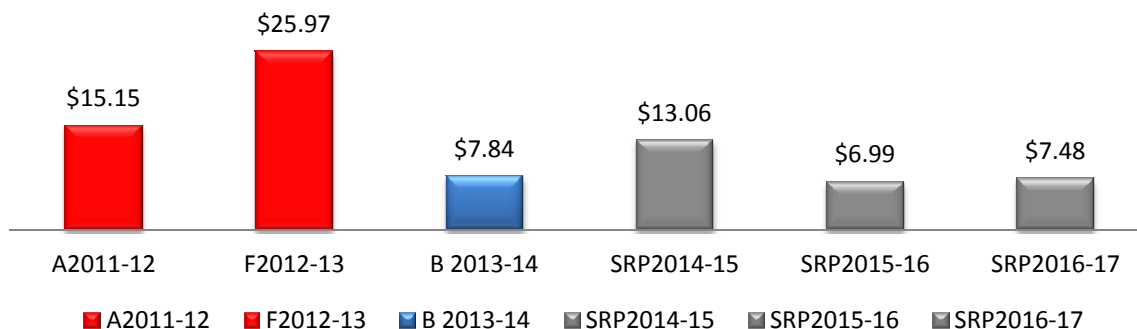
3. Cash and Investments (\$ million)



Cash and investments are expected to increase by \$73,000 during the year to \$4.33 million as at 30 June 2014. As part of the 2013-14 Budget, Council decided to reserve \$250,000 in total cash, \$73,000 from its 2013-14 Budget and \$177,000 by cancelling a number of projects from the 2012-13 Budget. It is important that Council build up its cash balance to ensure it has enough funds to pay employees and creditors when payment is due, and is able to meet short-term funding gaps when they occur. Building up the cash balance will increase Council's working capital ratio, referred to below.

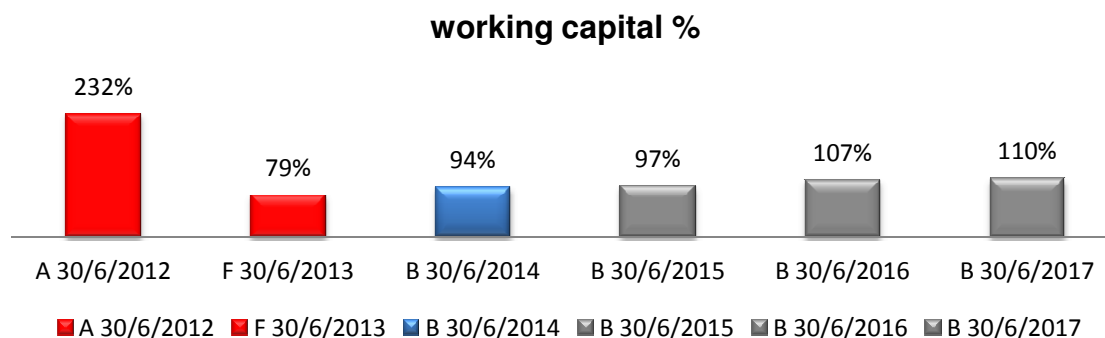
Chief Executive Officer's Summary Continued

4. Capital Works (\$ million)



The total Capital works program will be \$7.84 million – this includes \$6.6 million of road, bridge, building and drainage infrastructure renewal works. Council's program is boosted by \$1.56 million in State Government grants under the Country Roads and Bridges and Local Government Infrastructure Fund. In addition to works included in the 2012-13 Budget, the forecast for 2012-13 includes flood recovery works of \$12 million and \$7.2 million of works relating to prior year budgets that will be completed in 2012-13. No such "carry forward" projects or flood projects have been included in the 2013-14 Budget. More information about these works are detailed in this document.

5. Financial position

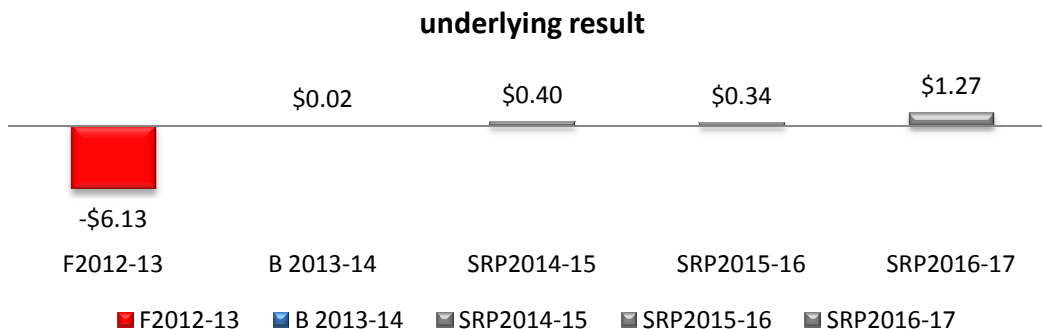


The working capital ratio is a measurement of Council's liquidity – i.e. the ability to pay employees and creditors on time. This ratio can be inflated when funds are received before the corresponding expenditure or capital works have been completed. This occurred at the end of the 2011-12 financial year and as a result the figures for that year are inconsistent with others shown in the graph above.

The ratio has dropped below 100% as a result of Council's Enterprise Bargaining Agreement which now allows employees access to their long service leave after 7 years, rather than 10. This increases the pool of money Council may have to pay out next financial year and therefore affects Council's liquidity. The forecasted ratio for June 2013 is low due to Council's contribution to the Defined Benefits Superannuation Fund short-fall of \$1.4 million being due, however Council will not borrow the funds to pay for this until July 2013. As referred to under Cash (above), Council has been putting cash aside each year to boost this ratio, with the goal of reaching 150% by 2024.

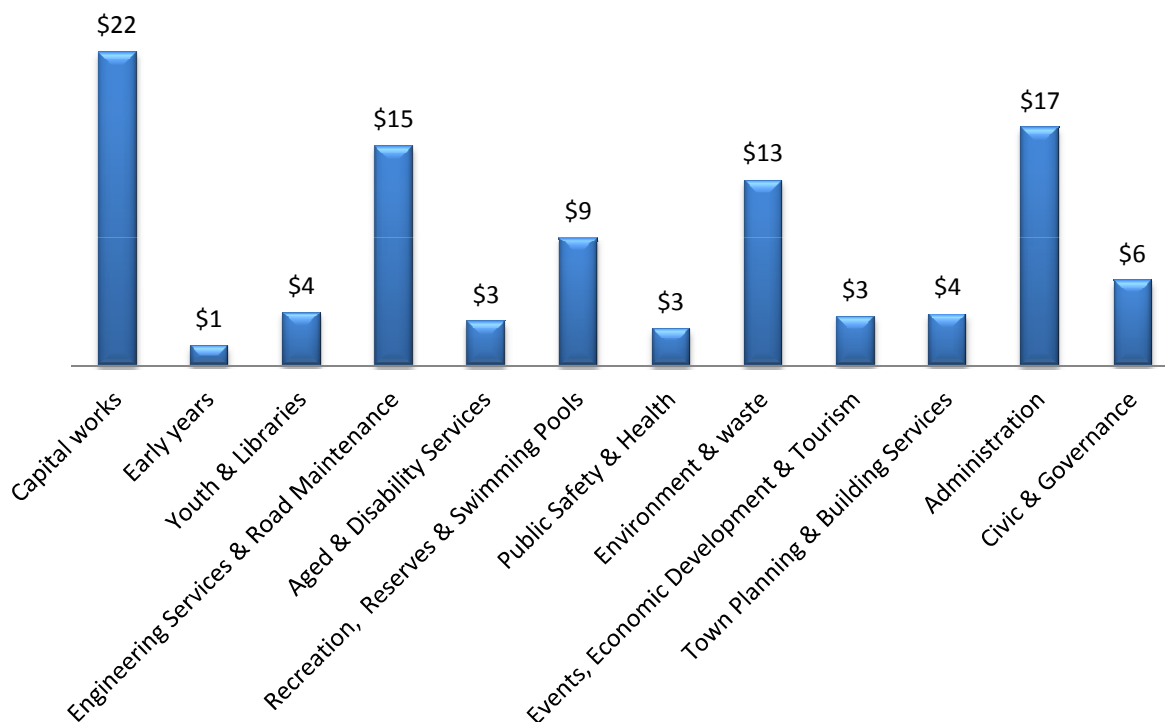
Chief Executive Officer's Summary Continued

6. Financial sustainability (\$ million)



The underlying result for 2013-14 is budgeted to be \$17,000. The deficit forecast for 2012-13 is due to grants and reimbursements being received in prior years, in particular in relation to flood recovery and the associated expenditure not occurring until 2012-13.

8. For every \$100 of rates and charges, where is it spent?



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers as it strives to meet the commitments set out in the Council Plan.

More detailed budget information is available throughout this document.

Aaron van Egmond
Chief Executive Officer

Budget processes

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

The preparation of the Budget begins with officers preparing the operating and capital components of the Annual Budget during December and January. A draft consolidated budget is then prepared and components are considered by Council at informal briefings during February to 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. The public has a right to make submissions on any proposal contained in the budget and any submission must be considered before the adoption of the budget by Council. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year.

The key dates for the budget process are summarised below:

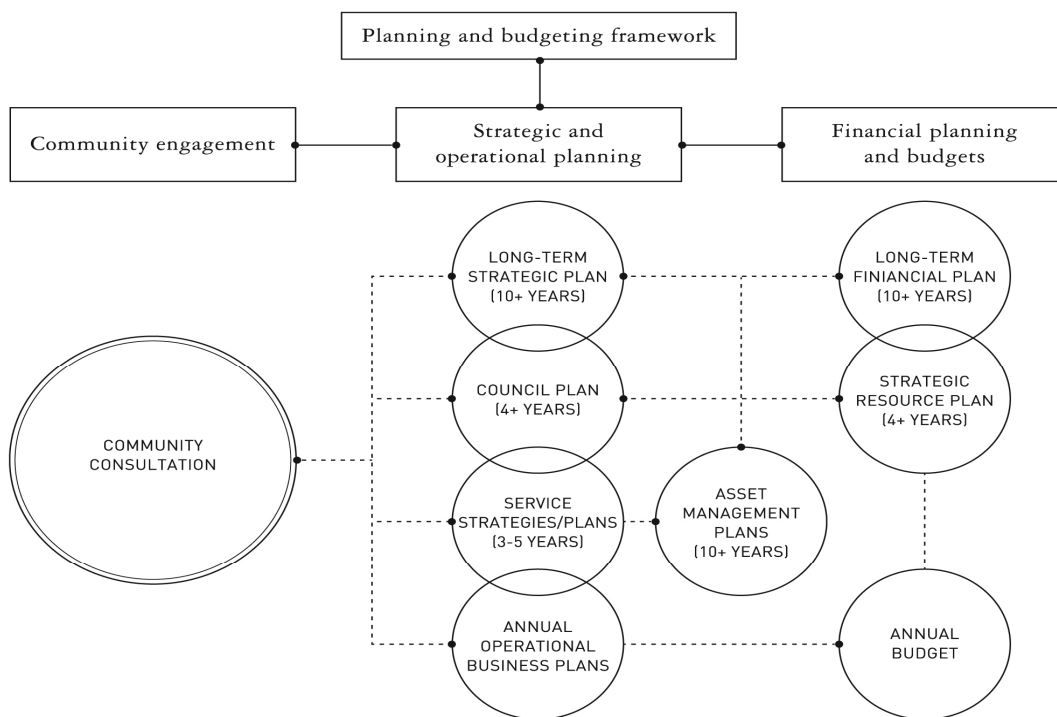
Budget process	Timing
1. Officers prepare operating and capital budgets	Dec - 2012 to Jan - 2013
2. Council considers draft budgets at informal briefings	Feb - 2013 to April - 2013
3. Proposed budget submitted to Council for approval	16-April-2013
4. Budget available for public inspection and comment	19-April-2013
5. Public notice advising intention to adopt budget	20-April-2013
6. Submissions period closes (28 days)	20-May-2013
7. Submissions considered by Council	27-May-2013
8. Budget and submissions presented to Council for adoption	18-June-2013
9. Copy of adopted budget submitted to the Minister	by 31-August-2013

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 vision, medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Audited Statements).

1.1 Strategic planning framework

The Strategic Resource Plan which flows from the Long Term Financial 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 comprises year one of the Strategic Resource Plan. The diagram below depicts the strategic planning framework of Council.



The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan is required to be completed by 30 June following a general election and is reviewed each year to ensure that there is sufficient time for officers to develop their Activities & Initiatives and Key Strategic Activities in draft form prior to the commencement of the Annual Budget process. It also allows time for targets to be established during the Strategic Resource Planning process to guide the preparation of the Annual Budget.

1.2 Our Purpose

Vision

A cutting edge Council making excellent decisions for future generations.

Mission

Hepburn Shire Council will maintain, promote, protect and enhance the districts 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.

1.3 Our Values

Council has adopted the following values which are now 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.

1.4 Strategic objectives

The Council delivers activities and initiatives under 30 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan 2013-17. The following table lists the Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
Sustainable Financial Management and Innovative Corporate Systems	Through innovation and technology Corporate Services provides the physical, operational, commercial and professional expertise that underpins the current and future direction of the municipality.
Sustainable Environment and a vibrant economy	Through balanced and progressive programs and processes Sustainable Development will encourage development that promotes economic diversity and prosperity while enhancing and preserving the natural and built environment of all Hepburn Shire.
Active and Engaged Communities	In partnership with communities, Community Services will identify community priorities and work to deliver services, programs and projects that promote community health and well-being.
Quality Community Infrastructure	Through understanding waste services and our asset portfolio the infrastructure team plan for, create and manage waste and recycling services and the timely replacement of public assets to maximise environmental sustainability, community safety, convenience and well being.
High Performing Organisation	The performance of our organisation will be greatly enhanced by the diligence of Councillors and dedication of our Staff in the continued pursuit of excellence. This will be evident by balanced decision making and improved delivery of works and services for the community. Our people are the key to delivering more with less in a challenging environment.

2. Activities, initiatives and key strategic activities

This section provides a description of the activities and initiatives to be funded in the Budget 2013-14 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 key strategic activities and performance targets and measures in relation to these.

2.1 Strategic Objective: Sustainable Financial Management and Innovative Corporate Systems

Activity	Objectives	Budget 2013-14
		Expenditure (Revenue) <u>Net Cost</u> \$'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.	1,317 <u>(389)</u> 928
Procurement	To ensure the procurement of quality goods and/or services for Councils operations at the most competitive market prices available using best practice procurement processes and ensuring compliance with Council's procurement policy.	171 <u>0</u> 171
Information Technology & Telecommunications	To provide the highest quality technology-based services, in the most cost-effective manner, to facilitate the delivery of services to Council and the community.	806 <u>(3)</u> 803
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.	411 <u>0</u> 411

2.1 Strategic Objective: Sustainable Financial Management and Innovative Corporate Systems (continued)

Activity	Objectives	Budget 2013-14
		Expenditure (Revenue) <u>Net Cost</u> \$'000
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.	824 <u>0</u> 824
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.	978 <u>(882)</u> 96

Initiatives from Council Plan

- Development of the 10 year Financial Plan and Review.
- Allocate a minimum of \$250,000 to cash each year to improve the working capital ratio.
- Maintain a Victorian Auditor General's Office low risk sustainability assessment annually.
- Implementation of the Procurement Efficiency Program.
- Increased rental return from Commercial leases.
- Review the Procurement Policy annually to ensure best practice procurement methods and legislative compliance.
- Partner with regional Councils to participate in collaborative purchasing to deliver best value procurement outcomes.
- Installation of a new phone system ensuring improved customer service levels.
- Develop and implement a customer service charter that clearly articulates Councils customer service agreement with the community.

2.1 Strategic Objective: Sustainable Financial Management and Innovative Corporate Systems (continued)

Key strategic activities

Strategic Activity	Performance Measure	Reporting	Performance Target
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.	Provide a budget and actual surplus	Annual budget and statutory accounts	Operating surplus
Procurement - To ensure the procurement of quality goods and/or services for Councils operations at the most competitive market prices available using best practice procurement processes and ensuring compliance with Council's procurement policy.	Deliver cost and efficiency savings	Identified procurement savings	1% of organisation cost
Information Technology & Telecommunications - To provide the highest quality technology-based services, in the most cost-effective manner, to facilitate the delivery of services to Council and the community.	Help desk calls closed	Customer Request Management System	90% closed
Human Resources - In partnership with Management, it 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.	Staff Turnover	TechnologyOne - Payroll	Less than 10% staff turnover

2.1 Strategic Objective: Sustainable Financial Management and Innovative Corporate Systems (continued)

Key strategic activities

Strategic Activity	Performance Measure	Reporting	Performance Target
<p>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.</p>	<p>Customer Service</p>	<p>Community Satisfaction Survey</p>	<p>Equal to or greater than average for Small Rural Shires</p>
<p>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.</p>	<p>Improve the Civic Mutual Plus (CMP) rating</p>	<p>CMP rating</p>	<p>CMP Rating improved by 2%</p>

2.2 Strategic Objective: Sustainable Environment and a Vibrant Economy

Activity	Objectives	Budget 2013-14
		Expenditure (Revenue) <u>Net Cost</u> \$'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.	814 <u>(153)</u> 661
Emergency Management	We work with the community and response agencies to develop robust and innovative plans to prepare, respond and recover from emergencies.	160 <u>(133)</u> 27
Statutory and Strategic Planning	The Planning Department provides advice and guidance for responsible current 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.	750 <u>(214)</u> 536
Building	To provide quality regulatory advice on all building matters associated with properties in the Shire.	295 <u>(138)</u> 157
Sustainability	To guide and support Council and the community in the development of innovative sustainable practices that ensure the preservation of limited resources.	141 <u>0</u> 141
Natural Resource Management	In partnership with the community, natural resources are managed to ensure their conservation, enhancement and control.	168 <u>(25)</u> 143
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.	361 <u>(148)</u> 213
Compliance	Through education and Local Law enforcement the Compliance Department provide a safe community for all to enjoy.	443 <u>(154)</u> 289

2.2 Strategic Objective: Sustainable Environment and a Vibrant Economy (continued)

Initiatives from Council Plan

- Develop and implement the visitor information centre volunteer recruitment strategy.
- Implement the Economic Development Strategy – Year 1 Action plan.
- Implement priority actions flowing from the Advancing Country Towns (ACT) program
- Review and map planning permit process.
- Review and analyse Council's current operating emergency management framework for preparation, response and recovery areas with a view to delivering improved outcomes for communities effected by emergencies and natural disasters.
- Update Council's domestic animal management plan.
- Undertake all required inspections of registered food premises.
- Review and map building permit process.
- Complete and activate a domestic waste water management plan.
- Undertake communication and education to raise awareness of the importance of safe practices.
- Survey and map HSC road reserves.
- Develop a Bio Energy Feasibility Study.
- Convert to Energy Efficient Street lighting (funding contingent).
- Review Councils current arrangements to inform a strategy to better address emerging changes in emergency management.

Key strategic activities

Strategic Activity	Performance Measure	Reporting	Performance Target
Economic Development & 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.	Increase in visits to Visitor Information Centres	Visitor register	2% increase year on year
Compliance - Through education and Local Law enforcement the Compliance Department provide a safe community for all to enjoy.	Animal registration renewal notices sent out 6 weeks prior to the payment due date	Date of mail out	Renewal notices to be sent out by the 27 February

2.2 Strategic Objective: Sustainable Environment and a Vibrant Economy (continued)

Key strategic activities (continued)

Strategic Activity	Performance Measure	Reporting	Performance Target
Statutory Planning - Provides advice and guidance for responsible current and future land use planning which includes the consideration of applications for planning permits and ensuring compliance with planning permits and controls.	Increased proportion of planning permits processed within 60 days	Planning permit activity reporting	85% of planning permits issued within 60 days
Strategic Planning - 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.	Completion of outstanding strategic projects	Register of approval of amendments by Planning Minister	Planning Scheme review completed
Building - To provide quality regulatory advice on all building matters associated with properties in the Shire.	Turnaround time for issuing permits	Service reporting	80% of permits issued within prescribed time
Sustainability - To guide and support Council and the community in the development of innovative sustainable practices that ensure the preservation of limited resources.	Reduce Council's carbon footprint	Planet Footprint	5% reduction in Council's carbon emissions
Natural Resource Management - In partnership with the community, natural resources are managed to ensure their conservation, enhancement and control.	Completion of the roadside survey	Survey adopted by Council	Survey completed

2.2 Strategic Objective: Sustainable Environment and a Vibrant Economy (continued)

Key strategic activities (continued)

Strategic Activity	Performance Measure	Reporting	Performance Target
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.	Annual Inspection of all food premises	Food premises register	All required inspections of registered food premises completed annually

2.3 Strategic Objective: Active and Engaged Communities

Activity	Objectives	Budget 2013-14 Expenditure (Revenue) <u>Net Cost</u> \$'000
Community Development	To identify and create opportunities with residents to participate in enhancing community health and wellbeing.	207 <u>(37)</u> 170
Youth	To engage our young people. Invest in them now & create our community leaders for the future.	185 <u>(25)</u> 160
Recreation	Implement a proactive and planned approach to the maintenance, renewal and upgrade of recreation assets.	362 <u>0</u> 362
Community Planning	To support communities in identifying their vision and priorities through community planning and clearly articulate how Council will address these priorities.	44 <u>0</u> 44
Library	To provide a welcoming space that develops strong and connected communities, supports a culture of reading and improves quality of life.	704 <u>(148)</u> 556
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	396 <u>(132)</u> 264
Aged & Disability Services	To provide high quality aged and disability services within the active service framework.	2,270 <u>(1,674)</u> 596

2.3 Strategic Objective: Active and Engaged Communities (continued)

Initiatives from Council Plan

- Prepare Community Planning Strategy and Policy.
- Develop and implement Council's Public Art Policy.
- Support community groups through provision of advice, information and community grants.
- Review and update the Youth Strategy.
- Coordinate and deliver youth programs and events.
- Develop and implement Municipal Early Years Plan.
- Clarify roles and responsibilities of council and sporting groups and level of support council will provide, including building, maintenance and renewal, oval maintenance, courts and amenity to ensure that equitable and consistent support is provided.
- Annual hard court renewal program in Council budget.
- Service review of recreation facilities (Council swimming pools completed Year 1).
- Promotion and marketing of libraries.
- Implement aged and disability services communication strategy.
- Review and Update Code Red, Vulnerable Clients, Emergency Policy and Procedures.
- Implement Community Care Support traineeship program.

Key strategic activities

Strategic Activity	Performance Measure	Reporting	Performance Target
Community Development - To identify and create opportunities with residents to participate in enhancing community health and wellbeing.	Management of funding agreements	Grants register	No acquittals outstanding past due date
Youth - To engage our young people. Invest in them now & create our community leaders for the future.	Increase program participation rates for youth events and activities run by Council	Events register	Participation rates to increase by 2%
Recreation - Implement a proactive and planned approach to the maintenance, renewal and upgrade of recreation assets.	Community satisfaction with Council pools	YMCA report	85% satisfaction
Community Planning - To support communities in identifying their vision and priorities through community planning and clearly articulate how Council will address these priorities.	Completion of Community Plans	Community Plan register	Complete one community plan per year

2.3 Strategic Objective: Active and Engaged Communities (continued)

Key strategic activities (continued)

Strategic Activity	Performance Measure	Reporting	Performance Target
Libraries - To provide a welcoming space that develops strong and connected communities, supports a culture of reading and improves quality of life.	Collection meeting State benchmark	Library reporting	2 items of collection per capita
Aged & Disability Services - To provide high quality aged and disability services within the active service framework.	Hours of home and community care	Aged and disability services statistics	Meet funding agreement targets

2.4 Strategic Objective: Quality Community Infrastructure

Activity	Objectives	Budget 2013-14 Expenditure (Revenue) <u>Net Cost</u> \$'000
Waste	<p>To deliver high quality kerbside waste and recycling collections services that are reliable and cost effective whilst always considering opportunities for improvement.</p> <p>To operate the Material Recovery Facility and three Transfer Station facilities that are clean, cost effective and maximise recycling opportunities that result in optimum reuse of material and demonstrate innovative means of reducing waste to landfill.</p> <p>By constantly monitoring waste services and industry best practice it is intended to ensure we improve our performance by reducing waste volumes and constantly explore alternatives to landfills for waste disposal.</p>	<p>2,386</p> <p><u>(155)</u></p> <p>2,231</p>
Assets	<p>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.</p>	<p>1,112</p> <p><u>(30)</u></p> <p>1,082</p>

2.4 Strategic Objective: Quality Community Infrastructure (continued)

Activity	Objectives	Budget 2013-14
		Expenditure (Revenue) <u>Net Cost</u> \$'000
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.	1,372 <u>0</u> 1,372
Roads and Maintenance	To provide reliable and timely maintenance of the road network and other critical assets including footpaths, bridges & drainage assets for the safety and convenience of our community.	3,233 <u>(1,337)</u> 1,896

Initiatives from Council Plan

- Develop & implement service standards for sporting ovals.
- Complete Capital Works forward design program.
- Complete the Capital Works program.
- Review the Council's Road Management Plan.
- Develop and Implement the Waste Management Strategy with a focus on converting Waste into Opportunity through education, technology and innovation.
- Implement proactive inspection and repair of identified defects in accordance with the Road Management Plan.
- Implement surfacing of unsealed road network.
- Implement resealing of sealed road network.
- Implement strategy to reduce the asset renewal gap.
- Review & update Asset Management Strategy.
- Review & update 5 year capital works programs.
- Develop Asset Management Plans for Buildings.
- Complete Waste Strategy.

2.4 Strategic Objective: Quality Community Infrastructure (continued)

Key strategic activities

Strategic Activity	Performance Measure	Reporting	Performance Target
Waste - By constantly monitoring waste services and industry best practice it is intended to ensure we improve our performance by reducing waste volumes and constantly explore alternatives to landfills for waste disposal.	Re-establish baseline data for volumes of recyclables and waste to landfill.	Waste reporting	Evidence based data compiled and available to establish ratios of recyclables to Waste.
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.	Complete review of Road Management Plan	Adopted by Council	Review completed
	Completion of capital works program	Year end reporting	90% Completion of capital works program
	Complete all forward design work prior to year of delivery	Year end reporting	100% of all design work completed prior to project delivery
Parks & 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.	Customer requests actioned within agreed timeframes	Customer Request Management System	90% closed
Roads & Maintenance - To provide reliable and timely maintenance of the road network and other critical assets, including footpaths, bridges & drainage assets for the safety and convenience of our community.	Customer requests actioned within agreed timeframes	Customer Request Management System	90% closed

2.5 Strategic Objective: High Performing Organisation

Activity	Description	Budget 2013-14
		Expenditure (Revenue) Net Cost \$'000
Governance	Good governance is provided through the development and implementation of policies and procedures that support good decision making.	283 <u>0</u> 283
Communications	Council delivers effective communication through varied channels to ensure all who wish to be informed are.	139 <u>0</u> 139
Civic	Council runs and supports a number of civic events that celebrate our history, leaders, achievers and significant milestones. Civic events are an opportunity to appreciate all that is good about the Hepburn Shire Council.	881 <u>(150)</u> 731

Initiatives from Council Plan

- Develop and implement a Human Resource Strategy.
- Undertake Staff Climate (pulse surveys).
- Develop and Implement Service Review Program.
- Redevelop Councils Website and review branding.
- Implement regular Council newsletter.
- Develop and implement construction site audit program.
- Review and maintain organisation wide risk registers.
- Implement the Hepburn Council Services and Community Hub Business Case and Design project.
- Undertake the sale of underutilised and surplus land and buildings in consultation with the community.

2.5 Strategic Objective: High Performing Organisation (continued)

Key strategic activities

Strategic Activity	Performance Measure	Reporting	Performance Target
Governance - Good governance is provided through the development and implementation of policies and procedures that support good decision making.	Overall Council Direction	Community Satisfaction Survey	Equal to or greater than average for Small Rural Shires
Communications - Council delivers effective communication through varied channels to ensure all who wish to be informed are.	Community Consultation & Engagement	Community Satisfaction Survey	Equal to or greater than average for Small Rural Shires
Advocacy - Council runs and supports a number of civic events that celebrate our history, leaders, achievers and significant milestones. Civic events are an opportunity to appreciate all that is good about the Hepburn Shire Council.	Advocacy on behalf of the community	Community Satisfaction Survey	Equal to or greater than average for Small Rural Shires

2.5 Reconciliation with budgeted operating result

	Net Cost	Expenditure	Revenue
	\$'000	\$'000	\$'000
Corporate Services	3,233	4,507	(1,274)
Sustainable Development	2,167	3,131	(964)
Community Services	2,152	4,168	(2,016)
Infrastructure	6,581	8,103	(1,522)
High Performing Organisation	1,153	1,303	(150)
Total activities & initiatives	15,287	21,212	(5,926)
Other non-attributable	5,847		
Deficit before funding sources	21,134		
Rates & charges	16,226		
Grant commission & Roads to Recovery Funding	4,759		
Capital grants	3,042		
Total funding sources	24,027		
Surplus for the year	2,893		

2.6 Performance statement

at the end of the year and are included in the Performance Statement as required by section 132 of the Local Government Act. The Annual Report for 2013-14 will include the audited Performance Statement which is presented to the Minister for Local Government and the local community.

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 Shire 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 Clunes 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)

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 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).

Demographics

Hepburn Shire has 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)

3.1 Snapshot of Hepburn Shire Council (Continued)

Infrastructure maintenance and renewal

Hepburn Shire has 581 km of sealed roads; 840 km of gravel roads; 117 Bridges and a significant number of buildings that require maintenance and renewal (Source: 2012 Hepburn Shire Council Grants Commission Return and Annual Report).

Based on current condition data, there is a \$3 million gap between the amount of funds the Council should have been spending on infrastructure for maintenance and 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 two years. While no flood recovery works or funding are included in the Budget for 2013-14, there is \$1 million for year 3 of the Country Roads and Bridges funding and \$560,000 for year 3 under the Local Government Infrastructure Fund that will be spent on Council 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 10,613 and Council relies on rates for approximately 60% of its income.
- As with other rural shires, Hepburn maintains a large rural road network, with the majority of road maintenance being funded by Council's 10,613 ratepayers. (Council relies on rates for approximately 60% of its income).
- The differing socio-economic groups within the Hepburn Shire presents 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 2013-14 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 2.2% per annum (ABS release 23 January 2013). State-wide CPI is projected to be 2.25% for the 2013-14 year (Victorian Budget Papers 2012-13)
- 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 will renegotiate their Collective Agreement for commencement on 1 July 2013, but an assumption of a 2.5% 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.

3.2 External influences (continued)

- A new fire services property levy will apply to all private property owners - including persons and organisations who do not currently pay council rates, such as churches, charities, private schools and RSL's - from 1 July 2013. A number of Council properties will also be subject to the fire levy. Under new legislation, the Fire Services Property Levy Act 2012, the new Fire Services Property Levy (FSPL) will be collected by Council on behalf of the State Government, to fund the operations of the MFB and CFA. This has been introduced as a result of recommendations by the Victorian Bushfires Royal Commission (VBRC).
- The Environment Protection Authority (EPA) Victoria's levy per tonne for landfill in 2013-14 will be \$53.2 per tonne, a 10% increase on the current 2012-13 levy. The levy increased 10% in the prior year as well.
- With the introduction of the Federal Government carbon tax on 1 July 2012, estimates had to be made as to its impact on the budget for 2012-13. In the 2013-14 Budget, actual rates of \$12/tonne for waste are being used as opposed to a conservative \$30/tonne in 2012-13. Consequently, the total cost of carbon tax included in the Budget will decrease.

3.3 Internal influences

- Included in the Budget is the revenue and costs associated with the new Clunes Community Interpretive Centre. The construction will finish in early 2013-14 and it will open its doors shortly after. As well as improved Library, Museum, Tourism and meeting room facilities, Council will have a new customer service point in Clunes. The net cost to Council of this facility will be \$88,000 in year 1.
- All waste contracts have gone out to competitive tender over the last 12 months. This process has resulting in a number of savings, particularly in the area of public litter collection and recycling. This will decrease the cost of waste services in 2013-14 and consequently decrease the waste management charges.

3.3 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 2012-13 levels with the aim to use less resources with an emphasis on innovation and efficiency;
 - Salaries and wages increase to be estimated, with the new agreement not to be negotiated until 2013-14;
 - New initiatives or new employee proposals to be justified through a business case;
 - Construction and material costs to increase in line with the Engineering Construction Index;
 - Real savings in expenditure and increases in revenue identified in 2012-13 to be preserved;
- and
- Operating revenues and expenses arising from completed 2012-13 capital projects to be included.

3.4 Legislative requirements

Under the Local Government Act 1989, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Local Government (Finance and Reporting) Regulations 2004 (“the Regulations”) which

The 2013-14 budget, which is included in this report, is for the year 1 July 2013 to 30 June 2014 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ending 30 June 2014 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

3.4 Long term strategies

The budget includes consideration of a number of long term strategies and information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2013-14 to 2016-17 (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 2013-14 year.

4.1 Underlying Result

	Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Operating revenue	41,066	28,185	(12,881)
Operating expenditure	(29,431)	(25,292)	4,139
Surplus for the year	11,635	2,893	(8,742)
Capital Grants & Contributions and flood reimbursements	17,761	2,876	(14,885)
Underlying Operating Result surplus/(deficit)	(6,126)	17	(23,627)

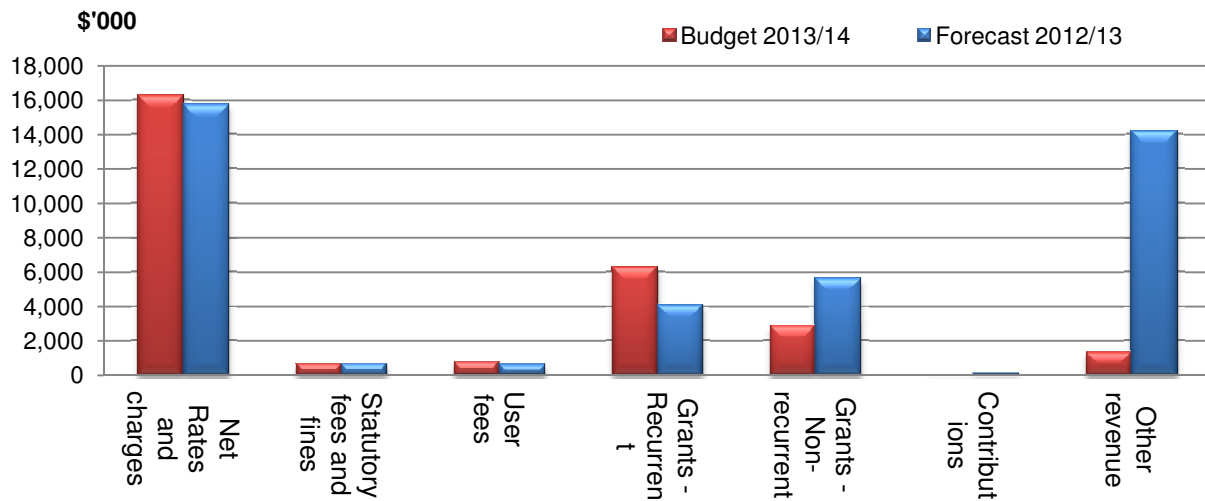
The underlying result is the net surplus or deficit for the year adjusted for capital grants, contributions of non-monetary assets and other one-off adjustments. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by non-recurring or one-off items of revenues and expenses which can often mask the operating result. In calculating the underlying result, Council has excluded grants received for capital purposes as funding for the capital works program is one-off and usually non-recurrent.

The underlying result for 2013-14 is anticipated to be a surplus of \$17,000.

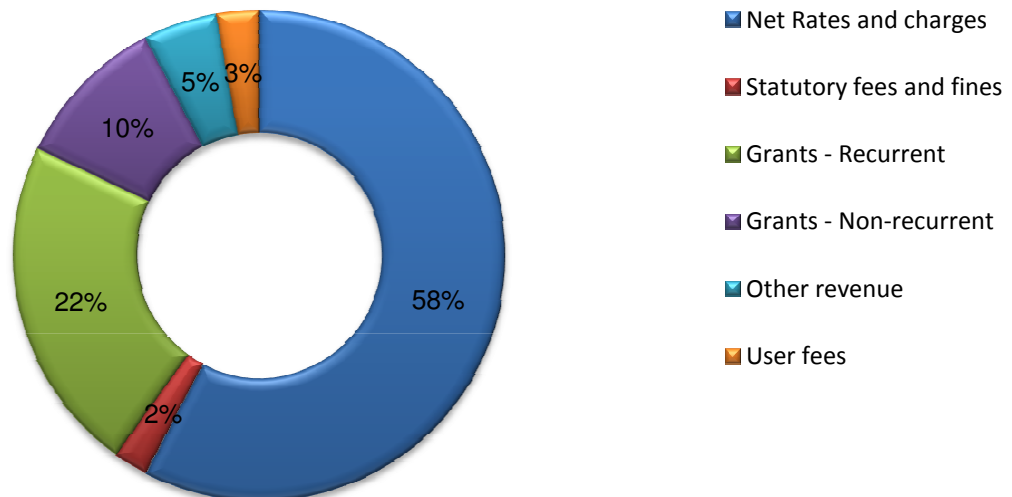
4.2 Operating Revenue

Revenue Types	Ref	Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Net Rates and charges	4.2.1	15,719	16,226	507
Statutory fees and fines	4.2.2	649	645	(4)
User fees	4.2.3	616	780	164
Grants - Recurrent	4.2.4	4,118	6,274	2,156
Grants - Non-recurrent	4.2.5	5,617	2,876	(2,741)
Contributions	4.2.6	144	12	(132)
Other revenue	4.2.7	14,203	1,372	(12,831)
Total operating revenue		41,066	28,185	(12,881)

4.2 Operating Revenue (Continued)



Budget 2013/14 Revenue types



4.2.1 Rates and Charges

Grant Funding Types	Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Total Rates to be Raised	13,362	14,087	725
Council pension rebate	(35)	(35)	-
Waste charges revenue	2,392	2,174	(218)

Revenue raised by rate income will be increased by 4%. This increase will generate additional rate revenue of \$725,000 which includes supplementary rates which will be raised during the 2013-14 year.

Major waste contracts have been out for tender during the past 12 months, resulting in significant savings to Council in some instances. As a result of these savings, the garbage, recycling and waste management charges will decrease on average by 9% (\$218,000). Section 9, "Rating Strategy" includes a more detailed analysis of the rates and charges to be levied for 2013-14.

4.2.2 Statutory Fees and Fines

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

Statutory fees are budgeted at a conservative level and are consistent with the 2012-13 forecast. While most fees and fines are expected to increase by inflation, volume is expected to be down in the areas of building and planning due to market forces.

A detailed listing of statutory fees is included as appendix D at the end of this document and can also be inspected at Council's customer service centres.

4.2.3 User Fees

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include provision of human service such as meals on wheels and home care services and transfer station tipping fees.

User fees are budgeted to increase 2.5% on the previous year, plus an additional \$115,000 in fees will be collected associated with Council homecare employees doing contract care for other providers. This budgeted amount is inline with current activity.

A detailed listing of fees and charges is included as appendix D at the end of this document and can also be inspected at Council's customer service centres.

4.2.4 Contributions

Contributions relate to monies paid by developers in regard to public recreation, drainage and car parking in accordance with planning permits issued for property development. Also included under this heading are community contributions to Council projects and therefore amounts will fluctuate year on year.

The \$12,000 visitor donation in the Budget is in relation to the new Clunes Community Interpretive Centre.

4.2.5 Grants - Recurrent

Recurrent grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Examples include HACC, Roads to Recovery and Grants Commission funds.

Overall, recurrent grant income is anticipated to increase by \$2.2 million compared to 2012-13, this is predominately a result of timing as opposed to increased income. 50% of the Victorian Grant Commission and Local Roads Grant for the 2012-13 year was prepaid in June 2012 (\$2 million), therefore artificially decreasing the total grants in 2012-13 compared to 2013-14. A estimated 2% increase on the 2012-13 total allocation has been included in the Budget.

4.2.5 Grants - Recurrent (continued)

Significant components of total operating grant income is summarised below:

Grant Funding Types	Forecast	Budget	Variance
	Actual 2012-13 \$'000	2013-14 \$'000	\$'000
Youth, Family and Children Services	272	290	18
Aged and Disability	1,161	1,150	(11)
Victorian Grants Commission	1,826	4,070	2,244
Roads to Recovery	690	689	(1)

4.2.6 Grants - Non recurrent

Non recurrent grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program and special projects. Overall the level of non-recurrent grants will decrease compared to 2012-13 which is consistent with the decrease in the capital works program and special projects. For example there is \$2.4 million in grants for the Clunes Community Interpretive Centre in the 2012-13 forecast which is associated with \$3 million of capital works. This project is not included in the 2013-14 Budget.

During 2013-14 Council is expected to receive \$1 million for renewal of Country Roads and Bridges as well as a further \$556,000 as part of the Local Government Infrastructure Fund. Other significant grants budgeted for are \$340,000 in relation to streetscape planning and works throughout the Shire and \$600,000 for stage 2 of the Creswick Flood Mitigation works. \$150,000 is budgeted to be received in relation to the Hepburn Shire Council Services & Community Hub planning project.

Section 6, "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2013-14 year.

4.2.7 Other Revenue

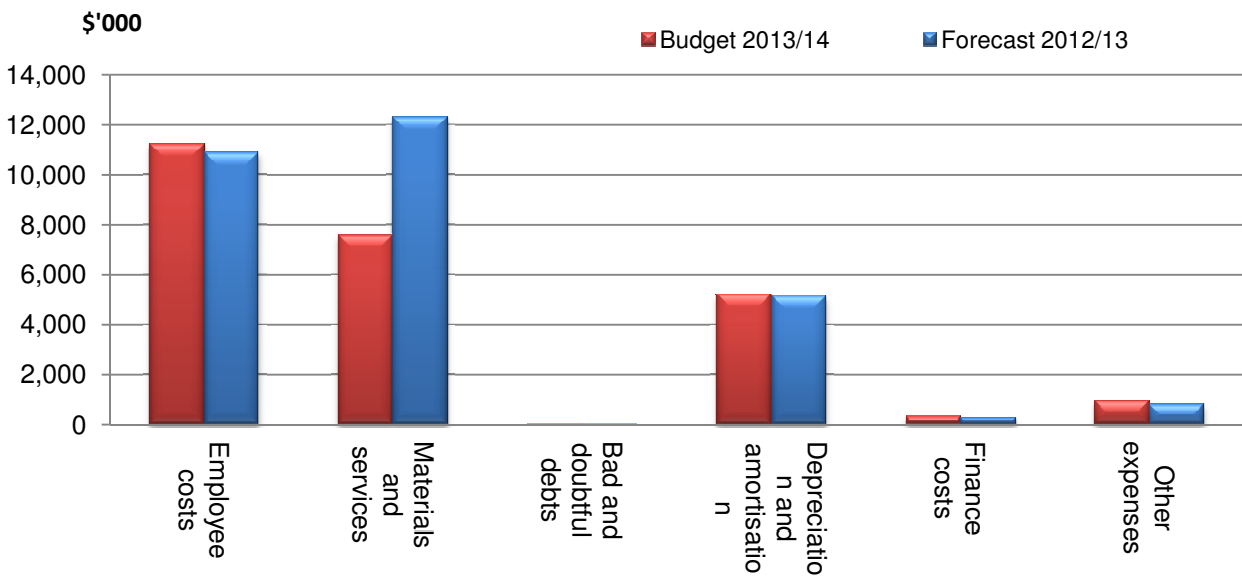
Other revenue relates to a range of items such as rent or lease receipts, reimbursements and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

The 2013-14 Budget is significantly less than the 2011-12 forecast of \$14.2 million. The 2012-13 amount included reimbursements for flood recovery works (\$12.7 million) that will be offset by corresponding operational and capital expenditure. No flood funding has been included in the 2013-14 Budget.

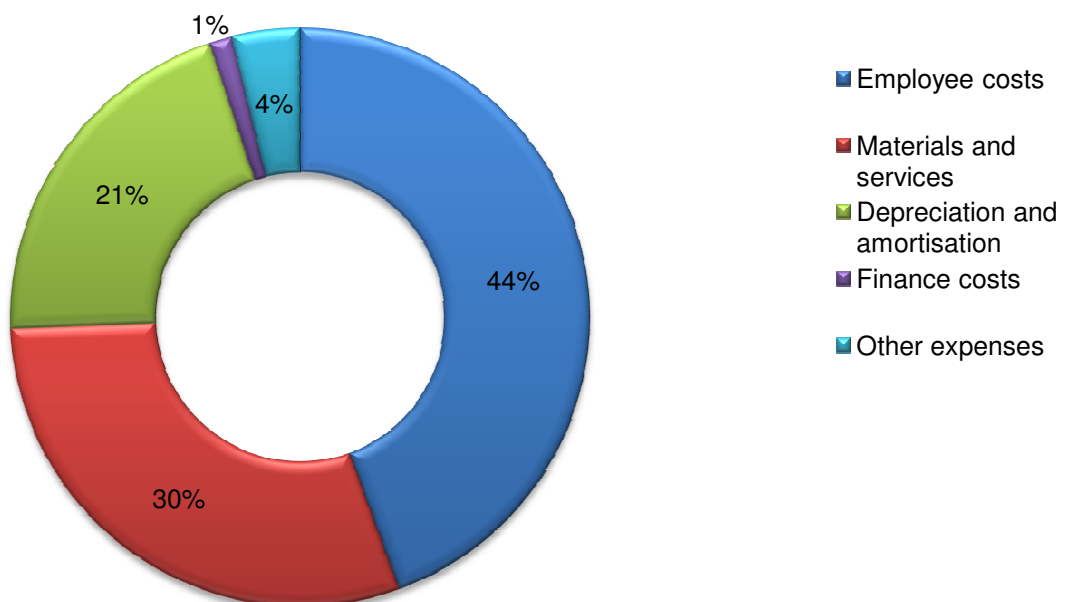
While rent and interest in the Budget have decreased, reimbursements will increase due to increased funds from the State Revenue Office for the sale of property revaluations that are completed every 2 years.

4.3 Operating expenditure

Expenditure Types	Ref	Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Employee costs	4.3.1	10,887	11,238	351
Materials and services	4.3.2	12,299	7,578	(4,721)
Bad and doubtful debts	4.3.3	5	5	0
Depreciation and amortisation	4.3.4	5,150	5,200	50
Finance costs	4.3.5	271	320	49
Other expenses	4.3.6	819	951	132
Total operating expenditure		29,431	25,292	(4,139)



Budget 2013/14 Expenditure types



4.3.1 Employee Costs

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, etc.

The cost of Council's core employees will increase in 2013-14 due to the following factors:

- While Council's Enterprise Bargaining Agreement (EBA) will be renegotiated during 2013-14, an estimated increase of 2.5% plus band movements has been included in the Budget. This will increase employee costs by \$310,000.
- New initiatives in the budget include a Business Analyst (1.0 EFT) and Organisational Development Resource (0.4 EFT) (combined cost \$171,000). These employees will seek to identify savings efficiencies in Council and continue Council's work on Business Planning. Further, an increase to an employee's hours has been included in the Budget to undertake the Roadside Survey work (0.5 EFT) and a review of the Domestic Wastewater Management Plan (combined cost \$65,000).
- The new Clunes Community Interpretive Centre will see a new full time facility co-ordinator (1.0 EFT) in addition to a new customer service officer (0.4 EFT) employed. This is budgeted to cost \$89,000.
- As discussed at 4.2.3, along with additional fee income, there will be an estimated \$143,000 in additional employee costs associated with Council homecare employees doing contract care for other providers.
- An estimated reduction in work cover premiums is budgeted to offset the \$30,000 in additional superannuation guarantee payments as a result of legislation changes.

The offsetting factors which have reduced employee costs are:

- Funded positions in relation to bushfire planning provisions (1.0 EFT), transport connections (1.0 EFT) and flood recovery (1.0 EFT) (\$309,000) are included in the 2012-13 forecast but will not be funded in the 2013-14 Budget. The funded Advancing Country Towns program is expected to be completed during the year, resulting in less employee costs of \$68,000.
- One full time trainee in the outdoor area has not been replaced by an employee, rather short term contract staff are used during peak times. These contract staff costs are allocated to "materials and services" not employee costs (\$60,000).

In summary, staff numbers based on Council's staff establishment is as follows:

Type of employment	Forecast		Variance
	Actual 2012-13	Budget 2013-14	
Permanent/Casual (Shire funded)	124.15	127.44	3.29
Funded (Government funded)	6.13	3.13	3.00
Total	130.28	130.57	0.29

4.3.2 Materials and Services

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs.

Significant components of materials and services are summarised below:

Type of material or service	Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Contractors	4,546	2,184	(2,362)
Utilities	490	495	5
Other initiatives/special projects	2,731	543	(2,188)

Materials and services are budgeted to decrease \$4.7 million on the 2012-13 forecast. This is driven by the following three main factors:

- Included in the 2012-13 forecast is \$2.7 million of other initiatives/special projects. This comprises \$1.2 million of carry forward projects from 2011-12 plus new projects included in the 2012-13 Budget and Mid Year Budget Review. Carry forward projects are projects initially included in a prior year budget, but not completed and therefore included in the subsequent year's forecast. There are no such carry forward projects included in the Budget 2013-14.
- Also included in the forecast is \$2.28 million of Flood Office expenses, including the use of contract engineers and project managers. No Flood Office expenses or capital costs have been included in the Budget for 2013-14.
- All waste contracts have been out for tender over the past 12 months, resulting in cost savings to Council. Council has budgeted for a decrease in waste costs of \$218,000 for 2013-14, predominately in the areas of recycling and public litter bin collection. These savings result directly in a decrease in the waste charges levied on properties.

4.3.3 Bad and Doubtful Debts

Bad debts tend to relate to infringements and are budgeted to be consistent year on year.

4.3.4 Depreciation and Amortisation

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, bridges and drains. The increase is due to depreciation being charged on 12 months of the new Doug Lindsay Recreation Reserve Facility, Clunes Community Interpretive Centre and on repaired flood damaged assets. Refer to 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2013-14 year.

4.3.5 Finance Costs

Borrowing costs relate to interest charged by financial institutions on funds borrowed. \$1.423 million needs to be borrowed in July 2013 to enable Council to make it's contribution towards the Defined Benefits Superannuation Fund shortfall. Refer to section 10 for further details regarding the borrowing strategy.

4.3.6 Other Expenses

Other expenses relate to a range of unclassified items including contributions to community groups, insurances, civic operations (including Councillor allowances) and other miscellaneous expenditure items.

Other expenses are forecast to increase due to a \$65,000 increase in some insurance premiums. Further, Councillor allowances will increase by \$22,000. This is predominately due to a change in the Mayoral allowance.

5. Analysis of Budgeted Cash Position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2013-14 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works or repayment of debt.
- **Investing activities** - Refers to cash generated or used in the renewal, upgrade 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 includes 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

	Forecast	Budget	Variance
Ref	Actual	2013-14	
	2012-13	2013-14	
	\$'000	\$'000	\$'000
Cash flows from operating activities	5.1.1		
<i>Receipts</i>			
General rates and charges	15,719	16,226	507
Grants - Recurrent	4,118	6,274	2,156
Grants & contributions - Non recurrent	5,761	2,984	(2,777)
Interest	450	280	(170)
User charges and fees	616	780	164
Other	14,457	1,720	(12,737)
	41,121	28,264	(12,857)
<i>Payments</i>			
Employee costs	(10,887)	(12,661)	(1,774)
Other	(13,494)	(8,776)	4,718
	(24,381)	(21,437)	2,944
Net cash provided by operating activities	16,740	6,827	(9,913)
Cash flows from investing activities	5.1.2		
Proceeds from sales of property, plant & equipment	559	296	(264)
Payments for property, plant and equipment	(25,972)	(7,841)	18,131
Net cash used in investing activities	(25,413)	(7,545)	17,867
Cash flows from financing activities	5.1.3		
Proceeds from borrowings	0	1,423	1,423
Repayment of borrowings	(549)	(632)	(83)
Net cash used in financing activities	(549)	791	1,340

5.1 Budgeted cash flow statement (Continued)

	Ref	Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Net increase/(decrease) in cash and cash equivalents		(9,221)	73	9,295
Cash and cash equivalents at the beginning of the year		13,473	4,252	(9,221)
Cash and cash equivalents at end of the year	5.2	4,252	4,325	73

5.1.1 Operating activities

A positive net cash provided by operating activities is required to fund the capital works program. The 2012-13 forecast is impacted by flood reimbursements and prepayment of the Victorian Grants Commission grants as explained in Section 4. Cashflow in relation to rates and charges has increased in line with the 4% increase in rate revenue, offset by the 9% decrease in waste management charges.

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

		Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Surplus for the year (including non-cash items)		11,635	2,893	(8,742)
Depreciation		5,150	5,200	50
Bad and doubtful debts		5	5	0
Net movement in current assets and liabilities		(50)	(1,271)	(1,221)
Cash flows available from operating activities		16,740	6,827	(9,913)

5.1.2 Investing activities

The decrease in payments for investing activities year on year is a result of the flood recovery expenditure of \$13.6 million included in the 2012-13 forecast plus an additional \$7.2 million in carry forward capital works. No flood capital works or estimated carry forward capital works have been included in the 2013-14 budget. The capital works expenditure is disclosed in section 6 of this budget report.

5.1.3 Financing activities

The financing activities comprise a new loan to fund Council's contribution towards Defined Benefits Superannuation Fund shortfall and loan repayments on the new and existing loans. Refer to section 10 for further details regarding the borrowing strategy.

5.1.4 Cash and cash equivalents at end of the year

Overall, total cash and investments is forecast to increase \$73,000 in 2013-14 to ensure Council maintains sufficient cash reserves to meet its short term financial obligations as they fall due. As part of the Budget setting process Council committed to allocating \$250,000 into cash, \$177,000 of this cash was found by cancelling a number of projects included in the 2012-13 Budget that had not commenced and were no longer a priority for Council.

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 2014 it will have cash and investments of \$4.846 million, comprising \$4.3 million current and \$521,000 non current, which has been restricted as shown in the following table.

		Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Total cash and investments		4,773	4,846	73
Restricted cash and investments				
- Statutory reserves	5.2.1	(797)	(797)	-
- Discretionary reserves	5.2.2	(196)	(196)	-
Unrestricted cash and investments	5.2.3	3,780	3,853	73

Source: Appendix A

5.2.1 Statutory reserves

These funds must be applied for specified statutory purposes in accordance with various legislative and contractual requirements. While these funds earn interest revenues for Council, they are not available for other purposes. An example is the resort and recreation reserve, whereby developers must make a contribution to provide future recreation for the Shire.

5.2.2 Discretionary reserves

These funds are available for whatever purpose Council decides is their best use. In this case Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. Council plans to phase a number of these reserves out over the coming years. An example is the Heritage Advisory fund, which is an accumulation of interest earned on heritage loans over a number of years. These funds are to be used for future Heritage loans.

5.2.3 Unrestricted cash and investments

These funds are free of all specific Council commitments. However, Council considers that all cash and investments represent funds available to meet daily cash flow requirements and unexpected short term needs.

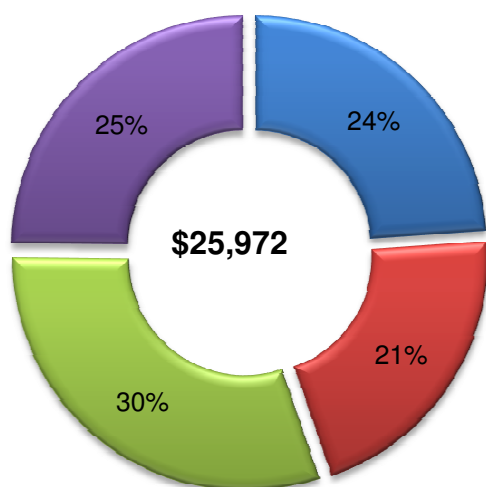
6. Analysis of Capital Budget

This section analyses the planned capital expenditure budget for the 2013-14 year and the sources of funding for the capital budget.

6.1 Capital Works

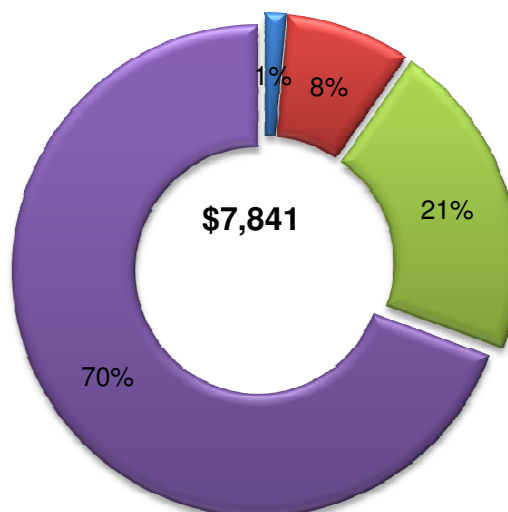
Capital Works Areas	Ref	Forecast	Budget	Variance
		Actual 2012-13 \$'000	2013-14 \$'000	\$'000
Works carried forward				
Roads and Bridges	6.1.1	6,440	-	(6,440)
Recreation	6.1.2	4,276	-	(4,276)
Land and Buildings	6.1.3	3,763	-	(3,763)
Plant, equipment and other	6.1.4	4,854	-	(4,854)
Total works carried forward		19,333	-	(19,333)
New works				
Roads and Bridges	6.1.1	4,850	5,441	591
Recreation	6.1.2	396	107	(289)
Land and Buildings	6.1.3	307	643	336
Plant, equipment and other	6.1.4	1,086	1,650	564
Total new works		6,639	7,841	1,202
Total capital works		25,972	7,841	(18,131)
Represented by:				
Asset renewal	6.1.5	20,896	6,574	(14,322)
New assets	6.1.5	4,641	1,220	(3,421)
Asset expansion/upgrade	6.1.5	435	48	(388)
Total capital works		25,972	7,841	(18,131)

Forecast capital works 2012/13



Budgeted capital works 2013/14

■ Recreation ■ Land and Buildings
■ Plant, equipment and other ■ Roads and Bridges



6.1.1 Roads and Bridges

Roads includes local roads, car parks, footpaths, bike paths, bridges and culverts, declared main roads, traffic devices, street lighting and traffic signals.

Details of the 2013-14 roads program are contained in Appendix C.

6.1.2 Recreation

Open Space includes parks, playing surfaces, playground equipment, irrigation systems, trees and public art.

Details of the 2013-14 recreation program are contained in Appendix C.

6.1.3 Buildings

Buildings includes community facilities, municipal offices, sports facilities, pavilions.

Details of the 2013-14 building program are contained in Appendix C.

6.1.4 Plant, equipment and other

Plant, equipment and other includes information technology, motor vehicles and plant and office furniture and equipment purchases.

Details of the 2013-14 plant, equipment & other asset program are contained in Appendix C.

6.1.5 Asset renewal, new assets, and expansion/upgrade

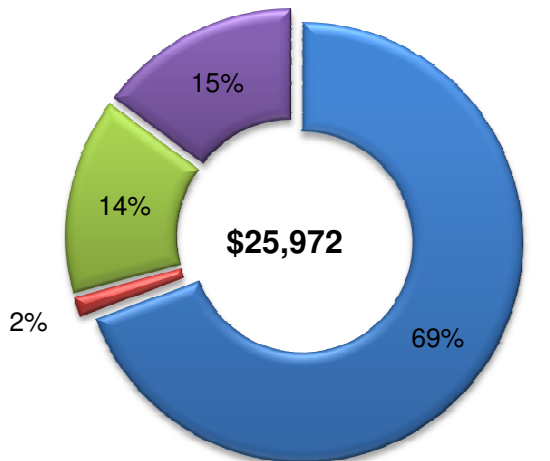
A distinction is made between expenditure on new assets, renewal and expansion/upgrade. Expenditure on asset renewal is expenditure on an existing asset, which improves the service potential or the life of the asset. Expenditure on new assets does not have any element of expansion/upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

Refer to Appendix C for the projects in each category.

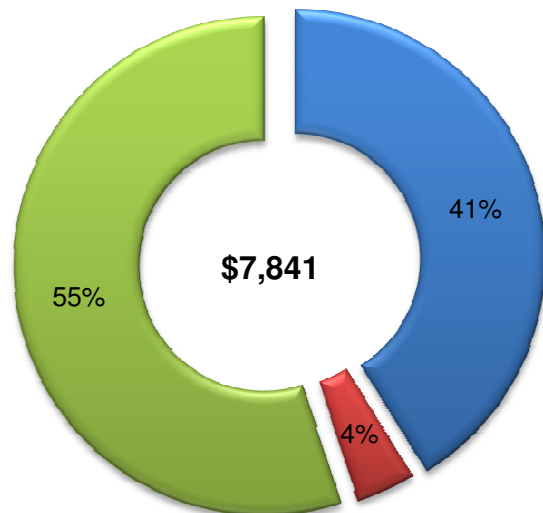
6.2 Funding Sources

Sources of funding	Ref	Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Works carried forward				
External				
Grants & Contributions - Capital	6.2.1	15,505	-	(15,505)
		15,505	-	(15,505)
Internal				
Unrestricted cash and investments	6.2.5	3,837	-	(3,837)
		3,837	-	(3,837)
Total works carried forward		19,342	-	(19,342)
New works				
External				
Grants, contributions & reimbursements - Capital	6.2.1	2,510	3,189	679
Proceeds on sale of assets	6.2.2	379	296	(84)
		2,889	3,485	596
Internal				
Trust funds and deposits	6.2.3	-	96	96
Operations	6.2.4	3,741	4,260	519
		3,741	4,356	615
Total new works		6,630	7,841	1,211
Total funding sources		25,972	7,841	(18,131)

Forecast 2012/13 \$25,972



Budget 2013/14



- Grants, contributions & reimbursements - Capital
- Proceeds on sale of assets
- Operations
- Unrestricted cash and investments

6.2 Funding Sources (continued)

6.2.1 Grants - Capital & Contributions

Capital grants and contributions include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Significant grants include \$1 million for renewal of roads & bridges, \$556,000 from the Local Government Infrastructure Fund as well as \$689,000 for Roads to Recovery projects. In the prior year, these funds included Flood Recovery Reimbursements of \$13 million.

6.2.2 Proceeds from sale of assets

Proceeds from sale of assets include plant and motor vehicle sales.

6.2.3 Trust funds and deposits

Council holds funds in either deposits or trust for various reasons. One of the trust funds has arisen as Council receives funds from the Victorian Mineral Water Committee to spend on its mineral springs. \$96,000 of these funds received in prior years will be spent on the relocation of the Mineral Water Tank Farm at the Hepburn Springs Mineral Reserve.

6.2.4 Operations

Council generates cash from its operating activities, which is used as a funding source for the capital works program. Refer to section 5. 'Budgeted Cash Position' for more information on funds from operations.

6.2.5 Unrestricted cash and investments

These are funds raised in the prior year and held in cash to be spent as the project progresses.

7. Analysis of Budgeted Financial Position

This section analyses the movements in assets, liabilities and equity between 2012-13 and 2013-14

7.1 Budgeted Balance Sheet

	Ref	Forecast Actual 2012-13 \$'000	Budget 2013-14 \$'000	Variance \$'000
Current assets	7.1.1			
Cash and cash equivalents		4,252	4,325	73
Trade and other receivables		2,260	2,260	-
Other assets		80	80	-
Total current assets		6,592	6,665	73
Non-current assets	7.1.2			
Financial assets		521	521	-
Investment in associates		80	40	(40)
Property, infrastructure, plant and equipment		208,976	211,322	2,346
Total non-current assets		209,577	211,883	2,306
Total assets		216,169	218,548	2,379
Current liabilities	7.1.3			
Trade and other payables		3,358	3,397	(39)
Interest-bearing loans and borrowings		580	651	(71)
Trust funds and deposits		965	1,061	(96)
Other liabilities		86	86	0
Provisions		3,332	1,909	1,423
Total current liabilities		8,321	7,104	1,217
Non-current liabilities	7.1.4			
Interest-bearing loans and borrowings		3,056	3,776	(720)
Other liabilities		205	188	17
Provisions		580	580	0
Total non-current liabilities		3,841	4,544	(703)
Total liabilities		12,162	11,648	514
Net assets	7.1.5	204,007	206,900	2,893
Equity	7.1.6			
Accumulated surplus		128,924	131,817	2,893
Asset revaluation reserve		74,091	74,091	-
Other reserves		992	992	-
Total equity		204,007	206,900	2,893

Source: Appendix A

7.1.1 & 7.1.2 Current Assets and Non-Current Assets

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 maturities of less than 12 months. These balances are projected to increase by \$73,000 during the year to improve Council's ability to fund day to day operations. Refer to section 5 for details on the cash flow of the Council.

Trade and other receivables are monies owed to Council by ratepayers and others. This is expected to be consistent year on year.

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

Financial assets comprise of a restricted investment to fund the long service leave provision.

Property, infrastructure, plant and equipment is the largest component of Council's assets and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by the Council over many years. The increase in this balance is attributable to the net result of the capital works program (\$7.8 million of asset renewal, upgrade and new assets, \$5.2 million depreciation of assets and \$296,000 sale of property, plant and equipment).

7.1.3 & 7.1.4 Current Liabilities and Non Current Liabilities

Trade and other payables are those to whom Council owes money as at 30 June 2014. These liabilities are budgeted to remain consistent with 2012-13 levels.

Interest-bearing loans and borrowings are borrowings of Council. New borrowings of \$1.4 million will be taken out, with total loan repayments of \$632,000 in 2013-14.

Provisions predominately comprise employee entitlements, e.g. Annual leave and Long Service Leave. The 2012-13 forecast includes the \$1.4 million owed for Council's contribution to the Defined Benefit Superannuation Fund deficit, which will be paid by way of borrowings in 2013-14 and therefore will not show as a provision at 30 June 2014.

Other liabilities are prepayments of rent in advance, which will decrease consistently each year over the life of lease agreement.

7.1.5 Net Assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June 2014.

The increase in net assets of \$2.9 million results directly from the operating surplus.

7.1.6 Equity

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, no revaluation changes have been budgeted for as it can not be reliably estimated;
- Other reserves are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed. The use of any reserves will be confirmed as part of the final Budget.
- Accumulated surplus which is the value of all surplus or deficits that have accumulated over time.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2014 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- The level of creditors and debtors to remain consistent with 2012-13 levels, with debtor collectability to be consistent and general payment terms of creditors to remain the same.
- New borrowings of \$1.4 million will be taken out, with total repayments of \$632,000.
- Total capital expenditure is budgeted to be \$7.8 million.
- The asset value of disposed assets will be same as the proceeds from the sale.

Refer to section 3.2 and 3.3 for other external influences and budget principles.

8. Strategic Resource Plan and Key Financial 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 Local Government Act requires a Strategic Resource Plan to be prepared covering both financial and non-financial resources, including key financial indicators for at least the next four financial years to support the Council Plan. Council has prepared a 10 Year Financial Plan which comprises the Strategic Resource Plan (SRP) for the four years 2013-14 to 2016-17 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 underpins the development of the Plan, is financial sustainability in the medium to long term, whilst still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives are:

- To maintain consistency in future rises of rates and charges;
- To build a level of resilience into our financial position by improving the liquidity ratio;

- To ensure that debt levels stay at an acceptable level in accordance with the VAGO indicator;
- To maintain a responsible and sustainable asset management program.

In turn, specific financial goals have been established to support Council decision making, and to track progress against the above objectives.

These goals are:

- Maintain a balanced, or cash positive, annual 'cash' budget, including an annual budget surplus;
- Ensure the indebtedness ratio (non-current liabilities as a percentage of own sourced revenue) remains less than 40% (as recommended by VAGO);
- Work towards a working capital ratio (current assets / current liabilities) of greater than 150% (as recommended by VAGO);
- Improve the condition of Council's infrastructure assets.

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 2013-14 to 2016-17. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

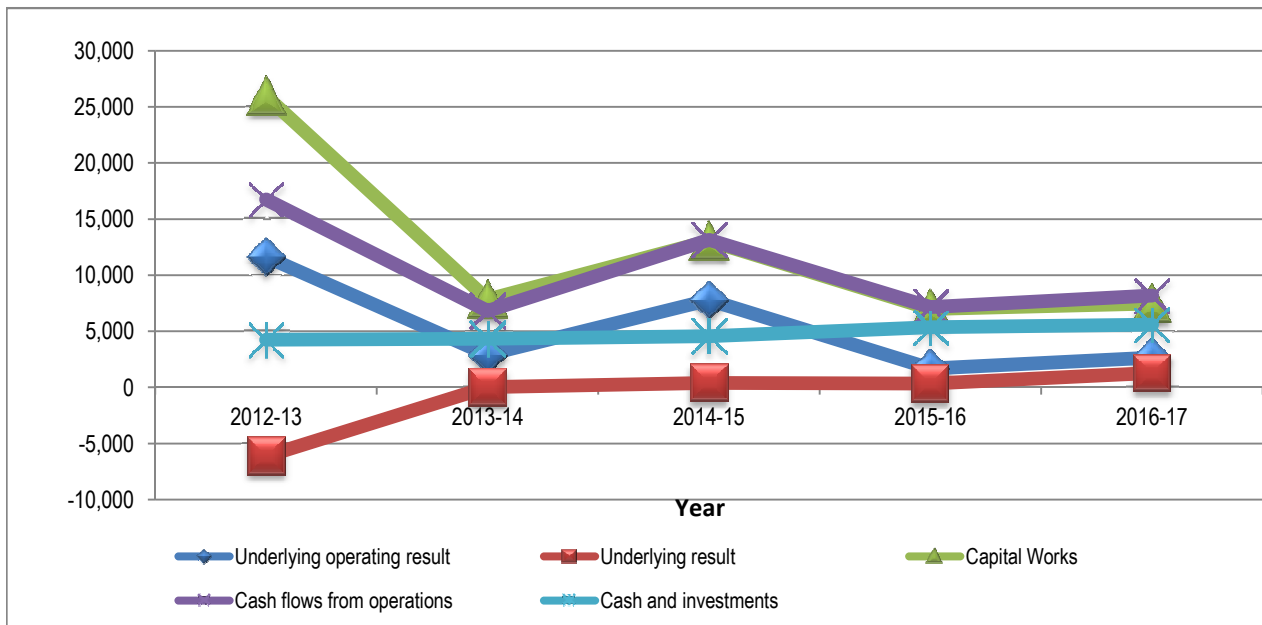
	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2012-13	2013-14	2014-15	2015-16	2016-17	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Operating result	11,635	2,893	7,788	1,693	2,658	o
Underlying operating result	(6,126)	17	405	337	1,270	+
Cash and investments	4,252	4,325	4,575	5,346	5,596	+
Cash flows from operations	16,740	6,827	13,162	7,171	8,173	+
Capital works *	25,972	7,841	13,061	6,990	7,483	o

Key to Forecast Trend:

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

* 2012-13 forecast is inflated by flood works and carried forward capital works, 2014-15 is inflated by significant community project.

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



8.2 Financial Resources (Continued)

The key outcomes of the Plan are as follows:

- **Financial sustainability (section 5)** - Council will purposely increase cash by \$250,000 as part of the 2013-14 Budget as it rebuilds its working capital over the four year period, with the aim of achieving a 150% working capital ratio by 2024.
- **Rating strategy (section 9)** – Rate increases are forecast over the four years at an average of 4.0% as Council focuses on the long term financial sustainability of the Shire, while meeting the objective of "consistency in future rises of rates and charges".
- **Service delivery strategy (section 10)** – Service levels have been maintained throughout the four year period. Operating surpluses and underlying operating surpluses are forecast. The underlying result is a measure of financial sustainability and is an important measure as one-off items can often mask the operating result.
- **Borrowing strategy (section 10)** – Total borrowings are forecast to decrease from \$3.6 million to \$3.3 million over the four year period. Future borrowings are proposed over the next four years.
- **Infrastructure strategy (section 10)** - Capital expenditure over the four year period will total \$35.4 million at an average of \$8.8 million per year. A significant boost is attributable to the \$1.5 million funding from State Government for infrastructure works which is assumed to end by 30 June 2015.

8.3 Key financial indicators

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

Indicator	Notes	Forecast		Strategic Resource Plan			Trend
		Actual	Budget	Projections			
		2012-13	2013-14	2014-15	2015-16	2016-17	+ / o / -
Financial performance							
Underlying result/Underlying rev	1	-17.35%	0.07%	1.54%	1.22%	4.45%	+
Operating expenses/Assessment (\$'000)		2.79	2.38	2.42	2.51	2.50	o
Rates & Charges revenue/total revenue	2	38.28%	57.57%	50.55%	61.99%	62.79%	+
Rates & Charges revenue/Assessment (\$'000)		1.49	1.53	1.59	1.65	1.72	o
Debt servicing/Total revenue		2.02%	3.26%	2.88%	3.61%	3.34%	o
Grants/Total revenue		23.71%	32.46%	40.92%	27.40%	27.02%	o
Fees & charges/Total revenue		3.08%	5.06%	4.33%	5.18%	5.13%	o
Financial position							
Indebtedness/Rates & Charges revenue	3	23.13%	27.28%	25.09%	22.89%	17.58%	+
Underlying result/Total assets		2.72%	0.00%	0.17%	0.14%	0.55%	+
Net realisable assets/Assessment (\$'000)		0.67	0.68	0.70	0.73	0.75	+
Current assets/Current liabilities	4	79%	94%	97%	107%	110%	+
Total liabilities/Assessment (\$'000)		1.15	1.10	1.08	1.05	0.98	+
Capital expenditure							
Capital works ('000)		\$25,972	\$7,841	\$13,061	\$6,990	\$7,483	o
- Asset renewal		20,896	6,574	8,043	5,870	6,324	o
- New assets		4,641	1,220	3,720	1,070	1,107	o
- Asset expansion & upgrade		435	48	1,298	50	51	o
Cash op act/Net capital outlays	5	66%	90%	103%	107%	114%	+
Capital works/Rates & Charges revenue		165%	48%	77%	39%	40%	o
Asset renewal/Total depreciation	6	406%	126%	150%	107%	115%	o

Key to Forecast Trend:

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

8.3 Key financial indicators (Continued)

Notes to indicators

1 Underlying operating result - Improvement in financial performance expected over the period, with less reliance on capital grants to produce annual surpluses.

2 Rate revenue/Underlying revenue - Reflects extent of reliance on rate revenues to fund all Council's on-going services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources, however this will fluctuate depending on ability to attract State and Federal funding.

3 Indebtedness/Rate revenue - Trend indicates Council's decreasing reliance on debt against its annual rate revenue.

4 Current Assets/Current Liabilities – Trend indicates Council's recognition of the need to increase cash reserves to increase this ratio. This is a specific strategy in Council's 10 Year Financial Plan.

5 Cash Op Act/Net Capital outlays - With the exception of carry forwards, Council expects to be able to service the majority of its capital works expenses from cash generated from operating activities.

6 Asset renewal/Total depreciation - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. To increase this ratio is a specific strategy in Council's 10 year Financial Plan.

8.3 Non-financial Resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources. The following table summaries the non-financial resources for the next four years.

Indicator	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Employee costs	10,887	11,238	11,437	12,231	12,160
Employee numbers (EFTs) - permanent and casuals	130.3	130.6	129.1	127.7	127.7

* Note the EFTs above do not include current or future funded positions.

9. Rating Information

This section contains information on Council's past and foresadowed rating levels along with Council's rating structure.

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 approximately 60% 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 community.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly changes in property valuations and subsequently rates for some properties in the municipality. The following table shows a comparison of the average rates per assessment for the last two years.

	Hepburn Shire \$	Average Small Rural \$	Variance \$
Average rates per assessment 2011-12	1,385	1,410	(25)
Average rates per assessment 2010-11	1,197	1,316	(119)

9.2 Current Year Rates and Charges 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.

In order to achieve these objectives while maintaining service levels and a strong infrastructure renewal program, revenue raised from general rates will increase by 4.0% in 2013-14 raising a total of \$14.1 million that includes \$160,000 generated from supplementary rates. The following table sets out future proposed rate increases and total rates to be raised including allowances for supplementary rates, based on the forecast financial position of Council as at 30 June 2013. These proposed rate increases fit with Council objective to provide consistency in future rate rises, (as part of the 10 Year Financial Plan).

Year	Rate Increase % per SRP	Rates Raised \$'000
2012-13	4.5%	13,361
2013-14	4.0%	14,087
2014-15	4.0%	14,797
2015-16	4.0%	15,543
2016-17	4.0%	16,326

9.4 Rating Structure

Council's rating structure considers the following two components:

- Property values, forming the central basis of rating under the Local Government Act 1989, reflecting capacity to pay; and
- A user pays component to reflect usage of certain services provided by Council.

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 informs 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 documents 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 residential, farming, commercial, industrial, mixed use (combination of residential 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.

The existing rating structure comprises nine differential rates being residential, 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 residential rate, and vacant land township rates are set at 125% of the residential rate, the farm rate is set at 65% of the residential rate, the trust for nature is set at 50% of the residential rate and the rate concession for recreational land is set at 50% of the residential 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.

9.4 Rating Structure (continued)

Council's rating strategy suggests 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 area of Tourism and Economic Development.

In 2010-11, Council determined that the commercial, industrial and mixed use differential would be increased by 6% to 116%, consequently raising an additional \$100,000 from this sector. This differential will remain the same in 2013-14. Council considers that a higher differential compared to the general rate will ensure that Council's commitment to Economic Development and Tourism is financially supported by those who receive direct benefits.

To support low income ratepayers in the Shire, the fixed fee for both the Municipal Charge and the Environmental Charge has been abolished. Some areas of the Shire are in the top 10% of the most disadvantaged 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. As a result of new contracts agreed over the last 12 months, costs in this area have decreased on average, consequently decreasing these charges proportionately. Savings of note are in the area of recycling (funded by the kerbside recycling charge) and public litterbin collection (funded by the waste management charge).

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 reflecting 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 Environment Protection Authority (EPA) Victoria's levy per tonne for landfill in 2013-14 will be \$53.20 per tonne, a 10% increase on the current 2012-13 levy. 2012-13 saw the introduction of carbon tax and it was conservatively estimated at \$30/tonne. The 2013-14 Budget has been based on actuals for carbon tax, at \$12/tonne. Therefore the increase in EPA levies in the 2013-14 Budget is somewhat offset by a decrease in estimate carbon tax payable.

9.4 Rating Structure (continued)

The following table summarises the rates to be charged for the 2013-14 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

Rate type	How applied	2012-13	2013-14	2012-13 differential	2013-14 differential
General rate	Cents/\$ CIV	0.4090	0.4254	100%	100%
Farm rate	Cents/\$ CIV	0.2658	0.2765	65%	65%
Commercial rate	Cents/\$ CIV	0.4744	0.4935	116%	116%
Industry rate	Cents/\$ CIV	0.4744	0.4935	116%	116%
Mixed use rate	Cents/\$ CIV	0.4744	0.4935	116%	116%
Vacant land rate - township	Cents/\$ CIV	0.5112	0.5318	125%	125%
Vacant land rate - other	Cents/\$ CIV	0.4090	0.4254	100%	100%
Trust for nature rate	Cents/\$ CIV	0.2045	0.2127	50%	50%
Recreational rate	Cents/\$ CIV	0.2045	0.2127	50%	50%
Municipal Charge	\$/ property	\$0	\$0		
Environmental Charge	\$/ property	\$0	\$0		
Kerbside collection (Garbage)	\$/ property	\$117	\$130		
Kerbside collection (Recycling)	\$/ property	\$93	\$54		
Commercial Kerbside Collection (Garbage)	\$/ property	\$262	\$273		
Waste management charge	\$/ property	\$131	\$120		

10. Other Strategies

This section sets out the strategies that have been developed and incorporated into the Strategic Resource Plan (SRP) 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, 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 the indebtedness ratio (non-current liabilities as a percentage of own sourced revenue) remains less than 40%".

Borrowings for 2013-14 will be \$1.4 million for Council's contribution to the Defined Benefit Superannuation Fund shortfall, due in July 2013.

The SRP anticipates that Council will make a co-contribution of \$500,000 to major community project in 2014-15 and a further call on the Defined Benefits Superannuation Fund will be required during 2015-16 that will necessitate a loan in the order of \$500,000. The following table sets out future proposed borrowings, based on the actual financial position of Council as at 30 June 2012.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2012-13	0	549	281	3,636
2013-14	1,423	632	287	4,427
2014-15	500	651	321	4,276
2015-16	500	732	311	4,044
2016-17	0	739	262	3,305

10.2 Service Delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 8.) which directly impacts the future service delivery strategy are to increase liquidity and spending on infrastructure asset renewal, while maintaining consistent rate rises and service delivery. The Rating Strategy (see Section 9.) also refers to consistent rate increases.

The general influences affecting all operating revenue and expenditure includes the following:

	2013-14 %	2014-15 %	2015-16 %	2016-17 %
Consumer Price Index	2.5	3.0	3.0	3.0
Rate increases	4.0	4.0	4.0	4.0
Property growth	1.0	1.0	1.0	1.0
Wages growth	3.5	3.5	3.5	3.5
Government funding	2.5	2.5	2.5	2.5
Statutory fees	2.5	2.5	2.5	2.5
Borrowing rates	6.5	6.5	8.0	8.0
Investment return	4.0	4.0	6.0	6.0

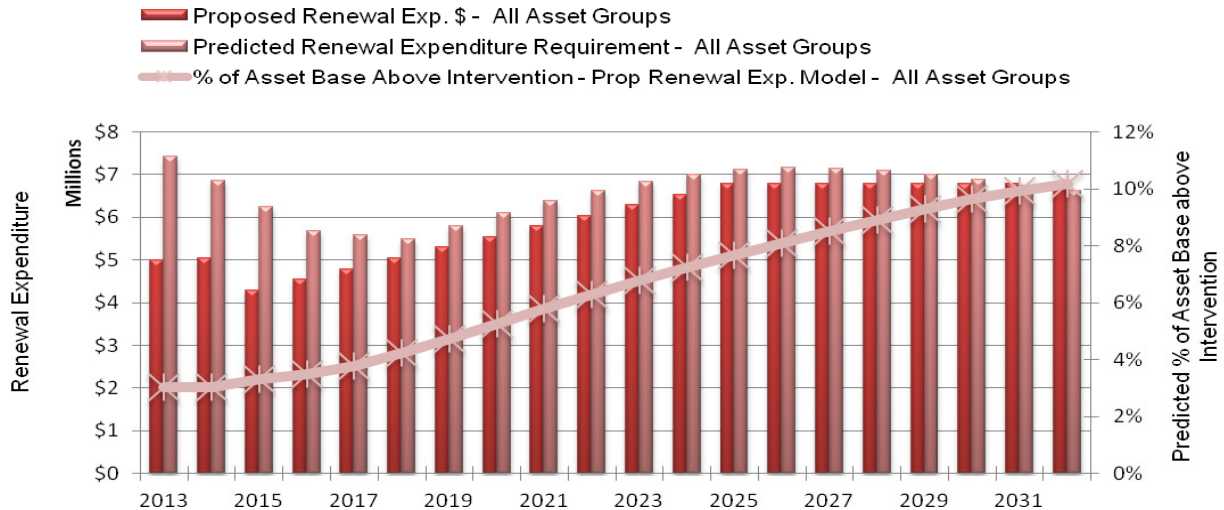
10.2 Service Delivery (continued)

As well as the general influences, there has been some changes to costs in waste which will be directly passed on to property owners. Due to recent competitive tender process, there has been significant savings in the areas of public litter bin collection and recycling. Overall, costs in the area of waste management has decreased \$218,000. These savings will not decrease the service level provided, infact the change in service provide for kerbside collection is anticipated to increase the service level provided.

10.3 Infrastructure

In developing the 10 Year Financial Plan, Council set the objective to maintain a responsible and sustainable asset management program. Underpinning this objective is the initiative to allocate an additional \$250,000 each year recommencing 2014-15 to asset maintenance and renewal. These additional funds will go towards minimising the infrastructure gap. The infrastructure gap is the difference in 'proposed renewal expenditure' and the 'predicted renewal expenditure requirement'. It has been recognised that Government funding through programs such as Country Roads and Bridges and Flood funding has helped reduce this gap over the last two years. While the \$250,000 additional funds are not sufficient to eliminate the infrastructure gap, they will go some way to ensure community assets are appropriately maintained for future generations.

The graph below sets out Council's renewal spends for the life of this Plan and the following 10 years, versus the value of the renewal required. The difference in 'proposed renewal expenditure' and the 'predicted renewal expenditure requirement' is what has caused the gap in the past and will contribute to increasing the gap in the future.



The graph above demonstrates the growing gap, as the 'predicted % of the asset base above intervention level' grows from 3% to 7% over the 10 years. The % of the asset base above intervention is the proportion of assets that have deteriorated beyond the level that has been deemed acceptable in the Asset Management Plans.

While the strategy to increase spend by \$250,000 per year will not eliminate the gap, it will ensure that at the end of the 10 years, the % of the asset base above intervention level is at a 7%, as opposed to a higher 11% if the additional funds each year were not added.

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 standard statements	61
B	Statutory disclosures Capital works program & Other	66
C	Projects	72
D	Schedule of Fees and Charges	76

Appendix A

Budgeted standard statements

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2013-14 to 2016-17 has been extracted from the Strategic Resource Plan.

The appendix includes the following budgeted information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement

Budgeted Standard Income Statement

For the four years ending 30 June 2017

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues from ordinary activities					
Rates and charges *	15,719	16,226	17,044	17,903	18,805
Statutory fees and fines	649	645	661	678	695
User fees	616	780	800	819	840
Grants - Recurrent	4,118	6,274	6,414	6,557	6,703
Grants - Non recurrent	5,617	2,876	7,383	1,356	1,388
Contributions	144	12	12	12	12
Other revenue	14,203	1,372	1,404	1,555	1,505
Total revenues	41,066	28,185	33,718	28,880	29,948
Expenses from ordinary activities					
Employee costs	10,887	11,238	11,437	12,231	12,160
Materials and services	12,299	7,578	7,822	8,171	8,334
Bad and doubtful debts	5	5	5	5	5
Depreciation and amortisation	5,150	5,200	5,375	5,480	5,520
Finance costs	271	320	321	311	262
Other expenses	819	951	970	989	1,009
Total expenses	29,431	25,292	25,930	27,187	27,290
Comprehensive result	11,635	2,893	7,788	1,693	2,658

* **Rates and charges \$16,226,000.** This amount comprises Rates \$13,927,000 plus waste charges \$2,174,000 plus supplementary rates \$160,000 less pensioner rebate \$35,000.

Budgeted Standard Balance Sheet

For the four years ending 30 June 2017

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	4,252	4,325	4,575	5,346	5,596
Trade and other receivables	2,260	2,260	2,350	2,444	2,542
Other assets	80	80	80	80	80
Total current assets	6,592	6,665	7,005	7,870	8,218
Non-current assets					
Financial assets	521	521	521	-	-
Investments in associates	80	40	-	-	-
Property, infrastructure, plant and equipment	208,976	211,322	218,708	219,917	221,581
Total non-current assets	209,577	211,883	219,229	219,917	221,581
Total assets	216,169	218,548	226,234	227,787	229,799
Current liabilities					
Trade and other payables	3,358	3,397	3,462	3,518	3,682
Interest-bearing loans and borrowings	580	651	732	793	750
Trust funds and deposits	965	1,061	1,061	1,061	1,061
Other liabilities	86	86	86	86	86
Provisions	3,332	1,909	1,909	1,909	1,909
Total current liabilities	8,321	7,104	7,250	7,367	7,488
Non-current liabilities					
Interest-bearing loans and borrowings	3,056	3,776	3,544	3,305	2,555
Other liabilities	205	188	171	154	137
Provisions	580	580	580	580	580
Total non-current liabilities	3,841	4,544	4,295	4,039	3,272
Total liabilities	12,162	11,648	11,545	11,406	10,760
Net assets	204,007	206,900	214,688	216,381	219,039
Equity					
Accumulated surplus	128,924	131,817	139,605	141,298	143,956
Asset revaluation reserve	74,091	74,091	74,091	74,091	74,091
Other reserves	992	992	992	992	992
Total equity	204,007	206,900	214,688	216,381	219,039

Budgeted Standard Cash Flow Statement

For the four years ending 30 June 2017

	Forecast	Budget 2013-14	Strategic Resource Plan		
	Actual 2012-13		Projections		
	\$'000	\$'000	2014-15	2015-16	2016-17
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
<i>Receipts</i>					
Rates and charges *	15,719	16,226	17,044	17,903	18,805
Recurrent grants	4,118	6,274	6,414	6,557	6,703
Non recurrent grants and contributions	5,761	2,984	7,395	1,368	1,400
Interest	450	280	235	293	280
User charges	616	780	661	678	695
Statutory fees	649	645	800	819	840
Other revenue	13,808	1,075	1,169	1,262	1,225
	41,121	28,264	33,718	28,880	29,948
<i>Payments</i>					
Employee costs	(10,887)	(12,661)	(11,437)	(12,231)	(12,160)
Materials and consumables	(12,394)	(7,538)	(7,827)	(8,178)	(8,343)
Interest	(281)	(287)	(321)	(311)	(262)
Other expenses	(819)	(951)	(971)	(989)	(1,010)
	(24,381)	(21,437)	(20,556)	(21,709)	(21,775)
Net cash provided by operating activities	16,740	6,827	13,162	7,171	8,173
Cash flows from investing					
Proceeds from property, plant and equipment	559	296	300	300	300
Payments for property, plant and equipment	(25,972)	(7,841)	(13,061)	(6,989)	(7,484)
Net cash used in investing activities	(25,412)	(7,545)	(12,761)	(6,689)	(7,184)
Cash flows from financing					
Proceeds from borrowings	-	1,423	500	500	-
Proceeds from sale of financial asset	-	-	-	521	-
Repayment of borrowings	(549)	(632)	(651)	(732)	(739)
Net cash provided by (used in) financing activities	(549)	791	(151)	289	(739)
Net increase/(decrease) in cash & cash equivalents	(9,221)	73	250	771	250
Cash & cash equivalents at beginning of year	13,473	4,252	4,325	4,575	5,346
Cash & cash equivalents at end of year	4,252	4,325	4,575	5,346	5,596

* **Rates and charges** \$16,226,000. This amount comprises Rates \$13,927,000 plus waste charges \$2,174,000 plus supplementary rates \$160,000 less pensioner rebate \$35,000.

Budgeted Standard Capital Works Statement

For the four years ending 30 June 2017

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital works areas					
Roads and bridges *	10,877	5,441	5,592	4,629	4,791
Recreation	4,991	107	109	61	63
Land & Buildings	4,135	643	5,652	532	800
Plant, equipment and other	5,969	1,650	1,708	1,768	1,829
Total capital works	25,972	7,841	13,061	6,990	7,483
Represented by:					
Asset renewal *	20,896	6,574	8,043	5,870	6,324
New assets	4,641	1,220	3,720	1,070	1,107
Asset expansion/upgrade	435	48	1,298	50	51
Total capital works	25,972	7,841	13,061	6,990	7,483

* Roads and Bridges (renewal) 2012-13 forecast is inflated by flood works and carried forward capital works.

Reconciliation of net movement in property, infrastructure plant and equipment

For the four years ending 30 June 2017

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total capital works	25,972	7,841	13,061	6,990	7,483
Sale of assets	(559)	(296)	(300)	(300)	(300)
Depreciation & amortisation	(5,150)	(5,200)	(5,375)	(5,480)	(5,520)
Net movement in property, infrastructure plant & equipment	20,263	2,346	7,386	1,210	1,663

Appendix B

Statutory disclosures

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

The appendix includes the following budgeted information:

- Borrowings
- Rates and charges
- Differential rates

Statutory disclosures

1. Borrowings

	2012-13	2013-14
	\$'000	\$'000
New borrowings (other than refinancing)	-	1,423
Debt redemption	549	632

2. Rates and charges

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

Type of Property	2012-13	2013-14
	cents/\$CIV %	cents/\$CIV %
General rate for rateable residential properties	0.4090	0.4254
Farm rate for rateable farm land properties	0.2658	0.2765
Commercial rate for rateable commercial properties	0.4744	0.4935
Industry rate for rateable industry properties	0.4744	0.4935
Mixed use rate for mixed use properties	0.4744	0.4935
Vacant land rate - township	0.5112	0.5318
Vacant land rate - other	0.4090	0.4254
Rate concession for rateable trust for nature properties	0.2045	0.2127
Rate concession for rateable recreational properties	0.2045	0.2127

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

Type of Property	2012-13	2013-14
	\$'000	\$'000
Residential	8,427	8,937
Farm	1,530	1,630
Commercial	1,837	1,919
Industry	77	80
Mixed use	259	270
Vacant land rate - township	486	492
Vacant land rate - other	569	572
Trust for nature	15	15
Recreational	12	12

2.3 The estimated total amount to be raised by rates

	2012-13	2013-14
	\$	\$
Rates to be raised	13,212	13,927

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

Type of Property	2012-13 Change * %	2013-14 Change %
Residential	-2.15%	4.01%
Farm	-2.19%	4.03%
Commercial	-2.17%	4.03%
Industry	-2.17%	4.03%
Mixed use	-2.17%	4.03%
Vacant land rate - township	-2.17%	4.03%
Vacant land rate -other	-2.15%	4.01%
Trust for nature	-2.17%	4.01%
Recreational	-2.17%	4.01%

* The 2012-13 change is driven by the revaluation that was effective 1 July 2012.

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

Type of Property	2012-13	2013-14
Residential	6,932	7,021
Farm	1,016	1,036
Commercial	742	749
Industry	48	50
Mixed use	108	104
Vacant land rate - township	728	703
Vacant land rate - other	947	919
Trust for nature	18	18
Recreational	13	13
Total number of assessments	10,552	10,613

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

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

Type of Property	2012-13 \$'000	2013-14 \$'000
Residential	2,060,294	2,100,800
Farm	575,733	589,433
Commercial	387,276	388,888
Industry	16,206	16,306
Mixed use	54,594	54,720
Vacant land rate - township	95,076	92,516
Vacant land rate - other	138,978	134,470
Trust for nature	7,164	7,164
Recreational	5,592	5,592
Total	3,340,913	3,389,889

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

Type of Charge	Per Rateable Property 2012-13 \$	Per Rateable Property 2013-14 \$
Kerbside collection (Garbage)	117	130
Kerbside collection (Recycling)	93	54
Commercial garbage charge	262	273
Waste management charge	131	120
Total	603	577

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

Type of Charge	2012-13 \$'000	2013-14 \$'000
Kerbside collection (Garbage)	556	633
Kerbside collection (Recycling)	467	277
Commercial Kerbside Collection (Garbage)	38	39
Waste management charge	1,330	1,225
Total	2,391	2,174

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

	2012-13 \$'000	2013-14 \$'000
Rates and charges	15,569	16,101
Pension rebate	(35)	(35)
Supplementary rates	150	160
Total	15,684	16,226

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

- The making of supplementary valuations;
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.

3. Differential rates

3.1 Rates to be levied

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

- A general rate of 0.4254% (0.004254 cents in the dollar of CIV) for all rateable residential properties; and
- A farm rate of 0.2765% (0.002765 cents in the dollar of CIV) for all rateable farm properties; and
- A commercial rate of 0.4935% (0.004935 cents in the dollar of CIV) for all rateable commercial properties; and
- An industry rate of 0.4935% (0.004935 cents in the dollar of CIV) for all rateable industry properties; and
- A mixed use rate of 0.4935% (0.004935 cents in the dollar of CIV) for all rateable mixed use properties; and
- A vacant land township rate of 0.5318% (0.005318 cents in the dollar of CIV) for all rateable vacant land properties in town; and a vacant land rate of 0.4254% (0.004254 cents in the dollar of CIV) for all rateable vacant land properties in outside townships
- A trust for nature rate of 0.2127% (0.002127 cents in the dollar of CIV) for all rateable residential properties; and
- A recreation rate of 0.2127% (0.002127 cents in the dollar of CIV) for all rateable recreation properties.

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

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

3.2 General Residential

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.

3.3 Farmland

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 in comments in section 9.4 under Rating Structure.

3.4 Commercial

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 in comments in section 9.4 under Rating Structure.

3. Differential rates (continued)

3.5 Industrial

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 in comments in section 9.4 under Rating Structure.

3.6 Mixed Use

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 in comments in section 9.4 under Rating Structure.

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. Therefore any properties that are rented out for periods of less than 60 days are not residential in nature and will fall into the commercial or mixed use differential. Properties that are advertised on accommodation websites are deemed to be short term rentals and attract the commercial or mixed use differential.

3.7 Vacant Land

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

3.8 Trust for Nature

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

3.9 Recreational

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

4. Rebates

There is one rebate available to ratepayers who meet the eligibility criteria:
Pension Rebate - \$21, this is in addition to the State Government Rebate.

Appendix C

Capital works program & Other Projects

This appendix presents a listing of the capital works projects and other projects that will be undertaken for the 2013-14 year.

The capital works projects are grouped by class and include the following:

- New capital works for 2013-14
- Other projects for 2013-14

Capital works program

For the year ending 30 June 2014

Capital Works Area	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
ROADS & BRIDGES			
Asset renewal			
Reseal Council Roads (shire wide)	-	1,215	1,215
Gravel Resheets - Roads (shire wide)	-	525	525
McLennans Rd gravel road works	128	-	128
Reseal Preparation (shire wide)	-	85	85
Bridge Rehabilitation (shire wide)	550	90	640
Footpath Rehabilitation (shire wide)	-	66	66
Kerb & Channel Rehabilitation (shire wide)	-	135	135
Pavement Rehabilitation, Formation & Drainage (shire wide)	1,136	695	1,831
Total asset renewal	1,814	2,811	4,624
Asset expansion/upgrade			
Installation of Traffic Calming kerbs and signs to discourage heavy vehicles from using Stanbridge Street	-	25	25
Total asset expansion/upgrade	-	25	25
New assets			
Planning and design of the Slaty Creek Pedestrian Bridge	20	-	20
Creswick Flood Mitigation Works-Stage 2	600	172	772
Total new assets	620	172	792
TOTAL ROADS & BRIDGES	2,434	3,007	5,441
RECREATION			
Asset renewal			
Playground Renewal program	-	22	22
Trentham Pool Solar Heating Coils	-	25	25
Netball Court Resurfacing - Hepburn & Newlyn	50	-	50
Hard-court annual Renewal Program	-	10	10
Total asset renewal	50	57	107
TOTAL RECREATION	50	57	107

Capital works program

For the year ending 30 June 2014

Capital Works Area	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
LAND & BUILDINGS			
Asset renewal			
General Building Renewal	-	250	250
Clunes Bottle Museum Repairs & Asbestos Removal	201	-	201
Creswick Calembeen Park Reserve - Improvement Works	125	-	125
Renovation of Caretakers Cottage - Hepburn Mineral Springs Reserve	40	-	40
Clunes Town Hall Engineers Report	-	5	5
Total asset renewal	366	255	621
Asset expansion/upgrade			
Trentham Community Facilities Review Implementation	-	23	23
Total asset expansion/upgrade	-	23	23
TOTAL BUILDINGS	366	278	643
PLANT, EQUIPMENT and OTHER			
Asset renewal			
Capital Fleet & Plant Replacement	296	723	1,018
Annual Computer hardware renewal	-	58	58
Relocation of Mineral Water Tank Farm at Hepburn Springs Mineral Reserve	96	-	96
Library Books renewal	-	50	50
Total asset renewal	392	831	1,222
New Assets			
Triple Interceptor Pit Installation (Creswick Depot)	-	8	8
Streetscape Revitalisation Planning- Creswick, Clunes, Hepburn, Glenlyon & Trentham	90	30	120
Daylesford streetscape works	250	50	300
Total new assets	340	88	428
TOTAL PLANT, EQUIPMENT and OTHER	732	919	1,650

Capital Works Area	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
TOTAL CAPITAL WORKS 2012-13	3,581	4,260	7,841
Asset renewal	2,621	3,953	6,574
New assets	960	260	1,220
Asset expansion/upgrade	-	48	48

Other Projects

For the year ending 30 June 2014

Project	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
Telephony System	-	40	40
Old Council Depot Demolition & Decontamination	-	40	40
Business Analyst	-	120	120
Organisational Development Resource	-	51	51
Proactive Tree Removal (risk mitigation)	-	70	70
Annual Oval fertilisation and Maintenance	-	15	15
Service Reviews	-	20	20
Advancing Country Towns project contribution - Shopfront reactivation	-	5	5
Advancing Country Towns project contribution - Clunes Booktown Transformation	-	5	5
Domestic Wastewater Management Plan Review	-	20	20
Bulk change energy efficient street lighting	-	45	45
Hepburn Shire Council Services & Community Hub planning	150	100	250
Website Redevelopment including Branding Review	-	25	25
Council Contribution to Anzac Centenary	-	5	5
Planning for the Redevelopment and Relocation of the Creswick Skate Park	-	5	5
Creswick Events support (Four Seasons)	-	18	18
TOTAL OTHER PROJECTS	150	584	734

Environmental Projects and Initiatives

Project	Externally Funded \$'000	Internally Funded \$'000	Project Cost \$'000
Contribution to Land Care Groups	-	30	30
Sustainability Community Grants	-	13	13
Planet Footprint; ICLEI & Eco Buy subscriptions	-	8	8
Roadside Survey for Shire Roadside Management Plan	-	45	45
TOTAL ENVIRONMENTAL PROJECTS & INITIATIVES	-	96	96

Appendix D

Schedule of Fees and Charges

This appendix presents information in regard to the proposed schedule of fees and charges.

SCHEDULE OF FEES AND CHARGES

This appendix presents a listing of the Fees and Charges that will apply for the 2013/14 year.

The fees and charges are grouped by functional area and include the following:

- Visitor Information Centre
- Compliance
- Building Services
- Town Planning related information
- Environmental Health
- Domestic and Commercial Waste
- Daylesford - Victoria Park, Wombat Gardens & Lake Foreshore
- Creswick Town Hall
- Libraries
- Daylesford Town Hall
- Photocopying/Printing
- Rates Information
- Freedom of Information
- Dishonoured Payments
- Home and Community Care Services
- Technical Services
- Community Hire Services

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

HEPBURN COMMUNITY CARE HACC SERVICES

Program	Fee/Charge 2012/13 Incl GST			Fee/Charge 2013/14 Incl GST		
	Low*	Medium	High	Low*	Medium	High
Planned Activity Group*	\$6.50	N/A	N/A	\$13.20	\$13.20	\$18.00
	\$6.50	N/A	N/A			
House-keeping*	\$5.50	\$13.00	Full Cost	\$5.60	\$13.20	\$28.50
Personal Care*	\$3.75	\$7.50	Full Cost	\$3.80	\$7.60	\$28.50
Respite Care*	\$3.00	\$4.50	Full Cost	\$2.80	\$4.20	\$28.50
Property Maintenance*	\$10.50	\$15.50	Full Cost	\$10.70	\$15.80	\$28.50
Delivered Meals*	\$7.50	\$7.50	\$47.50	\$7.60	\$7.60	\$7.60

Community Services

Use	Fee/Charge 2012/13 (Incl GST)	Fee/Charge 2013/14 (Incl GST)
Marquee Hire		
6 x 6 m	\$155.00	\$0.00
12 x 6 m	\$205.00	\$0.00
BBQ Hire	\$68.00	\$70.00
Council Gateway Frames	Nil	Nil
Bonds*		
Marquee	\$305.00	\$310.00
BBQ	\$42.00	\$44.00
Council Gateway Frames	Nil	Nil

Libraries

Use	Fee/Charge 2012/2013 Incl GST	Fee/Charge 2013/14 Incl GST
Fines	\$0.25 cents per day per item to a maximum of \$5.00	\$0.25 cents per day per item to a maximum of \$5.00
Holds	Free (Maximum of 10 holds)	Free (Maximum of 30 holds)
Inter Library Loans	\$2.00 plus other charges incurred*	\$2.00 plus other charges incurred*
Inter Library Loans - Universities	\$18.50	\$18.50
Replacement card	\$2.00	\$2.00
Photocopying A3	\$0.40	\$0.40
Photocopying A4	\$0.20	\$0.20
Colour printing A4	\$1.00	\$1.00
Colour printing A3	\$1.60	\$1.60
Scanning	\$0.50	\$0.50
Fax receiving	\$0.40	\$0.40
Fax sending	\$2.20	\$2.20
	\$1.10	\$1.10
Lost or damaged items	Cost of replacement	Cost of replacement
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 Packages		
<ul style="list-style-type: none"> • Private Book Club 	\$140 per club per year	\$140 per club per year
<ul style="list-style-type: none"> • Library Book Club 	\$44 per person per year	\$44 per person per year
Book Sales	From \$0.20 per item	From \$0.20 per item
Events	Variable fee from Free to \$80	Variable fee from Free to \$80

Daylesford ARC

Use	Fee/Charge 2012/2013 Incl GST	Fee/Charge 2013/14 Incl GST
Court Hire		
Court 1 per hour	\$40.50	\$41.50
Court 2 per hour	\$40.50	\$41.50
Court 3 per hour	\$30.00	\$31.00
Spectator	\$0.00	\$0.00
Squash Court Rental	\$12.50	\$13.00
Racquet Hire	\$3.00	\$3.50
School Holiday Program per child	\$10.50	\$11.00
Sports Clinics	\$6.50	\$7.00
Group Fitness	\$11.50	\$12.00
Group Fitness Concession	\$9.50	\$10.00
Theatre		
Theatre - Community	\$41.00	\$42.00
Theatre - Commercial	\$56.00	\$57.50
Multipurpose Room - Community	\$26.00	\$27.00
Multipurpose Room - Commercial	\$32.00	\$33.00
Kiosk	\$26.00	\$27.00
Umpire/Meeting Room - Community	\$10	\$10.50
Umpire/Meeting Room - Commercial	\$13.00	\$13.50

Swimming Pools

Use	Fee/Charge 2012/13 Incl GST	Fee/Charge 2013/14 Incl GST
Family Season Ticket	\$136.00	\$140.00
Adult Season Ticket	\$87.50	\$89.00
Child's Season Ticket	\$57.00	\$58.00
Adult Entry	\$4.20	\$4.30
Concession Entry	\$3.70	\$3.80
Child Entry	\$3.20	\$3.30
Spectators	\$1.00	\$1.00
School Entry per Student	\$1.60	\$1.60

DAYLESFORD – VICTORIA PARK/WOMBAT HILL BOTANIC GARDENS/LAKE

Use	Fee/Charge 2012/13 (incl GST)	Recommended Fee/Charge 2013/14 (incl GST)
All Reserves		
Personal Training / year (2x/wk)		\$158.00
Victoria Park		
Function (1 Day)	\$756.00	\$775.00
Function (2 Days)	\$1,079.00	\$1,106.00
Function (2+ Days)	\$1,079.00 for first 2 days + \$270.00 per	\$1,106.00 for first 2 days + \$280.00 per
Daylesford Football Club	\$1,404.00	\$1,439.00
Daylesford Cricket Club	\$378.00	\$387.00
Insurance admin fee (If no Certificate of Currency is provided)	\$41.00	\$45.00
Bonds		
Keys	\$50.00	\$50.00
Meetings	\$500.00	\$500.00
Functions	\$800.00	\$800.00
Functions with alcohol	\$1,000.00	\$1,000.00
Special Conditions		
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)
Hepburn Shire Council Sponsored Events	1. Hire fees to be waived (bond and if applicable insurance fees must still be paid) 2. Council must be recognised as providing sponsorship/support for the event.	1. Hire fees to be waived (bond and if applicable insurance fees must still be paid) 2. Council must be recognised as providing sponsorship/support for the event.
Wombat Hill Botanic Gardens		
Wedding	\$162.00	\$166.00
Lake Foreshore		
Wedding	\$162.00	\$166.00

CRESWICK TOWN HALL

Use	Fee/Charge 2012/13 (incl. GST)	Fee/Charge 2013/14 (incl. GST)
Rehearsals/Regular User	\$33.00	\$34.00
Meetings	\$109.00	\$112.00
Functions	\$129.00	\$132.00
Functions with alcohol	\$152.00	\$156.00
Insurance admin fee (If no Certificate of Currency is provided)	\$41.00	\$45.00
Bonds		
Keys	\$50.00	\$50.00
Meetings	\$100.00	\$100.00
Functions	\$200.00	\$200.00
Functions with alcohol	\$500.00	\$500.00
Special Conditions		
Hepburn Shire Community Not For Profit	\$0.00 (bonds and insurance admin fees still apply)	\$0.00 (bonds and insurance admin fees still apply)

DAYLESFORD TOWN HALL

Use	Fee/Charge 2012/13 Incl GST	Fee/Charge 2013/14 Incl GST
Rehearsals	\$48.00	\$50.00
Meetings	\$173.00	\$177.00
Functions	\$205.00	\$210.00
Functions with alcohol	\$248.00	\$255.00
Set up day	\$86.00	\$88.00
Senior Citizens Rooms	\$86.00	\$88.00
Senior Citizens Crockery	\$58.00	\$59.00
PA System	\$38.00	\$40.00
Insurance admin fee (If no Certificate of Currency is provided)	\$41.00	\$45.00
Bonds		
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 People	\$1,000.00	\$1,000.00
Special Conditions		
Hepburn Shire Community Not For Profit	\$0.00 (bonds and insurance admin fees still apply)	\$0.00 (bonds and insurance admin fees still apply)

PHOTOCOPYING / PRINTING

Use	Fee/Charge 2012/13 Incl GST	Fee/Charge 2013/14 Incl GST
A4 per side - Black & White	\$0.40	\$0.45
A4 per side - Colour	\$1.00	\$1.20
A3 per side - Black & White	\$0.80	\$1.00
Colour A3 per side	\$1.60	\$2.00
Copy Plans A2	\$20.00	\$20.00
Copy Plans A1	\$25.00	\$25.00
Copy Plans A0	\$30.00	\$30.00
A4 Dyeline	\$11.00	\$11.00
A3 Dyeline	\$16.00	\$16.00
A2 Dyeline	\$35.00	\$35.00
A1 Dyeline	\$40.00	\$40.00
AO Dyeline	\$45.00	\$45.00
Tender documents	\$50.00	\$50.00

RATES INFORMATION

Use	Fee 2012/2013 Incl GST	Recommended Fee 2013/14 Incl GST
Land information certificate*	\$20.00	\$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

FREEDOM OF INFORMATION

Use	Fee 2012/2013 Incl GST	Recommended Fee 2013/14 Incl GST
Freedom of information access supervision fee (per 1/4 hr) *	\$5.00	\$5.00
Freedom of information search fee (per hr) *	\$20.00	\$20.00
Freedom of information lodgement fee *	\$25.10	\$25.10

COMMUNITY HOUSING		
Use	Fee 2012/2013 Incl GST	Recommended Fee 2013/14 Incl GST
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.
DISHONOURD PAYMENTS		
Use	Fee 2012/2013 Incl GST	Recommended Fee 2013/14 Incl GST
Direct Debit fee	\$5.00	\$15.00
Dishonoured cheque fee	\$9.00	\$15.00
* Denotes fees as determined by legislation and therefore subject to any change in legislation		

DOMESTIC & COMMERCIAL WASTE - TIPPING FEES SCHEDULE

Item	Current Fee 2012/2013 (incl GST)	Recommended Fee 2013/14 (incl GST)
DOMESTIC & COMMERCIAL WASTE		
Car/Boot Load (1/2m ³ max)	\$16.00	\$17.00
Utility/Small Trailer (1.0 m ³ max)	\$32.00	\$34.00
Small Truck/Tandem Trailer (2.0 m ³ max)	\$64.00	\$68.00
Other Loads that are non commercial / m3	\$30.00	\$32.00
Commercial Waste	n/a	n/a
Approved Green Waste	\$16.00	\$17.00
Approved Domestic Recyclables	no charge	no charge
Approved Commercial Recyclables	no charge	no charge
Commercial Paper & Cardboard Recyclable	\$16.00	\$17.00
Commercial Paper & Cardboard Non Recyclable	\$32.00	\$34.00
TYRES		
Car	\$4.00	\$4.00
Light Truck	\$30.00	\$30.00
Truck	\$60.00	\$60.00
Tractor – Small	\$130.00	\$130.00
Tractor – Large	\$200.00	\$200.00
Rims only	No Charge	No Charge
OTHER		
Paint	No Charge	No Charge
Oil	No Charge	No Charge
Batteries	No Charge	No Charge
Scrap Steel	No Charge	No Charge
Car Bodies	No Charge	No Charge
Refrigerators & Freezers (Degassed)	No Charge	No Charge
Refrigerators & Freezers (Gassed)	\$50.00	\$52.00
TV		\$5.00
Mattresses	\$22.00	\$24.00
Sale of Garbage bins		
120ltr bin	\$50.00	\$50.00
240ltr bin	\$65.00	\$65.00

Note: Approved Recyclables must be sorted and placed in containers provided

Technical

Use	Fee 2012/2013 Incl GST	Recommended Fee 2013/14 Incl GST
Legal Point of Discharge Fees*	\$58.17	\$56.45
Consent to Work on Road		
Where Speed greater than 50 kph		
Works on a Road, Shoulder or Pathway max speed greater than 50 kph	45 fee units	\$563.85
Road but NOT on Roadway, Shoulder or Pathway	25 fee units	\$313.25
Minor Works on a Road, Shoulder or Pathway	11.5 fee units	\$144.10
Minor Works but NOT on Roadway, Shoulder or Pathway	5 fee units	\$62.65
Where Speed not more than 50 kph		
Works on a Road, Shoulder or Pathway	20 fee units	\$250.60
Road but NOT on Roadway, Shoulder or Pathway	5 fee units	\$62.65
Minor Works on a Road, Shoulder or Pathway	11.5 fee units	\$144.10
Minor Works but NOT on Roadway, Shoulder or Pathway	5 fee units	\$62.65

VISITORS INFORMATION CENTRE

Use	Fee/Charge 2012/13 (incl GST)	Fee/Charge 2013/14 (incl GST)
Level One VIC fees	\$105	\$108
Level Two VIC fees	\$155	\$159
Level Three VIC fees	\$190	\$195
Level Four VIC Fees	\$360	\$369
Level Five VIC Fees	\$460	\$471
Special Conditions		
VIC fees for volunteers.		
To be entitled to the discount you must:		
1. Be on the permanent roster, or complete a minimum of ten shifts per annum on the emergency roster, and		
2. This discount is for one business only displayed in a single brochure section.		
Level One VIC Volunteers fees	\$0	\$0
Level Two VIC Volunteers fees	\$0	\$0
Level Three VIC Volunteers fees	\$65	\$67
Level Three VIC Volunteers fees	\$125	\$128
Level Three VIC Volunteers fees	\$180	\$184

COMPLIANCE

Description	Fee/Charge 2012/2013 (Incl GST)	Fee/Charge 2013/14 (Incl GST)
Registration Fees		
Dog – full fee*	\$78.00 GST exempt	\$80.00 GST exempt
Dog – discounted fee*#	\$26.00 GST exempt	\$27.00 GST exempt
Cat – full fee*	\$65.00 GST exempt	\$67.00 GST exempt
Cat – discounted fee*#	\$22.00 GST exempt	\$23.00 GST exempt
Replacement Tags	\$6.00 GST exempt	\$7.00 GST exempt
Domestic Animal Impound Release Fees		
Unregistered dog not desexed	\$140.00 GST exempt	\$144.00 GST exempt
Unregistered dog desexed	\$140.00 GST exempt	\$144.00 GST exempt
Registered dog not desexed	\$140.00 GST exempt	\$144.00 GST exempt
Registered dog desexed	\$140.00 GST exempt	\$144.00 GST exempt
Unregistered cat not desexed	\$95.00 GST exempt	\$98.00 GST exempt
Unregistered cat desexed	\$95.00 GST exempt	\$98.00 GST exempt
Registered cat not desexed	\$95.00 GST exempt	\$98.00 GST exempt
Registered cat desexed	\$95.00 GST exempt	\$98.00 GST exempt
Local Law Permits		
Permits issued in accordance with the provisions of General local Law No.2	To range from \$20.00 to \$500, depending on permit requested	To range from \$10.00 to \$500, depending on permit requested
Fire Prevention		
Private grass slashing administration fee which is in addition to the contractors charges	\$130.00	\$134.00
Parking Fines		
Overstaying time*	\$62.00	
In No Parking area*	\$62.00	
Not within parking bay*	\$62.00	
Not completely within parking bay*	\$62.00	

COMPLIANCE

Description	Fee/Charge 2012/2013 (Incl GST)	Fee/Charge 2013/14 (Incl GST)
Street Furniture - All fees associated with the street furniture, goods for sale & a-frame signs are reduced by 50% outside of the designated Daylesford CBD area		
A-frame signage	Daylesford CBD \$92.00 per year Outside Daylesford CBD \$46.00 per year	Daylesford CBD \$95.00 per year Outside Daylesford CBD \$48.00 per year
Tables & two chairs	Daylesford CBD: \$170.00/year in trading zone (up to 3 sets) Above 3 sets a further \$170.00 Outside Daylesford CBD: \$84.50/year in trading zone (up to 3 sets) Above 3 sets a further \$84.50	Daylesford CBD: \$175.00/year in trading zone (up to 3 sets) Above 3 sets a further \$175.00 Outside Daylesford CBD: \$87.00/year in trading zone (up to 3 sets) Above 3 sets a further \$87.00
Goods for Display or Sale	Daylesford CBD: \$150.00/year Outside Daylesford CBD: \$75.00/year	Daylesford CBD: \$154.00/year Outside Daylesford CBD: \$77.00/year
Wind barriers	Daylesford CBD: \$90.00 each/year Outside Daylesford CBD: \$45.00 each/year	Daylesford CBD: \$92.00 each/year Outside Daylesford CBD: \$46.00 each/year
Cat cage hire*	\$50.00 Bond refundable on return of cage	\$52.00 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 fees as determined by legislation and therefore subject to any change in legislation

BUILDING SERVICES

Description	Fee/Charge 2012/2013 (incl GST)
Residential	
New Dwelling	\$350 plus \$4.00 per m2 (plus levy & lodgement fee) (Minimum \$500)
Alteration to Dwelling	\$350 plus \$4.00 per m2 (plus levy & lodgement fee) (Minimum \$500)
Addition to Dwelling	\$350 plus \$4.00 per m2 (plus levy & lodgement fee) (Minimum \$500)
Units	\$350 plus \$4.00 per m2 (plus levy & lodgement fee)
Garages/Carports up to \$10,000	\$300 (plus lodgement fee)
Garages/Carports over \$10,000	\$400 (plus lodgement fee and levy)
Swimming Pools	\$400
Solid Fuel Heaters	\$175
Restump	\$250
Lodgement Fees - (Payable on Council & Private Building Surveyor Projects)*	\$34.85
Conducting an assessment for compliance under AS3959 (Bushfire Code)	\$220
Commercial/Industrial New/Alterations/Additions	
All works under \$5,000	\$350
Works valued \$5,000 - \$30,000	\$500
Works valued \$30,000 - \$250,000	\$Cost x 0.25% plus \$451 (Minimum \$550)
Works valued \$250,000 - \$500,000	\$Cost x 0.25% plus \$902
Works valued over \$500,000	\$Cost x 0.25% plus \$1,606
Lodgement Fees (Commercial/Industrial)*	\$34.85
Demolition	
Single Storey building	\$275 + (Sec 29a fee \$58.17)
Any other building more than one storey	\$275 per storey plus (section 29A)
Other Permits/Services	
Fences and signs	\$210
Swimming Pool Reports (Existing)	\$138
Request for variation of siting	\$232.93
Permit to erect hoarding/public protection	\$120
Any other service not otherwise provided for	P.O.A (hourly rates apply)
Extension of time for a permit	\$110
Amendment to a Building Permit	\$110
Inspection associated with lapsed permits	\$110
Illegal works	
State Government Building Levy Cost recovery of levy*	1.28 per \$1,000 value of works (ie. Cost of works x 0.00128)
HIH Levy (Domestic works over \$10,000)*	HIH Levy no longer applicable

BUILDING SERVICES

Description	Fee/Charge 2012/2013 (incl GST)
Requests for Information	
Property Certificates (last 10 years information*)	\$46.45
Temporary structures	\$220
Copies of plans from building files	\$46.45
Inspection on behalf of other practitioner	\$110.00
Any other service	P.O.A

Notes:

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

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

TOWN PLANNING RELATED INFORMATION

Part 1: Prescribed Statutory Fees as of July 2011 (subject to change by State)

APPLICATIONS FOR PLANNING PERMITS (Regulation 7)		
APPLICATION TYPE	Fee/Charge 2012/13	Fee/Charge 2013/14
Use Only	\$502	
To develop land or to use and develop the 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:		
> \$10,000 ...\$100,000	\$239	
> \$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:		
< \$10,000	\$102	
> \$10,000 ...\$250,000	\$604	
> \$250,001 ...\$500,000	\$707	
> \$500,001 ...\$1,000,000	\$815	
> \$1,000,001 ...\$7,000,000	\$1,153	
> \$7,000,001 ...\$10,000,000	\$4,837	
> \$10,000,001 ...\$50,000,000	\$8,064	
> \$50,000,001	\$16,130	

TOWN PLANNING RELATED INFORMATION

Subdivision		
APPLICATION TYPE	Fee/Charge 2012/13	Fee/Charge 2013/14
To subdivide existing building.	\$386	
To subdivide land into two (2) lots.	\$386	
To effect a realignment of a common boundary between lots or to consolidate two or more lots.	\$386	
To subdivide land (3 or more lots)	\$781	
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	
To create, vary or remove a restriction within the meaning of the <i>Subdivision Act 198</i> ; or	\$541	
To create or remove a right of way.		
To create, vary or remove an easement other than a right of way; or	\$404	
To vary or remove a condition in the nature of an easement other than a right of way in a Crown grant.		

TOWN PLANNING RELATED INFORMATION

CLASS DESCRIPTIONS (Regulations 7 & 8)
CLASS DESCRIPTION - Notes for classes of fees under Regulations 7 & 8, not additional fees
Applications for permit under Section 47, other than an application under Section 96(1) of the <i>Planning & Environment Act 1987</i> Other than an application to subdivide land
Other than an application to undertake development ancillary to the use of the land for a single dwelling per
Other than a Class 2 application; or a Class 3 application; or an application to subdivide land
Other than a Class 3 application; or an application to
Other than a Class 12 application
Other than a Class 12 application; or a Class 13
Other than a Class 16 application
Other than a Class 4 application
Other than a Class 5 application
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
Other than an application to subdivide land
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
Other than a Class 3 application or a Class 4
Other than a Class 4 application
COMBINED PERMIT APPLICATIONS
The fee for an application for any combination of the classes of application outlined above is the sum arrived at by adding the highest of the fees, which would have applied if separate applications had been made, plus 50% of each of the other fees that would have applied if separate applications had been made.

TOWN PLANNING RELATED INFORMATION

FEES TO AMEND APPLICATIONS AFTER NOTICE HAS BEEN GIVEN (Regulation 8a)		
DESCRIPTION	Fee/Charge 2012/13	Fee/Charge 2013/14
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	\$102	
APPLICATIONS FOR AMENDMENTS TO PERMITS (Regulation 8B)		
To amend a permit to use land if that amendment is to change the use of which the land may be used.	\$502	
To amend a permit: a) to change the statement of what the permit allows; b) to change any or all of the conditions which apply to the permit; or c) in any way not otherwise provided for in Regulation 8B	\$502	
APPLICATIONS FOR AMENDMENTS TO PERMITS (Regulation 8B)		
DESCRIPTION	Fee/Charge 2012/13	Fee/Charge 2013/14
Amended Plans Single Dwelling on a lot less than 500 square metres		
To amend a permit to develop land or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of the land for a single dwelling per lot if the estimated cost of any additional development to be permitted by the amendment is:		
< \$10,000	\$102	
> \$10,000 - \$100,000	\$239	
> \$100,001	\$490	
Amended Plans Two (2) or more dwellings or Industrial & Commercial Developments		
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	

TOWN PLANNING RELATED INFORMATION

To amend a permit if the estimated cost of any additional development to be permitted by the amendment is:		
DESCRIPTION	Fee/Charge 2012/13	Fee/Charge 2013/14
> \$10,001 - \$250,000	\$604	
> \$250,001 - \$500,000	\$707	
> \$500,001	\$815	
Amendment to Permit & Plans Subdivision		
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	\$386	
AMENDMENTS TO PLANNING SCHEMES		
<ul style="list-style-type: none"> • Considering a request to amend a planning scheme; And • Taking action required by Division 1 of Part 3 of the <i>Planning and Environment Act 1987</i>; And • Considering any submissions which do not seek a change to the amendment; And If applicable, abandoning the amendments in accordance with Section 28	\$798	

TOWN PLANNING RELATED INFORMATION

AMENDMENTS TO PLANNING SCHEMES		
DESCRIPTION	Fee/Charge 2012/13	Fee/Charge 2013/14
<ul style="list-style-type: none"> • Considering submissions which seek a change to an amendment, and where necessary referring the submissions to a panel; And • Providing assistance to a panel in accordance with Section 158; And • Making a submission in accordance with Section And • Considering the report in accordance with Section 27; And • After considering submissions and the report in accordance with Section 27, if applicable, abandoning the amendment in accordance with Section 28 	\$798	
<ul style="list-style-type: none"> • Adopting an amendment or a part of an amendment in accordance with Section 29; And • Submitting the amendment for approval in accordance with Section 31 	\$524	
<ul style="list-style-type: none"> • Considering a request to approve an amendment in accordance with Section 35; And • Giving notice of approval of an amendment in accordance with Section 36 	\$798	

NOTE: Fees for Stages 1, 2 & 3 are paid to the planning authority by the person who requested the amendment. The fee for Stage 4 is paid to the Minister by the person who requested the amendment.

TOWN PLANNING RELATED INFORMATION

COMBINED PERMIT APPLICATION AND PLANNING PERMIT SCHEME AMENDMENT		
<p>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.</p>		
<p>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.</p>		
CERTIFICATES OF COMPLIANCE (Regulation 10)		
APPLICATION TYPE	Fee/Charge 2012/13	Fee/Charge 2013/14
Application for a Certificate of Compliance under Section 97N	\$147	
PLANNING CERTIFICATES (Regulation 11)		
Application for a Planning Certificate under Section	\$18.20	
SATISFACTION MATTERS (Regulation 12)		
Determining a matter where a planning scheme specifies that the matter must be done to the satisfaction of a Responsible Authority or a Referral Authority	\$102	

Part 2: Administrative Charges (Non Statutory Fees)

ENQUIRIES		
DESCRIPTION	Fee/Charge 2012/13	Fee/Charge 2013/14
Written request for Heritage Control advice	\$63.50	\$65.00
Written request for Demolition Control advice (Section 29a – Form B)	\$63.50	\$65.00
Written request for General Planning advice	\$63.50	\$65.00
Request for e-mail aerial photographs	\$25.60	\$26.50

TOWN PLANNING RELATED INFORMATION

ENQUIRIES		
DESCRIPTION	Fee/Charge 2012/13	Fee/Charge 2013/14
Property Enquiries/Plan Search – Commercial (Site history/copies of permits/copies of endorsed plans etc)	\$63.50	\$65.00
Property Enquiries/Plan Search – Residential (Site history/copies of permits/copies of endorsed plans etc)	\$63.50	\$65.00
EXTENSION OF TIME		
DESCRIPTION	Fee/Charge 2012/13	Fee/Charge 2013/14
Extension of Time for permits – 1 st request	\$102	\$130
Extension of Time for permits – 2nd request	\$102	\$130
Extension of Time for permits – 3rd request	\$102	\$130
Subsequent requests -	\$102	\$130
REFUNDS		
DESCRIPTION	Fee/Charge 2012/13	Fee/Charge 2013/14
Cancellation of application when no work carried out	Refund 3/4 of application fee	Refund 3/4 of application fee
Cancellation after direction to advertise but before commenced	Refund 1/2 of application fee	Refund 1/2 of application fee
Cancellation after advertising commenced	No Refund	No Refund
Cancellation due to prohibited proposal	Full Refund	Full Refund

TOWN PLANNING RELATED INFORMATION

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

GST

Planning fees are exempt from GST unless otherwise

End Note

The preceding sections are a summary of the fees prescribed under the *Planning and Environment (Fees) Regulations 2000*, and is not a complete representation of these Regulations or other legislative provisions.

Reference should be made to the Regulations to obtain the complete wording of individual fee Regulations and other Regulations (which include waiving and rebating provisions). Please visit www.dms.dpc.vic.gov.au or select link provided Victorian Law Today Statutory Rule for more details on amended *Planning and Environment (Fees) Regulations 2000* setting out

Note:

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)

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

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.

ENVIRONMENTAL HEALTH

Type of Premises/Activity	Fee/Charge 2012/2013	Fee/Charge 2013/14
CLASS 1 High Risk Unpackaged Food Supplied to Vulnerable people (Premises Include - Child Care, Kindergartens, Aged Care, Nursing Homes	\$400	\$410
CLASS 2 Handling unpackaged high risk potentially hazardous foods.		
2(A) Premises Include - Cafes, Caterers, Supermarkets, Groceries, Fast Foods, Takeaway	\$349	\$358
2(B) Premises Include – Accommodation Centres, Food Vehicles	\$287	\$294
2(C) Premises Include – Community Groups, Sporting Clubs both serving full meals (½	\$144	\$148
CLASS 3 Handling and Supplying Low Risk Unpackaged Foods.		
3 (A) Premises Include - Milk Bars, Convenience Stores, Fruit Stall, Pre-packaged Foods,	\$215	\$220
3 (B) Premises Include – Seasonal Kiosks, Community Groups, Sporting Clubs (½ Annual	\$108	\$111
CLASS 4 Low Risk to public health packaged food (premises include Newagents		
Hairdressers, Beauty Parlours*	\$116	\$119
Skin Penetration*	\$252	\$258
Prescribed Accommodation – hotels/motels, recreation camps, B&B's (NOT self contained or exclusive use of Units, Villas, Houses)*		
6 to 10 persons*	\$220	\$226
Over 10 persons*	\$273	\$280
Caravan Parks*	As Prescribed in the Residential Tenancies (Caravan parks and Movable Dwellings and Standards) Act 2010	Fees for caravan parks are due on the 1/1/2015 as they are 3 yearly registrations
New Premises Registration		
Transfer of Registration*	50%of Annual registration fee	50% of Annual registration fee

ENVIRONMENTAL HEALTH

Type of Premises/Activity	Fee/Charge 2012/2013	Fee/Charge 2013/14
Special Visit – Pre-purchase inspections*	\$170	\$174
New Septic Tank systems*	\$440	\$450
Alterations to Septic Tank systems*	\$220	\$225

Note:

Reduction of fees maybe 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 31st August, registrations after this date i.e. from 1st September onwards are only required to pay 50% of the full fee.