

BUDGET 2017-18

2017/18

Hepburn

SHIRE COUNCIL

Hepburn Shire Council

Budget Report

2017/2018

Cover page: Trentham recreation reserve
Photo credit: Dale Callahan

This Budget Report has been prepared with reference to Chartered Accountants ANZ "Victorian City Council Model Budget 2017/2018" a best practice guide for reporting local government budgets in Victoria.



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Mayor's introduction

The Councillors and I are pleased to present the Budget 2017/2018 to the Community. This budget builds on our Council Plan 2017-2021 vision which balances restraint in spending with the following five key priorities:

- Quality community infrastructure
- Active and engaged communities
- Sustainable environment
- Vibrant economy
- High performing organisation

The Council Plan 2017-2021 (Year 1), sets out our strategic plan to deliver our vision over the full term of the Council. As this is the first year of the current Council term, the focus over the next year will be on realising the actions included in Council strategies recently completed and to deliver on our current commitments.

The budget details the resources required over the next year to fund the large range of services we provide to the community. It also includes details of proposed capital expenditure allocations to improve and renew our Shire's physical infrastructure, buildings and operational assets as well as funding proposals for a range of operating projects.

As Councillors, it is our job to listen to community sentiment and understand your priorities. During and following the Council elections in 2016 we have consistently heard that Council's services are valued by the community, and that Council also needs to be financially responsible and keep its rates as low as possible. In response, Council has continued an enterprise wide approach to identify savings that don't impact on its services, to provide increased value for money to ratepayers. Council will continue to focus on identifying sustainable cost savings that will enable it to deliver on our Council Plan to deliver high quality, responsive and accessible services to the community

The proposed budget proposes a rate increase of 2.0 per cent. This is in line with the Fair Go Rates System (FGRS) which has capped rates increases by Victorian Councils.

In this budget we have allocated funding of \$10.0 million for asset renewals, upgrades and expansions.

The proposed budget also funds \$2.8 million for new assets. Highlights of the capital program include;

- roads (\$3.91 million) – including reconstructions, roads to recovery projects, resheeting, footpaths, upgrade of Dairy Flat Rd Musk and the lowering of East St Daylesford under the railway bridge
- bridges and drains (\$0.59 million) – including road renewal works and development of a drainage condition assessment and renewal program;
- recreation and open space (\$1.47 million) – including playground equipment, tennis court renewal, Creswick mountain bike trail head and pump track, Daylesford soccer rooms refurbishment and completion of multiple streetscape implementations
- land and buildings (\$4.45 million) – including Creswick landfill capping, Hepburn Hub construction including Daylesford pool, town hall and The Rex incorporating new council offices, library and community cinema; and
- plant and equipment (\$1.36 million) – including information technology, library books, scheduled replacement of Council's fleet and commencement of the national flagship bioenergy facility.

We have also allocated funding to deliver tangible progress on other key priorities and initiatives including;

- Creswick mountain bike trails implementation year 1(funding confirmed) (\$1.30 million)
- new Trentham netball facility (\$209,000)
- continuation of the community implementation planning fund (\$40,000)
- development and implementation of vegetation management plan (\$30,000)
- female participation strategy (\$30,000)
- implementation of biodiversity strategy actions (\$50,000)
- implementation of youth strategy (\$78,300)
- Prioritising waterways management (\$50,000)
- implement an organisational OHS focus (\$160,000)
- develop agriculture development plan (\$15,000)
- deliver reconciliation action plan (\$12,000)
- roadside weed management and plan to reduce herbicide spraying (\$20,000).

Our focus for the next year is to continue to deliver on the projects and services that make our Shire a great place to live in and respond to the challenges we are currently facing. The community strongly supports the maintenance of existing service levels and for these to be funded through a mix of rates revenue and user charges. Council will continue to focus on the identification of sustainable cost reductions to protect existing service levels. We will also explore new approaches for providing services to our community in a tighter fiscal environment and ensure that we engage with you on any planned changes.

The budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible. I encourage you to read the remainder of this document, in conjunction with our Council Plan 2017-2021.

Cr Sebastian Klein
Mayor

Executive Summary

Council has prepared a Budget for 2017/2018 which is aligned to the vision in the Council Plan 2017-2021. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the rate increase mandated by the State Government.

This Budget projects a surplus of \$3.8m for 2017/2018, however, it should be noted that the adjusted underlying result is a surplus of \$2.3m after adjusting for capital grants and contributions (refer Sections 5 and 10.1).

1. Key things we are funding

1) Ongoing delivery of services to the Hepburn Shire community funded by a budget of \$29.1m. These services are summarised in Section 2.1.

2) Continued investment in Infrastructure assets (\$7.0) primarily for renewal works. This includes roads (\$4.5m); bridges (\$0.4m); footpaths and cycleways (\$0.5m); drainage (\$0.2m); recreational, leisure and community facilities (\$0.4m); and parks, open space and streetscapes (\$1.0m). Hepburn Hub development at The Rex, Daylesford Town Hall and swimming pool (\$2.3 m). The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Sections 6 and 12.

Strategic Objective 1: Quality community infrastructure (\$13.4 million)

3) Construction of an in-venue family day care at Trentham (\$235,000), new Trentham netball facility (\$208,800), and delivery of an enhanced drainage maintenance program (\$300,000).

Strategic Objective 2: Active and engaged communities (\$5.3 million)

4) Daylesford soccer room refurbishment (\$160,000), library book renewal (\$53,600) and public art commissioning (\$40,000).

5) Youth strategy activation (\$78,300), female participation strategy (\$30,000) and reconciliation action plan delivery (\$12,000)

Strategic Objective 3: Sustainable environment (\$3.2 million)

6) Creswick landfill recapping (\$450,000) and implementation of the bioenergy waste to energy facility, subject to funding, year 1 (\$410,000).

7) Implement Towards Zero emissions roadmap action plan including renewable energy generation, reducing Council consumption and community grants (\$175,000), deliver weed management strategy and program of works (\$107,000), implement Hepburn Shire biodiversity strategy action plan (\$50,000), identify and prioritise waterways obstruction removal to reduce flood risk (\$50,000), develop and implement vegetation management plans on Council managed land to reduce fire risk (\$30,000) and support the community to develop a 100% community renewable stationary energy plan (\$15,000).

Strategic Objective 4: Vibrant economy (\$2.6 million)

8) Build the Creswick Trails "Mountain Bike Mecca" development, year 1 (\$1.3 million), upgrade Dairy Flat Rd Musk (\$350,000), develop the Daylesford-Macedon Rail Trail and seek funding (\$50,000), agricultural development plan (\$15,000), economic development strategy actions year 2 (\$9,900).

Strategic Objective 5: High performing organisation (\$4.7 million)

8) Implement information technology renewal and upgrades to improve the speed, ease of use and security of Council's IT systems (\$330,400), implement an OHS focus, transforming culture, performance and achieving self-insurance (\$160,000), and development of a dedicated Ward webpage (Holcombe) for improved Councillor-community communications (\$2,000).

2. The Rate Rise

- a. The average rate will rise by 2.0% in line with the order by the Minister for Local Government on 19 December 2016 under the Fair Go Rates System.
- b. Key drivers
 - i. To fund ongoing service delivery – business as usual (balanced with greater service demands from residents)
 - ii. To fund renewal of infrastructure and community assets
 - iii. To cope with cost shifting from the State Government
 - iv. To cope with a reduction in funding from the Commonwealth Government via the Victoria Grants Commission caused by their freezing of indexation of the grant
- c. This is not a revaluation year. Valuations will be as per the General Revaluation dated 1 January 2016 (as amended by supplementary valuations).
- d. The waste service charges including kerbside collection, recycling and waste management charge will increase by 6.2% per property.
- e. Note that for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.50. The other \$96.50 goes to the State and Federal Governments.
- f. Refer Section 7 for further Rates and Charges details.

3. Key Statistics

- Total Revenue: \$32.9M (2016/2017 - \$36.3M)
- Total Expenditure: \$29.1M (2016/2017 - \$33.4M)
- Accounting Result: \$3.8M Surplus (2016/2017 - \$2.9M Surplus)
(Refer Income Statement in Section 3)
- Underlying operating result: Surplus of \$2.3M (2016/2017 - Surplus of \$0.6M)
(Refer Analysis of operating Budget in Section 10.1)
(Note: Underlying operating result is an important measure of financial sustainability as it excludes income which is to be used for capital, from being allocated to cover operating expenses)
- Cash result: \$3.0M Deficit (2016/2017 - \$6.9M Surplus)
(Refer Statement of Cash Flows in Section 3)
This is the net funding result after including funding requirements to meet operating activities, capital expenditure and loan principal repayments.
- Total Capital Works Program of \$12.82M (2016/2017 - \$19.67M)
 - o \$6.38M from Council operations (rates funded)
 - o \$0.0M from borrowings
 - o \$0.15M from asset sales
 - o \$2.66M from external grants and contributions
 - o \$3.63M from cash and reserves

Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 16 of this report.

This section includes the following reports and statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

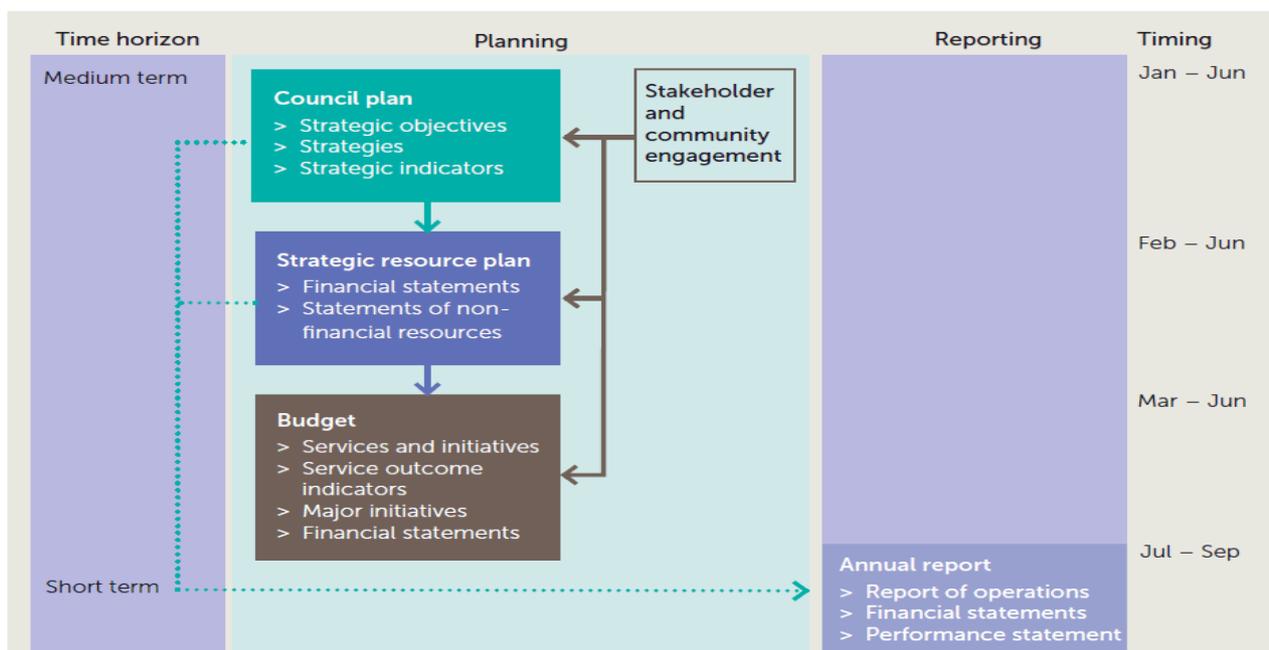
- 1 Links to Council Plan
- 2 Services and service indicators
- 3 Financial Statements
- 4 Financial performance indicators
- 5 Grants and borrowings
- 6 Detailed list of capital works
- 7 Rates and charges

1. Link to the Council Plan

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

1.1 Planning and accountability framework

The Strategic Resource Plan, is part of and prepared in conjunction with the Council Plan, and is a rolling four year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, taking into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

In addition to the above, Council has a long term plan (10 Year Financial Plan) which articulates a community vision, mission and values.

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

1.2 Our purpose

Vision

"Our Council"

Council has set a vision that in many respects is simple, however will require a significant effort from the entire organisation as we seek to provide excellent service delivery for our community. We aspire for all Councillors, Staff and the Community to refer to Hepburn Shire Council as 'Our Council'. This simple statement intimates a future state where a strong sense of pride in our organisation exists based on the excellent work we do for our community.

Mission

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

Values

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

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

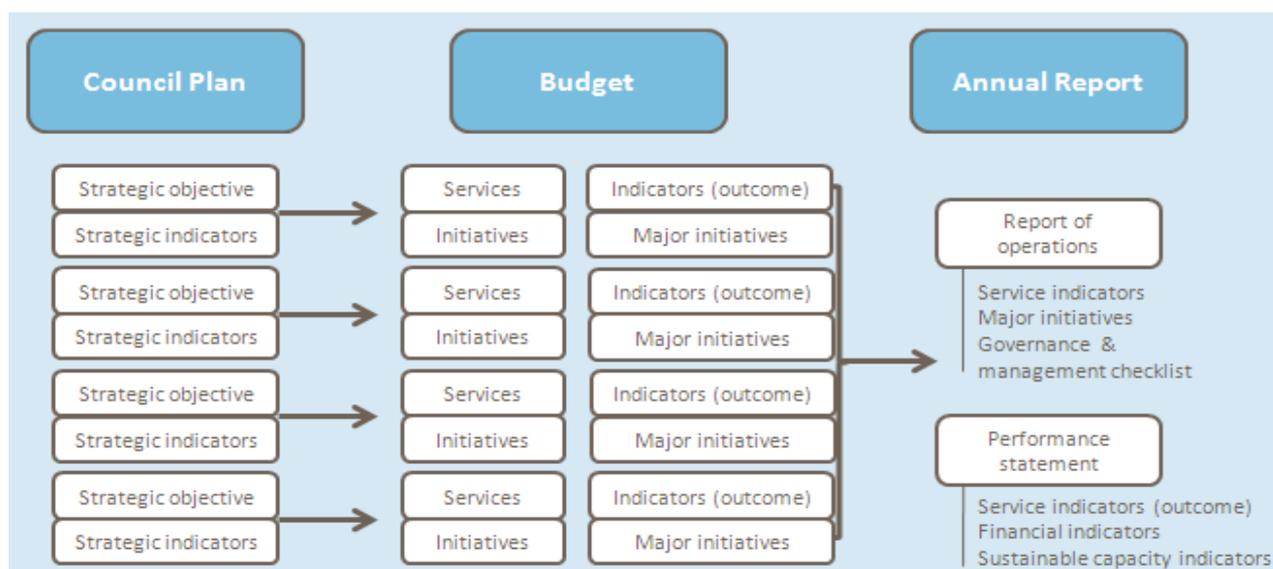
1.3 Strategic objectives

Council delivers activities and initiatives under 20 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the 2017-2021 years. The following table lists the five Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. Quality Community Infrastructure	Providing quality infrastructure that supports community needs now and into the future.
2. Active & Engaged Communities	Working with our diverse community to understand and deliver quality services.
3. Sustainable Environment	Protecting our natural and built environment.
4. Vibrant Economy	Creating a vibrant economy by adding value.
5. High Performing Organisation	Driving innovation to continuously improve service delivery to our customers (better faster cheaper)

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2017/2018 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives, initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify initiatives, major initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

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

2.1 Strategic Objective 1: Quality Community Infrastructure

To achieve our objective of quality community infrastructure, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
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.	8,247 -165 8,082

Services (Cont)

Service area	Description of services provided	Expenditure (Revenue)
		Net Cost \$'000
Parks and Open Space	This service provides 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.	1,638 0 1,638
Roads and Maintenance	This service provides reliable and timely maintenance of the road network and other critical assets including footpaths, bridges and drainage assets for the safety and convenience of our community.	2,535 -50 2,485
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.	946 -1,053 -107

Major Initiatives

Annual asset renewal program including road reconstruction, buildings, fleet and equipment, road reseal, gravel road resheet, bridges, playgrounds and footpaths (\$5,931,200)

Implement the Hepburn Hub at The Rex and Daylesford Town Hall to deliver improved community spaces including theatre, swimming pool, library, meeting rooms and council services (\$2,305,000)

East Street Road Lowering Under Railway Bridge (Year 1, subject to external Funding) (\$590,000)

Enhanced Drainage Maintenance Program (\$300,000)

Trentham Child Care Construction for In-Venue Family Day-Care (\$235,000)

Deliver walking and cycling priority projects, including asset renewal works and expansion of footpaths and multi-use trails (\$210,000)

Initiatives

New Trentham Netball Facility (\$208,800)

Hepburn Mineral Springs Improvements (\$125,000)

Fraser St (Service St - Creswick Rd) Clunes Streetscape Works (\$105,700)

Access to toilets from Creswick splash/skate park - formalised crossing/outstands (\$60,000)

Develop a Road Upgrade Policy and Comment Road Upgrades (sealing unsealed roads) (\$60,000)

Road Safety Improvements Program (\$60,000)

Tennis Court Surfaces Program (\$57,200)

Landscaping Clunes & Jubilee Lake Caravan Parks to revegetate following high-risk tree removal (\$50,000)

Drainage condition assessment and renewal/upgrade program to reduce flood impacts (\$40,000)

Trentham Mechanics Institute upgrades (\$25,000)

Annual Street Tree Planting (\$22,000)

Bouldering wall (rock climbing) in the new Creswick community park (\$14,000)

Lyonville Hall storage facility (\$11,000)

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives

Service	Indicator	Performance Measure	Computation
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

2.2 Strategic Objective 2: Active & Engaged Communities

To achieve our objective of active & engaged communities, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Aged & Disability Services	This service provides high quality aged and disability services including home and community care within the active service framework.	1,910 -1,518 391
Family Services	This service provides leadership in the planning and development of early years services and programs and in partnership with community and service providers facilitate integrated and co-ordinated service provision including maternal and child health .	330 -135 195
Library Services	This service provides, through our public libraries , a welcoming space that develops strong and connected communities, supports a culture of reading and improves quality of life.	885 -206 679
Recreation	This service provides proactive and planned approach to the maintenance, renewal and upgrade of recreation assets, and provide strategic direction for future recreation and aquatic facilities .	600 -212 388
Youth	This service seeks to engage our young people. Invest in them now & create our community leaders for the future.	78 -13 66
Community Development	This service seeks to identify and create opportunities with residents to participate in enhancing community health and wellbeing.	813 -23 791
Environmental Health	To provide a range of public health programs including food safety throughout the community which focus on a preventative approach to health and aim to minimise future problems.	315 -151 164
Compliance	Through education and Local Law enforcement, including animal management , the Compliance Department provides a safe community for all to enjoy.	375 -236 138

Major Initiatives

Daylesford Soccer Rooms Refurbishment (\$160,000)

Youth Strategy Activation (\$78,300)

Initiatives

Library Collection Renewal (\$53,598)

Public Art Installation and Maintenance - Clunes 17-18 (\$40,000)

Replace salt chlorination with Auto Dose Unit - Creswick Splash Park (\$33,572)

Skate Park Design at Daylesford Community Park (\$30,000)

Female Participation Strategy (\$30,000)

Implement Reconciliation Action Plan actions (\$12,000)

Develop Glenlyon Recreation Reserve - Master Plan (\$10,000)

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives.

Service	Indicator	Performance Measure	Computation
Maternal and Child Health (MCH)	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions

2.3 Strategic Objective 3: Sustainable Environment

To achieve our objective of a sustainable environment, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Waste Management	This service is to deliver high quality kerbside waste and recycling collection services, and general waste management which includes transfer stations, transporting materials, public place bins, disposing of waste, street cleaning, rehabilitating closed landfills and other waste management services.	2,589
		-2,789
		-200
Emergency Management	We work with the community and response agencies to develop robust and innovative plans to prepare, respond and recover from emergencies.	125
		-120
		5
Sustainability	To guide and support Council and the community in the development of innovative sustainable practices that ensure the preservation of limited resources.	182
		-7
		175
Natural Resource Management	In partnership with the community, natural resources are managed to ensure their conservation, enhancement and control.	266
		-28
		238

Major Initiatives

Creswick Landfill recapping and leachate pond works (\$450,000)

Implement the Bioenergy Waste to Energy facility to reduce organic waste to landfill and generate renewable energy (year 1, subject to funding) (\$410,000)

Initiatives

Implement Towards Zero Emissions Roadmap Action Plan including renewable energy generation and reducing Council's consumption (\$150,000)

Deliver Weed Management Strategy and Program of Works (\$107,000)

Implement the Hepburn Shire Biodiversity Strategy Action Plan (\$50,000)

Identify and prioritise waterways obstruction removal to reduce flood risk and deliver initial high-priority works (\$50,000)

Develop and implement Vegetation Management Plans on Council managed land to reduce fire risk (\$30,000)

Toward Zero Energy Saving Initiative - Community (\$25,000)

Support the community to develop a 100% Community Renewable Stationary Energy Plan (\$15,000)

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives

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

2.4 Strategic Objective 4: Vibrant Economy

To achieve our objective of a vibrant economy, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
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.	1,828 -1,392 436
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 statutory planning , investment and decision making for the Shire is relevant to the needs of the community and provides a sustainable base for future generations.	775 -434 341

Major Initiatives

Build the Creswick Trails ('Mountain Bike Mecca') Development (year 1, funding confirmed) (\$1,300,000)
Upgrade of Diary Flat Road, Musk (\$350,000)

Initiatives

Develop the Daylesford - Macedon Rail Trail and seek funding (\$50,000)
Agriculture Development Plan (\$15,000)
Economic Development Strategy Actions (Year 2) (\$9,900)

Service Performance Outcome Indicators

The following indicators outlines how we intend to measure achievement of service objectives

Service	Indicator	Performance Measure	Computation
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100

2.5 Strategic Objective 5: High Performing Organisation

To achieve our objective of a high performing organisation, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
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.	1,584 -3,472 -1,888
Information Technology and Telecommunications	To provide the highest quality technology-based services, in the most cost-effective manner, to facilitate the delivery of services to Council and the community.	853 0 853
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.	541 0 541
Customer Service	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.	548 -1 548
Building	To provide quality regulatory advice on all building matters associated with properties in the Shire.	232 -178 54
Governance	Good governance is provided through the development and implementation of policies and procedures that support good decision making.	156 0 156
Communications	Council delivers effective communication through varied channels to ensure all who wish to be informed are.	744 0 744

Major Initiatives

Implement annual IT renewal and upgrades to improve the speed, ease of use and security of Council's information technology systems. (\$330,400)

OHS Focus - Transforming Culture, Performance and Achieving Self-Insurance (\$160,000)

Initiatives

Dedicated Ward web-page (Holcombe) (\$2000)

Service Performance Outcome Indicators

The following indicator outlines how we intend to measure achievement of service objectives.

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

2.6 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2017/2018 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

2.7 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Quality Community Infrastructure	12,097	13,365	1,269
Active & Engaged Communities	2,811	5,305	2,494
Sustainable Environment	218	3,162	2,944
Vibrant Economy	778	2,604	1,826
High Performing Organisation	1,009	4,658	3,650
Total services and initiatives	16,913	29,095	12,182
Other non-attributable	0		
Deficit before funding sources	16,913		
Funding sources:			
Rates & charges	16,672		
Capital grants	4,003		
Total funding sources	20,676		
Surplus for the year	3,763		

3. Financial Statements

This section presents information in regard to the Financial Statements. The budget information for the years 2017/2018 to 2020/2021 has been extracted from the Strategic Resource Plan.

This section includes the following financial statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources

3.1 Comprehensive Income Statement

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	Projections 2019/20 \$'000	2020/21 \$'000
Income					
Rates and charges	18,506	19,193	19,577	19,968	20,367
Statutory fees and fines	554	772	787	803	819
User fees	792	964	995	1,027	1,060
Grants - Operating	9,323	6,082	4,868	4,786	4,882
Grants - Capital	4,461	4,003	2,766	5,206	3,806
Contributions - monetary	249	140	60	60	60
Contributions - non-monetary	218	7	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	536	147	150	220	150
Other income	1,672	1,550	1,771	1,856	1,983
Total income	36,311	32,858	30,973	33,926	33,127
Expenses					
Employee costs	11,388	11,905	11,854	12,002	12,252
Materials and services	14,489	9,521	8,775	8,971	9,350
Bad and doubtful debts	6	6	6	6	6
Depreciation and amortisation	6,694	6,694	6,774	6,834	6,894
Borrowing costs	155	243	209	182	162
Other expenses	673	726	715	729	744
Total expenses	33,405	29,095	28,333	28,725	29,408
Surplus/(deficit) for the year	2,906	3,763	2,640	5,201	3,718
Other comprehensive income					
Items that will not be reclassified to					
surplus or deficit in future periods					
Net asset revaluation increment	120	368	126	386	132
/(decrement)					
Total comprehensive result	3,026	4,131	2,766	5,587	3,850

3.2 Balance Sheet

For the four years ending 30 June 2021

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Assets					
Current assets					
Cash and cash equivalents	10,804	7,838	7,875	7,899	8,642
Trade and other receivables	2,815	2,615	2,615	2,615	2,615
Other financial assets	727	727	727	727	727
Inventories	18	18	18	18	18
Other assets	108	108	108	108	108
Total current assets	14,472	11,306	11,343	11,367	12,110
Non-current assets					
Property, infrastructure, plant & equipment	231,271	237,864	240,090	245,319	248,110
Intangible assets	536	442	348	254	160
Total non-current assets	231,807	238,306	240,438	245,572	248,269
Total assets	246,279	249,612	251,781	256,939	260,379
Liabilities					
Current liabilities					
Trade and other payables	1,586	1,586	1,586	1,586	1,586
Trust funds and deposits	1,034	1,034	1,034	1,034	1,034
Provisions	1,930	1,930	1,930	1,930	1,930
Interest-bearing loans and borrowings	723	580	412	393	1,774
Other liabilities	105	48	48	48	48
Total current liabilities	5,377	5,177	5,009	4,990	6,371
Non-current liabilities					
Provisions	501	501	501	501	501
Interest-bearing loans and borrowings	4,987	4,407	3,996	3,602	1,828
Other liabilities	101	84	67	50	33
Total non-current liabilities	5,590	4,992	4,563	4,153	2,362
Total liabilities	10,967	10,169	9,572	9,143	8,733
Net assets	235,312	239,443	242,209	247,796	251,647
Equity					
Accumulated surplus	145,193	148,985	151,158	156,657	160,188
Reserves	90,119	90,458	91,051	91,140	91,459
Total equity	235,312	239,443	242,209	247,796	251,647

3.3 Statement of Changes in Equity

For the four years ending 30 June 2021

	Total \$'000	Accumulate d Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2016/2017 Forecast				
Balance at beginning of the financial year	232,286	141,468	88,289	2,529
Surplus/(deficit) for the year	2,906	2,906	-	-
Net asset revaluation increment/(decrement)	120	-	120	-
Transfer to other reserves	-	-	-	-
Transfer from other reserves	-	819	-	(819)
Balance at end of the financial year	235,312	145,193	88,409	1,711
2017/2018 Budget				
Balance at beginning of the financial year	235,312	145,193	88,409	1,711
Surplus/(deficit) for the year	3,763	3,763	-	-
Net asset revaluation increment/(decrement)	368	-	368	-
Transfer to other reserves	-	(200)	-	200
Transfer from other reserves	-	230	-	(230)
Balance at end of the financial year	239,443	148,985	88,777	1,681
2018/2019 Strategic Resource Plan				
Balance at beginning of the financial year	239,443	148,985	88,777	1,681
Surplus/(deficit) for the year	2,640	2,640	-	-
Net asset revaluation increment/(decrement)	126	-	126	-
Transfer to other reserves	-	(557)	-	557
Transfer from other reserves	-	90	-	(90)
Balance at end of the financial year	242,209	151,158	88,903	2,148
2019/2020 Strategic Resource Plan				
Balance at beginning of the financial year	242,209	151,158	88,903	2,148
Surplus/(deficit) for the year	5,201	5,201	-	-
Net asset revaluation increment/(decrement)	386	-	386	-
Transfer to other reserves	-	(200)	-	200
Transfer from other reserves	-	497	-	(497)
Balance at end of the financial year	247,796	156,657	89,289	1,851
2020/2021 Strategic Resource Plan				
Balance at beginning of the financial year	247,796	156,657	89,289	1,851
Surplus/(deficit) for the year	3,718	3,718	-	-
Net asset revaluation increment/(decrement)	132	-	132	-
Transfer to other reserves	-	(277)	-	277
Transfer from other reserves	-	90	-	(90)
Balance at end of the financial year	251,647	160,188	89,421	2,039

3.4 Statement of Cash Flows

For the four years ending 30 June 2021

	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Strategic Resource Plan Projections		
			2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	18,506	19,393	19,577	19,968	20,367
Statutory fees and fines	549	767	781	797	813
User fees	791	964	995	1,027	1,060
Grants - operating	9,323	6,082	4,868	4,786	4,882
Grants - capital	4,461	4,003	2,766	5,206	3,806
Contributions - monetary	249	140	60	60	60
Interest received	280	320	326	333	339
Rent received	1,084	967	1,145	1,308	1,335
Other receipts	300	189	282	198	292
Employee costs	(11,388)	(11,905)	(11,854)	(12,002)	(12,252)
Materials and services	(14,489)	(9,521)	(8,775)	(8,971)	(9,350)
Other payments	(673)	(726)	(715)	(729)	(744)
Net cash provided by/(used in) operating activities	8,991	10,672	9,457	11,980	10,608
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(16,084)	(12,818)	(8,780)	(11,583)	(9,459)
Proceeds from sale of property, infrastructure, plant and equipment	2,526	147	150	220	150
Payments for investments	(3,550)	(15,000)	(13,000)	(14,000)	(15,000)
Proceeds from sale of investments	12,150	15,000	13,000	14,000	15,000
Net cash provided by/ (used in) investing activities	(4,958)	(12,672)	(8,630)	(11,363)	(9,309)
Cash flows from financing activities					
Finance costs	(155)	(243)	(209)	(182)	(162)
Proceeds from borrowings	3,405	-	-	-	-
Repayment of borrowings	(409)	(723)	(580)	(412)	(393)
Net cash provided by/(used in) financing activities	2,841	(967)	(789)	(594)	(555)
Net increase/(decrease) in cash & cash equivalents	6,875	(2,967)	38	23	743
Cash and cash equivalents at the beginning of the financial year	3,930	10,804	7,838	7,875	7,899
Cash and cash equivalents at the end of the financial year	10,804	7,838	7,875	7,899	8,642

3.5 Statement of Capital Works

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Property					
Land improvements	143	488	10	512	10
Total land	143	488	10	512	10
Buildings	8,985	2,090	270	1,500	1,600
Building improvements	1,811	1,871	2,195	1,605	1,550
Total buildings	10,796	3,961	2,465	3,105	3,150
Total property	10,940	4,449	2,475	3,617	3,160
Plant and equipment					
Plant, machinery and equipment	819	974	950	1,140	562
Computers and telecommunications	185	330	240	180	180
Library books	53	54	55	56	57
Total plant and equipment	1,057	1,358	1,245	1,376	799
Infrastructure					
Roads	3,891	4,454	3,430	3,280	3,530
Bridges	355	357	160	2,160	160
Footpaths and cycleways	353	458	300	300	150
Drainage	189	230	310	270	260
Recreational, leisure and community facilities	760	425	320	200	820
Parks, open space and streetscapes	2,101	1,045	500	340	540
Other infrastructure	50	50	40	40	40
Total infrastructure	7,699	7,019	5,060	6,590	5,500
Total capital works expenditure	19,695	12,825	8,780	11,583	9,459
Represented by:					
New asset expenditure	7,830	2,799	590	1,730	1,552
Asset renewal expenditure	7,208	8,121	7,035	9,408	7,252
Asset upgrade/expansion expenditure	4,627	1,905	1,155	445	655
Total capital works expenditure	19,665	12,825	8,780	11,583	9,459

3.6 Statement of Human Resources

For the four years ending 30 June 2021

	Forecast	Budget	Strategic Resource Plan		
	Actual 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000
Staff expenditure					
Employee costs - operating	11,388	11,905	11,854	12,002	12,252
Employee costs - capital	-	-	-	-	-
Total staff expenditure	11,388	11,905	11,854	12,002	12,252
	EFT	EFT	EFT	EFT	EFT
Staff numbers					
Employees	129.8	130.5	127.5	127.5	128.5
Total staff numbers	129.8	130.5	127.5	127.5	128.5

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

Department	Budget 2017/18 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Community Services	3,155	1,520	1,634
Corporate Services	1,942	1,267	675
Executive and Development Services	1,596	1,280	316
Infrastructure	4,413	4,096	317
Total permanent staff expenditure	11,106	8,164	2,942
Casuals and other expenditure	799		
Capitalised labour costs	432		
Total expenditure	12,337		

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

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
Community Services	38.6	16.0	22.6
Corporate Services	22.1	14.0	8.1
Executive and Development Services	14.6	11.0	3.6
Infrastructure	51.2	47.0	4.2
Total	126.5	88.0	38.5
Casuals and other	-		
Capitalised labour costs	4.0		
Total staff	130.5		

4. Financial performance indicators

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

Indicator	Measure	Notes	Actual 2015/16	Forecast Actual 2016/17	Budget 2017/18	Strategic Resource Plan Projections			Trend +/-
						2018/19	2019/20	2020/21	
Operating position									
Adjusted underlying result ^v	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	3.0%	1.6%	7.4%	6.1%	4.0%	3.8%	-
Liquidity									
Working Capital ^v	Current assets / current liabilities	2	320%	269%	218%	226%	228%	190%	-
Unrestricted cash	Unrestricted cash / current liabilities		133%	124%	133%	140%	142%	125%	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	15.2%	30.9%	26.0%	22.5%	20.0%	17.7%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.2%	3.0%	5.0%	4.0%	3.0%	2.7%	+
Indebtedness ^v	Non-current liabilities / own source revenue		13.8%	26.0%	22.2%	19.7%	17.6%	9.7%	+
Asset renewal	Asset renewal expenditure / depreciation	4	103%	108%	121%	104%	138%	105%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	5	57.4%	51.6%	58.7%	63.3%	59.0%	61.6%	-
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.47%	0.39%	0.39%	0.40%	0.40%	0.40%	o
Efficiency									
Expenditure level	Total expenditure / no. of property assessments		\$2,491	\$3,044	\$2,623	\$2,676	\$2,729	\$2,784	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,651	\$1,438	\$1,474	\$1,503	\$1,533	\$1,564	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		15.0%	15.0%	12.0%	11.0%	11.0%	11.0%	o

Key to Forecast Trend:

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

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

Notes to indicators

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

2 Working Capital - The proportion of current liabilities represented by current assets. Working capital is forecast to decrease significantly in 2017/2018 year due to a run down in cash reserves to fund the capital program. The trend in later years is to remain steady at an acceptable level.

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

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

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

5. Other budget information (required by the Regulations)

This section presents other budget related information required by the Regulations.

This section includes the following statements and reports

- 5.1.1 Grants operating
- 5.1.2 Grants capital
- 5.1.3 Statement of borrowings

5.1.1 Grants operating - (\$3.24 million decrease)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to decrease by 34.8% or \$3.24 million compared to 2016/2017, due to the large flood recovery funding. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below

Grants - operating	Forecast	Budget	Variance
	Actual 2016/17 \$'000	2017/18 \$'000	\$'000
<i>Recurrent - Commonwealth Government</i>			
Victorian Grants Commission	2,896	2,896	-
Aged care	973	1,008	36
General home care	43	20	(23)
<i>Recurrent - State Government</i>			
Disability Services	219	130	(89)
Senior Citizens	31	33	1
Vulnerable Persons	17	18	1
School crossing supervisors	20	20	-
Libraries	155	157	2
Maternal and child health	133	135	3
Youth	13	13	-
Fire services levy grant	45	45	0
Emergency Management	120	120	-
Other	-	5	5
Total recurrent grants	4,664	4,599	(64)
<i>Non-recurrent - State Government</i>			
Emergency Management	3,965	7	(3,958)
Recreation	71	120	49
Tourism	309	1,300	991
Transport	28	28	-
Waste & environment	286	28	(258)
Other	1	-	(1)
Total non-recurrent grants	4,659	1,483	(3,177)
Total operating grants	9,323	6,082	(3,241)

5.1.2 Grants capital (\$0.7 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 14.1% or \$0.7 million compared to 2016/2017 due mainly to specific funding for some large capital works projects. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2017/2018 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Grants - capital	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	1,358	1,287	(70)
Victorian Grants Commission Local Roads	1,406	1,406	-
Total recurrent grants	2,764	2,693	(70)
<i>Non-recurrent - Commonwealth Government</i>			
Roads	135	-	(135)
<i>Non-recurrent - State Government</i>			
Buildings	605	260	(345)
Plant and equipment	200	400	200
Roads	-	550	550
Footpaths	17	-	(17)
Recreation	941	100	(841)
Total non-recurrent grants	1,898	1,310	(588)
Total capital grants	4,661	4,003	(658)

5.1.3 Statement of Borrowings

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

	2016/17 \$	2017/18 \$
Total amount borrowed as at 30 June of the prior year	2,715,026	5,710,803
Total amount proposed to be borrowed	3,405,000	-
Total amount projected to be redeemed	(409,223)	(723,494)
Total amount of borrowings as at 30 June	5,710,803	4,987,309

6. Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2017/2018

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

- New works for 2017/2018
- Works carried forward from the 2016/2017 year, being the estimate of funds unexpended from current 2016/2017 budget allocation.

6.1 Capital works program

For the year ending 30 June 2018

Capital Works Area	Project cost \$'000	Asset expenditure type			Summary of funding sources				
		New \$'000	Renewal \$'000	Upgrade / Expansion \$'000	Grants \$'000	Contributions / Asset Sales \$'000	Council cash \$'000	Borrowings \$'000	Carry Forward \$'000
PROPERTY									
Land Improvements									
Creswick landfill PANs response *	450	-	450	-	-	-	450	-	-
Town and shire road signage	23	23	-	-	-	-	3	-	20
Gateway market signage in each town	6	6	-	-	-	-	6	-	-
Activate John Curtin fountain Creswick cenotaph	3	-	3	-	-	-	3	-	-
Replace fencing at Dean Recreation Reserve	6	-	6	-	-	-	6	-	-
Land Improvements	488	29	459	-	-	-	468	-	20
Buildings									
Hepburn Shire Council services & community hub construction incl community cinema (The Rex)	1,325	1,325	-	-	-	-	105	-	1,220
Daylesford pool upgrades	530	-	265	265	60	-	330	-	140
Trentham child care construction for in-venue family daycare	235	235	-	-	-	-	235	-	-
Total Buildings	2,090	1,560	265	265	60	-	670	-	1,360
Building improvements									
Building and structures renewal program	1,235	-	1,235	-	-	-	805	-	430
Sustainability strategy - towards zero - council assets	150	90	-	60	-	-	150	-	-
Trentham Mechanics Institute upgrades *	25	-	25	-	-	-	25	-	-
Lyonville Hall storage facility	11	11	-	-	-	-	11	-	-
Daylesford Town Hall Community Hub	450	-	113	338	200	-	170	-	80
Total Building Improvements	1,871	101	1,373	398	200	-	1,161	-	510
TOTAL PROPERTY	4,449	1,690	2,096	663	260	-	2,299	-	1,890

Capital Works Area	Project cost \$'000	Asset expenditure type			Summary of funding sources				
		New \$'000	Renewal \$'000	Upgrade / Expansion \$'000	Grants \$'000	Contributions / Asset Sales \$'000	Council cash \$'000	Borrowings \$'000	Carry Forward \$'000
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment									
Vehicle and Plant Replacement	523	-	523	-	-	147	376	-	-
National Flagship Bioenergy Facility	410	410	-	-	400	-	10	-	-
Replace salt chlorination with Auto Dose Unit	34	34	-	-	-	-	34	-	-
Portable stage - collapsible	7	7	-	-	-	-	7	-	-
Total Plant, Machinery and Equipment	974	451	523	-	400	147	427	-	-
Computers and Telecommunications									
IT Hardware / Technology Renewal Program	330	50	281	-	-	-	330	-	-
Total Computers and Telecommunications	330	50	281	-	-	-	330	-	-
Library Books									
Library Collection Renewal	54	-	54	-	-	-	54	-	-
Total Library Books	54	-	54	-	-	-	54	-	-
TOTAL PLANT AND EQUIPMENT	1,358	500	857	-	400	147	811	-	-

Capital Works Area	Project cost \$'000	Asset expenditure type			Summary of funding sources					
		New \$'000	Renewal \$'000	Upgrade / Expansion \$'000	Grants \$'000	Contributions / Asset Sales \$'000	Council cash \$'000	Borrowings \$'000	Carry Forward \$'000	
INFRASTRUCTURE										
Roads										
Road reseal program	800	-	800	-	-	-	800	-	-	
Road reseal preparation program	85	-	85	-	-	-	85	-	-	
Gravel road resheet program	623	-	623	-	-	-	623	-	-	
Road reconstruction program	1,880	-	1,880	-	1,287	-	593	-	-	
Road safety improvements	60	-	30	30	-	-	60	-	-	
East Street railway bridge underpass	590	-	295	295	400	-	134	-	56	
Upgrade of Dairy Flat Road Musk	350	-	-	350	150	50	150	-	-	
Redesign Jamieson-Raglan St intersection	6	-	6	-	-	-	6	-	-	
Road upgrade policy & road sealing implementation fund	60	-	12	48	-	-	60	-	-	
Total roads	4,454	-	3,731	723	1,837	50	2,511	-	56	
Bridges										
Bridge Renewal Program	357	-	357	-	-	-	307	-	50	
Total Bridges	357	-	357	-	-	-	307	-	50	
Footpaths and Cycleways										
Footpath Improvement and Renewal Program	188	-	188	-	-	-	188	-	-	
Walking and cycling footpath and trail implementation	210	105	-	105	-	-	210	-	-	
Creswick crossing /outstands near splash park	60	-	-	60	-	-	60	-	-	
Total Footpaths and Cycleways	458	105	188	165	-	-	458	-	-	

Capital Works Area	Project cost \$'000	Asset expenditure type			Summary of funding sources				
		New	Renewal	Upgrade / Expansion	Grants	Contributions / Asset Sales	Council cash	Borrowings	Carry Forward
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage									
Kerb & channel rehabilitation program	190	-	190	-	-	-	190	-	-
Drainage condition assessment and renewal/upgrade program	40	-	20	20	-	-	40	-	-
Total Drainage	230	-	210	20	-	-	230	-	-
Recreational, Leisure and Community Facilities									
Playground equipment replacement program	50	-	50	-	-	-	50	-	-
Hard-court annual renewal program	57	-	43	14	-	-	57	-	-
Creswick mountain bike trail head and pump track	120	120	-	-	-	-	-	-	120
Swimming pool consultation and scoping C'wick	25	-	-	25	-	-	-	-	25
Daylesford soccer rooms refurbishment	160	-	80	80	100	10	50	-	-
Lee Medlyn landscape plan and car park	13	6	6	-	-	-	13	-	-
Total Recreational, Leisure and Community Facilities	425	126	179	119	100	10	170	-	145
Parks, Open Space and Streetscapes									
Trentham streetscape implementation	230	130	100	-	-	-	-	-	230
Glenlyon streetscape construction	50	-	50	-	-	-	-	-	50
Hepburn streetscape construction	279	167	111	-	-	-	-	-	279
Lake Daylesford improvements	150	-	60	90	-	-	-	-	150
Mineral springs improvement works *	125	-	63	63	-	-	22	-	103
WHBG stage 1 works	35	-	35	-	-	-	-	-	35
Glenlyon Recreation Reserve shade sail	6	6	-	-	-	-	-	-	6
Drinking fountain at Creswick Splash Park	11	11	-	-	-	7	4	-	-
Additional street trees and parklet prototype	10	-	5	5	-	-	10	-	-
Skate park at Daylesford Community Park	30	-	15	15	-	-	30	-	-
Bouldering wall in Creswick community park	14	14	-	-	-	-	14	-	-
Fraser St Clunes streetscape works	106	-	63	42	-	-	106	-	-
Total Parks, Open Space and Streetscapes	1,045	328	502	215	-	7	185	-	853

Capital Works Area	Project cost \$'000	Asset expenditure type			Summary of funding sources				
		New \$'000	Renewal \$'000	Upgrade / Expansion \$'000	Grants \$'000	Contributions / Asset Sales \$'000	Council cash \$'000	Borrowings \$'000	Carry Forward \$'000
Other Infrastructure									
Public art commissioning	50	50	-	-	-	-	40	-	10
Total Other Infrastructure	50	50	-	-	-	-	40	-	10
TOTAL INFRASTRUCTURE	7,019	609	5,168	1,242	1,937	67	3,901	-	1,114
TOTAL CAPITAL WORKS 2017/2018	12,825	2,799	8,121	1,905	2,597	214	7,010	-	3,004
6.2 Summary									
PROPERTY	4,449	1,690	2,096	663	260	-	2,299	-	1,890
PLANT AND EQUIPMENT	1,358	500	857	-	400	147	811	-	-
INFRASTRUCTURE	7,019	609	5,168	1,242	1,937	67	3,901	-	1,114
TOTAL CAPITAL WORKS	12,825	2,799	8,121	1,905	2,597	214	7,010	-	3,004

6.3 Future Year Capital Project Contributions

The following table details capital projects included in the 2017/18 budget, but excluding renewal programs, that require additional Council contributions

Capital Works Project	Council Funds (Cash and Borrowings)				Total 2017/21 \$'000
	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	
Trentham Community Hub	0	100	300	400	800
Hepburn Community & Council Services Hub	105	350	0	0	455
Daylesford Pool Upgrades	330	0	0	0	330
National Flagship Bioenergy Facility	10	200	190	0	400
East Street railway bridge underpass	134	200	0	0	334
Footpath Expansion Program	210	200	200	200	810
Total	789	1,050	690	600	3,129

6.4 Non-Capital projects program

For the year ending 30 June 2018

Project	Project cost \$'000	Summary of funding sources					
		Grants \$'000	Fines \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000	Carry Forward \$'000
100% community renewable energy plan Carbon Free Communities	15	-	-	-	15	-	-
Agriculture development plan	15	-	-	-	15	-	-
Clunes Linea Park - 3 signs for existing creek walk trail	1	-	-	-	1	-	-
Clunes Town Hall activation	5	-	-	-	5	-	-
Community Implementation Planning Fund	40	-	-	-	40	-	-
Contribution to Hepburn women's football team changerooms *	5	-	-	-	5	-	-
Creswick Mountain Bike Event Development	5	-	-	-	5	-	-
Creswick Trails Master Plan Implementation	1,300	1,300	-	-	-	-	-
Daylesford - Macedon rail trail	50	-	-	-	50	-	-
Dedicated ward web-page (Holcombe)	2	-	-	-	2	-	-
Development & implementation of Vegetation Management Plans	30	7	-	-	23	-	-
Deliver Reconciliation Action Plan	12	-	-	-	12	-	-
Events MOU with Dean Recreation Reserve	2	-	-	-	2	-	-
Female participation strategy	30	20	-	-	10	-	-
Garden Lovers Weekend Creswick	5	-	-	-	5	-	-
Glenlyon Recreation Reserve - master plan	10	-	-	-	10	-	-
Implement biodiversity strategy actions	50	-	-	-	50	-	-
Implement Eco Dev Strategy and Destination Management Plan	10	-	-	-	10	-	-
Implementation of Youth Strategy	78	13	-	-	66	-	-
Kingston Avenue of Honour 100th anniversary in 2018	2	-	-	-	2	-	-
Landscape Clunes & Jubilee Lake Caravan Parks to revegetate *	50	-	-	-	50	-	-
Municipal Fire & Emergency Management	120	120	-	-	-	-	-
Museum development fund	10	-	-	-	10	-	-
New Trentham netball facility *	209	100	-	20	89	-	-
OHS focus - transform culture, performance & self-insurance	160	-	-	-	160	-	-
Prioritising waterways management (obstruction removal only)	50	-	-	-	50	-	-
Proactive cat desexing subsidy program	8	-	-	-	8	-	-
Program of 'Welcome To' Sessions in major towns shire wide	4	-	-	-	4	-	-
Review and update the domestic animal management plan	6	-	-	-	6	-	-

Project	Project cost \$'000	Summary of funding sources					
		Grants	Fines	Contributions	Council Cash	Borrowings	Carry Forward
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rolling Asset Inspection Program	30	-	-	-	30	-	-
Spray minimisation plan (herbicide for weed management)	20	-	-	-	20	-	-
Street Tree Planting Program	22	-	-	-	22	-	-
Sustainability Strategy - Towards Zero - Community Buildings	25	-	-	-	25	-	-
Swimming Pool Activity and Participation Programs	6	-	-	-	6	-	-
Town brochure updates - Clunes and Trentham	5	-	-	-	5	-	-
Trentham community plan	5	-	-	-	5	-	-
White Ribbon actions	6	-	-	-	6	-	-
Xmas Cheer Funding Support	1	-	-	-	1	-	-
TOTAL NON-CAPITAL PROJECTS	2,404	1,560	-	20	825	-	-

Projects marked with * indicate Council Cash includes funding sourced from existing Reserves.

7. Rates and charges

This section presents information about rates and charges which the Act and the Regulations require to be disclosed in the Council's annual budget

Rates and charges

In developing the Strategic Resource Plan (referred to in Section 14.), rates and charges were identified as an important source of revenue, accounting for 56.8% 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 State Government have introduced the Fair Go Rates System (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2017/2018 the FGRS cap has been set at 2.0%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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 Victorian community.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate will increase by 2.0% in line with the rate cap. Weekly kerbside collection charge will increase by 1.6%, fortnightly kerbside collection charge by 1.9%, recycling charge by 2.2% and the waste management charges by 8.3%. Council will continue not to levy a municipal charge. This will raise total rate and charges for 2017/18 of \$19.19 million, including \$0.09 million generated from supplementary rates. Council's waste management charges have increased by more than the general rate due to required works at the old Creswick landfill site.

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

Type or class of land	2016/2017 cents/\$CIV	2017/2018 cents/\$CIV	Change
General rate for rateable residential properties	0.3978	0.40575	2.0%
Rate concession for rateable farm properties	0.2586	0.2637	2.0%
General rate for rateable commercial properties	0.4614	0.4707	2.0%
General rate for rateable industrial properties	0.4614	0.4707	2.0%
General rate for rateable mixed use properties	0.4614	0.4707	2.0%
General rate for rateable vacant land-township properties	0.4973	0.5072	2.0%
General rate for rateable vacant land-other properties	0.3978	0.4058	2.0%
Rate concession for rateable trust for nature properties	0.1989	0.2029	2.0%
Rate concession for rateable recreational properties	0.1989	0.2029	2.0%

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

Type or class of land	2016/2017 \$	2017/2018 \$	Change
Residential	10,541,700	10,963,199	4.0%
Farm	1,700,067	1,764,367	3.8%
Commercial	2,067,116	2,218,051	7.3%
Industrial	101,652	104,519	2.8%
Mixed use	274,663	291,627	6.2%
Vacant land - township	570,828	549,059	-3.8%
Vacant land - other	671,709	658,622	-1.9%
Trust for nature	16,238	17,518	7.9%
Recreational	16,194	15,303	-5.5%
Total amount to be raised by general rates	15,960,167	16,582,264	3.9%

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

Type or class of land	2016/17 Number	2017/18 Number	Change
Residential	7,330	7,439	1.5%
Farm	1,074	1,089	1.4%
Commercial	788	830	5.3%
Industrial	57	57	0.0%
Mixed use	97	104	7.2%
Vacant land - township	698	666	-4.6%
Vacant land - other	898	874	-2.7%
Trust for nature	19	20	5.3%
Recreational	13	13	0.0%
Total number of assessments	10,974	11,092	1.1%

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

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

Type or class of land	2016/2017 \$	2017/2018 \$	Change
Residential	2,650,000,000	2,701,959,000	2.0%
Farm	657,488,000	669,081,000	1.8%
Commercial	447,963,000	471,224,000	5.2%
Industrial	22,029,000	22,205,000	0.8%
Mixed use	59,522,000	61,956,000	4.1%
Vacant land - township	114,797,000	108,253,000	-5.7%
Vacant land - other	168,856,000	162,302,000	-3.9%
Trust for nature	8,164,000	8,634,000	5.8%
Recreational	8,142,000	7,542,000	-7.4%
Total value of land	4,136,961,000	4,213,156,000	1.8%

7.6 The municipal charge under section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2016/2017 \$	Per Rateable Property 2017/2018 \$	Change
Municipal Charge	0	0	0.0%

7.7 The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2016/2017 \$'000	2017/2018 \$'000	Change
Municipal Charge	0	0	0.0%

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

Type of Charge	Per Rateable Property 2016/2017 \$	Per Rateable Property 2017/2018 \$	Change
Kerbside collection - Garbage (Weekly)	126.00	128.00	1.6%
Kerbside collection - Garbage (Fortnightly)	106.00	108.00	1.9%
Kerbside collection - Recycling (Fortnightly)	45.00	46.00	2.2%
Commercial Garbage Charge	280.00	290.00	3.6%
Waste Management Improved Charge	109.00	118.00	8.3%
Waste Management Unimproved Charge	109.00	118.00	8.3%

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

Type of Charge	2016/2017 \$	2017/2018 \$	Change
Kerbside collection - Garbage (Weekly)	648,144	664,232	2.5%
Kerbside collection - Garbage (Fortnightly)	163,873	186,404	13.7%
Kerbside collection - Recycling (Fortnightly)	310,950	329,314	5.9%
Commercial Garbage Charge	59,080	65,540	10.9%
Waste Management Improved Charge	982,744	1,057,162	7.6%
Waste Management Unimproved Charge	168,623	201,780	19.7%
Total	2,333,414	2,504,432	7.3%

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

Type of Charge	2016/2017 \$	2017/2018 \$	Change
General rates	15,960,167	16,582,264	3.9%
Municipal charge	0	0	0.0%
Kerbside collection and recycling	2,333,414	2,504,432	7.3%
Cultural and Recreational Charges - in lieu of rates	16,000	16,000	0.0%
Supplementary rates and charges	170,000	90,000	-47.1%
Rates and charges	18,479,581	19,192,696	3.9%

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

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

- The making of supplementary valuations (2017/2018: estimated \$90,000, 2016/2017: \$170,000)
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.

7.12 Differential rates

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 0.40575% (0.3978 cents in the dollar of CIV) for all rateable residential properties;
- A concessional rate of 0.2637% (0.2586 cents in the dollar of CIV) for all rateable farm properties;
- A general rate of 0.4707% (0.4614 cents in the dollar of CIV) for all rateable commercial properties;
- A general rate of 0.4707% (0.4614 cents in the dollar of CIV) for all rateable industrial properties;
- A general rate of 0.4707% (0.4614 cents in the dollar of CIV) for all rateable mixed use properties;
- A general rate of 0.5072% (0.4973 cents in the dollar of CIV) for all rateable vacant land-township properties;
- A general rate of 0.4058% (0.3978 cents in the dollar of CIV) for all rateable vacant land-other properties;
- A concessional rate of 0.2029% (0.1989 cents in the dollar of CIV) for all rateable trust for nature properties;
- A concessional rate of 0.2029% (0.1989 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.

General Rate Residential rateable land which is used solely for residential purposes and the balance of land defined by exception to the general rate.

Farm Rate Rateable land identified and defined as farmland and which is used solely for the purpose of farming as defined in section 2(1) of the Valuation of Land Act 1960 and is deemed to be a property for primary production purposes as accepted by the Australian Taxation Office.

Commercial Rate Rateable land which is used solely for commercial purposes. Includes rateable land which is used for short term accommodation which does not qualify as Residential under the Residential Tenancies Act 1997 characterised by stays of greater than 60 days and the existence of a tenancy agreement to which the Residential Tenancy Act 1997 applies.

Industrial Rate Rateable land which is used solely for industrial purposes.

Mixed Used Rate Rateable land which is not used solely for residential or commercial or farmland or industrial or recreational but is a combination of residential and at least one other category.

Trust For Nature Rate Rateable land which has a Trust for Nature Covenant applying to the land. A Trust for Nature Covenant enables the permanent protecting of significant areas of natural bush land. To encourage landowners to voluntarily place conservation covenants on their land, Council will offer a lower differential compared to the general rate.

Vacant Land – Township Rate Rateable land, within township boundaries, which does not form part of a commercial or industrial or farming enterprise or recreational purpose or upon which a residence is erected.

Vacant Land – Other Rate Rateable land which does not form part of a commercial or industrial or farming enterprise or recreational purpose or upon which a residence is erected. This applies to all vacant land that does not meet the definition of “township” above.

Vacant Premises – Commercial Vacant rateable premises which, if occupied, would be used solely for commercial purposes

Vacant Premises – Industrial Vacant rateable premises which, if occupied, would be used solely for industrial purposes

Recreational Rate Rateable land upon which sporting, recreational or cultural activities are conducted, including buildings which may be ancillary to such activities. Profits from recreational land must be applied in promoting its objectives. The definition of "recreational lands" is per section 2 of the Cultural and Recreational Lands Act 1964. The recreational differential will not apply to any component of the property that is used for gaming. This component will be rated as commercial.

7.13 Fair Go Rates System Compliance

Hepburn Shire Council is fully compliant with the State Governments Fair Go Rates System.

Base Average Rates (2016/2017)	\$ 1,465.68
Maximum Rate Increase (set by the State Government)	2.00%
Capped Average Rate (2017/2018)	\$ 1,494.99
Maximum General Rates and Municipal Charges Revenue	\$ 16,582,481
Budgeted General Rates and Municipal Charges Revenue	\$ 16,582,264

Budget Analysis

The following reports provide detailed analysis to support and explain the budget reports in the previous section.

This section includes the following analysis and information.

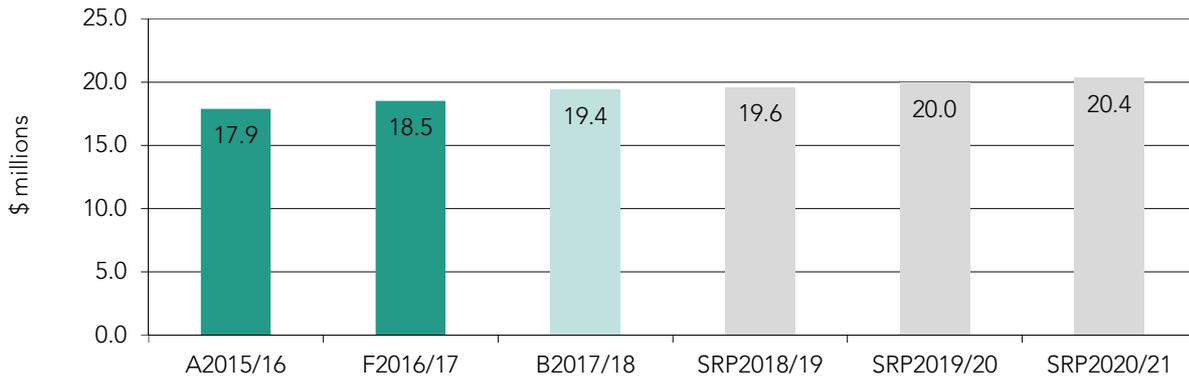
- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Summary of other strategies
- 16 Rating strategy

8. Summary of financial position

Council has prepared a Budget for the 2017/2018 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

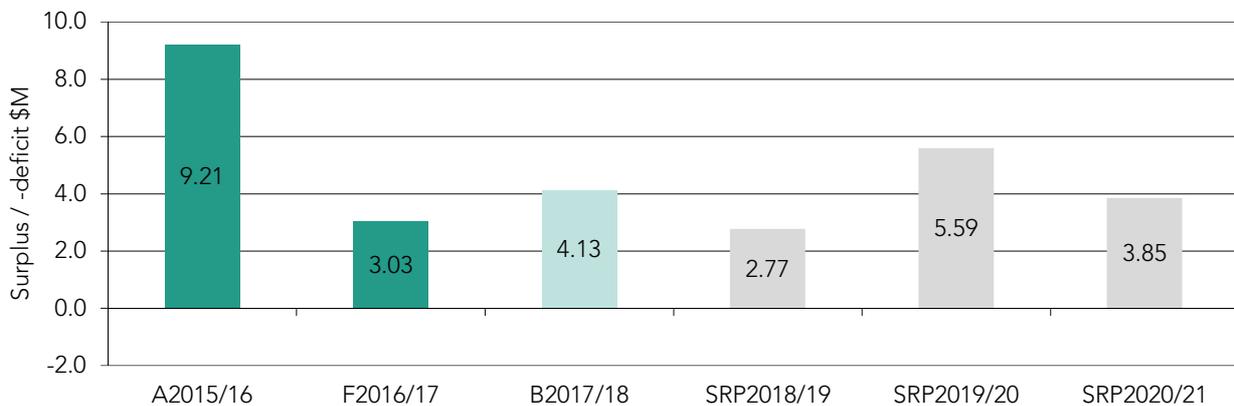
A= Actual F= Forecast B= Budget SRP= Strategic Resource Plan estimates

8.1 Rates and charges



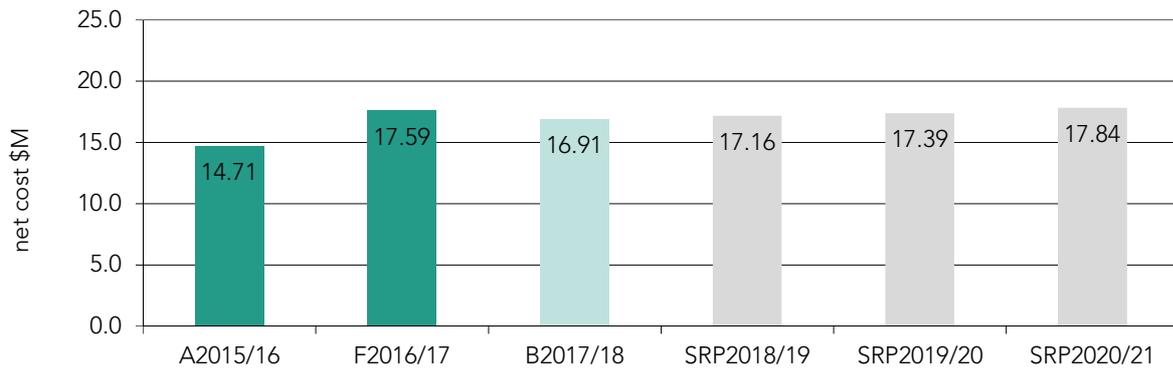
It is proposed that the average rates increase by 2.0% for the 2017/18 year, raising total rates of \$19.19 million, including \$0.30 million generated from supplementary rates. This will result in an increase in total revenue from rates and service charges of 3.9%. This rate increase is in line with the rate cap set by the Minister for Local Government of 2.0%, as the additional 1.9% represents supplementary valuations to the 2016/2017 rate base. (The rate increase for the 2016/2017 year was 2.50%). Refer Sections 7 and 10 for more information.

8.2 Operating Result



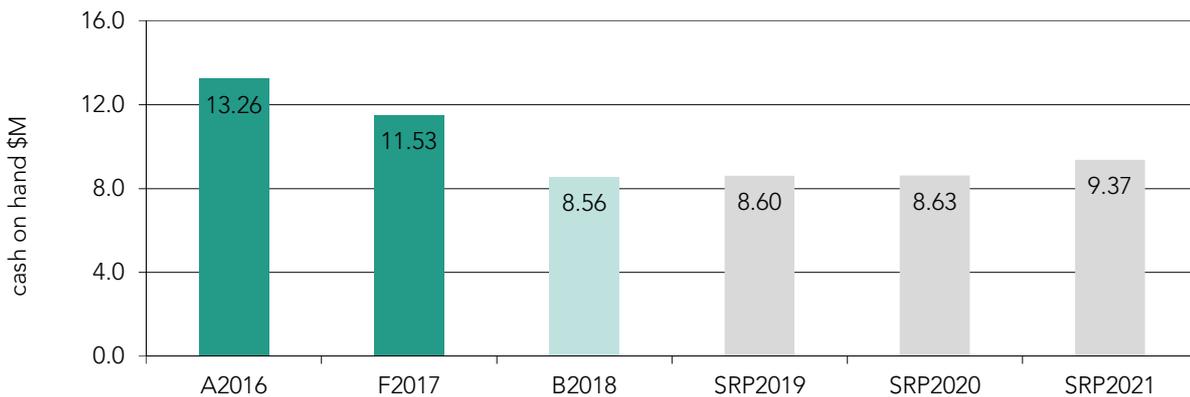
The expected operating result for the 2017/2018 year is a surplus of \$4.13 million, which is an increase of \$1.10 million over 2016/17. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a surplus of \$2.33 million, which is an increase of \$1.76 million over 2016/2017 - refer to section 7 of this summary for further information. (The forecast operating result for the 2016/17 year is a surplus of \$3.03 million).

8.3 Services



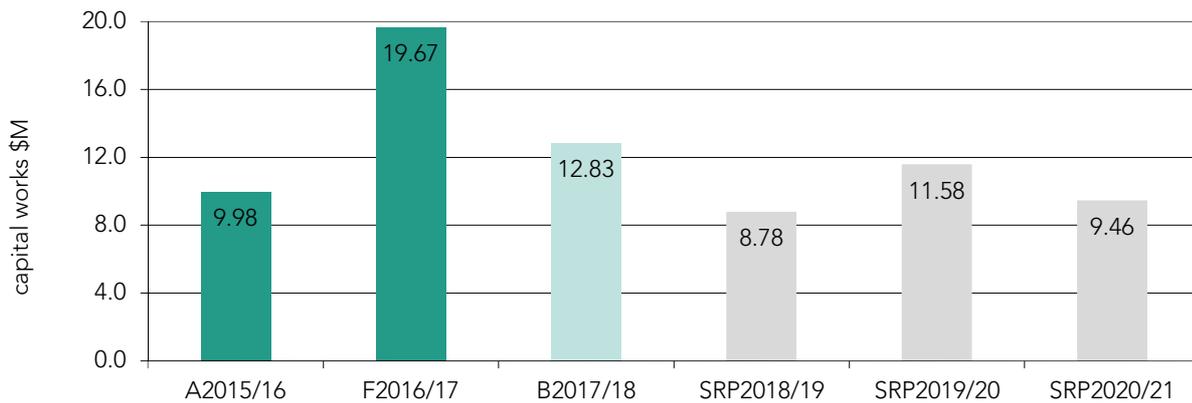
The net cost of services delivered to the community for the 2017/18 year is expected to be \$16.910 million which is a decrease of \$0.68 million over 2016/17. A key influencing factor in the development of the 2017/18 budget has been the recently released results of the community satisfaction survey conducted by Council. The survey results show that there are some areas of concern where there is a clear message that ratepayers want improved service levels. For the 2017/18 year, service levels have been maintained and a number of initiatives proposed. (The forecast net cost for the 2016/17 year is \$17.59 million). Refer Section 2 for a list of services.

8.4 Cash and investments



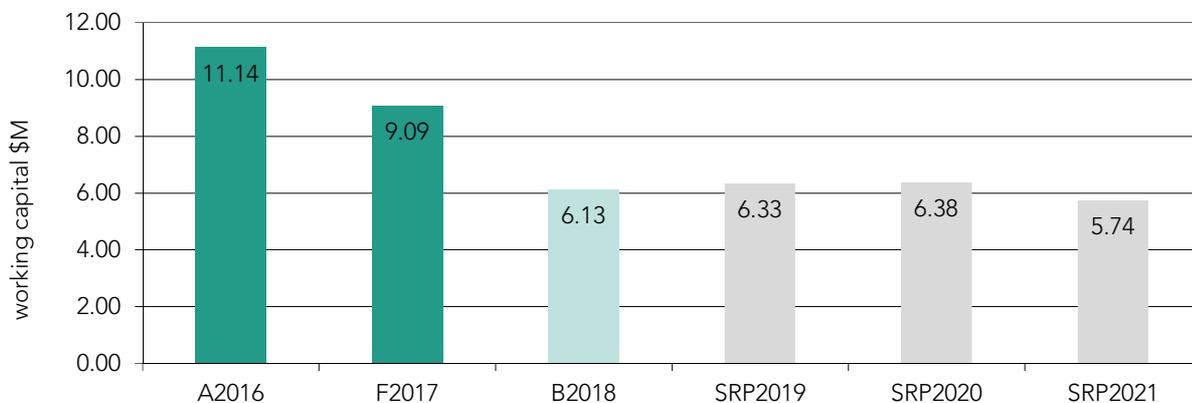
Cash and investments are expected to decrease by \$2.97 million during the year to \$8.56 million as at 30 June 2018. This is due to the carried forward component of the 2016/17 capital works program of \$3.00 million. The reduction in cash and investments is in line with Council's Strategic Resource Plan. (Cash and investments are forecast to be \$11.53 million as at 30 June 2017). Refer also Section 4 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

8.5 Capital works



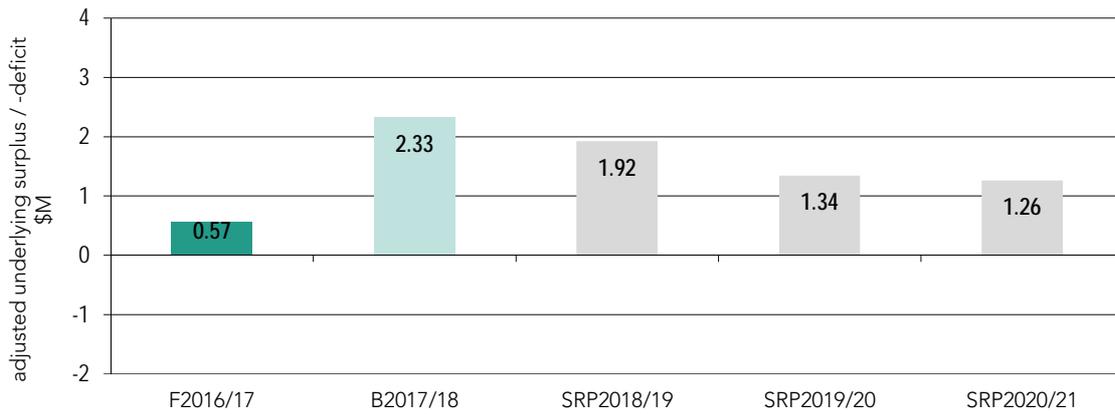
The capital works program for the 2017/2018 year is expected to be \$12.83 million of which \$3.00 million relates to projects which will be carried forward from the 2016/2017 year. The carried forward component is fully funded from the 2016/2017 budget. Of the \$12.83 million of capital funding required, \$2.66 million will come from external grants and contributions with the balance of \$10.17 million from Council cash. The Council cash amount comprises asset sales (\$0.15 million), cash held at the start of the year (\$3.63 million) and cash generated through operations in the 2017/18 financial year (\$6.38 million). The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. (Capital works is forecast to be \$19.70 million for the 2016/2017 year). Refer also Section 4 for the Statement of Capital Works and Section 12 for an analysis of the capital budget.

8.6 Financial position



The financial position is expected to improve with net assets (net worth) to increase by \$4.13 million to \$239.44 million although net current assets (working capital) will reduce by \$2.96 million to \$6.13 million as at 30 June 2018. This is mainly due to the use of cash reserves to fund the capital works program. (Total equity is forecast to be \$9.09 million as at 30 June 2017). Refer also Section 4 for the Balance Sheet and Section 13 for an analysis of the budgeted financial position.

8.7 Financial sustainability



A high level Strategic Resource Plan for the years 2017/2018 to 2020/2021 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows a decreasing deficit over the four year period. Refer Section 14 for more information on the Strategic Resource Plan.

9. Budget influences

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

9.1 Snapshot of Hepburn Shire Council

Hepburn Shire Council is located in central Victoria, just over an hour from Melbourne. The region is renowned for its natural beauty and mineral springs. The eastern part of the Shire is hilly, with high rainfall and significant native forests. The west has medium to lower rainfall and broad acre farming land.

The shire's economic base is in agriculture, forestry, manufacturing and tourism. Tourism is most popular around the Daylesford-Hepburn Springs mineral springs. Tourism, the arts, service industries, retailing, education and health and community services are growing rapidly.

Population

In June 2015, the preliminary estimated resident population of the Shire was 14,794 people. The population has expanded 5.9% over past ten years, despite a 0.6% decline in the last year. (Source: Australian Bureau of Statistics, Estimated Resident Population).

9.2 External influences

- Consumer Price Index (CPI) increases on goods and services of 1.4% through the year to the September quarter 2016. State-wide CPI is forecast to be 2.0% for the 2017/2018 year (Victorian Budget Papers 2016/17).

- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2016 was 3.4% (ABS release 18 August 2016). The wages price index in Victoria is projected to be 2.5% per annum in 2017/2018 increasing to 3.0% and 3.5% in the subsequent two years (Victorian Budget Papers 2016/2017). Council must renegotiate a new enterprise agreement during the remainder of 2016/2017.

- No increase in Victorian Grants Commission funding in the past three years.

- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervisors, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.

- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.

- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

9.3 Long term strategies

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2017/2018 to 2020/2021 (Section 14.), Rating Information (Section 15.) and Other Long Term Strategies (Section 16.) including borrowings, infrastructure and service delivery.

10. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2017/2018 year.

10.1 Budgeted income statement

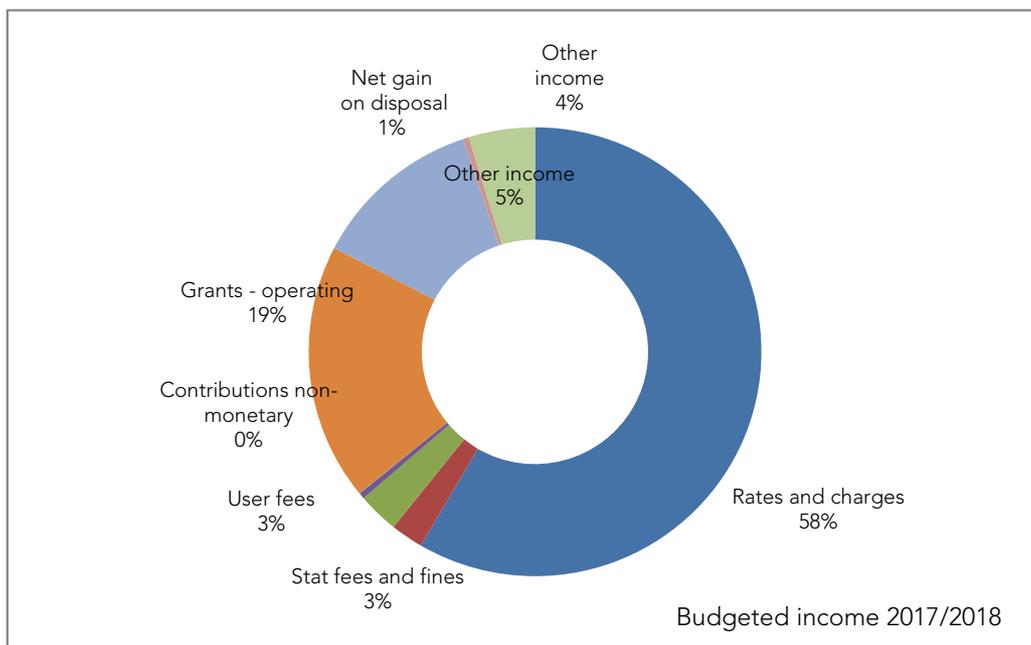
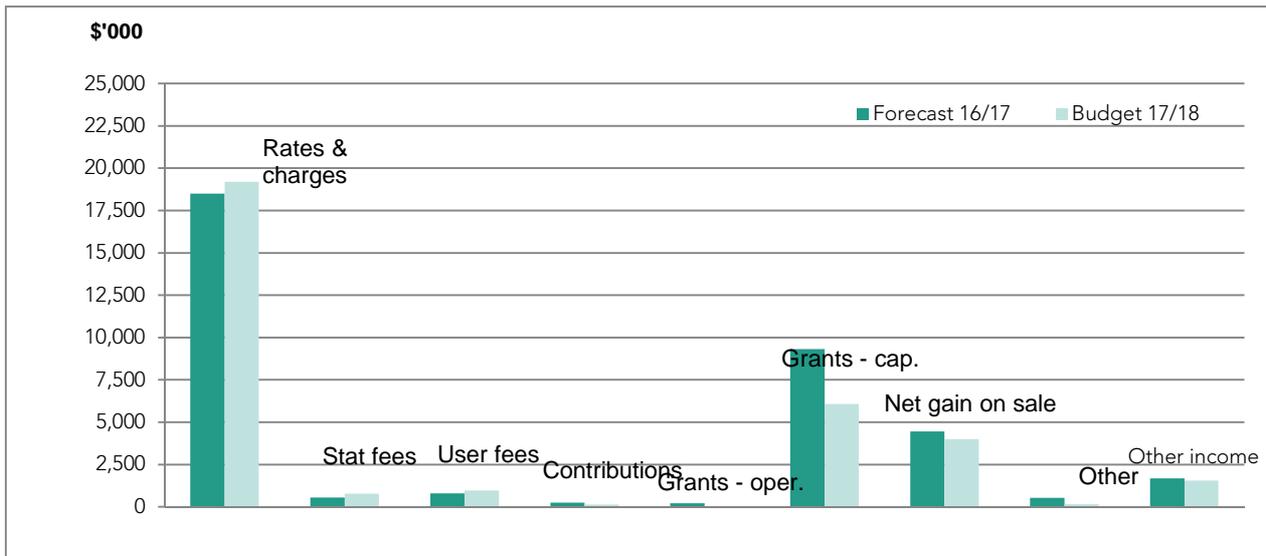
	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Total income	10.2	36,311	32,858	(3,453)
Total expenses	10.3	(33,405)	(29,095)	4,310
Surplus (deficit) for the year		2,906	3,763	857
Grants – capital non-recurrent	10.2.6	(1,898)	(1,310)	588
Contributions - non-monetary assets		(218)	(7)	211
Capital contributions - other sources	10.2.4	(225)	(120)	105
Adjusted underlying surplus (deficit)	10.1.1	565	2,326	1,761

10.1.1 Adjusted underlying deficit (\$1.76 million decrease)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2017/2018 year is a surplus of \$2.33 million which is an increase of \$1.76million from the 2016/2017 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

10.2 Income

Income Types	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Rates and charges	10.2.1	18,506	19,193	687
Statutory fees and fines	10.2.2	554	772	218
User fees	10.2.3	792	964	173
Contributions monetary	10.2.4	249	140	(109)
Contributions non-monetary	10.2.4	218	7	(211)
Grants - operating	5.1.1	9,323	6,082	(3,240)
Grants - capital	5.1.2	4,461	4,003	(458)
Net gain on disposal of property, infrastructure, plant & equipment	10.2.5	536	147	(390)
Other income	10.2.6	1,672	1,550	(123)
Total income		36,311	32,858	(3,453)



10.2.1 Rates and charges (\$0.69 million increase)

It is proposed that income raised by all rates and charges be increased by 3.9% or \$0.69 million to \$19.19 million. This includes an increase in general rates of 2.0% and kerbside waste collection, recycling and waste management of 7.3%.

Section 7. Rates and Charges - includes a more detailed analysis of the rates and charges to be levied for 2017/2018 and the rates and charges specifically required by the Regulations.

10.2.2 Statutory fees and fines (\$0.22 million increase)

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

Statutory fees are forecast to increase by 39.3% or \$0.22 million compared to 2016/2017. Statutory Planning fees will increase by \$0.19 million due to the significant increase in these statutory fees effective October 2016.

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

10.2.3 User fees (\$0.17 million increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of leisure, entertainment and other community facilities and the provision of human services such home help services.

User charges are projected to increase by 21.8% or \$0.17 million over 2016/2017. The main area contributing to the increase is transfer station services (\$0.13 million) due to expected increased patronage and tip shop and recovered material sales. Council has also anticipated a reduction in fees from contract care services (\$0.02 million) as clients transition to the NDIS. In addition, Council plans to increase user charges for all areas in line with expected inflationary trends over the budget period to maintain parity between user charges and the costs of service delivery.

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

10.2.4 Contributions - monetary (\$0.11 million decrease) - non-monetary (\$0.21 million decrease)

Contributions can relate to monies paid by developers in regard to public resort and recreation, drainage and car parking in accordance with planning permits issued for property development. Developer contributions are projected to remain constant compared to 2016/2017 .

Contributions are also received as a contribution to specific Council projects from the community. Community contributions are forecast to decrease by 78.6% or \$0.32 million.

10.2.5 Net gain on disposal of property, infrastructure, plant and equipment (\$0.39 million decrease)

Proceeds from the disposal of Council assets is forecast to be \$0.15 million for 2017/2018 and relate to the planned cyclical replacement of part of the plant and vehicle fleet.

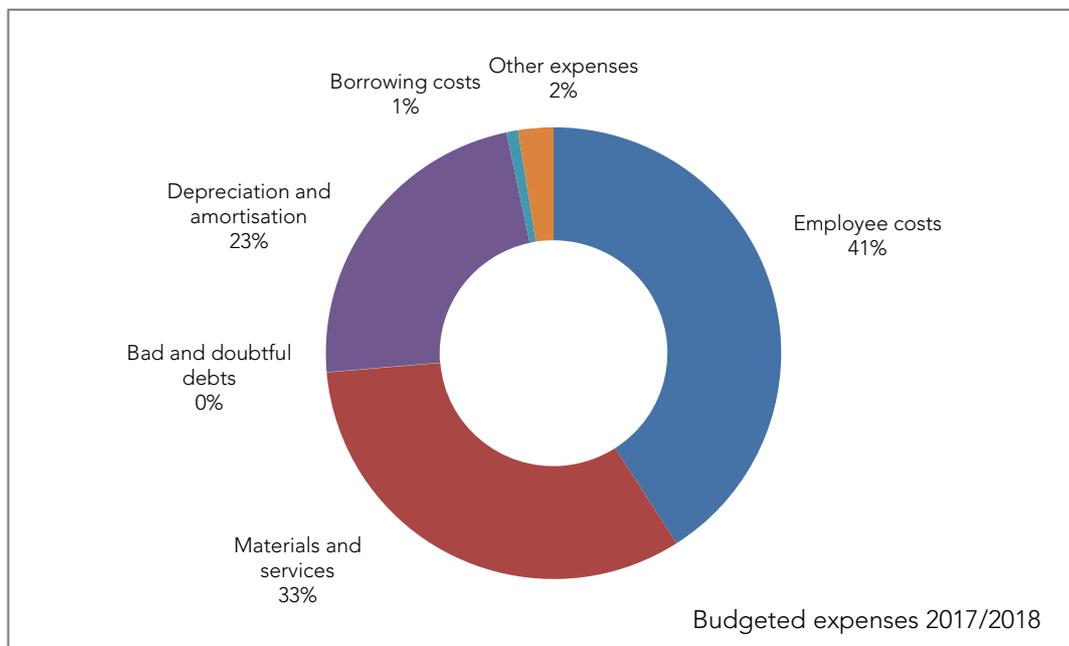
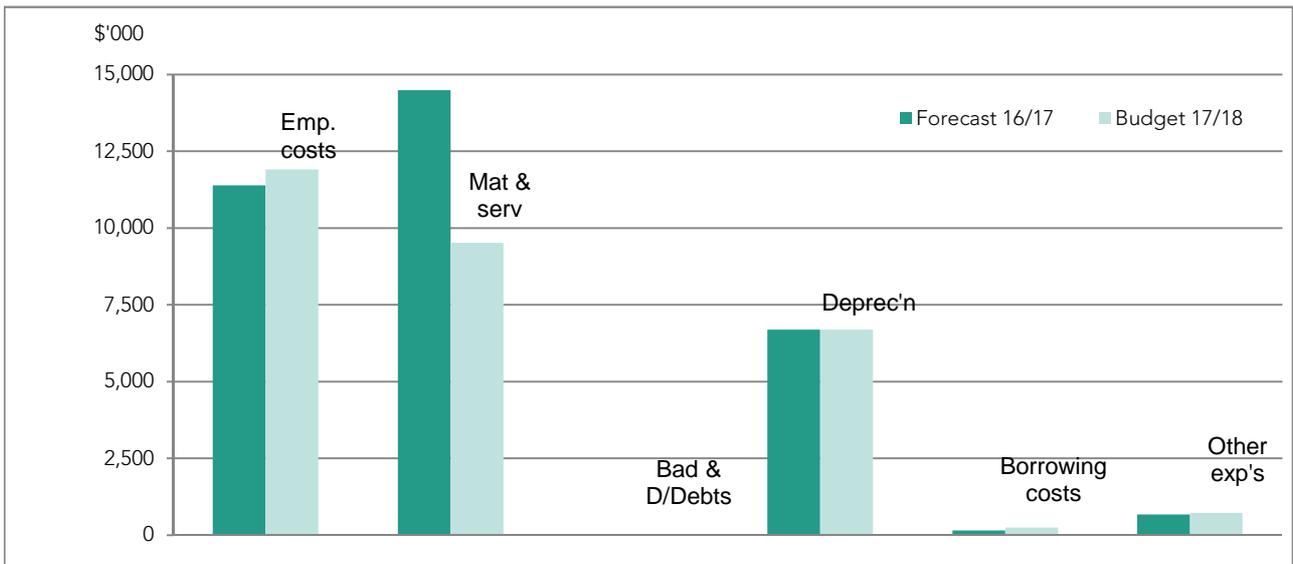
10.2.6 Other income (\$0.12 million increase)

Other income relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to decrease by 7.3% or \$0.12 million compared to 2016/2017. Interest on investments is forecast to decline by 17.4% or \$0.30 million compared to 2016/2017. The decrease in other income items is due mainly to the decrease in housing rent (\$0.44 million) as the management of these properties are transferred and payments from the State Revenue Office for the purchase of valuation data (\$0.86 million).

10.3 Expenses

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2016/2017 \$'000	2017/2018 \$'000	\$'000
Employee costs	10.3.1	11,388	11,905	517
Materials and services	10.3.2	14,489	9,521	(4,969)
Bad and doubtful debts		6	6	(0)
Depreciation and amortisation	10.3.3	6,694	6,694	0
Borrowing costs	10.3.4	155	243	89
Other expenses	10.3.5	673	726	52
Total expenses		33,405	29,095	(4,310)



10.3.1 Employee costs (\$0.52 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc.

Employee costs are forecast to increase by 4.5% or \$0.52 million compared to 2016/2017.

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

Department	Budget 2017/2018 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Community Services	3,155	1,520	1,634
Corporate Services	1,942	1,267	675
Executive and Development Services	1,596	1,280	316
Infrastructure	4,413	4,096	317
Total permanent staff expenditure	11,106	8,164	2,942
Casuals and other expenditure	799		
Capitalised labour costs	432		
Total expenditure	12,337		

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

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
Community Services	38.6	16.0	22.6
Corporate Services	22.1	14.0	8.1
Executive and Development Services	14.6	11.0	3.6
Infrastructure	51.2	47.0	4.2
Total	126.5	88.0	38.5
Casuals and other	0.0		
Capitalised labour costs	4.0		
Total staff	130.5		

10.3.2 Materials and services (\$4.97 million decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by 34.3% or \$4.97 million compared to 2016/2017.

The majority of this decrease (\$4.83 million) relates to infrastructure contractor expenses incurred in 2016/17 to restore Council's road and park infrastructure following flooding earlier in 2016/17. In addition, other non-continuing projects include Cameron Court Housing Units (\$0.59 million), Council elections (\$0.17 million) and Tree risk mitigation works at Park Lake Caravan Park (\$0.2 million).

Council has been successful in receiving \$2.6 million for the establishment of the Creswick Trails Mountain Bike Mecca. \$1.3 million is included for the commencement of this significant project in 2017/18.

Utility costs relate to telecommunications, water, gas and electricity. Utility costs are forecast to increase by 2.9% or \$0.018 million compared to 2016/2017. Steps have been undertaken to reduce Council's usage of potable water enabling this item to remain constant. Telecommunications, including internet connections are forecast to increase by 4.6% or \$0.01 million resulting from the implementation of a new wide area network provision.

10.3.3 Depreciation and amortisation (No change)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The no change for 2017/2018 is considered appropriate for expected depreciation and amortisation charges forecast in 2017/18. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2017/2018 year.

10.3.5 Borrowing costs (\$0.09 million increase)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The increase in borrowing costs results from additional borrowings drawn down in 2016/17.

10.3.6 Other expenses (\$0.05 million increase)

Other expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations and other miscellaneous expenditure items. Other expenses are forecast to increase by 7.8% or \$0.05 million compared to 2016/2017. This is mainly due to an increase in community grants and audit fees.

11. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/2018 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

11.1 Budgeted cash flow statement

	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Cash flows from operating activities	11.1.1			
<i>Receipts</i>				
Rates and charges		18,506	19,393	887
User fees and fines		1,340	1,730	391
Grants - operating		9,323	6,082	(3,240)
Grants - capital		4,461	4,003	(458)
Interest		280	320	40
Other receipts		1,633	1,295	(338)
		35,542	32,824	(2,718)
<i>Payments</i>				
Employee costs		(11,388)	(11,905)	(517)
Other payments		(15,163)	(10,246)	4,916
		(26,551)	(22,152)	4,399
Net cash provided by operating activities		8,991	10,672	1,681
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant & equip.		(16,084)	(12,818)	3,265
Proceeds from sale of property, infrastructure, plant & equipment		2,526	147	(2,379)
Payments for investments		(3,550)	(15,000)	(11,450)
Proceeds from investments		12,150	15,000	2,850
Net cash used in investing activities		(4,958)	(12,672)	(7,714)
Cash flows from financing activities	11.1.3			
Finance costs		(155)	(243)	(89)
Proceeds from borrowings		3,405	-	(3,405)
Repayment of borrowings		(409)	(723)	(314)
Net cash used in financing activities		2,841	(967)	(3,808)
Net decrease in cash and cash equivalents		6,875	(2,967)	(9,842)
Cash and cash equivalents at the beginning of the year		3,930	10,804	6,875
Cash and cash equivalents at end of the year	11.1.4	10,804	7,838	(2,967)

11.1.1 Operating activities (\$1.68 million increase)

The increase in cash inflows from operating activities is due mainly to a \$4.92 million decrease in other payments for flood restoration, offset by a \$3.24 million decrease in operating grants, related to these works.

The net cash flows from operating activities does not equal the surplus (deficit) 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 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Surplus (deficit) for the year	2,906	3,763	857
Depreciation	6,694	6,694	0
Loss (gain) on disposal of property, infrastructure, plant & equipment	(536)	(147)	390
Contributions - non-monetary	(218)	(7)	211
Finance costs	155	243	89
Net movement in current assets and liabilities	(9)	125	134
Cash flows available from operating activities	8,991	10,672	1,681

11.1.2 Investing activities (\$7.71 million decrease)

The large decrease in payments for investing activities represents the planned additional long term (greater than 4 months) cash deposits that will be made to enhance interest revenue in accordance with Council's cash management policy. The amount of payments for investments in 2016/17 was down due to the utilisation of Council funds for building acquisition earlier than drawing down loan funds. Payments for capital works expenditure is forecast to decrease by \$3.27 million and is disclosed in section 6 of this budget report. Proceeds from sale of assets are forecast to decrease by \$2.38 million due to settlement of land sales achieved during 2016/2017.

11.1.3 Financing activities (\$3.81 million decrease)

For 2017/2018 the total of principal repayments is \$0.7 million and finance charges is \$0.02 million. \$3.4 million of proceeds from borrowings were received in 2016/17.

11.1.4 Cash and cash equivalents at end of the year (\$2.97 million decrease)

Overall, total cash and investments is forecast to decrease by \$2.97 million to \$7.84 million as at 30 June 2018. This is representative of expending carried forward capital projects from 2016/17 of \$3.00 million. This is consistent with Council's Strategic Resource Plan (see Section 8), which forecasts a reduction in the capital works program from 2017/2018 onwards to balance future cash budgets subject to future grant applications.

11.2 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 2018 it will have cash and investments of \$8.57 million, which has been restricted as shown in the following table.

	Ref	Forecast	Budget	Variance
		Actual 2017 \$'000	2018 \$'000	\$'000
Total cash and investments		11,531	8,565	(2,967)
Restricted cash and investments				
- Statutory reserves	11.2.1	(819)	(668)	151
- Cash held to fund carry forward capital works	11.2.2	(3,004)	-	3,004
- Trust funds and deposits		(1,034)	(1,034)	-
Unrestricted cash and investments	11.2.3	6,675	6,863	188
- Discretionary reserves	11.2.4	(892)	(1,013)	(121)
Unrestricted cash adjusted for discretionary reserves	11.2.5	5,783	5,850	67

11.2.1 Statutory reserves (\$0.67 million)

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes. The statutory reserves and their forecast balances are shown below.

Statutory Reserves	Forecast	Budget	Variance
	Actual 2017 \$'000	2018 \$'000	\$'000
Open Space Recreation Reserve	625	592	(34)
Car Parking Reserve	21	21	-
Hepburn Mineral Springs Reserves Financial Reserve	172	55	(117)
Total Statutory Reserves	819	668	(151)

11.2.2 Cash held to fund carry forward capital works

There is no amount shown as cash held to fund carry forward works at 30 June 2018, as it is expected that the capital works budget in the 2017/2018 financial year will be fully completed. An amount of \$3.00 million is forecast to be held at 30 June 2017 to fund capital works budgeted but not completed in the 2016/2017 financial year. Section 6.1 contains further details on capital works funding.

11.2.3 Unrestricted cash and investments (\$6.86 million)

The amount shown is in accordance with the definition of unrestricted cash included in the Regulations. These funds are free of statutory reserve funds and cash to be used to fund capital works expenditure from the previous financial year.

11.2.4 Discretionary reserves (\$1.01 million)

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. During the 2017/2018 year \$0.08 million is budgeted to be transferred to and \$0.20 million from Discretionary Reserves. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

Discretionary Reserves	Forecast		Variance \$'000
	Actual 2017 \$'000	Budget 2018 \$'000	
Clunes Caravan Park	7	7	-
Heritage Advisory Fund Reserve	20	20	-
Mt Beckworth Pit Reserve	28	28	-
Smeaton Hill Pit Reserve	74	74	-
Waste Management Reserve	163	84	(79)
Debt Management Reserve	600	800	200
Total Discretionary Reserves	892	1,013	121

11.2.5 Unrestricted cash adjusted for discretionary reserves (\$5.85 million)

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

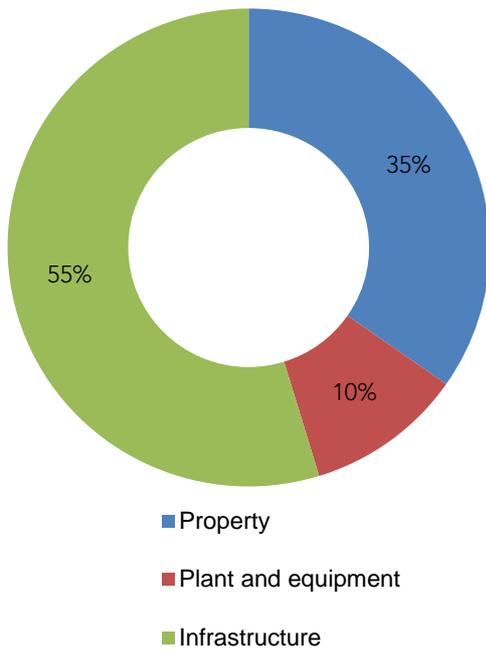
12. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 2017/18 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Section 6.

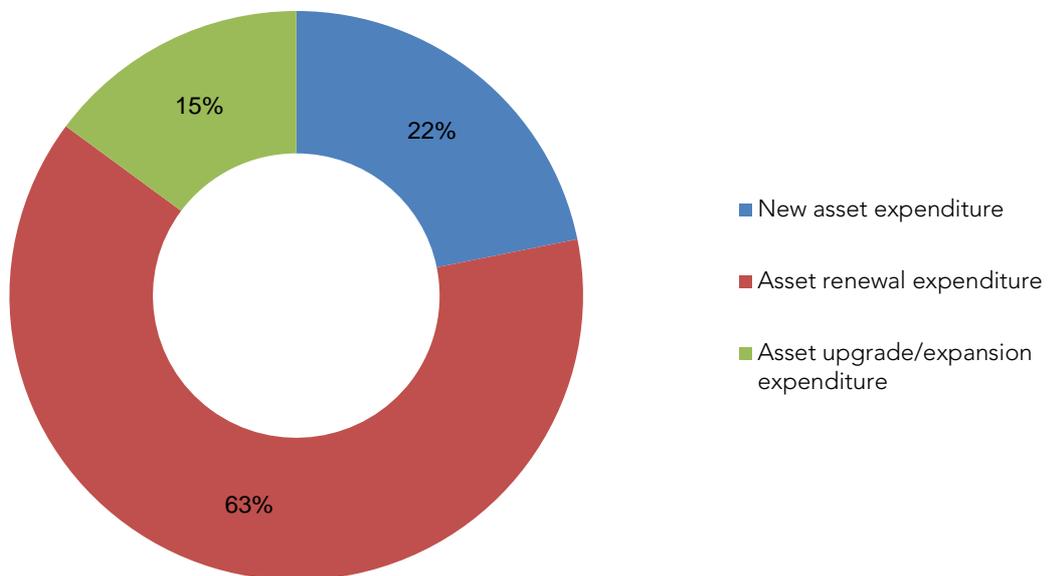
12.1 Capital works

Capital Works Areas	Ref	Forecast Actual 2016/2017 \$'000	Budget 2017/2018 \$'000	Variance \$'000
Property	12.1.1			
Land improvements		143	488	344
Total land		143	488	344
Buildings		8,985	2,090	(6,895)
Building improvements		1,811	1,871	60
Total buildings		10,796	3,961	(6,835)
Total property		10,940	4,449	(6,491)
Plant and equipment	12.1.2			
Plant, machinery and equipment		819	974	155
Computers and telecommunications		185	330	145
Library books		53	54	1
Total plant and equipment		1,057	1,358	301
Infrastructure	12.1.3			
Roads		3,891	4,454	563
Bridges		355	357	2
Footpaths and cycleways		353	458	105
Drainage		189	230	41
Recreational, leisure and community		760	425	(335)
Parks, open space and streetscapes		2,101	1,045	(1,056)
Other infrastructure		50	50	-
Total infrastructure		7,699	7,019	(680)
Total capital works expenditure		19,695	12,825	(6,870)
Represented by:				
New asset expenditure	12.1.4	7,830	2,799	(5,031)
Asset renewal expenditure	12.1.4	7,208	8,121	913
Asset upgrade/expansion expenditure	12.1.4	4,627	1,905	(2,722)
Total capital works expenditure		19,665	12,825	(6,840)

Budgeted capital works 2017/2018



Budgeted capital works 2017/2018



Source: Section 3. A more detailed listing of capital works is included in Section 6.

12.1.1 Property (\$4.45 million)

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

For the 2017/2018 year, \$4.45 million will be expended on land improvements, building and building improvement projects. The more significant projects include Creswick landfill Pollution Abatement Notice response (\$0.45 million), Hepburn Shire Council services and community hub construction including community cinema in the Rex ((\$1.32 million) and Daylesford Pool upgrades (\$0.53 million).

12.1.2 Plant and equipment (\$1.36 million)

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

For the 2017/2018 year, \$1.36 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$0.52 million), national flagship bioenergy facility (\$0.41 million), upgrade and replacement of information technology (\$0.33 million) and library material purchases (\$0.05 million).

12.1.3 Infrastructure (\$7.02 million)

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

For the 2017/2018 year, \$4.45 million will be expended on road projects. The more significant projects include local road reconstructions (\$1.88 million), road resealing (\$0.88 million), road resheeting (\$0.62 million), East St railway bridge underpass (\$0.59 million), and Dairy Flat Road Musk upgrade (\$0.35 million).

\$0.36 million will be expended on bridge renewal projects, \$0.46 million will be expended on footpath and cycleway projects and \$0.23 million will be expended on drainage projects.

\$1.05 million will be expended on parks, open space and streetscapes, including \$0.66 million for the completion of streetscape works, \$0.15 million carried forward for Lake Daylesford improvements and \$0.12 million for mineral springs reserves improvement works.

\$0.43 million will be spent on recreational, leisure and community facilities, including \$0.16 million for Daylesford soccer rooms, and \$0.12 million carried forward for the Creswick mountain bike trail head and pump track. \$0.05 million will be spent on public art appropriation.

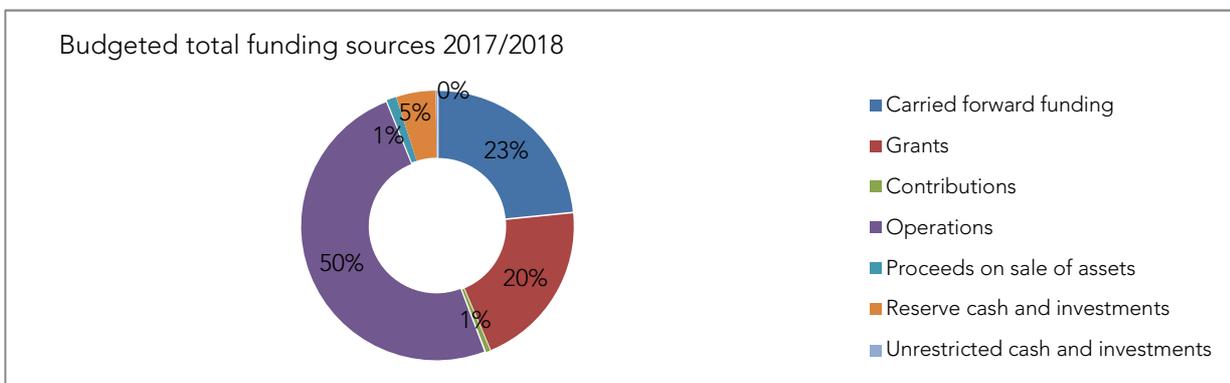
12.1.4 Asset renewal (\$8.12 million), new assets (\$2.80 million) and upgrade/expansion (\$1.91 million)

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

The major projects included in the above categories, which constitute expenditure on new assets, are the Hepburn Hub within the Rex (\$1.32 million), construction of a national flagship bioenergy facility (\$0.41 million) and streetscape constructions (\$0.0.3 million). The remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

12.2 Funding sources

Sources of funding	Ref	Forecast Actual 2016/17 \$'000	Budget 2017/18 \$'000	Variance \$'000
Capital Works				
Current year funding				
Carried forward funding	12.2.1	1,764	3,004	1,240
Grants	12.2.2	3,255	2,597	(658)
Contributions		253	67	(186)
Borrowings		3,405	-	(3,405)
Council cash				
- operations	12.2.3	7,867	6,379	(1,488)
- proceeds on sale of assets	12.2.4	2,526	147	(2,379)
- reserve cash and investments	12.2.5	625	606	(19)
- unrestricted cash and investments	12.2.6	-	25	25
Total funding sources		19,695	12,825	(8,110)



12.2.1 Carried forward works (\$3.00 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, extended consultation and awaiting grant funding outcomes. For the 2016/2017 year it is forecast that \$3.044 million of capital works will be incomplete and be carried forward into the 2017/2018 year. Significant funding includes grants for the bioenergy facility and East St Road lowering (\$0.60 million) and reserve cash and investments for the Hepburn hub projects (\$1.44 million), Building Renewal Program (\$0.45 million) and Streetscape projects (\$0.56 million).

12.2.2 Grants - Capital (\$2.60 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for Roads to Recovery projects (\$1.29 million), the Flagship Bioenergy Facility (\$0.4 million), East Street railway bridge underpass (\$0.40 million), Dairy Flat Road Musk Upgrade (\$0.15 million) and Daylesford soccer rooms

12.2.3 Council cash - operations (\$6.38 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$6.38 million will be generated from operations to fund the 2017/2018 capital works program.

12.2.4 Council cash - proceeds from sale of assets (\$0.15 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$0.15 million.

12.2.5 Reserve cash - reserve cash and investments (\$0.61 million)

Council holds cash reserves, which it is currently using to fund its annual capital works program. The reserves include monies set aside for specific purposes such as the open spaces reserve and mineral springs financial reserve and non-specific reserves such as the waste management and debt management reserves. For 2017/2018 \$0.61 million will be used to fund part of the new capital works program including the landfill PAN response (\$0.45 million), Trentham netball facility (\$0.09 million), Jubilee Lake Caravan Park landscaping (\$0.04 million), Hepburn Mineral Springs (\$0.02 million) and the contribution to support Hepburn Woman's Football team with changerooms (\$0.01 million).

12.2.6 Council cash - unrestricted cash and investments (\$0.03 million)

In addition to reserve investments, Council has uncommitted cash and investments which represent unrestricted cash and investments and funds preserved from the previous year mainly as a result of grants and contributions being received in advance. It is forecast that \$0.03 million will be used to fund building renewal at the Trentham Mechanics Institute in the 2017/2018 year.

13. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2016/2017 and 2017/2018. It also considers a number of key financial performance indicators.

13.1 Budgeted balance sheet

	Ref	Forecast Actual 2017 \$'000	Budget 2018 \$'000	Variance \$'000
Current assets	13.1.1			
Cash and cash equivalents		10,804	7,838	(2,967)
Trade and other receivables		2,815	2,615	(200)
Financial assets		727	727	-
Other assets		126	126	-
Total current assets		14,472	11,306	(3,167)
Non-current assets	13.1.1			
Property, infrastructure, plant and equipment		231,271	237,864	6,593
Intangibles		536	442	(94)
Total non-current assets		231,807	238,306	6,499
Total assets		246,279	249,612	3,333
Current liabilities	13.1.2			
Trade and other payables		1,586	1,586	-
Trust funds and deposits		1,034	1,034	-
Provisions		1,930	1,930	-
Interest-bearing loans and borrowings		723	580	143
Other liabilities		105	48	57
Total current liabilities		5,377	5,177	200
Non-current liabilities	13.1.2			
Provisions		501	501	-
Interest-bearing loans and borrowings		4,987	4,407	580
Other liabilities		101	84	18
Total non-current liabilities		5,590	4,992	598
Total liabilities		10,967	10,169	798
Net assets		235,312	239,443	4,131
Equity	13.1.4			
Accumulated surplus		145,193	148,985	3,793
Reserves		90,119	90,458	338
Total equity		235,312	239,443	4,131

Source: Section 3

13.1.1 Current Assets (\$3.17 million decrease) and Non-Current Assets (\$6.50 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$2.97 million during the year to fund the capital works program carried forward from 2016/2017.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non current) relating to loans to community organisations will increase by \$0.09 million in accordance with agreed repayment terms.

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. Other assets are not expected to change significantly in the budget

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The \$6.59 million increase in this balance is attributable to the net result of the capital works program (\$12.83 million of new assets), depreciation of assets (\$6.60 million) and the revaluation of assets (\$0.37 million).

13.1.2 Current Liabilities (\$0.20 million decrease) and Non Current Liabilities (\$0.60 million decrease)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2016/2017 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are not expected to change significantly in the budget due to more active management of entitlements despite factoring in an increase for the enterprise agreement outcomes.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay loan principal of \$0.72 million over the year.

Other liabilities include rent received in advance. Other liabilities are forecast to decrease in accordance with terms of agreements.

13.1.3 Working Capital (\$3.17 million decrease)

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

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	Forecast		Variance
	Actual 2017 \$'000	Budget 2018 \$'000	
Current assets	14,472	11,306	3,167
Current liabilities	5,377	5,177	200
Working capital	9,095	6,129	2,966
Restricted cash and investment current assets			
- Statutory reserves	(819)	(668)	(151)
- Cash used to fund carry forward capital works	(3,004)	-	(3,004)
- Trust funds and deposits	(1,034)	(1,034)	-
Unrestricted working capital	4,239	4,427	(188)

In addition to the restricted cash shown above, Council is also projected to hold \$1.01 million in discretionary reserves at 30 June 2018. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

13.1.4 Equity (\$4.13 million increase)

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

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations.
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the surplus of the Council to be separately disclosed.
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. \$3.76 million of the \$3.79 million increase in accumulated surplus results directly from the surplus for the year. An amount of \$0.03 million (net) is budgeted to be transferred from other reserves to accumulated surplus. This reflects the usage of investment cash reserves to partly fund the capital works program. This is a transfer between equity balances only and does not impact on the total balance of equity.

Long Term Strategies

This section includes the following analysis and information.

- 14 Strategic resource plan
- 15 Rating information
- 16 Other long term strategies

14. Strategic resource plan

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

14.1 Plan development

The Act requires a Strategic Resource Plan (SRP) to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared an SRP for the four years 2017/2018 to 2020/2021 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

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

- to maintain existing service levels
- to maintain consistency in future rises of rates and charges
- to maintain an annual budget surplus
- to achieve a balanced budget on a cash basis, before including carry forward items
- to maintain a responsible and sustainable asset management program.

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

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

The SRP is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

14.2 Financial resources

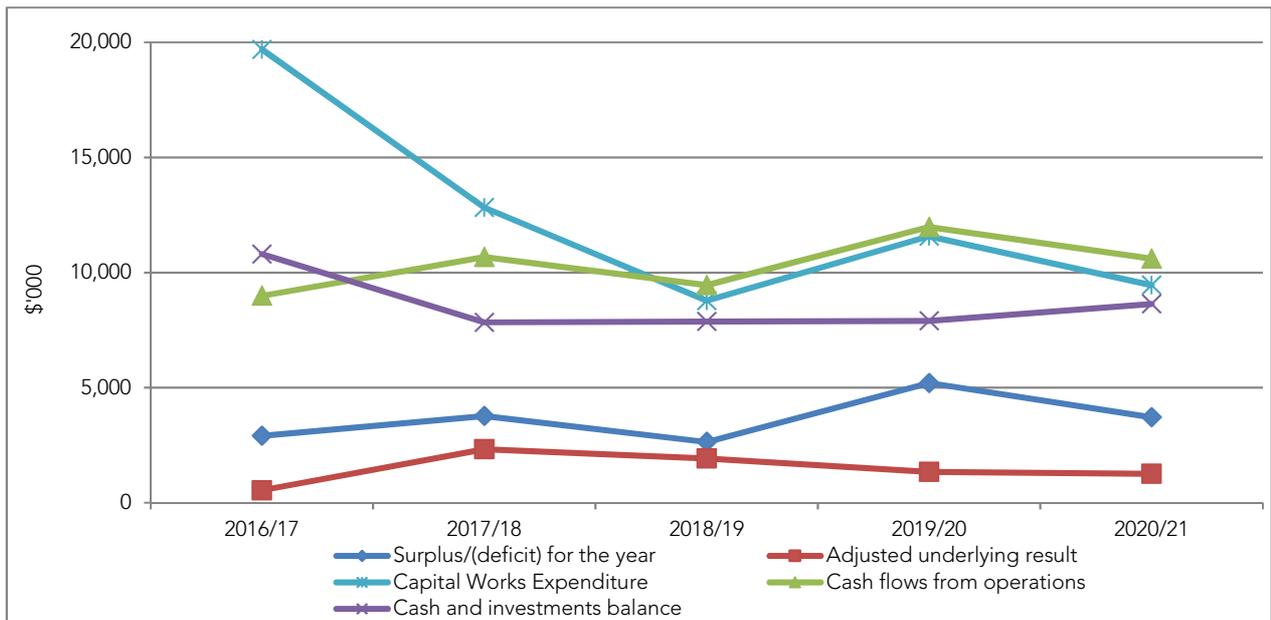
The following table summarises the key financial results for the next four years as set out in the SRP for years 2017/2018 to 2020/2021. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2016/17	2017/18	2018/19	2019/20	2020/21	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	2,906	3,763	2,640	5,201	3,718	o
Adjusted underlying result	541	2,326	1,920	1,341	1,258	-
Cash and investments balance	10,804	7,838	7,875	7,899	8,642	+
Cash flows from operations	8,991	10,672	9,457	11,980	10,608	o
Capital works expenditure	19,695	12,825	8,780	11,583	9,459	-

Key to Forecast Trend:

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

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



The key outcomes of the Plan are as follows:

- **Financial sustainability (Section 11)** - Cash and investments is forecast to increase marginally over the four year period from \$7.84 million to \$8.64 million, which indicates a balanced budget on a cash basis in each year
- **Rating levels (Section 15)** – Modest rate increases are forecast over the four years at an average of 2.0%.
- **Service delivery strategy (section 16)** – Service levels have been maintained throughout the four year period. Operating surpluses are forecast in each of the SRP years. Excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result is also a surplus, reducing over the four year period. The underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.
- **Borrowing strategy (Section 16)** – Borrowings are forecast to reduce from \$4.99 million to \$3.60 million over the four year period. There are no new borrowings proposed in the SRP.
- **Infrastructure strategy (Section 16)** - Capital expenditure over the four year period will total \$42.65 million at an average of \$10.66 million.

15. Rating information

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

15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges were identified as an important source of revenue, accounting for 58.4% 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 plus rate capping set by the Minister for Local Government.

15.2 Future rates and charges

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2017, and proposed rate caps set by the State Government.

Year	General Rate Increase %	Waste Mgmt Charge Increase \$'000	Garbage Charge Increase \$'000	Recycling Charge Increase \$'000	Total Rates Raised \$'000
2016/17	2.50	0.00	0.00	5.00	18,506
2017/18	2.00	107.58	45.08	5.30	19,193
2018/19	2.00	18.88	13.74	4.94	19,577
2019/20	2.00	19.17	13.95	5.01	19,968
2020/21	2.00	19.45	14.16	5.09	20,367

15.3 Rating structure

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

- Property values, form the central basis of rating under the *Local Government Act 1989*
- A user pays component to reflect usage of certain services provided by Council
- A fixed municipal charge per property will not be levied.
- A fixed waste management charge per property to cover costs of transfer stations and street litter bins

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

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 or commercial purposes. This distinction is based on the concept that business should pay a fair and equitable contribution to rates taking into account the benefits those commercial properties derive from the local

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

The existing rating structure comprises eight differential rates (residential, commercial, industrial, mixed use, vacant land-township, vacant land-other, vacant premises commercial, vacant premises industrial), and a rate concession for farming properties, and trust for nature or recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the Cultural and Recreational Lands Act 1963, provision is made for a Council to levy the rate for recreational lands at "such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands". The commercial, industrial and mixed use rates are set at 116% of the general residential rate as are the vacant premises-commercial and vacant premises-industrial rates. Vacant land-township is set at 125% and vacant land-other is set equal to the general residential rate. The rate concession for farming enterprises is set as 65% of the general residential rate, while the trust for nature and recreational land is set at 50% of the general residential rate. Council also levies a waste management charge, a kerbside collection charge and a recycling charge as allowed under the Act. Council has adopted a formal Rating Strategy that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanisms it has used.

The following table summarises the rates to be determined for the 2017/2018 year. A more detailed analysis of the rates to be raised is contained in Section 7 Rates and Charges.

Rate type	How applied	2016/17	2017/18	Total Raised \$000's	Change
Residential rates	Cents/\$ CIV	0.3978	0.405750	10,963	2.0%
Farm rates	Cents/\$ CIV	0.2586	0.263700	1,764	1.8%
Commercial rates	Cents/\$ CIV	0.4614	0.470700	2,218	5.2%
Industrial rates	Cents/\$ CIV	0.4614	0.470700	105	0.8%
Mixed use rates	Cents/\$ CIV	0.4614	0.470700	292	4.1%
Vacant land - township rates	Cents/\$ CIV	0.4973	0.507200	549	-5.7%
Vacant land - other rates	Cents/\$ CIV	0.3978	0.405800	659	-3.9%
Vacant premises - commercial rates	Cents/\$ CIV	0.4614	0.470700	-	0.0%
Vacant premises - industrial rates	Cents/\$ CIV	0.4614	0.470700	-	0.0%
Trust for nature rates	Cents/\$ CIV	0.1989	0.202900	18	5.8%
Recreational rates	Cents/\$ CIV	0.1989	0.202900	15	-7.4%
Municipal charge	\$/ property	\$0	\$0	-	0.0%
Kerbside collection - garbage (weekly)	\$/ service	\$126	\$128	664	1.6%
Kerbside collection - garbage (fortnightly)	\$/ service	\$106	\$108	186	1.9%
Kerbside collection - recycling (fortnightly)	\$/ service	\$45	\$46	329	2.2%
Commercial garbage charge	\$/ service	\$280	\$290	66	3.6%
Waste management improved charge	\$/ property	\$109	\$118	1,057	8.3%
Waste management un-improved charge	\$/ property	\$109	\$118	202	8.3%

16. Summary of other strategies

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

16.1 Borrowings

In developing the Strategic Resource Plan SRP (see Section 14), borrowings was identified as a funding source for capital works programs. In the past, Council has borrowed to finance projects including \$3.405 million in 2016/2017. With Council reserves now forecast to be \$11.53 million at 30 June 2017 and a further reduction in 2017/2018 to complete current infrastructure works in progress, it is not considered necessary to forecast the issue of borrowings.

The SRP includes the results of an analysis of Council's debt position. It also shows the results of the 'obligations' indicators that are part of the prescribed financial reporting indicators. The outcome of the analysis highlighted that additional debt could be comfortably accommodated.

For the 2017/2018 year, Council has decided not to take out any new borrowings to fund the capital works program and therefore, after making loan repayments of \$0.72 million, will reduce its total borrowings to \$4.99 million as at 30 June 2018. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2017.

Year	New Borrowing \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2016/17	3,405	409	155	5,711
2017/18	-	723	243	4,987
2018/19	-	580	209	4,407
2019/20	-	412	182	3,996
2020/21	-	393	162	3,602

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

	2016/2017 \$'000	2017/2018 \$'000
Total amount borrowed as at 30 June of the prior year	2,715	5,711
Total amount proposed to be borrowed	3,405	-
Total amount projected to be redeemed	(409)	(723)
Total amount of borrowings as at 30 June	5,711	4,987

16.2 Infrastructure

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

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes
- Identification of capital projects through the preparation of asset management plans
- Prioritisation of capital projects within classes on the basis of evaluation criteria
- Methodology for allocating annual funding to classes of capital projects
- Business Case template for officers to document capital project submissions.

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

In updating the Infrastructure Strategy for the 2017/2018 year, the following influences have had a significant impact:

- Limited financial resources to fund capital expenditure programs.
- Achieving a manageable level of asset renewal requirements with regard to road infrastructure.
- Availability of significant Federal funding for upgrade of roads.
- The planned construction of Community Hubs at Daylesford and Trentham.
- The amount of backlog of building asset renewal required to be actioned. Council has again allocated an additional \$500,000 towards building renewal in 2017/2018.
- The enactment of the *Road Management Act 2004* removing the defence of non-feasance on major

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

Year	Summary of funding sources					
	Total Capital \$'000	Grants \$'000	Contributions \$'000	Asset Sales	Council Cash \$'000	Borrowings \$'000
2016/17	19,665	4,461	443	2,345	9,011	3,405
2017/18	12,825	4,003	67	147	8,608	-
2018/19	8,780	2,766	-	150	5,864	-
2019/20	11,583	5,206	-	220	6,157	-
2020/21	9,459	3,806	-	150	5,503	-

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, public resort and recreation and Hepburn Mineral Springs financial reserve. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

16.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 14.) which directly impact the future service delivery strategy are to maintain existing service levels and to continue to increase net cash each year. The Rating Information (see Section 15.) also refers to modest rate increases into the future.

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

	2017/2018	2018/2019	2019/2020	2020/2021
	%	%	%	%
Consumer Price Index	2.00	2.25	2.25	2.50
Average Weekly Earnings	3.66	3.75	3.75	3.75
Engineering Construction Index	0.47	2.00	2.00	2.00
Non-residential Building	0.15	2.00	2.00	2.00
Rate increases	2.00	2.70	2.80	2.80
Property growth	1.00	1.00	1.00	0.60
Wages growth	4.50	3.50	3.50	3.50
Government funding	2.00	2.00	2.00	2.00
Statutory fees	2.00	2.00	2.00	2.00
Investment return	3.00	3.00	3.00	3.00

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

Year	Surplus (Deficit) for the year \$'000	Adjusted Underlying Surplus (Deficit) \$'000	Net Service (Cost) \$'000
2016/17	2,906	541	17,591
2017/18	3,763	2,326	16,913
2018/19	2,640	1,920	17,160
2019/20	5,201	1,341	17,393
2020/21	3,718	1,258	17,836

Appendix A

Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2017/18 year.

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

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

All items include GST, except where denoted with an *

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

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
ENVIRONMENTAL HEALTH		
Food Act 1984		
CLASS 1: High risk unpackaged food supplied to vulnerable people Premises include: Child Care, Kindergartens, Aged Care and Nursing Homes	\$452.00	\$465.00
CLASS 2: Handling unpackaged high risk potentially hazardous foods		
2(A) Premises include: Large function centres, Manufacturers, Supermarkets, and restaurants employing more than 20 staff	new fee	\$500.00
2(B) Premises include: Restaurants, cafes, caterers, supermarkets, takeaway outlets employing less than 20 staff	\$394.00	\$410.00
2(C) Premises include: Accommodation centres providing breakfast only	\$324.00	\$340.00
2(D) Premises include: Community groups, sporting clubs serving full meals	\$162.00	\$170.00
CLASS 3: Handling and supplying low risk unpackaged foods		
3(A) Milk Bars, Convenience Stores, Fruit Stall, Pre-packaged	\$242.00	\$250.00
3(B) Seasonal Kiosks, Community Groups, Sporting Clubs (½ Annual Fee of Class 3(A))	\$122.00	\$125.00
CLASS 4: Low risk to public health packaged food (includes Newsagents, Pharmacies, Video Stores)	Fee Exempt	Fee Exempt
Streatrader (Temporary and Mobile Premises)		
Class 2 Food Vehicle or Stall (business)	\$324.00	\$348.00
Class 2 Food Vehicle or Stall (community group)	\$162.00	\$174.00
Class 3 Food Vehicle or Stall (business)	\$242.00	\$256.00
Class 3 Food Vehicle or Stall (community group)	\$122.00	\$128.00
Business (1 event for no more than 2 consecutive days)	New Fee	\$82.00
Community Group/Fundraiser (1 event for no more than 2 consecutive days)	New Fee	\$41.00
Other Fees		
New Business Registration	150% of annual registration fee	150% of annual registration fee
Transfer of Registration of Food Business	50% of annual registration fee	50% of annual registration fee
Late Fee - applicable to renewal of registration if the renewal fee is not received within 14 days of the due date	50% of the annual registration fee	50% of annual registration fee

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
Public Health and Wellbeing Act 2008		
Beauty premises, day spa, nails and hair removal premises *	\$131.00	\$150.00
Skin Penetration - tattooing and piercing *	\$285.00	\$295.00
Prescribed Accommodation – hotels/motels, recreation camps, B&Bs (NOT self contained or exclusive use of Units, Villas, Houses)*		
6 to 10 persons*	\$247.00	\$255.00
Over 10 persons*	\$307.00	\$315.00
New Hair Dresser registration	new fee	\$135.00
New Business Registration	150% of annual registration fee	150% of annual registration fee
Transfer of Registration of Public Health and Wellbeing Premises	50% of annual registration fee	50% of annual registration fee
Late Fee - applicable to renewal of registration if the renewal fee is not received within 14 days of the due date	50% of the annual registration fee	50% of the annual registration fee
Residential Tenancies Act 1970		
Caravan Parks* (3 Yearly Fee)	as per Sched 5 of the Residential Tenancies Act	as per Sched 5 of the Residential Tenancies Act
Transfer of Registration*	5 Fee Units	5 Fee Units
Environment Protection Act 1970		
Special Visit – Pre-purchase inspections *	\$192.00	\$200.00
Special Visit – Pre-purchase inspections within 48 hours*	new fee	\$300.00
New Septic Tank systems*	\$517.00	\$550.00
Major alteration to septic system e.g. increasing wastewater field, replacing an existing system	\$247.00	\$350.00
Minor alteration to septic system e.g. connecting new internal plumbing fixtures	\$247.00	\$200.00
Extension of Time for Septic Permit	\$144.00	\$250.00
General Fees		
Property Enquiries/Plan Search – Commercial (site history/copies of permits/copies of endorse plans/etc)*	\$85.00	\$200.00
Property Enquiries/Plan Search – Residential (site history/copies of permits/copies of endorse plans/etc)*	\$85.00	\$88.00
Written request for General Advice	\$85.00	\$150.00
Special request for inspection – septic, food premises	\$165.00	\$250.00

NOTES

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

Description of Charge		Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
TOWN PLANNING			
Part 1: Prescribed Statutory Fees (subject to change by State Government)			
Fees for amendment to planning scheme (regulation 6)			
Stage	Stage of Amendment		
1	For: a) considering a request to amend a planning scheme; and b) taking action required by Division 1 of Part 3 of the Act; and c) considering any submissions which do not seek a change to the amendment; and d) if applicable, abandoning the amendment	\$2,871.60 (206 fee units)	\$2,929.30 (206 fees units)
2	For: a) considering		
	(i) up to and including 10 submissions which seek a change to an amendment and where necessary referring the submissions to a panel; or	\$14,232.70 (1021 fee units); or	\$14,518.60 (1021 fee units); or
	(ii) 11 to (and including) 20 submissions which seek a change to an amendment and where necessary referring the submissions to a panel; or	\$28,437.60 (2040 fee units); or	\$29,008.80 (2040 fee units); or
	(iii) Submissions that exceed 20 submissions which seek a change to an amendment, and where necessary referring the submissions to a panel; and	\$38,014.40 (2727 fee units)	\$38,777.90 (2727 fee units)
	b) providing assistance to a panel in accordance with section 158 of the Act; and c) making a submission to a panel appointed under Part 8 of the Act at a hearing referred to in section 24(b) of the Act; and d) considering the panel's report in accordance with section 27 of the Act; and e) after considering submissions and the panel's report, abandoning the amendment.		
3	For: a) adopting the amendment or part of the amendment in accordance with section 29 of the Act; and b) submitting the amendment for approval by the Minister in accordance with section 31 of the Act; and c) giving the notice of the approval of the amendment required by section 36(2) of the Act.	\$453.10 (32.5 fee units) if the Minister is not the planning authority	\$462.20 (32.5 fee units) if the Minister is not the planning authority
Applications for Permits under section 47 of the Planning and Environment Act (Regulation 9)			
Class	Type of Application		
1	Amendment to a permit to change the use of land allowed by the permit or allow a new use of land	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
2	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 7 permit or a permit to subdivide or consolidate land) if the estimated cost of development is \$10,000 or less	\$188.20 (13.5 fee units)	\$192.00 (13.5 fee units)

Description of Charge		Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
3	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 8 permit or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$10,000 but not more than \$100,000	\$592.50 (42.5 fee units)	\$604.40 (42.5 fee units)
4	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 8 permit or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$100,000 but not more than \$500,000	\$1,212.80 (87 fee units)	\$1,237.10 (87 fee units)
5	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 8 permit or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$500,000 but not more than \$1,000,000	\$1,310.40 (94 fee units)	\$1,336.70 (94 fee units)
6	To develop land for a single dwelling per lot or use and develop land for a single dwelling per lot and undertake development ancillary to the use of land for a single dwelling per lot included in the application (other than a class 8 permit or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$1,000,000 but not more than \$2,000,000	\$1,407.90 (101 fee units)	\$1,436.20 (101 fee units)
7	VicSmart application if the estimated cost of development is \$10,000 or less	\$188.20 (13.5 fee units)	\$192.00 (13.5 fee units)
8	VicSmart application if the estimated cost of development is more than \$10,000	\$404.30 (29 fee units)	\$412.40 (29 fee units)
9	VicSmart application to subdivide or consolidate land	\$188.20 (13.5 fee units)	\$192.00 (13.5 fee units)
10	To develop land (other than a class 2, class 3, class 7 or class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is less than \$100,000	\$1,080.40 (77.5 fee units)	\$1,102.10 (77.5 fee units)
11	To develop land (other than a class 4, class 5, or class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$100,000 and not more than \$1,000,000	\$1,456.70 (104.5 fee units)	\$1,486.00 (104.5 fee units)
12	To develop land (other than a class 6 or class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$1,000,000 and not more than \$5,000,000	\$3,213.20 (230.5 fee units)	\$3,277.70 (230.5 fee units)
13	To develop land (other than a class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$5,000,000 and not more than \$15,000,000	\$8,189.80 (587.5 fee units)	\$8,354.30 (587.5 fee units)

Description of Charge		Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
14	To develop land (other than a class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$15,000,000 and not more than \$50,000,000	\$24,151.10 (1,732.5 fee units)	\$24,636.20 (1,732.5 fee units)
15	To develop land (other than a class 8 or a permit to subdivide or consolidate land) if the estimated cost of development is more than \$50,000,000	\$54,282.40 (3,894 fee units)	\$55,372.70 (3,894 fee units)
16	To subdivide an existing building (other than a class 9 permit)	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
17	To subdivide land into 2 lots (other than a class 9 or class 16 permit)	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
18	To effect a realignment of a common boundary between lots or consolidate 2 or more lots (other than a class 9 permit)	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
19	Subdivide land (other than a class 9, class 16, class 17 or class 18 permit)	\$1,240.70 per 100 lots created (89 fee units per 100 lots created)	\$1,265.60 per 100 lots created (89 fee units per 100 lots created)
20	To: a) create, vary or remove a restriction within the meaning of the Subdivision Act 1988; or b) create or remove a right of way; or c) create, vary or remove an easement other than a right of way; or d) vary or remove a condition in the nature of an easement (other than right of way) in a Crown grant.	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
21	A permit not otherwise provided for in the regulation	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
Applications to amend permits under section 72 of the Planning and Environment Act 1987 (Regulation 11)			
Class	Type of Application		
1	Amendment to a permit to change the use of land allowed by the permit or allow a new use of land	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
2	Amendment to a permit (other than a permit to develop land for a single dwelling per lot or to use and develop land for a single dwelling per lot or to undertake development ancillary to the use of land for a single dwelling per lot) to change the statement of what the permit allows or to change any or all of the conditions which apply to the permit.	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
3	Amendment to a class 2 permit	\$188.20 (13.5 fee units)	\$192.00 (13.5 fee units)
4	Amendment to a class 3 permit	\$592.50 (42.5 fee units)	\$604.40 (42.5 fee units)
5	Amendment to a class 4 permit	\$1,212.80 (87 fee units)	\$1,237.10 (87 fee units)
6	Amendment to a class 5 or class 6 permit	\$1,310.40 (94 fee units)	\$1,336.7 (94 fee units)
7	Amendment to a class 7 permit	\$188.20 (13.5 fee units)	\$192.00 (13.5 fee units)

Description of Charge		Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
8	Amendment to a class 8 permit	\$404.30 (29 fee units)	\$412.40 (29 fee units)
9	Amendment to a class 9 permit	\$188.20 (13.5 fee units)	\$192.00 (13.5 fee units)
10	Amendment to a class 10 permit	\$1,080.40 (77.5 fee units)	\$1,102.10 (77.5 fee units)
11	Amendment to a class 11 permit	\$1,456.70 (104.5 fee units)	\$1,486.00 (104.5 fee units)
12	Amendment to a class 12, 13, 14 or 15 permit	\$3,213.20 (230.5 fee units)	\$3,277.70 (230.5 fee units)
13	Amendment to a class 16 permit	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
14	Amendment to a class 17 permit	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
15	Amendment to a class 18 permit	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
16	Amendment to a class 19 permit	\$1,240.70 per 100 lots created (89 fee units per 100 lots created)	\$1,265.60 per 100 lots created (89 fee units per 100 lots created)
17	Amendment to a class 20 permit	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
18	Amendment to a class 21 permit	\$1,240.70 (89 fee units)	\$1,265.60 (89 fee units)
Other Statutory Fees			
Regulation	Type of Application		
10	For combined permit applications	Sum of the highest of the fees which would have applied if separate applications were made and 50% of each of the other fees which would have applied if separate applications were made	
12	Amend an application for a permit or an application to amend a permit	<p>a) Under section 57A(3)(a) of the Act the fee to amend an application for a permit after notice is given is 40% of the application fee for that class of permit set out in the Table at regulation 9</p> <p>b) Under section 57A(3)(a) of the Act the fee to amend an application to amend a permit after notice is given is 40% of the application fee for that class of permit set out in the Table at regulation 11 and any additional fee under c) below</p> <p>c) If an application to amend an application for a permit or amend an application to amend a permit has the effect of changing the class of that permit to a new class, having a higher application fee set out in the Table to regulation 9, the applicant must pay an additional fee being the difference the original class of application and the amended class of permit</p>	
13	For a combined application to amend permit	The sum of the highest of the fees which would have applied if separate applications were made and 50% of each of the other fees which would have applied if separate applications were made	

Description of Charge		Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
14	For a combined permit and planning scheme amendment	Under section 96A(4)(a) of the Act: The sum of the highest of the fees which would have applied if separate applications were made and 50% of each of the other fees which would have applied if separate applications were made	
15	For a certificate of compliance	\$306.70 (22 fee units)	\$312.80 (22 fee units)
16	For an agreement to a proposal to amend or end an agreement under section 173 of the Act	\$620.30 (44.5 fee units)	\$632.80 (44.5 fee units)
17	For a planning certificate	a) \$20.90 (1.5 fee units) for an application not made electronically b) \$7 for an application made electronically	a) \$21.30 (1.5 fee units) for an application not made electronically b) \$7 for an application made electronically
18	Where a planning scheme specifies that a matter must be done to the satisfaction of a responsible authority, Minister, public authority or municipal council	\$306.70 (22 fee units)	\$312.80 (22 fee units)
Part 2: Administrative Charges (Non Statutory Fees)			
Enquiries			
Written request for Heritage Control advice		\$86.00	\$150.00
Written request for Demolition Control advice (Section 29A – Form 8)		\$86.00	\$150.00
Written request for General Planning advice		\$86.00	\$150.00
Request for email aerial photographs		\$32.00	\$36.00
Property Enquiries/Plan Search – (Site history/copies of permits/copies of endorse plans/etc.)		\$86.00	\$200.00
Extension of Time			
Extension of Time for permits		\$145.00	\$250.00
Refunds			
Cancellation of application when no work carried out		Refund ¾ of application fee	Refund ¾ of application fee
Cancellation after direction to advertise but before commenced		Refund ½ of application fee	Refund ½ of application fee
Cancellation after advertising commenced		No Refund	No Refund
Cancellation due to prohibited proposal		Full Refund	Full Refund
Secondary Consent		\$228.00	\$250.00
Advertising – A3 Notice		\$56.00	\$100.00
Advertising – Letters to adjoining owners		\$16.00	\$50.00
Advertising – Notice in Newspaper		Invoice to Applicant	Invoice to applicant

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
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NOTES

Statutory Fees

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

Administrative charges for photocopying and printing

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

The preceding sections are a summary of the fees prescribed under the Planning and Environment (Fees) Regulations 2016, 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.planning.vic.gov.au for more details on the Planning and Environment (Fees) Regulations 2016 setting out the new fees and the Planning and Environment Act 1987.

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
BUILDING SERVICES		
Residential		
New Dwelling	\$440 plus \$4.65 per m ² (plus levy & lodgement fee) (Minimum \$1,049.00)	\$600 plus \$6.00 per m ² (plus levy & lodgement fee) (Minimum \$1,080.00)
Alteration to Dwelling	\$440 plus \$4.65 per m ² (plus levy & lodgement fee) (Minimum \$1,049.00)	\$600 plus \$6.00 per m ² (plus levy & lodgement fee) (Minimum \$1,080.00)
Addition to a Dwelling	\$385 plus \$4.45 per m ² (plus levy & lodgement fee) (Minimum \$555.00)	\$600 plus \$6.00 per m ² (plus levy & lodgement fee) (Minimum \$1,080.00)
Units	(Minimum \$992.00 per unit)	(Minimum \$1,250 per unit)
Garages/Carports up to \$10,000	\$440.00 (plus lodgement fee)	\$575.00 (plus lodgement fee)
Garages/Carports over \$10,000	\$496.00 (plus lodgement fee & levy)	\$650.00 (plus lodgement fee & levy)
Swimming Pools	\$440.00	\$572.00
Restump	\$275.00	\$360.00
Building Reg 326 (2) statutory fee	\$51.20 (3.67 fee units)	\$52.20 (3.67 fee units)
Lodgement Fees (Payable on Council & Private Building Surveyor Projects)*	\$38.30 (2.75 fee units)	\$39.10 (2.75 fee units)
Conducting an assessment for compliance under AS3959 (Bushfire Code)	\$242.00	\$315.00
Commercial/Industrial		
All works under \$5,000	\$386.00	\$500.00
Works valued \$5,000 – \$30,000	\$551.00	\$750.00
Works valued \$30,000 – \$250,000	\$Cost x 0.25% plus \$496 (Minimum \$605)	\$Cost x 0.4% plus \$1,000
Works valued \$250,000 – \$500,000	\$Cost x 0.25% plus \$994	\$Cost x 0.25% plus \$2,000
Works valued over \$500,000	\$Cost x 0.25% plus \$1,770	\$Cost x 0.25% plus \$2,000
Lodgement Fees (Commercial/Industrial)*	\$38.30 (2.75 fee units)	\$39.10 (2.75 fee units)
Demolition		
Single Storey Building	\$330.00 plus Sec 29A fee \$63.00	\$750.00 plus Sec 29A fee \$65.40 (4.6 fee units)
Any other building more than one storey	\$303.00 plus Sec 29A fee \$63.00	\$1,200.00 plus Sec 29A fee \$65.40 (4.6 fee units)

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
Other Permits/Services		
Fences and signs	\$231.00	\$300.00
Swimming Pool Reports (Existing)	\$220.00	\$286.00
Request for variation of siting*		
Any other service not otherwise provided for (per Hour)	\$181.50	\$242.00
Extension of Time for a Permit	\$250.00	\$250.00
Amendment to a Building Permit	\$250.00	\$275.00
Inspection associated with lapsed permits (per inspection)	\$176.00	\$200.00
State Government Building Levy Cost recovery of levy*	\$1.28 per \$1,000 of construction value	\$1.28 per \$1,000 of construction value
Requests for Information		
Property Certificates (last 10 years information)*		
Temporary Structures	\$275.00	\$275.00
Copies of Plans from Building files*	\$85.00	\$200.00
Written Advice	\$85.00	\$150.00
Any other service	POA	\$100.00
Other Fees		
Issue Building Notice	\$385.00	No Charge
Issue Building Order	\$550.00	\$750.00

NOTES

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

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
Transfer Station Disposal Fees		
Domestic Waste & Recyclables		
Standard Garbage Bag (approx. 120 litre)	\$5.00	\$5.00
Car/Boot Load (½ m³ max)	\$18.00	\$19.00
Utility/Small Trailer (1.0 m³ max)	\$36.00	\$38.00
Small Truck/Tandem Trailer (2.0 m³ max)	\$72.00	\$76.00
Other Loads that are non-commercial / m³	\$36.00	\$38.00
Commercial or Industrial Waste	Not accepted	Not accepted
Clean Green Waste up to ½ m³	\$9.00	\$9.00
Clean Green Waste / m³	\$18.00	\$18.00
Woody Weeds / m³	\$36.00	\$38.00
Recyclables (2.0 m³ max)	No charge	No charge
Tyres		
Car	\$4.00	\$4.00
Light Truck	\$30.00	\$30.00
Truck	\$60.00	\$60.00
Tractor – Small	\$130.00	\$130.00
Tractor – Large	\$200.00	\$200.00
Rims only	No charge	No charge
Other		
Paint	No charge	4 Ltr container or smaller \$2.00
Paint	No charge	5 Ltr container or greater \$4.00
Empty paint containers - Recyclable	No charge	No charge
Oil	No charge	No charge
Batteries	No charge	No charge
Scrap steel	No charge	No charge
Non ferrous metals	No charge	No charge
Car bodies	No charge	No charge
Refrigerators and freezers (Degassed/Gassed)	\$10.00	\$10.00
Televisions / Computer ⁺	No charge	No charge
Other E-Waste Item	\$6.00	\$6.00
Mattresses	\$25.00	\$25.00
Sale of Garbage Bins (Delivered)		
120 or 140 ltr bin	\$55.00	\$55.00
240 ltr bin	\$70.00	\$70.00

Commercial waste and recycling quantities not accepted

⁺ Government Subsidy scheme conditions apply

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
INFRASTRUCTURE		
Legal Point of Discharge*	\$64.10 (4.6 fee units)	\$65.40 (4.6 fee units)
Consent to Work on Road where speed greater than 50 kph		
Works on road, shoulder or pathway (max speed greater than 50 kph)	\$600.80 (43.1 fee units)	\$612.90 (43.1 fee units)
Road but NOT on roadway, shoulder or pathway	\$327.60 (23.5 fee units)	\$334.20 (23.5 fee units)
Minor works on a road, shoulder or pathway	\$129.60 (9.3 fee units)	\$132.20 (9.3 fee units)
Minor works but NOT on a road, shoulder or pathway	\$83.60 (6 fee units)	\$85.30 (6 fee units)
Consent to Work on Road where speed not more than 50 kph		
Works on road, shoulder or pathway	\$327.60 (23.5 fee units)	\$334.20 (23.5 fee units)
Road but NOT on roadway, shoulder or pathway	\$83.60 (6 fee units)	\$85.30 (6 fee units)
Minor works on a road, shoulder or pathway	\$129.60 (9.3 fee units)	\$132.20 (9.3 fee units)
Minor works but NOT on a road, shoulder or pathway	\$83.60 (6 fee units)	\$85.30 (6 fee units)
Street Signage (Tourist Accommodation)		
Blade supply and installation	\$220.00	\$220.00
Blade plus pole supply and installation	\$275.00	\$275.00

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
COMPLIANCE AND LOCAL LAWS		
Animal Registration Fees		
Dog – Full fee*	\$88.00	\$90.00
Dog – Discounted fee*#	\$29.00	\$30.00
Dog - Menacing dog fee	\$192.00	\$200.00
Dog - Dangerous / restricted breed fee	\$319.00	\$350.00
Cat – Full fee*	\$74.00	\$76.00
Cat – Discounted fee*#	\$25.00	\$26.00
Replacement Tag	\$8.00	\$8.00
Domestic animal business registration*	\$136.00	\$200.00
# The discounted fees only apply if the animal meets certain eligibility criteria (e.g. Micro-chipped and desexed)		
Domestic Animal Impound Release Fees		
Unregistered dog not desexed*	\$159.00	\$170.00
Unregistered dog desexed*	\$159.00	\$170.00
Registered dog not desexed*	\$159.00	\$170.00
Registered dog desexed*	\$159.00	\$170.00
Unregistered cat not desexed*	\$108.00	\$115.00
Unregistered cat desexed*	\$108.00	\$115.00
Registered cat not desexed*	\$108.00	\$115.00
Registered cat desexed*	\$108.00	\$115.00
Live Stock Impounding - Agistment Fees		
Medium animals (sheeps/goats)*	\$1.60 per day, per animal	\$1.70 per day, per animal
Large animals (cows/horses)*	\$2.00 per day, per animal	\$2.10 per day, per animal
Sustenance fees	At cost	At cost
Identification tags	At cost	At cost
Vet costs	At cost	At cost
Transport contractor fees	At cost	At cost
Live Stock Impounding - Release Fees		
Medium animals (sheeps/goats)*	up to 3: \$50.00 4 or over: \$100.00	up to 3: \$50.00 4 or over: \$100.00
Large animals (cows/horses)*	up to 3: \$100.00 4 or over: \$300.00	up to 3: \$100.00 4 or over: \$300.00
Abandoned Vehicles		
Impounded vehicle release fee	\$100.00	\$100.00
Parking Fines		
Overstaying time*	\$78.00 0.5 penalty unit	\$79.00 (0.5 penalty unit)
In No Parking area*	\$78.00 0.5 penalty unit	\$79.00 (0.5 penalty unit)
Not within parking bay*	\$78.00 0.5 penalty unit	\$79.00 (0.5 penalty unit)
Not completely within parking bay*	\$78.00 0.5 penalty unit	\$79.00 (0.5 penalty unit)

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
Fire Prevention		
Private grass slashing administration fee which is in addition to the contractor's charge	\$150.00	\$160.00
Costs of works to clear property	At contractors cost	At contractors cost
Failing to comply with notice	10 penalty units	10 penalty units
Other		
Tradesperson Parking Permit*	\$25.00 per day	\$25.00 per day
A-Frame Signage*	Daylesford CBD \$105 per year Outside Daylesford CBD \$53 per year	Daylesford CBD \$110 per year Outside Daylesford CBD \$55 per year
Table & Two chairs*	Daylesford CBD \$192 per year in trading zone (up to 3 sets) Above 3 sets a further \$192 Outside Daylesford CBD \$96 per year in trading zone (up to 3 sets) Above 3 sets a further \$93	Daylesford CBD \$200 per year in trading zone (up to 3 sets) Above 3 sets a further \$200 Outside Daylesford CBD \$100 per year in trading zone (up to 3 sets) Above 3 sets a further \$100
Goods for Display or Sale*	Daylesford CBD \$169 per year Outside Daylesford CBD \$84 per year	Daylesford CBD \$178 per year Outside Daylesford CBD \$89 per year
Wind Barriers*	Daylesford CBD \$100 per year Outside Daylesford CBD \$50 per year	Daylesford CBD \$104 per year Outside Daylesford CBD \$52 per year
Cat Cage Hire*	\$80 Bond refundable on return of cage	\$100 Bond refundable on return of cage
Skip Bin Permit	Over 7 days: \$100.00	\$110.00 per week or part thereof
Busking Permit	\$15.00 per day \$100.00 per year	\$15.00 per day \$100.00 per year
Street Stalls ⁺	\$10.00 per day	\$30.00 per day
Hoarding / Fencing Permit	1 - 7 days: \$100.00 8 - 14 days: \$180.00 15 - 21 days: \$250.00 22 - 28 days: \$310.00 29 - 35 days: \$360.00 > 35 days: \$400.00	\$110.00 per week or part thereof
Excess Animals Permit	\$100	\$100
Roadside Trading - other than Policy 19	\$362.56	\$450 (annual) \$150 (up to 1 week)
Occupation of Road for Works	\$100	\$110
Roadside Grazing Permit	New charge	\$25
Other Local Law Permits (not separately identified) issued in accordance with the provisions of General Local Law No 2	To range from \$10 to \$500, depending on permit requested	\$50

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

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
VISITOR INFORMATION CENTRES		
Basic	\$0.00	\$0.00
<i>Basic website listing and single VIC Brochure display</i>		
Premium	\$150.00	\$150.00
<i>Premium website listing with multiple categories and multiple VIC brochure display</i>		
Cube Display - 12 month period	\$130.00	\$160.00
Window Display - 2 week period	\$110.00	\$120.00
<i>Previous membership options have been simplified to make it easier for businesses and easier for VIC staff and the accounts team. Conditions apply. This will be managed directly through the new 'Visit' websites with online payment required</i>		
SWIMMING POOLS		
Family Season Ticket	\$153.00	\$153.00
Adult Season Ticket	\$97.00	\$97.00
Concession Season Entry	\$74.00	\$74.00
Child Season Ticket	\$64.00	\$64.00
Family Day Entry	\$12.00	\$12.00
Adult Day Entry	\$5.00	\$5.00
Concession Day Entry	\$4.00	\$4.00
Child Day Entry	\$3.50	\$3.50
Spectators Day Entry	\$1.00	\$1.00
School Entry per student	\$2.00	\$2.00
COMMUNITY SERVICES		
Marquee Hire		
5m x 5m	\$100.00	\$100.00
Bonds		
Marquee*	\$330.00	\$330.00

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
LIBRARIES		
Fines	\$0.30 cents per day per item to a maximum of \$5.00	\$0.30 cents per day per item to a maximum of \$5.00
Holds	Free (Maximum of 30 holds)	Free (Maximum of 30 holds)
Inter Library Loans	\$3.00 plus other charges incurred*	\$3.00 plus other charges incurred*
Inter Library Loans - Universities	\$18.50	\$18.50
Replacement card	\$2.00	\$2.00
Photocopying A3	\$0.50	\$0.50
Photocopying A4	\$0.25	\$0.25
Colour printing A4	\$1.15	\$1.15
Colour printing A3	\$1.75	\$1.75
Scanning	Free	Free
Fax receiving	\$0.50	\$0.50
<ul style="list-style-type: none"> • 1st page • Additional pages 	<ul style="list-style-type: none"> \$2.40 \$1.25 	<ul style="list-style-type: none"> \$2.40 \$1.25
Lost or damaged items	Cost of replacement plus processing fee	Cost of replacement plus processing fee
Processing fee	\$6.00	\$6.00
Debt Collection charge	\$15.00	\$15.00
Book Covering	\$8.00 per item	\$8.00 per item
Book Club Package <ul style="list-style-type: none"> • Private Book Club • Library Book Club 	<ul style="list-style-type: none"> \$150 per club per year \$48.00 per person per year 	<ul style="list-style-type: none"> \$150 per club per year \$48.00 per person per year
Book Sales	From \$0.20 per item	From \$0.20 per item
Events	Variable fee from Free to \$80.00	Variable fee from Free to \$80.00

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

Description of Charge	Fee/Charge 2016/17 (inc GST)			Fee/Charge 2017/18 (inc GST)		
AGED AND DISABILITY SERVICES						
	Low*	Medium	High	Low*	Medium	High
Social Support Group* (per day)	\$7.30	\$13.20	\$18.00	\$8.00	\$15.00	\$19.00
Home Care* (per hour)	\$5.80	\$13.60	\$30.00	\$6.50	\$15.00	\$46.00
Personal Care* (per hour)	\$4.00	\$8.00	\$30.00	\$4.50	\$9.00	\$46.00
Respite Care* (per hour)	\$2.90	\$4.40	\$30.00	\$3.50	\$5.00	\$46.00
Property Maintenance* (per hour)	\$11.10	\$16.50	\$30.00	\$15.00	\$25.00	\$50.00

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
FUNCTIONS IN COUNCIL RESERVES AND FACILITIES		
ALL RESERVES AND FACILITIES		
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*	\$1,000.00	\$1,000.00
Insurance admin fee (if no Certificate of Currency is provided) {charged once per annum for regular users}	\$55.00	\$55.00
ALL RESERVES		
Personal training / year (2x/wk)	\$170.00	\$170.00
VICTORIA PARK DAYLESFORD		
Function (1 Day or part there of)	\$855.00	Not Applicable
Function (2 Days or part there of)	\$1,220.00	Not Applicable
Function (2+ Days)	\$1,220.00 for first 2 days + \$310.00 per day thereafter	Not Applicable
Function + Kitchen (Day)	New Fee	\$30 Local Community Organisation \$100 NFP \$300 Private, Commercial
Function + Kitchen (Half Day)	New Fee	\$15 Local Community Organisation \$75 NFP \$200 Private, Commercial
Full Kitchen (Full Day)	New Fee	\$20 Local Community Organisation \$30 NFP \$150 Private, Commercial
Full Kitchen (Half Day)	New Fee	\$15 Local Community Organisation \$20 NFP \$80 Private, Commercial
Meeting Room -Large Room (Full Day)	New Fee	\$15 Local Community Organisation \$50 NFP \$200 Private, Commercial
Meeting Room - Small Room (Half Day)	New Fee	\$10 Local Community Organisation \$30 NFP \$125 Private, Commercial
Bar (Per Day)	New Fee	\$20 Local Community Organisation \$80 NFP \$80 Private, Commercial

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
WOMBAT HILL BOTANIC GARDENS		
Wedding (1 Day or part thereof)	\$185.00	\$195.00
LAKE DAYLESFORD FORESHORE		
Wedding (1 Day or part thereof)	\$185.00	\$195.00
CRESWICK TOWN HALL		
Hepburn Shire Community Not for Profit	Hire fees to be waived in accordance with Council Policy Number 48 (bond and if applicable insurance fees must still be paid).	
<i>Fees based on 1 day hire or part there of</i>		
Rehearsals/Regular user	\$38.00	\$38.00
Regular User - Use of Kitchen	\$50.00	\$50.00
Meetings	\$125.00	\$125.00
Functions – Use of Kitchen	\$145.00	\$145.00
Function with alcohol	\$250.00	\$250.00
CLUNES TOWN HALL		
Hepburn Shire Community Not for Profit	Hire fees to be waived in accordance with Council Policy Number 48 (bond and if applicable insurance fees must still be paid).	
<i>Fees based on 1 day hire or part there of</i>		
Rehearsals/Regular user (no Kitchen Use)	\$38.00	\$38.00
Regular User - Use of Kitchen	\$50.00	\$50.00
Meetings / Functions (no Kitchen Use)	\$125.00	\$125.00
Functions – Use of Kitchen	\$145.00	\$145.00
Function with alcohol	\$250.00	\$250.00
DAYLESFORD TOWN HALL		
Hepburn Shire Community Not for Profit	Hire fees to be waived in accordance with Council Policy Number 48 (bond and if applicable insurance fees must still be paid).	
<i>Fees based on 1 day hire or part there of</i>		
Rehearsals	\$96.00	\$96.00
Meetings	\$192.00	\$192.00
Functions	\$250.00	\$250.00
Function with alcohol	\$350.00	\$350.00
Set up Day	\$96.00	\$96.00
Senior Citizens Room	\$96.00	\$96.00
Senior Citizens Crockery	\$64.00	\$64.00
PA System	\$48.00	\$48.00
CLUNES COMMUNITY CENTRE		
Oval Lights (per hour)	\$8.95	\$8.95
Rehearsals/Regular user (1 Day or part there of)	\$38.00	\$38.00
Meetings (1 Day or part there of)	\$125.00	\$125.00
Functions (1 Day or part there of)	\$145.00	\$145.00
Function with alcohol (1 Day or part there of)	\$200.00	\$200.00

Description of Charge	Fee/Charge 2016/17 (inc GST)			Fee/Charge 2017/18 (inc GST)		
CRESWICK HUB						
	Local Community	Community / Not for Profit / Government	Private or Commercial	Local Community	Community / Not for Profit / Government	Private or Commercial
Meeting Room						
Regular (per hour)	\$6.00	\$15.00	\$30.00	\$6.00	\$15.00	\$30.00
Casual (per hour)	\$14.50	\$29.00	\$46.50	\$14.50	\$29.00	\$46.50
Weekend (per hour) Fri evenings, Sat, Sun & Public Holidays	\$18.00	\$35.50	\$57.00	\$18.00	\$35.50	\$57.00
THE WAREHOUSE - CLUNES						
	Local Community	Community / Not for Profit / Government	Private or Commercial	Local Community	Community / Not for Profit / Government	Private or Commercial
Community Meeting Room - Ullumburra						
Regular (per hour)	\$6.00	\$15.00	\$30.00	\$6.00	\$15.00	\$30.00
Casual (per hour)	\$14.50	\$29.00	\$46.50	\$14.50	\$29.00	\$46.50
Weekend (per hour) Fri evenings, Sat, Sun & Public Holidays	\$18.00	\$35.50	\$57.00	\$18.00	\$35.50	\$57.00
Community Activity Room - Esmond Gallery						
Regular (per hour)	\$12.00	\$24.00	\$41.50	\$12.00	\$24.00	\$41.50
Casual (per hour)	\$24.00	\$41.50	\$59.00	\$24.00	\$41.50	\$59.00
Weekend (per hour) Fri evenings, Sat, Sun & Public Holidays	\$28.50	\$57.00	\$70.50	\$28.50	\$57.00	\$70.50
Weekly Hire	\$475.50	\$950.50	\$2,355.50	\$475.50	\$950.50	\$2,355.50
Museum Fees	Adult	Concessions/ Student	Family	Adult	Concessions/ Student	Family
Museum Entry	\$5.00	\$4.00	\$10.00	Entry by donation		
Guided Tour	\$5.00	\$4.00	N/A	\$5.00	\$4.00	

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

Description of Charge	Fee/Charge 2016/17 (inc GST)	Fee/Charge 2017/18 (inc GST)
PHOTOCOPYING / PRINTING		
A4 per side – Black & White	\$0.50	\$0.50
A4 per side – Colour	\$1.50	\$1.60
A3 per side – Black & White	\$1.30	\$1.30
A3 per side – Colour	\$2.30	\$2.40
Tender documents	\$55.00	\$57.00
Note: GST is applicable unless copying official documents.		
RATES INFORMATION		
Land information certificate*	25.40	
Duplicate/Reprint Rates Notice	\$12.00	\$12.00
Rate search 15 years	\$62.00	\$64.00
Rate search 30 Years	\$124.00	\$128.00
FREEDOM OF INFORMATION		
Freedom of information access supervision fee (per ¼ hr)*	\$20.90 (1.5 fee units) per hour or part of an hour	\$21.30 (1.5 fee units) per hour or part of an hour
Freedom of information search fee (per hr)*	\$20.90 (1.5 fee units) per hour or part of an hour	\$20.90 (1.5 fee units) per hour or part of an hour
Photocopying Charge (Black & White A4)	\$0.20	\$0.20
Freedom of Information lodgement fee*	\$27.90	\$28.40
Other charges may apply, as per the Freedom of Information (Access Charges) Regulations 2014		
COMMUNITY HOUSING		
Community housing units	Rents are calculated at 25% of household income except for Centrelink family related payments. Effective from 24 July 2011, the rebated rent is calculated at 15% of 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		
Direct Debit fee	\$18.00	\$20.00
Dishonoured Cheque Fee	\$18.00	\$20.00

Appendix B

Budget processes

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

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

The 2017/2018 budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2018 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

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

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

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

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

Budget process	Timing
1. Minister of Local Government announces maximum rate increase	Dec
2. Officers prepare operating and capital budgets	Jan-Mar
3. Councillors consider draft budgets at informal briefings	Mar/Apr
4. Proposed budget submitted to Council for approval to advertise	Apr
5. Public notice advising intention to adopt budget	Apr
6. Budget available for public inspection and comment	Apr
7. Public submission process undertaken	Apr/May
8. Submissions period closes (28 days)	May
9. Submissions considered by Council/Committee	Jun
10. Budget and submissions presented to Council for adoption	Jun
11. Copy of adopted budget submitted to the Minister	Jun