

**Central Goldfields
Shire Council**
2018 / 2019
Council Budget



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Disclaimer

The information contained in this document is for general guidance only. It is not professional advice and should not be used, relied upon or treated as a substitute for specific professional advice. Given the changing nature of laws, rules and regulations, and the inherent hazards of electronic communication, there may be delays, omissions or inaccuracies in information contained in this document.

The model budget, including financial statements, has been prepared in accordance with the requirements of the *Local Government Act 1989* and the Local Government Planning and Reporting Regulations 2014. While every effort has been made to ensure that the information contained in this document has been accurate and complies to relevant Victorian legislation, each Council remains responsible to ensure that the budget they prepare is compliant with all statutory requirements.

Mayor and CEO's Introduction

Central Goldfields Shire Council has prepared this Budget for 2018/19 for community feedback and consideration. The Budget is financially responsible and contains measures to address the findings of the 2017 Inspectorate Report to be undertaken by the Governance Reform Team. It also continues to implement priorities identified in the Council Plan 2017-2021, and through consultation with the community during the Have Your Say Campaign in April 2018.

The Council Plan 2017-2021 sets out the vision "to be a vibrant, thriving and inclusive community", delivered through the strategic themes of:

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

Our Economy - Advocate, innovate and support to grow employment and diversify the local economy.

Our Built and Natural Environment - Value, conserve and enhance the rich built and natural heritage and environment.

Our Organisation - Implement strong, transparent corporate governance.

The Budget outlines the resources required to deliver the diverse range of services we provide to the Central Goldfields community. It outlines projects to undertake strategic planning for our services, assets, economy and land use and includes an extensive list of capital works to be completed during the 2018/19 year.

The Budget includes a rate increase of 2.25% in line with the State Government's Fair Go Rates System (FGRS) rate cap. Council has not applied to the State Government for a rate cap variation. Increases in waste charges are higher than CPI in this year's budget due to changes in global recycling markets. This has added a significant cost to recycling resulting in proposed increases to the Waste Management Fee of \$10.05 and to the Recycling Charge of \$34.50. Council will continue to work with the State Government to find more cost effective solutions for recycling.

This budget includes a capital works program of \$6.21 million including a small number of projects carried forward from 2017/18. Highlights of the capital works program include:

- * Replacement of Porteous Road Wareek Bridge (\$600,000)
- * Rehabilitation Drive in Court, Wilson Street to Ross Street (\$178,000)
- * Unsealed roads renewal (\$316,000)
- * Road resealing (\$875,000)
- * Renewal of major culverts (\$90,000)
- * Flood mitigation works Carisbrook (\$400,000) - carry forward project
- * Y Intersection safety upgrades (\$380,000)
- * Renewal and expansion of footpaths (\$156,000)
- * Major patching roads network (\$100,000)
- * Bridge/major culvert safety upgrades (\$180,000)
- * Carisbrook Transfer Station pavement rehabilitation (\$114,000)
- * Renewal and expansion of kerb and channel (\$164,000)
- * Upgrade and renewal of drainage (\$162,000)
- * Road stabilisation works (\$100,000)
- * Market Reserve playgrounds (\$90,000)
- * Upgrade playgrounds (\$23,000)
- * Skate park design works (\$28,000)
- * All access changing rooms at the Maryborough Sports and Fitness Centre (\$150,000)
- * E waste shed extension at transfer station (\$120,000)

Other initiatives include:

- * Designs for recreation reserve upgrades (\$200,000)
- * Development of a recreation strategy for the Shire (\$60,000)
- * Development of an economic and tourism strategy for the Shire (\$100,000)
- * The Road Trip project supporting new young drivers, TAC funded (\$180,664 over 3 years)

Grants will be sought from the State and Federal Governments to support some of these initiatives.

Go Goldfields brings together community members from Central Goldfields Shire with leaders from key services and government agencies, to improve outcomes for our children, youth and families. In recognising the importance and power of working collaboratively, we have adopted a collective impact approach to address some of the major complex social problems impacting our community. Go Goldfields receives financial support from the State Government and from two philanthropic funds.

There are significant changes to Home and Community Care funding arrangements going forward mainly as a result of the rollout of the NDIS. We are working with neighbouring Councils, the State and Commonwealth Government to ensure the transition to these new funding and service delivery models is appropriately managed.

The 2018/19 year is a revaluation year, and there have been significant changes to property values in the farming sector in this year's revaluation. This will result in a redistribution of the rate burden from residential rate payers to farm owners. Council receives no additional revenue as a result of a revaluation, it is simply a mechanism that redistributes rates between all properties. Some rate payers may experience a decrease in their general rates as a result of the revaluation.

The 2018/19 budget was made available for review by the community for 28 days. Six submissions were received, and all submissions were considered as part of the budget process, and we thank all submitters for their feedback.

Noel Harvey
Chief Administrator

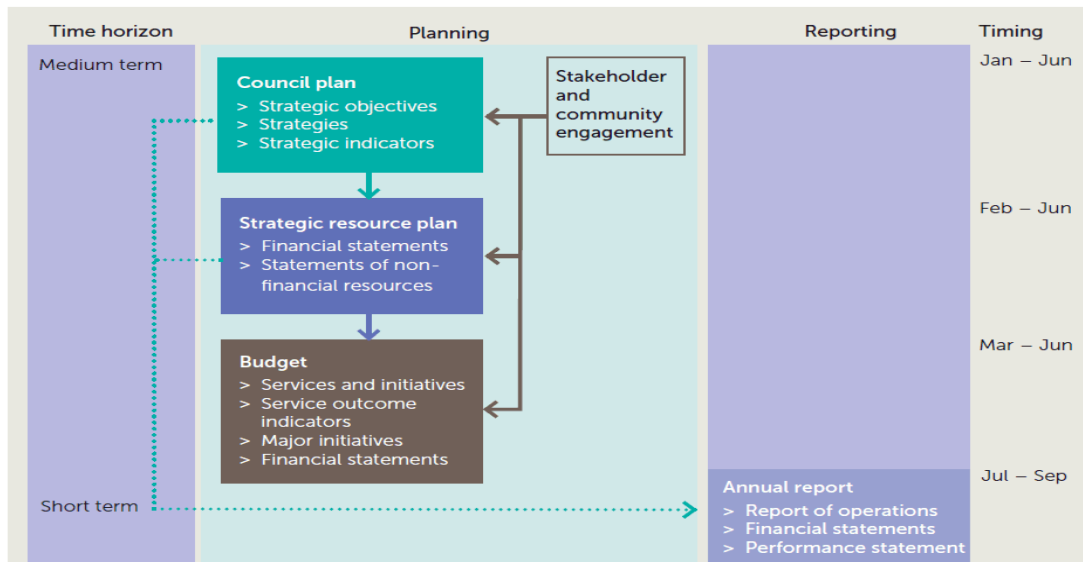
Lucy Roffey
Chief Executive Officer

1. Link to the Council Plan

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

1.1 Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with 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 framed within the Strategic Resource Plan, considering the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

In addition to the above, Council has a long term plan which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term Community Plan.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes.

1.2 Our purpose

Our vision

To be a vibrant, thriving and inclusive community

Our values

These are the behaviours that support our Vision. In all our dealings we will:

Be Innovative

Find new and creative ways; focus on the future.

Work Together

Recognise collaboration and partnerships in meeting our challenges and opportunities.

Be Respectful, Inclusive and Caring

Listen, consider all viewpoints and embrace and respect diversity and inclusion, that is, bring everyone along on the journey.

Value Knowledge

As a way of realizing our potential and encouraging lifelong learning.

Be Accountable

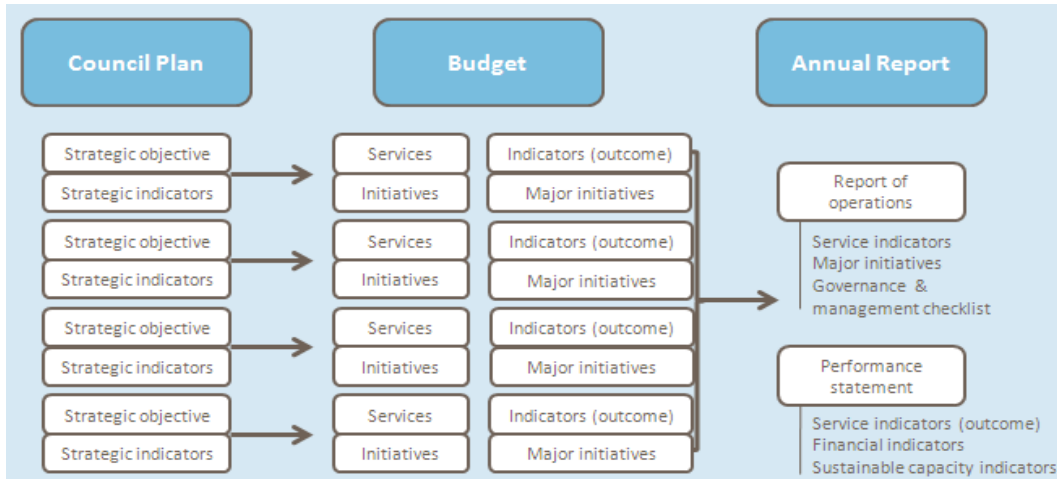
By being responsible for our actions and always acting with integrity.

1.3 Strategic objectives

Strategic Objective	Description
1. Our Community	Foster community connectedness and social capital, and services which improve people's health and wellbeing.
2. Our Economy	Advocate, innovate and support to grow employment and diversify the local economy.
3. Our Built and Natural Environment	Value, conserve and enhance the rich built and natural heritage and environment.
4. Our Organisation	Implement strong, transparent corporate governance.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2018/19 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below



Source: Department of Environment, Land, Water and Planning

2.1 Strategic Theme 1: Our Community

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

Services

Service area	Description of services provided		2016/17 Actual \$'000	2017/18 Forecast \$'000	2018/19 Budget \$'000
Community Development	This is the provision of community building and transport services to community groups.	<i>Rev</i>	50	12	13
		<i>Exp</i>	20	34	21
		<i>Net Cost</i>	(30)	22	8
Aged and Disabled Care	Services for older people and people with disabilities to enable them to remain living independently. This includes home care services, personal care services, respite services, delivered meals, home safety and social support programs.	<i>Rev</i>	1,974	2,115	1,703
		<i>Exp</i>	1,649	1,710	1,331
		<i>Net Cost</i>	(325)	(405)	(372)
Youth Services	Support for initiatives, activities and programs that strengthen young people's connections and place within the community.	<i>Rev</i>	84	108	150
		<i>Exp</i>	130	112	168
		<i>Net Cost</i>	46	4	18
Library Services	Provides accessible information and resources for the cultural, educational and social development of our community. Libraries are located in Maryborough, Dunolly and Talbot.	<i>Rev</i>	152	158	147
		<i>Exp</i>	467	475	424
		<i>Net Cost</i>	315	317	277
Arts	The Central Goldfields Art Gallery develops and delivers exhibitions, public programs and associated events.	<i>Rev</i>	9	2	2
		<i>Exp</i>	188	174	251
		<i>Net Cost</i>	179	172	249
Go Goldfields	Go Goldfields brings together community members from Central Goldfields Shire with leaders from key services and government agencies, to improve outcomes for our children, youth and families.	<i>Rev</i>	1,099	1,038	900
		<i>Exp</i>	965	1,220	900
		<i>Net Cost</i>	(134)	182	0

Service area	Description of services provided		2016/17 Actual \$'000	2017/18 Forecast \$'000	2018/19 Budget \$'000
Child Care	This service provides half day and long day care for children in the Goldfields region.	<i>Rev</i>	1,660	1,933	1,940
		<i>Exp</i>	2,045	2,092	2,003
		<i>Net Cost</i>	385	159	63
Maternal Child Health	Provides consultations, information, referrals, advice and support for children from birth to school age and their families.	<i>Rev</i>	164	168	164
		<i>Exp</i>	318	343	368
		<i>Net Cost</i>	154	175	204
Other Early Years Support	This program provides for maintenance on Council pre school and kindergarten buildings.	<i>Rev</i>	17	-	-
		<i>Exp</i>	1	2	2
		<i>Net Cost</i>	(16)	2	2
Local Laws	Improves safety and amenity by supervising school crossings, control of domestic animals and livestock, regulating parking, issuing local law permits and infringement notices.	<i>Rev</i>	192	164	197
		<i>Exp</i>	421	460	365
		<i>Net Cost</i>	229	296	168
Environmental Health	Conducts inspections and maintains registrations for food and public health businesses, septic tanks and investigates complaints.	<i>Rev</i>	106	92	89
		<i>Exp</i>	334	187	173
		<i>Net Cost</i>	228	95	84
Emergency Management	Implements strategies to increase emergency management capability and undertakes prevention measures to reduce risk from hazards including flood rehabilitation works.	<i>Rev</i>	1,564	4,619	120
		<i>Exp</i>	814	5,653	165
		<i>Net Cost</i>	(750)	1,034	45
Fire Prevention	Assesses and controls fire hazards and maintains fire tracks and extinguishers within the Shire.	<i>Rev</i>	3	25	12
		<i>Exp</i>	34	49	77
		<i>Net Cost</i>	31	24	65

Major Initiatives

- 1) Go Goldfields is about creating positive outcomes for children, youth and families in the Central Goldfields Shire. Go Goldfields is supported by funding from the State Government and philanthropic partners. (\$900,000)
- 2) The Road Trip project supports new young drivers funded through the TAC. (\$180,664 over 3 years.)
- 3) The "homecoming" project concentrates on Maryborough's service during World War 2 (\$20,705).

Service Performance Outcome Indicators

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

2.2 Strategic Theme 2: Our Economy

Advocate, innovate and support to grow employment and diversify the local economy.

Services

Service area	Description of services provided		2016/17 Actual \$'000	2017/18 Forecast \$'000	2018/19 Budget \$'000
Tourism	Supports tourism through operation of the Visitor Information Centre, accommodation and tour booking services, and events throughout the Central Goldfields Shire	Rev	311	73	97
		Exp	551	524	488
		Net Cost	240	451	391
Caravan Parks	Leasing and maintenance of Caravan Parks within the Central Goldfields Shire.	Rev	62	72	78
		Exp	11	12	12
		Net Cost	(51)	(60)	(66)
Council Enterprises	Council undertakes works during the year on a commercial basis.	Rev	297	303	293
		Exp	279	281	197
		Net Cost	(18)	(22)	(96)
Economic Development	Undertakes initiatives to build the local economy including support for the growth of local businesses and industry networks.	Rev	-	-	50
		Exp	35	30	105
		Net Cost	35	30	55
Building	Provides building services including fire safety inspections, swimming pool barrier audits and investigates complaints and illegal works.	Rev	126	125	91
		Exp	349	420	379
		Net Cost	223	295	288
Planning	The service provides planning information and advice, assesses planning permit applications and undertakes compliance activities.	Rev	117	144	196
		Exp	329	607	701
		Net Cost	211	463	505

Major initiatives

- 1) Development of an economic and tourism strategy (\$100,000)
- 2) Complete a review and incorporate outstanding amendments to the Municipal Planning Scheme, undertake priority strategic planning projects (\$100,000)
- 3) Complete mapping of 12 road cycling trails and routes to develop Cycle Tourism (\$4,000)
- 4) Participate in a joint study into passenger rail with neighbouring Councils (\$15,000)

Service Performance Outcome Indicators

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

2.3 Strategic Theme 3: Our Build and Natural Environment

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

Services

Service area	Description of services provided		2016/17 Actual \$'000	2017/18 Forecast \$'000	2018/19 Budget \$'000
Civic Halls	The provision of Civic Halls within the Central Goldfields Shire.	Rev	5	6	4
		Exp	56	55	38
		Net Cost	51	49	34
Indoor Sports Centre	Maryborough Leisure Centre provides indoor swimming facilities, gym facilities and fitness programs and indoor sports facilities	Rev	-	-	-
		Exp	539	551	531
		Net Cost	539	551	531
Recreation Programs	Oversees the administration of Council recreation facilities and planning for Council and community recreation facilities and programs.	Rev	117	30	30
		Exp	261	257	452
		Net Cost	144	227	422
Swimming Pools	Provides and maintains Councils outdoor swimming pool facilities in Maryborough, Dunolly and Talbot.	Rev	-	18	-
		Exp	131	192	174
		Net Cost	131	174	174
Parks & Gardens	Manages key parks and recreation areas, providing tree pruning, planting and removal.	Rev	131	82	31
		Exp	1,077	1,267	1,220
		Net Cost	946	1,185	1,189
Parks Buildings	Council maintains a number of buildings and shelters within Councils parks and garden areas.	Rev	-	-	-
		Exp	93	101	109
		Net Cost	93	101	109
Asset Management	This is provision of asset management, project management and design services for Council infrastructure.	Rev	17	9	40
		Exp	780	955	732
		Net Cost	763	946	692
Local Roads	Maintenance of local roads including grading, patrol patching, gravel and bituminous resurfacing, road line markings and signage, drain clearance and street sweeping.	Rev	1,420	705	604
		Exp	1,950	2,191	2,058
		Net Cost	530	1,486	1,454
Depot	Council operate two depots and three standpipes within the Shire area, providing access to bulk water and maintaining its operational facilities.	Rev	17	58	60
		Exp	122	143	98
		Net Cost	105	85	38
Plant	This program runs and maintains Councils vehicle and plant ensuring Council has sufficient funds to replace plant as required.	Rev	1,716	1,803	1,863
		Exp	1,085	1,177	1,143
		Net Cost	(631)	(626)	(720)
Drainage	Maintains and renews Councils stormwater drainage network and flood mitigation strategies.	Rev	-	-	-
		Exp	139	239	140
		Net Cost	139	239	140
Environmental Management	Implements environmental projects in partnership to improve our environmental performance.	Rev	31	72	37
		Exp	102	129	61
		Net Cost	71	57	24

Service area	Description of services provided		2016/17	2017/18	2018/19
			Actual \$'000	Forecast \$'000	Budget \$'000
Waste Management	Provides kerbside waste, recycling collection and develops and implements waste and resource recovery strategies.	Rev	2,691	2,719	3,150
		Exp	1,919	2,215	2,577
		Net Cost	(772)	(504)	(573)
Waste Water Recycling	Council harvests recycled waste water to provide water for Councils park and recreation facilities.	Rev	-	12	7
		Exp	6	12	27
		Net Cost	6	-	20
Public Conveniences	The program provides for the maintenance and repair of Council's Public Conveniences throughout the Shire.	Rev	-	-	-
		Exp	417	432	453
		Net Cost	417	432	453

Major initiatives

- 1) Develop a recreation strategy (\$60,000)*
- 2) Undertake designs for recreation reserve upgrades (\$200,000)

Capital works

- 1) Replacement of Porteous Road Wareek Bridge (\$600,000)
- 2) Rehabilitation Drive in Court, Wilson Street to Ross Street (\$178,000)
- 3) Unsealed roads renewal (\$316,000)
- 4) Road resealing (\$875,000)
- 5) Renewal of major culverts (\$90,000)
- 6) Flood mitigation works Carisbrook (\$400,000)
- 7) Y Intersection safety upgrades (\$380,000)
- 8) Renewal and expansion of footpaths (\$156,000)
- 9) Major patching roads network (\$100,000)
- 10) Bridge/major culvert safety upgrades (\$180,000)
- 11) Carisbrook Transfer Station pavement rehabilitation (\$114,000)
- 12) Renewal and expansion of kerb and channel (\$164,000)
- 13) Upgrade and renewal of drainage (\$162,000)
- 14) E waste shed extension at transfer station (\$120,000)
- 15) Road stabilisation works (\$100,000)
- 16) Upgrade playgrounds (\$23,000)
- 17) Skate park design works (\$28,000)
- 18) Market Reserve playground (\$90,000)*
- 19) Design and construct an all access changing room at the Maryborough Sports and Fitness Centre (\$150,000)*

* Subject to grant funding

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Roads	Satisfaction	Satisfaction with sealed local roads. (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill. (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population

2.4 Strategic Theme 4: Our Organisation

Implement strong, transparent corporate governance.

Services

Service area	Description of services provided		2016/17 Actual \$'000	2017/18 Forecast \$'000	2018/19 Budget \$'000
Governance	This program provides governance and oversight for the Council organisation. Coordinates Council meetings, Councillor related activities and provides support and oversight of compliance with the Local Government Act.	Rev	-	-	-
		Exp	928	1,534	1,487
		Net Cost	928	1,534	1,487
Human Resources	Responsible for employment programs, traineeships, apprenticeships, organisation development and the health and safety of Councils employees.	Rev	-	-	-
		Exp	236	263	271
		Net Cost	236	263	271
Corporate Services	Corporate responsibilities including customer service, communications, property systems and corporate software needs.	Rev	-	56	56
		Exp	1,824	1,941	1,800
		Net Cost	1,824	1,885	1,744
Finance	Provides financial services for the organisation including financial management and reporting, rates and charges, property and risk and financing costs.	Rev	340	209	192
		Exp	900	957	942
		Net Cost	560	748	750
Asset Sales	Sale of Council commercial land assets.	Rev	416	395	341
		Exp	377	502	341
		Net Cost	(39)	107	-

Major Initiatives

- 1) Implement IT Strategy to improve organisational efficiencies (\$250,000)
- 2) Continue the implementation of the Governance Reform Program (\$111,000)
- 3) Implement the organisation restructure to support recommendations of the Governance Reform Program (\$200,000)

Capital works

- 1) Improvements to Council's Administration Building (\$150,000)

Service Performance Outcome Indicators

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

2.3 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Our Community	811	6,248	5,437
Our Economy	1,077	1,882	805
Our Built and Natural Environment	3,987	9,813	5,826
Our Organisation	4,252	4,841	589
Total	10,127	22,784	12,657
Expenses added in:			
Depreciation	6,780		
Net (Gain) / Loss on disposal of assets	(122)		
Deficit before funding sources	16,785		
Funding sources added in:			
Rates and charges revenue	(11,633)		
Rates Interest	(50)		
Capital Works	(626)		
Unallocated Financial Assistance Grants Income	(3,895)		
Total funding sources	(16,204)		
Operating (surplus)/deficit for the year	581		
Less			
Capital grants	626		
Underlying (surplus)/deficit for the year	1,207		

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2018/19 has been supplemented with projection to 2021/22 extracted from the Strategic Resource Plan.

This section includes the following financial statements prepared in accordance with the Local Government Act 1989 and the Local Government Planning and Reporting regulations 2014.

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

Comprehensive Income Statement

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2017/18	2018/19	2019/20	2020/21	2021/22
		\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Rates and charges	4.1.1	14,012	14,626	14,992	15,366	15,751
Statutory fees and fines	4.1.2	427	445	452	458	465
User fees	4.1.3	4,547	4,291	4,398	4,508	4,621
Grants - Operating	4.1.4	5,385	7,184	7,364	7,548	7,736
Grants - Capital	4.1.4	6,385	1,211	1,750	750	750
Contributions - monetary	4.1.5	223	144	150	150	150
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(7)	122	20	20	20
Other income	4.1.6	534	390	400	410	420
Total income		31,506	28,413	29,525	29,211	29,913
Expenses						
Employee costs	4.1.7	13,265	12,242	12,487	12,736	12,991
Materials and services	4.1.8	15,432	9,792	9,890	9,739	9,934
Depreciation and amortisation	4.1.9	6,780	6,780	6,848	6,882	6,951
Bad and doubtful debts		26	10	15	15	15
Borrowing costs		174	170	157	113	67
Total expenses		35,677	28,994	29,396	29,485	29,958
Surplus/(deficit) for the year		(4,171)	(581)	129	(275)	(45)
Other comprehensive income						
Total comprehensive result		(4,171)	(581)	129	(275)	(45)

Balance Sheet

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Assets						
Current assets						
		4,678	4,672	5,296	6,183	7,132
		2,129	2,119	2,013	1,962	2,001
		364	364	371	379	386
		245	245	100	100	100
Total current assets	4.2.1	7,416	7,400	7,780	8,624	9,619
Non-current assets						
		297,610	296,446	295,733	294,180	292,742
		330	330	330	330	330
Total non-current assets	4.2.1	297,940	296,776	296,063	294,510	293,072
Total assets		305,356	304,176	303,843	303,134	302,691
Liabilities						
Current liabilities						
		2,054	2,054	2,139	2,180	2,222
		2,620	2,596	2,604	2,658	2,710
	4.2.3	575	564	538	500	500
Total current liabilities	4.2.2	5,249	5,214	5,281	5,338	5,432
Non-current liabilities						
		448	448	457	466	475
	4.2.3	3,885	3,321	2,783	2,283	1,783
		79	79	79	79	79
Total non-current liabilities	4.2.2	4,412	3,848	3,319	2,828	2,337
Total liabilities		9,661	9,062	8,600	8,166	7,769
Net assets		295,695	295,114	295,243	294,968	294,922
Equity						
		113,807	113,226	113,355	113,080	113,034
		181,888	181,888	181,888	181,888	181,888
Total equity		295,695	295,114	295,243	294,968	294,922

Statement of Changes in Equity

For the four years ending 30 June 2022

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
Notes	\$'000	\$'000	\$'000	\$'000
2018 Forecast Actual				
Balance at beginning of the financial year	299,866	118,078	181,438	350
Surplus/(deficit) for the year	(4,171)	(4,171)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	100	-	-	100
Transfers from other reserves	(100)	(100)	-	-
Balance at end of the financial year	295,695	113,807	181,438	450
2019 Budget				
Balance at beginning of the financial year	295,695	113,807	181,438	450
Surplus/(deficit) for the year	(581)	(581)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves 4.3.1	-	-	-	-
Transfers from other reserves 4.3.1	-	-	-	-
Balance at end of the financial year 4.3.2	295,114	113,226	181,438	450
2020				
Balance at beginning of the financial year	295,114	113,226	181,438	450
Surplus/(deficit) for the year	129	129	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	295,243	113,355	181,438	450
2021				
Balance at beginning of the financial year	295,243	113,355	181,438	450
Surplus/(deficit) for the year	(275)	(275)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	294,968	113,080	181,438	450
2022				
Balance at beginning of the financial year	294,968	113,080	181,438	450
Surplus/(deficit) for the year	(45)	(45)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfers to other reserves	-	-	-	-
Transfers from other reserves	-	-	-	-
Balance at end of the financial year	294,923	113,035	181,438	450

Statement of Cash Flows

For the four years ending 30 June 2022

	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	14,012	14,626	15,099	15,417	15,711
Statutory fees and fines	427	445	452	458	465
User fees	4,547	4,291	4,398	4,508	4,621
Grants - operating	5,385	7,184	7,364	7,548	7,736
Grants - capital	6,385	1,211	1,750	750	750
Contributions - monetary	223	144	150	150	150
Interest received	203	182	180	180	180
Other receipts	331	208	140	140	140
Employee costs	(13,265)	(12,242)	(12,637)	(12,886)	(13,141)
Materials and services	(15,502)	(9,792)	(10,067)	(10,049)	(10,233)
Net cash provided by/(used in) operating activities 4.4.1	2,746	6,257	6,829	6,216	6,379
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(6,737)	(6,211)	(6,135)	(5,328)	(5,512)
Proceeds from sale of property, infrastructure, plant and equipment	602	693	650	650	650
Net cash provided by/ (used in) investing activities 4.4.2	(6,135)	(5,518)	(5,485)	(4,678)	(4,862)
Cash flows from financing activities					
Finance costs	(174)	(170)	(157)	(113)	(67)
Repayment of borrowings	(569)	(575)	(564)	(538)	(500)
Net cash provided by/(used in) financing activities 4.4.3	(743)	(745)	(721)	(651)	(567)
Net increase/(decrease) in cash & cash equivalents	(4,132)	(6)	623	887	950
Cash and cash equivalents at the beginning of the financial year	8,810	4,678	4,672	5,296	6,183
Cash and cash equivalents at the end of the financial year	4,678	4,672	5,296	6,183	7,132

Statement of Capital Works

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan Projections		
		2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Property						
Land		-	98	-	-	-
Land improvements		92	16	90	100	100
Total land		92	114	90	100	100
Buildings		123	477	200	250	300
Total buildings		123	477	200	250	300
Total property		215	591	290	350	400
Plant and equipment						
Plant, machinery and equipment		788	619	600	600	600
Fixtures, fittings and furniture		61	305	600	375	400
Total plant and equipment		849	924	1,200	975	1,000
Infrastructure						
Roads		3,930	2,377	2,425	2,473	2,522
Bridges		494	870	500	500	500
Footpaths and cycleways		114	156	220	220	220
Drainage		848	660	1,200	500	500
Waste management		275	-	250	250	300
Parks, open space and streetscapes		12	203	50	60	70
Off street car parks		-	35	-	-	-
Other infrastructure		-	395	-	-	-
Total infrastructure		5,673	4,696	4,645	4,003	4,112
Total capital works expenditure	4.5.1	6,737	6,211	6,135	5,328	5,512
Represented by:						
New asset expenditure		1,218	1,157	1,500	1,500	1,500
Asset renewal expenditure		4,005	2,933	4,335	3,528	3,712
Asset upgrade expenditure		1,514	2,121	300	300	300
Total capital works expenditure	4.5.1	6,737	6,211	6,135	5,328	5,512
Funding sources represented by:						
Grants		1,885	1,045	1,750	750	750
Contributions		-	-	-	-	-
Council cash		4,852	5,166	4,385	4,578	4,762
Borrowings		-	-	-	-	-
Total capital works expenditure	4.5.1	6,737	6,211	6,135	5,328	5,512

Statement of Human Resources

For the four years ending 30 June 2022

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual				
	2017/18	2018/19	2019/20	2020/21	2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	13,265	12,242	12,487	12,736	12,991
Employee costs - capital	769	969	988	1,009	1,029
Total staff expenditure	14,034	13,211	13,475	13,745	14,020
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	145.0	145.0	145.0	145.0	145.0
Total staff numbers	145.0	145.0	145.0	145.0	145.0

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

Department	Comprises				
	Budget	Permanent		Casual	Temporary
	2018/19	Full Time	Part time		
	\$'000	\$'000	\$'000	\$'000	\$'000
Our Community	4,820	1,736	2,945	101	38
Our Economy	1,125	443	682	-	-
Our Built and Natural Environment	3,518	3,066	446	-	6
Our Organisation	2,779	2,019	717	-	43
Total permanent staff expenditure	12,242	7,264	4,790	101	87
Capitalised labour costs	969				
Total expenditure	13,211				

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

Department	Comprises				
	Budget	Permanent		Casual	Temporary
	2018/19	Full Time	Part time		
Our Community	59	20	36	2	1
Our Economy	13	5	8	-	-
Our Built and Natural Environment	38	32	6	-	-
Our Organisation	25	17	7	-	1
Total permanent staff expenditure	135	74	57	2	2
Capitalised labour costs	10				
Total staff	145				

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's annual budget.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2018/19 the FGRS cap has been set at 2.25%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.25% in line with the rate cap.

Waste service charges are not subject to the State Government cap. The recycling charge and waste management fee have been increased by \$34.50 and \$10.05 respectively to cover the additional cost of recycling as a result of the withdrawal of China from accepted recycled waste streams from Australia.

This will raise total rates and charges for 2018/19 to \$14.63 million.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	2017/18 Forecast Actual \$'000	2018/19 Budget \$'000	Change \$'000	%
General rates*	9,332	9,574	242	2.59%
Municipal charge*	2,020	2,058	38	1.88%
Waste management charge	952	1,036	84	8.82%
Service rates and charges	1,708	1,958	250	14.64%
Total rates and charges	14,012	14,626	614	4.38%

*These items are subject to the rate cap established under the FGRS

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

Type or class of land	2017/18 cents/\$CIV*	2018/19 cents/\$CIV*	Change
General rate for rateable residential Maryborough	0.544700	0.513100	-0.058
General rate for rateable residential - other	0.435700	0.410500	-0.058
General rate for rateable vacant land Maryborough	0.980400	0.923600	-0.058
General rate for rateable vacant land other	0.817000	0.769700	-0.058
General rate for rateable commercial Maryborough	0.871500	0.821000	-0.058
General rate for rateable commercial - other	0.653600	0.615700	-0.058
General rate for rateable industrial properties	0.599100	0.564400	-0.058
General rate for rateable farm properties	0.435700	0.410500	-0.058

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

Type or class of land	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Residential	6,180	6,097	-83	-1.34%
Vacant	444	441	-3	-0.68%
Commercial	1,053	1,112	59	5.60%
Industrial	184	183	-1	-0.54%
Farm	1,471	1,741	270	18.35%
Total amount to be raised by general rates	9,332	9,574	242	2.59%

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

Type or class of land	2017/18	2018/19	Change	
	Number	Number	Number	%
Residential	6,122	6,179	57	0.93%
Vacant	782	769	-13	-1.66%
Commercial	338	334	-4	-1.18%
Industrial	99	100	1	1.01%
Farm	1,025	1,028	3	0.29%
Total number of assessments	8,366	8,410	44	0.53%

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

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Residential	1,225,462	1,279,824	54,362	4.44%
Vacant	51,577	54,085	2,508	4.86%
Commercial	124,581	139,838	15,257	12.25%
Industrial	30,704	32,369	1,665	5.42%
Farm	337,646	424,121	86,475	25.61%
Total value of land	1,769,970	1,930,237	160,267	9.05%

4.1.1(g) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per	Per	Change	
	Rateable	Rateable		
	Property	Property		
	2017/18	2018/19		
	\$	\$	\$	%
Municipal	256.90	262.65	6	2.24%

4.1.1(h) The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Municipal	2,020	2,058	38	1.88%

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

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2017/18	2018/19	\$	%
Standard Garbage Charge	146.50	150.20	4	2.53%
Non-Standard Garbage Charge	250.65	256.90	6	2.49%
Waste Management Fee	120.45	130.50	10	8.34%
Recycling Charge	99.90	134.40	35	34.53%

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

Type of Charge	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Standard Garbage Charge	851	861	10	1.18%
Non-Standard Garbage Charge	210	220	10	4.76%
Waste Management Fee	952	1,036	84	8.82%
Recycling Charge	647	877	230	35.55%
Total waste rates and charges	2,660	2,994	334	12.56%

4.1.1(k) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Total amount to be raised by general rates	9,332	9,574	242	2.59%
Total amount to be raised by the municipal charge	2,020	2,058	38	1.88%
Total amount to be raised by waste charges	2,660	2,994	334	12.56%
Total rates and charges	14,012	14,626	614	4.38%

4.1.1(l) Fair Go Rates System Compliance

Central Goldfields Shire Council is fully compliant with the State Government's Fair Go Rates System

	2018/19
Total rates and municipal charge	\$ 11,632,000
Number of rateable properties	8,410
Base Average Rates	1,383
Maximum Rate Increase (set by the State Government)	2.25%
Capped Average Rate	1,388
Maximum General Rates and Municipal Charges Revenue	11,608,434
Budgeted General Rates and Municipal Charges Revenue	11,632,000

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges

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

- The making of supplementary valuations (2018/19: estimated \$38,833 and 2017/18: \$36,407)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

4.1.1(n) Differential rates

Rates to be levied

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

- Residential Maryborough rate of 0.5131% (0.5131 cents in the dollar of CIV) for all rateable residential properties situated within the Maryborough District boundary;
- Residential Other rate of 0.4105% (0.4105 cents in the dollar of CIV) for all rateable residential properties situated outside the Maryborough District boundary;
- Commercial Maryborough rate of 0.8210% (0.8210 cents in the dollar of CIV) for all rateable commercial properties situated within the Maryborough District boundary; and
- Commercial Other rate of 0.6157% (0.6157 cents in the dollar of CIV) for all rateable commercial properties situated outside the Maryborough District boundary;
- Farm Land rate of 0.4105% (0.4105 cents in the dollar of CIV) for all rateable farm properties;
- Vacant Land Maryborough rate of 0.9236% (0.9236 cents in the dollar of CIV) for all rateable vacant land properties situated within the Maryborough District boundary;
- Vacant Land Other rate of 0.7697% (0.7697 cents in the dollar of CIV) for all rateable vacant land properties situated outside the Maryborough District boundary; and
- Industrial rate of 0.5644% (0.5644 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.

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.

Residential - Maryborough

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.

Residential - Other

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.

Commercial - Maryborough

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.

Commercial - Other

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.

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.

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.

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.

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.

4.1.2 Statutory fees and fines

	Forecast	Budget	Change	
	Actual	2018/19		
	2017/18	2018/19	\$'000	%
	\$'000	\$'000	\$'000	%
Infringements and costs	3	6	3	100.00%
Town planning fees	139	139	0	0.00%
Building control fees	115	90	-25	-21.74%
Environmental health	53	51	-2	-3.77%
Library	2	3	1	50.00%
Animal control	110	141	31	28.18%
Other	5	15	10	200.00%
Total statutory fees and fines	427	445	18	4.22%

Building control fees are forecast to reduce in the 2018/19 year due to a decline in building activity. This has been offset by increases in animal control fees which have been increased to bring in line with neighbouring Councils.

4.1.3 User fees

	Forecast	Budget	Change	
	Actual	2018/19		
	2017/18	2018/19	\$'000	%
	\$'000	\$'000	\$'000	%
Aged and disability	695	391	-304	-43.74%
Parks and recreation	37	31	-6	-16.22%
Child care	1,624	1,682	58	3.57%
Administration	9	11	2	22.22%
Corporate services	-	13	13	100.00%
Tourism	27	38	11	40.74%
Depot	59	50	-9	-15.25%
Transport	34	-	-34	-100.00%
Council enterprises	304	264	-40	-13.16%
Plant income	1,566	1,644	78	4.98%
Waste disposal	121	120	-1	-0.83%
Other	71	47	-24	-33.80%
Total user fees	4,547	4,291	-256	-5.63%

Aged and disability service fees and charges are reducing as a result of the transition to the National Disability Insurance Scheme. Council Enterprises has also been revised down to reflect lower budgeted rental income in the 2018/19 financial year. This has been offset by expected increases in Child Care revenue and plant income.

4.1.4 Grants

Grants are required by the Act and the Regulations to be disclosed in Council's annual budget.

	Forecast	Budget	Change	
	Actual 2017/18 \$'000	2018/19 \$'000	\$'000	%
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	9,501	6,003	-3,498	-37%
State funded grants	2,269	2,392	123	5%
Total grants received	11,770	8,395	-3,375	-29%
(a) Operating Grants				
Recurrent - Commonwealth Government				
Financial Assistance Grants	1,946	3,896	1,950	100%
Family day care	104	116	12	12%
General home care	1,066	1,106	40	4%
Recurrent - State Government				
Community	1,038	900	-138	-13%
Aged care	334	187	-147	-44%
School crossing supervisors	31	32	1	3%
Libraries	147	137	-10	-7%
Family day care	5	15	10	200%
Maternal and child health	159	161	2	1%
Education	82	35	-47	-57%
Family and Youth	172	184	12	7%
Fire Management	143	130	-13	-9%
Weeds	72	37	-35	-49%
Health	39	34	-5	-13%
Total recurrent grants	5,338	6,970	1,632	31%
Non-recurrent - State Government				
Economy	1	102	101	10100%
Law and Order	25	-	-25	-100%
Waste	-	26	26	100%
Recreation	18	30	12	67%
Family and Youth	3	56	53	1767%
Total non-recurrent grants	47	214	167	355%
Total operating grants	5,385	7,184	1,799	33%
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	1,045	585	-460	-44%
Recurrent - State Government				
Total recurrent grants	1,045	585	-460	-44%
Non-recurrent - Commonwealth Government				
Emergency Management	4,510	-	-4,510	-100%
Bridges	400	300	-100	-25%
Drainage	394	-	-394	-100%
Recreation	36	-	-36	-100%
Non-recurrent - State Government				
Family and Youth	-	76	76	100%
Buildings	-	50	50	100%
Parks and Recreation	-	100	100	100%
Waste	-	100	100	100%
Total non-recurrent grants	5,340	626	-4,714	-88%
Total capital grants	6,385	1,211	-5,174	-81%
Total Grants	11,770	8,395	-3,375	-29%

Councils Operating grants are expected to be higher than the previous year due to the restoration of the Financial Assistance Grants to a full year allocation (50% of the 2017/18 allocation was paid in 2016/17). Council has also secured a grant from the TAC for the Youth Road Trip Program of \$180,664 (over three years).

Capital Grants in 2018/19 are expected to be less than the 2017/18 financial year due to the large grant for emergency management for flood rehabilitation. The road to recovery funding is also less than the prior year as the Federal Government returns this program to its regular funding levels.

4.1.5 Contributions

	Forecast	Budget	Change	
	Actual 2017/18 \$'000	2018/19 \$'000	\$'000	%
Monetary	223	144	-79	-35.43%
Non-monetary	-	-	0	0.00%
Total contributions	223	144	-79	-35.43%

Contributions to a number of one off projects in 2017/18 have resulted in an overall reduction in contributions compared to 2018/19.

4.1.6 Other income

	Forecast	Budget	Change	
	Actual 2017/18 \$'000	2018/19 \$'000	\$'000	%
Interest	203	182	-21	-10.34%
Royalties	157	19	-138	-87.90%
Investment property rental	174	180	6	3.45%
Other	-	9	9	100.00%
Total other income	534	390	-144	-26.97%

The reduction in other income is mainly due to less Gravel Pit royalties from flood recovery road works which will be complete in 2017/18.

4.1.7 Employee costs

	Forecast	Budget	Change	
	Actual	2018/19	\$'000	%
	2017/18	2018/19		
	\$'000	\$'000		
Wages and salaries	11,788	10,711	-1,077	-9.14%
WorkCover	150	165	15	10.00%
Superannuation	1,061	1,116	55	5.16%
FBT	146	128	-18	-12.38%
Other employee related expenses	119	122	3	2.19%
Total employee costs	13,265	12,242	-1,023	-7.71%

Employee costs are forecast to decrease for the 2018/19 financial year mainly due to the conclusion of a number of short term projects during 2018. These include the governance reform program, and staffing for flood recovery works.

4.1.8 Materials and services

	Forecast	Budget	Change	
	Actual	2018/19	\$'000	%
	2017/18	2018/19		
	\$'000	\$'000		
Contract payments	13,218	7,793	-5,425	-41.04%
Materials	2,214	1,999	-215	-9.71%
Total materials and services	15,432	9,792	-5,640	-36.55%

The reduction in contract payments is due to the budgeted costs associated with the flood recovery program.

4.1.9 Depreciation and amortisation

	Forecast	Budget	Change	
	Actual	2018/19	\$'000	%
	2017/18	2018/19		
	\$'000	\$'000		
Property	816	816	-	0.00%
Plant	320	320	-	0.00%
Infrastructure	5,644	5,644	-	0.00%
Total depreciation and amortisation	6,780	6,780	-	0.00%

4.2 Balance Sheet

4.2.1 Assets

Overall the assets in the Balance sheet are expected to decline slightly due to the impact of depreciation exceeding asset purchase and creation. This is offset by a slight improvement in the cash position.

4.2.2 Liabilities

Overall Council liabilities are forecast to remain steady into the next financial year, with a forecast reduction of \$574,803 in loans as Council pays down its loan debt over the coming financial year.

4.2.3 Borrowings

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

	2017/18 \$'000	2018/19 \$'000
Amount borrowed as at 30 June of the prior year	5,030	4,460
Amount proposed to be borrowed	-	-
Amount projected to be redeemed	570	575
Amount of borrowings as at 30 June	4,460	3,885

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/used in operating activities

Cash flows from operating activities is significantly higher in 2017/18 due mainly to the receipt of flood recovery grant funding. Grant funding levels in 2018/19 are in line with historic levels.

4.4.2 Net cash flows provided by/used in investing activities

Capital expenditure in 2018/19 is budgeted lower than 2017/18 mainly due to Roads to Recovery funding returning to normal levels.

4.4.3 Net cash flows provided by/used in financing activities

Financing costs relate to the repayment of borrowings and are in line with the previous financial year.

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2018/19 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change \$'000	%
Property	394	591	197	50.00%
Plant and equipment	849	924	75	8.83%
Infrastructure	5,494	4,696	-798	-14.52%
Total	6,737	6,211	-526	-7.81%

	Project Cost \$'000	Asset expenditure types			Summary of Funding	
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Council cash \$'000
Property	591	75	226	290	250	341
Plant and equipment	924	884	40	-	16	908
Infrastructure	4,696	198	2,667	1,831	1,340	3,356
Total	6,211	1,157	2,933	2,121	1,606	4,605

There are no contributions or borrowings to be used to fund capital works for the 2018/2019 year.

4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding	
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Council cash \$'000
PROPERTY						
Land						
Renewal Ovals	29		29			29
Renewal Surrounds	45		45			45
Talbot Rehabilitate Landfill	12		12			12
Dunolly Rehabilitate Landfill	12		12			12
Land Improvements						
Airport Fence Renewal	10		10			10
Rubbish Bins Renewal - General	6		6			6
Building Improvements						
Council Administration Building	150	75	75		50	100
Air Handling System Indoor Centre	2		2			2
Talbot Pool Capital Works	2		2			2
Dunolly Pool Capital Works	2		2			2
Maryborough Pool Capital Works	6		6			6
Maryborough Indoor Pool Capital Works	5		5			5
All Access Changing Rooms Project	150			150	100	50
E waste Shed Extension	120			120	100	20
Building Insurance risk reduction upgrades	20		20			20
Essential Safety Measures Buildings Upgrade	8			8		8
Carisbrook T/S Amenities Hut & Worksafe Upgrades	12			12		12
TOTAL PROPERTY	591	75	226	290	250	341

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding	
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Council cash \$'000
PLANT AND EQUIPMENT						
Plant, Machinery and Equipment						
Operational Plant Purchases	270	270				270
Vehicle TAC Roadtrip program	16	16			16	
Vehicle Purchases	265	265				265
Ute Purchases	68	68				68
Fixtures, Fittings and Furniture						
Aerial Photography	15	15				15
Computers and Telecommunications						
IT Initiatives	250	250				250
PC Network and Hardware	25		25			25
Server Upgrades	15		15			15
TOTAL PLANT AND EQUIPMENT	924	884	40	-	16	908
INFRASTRUCTURE						
Roads						
Burke Street - Kars Street to Inkerman Renewal/Upgrade	30		30			30
Carisbrook Transfer Station Pavement Rehabilitation	114		114			114
Drive In Court / Wilson St - Park Rd to Ross St	178		178		158	20
Dundas Rd / Clarendon St Y Intersection	25			25		25
Gillies Street Renewal & Upgrade Rogers Street to Majorca Rd	20		20			20
Gordon Rd / Pyrenees Hwy Y Intersection	120			120	80	40
Major Patches	100		100			100
McIntyres Rd Upgrade Stage 2 Bakers to Peacock	25			25		25
Nolan Burns Street Intersection renewal & Upgrade	30			30		30
Pascoe Avenue (Park Road to End of Court) Renewal	20		20			20
Puzzle Flat Rd/Avoca Bealiba Rd Y Intersection	5			5		5
Railway St / Gillies St Y Intersection	230			230	180	50
Sealed Road Shoulders Renewal	50		50			50
Sealed Roads Safety New/Upgrade	32	32				32
Seals Renewal Asphalt Reseals	60		60			60
Seals Renewal Final Seals	100		100			100
Seals Renewal Reseals	715		715			715
Special Charge Scheme - Williamsons Court (Cramer rd to end)	5			5		5
Stabilisation Barr Street from Gillies to Gearing	80		80		50	30
Stabilisation Picnic Point Road	20		20			20
Unsealed Roads Renewal / Rural	300		300			300
Unsealed Roads Renewal / Urban	16		16			16
Wilson Street Drive in Court to Ross Street	102		102		72	30
Bridges						
Bridge / Major Culvert Safety Upgrades	180			180		180
Major Culvert Renewal Program	90			90	40	50
Porteous Road Wareek Bridge Replacement	600			600	300	300
Footpaths and Cycleways						
Pathways New/Upgrade Maryborough	50	50				50
Pathways Renewal	106		106			106

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding	
		New	Renewal	Upgrade	Grants	Council cash
		\$'000	\$'000	\$'000	\$'000	\$'000
Drainage						
Carisbrook Creek additional clearing	98			98		98
Carisbrook Drainage Mitigation - Stg 3 North Pyrenees Hwy	200			200	200	
Carisbrook Drainage Mitigation - Stg 4 South Pyrenees Hwy	200			200	200	
Main Drain Maryborough	21		21			21
Stormwater Drainage Renewal	85		85			85
Tabledrain renewals	56		56			56
Parks, Open Space and Streetscapes						
Gordon Gardens Masterplan	20		20			20
Market Reserve Carisbrook Playground	90		90		60	30
Phillips Gardens Implement Strategy Entrances & Lights	10		10			10
Playground Improvements / Upgrade	23			23		23
Princes Park Improvements	5		5			5
Public Place Recycling Bins	12	12				12
Skate Park Design	28		28			28
Streetscapes	15		15			15
Off Street Car Parks						
Bucknall St K&C and Parking Carisbrook	15		15			15
Maryborough Rec Centre Carpark Renewal	20		20			20
Other Infrastructure	0					
Furniture New (Street Bins)	20	20				20
Furniture Renewal / Rural	23		23			23
Furniture Renewal / Urban	28		28			28
Kerb & Channel New/Upgrade	39	39				39
Kerb & Channel Renewal	125		125			125
Minor Culverts New/Upgrade	18	18				18
Minor Culverts Renewal	48		48			48
Recycled Watermain Replacement	15		15			15
Signs New	27	27				27
Signs Renewal	38		38			38
Traffic Control Facilities Renewal	14		14			14
TOTAL INFRASTRUCTURE	4,696	198	2,667	1,831	1,340	3,356
TOTAL CAPITAL WORKS	6,211	1,157	2,933	2,121	1,606	4,605

There are no contributions or borrowings to be used to fund capital works for the 2018/2019 year.

4.5.3 Works carried forward from the 2017/18 year

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding	
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Council cash \$'000
PROPERTY						
Land Improvements						
Public Place Recycling Bins	12	12	-	-	-	12
TOTAL PROPERTY	12	12	-	-	-	12

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding	
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Council cash \$'000
INFRASTRUCTURE						
Roads						
Sealed Roads Safety New/Upgrade	10	10				10
Major Patches	50			50		50
Drive In Court / Wilson St - Park Rd to Ross St	178			178	158	20
Carisbrook Transfer Station Pavement Rehabilitation	39		39			39
Railway St / Gillies St Y Intersection	230			230	180	50
Footpaths and Cycleways						
Pathways New/Upgrade	13	13				13
Drainage						
Stormwater Drainage Renewal	85			85		85
Carisbrook Drainage Mitigation - Stg 3 North Pyrenees Hwy	200			200	200	
Carisbrook Drainage Mitigation - Stg 4 South Pyrenees Hwy	200			200	200	
TOTAL INFRASTRUCTURE	1,005	23	39	943	738	267
TOTAL CARRIED FORWARD CAPITAL WORKS 2017/18	1,017	35	39	943	738	279

There are no contributions or borrowings to be used to fund carry forward capital works.

G16 5. Financial performance indicators

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

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-7.10	-36.35%	-4.34%	-7.62%	-3.60%	-2.73%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	145.77	141.29	141.93	147.32	161.57	177.10	+
Unrestricted cash	Unrestricted cash / current liabilities	3	57.9	75.72	76.11	100.28	115.83	131.31	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	45.65	31.83%	26.56%	22.15%	18.11%	14.49%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		11.63%	5.30%	5.35%	4.81%	4.24%	3.60%	+
Indebtedness	Non-current liabilities / own source revenue		12.08	22.36%	19.22%	16.26%	13.52%	10.91%	+
Asset renewal	Asset renewal expenses / Asset depreciation	5	43.93	43.26%	43.26%	63.30%	51.26%	53.41%	+
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	41.08%	43.38%	41.86%	42.93%	42.94%	42.95%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.61%	0.64%	0.60%	0.62%	0.63%	0.65%	o

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	+/-
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		\$3,540	\$4,264	\$3,448	\$3,480	\$3,475	\$3,516	o
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,161	\$1,266	\$1,249	\$1,274	\$1,300	\$1,325	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		7.91	10	8	8	8	8	o

Key to Forecast Trend:

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

Notes to indicators

1. Adjusted underlying result

The adjusted underlying result measures the sustainable operating result required to ensure Council to continue to provide core services in a financial sustainable way. The result is expected to improve over the SRP period, and was impacted in 16/17 and 17/18 by the early payment of the Financial Assistance Grant (FAG).

2. Working Capital

The working capital ratio is calculated by dividing current assets by current liabilities, and is a measure of liquidity. Ratios over 100% are required to ensure that Council is able to pay its debts when they fall due. The ratio over the SRP period will be maintained at a financially sustainable level.

3. Unrestricted Cash

Unrestricted cash ratio calculates the level of cash that is not tied to grants or specific projects. The level is improving over the period of the SRP.

4. Debt compared to rates

Council's debt levels will be reduced over the life of the SRP with approximately \$500,000 to be paid off existing loans per annum.

5. Asset renewal

The asset renewal ratio shows the level of capital expenditure used to replace existing assets. A percentage less than 100 indicates that some assets are not being renewed at the same rate as their utilisation.

6. Rates concentration

Rates concentration measures the level of rate revenue as a proportion of adjusted underlying revenue. This measure is expected to remain steady during the period.