

Strathbogie *shire*

Strathbogie Shire Council Budget Report 2018/19

Contents

Mayors and CEO's Introduction

Page

3

Budget Reports

1. Link to the Council Plan	7
2. Services and service performance indicators	9
3. Financial statements	14
4. Notes to the financial statements	21
5. Financial Performance Indicators	32

Disclaimer

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

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



Mayor and CEO's Introduction

G1 MAYOR'S INTRODUCTION

Strathbogie Shire Council is pleased to release the proposed Budget 2018/19 which builds on the hard work of the current and previous Councils to ensure that Strathbogie has a sustainable future.

With the State Government setting a rate cap of 2.25%, Council is proposing an increase less than that – at 1.9%. We recognise that Strathbogie Shire has had some of the highest per capita rates in Victoria, due to our smaller ratepayer base and large geographic area with significant infrastructure, and we are now in a position to ameliorate the rate increase and are proud that we are able to work with an increase under the State Government rate cap.

In recognition of the contribution the farm sector makes to our local economy the differential will be reduced from 85% to 82.5% of the Residential rate. This decision has been made to provide equity and fairness reflecting that farmers require large landholdings to generate income. This reduction in the differential rate for the farm sector will also bring Strathbogie Shire into a more equitable position with other comparable Local Government authorities around the State.

Due to current contracts Strathbogie Shire has not seen the significant increases and challenges faced by other Shires with waste services and specifically with recycling, however waste charges will increase by 3%, this reflects increasing ongoing costs. There will be significant challenges ahead particularly with the recycling and that has not been reflected in this budget.

The rates and charges changes mean that on a \$300,000 residential property with the most common (240 litre bin) waste service, costs will still only increase by less than 2%. Outcomes for individual properties will vary with a revaluation of all properties to apply for rating in the coming year.

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

OPERATING BUDGET

Council has endeavoured to strike a balance between ratepayer affordability with the continuing and the challenges of a large geographic area with significant infrastructure and a growing population. Operating costs have been contained, but Council has been able to accommodate:

- \$150,000 for improved levels of road maintenance following Council's decision in the last budget to progressively upgrade unsealed roads
- \$70,000 to improve Council's capacity to ensure compliance with planning controls
- \$55,000 to implement Strathbogie 2030 a program designed to improve Council and the community's ability to manage the environment. Projects within this include greenhouse gas emissions modelling, urban and rural greening overview, water cycle overview and management plan
- \$205,000 for Strategic Planning including Euroa Growth Management Plan, Nagambie and Euroa Flood amendments, Violet Town review

Council's program of rate relief to encourage first home buyers who wish to settle in our Shire will continue.

CAPITAL PROGRAM

Asset Management

Of recent years Council, has focussed on renewing its asset base, particularly roads and bridges, and at times this has necessitated above average rate increases. Following the most recent independent assessment of the condition of roads and bridges the independent contractor has commented:

"Council's road assets were found to be in very good overall condition, with a quite measurable improvement since the last survey in 2014. Council has done a great job in lifting the renewal funding levels on the road network over the past decade" and



"The bridge assets were found to be in good overall condition with a quite measurable improvement across all six condition indicators since the time of the last survey. This is really an outstanding achievement and reflects the very high priority given by Council to the bridge assets over the past decade."

With the renewal gap now under control and the appropriate amounts being directed towards renewal Council is considering ways in which it can improve service levels, particularly in relation to the road network, meaning that a number of previously low priority road groups are scheduled for upgrade to a better condition with accompanying increased levels of maintenance.

Capital Works

Council is committed to the renewal and replacement of its ageing infrastructure and in this financial year has a capital works budget of \$10.268m. Of this \$7.65 M of the capital works budget will be applied to renewal and upgrade projects.

Specific Projects include:

Reseal Program	700,000
Sealed Road Shoulders	400,000
Road rehabilitation	750,000
Resheeting (gravel)	600,000
Kerb and Channel	105,590
Upgrade of zero class roads	400,000
Upgrade Campbell Street Euroa (Special Charge Scheme)	280,000
Urban paths	107,000
Walking Tracks	60,000
Pedestrian Bridges*	210,000
Bridges and Major culverts	1,252,000
Drainage and flood mitigation projects*	1,275,000
Avenel Pre school upgrade	526,000
Nagambie Recreation Reserve facilities upgrade*	250,000
Euroa Visitor Information Centre	160,000
Toilets High Street Nagambie	400,000
Friendlys Reserve improvements	210,000
Deep water boat ramp – Nagambie*	395,000

*Denotes some external funding to be sourced

Council will continue to review all infrastructure assets and will seek to rationalise any assets identified as not being required for future service delivery.

Amanda McClaren
Mayor

Executive Summary

Council has prepared a Budget for 2018/19 which is aligned to the vision in the Council Plan 2017/21. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within the 2.25 per cent rate increase mandated by the State Government.

This Budget projects a surplus of \$2.34 million for 2018/19. The adjusted underlying result is a deficit of \$0.41 million after adjusting for capital grants and contributions (refer Section 4.5).

1. Key things we are funding

1) Ongoing delivery of services to the Strathbogie Shire community funded by a budget of \$29.87 million. These services are summarised in Section 2.

2) Continued high level of capital investment with a strong infrastructure asset renewal effort, \$5.78 million. Capital works include roads \$3.58 m; bridges \$1.25 m; footpaths and bicycle paths \$0.41 million; drainage \$1.28 million; buildings \$1.76 million. The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Section 4.5.

Relating the Budget to the Council Plan sees the following:

Goal 1 : To enhance community health and wellbeing

Council continues to provide significant support for the Community's wellbeing through provision of libraries ,maternal and child health , animal management , environmental health , emergency and youth services as well as maintenance of parks and reserves.

Goal 2 : To sustainably manage our natural and built environment

This area provides resourcing in the areas of sustainability and waste management and initiatives related to landcare, waste minimisation, climate change and enhancement of natural assets

Goal 3 : To provide quality infrastructure

Maintenance of a significant network of roads and bridges is a critical function of Council as is reviewing the assets that Council holds to ensure that they remain relevant to service needs. Buildings and swimming pools are also important to the community. Details of capital works projects are provided in Section 4.5 of the Budget.

Goal 4 : To support and drive economic development

This is an important part of Council's operations as it seeks to stimulate and maintain economic development throughout the Shire. This encompasses areas such as the digital economy, investment attraction, land use planning and tourism .

Goal 5 : To be a high performing Shire

This includes the areas of Council governance, customer service, financial management and advocacy

2. The Rate Rise

a. The rate rise is 1.9%, below the cap of 2.25% mandated by the Minister for Local Government under the Fair Go Rates System.

b. Key drivers

i. To fund ongoing service delivery - business as usual (plus increasing service demands from residents)

ii. To fund renewal of infrastructure and community assets

iii. To cope with growth in the population of Strathbogie Shire residents

iv. To cope with cost shifting from the State Government

v. The waste service charge incorporating kerbside collection and recycling will increase by 3%.

c. Refer Section 4.1 for further Rates and Charges details.



3. Key Statistics

- Total Revenue: \$29.87 million (2017/18 = \$27.02 million)
- Total Expenditure: \$27.53 million (2017/18 = \$27.47 million)
- Operating Result: \$2.34 million Surplus (2017/18 = \$0.45 million Deficit)
(Refer Income Statement in Section 3)
- Cash result: \$1.85 million outflow (2017/18 = \$7.45 million outflow)
(Refer Statement of Cash Flows in Section 3)
This is the net funding result after considering the funding requirements to meet loan principal repayments and the reserve transfers.
- Total Capital Works Program of \$10.27 million
 - o \$7.01 million from Council operations
 - o \$0.42 million from asset sales
 - o \$2.84 m from external grants

4. Budget Influences

External Influences

The preparation of the budget is influenced by the following external factors:

- The Victorian State Government introduced a cap on rate increases from 2016/2017. The cap for 2017/2018 has been set at 2.25 (2016/2017 - 2.0%).
- CPI for Victoria is forecast to be 2.25% for the 2018/19 year (Victorian Department of Treasury & Finance, 2017/18 Budget).
- The Victorian Wage Price Index is projected to be 2.75% in 2018/19 (Victorian Department of Treasury & Finance, 2017/18 Budget Update).
- Employee costs will increase by 2.15% during 2018/19 under Council's Collective Agreement.

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 2018/19 Budget.

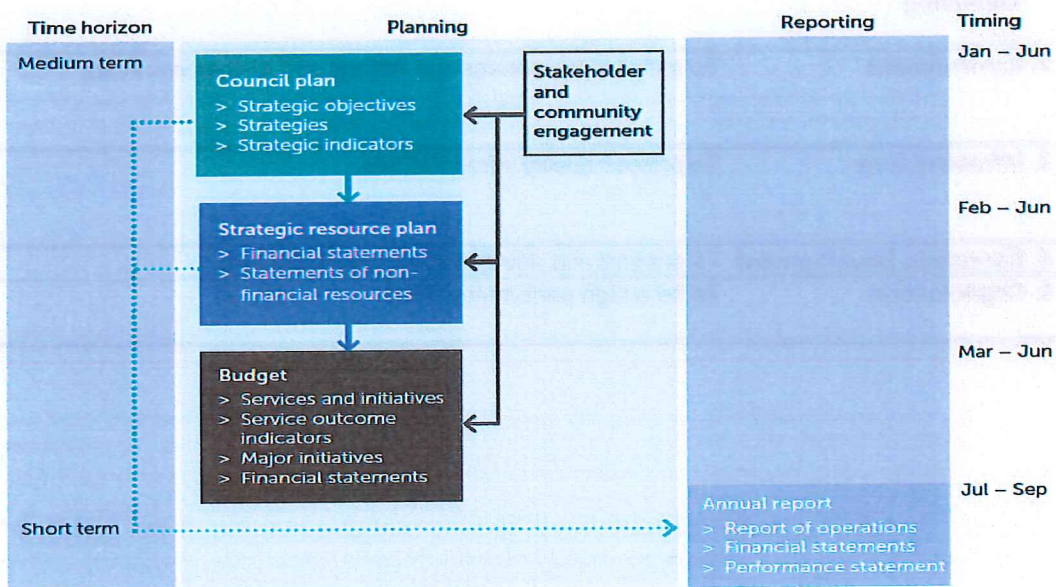
- The maintenance of services at 2017/18 levels;
- Ongoing commitment to asset renewal and rehabilitation;
- Continued application of continuous improvement and best practice principles to Council operations.;
- Sale of assets no longer required by Council; and,
- No new borrowings.

G2 1. Link to the Council Plan

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

G3 1.1 Planning and accountability framework

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



Source: Department of Environment, Land, Water and Planning

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

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



G4 1.2 Our purpose

Our vision

"Together we are building a flourishing community"

Our mission

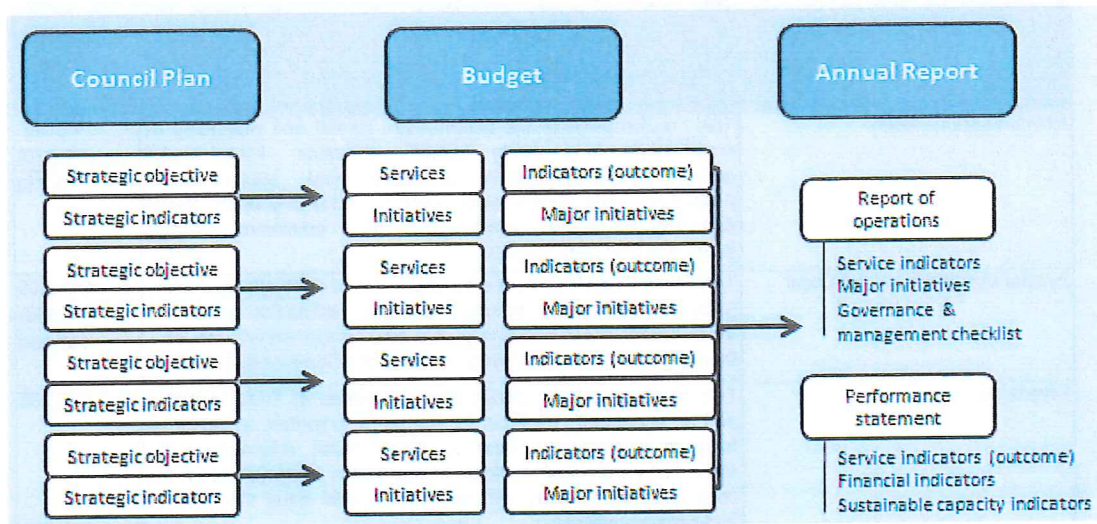
"To support our community to grow through effective partnerships, engagement and equitable and efficient delivery of services"

Our values

"To be a respectful, innovative, open and transparent, inclusive, fair and ethical Council"

G5 1.3 Strategic objectives

Strategic Objective	Description
1. Community Wellbeing	To enhance community health and wellbeing
2. Environment	To sustainably manage our natural and built environment
3. Infrastructure	To provide quality infrastructure
4. Economic Development	To support and drive economic development
5. Organisation	To be a high performing Shire



2.1 Goal 1: Community Wellbeing

To enhance community health and wellbeing

G6

Services

Business area	Description of services provided	Expenditure
		(Revenue) Net Cost \$
Environmental Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities, immunisation programs and public health promotions. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	165,700
		(92,870)
		72,830
Animal Management and Local	This service provides for the management of domestic animals (mostly dogs and cats) through registration, education and enforcement where necessary. It is also concerned with issues that arise out of the application of Council's Community Local	228,000
		(90,640)
		137,360
Libraries and Arts	This service provides public library services at three locations and a community cinema in Euroa. It provides a 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.	377,296
		(60,000)
		317,296
Community Grants and Recreational Planning	This service provides funding for the development of community facilities and activities.	185,564
		(5,200)
		180,364
Maternal and Child Health	This service provides family oriented, visiting and centre based maternal and child health services.	264,594
		(185,000)
		79,594
G7 Youth Services	This service provides youth facilities and a range of recreation and education based youth activities. Programs include Freeza, National Youth Week and L2P driving experience program.	283,218
		(90,000)
		193,218
Street Lighting	This service enhances public safety and community access by providing street lighting in urban areas.	110,000
		0
		110,000
Parks and Reserves	This service is responsible for the management, maintenance and safety of parks and gardens, sporting grounds and playground facilities.	1,636,085
		(9,216)
		1,626,869
G6 Boating Operations and Safety	Council is the boating authority for Nagambie Lakes. This service area provides patrol services, maintenance of boating infrastructure and support for on-water recreational activities.	84,700
		(6,180)
		78,520
Community Development	This program oversees activities in the areas of access and inclusion, committee of management support, community planning and other activities designed to strengthen	177,646
		0
		177,646
Emergency Services	This service includes financial assistance for the SES service, fire prevention activities and flood risk planning and mitigation.	209,838
		(165,500)
		44,338
School Crossing Supervision	This program provides supervision of school crossings in Euroa and Nagambie before and after school hours.	50,670
		(27,000)
		23,670

Service Performance Outcome Indicators			
Service	Indicator	Performance Measure	Computation
Libraries and Arts	Participation	Active library members	[Number of active library members /
Maternal and Child Health (MCH)	Participation	Participation in MCH key	Number of actual MCH visits /
Animal Management	Health and	Animal management	Number of successful animal
Environmental Health	Health and	Number of critical and major	[Number of critical non-compliance

2.2 Goal 2: Environment

To sustainably manage our natural and built environment

G7 Services

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Sustainability Management	Council is committed to responsible and sustainable management of the Shire's natural resources. Programs in this service area include Pests and Weeds program, Implementation of Council's environmental strategy and Carbon Footprint Assessment program.	159,400 (55,002) 104,398
Waste Management	This service includes kerbside garbage and recycling collections, transfer station operations and waste management of public areas.	2,567,531 (2,631,072) (63,541)

Service Performance Outcome Indicators

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

2.3 Goal 3: Infrastructure

To provide quality infrastructure

Services

G8

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$
Municipal Buildings	This service area is responsible for the maintenance of Council owned and controlled buildings.	1,436,824 (17,210) 1,419,614
Swimming Pools and Beaches	Council operates outdoor pools in Euroa, Nagambie, Violet Town and Avenel.	424,245 (10,397) 413,848
Roads and Bridge Maintenance Operations	This service area is responsible for the maintenance of Council's roads and bridges network.	10,753,055 (2,387,210) 8,365,845

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Pool Facilities	Utilisation	Utilisation of pool facilities (The number of visits to pool facilities per head of municipal population).	Number of visits to pool facilities / Municipal population
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads).	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.



2.3 Goal 5: Organisation

To be a high performing Shire

Services

Business area	Description of services provided	Expenditure
		(Revenue) Net Cost \$
Financial and Administration Services	This service area provides financial advice and support to providers of all Council services, including budget preparation, long term financial planning, periodic reporting, processing of debtors and creditors, and statutory financial requirements, including FBT and GST reporting.	1,324,258 0 1,324,258
Information Technology	This service maintains and improves Council's information technology systems, ensures compliance with legislation relating to records management including administering and recording all incoming correspondence. This also includes telephones , intranet , photocopiers , aerial photography and geographic	1,280,192 0 1,280,192
Human Resources and Risk Management	Management of recruitment and induction , occupational health and safety , procedures relating to employment matters , administration of insurances , staff training and development , employee assistance program.	555,466 (150,000) 405,466
Community Relations	Customer service contact , media , communications , public notices , community surveys , website , marketing and community engagement.	831,740 (6,000) 825,740
Governance and Statutory Services	This service area provides planning and management of a range of statutory services provided by Council, such as building, health, animal management etc	312,636 0 312,636
Governance	The area of governance includes the Mayor, Councillors, Chief Executive Officer , regulatory reporting , Council elections , compliance with relevant Acts and other Executive Management costs which cannot be easily attributed to the direct service provision areas.	840,418 (105,400) 735,018

Service Performance Outcome Indicators

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

2.7 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on within the Performance

2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Total services and initiatives	19,373,641	26,283,287	(6,909,646)
Other non-attributable	(2,202,175)		
Deficit before funding sources	17,171,466		
Funding sources:			
Rates & charges	16,825,953		
Capital grants	2,680,215		
Total funding sources	19,506,168		
Surplus for the year	2,334,702		

3. Financial Statements

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

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

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

G9 Comprehensive Income Statement

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual 2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	Projections 2020/21 \$'000	2021/22 \$'000
Income						
Rates and charges	4.1.1	18,551	19,075	19,597	20,075	20,721
Statutory fees and fines	4.1.2	451	430	442	455	469
User fees	4.1.3	714	818	805	830	855
Grants - Operating	4.1.4	2,940	5,766	5,779	5,895	5,923
Grants - Capital	4.1.4	3,215	2,680	1,200	1,250	1,250
Contributions - monetary	4.1.5	459	255	199	250	250
Contributions - non-monetary	4.1.5	-	0	-	-	-
Share of net profits/(losses) of associates and joint ventures		-	0	-	-	-
Other income	4.1.6	691	845	774	790	807
Total income		27,021	29,869	28,796	29,545	30,274
Expenses						
Employee costs	4.1.7	9,115	9,443	9,678	9,920	10,073
Materials and services	4.1.8	12,009	11,968	11,793	12,105	12,220
Bad and doubtful debts		-	-	-	-	-
Depreciation and amortisation	4.1.9	5,263	5,293	5,611	5,837	5,979
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		733	500	500	500	500
Borrowing costs		54	35	18	13	8
Other expenses	4.1.10	299	295	301	307	313
Total expenses		27,473	27,534	27,901	28,682	29,093
Surplus/(deficit) for the year		(452)	2,335	895	863	1,180
Other comprehensive income items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment/(decrement)		-	-	-	14,851	-
Total comprehensive result		(452)	2,335	895	15,714	1,180

G9 Balance Sheet

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2017/18	2018/19	2019/20	2020/21	2021/22
		\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Current assets						
Cash and cash equivalents		6,779	4,925	4,483	4,927	5,298
Trade and other receivables		2,126	2,169	1,951	2,008	2,059
Other financial assets		-	0	-	-	-
Inventories		5	5	5	5	5
Non-current assets classified as held for sale		120	0	-	-	-
Other assets		113	113	113	113	113
Total current assets	4.2.1	<u>9,143</u>	<u>7,212</u>	<u>6,553</u>	<u>7,052</u>	<u>7,475</u>
Non-current assets						
Other financial assets		2	2	2	2	2
Investments in associates, joint arrangement and subsidiaries		242	242	242	242	242
Property, infrastructure, plant & equipment		292,384	296,514	297,015	312,077	312,636
Total non-current assets	4.2.1	<u>292,628</u>	<u>296,758</u>	<u>297,259</u>	<u>312,321</u>	<u>312,880</u>
Total assets		<u>301,771</u>	<u>303,970</u>	<u>303,811</u>	<u>319,373</u>	<u>320,355</u>
Liabilities						
Current liabilities						
Trade and other payables		2,550	2,550	2,379	2,447	2,477
Trust funds and deposits		400	400	400	400	400
Provisions		3,145	3,145	2,477	2,481	2,485
Interest-bearing liabilities	4.2.3	136	86	91	96	95
Total current liabilities	4.2.2	<u>6,231</u>	<u>6,181</u>	<u>5,347</u>	<u>5,424</u>	<u>5,457</u>
Non-current liabilities						
Provisions		1,159	1,159	1,030	897	828
Trust funds and deposits		68	68	68	68	-
Interest-bearing liabilities	4.2.3	369	282	191	95	-
Total non-current liabilities	4.2.2	<u>1,596</u>	<u>1,509</u>	<u>1,289</u>	<u>1,060</u>	<u>828</u>
Total liabilities		<u>7,827</u>	<u>7,690</u>	<u>6,636</u>	<u>6,484</u>	<u>6,285</u>
Net assets		<u>293,944</u>	<u>296,280</u>	<u>297,175</u>	<u>312,889</u>	<u>314,070</u>
Equity						
Accumulated surplus		84,690	86,976	87,871	88,734	89,914
Reserves		209,254	209,304	209,304	224,155	224,155
Total equity		<u>293,944</u>	<u>296,280</u>	<u>297,175</u>	<u>312,889</u>	<u>314,069</u>

G9 Statement of Changes in Equity

For the four years ending 30 June 2022

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018 Forecast Actual					
Balance at beginning of the financial year		294,532	86,291	207,529	712
Surplus/(deficit) for the year		(452)	(452)	-	-
Net asset revaluation increment/(decrement)		875	-	875	-
Transfer (to)/from reserves		(1,011)	(1,149)	-	138
Balance at end of the financial year		293,944	84,690	208,404	850
2019 Budget					
Balance at beginning of the financial year		293,944	84,690	208,404	850
Surplus/(deficit) for the year		2,335	2,335	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	4.3.1	1	(49)	-	50
Balance at end of the financial year	4.3.2	296,280	86,976	208,404	900
2020					
Balance at beginning of the financial year		296,280	86,976	208,404	900
Surplus/(deficit) for the year		895	895	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfer (to)/from reserves		-	-	-	-
Balance at end of the financial year		297,175	87,871	208,404	900
2021					
Balance at beginning of the financial year		297,175	87,871	208,404	900
Surplus/(deficit) for the year		863	863	-	-
Net asset revaluation increment/(decrement)		14,851	-	14,851	-
Transfer (to)/from reserves		-	-	-	-
Balance at end of the financial year		312,889	88,734	223,255	900
2022					
Balance at beginning of the financial year		312,889	88,734	223,255	900
Surplus/(deficit) for the year		1,180	1,180	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfer (to)/from reserves		-	-	-	-
Balance at end of the financial year		314,069	89,914	223,255	900



G9 Statement of Cash Flows

For the four years ending 30 June 2022

	Notes	Forecast	Budget	Strategic Resource Plan Projections		
		Actual				
		2017/18	2018/19	2019/20	2020/21	2021/22
		\$'000	\$'000	\$'000	\$'000	\$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		18,550	19,075	19,746	20,037	20,686
Statutory fees and fines		367	429	445	454	468
User fees		729	818	812	828	853
Grants - operating		2,833	5,766	5,823	5,884	5,913
Grants - capital		3,054	2,680	1,209	1,248	1,248
Contributions - monetary		459	255	199	250	250
Interest received		227	234	230	230	230
Dividends received		-	-	-	-	-
Trust funds and deposits taken		-	-	-	-	-
Other receipts		433	615	550	559	576
Net GST refund / payment		-	-	-	-	-
Employee costs		(9,101)	(9,443)	(9,754)	(9,890)	(10,059)
Materials and services		(11,751)	(11,968)	(11,885)	(12,069)	(12,204)
Trust funds and deposits repaid		-	-	-	-	-
Other payments		(299)	(295)	(1,100)	(435)	(446)
Net cash provided by/(used in) operating activities	4.4.1	5,501	8,166	6,274	7,095	7,515
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(14,178)	(10,268)	(6,912)	(6,848)	(7,339)
Proceeds from sale of property, infrastructure, plant and equipment		1,793	420	300	300	300
Payments for investments		-	-	-	-	-
Proceeds from sale of investments		-	-	-	-	-
Loan and advances made		-	-	-	-	-
Payments of loans and advances		-	-	-	-	-
Net cash provided by/ (used in) investing activities	4.4.2	(12,385)	(9,848)	(6,612)	(6,548)	(7,039)
Cash flows from financing activities						
Finance costs		(54)	(35)	(18)	(13)	(8)
Proceeds from borrowings		-	-	-	-	-
Repayment of borrowings		(512)	(137)	(87)	(91)	(96)
Net cash provided by/(used in) financing activities	4.4.3	(566)	(172)	(105)	(104)	(104)
Net increase/(decrease) in cash & cash equivalents		(7,450)	(1,854)	(442)	443	372
Cash and cash equivalents at the beginning of the financial year		14,229	6,779	4,925	4,483	4,927
Cash and cash equivalents at the end of the financial year		6,779	4,925	4,483	4,927	5,298

G9 Statement of Capital Works

For the four years ending 30 June 2022

	NOTES	Forecast	Budget	Strategic Resource Plan Projections		
		Actual 2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Property						
Land		-	-	-	-	-
Land improvements		-	-	-	-	-
Total land		-	-	-	-	-
Buildings		1,542	1,756	534	335	20
Total buildings		1,542	1,756	534	335	20
Total property		1,542	1,756	534	335	20
Plant and equipment						
Plant, machinery and equipment		723	810	950	1,100	650
Fixtures, fittings and furniture		490	206	220	230	240
Computers and telecommunications		-	-	-	-	-
Total plant and equipment		1,213	1,016	1,170	1,330	890
Infrastructure						
Roads		5,556	3,582	3,588	3,633	3,278
Bridges		3,429	1,252	450	450	450
Footpaths and cycleways		323	407	355	387	550
Drainage		1,301	1,275	570	428	1,866
Recreational, leisure and community facilities		250	-	-	-	-
Waste management		-	-	-	-	-
Parks, open space and streetscapes		-	-	-	-	-
Aerodromes		-	-	-	-	-
Off street car parks		-	-	-	-	-
Other infrastructure		564	980	245	285	285
Total infrastructure		11,423	7,496	5,208	5,183	6,429
Total capital works expenditure	4.5.1	14,178	10,268	6,912	6,848	7,339
Represented by:						
New asset expenditure		1,911	1,891	562	196	2,086
Asset renewal expenditure		10,326	5,781	5,161	5,105	4,595
Asset expansion expenditure		145	725	150	360	80
Asset upgrade expenditure		1,796	1,871	1,039	1,187	578
Total capital works expenditure	4.5.1	14,178	10,268	6,912	6,848	7,339
Funding sources represented by:						
Grants		3,215	2,840	1,200	1,250	1,250
Contributions		271	1	199	250	250
Council cash		10,692	7,427	5,513	5,348	5,839
Borrowings		-	-	-	-	-
Total capital works expenditure	4.5.1	14,178	10,268	6,912	6,848	7,339

G10 Statement of Human Resources

For the four years ending 30 June 2022

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual				
	2017/18	2018/19	2019/20	2020/21	2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	9,115	9,443	9,678	9,920	10,073
Employee costs - capital	-	-	-	-	-
Total staff expenditure	9,115	9,443	9,678	9,920	10,073
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	103.0	103.0	103.0	103.0	102.0
Total staff numbers	103.0	103.0	103.0	103.0	102.0

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

Department	Budget	Permanent	
	2018/19	Full Time	Part time
	\$'000	\$'000	\$'000
Council & Executive Services	334	334	
Corporate and Community	2,198	1,688	510
Innovation & Performance	2,072	1,464	608
Community Assets	4,700	4,399	301
Total permanent staff expenditure	9,304	7,885	1,419
Casuals, temporary and other expenditure	139		
Capitalised labour costs	-		
Total expenditure	9,443		

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

Department	Budget	Permanent	
	2018/19	Full Time	Part time
Council & Executive Services	2	2	-
Corporate and Community	20	14	6
Innovation & Performance	24	16	8
Community Assets	55	52	3
Total permanent staff expenditure	101	84	17
Casuals, temporary and other expenditure	2		
Capitalised labour costs	-		
Total staff	103		

4. Notes to the financial statements

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

4.1 Comprehensive Income Statement

G11 4.1.1 Rates and charges

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

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

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

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 1.9%, less than the rate cap of 2.25%.

Service charges are proposed to increase by 3%

This will raise total rates and charges for 2018/19 to \$19,075,000

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

	Forecast Actual	Budget	Change	%
	\$'000	\$'000	\$'000	
General rates*	14,312	14,736	424	2.97%
Municipal charge*	1,802	1,817	15	0.86%
Waste management charge	2,222	2,316	95	4.25%
Service rates and charges	174	185	11	6.13%
Special rates and charges	42	21	(21)	-50.95%
Supplementary rates and rate adjustments	0	-	0	
Total rates and charges	18,552	19,075	524	2.82%

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

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

Type or class of land	2017/18 cents/\$CIV	2018/19 cents/\$CIV	Change
General rate for rateable residential properties	0.5340485	0.4830000	-9.56%
General rate for rateable vacant residential properties	0.9345850	0.8452500	-9.56%
General rate for rateable farm properties	0.4539412	0.3984750	-12.22%
General rate for rateable commercial/industrial properties	0.6408582	0.5796000	-9.56%
General rate for rateable vacant commercial/industrial properties	1.1215019	1.0143000	-9.56%

A general revaluation of municipal properties was undertaken as at 1 January 2018. The revaluation will have the effect of redistributing the amount of rates payable on individual properties in line with the movement in their valuation.

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

Type or class of land	2017/18 \$'000	2018/19 \$'000	Change \$'000	%
Residential	6,862	7,374	512	7.46%
Farm	6,714	6,614	(100)	-1.49%
Commercial/Industrial	734	748	13	1.84%
Total amount to be raised by general rates	14,311	14,736	426	2.97%



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

Type or class of land	2017/18	2018/19	Change	
	Number	Number	\$'000	%
Residential	4,562	4,608	46	1.00%
Vacant Residential	387	391	4	1.00%
Farm	2,220	2,231	11	0.50%
Commercial/Industrial	306	309	3	1.00%
Vacant Commercial/Industrial	7	7	0	0.00%
Total number of assessments	7,482	7,546	64	0.85%

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

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

Type or class of land	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
Residential	1,182,200	1,387,316	205,116	17.35%
Vacant Residential	58,452	77,930	19,478	33.32%
Farm	1,464,736	1,651,627	186,891	12.76%
Commercial/Industrial	110,242	125,254	15,012	13.62%
Vacant Commercial/Industrial	1,175	1,446	271	23.06%
Total value of land	2,816,805	3,243,573	426,768	15.15%

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

Type of Charge	Per Rateable Property 2017/18	Per Rateable Property 2018/19	Change	
	\$	\$	\$	%
Municipal	266	266	-	0.00%

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

Type of Charge	2017/18	2018/19	Change	
	\$	\$	\$	%
Municipal	1,801,600	1,817,074	15,474	0.86%

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

Type of Charge	Per Rateable Property 2017/18	Per Rateable Property 2018/19	Change	
	\$	\$	\$	%
Kerbside collection - 80 litre	349	360	10	3.00%
Kerbside collection - 120 litre	349	360	10	3.00%
Kerbside collection - 240 litre	699	720	21	3.00%
Recycling - 120 Litre	166	171	5	3.00%
Recycling - 240 Litre	166	171	5	3.00%
Recycling - 360 Litre	166	171	5	3.00%
Kerbside/recycling/organics	515	530	15	3.00%
Kerbside/organics	349	360	10	3.00%
Tree management service charge	26	27	1	3.00%

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

Type of Charge	2017/18	2018/19	Change	
	\$	\$	\$	%
Kerbside/recycling/organics	1,590,487	1,687,643	97,156	6.11%
Kerbside	460,402	464,238	3,836	0.83%
Recycling	155,834	164,341	8,507	5.46%
Tree management service charge	173,636	185,095	11,459	6.60%
Total	2,380,359	2,501,317	120,958	5.08%

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

	2017/18	2018/19	Change	
	\$'000	\$'000	\$'000	%
General rates (excluding CIV growth)	14,311,800	14,736,311	424,511	2.97%
Municipal charge	1,801,600	1,817,074	15,474	0.86%
Kerbside collection/recycling/organics	2,221,700	2,316,223	94,523	4.25%
Tree management service charge	174,400	185,095	10,695	6.13%
Total Rates and charges	18,509,500	19,054,703	545,203	2.95%

4.1.1(l) Fair Go Rates System Compliance

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

	2017/18	2018/19
Total Rates	\$ 16,113,400	\$ 16,553,385
Number of rateable properties	7,482	7,546
Base Average Rates	2153.62	2193.77
Maximum Rate Increase (set by the State Government)	2.00%	2.25%
Capped Average Rate	\$ 2,171	\$ 2,202
Maximum General Rates and Municipal Charges Revenue	\$ 16,243,422	\$ 16,602,914
Budgeted General Rates and Municipal Charges Revenue	\$ 16,064,736	\$ 16,553,308

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

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

- The making of supplementary valuations (2018/19: estimated \$144,899 and 2017/18: \$111,800)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa
- Changes of use of land such that residential land becomes business land and vice versa.

4.1.1(n) Differential rates

Refer to better practice guide for details on disclosing differential rates.

G12 4.1.2 Statutory fees and fines

	Forecast Actual		Budget		Change	
	2017/18		2018/19			
	\$'000	\$'000	\$'000	\$'000	%	
Land Information Certificates	16	20	4	25.00%		
Subdivision Fees	27	8	(19)	-69.06%		
Planning Application Fees	200	200	0	0.00%		
Building Fees	52	50	(2)	-3.85%		
Building Enforcement	6	1	(5)	-83.33%		
Animal Registrations	80	82	2	3.00%		
Boating Infringements	6	-	(6)	-100.00%		
Health Registrations	64	68	4	6.25%		
Total statutory fees and fines	451	430	(21)	-4.74%		

The reduction in revenue from statutory fees and fines is primarily due to a higher level of subdivision fees for 2017/18.

G12 4.1.3 User fees

	Forecast Actual		Budget		Change	
	2017/18		2018/19			
	\$'000	\$'000	\$'000	\$'000	%	
Yard Fees Saleyards Income	134	170	36	26.87%		
Debt Collection Expenses Recovered	90	93	3	3.00%		
Tip Fees - Euroa	60	76	16	26.83%		
Lease - Euroa Caravan Park	30	68	38	125.00%		
Euroa Cinema Project	60	60	0	0.00%		
Cattle Scanning Fees	53	55	2	3.00%		
Tip Fees - Nagambie	30	44	14	47.00%		
Fire Service Property Levy Financial Support	40	41	1	2.58%		
Fire Prevention Notice Infringements	-	26	26			
Septic Tank Fees	19	20	1	3.00%		
Truckwash	19	20	1	3.00%		
Visitors Guide	16	16	0	3.00%		
Regatta Centre Events	11	15	4	36.36%		
Tip Fees - Avenel	14	14	1	4.38%		
Tip Fees - Violet Town	13	14	1	5.38%		
Agent Fees - Saleyards	12	12	0	3.00%		
Other	113	75	(38)	-33.27%		
Total user fees	714	818	105	14.67%		

The increased revenue from User Fees is mainly attributable to increased income from Saleyards (\$36K), lease income from Euroa Caravan Park (\$38K) and Fire Prevention enforcement (\$26K).

G13 4.1.4 Grants

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

	Forecast Actual		Budget		Change	
	2017/18 \$'000	2018/19 \$'000	2018/19 \$'000		\$'000	%
Grants were received in respect of the following:						
Summary of grants						
Commonwealth funded grants	4,658	6,262	1,603		34.42%	
State funded grants	1,496	2,185	688		46.00%	
Total grants received	6,155	8,446	2,291		37.23%	
(a) Operating Grants						
Recurrent - Commonwealth Government						
Victorian Grants Commission	2,545	5,174	2,629		103.28%	
Senior Citizens	20	20	1		3.55%	
Commonwealth Roads of Access	39	40	1		2.56%	
Recurrent - State Government						
Maternal and child health	127	130	3		2.36%	
Youth	55	145	90		163.64%	
School crossing supervisors	27	27	1		1.89%	
Community safety	7	5	(2)		-24.29%	
Municipal Emergency Resource Program	60	62	2		3.00%	
Pest and Plants Program	53	55	2		3.00%	
Median Strip Subsidy	7	7	0		3.00%	
Total recurrent grants	2,940	5,666	2,726		92.71%	
Non-recurrent - State Government						
Recreation	(0)	100	100			
Total non-recurrent grants	(0)	100	100			
Total operating grants	2,940	5,766	2,826		96.12%	
(b) Capital Grants						
Recurrent - Commonwealth Government						
Roads to recovery	2,054	1,027	(1,027)		-50.00%	
Total recurrent grants	2,054	1,027	(1,027)		-50.00%	
Non-recurrent - State Government						
Roads	500	-	-			
Bridges	340	-	(340)		-100.00%	
Drains	(0)	557	557			
Buildings	320	646	326		101.75%	
Recreation	(0)	400	400			
Local Govt Energy Saver Projects	(0)	50	50			
Total non-recurrent grants	1,160	1,653	493		42.48%	
Total capital grants	3,215	2,680	(534)		-16.62%	
Total Grants	6,155	8,446	2,291		37.23%	

The increase in operating grant revenue is primarily attributable to the assumption of full year revenue in 2018/19 from Victorian Grants Commission. In 2017/18 half of the grant revenue for that year was prepaid in June 2017.

The decrease in capital grant revenue is primarily attributable to the resumption of normal Roads To Recovery funding in 2018/19.

G12 4.1.5 Contributions

	Forecast Actual		Budget		Change	
	2017/18		2018/19			
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Monetary	459	255	(204)	-44.44%		
Non-monetary	-	-	-			
Total contributions	459	255	(204)	-44.44%		

The reduction in revenue from Contributions reflects the lower level of contributions to capital works projects in 2018/19.

4.1.6 Other income

	Forecast Actual		Budget		Change	
	2017/18		2018/19			
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Fire Prevention Notice Infringements	14	60	46	328.57%		
Interest On Investments	227	234	7	3.00%		
Tas Crosbie Trust Income	2	2	-	0.00%		
Interest On Rates	65	67	2	3.00%		
Recycling Acceptance & Sorting	76	79	3	3.80%		
Regional Shared Services	100	103	3	3.00%		
Diesel Fuel Tax Credit Rebate	44	60	16	36.36%		
Insurance Recovery - income protection	100	100	-	0.00%		
Workcover Salaries Recovered	50	50	-	0.00%		
Community Education	(0)	82	82			
William Pearson Reserve Grant	3	3	-	0.00%		
Miscellaneous Income	10	6	(4)	-37.00%		
Total other income	691	845	155	22.38%		

The increased in revenue from Other Income is mainly attributable to increased income from Fire Prevention enforcement (\$46K) and a payment for waste management community education by the waste management contractor (\$82K). An amount equivalent to the waste management education payment will be expended by Council.

G12 4.1.7 Employee costs

	Forecast Actual	Budget	Change	
	2017/18 \$'000	2018/19 \$'000	\$'000	%
Wages and salaries	8,100	8,400	299.54	3.70%
WorkCover	198	202	3.96	2.00%
Superannuation	692	713	20.77	3.00%
Other	124	128	3.73	3.00%
Total employee costs	9,115	9,443	328.00	3.60%

Employee numbers are budgeted to remain at a similar level to 2017/18. The increased costs reflect the movement in the Enterprise Bargain agreement (2.15%) and other increments required to be made under the relevant awards.

G12 4.1.8 Materials and services

	Forecast Actual	Budget	Change	
	2017/18 \$'000	2018/19 \$'000	\$'000	%
Legal Fees	56	56	0	0.00%
Building & Infrastructure Maintenance	3,416	3,677	261	7.65%
Consultancies / Contractors	1,536	1,505	(30)	-1.97%
Community Expenses	836	789	(47)	-5.62%
Councillor Expenses	54	49	(5)	-9.76%
Materials Other Contract payments M&S	1,039	785	(254)	-24.43%
Plant Operating	739	873	134	18.19%
Insurance	340	330	(10)	-2.94%
Contractors Labour	337	20	(317)	-94.07%
Electricity, Gas & Water Utilities	301	389	89	29.46%
Postage	38	41	3	8.42%
Printing & Stationery	118	130	12	10.34%
Advertising & Marketing	135	141	5	3.88%
Information Systems & Communications	698	698	(0)	-0.01%
Staff Training	138	196	58	42.03%
Waste Management	2,138	2,289	151	7.07%
Community Assets not controlled by Council	200	-	(200)	-100.00%
Total materials and services	12,117	11,968	(149)	-1.23%

The reduction of 1.7% in materials and services costs results mainly from reduced reliance on contractor labour costs (\$317K) and completion in 2017/18 of the Memorial Oval netball courts project (\$200K), offset by increased plant hire (leasing) costs (\$134K) and increased waste management costs (\$151K).

G12 4.1.9 Depreciation and amortisation

	Forecast Actual	Budget	Change	
	2017/18 \$'000	2018/19 \$'000	\$'000	%
Property	800	800	-	0.00%
Plant & equipment	714	744	30	4.17%
Infrastructure	3,499	3,499	-	0.00%
Furniture & Equipment	250	250	-	0.00%
Total depreciation and amortisation	5,263	5,293	30	0.57%

Depreciation costs are budgeted to remain generally in line with 2017/18 levels.

G12 4.1.10 Other expenses

	Forecast Actual	Budget	Change	
	2017/18 \$'000	2018/19 \$'000	\$'000	%
Councillors Workcover	4	4	0	4.88%
Audit Fees - External	40	41	1	1.25%
Audit Fees - Internal	34	34	0	0.00%
Bad Debts & Doubtful Debts	1	1	0	0.00%
Councillor/Mayoral Allowances	180	184	5	2.50%
Councillor Superannuation	16	18	2	12.18%
Councillor Travelling	15	13	(2)	-13.33%
Councillor Telephone	10	-	(10)	-100.00%
Total other expenses	299	295	(5)	-1.64%

Other Expenses costs are budgeted to remain generally in line with 2017/18 levels.



4.2 Balance Sheet

4.2.1 Assets

Current Assets are budgeted to decrease by \$1.93 million. These resources are utilised to fund an extensive capital works program and reflects Council's continuing strong commitment to infrastructure asset renewal.

Non-current Assets, specifically Property, Infrastructure, Plant and Equipment, is budgeted to increase in line with the capital works program and budgeted levels of depreciation and asset disposal.

4.2.2 Liabilities

Notwithstanding the continuing reduction in Council borrowings, liabilities are budgeted to be maintained at current levels.

G14 4.2.3 Borrowings

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

	2017/18	2018/19
	\$	\$
Amount borrowed as at 30 June of the prior year	1,017	505
Amount proposed to be borrowed	-	-
Amount projected to be redeemed	(512)	(137)
Amount of borrowings as at 30 June	505	368

4.3 Statement of changes in Equity

4.3.1 Reserves

The budget assumes a transfer to the Infrastructure Reserve of \$250,000.

4.3.2 Equity

The movement in Equity reflects the budgeted operating surplus for 2018/19.

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/used in operating activities

Net cash provided by operating activities is budgeted to be \$8.17 million. Increased funding from grants is primarily attributable to assumed full year funding from Victorian Grants Commission, offset by reduction in Roads to Recovery funding.

4.4.2 Net cash flows provided by/used in investing activities

Net cash used in investing activities is budgeted to be \$9.85 million. The capital works program of \$10.27 million is partially funded by proceeds from asset sales of \$0.42 million.

4.4.3 Net cash flows provided by/used in financing activities

Net cash used by financing activities is budgeted to be \$0.17 million, comprising \$0.14 million loan redemption and \$0.03 million in loan interest.

4.5 Capital works program

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

G15 4.5.1 Summary

	Forecast Actual 2017/18 \$'000	Budget 2018/19 \$'000	Change \$'000	%
Property	1,542	1,756	214	13.88%
Plant and equipment	1,390	1,016	- 374	-26.91%
Infrastructure	11,610	7,496	- 4,114	-35.43%
Total	14,542	10,268	- 4,274	-29.39%

	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
Property	1,756	936	300	350	170	696	-	1,060	-
Plant and equipment	1,016	-	1,016	-	0	-	-	1,016	-
Infrastructure	7,496	955	4,465	1,521	555	2,144	1	5,351	-
Total	10,268	1,891	5,781	1,871	725	2,840	1	7,427	-



4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings	1,756	936	300	350	170	696	-	1,060	-
Local Government Energy Saver Projects - energy efficiency upgrades to council buildings	100			100		50		50	
Avenel, Violet Town & Nagambie Pools - replace chlorinators - one every year	10		10					10	
Avenel Pre-School Development	526	526				376		150	
Avenel Hall - windows	22		22					22	
Avenel Pool - 'Replace sand filters	10		10					10	
Balmattum Hall - external painting and repairs	30		30					30	
Euroa RSL Clubroom Expansion - Design Yr1 (Construction Yr2)	10				10			10	
Euroa Saleyards - Truck Wash Relocation Scoping	20		20					20	
Euroa Saleyards - Sprinkler System	10	10						10	
Euroa Swimming Pool - replace existing shade sales	12		12					12	
Euroa VIC - Extension to Council Offices (carry over)	160				160			160	
Euroa Caravan Park - Switchboard replacement	22		22					22	
Longwood Community Centre - switchboard upgrade	10		10					10	
Nagambie Rec. Reserve - switchboard upgrade	10		10					10	
Nagambie Bowls Club - Carpet (\$50K from Club & \$70K from Grant)	120		120			120			
Nagambie Rec. Reserve - Building upgrade	250			250		150		100	
High Street Toilets	400	400						400	
Nagambie BBQ Replacement	8		8					8	
Violet Recreation Reserve Brian Hayes Football/Netball Pavilion-Tennis Clubrooms - Replace domestic water piping	6		6					6	
Violet Town Community Centre - Repair White ant damage to windows	20		20					20	
TOTAL PROPERTY	1,756	936	300	350	170	696	-	1,060	-
PLANT AND EQUIPMENT									
Plant, Machinery and Equipment	810	-	810	-	-	-	-	810	-
Plant replacement	495		495					495	
Motor vehicles	315		315					315	
Fixtures, Fittings and Furniture	206	-	206	-	-	-	-	206	-
Furniture and office equipment	206		206					206	
TOTAL PLANT AND EQUIPMENT	1,016	-	1,016	-	-	-	-	1,016	-

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE									
Roads	3,582	-	2,612	970			1	3,581	
Rural seals	500		500					500	
Urban seals	100		100					100	
Final seals	100		100					100	
Shoulder pavement on sealed roads	400		400					400	
Urban link and collector	200		200					200	
Urban access	50		50					50	
Rural link and collector	400		400					400	
Rural access	100		100					100	
Resheeting program	600		600					600	
Kerb and channel	107		107				1	106	
Zero class upgrade program	400			400				400	
Campbell Street, Euroa	280			280				280	
Flood recovery	250			250				250	
Scope softening Shelton Watson St corner	10			10				10	
Town entry signs Nagambie	30			30				30	
Emergency Works	50		50					50	
Sealing entry and exit Strathbogie Hall	5		5					5	
Bridges	1,252	-	1,252	-		1,027	-	225	
Ankers Road	130		130			130			
Moornbool Road	212		212			212			
Faithfuls Creek Road	280		280			280			
Boathole Road	65		65			65			
Wattlevale Road	280		280			280			
Creightons Creek Road - major culvert	60		60			60			
Harry's Creek Road - major culvert	80		80					80	
Other renewal	50		50					50	
Sugarloaf Road - major culvert	25		25					25	
Tarcombe Road - major culvert	40		40					40	
Upton Road - major culvert	30		30					30	
Footpaths and Cycleways	407	250	116	41		105	-	302	
Urban paths	56		56					56	
Hurley Street	9			9				9	
High Street, Nagambie	2			2				2	
Nagambie Health, Young Street	30		30					30	
Recreational paths	30		30					30	
Apex walking track	30	30						30	
Pedestrian bridge design	10	10						10	
Friendlys Oval to Memorial Reserve	200	200				100		100	
Avenel pedestrian footbridge	10	10				5		5	
Path Weir and BBQ Seven Creeks Park	30			30				30	
Drainage	1,275	190	240	290	555	557	-	718	
Stormwater drain survey	15		15					15	
System analysis Scobie Street	20	20						20	
Atkins Street	80			80				80	
Boundary Road South	70	70						70	
Procedures for town maintenance	12		12					12	
Pit and pipe replacement program	80		80					80	
Flood investigation improvement works	20			20				20	
Flood investigation outcomes	10			10				10	
Hoskin Lane	15		15					15	
Gall Lane, Balmattum	25		25					25	
Small Towns Wastewater Management Plan	10		10					10	
Nagambie Water Management Scheme	20		20					20	
Euroa Castle Creek levee	63		63					63	
Nagambie Industrial estate	555				555	370		185	
Violet Town Murray Street drain	100	100				67		33	
Euroa - augment Castle Creek levee	180			180		120		60	
Parks, Open Space and Streetscapes	980	515	245	220		455	-	525	
Active spaces strategy	50	50						50	
Soft landscape renewal	30		30					30	
Friendlys Reserve development	210			210		160		50	
Projects to be determined	50		50					50	
Southern Aurora Memorial	50	50						50	
Play equipment	40		40					40	
Bores, pumps and irrigation Turnbull precinct	25		25					25	
Tree management projects	25		25					25	
Loddings Lane deep water boat ramp	395	395				295		100	
Upgrade Lions Park Violet Town	10			10				10	
Euroa Caravan Park tree removal	65		65					65	
Playground equipment	10		10					10	
Artwork Nagambie water tower	20	20						20	
TOTAL INFRASTRUCTURE	7,496	955	4,465	1,521	555	2,144	1	5,351	
TOTAL CAPITAL WORKS	10,268	1,891	5,781	1,871	725	2,840	1	7,427	

G16 5. Financial performance indicators

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

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	11.3%	-7.7%	1.6%	2.0%	1.6%	2.7%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	244.0%	146.7%	116.7%	122.5%	130.0%	137.0%	+
Unrestricted cash	Unrestricted cash / current liabilities	3	187.1%	88.7%	59.5%	60.5%	67.8%	74.2%	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	6.7%	2.7%	1.9%	1.4%	1.0%	0.5%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3.2%	3.1%	0.9%	0.5%	0.5%	0.5%	-
Indebtedness	Non-current liabilities / own source revenue		9.9%	8.1%	7.3%	6.1%	4.9%	3.7%	-
Asset renewal	Asset renewal expenses / Asset depreciation	5	98.3%	196.2%	109.2%	92.0%	87.5%	76.8%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	59.9%	74.5%	69.4%	70.0%	70.0%	70.5%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	o

Handwritten marks and signatures at the bottom left corner of the page.

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	+/-
Efficiency									
Expenditure level	Total expenses / no. of property assessments		\$3,577	\$3,618	\$3,622	\$3,636	\$3,703	\$3,720	+
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,622	\$1,672	\$1,712	\$1,739	\$1,767	\$1,796	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		%	%	%	%	%	%	o

Key to Forecast Trend:

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

Notes to indicators

1. Adjusted underlying result

The budgeted underlying surplus is forecast to improve over the forecast period.

2. Working Capital

Working capital reduces initially to fund the extensive capital works program in 2018/19 and the rehabilitation of Violet Town landfill in 2019/20, then progressively improves over the remainder of the forecast period.

3. Unrestricted Cash

Unrestricted cash reduces initially to fund the extensive capital works program in 2018/19 and the rehabilitation of Violet Town landfill in 2019/20, then progressively improves over the remainder of the forecast period.

4. Debt compared to rates

Council's level of debt continues to be reduced over the forecast period. No additional debt is assumed over the budget/forecast period.

5. Asset renewal

The decline in this ratio is short term. Positive ratios resume from 2022/23. Over the forecast period renewal investment continues to exceed renewal demand.

6. Rates concentration

The rates concentration ratio remains constant over the forecast period.

