



**BUDGET 2014/2015**

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## 1 OVERVIEW

### 1.1 Executive Summary

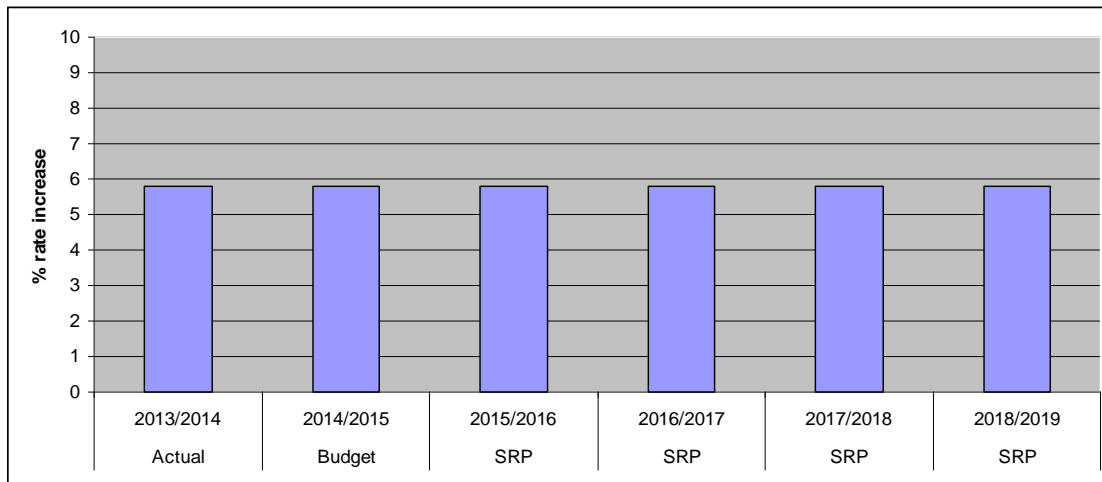
Council has prepared a Budget for the 2014/15 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided within this summary about the rate increase, operating result, cash and investments, capital works, financial position and strategic objectives of the Council.

A high level Long Term Financial Plan for the years 2014/2015 to 2018/2019 (part of the Strategic Resource Plan) has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Financial Plan is financial sustainability in the medium to long term, whilst still achieving the Council's strategic objectives as specified in the Council Plan.

The 2014/2015 budget presented in this report has been developed through a rigorous process of consultation and review with Council and Council officers. It is Council's opinion that the budget is financially responsible and contributes to the achievement of all of the Council Plan strategic objectives and strategies included in the 2013 – 2017 Council Plan. It is also forward looking in that it fits within a longer term framework which seeks to enhance financial sustainability in the long term.

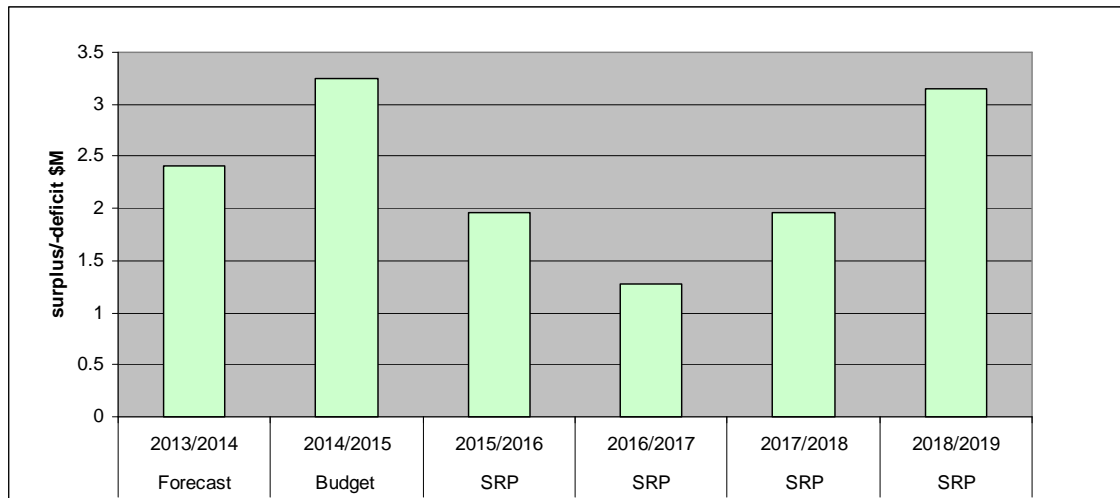
Demand for services has meant Council more than ever is looking to source additional external income. The need to attract investment to the municipality to boost household income and in turn rate income, means Council is very active in the area of economic and community development.

### Rates



In order to achieve Council's strategic objectives whilst maintaining service levels and a robust capital expenditure program, it is proposed that general rates increase by 5.8% for the 2014/2015 year, raising total rates and charges (excluding garbage) of \$10.012 million. This rate increase is in line with the level forecast in Council's Strategic Resource Plan adopted in the previous year. (The rate increase for the 2013/2014 year was also 5.8%).

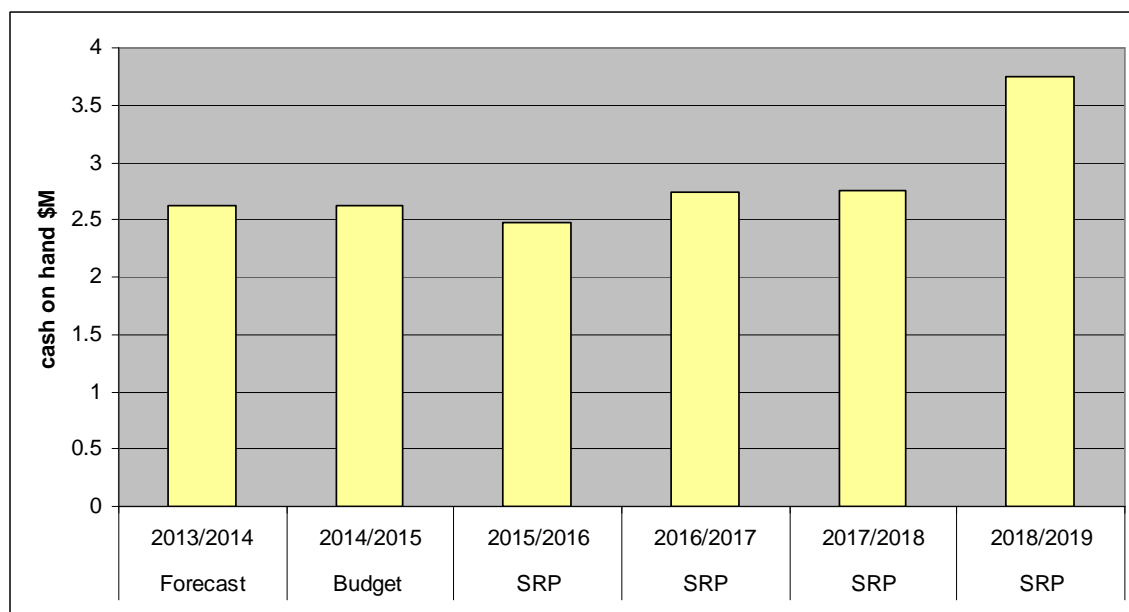
## Operating Result



The 2014/2015 Operating Budget forecasts an operating surplus of \$3,248,154, which is an increase of \$840,727 over the 2013/2014 forecast. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions, is an operating surplus \$0.027 million.

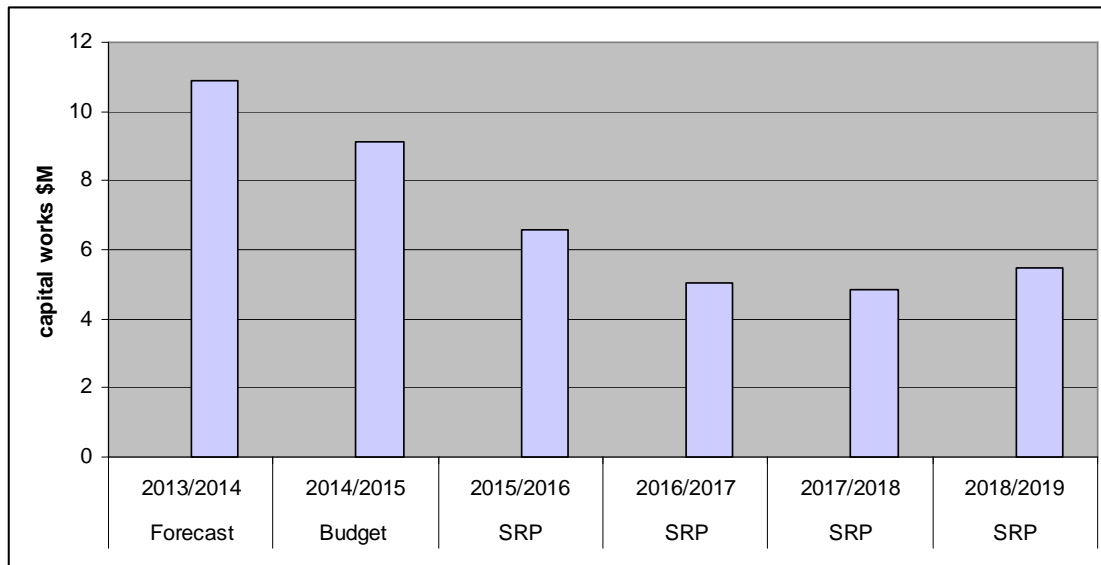
Council operations are expected to continue to be impacted by inflation, wages growth, government funding, increases in the levy payable upon disposal of waste and payment of Council's defined benefits superannuation call. As such, it will be necessary to achieve future revenue growth whilst containing costs in order to achieve a breakeven point.

## Cash and Investments



The Council's financial position will continue to maintain a consistent level of funds available for the ongoing provision of services as demanded by its residents. Cash and Investments are expected to decrease by \$4,543 during the year to \$2.615 million as at 30 June 2015. This is mainly due to the carried forward component of the 2013/2014 capital works program. The reduction in cash and investments in is line with Council's Strategic Resource Plan (Cash and Investments are forecast to be \$2.621 million as at 30 June 2014).

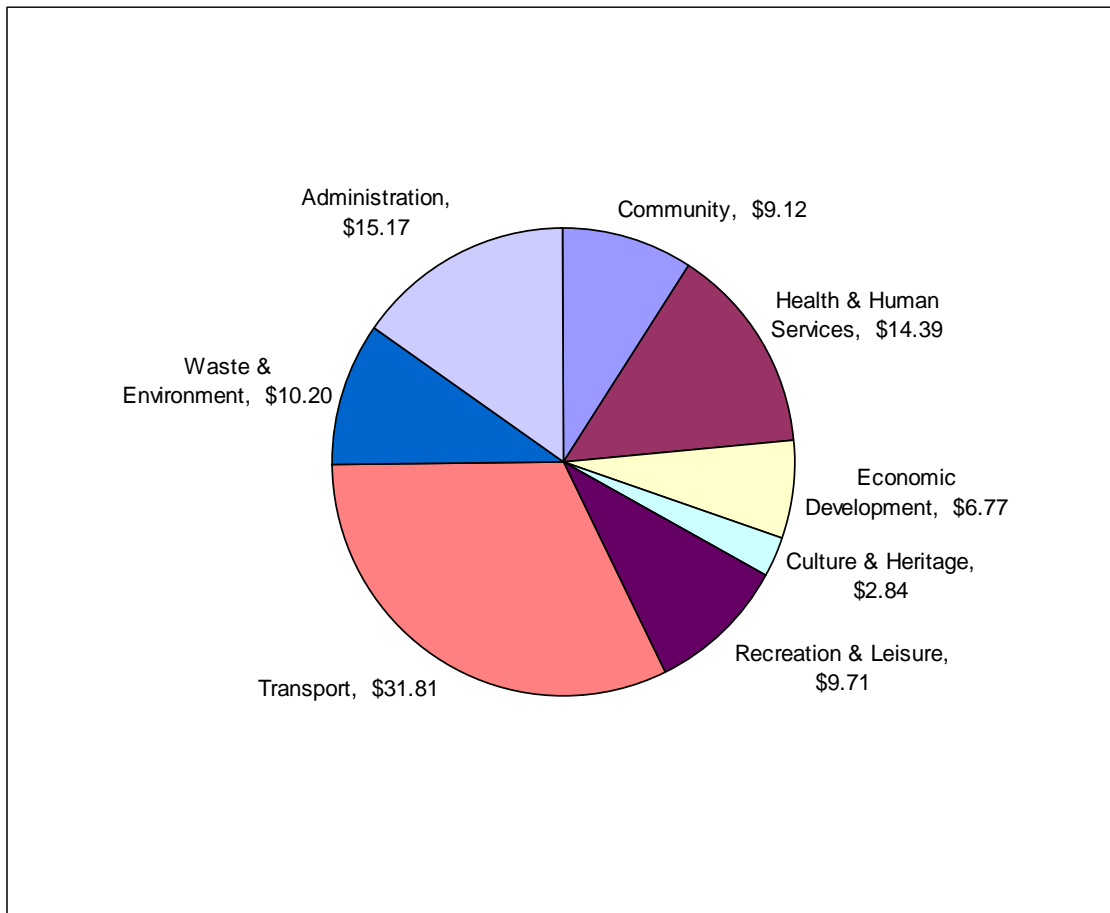
### Capital Works



Council has been able to continue to deliver existing service levels in circumstances where cost shifting to local government has continued to put pressure on all of Council's resources.

The total capital expenditure program for 2014/2015 is expected to be \$9.126 million. Of the \$9.126 million of capital funding required, \$0.345 million will come from reserve funds, with the balance of \$8.781 million from external grants, contributions and Council's own sourced revenue. The capital expenditure program has been set and prioritised based on a rigorous process and is intentionally large to continue to close the gap between renewal and depreciation of assets. The program reduces over five years.

### Council Expenditure Allocations



The above chart provides an indication of how Council allocates its expenditure across its main program areas. It shows how much is allocated to each area for every \$100 that Council spends.

Whilst the 2014/2015 budget has been prepared on the basis of constraint, it is acknowledged that the Council still needs to fund new projects and maintain existing services. The challenge is to source additional funding to ensure Council meets the needs of its communities into the future.

## **1.2 Budget Overview**

### **1.2.1 Strategic planning framework**

The Annual Budget has been developed within an overall planning framework which guides the Council in identifying community needs and aspirations over the long term, converting these into medium (Council Plan) and short term (Annual Budget) objectives, initiatives and activities.

The Strategic Resource Plan included in the Council Plan summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the activities and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan.

### **1.2.2 Basis for Budget Preparation**

Council is required to prepare and adopt an annual budget for each financial year in accordance with the *Local Government Act 1989* (the Act), and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2014/2015 budget which is included in this report is for the year 1 July 2014 to 30 June 2015 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a budgeted Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2015 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's long term financial projections. These financial projections are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on an annual basis. The preparation of the budget in this context begins with for the Officers preparing the operating and capital components of the annual budget during March and April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council 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 internet 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.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 31 August and a copy submitted to the Minister within 28 days after adoption.

### 1.2.3 Annual Plan and Budget Process

The key dates for the annual plan and budget process are:

1.	Officers update Council's long term financial projections	Mar/Apr
2.	Officers prepare operating and capital budgets	Mar/Apr
3.	Councillors consider draft budgets at informal briefings	Apr/May
4.	Draft Budget submitted to Council for approval	May
5.	Public notice advertising intention to adopt budget	May
6.	Budget available for public inspection and comment	May/June
7.	Public submission process undertaken	May/June
8.	Submissions period closes (28 days)	June
9.	Submissions together with budget referred to Council	June
10.	Budget and submissions presented to Council for Adoption	June
11.	Copy of budget submitted to the Minister	August

### 1.3 Budget Influences

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

#### 1.3.1 Snapshot of Central Goldfields Shire Council

##### Physical Attributes

Situated in Central Victoria, and two hours' drive from Melbourne, Central Goldfields Shire is the heart of the Goldfields Region. It is within easy driving distance of the regional centres of Ballarat and Bendigo, and is serviced by train from Ballarat.

The Shire is a major getaway with entrances to and from the Pyrenees, Ballarat, Bendigo and Melbourne. The region is steeped in history, based on gold mining, forestry and agriculture, with historic buildings, access to forest walks and trails, and arts and culture contributing to a growth in tourism.

##### Population

Central Goldfields Shire has a resident population of approximately 13,000 with a current growth rate of .08% per annum. The Shire contains six towns and four settlements including Maryborough, the largest town, which accounts for 60% of the total population. The Shire contains a series of historic towns including Carisbrook, Talbot, Dunolly, Bealiba and Moliagul.

Other localities within the Shire are Adelaide Lead, Alma, Amherst, Archdale, Archdale Junction, Bet Bet, Betley, Bowenvale, Bromley, Bung Bong, Campbelltown, Caralulup, Cotswold, Craigie, Daisy Hill, Dunach, Dunluce, Eddington, Emu, Flagstaff, Glengower, Golden Point, Goldsborough, Havelock, Inkerman, Joyces Creek, Lillicur, Majorca, Moolort, Moonlight Flat, Mount Cameron, Mount Glasgow, Mount Hooghly, Natte Yallock, Rathscar, Red Lion, Rodborough, Simson, Stony Creek, Strathlea, Timor, Timor West and Wareek.



## Area

The Central Goldfields Shire Council has an area of 1542 square kilometres and is bordered by Mount Alexander, Loddon, Northern Grampians, Pyrenees and Hepburn Shire Councils. A map of the urban and rural aspects of the Shire is included below



## Business in Central Goldfields Shire

The Shire is at the heart of one of the most important historic gold mining districts in Victoria and has rich historic and natural attractions, traditional agriculture and a stable food and wine growing/promotion industry.

There is substantial agricultural activity within the Shire with sheep and cattle grazing and grain production at the forefront. Employment within the Shire is based on agriculture, the service sector (in particular health services), a large printing plant, food processing and growing retail and tourism industries.



### **RACV Energy Breakthrough**

#### **1.3.2 External Influences**

In preparing the 2014/2015 budget, a number of external influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Consumer Price Index (CPI) increases on goods and services of around 2.7% through the year to December quarter 2013 (ABS release 22 January 2014, State-wide CPI is forecast to be 2.5% for the 2014/2015 year (Victorian Budget Papers 2013/14).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2013 was 4.5% (ABS release 15 August 2013). The wages price index in Victoria is projected to be 3.5% per annum in 2014/15 and the subsequent two years (Victorian Budget Papers 2013/14). Council has renegotiated a new Enterprise Bargaining Agreement (EBA) during the 2013/2014 year for commencement in July 2014, with a 3.25% wage increase effective from November 2014.
- Decrease in Victorian Grants Commission funding and additional Grant funding in real terms, and additional cost shifting from State and Federal Governments.
- Increase of \$5.30 per tonne (or 10%) in the levy payable to the State Government upon disposal of waste into landfill, resulting in additional waste disposal costs.
- Local economic conditions continue to impact residents thereby reducing household income.

- Prevailing global economic conditions which are expected to remain difficult during the budget period, impacting investment and borrowing interest rates.
- The Fire Services Property Levy (FSPL) introduced from 1 July 2013 will continue to be collected by Council on behalf of the State Government to fund the operations of the MFB and CFA. A number of Council properties are subject to the fire levy.
- A rise in the Superannuation Guarantee rate to 9.5% in 2014/2015, increasing up to 10.0% in 2018/2019
- Payment of Council's defined benefits superannuation liability in 2012/2013 of \$2,489,559 has impacted upon Council's financial position requiring the drawing upon Council reserves and a new \$1,500,000 loan in 2013/14 to fund the expense.

### 1.3.3 Internal Influences

As well as external influences, there are also a number of internal influences expected to have significant impact on the setting of the budget for 2014/2015. These include:

- Enterprise bargaining increases in salaries and wages.
- Increased costs associated with waste management.
- Large reliance on grant income.

### 1.3.4 Budget principles

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

- Maintain service levels and other assets at current levels in the most cost effective ways.
- Grants to be based on confirmed funding levels, and Officers to continue to pursue grant funding in all cases where applicable.
- New initiatives which are not cost neutral to be justified through a business case.
- Reduce overall borrowings.
- Ensure fees and charges where possible are moving towards a user pays principle and increased in line with market levels.
- Construction and material costs to increase in line with the Engineering Construction Index.
- Salaries and wages to be increased in line with Council's EBA
- Ensure that any new staff positions support the objectives of the Council Plan.
- Real savings in expenditure and increases in revenue identified previously are to be preserved.

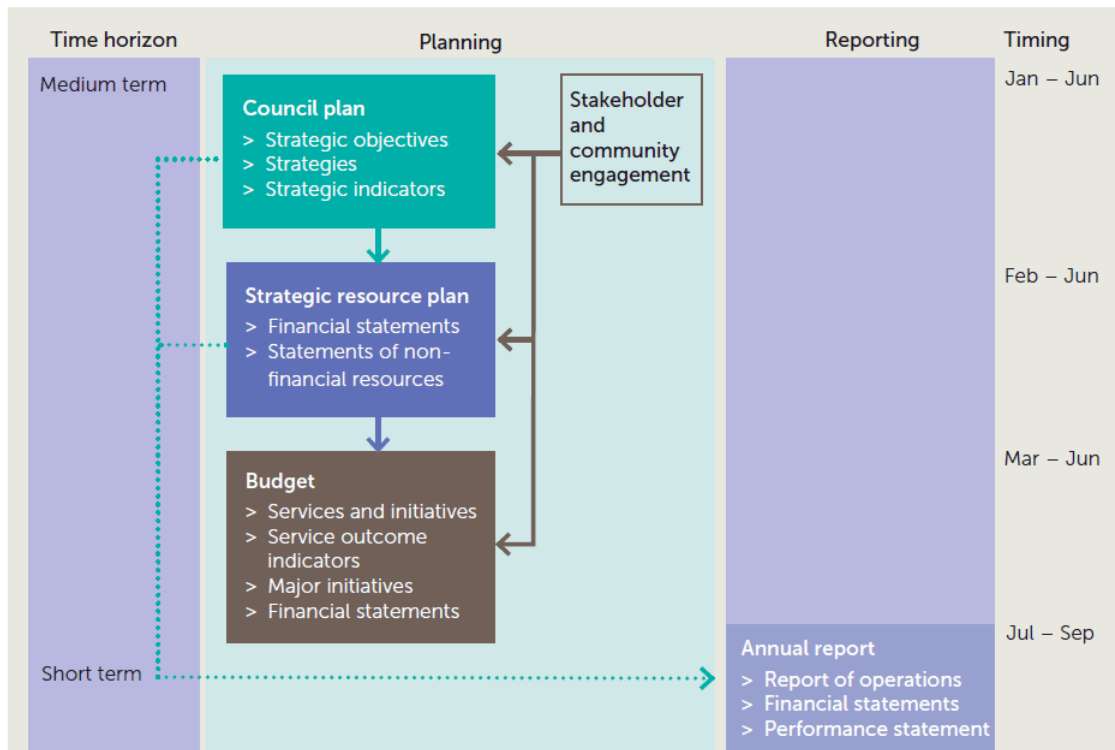
### **1.3.5 Long Term Strategies**

The budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2014/15 to 2018/2019 (section 4), Rating Information (section 4.3) and other long term strategies including Borrowings (section 4.4), and Infrastructure (section 4.5).

## 2 BUDGET ACTIVITIES AND INITIATIVES

### Planning and accountability framework

The Strategic Resource Plan, included in the Council Plan, 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 then framed within the Strategic Resource Plan, taking into account the services and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Transport, Planning and Local Infrastructure

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

### Our purpose

#### Our vision 'To be a community with choice'

Central Goldfields Shire Council adheres to Section 3C(1) of the Local Government Act 1989, which states that “The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions”.

### Our values

Three behaviours that support our Vision; are being Accountable, Progressive and Respectful.

Accountable:

- ❖ Responsible for our actions and results and do what we say we will
- ❖ Act with integrity – deal with all people honestly, ethically and transparently

Progressive:

- ❖ Strive for constant improvement
- ❖ Find new and creative ways; focus on the future

Respectful:

- ❖ Listen actively and consider other viewpoints
- ❖ Embrace and respect diversity and inclusion

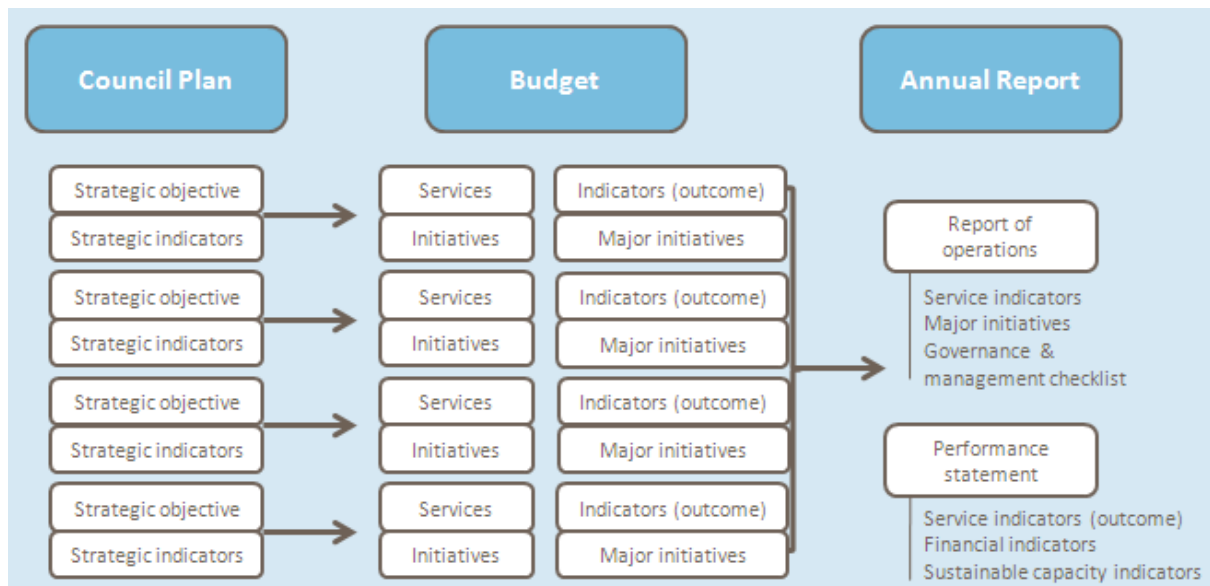
### Strategic objectives

Council delivers services and initiatives that contribute to the achievement of one of the four strategic themes set out in the Council Plan for the years 2013-17. The following table lists the four Strategic themes as described in the Council Plan.

Strategic Objective	Description
1. Community and Culture	Foster community connectedness and social capital, and services which improve people's health and wellbeing.
2. Economy and Growth	Encourage and support economic activity, particularly that which facilitates employment in the community.
3. Built and Natural Environment	Value, conserve and enhance the rich built and natural heritage and environment.
4. Processes and Governance	Implement strong, clear and transparent corporate governance, strategies and actions.

## Services, initiatives and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2014/15 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of initiatives, major initiatives and service performance outcome indicators. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan, along with the link to reporting in the Annual Report, is shown below.



Source: Department of Transport, Planning and Local Infrastructure

## 2.1 Strategic Theme 1: Community and Culture

Foster community connectedness and social capital, and services which improve people's health and wellbeing.

### Services

Initiative	Description of initiative
Community development/Connectedness	Foster community resilience, connectedness and social capital.
Health and Wellbeing	Improve people's health and wellbeing throughout all life stages.
Community Safety	Foster a 'whole of community' approach to community safety.
Arts, Culture and Heritage	Increase community awareness/appreciation of arts, culture and heritage.
Recreation and Sport	Increase participation in physical activity.
Education and Learning	Increase education and learning participation and opportunities across the Shire.

### Service Performance Outcome Indicators

#### Libraries

Indicator	Performance Measure	Computation
Utilisation	Library collection usage	Number of library collection item loans/Number of library collection items.
Resource standard	Standard of Library Collection	Number of library collection items purchased in the last 5 years/number of library collection items.
Service Cost	Cost of Library Service	Direct cost of library service/number of visits.
Participation	Active library members	Number of active library members/Municipal population.



**Pool Facilities**

Indicator	Performance Measure	Computation
Service Standard	Health inspections of pool facilities	Number of Environmental Health Officer inspections/Number of pool facilities.
Service Standard	Reportable safety incidents at pool facilities	Number of WorkSafe reportable pool facility safety incidents.
Cost	Service cost – Indoor pool	Direct cost of indoor pool facilities minus income received/Number of visits to indoor pool facilities.
Cost	Service cost – outdoor pools	Direct cost of outdoor pool facilities minus income received/Number of visits to outdoor pool facilities
Utilisation	Utilisation of pool facilities	Number of visits to pool facilities/Municipal population.

**Food safety**

Indicator	Performance Measure	Computation
Timeliness	Time taken to action food complaints	Number of days between receipt and first response action for all food complaints/Number of food complaints.
Service standard	Food safety assessments	Number of registered class 1 and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> /Number of registered class 1 and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>
Service cost	Cost of food safety service	Direct cost of food safety service/Number of food premises registered or given notice of operation in accordance with the <i>Food Act 1984</i>
Health and safety	Critical and major non-compliance outcome notifications	Number of critical and major non-compliance outcome notifications about a food premises followed up/Number of critical and major non-compliance outcome notifications of food premises.

## Home and Community Care

Indicator	Performance Measure	Computation
Timeliness	Time taken to commence the Home and Community Care service	Number of days between the referral of a new client and commencement of domestic, personal or respite care service/Number of new client referrals.
Service Standard	Compliance with Community Care Common Standards	Number of Community Care Common Standards expected outcomes met/Number of expected outcomes under the Community Care Common Standards.
Service Cost	Cost of domestic care service	Direct cost of the domestic care service/Hours of domestic care service delivered.
Service Cost	Cost of personal care service	Direct cost of the personal care service/Hours of personal care service delivered.
Service Cost	Cost of respite care service	Direct cost of the respite care service/Hours of respite care service delivered.
Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service)	Number of people that receive a domestic, personal or respite care service/Municipal target population for domestic, personal or respite care services.
Participation	Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	Number of Culturally and Linguistically Diverse people that receive a domestic, personal or respite care service/Municipal target Culturally and Linguistically Diverse population for domestic, personal or respite care services.

### Maternal and Child Health

Indicator	Performance Measure	Computation
Timeliness	Time taken to undertake first Maternal and Child Health home visit	Number of days between the birth notification and first Maternal and Child Health home visit/Number of birth notifications received.
Service Standard	Infant enrolments in Maternal and Child Health service	Number of infants enrolled in Maternal and Child Health service/Number of birth notifications received.
Service Cost	Cost of Maternal and Child Health service	Direct cost of the Maternal and Child Health service/Hours of service provided.
Participation	Participation in Maternal and Child Health key ages and stages visits	Number of actual Maternal and Child Health key ages and stages visits/Number of expected Maternal and Child Health key ages and stages visits.
Participation	Participation in Maternal and Child Health key ages and stages visits by Aboriginal children	Number of actual Maternal and Child Health key ages and stages visits by Aboriginal children/Number of expected Maternal and Child Health key ages and stages visits by Aboriginal children.

### Animal Management

Indicator	Performance Measure	Computation
Timeliness	Time taken to action animal management requests	Number of days between receipt and first response action for all animal management requests/Number of animal management requests.
Service Standard	Animals reclaimed	Number of animals reclaimed/Number of animals collected.
Service Cost	Cost of animal management service	Direct cost of the animal management service/Number of registered animals in the municipality.
Health and Safety	Animal prosecutions proven in court	Number of animal prosecutions proven in court.

## 2.2 Strategic Theme 2: Economy and Growth

Encourage and support economic activity, particularly that which facilitates employment in the community.

### Services

Initiative	Description of initiative
Economic Activity	Support and facilitate activities which contribute to the municipality's economic prosperity.
Tourism and Events	Maintain and grow visitations and the local events stock.

### Service Performance Outcome Indicators

#### Economic Development

Indicator	Performance Measure	Computation
Participation	Participation in business development activities	Number of businesses with an ABN in the municipality who participate in at least on Council business development activity/Number of businesses with an ABN in the municipality.
Service Standard	Delivery of planned business development activities	Number of business development activities delivered/Number of planned business development activities.
Service cost	Cost of economic development service	Direct cost of the economic development service/Number of businesses with an ABN in the municipality.
Economic Activity	Change in number of businesses	Number of businesses with an ABN in the municipality at the end of the financial year <i>less</i> the number of businesses at the start of the financial year/Number of businesses with an ABN in the municipality at the start of the financial year

### 2.3 Strategic Theme 3: Built and Natural Environment

Value, conserve and enhance the rich built and natural heritage and environment.

#### Services

Initiative	Description of initiative
Infrastructure, Assets and Facilities	Protect and enhance our existing amenities
Natural Environment	Value, and, value-add to our natural environment
Strategic Land Use	Achieve outcomes in planning and policy activities to create environments that support public wellbeing and economic success.

#### Service Performance Outcome Indicators

##### Statutory Planning

Indicator	Performance Measure	Computation
Timeliness	Time taken to decide planning applications	Median number of days between the receipt of planning applications and a decision on planning applications.
Service standard	Planning applications decided within 60 days	Number of planning applications made within 60 days/Number of planning application decisions made.
Service cost	Cost of statutory planning service	Direct cost of the statutory planning service/Number of planning applications received.
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 upheld Council's decision in relation to a planning application / Number of Council decisions in relation to planning applications subject to review by VCAT.

## Roads

Indicator	Performance Measure	Computation
Satisfaction	Sealed local road requests	Number of sealed local road requests/Kilometres of sealed local roads x 100
Condition	Sealed local roads below the intervention level	Number of kilometres of sealed local roads below the renewal intervention level/Kilometres of sealed local roads.
Service cost	Cost of sealed local road reconstruction	Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed.
Service outcome	Satisfaction with sealed local roads	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.

## Waste Collection

Indicator	Performance Measure	Computation
Satisfaction	Kerbside bin collection requests	Number of kerbside garbage and recycling bin collection requests/Number of kerbside bin collection households.
Service standard	Kerbside collection bins missed	Number of kerbside garbage and recycling collection bins missed/Number of scheduled kerbside garbage and recycling collection bin lifts x 10,000
Service cost	Cost of kerbside garbage bin collection service	Direct cost of the kerbside garbage bin collection service/Number of kerbside garbage collection bins.
Waste diversion	Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins



## 2.4 Strategic Theme 4: Processes and Governance

**Implement strong, clear and transparent corporate governance, strategies and actions.**

### Services

Initiative	Description of initiative
Organisational processes and systems	Demonstrate good governance and provide quality customer services.
Leadership and Governance	Provide strong leadership in representing the community.
Financial Sustainability	Deliver responsible financial management and business planning to ensure long term sustainability.

### Service Performance Outcome Indicators

#### Governance

Indicator	Performance Measure	Computation
Transparency	Council decisions made at meetings closed to the public	Number of council resolutions made at an ordinary or special meeting closed to the public/Number of council resolutions made at an ordinary or special meeting.
Consultation and engagement	Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with how council has performed on community consultation and engagement.
Attendance	Councillor attendance at Council meetings	The sum of the number of Councillors who attended each ordinary and special Council meeting/Number of ordinary and special Council meetings multiplied by the number of Councillors elected at the last Council general election.
Service cost	Cost of governance	Direct cost of the governance service/Number of Councillors elected at the last Council general election.
Satisfaction	Satisfaction with council decisions	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community.

## **2.5 Performance Statement**

The service performance indicators detailed in the preceding pages will be reported on within the Performance Statement which is prepared at the end of the year as required by section 132 of the Act and included in the 2014/15 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in section 4.1.1) and sustainable capacity which are not included in this Budget Report. The full set of prescribed performance indicators are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement.

### 3 BUDGET ANALYSIS

#### 3.1 Analysis of Budgeted Income Statement

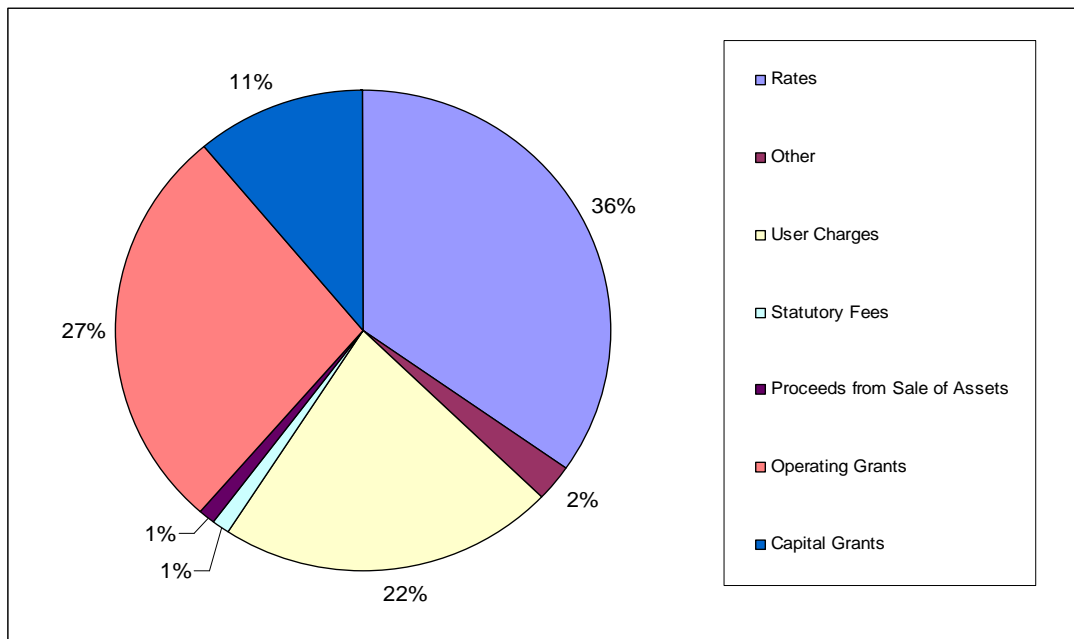
The budgeted Income Statement forecasts a surplus of \$3,248,154 (including non-cash items) for the year ending 30 June 2015.

#### BUDGETED INCOME STATEMENT

For the year ending 30 June 2015

	Forecast	Budget
	13/14	14/15
	\$	\$
<b>Revenues from Ordinary Activities</b>		
Rates	9,370,000	10,012,595
Operating Grants (recurrent)	8,348,214	7,887,193
Capital Grants (recurrent)	510,000	510,000
Capital Grants (non-recurrent)	2,899,160	2,710,893
Interest	160,350	170,350
User Charges	6,689,148	6,319,747
Statutory Fees	277,868	262,523
Reimbursements & Contributions	51,000	544,000
Proceeds from Sale of Assets	335,455	340,500
<b>Total Revenues</b>	<b><u>28,641,196</u></b>	<b><u>28,757,802</u></b>
<b>Expenses from Ordinary Activities</b>		
Employee Costs	11,451,592	11,049,029
Materials and Servicables	2,452,966	2,366,736
Contract Providers	7,106,758	6,856,931
Bad Debts	24,600	27,300
Depreciation	4,571,431	4,571,431
Written Down Value of Assets Sold	352,228	357,525
Borrowing Costs	274,195	280,694
<b>Total Expenses</b>	<b><u>26,233,769</u></b>	<b><u>25,509,646</u></b>
Net Surplus(Deficit) from Operations	<b><u>2,407,427</u></b>	<b><u>3,248,154</u></b>
<b>Movements in Equity</b>		
Net increase(Decrease) in Asset		
Revaluation Reserves	-	-
<b>Total Changes in Equity</b>	<b><u>2,407,427</u></b>	<b><u>3,248,154</u></b>

## Budgeted income 2014/2015



### 3.1.2 Rates and Charges

It is proposed that rates and municipal charge income be increased to \$10,012,595. Page 43, section 4.3 includes the Rating Strategy which provides a more detailed analysis of rates and charges to be levied for 2014/2015.

### 3.1.3 Operating Grants

Government grants received from State and Federal sources will decrease by \$461,021. This occurs due to the completion/nearing completion of a number of Government funded programs such as Healthy Communities, and Go Goldfields.

### 3.1.4 Capital Grants

Capital grants are expected to reduce by \$188,267 in 2014/2015. This decrease occurs as a result of the winding up of Federal funding for the Natural Disaster experienced during January 2011, with \$1,077,000 forecast to be received in 2013/2014.

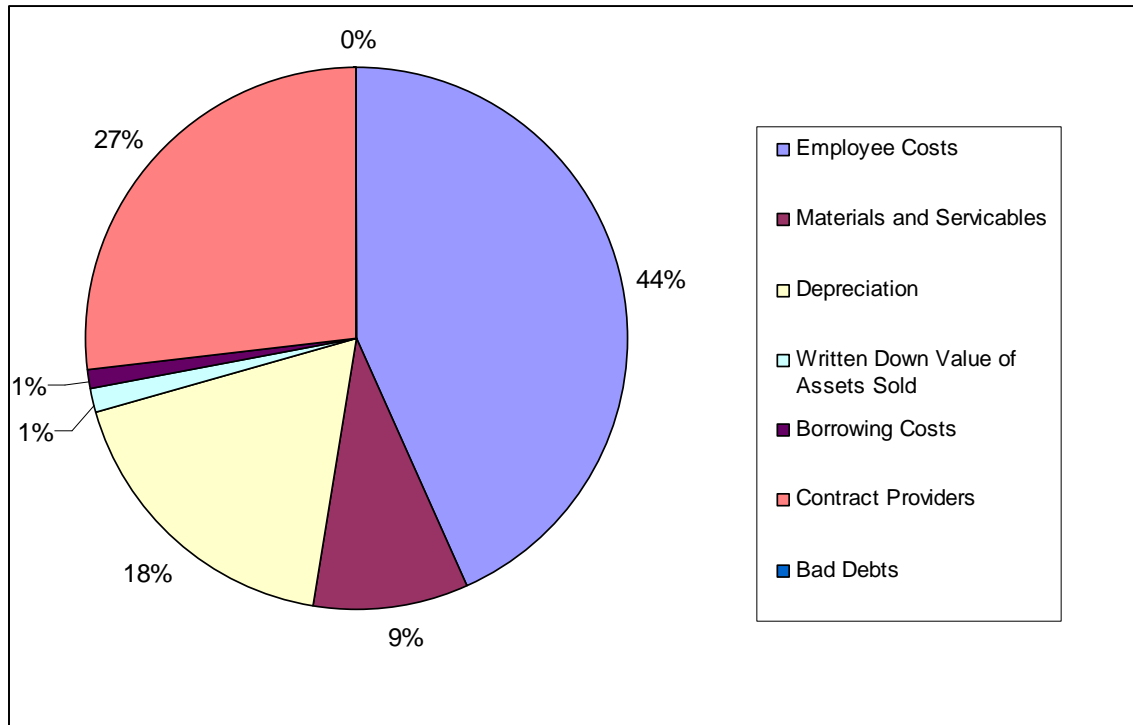
### 3.1.5 Interest Revenue

Interest revenue includes interest on investments and rate arrears. Interest on investments is expected to be lower in 2014/2015 due to a reduction in interest rates offered by the investment market. In addition Council is projecting to hold reduced levels of cash as a result of capital works expenditure.

### 3.1.6 User Charges

User Charges includes \$2.267 million in garbage charges, and \$0.792 million worth of Children's Services usage fees, and \$0.708 million worth of Home and Community Care (HACC) usage fees.

### Budgeted expenses 2014/2015



#### 3.1.7 Employee Costs

Employee costs include all labour related expenses such as wages and salaries and oncosts such as superannuation and workcover. Employee costs are expected to decrease by 3.5% or \$402,563 compared to 2013/2014. This decrease is primarily due to the completion of flood recovery efforts and the completion of a number of Government funded programs including Healthy Communities, and Go Goldfields.

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

Department	Budget 2014/15 \$	Comprises		
		Permanent Full Time \$	Permanent Part Time \$	Casual \$
Community	1,594,746	944,258	582,292	68,196
Health & Human Services	3,014,351	871,368	1,839,167	303,817
Economic Development	1,036,700	354,427	646,830	35,443
Culture & Heritage	299,417	127,411	122,315	49,690
Recreation & Leisure	916,400	864,019	45,361	7,020
Transport	1,899,075	1,662,210	150,638	86,227
Waste & Environment	504,940	354,166	110,804	39,970
Administration	1,783,400	1,288,011	482,509	12,880
<b>Total</b>	<b>11,049,029</b>	<b>6,465,870</b>	<b>3,979,915</b>	<b>603,244</b>

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

Department	FTE	Comprises		
		Permanent Full Time	Permanent Part Time	Casual
Community	15.2	9	5.55	0.65
Health & Human Services	51.89	15	31.66	5.23
Economic Development	11.7	4	7.3	0.4
Culture & Heritage	4.7	2	1.92	0.78
Recreation & Leisure	16.97	16	0.84	0.13
Transport	36.56	32	2.9	1.66
Waste & Environment	9.98	7	2.19	0.79
Administration	18	13	4.87	0.13
<b>Total</b>	<b>165</b>	<b>98</b>	<b>57.23</b>	<b>9.77</b>

### 3.1.8 Contract Providers

There is expected to be a slight decrease in the services provided by contractors as a result of the completion of flood recovery activities.

### 3.1.9 Depreciation

Depreciation is an accounting measure which relates to the allocation of the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drainage.

### 3.1.10 WDV of Assets Sold

The 2014/2015 forecast includes the anticipated written down (depreciated) value of plant and equipment sales.

### 3.2 Analysis of Budgeted Cash Position

#### BUDGETED CASH FLOW STATEMENT

For the year ending 30 June 2015

	Forecast 13/14 \$	Budget 14/15 \$	Variance \$
<b>Cash flows from operating activities</b>			
Receipts from customers	28,305,741	28,417,301	111,560
Payments to suppliers	(21,310,110)	(20,580,690)	729,420
<b>Net cash provided by operating activities</b>	<b>6,995,631</b>	<b>7,836,610</b>	<b>840,979</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	335,455	340,500	5,045
Payments for property, plant and equipment	(10,904,110)	(9,126,670)	1,777,440
Other			
<b>Net cash used in investing activities</b>	<b>(10,568,655)</b>	<b>(8,786,170)</b>	<b>1,782,485</b>
<b>Cashflows from financing activities</b>			
Proceeds from borrowings/financing	1,500,000	1,500,000	0
Repayment of borrowings	(240,672)	(554,984)	(314,312)
<b>Net cash flow used in financing activities</b>	<b>1,259,328</b>	<b>945,016</b>	<b>(314,312)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,313,696)</b>	<b>(4,543)</b>	<b>2,309,153</b>
Cash and cash equivalents at the beginning of the financial year	4,934,205	2,620,509	(2,313,696)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>2,620,509</b>	<b>2,615,966</b>	<b>(4,543)</b>

### 3.2 Analysis of Budgeted Cash Position (Cont'd)

This section of the budget report analyses the expected cash flows for the 2014/2015 year. The analysis is based on three main categories of cash flows. In summary these are:

- **Operating activities** - these activities refer to the cash generated or used in the normal service delivery functions of Council
- **Investing activities** - these activities refer 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, equipment, etc.
- **Financing activities** - these activities refer to cash generated or used in the financing of Council functions and include borrowings from financial institutions and include repayment of borrowings.

The significance of budgeting cash flows for Council is that it is a key factor in setting the level of rates each year.

The budgeted cash flow statement shows a net decrease in cash resources of \$4,543 for the year ending 30 June 2015. The forecast for cash assets is \$2.615 million as at 30 June 2015.

#### 3.2.1 Operating Activities

Net cash inflows from operating activities will be \$7.836 million in 2014/2015 the decrease is a result of the completion of flood recovery activities, and nearing completion of Healthy Communities and Go Goldfields initiatives, therefore reducing grant funding.

#### 3.2.2 Investing Activities

The 2013/2014 forecast includes the anticipated sale of plant and equipment. In addition 2013/14 payments for property, plant and equipment includes a higher level of flood recovery capital projects, with works to be completed by 30 June 2014.

#### 3.2.3 Financing Activities

The net cash inflow in 2014/2015 of \$945,016 represents the repayment of fixed term loans, offset by Council's new loan of \$1,500,000 to assist with the funding of its capital works program.



### 3.3 Analysis of Budgeted Capital Expenditure

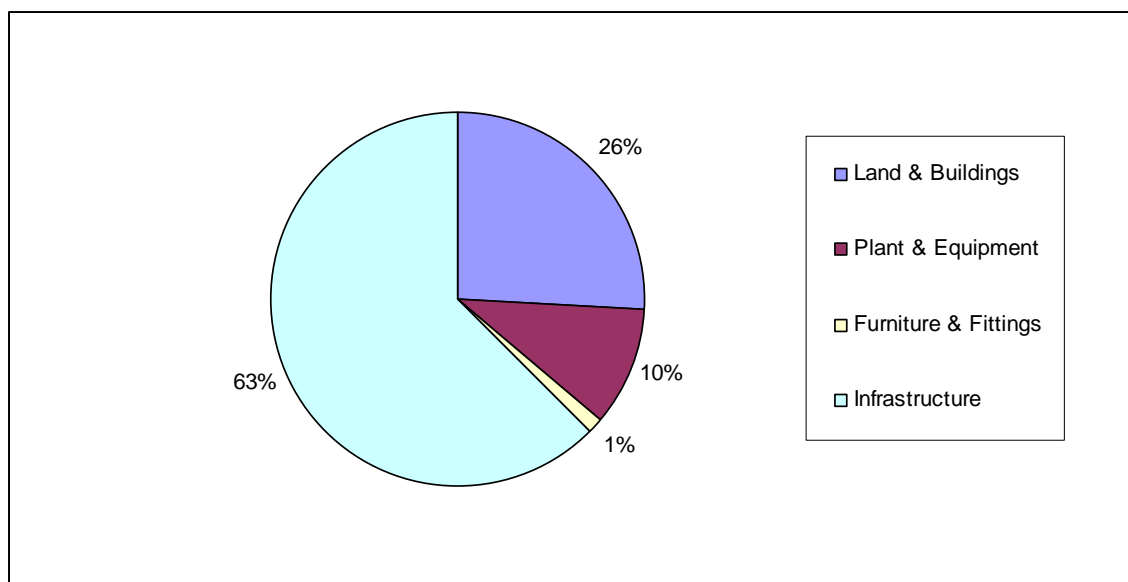
The 2014/2015 Budgeted Statement of Capital Works forecasts new capital works of \$9,126,670.

#### 3.3.1 Capital Expenditure

#### BUDGETED CAPITAL WORKS STATEMENT For the year ending 30 June 2015

	Forecast 13/14 \$	Budget 14/15 \$
<b>Capital Works Areas</b>		
Land & Buildings	3,899,170	2,352,650
Plant & Equipment	978,570	942,320
Furniture & Fittings	148,720	127,700
Infrastructure	5,877,650	5,704,000
	<b>10,904,110</b>	<b>9,126,670</b>
<b>Types of Capital Works</b>		
Renewal	5,483,790	5,108,200
Upgrade	3,049,550	2,273,450
New	2,370,770	1,745,020
Expansion	-	-
<b>Total Capital Works</b>	<b>10,904,110</b>	<b>9,126,670</b>

#### Budgeted capital works 2014/15



### **3.3.2 Land & Buildings**

Land & Buildings comprises buildings and building improvements including community facilities, and sports facilities.

For the 2014/15 year \$2.352 million will be expended on buildings and buildings projects, which includes \$1.35 million worth of Putting Locals First projects, and \$0.234 million on the Market Reserve Carisbrook project.

### **3.3.3 Plant & Equipment**

Plant & Equipment includes plant, machinery and equipment.

For the 2014/15 year, \$0.942 million will be expended on plant and equipment. The more significant items include a new Water Tanker (\$0.238 million), Dunolly Community Bus (\$0.115 million), and a new Tractor (\$0.100 million).

### **3.3.4 Furniture & Fittings**

Furniture and Fittings includes computers and telecommunications.

For the 2014/15 year, \$0.127 million will be expended on furniture and fittings, including \$0.036 million on computers/server upgrades and \$0.03 million on a new IT Strategy.

### **3.3.5 Infrastructure**

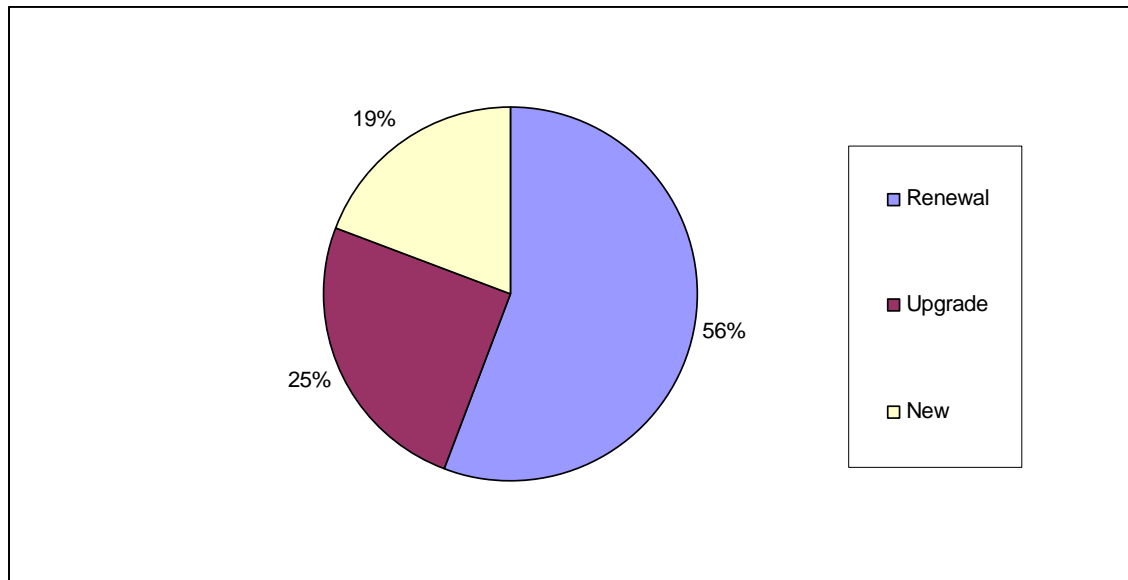
Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other structures.

For the 2014/15 year, \$3.844 million will be expended on road related projects (including sealed and unsealed roads, intersections, minor culverts and street furniture). More significant projects include Inkerman St/Majorca Rd Renewal \$1.400 million, and Jeff Street \$0.450 million. \$1.0 million will also be expended on the Maryborough Aerodrome Taxiway upgrade.

\$0.480 million will be expended on drainage projects, the more significant of these include \$0.400 million on the Carisbrook Drainage Mitigation project.

The spending proposed in the 2014/2015 Budget/Capital Works program is covered in more detail in appendix C of this document.

### Budgeted capital works 2014/15



#### 3.3.6 Asset Renewal (\$5.108 million), New Assets (\$1.745 million) and Upgrade (\$2.273 million)

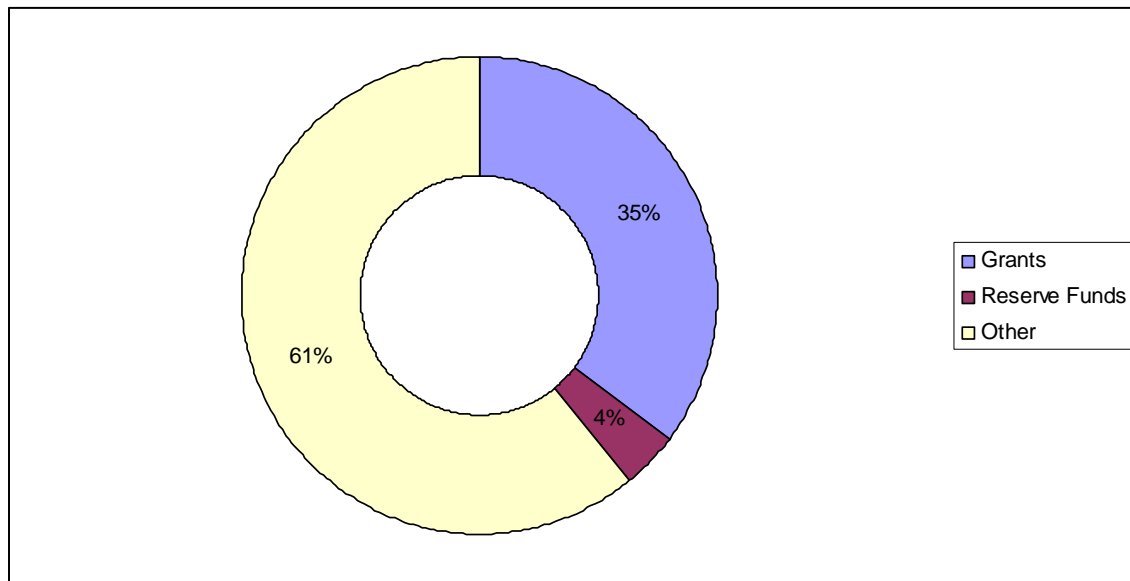
A distinction is also made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not 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 include Dunolly Community Bus (\$0.115 million), and new plant & equipment purchases \$0.827 million.

#### 3.3.7 Funding Sources

Sources of Funding	2013/2014 Forecast	2014/2015 Budget
Grants	3,409,160	3,220,893
Reserve Funds	179,000	345,000
Other Funds	8,315,990	5,560,777
<b>Total Funding Sources</b>	<b>10,904,110</b>	<b>9,126,670</b>

### Budgeted total funding sources 2014/15



#### 3.3.8 Grants

Significant grants budgeted for in 2014/2015 are Aerodrome Taxiway Upgrade grant of \$1,000,000, Putting Locals First \$950,000 grant towards a number of projects, and Roads to Recovery funding of \$510,000.

#### 3.3.9 Reserve Funds

This includes the transfer of funds from the gravel reserve and waste management reserve allocations.

#### 3.3.10 Other Funds

Other funds includes Council's own sourced revenue, loans, proceeds on sale of assets, and also includes grant funding which may have been received in advance (ie. paid to Council during previous financial years such as Country Roads & Bridges Funding).

### 3.4 Analysis of Budgeted Balance Sheet

This section of the budget shows the impact of the 2014/2015 budget on Council's assets, liabilities and equity between 2013/2014 and 2014/2015. The Budgeted Balance Sheet shows net assets of \$305,708,713 as at 30 June 2015 which is an increase of \$3,248,154 over 2013/2014.

#### BUDGETED BALANCE SHEET As at 30 June 2015

	30 June 2014 \$	Budget 30 June 2015 \$	Variance \$
<b>Current Assets</b>			
Cash	2,620,509	2,615,966	(4,543)
Receivables	1,441,031	1,441,031	0
Other	281,164	281,164	0
Non-current assets classified as held for sale	1,493,969	1,493,969	0
<b>Total Current Assets</b>	<b>5,836,673</b>	<b>5,832,130</b>	<b>(4,543)</b>
<b>Current Liabilities</b>			
Payables	1,330,119	1,330,119	0
Interest Bearing Liabilities	554,984	386,089	(168,895)
Provisions	3,645,194	3,645,194	0
<b>Total Current Liabilities</b>	<b>5,530,297</b>	<b>5,361,402</b>	<b>(168,895)</b>
<b>Non-Current Assets</b>			
Fixed Assets	307,056,666	311,254,379	4,197,713
Library Bookstock	289,958	289,958	0
<b>Total Non-Current Assets</b>	<b>307,346,624</b>	<b>311,544,337</b>	<b>4,197,713</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Liabilities	4,940,911	6,054,823	1,113,911
Provisions	251,529	251,529	0
<b>Total Non-Current Liabilities</b>	<b>5,192,440</b>	<b>6,306,352</b>	<b>1,113,911</b>
<b>NET ASSETS</b>	<b>302,460,559</b>	<b>305,708,713</b>	<b>3,248,154</b>
<b>Equity</b>			
Accumulated Surplus	113,185,044	116,678,198	3,493,154
Reserves	189,275,515	189,030,515	(245,000)
<b>TOTAL EQUITY</b>	<b>302,460,559</b>	<b>305,708,713</b>	<b>3,248,154</b>

### **3.4 Analysis of Budgeted Financial Position (Cont'd)**

#### **3.4.1 Current Assets**

The \$4,543 decrease in current assets is due to a decrease in cash as a result of capital works, in particular flood recovery activities. In future years the rate and other debtor balances are not expected to change significantly and will remain at acceptable levels, given the projected increase in rates annually.

#### **3.4.2 Current Liabilities**

Council does not expect a significant change in current liabilities (that is, obligations council must pay within the next year) due to the completion of Council's flood recovery activities which in previous years resulted in a high level of payables. The decrease in current liabilities is due to the repayment of Council's fixed term loans.

#### **3.4.3 Non Current Assets**

The increase in non-current assets is as a result of expenditure on the capital works program less the annual depreciation charge and WDV of asset disposals.

#### **3.4.4 Non Current Liabilities**

The decrease in non current liabilities (that is, obligations council must pay beyond the next year) results from the budgeted repayment of Council's fixed term loans.

#### **3.4.5 Equity**

The equity (or net assets) figures at 30 June 2015 is consistent with the level at 30 June 2014.



**Part of the Whirakee Rise development within Maryborough**

### 3.5 Impact of Current Year on 2014/2015

This section outlines the forecast result for 2013/2014 compared to the 2014/2015 budget to assess any impacts on the 2014/2015 Budget.

#### 3.5.1 Operating Performance

The forecast operating performance for the year ending 30 June 2014 is a surplus of \$2,407,427 compared to a budgeted surplus of \$3,248,154 for the year ending 30 June 2015.

<b>Operating</b>	<b>2013/2014 Forecast</b>	<b>2014/2015 Budget</b>
Total Income	28,641,196	28,757,802
Total Expenditure	26,233,769	25,509,646
<b>Operating Surplus (Deficit)</b>	<b>2,407,427</b>	<b>3,248,154</b>

The forecast operating surplus is slightly higher than the budgeted surplus for 2014/2015 as a result of the impacts of flood recovery activities (higher income and expenditure levels)

#### 3.5.2 Cash Performance

The forecast cash result for 2013/2014 is expected to produce a variance to the original budget of \$1,811,740 (Original Budget 2013/2014 \$4,219,167, Forecast 2013/2014 \$2,407,427).

<b>Cash Flows</b>	<b>2013/2014 Budget</b>	<b>2013/2014 Forecast</b>
Operating Activities	7,941,646	6,995,631
Investing Activities	(11,491,815)	(10,568,655)
Financing Activities	1,259,328	1,259,328
<b>Net Increase/(Decrease) In Cash Held</b>	<b>(2,290,841)</b>	<b>(2,313,696)</b>

The forecast net decrease in cash held is consistent with the budgeted net decrease in cash held for 2013/2014.

#### 3.5.3 Capital Works

Total Capital Works for 2013/2014 are expected to be \$10,904,110 compared to an original budget of \$12,057,565, with the reduction in projected works being due a number of projects being carried forward to the 2014/15 budget.

## 4 STRATEGIC RESOURCE PLAN

### 4.1 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.

Council has prepared a Strategic Resource Plan for the five years 2014/15 to 2018/19 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next five 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 Plan. The key financial objectives, which underpin the SRP, are:

- Maintain existing service levels
- Achieve a breakeven operating result within five years
- Achieve a balanced budget on a cash basis.

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 level of rate burden
- Consider the financial effects of Council decision on future generations
- Provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a rigorous process of analysis to achieve these key financial objectives.

The following table summaries the key financial indicators for the next five years as set out in the Long Term Financial Plan for years 2014/2015 to 2018/2019.

Indicator	Budget		Strategic Resource Plan		
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000
Operating surplus/(deficit)	3,248	1,997	1,270	1,961	3,145
Cash from operations	7,836	6,552	5,864	6,549	7,729
Cash increase/(decrease)	(5)	(136)	256	22	986
Cash and investments	2,620	2,616	2,480	2,736	2,758
Borrowings outstanding	6,441	6,055	5,042	3,027	1,500
Depreciation	4,571	4,571	4,571	4,571	4,571
Capital expenditure	9,127	6,585	5,049	4,854	5,458
Working capital	471	(292)	(1,038)	(528)	1,985
Net worth	305,709	307,675	308,946	310,907	314,052



#### 4.1.1 Key Assumptions & Performance Indicators

The key assumptions of the Long Term Financial Plan are as follows:

- **Service Delivery** – Service levels to be maintained throughout the five year period.
- **Rating Strategy** - Rates will increase by an average of 5.8% p.a through to 2018/2019.
- **Borrowing Strategy** – Borrowings to reduce to \$1,500,000 by 30 June 2019.
- **Infrastructure Strategy** – An average \$6.214 million per year will be spent to 2018/2019.
- **Financial Sustainability** – Cash and investments will remain relatively stable during the five year period, increasing in 2018/2019.

#### Financial Performance Indicators

Indicator	Measure	Notes	Forecast	Budget	Strategic Resource Plan Projections				Trend
			Actual 13/14		14/15	15/16	16/17	17/18	
<b>Operating Position</b>									
Adjusted underlying result	Adjusted underlying surplus (deficit)/Adjusted underlying revenue	1	-0.08%	2.09%	-1.12%	-3.31%	-0.68%	3.46%	+
<b>Liquidity</b>									
Working Capital	Current assets/current liabilities	2	106%	109%	95%	85%	92%	140%	+
Unrestricted Cash	Unrestricted cash/current liabilities		41%	42%	35%	34%	37%	68%	+
<b>Obligations</b>									
Loans & Borrowing	Interest bearing loans and borrowings/rate revenue	3	59%	64%	57%	44%	25%	11%	+
Loans and borrowing	Interest and principal repayments/rate revenue		5%	8%	6%	11%	18%	13%	+
Indebtedness	Non-current liabilities/own source revenue		30%	36%	32%	19%	10%	9%	+
Asset renewal	Asset renewal expenditure/depreciation	4	120%	112%	51%	57%	60%	48%	-

Indicator	Measure	Notes	Forecast		Strategic Resource Plan Projections				Trend +/-
			Actual 13/14	Budget 14/15	15/16	16/17	17/18	18/19	
<b>Stability</b>									
Rates concentration	Rate revenue/adjusted underlying revenue	5	36%	39%	45%	48%	49%	50%	-
Rates effort	Rate revenue/property values (CIV)		1%	1%	1%	1%	1%	1%	o
<b>Efficiency</b>									
Expenditure level	Total expenditure/no. of assessments		\$ 3,158	\$ 3,069	\$ 2,930	\$ 2,987	\$ 3,049	\$ 3,083	+
Expenditure level	Specific purpose grants expended/Specific purpose grants received		132%	100%	100%	100%	100%	100%	o
Revenue level	Residential rate revenue/no. of residential assessments		\$ 811	\$ 867	\$ 926	\$ 989	\$ 1,057	\$ 1,130	+
Workforce turnover	No. of resignations & terminations/average no. of staff		5%	9%	9%	5%	5%	5%	o

**Keys to Forecast Trend:**

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

**Notes to indicators**

**1 - Adjusted underlying result.** An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance expected over the period, 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 2014/15 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 debt.

**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.

## 4.2 Non Financial Resources

In addition to the financial resources to be consumed over the planning period, Council will also consume non-financial resources, in particular human resources.

The range of services undertaken by Council generally involves the efforts of approximately 225 staff, of which 130 work part time, casual and on contract. Additional staffs have been employed during 2013/2014 to run initiatives such as Go Goldfields, Healthy Communities, Preventive Health and Arts Central.

The skill base of Council's workforce is very diverse with staff holding qualifications in specialised areas such as aged care, engineering, accounting, local government, health care, planning, building, public administration, and other fields.

The Local Authorities Award and the Central Goldfields Shire Enterprise Bargaining Agreement (EBA) No.5 (Extension Variation) govern the employment of Council staff. Council's EBA expires this year with EBA No. 6 current being negotiated.

A statement of Human Resources is included at Appendix A.

	Forecast Actual	Budget	Strategic Resource Plan Projections			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$	\$	\$	\$	\$	\$
<b>Employee costs</b>						
- Operating	11,452,592	<b>11,049,029</b>	10,415,224	10,679,229	10,983,251	11,194,963
- Capital	687,156	<b>695,470</b>	624,913	640,754	658,995	671,698
<b>Total</b>	<b>12,139,748</b>	<b>11,744,499</b>	<b>11,040,137</b>	<b>11,319,983</b>	<b>11,642,246</b>	<b>11,866,661</b>
Employee numbers (EFT)	169.00	<b>165.00</b>	157.00	157.00	157.00	157.00

## 4.3 Rating Strategy

### 4.3.1 Strategy Development

The Rating Strategy reviewed by Council in 2013/2014 will form the basis for raising rates in the 2014/2015 financial year. It is prefaced on Council's aim to encourage economic development activity and to reflect the cost of infrastructure in achieving employment and commercial opportunities within the shire.

Rates will be raised by the application of differential rates. It is considered that each differential will contribute to the equitable and efficient carrying out of Council's functions. The functions include:

- The construction and maintenance of public infrastructure
- The development and provision of health and community services
- The provision of general support services

In accordance with Councils' Rating Strategy, a municipal charge will be levied for the purpose of covering part of the administrative or "baseline" costs of Council's operations. A municipal charge applies equally to all rateable properties and is found to be an equitable method of distributing a portion of the administrative costs

A service charge will be levied for the purpose of covering the cost of collection, removal and disposal of refuse and rubbish. The charge reflects the volume of rubbish collected, that is a standard (80 litre urban & 140 litre rural) bin service, a 140 litre (urban) bin service or a 240 litre (rural) bin service will be offered to residents. Charges have been set to encourage waste minimisation practices.

#### 4.3.2 Current Year Rate Increase

The 2014/2015 operating position is predicted to be impacted by wages growth and reductions in government funding. It will therefore be necessary to achieve future revenue growth whilst containing costs in order to achieve a breakeven position in the long term.

In achieving these objectives whilst maintaining service levels and a robust capital expenditure program, general rates will increase by 5.8% in 2014/2015 raising a total rate of \$10.012 million (including supplementary rates). The following table sets out future proposed rate increases and total rates to be raised (including supplementary rates).

<b>Year</b>	<b>Rate Income Increase</b>	<b>Total Rates Raised</b>
2014/2015	5.8%	10,012,595
2015/2016	5.8%	10,699,258
2016/2017	5.8%	11,433,013
2017/2018	5.8%	12,217,090
2018/2019	5.8%	13,054,938

### 4.3.3 Rates and Revaluations

During 2013/2014 a revaluation of all properties within the municipality was carried out and will apply from 1 January 2014 for the 2014/2015 year. The purpose of the revaluation is to measure how much each property is worth. The outcome of the general revaluation has been an overall reduction in property valuations throughout the municipality.

The revaluation does not generate extra revenue for Council, it redistributes the existing rate revenue across the Shire based on the assessed property values. General rates will raise 36% of all revenue from all sources for 2014/2015.

Council uses the Capital Improved Value (CIV) as its basis for calculating general rates. CIV is the value of the land plus buildings and other improvements, and is based on the sales of similar properties. In some cases properties may be valued higher if significant improvements have recently been completed. Business property valuations are based on how much rent a property can be let for, based on similar properties in the precinct.

Rate type	2013/2014	2014/2015
Maryborough Residential - cents in \$ of CIV	0.004686	0.005205
Residential Other – cents in \$ of CIV	0.003726	0.004164
Commercial Maryborough – cents in \$ of CIV	0.007511	0.008327
Commercial Other – cents in \$ of CIV	0.005062	0.006245
Industrial – cents in \$ of CIV	0.004900	0.005725
Farm – cents in \$ of CIV	0.003855	0.004164
Vacant Land – cents in \$ of CIV	0.008348	0.000000
Vacant Land Maryborough – cents in \$ of CIV	0.000000	0.009368
Vacant Land Other – cents in \$ of CIV	0.000000	0.007807
Recreational Land - cents in \$ of CIV	0.005066	0.000000
Municipal Charge - \$ per property	\$219.50	\$232.20
Standard Garbage - \$ per property	\$304.00	\$321.60
140 Litre Urban, 240 Litre Rural - \$ per property	\$390.30	\$412.90
Waste Management Fee - \$ per property	\$99.80	\$105.60
Recycling Charge - \$ per property	\$82.80	\$87.60

## 4.4 Borrowing Strategy

### 4.4.1 Strategy Development

In the past, Council borrowed to finance large infrastructure projects and since this time has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. With Council reserves now forecast to be \$875,414 at 30 June 2014 it may be necessary in future years for Council to reconsider the issue of additional borrowings.

#### 4.4.2 Current Year Borrowings

For the 2014/2015 year, Council has decided to take out a new borrowing of \$1,500,000 to fund the capital works program and therefore, after making loan repayments of \$554,984 will reduce its total interest bearing liabilities to \$6,440,911 as at 30 June 2015. Council intends to make considerable interest bearing liability payments over the Long Term Financial Plan with the intention of reducing its total interest bearing liabilities to \$1,500,000 as at 30 June 2019.

#### 4.4.3 Loan Position

The following table sets out the status of Council's interest bearing liability over the coming 2014/2015 to 2018/2019 financial years.

Year	Interest Bearing Liability Paid	Debt Interest Paid	Balance 30 June
2014/2015	554,984	280,694	6,440,911
2015/2016	386,089	305,950	6,054,822
2016/2017	1,012,583	286,121	5,042,239
2017/2018	2,014,950	237,315	3,027,289
2018/2019	1,527,289	127,500	1,500,000

The table below shows information on borrowing specifically required by the Regulations:

	2013/14 \$	2014/15 \$
Total amount borrowed as at 30 June of prior year	4,236,566	5,495,894
Total amount to be borrowed	1,500,000	1,500,000
Total amount projected to be redeemed	240,672	554,984
Total amount proposed to be borrowed at 30 June	5,495,894	6,440,911

#### 4.5 Infrastructure Strategy

Council has developed an Infrastructure Strategy which sets out the capital expenditure requirements of the Council for the next 5 years by class of asset and project and is a key input to the long term financial plan. 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 with the key aspects of the process as follows:

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

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.

The capital planning process is undertaken annually and used to ensure that the Infrastructure Strategy represents the current capital expenditure requirements of the Council.

A measure of Council's performance in respect to infrastructure management is the proportion of the total asset value consumed (equivalent to the annual depreciation charge), compared to the amount spent in preserving the asset (expenditure aimed at ensuring the asset reaches its intended useful life) on an annual basis.

The Statement of Capital Works shows that Council needs to consider additional sources of income so that it can sustain the current service levels required.

### **Key Influences for 2014/2015**

The following influences have a significant impact on the Infrastructure Strategy for the 2014/2015 year:

- Government funding in real terms for the upgrade of roads and bridges
- Requirements for landfill operation and rehabilitation
- Reduced cash and investment reserves to fund future capital expenditure.



**Aerial view of the township of Lake Victoria and surrounds  
(Taken during Energy Breakthrough Event)**

## Future Capital Works

The following table summarises Council projected capital expenditure program:

### BUDGETED CAPITAL WORKS STATEMENT For the year ending 30 June 2015 - 2019

	Budget 14/15 \$	Budget 15/16 \$	Budget 16/17 \$	Budget 17/18 \$	Budget 18/19 \$
<b>Capital Works Areas</b>					
Land & Buildings	2,352,650	339,000	434,000	326,000	334,000
Plant & Equipment	942,320	778,000	1,028,000	887,000	706,000
Furniture & Fittings	127,700	43,000	54,000	39,500	55,500
Infrastructure	5,704,000	5,425,000	3,533,000	3,601,500	4,362,500
	<b>9,126,670</b>	<b>6,585,000</b>	<b>5,049,000</b>	<b>4,854,000</b>	<b>5,458,000</b>
<b>Types of Capital Works</b>					
Renewal	5,108,200	2,316,000	2,604,000	2,723,500	2,197,500
Upgrade	2,273,450	1,175,000	803,500	1,039,000	2,160,500
New	1,745,020	3,094,000	1,641,500	1,091,500	1,100,000
<b>Total Capital Works</b>	<b>9,126,670</b>	<b>6,585,000</b>	<b>5,049,000</b>	<b>4,854,000</b>	<b>5,458,000</b>

The following table summaries Council's forward outlook on capital expenditure including funding sources for the next 5 years.

Year	Total Capital Program \$	Summary of funding sources			
		Grants \$	Contributions \$	Council Cash \$	Borrowings \$
2013/2014	10,904,110	3,409,160	0	7,494,950	0
2014/2015	9,126,670	3,220,893	180,000	4,225,777	1,500,000
2015/2016	6,585,000	2,742,837	0	3,842,163	0
2016/2017	5,049,000	2,566,414	0	2,482,586	0
2017/2018	4,854,000	2,639,927	0	2,214,073	0
2018/2019	5,458,000	2,749,803	0	2,708,197	0

Refer to Appendix C (page 60) for the detailed Capital Works program.



## **5 APPENDICES TO FOLLOW**

The following appendices include voluntary and statutory disclosures of information with provide support for the analysis contained in sections 3 & 4 of this report.

<b>APPENDIX A</b>	<b>PAGE</b>
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## APPENDIX A BUDGETED STATEMENTS

### BUDGETED COMPREHENSIVE INCOME STATEMENT For the five years ending 30 June 2019

	Budget	Strategic Resource Plan Projections			
	14/15	15/16	16/17	17/18	18/19
	\$	\$	\$	\$	\$
<b>Revenues from Ordinary Activities</b>					
Rates and charges	10,012,595	10,699,258	11,433,013	12,217,090	13,054,938
Grants (operating recurrent)	7,887,193	6,716,550	6,284,531	6,464,547	6,733,608
Grants (capital recurrent)	510,000	510,000	510,000	510,000	510,000
Grants (capital non recurrent)	2,710,893	2,232,837	2,056,414	2,129,927	2,239,803
Interest	170,350	180,350	190,350	195,350	210,350
User fees	6,319,747	5,381,749	5,035,587	5,179,828	5,395,417
Statutory fees and fines	262,523	223,558	209,179	215,171	224,126
Reimbursements	544,000	51,000	53,000	55,000	57,000
<b>Total Revenues</b>	<b>28,417,301</b>	<b>25,995,303</b>	<b>25,772,074</b>	<b>26,966,913</b>	<b>28,425,243</b>
<b>Expenses from Ordinary Activities</b>					
Employee benefits	11,049,029	10,415,224	10,679,229	10,983,251	11,194,963
Materials and services	2,366,736	2,230,973	2,287,524	2,352,646	2,397,996
Contract providers	6,856,931	6,463,597	6,627,436	6,816,109	6,947,496
Depreciation and amortisation	4,571,431	4,571,431	4,571,431	4,571,431	4,571,431
Bad debts	27,300	27,300	27,300	28,300	28,300
Finance costs	280,694	305,950	286,121	237,315	127,500
<b>Total Expenses</b>	<b>25,152,121</b>	<b>24,014,475</b>	<b>24,479,042</b>	<b>24,989,052</b>	<b>25,267,686</b>
Asset revaluations and other adjustments	-	-	-	-	-
Net gain (loss) on disposal of assets	(17,025)	(14,125)	(22,650)	(17,100)	(12,125)
<b>Total comprehensive result</b>	<b>3,248,154</b>	<b>1,966,703</b>	<b>1,270,382</b>	<b>1,960,761</b>	<b>3,145,431</b>

**BUDGETED BALANCE SHEET**  
For the five years ending 30 June 2019

	Budget 30 June 2015 \$	Strategic Resource Plan Projections			
		30 June 2016	30 June 2017	30 June 2018	30 June 2019
<b>Current Assets</b>					
Cash	2,615,966	2,479,636	2,735,516	2,757,858	3,744,056
Receivables	1,441,031	1,441,031	1,441,031	1,441,031	1,441,031
Other	281,164	281,164	281,164	281,164	281,164
Non-current assets classified as held for sale	1,493,969	1,493,969	1,493,969	1,493,969	1,493,969
<b>Total Current Assets</b>	<b>5,832,130</b>	<b>5,695,800</b>	<b>5,951,680</b>	<b>5,974,022</b>	<b>6,960,220</b>
<b>Current Liabilities</b>					
Payables	1,330,119	1,330,119	1,330,119	1,330,119	1,330,119
Interest Bearing Liabilities	386,089	1,012,583	2,014,950	1,527,289	-
Provisions	3,645,194	3,645,194	3,645,194	3,645,194	3,645,194
<b>Total Current Liabilities</b>	<b>5,361,402</b>	<b>5,987,896</b>	<b>6,990,263</b>	<b>6,502,602</b>	<b>4,975,313</b>
<b>Net Current Assets</b>	<b>470,728</b>	<b>(292,096)</b>	<b>(1,038,583)</b>	<b>(528,580)</b>	<b>1,984,907</b>
<b>Non-Current Assets</b>					
Fixed Assets	311,254,379	312,971,323	312,973,242	312,896,711	313,528,655
Library Bookstock	289,958	289,958	289,958	289,958	289,958
<b>Total Non-Current Assets</b>	<b>311,544,337</b>	<b>313,261,281</b>	<b>313,263,200</b>	<b>313,186,669</b>	<b>313,818,613</b>
<b>Non-Current Liabilities</b>					
Interest Bearing Liabilities	6,054,823	5,042,240	3,027,290	1,500,000	1,500,000
Provisions	251,529	251,529	251,529	251,529	251,529
<b>Total Non-Current Liabilities</b>	<b>6,306,352</b>	<b>5,293,769</b>	<b>3,278,819</b>	<b>1,751,529</b>	<b>1,751,529</b>
<b>NET ASSETS</b>	<b>305,708,713</b>	<b>307,675,416</b>	<b>308,945,798</b>	<b>310,906,559</b>	<b>314,051,990</b>
<b>Equity</b>					
Accumulated Surplus	116,678,198	118,806,873	119,777,255	121,688,016	124,783,447
Reserves	189,030,515	188,868,543	189,168,543	189,218,543	189,268,543
<b>TOTAL EQUITY</b>	<b>305,708,713</b>	<b>307,675,416</b>	<b>308,945,798</b>	<b>310,906,559</b>	<b>314,051,990</b>

**BUDGETED STATEMENT OF CHANGES IN EQUITY**  
**For the five years ending 30 June 2019**

	Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserve \$
<b>2015</b>				
Balance at the beginning of the financial year	302,460,559	113,185,044	188,400,101	875,414
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	3,248,154	3,248,154	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(100,000)	-	100,000
Transfer from reserves	-	345,000	-	(345,000)
<b>Balance at the end of the financial year</b>	<b>305,708,713</b>	<b>116,678,198</b>	<b>188,400,101</b>	<b>630,414</b>
<b>2016</b>				
Balance at the beginning of the financial year	305,708,713	116,678,198	188,400,101	630,414
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	1,966,703	1,966,703	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(150,000)	-	150,000
Transfer from reserves	-	311,972	-	(311,972)
<b>Balance at the end of the financial year</b>	<b>307,675,416</b>	<b>118,806,873</b>	<b>188,400,101</b>	<b>468,442</b>
<b>2017</b>				
Balance at the beginning of the financial year	307,675,416	118,806,873	188,400,101	468,442
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	1,270,382	1,270,382	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(300,000)	-	300,000
Transfer from reserves	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>308,945,798</b>	<b>119,777,255</b>	<b>188,400,101</b>	<b>768,442</b>
<b>2018</b>				
Balance at the beginning of the financial year	308,945,798	119,777,255	188,400,101	768,442
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	1,960,761	1,960,761	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(50,000)	-	50,000
Transfer from reserves	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>310,906,559</b>	<b>121,688,016</b>	<b>188,400,101</b>	<b>818,442</b>
<b>2019</b>				
Balance at the beginning of the financial year	310,906,559	121,688,016	188,400,101	818,442
Adjustment on change in accounting policy	-	-	-	-
Comprehensive result	3,145,431	3,145,431	-	-
Net asset revaluation increment (decrement)	-	-	-	-
Impairment losses on revalued assets	-	-	-	-
Reversal of impairment losses on revalued assets	-	-	-	-
Transfer to reserves	-	(50,000)	-	50,000
Transfer from reserves	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>314,051,990</b>	<b>124,783,447</b>	<b>188,400,101</b>	<b>868,442</b>

**BUDGETED CASH FLOW STATEMENT**

For the five years ending 30 June 2019

	Budget	Strategic Resource Plan Projections			
	14/15	15/16	16/17	17/18	18/19
	\$	\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Receipts from customers	28,417,301	25,995,303	25,772,074	26,966,913	28,425,243
Payments to suppliers	(20,580,690)	(19,443,044)	(19,907,611)	(20,417,621)	(20,696,255)
<b>Net cash provided by operating activities</b>	<b>7,836,610</b>	<b>6,552,259</b>	<b>5,864,463</b>	<b>6,549,292</b>	<b>7,728,987</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment	340,500	282,500	453,000	342,000	242,500
Payments for property, plant and equipment	(9,126,670)	(6,585,000)	(5,049,000)	(4,854,000)	(5,458,000)
Other					
<b>Net cash used in investing activities</b>	<b>(8,786,170)</b>	<b>(6,302,500)</b>	<b>(4,596,000)</b>	<b>(4,512,000)</b>	<b>(5,215,500)</b>
<b>Cashflows from financing activities</b>					
Proceeds from borrowings/financing	1,500,000	0	0	0	0
Repayment of borrowings	(554,984)	(386,089)	(1,012,583)	(2,014,950)	(1,527,289)
<b>Net cash flow used in financing activities</b>	<b>945,016</b>	<b>(386,089)</b>	<b>(1,012,583)</b>	<b>(2,014,950)</b>	<b>(1,527,289)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,543)</b>	<b>(136,330)</b>	<b>255,880</b>	<b>22,342</b>	<b>986,198</b>
Cash and cash equivalents at the beginning of the financial year	2,620,509	2,615,966	2,479,636	2,735,516	2,757,858
<b>Cash and cash equivalents at the end of the financial year</b>	<b>2,615,966</b>	<b>2,479,636</b>	<b>2,735,516</b>	<b>2,757,858</b>	<b>3,744,056</b>

**BUDGETED STATEMENT OF CAPITAL WORKS**  
For the five years ending 30 June 2019

	Budget	Strategic Resource Plan Projections			
	14/15 \$	15/16 \$	16/17 \$	17/18 \$	18/19 \$
<b>Capital Works Areas</b>					
Land & Buildings	2,352,650	339,000	434,000	326,000	334,000
Plant & Equipment	942,320	778,000	1,028,000	887,000	706,000
Furniture & Fittings	127,700	43,000	54,000	39,500	55,500
Infrastructure	5,704,000	5,425,000	3,533,000	3,601,500	4,362,500
	<b>9,126,670</b>	<b>6,585,000</b>	<b>5,049,000</b>	<b>4,854,000</b>	<b>5,458,000</b>
<b>Types of Capital Works</b>					
Renewal	5,108,200	2,316,000	2,604,000	2,723,500	2,197,500
Upgrade	2,273,450	1,175,000	803,500	1,039,000	2,160,500
New	1,745,020	3,094,000	1,641,500	1,091,500	1,100,000
	<b>9,126,670</b>	<b>6,585,000</b>	<b>5,049,000</b>	<b>4,854,000</b>	<b>5,458,000</b>

**BUDGETED STATEMENT OF HUMAN RESOURCES**  
For the five years ending 30 June 2019

	Budget	Strategic Resource Plan Projections			
	2014/15 \$	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$
<b>Staff expenditure</b>					
Employee costs - operating	<b>11,049,029</b>	10,415,224	10,679,229	10,983,251	11,194,963
Employee costs - capital	<b>695,470</b>	624,913	640,754	658,995	671,698
<b>Total staff expenditure</b>	<b>11,744,499</b>	11,040,137	11,319,983	11,642,246	11,866,661
	<b>EFT</b>	<b>EFT</b>	<b>EFT</b>	<b>EFT</b>	<b>EFT</b>
<b>Staff numbers</b>					
Employees	<b>165.00</b>	157.00	157.00	157.00	157.00
<b>Total staff numbers</b>	<b>165.00</b>	157.00	157.00	157.00	157.00

## APPENDIX B STATUTORY DISCLOSURES

### Section 127 of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014

The information set out below is required to be disclosed in Council's annual budget.

#### 1 Rates and Charges

Council is required to declare rates and charges pursuant to Section 158 of the Local Government Act 1989. The general rates are to be raised by application of differential rates provided in Section 161. A differential rate be declared for that rateable land having the characteristics specified below which characteristics will form the criteria for this differential rate so declared;

##### 1.1 Rates to be levied

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

- Maryborough Residential rate of 0.5205% (0.005205 cents in the dollar of CIV) for all rateable residential properties situated within the Maryborough District boundary;
- Other Residential rate of 0.4164% (0.004164 cents in the dollar of CIV) for all rateable residential properties situated outside the Maryborough District boundary;
- Maryborough Commercial rate of 0.8327% (0.008327 cents in the dollar of CIV) for all rateable commercial properties situated within the Maryborough District boundary; and
- Other Commercial rate of 0.6245% (0.006245 cents in the dollar of CIV) for all rateable commercial properties situated outside the Maryborough District boundary;
- Farm Land rate of 0.4164% (0.004164 cents in the dollar of CIV) for all rateable farm properties;
- Vacant Land Maryborough rate of 0.9368% (0.009368 cents in the dollar of CIV) for all rateable vacant land properties situated within the Maryborough District boundary;
- Vacant Land Other rate of 0.7807% (0.007807 cents in the dollar of CIV) for all rateable vacant land properties situated outside the Maryborough District boundary; and
- Industrial rate of 0.5623% (0.005623 cents in the dollar of CIV) for all rateable industrial 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.



## **1.1 Rates to be levied (Cont'd)**

It is considered that each differential rate will contribute to the equitable and efficient carrying out of Council's functions in that it is likely to achieve an equitable financial contribution to the cost of carrying out the functions of Council, including:

- The construction and maintenance of public infrastructure;
- The development and provision of health and community services;
- The provision of general support services.

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.

## **1.2 Maryborough Residential**

To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land by proximity to the major service centre.

## **1.3 Other Residential**

To ensure an equitable contribution towards the total rate income, having regard to the location, use and services available to the land where the infrastructure cost and service provision has been affected by reason of its distance from the major service centre - Maryborough.

## **1.4 Maryborough Commercial**

To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties. As well as the use and services available to the land.

## **1.5 Other Commercial**

To ensure an equitable contribution towards the total rate income, which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties where the cost of infrastructure and commercial opportunity differ from Maryborough Commercial. As well as the use and services available to the land.

## **1.6 Farmland**

To ensure an equitable contribution towards the total rate income commensurate with the nature of the land the capital improved value of which has been affected by reason of its abnormally large area and the use to which it is put in comparison to the general land size of the majority of rateable properties within the municipal district.

## **1.7 Vacant Land Maryborough**

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

**1.1 Rates to be levied (Cont'd)**

**1.8 Vacant Land Other**

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

**1.9 Industrial**

To ensure an equitable contribution towards the total rate income which recognises the objective of maintaining an environment which is beneficial to the continuing operation of these properties, reflects the cost of infrastructure and encourages development.

**1.10 The estimated total amount to be raised by rates and charges**

Type of Property	2014/15 \$
Residential - Maryborough	3,592,514
Residential - Other	1,712,712
Vacant Land - Maryborough	150,978
Vacant Land - Other	273,239
Commercial -Maryborough	839,175
Commercial - Other	100,377
Industrial	159,138
Farm	1,313,177
<b>Total Rates</b>	<b>8,141,310</b>
Municipal Charge	1,768,900
<b>Rates &amp; Municipal Charge</b>	<b>9,910,210</b>
Anticipated Supplementary Rates & Charges	102,385
<b>Total Rates &amp; Municipal Charge</b>	<b>10,012,595</b>

Additional rating information required under Regulation 8 (c) is provided on page 59.

## RATING INFORMATION PURSUANT TO REGULATION 8 OF THE LOCAL GOVERNMENT ACT

Category	Number of Properties			CIV			Rate in the \$			Revenue Raised	
	2014/2015	2013/2014	% Change	2014/2015	2013/2014	% Change	on C.I.V. 2014/2015	on C.I.V. 2013/2014	% Change	2014/2015 \$	2013/2014 \$
<b>General Rate</b>											
Residential - Maryborough	3,741	3,704	1.00%	690,263,000	725,565,530	-4.87%	0.005205	0.004686	11.07%	3,592,514	3,400,000
Residential - Other	2,198	2,172	1.20%	411,349,000	429,836,872	-4.30%	0.004164	0.003726	11.75%	1,712,712	1,601,500
Vacant land	-	786	-100.00%	-	54,506,538	-100.00%	0.000000	0.008348	N/A	0	455,000
Vacant land - Maryborough	188	-	0.00%	16,116,000	-	0.00%	0.009368	0.000000	N/A	150,978	0
Vacant land - Other	603	-	0.00%	35,000,000	-	0.00%	0.007807	0.000000	N/A	273,239	0
<b>Commercial</b>											
Maryborough	248	242	2.48%	100,774,000	101,388,270	-0.61%	0.008327	0.007511	10.87%	839,175	761,500
Commercial Other	95	110	-13.64%	16,072,000	16,496,600	-2.57%	0.006245	0.005062	23.39%	100,377	83,500
<b>Industrial</b>											
All Industrial	95	87	9.20%	27,797,000	28,675,476	-3.06%	0.005725	0.004900	16.85%	159,138	140,500
<b>Farm</b>											
Farm	1,011	1,022	-1.08%	315,391,000	320,496,429	-1.59%	0.004164	0.003855	8.01%	1,313,177	1,235,500
<b>Other</b>											
Recreational Land	16	13	23.08%	3,369,000	3,454,595	-2.48%	0.000000	0.005066	N/A	0	17,500
<b>Total</b>	<b>8,195</b>	<b>8,136</b>	<b>0.73%</b>	<b>1,616,131,000</b>	<b>1,680,420,310</b>	<b>-3.83%</b>				<b>8,141,310</b>	<b>7,695,000</b>
<b>Municipal Charge</b>											
Charge Per Property	7,618	7,592	0.34%				\$ 232.20	\$ 219.50	5.79%	1,768,900	1,666,444
	7,618	7,592	0.34%							1,768,900	1,666,444
<b>Garbage Charge</b>											
Standard	5,526	5,495	0.56%				\$ 128.40	\$ 121.40	5.77%	709,538	667,093
	784	737	6.38%				\$ 219.70	\$ 207.70	5.78%	172,245	153,075
	6,310	6,232	1.25%							881,783	820,168
<b>Waste Management Fee</b>											
Waste Management Fee	7,709	7,678	0.40%				\$ 105.60	\$ 99.80	5.81%	814,070	766,264
	7,709	7,678	0.40%							814,070	766,264
<b>Recycling Charge</b>											
Recycling Charge	6,267	6,215	0.84%				\$ 87.60	\$ 82.80	5.80%	549,004	514,602
	6,267	6,215	0.84%							549,004	514,602
<b>Total</b>										<b>12,155,067</b>	<b>11,462,478</b>

**APPENDIX C CAPITAL WORKS PROGRAM**

Capital Works Area	Budget 14/15	Budget 15/16	Budget 16/17	Budget 17/18	Budget 18/19
<b>BUILDINGS &amp; BUILDING IMPROVEMENTS</b>					
<b>New asset expenditure</b>					
Security Cameras at Pound	1,000	0	0	0	0
Bin Roofs Transfer Stations	0	100,000	150,000	0	100,000
New Groundwater Monitoring Bore Carisbrook	25,000	0	0	0	0
Carisbrook Landfill Hydrological Assessment	50,000	0	0	0	0
Carisbrook Landfill Environmental Audit	30,000	0	0	0	0
Carisbrook Landfill After Care Plan	20,000	0	0	0	0
Carisbrook Transfer Station Litter Control Fence	0	0	0	50,000	0
<b>Total new asset expenditure</b>	<b>126,000</b>	<b>100,000</b>	<b>150,000</b>	<b>50,000</b>	<b>100,000</b>
<b>Asset renewal expenditure</b>					
Mens Shed	90,000	0	0	0	0
Other LGIF	24,700	0	0	0	0
Talbot Museum	90,000	0	0	0	0
Market Reserve Carisbrook	234,500	0	0	0	0
Maryborough Town Hall Chambers Painting	20,000	0	0	0	0
Painting council buildings	25,000	0	0	0	0
Putting Locals First Project	1,350,000	0	0	0	0
Replace Carpet - Art Gallery	7,000	0	0	0	0
Talbot Pool Capital Works	2,000	2,000	2,000	2,000	2,000
Dunolly Pool Capital Works	2,000	2,000	2,000	2,000	2,000
Maryborough Pool Capital Works	6,000	6,000	6,000	6,000	6,000
Heated Swimming Pool	5,000	5,000	5,000	5,000	5,000
Renewal Ovals	25,000	26,000	27,000	28,000	29,000
BackFlow prevention valves for sprinklers (Ovals)	12,000	12,000	12,000	12,000	12,000
Renewal Surrounds	42,000	43,000	44,000	44,000	45,000
Phillips Gardens replanting wetland	0	0	0	12,000	0
Princes Park Improvements	5,000	5,000	5,000	6,000	6,000
Renewal Playgrounds	50,000	52,000	54,000	56,000	58,000
Princes Park Complex	0	5,000	5,000	5,000	5,000
BackFlow prevention valves for sprinklers (P&G)	12,000	12,000	12,000	12,000	12,000
Depot Admin Block	1,000	1,000	1,000	1,000	1,000
Talbot Rehabilitate Landfill	0	10,000	30,000	10,000	0
Dunolly Rehabilitate Landfill	0	10,000	30,000	10,000	0
<b>Total asset renewal expenditure</b>	<b>2,003,200</b>	<b>191,000</b>	<b>235,000</b>	<b>211,000</b>	<b>183,000</b>
<b>Asset upgrade expenditure</b>					
Upgrade to Dunolly & Bealiba Standpipe	14,000	0	0	0	0
Childrens Centre Wireless Link	10,000	0	0	0	0
Water Purchase Goldfields Reservoir	10,000	0	0	0	0
Essential Safety Measures Buildings Upgrade	8,000	8,000	8,000	8,000	8,000
Wireless Link Library	10,000	0	0	0	0
Dunolly Pool Change Rooms	20,000	0	0	0	0
Talbot Indoor Changerooms	106,450	0	0	0	0
Phillips Gardens Entrances & Lights	10,000	10,000	10,000	10,000	10,000
Playground Improvements	19,000	20,000	21,000	22,000	23,000
Workshop Heating/Cooling Upgrade	6,000	0	0	0	0
Talbot Transfer Station Fire Water Tank	0	0	0	15,000	0
Amenities Hut & Worksafe Upgrades Transfer Station	10,000	10,000	10,000	10,000	10,000
<b>Total asset upgrade expenditure</b>	<b>223,450</b>	<b>48,000</b>	<b>49,000</b>	<b>65,000</b>	<b>51,000</b>
<b>TOTAL BUILDINGS &amp; BUILDING IMPROVEMENTS</b>	<b>2,352,650</b>	<b>339,000</b>	<b>434,000</b>	<b>326,000</b>	<b>334,000</b>

Capital Works Area	Budget 14/15	Budget 15/16	Budget 16/17	Budget 17/18	Budget 18/19
<b>FURNITURE &amp; FITTINGS</b>					
<b>New asset expenditure</b>					
HACC Capital Expenditure	40,700	1,000	1,000	1,000	1,000
Information Technology Improvements	3,000	3,000	3,000	3,000	3,000
General Office Equipment	3,000	3,000	3,000	3,000	3,000
PC Network/Hardware	26,000	21,000	21,500	21,500	22,000
IT Strategy	30,000	0	0	0	0
Aerial Photography (Urban & Rural)	15,000	0	15,000	0	15,000
<b>Total new asset expenditure</b>	<b>117,700</b>	<b>28,000</b>	<b>43,500</b>	<b>28,500</b>	<b>44,000</b>
<b>Asset upgrade expenditure</b>					
Server Upgrades	10,000	15,000	10,500	11,000	11,500
<b>Total asset upgrade expenditure</b>	<b>10,000</b>	<b>15,000</b>	<b>10,500</b>	<b>11,000</b>	<b>11,500</b>
<b>TOTAL FURNITURE &amp; FITTINGS</b>	<b>127,700</b>	<b>43,000</b>	<b>54,000</b>	<b>39,500</b>	<b>55,500</b>
<b>INFRASTRUCTURE</b>					
<b>New asset expenditure</b>					
Sealed Roads New	0	0	0	0	39,000
Sealed Roads School Safety New	0	0	28,000	30,000	32,000
Minor Culverts New	14,000	15,000	16,000	17,000	18,000
Signs New	23,000	24,000	25,000	26,000	27,000
Kerb & Channel New	15,000	16,000	17,000	18,000	19,000
Traffic Control Facilities New	17,000	18,000	19,000	20,000	21,000
Pathways New	0	0	0	0	19,000
Pathways New/Upgrade Bealiba	0	0	0	0	10,000
Pathways New/Upgrade Maryborough	0	0	0	0	50,000
Gladstone St Outfall Drain Stage 3	0	0	250,000	0	0
Inkerman St/Victoria St Drainage	30,000	0	0	0	0
Loch Street Drainage Outfall	30,000	0	0	0	0
Carisbrook Drainage Mitigation	400,000	2,000,000	0	0	0
Public Place Recycling Bins	30,000	15,000	15,000	15,000	15,000
Dunolly Transfer Station Seal Entry Road	0	100,000	50,000	0	0
<b>Total new asset expenditure</b>	<b>559,000</b>	<b>2,188,000</b>	<b>420,000</b>	<b>126,000</b>	<b>250,000</b>
<b>Asset renewal expenditure</b>					
Renewal Monuments	1,000	1,000	1,000	1,000	1,000
Rubbish Bins Renewal - General	5,000	5,000	5,000	5,500	5,500
Design Capital Works	10,000	10,000	10,000	10,000	10,000
Major Patches CRBI	100,000	100,000	100,000	100,000	100,000
Inkerman St Majorca Rd Renewal	1,400,000	0	0	0	0
Inkerman St - Clarendon St to High St Renewal	150,000	0	0	0	0
Rodborough Rd - Tullaroop Reservoir Embankment	150,000	0	0	0	0
Higham St - Gilles St to Railway St Renewal	0	200,000	0	0	0
Smeaton Road - Rodbough Rd to Walkers Rd	0	0	200,000	0	0
Havelock Street - Clarendon St to Palmerston St	0	300,000	0	0	0
Tweedale St - Broadway to Inkerman St	0	0	150,000	0	0
Powlett St - Albert St to Birch St	0	0	150,000	0	0
Drive In Court / Wilson St - Park Rd to Ross St	0	0	0	400,000	0
Inkerman St - Palmerston St to Barkley St	0	0	0	370,000	150,000
Dunolly Avoca Rd - Apple Jack to Scent Farm Rd Slurry Seal	0	0	100,000	0	0
Majorca Rd - Gillies St to Nelson St Slurry Seal	0	0	110,000	0	0
Sealed Road Shoulders Renewal	0	0	90,000	100,000	110,000
Sealed Roads Shoulders Renewal (RTR)	0	0	50,000	50,000	50,000
Tullaroop Rd Shoulder Construction	0	180,000	0	0	0
Unsealed Roads Renewal	160,000	165,000	170,000	180,000	190,000
Unsealed Roads Renewal / Urban	12,000	13,000	14,000	15,000	16,000
Unsealed Roads Renewal (RTR)	0	0	150,000	150,000	150,000
Seals Renewal Reseals	500,000	530,000	560,000	590,000	620,000
Seals Renewal Reseals (RTR)	60,000	60,000	60,000	60,000	60,000
Seals Renewal Reseals RG	200,000	0	0	0	0
Majorca Rd Slurry Seal	0	100,000	0	0	0
Seals Renewal Final Seals	80,000	85,000	90,000	95,000	100,000
Minor Culverts Renewal	24,000	25,000	26,000	27,000	28,000
Furniture Renewal	15,000	20,000	21,000	22,000	23,000
Furniture Renewal / Urban	24,000	25,000	26,000	27,000	28,000
Signs Renewal	34,000	35,000	36,000	37,000	38,000
Kerb & Channel Renewal	55,000	60,000	70,000	80,000	90,000
Railway St K&C Higham St to Majorca Rd Renewal	75,000	0	0	0	0
Majorca Rd K&C Nelson St to Ulbrick St	25,000	0	0	0	0
Traffic Control Facilities Renewal	5,000	6,000	10,000	12,000	14,000
Pathways Renewal	0	0	0	0	50,000
Stormwater Drainage Renewal	0	0	150,000	160,000	160,000

Capital Works Area	Budget 14/15	Budget 15/16	Budget 16/17	Budget 17/18	Budget 18/19
<b>Asset upgrade expenditure</b>					
Aerodrome Upgrade - Taxiway	1,000,000	100,000	0	0	0
Tullaroop /Chaplins Rd Intersection & Minor Culverts	0	0	0	0	0
Tullaroop Rd Superelevation	0	150,000	0	0	0
Avoca Rd Widening	0	0	0	0	680,000
Clarendon St / Nightingale St Intersection treatment	0	70,000	0	0	0
Bucknall St K&C and Parking Carisbrook	0	0	35,000	0	0
Moondarah Crt Upgrade	0	0	0	67,000	0
McIntyres Rd Upgrade	250,000	0	0	0	0
Fells Gully Rd - McCullums Creek Rd to Wattle Gully Rd	75,000	0	0	0	0
Moonlight Rd - Adelaide Lead Rd to Possum Gully Rd	0	150,000	0	0	0
Betley Rd Dunolly Eddington Rd Y Intersection	0	0	60,000	0	0
Bealiba South Rd Dunolly Avoca Rd Y Intersection	0	0	55,000	0	0
Nuggety Gully Rd Lexton Talbot Rd Y Intersect	0	55,000	0	0	0
Stuart Mill Rd Dunolly Archdale Rd Y Intersection	0	55,000	0	0	0
Railway St / Gillies St Y Intersection	0	0	0	60,000	0
Tweedale St / Elgin Rd Y Intersection	0	0	0	30,000	0
Norwood Rd / Timor Dunluce Rd Y Intersection	0	0	0	30,000	0
Dundas Rd / Clarendon St Y Intersection	0	0	0	0	125,000
Carparks New/Upgrade	0	0	40,000	0	50,000
Victoria St Carpark Highview	55,000	0	0	0	0
Bridge / Major Culvert Safety Upgrades Part RTR	145,000	330,000	145,000	0	0
Talbot Rd Majorca Bridge Widening	0	0	200,000	0	0
Bet Bet Creek Rd Low Level Major Culvert Part RTR	0	0	0	360,000	0
Avoca Rd Major Culvert Widenings Part RTR	0	0	0	0	375,000
Furniture New/Upgrade (Street Bins)	18,000	19,000	20,000	21,000	22,000
Bus Shelters New (DOT)	15,000	15,000	15,000	15,000	15,000
Bus Shelter Relocations	1,000	1,000	1,000	1,000	1,000
Streetscapes	11,000	12,000	13,000	14,000	15,000
DDA Upgrade (Vic Roads)	10,000	10,000	10,000	10,000	10,000
Pathways New/Upgrade Talbot	0	0	0	0	15,000
Broadway Footpath Upgrade	0	130,000	135,000	140,000	0
Jeff Street Special Charge Scheme	450,000	0	0	0	0
Ross Street Upgrade Special Charge Scheme	0	0	0	0	600,000
Talbot Transfer Station Seal Entry Road	0	0	0	200,000	175,000
Recycled Watermain Replacement	10,000	15,000	15,000	15,000	15,000
<b>Total asset upgrade expenditure</b>	<b>2,040,000</b>	<b>1,112,000</b>	<b>744,000</b>	<b>963,000</b>	<b>2,098,000</b>
<b>TOTAL INFRASTRUCTURE</b>	<b>5,704,000</b>	<b>5,425,000</b>	<b>3,533,000</b>	<b>3,601,500</b>	<b>4,362,500</b>
Dunolly Community Bus Replacement	115,000	0	0	0	0
Operational Plant Purchases	378,320	395,000	404,000	405,000	403,000
HACC Plant Purchases	0	50,000	0	50,000	0
Vehicle Purchases	310,000	97,000	455,000	169,000	251,000
Ute Purchases	139,000	236,000	169,000	263,000	52,000
<b>Total asset new expenditure</b>	<b>942,320</b>	<b>778,000</b>	<b>1,028,000</b>	<b>887,000</b>	<b>706,000</b>
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<b>942,320</b>	<b>778,000</b>	<b>1,028,000</b>	<b>887,000</b>	<b>706,000</b>
<b>TOTAL CAPITAL WORKS</b>	<b>9,126,670</b>	<b>6,585,000</b>	<b>5,049,000</b>	<b>4,854,000</b>	<b>5,458,000</b>
<b>REPRESENTED BY:</b>					
New asset expenditure	1,745,020	3,094,000	1,641,500	1,091,500	1,100,000
Asset renewal expenditure	5,108,200	2,316,000	2,604,000	2,723,500	2,197,500
Asset upgrade expenditure	2,273,450	1,175,000	803,500	1,039,000	2,160,500
<b>TOTAL CAPITAL WORKS</b>	<b>9,126,670</b>	<b>6,585,000</b>	<b>5,049,000</b>	<b>4,854,000</b>	<b>5,458,000</b>