



Strathbogrie Shire Council Budget Report – 2012/2013

This Budget Report has been prepared with reference to The Institute of Chartered Accountants "Victorian City Council Model Budget 2012/2013" a best practice guide for reporting local government budgets in Victoria.

Contents	Page
Mayor's introduction	3
Chief Executive Officer's summary	5
Budget processes	9
Overview	
1. Linkage to the Council Plan	10
2. Activities, initiatives and key strategic activities	13
3. Budget influences	14
Budget analysis	
4. Analysis of operating budget	15
5. Analysis of budgeted cash position	19
6. Analysis of capital budget	22
7. Analysis of budgeted financial position	26
Long term strategies	
8. Strategic resource plan and key financial indicators	29
9. Rating strategy	32
10. Other strategies	34
Appendices	
A Budgeted standard statements	36
B Statutory disclosures	41
C Capital works program	46
D Key strategic activities	49
E Fees and charges schedule	51
F Financial Ratios	57
G Reconciliation of advertised budget to adopted budget	58

Mayor's introduction

It gives me great pleasure to present this budget to the community of Strathbogie Shire Council.

The budget sees the commencement of the gradual process of repaying the Strathbogie community for its support of a strategic, uncompromising rating regime, based on community self-reliance and a determination to arrest the decline of our valuable infrastructure.

The Rating Strategy which underpins the budget has required a substantial local rating effort, an effort which can now be demonstrated to be providing tangible benefits in terms of addressing the gap between the funding **required for** infrastructure renewal and the funding **available for** infrastructure renewal.

A measure of our progress has been the downward review of future rating increases. The Rating Strategy originally proposed rates increases for 2012/13 and 2013/14 of 9% and 8% respectively. The increases now proposed for each of those years is 7%. Charges for garbage collection and recycling increase by 4% in line with Council forecasts.

The budget and revised rating regime are formulated in line with a Long Term Financial Plan which enables Council to maintain its strong, on-going investment in infrastructure renewal.

It is important for ratepayers to understand that this Budget and the underlying Rating Strategy are set in the context of a municipal revaluation. In a revaluation all property values are reviewed by the Valuer General and adjusted to reflect current levels. The valuation includes land and improvements (dwellings, sheds, fences etc.) and is referred to as the Capital Improved Value (CIV).

The proposed rates increase of 7% relates to the total amount of rates to be raised by Council. The revaluation will however result in a range of movements in individual property values which, as property value is a key determinant of rates, will result in outcomes on an individual property basis that may vary considerably and not necessarily equate to 7%

The 2012/13 budget is based on a rating package which proposes, in conjunction with more modest rating increases, the following additional financial and social benefits.

- Retention of the Municipal Charge at its current level until such time as it equates to 10% of total rates and charges (currently 14.5%)
This initiative will provide a gradual, modest benefit for lower valued properties.
- A discount of 2% for rates and charges paid in full by 30 September.
- Free pass for waste disposal at transfer stations.
- Free double pass for Euroa Community Cinema.
- Free family pass for community pools.

While the necessity of responding to infrastructure renewal has demanded a strong, uncompromising and self-reliant approach, Council has always been very conscious of individual ratepayer's capacity to pay. It is therefore very pleasing that, while many other small municipalities are commencing the challenge of tackling infrastructure renewal, Strathbogie Shire has progressed to a stage where it can assume a more moderate rating regime and deliver to its community a better maintained infrastructure network.

The proposed Budget also includes a number of new initiatives focussing particularly on improved service delivery and more effective communication.

The completion of Council's organisation restructure, developed to provide more pro-active service delivery, is reflected in the Budget as are a number of positive environmental projects.

A capital works program of \$8.84 million and landfill rehabilitation works of \$0.52million are proposed, with \$5.29 million allocated for infrastructure renewal projects, \$0.61 million for asset upgrades and \$2.93 million for new community infrastructure. Projects include:

- Sevens Creek Park Development \$769,000
- Euroa Saleyards Roof \$500,000
- Violet Town Flood Mitigation \$105,000
- Violet Town Library Complex \$380,000
- Rockies Pedestrian Bridge \$140,000
- Rehabilitation of Violet Town Landfill \$520,000

Council has also provided for the following projects in its operating budget.

- Avenel Recreation Reserve \$400,000
- Euroa Memorial Oval upgrade \$400,000

While these works are capital in nature, the assets are not Council owned and cannot be accounted for as part of the capital program.

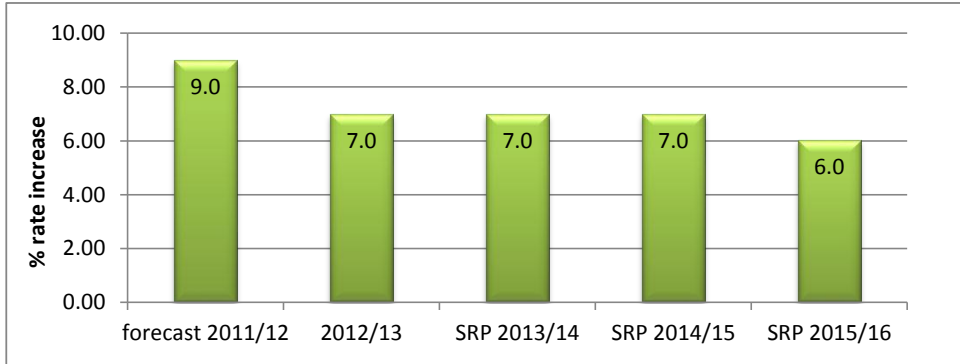
The Budget has been developed through a rigorous process, underpinned by a strategic Long Term Financial Plan, a strong Rating Strategy and judicious asset management principles .

Cr Mick Williams
Mayor

Chief Executive Officer's summary

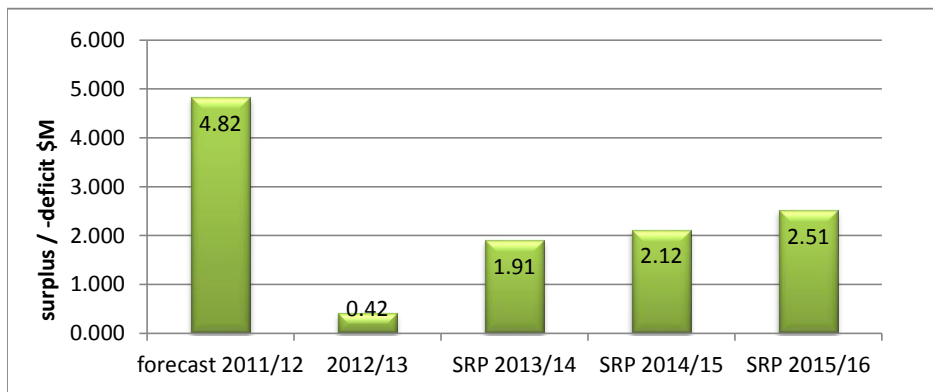
Council has prepared a Budget for the 2012/13 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, service levels, cash and investments, capital works, financial position, financial sustainability and key strategic activities of the Council.

1. Rates



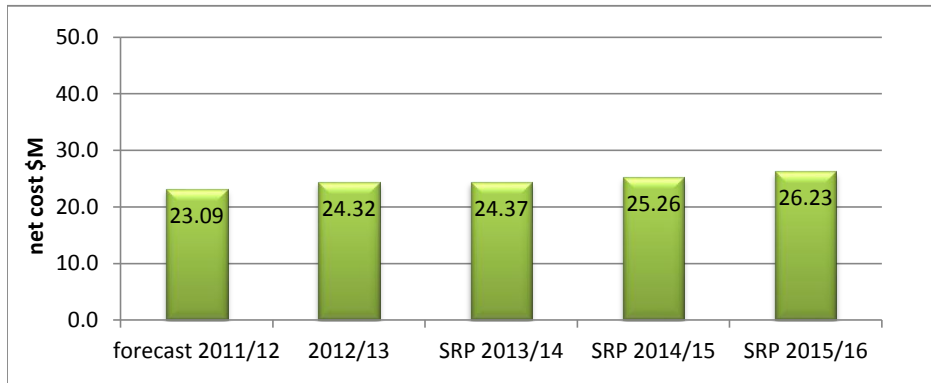
It is proposed that general rates increase by 7.0% and waste management charges by 4% for the 2012/13 year, raising total rates and charges of \$14.06 million. Of the 7.0% increase, approximately 4.0% will go toward maintaining service levels and meeting the cost of a number of external influences affecting the operating budget. The remaining 3.0% increase will go primarily toward capital works to address the infrastructure renewal needs of the Shire. This rate increase compares favourably with Council's rating strategy which forecast an increase of 9%. (The rate increase for the 2011/12 year was 9.0%).

2. Operating result



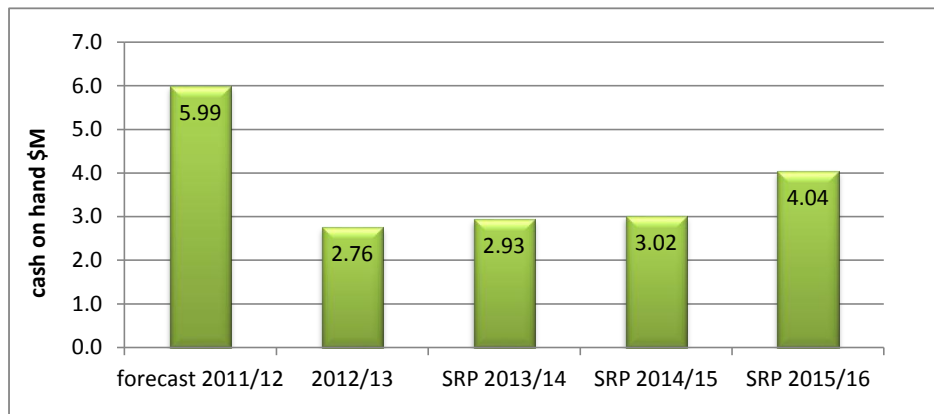
The expected operating result for the 2012/13 year is a surplus of \$0.42 million, which is a decrease of \$4.40 million over 2011/12. The decrease is primarily attributable to the unanticipated prepayment of 2012/13 Victorian Grants Commission (VGC) funding of \$2.26 million in June 2012. Had the VGC funding not been prepaid, the operating results for 2011/12 and 2012/13 would have been \$2.56 million and \$2.68 million respectively. While the strong operating result is important, it is the underlying operating result and long term sustainability where Council concentrates its focus. See point 7 below. The forecast operating result for the 2011/12 year is a surplus of \$4.82 million.

3. Services



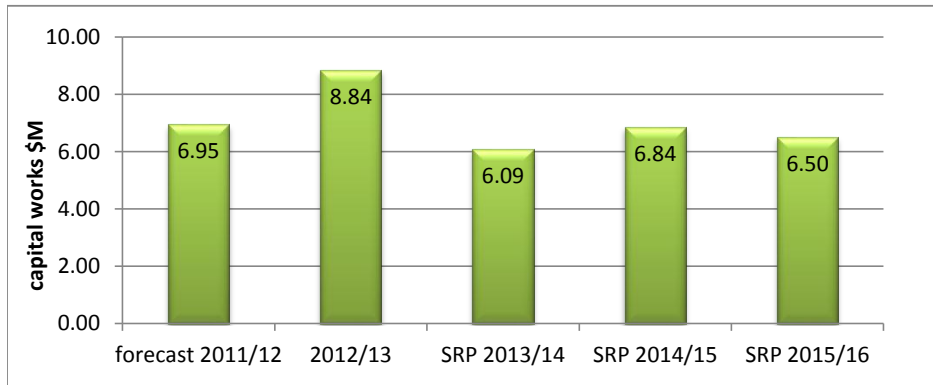
The cost of services delivered to the community for the 2012/13 year is expected to be \$24.32 million which is an increase of \$1.23 million. For the 2012/13 year, service levels have been maintained. (The forecast net cost for the 2011/12 year is \$23.09 million).

4. Cash and investments



Cash and investments are expected to decrease by \$3.23 million to \$2.76 million as at 30 June 2013. The movement is primarily attributable to the early receipt of VGC funding, \$2.26 million (refer above) and payments for capital works carried forward from 2011/12, \$0.78 million. (Cash and investments are forecast to be \$5.99 million as at 30 June 2012).

5. Capital works



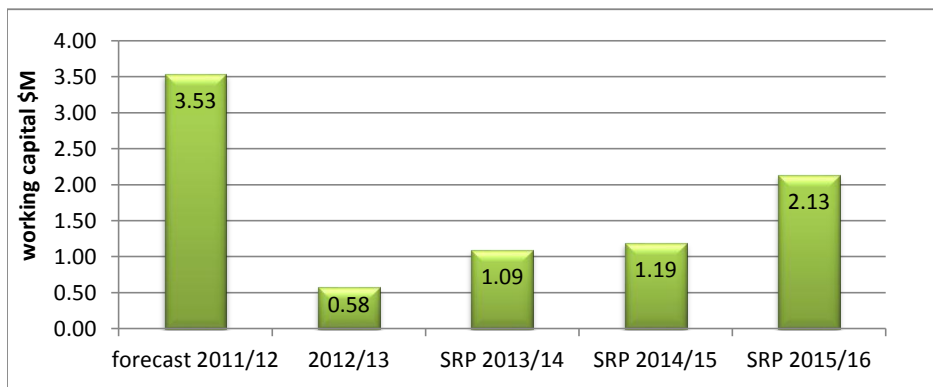
The capital works program for the 2012/13 year is \$8.84 million of which \$0.78 million relates to projects which will be carried forward from the 2011/12 year. The carried forward component is fully funded from the 2011/12 budget. Additionally works totalling \$0.52 million for the Violet Town landfill rehabilitation will be completed, taking the total works on Council assets to \$9.36 million. Note the costs for the landfill rehabilitation are allocated directly to the existing landfill provision created by Council specifically for this project.

\$5.29 million will be invested in asset renewal, \$0.61 million on asset upgrades and \$2.94 million on new assets.

Of the \$9.36 million of capital funding required, \$5.49 million will come from external grants, contributions, and sale of assets, \$3.35 million from operations, cash and investments and a borrowing of \$0.57 million for the Violet Town landfill rehabilitation.

The capital expenditure program is set and prioritised through a rigorous process of condition assessments and consultation that enables Council to assess needs and develop sound business cases for each project. Appendix C provides a detailed list of capital works for the 2012/13 financial year. (Capital works is forecast to be \$6.95 million for 2011/12)

6. Financial position

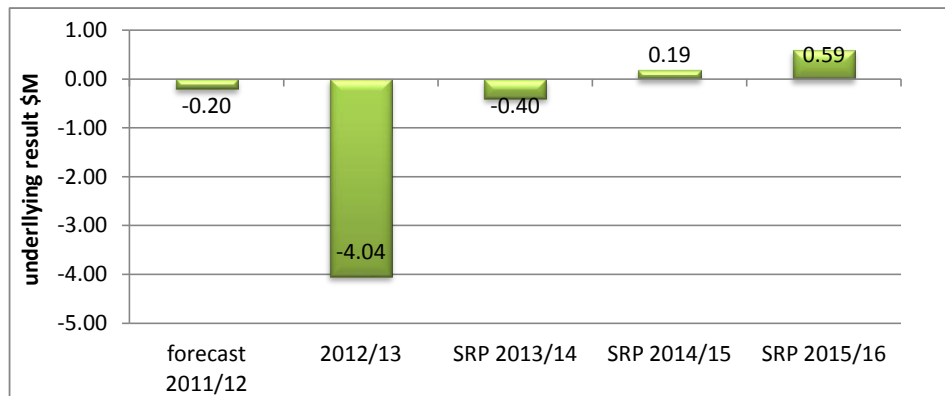


This graph shows the unadjusted working capital ratio. Budgeted net current assets (working capital) will decrease by \$2.95 million to \$0.58 million as at 30 June 2013. The substantial movement between 2011/12 and 2012/13 reflects the prepayment of 2012/13 Victorian Grants Commission funding in June 2012, detailed earlier in this report.

The relatively low level of working capital demonstrates that available financial resources are being applied to Council's infrastructure renewal efforts. While the long term strategy is to improve cash and investment reserves, the short to medium term focus applies all available financial resources to infrastructure renewal and service delivery.

The budgeted financial position is expected to improve with net assets (net worth) to increase by \$0.42 million to \$199.92 million. (Total equity is forecast to be \$199.51 million as at 30 June 2012).

7. Financial sustainability



The underlying result, which excludes items such as capital grants and contributions is a deficit of \$4.04 million. The significant movement is again a reflection of the prepayment in June 2012 of 2012/13 Victorian Grants Commission funding. Had that funding not been prepaid the underlying deficits for 2011/12 and 2012/13 would have been \$2.46 million and \$1.78 million respectively.

It should be noted that the operating result is significantly impacted by the inclusion of works of a capital nature totalling \$0.80 million in the operating statement. The works are for improvements to assets not owned by Council and for which costs are consequently unable to be capitalised. The underlying result has been negatively impacted by these non recurrent expenditures.

A high level Strategic Resource Plan for the years 2012/13 to 2022/23 has been developed to assist the formulation of a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. While the Plan projects surplus operating results, the underlying result (a measure of financial sustainability) consistently improves over the period and is in surplus by 2014/15. This improvement is attributable to Council's rating strategy, which in conjunction with support from State and Federal agencies, is designed to achieve Council's infrastructure renewal requirements.

8. Unfunded Defined Benefits Superannuation Liability

At the time of preparing this report all Victorian Councils are awaiting advice regarding their individual liabilities for the unfunded component of the Defined Benefits Superannuation Scheme. Based on earlier advice, Council provided an interim amount of \$400,000 in its 2012/13 budget, however recent indications suggest that Council's liability will be significantly greater. The amount currently provided will be sufficient to fund the immediate requirement without adjustment to the 2012/13 budget, however the balance of the liability will need to be funded over future budgets.

It is expected that actuarial estimates for unfunded superannuation liabilities will be supplied in late July 2012 and Council will include its liability in the financial statements for the year ended 30 June 2012. Upon receipt of that information Council will consider and implement the funding arrangements for repayment of the balance of the liability.

Steve Crawcour
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 (Finance and Reporting) Regulations 2004 (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 2012/13 budget, which is included in this report, is for the year 1 July 2012 to 30 June 2013 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2013 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Accounting Standards. The budget also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, Officers firstly review and update Council's long term financial projections. The preparation of the budget, within this longer term context, begins with Officers preparing the operating and capital components of the annual budget during February and March. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during March/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.

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 and a copy submitted to the Minister by 31 August each year. 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	Feb/Mar
3. Council considers draft budgets at informal briefings	Apr/May
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
8. Submissions period closes (28 days)	Jun
9. Submissions considered by Council/Committee	Jun
10. Budget and submissions presented to Council for adoption	Jul
11. Copy of adopted budget submitted to the Minister	Jul
12. Revised budget where a material change has arisen	Sep-Jun

Legislative requirements

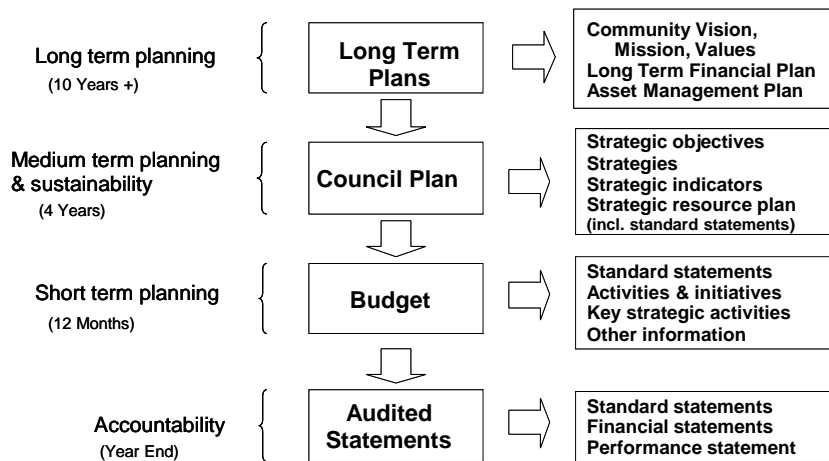
Under the Local Government Act 1989 ("the Act"), Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Local Government (Finance and Reporting) Regulations 2004 ("the Regulations") which support the Act.

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, 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 and updated annually in conjunction with the preparation of the budget, summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the activities and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the strategic planning framework of Council.



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.

1.2 Our purpose

Our vision

A vibrant diverse and caring community, building a sustainable future with enhanced liveability in a secure and stimulating environment.

Our mission

Our mission is to deliver the Vision for Strathbogie Shire in partnership with our community and to strive for excellence in planning, delivering and managing community services and facilities

Guiding Principles

Councillors and staff at Strathbogie Shire Council are committed to the following principles as a guide to all decisions and actions:

Service - Recognition that service to our community is our reason for being

Integrity - Acting in an honest, impartial and trustworthy manner and engendering a confidence both within our community and our organisation

Excellence - Delivering quality outcomes based on reliable information, a responsible approach and driven by the desire to continuously improve

Valuing people - Valuing the contribution that people inside and outside the organisation make to the achievement of the Shire's vision

Commitment to Strathbogie Shire - Ensuring our actions serve the people of Strathbogie Shire and its long term interests

Value - Providing services and facilities that offer value for the community in terms of cost, quality and reliability, and that are economically and environmentally sustainable

Participation and consultation - Provide genuine opportunities for informed community involvement in decision making in a framework of local democracy

1.3 Strategic objectives

Goal 1 : A sustainable community that responds effectively to the challenges of climate change (Climate Change)

Objective

To protect and enhance the natural and built environment for current and future generations

Goal 2 : A safe, connected infrastructure network that responds effectively to community needs (Infrastructure)

Objective

Plan and deliver improved infrastructure services

Goal 3 : An environment which provides opportunity and support for sustainable investment (Private Enterprise)

Objective

Develop systems and procedures to be investment ready

Goal 4 : A community that has access to a comprehensive range of services which respond to its diverse needs (Public Institutions)

Objective

To promote the availability of a broad range of responsive and accessible services to our diverse community

Goal 5 : A progressive and diverse destination offering a committed, participative community that has access to a broad range of recreational and cultural activities in a liveable, safe and nurturing environment (Housing & Recreational)

Objective

To enhance our lifestyle through community participation in cultural and recreational activities

Goal 6 : A desirable destination which attracts visitors to enhance the economic and recreational opportunities for our community (Tourism)

Objective

To provide a broad community and economic benefit through an integrated tourism model

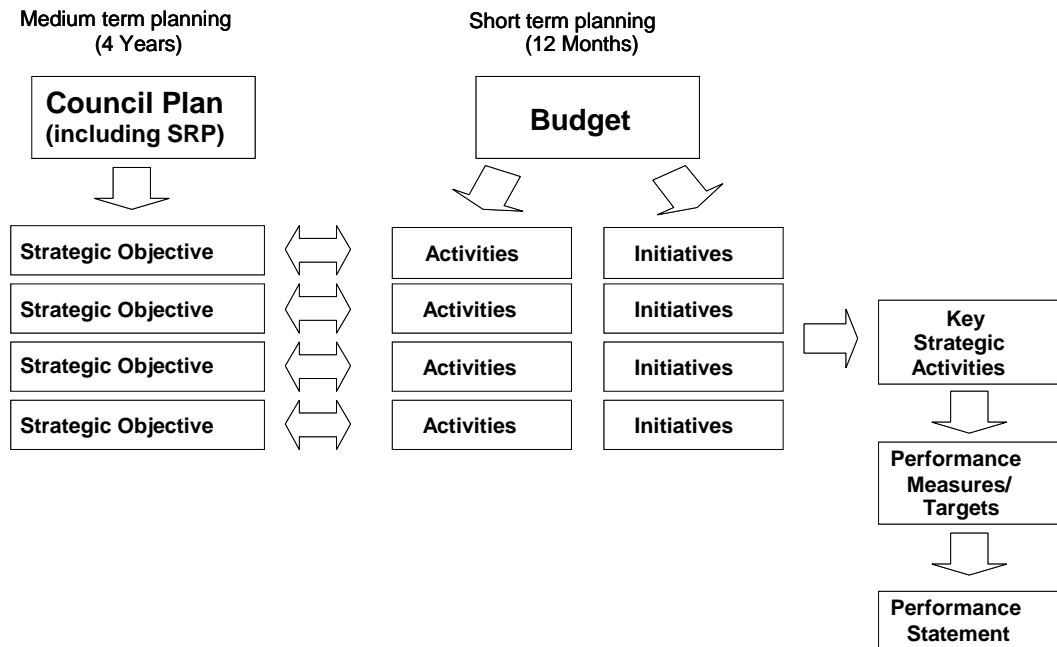
Goal 7 : An organisation that meets the community's needs and expectations with responsive, innovative customer service and management (Organisation)

Objective

An organisation that strives for excellence in the delivery of its services

2. Activities, initiatives and key strategic activities

This section provides a description of the activities and initiatives to be funded in the Budget for the 2012/13 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of key strategic activities and performance targets and measures in relation to these. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan. The relationship between these components of the Budget and the Council Plan is shown below.



2.7 Performance Statement

The Key Strategic Activities (KSA) detailed in Appendix D, their performance measures, targets and results are audited at the end of the year and are included in the Performance Statement as required by the section 132 of the Act. The Annual Report for 2012/13 will include the audited Performance Statement which is presented to the Minister for Local Government and the local community.

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 Strathbogie Shire Council

Strathbogie Shire Council is situated midway between Melbourne and Albury in northeast Victoria. The municipality covers 3,300 square kilometres and has a population of approximately 10,000.

Strathbogie Shire was formed on 18 November 1994 with the amalgamation of the former Shires of Goulburn, Euroa and Violet Town, and part of the City of Seymour. Today, Council operates within a structure of seven community-elected Councillors, with one Councillor elected annually by the Council to serve as the Mayor.

Population

In June 2011, the resident population of the shire was 10,060 people. The Shire is experiencing population growth particularly in the Nagambie area.

Ageing population

The population is ageing with numbers larger than Regional Victorian averages for the age groups 50 to 59, 60 to 69 and 70 to 84.

Housing

Total building expenditure for the 2010/2011 year was \$26,283,263 with expenditure of \$16,788,772 for the 9 months to 31 March 2012

3.2 External influences

In preparing the 2012/13 budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- The Enterprise Bargaining Agreement (EBA). Agreed increase 3% pa
- Consumer Price Index (CPI) increases of < 4% per annum
- Introduction of a carbon price by the Federal Government with consequent impacts on waste management and energy costs
- Receipt of significant capital works funding of \$4.90 million
- Estimated payment to Vision Super of \$0.40 million for Defined Benefits Superannuation Fund shortfall. See note 8 in the CEO summary for further information.
- The remediation of the Violet Town Landfill site per EPA requirements

3.3 Budget principles

The following guidelines set out the key budget principles upon which the officers were to prepare their budgets. The principles include:

- Existing fees and charges to be increased generally in line with CPI or market levels
- Grants to be based on confirmed funding levels where possible
- New revenue sources to be identified where possible
- Service levels to be maintained at 2011/12 levels with an aim to use less resources with an emphasis on innovation and efficiency
- Real savings in expenditure and increases in revenue identified in 2011/12 to be preserved

3.4 Long Term Strategies

The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include a Strategic Resource Plan for the years 2013 to 2016, Rating Strategy (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 2011/12 year.

4.1 Budgeted income statement

	Ref	Forecast Actual 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Total income	4.2	27,917	24,740	-3,177
Total expenses	4.3	-23,095	-24,323	-1,229
Surplus (deficit) for the year		4,823	417	-4,406
Grants – capital	4.2.6	-4,778	-4,895	-117
Written down value of infrastructure renewed		0	529	529
Contributions		-250	-90	160
Underlying surplus (deficit)		-205	-4,039	-3,834

4.1.1 Underlying deficit (\$3.83 million decrease)

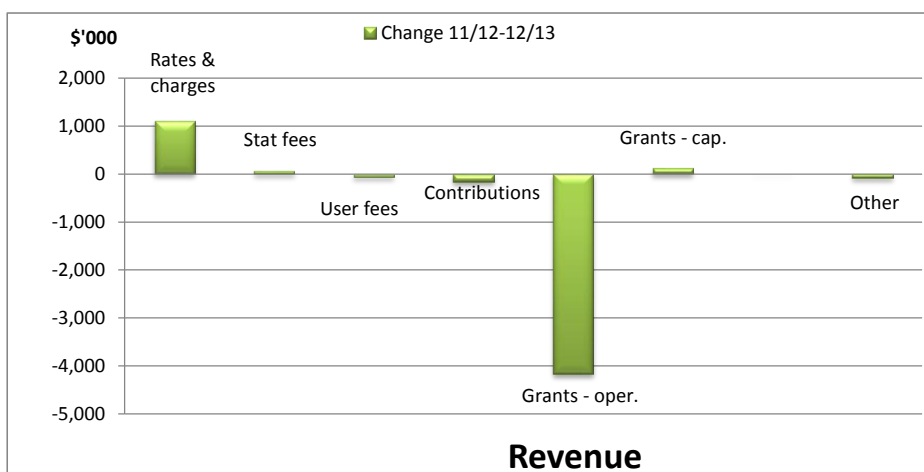
The underlying result is the net surplus or deficit for the year adjusted for capital grants, contributions and other once-off adjustments. It is a measure of financial sustainability as it is not impacted by non-recurring or once-off items of revenues and expenses which can often mask the operating result.

The underlying result for the 2012/13 year is a deficit of \$4.04 million which is an increase in the underlying deficit of \$3.83 million over the forecast 2011/12 year. The significant increase is due primarily to the prepayment of \$2.26 million of Victorian Grants Commission (VGC) funding in June 2012. Had that funding not been prepaid the underlying deficits for 2011/12 and 2012/13 would have been \$2.46 and \$1.78 respectively.

The operating result is also significantly impacted by the inclusion of works of a capital nature totalling \$0.80 million in the operating statement. The works are for improvements to assets not owned by Council and for which costs are consequently unable to be capitalised. The underlying result has been negatively impacted by these non recurrent expenditures.

4.2 Income

Income Types	Ref	Forecast Actual 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Rates and charges	4.2.1	12,959	14,064	1,105
Statutory fees and fines	4.2.2	215	277	62
User fees	4.2.3	1,206	1,148	-58
Contributions - cash	4.2.4	250	90	-160
Grants - operating	4.2.5	8,115	3,951	-4,164
Grants - capital	4.2.6	4,778	4,895	117
Net gain on sale of assets	4.2.7	0	0	0
Other income	4.2.8	394	315	-79
Total income		27,917	24,740	-3,177



4.2.1 Rates and charges (\$1.11 million increase)

Rates and charges for 2012/13 are budgeted to increase by \$1.11 million to \$14.06 million. Rates for 2012/13 are proposed to increase by 7% and service charges by 4%. The increase in rates is 2% less than originally proposed in Council's 2010/15 Rating Strategy. The strategy targets the renewal of Council infrastructure as its primary strategic objective. The reduction in the proposed rating increase is reflective of the successful implementation of the rating and associated asset management strategies.

4.2.2 Statutory fees and fines (\$0.06 million increase)

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

Statutory fees are forecast to increase by \$0.06 million. Approximately 50% of the increase is the result of a change in allocation from user fees to statutory fees and fines.

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

4.2.3 User fees (\$0.06 million decrease)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include the provision of human services such as home care services and use of Council facilities.

User charges are projected to decrease by \$0.06 million. Lower revenues from home care fees, \$55K and boat fees, \$20K contribute to the reduced income.

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

4.2.4 Contributions - cash (\$0.16 million decrease)

Contributions are primarily payments by third parties for development of Council owned infrastructure.

Contributions are projected to decrease by \$0.16 million to \$0.09 million. The level of contributions received by Council can vary considerably depending upon the number and value of projects.

4.2.5 Grants - operating (\$4.16 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 \$4.16. The significant movement reflects the prepayment in June 2012 of \$2.26 million of 2012/13 Victorian Grants Commission funding. Had that funding not been prepaid the Grants - operating revenues for 2011/12 and 2012/13 would have been \$5.86 million and \$6.21 million respectively.

4.2.6 Grants - capital (\$0.12 million increase)

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program.

The level of capital grants is budgeted to increase by \$0.12 million. The level of capital grants received by Council can vary considerably depending upon funding opportunities and Council project priorities. Major capital funding anticipated for 2012/13 includes Roads to Recovery \$0.98 million, State Government Roads & Bridges funding \$1.00 million, Flood Recovery funding \$0.60 million, Local Government Infrastructure Program \$0.26 million, Violet Town Library \$0.30 million, Euroa Saleyards Roof \$0.35 million, Avenel Recreation Reserve \$0.30 million, Euroa Memorial Oval \$0.30 million and upgrade of facilities at Seven Creeks Park \$0.50 million.

4.2.7 Net gain on sale of assets (\$0.00 million)

Proceeds from the sale of Council assets is forecast to be \$0.50 million and relates mainly to the planned cyclical replacement of part of the plant and vehicle fleet. The written down value of assets sold is forecast to be \$0.50 million.

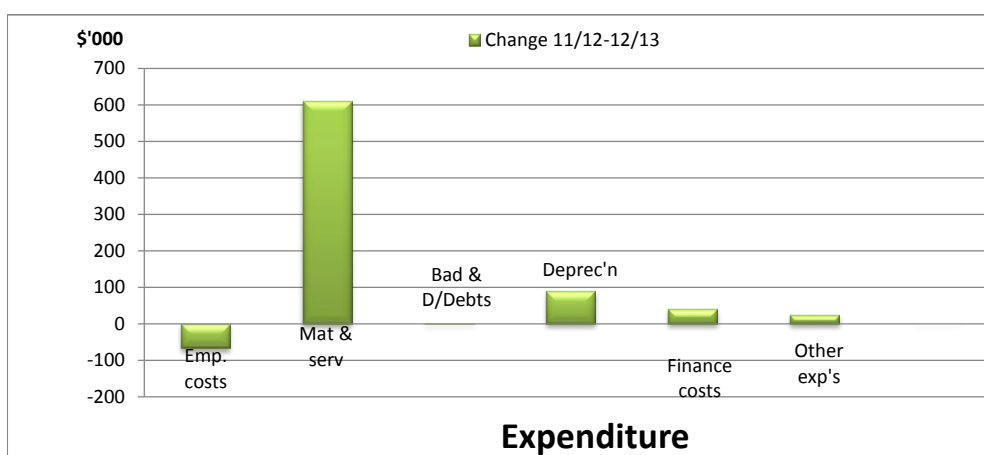
4.2.8 Other income (\$0.08 million decrease)

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

The primary reasons for the decrease in 2012/13 is higher than anticipated levels of insurance recoveries and interest on investments in 2011/12

4.3 Expenses

Expense Types	Ref	Forecast	Budget	Variance
		Actual 2011/12 \$'000	2012/13 \$'000	\$'000
Employee benefits	4.3.1	9,552	9,485	-67
Materials and services	4.3.2	8,853	9,463	610
Bad and doubtful debts	4.3.3	0	2	2
Depreciation and amortisation	4.3.4	4,345	4,434	89
Finance costs	4.3.5	186	227	41
Other expenses	4.3.6	158	183	25
Share of net losses Goulburn Valley Regional Library		0	0	0
Written down value of infrastructure renewed	4.3.7		529	529
Total expenses		23,095	24,323	1,228



4.3.1 Employee benefits (\$0.06 million decrease)

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 decrease by \$0.06 million. EBA (3%) and award increments have been largely offset by a reduction from the abnormally high employee costs incurred in 2011/12 as a consequence of the organisation restructure.

4.3.2 Materials and services (\$0.61 million increase)

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 increase by \$0.61 million.

Non recurrent expenditures for Avenel Recreation Reserve and Euroa Memorial Oval, each for \$0.40 million are included in materials and services. While these expenditures are of a capital nature, neither of these assets are Council owned and must therefore be included in the operating budget. Similar levels of non-recurrent expenditures occurred in 2011/12.

4.3.3 Bad and doubtful debts

No significant change

4.3.4 Depreciation and amortisation (\$0.09 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. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2012/13 year.

4.3.5 Finance costs (\$0.04 million increase)

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The increase in borrowing costs results from the planned new borrowings required to remediate the Violet Town landfill site.

4.3.6 Other expenses (\$0.03 million increase)

Other expenses relate to a range of unclassified items including Councillor allowances, Councillor superannuation, Councillor work cover and other miscellaneous expenditure items. Other expenses are forecast to increase by \$0.03 million.

4.3.7 Written down value of infrastructure renewed

This is the cost of writing off the residual value of infrastructure assets at the time of their renewal. The transaction has no cash impact and is similar to depreciation in its application.

5. Analysis of budgeted cash position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2012/13 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 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Cash flows from operating activities	5.1.1			
<i>Receipts</i>				
Rates and charges		12,959	14,064	1,105
Statutory fees and fines		215	277	62
User fees		1,208	1,148	-60
Contributions		250	90	-160
Grants - Operating		8,085	4,336	-3,749
Grants - Capital		4,536	4,993	457
Interest		120	198	78
Other receipts		281	117	-164
Net GST refund/payment		1,282	2,367	1,085
<i>Payments</i>				
Payments to suppliers		-10,390	-11,713	-1,323
Payments to employees		-9,552	-9,485	67
Other payments		-158	-185	-27
Net cash provided by operating activities		8,836	6,207	-2,629
Cash flows from investing activities	5.1.2			
Payments for property, plant and equipment, infrastructure		-6,950	-8,839	-1,889
Payments for remediation of landfill site.		-56	-519	-463
Proceeds sales of property, plant and equip, infrastructure		263	500	237
Net cash used in investing activities		-6,743	-8858	-2,115
Cash flows from financing activities	5.1.3			
Finance costs		-186	-227	-41
Trust funds and deposits		-39	0	39
Proceeds from interest bearing loans and borrowings		800	575	-225
Repayment of interest bearing loans and borrowings		-418	-929	-511
Net cash used in financing activities		157	-581	-738
Net decrease in cash and cash equivalents		2,250	-3,232	-5,482
Cash and cash equivalents at the beginning of the year		3,744	5,994	2,250
Cash and cash equivalents at end of the year	5.1.4/5.2	5,994	2,762	-3,232

5.1.1 Operating activities (\$2.63 million decrease)

The decrease in cash inflows from operating activities is due primarily to increases in rates and charges, in line with Council's rating strategy (\$1.11 million) offset by decreased operating grants (\$3.75 million). The significant decrease in operating grants reflects the prepayment in June 2012 of \$2.26 million of 2012/13 Victorian Grants Commission funding.

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.

It should also be noted that the statement of cash flows includes goods and services tax (GST). GST is excluded from the other statements.

	Forecast Actual 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Surplus (deficit) for the year	4,823	417	-4,406
Depreciation	4,345	4,434	89
Written down value of infrastructure renewed	0	529	529
Share of Loss in Goulburn Valley Regional Library	0	0	0
Loss (gain) on sale of assets	0	0	0
Finance Costs	186	227	41
Net movement in current assets and current liabilities	-518	600	1,118
Cash flows available from operating activities	8,836	6,207	-2,629

5.1.2 Investing activities (\$2.12 million increase)

The increase of \$2.12 million in investing activities comprises an increase in property, plant, equipment and infrastructure of \$1.89 million, an increase of \$0.46 million to fund the landfill rehabilitation. These are off set by an increase in proceeds from the sale of property, plant and equipment, \$0.24 million

5.1.3 Financing activities (\$0.74 million increase)

For 2012/13 the total principal repayment is \$0.93 million and finance charges are \$0.23 million. The principal repayment includes an estimated \$0.40 million to repay Council's unfunded superannuation liability as at 30 June 2012. A new borrowing of \$0.58 million is planned for rehabilitation of the Violet Town landfill. The borrowing for the landfill rehabilitation was originally planned for 2011/12 but deferred.

5.1.4 Cash and cash equivalents at end of the year (\$3.23 million decrease)

Overall, total cash and investments is forecast to decrease by \$3.23 million to \$2.76 million as at 30 June 2013. The decrease is primarily attributable to the unanticipated prepayment of 2012/13 Victorian Grants Commission (VGC) funding of \$2.26 million in June 2012

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 2013 it will have cash and investments of \$2.68 million, which has been restricted as shown in the following table.

	Ref	Forecast		Variance
		Actual 2012 \$'000	Budget 2013 \$'000	
Total cash and investments		5,994	2,762	-3,232
Restricted cash and investments				
- Statutory reserves	5.2.1	-52	-52	0
- Discretionary reserves	5.2.2	-200	-200	0
Unrestricted cash and investments	5.2.4	5,742	2,510	-3,232

5.2.1 Statutory reserves (\$0.05 million)

These funds must be applied for specified statutory purposes in accordance with various legislative and contractual requirements. This reserve is a public open space reserve \$52K

5.2.2 Discretionary reserves (\$0.2 million)

The budget provides for the establishment of a Bridge Replacement Reserve to provide for future bridge renewal demands. The amount provided for 2011/2012 is \$200K.

5.2.3 Unrestricted cash and investments (\$2.51 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, contributions or carried forward capital works.

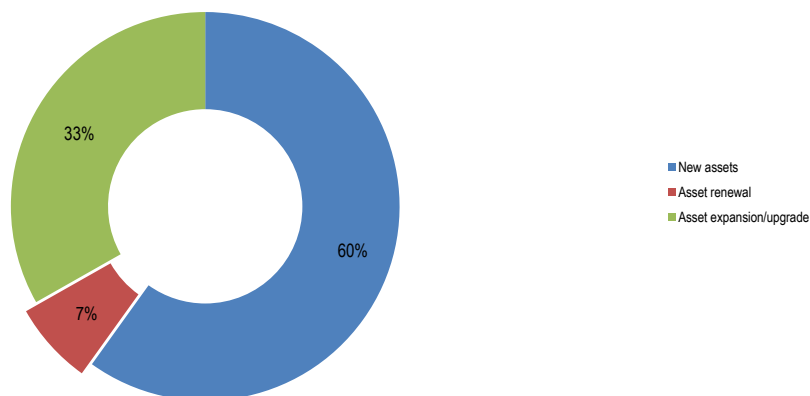
6. Analysis of capital budget

This section analyses the planned capital expenditure budget for the 201/13 year and the sources of funding for the capital budget.

6.1 Capital works

Capital Works Areas	Ref	Forecast	Budget	Variance
		Actual 2011/12 \$'000	2012/13 \$'000	\$'000
Land	6.1.1	441	235	-206
Buildings	6.1.2	317	1,923	1,606
Furniture & Equipment	6.1.3	178	315	137
Plant & Machinery	6.1.4	1,027	888	-139
Roads	6.1.5	4,435	4,448	13
Bridges	6.1.6	302	610	308
Drains	6.1.7	171	126	-45
Footpaths	6.1.8	40	0	-40
Kerb & Channel	6.1.9	39	0	-39
Waste Management	6.1.10	0	294	294
Total new works		6,950	8,839	1,889
Represented by:				
New assets	6.1.11	5,442	5,295	-147
Asset renewal	6.1.11	1,158	609	-549
Asset expansion/upgrade	6.1.11	350	2,935	2,585
Total capital works		6,950	8,839	1,889

Budgeted total capital works 2012/13



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

6.1.1 Land (\$0.24 million)

Includes flood mitigation works in Euroa and Violet Town.

Appendix C details the program of Capital Works for 2012/13

6.1.2 Buildings (\$1.92 million)

Buildings includes community facilities, municipal offices, sports facilities, transfer stations and pavilions.

Includes \$0.50 million for Saleyards Roof, \$0.77 million for Seven Creeks Park facilities development and \$0.38 million for the Violet Town Library Complex.

Appendix C details the program of Capital Works for 2012/13

6.1.3 Furniture & Equipment (\$0.32 million)

Furniture and equipment includes office furniture, information systems hardware and software etc.

Appendix C details the program of Capital Works for 2012/13

6.1.4 Plant & Machinery (\$0.89 million)

Plant and machinery includes motor vehicles, road maintenance plant, pool equipment etc.

Appendix C details the program of Capital Works for 2012/13

6.1.5 Roads (\$4.45 million)

Roads includes local roads, car parks, declared main roads, traffic devices, street lighting and traffic signals.

Works include Resealing Program \$1.47 million, Pavement Rehabilitation Program \$0.99 million, Resheeting Program \$0.36 million, Locksley Nagambie Road shoulder sealing \$0.10 million, Birkett St, Euroa \$0.10 million and Flood Recovery works \$1.15 million.

Appendix C details the program of Capital Works for 2012/13

6.1.6 Bridges (\$0.61 million)

Includes bridges, culverts and footbridges.

Works include Mitchellstown road bridge \$0.24 million and Rockies footbridge, Euroa \$0.14 million

Appendix C details the program of Capital Works for 2012/13

6.1.7 Drains (\$0.13 million)

Includes drains in road reserves, retarding basins and waterways.

Appendix C details the program of Capital Works for 2012/13

6.1.8 Footpaths (\$0.00 million)

There are no Footpath Works provided in budget for 2012/13

6.1.9 Kerb and Channel (\$0.0 million)

There are no Kerb and Channel Works provided in budget for 2012/13

6.1.10 Waste Management (\$0.29 million)

Expenditure of \$0.29 million is budgeted for the Violet Town Transfer Station. This project is carried forward from 2011/12.

A capital expenditure provision of \$0.52 million has been previously created for the rehabilitation of the Violet Town Landfill. These works are to be undertaken in 2012/13 however, because of the existing provision they are excluded from the schedule of capital works.

6.1.11 Asset renewal (\$5.81 million includes landfill provision of \$0.52m), new assets (\$2.94 million), and expansion/upgrade (\$0.61 million)

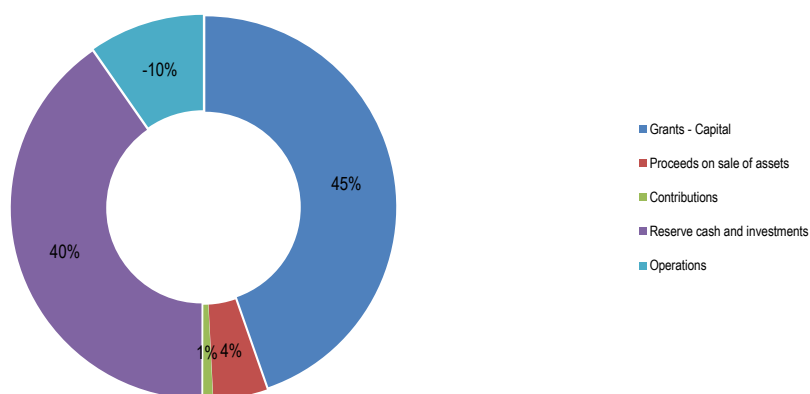
A distinction is made between expenditure on new assets, expenditure on asset renewal and expansion/upgrade. Expenditure on asset renewal is expenditure on an existing asset, which improves the service potential or the life of the asset. Expenditure on new assets does not have any element of expansion/upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

Capital Works Areas	Renewal 2012/13 \$'000	Upgrade 2012/13 \$'000	New 2012/13 \$'000	Total 2012/13 \$'000
Land	0	30	205	235
Buildings	76	215	1,632	1,923
Furniture & Equipment	84	12	219	315
Plant & Machinery	583	0	305	888
Roads	4,011	252	185	4,448
Bridges	540	70	0	610
Drains	0	31	95	126
Footpaths	0	0	0	0
Kerb & Channel	0	0	0	0
Waste Management	0	0	294	294
Total	5,295	609	2,935	8,839

6.2 Funding sources

Sources of funding	Ref	Forecast		Variance
		Actual 2011/12 \$'000	Budget 2012/13 \$'000	
External				
Grants - Capital	6.2.1	4,778	4,895	117
Proceeds on sale of assets	6.2.2	263	500	237
Contributions	6.2.3	250	90	-160
		5,291	5,485	194
Internal				
Reserve cash and investments	6.2.4	-1,744	4,417	6,160
Operations	6.2.5	3,403	(1,063)	-4,466
		1,659	3,354	1,694
Total funding sources		6,950	8,839	1,889

Budgeted total funding sources 2012/13



6.2.1 Grants - Capital (\$4.90 million)

Capital grants and contributions include all monies received from State, Federal and Community sources for the purposes of funding the capital works program. Significant grants and contributions are budgeted to be received for the Violet Town Library Complex \$0.30 million, Euroa Saleyards Roof \$0.35 million, Avenel Recreation Reserve \$0.30 million, Euroa Memorial Oval \$0.30 million, Upgrade of Facilities at Seven Creeks Park \$0.50 million, Roads to Recovery \$0.98 million, State Government Roads & Bridges Funding \$1.00 million, Local Government Infrastructure Program \$0.26 million and Flood Recovery funding \$0.60 million.

6.2.2 Proceeds from sale of assets (\$0.50 million)

Proceeds from sale of assets include motor vehicle sales \$0.14 million, sale of road plant \$0.16 million and sale of land & buildings \$0.20 million

6.2.3 Contributions (\$0.09 million)

Contributions to capital works from ratepayers.

6.2.4 Unrestricted cash and investments (\$4.42 million)

Council has uncommitted cash and investments which represent unrestricted cash and investments, and funds preserved from the previous year mainly as a result of deferred capital works and grants and contributions being received in advance. It is forecast that \$1.25 million will be available from the 2011/12 year to fund new capital works in the 2012/13 year.

6.2.5 Operations (deficit \$1.06 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that a deficit of \$1.06 million will be generated from operations to fund the 2012/13 capital works program. The deficit is accasioned by the prepayment of \$2.26 million of 2012/13 Victorian Grants Commission funding in June 2012.

7. Analysis of budgeted financial position

This section analyses the movements in assets, liabilities and equity between 2011/12 and 2012/13. It also considers a number of key performance indicators.

7.1 Budgeted balance sheet

	Ref	Forecast		Variance \$'000
		Actual 2012 \$'000	Budget 2013 \$'000	
Current assets	7.1.1			
Cash and cash equivalents		5,994	2,762	-3,232
Trade and other receivables		2,005	1,705	-300
Inventories		120	120	0
Non-current assets classified as held for resale		0	0	0
Other assets		193	193	0
Total current assets		8,312	4,780	-3,532
Non-current assets	7.1.1			
Financial Assets		2	2	0
Investments in associates		123	123	0
Property, infrastructure, plant and equipment		198,534	201,910	3,376
Total non-current assets		198,659	202,035	3,376
Total assets		206,971	206,815	-156
Current liabilities	7.1.2			
Trade and other payables		1,180	1,480	-300
Trust Funds & Deposits		307	307	0
Provisions		2,365	1,846	519
Interest-bearing loans and borrowings		929	566	363
Total current liabilities		4,781	4,199	582
Non-current liabilities	7.1.2			
Trust Funds & Deposits		68	68	0
Provisions		202	202	0
Interest-bearing loans and borrowings		2,413	2,422	-9
Total non-current liabilities		2,683	2,692	-9
Total liabilities		7,464	6,891	573
Net assets		199,507	199,924	417
Equity	7.1.4			
Accumulated surplus		70,423	70,640	217
Reserves		129,084	129,284	200
Total equity		199,507	199,924	417

7.1.1 Current Assets (\$3.53 million decrease) and Non-Current Assets (\$3.38 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 \$3.23 million during the year. The decrease is primarily a consequence of the prepayment of 2011/12 Victoran Grants Commission funding in June 2012, \$2.26 million and the funding of \$0.78 million of the 2011/12 capital works program carried forward.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are expected to decrease by \$0.30 million in 2012/13 due to the anticipated abnormally high level of accruals at 30 June 2012.

Inventories are expected to be maintained at current levels

There are no non-current assets classified as being held for resale

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's assets and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by the Council over many years. The increase in this balance is attributable to the net result of the capital works program (\$8.84 million), depreciation of assets (\$4.43 million), the sale through sale of property, plant and equipment (\$0.50 million) and the written down value of infrastructure renewed (\$0.53 million).

7.1.2 Current Liabilities (\$0.58 million increase) and Non Current Liabilities (\$0.01 million decrease)

Trade and other payables are amounts owed by Council to creditors as at 30 June. These liabilities are budgeted to increase by \$0.30 million. The budget has been adjusted by this amount to better reflect the higher levels of creditors at year end.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to increase only marginally due to more active management of entitlements, offsetting increases due to the EBA and award increments.

Provisions at 30 June 2012 also included a provision for landfill rehabilitation (\$0.52 million). The movement in provisions reflects the carrying out of these works in 2012/13 and depletion of this provision.

Interest-bearing loans and borrowings are borrowings of Council. The Council is budgeting new borrowings for the remediation of the Violet Town landfill site (\$0.58 million), originally planned for 2011/12 but deferred. The 2012/13 budget provides for loan principal repayments of \$0.93 million over the year. The repayment includes an amount of \$0.40 million which was provided at 30 June 2012 in relation to Council's unfunded superannuation liability and which is proposed to be paid in full in 2012/13.

7.1.3 Working Capital (\$2.95 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.

The significant movement is again a reflection of the prepayment in June 2012 of 2012/13 Victorian Grants Commission funding.

	Forecast		
	Actual	Budget	Variance
	2012	2013	
	\$'000	\$'000	\$'000
Current assets	8,312	4,780	-3,532
Current liabilities	4,781	4,199	582
Working capital	3,531	581	-2,950
Restricted cash and investment current assets			
- Statutory reserves	-52	-52	0
- Discretionary reserves	-200	-200	0
Unrestricted working capital*	3,279	329	-2,950

7.1.4 Equity (\$0.42 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 \$4.17 million results directly from the operating surplus for the year.

7.2 Key assumptions

In preparing the Budgeted Balance Sheet for the year ended 30 June 2013 it was necessary to make a number of assumptions about assets, liabilities and equity balances. The key assumptions are as follows:

- Rates and other receivables to be reduced by \$0.30 million to reflect a reduction from the abnormally high level of receivables anticipated as at 30 June 2012.
- Trade creditors to be increased by \$0.30 million to better reflect the level of year end creditors.
- Employee provision increases due to Enterprise Bargaining and Award related outcomes are offset by more stringent management of excess leave accumulations.
- Repayment of loan principal to be \$0.53 million
- Total capital expenditure to be \$8.84 million
- Works related to the \$0.52 million landfill provision to be undertaken in 2012/13
- At the time of preparing this report all Victorian Councils are awaiting advice regarding their individual liabilities for the unfunded component of the Defined Benefits Superannuation Scheme. Based on earlier advice, Council provided an interim amount of \$400,000 in its 2012/13 budget, however recent indications suggest that Council's liability will be significantly greater. The amount currently provided will be sufficient to fund the immediate requirement without adjustment to the 2012/13 budget, however the balance of the liability will need to be funded over future budgets.

8. Strategic resource plan and key financial indicators

This section considers the long term financial projections of the Council. The Act requires a Strategic Resource Plan (SRP) to be prepared covering both financial and non-financial resources, and including key financial indicators for at least the next four financial years to support the Council Plan.

8.1 Plan development

Council prepared a Strategic Resource Plan for the four years 2009/10 to 2013/14 and has updated its SRP forecasts annually, in conjunction with the preparation of the budget, to enable budget consideration 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.

Council has also developed a Long Term Financial Plan (LTFP) for the 10 years to 2022/23. The LTFP has been updated in conjunction with the preparation of this budget.

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

- Maintenance of existing service levels
- Maintenance of a strong focus on infrastructure renewal
- Achievement of an underlying operating surplus by 2014/15
- Gradual improvement of Council's liquidity ratio

In preparing the SRP and LTFP, the 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.

8.2 Financial resources

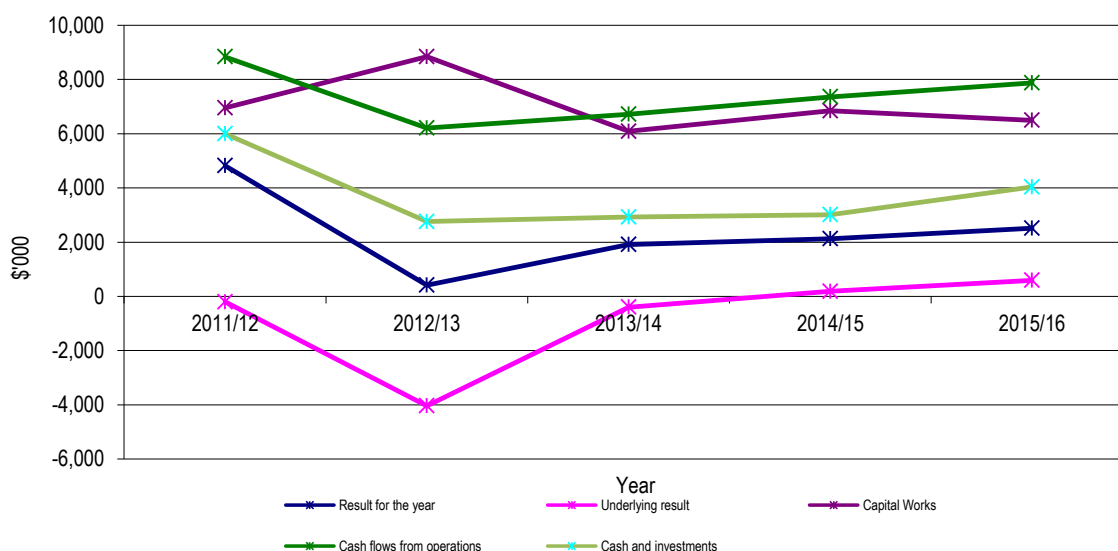
The following table summarises the key financial results for the next four years as set out in the SRP for years 2011/12 to 2014/15. Appendix A includes a more detailed analysis of the financial resources to be used over the four year period.

	Forecast	Budget	Strategic Resource Plan			Trend
	Actual		Projections			
	2011/12	2012/13	2013/14	2014/15	2015/16	+o/-
	\$'000	\$'000	\$'000	\$'000	\$'000	
Result for the year	4,823	417	1,912	2,121	2,511	o
Underlying result	-205	-4,039	-397	185	592	+
Cash and investments	5,994	2,762	2,929	3,015	4,038	+
Cash flows from operations	8,836	6,207	6,723	7,359	7,876	o
Capital works	6,950	8,839	6,089	6,843	6,500	o

Key to Forecast Trend:

- + Forecast improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecast 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)** - The cash position is to be improved incrementally over the period of the plan in line with general sustainability objectives.
- **Rating strategy (section 9)** – The Rating Strategy is strongly aligned to the objective of fully funding Council's infrastructure renewal requirements. Refer Section 9 for details of the Rating Strategy
- **Service delivery** – Service levels have been maintained throughout the forecast period.
- **Borrowing strategy (section 10)** – A borrowing of \$0.58 million is proposed in the budget. The projected level of borrowings at 30 June 2013 is \$2.99 million, reducing to \$1.24 million at 30 June 2016.
- **Infrastructure** - Capital expenditure over the four year period will total \$26.67 million at an average of \$6.67 million.

8.3 Key financial indicators

A comprehensive schedule of financial indicators is provided at Appendix F

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. The following table summarises the non-financial resources for the next four years.

Indicator	Forecast		Strategic Resource Plan		
	Actual	Budget	Projections		
	2011/12	2012/13	2013/14	2014/15	2015/16
	\$'000	\$'000	\$'000	\$'000	\$'000
Employee costs	9,552	9,485	9,983	10,489	10,961

9. Rating strategy

This section considers the Council's rating strategy including strategy development and assumptions underlying the current year rate increase and rating structure.

9.1 Strategy development

Rates and charges are a key component of Council revenue, accounting for over 50% of the total revenue received annually.

Council has a Rating Strategy which, in conjunction with the relevant sections of the Local Government Act 1989, provides the principles for Council's rating system. The strategy was implemented in the 2010/11 budget year after extensive community consultation and input. The strategy has since been reviewed annually and refined.

A key component of the recent review (March 2012) is the downward review of proposed future rate increases. The proposed increases for 2012/13 and 2013/14 of 9% and 8% respectively have been reduced to 7% in each of those years.

It is further proposed that the Municipal Charge be maintained at the current level of \$266 until such time as it equates to 10% of total rates and charges (currently 14.5%). This action will progressively provide modest rate relief for owners of lower valued properties. The target is projected to be achieved by 2017/18.

9.2 Current year rate increase

In line with the revised Rating Strategy the proposed rating increase for 2012/13 is 7%. Increases of 7%, 7% and 6% are proposed for 2013/14, 2014/15 and 2015/16 years.

The Rating Strategy also proposes the introduction of vacant residential and vacant commercial/industrial differentials.

The increases will be structured so as to provide an increase of 4% for increasing costs of operations, as estimated by the Municipal Association of Victoria, and the balance to be applied specifically to infrastructure works.

Service charges for garbage and recycling are calculated on a cost recovery basis, the new charges are detailed in the table below.

The following table sets out future proposed rate increases and total rates to be raised, in accordance with the budget and forecasts

Year	Rates & Charges	Rates	Total	Total Rates
	Increase	Infrastructure	Rates	Raised
	Cost Index	Catch-up	Increase	
	%	Levy	%	\$'000
2012/13	4	3	7	14,064
2013/14	4	3	7	15,182
2014/15	4	3	7	16,391
2015/16	4	2	6	17,482

The following table summarises the rates to be raised for the 2012/13 year. A more detailed analysis of the rates to be raised is contained in Appendix B Statutory Disclosures.

		2011/12	2012/13
General/Residential	Cents/ \$ of CIV	0.44938	0.470931
Residential Vacant land (150%)	Cents/ \$ of CIV	N/A	0.706396
Farm Differential (85%)	Cents/ \$ of CIV	0.38197	0.400291
Commercial/Industrial Rate (115%)	Cents/ \$ of CIV	0.49432	0.541571
Vacant Comm/Industrial Land (150%)	Cents/ \$ of CIV	N/A	0.812356
Municipal charge	\$ per property	266.00	266.00
Kerbside collection - residential	\$ per property	298.00	312.00
Kerbside collection - commercial	\$ per property	598.00	624.00
Recycling charge	\$ per property	150.00	155.00

9.3 General revaluation of properties

A general revaluation of properties is currently under way with the effective revaluation date being 1 January 2012. The revaluation will be applied in 2012/13.

10. Other strategies

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

10.1 Borrowings

This budget proposes a new borrowings of \$0.575 in 2012/13. The borrowing will be utilised for the rehabilitation of the Violet Town landfill.

The following table sets out future proposed borrowings, in accordance with the budget forecast.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2012/13	575	929	227	2,988
2013/14	0	584	191	2,404
2014/15	0	595	151	1,809
2015/16	0	567	113	1,242

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	Budgeted standard statements	36
B	Statutory disclosures	41
C	Capital works program	46
D	Key strategic activities	49
E	Fees and charges schedule	51

Appendix A

Budgeted Standard Statements

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2011/12 to 2014/15 has been extracted from the Strategic Resource Plan.

At the end of each financial year Council is required to report back to the community a comparison of actual financial results against these Budgeted Standard Statements and provide an explanation of significant variances. The Standard Statements together with the Performance Statement provide a clear, concise and understandable report of Council's activities for the year from both a financial and non-financial perspective particularly for those users who do not have a financial background.

The appendix includes the following budgeted information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Works Statement

Budgeted Standard Income Statement

For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2011/12	2012/13	2013/14	2014/15	2015/16
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
Rates and charges	12,959	14,064	15,182	16,391	17,482
Statutory fees & fines	215	277	285	294	303
User Fees	1,206	1,148	1,182	1,230	1,279
Contributions	250	90	0	0	0
Grants - Operating (Recurrent)	8,115	3,951	6,468	6,662	6,862
Grants - Capital (Recurrent)	4,778	4,895	2,842	2,483	2,483
Other revenue	394	315	320	325	330
Net gain on disposal of property, infrastructure, plant and equipment	0	0	0	0	0
Total income	27,917	24,740	26,279	27,384	28,739
Expenses					
Employee benefits	9,552	9,485	9,983	10,489	10,961
Materials and services	8,853	9,463	8,999	9,359	9,734
Bad and doubtful debts	0	2	2	2	2
Depreciation and amortisation	4,345	4,434	4,470	4,520	4,656
Finance costs	186	227	193	153	113
Other expenses	158	183	191	196	202
Share of net loss of Goulburn Valley Regional Library Corporation	0	0	(4)	(4)	(4)
Written down value of infrastructure renewed	0	529	533	547	563
Total expenses	23,095	24,323	24,367	25,263	26,227
Surplus (deficit) for the year	4,823	417	1,912	2,121	2,511
Other comprehensive income					
Other	0	0	0	0	0
Total comprehensive income for the year	4,823	417	1,912	2,121	2,511

Budgeted Standard Balance Sheet

For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2011/12	2012/13	2013/14	2014/15	2015/16
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	5,994	2,762	2,929	3,015	4,038
Trade and other receivables	2,005	1,705	2,302	2,442	2,565
Inventories	120	120	125	130	135
Non-current assets classified as held for resale	0	0	0	0	0
Other assets	193	193	193	193	193
Total current assets	8,312	4,780	5,549	5,780	6,931
Non-current assets					
Financial Assets	2	2	2	2	2
Investments in associates	123	123	127	130	134
Property, infrastructure, plant and equipment	198,534	201,910	208,753	216,482	223,940
Total non-current assets	198,659	202,035	208,882	216,615	224,076
Total Assets	206,971	206,815	214,431	222,395	231,007
Current liabilities					
Trade and other payables	1,180	1,480	1,698	1,781	1,857
Trust Funds & Deposits	307	307	316	326	335
Provisions	2,365	1,846	1,846	1,920	1,997
Interest-bearing loans and borrowings	929	566	596	567	607
Total current liabilities	4,781	4,199	4,456	4,593	4,797
Non-current liabilities					
Trust Funds & Deposits	68	68	70	72	74
Provisions	202	202	202	210	218
Interest-bearing loans and borrowings	2,413	2,422	1,810	1,242	635
Total non-current liabilities	2,683	2,692	2,082	1,525	928
Total Liabilities	7,464	6,891	6,537	6,118	5,724
Net assets	199,507	199,924	207,893	216,277	225,283
Equity					
Accumulated surplus	70,423	70,640	72,552	74,673	77,185
Reserves	129,084	129,284	135,341	141,604	148,098
Total equity	199,507	199,924	207,893	216,277	225,283

Budgeted Standard Cash Flow Statement

For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2011/12	2012/13	2013/14	2014/15	2015/16
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities					
Rates and charges	12,959	14,064	15,182	16,391	17,482
Statutory fees and fines	215	277	285	294	303
User fees	1,208	1,148	1,182	1,230	1,279
Contributions	250	90	0	0	0
Grants - Operating	8,085	4,336	6,598	6,796	7,000
Grants - Capital	4,536	4,993	2,899	2,533	2,533
Interest	120	198	198	198	198
Other receipts	281	117	122	127	132
Net GST refund/payment	1,282	2,367	1,818	2,007	1,971
Payments to suppliers	(10,390)	(11,713)	(11,386)	(11,611)	(11,944)
Payments to employees	(9,552)	(9,485)	(9,959)	(10,358)	(10,772)
Other payments	(158)	(185)	(193)	(199)	(205)
Total cash inflows from operating activities	8,836	6,207	6,744	7,406	7,975
Cash flows from investing activities					
Payments for property, plant and equipment, infrastructure	(6,950)	(8,839)	(6,089)	(6,843)	(6,500)
Payments for remediation of landfill site.	(56)	(519)	0	0	0
Proceeds sales of property, plant and equip, infrastructure	263	500	300	309	318
Net cash used in investing activities	(6,743)	(8,858)	(5,789)	(6,534)	(6,182)
Cash flows from financing activities					
Finance costs	(186)	(227)	(193)	(153)	(113)
Trust funds and deposits	(39)	0	9	9	10
Proceeds from interest bearing loans and borrowings	800	575	0	0	0
Repayment of interest bearing loans and borrowings	(418)	(929)	(583)	(596)	(567)
Net cash provided by (used in) financing activities	157	(581)	(767)	(739)	(671)
Net decrease in cash and cash equivalents	2,250	(3,232)	189	133	1,122
Cash and cash equivalents at beginning of year	3,744	5,994	2,762	2,951	3,084
Cash and cash equivalents at end of year	5,994	2,762	2,951	3,084	4,207

Budgeted Standard Capital Works Statement

For the four years ending 30 June 2015

	Forecast	Budget	Strategic Resource Plan		
	Actual		Projections		
	2011/12	2012/13	2013/14	2014/15	2015/16
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital works areas					
Land	441	235	0	0	0
Buildings	317	1,923	720	1,430	1,768
Furniture & Equipment	178	315	3,533	3,646	3,012
Plant & Machinery	1,027	888	43	37	35
Roads	4,435	4,448	484	417	385
Bridges	302	610	2	3	5
Drains	171	126	0	0	0
Footpaths	40	0	0	0	0
Kerb & Channel	39	0	297	298	294
Waste Management		294	1,010	1,012	1,001
Total Capital Works	6,950	8,839	6,089	6,843	6,500
Represented by:					
Asset Renewal	5,442	5,295	5,176	5,817	5,676
Asset Upgrade	1,158	609	609	684	549
New Assets	350	2,935	304	342	275
Total Capital Works	6,950	8,839	6,089	6,843	6,500
Reconciliation of net movement in property, plant and equipment					
Total Capital Works	6,950	8,839	6,089	6,843	6,500
Asset Revaluation Movement					
Depreciation & Amortisation	(4,345)	(4,434)	(4,470)	(4,520)	(4,656)
Written Down Value of Assets Sold	(263)	(500)	(300)	(309)	(318)
Written down value of infrastructure renewed	0	(529)	(533)	(547)	(563)
Net Movement in Property, Plant & Equipment	2,342	3,376	786	1,467	963

Appendix B

Statutory disclosures

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

The appendix includes the following budgeted information:

- Borrowings
- Rates and charges
- Differential rates.

Statutory disclosures

1. Borrowings

	2011/12	2012/13
	\$	\$
New borrowings (other than refinancing)	1,290,000	575,000
Debt redemption	487,207	929,342

2. Rates and charges

2.1 The proposed rate in the dollar for each type of rate to be levied

Type of Property	2011/12	2012/13
	cents/\$CIV	cents/\$CIV
Residential rate	0.44938	0.470931
Vacant Residential Land rate	N/A	0.706396
Farm rate	0.38197	0.400291
Commercial/Industrial rate	0.49432	0.541571
Vacant Commercial/Industrial Land rate	N/A	0.812356

2.2 The estimated amount to be raised by each type of rate to be levied

Type of Property	2011/12	2012/13
	\$	\$
Residential rate	4,964,300	4,733,727
Vacant Residential Land rate	N/A	338,255
Farm rate	4,485,500	5,190,691
Commercial/Industrial rate	367,800	471,247
Vacant Commercial/Industrial Land rate	N/A	5,920

2.3 The estimated total amount to be raised by rates

	2011/12	2012/13
	\$	\$
Total rates to be raised	9,817,600	10,739,840

2.4 The proposed percentage change in the rate in the dollar for each type of rate to be levied, compared to that of the previous financial year

Type of Property	2011/12	2012/13
	Change	Change
	%	%
Residential rate	10	7
Vacant Residential Land	N/A	New Rate
Farm rate	7	7
Commercial/Industrial rate	15	12
Vacant Commercial/Industrial Land	N/A	New Rate

2.5 The number of assessments for each type of rate to be levied compared to the previous year

Type of Property	2011/12	2012/13
Residential rate	4,982	4,257
Vacant Residential Land	N/A	374
Farm rate - properties >40 hectares	1,748	2,176
Commercial/Industrial rate	256	258
Vacant Commercial/Industrial Land	N/A	7
Total number of assessments	6,986	7,072

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

2.7 The estimated total value of land in respect of which each type of rate is to be levied compared with the previous year

Type of Property	2011/12 \$	2012/13 \$
Residential rate	652,608,500	1,005,184,950
Vacant Residential Land	N/A	47,884,655
Farm Rate	1,623,579,600	1,296,728,475
Commercial/Industrial rate	74,401,000	87,014,935
Vacant Commercial/Industrial Land	N/A	728,770
Total	2,350,589,100	2,437,541,785

Note the amounts levied in the table above are exclusive of rate abandonments.

2.8 The proposed unit amount to be levied for each type of charge under section 162 of the Act

Type of Charge	Per Rateable Property 2011/12 \$	Per Rateable Property 2012/13 \$
Municipal	266	266
Kerbside collection - 120 Litre Bins	298	312
Kerbside collection - 240 Litre Bins	598	624
Recycling	150	155

2.9 The estimated amounts to be raised for each type of charge to be levied compared to the previous year

Type of Charge	2011/12 \$	2012/13 \$
Municipal	1,657,600	1,704,717
Kerbside collection	1,138,400	1,214,616
Recycling	497,600	531,030
Total	3,293,600	3,450,363

2.10 The estimated total amount to be raised by rates and charges:

	2011/12 \$	2012/13 \$
Rates and charges	12,980,088	14,190,203
Supplementary rates	129,801	0
Total	13,109,889	14,190,203

Note the amounts levied in the table above are exclusive of rate abandonments.

2.11 A 2% discount will be applied in respect of full payment of 2012/13 rates and charges paid on or before 30 September 2012.

2.12 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 etc. and vice versa.

3. Differential rates

3.1 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 0.470931% (0.470931 cents in the dollar of CIV) for all rateable Residential properties and Farm zoned properties which do not meet the Farm differential criteria;
- A differential rate of 0.706396% (0.706396 cents in the dollar of CIV) for all rateable Vacant Residential properties.
- A differential rate of 0.400291% (0.400291 cents in the dollar of CIV) for all rateable Farm properties.
- A differential rate of 0.541571% (0.541571 cents in the dollar of CIV) for all rateable Commercial/Industrial properties.
- A differential rate of 0.812356% (0.812356 cents in the dollar of CIV) for all rateable Vacant Commercial/Industrial properties.

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

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.

Vacant Residential Land Differential Rate

A differential rate will be applied for vacant residential land.

The reasons for the application of a vacant residential differential rate are to ensure the equitable and efficient carrying out of Council's functions and to ensure the appropriate distribution of costs associated with the delivery of services. The differential is also applied to encourage the development of vacant residential land for the general benefit of the community.

Land classed as vacant residential is identified as that land which is categorised within the rating system as having a residential use and having improvements valued at not greater than \$20,000. Vacant residential land which is considered contiguous with occupied residential land will be rated as residential.

The characteristics of the land classed as vacant residential are that it is located within a residential (or township or similar) zone, is permitted for residential development and has improvements of not greater than \$20,000.

Commercial/Industrial Differential Rate

A differential rate will be applied to land used for commercial or industrial purposes.

The reasons for the application of a commercial/industrial differential rate are to ensure the equitable and efficient carrying out of Council's functions and to ensure the appropriate distribution of costs associated with the delivery of services which specifically benefit commercial/industrial properties.

Services specifically benefiting commercial/industrial properties include;

- street cleaning, streetscape infrastructure maintenance, waste management, environmental health, compliance - and animal control, street tree management and improvements to commercial and industrial areas.

The appropriate level for the commercial/industrial differential rate is considered to be 120% of the general rate, subject to the following transitional arrangements -

- 105% of the general rate in Year 1 of the strategy (2010/11)
- 110% of the general rate in Year 2 of the strategy (2011/12)
- 115% of the general rate in Year 3 of the strategy (2012/13)
- 120% of the general rate in Year 4 of the strategy (2013/14)

Land classed as commercial/industrial is identified as that land which is categorised within the rating system as having a commercial or industrial use.

The characteristics of the land classed as commercial/industrial are that it is used for the purposes of retail, wholesale, tourism activities, accommodation, professional or other commercial services or for manufacturing, maintenance, storage and distribution of goods or other industrial services.

Vacant Commercial/Industrial Differential Rate

A differential rate will be applied for vacant commercial/industrial land.

The reasons for the application of a vacant commercial/industrial differential rate are to ensure the equitable and efficient carrying out of Council's functions and to ensure the appropriate distribution of costs associated with the delivery of services. The differential is also applied to encourage the development of vacant commercial/industrial land for the general benefit of the community.

Land classed as vacant commercial/industrial is identified as that land which is categorised within the rating system as having a commercial or industrial use and having improvements valued at not greater than \$20,000. Vacant commercial/industrial land which is considered contiguous with occupied commercial/industrial land will be rated as commercial/industrial.

The characteristics of the land classed as vacant commercial/industrial are that it is located within a commercial or industrial zone, is permitted for commercial or industrial development and has improvements of not greater than \$20,000.

Farm Differential Rate

A differential rate will be applied to land used for farming purposes.

The reason for the application of a farm differential rate is to ensure the equitable and efficient carrying out of Council's functions.

Specifically, reasons include –

Acknowledgement that land invested in farming is intrinsic to the activity, distinguishing it from land upon which an activity is based.

Acknowledgement that farming viability generally requires broadacre investment and recognition of the consequent adverse rating impacts of that investment.

Acknowledgement that farmers are key contributors to the successful management of the rural environment and that the general community derives benefit from that management.

Recognition of the importance of farming as a local economic generator with flow on impacts for local business and employment.

The importance of maintaining the Shire's rural amenity for the enjoyment of residents and the attraction of tourists.

The application of a farm differential is consistent with the general practice of rural local governments.

National economic importance of encouraging investment in primary industry.

The appropriate level for the farm differential rate is considered to be 85% of the general rate.

Land classed as farm is identified as that land which is situated within the farming zone, is not less than 40 hectares in area and is not classified as having a commercial or industrial use. Land classified as having a commercial or industrial use will be rated accordingly.

Land situated within the farming zone of less than 40 hectares may be considered for the farm differential rate, subject to satisfying Council's criteria for recognition as a bone fide farming activity. Typically such consideration would apply to intensive farming pursuits.

The characteristics of the land classed as farm are that it is used to;

- propagate, cultivate or harvest plants, including cereals, flowers, fruit, seeds, trees, turf, and vegetables; or keep, breed, board, or train animals, including livestock, and birds; or propagate, cultivate, rear, or harvest living resources of the sea or inland waters.

Appendix C

Capital works program

This appendix presents a listing of the capital works projects that will be undertaken for the 2012/13 year.

Asset Category	Budget Cost	External Funding
Land		
Violet Town Flood Mitigation Works, Survey & Design Stage 1	105,000	47,200
Euroa Water Scheme (carried forward from 2011/12)	100,000	
Euroa Seven Creeks Park Replanting	30,000	
	235,000	47,200
Buildings		
Strathbogie Depot - Shed	2,315	
Violet Town Reserve - Toilets	1,000	
Euroa Croquet Club - Club House	8,000	
Nagambie - Glass Square Bowling Club - Clubrooms	15,000	
Violet Town - Swimming Pool - Pump Shed	3,000	
Avenel Memorial Hall - Supper Room	6,000	
Nagambie - Glass Square Tennis Club - Clubrooms	6,000	
Nagambie River Street Recreational Reserve - Toilets	2,000	
Euroa Depot - Toilet Block	5,000	
Violet Town Reserve - Toilets	3,000	
Euroa Friendlies Reserve (Cricket Club) - Toilets/Change Rooms	10,000	
Euroa Farmers Arms Museum - Eliza Forlonge Cottage	10,000	
Creighton's Creek Recreation Reserve - Toilets	5,000	
Euroa Caravan Park site Development	80,000	55,000
Nagambie Pre-School footpath Extension	3,000	
Euroa Saleyard Improvements - (Sheep yard and Kiosk)	60,000	
Euroa Band Hall - Power Upgrade	9,000	
Saleyards Roof	500,000	500,000
Seven Creeks Park Facilities Development - Euroa	769,000	769,000
Violet Town Library Complex	380,000	380,000
Euroa Office energy retrofit	46,000	25,000
	1,923,315	1,729,000

Asset Category	Budget Cost	External Funding
Furniture & Equipment		
Software Licencing and annual support cost	19,000	
Network Firewall System Update	6,000	
Hardware (workstations,laptops,monitor replacement)	78,000	
Customer Service Roving Officer Infrastructure	5,000	
Security System Upgrade Euroa Office	1,500	
Regional Shared Services Infrastructure Including Disaster Recovery	100,000	50,000
Public Lighting improvements	13,000	
Streetlight Energy-saving bulb replacement	35,000	17,500
Facility Signage	1,000	
Table and seats under existing shade structures and poolside	5,000	
Water Volleyball net	1,000	
Shade areas replaced and new areas added	20,000	
New tables and chairs	2,000	
Pool identification signage	2,500	
Shade structure over kiosk window and over shallow end of large pool	15,000	
Back wash system to deliver to a water tank for lawns	6,000	
Roofing over toilets and change areas.	-	
Pool identification signage	2,500	
Table and chairs	2,000	
	314,500	67,500
Plant & Machinery		
Plant and Machinery (carried forward from 2011/12)	290,000	
Site Signage - Key Projects	15,000	
Works Fleet	243,000	
Motor Vehicle Fleet	340,000	
	888,000	-
Roads		
Longwood Depot Road -Widening and sealing of corners	52,000	
Euroa Strathbogie Road - Widening by 0.5m)	67,900	
Locksley-Nagambie Rd - prep and seal shoulders	100,000	
Avenel Queen Street Parking	25,000	
Avenel Jones Street Parking	20,000	
Avenel School Car parking	15,000	
Pleasance Avenue road widening	15,000	
Ruffy Road curve - remix widening	20,000	
Ruffy School road widening - outside shop	32,000	
Euroa - Replacement of kerb channel (Euroa - Mansfield Rd)	20,000	
Resheeting Program	363,398	
Pavement Rehabilitation Program	994,224	
Resealing Program	1,473,696	
Birkett St, Euroa (carried forward from 2011/12)	95,000	
Works Flood Funding 2012	1,155,000	
	4,448,218	2,670,700

Asset Category	Budget Cost	External Funding
Bridges		
Mitchellstown Road	240,000	
Nelson's Road	60,000	
Horse Gully Rd Bridge replacement	40,000	
Heales Rd - Deck Replacement	35,000	
Walkers Rd - Bridge - replacement	70,000	
Longwood Pranjip Rd -Deck replacement	25,000	
The Rockies pedestrian bridge	140,000	140,000
	610,000	140,000
Drainage		
Nagambie Industrial Area - Scoping	20,000	
Nagambie Industrial Area - Scheme Development	20,000	
Euroa Saxon Street - Construct table drain	20,000	
Suez Canal Floodgate (Mansfield Rd to Creek) Survey and agreements	10,000	
Burns Ave - Drainage Outfall	25,000	
Nagambie Retarding Basins - shape and landscape	30,600	
	125,600	-
Waste Management		
Violet Town Transfer Station (carried forward from 2011/12)	294,000	
	294,000	-
	8,838,633	4,654,400
Asset Renewal	5,294,633	
Asset Upgrade	609,050	
New Assets	2,934,950	
	8,838,633	

Reconciliation of External Funding to Non-Recurrent Grants

Total external funding per above	4,654,400
Avenel Rec Res - Not Council Asset and treated as operating expenditure	300,000
Euroa Memorial Oval - Not Council Asset and treated as operating expenditure	300,000
From 2011/12 LGIP	(269,000)
Less Contributions	(90,000)
Total per Operating Statement Non-Recurrent Grants	4,895,400

Appendix D

Key strategic activities

This appendix presents a number of key strategic activities to be undertaken during the 2012/13 year and performance targets and measures in relation to these.

Key strategic activities

Measures:	Targets by:
<p>1. A sustainable community that responds effectively to the challenges of climate change (Climate Change)</p> <ul style="list-style-type: none"> ▪ Complete stage 1 of the survey and design for the Violet Town flood mitigation works ▪ Complete the Euroa office energy retro-fit 	<p>31-Mar-13 30-Jun-13</p>
<p>2. A safe, connected infrastructure network that responds effectively to community needs (Infrastructure)</p> <ul style="list-style-type: none"> ▪ Review Council's Asset Management Plan ▪ Complete landfill capping works at the Violet Town Landfill and redevelop waste transfer facilities on site 	<p>31-Dec-12 31-May-13</p>
<p>3. An environment which provides opportunity and support for sustainable investment (Private Enterprise)</p> <ul style="list-style-type: none"> ▪ Complete a shire wide Economic Development Master plan ▪ Complete the Nagambie main street strategy and design post by-pass 	<p>31-Mar-13 30-Apr-13</p>
<p>4. A community that has access to a comprehensive range of services which respond to its diverse needs (Public Institutions)</p> <ul style="list-style-type: none"> ▪ Conduct four meetings of the Strathbogie Health Consortium ▪ Investigate the establishment of the Nagambie Emergency Response Facility 	<p>30-Jun-13 30-Nov-12</p>
<p>5. A progressive and diverse destination offering a committed, participative community that has access to a broad range of recreational and cultural activities in a liveable, safe and nurturing environment (Housing & Recreational)</p> <ul style="list-style-type: none"> ▪ Design, build and complete stage 1 of the Avenel Recreation Reserve and Euroa Memorial Oval Reserve multi-use facilities 	<p>31-May-13</p>
<p>6. A desirable destination which attracts visitors to enhance the economic and recreational opportunities for our community (Tourism)</p> <ul style="list-style-type: none"> ▪ Design and construct Seven Creeks Park multi-use facility which includes a visitor information centre, amenities and café 	<p>30-Jun-13</p>
<p>7. An organisation which meets the community's needs and expectations with responsive, innovative customer service and management (Organisation)</p> <ul style="list-style-type: none"> ▪ Develop and implement a new website including workshops to develop Council's brand ▪ Implement statewide MECC (Municipal Emergency Coordination Centre) Central software program 	<p>31-Dec-12 30-Sep-12</p>

Appendix E
Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged for various services provided during the 2012/13 year.

Appendix E Fees and charges schedule

Budget 2012/2013 - Council Fees	Fee Unit	Fees 2011/12	Proposed Fees 2012/13	% Increase 2012/13
Home & Community Care				
Home Care - Low	Hour (min.)	\$6.40	\$6.50	1.56%
Home Care - Medium	Hour (min.)	\$14.50	\$14.95	3.10%
Home Care - High	Hour (min.)	\$30.30	\$31.20	2.97%
Home Care - DVA - Low ranges b/w 4.00 & 7.50. Set by DVA	Visit	\$5.00	\$5.00	0.00%
Respite Care (Day) - Low	Hour (min.)	\$4.60	\$4.70	2.17%
Respite Care (Day) - Medium	Hour (min.)	\$6.00	\$6.20	3.33%
Respite Care (Day)	Hour (min.)	\$32.20	\$33.20	3.11%
Respite Care (Overnight) - Low	10 hr block	\$92.70		
Respite Care (Overnight) - Medium	10hr block	\$123.60		
Respite Care (Overnight) - High	10hr block	\$154.50		
Personal Care - Low	Hour (min.)	\$4.80	\$4.80	0.00%
Personal Care - Medium	Hour (min.)	\$8.80	\$9.00	2.27%
Personal Care - High	Hour (min.)	\$34.20	\$35.20	2.92%
CACP Program	Week	\$14.00	\$14.50	3.57%
Brokerage Agencies (Linkages) - Home Care (Weekdays between 7.30am and 7.30pm)	Hour	\$41.20	\$42.40	2.91%
Brokerage Agencies (Linkages) - Personal Care (Weekdays between 7.30am and 7.30pm)	Hour	\$45.30	\$46.65	2.98%
Brokerage Agencies (Linkages) - Home Care (after hours in line with EBA)	Hour	\$0.00		
Brokerage Agencies (Linkages) - Personal Care (after hours in line with EBA)	Hour	\$0.00		
Brokerage Agencies (Linkages) - Travel Fee		\$1.18	\$1.18	
Brokerage Agencies - Travel time per hour		\$36.05	\$36.05	
Contract case management	Hour	\$97.85		
Home Maintenance - Low	Hour (min.)	\$11.30	\$11.40	0.88%
Home Maintenance - Medium	Hour (min.)	\$16.70	\$17.20	2.99%
Home Maintenance - High	Hour (min.)	\$43.20	\$44.50	3.01%
Home Maintenance - DVA	Visit	\$5.00	\$5.00	0.00%
Brokerage Agencies (Linkages) - Home Maintenance	Hour	\$56.65	\$58.30	2.91%
Delivered Meals - Home - Low	Meal	\$9.20	\$9.20	0.00%
Delivered Meals - Home - Medium	Meal	\$11.70	\$12.00	2.56%
Delivered Meals - Home - High	Meal	\$14.50	\$14.50	0.00%
Delivered Meals - Centre Based	Meal	\$9.20	\$9.20	0.00%
Brokerage Agencies (Linkages) - Delivered Meals	Meal	\$14.50	\$14.50	0.00%
MOW - DVA	Meal	\$9.20	\$9.40	2.17%
Planned Activity Group - Men's Group	Session	\$12.60 with meal	\$12.60	
Planned Activity Group - Swimming Group	Session	\$7.60	\$7.60	0.00%
Planned Activity Group - Other Outing	Session	\$7.60	\$7.60	0.00%
Planned Activity Group - Social Support Lunches	Session	\$12.60	\$12.60	0.00%
Planned Activity Group - Social Support Shire Outing	Session	NA		
Planned Activity Group - Social Support Euroa Outing	Session	\$7.60		
Planned Activity Group - Linkages	Session	\$51.50	\$53.00	2.91%
Community Transport				
Euroa to Longwood	Return trip	\$11.60	\$11.95	3.02%
Euroa to Benalla	Return trip	\$34.00	\$35.00	2.94%
Euroa to Shepparton	Return trip	\$35.00	\$36.00	2.86%
Euroa to Violet Town	Return trip	\$15.45	\$16.00	3.56%
Euroa to Wangaratta	Return trip	\$61.80	\$63.65	2.99%
Euroa to Heidelberg	Return trip	\$111.20	\$114.50	2.97%
Euroa to Melbourne	Return trip	\$118.45	\$122.00	3.00%
Euroa to Alexandra	Return trip	\$43.40	\$44.50	2.53%
Euroa to Seymour	Return trip	\$40.00	\$41.20	3.00%
Nagambie to Euroa	Return trip	\$34.00	\$35.00	2.94%
Nagambie to Seymour	Return trip	\$21.60	\$22.25	3.01%
Nagambie to Heidelberg	Return trip	\$92.70	\$95.50	3.02%
Nagambie Melbourne	Return trip	\$99.90	\$102.90	3.00%
Nagambie to Shepparton	Return trip	\$38.00	\$39.15	3.03%
Avenel to Nagambie	Return trip	\$16.50	\$17.00	3.03%
Avenel to Shepparton	Return trip	\$54.80	\$56.45	3.01%
Avenel to Seymour	Return trip	\$15.15	\$15.60	2.97%

Budget 2012/2013 - Council Fees	Fee Unit	Fees 2011/12	Proposed Fees 2012/13	% Increase 2012/13
Euroa Cinema		\$9.00	\$10.00	11.11%
Swimming Pools				
Family	Season	\$77.00	\$80.00	3.90%
Adult	Season	\$49.00	\$52.00	6.12%
Child	Season	\$34.00	\$35.00	2.94%
Adult	Day	\$4.00	\$4.50	12.50%
Child	Day	\$3.00	\$3.50	16.67%
Tip/Transfer Station Fees				
Commercial Garbage (Residents)	m3	\$27.00	\$30.00	11.11%
Commercial Garbage (Non - Residents)	m3	\$54.00	\$56.00	3.70%
Domestic Garbage (Residents)	m3	\$24.00	\$25.00	4.17%
Domestic Garbage (Non - Residents)	m3	\$48.00	\$50.00	4.17%
Green waste	m3	\$15.50	\$16.50	6.45%
Whitegoods	unit	\$8.50	\$9.00	5.88%
Mattresses/Mattress Bases (Single)	unit	\$8.50	\$15.00	76.47%
Mattresses/Mattress Bases (Double)	unit	\$8.50	\$20.00	135.29%
Car Bodies (Residents)	unit	\$33.50	\$35.00	4.48%
Car Bodies (Non - Residents)	unit	\$79.00	\$82.00	3.80%
Tyres - Car	unit	\$7.50	\$8.00	6.67%
Tyres - Light Truck	unit	\$10.50	\$11.00	4.76%
Tyres - Heavy Truck	unit	\$22.00	\$23.00	4.55%
Tyres - Tractor	unit	\$44.50	\$47.00	5.62%
Tyres - Earthmoving	unit	\$55.00	\$58.00	5.45%
Planning Fees				
Statutory and Strategic Planning fees are legislated				
Note: fees are based on development costs and therefore effectively indexed				
Copies of planning permits	1 permit	\$50.00	\$55.00	10%
Copies of planning documents/information - from files on site at Euroa; and	per request		\$20.00	new
- Plus	per A4 pg		\$2.00	new
- Plus	per >A4 pg		\$5.00	new
Copies of planning documents/information - from files off site	per request		\$30.00	new
	per A4 pg		\$2.00	new
	per >A4 pg		\$5.00	new
Building Fees				
Domestic Building Works:				
New Dwellings up to \$180,000 (Cost of works ÷ 75) i.e. \$180,000 ÷ 75 = \$2,400)	app'n	\$1,400.00	\$2,400.00	71.43%
New Dwellings Over \$180,000 (Cost of works ÷ 75) i.e. \$200,000 ÷ 75 = \$2,666)	app'n	\$1,750.00	\$2,650.00	51.43%
Additions to Dwelling, Garage, Decks, Pergolas, Fencing, Masts etc. \$0 - \$30,000	app'n	\$650.00	\$750.00	15.38%
Additions Over \$30,000 to \$180,000	app'n	\$1,000.00	\$1,100.00	10.00%
Industrial / Commercial				
Minor Works to \$10,000	app'n	Cost of work x 0.0145 + \$2000	\$1,800.00	Min Fee
Minor Works \$10,000 to \$30,000	app'n	As above	No Change	
Building Works \$30,000 to \$500,000	app'n	As above	No Change	
Building Works Above \$500,000	app'n		POA	
Consent Application				
Building over Easement Report & Consent	app'n	\$217.50	\$230.00	5.75%
Variation to Part 4 of the Building Regs Report & Consent	app'n	\$217.50	\$230.00	5.75%
Hoarding Report & Consent (Public Protection)	app'n	\$217.50	\$230.00	5.75%
Flood Approval Report & Consent	app'n	\$217.50	\$230.00	5.75%
Building Search Certification Reg 326(1) (Permits/Certificates details, notices & orders)	app'n	\$44.40	\$50.00	12.61%
Building Search Certification Reg 326(2) (Flood, Termite, Snowfall & Designated Land)	app'n	\$44.40	\$50.00	12.61%
Building Search Certification Reg 326(3) (Approved dates for mandatory notification stages)	app'n	\$44.40	\$50.00	12.61%

Budget 2012/2013 - Council Fees	Fee Unit	Fees 2011/12	Proposed Fees 2012/13	% Increase 2012/13
Miscellaneous Fees				
Building Permit Extension Class 1	app'n	\$180.00	\$180.00	0.00%
Building Permit Extension Class 10	app'n	\$100.00	\$100.00	0.00%
Essential Safety Measures Report (Per Hour)	app'n	\$125.00	\$150.00	20.00%
Stormwater Discharge	app'n	\$55.55	\$60.00	8.01%
Demolition Approval	app'n	\$55.55	\$60.00	8.01%
Occupancy Inspection	app'n	\$200.00	\$300.00	50.00%
Issue of Notices and Orders \$165/hr + \$165 per inspection(inc. gst)	app'n		\$300.00	Min Fee
Building Permit Amendments \$165/hr (inc. gst)			\$300.00	Min Fee
Preparation of Reports \$165/hr (inc. gst)			\$300.00	Min Fee
Application for Authority Consents \$165/hr (inc. gst)			\$300.00	Min Fee
Installation Permit (Removable Dwellings under Residential Tenancies Act)	app'n	N/A	\$800.00	New Fee
Photocopying				
A3 (each)	page	\$0.85	\$1.00	17.65%
A2 (each)	page	\$2.30	\$3.00	30.43%
A1 (each)	page	\$4.60	\$5.00	8.70%
Land Information Certificate				
Statutory fee per Regulations	Certificate	\$20.00	\$20.00	0.00%
Road Opening Permit Fees				
Vehicle Crossing	Permit	\$59.00	\$65.00	10.17%
Other Road Openings - per Regulations				
Domestic Animal Registration Fees				
Maximum Fee (As Set by Council)	Animal	\$150.00	\$155.00	3.33%
Reduced Fee (Set by the Act =not greater than 33.33% of Maximum Fee)	Animal	\$35.00	\$36.00	2.86%
Pensioner Fee (Set by the Act = 50% of Reduced Fees)	Animal	\$18.00	\$18.00	0.00%
Pound Fees				
Domestic Animals (Dogs/Cats)	Day	\$15.00	\$15.00	0.00%
Domestic Animals - Puppies/Kittens	Day	N/A	N/A	
Domestic Animal - Administration Fee (Accounting/Advertising/Release etc.)		\$90.00	\$93.00	3.33%
Domestic Animals - After Hours Collection Fee when impounded	Collection	\$90.00	\$93.00	3.33%
Livestock - per animal	Day	see below		
Livestock - Sheep	Head/Day	\$10.00	\$5.00	-50.00%
Livestock - Cattle	Head/Day	\$15.00	\$15.00	0.00%
Livestock - Horses	Head/Day	\$15.00	\$15.00	0.00%
Livestock - Stallions & Bulls	Head/Day	\$50.00	\$55.00	10.00%
Livestock - Other	Head/Day	\$15.00	\$15.00	0.00%
Transport - By Staff	Trip	\$90.00	\$95.00	5.56%
Transport - By Contractor	Trip	At Cost +10%	At Cost +10%	
Livestock - Administration Fee (Accounting/Advertising/Release etc.)	Offence	\$90.00	\$95.00	5.56%
Livestock - After Hours - when livestock are impounded	Offence	N/A	N/A	
Impound/Call Out Fees				
Staff impound/Call out fee		\$90.00	\$95.00	New
Contractor impound/Call out fee		At cost +10%	At Cost +10%	New
Surrender of Animals (new fee)				
Animals to be euthanised where owner surrenders -		\$75.00	\$80.00	New
All animals		\$75.00	\$80.00	6.67%
Other Fees				
Vet Fees (all animals)		At Cost +10%	At Cost +10%	
After hours Ranger fees		N/A	N/A	
Disposal of Animals (new fee)				
Weight 11 - 29 kgs		N/A	N/A	N/A
Weight 30 - 39 kgs		N/A	N/A	N/A
Weight 40 - 60 kgs		N/A	N/A	N/A
Domestic Animal Business (new fee)				
Registration and Renewal		\$200.00	\$210.00	5.00%
Impoundment (new fee)				
Abandoned motor vehicles		N/A	N/A	N/A

Budget 2012/2013 - Council Fees	Fee Unit	Fees 2011/12	Proposed Fees 2012/13	% Increase 2012/13
Local Laws - Permits				
Permit to graze livestock by resident owner		\$30.00	\$35.00	16.67%
Registered Charities/Not for Profit Organisations (All activities)	Permit	No Charge	No Charge	
Other Permits (Administration Fee)	Permit	\$60.00	\$65.00	8.33%
Roadside Firewood Collection			\$10.00	
Saleyards				
Agents Yard Fee for sale days (cattle sold per head)		\$0.27	\$0.28	3.70%
or			\$0.00	
Fee per sale (whichever is greater)		\$275.00	\$290.00	5.45%
Crush Use		\$1.73	\$1.80	4.00%
Weighings		\$2.89	\$3.00	3.81%
Scanning		\$1.98	\$2.10	6.06%
General Yard Use (not associated with sales) per day - Cattle		\$2.31	\$2.40	4.00%
	Sheep	\$0.21	\$0.22	4.00%
	Horse	\$5.00	\$5.20	4.00%
	Alpaca	\$5.00	\$5.20	4.00%
	Llama	\$5.00	\$5.20	4.00%
Truch wash		\$1.10	\$1.15	4.55%
Fees Associated with Sales				
2nd day before sale day (before mid-day)		\$2.31	\$2.40	4.00%
2nd day before sale day (after mid-day)		\$7.50	\$7.80	4.00%
Day before sale day		\$7.50	\$7.80	4.00%
Sale day		\$7.50	\$7.80	4.00%
Day after Sale day (before 5.00pm)		\$7.00	\$7.28	4.00%
Day after Sale day (after 5.00pm)		\$2.31	\$2.40	4.00%
Other days between sales		\$2.31	\$2.40	4.00%
Use of yards as a trans-shipment point (max. 12hours)		\$200.00	\$210.00	5.00%
Single Truck Operators		\$100.00	\$105.00	5.00%
Health Fees				
Food Premises etc. Fees				
Class 1 Food Premises	Permit	\$450.00	\$460.00	2%
Class 2 Food Premises	Permit	\$450.00	\$460.00	2%
Class 2 with 3rd party FSP	Permit	\$450.00	\$460.00	2%
Class 3 Food Premises	Permit	\$300.00	\$200.00	-33%
Class 4 Food Premises	Permit	\$0.00	\$0.00	0
Additional premised inspection - hourly fee	hourly	\$80.00	\$80.00	0%
Extra inspection (after 2nd inspection)	hourly	\$100.00	\$100.00	0%
Food vehicle				
Class 2	Permit	\$260.00	\$260.00	0%
Class 3	Permit	\$160.00	\$160.00	0%
Temporary Food Stall				
Single event				
Class 2	Permit	\$100.00	\$110.00	10%
Class 3	Permit	\$50.00	\$60.00	20%
Class 4 (sausage sizzles etc., for fund raising)	Permit	\$0.00	No Fee	0
Single event for Sporting Clubs registered in Strathbogie	Permit	50% discount of fee		New
Annual Fee				
Class 2	Permit	\$200.00	\$200.00	0%
Class 3	Permit	\$100.00	\$100.00	0%
Class 4 (sausage sizzles etc., for fund raising)	Permit	\$0.00		0
Food Stall for Long Term established Community Groups, e.g. Lions Club, Apex etc.	Permit	No fee	No Fee	New
Late Fees for Registration				
Fees not submitted by due date	Each	50% of registration fee	50% of Registration Fee	0%
Additional Fees - Food Premises				
More than 5 persons employed	Permit	\$10 per person to a maximum of \$2,500	\$10 per person to a maximum \$2,500	0%
Refunds				
Refund due to closure	Permit	No refund	No refund	0%

Budget 2012/2013 - Council Fees	Fee Unit	Fees 2011/12	Proposed Fees 2012/13	% Increase 2012/13
Submission of plans				
Application fee for submission of plans	Application	50% of Registration Fee	50% of Registration Fee	New
Inspections				
Pre Inspection of New Premise prior to opening	Each	\$100.00	\$100.00	0%
Pre Inspection of Premise being sold	Each	\$100.00	\$100.00	0%
Priority inspection request (within 5 days)	Each	\$140.00	\$150.00	7%
Urgent inspection request (within 48 hrs)	Each	\$250.00	\$260.00	4%
Public Health & Well being Act Fees				
Hairdressers, beauty parlours, skin penetration or similar	Permit	\$80.00	\$140.00	75%
Allied Health and Alternative Therapy Including Massage Therapy and Acupuncture, etc.			\$140.00	New
Joint Hairdressers, beauty parlours, skin penetration or similar	Permit	\$110.00	\$140.00	27%
Prescribed Accommodation	Permit	\$150.00	\$180.00	20%
Extra Inspections	Each	\$100.00	\$100.00	New
Septic Tank Application Fees				
New Installation	Permit	\$340.00	\$350.00	3%
Alteration	Permit	\$170.00	\$180.00	6%
Additional Inspections	Each	\$100.00	\$100.00	0%
Boat Ramp Fees				
Boat Ramp	Day	\$10.00	\$10.00	0.00%
Boat Ramp Residents	Annum	\$65.00	\$70.00	7.69%
Boat Ramp Non-Residents	Annum	\$110.00	\$115.00	4.55%
Tourist Attraction Signage				
4' Standard Name Blade	Sign	\$155.00	\$160.00	3.23%
Other sizes	Sign			
Wesley Hall User Fees				
Main Hall - half day hire			\$150.00	
Main Hall - full day hire			\$280.00	
Main Hall - evening hire			\$150.00	
Kitchen - half day hire			\$50.00	
Kitchen - full day hire			\$100.00	
Bond			\$300.00	

Appendix F Financial Ratios

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

Financial Ratios	Budget		Forecast								
	1 Jul 12	1 Jul 13	1 Jul 14	1 Jul 15	1 Jul 16	1 Jul 17	1 Jul 18	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
	30 Jun 13	30 Jun 14	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22	30 Jun 23
AG (Auditor General) Ratios											
Underlying Result Ratio	-23.50%	-4.02%	-1.47%	0.11%	1.69%	3.22%	4.69%	6.14%	7.77%	9.40%	11.00%
Liquidity	113.84%	124.54%	125.84%	144.50%	171.10%	183.12%	190.23%	170.53%	170.65%	165.20%	178.28%
Indebtedness	17.38%	12.50%	8.51%	4.87%	3.78%	2.74%	2.09%	1.71%	1.35%	1.32%	1.28%
Investment Gap	2.11	1.36	1.51	1.40	1.54	1.70	1.85	2.00	1.93	2.12	2.06
Revenue Ratios											
Average Rates & Charge/Assessment	2,009.14	2,153.92	2,309.52	2,446.29	2,591.30	2,745.07	2,908.13	3,081.04	3,264.41	3,458.86	3,665.08
Recurrent Grants/Total Revenue	20.00%	27.60%	26.76%	26.14%	25.52%	24.92%	24.32%	23.73%	23.14%	22.56%	21.99%
Fees & Charges/Total Revenue	7.21%	6.26%	6.12%	6.02%	5.93%	5.83%	5.74%	5.64%	5.55%	5.45%	5.36%
Rate Revenue/Total Revenue	56.85%	57.77%	59.85%	60.83%	61.80%	62.75%	63.69%	66.49%	67.25%	68.00%	68.75%
Expense Ratios											
Average Operating Expenditure per Assessment	3,399.14	3,382.05	3,483.10	3,591.72	3,704.15	3,822.13	3,946.27	4,074.86	4,199.71	4,328.62	4,461.87
Adjusted Total Expenses (excl Depreciation) per Assessment	2,765.71	2,747.86	2,846.22	2,940.25	3,037.78	3,140.53	3,249.11	3,361.79	3,470.39	3,582.69	3,698.97
Depreciation/Total Assets	2.14%	2.08%	2.03%	2.02%	2.00%	1.97%	1.94%	1.92%	1.89%	1.86%	1.83%
Employee Costs as a % of Adjusted Total Expenses	39.86%	41.88%	42.43%	42.70%	42.97%	43.21%	43.43%	43.64%	43.73%	43.82%	43.90%
Capital Expenditure (CAPEX) Ratios											
Average Capital Expenditure per Assessment	1,336.86	863.90	964.20	909.55	1,028.33	1,159.20	1,288.18	1,428.88	1,405.37	1,583.36	1,572.22
Capital Expenditure on Renewal & Upgrade/Depreciation	133.15%	129.41%	143.82%	133.72%	149.82%	162.58%	176.52%	191.33%	184.28%	202.66%	196.76%
Renewal Expenditure/Renewal Demand Ratio (%)	74.32%	75.11%	87.63%	83.83%	98.15%	100.52%	108.30%	118.05%	115.96%	129.82%	129.02%
Debt Ratios											
Debt Service/Total Income	1.15%	0.82%	0.61%	0.43%	0.26%	0.15%	0.10%	0.05%	0.03%	0.01%	0.00%
Debt Commitment Ratio	8.22%	5.11%	4.57%	3.89%	3.65%	1.08%	1.02%	0.62%	0.35%	0.32%	0.00%
Debt Management Ratio (Total Debt/Rate Revenue)	21.25%	15.84%	11.04%	7.11%	3.41%	2.33%	1.31%	0.68%	0.33%	0.00%	0.00%
Financial Performance											
Operating Result per Assessment	59.57	271.28	298.88	351.43	409.45	471.06	536.17	473.34	565.88	666.76	775.36
Financial Position											
Total Assets per Assessment	29,545.00	30,423.04	31,336.13	32,325.22	33,384.58	34,588.85	35,880.01	37,144.48	38,538.84	40,065.61	41,746.41
Total Liabilities per Assessment	984.43	927.50	862.04	801.03	735.35	733.07	729.26	734.95	746.73	760.09	784.32

Appendix G

Reconciliation of Advertised Budget to Adopted Budget

This appendix provides a reconciliation of the advertised budget statements to the adopted budget. The adjustments have been necessitated by changed circumstances following the budget advertising. The amendments are mainly of a timing nature but have collectively resulted in favourable movements in Council's financial position and capital works program. The adjustments do not necessitate any changes to the advertised rates and charges.

Reconciliation of Advertised Budget to Adopted Budget	Operating Result 2012/13 \$000	Balance Sheet 2012/13 \$000	Cash Flow 2012/13 \$000	Capital Expenditure 2012/13 \$000
Advertised Budget	1,986	198,687	2,680	7,245
Victorian Grants Commission Funding - prepaid June 2012	(2,328)	0	0	0
Increased Victorian Grants Commission funding	157	157	157	0
Unanticipated flood recovery funding 2011/12		678	678	
Unanticipated flood recovery funding 2012/13	677	677	677	
Unanticipated flood recovery operating expense 2011/12		(200)	(200)	
Unanticipated flood recovery capital works 2012/13			(1,155)	1,155
Increased cost of waste disposal	(75)	(75)	(75)	0
Deferred 2011/12 capital works -				
Plant and machinery	0	0	0	50
Violet Town transfer station	0	0	0	294
Birkett Street, Euroa roadworks	0	0	0	95
Amended Budget	417	199,924	2,762	8,839