



# Budget Report – 2015/2016

**Final: 16 June 2015**

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## Chair of Administrators introduction

It gives me great pleasure to present this Budget to the community of The Rural City of Wangaratta.

The 2015/16 budget has been prepared to make the best use of Council resources whilst taking a conservative approach to future income and expenditure streams.

The proposed budget includes a number of new operating initiatives:

- Disaster Recovery & Backup strategy (\$100,000)
- Domestic Wastewater Management Plan (DWMP) - detailed risk assessment (\$76,000)
- Municipal Strategic Statement (MSS) Review / Update Planning Scheme (\$70,000)
- Playspace Strategy (\$25,000)
- Our Future financial sustainability efficiency program

The total Capital Works program will be \$19.5 million, of which \$4.3 million relates to projects carried over from the 2014/15 year.

Highlights of the Capital Works program include:

- Aquatic Plan (\$1.5 million) and Mitchell Avenue Splash Park (\$0.6 million)
- Completion of roofing the Livestock Selling Complex (\$1.6 million)
- Introduction of organic waste collection (\$2.5 million)
- CBD Masterplan implementation (\$1.0 million)
- Roads (\$5.3 million) – including reconstructions, roads to recovery projects, resheeting, bridges, footpaths, bikepaths and kerbing
- Drains (\$1.0 million) – including road drainage replacement works, including new works in rural townships and development areas
- Land Improvements (\$0.6 million) – including the South Wangaratta Pitch Re-alignment, Barr Two Oval lighting development and South Wangaratta Irrigation Improvement
- Buildings (\$1.5 million) – City Oval tennis precinct and Everton Hall precinct redevelopment
- Plant and equipment (\$2.0 million) – including plant replacement, continuation of the replacement of Street Parking Ticket Machines and scheduled replacement of Council's vehicle fleet.

We will increase rates by 6 percent in the 2015/16 financial year in accordance with our adopted Strategic Resource Plan. This budget will not allow us to recover, but it will aid in the recovery of the previously incurred governance costs, maintain existing service levels, fund a small number of new initiatives and continue to allocate additional funds to renew our infrastructure.

Council is challenged with significant budget impacts including rates capped from 2016-17, loss of Country Roads & Bridges funding, a freeze in indexation of the Victorian Grants Commission and cost increases that exceed the Consumer Price Index.

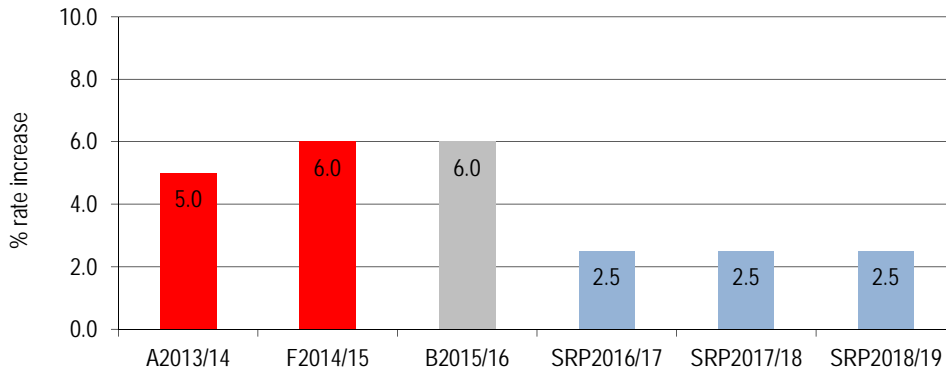
This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible. Residents will be able to make comment on the budget

**Ailsa Fox**  
**Chair of Administrators**

## Chief Executive Officer's summary

Council has prepared a Budget for the 2015/16 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

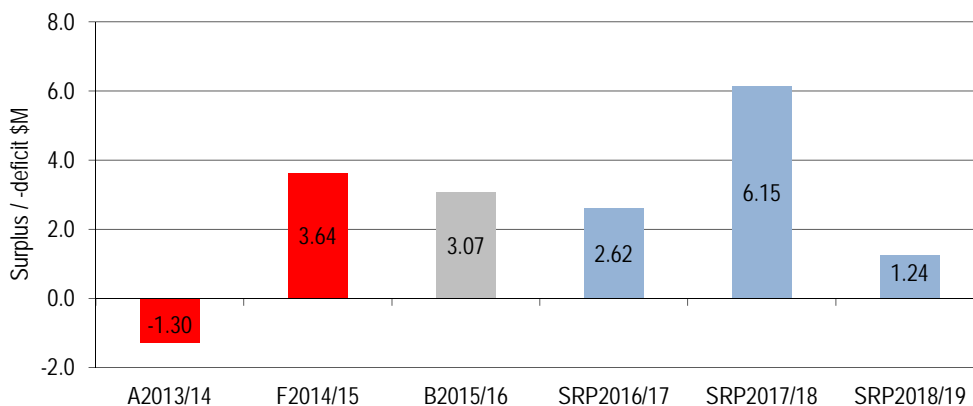
### 1. Rates



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

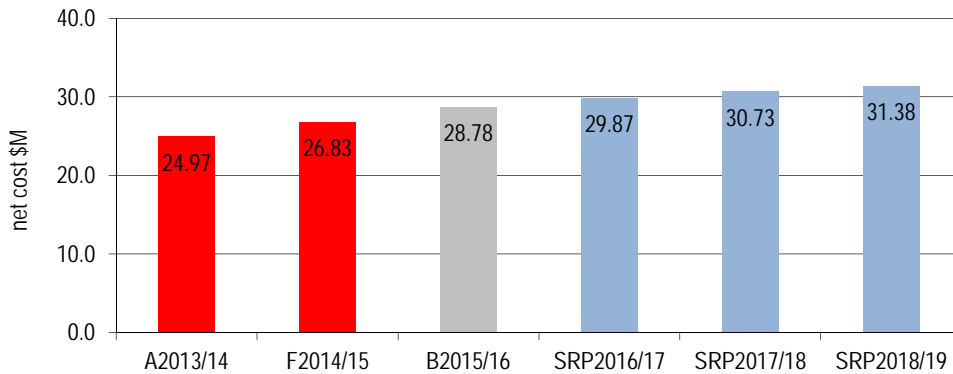
It is proposed that general rates increase by 6.0% for the 2015/16 year, raising total rates and charges of \$28.2 million, including \$0.1 million generated from supplementary rates. The rate increase has been kept in line with the level foreshadowed in Council's Strategic Resource Plan adopted in the previous year. However, with The Victorian State Government announcement that local government rates will be capped from 2016-17 Council has revised its forecast for future rate revenue increases to 2.5%. The cumulative impact on Council is a loss of rates revenue of \$35 million over the next 10 years.

### 2. Operating result



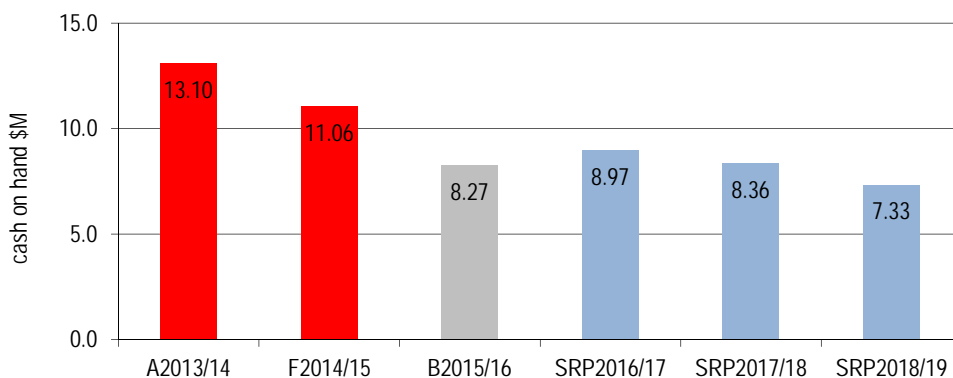
The expected operating result for the 2015/16 year is a surplus of \$3.0 million, which is an decrease of \$0.6 million over 2014/15. The decline in operating result is due mainly to reduced external funding for capital works which is forecast to decrease by \$1.6 million to \$1.4 million. The adjusted underlying result, which excludes items such as non-recurrent capital grants and non-cash contributions is a surplus of \$1.4 million, which is an increase of \$1.1 million over 2014/15 - refer to section 7 of this summary for further information. (The forecast operating result for the 2014/15 year is a surplus of \$3.6 million).

### 3. Services



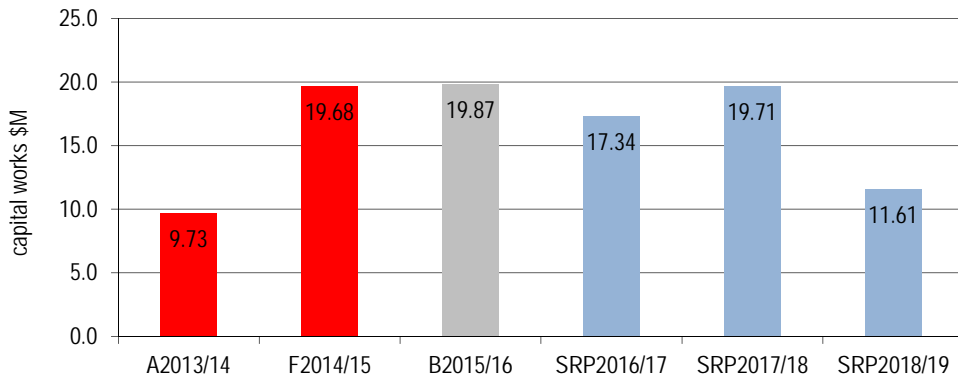
The net cost of services delivered to the community for the 2015/16 year is expected to be \$28.9 million which is an increase of \$2.1 million over 2014/15. A key influencing factor is the freezing of Federal Assistance Grants. For the 2015/16 year, service levels have been maintained and a number of small initiatives proposed. (The forecast net cost for the 2014/15 year is \$26.8 million).

### 4. Cash and investments



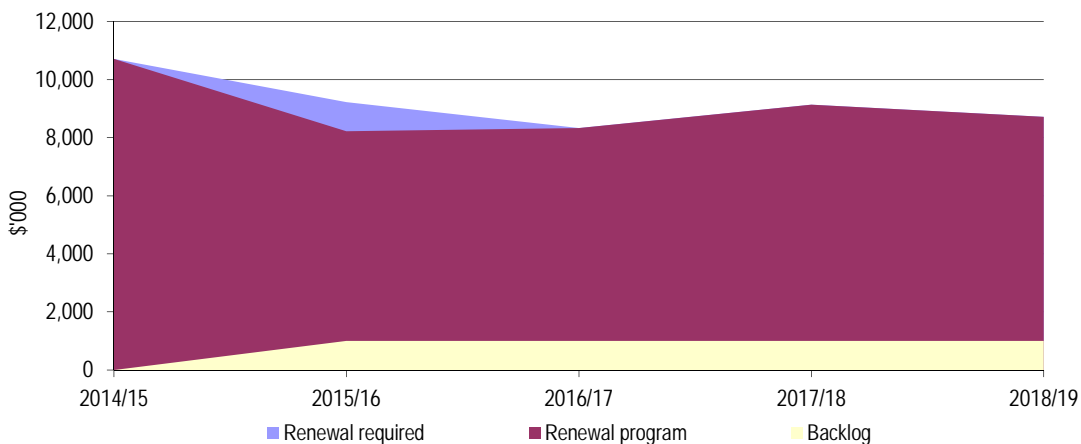
Cash and investments are expected to decrease by \$2.5 million during the year to \$8.6 million as at 30 June 2016. This is due mainly to the carried forward component of the 2014/15 capital works program and a number of major building projects. The reduction in cash and investments is in line with Council's Strategic Resource Plan. (Cash and investments are forecast to be \$11.1 million as at 30 June 2015).

## 5. Capital works



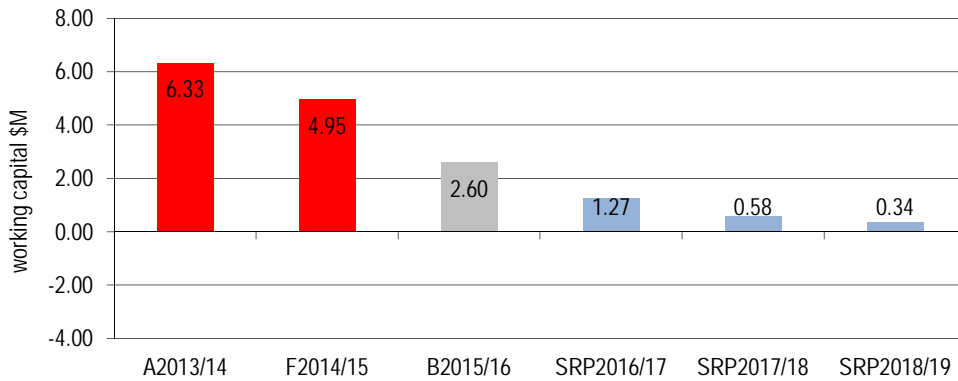
The capital works program for the 2015/16 year is expected to be \$19.5 million of which \$4.3 million relates to projects which will be carried forward from the 2014/15 year. The carried forward component is fully funded from the 2014/15 budget. Of the \$19.5 million of capital funding required, \$5.3 million will come from external grants with the balance of \$10.1 million from Council cash and \$3.3 million from new borrowings. The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. This year's program includes a number of major building projects including the the completion of roofing the Livestock Selling Complex (\$1.6 million), Introduction of organic waste collection (\$2.5 million), Aquatic Plan (\$1.5 million) and Michell Avenue Splash Park (\$0.6 million). (Capital works is forecast to be \$19.7 million for the 2014/15 year).

The graph below sets out the required and actual asset renewal over the life of the current Strategic Resource Plan and the renewal backlog.



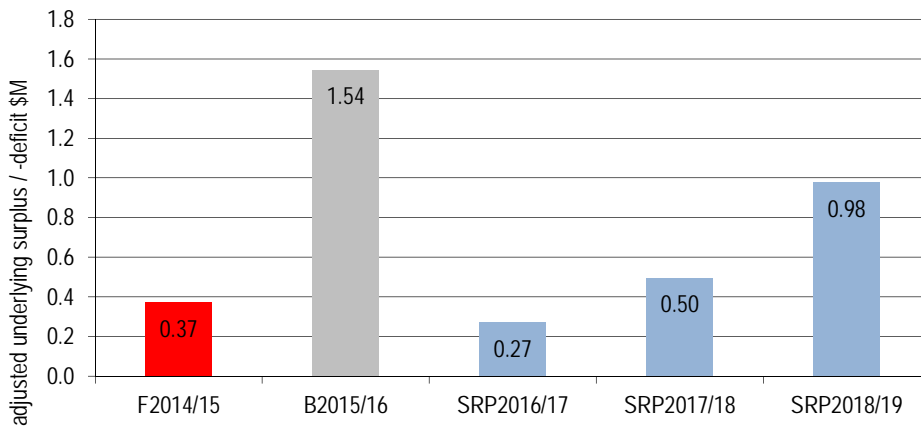
The asset renewal program is \$7.8 million in 2015/16 which is \$1 million less than required as funds are redirected to other capital projects. This back log will remain at \$1 million as Council continues to fund renewal requirements from 2016/17 onwards.

## 6. Financial position



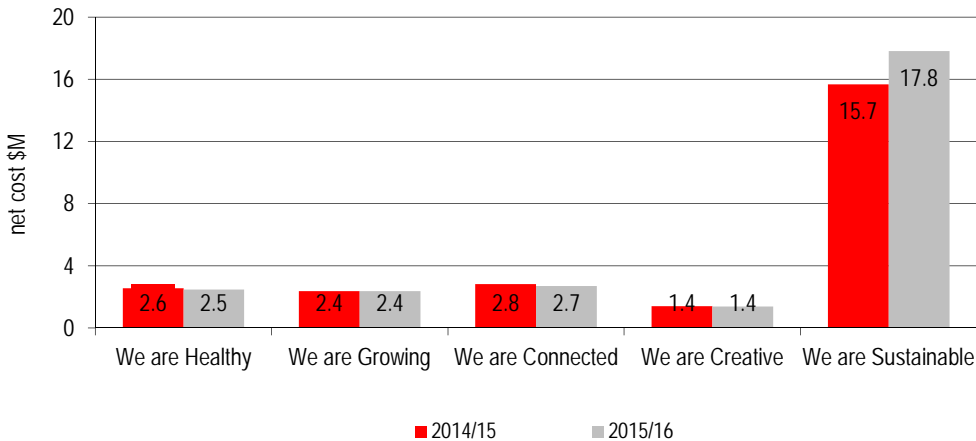
The financial position is expected to improve with net assets (net worth) to increase by \$3 million to \$353 million although net current assets (working capital) will reduce by \$2.0 million to \$2.9 million as at 30 June 2016. This is mainly due to the use of cash reserves to fund the capital works program. (Total equity is forecast to be \$350 million as at 30 June 2015).

## 7. Financial sustainability



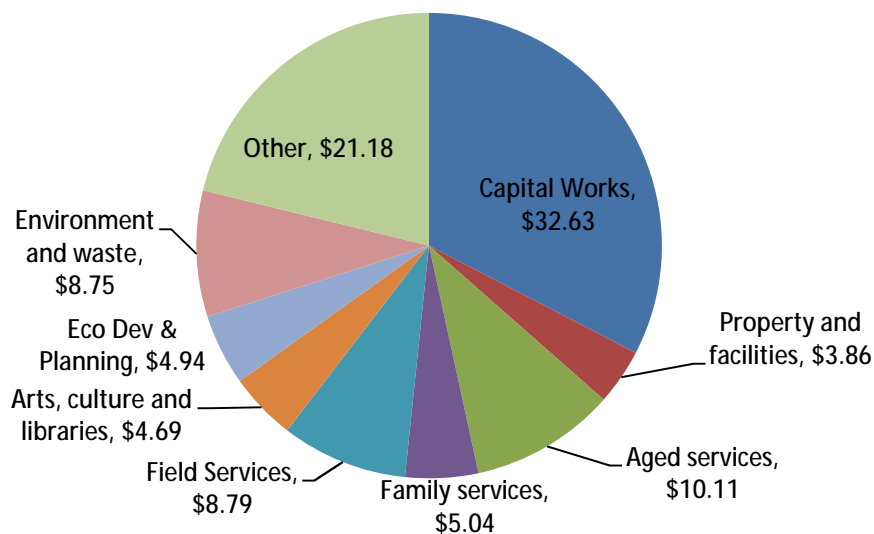
A high level Strategic Resource Plan for the years 2015/16 to 2018/19 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic goals as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, shows a reduced surplus for 2016/17 followed by an increase to 2017/18.

## 8. Strategic goals



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic goals specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic goals as set out in the Council Plan for the 2015/16 year.

## 9. Council expenditure allocations



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

This budget has been developed through a rigorous process of consultation and review and management endorses it as financially responsible. More detailed budget information is available throughout this document.

**Brendan McGrath**  
**Chief Executive Officer**



## Budget processes

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

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

The 2015/16 budget, which is included in this report, is for the year 1 July 2015 to 30 June 2016 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ended 30 June 2016 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, officers firstly review and update Council's long term financial projections. Financial projections for at least four years are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with officers preparing the operating and capital components of the annual budget during January and February. A draft consolidated budget is then prepared and various drafts are considered by Council at informal briefings during March and April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption of the budget by Council.

To assist interested persons to understand the budget and make a submission if they wish, Council officers undertake a community engagement process including public information sessions and other techniques. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

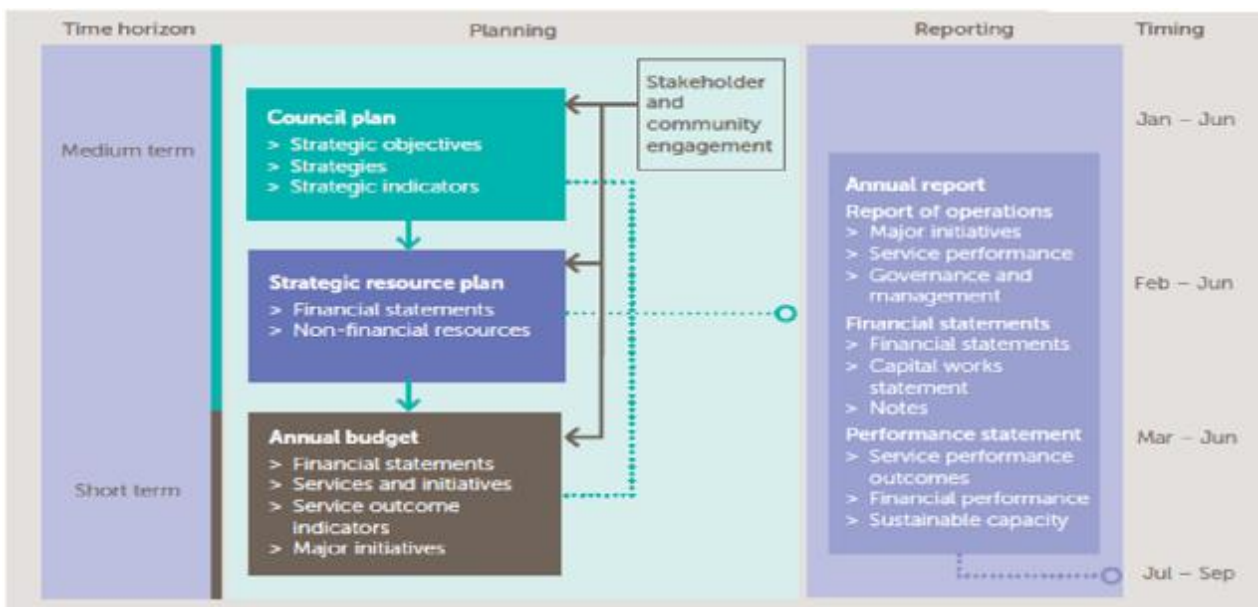
Budget process	Timing
1. Officers update Council's long term financial projections	Dec/Jan
2. Officers prepare operating and capital budgets	Jan/Feb
3. Councillors consider draft budgets at informal briefings	Mar/Apr
4. Proposed budget submitted to Council for approval	May
5. Public notice advising intention to adopt budget	May
6. Budget available for public inspection and comment	May
7. Public submission process undertaken	May/Jun
8. Submissions period closes (28 days)	Jun
9. Submissions considered by Council/Committee	Jun
10. Budget and submissions presented to Council for adoption	Jun
11. Copy of adopted budget submitted to the Minister	Jul
12. Revised budget where a material change has arisen	Sep-Jun

## 1. Linkage to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term (2030 Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Audited Statements).

### 1.1 Strategic planning framework

The Strategic Resource Plan, included in the Council Plan, summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the services and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



In addition to the above, Council has a long term plan (Rural City of Wangaratta 2030 Community Vision) which articulates a community vision, mission and values. The Council Plan is prepared with reference to the 2030 Community Vision.

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

### 1.2 Our purpose

**Our vision - The Rural City of Wangaratta is “the Ultimate in Liveability”.**

The Rural city of Wangaratta exists to represent and lead our community. We play a vital role in addressing and advocating for the needs of everyone who lives, works and visits here. We are proud of our role, and the service we provide to our people.

#### Our Values and Behaviours

So that we can achieve extraordinary outcomes for our community we focus on the following values and behaviours

- Community Leadership** - exercise courage in decision making
- Accountability** - acknowledge the impacts of our actions, decisions and conduct on our team
- Integrity** - deliver exceptional levels of professionalism and diligence
- Respect** - value the contribution and individuality of others and strive to achieve healthy
- Trust** - take individual responsibility for fostering a culture of respect and consideration
- Excellence** - drive continuous improvement in performance and the highest standards and outcomes

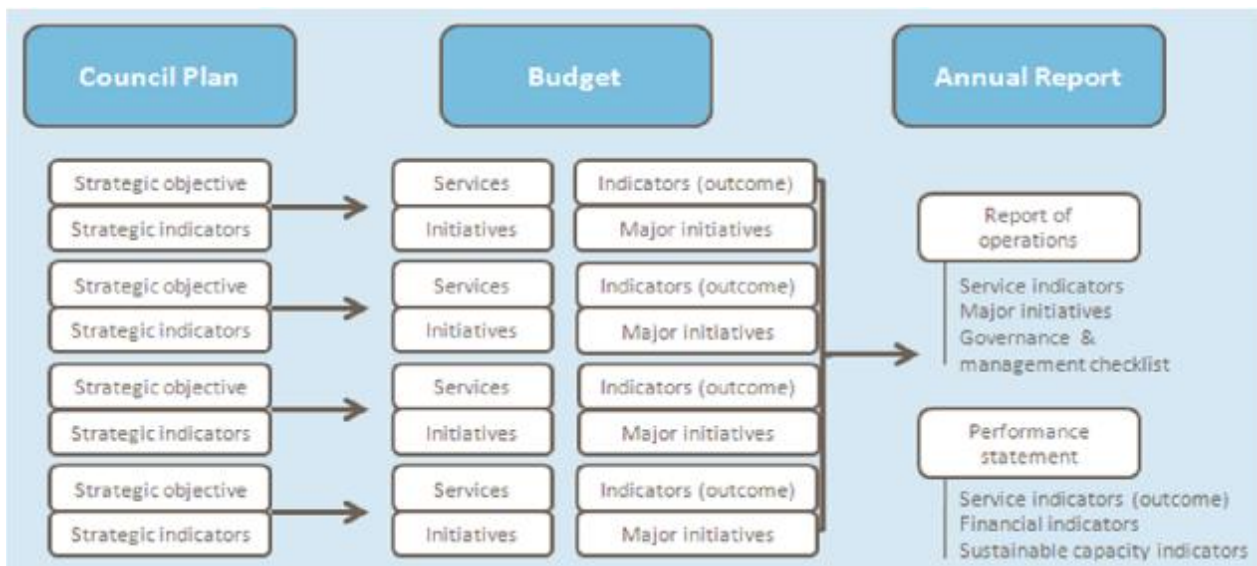
### 1.3 Strategic Goals

Council delivers Actions under 5 strategic goals, contributing to the achievement of the Council Plan for the years 2013-17. The following table sets out the five strategic goals as described in the Council Plan.

Strategic Goal	Description
We are healthy	As a community we have access to the services and facilities we need to keep us healthy. We can move around and be active, get medical attention and join in social, cultural and recreational activities with our friends and family.
We are growing	Our economy and community are growing because we offer exciting opportunities and potential. We have quality offerings for existing and new business and as a region we continue to attract visitors, investors and new residents.
We are connected	Our community has developed to make sure that we can connect and interact with each other - via effective communication and planning, by our roads and pathways, and in active community centres that provide fellowship and purpose.
We are Creative	As a community we have opportunities for everyone to embrace the arts, to attend vibrant and exciting events, and to experience a community that is creative and evolving.
We are Sustainable	To ensure our long term viability and capacity to deliver quality services and infrastructure, we will continue to meet the changing and complex challenges that face us.

## 2. Activities, initiatives and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2015/16 year and how these will contribute to achieving the strategic goals outlined in the Council Plan. It also describes a number of major initiatives, initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify initiatives, major initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

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

## 2.1 Strategic Objective 1: We are Healthy

We are healthy – as a community we have access to the services and facilities we need to keep us healthy. We can move around and be active, get medical attention and join in social, cultural and recreational activities with our friends and family. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

### Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Aged & Disability Services	This service provides a range of <b>home and community care</b> services for the aged and disabled including home delivered meals, personal care, transport, dementia care and home maintenance and packaged care.	6,033 -5974 <b>59</b>
Children's Services	This service provides family oriented support services including pre-schools, maternal and child health, child care and family day care.	3,008 -2960 <b>48</b>
Community & Recreation	This service prepares policies and strategies relating to open space and recreation throughout the municipality. It provides an extensive range of recreational programs and opportunities accessible to individuals of all ages and abilities. It also supports community projects and programs and swimming <b>pool facilities</b> ,	1214 -19 <b>1,195</b>
Environmental Health	This service protects the community's health and well-being by coordinating <b>food safety support</b> and immunisation programs, septic tanks and <i>Tobacco Act</i> activities. The service also works to rectify any public health concerns relating to disease outbreaks, unreasonable emissions, accommodation standards and food premises inspections.	405 -141 <b>264</b>
People, Performance & Culture	This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resource and industrial relations services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units.	973 -63 <b>910</b>

### Major Initiatives

- 1) Aquatic Plan – Concept design for WISAC facility
- 2) Design and construction of Mitchell Avenue Splash Park
- 3) South Wangaratta Soccer Pitch realignment
- 4) Wareena Park Lighting project
- 5) Informal Recreation Reserve Project
- 6) Place Making Program
- 7) Direct provision of Maternal & Child Health services

### Initiatives

- 8) Playspace Strategy
- 9) CSNE – ISO 9001 for packaged care
- 10) CSNE – efficiencies and consolidation of services

## Service Performance Outcome Indicators

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

Service	Indicator	Performance Measure	Computation
Home and Community Care (HACC)	Participation	Participation in HACC service (Percentage of the municipal target population who receive a HACC service)	[Number of people that received a HACC service / Municipal target population for HACC services] x100
		Participation in HACC service by Culturally and Linguistically Diverse people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
Maternal and Child Health (MCH)	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Food safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

## 2.2 Strategic Objective 2: We are Growing

We are growing – our economy and community are growing because we offer exciting opportunities and potential. We have quality offerings for existing and new businesses and as a region we continue to attract visitors, investors and new residents. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

### Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Economic Development	The <b>economic development</b> service assists the organisation to facilitate an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment.	747 -45 <b>702</b>
Tourism	This service provides support to tourism operators through industry activities, grants and the Visitor Information Centre. This service provides information and advice to prospective Tourism Businesses.	621 -81 <b>540</b>
Planning & Building	The Planning services (including <b>statutory planning</b> ) processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the City. It also prepares and processes amendments to the Council Planning Scheme and carries out research on demographic, urban development, economic and social issues affecting Council. The Building service provides statutory building services to the community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	1,581 -324 <b>1,257</b>
Livestock Selling Complex	This service provides management support for, and includes the Wangaratta Livestock Exchange.	691 -823 <b>-132</b>

### Major Initiatives

- 11) Complete the structure plans for the identified growth areas
- 12) Complete the development plans for the identified small towns to facilitate their coordinated growth and development
- 13) Continue the implementation of the South Wangaratta Urban Renewal area
- 14) Complete the review and update of the economic development strategy
- 15) Rural strategy
- 16) Completing the Saleyards upgrade

## Service Performance Outcome Indicators

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

Service	Indicator	Performance Measure	Computation
Economic Development	Economic activity	Change in number of businesses (Percentage change in the number of businesses with an ABN in the municipality)	[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x 100
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 Objective 3: We are Connected

We are connected – our community has developed to make sure that we can connect and interact with each other – via effective communication and planning, by our roads and pathways, and in active community centres that provide fellowship and purpose. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

### Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Chief Executive and support staff	This area of <b>governance</b> includes the Chief Executive Officer and associated support.	379 <u>0</u> <b>379</b>
Council	This service includes the Mayor and Councillors, support personnel and associated costs.	422 <u>0</u> <b>422</b>
Communications and Customer Services	This services includes communications, marketing and customer services.	768 <u>0</u> <b>768</b>
Library Services	This service provides a public <b>library</b> with customer focused service that caters for the cultural, educational and recreational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.	660 <u>-62</u> <b>598</b>
Community Services	This service provides youth development programs and supports public health and wellbeing.	217 <u>-51</u> <b>166</b>
Community Wellbeing	This service provides strategic community planning.	356 <u>0</u> <b>356</b>



## Major Initiatives

- 17) Implement 'Our Community Promise' as a pledge of what our community can expect from us.
- 18) Bullawah Cultural Trail Major work will continue in 2015/16 to deliver the - a 2.4 km trail of cultural heritage and is spiritually significant, rich in history and maintains strong links with its people

## Initiatives

- 19) Implement the Customer Services Action Plan to improve the experience and performance of our organisational customer services.
- 20) Armistice Day 2015 to sharing our local history with younger generations in new and innovative ways to help to develop a strong community identity.

## Service Performance Outcome Indicators

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

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100

## 2.4 Strategic Objective 4: We are Creative

We are creative – as a community we have opportunities for everyone to embrace the arts, to attend vibrant and exciting events, and to experience a community that is creative and evolving. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

### Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Wangaratta Performing Arts Centre	This service provides theatre services including technical staging advice and performance operations, facilities for presentations including events for children, families and older people and exhibitions of works by local artists, function and catering services including seminars, meetings, conferences, expos and a café.	1,305 -660 <b>645</b>
Wangaratta Gallery	This service provides a varied program of arts and cultural events and activities. It also plans and develops arts and cultural facilities and infrastructure and develops policies and strategies to facilitate art practice.	418 -91 <b>327</b>
Events	This service provides events for the municipality and cultural development.	416 -6 <b>410</b>

## Initiatives

21) Wangaratta Art Gallery, Wangaratta Performing Arts Centre, Cultural Development, Events and by association the Wangaratta Library are utilising "joined up thinking" to deliver stronger, more engaging activities to a broader community utilising existing budgets, manpower, ideas and cross selling each other's benefits and services.

22) Council representation on the Jazz Festival Board will allow for greater involvement with the Board's plans with the focus on delivering outcomes that are beneficial to both the Festival and Council. A new initiative is the "Engaged Community" a sub committee that is looking at ways to extend the idea of arts and culture into the community using the Festival as the vehicle and allowing jazz to be visible year round.

## 2.5 Strategic Objective 5: We are Sustainable

We are sustainable – to ensure our long term viability and capacity to deliver quality services and infrastructure, we will continue to meet the changing and complex challenges that face us. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

### Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Enforcement	This service provides staff at school crossings throughout the municipality. It maintains and improves the health and safety of people and animals by providing <b>animal management</b> services including a pound , registration and administration, afterhours service and an emergency service. It also provides education, regulation and enforcement of Local Laws including parking and other compliance activities and relevant State legislation.	1025 <u>-1036</u> <b>-11</b>
Environmental Services	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance. Reducing greenhouse gas emissions within Council operations and the community are a key priority for Council.	864 <u>-267</u> <b>597</b>
Assets	This service prepares long term maintenance management programs for Council's property assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include municipal buildings, halls, pavilions and other community buildings.	2302 <u>-40</u> <b>2,262</b>
Field Services	This service provides <b>road</b> and bridge maintenance, street and footpath cleaning, drainage maintenance, walking/cycling path maintenance and routine bridge maintenance. Maintenance and planning for renewal and upgrades to Council's sportsgrounds. This service provides tree pruning, planting, removal, planning and street tree strategies, management of all parks and gardens and infrastructure maintenance, conservation and parkland areas, creeks and other areas of environmental significance. It also provides street cleaning, leaf collection, weed removal, drainage pit cleaning and street litter bins throughout Council.	5241 <u>-630</u> <b>4,611</b>
Technical Services	This service provides strategic planning, policy development and day-to-day management of traffic, infrastructure assets, transport, drainage and design issues in Council. This service provides coordination of emergency response and recovery from natural disasters such as bushfire and flooding and management of the Aerodrome. This service also undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	2041 <u>-233</u> <b>1,808</b>

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Waste and Contracts	This service provides kerbside collections of garbage, recyclables and organics.	4358 <u>-2150</u> <b>2,208</b>
Infrastructure Management	This service provides strategic direction to the Infrastructure Services directorate.	301 <u>0</u> <b>301</b>
Business Governance and Systems	This service provides governance and support to the organisation, business planning, occupational health and safety and risk management.	709 <u>0</u> <b>709</b>
Financial Services	This unit provides financial services to both internal and external customers including the management of Council's finances, payment of salaries and wages, payment of suppliers, raising and collection of rates and charges and valuation of properties throughout the municipality. It also covers depreciation and income from capital grants.	12998 <u>-9822</u> <b>3,176</b>
Information Services	This service provides, supports and maintains reliable and cost effective information and computing systems, facilities and infrastructure. IS also delivers records management and Geospatial Information Systems (GIS) enabling us to deliver services in a smart, productive and efficient way.	1826 <u>0</u> <b>1,826</b>
Corporate Services Management	This service provides strategic advice, governance, and oversees our financial sustainability.	322 <u>-2</u> <b>320</b>

### Major Initiatives

- 23) Introducing Green Organics service
- 24) Developing detailed 10 year infrastructure plans to support growth areas
- 25) Upgrade Council's Electronic Document Management System
- 26) Review Council's Information Services Strategy
- 27) Review of Council services and processes to ensure Council's sustainable future

### Initiatives

- 28) Commencing strategic drainage for growth areas
- 29) Completing phytocap trials for landfill rehabilitation
- 30) Installation of new modern and consistent parking machines
- 31) Complete the changeover of Council owned streetlights to more energy efficient technology
- 32) Complete the review and update of the Domestic Wastewater Management Plan
- 33) Review and upgrade of Disaster Recovery and Back-up Strategy
- 34) Centralising of all overhead expenditure
- 35) Renewal of Information and Communications Technology

## Service Performance Outcome Indicators

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

Service	Indicator	Performance Measure	Computation
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
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
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions

## 2.7 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2015/16 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

## 2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
We are Healthy	2,476	11,633	9157
We are Growing	2,367	3,640	1,273
We are Connected	2,689	2,802	113
We are Creative	1,382	2,139	757
We are Sustainable	17,808	31,988	14,180
<b>Total services and initiatives</b>	<b>26,722</b>	<b>52,202</b>	<b>25,480</b>
Other non-attributable	0		
<b>Deficit before funding sources</b>	<b>26,722</b>		
<b>Funding sources:</b>			
Rates & charges	28,198		
Capital grants	1,503		
<b>Total funding sources</b>	<b>29,701</b>		
<b>Surplus for the year</b>	<b>2,979</b>		

### 3. Budget influences

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

#### 3.1 Snapshot of The Rural City of Wangaratta

One of Victoria's most geographically diverse and scenic regions, the Rural City of Wangaratta offers a blend of city life and welcoming villages, native bushland, pastoral landscapes and snow-capped peaks.

Located in the heart of North East Victoria - Wangaratta is a leading regional city in an area of breathtaking beauty.

There are over 27,100 residents living in the Rural City of Wangaratta, 17,000 of whom live in urban Wangaratta. Prominent townships and villages include Boorhaman, Cheshunt, Eldorado, Everton, Glenrowan, Oxley, Milawa, Moyhu, Peechelba, Springhurst, Tarrawingee, Whitfield and Whorouly.

The regional economy is exceptionally diverse. Wangaratta is home to major manufacturing, transport and distribution activities and is the regional headquarters for several state government agencies.

The rich agricultural land surrounding Wangaratta yields gourmet produce and world-class wines, making this region a paradise for food and wine lovers. Together with the production of beef, dairy, lamb, wool, crops and timber it provides diversity in agriculture. Our small towns support, and depend on industries such as viticulture, agriculture, horticulture and tourism. Opportunities within niche markets, based around these industries, abound throughout the Rural City of Wangaratta.

Wangaratta provides a range of services for all age groups in keeping with its status as a leading regional city. It is a hub for recreational, commercial, educational, tourism and health facilities, including regional private and public hospitals.

Families can choose from a variety of educational opportunities including twenty primary schools, a specialist school, three secondary schools, a specialist secondary setting; a TAFE Institute including a Rural Studies Campus and Victoria's first Technical Education Centre, access to a number of universities including a campus of Charles Sturt University, many childcare and kindergarten facilities and a centre for continuing education.

The world renowned Wangaratta Festival of Jazz and Blues is an annual highlight amidst a diverse calendar of events.

The Rural City of Wangaratta is proud of its cultural diversity and heritage. The legend surrounding Australia's most renowned bushranger, Ned Kelly, is captured and preserved in and around the historic township of Glenrowan which has seen the "Siege Site" placed on the National Heritage List.

The Rural City of Wangaratta is widely recognised as offering a quality lifestyle. Here you can enjoy life at the perfect pace, balancing family and career aspirations in a vibrant, safe, progressive and caring community.

#### **Budget implications**

As a result of the City's demographic profile there are a number of budget implications in the short and long term as follows:

- The municipality has a population density of eight people per square kilometre, with several distinct regions and centres. Planning for these rural centres is a high priority for Council.
- 23% of Wangaratta's population is under 18 years of age and, as in rural Victoria generally, there is a significant out-migration of people aged between 18 and 24 years. The Youth Council and youth programs are seen as important for our community.
- Around 40% of the population are 50 years of age or older. The provision of aged and disability services are important Council programs and account for \$6M of expenditure.
- The urban areas of the Wangaratta city are experiencing growth in the North West and South. Budget implications arise for Council to fund construction and replacement of infrastructure such as drains which cannot cope with the higher density of dwellings. The rates received from new dwellings do not offset the significant infrastructure costs.

### 3.2 External influences

- Consumer Price Index (CPI) increases on goods and services of 1.7% through the year to December quarter 2014 (ABS release 28 January 2015). State-wide CPI is forecast to be 2.5% for the 2015/16 year (Victorian Budget Papers 2014/15).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to May 2014 was 3.1% (ABS release 14 August 2014). The wages price index in Victoria is projected to be 3.50% per annum in 2015/16 and the subsequent two years (Victorian Budget Papers 2014/15). Council must renegotiate a new Collective Agreement during the 2015/16 year for commencement on 1 January 2017.
- Cost Shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to Cost Shifting include school crossing supervisors, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community.
- The Victorian State Government has announced that local government rates will be capped from 2016-17. Council will be undertaking a review of services that are provided to the community with the aim of reducing the level of rate payer subsidy for services undertaken by Local Government on behalf of the State and Federal Governments.
- Councils across Australia raise approximately 3% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

### 3.3 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2015/16 Budget. These matters have arisen from events occurring in the 2014/15 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2015/16 year. These matters and their financial impact are set out below:

- Council's enterprise bargaining agreement contains a 4% annual wage increase and is in place until the end of the 2016 calendar year, impacting on employee cost growth.
- Council's decision during the year to continue to implement its Waste Strategy by introducing an organic waste collection. The introduction of an organic waste bin in September 2015 will result in the diversion of a significant waste stream from Council's landfill at Bowser.

### **3.4 Budget principles**

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

- Existing fees and charges to be calculated on a cost recovery basis where possible
- Grants to be based on confirmed funding levels
- New revenue sources to be identified where possible
- Service levels to be maintained at 2014/15 levels with the aim to use less resources with an emphasis on innovation and efficiency
- Salaries and wages to be increased in line with Council's Enterprise Bargaining Agreement
- Contract labor to be minimised
- New initiatives or new employee proposals to be justified through a business case
- Real savings in expenditure and increases in revenue identified in 2014/15 to be preserved
- Landfill rehabilitation and aftercare to be fully provided for
- Application of triple bottom line approach to the assessment of new initiatives
- Operation of specific undertakings on a business basis with sufficient funding to meet agreed community benefit
- Operating revenues and expenses arising from completed 2014/15 capital projects to be included.
- Borrowings to be in accordance with Council's strategic resource plan

### **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 2015/16 to 2018/19 (Section 8.), Rating Information (Section 9.) and Other Long Term Strategies (Section 10.) including borrowings, infrastructure and service delivery.

## 4. Analysis of operating budget

This section analyses the operating budget including expected income and expenses of the Council for the 2015/16 year.

### 4.1 Budgeted income statement

	Ref	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
Total income	4.2	54,768	55,328	561
Total expenses	4.3	(51,129)	(52,254)	(1,125)
<b>Surplus (deficit) for the year</b>		<b>3,639</b>	<b>3,074</b>	<b>(564)</b>
Grants –non-recurrent capital	4.2.6	(3,009)	(1,389)	1,620
Contributions - non-monetary assets		0	0	0
Capital contributions - other sources	4.2.4	(259)	(142)	117
<b>Adjusted underlying surplus (deficit)</b>		<b>371</b>	<b>1,544</b>	<b>1,173</b>

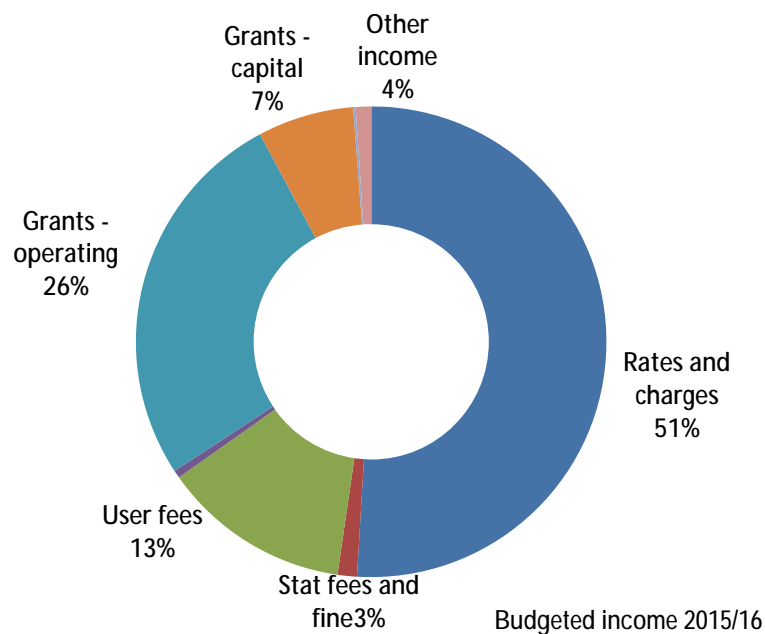
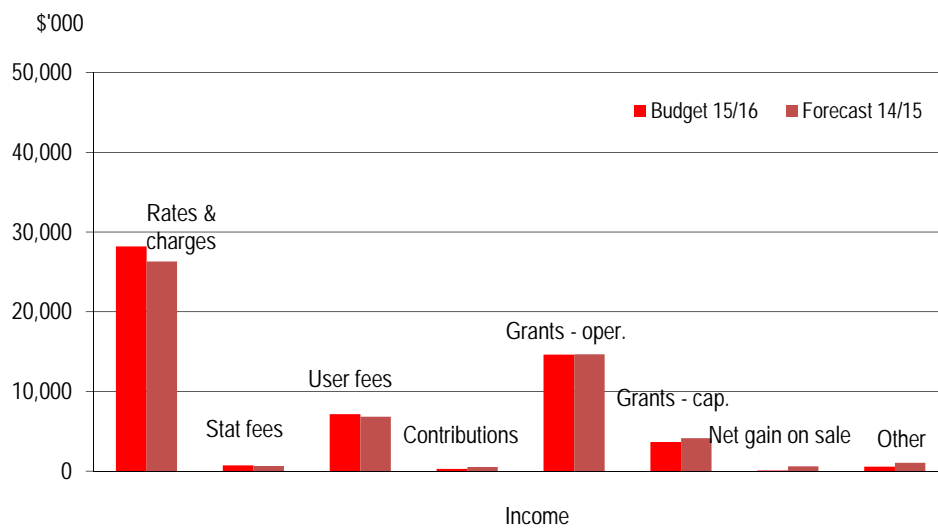
#### 4.1.1 Adjusted underlying surplus (\$1.2 million increase)

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The adjusted underlying result for the 2015/16 year is a surplus of \$1.5 million which is an increase of \$1.2 million from the 2014/15 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

### 4.2 Income

Income Types	Ref	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
Rates and charges	4.2.1	26,327	28,198	1,872
Statutory fees and fines	4.2.2	667	735	68
User fees	4.2.3	6,821	7,158	338
Contributions - monetary	4.2.4	517	283	(234)
Grants - operating	4.2.5	14,665	14,617	(48)
Grants - capital	4.2.6	4,141	3,652	(488)
Net gain on disposal of property, infrastructure, plant & equip.	4.2.7	596	102	(494)
Other income	4.2.8	1,035	582	(453)
<b>Total income</b>		<b>54,768</b>	<b>55,328</b>	<b>561</b>





Source: Appendix A

#### 4.2.1 Rates and charges (\$1.9 million increase)

It is proposed that income raised by all rates and charges be increased by 7.1% or \$1.9 million over 2014/15 to \$28.2 million. This includes an increase in the rates charge; garbage charge of 6% and a 1% increase in Capital Improvement Value (CIV) of properties from normal growth. Forecasts supplementary rates to increase by \$0.01 million over 2014/15 to \$0.12 million. Section 9. "Rating Information" includes a more detailed analysis of the rates and charges to be levied for 2015/16. Information on rates and charges specifically required by the Regulations is included in Appendix B.

#### **4.2.2 Statutory fees and fines (\$0.07 million increase)**

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

Statutory fees are forecast to increase by 10.2% or \$0.25 million compared to 2014/15. Statutory Planning fees will increase by \$0.07 million in Traffic Enforcement fees due to enforcement services being fully staffed plus the the appointment of an additional part time enforcement officer.

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

#### **4.2.3 User fees (\$0.3 million increase)**

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include separate rating schemes, use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home help services. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels.

User charges are projected to increase by 5% or \$0.3 million over 2014/15. The main areas contributing to the increase are Livestock Exchange (0.13 million) due to introduction of new fees relating to infrastructure enhancements completed in 2014/15; Transfer Station Waste Services (\$0.1 million) from landfill fees; and parking fees due to the installation of new parking meters.

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

#### **4.2.4 Contributions - monetary (\$0.24 million decrease)**

Contributions are projected to decrease by \$0.23 million or 45% compared to 2014/15 due mainly to the completion of a number of hall and sporting facility building upgrades within the municipality during the 2014/15 year.

#### 4.2.5 Grants - operating (\$0.05 million decrease)

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants has decreased by 0.3% or \$48,000 compared to 2014/15. A list of operating grants by type and source, classified into recurrent and non-recurrent, is included below.

Operating Grant Funding Type and Source	Forecast		Variance
	Actual 2014/15 \$'000	Budget 2015/16 \$'000	
<i>Recurrent - Commonwealth Government</i>			
Community Support North East	1,670	1,703	33
Victorian Grants Commission	6,575	6,575	0
<i>Recurrent - State Government</i>			
Community Support North East	2,178	2,210	31
Family Day Care	719	719	0
Wangaratta Child Care	1,000	952	(48)
Maternal & Child Health	264	270	5
Volunteer Coordination	23	24	0
Home and Community Care	1,081	1,099	18
Intake and Assessment	257	262	4
Community Meals	54	55	1
Meals On Wheels	0	0	0
Community & Recreation	36	4	(32)
Senior citizens	14	15	1
Youth services	69	45	(24)
Performing Arts	118	120	2
Exhibitions Gallery	60	60	0
CBD Masterplan	150	0	(150)
Tracks & Trails	10	0	(10)
Transfer station	8	0	(8)
Emergency & Fire	133	133	0
Engineering	25	0	(25)
Enforcement Services	39	39	(0)
Environmental enhancement	89	265	176
Environmental Health	36	32	(4)
Economic Development	15	15	0
Heritage Projects	0	0	0
Town planning	0	20	20
Human Resources	10	0	(10)
<b>Total recurrent grants</b>	<b>14,633</b>	<b>14,616</b>	<b>(18)</b>
<i>Non-recurrent - Commonwealth Government</i>			
Youth Services	32	2	(30)
<b>Total non-recurrent grants</b>	<b>32</b>	<b>2</b>	<b>(30)</b>
<b>Total operating grants</b>	<b>14,665</b>	<b>14,618</b>	<b>(48)</b>

Increases in specific operating grant funding reflect expected increased demand for these services. The Victoria Grants Commission (VGC) funding is frozen as a result of changes to the funding formula following a review of the basis of funding by the VGC. This decrease is contrary to the statewide increase of 3.4% or 11 million in the \$324 million Commonwealth financial assistance grants paid to Victorian local governments (indicative allocation advice received from Victoria Grants Commission).

#### 4.2.6 Grants - capital (\$0.5 million decrease)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Overall the level of capital grants has decreased by 11.8% or \$0.5 million compared to 2014/15 due mainly to specific funding for some large capital works projects. Council will receive a double payment of the Roads to Recovery Commonwealth grant in 2015/16. Section 6. "Analysis of Capital Budget" includes a more detailed analysis of the grants and contributions expected to be received during the 2015/16 year. A list of capital grants by type and source, classified into recurrent and non-recurrent, is included below.

Capital Grant Funding Type and Source	Forecast	Budget	Variance
	Actual 2014/15 \$'000	2015/16 \$'000	\$'000
<i>Recurrent - Commonwealth Government</i>			
Roads to Recovery	1,132	2,264	1,132
<i>Recurrent - State Government</i>	-	-	-
<b>Total recurrent grants</b>	<b>1,132</b>	<b>2,264</b>	<b>1,132</b>
<i>Non-recurrent - Commonwealth Government</i>			
Buildings	232	0	-232
<i>Non-recurrent - State Government</i>			0
Land Improvements	142	750	608
Buildings	1,404	579	-825
Plant, Machinery and	26	0	-26
Fixtures, Fittings and	48	60	12
Roads	1,000	0	-1,000
Footpaths and Cycleways	158	0	-158
<b>Total non-recurrent grants</b>	<b>3,009</b>	<b>1,389</b>	<b>-1,620</b>
<b>Total capital grants</b>	<b>4,141</b>	<b>3,652</b>	<b>-488</b>

#### 4.2.7 Net gain on disposal of property, infrastructure, plant and equipment (\$0.6 million decrease)

Proceeds from the disposal of Council assets is forecast to be \$0.3 million for 2015/16 and relate to the planned cyclical replacement of part of the plant and vehicle fleet. The written down value of assets sold is forecast to be \$0.2 million.

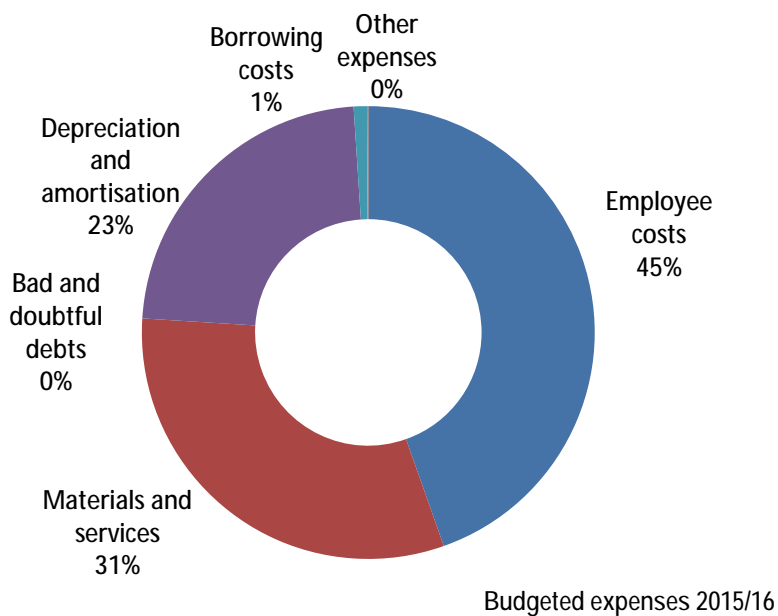
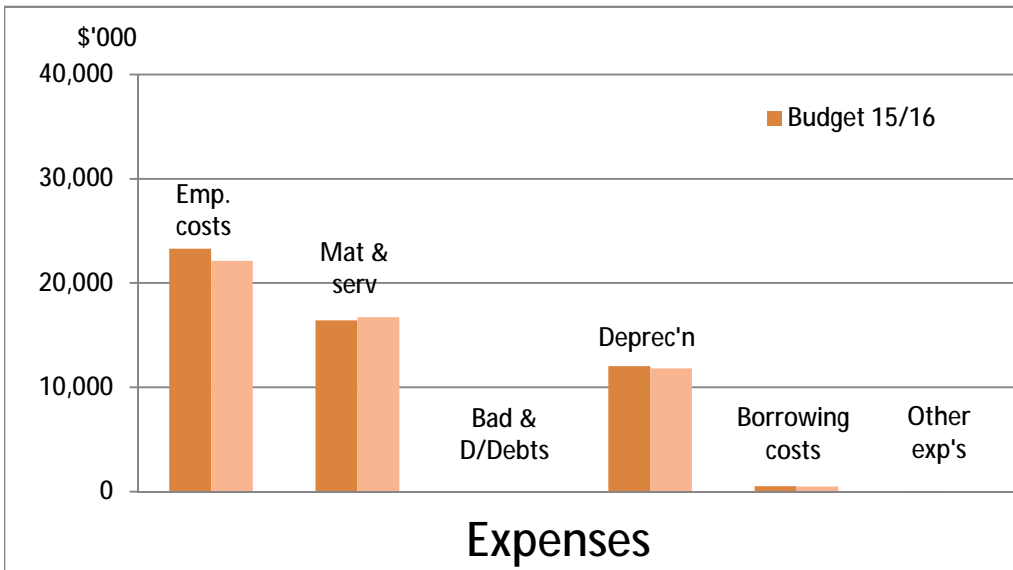
#### 4.2.8 Other income (\$0.45 million decrease)

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

Other income is forecast to decrease by 43.8% or \$0.45 million compared to 2014/15 and relate mainly to the decreasing of management fees relating to the AusNet energy efficient street light changeover. Interest on investments is forecast to decline by 33% or \$0.17 million compared to 2014/15 due to a forecast reduction in Council's available cash reserves during 2015/16 to fund major infrastructure projects.

### 4.3 Expenses

Expense Types	Ref	Forecast		Variance
		Actual 2014/15 \$'000	Budget 2015/16 \$'000	
Employee costs	4.3.1	22,118	23,302	1,184
Materials and services	4.3.2	16,729	16,406	(322)
Bad and doubtful debts	4.3.3	0	0	0
Depreciation and amortisation	4.3.4	11,800	12,010	210
Borrowing costs	4.3.5	476	493	17
Other expenses	4.3.6	7	43	36
<b>Total expenses</b>		<b>51,129</b>	<b>52,254</b>	<b>1,125</b>



Source: Appendix A

#### 4.3.1 Employee costs (\$1.2 million increase)

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

Employee costs are forecast to increase by 5.4% or \$1.2 million compared to 2014/15. This increase relates EBA annual increase of 4% and staff banding increases and relating to Maternal & Child Health Services becoming a direct service, this is offset by savings in materials and services.

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

Department	Budget 2015/16 \$'000	Comprises	
		Permanent Full Time \$'000	Permanent Part Time \$'000
Community Wellbeing	6,521	3,189	3,332
Corporate Services	3,038	2,441	598
Development Services	3,410	2,787	623
Executive Services	1,118	627	492
Infrastructure Services	8,596	7,920	676
Total permanent staff expenditure	22,683	16,963	5,721
Casuals and other expenditure	618		
Capitalised labour costs	460		
<b>Total expenditure</b>	<b>23,302</b>		

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

Department	Budget FTE	Comprises	
		Permanent Full Time	Permanent Part Time
Community Wellbeing	84.9	37.8	47.1
Corporate Services	33.7	26.0	7.7
Development Services	38.0	30.0	8.0
Executive Services	10.9	6.0	4.9
Infrastructure Services	91.5	83.3	8.3
Total	259.0	183.0	76.0
Casuals and other	7.0		
Capitalised labour costs	5.1		
<b>Total staff</b>	<b>266.0</b>		

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

Department	ServiceUnit	Forecast	Budget	Variance
		Actual 2014/15 \$'000	2015/16 \$'000	\$'000
Community Wellbeing	Maternal and child health	0	328	(328)

#### **4.3.2 Materials and services (\$0.3 million decrease)**

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by 1.9% or \$0.3 million compared to 2014/15.

New operating initiatives have increase materials by \$0.6 million such as Disaster Recovery & Backup strategy, Domestic Wastewater Management Plan (DWMP) - detailed risk assessment, Municipal Strategic Statement (MSS) Review / Update Planning Scheme, Playspace Strategy and Our Future financial sustainability efficiency program. Also the Victorian Adaption & Sustainability Partnership \$0.2 million will be carried over to 2015/16.

As per commentary above in Employee Costs, the transfer in of Maternal & Child Health Services as a direct service will reduce materials costs by \$0.4 million.

Other material savings include the reduction of consultants and contractors by \$0.4 million, Insurance \$0.1 million and the transfer of Meals on Wheels to North East Health \$0.1 million.

#### **4.3.3 Bad and doubtful debts**

There are no expected bad or doubtful debts forecast for 2014/15 or 2015/16.

#### **4.3.4 Depreciation and amortisation (\$0.21 million increase)**

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of \$0.21 million for 2015/16 is due mainly to the completion of the 2015/16 capital works program and the full year effect of depreciation on the 2014/15 capital works program. Refer to Section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2015/16 year.

#### **4.3.5 Borrowing costs (\$0.02 million increase)**

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The increase in borrowing costs results from the planned increase in borrowings for the Aquatic Strategy, Livestock Exchange and CBD Masterplan this is offset by a reduction due to repayment of principal in accordance with loan agreements.

#### **4.3.6 Other expenses (\$0.04 million decrease)**

Other expenses are forecast to increase by \$0.04 million compared to 2014/15 due to forecasted cost relating to Electoral review expenses.

## 5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2015/16 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

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

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

### 5.1 Budgeted cash flow statement

	Ref	Forecast Actual 2014/15 \$'000	Budget 2015/16 \$'000	Variance \$'000
<b>Cash flows from operating activities</b>	5.1.1			
<i>Receipts</i>				
Rates and charges		26,327	28,198	1,872
User fees and fines		7,488	7,893	405
Grants - operating		14,665	14,617	(48)
Grants - capital		4,141	3,652	(488)
Interest		500	335	(165)
Other receipts		1,052	530	(522)
		<b>54,172</b>	<b>55,226</b>	1,054
<i>Payments</i>				
Employee costs		(22,095)	(23,302)	(1,207)
Other payments		(15,833)	(16,762)	(929)
		<b>(37,927)</b>	<b>(40,064)</b>	(2,136)
<b>Net cash provided by operating activities</b>		<b>16,245</b>	<b>15,163</b>	(1,082)
<b>Cash flows from investing activities</b>	5.1.2			
Payments for property, infrastructure, plant & equip.		(19,680)	(19,867)	(187)
Proceeds from sale of property, infrastructure, plant & equipment		797	302	(495)
Payments for investments		0	0	0
Proceeds from investments		0	0	0
Loans and advances made		0	0	0
Repayments of loans and advances		0	0	0
<b>Net cash used in investing activities</b>		<b>(18,883)</b>	<b>(19,565)</b>	(682)
<b>Cash flows from financing activities</b>	5.1.3			
Finance costs		(476)	(493)	(17)
Proceeds from borrowings		2,556	3,272	716
Repayment of borrowings		(1,482)	(1,169)	313
<b>Net cash used in financing activities</b>		<b>598</b>	<b>1,610</b>	1,012
<b>Net decrease in cash and cash equivalents</b>		<b>(2,041)</b>	<b>(2,793)</b>	(752)
Cash and cash equivalents at the beginning of the year		13,103	11,062	(2,041)
<b>Cash and cash equivalents at end of the year</b>	5.1.4	<b>11,062</b>	<b>8,269</b>	(2,793)



### 5.1.1 Operating activities (\$1.1 million decrease)

The increase in cash inflows from operating activities is due mainly to a \$0.5 million decrease in capital grants to fund the capital works program and a \$1.2 million increase in employee costs, which is in line with the EBA increase of 4%.

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

	Forecast		
	Actual	Budget	Variance
	2014/15	2015/16	
	\$'000	\$'000	\$'000
<b>Surplus (deficit) for the year</b>	<b>3,639</b>	<b>3,074</b>	<b>(564)</b>
Depreciation	11,800	12,010	210
Loss (gain) on disposal of property, infrastructure, plant & equipment	596	102	(494)
Finance costs	476	493	17
Net movement in current assets and liabilities	(1,539)	(441)	1,098
<b>Cash flows available from operating activities</b>	<b>14,972</b>	<b>15,238</b>	<b>267</b>

### 5.1.2 Investing activities (\$0.7 million decrease)

The increase in payments for investing activities represents the planned increase in capital works expenditure disclosed in Appendix C of this budget report. Proceeds from sale of assets are forecast to decrease by \$0.5 million due to planned settlement of land sales and plant sales achieved during 2015/16.

### 5.1.3 Financing activities (\$1.0 million decrease)

For 2015/16 the total of principal repayments is \$1.2 million, new borrowing are \$3.3 million and finance charges is \$0.5 million.

### 5.1.4 Cash and cash equivalents at end of the year (\$2.8 million decrease)

Overall, total cash and investments is forecast to decrease by \$2.8 million to \$8.3 million as at 30 June 2016, reflecting Council's strategy of using excess cash and investments to enhance existing and create new infrastructure. This is consistent with Council's Strategic Resource Plan (see Section 8), which forecasts a significant reduction in the capital works program from 2015/16 onwards to balance future cash budgets.

## 5.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2015 it will have cash and investments of \$11.06 million, which has been restricted as shown in the following table.

	Ref	Forecast		Variance
		Actual 2015 \$'000	Budget 2016 \$'000	
<b>Total cash and investments</b>		<b>11,062</b>	<b>8,269</b>	<b>(2,793)</b>
Restricted cash and investments				
- Statutory reserves	5.2.1	(265)	(132)	133
- Cash held to carry forward capital works	5.2.2	(2,398)	0	2,398
- Trust funds and deposits		(1,147)	(1,147)	0
<b>Unrestricted cash and investments</b>	5.2.3	<b>7,252</b>	<b>6,990</b>	<b>(262)</b>
- Discretionary reserves	5.2.4	(6,217)	(3,679)	2,538
<b>Unrestricted cash adjusted for discretionary reserves</b>	5.2.5	<b>1,035</b>	<b>3,311</b>	<b>2,276</b>

### 5.2.1 Statutory reserves (\$0.1 million)

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

### 5.2.2 Cash held to fund carry forward capital works

There is no amount shown as cash held to fund carry forward works at 30 June 2016, as it is expected that the capital works budget in the 2015/16 financial year will be fully completed. An amount of \$2.4 million is forecast to be held at 30 June 2015 to fund capital works budgeted but not completed in the 2014/15 financial year. Section 6.2 contains further details on capital works funding.

### 5.2.3 Unrestricted cash and investments (\$7.0 million)

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

### 5.2.4 Discretionary reserves (\$3.7 million)

These funds are shown as discretionary reserves as, although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. During the 2015/16 year \$4.0 million is budgeted to be transferred to and \$6.2 million from Discretionary Reserves. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

### 5.2.5 Unrestricted cash adjusted for discretionary reserves (\$3.3 million)

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

## 6. Analysis of capital budget

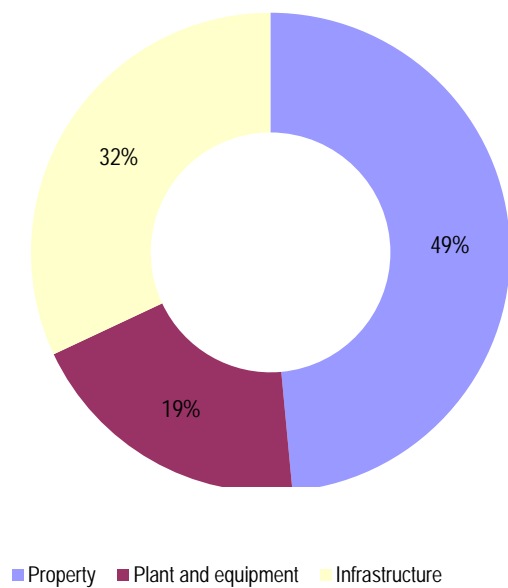
This section analyses the planned capital expenditure budget for the 2015/16 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Appendix C.

### 6.1 Capital works

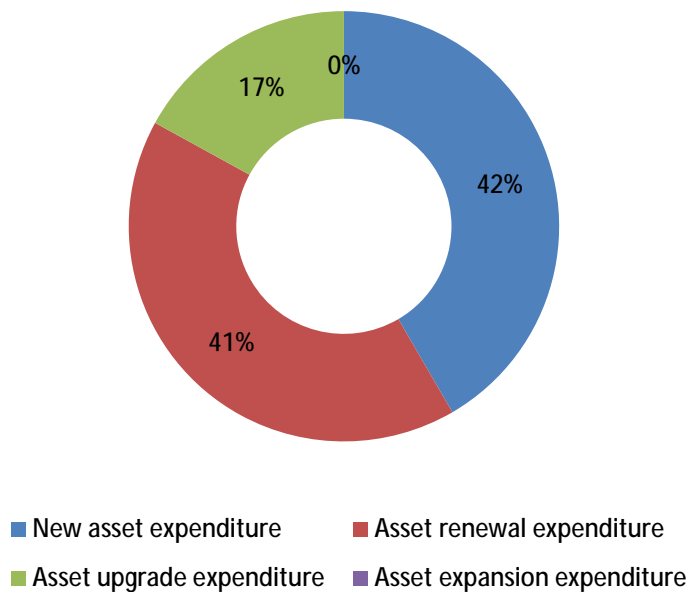
Capital Works Areas	Ref	Forecast		Variance
		Actual 2014/15 \$'000	Budget 2015/16 \$'000	
<b>Works carried forward</b>	6.1.1			
<b>Property</b>				
Land		59		-59
Waste management		0	0	0
Land improvements		593	1,319	726
<b>Total land</b>		<b>652</b>	<b>1319</b>	<b>667</b>
Buildings		2,349	2,644	295
Heritage buildings		0	0	0
Building improvements		0	0	0
Leasehold improvements		0	0	0
<b>Total buildings</b>		<b>2,349</b>	<b>2,644</b>	<b>295</b>
<b>Total property</b>		<b>3,001</b>	<b>3,963</b>	<b>962</b>
<b>Plant and equipment</b>				
Heritage plant and equipment		0	0	0
Plant, machinery and equipment		1,785	0	(1,785)
Fixtures, fittings and furniture		44	359	315
Computers and telecommunications		0	0	0
Library books		0	0	0
<b>Total plant and equipment</b>		<b>1,829</b>	<b>359</b>	<b>(1,470)</b>
<b>Infrastructure</b>				
Roads		1,502	0	(1,502)
Bridges		0	0	0
Footpaths and cycleways		0	0	0
Drainage		0	0	0
Recreational, leisure and community		0	0	0
Parks, open space and streetscapes		0	0	0
Aerodromes		0	0	0
Off street car parks		0	0	0
Other infrastructure		0	0	0
<b>Total infrastructure</b>		<b>1,502</b>	<b>0</b>	<b>(1,502)</b>
<b>Total works carried forward</b>		<b>6,332</b>	<b>4,322</b>	<b>(2,010)</b>
<b>New works</b>				
<b>Property</b>	6.1.2			
Land		902	0	(902)
Waste management		0	0	0
Land improvements		1,289	5,230	3,941
<b>Total land</b>		<b>2,191</b>	<b>5,230</b>	<b>3,039</b>
Buildings		2,183	452	(1,731)
Heritage buildings		0	0	0
Building improvements		0	0	0
Leasehold improvements		0	0	0
<b>Total buildings</b>		<b>2,183</b>	<b>452</b>	<b>(1,731)</b>
<b>Total property</b>		<b>4,374</b>	<b>5,682</b>	<b>1,308</b>

Capital Works Areas	Ref	Forecast	Budget	Variance
		Actual 2014/15 \$'000	2015/16 \$'000	\$'000
<b>Plant and equipment</b>	6.1.3			
Heritage plant and equipment		0	0	0
Plant, machinery and equipment		2,349	3,311	962
Fixtures, fittings and furniture		377	196	(181)
Computers and telecommunications		0	0	0
Library books		0	0	0
<b>Total plant and equipment</b>		<b>2,726</b>	<b>3,507</b>	<b>781</b>
<b>Infrastructure</b>	6.1.4			
Roads		4,649	4,911	262
Bridges		459	255	(204)
Footpaths and cycleways		0	0	0
Drainage		1,043	1,140	97
Recreational, leisure and community		0	0	0
Parks, open space and streetscapes		0	0	0
Aerodromes		0	0	0
Off street car parks		0	0	0
Other infrastructure		97	50	(47)
<b>Total infrastructure</b>		<b>6,248</b>	<b>6,356</b>	<b>108</b>
<b>Total new works</b>		<b>13,348</b>	<b>15,545</b>	<b>2,197</b>
<b>Total capital works expenditure</b>		<b>19,680</b>	<b>19,867</b>	<b>187</b>
<b>Represented by:</b>				
New asset expenditure	6.1.5	5,917	8,262	2,345
Asset renewal expenditure	6.1.5	10,715	8,221	(2,494)
Asset upgrade expenditure	6.1.5	3,048	3,384	336
Asset expansion expenditure	6.1.5	0	0	0
<b>Total capital works expenditure</b>		<b>19,680</b>	<b>19,867</b>	<b>187</b>

#### Budgeted capital works 2015/16



## Budgeted capital works 2015/16



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

### 6.1.1 Carried forward works (\$4.3 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2014/15 year it is forecast that \$4.3 million of capital works will be incomplete and be carried forward into the 2015/16 year. The more significant projects include the Livestock Selling Complex Roof (\$1.6 million) and the Cell 7 Landfill Construction (\$1.3 million).

### 6.1.2 Property (\$5.3 million)

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

For the 2015/16 year, \$5.3 million will be expended on building and building improvement projects. The more significant projects include 2014 Aquatics Plan - WISAC Development (\$1.5 million), Mitchell Ave Splash Park (\$0.7 million), CBD Masterplan Implementation (\$1.0 million), and completion of Organincs processing plant (\$1.4 million).

### 6.1.3 Plant and equipment (\$3.3 million)

Plant, equipment includes, motor vehicles, fleet and plant.

For the 2015/16 year, \$3.3 million will be expended on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of the plant and vehicle fleet (\$2.2 million) and implementation of organics collection (\$0.9 million).

### 6.1.4 Infrastructure (\$6.3 million)

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

For the 2015/16 year, \$4.9 million will be expended on road projects. The more significant projects include local road reconstructions (\$1.5 million), federally funded Roads to Recovery projects (\$1.5 million), and gravel road resheeting (\$0.7 million).

\$1.1 million will be expended on drainage projects. The more significant of these include road drainage renewal works (\$0.5 million), and Strategic Drainage works including Waldara and Newman Street West (\$0.6 million).

### 6.1.5 Asset renewal (\$8.2 million), new assets (\$8.3 million), upgrade (\$3.4 million)

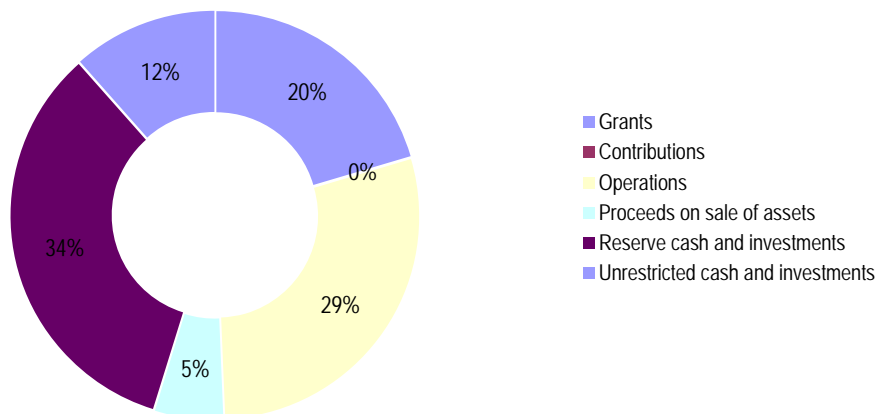
A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have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

The major projects included in the above categories, which constitute expenditure on new assets, are the Livestock Selling Complex roofing project (\$1.6 million), City Oval Tennis Precinct (\$0.6), Cell 7 Landfill Construction (\$1.3 million), Implementation of 2014 Aquatics Plan (\$2.2 million) and Construction and implementation on Organics processing plant (\$2.3 million). The remaining capital expenditure represents renewals and upgrades of existing assets.

## 6.2 Funding sources

Sources of funding	Ref	Forecast		Variance
		Actual 2014/15 \$'000	Budget 2015/16 \$'000	
<b>Works carried forward</b>				
<b>Current year funding</b>				
Grants		1,101	639	(462)
Contributions		82	13	(69)
Borrowings		0	1,272	1,272
Council cash				
- operations		3,525	1,079	(2,446)
- proceeds on sale of assets		0	0	0
- reserve cash and investments		1,624	1,319	(305)
- unrestricted cash and investments		0	0	0
<b>Total works carried forward</b>	6.2.1	<b>6,332</b>	<b>4,322</b>	<b>(2,010)</b>
<b>New works</b>				
<b>Current year funding</b>				
Grants	6.2.2	908	3,014	2,106
Contributions		136	101	(35)
Borrowings		2,556	2,000	(556)
Council cash				
- operations	6.2.3	3,165	2,048	(1,117)
- proceeds on sale of assets	6.2.4	797	302	(495)
- reserve cash and investments	6.2.5	2,354	4,769	2,415
- unrestricted cash and investments	6.2.6	3,432	3,311	(121)
<b>Total new works</b>		<b>13,348</b>	<b>15,545</b>	<b>2,197</b>
<b>Total funding sources</b>		<b>19,680</b>	<b>19,867</b>	<b>187</b>

## Budgeted total funding sources 2015/16



Source: Appendix A

### 6.2.1 Carried forward works (\$4.3 million)

At the end of each financial year there are projects which are either incomplete or not commenced due to factors including planning issues, weather delays and extended consultation. For the 2014/15 year it is forecast that \$4.3 million of capital works will be incomplete and be carried forward into the 2015/16 year. Significant funding includes grants for the Everton Hall precinct redevelopment (0.2 million), Livestock Selling Complex Roof (\$0.4 million) and reserve cash and investments for the Cell 7 Landfill Construction (\$1.3 million).

### 6.2.2 Grants - Capital (\$3.0 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for Roads to Recovery projects (\$2.3 million), and CBD Masterplan Implementation (\$0.5 million).

### 6.2.3 Council cash - operations (\$2.0 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$2.0 million will be generated from operations to fund the 2015/16 capital works program.

### 6.2.4 Council cash - proceeds from sale of assets (\$0.3 million)

Proceeds from sale of assets include motor vehicle sales in accordance with Council's fleet renewal policy of \$0.3 million.

### 6.2.5 Reserve cash - reserve cash and investments (\$4.8 million)

The Council has cash reserves, which it is currently using to fund its annual capital works program. The reserves include monies set aside for specific purposes such as landfill rehabilitation. For 2015/16 \$4.80 million will be used to fund part of the new capital works program including the Mitchell Ave Splash Park (\$0.4 million), Plant Replacement (\$1.7 million), and Construction and implementation on Organics processing plant (\$2.3 million).

### 6.2.6 Council cash - unrestricted cash and investments (\$3.3 million)

In addition to reserve investments, Council has uncommitted cash and investments which represent unrestricted cash and investments and funds preserved from the previous year mainly as a result of grants and contributions being received in advance. It is forecast that \$3.3 million will be available from the 2014/15 year to fund new capital works in the 2015/16 year.

## 7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2014/15 and 2015/16. It also considers a number of key financial performance indicators.

### 7.1 Budgeted balance sheet

	Ref	Forecast Actual 2015 \$'000	Budget 2016 \$'000	Variance \$'000
<b>Current assets</b>	7.1.1			
Cash and cash equivalents		3,432	3,311	(121)
Trade and other receivables		4,269	4,269	0
Financial assets		7,630	4,958	(2,672)
Other assets		778	778	0
<b>Total current assets</b>		<b>16,109</b>	<b>13,316</b>	<b>(2,793)</b>
<b>Non-current assets</b>	7.1.1			
Trade and other receivables		936	936	0
Property, infrastructure, plant and equipment		366,486	374,143	7,657
<b>Total non-current assets</b>		<b>367,422</b>	<b>375,079</b>	<b>7,657</b>
<b>Total assets</b>		<b>383,531</b>	<b>388,395</b>	<b>4,864</b>
<b>Current liabilities</b>	7.1.2			
Trade and other payables		3,721	3,408	313
Provisions		6,266	6,266	0
Interest-bearing loans and borrowings		1,169	1,041	128
<b>Total current liabilities</b>		<b>11,156</b>	<b>10,715</b>	<b>441</b>
<b>Non-current liabilities</b>	7.1.2			
Provisions		12,043	12,043	0
Interest-bearing loans and borrowings		9,856	12,087	(2,231)
<b>Total non-current liabilities</b>		<b>21,899</b>	<b>24,130</b>	<b>(2,231)</b>
<b>Total liabilities</b>		<b>33,055</b>	<b>34,845</b>	<b>(1,790)</b>
<b>Net assets</b>		<b>350,476</b>	<b>353,550</b>	<b>3,074</b>
<b>Equity</b>	7.1.4			
Accumulated surplus		138,189	138,591	402
Reserves		212,287	214,959	2,672
<b>Total equity</b>		<b>350,476</b>	<b>353,550</b>	<b>3,074</b>

Source: Appendix A

#### 7.1.1 Current Assets (\$2.8 million decrease) and Non-Current Assets (\$7.6 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$2.8 million during the year mainly to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non current) relating to loans to community organisations. Both are budgeted to remain consistent with 2014/15 levels.



Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months. Budgeted to remain consistent with 2014/15 levels.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc which has been built up by Council over many years. The increase in this balance is attributable to the net result of the capital works program (\$19.9 million of new assets), depreciation of assets (\$12.0 million) and the sale through sale of property, plant and equipment (\$0.3 million).

### 7.1.2 Current Liabilities (\$0.5 million decrease) and Non Current Liabilities (\$2.2 million increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to decrease by \$0.3 million.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are budgeted to remain consistent with 2014/15 level.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting to repay loan principal of \$1.16 million over the year.

### 7.1.3 Working Capital (\$2.4 million decrease)

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

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

	Forecast		Variance
	Actual 2015 \$'000	Budget 2016 \$'000	
<b>Current assets</b>	16,109	13,316	2,793
<b>Current liabilities</b>	11,156	10,715	441
<b>Working capital</b>	4,953	2,601	2,352
Restricted cash and investment current assets			
- Statutory reserves	(265)	(132)	(133)
- Cash used to fund carry forward capital works	(2,398)	0	(2,398)
- Trust funds and deposits	(1,147)	(1,147)	0
<b>Unrestricted working capital</b>	<b>1,143</b>	<b>1,322</b>	<b>(179)</b>

In addition to the restricted cash shown above, Council is also projected to hold \$3.8 million in discretionary reserves at 30 June 2016. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes.

#### 7.1.4 Equity (\$3.1 million increase)

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

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed
- Accumulated surplus which is the value of all net assets less Reserves that have accumulated over time. The increase in accumulated surplus of \$1.05 million results directly from the operating surplus for the year.

During the year an amount of \$2.4 million (net) is budgeted to be transferred from other reserves to accumulated surplus. This reflects the usage of investment cash reserves to partly fund the capital works program. This is a transfer between equity balances only and does not impact on the total balance of equity.

#### 7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ending 30 June 2016 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Trade creditors to be based on total capital and operating expenditure less written down value of assets sold, depreciation and employee costs. Payment cycle is 30 days
- Other debtors and creditors to remain consistent with 2014/15 levels
- Proceeds from the sale of property in 2015/16 of \$0.3 million will be received in full in the 2015/16 year
- Employee entitlements to be increased by the Enterprise Agreement outcome
- Repayment of loan principal to be \$1.2 million
- Total capital expenditure to be \$19.9 million
- A total of \$8.7 million to be transferred from reserves to accumulated surplus, representing the internal funding of the capital works program for the 2015/16 year.

## 8. Strategic resource plan and financial performance indicators

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

### 8.1 Plan development

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

Council has prepared an SRP for the four years 2015/16 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 four years.

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

- Maintain existing service levels
- Achieve a breakeven operating result within five to six years
- Maintain a capital expenditure program of at least \$16 million per annum
- 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 the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

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

### 8.2 Financial resources

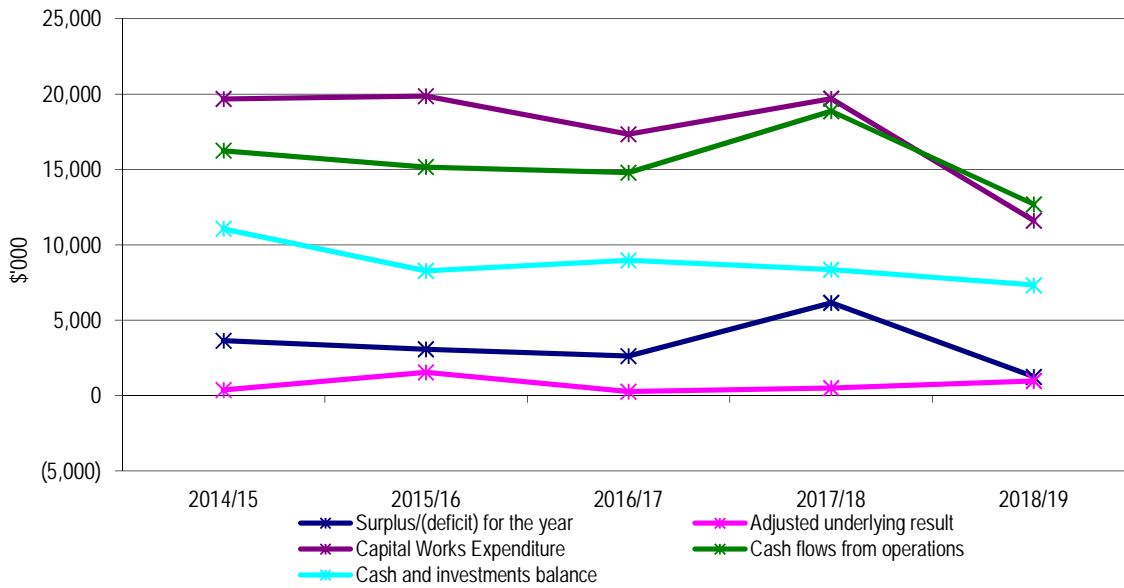
The following table summarises the key financial results for the next four years as set out in the SRP for years 2015/16 to 2018/19. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2014/15	2015/16	2016/17	2017/18	2018/19	+/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Surplus/(deficit) for the year	3,639	3,074	2,616	6,149	1,237	-
Adjusted underlying result	371	1,544	270	496	977	+
Cash and investments balance	11,062	8,269	8,968	8,356	7,328	o
Cash flows from operations	16,245	15,163	14,799	18,876	12,681	-
Capital works expenditure	19,680	19,867	17,337	19,708	11,608	-

Key to Forecast Trend:

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

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



The key outcomes of the Plan are as follows:

- Financial sustainability (Section 5)** - Cash and investments is forecast to decrease over the four year period from \$8.3 million to \$6.7 million.
- Rating levels (Section 9)** – Rates increase will be 6% in 2015/16 and then drop significantly to 2.5% with the introduction of rate capping.
- Service delivery strategy (Section 10)** – Service levels have been maintained throughout the four year period. Despite this, operating surpluses are forecast in years propped up by Capital grants received for the Aquatic Plan of \$2.1M in 2016/17 and \$4.9M in 2017/18 as a result of significant capital grant revenue being received to fund the annual capital works program. However, excluding the effects of capital items such as capital grants and contributions, the adjusted underlying result is a deficit reducing over the four year period. Modest surpluses below \$1M as the Council deals with the affect of rate capping. The underlying result is a measure of financial sustainability and is an important measure as once-off capital items can often mask the operating result.
- Borrowing strategy (Section 10)** – Borrowings are forecast to increase from \$13.1 million to \$14.3 million over the four year period. This includes new borrowings of \$7.5 million for the Aquatic Plan.
- Infrastructure strategy (Section 10)** - Capital expenditure over the four year period will total \$68.6 million at an average of \$17.1 million.

### 8.3 Financial performance indicators

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

Indicator	Measure	Notes	Forecast	Budget	Strategic Resource Plan			Trend +/-
			Actual 2014/15	2015/16	Projections			
			2016/17	2017/18	2018/19			
<b>Operating position</b>								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	0.7%	3.0%	0.5%	0.9%	1.7%	+
<b>Liquidity</b>								
Working Capital	Current assets / current liabilities	2	144.4%	124.3%	110.1%	104.6%	102.9%	-
Unrestricted cash	Unrestricted cash / current liabilities		65.0%	65.2%	61.6%	56.1%	51.0%	-
<b>Obligations</b>								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	41.9%	46.6%	55.7%	54.0%	45.3%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		7.4%	5.9%	5.9%	9.7%	9.1%	-
Indebtedness	Non-current liabilities / own source revenue		62.8%	65.8%	64.7%	60.9%	49.9%	-
Asset renewal	Asset renewal expenditure / depreciation	4	90.8%	68.5%	68.3%	72.6%	67.4%	-
<b>Stability</b>								
Rates concentration	Rate revenue / adjusted underlying revenue	5	48.5%	51.2%	52.1%	49.6%	54.5%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.6%	0.6%	0.6%	0.7%	0.7%	o
<b>Efficiency</b>								
Expenditure level	Total expenditure / no. of property assessments		\$3,427	\$3,493	\$3,600	\$3,693	\$3,781	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,646	\$1,747	\$1,809	\$1,873	\$1,939	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		7.6%	7.6%	7.6%	7.6%	7.6%	o

## 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 2015/16 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.

## 8.4 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. A summary of Council's anticipated human resources requirements for the 2015/16 year is shown below and further detail is included in section 4.3.1 of this budget. A statement of Human Resources is included in Appendix A.

Indicator	Forecast		Strategic Resource Plan		
	Actual 2014/15	Budget 2015/16	Projections		
			2016/17	2017/18	2018/19
Employee costs (\$'000)					
- Operating	22,118	23,302	24,234	24,961	25,710
- Capital	438	460	483	507	533
Total	22,556	23,762	24,717	25,468	26,242
Employee numbers (EFT)	256.9875	258.9875	258.9875	258.988	258.988

## 9. Rating information

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations.

### 9.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 8.), rates and charges were identified as an important source of revenue, accounting for 57% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly given the impact of bi-annual general valuations.

### 9.2 Current year rate increase

The 2015/16 operating position will be significantly impacted by reductions in government funding. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve a sustainable operating position by 2018/19 as set out in the Strategic Resource Plan.

In order to achieve these objectives while maintaining service levels and a strong capital expenditure program, general rates will increase by 6% in 2015/16. This will raise total rate and charges for 2015/16 of \$28.198 million, including \$0.12 million generated from supplementary rates.

The following table sets out future proposed increases in rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2015.

Year	General Rate Increase %	Garbage Charge Increase \$'000	Recycling Charge Increase \$'000	Total Rates Raised \$'000
2014/15	6.00	6.00	6.00	26,065
2015/16	6.00	6.00	6.00	28,198
2016/17	2.50	5.00	5.00	29,060
2017/18	2.50	5.00	5.00	29,905
2018/19	2.50	5.00	5.00	30,777

### 9.3 Rating structure

The existing rating structure comprises one general and eight differential rates including a rate concession for recreational land. These rates are structured in accordance with the requirements of Section 161 'Differential Rates' of the Act. Under the *Cultural and Recreational Lands Act 1963*, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Act. Council also levies a kerbside collection charge, a recycling charge, and an organic waste charge as allowed under the Act.

The following table summarises the rates to be determined for the 2015/16 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

Rate type	How applied	2014/15	2015/16	Change
General	Cents/\$ CIV	0.5066	0.53700	6%
Vacant General	Cents/\$ CIV	1.0132	1.07400	6%
Rural/residential	Cents/\$ CIV	0.5066	0.53700	6%
Vacant rural/residential	Cents/\$ CIV	1.0132	1.07400	6%
Rural 1	Cents/\$ CIV	0.3724	0.39470	6%
Rural 2	Cents/\$ CIV	0.3546	0.37590	6%
Recreational & cultural	Cents/\$ CIV	0.304	0.32220	6%
Commercial/industrial	Cents/\$ CIV	0.6839	0.72490	6%
Vacant commercial/industrial	Cents/\$ CIV	1.0132	1.07400	6%
<i>Urban</i>				
Kerbside collection - 140l bin	\$/ per service	\$213	\$126	-41%
Kerbside collection - 240l bin	\$/ per service	\$394	\$252	-36%
Recycling charge - 240l	\$/ per service	\$86	\$91	6%
Recycling charge - 360l	\$/ per service	\$106	\$112	6%
Organic Waste charge	\$/ per service	\$0	\$126	
<i>Rural</i>				
Kerbside collection - 240l bin	\$/ per service	\$213	\$213	0%
Recycling charge - 240l	\$/ per service	\$86	\$91	6%
Recycling charge - 360l	\$/ per service	\$106	\$112	6%



## 10. Summary of other strategies

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

### 10.1 Borrowings

In developing the Strategic Resource Plan SRP (see Section 8), borrowings was identified as an important funding source for capital works programs. In the past, Council has borrowed strongly to finance large infrastructure projects and since then 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 \$6.5 million at 30 June 2015 and a further significant reduction in 2015/16 to \$4.1 million to complete current infrastructure works in progress, it has been necessary to reconsider the issue of borrowings.

The SRP shows the results of prudential ratios used by the Victorian State Government to assess the loan capacity of local governments.

For the 2014/15 year, Council has determined to borrow \$1.2 million for the Livestock Selling Complex roofing project, \$0.5 million for the implementation of the CBD Masterplan and \$1.5 million for the implementation of the 2014 Aquatics Plan. After making loan repayments of \$1.2 million, Council will increase its total borrowings to \$13.1 million as at 30 June 2016. However, it is predicted that in future years, borrowings will be required to fund future infrastructure initiatives. The following table sets out future proposed borrowings, based on the forecast financial position of Council as at 30 June 2019

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2014/15	2,556	1,482	476	11,025
2015/16	3,272	1,169	493	13,128
2016/17	4,200	1,042	671	16,286
2017/18	2,300	2,212	718	16,374
2018/19	0	2,102	749	14,272

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

	2014/15 \$	2015/16 \$
Total amount borrowed as at 30 June of the prior year	9,951,000	<b>11,025,000</b>
Total amount proposed to be borrowed	2,556,000	<b>3,272,000</b>
Total amount projected to be redeemed	(1,482,000)	<b>(1,169,000)</b>
Total amount of borrowings as at 30 June	11,025,000	<b>13,128,000</b>

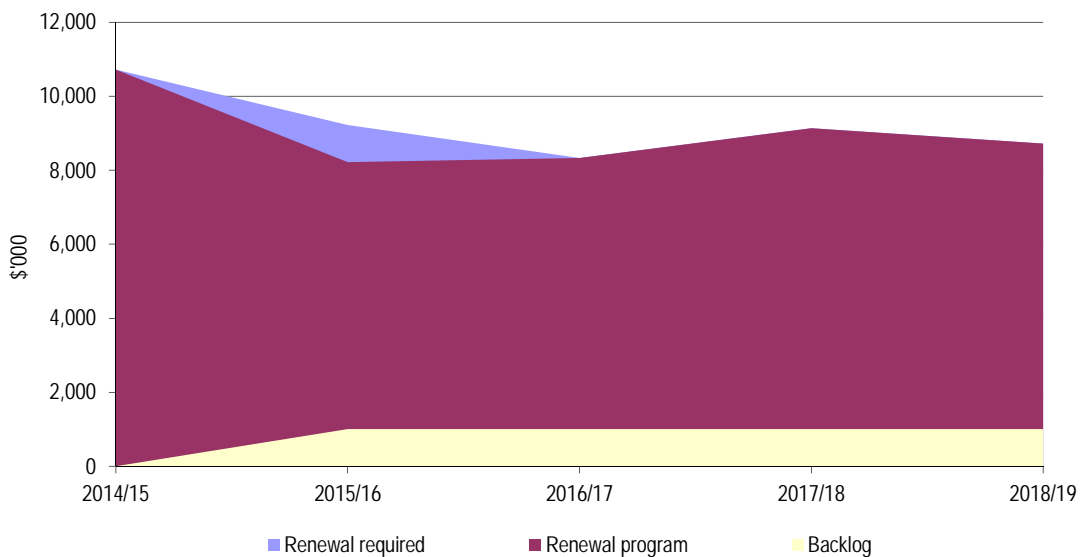
## 10.2 Infrastructure

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

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

A key objective of the Infrastructure Renewal modelling 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 graph below sets out the required and actual asset renewal over the life of the current SRP and the renewal backlog.



At present, Council's Renewal modelling is endeavouring to provide a sufficient level of annual funding to meet ongoing asset renewal needs. The only exception to this is in 2015/16 where there is a gap of \$1 million as council directs these funds into other infrastructure projects. This backlog will flat line unless additional funds are approved from 2016/17.

In updating the Infrastructure Strategy for the 2015/16 year, the following influences have had a significant impact:

- Reduction in the amount of cash and investment reserves to fund future capital expenditure programs
- Availability of significant Federal funding for upgrade of roads
- The enactment of the *Road Management Act 2004* removing the defence of non-feasance on major assets such as roads

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

Summary of funding sources					
Year	Total Capital Program	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000
2014/15	19,680	2,009	218	14,897	2,556
2015/16	19,867	3,653	114	12,828	3,272
2016/17	17,337	2,100	200	10,837	4,200
2017/18	19,708	5,400	300	11,708	2,300
2018/19	11,608	0	200	11,408	0

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

### 10.3 Service delivery

The key objectives in Council's Strategic Resource Plan (referred to in Section 8.) which directly impact the future service delivery strategy are to maintain existing service levels, whilst delivering a positive operating result. We are currently conducting a review of our services to inform decisions around the level of service we should be providing into the future. The Rating Information (see Section 9.) also refers to modest rate increases accommodating rate capping into the future approximating CPI plus 1%. With these key objectives as a basis, a number of internal and external influences have been identified through discussions with management which will have a significant impact on the scope and level of services to be provided over the next four years.

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

	2015/16	2016/17	2017/18	2018/19
	%	%	%	%
Rate increases	6.0	2.5	2.5	2.5
Property growth	1.0	1.0	1.0	1.0
Wages growth	5.0	4.0	3.0	3.0
Government funding	1.8	1.8	1.8	3.0
Statutory fees	3.0	3.0	3.0	3.0
Investment return	3.0	3.0	3.5	4.0

As well as the general influences, there are also a number specific influences which relate directly to service areas or activities. The most significant changes in these areas are summarised below.

### Waste Collection

During the 2015/16 year, we will introduce an organics kerbside collection service to urban Wangaratta and move from weekly to fortnightly collection for general waste in urban and rural areas. It is our intention to process the organics waste at our landfill site at Bowser. Overall Waste collection charges have been increased by 6%.

### Aged & Disability Services

Government funding for aged and disability services is expected to increase by approximately \$24,000 or 1.7% from 2014/15. This includes General Home Care, Personal Care, Property maintenance, Respite Care and Meals.

### Valuation Services

The Council is required to revalue all properties within the municipality every two years. The last general revaluation was carried out as at 1 January 2014 effective for the 2014/15 year and the next revaluation will be undertaken as at 1 January 2016. Council has appointed the Valuer General as its An allowance of \$97,000 has been made in 2015/16 to meet the net cost of the 2016 general revaluation.

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

Year	Surplus (Deficit) for the year \$'000	Adjusted Underlying Surplus (Deficit) \$'000	Net Service (Cost) \$'000
2014/15	3,639	(1,019)	(26,828)
2015/16	3,074	(861)	(28,776)
2016/17	2,616	(1,108)	(29,869)
2017/18	6,149	(890)	(30,730)
2018/19	1,237	(417)	(31,378)

Service levels have been maintained throughout the four year period with operating surpluses forecast in each year as a result of significant capital grant revenue being received to fund the annual capital works program. Year 2018/19 forecasts reducing operating deficits due to reduced capital revenue. Excluding the effects of items such as capital contributions, the adjusted underlying result is a reducing deficit over the four year period. The net cost of the services provided to the community increases from \$29 million to \$31 million over the four year period. We are conducting a service level review to check the range and level of services that are provided. This review will support an examination of Council's operations on a wider scale to identify further efficiencies and revenue streams.

## Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in sections 1 to 10 of this report.

This information has not been included in the main body of the budget report in the interests of clarity and conciseness. Council has decided that whilst the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Financial statements	59
B	Rates and charges	66
C	Capital works program	71
D	Fees and charges schedule	81

## **Appendix A**

### **Financial Statements**

This appendix presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2015/16 to 2018/19 has been extracted from the Strategic Resource Plan.

The appendix includes the following budgeted information:

- 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 2019

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rates and charges	26,327	<b>28,198</b>	29,252	30,347	31,483
Statutory fees and fines	667	<b>735</b>	757	779	803
User fees	6,821	<b>7,158</b>	7,445	7,743	8,052
Grants - Operating	14,665	<b>14,617</b>	14,883	15,154	15,608
Grants - Capital	4,141	<b>3,652</b>	3,233	6,533	1,133
Contributions - monetary	517	<b>283</b>	492	506	522
Contributions - non-monetary	0	<b>0</b>	0	0	0
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	596	<b>102</b>	0	0	0
Fair value adjustments for investment property	0	<b>0</b>	0	0	0
Share of net profits/(losses) of associates and joint ventures	0	<b>0</b>	50	50	50
Other income	1,035	<b>582</b>	503	576	604
<b>Total income</b>	<b>54,768</b>	<b>55,328</b>	<b>56,614</b>	<b>61,687</b>	<b>58,255</b>
<b>Expenses</b>					
Employee costs	22,118	<b>23,302</b>	24,234	24,961	25,710
Materials and services	16,729	<b>16,406</b>	16,851	17,238	17,569
Bad and doubtful debts	0	<b>0</b>	0	0	0
Depreciation and amortisation	11,800	<b>12,010</b>	12,198	12,577	12,944
Borrowing costs	476	<b>493</b>	671	718	749
Other expenses	7	<b>43</b>	44	45	46
<b>Total expenses</b>	<b>51,129</b>	<b>52,254</b>	<b>53,998</b>	<b>55,539</b>	<b>57,017</b>
<b>Surplus/(deficit) for the year</b>	<b>3,639</b>	<b>3,074</b>	<b>2,616</b>	<b>6,149</b>	<b>1,237</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods:</b>					
Net asset revaluation increment /(decrement)	0	<b>0</b>	0	0	0
Share of other comprehensive income of	0	<b>0</b>	0	0	0
<b>Items that may be reclassified to surplus or deficit in future periods</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(detail as appropriate)					
<b>Total comprehensive result</b>	<b>3,639</b>	<b>3,074</b>	<b>2,616</b>	<b>6,149</b>	<b>1,237</b>

## Balance Sheet

For the four years ending 30 June 2019

	Forecast Actual 2015 \$'000	Budget 2016 \$'000	Strategic Resource Plan Projections		
			2017 \$'000	2018 \$'000	2019 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3,432	<b>3,311</b>	(2,077)	(1,621)	(2,802)
Trade and other receivables	4,269	<b>4,269</b>	4,004	4,052	4,102
Other financial assets	7,630	<b>4,958</b>	11,045	9,977	10,130
Inventories	75	<b>75</b>	75	75	75
Non-current assets classified as held for sale	0	<b>0</b>	0	0	0
Other assets	703	<b>703</b>	703	703	703
<b>Total current assets</b>	<b>16,109</b>	<b>13,316</b>	<b>13,751</b>	<b>13,186</b>	<b>12,208</b>
<b>Non-current assets</b>					
Trade and other receivables	35	<b>35</b>	35	35	35
Investments in associates and joint ventures	901	<b>901</b>	901	901	901
Property, infrastructure, plant & equipment	366,486	<b>374,143</b>	378,532	384,814	382,727
Investment property	0	<b>0</b>	0	0	0
Intangible assets	0	<b>0</b>	0	0	0
<b>Total non-current assets</b>	<b>367,422</b>	<b>375,079</b>	<b>379,468</b>	<b>385,750</b>	<b>383,663</b>
<b>Total assets</b>	<b>383,531</b>	<b>388,395</b>	<b>393,219</b>	<b>398,936</b>	<b>395,872</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	2,574	<b>2,261</b>	2,861	3,091	2,442
Trust funds and deposits	1,147	<b>1,147</b>	1,147	1,147	1,147
Provisions	6,266	<b>6,266</b>	6,266	6,266	6,266
Interest-bearing loans and borrowings	1,169	<b>1,041</b>	2,212	2,102	2,015
<b>Total current liabilities</b>	<b>11,156</b>	<b>10,715</b>	<b>12,486</b>	<b>12,606</b>	<b>11,870</b>
<b>Non-current liabilities</b>					
Provisions	12,043	<b>12,043</b>	10,493	9,743	8,193
Interest-bearing loans and borrowings	9,856	<b>12,087</b>	14,074	14,272	12,257
<b>Total non-current liabilities</b>	<b>21,899</b>	<b>24,130</b>	<b>24,567</b>	<b>24,015</b>	<b>20,450</b>
<b>Total liabilities</b>	<b>33,055</b>	<b>34,845</b>	<b>37,053</b>	<b>36,621</b>	<b>32,320</b>
<b>Net assets</b>	<b>350,476</b>	<b>353,550</b>	<b>356,166</b>	<b>362,315</b>	<b>363,552</b>
<b>Equity</b>					
Accumulated surplus	138,189	<b>138,591</b>	140,464	147,681	148,765
Reserves	212,287	<b>214,959</b>	215,702	214,634	214,787
<b>Total equity</b>	<b>350,476</b>	<b>353,550</b>	<b>356,166</b>	<b>362,315</b>	<b>363,552</b>



## Statement of Changes in Equity

For the four years ending 30 June

	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	\$'000	\$'000	\$'000	\$'000
<b>2016</b>				
Balance at beginning of the financial year	350,476	138,189	205,804	6,483
Surplus/(deficit) for the year	3,074	3,074	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(4,080)	0	4,080
Transfer from other reserves	0	6,752	0	(6,752)
<b>Balance at end of the financial year</b>	<b>353,550</b>	<b>143,935</b>	<b>205,804</b>	<b>3,811</b>
<b>2017</b>				
Balance at beginning of the financial year	353,550	143,935	205,804	3,811
Surplus/(deficit) for the year	2,616	2,616	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(3,150)	0	3,150
Transfer from other reserves	0	3,150	0	(3,150)
<b>Balance at end of the financial year</b>	<b>356,166</b>	<b>146,551</b>	<b>205,804</b>	<b>3,811</b>
<b>2018</b>				
Balance at beginning of the financial year	356,166	146,551	205,804	3,811
Surplus/(deficit) for the year	6,149	6,149	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(3,150)	0	3,150
Transfer from other reserves	0	4,218	0	(4,218)
<b>Balance at end of the financial year</b>	<b>362,315</b>	<b>153,768</b>	<b>205,804</b>	<b>2,743</b>
<b>2019</b>				
Balance at beginning of the financial year	362,315	153,768	205,804	2,743
Surplus/(deficit) for the year	1,237	1,237	0	0
Net asset revaluation increment/(decrement)	0	0	0	0
Transfer to other reserves	0	(3,150)	0	3,150
Transfer from other reserves	0	2,997	0	(2,997)
<b>Balance at end of the financial year</b>	<b>363,553</b>	<b>154,853</b>	<b>205,804</b>	<b>2,896</b>

## Statement of Cash Flows

For the four years ending 30 June 2019

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	26,327	<b>28,198</b>	29,517	30,299	31,433
Statutory fees and fines	667	<b>735</b>	757	779	803
User fees	6,821	<b>7,158</b>	7,445	7,743	8,052
Grants - operating	14,665	<b>14,617</b>	14,883	15,154	15,608
Grants - capital	4,141	<b>3,652</b>	3,233	6,533	1,133
Contributions - monetary	517	<b>283</b>	492	506	522
Interest received	500	<b>335</b>	248	314	334
Dividends received	0	<b>0</b>	0	0	0
Trust funds and deposits taken	0	<b>0</b>	0	0	0
Other receipts	535	<b>247</b>	255	262	270
Net GST refund / payment	0	<b>0</b>	0	0	0
Employee costs	(22,095)	<b>(23,302)</b>	(24,234)	(24,961)	(25,710)
Materials and services	(15,833)	<b>(16,762)</b>	(17,796)	(17,752)	(19,764)
Trust funds and deposits repaid	0	<b>0</b>	0	0	0
Other payments	0	<b>0</b>	0	0	0
<b>Net cash provided by/(used in) operating activities</b>	<b>16,245</b>	<b>15,163</b>	<b>14,799</b>	<b>18,876</b>	<b>12,681</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(19,680)	<b>(19,867)</b>	(17,337)	(19,708)	(11,608)
Proceeds from sale of property, infrastructure, plant and equipment	797	<b>302</b>	750	850	750
Payments for investments	0	<b>0</b>	0	0	0
Proceeds from sale of investments	0	<b>0</b>	0	0	0
Loan and advances made	0	<b>0</b>	0	0	0
Payments of loans and advances	0	<b>0</b>	0	0	0
<b>Net cash provided by/ (used in) investing activities</b>	<b>(18,883)</b>	<b>(19,565)</b>	<b>(16,587)</b>	<b>(18,858)</b>	<b>(10,858)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(476)	<b>(493)</b>	(671)	(718)	(749)
Proceeds from borrowings	2,556	<b>3,272</b>	4,200	2,300	0
Repayment of borrowings	(1,482)	<b>(1,169)</b>	(1,042)	(2,212)	(2,102)
<b>Net cash provided by/(used in) financing activities</b>	<b>598</b>	<b>1,610</b>	<b>2,487</b>	<b>(630)</b>	<b>(2,851)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(2,041)</b>	<b>(2,793)</b>	<b>699</b>	<b>(612)</b>	<b>(1,028)</b>
Cash and cash equivalents at the beginning of the financial year	13,103	<b>11,062</b>	8,269	8,968	8,356
<b>Cash and cash equivalents at the end of the financial year</b>	<b>11,062</b>	<b>8,269</b>	<b>8,968</b>	<b>8,357</b>	<b>7,328</b>

## Statement of Capital Works

For the four years ending 30 June 2019

	Forecast	<b>Budget</b>	Strategic Resource Plan		
	Actual		Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>					
Land	961	0	0	0	0
Land improvements	1882	6549	21	1600.118	21
<b>Total land</b>	2843	6549	21	1600.118	21
Buildings	4532	3096	6789	7289	501
Heritage buildings	0	0	0	0	0
Building improvements	0	0	0	0	0
Leasehold improvements	0	0	0	0	0
<b>Total buildings</b>	4,532	3,096	6,789	7,289	501
<b>Total property</b>	7,375	9,645	6,810	8,889	522
<b>Plant and equipment</b>					
Heritage plant and equipment	0	0	0	0	0
Plant, machinery and equipment	4134	3311	857	1889	1447
Fixtures, fittings and furniture	421	555	0	0	0
Computers and telecommunications	0	0	0	0	0
Library books	0	0	0	0	0
<b>Total plant and equipment</b>	4,555	3,866	857	1,889	1,447
<b>Infrastructure</b>					
Roads	6151	5061	5991	5991	6143
Bridges	459	255	293	293	300
Footpaths and cycleways	0	0	0	0	0
Drainage	1043	990	154	154	158
Recreational, leisure and community facilities	0	0	0	0	0
Waste management	0	0	0	0	0
Parks, open space and streetscapes	0	0	0	0	0
Aerodromes	0	0	0	0	0
Off street car parks	0	0	0	0	0
Other infrastructure	97	50	3232	2492	3038
<b>Total infrastructure</b>	7,750	6,356	9,670	8,930	9,639
<b>Total capital works expenditure</b>	19,680	19,867	17,337	19,708	11,608
<b>Represented by:</b>					
New asset expenditure	5,917	8,262	9,010	10,571	2,887
Asset renewal expenditure	10,715	8,221	8,327	9,137	8,721
Asset expansion expenditure	0	0	0	0	0
Asset upgrade expenditure	3,048	3,384	0	0	0
<b>Total capital works expenditure</b>	19,680	19,867	17,337	19,708	11,608

## Statement of Human Resources

For the four years ending 30 June 2019

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2014/15	2015/16	2016/17	2017/18	2018/19
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Staff expenditure</b>					
Employee costs - operating	22,118	<b>23,302</b>	24,234	24,961	25,710
Employee costs - capital	438	<b>460</b>	483	507	533
<b>Total staff expenditure</b>	<b>22,556</b>	<b>23,762</b>	<b>24,717</b>	<b>25,468</b>	<b>26,242</b>
	FTE	FTE	FTE	FTE	FTE
<b>Staff numbers</b>					
Employees	257	<b>259</b>	259	259	259
<b>Total staff numbers</b>	<b>257</b>	<b>259</b>	<b>259</b>	<b>259</b>	<b>259</b>

**Appendix B**  
**Rates and charges**

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

## Rates and charges

### 1. Rates and charges

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

Type or class of land	2014/15 cents/\$CIV	2015/16 cents/\$CIV	Change
General rate for rateable residential properties	0.5066	<b>0.5370</b>	<b>6.0%</b>
General rate for rateable vacant residential properties	1.0132	<b>1.0740</b>	<b>6.0%</b>
General rate for rateable rural/residential properties	0.5066	<b>0.5370</b>	<b>6.0%</b>
General rate for rateable vacant rural/residential properties	1.0132	<b>1.0740</b>	<b>6.0%</b>
General rate for rateable rural 1 properties	0.3724	<b>0.3947</b>	<b>6.0%</b>
General rate for rateable rural 2 properties	0.3546	<b>0.3759</b>	<b>6.0%</b>
Rate concession for rateable recreational & cultural properties	0.3040	<b>0.3222</b>	<b>6.0%</b>
General rate for rateable commercial/industrial properties	0.6839	<b>0.7249</b>	<b>6.0%</b>
General rate for rateable vacant commercial/industrial properties	1.0132	<b>1.0740</b>	<b>6.0%</b>

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

Type or class of land	2014/15 Budget \$	2015/16 \$	Change
Residential	9,402,981	<b>10,130,150</b>	<b>7.73%</b>
Vacant residential	273,767	<b>380,454</b>	<b>38.97%</b>
Rural/residential	3,626,283	<b>3,952,068</b>	<b>8.98%</b>
Vacant rural/residential	228,750	<b>233,251</b>	<b>1.97%</b>
Rural 1	2,884,394	<b>1,070,269</b>	<b>-62.89%</b>
Rural 2	2,071,502	<b>4,081,710</b>	<b>97.04%</b>
Recreational & cultural	22,572	<b>23,917</b>	<b>5.96%</b>
Commercial/industrial	3,230,894	<b>3,616,852</b>	<b>11.95%</b>
Vacant commercial/industrial	98,057	<b>108,388</b>	<b>10.54%</b>
<b>Total amount to be raised by general rates</b>	<b>21,839,200</b>	<b>23,597,058</b>	<b>8.05%</b>

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

Type or class of land	2014/15 Budget #	2015/16 #	Change
Residential	7,997	<b>8,059</b>	<b>0.78%</b>
Vacant residential	169	<b>250</b>	<b>47.93%</b>
Rural/residential	2,486	<b>2,527</b>	<b>1.65%</b>
Vacant rural/residential	160	<b>149</b>	<b>-6.88%</b>
Rural 1	735	<b>807</b>	<b>9.80%</b>
Rural 2	2,213	<b>2,130</b>	<b>-3.75%</b>
Recreational & cultural	11	<b>11</b>	<b>0.00%</b>
Commercial/industrial	1,037	<b>1,039</b>	<b>0.19%</b>
Vacant commercial/industrial	45	<b>43</b>	<b>-4.44%</b>
<b>Total number of assessments</b>	<b>14,853</b>	<b>15,015</b>	<b>1.09%</b>

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

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

Type or class of land	2014/15 Budget \$	2015/16 \$	Change
Residential	1,856,040,000	1,886,459,000	1.64%
Vacant residential	27,020,000	35,424,000	31.10%
Rural/residential	715,808,000	735,953,000	2.81%
Vacant rural/residential	22,577,000	21,718,000	-3.80%
Rural 1	774,542,000	271,160,000	-64.99%
Rural 2	584,180,000	1,085,850,000	85.88%
Recreational & cultural	7,425,000	7,423,000	-0.03%
Commercial/industrial	472,422,000	498,945,000	5.61%
Vacant commercial/industrial	9,678,000	10,092,000	4.28%
<b>Total value of land</b>	<b>4,469,692,000</b>	<b>4,553,024,000</b>	<b>1.86%</b>

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

Type of Charge	Per Rateable Property 2014/15 \$	Per Rateable Property 2015/16 \$	Change
Municipal	Nil	Nil	0.0%

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

Type of Charge	2014/15 \$	2015/16 \$	Change
Municipal	Nil	Nil	0.0%

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

Type of Charge	Per Rateable Property 2014/15 Budget \$	Per Rateable Property 2015/16 \$	Change
<i>Urban</i>			
Kerbside collection - 140l bin	213	126	-40.85%
Kerbside collection - 240l bin	394	252	-36.04%
Recycling charge - 240l	86	91	5.81%
Recycling charge - 360l	106	112	0.00%
Organic Waste charge	0	126	
<i>Rural</i>			
Kerbside collection - 240l bin	213	213	0.00%
Recycling charge - 240l	86	91	5.81%
Recycling charge - 360l	106	112	0.00%

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

Type of Charge	2014/15 Budget \$	2015/16 \$	Change
Garbage Charge (140 litre bin)	2,645,673	1,084,648	-59.00%
Garbage Charge (240 litre bin)	407,002	1,102,342	170.84%
Recycling Charge (240 litre bin)	1,103,552	1,145,058	3.76%
Recycling Charge (360 litre bin)	N/A	46,704	0.00%
Organic Waste Charge	N/A	1,102,394	0.00%
<b>Total</b>	<b>4,156,227</b>	<b>4,481,146</b>	<b>7.82%</b>

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

Type of Charge	2014/15 Budget \$	2015/16 \$	Change
General rates	25,995,427	<b>28,078,200</b>	<b>8.01%</b>
Supplementary rates	70,000	<b>120,000</b>	<b>71.4%</b>
<b>Total</b>	26,065,427	<b>28,198,200</b>	<b>8.2%</b>

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

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

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

## 2. Differential rates

### 2.1 Rates to be levied

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

- A general rate of 0.5370% of CIV for all rateable residential properties;
- A general rate of 1.0740% of CIV for all rateable vacant residential properties;
- A general rate of 0.5370% of CIV for all rateable rural residential properties;
- A general rate of 1.0740% of CIV for all rateable vacant rural residential properties;
- A general rate of 0.3947% of CIV for all rateable rural 1 properties;
- A general rate of 0.3759% of CIV for all rateable rural 2 properties;
- A general rate of 0.3222% of CIV for all rateable cultural & recreational properties;
- A general rate of 0.7249% of CIV for all rateable commercial/industrial properties;
- A general rate of 1.0740% of CIV for all rateable vacant commercial/industrial properties; and

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

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

### 2.2 Differential Rating Statement 2014/15 rating year

The following table defines the types or classes of land which are subject to differential rates. Where rateable property is used for more than one classification then the classification with the highest rate will apply.

#### *Type and Description*

##### **General:**

All land except where otherwise classified

**General rate – 100%:** The objective of this general rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services
- Provision of general support services.

##### **Vacant General Land**

Any land which:

1. is located within a General Residential, Neighbourhood Residential or Residential Growth Zone under the Wangaratta Planning Scheme; and
2. on which no building designed or adapted for occupation is erected.

**Rating differential – 200%:** The objective of the Vacant General Land differential rate is to encourage development of this class of property.



### Rural Residential Land:

Any land which is located within:

1.1 Rural Living 1 zone;

§ Rural Living 2 zone,

§ Low Density Residential zone; or

§ Township zone

under the Wangaratta Planning Scheme; or

1.2 a Farming zone or Rural Conservation zone under the Wangaratta Planning Scheme and is less than 8ha in area, except where the land is farmed as a single enterprise occupied by the same person or persons whether or not the properties are contiguous; and

2. on which there is erected a building designed or adapted for occupation; and

3. does not have the characteristics of Commercial/Industrial Land.

**Rating differential – 100%:** The objective of this differential rate is to reflect that the reduced benefits received by this lower density property are reflected in property values, and therefore, no discounted rate should be applied.

### Vacant Rural Residential Land:

Any land which :

1. is located within:

§ Rural Living 1 zone;

§ Rural Living 2 zone;

§ Low Density Residential zone;

§ Township zone

under the Wangaratta Planning Scheme except where the land is a farmed as a single enterprise occupied by the same person or persons whether or not the properties are contiguous; and

2. does not have the characteristics of Commercial/Industrial Land.

**Rating differential – 200%:** The objective of the Vacant Rural Residential Land differential rate is to encourage development of this class of property.

### Rural 1 Land:

Any land:

1. which is:

located within a Farming zone or Rural Conservation zone under the Wangaratta Planning Scheme and is equal to or greater than 8 ha, but not greater than 40 ha in area; or

is a component of a single farm enterprise (as defined in Section 159(4) of the *Local Government Act 1989*) occupied by the same person or persons whether or not the properties are contiguous and when combined, total an area equal to or less than 40 ha; and

2. does not have the characteristics of Commercial/Industrial Land.

**Rating differential – 73.5%:** The objective of the Rural Land differential rate is to recognise the reduced infrastructure investment and provision of services to this class of property.

### Rural 2 Land:

Any land:

1. which is:

located within a Farming zone or Rural Conservation zone under the Wangaratta Planning Scheme and is greater than 40 ha in area; or

is a component of a single farm enterprise (as defined in Section 159(4) of the *Local Government Act 1989*) occupied by the same person or persons whether or not the properties are contiguous and when combined, total an area greater than 40 ha;

2. does not have the characteristics of Commercial/Industrial Land.

**Rating differential – 70%:** The objective of the Rural Land differential rate is to recognise the reduced infrastructure investment and provision of services to this class of property. This differential rate also recognises the land stewardship and amenity that large rural holdings provide to the rural landscape.

### Recreation and Cultural Land:

Land prescribed under the Cultural and Recreational lands Act 1963 as 'recreational lands' that meets the test of being

**Rating differential – 60%:** The objective of the Recreation and Culture Land differential rate is to encourage recreational and cultural pursuits.

### Application of Rate

Where recreational facilities are provided on public ownership land (Crown Land/Council Owned Land) and share facilities that are available to the general public, those properties will be considered as non-rateable.

Where private ownership land is used for the provision of recreational facilities which are available to the general public such properties will be rated as Recreational & Cultural.

Where private ownership land is used for the provision of recreational facilities which are not available to the general public (e.g. sporting facilities associated with a resort facility) such properties will not be rated as Recreational & Cultural, but will be rated in accordance with another differential rating classification.

#### **Commercial/ Industrial Land**

Any land which is used primarily for commercial or industrial purposes or is located at 18-20 Cusack Street, Wangaratta.

**Rating differential – 135%:** The objective of the Commercial/Industrial rate is to recognise the benefits derived by this class of property including higher infrastructure investment and general support services.

#### **Vacant Commercial/ Industrial Land**

Any land which:

1. is located within:

- § a Mixed Use Zone;
- § Industrial Zone 1;
- § Commercial 1 Zone;
- § Commercial 2 Zone;
- § Special Use Zone 1;
- § Special Use Zone 2;
- § Special Use Zone 3; or
- § Special Use Zone 4,

under the Wangaratta Planning Scheme; and

2. has developed infrastructure and utilities available to it but in respect of which no commercial or industrial use is occurring.

**Rating differential – 200%:** The objective of the Vacant Commercial/Industrial differential rate is to recognise the benefits derived by this class of property including higher infrastructure investment and general support services and to encourage development of this class of property.

## Appendix C Capital works program

This appendix presents a listing of the capital works projects that will be undertaken for the 2015/16 year.

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

- New works for 2015/16
- Works carried forward from the 2014/15 year.

### Capital works program

For the year ending 30 June 2016

#### 1. New works

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>PROPERTY</b>									
<b>Land Improvements</b>									
00767 Cemetery lawn beams	15	-	-	15	-	-	-	15	-
01016 Kindergarten compliance	15	-	-	15	-	-	-	15	-
01572 South Wangaratta Irrigation Improvements	54	-	-	54	-	-	-	54	-
01573 2014 Aquatics Plan - WISAC Development	1,500	1,500	-	-	-	-	-	-	1,500
01574 Mitchell Ave Splash Park	650	650	-	-	-	-	-	650	-
01575 Informal Recreation Project	143	-	-	143	-	95	5	43	-
01576 South Wangaratta Pitch Re-alignment	155	-	-	155	-	100	30	25	-
01577 Barr Two - Optus Mobile Tower Inst	137	-	-	137	-	-	16	121	-
01578 Rural & Regional Transfer Station Upgrade	108	-	-	108	-	48	-	60	-
01579 Water tanks for fire fighting purposes	11	-	-	11	-	7	-	4	-
01580 CBD Masterplan Implementation	1,000	-	-	1,000	-	500	-	500	-
01581 Landfill - Design and Construction of Cell 6	30	30	-	-	-	-	-	30	-
01582 Design for the phytocap and rehabilitation for Bowser East	30	30	-	-	-	-	-	30	-
01584 Organics processing plant	1,382	1,382	-	-	-	-	-	1,382	-
<b>Total Land Improvements</b>	<b>5,230</b>	<b>3,592</b>	<b>-</b>	<b>1,638</b>	<b>-</b>	<b>750</b>	<b>51</b>	<b>2,929</b>	<b>1,500</b>
<b>Buildings</b>									
01013 Buildings Renewal	390	-	390	-	-	-	-	390	-
01494 RENEWAL - Swimming Pools	30	-	30	-	-	-	-	30	-
01568 WGC - External Louvers	32	-	-	32	-	-	-	32	-
<b>Total Buildings</b>	<b>452</b>	<b>-</b>	<b>420</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>452</b>	<b>-</b>

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>TOTAL PROPERTY</b>	<b>5,682</b>	3,592	420	1,670	-	750	51	3,381	1,500
<b>PLANT AND EQUIPMENT</b>									
<b>Plant, Machinery and Equipment</b>									
00178 Plant replacement program	2094	-	2,094	-	-	-	-	2,094	-
00441 Bin Purchases	45	-	45	-	-	-	-	45	-
00529 RENEWAL - Signage on roads	30	-	30	-	-	-	-	30	-
01498 RENEWAL - Street Parking Ticket Machines	137	-	137	-	-	-	-	137	-
01536 New Plant Projects	15	-	15	-	-	-	-	15	-
01587 Organics 240 litre bins	436	436	-	-	-	-	-	436	-
01588 Kitchen tidies and bags	136	136	-	-	-	-	-	136	-
01589 Rural 240 litre residual rubbish bin	203	203	-	-	-	-	-	203	-
01590 Conversion of 140 litre urban bins to red lids	140	140	-	-	-	-	-	140	-
01602 Flood Mitigation - Pump Replacement	75	-	75	-	-	-	-	75	-
<b>Total Plant, Machinery and Equipment</b>	<b>3,311</b>	915	2,396	-	-	-	-	3,311	-
<b>Fixtures, Fittings and Furniture</b>									
00102 Gallery acquisitions	6	6	-	-	-	-	-	6	-
01461 Electronic Document Management System	100	-	-	100	-	-	-	100	-
01495 RENEWAL - (ICT)	90	-	90	-	-	-	-	90	-
<b>Total Fixtures, Fittings and Furniture</b>	<b>196</b>	6	90	100	-	-	-	196	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>3,507</b>	921	2,486	100	-	-	-	3,507	-

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>INFRASTRUCTURE</b>									
<b>Roads</b>									
00353 R2R reseals	1500	-	1,500	-	-	1,500	-	-	-
00530 Shoulder renewal	200	-	200	-	-	-	-	200	-
00555 Preparation for reseals	250	-	250	-	-	-	-	250	-
00725 Road Street reconstruction	1,460	-	1,460	-	-	764	-	696	-
00863 Recreation Parklands M'plan Traffic Mgt	155	-	-	155	-	-	-	155	-
01200 Aerodrome Pavement Resealing	50	-	50	-	-	-	-	50	-
00312 Local road resheets	690	-	690	-	-	-	-	690	-
01479 Dust Suppression Road Treatments	100	-	-	100	-	-	50	50	-
01599 RENEWAL - Kerb and Channel	145	-	145	-	-	-	-	145	-
00712 Footpath renewal program	145	-	145	-	-	-	-	145	-
00860 Footpath High Priority Program	66	66	-	-	-	-	-	66	-
01011 Bicycle path renewal	150	-	150	-	-	-	-	150	-
<b>Total roads</b>	<b>4,911</b>	<b>66</b>	<b>4,590</b>	<b>255</b>	<b>-</b>	<b>2,264</b>	<b>50</b>	<b>2,597</b>	<b>-</b>
<b>Bridges</b>									
01600 RENEWAL - Bridges	255	-	255	-	-	-	-	255	-
<b>Total Bridges</b>	<b>255</b>	<b>-</b>	<b>255</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255</b>	<b>-</b>

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>Footpaths and Cycleways</b>									
<b>Total Footpaths and Cycleways</b>									
<b>Drainage</b>									
01041 Renewal - Drainage	450	-	450	-	-	-	-	450	-
01601 Waldara Drainage	500	-	-	500	-	-	-	-	500
01603 Alpine View Outfall - Drainage	40	-	-	40	-	-	-	40	-
01583 Newman Street West Drainage	150	-	-	150	-	-	-	150	-
<b>Total Drainage</b>	<b>1,140</b>	-	450	690	-	-	-	640	500
<b>Parks, Open Space and Streetscapes</b>									
00510 Playground equipment upgrade	30	-	-	30	-	-	-	30	-
00511 Park furniture renewal	20	-	20	-	-	-	-	20	-
<b>Total Parks, Open Space and Streetscapes</b>	<b>50</b>	-	20	30	-	-	-	50	-
<b>TOTAL INFRASTRUCTURE</b>	<b>6,356</b>	66	5,315	975	-	2,264	50	3,542	500
<b>TOTAL NEW CAPITAL WORKS 2015/16</b>	<b>15,545</b>	4,579	8,221	2,745	-	3,014	101	10,430	2,000

2.Works carried forward from the 2014/15 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>PROPERTY</b>									
Land	0	0	0	0	0	0	0	0	0
<b>Land Improvements</b>									
01348 Landfill - Design and Construction of Cell 7	1319	1,319	-	-	-	-	-	1,319	-
<b>Total Land Improvements</b>	<b>1,319</b>	<b>1,319</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,319</b>	<b>0</b>
<b>Buildings</b>									
01105 Comfort Station Redevelopment	100	-	-	100	-	10	-	90	-
01330 Rural Town Sewer Scheme Council sites	20	-	-	20	-	-	-	20	-
01331 Livestock Selling Complex Roofing	1645	1,645	-	-	-	373	-	-	1,272
01341 City Oval Tennis Precinct - Stage One Buildings	585	585	-	-	-	-	-	585	-
01344 Everton Hall and precinct redevelopment	294	-	-	294	-	196	13	85	-
<b>Total Buildings</b>	<b>2,644</b>	<b>2,230</b>	<b>-</b>	<b>414</b>	<b>-</b>	<b>579</b>	<b>13</b>	<b>780</b>	<b>1,272</b>
<b>TOTAL PROPERTY</b>	<b>3,963</b>	<b>3,549</b>	<b>0</b>	<b>414</b>	<b>0</b>	<b>579</b>	<b>13</b>	<b>2,099</b>	<b>1,272</b>
<b>PLANT AND EQUIPMENT</b>									
<b>Fixtures, Fittings and Furniture</b>									
01396 Bullawah Project - Indigenous Interpretive Signage	125	125	-	-	-	60	-	65	-
01269 CEEP Education Works	9	9	-	-	-	-	-	9	-
01461 Electronic Document Management System	225	-	-	225	-	-	-	225	-
<b>Total Fixtures, Fittings and Furniture</b>	<b>359</b>	<b>134</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>299</b>	<b>-</b>
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>359</b>	<b>134</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>299</b>	<b>-</b>
<b>TOTAL INFRASTRUCTURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CARRIED FWD WORKS 2014/15</b>	<b>4,322</b>	<b>3,683</b>	<b>-</b>	<b>639</b>	<b>-</b>	<b>639</b>	<b>13</b>	<b>2,398</b>	<b>1,272</b>

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Borrowings \$'000
<b>3. Summary</b>									
PROPERTY	<b>9,645</b>	7,141	420	2,084	-	1,329	64	5,480	2,772
PLANT AND EQUIPMENT	<b>3,866</b>	1,055	2,486	325	-	60	-	3,806	-
INFRASTRUCTURE	<b>6,356</b>	66	5,315	975	-	2,264	50	3,542	500
<b>TOTAL CAPITAL WORKS</b>	<b>19,867</b>	8,262	8,221	3,384	0	3,653	114	12,828	3,272



## **Appendix D**

### **Fees and charges schedule**

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2015/16 year.